



Midpeninsula Regional
Open Space District

R-11-106
Meeting 11-30
November 9, 2011

AGENDA ITEM 5

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Approve the Lease and Management Agreement with Peninsula Open Space Trust for the October Farm property as an addition to Purisima Creek Redwoods Open Space Preserve, located at 2200 Lobitos Creek Road in unincorporated San Mateo County (San Mateo County Assessor's Parcel Numbers 066-290-010, -030, and -050) and Determine that the recommended actions are categorically exempt from the California Environmental Quality Act (CEQA)

GENERAL MANAGER'S RECOMMENDATIONS

1. Determine that the recommended actions are categorically exempt from the California Environmental Quality Act (CEQA), as set out in this report.
2. Authorize the General Manager to sign the Lease and Management Agreement for the October Farm Property with Peninsula Open Space Trust (POST).
3. Adopt the Preliminary Use and Management Plan contained in this report, including naming the property as an addition to Purisima Creek Redwoods Open Space Preserve.

SUMMARY

The Midpeninsula Regional Open Space District (District) is proposing to enter into a lease and management agreement with POST to manage the October Farm Property recently purchased by POST. The following report presents a description of the POST (October Farm) Property, a Preliminary Use and Management Plan, the environmental review, the terms and conditions, and the financial impacts of the proposed transaction.

DISCUSSION

The 270-acre POST (October Farm) property being considered for lease by the District is located next to Purisima Creek Redwoods Open Space Preserve (Preserve) off Lobitos Creek Road, approximately 1.5 miles east of Highway 1 (Cabrillo Highway) and approximately nine miles southeast by road of the city of Half Moon Bay. POST purchased the property in July of 2011. The property is within the Coastside Protection Area, an area that was annexed into the District boundaries in 2004.

Although the property described in this report includes a proposed lease and management agreement, and does not include purchasing the property at this time, District staff considers the property an important candidate for future purchase. Assuming purchase funds are available, staff anticipates presenting this matter to the District's Board of Directors in the future for a decision about whether to purchase the property after consulting with coastal agencies, organizations, and knowledgeable individuals as required by the Coastal Service Plan, after completing any required environmental review, and after a public meeting of the District's Real Property Committee.

Property Description

The POST (October Farm) property would provide a natural extension of the public open space preserve system since it is located immediately across Lobitos Creek from the University of California Elkus Uplands addition to Purisima Creek Redwoods Open Space Preserve (the Preserve) purchased by the District in 2009 (see R-09-91). Addition of the property to the preserve system would leverage the District's prior investment in the conservation of the Lobitos Creek watershed, and ensure that the local constituencies have influence over the future watershed management and restoration actions, such as anadromous fish habitat enhancement. This property is also important in terms of scenic viewsheds, wildlife corridors and agricultural resource preservation. The Bay Area Open Space Council's Conservation Lands Network identifies the POST (October Farm) property as "Essential to Conservation Goals", indicating that it is an essential component of a network of conservation lands for biodiversity preservation.

The coastal landscape of the POST (October Farm) property consists of grazed rolling grasslands, steep brushy canyons, and lush creek corridors. Rising to a height of approximately 845 feet, the property possesses unparalleled views of the coastline and the western Santa Cruz Mountains. It includes the lower portion of Irish Ridge, a prominent ridgeline extending from the Preserve west to the coastal lowlands, separating the watersheds of Lobitos Creek to the north and Tunitas Creek to the south. This ridgeline is central to the open, rural landscape of the region, whether seen from the Preserve or Highway 1 and the coastal lowlands below.

With approximately 3/4 mile of perennial stream frontage, three ponds, and several seeps, the property possesses significant habitat, watershed and riparian values. Forming the northwestern property line, Lobitos Creek is a free-flowing stream known to host steelhead trout despite the presence of two known fish passage barriers at Verde Road and Highway 1. Pockets of spawning gravels and young-of-the-year steelhead or resident rainbow trout were observed in a recent California Department of Fish and Game (CDFG) stream survey. According to CDFG staff, if fish passage barriers were ever removed Lobitos Creek has excellent restoration potential for the benefit of steelhead trout. Rodgers Gulch, which flows into Lobitos Creek, forms the southern property line. The seasonal ponds provide potential breeding habitat for the rare and threatened California red-legged frog.

