



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY MANAGER

File #: 19-1202

Board Meeting Date: 12/10/2019

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Michael P. Callagy, County Manager

Subject: Conveyance of Property Rights to the City of San Mateo in Support of the City's Underground Flow Equalization Project at the San Mateo County Event Center

RECOMMENDATION:

Adopt a resolution authorizing:

- A) The President of the Board of Supervisors to execute an agreement between the County of San Mateo and the City of San Mateo for the acquisition and conveyance of property rights in support of City of San Mateo's Underground Flow Equalization System Project ("Agreement") at the San Mateo County Event Center; and
- B) The President of the Board of Supervisors to execute an Easement Deed and Agreement for the Underground Flow Equalization System Project ("Easement Deed"); and
- C) The County Manager or designee to execute notices, documents and escrow instructions associated with the Agreement and Easement Deed.

BACKGROUND:

The City of San Mateo (City) operates a wastewater system that currently has insufficient capacity to address the wet weather flows that occur during winter months, which results in sanitary sewer overflows. The City is required by a 2009 Cease and Desist Order issued by the San Francisco Bay Regional Water Quality Control Board to eliminate the sewer overflows. In order to comply, the City adopted the Underground Flow Equalization System Project (UFES), which will increase the capacity of its wastewater system by constructing an underground in-system storage facility upstream of the wastewater treatment plant.

The County owns the San Mateo County Event Center (Event Center), located at 2495 Delaware Street, in the City of San Mateo. The City identified the Event Center as a potential site for the storage facility. On September 26, 2017, the County approved an Option Agreement for Purchase of

Easement (Option Agreement). The Option Agreement granted the City the exclusive right to purchase a permanent easement for location of the storage facility as well as temporary construction easements to facilitate construction of the facility, including the underground storage facility, the pipeline connecting the facility to the City's wastewater collection system and all required appurtenances.

DISCUSSION:

Pursuant to the terms of the Option Agreement, the City paid the County \$100,000 for the option to purchase the Permanent Easement for location of the underground storage basin, and the temporary construction easements required for ingress and egress and construction of the UFES system. An appraisal was commissioned to determine fair market value for the property rights to be granted by the County to the City. The City and County agreed to a purchase price of \$5,192,000 for the Permanent Easement and \$2,308,000 for the Temporary Construction Easements. The Option Agreement purchase price of \$100,000 will be deducted from the purchase price of the Permanent Easement.

The City expects to begin construction during the Spring of 2020 and expects to complete construction within the three-year timeframe set out in the Agreement. Construction of the UFES system is subject to the Permit Terms and Conditions attached to the Agreement as Exhibit B. Project Site Plans attached as Exhibit C particularly describe the facilities and improvements that must be installed at the City's sole cost and expense. The Event Center is contributing to certain improvements requested by the Event Center, including a motorized gate and new sidewalk at the entrance to the Event Center on Saratoga Avenue.

The City agrees not to engage in construction or related activities on the days on which the Event Center is hosting certain key events at the Event Center. A list of those "Blackout Dates" is attached to the Agreement as Exhibit D. The City also agrees to otherwise take all reasonable measures to prevent or minimize potential impact on Event Center operations. In the event City's activities may impact access to or from the Event Center, the City will provide written traffic control plans for County's prior approval. In the event of conflict, a resolution process is set forth in the Agreement, with the CEO of the Event Center and the City's Director of Public Works as the respective representatives for the County and the City.

County Counsel has reviewed and approved the Agreement and Resolution as to form.

FISCAL IMPACT:

Revenue from the sale of the property rights to be transferred from the County to the City will be shared equitably between the Event Center and the County's General Fund.