



# STAFF REPORT

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**Meeting Type:** Board of Directors  
**Title:** Land Exchange Agreement for proposed Hind Tanks Replacement Project at 300 Margarita Drive  
**From:** Alex Anaya, Director of Engineering  
**Through:** Ben Horenstein, General Manager  
**Meeting Date:** February 27, 2024

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**TYPE OF ACTION:**      X      Action                      Information                      Review and Refer

**RECOMMENDATION:** Approve a proposed Land Exchange Agreement that will allow the District to evaluate the relocation of the Hind Tanks to an alternate site at 300 Margarita Drive

**SUMMARY:** District staff has negotiated with the owner of the property at 300 Margarita Drive a proposed land exchange agreement, wherein the District would receive a new site upon which to locate the reconstructed Hind Tanks, including new easement rights, and would deconstruct and quitclaim the District's rights to the current tank lot once the new tanks were completed and connected to the District's water system.

**DISCUSSION:** The District currently owns and operates two redwood water storage tanks, 100,000 and 200,000 gallons, located at the Hind Tank Lot, which is a small parcel approximately 7,500 square feet near 300 Margarita Drive, San Rafael. The tanks were constructed in 1958 and 1978 and are at the end of their useful life and have exhibited leaks. The current location requires the District to access the tank lot up a private lane off of Margarita Drive, and through a narrow driveway between a house and garage. (See Attachment Hind Tank Lot) The 8-inch cast iron water line from the tanks runs down a steep hill within a 10 foot easement and is difficult to access. Therefore, reconstruction of the tanks on the current lot presents issues. The District has been in negotiations with the owner of 300 Margarita Drive regarding a possible relocation of the tanks to a new site further up the hill from the existing home and other buildings (See Attachment Proposed New Tank Lot) through a proposed exchange of property.

Staff has reached an agreement with the property owner for a proposed land swap that would allow the District to potentially relocate the Hind Tanks to a new parcel up the hill from the current location.

## **LAND EXCHANGE AGREEMENT**

The key terms of the proposed land exchange are summarized as follows:

- The District would have six months from execution of the agreement to conduct its due diligence on the new tank lot and complete its environmental review pursuant to the California Environmental Quality Act. The agreement preserves the District's reasonable discretion to determine whether or not to proceed with the project at the new site.
- If the District decides to proceed, the parties will open an escrow for the land exchange and deposit documents (a grant deed and easement in favor of the District and a quitclaim deed in favor of the property owner). The District would receive the land and easement and commence construction of the project on the new site.
- The existing tanks would remain in operation until the new tanks come online. Once completed the old tanks would be decommissioned and removed and the land would be quitclaimed to the property owner by the District.
- The project would include removal of palm trees on the new site for which the District would compensate the property owner \$48,000.
- The proposed project would include the installation of a new welded steel water main on a new 25 foot easement within the existing driveway up to the new tank site.
- The proposed project would also include the installation of new water service lines and meters to serve the existing buildings, construction of a new portion of road to access the new tank lot and a portion of road to the old tank lot for which the property owner would pay the District based on a line item in the construction bid. In addition, the District would install ten redwood trees on the neighboring property for the purposes of screening the new tanks from the existing buildings. The trees would be maintained by the property owner following completion of the project.

The proposed project would take approximately two years to complete and would provide seismically resilient storage and improved system adequacy to the surrounding area and better ongoing access for the District to the new tank lot.

**ENVIRONMENTAL REVIEW:** The District will conduct environmental review of the proposed project as part of the due diligence process anticipated in the Land Exchange Agreement.

**FISCAL IMPACT:** The Land Exchange Agreement does not include an exchange of monetary consideration for the real property exchange. The District will conduct its due diligence and environmental review of the proposed project and bring the proposed project back to the Board of Directors for consideration of approval. If the proposed project proceeds, the District will draw upon Capital Improvement Program funding identified for this project.

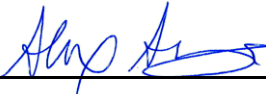
### **ATTACHMENT(S):**

1. Hind Tank Lot Site
2. Proposed new tank lot site
3. Propose Land Exchange Agreement (w/out exhibits)

DEPARTMENT OR DIVISION	DIVISION MANAGER	APPROVED
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Engineering

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**Alex Anaya**  
**Engineering Director**



**Ben Horenstein**  
**General Manager**