Vehicular access is directly from Lobitos Creek Road which bisects the property. In general, the existing seasonal ranch roads on and accessing the property, are in good condition, and do not show signs of significant soil erosion.

Prior to POST's recent purchase, the property was owned by the Rapley family who had occupied the property for over 20 years. Until September 2011, the ranch was used for residential purposes, and for beef cattle grazing, organic eggs, organic greenhouse tomatoes and vegetables taken to the Half Moon Bay Farmer's market. Water for cattle is provided at the property's two spring-fed stock ponds. The October Farm property has a small corral facility with water troughs located on the property along Lobitos Creek Road which may be useful in managing grazing on other portions of the Preserve. Adequate fencing is present along the property perimeter. In 2009, the former owner grew organic vegetables on about 0.25 acre near the pond located across Lobitos Creek Road from the residence. Since the former owner's cattle, row crop, and greenhouse agricultural operations ceased prior to POST's purchase, no agricultural uses currently occur on the property.

A number of existing farm-related structures and improvements are found along Lobitos Creek Road, with no structures on the northern side of the property. Minimal agricultural irrigation infrastructure is present, and windmill and generator-powered water pumps draw water from the underground aquifer. Buildings on the property include a one-story single family residence with three bedrooms and three bathrooms (2,295 square feet), which was renovated in 2007, a barn with second story apartment in fair condition, a two-car garage, a greenhouse, a 2,100 square foot historic barn and several wood-frame sheds of varying sizes. The residences are served by a septic tank and leach field. Both residences are currently unoccupied.

USE AND MANAGEMENT

Planning Considerations

The current San Mateo County General Plan designation for the property is Agriculture and Open Space. The County zoning is Planned Agricultural District/Coastal Development (PAD/CD) (approximately 245 acres) and Resource Management/Coastal Zone (RM/CZ) (approximately 25 acres). Adjacent private properties to the northeast, southwest and south are also zoned PAD/CD.

The property is comprised of three legal parcels and has a potential development density of three residential sites. Further residential development would be feasible, as much of the property is accessible and there are many relatively level building sites along or near ridge tops. Within close proximity are numerous homes visible from Lobitos Creek Road on one to 180-acres of land.

According to the California Department of Conservation's Farmland Mapping and Monitoring Program (FMMP) 2008 update, the property contains approximately 167 acres of Grazing Land, and 114 acres of Other Land (steep scrubland unused for agriculture). The whole property is currently subject to a Williamson Act contract with San Mateo County. San Mateo County soils maps show that only three small isolated plots meet the County Local Coastal Plan / District Coastal Service Plan definition of "Prime Agriculture" moderately suited to the cultivation of truck and field crops. These areas do not appear to have been recently used for cultivated crops.

The District commissioned a Phase I Environmental Site Assessment prior to POST's purchase and District staff has conducted due diligence investigations and inspections of the property,

including a review of San Mateo County's property records and files. No information of concern was noted in reviewing this information. With the passage of time, two unpermitted dump sites containing organic and metallic debris had accumulated on the property. One site was removed by the former owner, and the other was recently removed and restored by POST, with oversight and support from District Real Property, Operations and Planning Department staff. Based upon review of the property disclosure documents and San Mateo County's property records and files, staff is satisfied that no underground storage tanks or other hazardous conditions exist on the October Farm property.

Preliminary Use and Management Plan (Next Steps)

The principal purpose of the Preliminary Use and Management Plan is to establish a status quo approach to land management to be effective while the District is leasing the property. This plan outlines the uses that can occur on this property in the near term, the management methods for ensuring their compatibility with each other and with neighboring properties. It also outlines actions to protect and balance the property's agricultural and natural resource potential, and initiate activities needed to inform future management.

