



Orange County Sanitation District
HEADQUARTERS COMPLEX AD HOC COMMITTEE
Special Meeting Agenda
Wednesday, September 18, 2019 - 3:30 PM
Conference Room A
Administration Building
10844 Ellis Avenue
Fountain Valley, CA 92708
(714) 593-7433

ACCOMMODATIONS FOR THE DISABLED: Meeting Rooms are wheelchair accessible. If you require any special disability related accommodations, please contact the Orange County Sanitation District Clerk of the Board's office at (714) 593-7433 at least 72 hours prior to the scheduled meeting. Requests must specify the nature of the disability and the type of accommodation requested.

AGENDA POSTING: In accordance with the requirements of California Government Code Section 54954.2, this agenda has been posted outside the main gate of the Sanitation District's Administration Building located at 10844 Ellis Avenue, Fountain Valley, California, and on the Sanitation District's website at www.ocsd.com not less than 72 hours prior to the meeting date and time above. All public records relating to each agenda item, including any public records distributed less than 72 hours prior to the meeting to all, or a majority of the Board of Directors, are available for public inspection in the office of the Clerk of the Board.

AGENDA DESCRIPTION: The agenda provides a brief general description of each item of business to be considered or discussed. The recommended action does not indicate what action will be taken. The Board of Directors may take any action which is deemed appropriate.

MEETING AUDIO: An audio recording of this meeting is available within 24 hours after adjournment of the meeting. Please contact the Clerk of the Board's office at (714) 593-7433 to request the audio file.

NOTICE TO DIRECTORS: To place items on the agenda for a Committee or Board Meeting, the item must be submitted in writing to the Clerk of the Board: Kelly A. Lore, MMC, (714) 593-7433 / klore@ocsd.com at least 14 days before the meeting.

FOR ANY QUESTIONS ON THE AGENDA, BOARD MEMBERS MAY CONTACT STAFF AT:

General Manager: Jim Herberg, jherberg@ocsd.com / (714) 593-7300
Asst. General Manager: Lorenzo Tyner, lttyner@ocsd.com / (714) 593-7550
Asst. General Manager: Rob Thompson, rthompson@ocsd.com / (714) 593-7310
Director of Human Resources: Celia Chandler, cchandler@ocsd.com / (714) 593-7202
Director of Engineering: Kathy Millea, kmillea@ocsd.com / (714) 593-7365
Director of Environmental Services: Lan Wiborg, lwiborg@ocsd.com / (714) 593-7450

CALL TO ORDER

PLEDGE OF ALLEGIANCE

DECLARATION OF QUORUM

PUBLIC COMMENTS:

NON-CONSENT:

1. CITY OF FOUNTAIN VALLEY REQUEST FOR PAYMENT IN LIEU OF PROPERTY TAXES [2019-572](#)

Attachments: [Agenda Report](#)
[City of Fountain Valley Memorandum Regarding Discussion of the OCSD Headquarters Project](#)

2. UPDATE ON HEADQUARTERS COMPLEX, PROJECT NO. P1-128 [2019-576](#)

Attachments: [Agenda Report](#)

OTHER BUSINESS AND COMMUNICATIONS OR SUPPLEMENTAL AGENDA ITEMS, IF ANY:

BOARD OF DIRECTORS INITIATED ITEMS FOR A FUTURE MEETING:

At this time Board members may request staff to place an item on a future agenda.

ADJOURNMENT:



Orange County Sanitation District

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HEADQUARTERS COMPLEX AD HOC COMMITTEE

Agenda Report

File #: 2019-572

Agenda Date: 9/18/2019

Agenda Item No: 1.

FROM: James D. Herberg, General Manager
Originator: Rob Thompson, Assistant General Manager

SUBJECT:

CITY OF FOUNTAIN VALLEY REQUEST FOR PAYMENT IN LIEU OF PROPERTY TAXES

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

Information Only.

BACKGROUND

The Orange County Sanitation District (Sanitation District) purchased property across Ellis Avenue from the existing Plant No. 1 facilities. These formerly commercial properties will be demolished to make room for a new Administration Building for the Sanitation District. This change in land use reduces the revenue that would have gone to the City of Fountain Valley. The City of Fountain Valley will provide services to the Sanitation District such as police and fire services.

The City of Fountain Valley wishes to discuss a payment in lieu of property taxes with the Sanitation District for these parcels used for the Administration Building. The City Manager, Rob Houston, will address the Headquarters Complex Ad Hoc Committee to request consideration in this matter. A Memorandum from the City of Fountain Valley is attached.

The Sanitation District and City of Fountain Valley staff have discussed the issue and have differing views. The City of Fountain Valley's views are summarized in the attached Memorandum and will be presented at the meeting.

