



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY MANAGER

File #: 16-452

Board Meeting Date: 8/8/2017

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: John L. Maltbie, County Manager

Subject: Permit Agreement with the Peninsula Corridor Joint Powers Board for the use of County-owned property as construction staging for the 25th Avenue Grade Separation Project.

RECOMMENDATION:

Adopt a resolution authorizing:

- A) The President of the Board of Supervisors to execute a Permit Agreement with the Peninsula Corridor Joint Powers Board to allow for the use of County-owned property as construction staging for the 25th Avenue Grade Separation Project; and
- B) The County Manager, or his designee, to accept or execute on behalf of the County any and all notices, options, consents, approvals, terminations, and documents in connection with the Permit Agreement.

BACKGROUND:

The Peninsula Corridor Joint Powers Board ("JPB"), in collaboration with the City of San Mateo, has completed the designs for the 25th Avenue Grade Separation Project. The project's scope consists of elevating the train tracks between Hillsdale Boulevard and Highway 92, lowering the roadway at 25th Avenue, and relocating the Hillsdale Train Station to between 28th Avenue and 31st Avenue ("Project"). Further, the Project will provide the opportunity to create the east-west connections at 28th Avenue and 31st Avenue as outlined in the Bay Meadows Transit Oriented Development Plan. The Project will increase vehicular and pedestrian safety while reducing local congestion. It is estimated that the Project will take two and a half years to complete and cost \$180,000,000.

During the design phase of the Project, JPB approached the County regarding the potential use of County-owned property for the staging of construction equipment and supplies. The County owns two parcels, San Mateo County Assessor's Parcel Numbers 039-086-020 and 039-087-020 ("Property"), which are located at the intersection of Delaware Street and 25th Avenue; and shown in Exhibit A. Assessor's Parcel Number 039-086-020 is located south of 25th Avenue and is approximately 0.52 acres in size. Assessor's Parcel Number 039-087-020 is located north of 25th

Avenue and is approximately 0.66 acres. The two parcels are undeveloped and currently used by the San Mateo County Event Center for parking.

Upon being approached by JPB, County contacted the San Mateo County Event Center ("Event Center") to better understand existing and future demands on the Property. Currently, the Event Center leases portions of the Property to five tenants. The existing leases generate approximately \$51,300 in revenue for the Event Center per year.

DISCUSSION:

JPB anticipates Project construction to commence in September 2017, and take approximately two and a half years to complete. The Project requires a construction staging area located adjacent to the Project site to store equipment, materials, supplies, and office trailers. Due to the Property's proximity to the Project site, it offers JPB the opportunity to efficiently stage and access supplies and materials during construction. County and JPB have negotiated a Permit Agreement ("Permit") with a term commencing September 1, 2017 and expiring September 1, 2021 or upon Project completion, whichever occurs first. The Permit authorizes JPB to occupy the Property for the purpose of staging necessary construction equipment, materials, and supplies.

While negotiating the Permit, it was agreed that in lieu of a permit fee, JPB would pave the Property upon completion of the Project. The paving would enhance the Property's aesthetics and functionality. Prior to finalizing the terms of the Permit, County staff determined it would be more advantageous for the County to collect a permit fee. By accepting a permit fee, County has greater flexibility in how the funds are used. If the County desires, the funds could be used to pave the Property. However, the County could also redevelop the Property and use the funds for other enhancements to the Event Center grounds. As it was originally agreed to that JPB would pave the Property in lieu of a permit fee, the permit fee was set at the amount it would have cost to pave the Property, plus 20% for inflation. In consideration for the rights granted in the Permit, JPB will pay County \$514,249. While this is below fair market value, the Permit Fee provides considerable capital to make needed improvements to the Event Center grounds.

The Property currently serves as parking for five Event Center tenants. In total, the Property generates approximately \$51,300 in revenue for the Event Center per year. The Event Center has stated that during the term of the Permit, they will be able to relocate these tenants to adjacent areas on the main Event Center grounds. This will prevent the Event Center from losing revenue. Further, pursuant to the Permit, during the San Mateo County Fair and Makers Faire, JPB is required to relocate staged supplies and equipment from Assessor's Parcel Number 039-087-020 to make available additional parking stalls.

County Counsel has reviewed and approved the Permit and resolution as to form.

Approval of this action will contribute to the Shared Vision 2025 outcome of a Collaborative Community by supporting JPB in the implementation of the 25th Avenue Grade Separation Project while securing funding for future enhancements of the San Mateo County Event Center grounds.

FISCAL IMPACT:

The Permit Fee, totaling \$514,249, will be deposited into the Event Center Trust Fund held by the County in order to be used for future improvements to the Event Center grounds.

Attachment: Exhibit A