The Preliminary Use and Management Plan below will take effect upon the signing of the Lease and Management Agreement, and remain effective until a subsequent plan is approved by the Board of Directors. The Preliminary Use and Management Plan includes continuation of residential uses, preparing agricultural plans, posting signs, and securing the site, as described more fully below. All mitigation measures contained in the Coastside Environmental Impact Report (EIR) are incorporated into this Preliminary Use and Management Plan.

Public Access:	Closed to public use. Issue tenant and neighbor permits on a case-by-case basis allowing hiking use consistent with historical use patterns.
Signs and Site Security:	Install private property, closed area and preserve boundary signs where appropriate.
Structures and Improvements:	Rent the single family residence and associated premises under District month-to-month residential rental agreements. Maintain the other structures in usable condition. Maintain the existing water system providing domestic, irrigation, and stock watering in serviceable condition.
Resource Management:	Conduct a detailed resource assessment of the property, covering such topics as vegetation management and special status species. Conduct other interim invasive plant and animal management activities consistent with the District's policies and practices.
Rangeland Management:	Prepare a Rangeland Management Plan in accordance with the District's Coastside Service Plan and the District's Grazing Management Policy. Present the Rangeland Management Plan for review and approval by the District Board of Directors. Rent the grassland areas for cattle grazing on a short-term interim basis until a Rangeland Management Plan and lease is developed for the property.

Agricultural Resources:	Further assess suitability and feasibility of the property for ongoing agricultural crop cultivation in consultation with knowledgeable Coastside organizations, and if warranted prepare an Agricultural Production Plan in accordance with the District's Coastside Service Plan and the District's Agricultural Policies for review and approval by the District Board of Directors.
Patrol:	Routinely patrol the property.
Wildfire Fuel Management:	Implement standard District-wide wildfire fuel management measures.
Fences and Gates:	Install fences and gates as necessary to prevent unauthorized vehicular entry at the property boundaries.
Roads and Trails:	Keep existing primary roads for seasonal use. Implement maintenance and minor erosion and sediment control measures for access roads in accordance with District and Service Plan standards.
Coastside Service Plan:	Operate and manage the property in conformity with the provisions of the Service Plan for the Coastside Protection Program, and the mitigation measures adopted pursuant to the Coastside Service Plan Environmental Impact Report.
Site Safety Inspection:	No evidence of any recognized environmental condition has been found on the property that has not already been corrected. As with every situation involving older structures and past agricultural use, perform a thoughtful analysis of the specific working conditions before all future maintenance and repairs.
Name:	Name the property as an addition Purisima Creek Redwoods Open Space Preserve.
Dedication:	Withhold dedication of the property as open space at this time.

CEQA COMPLIANCE

Project Description

The proposed project consists of the lease and management of a 270-acre private property by the District for open space preservation purposes, and the concurrent adoption of a Preliminary Use and Management Plan to manage the property as part of the District's Purisima Creek Redwoods Open Space Preserve. The District would manage the property under the terms of a lease and management agreement that keeps the land in a natural condition and closed to the public. The two residences will continue to be rented, cattle grazing would continue to occur, and minor

maintenance and repair of the existing improvements would occur. Grazing and agricultural resource management plans would be prepared.

In accordance with the Coastal Service Plan, the project incorporates all of the Coastside EIR mitigation measures that apply to lease and management agreements within the Coastside Protection Area and is subject to the Coastal EIR mitigation monitoring program.

CEQA Determination

The District concludes that this project will not have a significant effect on the environment. It is categorically exempt from CEQA under Article 19, Sections 15301, 15262, and 15061(b)(3) of the CEQA Guidelines as follows:

Section 15301 exempts operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination. Under the terms of the Lease and Management Agreement and the proposed Preliminary Use and Management Plan, there will be no expansion of use, and the property will remain in a natural condition and closed to public use.

