



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
County Manager



Date: August 16, 2016
Board Meeting Date: September 20, 2016
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: John L. Maltbie, County Manager

Subject: Amendment to a Permit Agreement with PG&E for the use of a portion of the Tower Road Complex, in unincorporated San Mateo

RECOMMENDATION:

Adopt a resolution:

- A) Authorizing the President of the Board of Supervisors to execute an amendment to Permit Agreement 5387 with Pacific Gas and Electric Company for the use of a portion of the Tower Road Complex located in unincorporated San Mateo, extending the term through December 31, 2017, and modifying the base rent to \$27,557 per month; and
- B) Authorizing the County Manager, or his designee, to accept and execute on behalf of the County any and all notices, options, consents, approvals, terminations, and documents in connection with the Amendment to the Permit Agreement.

BACKGROUND:

Pacific Gas and Electric Company ("PG&E") has been upgrading a segment of a gas transmission line in San Mateo County (the "Project"), and requires a location to store and stage equipment and materials necessary for the Project. In April 2014, PG&E identified the Tower Road Complex as a viable location for this "Laydown Yard" and entered into a short-term permit with the County for the use of approximately one acre of vacant land through the end of July 2014. PG&E and the County then entered into a second permit agreement increasing the size of the permitted area to two acres, including approximately 7,887 square feet for office trailers, and extending the term through March 2015.

Subsequently, a third permit agreement (Permit Agreement 5387) was executed for a term expiring in March 2016 and removed the office trailer area from the permitted area. This permit agreement included an option, which was exercised, to extend the term for an additional six months through September 30, 2016.

DISCUSSION:

Real Property Services has negotiated an Amendment to the Permit Agreement with PG&E extending the term through December 31, 2017 at an initial monthly fee of \$27,557.60, and increasing by 3% starting on October 1, 2017. Upon completion of the Project, PG&E will remove all materials, restore the premises to its original condition, and repair any damage, including the application of hydroseed under the direction of the County. The proposed amendment does not include an option to extend the term, but does provide either party with the option to terminate the Permit at any time with 120 days advance notice.

County Counsel has reviewed and approved the amendment and resolution as to form. The Department of Public Works Facilities Services Manager concurs with this recommendation.

This action promotes the County's vision of a Collaborative Community by providing a Laydown Yard for PG&E to complete important infrastructure improvements that benefit the County's residents and visitors while generating revenue for the Department of Public Works.

FISCAL IMPACT:

The revenue generated, \$415,844.18, for the term of the Permit Agreement will be deposited into the Facilities Maintenance and Operations Budget.