



Midpeninsula Regional  
Open Space District

R-14-86  
Meeting 14-15  
June 11, 2014

## AGENDA ITEM 3

### AGENDA ITEM

Demolition of the Saratoga Gap Cabins at Saratoga Gap Open Space Preserve

### GENERAL MANAGER'S RECOMMENDATIONS

1. Determine that the recommended actions are categorically exempt from the California Environmental Quality Act, as set out in the staff report.
2. Approve the Real Property Committee's recommendation to demolish the Saratoga Gap Cabins with the intent to salvage/recycle materials where possible and return the area to a natural, open space condition.

### SUMMARY

Since purchase of the Gunetti-Larrus property in 1976, the Midpeninsula Regional Open Space District (District) has rented three cabins at the end of Charcoal Road in the Saratoga Gap Open Space Preserve (Preserve). In the last 6 to 8 years, the maintenance of the Saratoga Gap Cabins (Cabins) has become a substantial challenge due to deteriorating road conditions, an unreliable water system, past tenant issues, and a lack of fire engine access to the Cabins. To resolve the maintenance issues, the District would need to invest in excess of \$900,000 to bring all three Cabins up to California State habitability standards and complete road and water infrastructure upgrades. Given that the Cabins offer minimal public and regional value, such a large investment is a questionable use of public funds. Based on the findings of a structures disposition analysis, the Real Property Committee recommends demolishing the Cabins and salvaging/recycling materials where possible. If approved by the Board, the bid package will include interim waste stream diversion requirements, which are under research. The General Manager anticipates returning to the Board by the end of the calendar year with a draft waste stream diversion policy, which once adopted, will guide future demolition work. The FY2014-15 Budget includes \$100,000 for this project.

### BACKGROUND (Attachments 2 and 3)

The purchase of the 177.2 acre Gunetti-Larrus property included three Cabins and a garage (R-76-30). The Cabins are accessed via Charcoal Road, which also serves as a patrol road and public trail in Upper Stevens Creek County Park and the Preserve that is open to hiking, equestrian and uphill bicycle use approximately a mile off of Skyline Boulevard. A steep driveway forks to the east off Charcoal Road, traveling a 0.66-mile to access the Cabins. The Cabins had been rented as part of the District's Property Management Program between 1976 and 2012.

## DISCUSSION

Given growing challenges in maintaining and managing the Cabins, the General Manager directed staff to conduct a structures disposition analysis to inform the Board's decision on whether to invest public funds to maintain and operate these structures as tenant facilities or to demolish them. Staff referred to the Board-approved *Factors to Consider for Existing Structures* (R-12-91) to complete this evaluation and the findings are provided below:

1. Board Adopted District Policies. In the Board-adopted *Policies Regarding Improvements on District Lands* (adopted January 1978, last amended July 2007), the section titled "Policy Statement" provides the following guidance: "*Important considerations in the decision to retain an improvement will be its compatibility with the open space character of the site, its potential financial burden to the District in terms of liability and management, historic value, and its proposed use.*" These four factors are evaluated below.
2. Compatibility with Open Space Character of the Site. The Cabins are a collection of small, rustic buildings, compatible with its wooded surroundings and consistent with other remote cabin sites found in similar open space settings on national and state park land.
3. Historical and Educational Value. An historical assessment concluded a lack of historical significance to warrant listing on the California Register of Historic Places or on the local historic resource inventory. The Cabins do not have a known educational value.
4. Partnership Opportunities/Cooperation. Only costs associated with a portion of Charcoal Road may be shared with Santa Clara County Parks for recreation use and routine ranger patrols. Although other organizations may be willing to fund costs related to the Cabins for a separate use, such as hiker huts, the District would need to make a significant investment up front to complete the major road repairs and infrastructure upgrades. Overall, rental use of the Cabins has negatively impacted Santa Clara County Parks, an important District partner; by damaging their public trail and diverting patrol time to resolve tenant issues (refer to Section 5.b.ii below).
5. Potential Financial Cost, Including Liability and Management.
  - a. Financial Cost – approximately \$936,000 to retain the Cabins.
    - i. Structures - \$336,000+. The Cabins are wood framed construction on post and pier foundations with all three Cabins serviced by a single water system and single septic system. The main heat source for each is a wood stove. Cabin condition is fair to poor with Cabin C being the worst. Major repairs are needed to meet state habitability standards, including added insulation (under floor and above ceiling), insulated windows, and electrical upgrades to code. (Attachment 1)
    - ii. Water System - \$100,000+. The water system is a collection basin in a flowing creek. Water from two 5,000 gallon tanks flows downhill and is first treated by an ultraviolet (UV) system before reaching the Cabins.