Section 15262 exempts a project involving only feasibility or planning studies for possible future actions which the agency has not approved, adopted, or funded. The project calls for further planning studies regarding changes to rangeland or agricultural resource management. No decisions are being made now about future physical changes to use, management or improvements on the property.

The project is also exempt under Section 15061(b)(3), as there is no possibility the actions may have a significant effect on the environment.

TERMS AND CONDITIONS

The POST (October Farm) property is subject to a Memorandum of Understanding between the San Mateo County Farm Bureau and the Midpeninsula Regional Open Space District. In accordance with this memorandum, District staff has consulted with staff of the Farm Bureau on the proposed Lease and Management Agreement with POST for the 270-acre October Farm property.

Lease and Management Agreement

Under the Lease agreement, the District will patrol and manage the property in accordance with the requirements of the Preliminary Use and Management Plan. In addition, the Lease provides for the District to assume all property management responsibilities of renting the residential improvements and collecting rents under the District's Property Management Program. District staff will also pursue renting the grassland areas for cattle grazing on an interim basis until a Rangeland Management Plan is developed for the property. The District will rent the residential improvements on a month to month basis as a private residence under the General Manager's authority. A lease fee of \$5,002 will be charged to the District by POST. The District's General Manager will have the authority to extend the lease for an additional one-year term. Any

extension of the lease term would be reported back to the Board at the next available meeting as an informational item.

FISCAL IMPACTS

Current Coastside Protection Area Fiscal Considerations

The property is located within the service area of San Mateo County Fire, but not the La Honda-Pescadero Unified School District. However, under the terms of the District/County Fire agreement, the District is not required to pay the County Fire fees when managing a property under a Lease and Management Agreement.

The Coastside Protection Program included a Fiscal Analysis conducted by Economics Research Associates confirming the feasibility of implementing that Program. To ascertain whether the conclusions made in the Fiscal Analysis are valid for this particular project, staff has researched the specific site conditions and expected costs associated with the proposed purchase and subsequent management of the property. This site assessment indicated that acquisition and management costs for the POST (October Farm) property are expected to be consistent with the Fiscal Analysis projections.

Furthermore, staff assessed the costs associated with this project and compared them to the Controller's most recent 15-year projections of cash flow, property tax revenue and operating expenses. Staff therefore concludes that purchasing and managing this property will not result in any significant impact to the District's existing services, and that the District has the resources to sustain the lease and management of the property for the specified term.

PUBLIC NOTICE

Property owners adjacent to or surrounding the subject property, agenda subscribers, individuals requesting notification of proposed Coastside and Preserve projects, and Coastside public officials, community-interest groups, non-profit land trusts, conservation-oriented organizations, elected officials, government agencies and government-sponsored organizations within the Coastside Protection Area have been mailed written notice of the proposed lease and management agreement. The agenda and this report have been made available on the District's website. Accordingly, all notice required by the Brown Act and the Coastal Protection Program has been provided.

NEXT STEPS

Upon approval by the District Board of Directors, the General Manager will execute the lease and management agreement and return one original agreement to POST for its records. The District's Skyline Field Office will include the property into the patrol and management of Purisima Creek Redwoods Open Space Preserve. District property management staff will rent the residences. Staff will also rent the property for cattle grazing on a short-term basis, and prepare a Rangeland Management Plan for the property

Attachments:

1. Map

Prepared by:

