May 12, 2015

Marin County Board of Supervisors  
3501 Civic Center Drive, Room 329  
San Rafael, CA 94903

SUBJECT: Resolution about a Co-Owners Agreement with Marin Healthcare District for authorization to construct garages on co-owned property at 250 Bon Air, Greenbrae, CA 94904

Dear Board Members:

RECOMMENDATION:
Adopt the resolution authorizing the President to execute the Co-Owners Agreement ("Agreement") between the County of Marin and the Marin Healthcare District ("MHD"), a political subdivision of the State of California, regarding the property of approximately 4.98 acres, including the Community Mental Health Building ("CMHB"), which is located on Bon Air Road in Marin County, California in which the County owns an undivided 51% interest, and MHD owns an undivided 49% interest in the fee title, and to authorize the County Administrator and County Counsel to take actions, as necessary, to implement the Agreement. The Agreement provides for the construction of up to two garages on the co-owned property and for other clarifications as to the parking after construction of the garages, as well as other conditions regarding the provision of mental health services. The co-owned property is a portion of and integrated with certain other real property and improvements, including Marin General Hospital ("Hospital").

SUMMARY: In November 2013, Marin County voters approved a measure allowing MHD to issue up to $394,000,000 in bonds to improve Marin General Hospital and related facilities with new construction, acquisitions, and renovations. The MHD Board in 2013 approved an environmental impact report ("EIR") for the construction of a new hospital, which will meet State of California seismic requirements and a new parking structure located on the co-owned property in the first phase (Phase 1), and an ambulatory services building and second garage ("Phase 2"). In April 2015, the MHD Board approved the second addendum to the EIR regarding (1) entrance locations, (2) design details of the Hospital Replacement Building ("HRB"), (3) bus stops and circulation details, (4) emergency generators, (5) parking details, and (6) construction activity. The County Planning Commission on February 9, 2015 approved the design review and temporary-use permit with terms and conditions under Resolution PC15-003 for the construction of the first of two garages on the co-owned property.

County departments, including the Department of Public Works and the Community Development Agency, have worked very closely and cooperatively with MHD's and the Hospital's consultants to expedite the plan-check review of the construction documents, and MHD is very close to completing all of the requirements of PC15-
003 so that a building permit for the first garage can be issued. One of the conditions, prior to the issuance of the building permit, is the County Board of Supervisors' approval of this Co-Owner Agreement since the County owns 51% interest in the property.

The Agreement provides that all costs for the construction, operation, and maintenance of the parking garages shall be the responsibility of MHD. There is a separate operating agreement between the parties as to operating and capital costs relating to the CMHB. The Agreement provides for the designation of parking specific to County staff needs and to Hospital staff needs after completion of the first garage, estimated to be approximately one year from now. The first garage, consisting of about 415 parking spaces, shall be for the use of the Hospital staff only, and fifty spaces located on a future surface lot adjacent to the future first garage will be designated for County-use only. The remainder of all the spaces around the entire site, including both the Hospital and co-owned property, will be open to anyone including patients, visitors, County staff, or Hospital staff. The new hospital – the HRB – will be constructed sometime after the first garage is finished. When the new hospital is constructed, completing Phase 1, there are estimated to be about 296 parking spaces will be open to the public.

Upon commencement of the construction of the second garage, the Agreement provides for the relocation of the fifty designated County parking spaces to a temporary location, and upon completion of the second garage, the fifty designated County spaces shall be located in the second garage. The Agreement also provides for a process in which either MHD or the County can review parking needs in the future through third-party professional traffic and parking engineers.

The Department of Health and Human Services (HHS) operates out-patient mental health, while the Hospital provides in-patient mental health services and is licensed for 17 beds in the CMHB. The Agreement provides that if the Hospital/ MHD decides to cease or materially reduce in-patient services, the Hospital will provide written notice of its intended changes in such services no less than 22 months prior to the proposed implementation of any material reduction in such services. This time will provide for the County to determine what alternatives may be available for those services. Upon the written notice from the Hospital, the County will have 180 days to determine if it wants to either buy-out MHD’s interest in the CMHB, or to sell the County’s interest in the CMHB, at the then fair market value of the CMBH. If the County decides to buy-out MHD's interest in the CMHB, the Agreement provides that the County’s continued use would be restricted to the County’s provision of mental health-related services.

County Counsel has reviewed this Agreement and both County Counsel and the County Administrator recommend its approval.

FISCAL IMPACT:
There is no increase in net County costs as a result of this action.
Please let me know if you have any questions or concerns.

REVIEWED BY:
[X] Finance
[X] County Counsel
[ ] Human Resources
[X] N/A

Respectfully submitted,

Matthew H. Hymel
County Administrator

cc: Steven M. Woodside, County Counsel
    Maureen Lewis, Chief Assistant Director, Department of Health
    and Human Services
    Brian Crawford, Director, Community Development Agency
    David Speer, Facilities Planning and Development Manager
    Jeremy Tejirian, Planning Manager, Community Development Agency