



# County of San Mateo

## Inter-Departmental Correspondence

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**Department:** PUBLIC WORKS

**File #:** 16-808

Board Meeting Date: 12/5/2017

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**Special Notice / Hearing:** None

**Vote Required:** 4/5ths

**To:** Honorable Board of Supervisors

**From:** James C Porter, Director of Public Works

**Subject:** Loan Agreement with the Town of Atherton for the Bayfront Canal and Atherton Channel Collaborative Memorandum of Understanding

### **RECOMMENDATION:**

**Measure K:** Adopt resolutions authorizing:

- A) The President of the Board of Supervisors to execute an agreement between the Town of Atherton and the County that provides a \$165,000 loan to the Town of Atherton to pay its proportionate share of the costs of planning, design, and environmental permitting services for the Bayfront Canal and Atherton Channel Flood Management and Restoration Project; and
- B) An Appropriation Transfer Request (ATR) recognizing unanticipated **Measure K** revenue of \$165,000 and making a corresponding appropriation in Loans to Other Agencies in Non-Departmental Services.

### **BACKGROUND:**

On February, 23, 2016, your Board accepted the report entitled "Improving Flood Control in San Mateo County's Areas of Responsibilities" and approved Resolution No. 074363 for an Appropriation Transfer Request to begin implementation of the report recommendations. The Bayfront Canal and Atherton Channel Flood Management and Restoration Project (Project) was described as an anticipated project related to flood protection, resilience, restoration, and storm drainage facilities that would be evaluated, studied, permitted, and designed by the Program.

The Bayfront Canal (Canal) receives the majority of its runoff from the areas south of Hwy 101, including areas in Redwood City, Menlo Park, Atherton and the County unincorporated area of North Fair Oaks. The Atherton Channel joins the Canal near Marsh Road before the Canal drains into Flood Slough and the Bay adjacent to the Bayfront Bedwell Park. The Atherton Channel receives runoff from the Cities of Redwood City and Menlo Park, the Towns of Woodside and Atherton, and the County unincorporated areas.

The flow from each jurisdiction that discharges to the Canal was calculated to be: Town of Atherton (38%), the City of Redwood City (26%), County of San Mateo (22%), City of Menlo Park (10.5%), and the Town of Woodside (3.5%). The Cities of Redwood City and Menlo Park, the Town of Atherton, and the County (Collaborative) have agreed to contribute funding for this Project based on each Collaborative member's flow contribution. The Collaborative has executed a Memorandum of Understanding (MOU) for planning, design, and environmental permitting for the Project in an amount not-to-exceed \$1,000,000. The Town of Woodside (Woodside) was invited to participate, but was not interested in participating in the Project. The Collaborative has agreed to absorb Woodside's 3.5% percentage contribution of flow to the Bayfront Canal.

On October 4, 2017, the City Managers of the Collaborative met with the Assistant County Manager and Director of Public Works to reach consensus on the flow contributions by each party. At this meeting, the Town of Atherton (Atherton) indicated that the maximum financial contribution to the MOU from Atherton would be capped at \$165,000. The remaining Collaborative members have agreed to distribute the residual amount beyond the cap (\$233,000) to their jurisdictions based on flow percentages.

On October 4, 2017 the Atherton Town Council authorized execution of the MOU for the Project at a maximum contribution amount of \$165,000 and requested a loan from the County for this amount.

Your Board adopted Resolution No. 075517 on October 17, 2017, which authorized the County Manager to execute the MOU as the last Collaborative member agency to execute the MOU.

#### **DISCUSSION:**

The MOU has a not-to-exceed value of \$1,000,000, which is anticipated to fund the planning, design, and environmental permitting for the Project. The MOU financial contribution percentages are as follows: Atherton 16.5% (up to \$165,000); City of Redwood City 36.2% (up to \$362,000); County of San Mateo 31.3% (up to \$313,000); City of Menlo Park 16.0% (up to \$160,000), and Town of Woodside 0.0% (\$0).

Atherton is seeking a loan from the County for their share of the MOU costs. The proposed loan is for 10 years at a fixed interest rate of 1.2%. The loan provides that Atherton can accelerate payments if desired and the loan amount will be provided to Atherton in one lump sum payment to be drawn upon as invoices pursuant to the MOU are received from County.

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

Approval of this resolution will contribute to the Shared Vision 2025 outcome of a Collaborative Community by continuing the partnership with other agencies to build multijurisdictional solutions to flooding in our communities.

#### **FISCAL IMPACT:**

The term of the Loan Agreement will be from December 5, 2017 to December 4, 2027. The funds to pay for this Loan will be from **Measure K** Funds. The not-to-exceed amount for this Loan Agreement is \$165,000. The Appropriation Transfer Request enables the loan amount to Atherton. Loan payments will be subtracted by the Controller's Office from Atherton's property tax revenue in December and April of each fiscal year, the proceeds of which will be returned to the **Measure K** Trust Fund