RELEVANT STANDARDS

- Maintain collaborative and cooperative relationships with regulators, stakeholders, and neighboring communities
- Make it easy for people to understand OCSD's roles and value to the community

ATTACHMENT

The following attachment(s) may be viewed on-line at the OCSD website (www.ocsd.com) with the complete agenda package:

- City of Fountain Valley Memorandum Regarding Discussion of the OCSD Headquarters Project, its unique features, and its impacts to City services (dated September 5, 2019)



CITY OF FOUNTAIN VALLEY

www.fountainvalley.org

10200 SLATER AVENUE • FOUNTAIN VALLEY, CA 92708-4736 • (714) 593-4400, FAX: (714) 593-4498

September 5, 2019

To: Orange County Sanitation District

From: City of Fountain Valley

RE: Discussion of the OCSD Headquarters Project, its unique features, and its impacts to City services

The City of Fountain Valley has received notice from that Orange County Sanitation District (OCSD) that they have purchased five properties immediately north of Ellis Avenue along Bandilier Circle. The City has received plans for a \$99-million-dollar headquarters complex that would occupy four of the purchased properties. Development in the proposed area is governed by the City's Crossings Specific Plan that provides guidelines on all aspects of external building design and parking requirements. The headquarters complex, as designed, contains a number of significant variances from the Crossings Specific Plan that the City is currently reviewing.

Property Tax Revenue is the City of Fountain Valley's largest source of revenue and is relied upon to fund quality City services including Police, Fire, Public Works, Recreation and Community Services. The Community spent significant time working on a detailed Crossings Specific Plan that had the express purpose to foster new entertainment, restaurant, and commercial development that would increase property value and with it, increase City revenues. When OCSD purchased their five parcels within the Crossings area, it moved these properties out of the property tax roll, which ends up taking away future revenues to support City services. In order to ensure there is a fair sharing of the responsibility of community members for City services, it is necessary to discuss the level of community contribution would be appropriate for OCSD to provide.

The City has a very relevant example of a very similar discussion that resulted in an excellent win-win solution for a large agency and the City. The Orange Coast Memorial Hospital proposed a large expansion to their campus on Brookhurst at Talbert. Their proposed project also required a number of variances from City codes and at the same time, they were changing their organizational status from "for-profit" to "non-profit." This status change would have resulted in the entire property being removed from the City's property tax revenue roll and would have created a significant reduction of City revenues. In the end, Memorial Care and the City developed an agreement that provided approval for a number of requested variances and also created an ongoing community contribution payment that is given to the City each year. This payment mirrors the amount that would be generated through a normal tax roll process and last year provided \$188,900 to fund City services.

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City representatives will provide a presentation to allow for discussion on the OCSD Headquarters proposal, its requested variances, and the support needed to ensure City services can continue in future years.

Sincerely,

A handwritten signature in blue ink that reads "Steve D. Nagel". The signature is written in a cursive, slightly stylized font.

Steve Nagel,
Mayor

cc City Council
City Manager



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HEADQUARTERS COMPLEX AD HOC COMMITTEE

Agenda Report

File #: 2019-576

Agenda Date: 9/18/2019

Agenda Item No: 2.

FROM: James D. Herberg, General Manager
Originator: Kathy Millea, Director of Engineering

SUBJECT:

UPDATE ON HEADQUARTERS COMPLEX, PROJECT NO. P1-128

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

Information Only.

BACKGROUND

Project No. P1-128, Headquarters Complex, will construct a new Headquarters Building on the north side of Ellis Avenue to house administrative and engineering staff. The Headquarters Building will also include surface parking and a pedestrian/utility bridge over Ellis Avenue to Plant No. 1.

Staff intends to present to the Headquarters Complex Ad Hoc Committee updates on the recently submitted design package, project budget, and project schedule (60% design submittal).

RELEVANT STANDARDS

- Provide a safe and collegial workplace
- Ensure the public's money is wisely spent

PRIOR COMMITTEE/BOARD ACTIONS

July 2019 - Steering Committee information item. At the request of a Director, staff provided a general update of project progress, including budget and schedule (35% design submittal).

June 2019 - Information only. An update was provided to the Committee on general project progress, including budget and schedule (35% design submittal).

March 2019 - Information only. The Committee endorsed staff's recommendation to use the existing staff augmentation contract with Jacobs Engineering to provide third-party engineering design support and construction management services for the Headquarters Complex as needed. Staff also reviewed the prepared budget that is recommended to be adopted for FY2019-20.

November 2018 - Information only. Update on the progress of the Headquarters Complex design and management.

October 2018 - Information only. Initial meeting of the Ad Hoc Committee and update on the progress of the Headquarters Complex design.

ADDITIONAL INFORMATION

N/A

CEQA

The City of Fountain Valley (City) recently designated a specific plan for the area bounded by Ward Street to the west, Talbert Avenue to the north, the Santa Ana River to the east and Ellis Avenue to the south as Fountain Valley Crossings. The new Headquarters Building will be located within this area. Additionally, the City has certified an Environmental Impact Report for Fountain Valley Crossings. The Orange County Sanitation District (Sanitation District), as lead agency, prepared an Initial Study analyzing the Headquarters Building Project potential environmental impacts. Based on the Initial Study, the Sanitation District determined that an Addendum to the city's Fountain Valley Crossings certified Environmental Impact Report must be prepared. The Sanitation District will be the lead agency and the City of Fountain Valley the responsible agency.

FINANCIAL CONSIDERATIONS

N/A

ATTACHMENT

The following attachment(s) may be viewed on-line at the OCSD website (www.ocsd.com) with the complete agenda package:

N/A

KM:sa