



Agenda Item No. 2

To: Building and Operating Committee/Committee of the Whole
Meeting of August 24, 2006

From: Norma Jellison, Property Development & Management Specialist
Alan R. Zahradnik, Director of Planning
Celia G. Kupersmith, General Manager

Subject: **AUTHORIZE EXECUTION OF A MEMORANDUM OF AGREEMENT
WITH THE CITY OF NOVATO REDEVELOPMENT AGENCY RELATIVE
TO THE NOVATO BUS FACILITY**

Recommendation

The Building and Operating Committee recommends that the Board of Directors approve the District's entry into a Memorandum of Agreement (MOA) with the City of Novato Redevelopment Agency. The purpose of the MOA is to allow the City Redevelopment Agency staff to develop a feasibility plan for redevelopment of the Novato Bus Yard which would explore the possible relocation or replacement of the Novato Bus Yard facilities to a suitable new site at no cost to the District.

This matter will be presented to the Board of Directors at its August 25, 2006, meeting for appropriate action.

Background

On October 21, 2004, staff presented a report on Development and Use of District Real Estate Assets to the Building and Operating Committee. The Committee concurred with staff recommendations to "continue discussion with City of Novato (City) on Potential Relocation and Redevelopment of Novato Bus Lot."

Over the ensuing period, staff and the Deputy General Manager of the Bus Division have met on several occasions with the Novato City Manager and Redevelopment Manager to discuss potential redevelopment of District's site and relocation of its operations. In all conversations with City staff, District staff identified that the District would require a turnkey relocation. In other words, the relocation must be at no cost to the District, the relocation must provide for District ownership of the land, and the replacement buildings must provide for the District's current and future operational requirements.

Recently, the Redevelopment Manager forwarded a Memorandum of Agreement (MOA) for District consideration. The MOA allows the City to proceed with analysis of the existing bus lot

(title, appraisal, environmental conditions, development potential, etc.), and exploration of the District's requirements for its current and future Novato bus operations. This analysis would include exploration of potential sites for relocation of the Novato bus operations. The MOA does not commit the District to any action that may result from the City's studies.

The proposed MOA would be executed between the District and the City Council sitting as the Redevelopment Agency (RDA). The District's neighbor immediately to the north of the Novato Bus Lot, the North Marin Water District (NMWD), entered into a similar MOA with the City/RDA in February. The City is interested in relocating and redeveloping the NMWD property and ours, in combination or separately.

The City and District MOA is similar to the MOA executed between the City and NMWD. It incorporates District staff comments regarding District cooperation being contingent upon no costs being incurred by the District for cooperating in the City's exploration of potential redevelopment and relocation of the Novato Bus facility. The MOA has been reviewed and approved by District Legal Counsel. The City Council of Novato sitting as the Redevelopment Agency approved the MOA for execution at their July 25, 2006, RDA Meeting. Staff recommends that the Building and Operating Committee recommend entering into this MOA with the City of Novato Redevelopment Agency.

Fiscal Impact

There is no direct fiscal impact associated with entering into the MOA. All costs associated with studies and preparation of reports will be borne by the City of Novato City Redevelopment Agency.