Sandy Sommer, Senior Real Property Planner

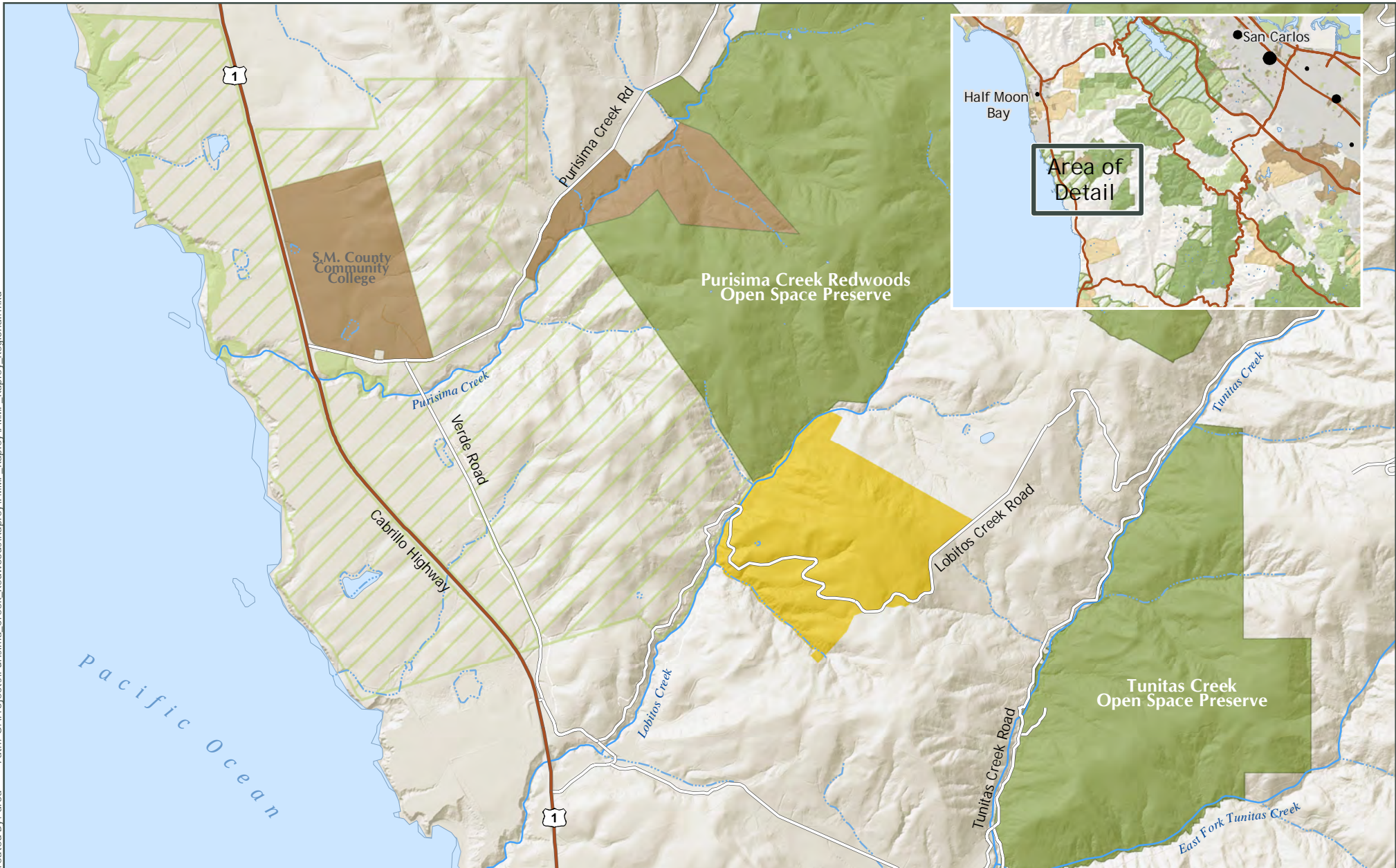
Michael Williams, Real Property Manager

Contact person:

Michael Williams, Real Property Manager

Graphics prepared by:

Alex Roa, Planning Intern



Location Map, POST (October Farm) Property

- POST (October Farm) Property
- Watershed Land
- Private Property
- MROSD Preserves
- Other Public Agency
- Non MROSD Conservation or Agricultural Easement
- Other Protected Open Space or Park Lands

Midpeninsula Regional
Open Space District
(MROSD)



August, 2011



While the District strives to use the best available digital data, this data does not represent a legal survey and is merely a graphic illustration of geographic features.