APPROVE AGREEMENT BETWEEN THE CITY AND THE SHERWOOD MANOR HOMEOWNERS ASSOCIATION FOR LEASE OF LAND ADJACENT TO SHERWOOD PARK (SHERWOOD PARK POOL AREA)

RECOMMENDATION

It is recommended that the City Council approve a motion authorizing the City Manager to execute a 15 year Lease Agreement (Attachment A) between the City and Sherwood Manor Homeowners Association for the operation of the Sherwood Park Pool. It is further recommended that the motion authorize the City Manager to take all necessary actions to carry out the purpose and intent of this motion.

Summary

The City has contracted with the Sherwood Manor Homeowners Association (HOA) since 1957 for the operation of the Sherwood Park Pool. The City leases the pool property to the HOA at no cost, and the HOA manages the operations and maintenance of the facility with a portion of HOA dues received directly from homeowners. The current agreement has been in effect for 15 years and is set to expire on March 31, 2016.

The HOA is responsible for all expenses related to the management, operation, and maintenance of the pool as well as complying with state and local laws and City policies related to personnel, and insurance requirements. The City is responsible for reviewing and approving any requests to alter the property and to provide copies of all applicable City policies to the HOA for the purposes of ensuring compliance.

It is recommended that the Council approve a new lease Agreement with the HOA for an additional term of 15 years. The term will begin April 1, 2016 and terminate on March 31, 2031. The HOA will continue to manage the facility utilizing a portion of the revenues from HOA assessments received from the homeowners. The City will not incur additional expenses or receive revenue for the operation of the pool.

DISCUSSION

Background

In 1957, Stone Brothers Developer dedicated three (3) parcels of land to the City under the terms of the City Subdivision Ordinance. The pool and other improvements were financed by advances from the development, then later maintenance and operations were financed by an annual assessment. By formal Agreement the pool would be operated by the Sherwood Homeowners Association (HOA) for exclusive use by association members and their guests. The general public is also able to use
the pool with a purchase of a season pass.

The agreement was renewed for 15 year terms in 1972, 1987 and again in 2001 with similar terms and conditions. Upon termination of the agreement by either party, the property reverts to the City with responsibility for all maintenance, operations and improvements.

Present Situation

Sherwood Manor has maintained the facility for the life of the pool and continues to hold to high standards in its operation. Recent improvements to the pool facility, which were approved by the City, include a wrought iron perimeter fence that replaced an older chain link fence which had been installed in the 1960's.

The present agreement will terminate March 31, 2016. The City continues to see a benefit in having a recreational aquatic facility on the property for the use of homeowners and members of the public. Staff concurs with the HOA Board of Directors that renewing the lease for an additional 15 years would be beneficial to both parties. Agreement terms will remain the same and include HOA responsibility for adherence to relevant safety laws and City policies and procedures, maintenance and operation of the facility, maintain appropriate insurance requirements, and be responsible for the payment of all utilities, taxes and permit fees. In addition, any proposed improvements on the site must first be approved by the City.

Public Notice

In accordance with the requirements of the City Charter (Article 5: City Council Actions) “A Notice of Intent to Lease City Property” has been published at least 10 days prior to City Council Action.

FINANCIAL SUMMARY

Lease of the facility under the terms of this agreement will have no impact on the General Fund. All revenue generated from operating the facility will be used by the lessee for related expenses, including but not limited to: insurance, janitorial, repair, maintenance, supplies and staffing.

Attachment A - 2016 Sherwood Park Pool Agreement