September 18, 2018

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

SUBJECT: Memorandum of Understanding (MOU) Between County of Marin and San Rafael Airport, LLC, Regarding Boundaries and Levee Maintenance

Dear Board Members:

RECOMMENDATION: Approve the MOU and budget actions as outlined in the staff report.

OVERVIEW: The Department of Public Works has been negotiating a Memorandum of Understanding (MOU) with the San Rafael Airport (Airport) to address three long-standing issues:

- Resolution of conflicting boundary information
- Long-term maintenance for the levees that surround the Airport
- Planning for potential future restoration of the land east of the runway

The Airport is surrounded by levees protecting it from San Pablo Bay tidewaters. Some of the levees are on property owned by the Airport; some are on State Tidelands granted to the County. This MOU provides that the Airport will have maintenance responsibility for those levees surrounding the Airport by transferring those tidelands to the Airport, under the direction of the State Lands Commission. Historically, the County has funded repairs to those levees, including in 2005, 2009, 2010, 2012, and 2015.

The Airport deed boundary extends into the bed of Gallinas Canal and some areas along the south bank. This MOU provides that the Airport will transfer any interest in those lands to the County, under the direction of the State Lands Commission. The MOU also provides that the State Land Commission exchange parcel boundary for the most easterly land at the end of the runway (commonly referred to as the "beak") will be based on a revised levee location west of the existing levee to permit removal of the existing levee and restoration of the area. The MOU provides that the County will make a good faith effort to pursue outside grant funds for this potential project. The levee and land to the west will not be granted to the Airport until after the new levee is built.

The State Lands Commission process for land exchange is outlined in Public Resource Code 6307, which provides that the Commission makes findings, including that the monetary value of the lands or interests in lands received by the trust in exchange is equal to or greater than that of the lands or interests in lands given by the trust in exchange.
The document also outlines an interim plan for repair and maintenance of the levees along Gallinas Creek through an interim lease while the above property transfers are being processed.

A draft MOU was released for public comment from October 16 to December 11, 2017. A public meeting was held on November 15, 2017, to discuss the draft MOU. Feedback from the public meeting and the written comments were considered during preparation of revisions to the draft MOU. A revised draft MOU was released for public comments from July 20 to August 20, 2018. A second public meeting was held on August 15, 2018. An updated revised draft MOU was released for comment on August 20 and the comment period extended to August 30. A copy of written public comments received during the comment period are attached.

The MOU provides that (1) the County will not transfer land until there has been compliance with CEQA; and (2) that any potential new projects identified in this MOU will be subject to separate environmental analysis and the County does not in any way commit itself to said transfer of land or potential projects by virtue of this MOU.

**FISCAL IMPACT:** If your Board approves the MOU, there will be a one-time cost of up to $290,000 and savings of future levee repair and maintenance costs that will become the responsibility of the San Rafael Airport. Per the MOU, the County would pay up to $290,000 for the costs associated with the State Lands Commission land exchange. We will return to your Board for budgetary authorization from the General Fund one-time reserve once the final amount has been determined. The current balance of the one-time reserve (320525) is $7,333,288, which would leave a remaining balance of $7,043,288. In addition, the MOU provides for a waiver of Public Works permit fees up to $50,000.

**REVIEWED BY:**

[ X ] County Administrator [ ] N/A
[ ] Department of Finance [X] N/A
[ X ] County Counsel [ ] N/A
[ ] Human Resources [X] N/A

Respectfully submitted,

Craig Tackabery
Chief Assistant Director

Attachments:
- MOU between County of Marin and San Rafael Airport, LLC
- Public comments on Updated Revised Draft MOU