



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY MANAGER

File #: 16-576

Board Meeting Date: 9/26/2017

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: John L. Maltbie, County Manager
Subject: Option Agreement with the City of San Mateo for the purchase of easements over portions of the County-owned property located at 2495 South Delaware Street in the City of San Mateo

RECOMMENDATION:

Adopt a resolution authorizing:

- A) The President of the Board of Supervisors to execute an Option Agreement with the City of San Mateo for the purchase of easements over portions of the County-owned property located at 2495 South Delaware Street in the City of San Mateo to support the City of San Mateo's Clean Water Program; and
- B) The County Manager, or his designee, to execute all documents necessary for the sale and conveyance of temporary and permanent easements to the City of San Mateo as authorized in the Option Agreement.

BACKGROUND:

The City of San Mateo's ("City") wastewater system currently has insufficient capacity to address the wet weather flows that occur during winter months. This leads to sanitary sewer overflows ("SSOs"). In March 2009, the San Francisco Bay Regional Water Quality Control Board issued a Cease and Desist Order mandating the elimination of SSOs. In order to comply, the City plans to increase the capacity of its wastewater system by constructing an underground, in-system storage facility upstream of the wastewater treatment plant ("Project").

The Project will have capacity to temporarily store approximately 5 million gallons of wastewater during heavy rains. During these conditions, flows will be diverted from the sewer pipes to the storage facility to prevent SSOs. After storms subside, wastewater in the storage facility will be pumped back into the collection system pipes and transferred to the wastewater treatment plant.

Among the potential Project locations evaluated in the City's Final Programmatic Environmental

Impact Report were portions of the County-owned property located at the San Mateo County Event Center at 2495 South Delaware Street ("Property").

On July 17, 2017, the San Mateo City Council selected the Property as the preferred Project location owing to its proximity to where most of the SSOs have occurred.

DISCUSSION:

To support the construction, operation, and maintenance of the Project, the City and County have negotiated an Option Agreement for Purchase of Easements ("Agreement"), which would entitle the City to purchase from the County temporary and permanent easements over portions of the Property. The Agreement and location of the easements are attached as Exhibit A.

The Agreement is for a term of thirty-six months, after which time, if the City does not exercise the option to purchase the easements, the Agreement will terminate. In consideration of the rights granted, the City will pay the County \$100,000 ("Option Payment"). Should the City exercise the option and purchase the easements, an appraisal to identify the fair market value of the easements will be prepared by a licensed appraiser mutually agreed upon by the County and City. The fair market value identified in the appraisal will be the purchase price for the easements. The Option Payment will be credited to the final purchase price.

During the term of the Agreement, the City will have the right to access the Property to conduct necessary investigative activities, including environmental investigations, photographing, surveying, drilling and sampling of groundwater, installation of standpipe wells and associated pump testing, geotechnical studies and borings, soil sampling and testing, utility potholing, and other similar reasonable site investigation activities. The City will be required to provide the San Mateo County Event Center staff fourteen (14) calendar days' notice before investigatory activities occur in order to minimize the impact on event center operations. Further, no investigatory activities will be permitted to occur in a manner that would disrupt the San Mateo County Fair or Maker Faire.

If the City exercises its option, the temporary construction easement rights will include the following: the right to access and occupy the easement areas for the purposes of constructing and commissioning a below-ground wastewater storage basin and pipeline(s) required to connect the basin to the City's wastewater collection system and any ancillary equipment and minor appurtenances located at ground level.

The permanent easement rights will include the following: the perpetual right to construct, operate, inspect, maintain, and repair or replace a below-ground wastewater storage basin and pipeline(s) required to connect the basin to the City's collection system and the right to construct, operate, inspect, maintain, and repair or replace any ancillary equipment, and minor appurtenances located at ground level. During the term of the Option, and if the Project is constructed, County and Event Center will not be allowed to construct any permanent improvements within or over the easements.

County Counsel has approved the Option Agreement and resolution as to form.

Approval of this resolution contributes to the Shared Vision 2025 outcome of an Environmentally Conscious Community by supporting the Project, which will eliminate sanitary sewer overflows within the City of San Mateo.

FISCAL IMPACT:

The Option Payment and funds received for the purchase of the easements will be deposited into the Event Center Trust Fund held by the County.