The availability of potable water has been problematic, even in good water years. A number of water test results have not met drinking water standards. Creek water quality, rodents entering the water system or inconsistent power to the UV treatment system have led to substandard results. The District had responded immediately each time by requesting that tenants only consume bottled water for which they were reimbursed until repairs were completed or power restored.

- Extensive work has been required to maintain water flow that meets water standards. The remote location and access road issues have required that all maintenance be performed by District maintenance staff, diverting District resources away from other field projects. The cost for a new water system will depend on the success of drilling a well, but could exceed \$100,000. A well would eliminate the creek contamination and equalize the availability of water over the seasons, reducing some maintenance.
- iii. Road - \$500,000+. Charcoal Road transverses Upper Steven Creek County Park from Skyline Blvd for approximately 0.66 miles. It then crosses the upper north corner of the Preserve before returning to the County Park at a fork in the road. The right fork becomes the Premise driveway for about 3/4 mile before arriving to the Cabins. The District has a cooperative arrangement with Santa Clara County Parks to maintain the upper section of Charcoal Road for patrol access by both agencies. This road is also shared with trail users and had been used by tenants to access the Cabins.

The District and County formerly graded the road annually to allow access to two wheel drive vehicles and fire engines; however, the road travels across sandstone formation and continued grading is no longer effective. This regular grading created a deeply incised road that is difficult to drain. Although drainage structures were added and annual grading ceased, the road has become increasingly difficult to drive due to exposed sandstone rock slabs and deep ruts. Consequently, in both rain and snow, tenant vehicles have become stuck or crashed requiring District assistance. Some contractors refuse to use the road to complete needed maintenance work. More importantly, CalFIRE is unable to respond to fire calls requiring a fire engine. To retain the Cabins, major road improvements, including road reroutes, rocking, crowning, and major retaining walls, are necessary to provide year-round access. Demolition of the Cabins would remove the negative impact of tenant traffic and return the road to a more seasonally maintained patrol road/trail for both agencies.

b. Liability

- i. Fire. CalFIRE has indicated that a fire engine cannot get to the cabins, presenting a potential fire danger to future Cabin residents and a safety concern for the District.
- ii. Tenants. The remote location has precipitated tenant issues over the last 20 years, diverting significant staff time to monitoring, enforcement, and evictions, and contributing to the District's liability. Examples of lease violations include:
  1. Holding an unauthorized Burning Man party at the Premises.
  2. Allowing homeless person to erect a lean-to shelter and chimney in the meadow.
  3. Allowing the storage of stolen car/goods.
  4. Igniting open fire pits.
  5. Contributing to false missing persons report - allowing person to park vehicle inside the gate at Skyline without informing the District, resulting in suspected missing person's initial report.
  6. Tenant disagreement over supplying electricity to the UV unit.
  7. Dumping of unknown powder leading to an extensive hazardous materials emergency response.
  8. Speeding on the road/trail, including one vehicle accident.

c. Annual Maintenance (2014 dollars). In addition to up front repairs costs, the annual maintenance costs are calculated as follows:

- i. Road - \$5,000 to \$10,000 per year. Rocking, crowning, drainage and culvert repairs.

- ii. Water - \$1,000/yr over 10 years. Servicing the UV filter, water testing, and annual maintenance of well pump, tanks, and water line.
  - iii. Cabins- \$1,000 to \$3,000 per year. Wood stove/chimney cleaning and reroofing.
- d. 5-year Net Income and Anticipated Cost Recovery.

Table 1 lists the rental income and expenses for the Cabins between 2008 and 2012. If rents were raised 20-25% initially, and rose accordingly over time, it would take 15 to 20 years before the total cost of improvements (road, water, and repairs) is recovered. Annual maintenance would increase the cost recovery time.

Table 1. Net Income for 5-years, Saratoga Gap Cabins

Cabin	2008 Rent	2008 Expenses	2009 Rent	2009 Expense	2010 Rent	2010 Expense	2011 Rent	2011 Expenses	2012 Rent	2012 Expense	Total Net Income
A	\$11,220	\$1,919	\$9,945	\$1,921	\$11,400	\$10,238	\$11,750	\$4,602	\$6,500	\$35	
Net Income		\$9,301		\$8,024		\$1,162		\$7,148		\$6,465	\$32,101
B	\$9,848	\$4,295	\$10,664	\$2,989	\$10,620	\$106	\$10,869	\$3,244	\$7,400	\$802	
Net Income		\$5,554		\$7,675		\$10,514		\$7,624		\$6,598	\$37,965
C	\$10,845	\$245	\$10,850	\$0	\$10,890	\$967	\$11,150	\$0	\$1,900	\$975	
Net Income		\$10,600		\$10,850		\$9,923		\$11,150		\$925	\$43,448

6. Proposed and Potential Uses

Residential tenant use is the only potential viable use known at this time.

7. Public Sentiment and Value

The remote and secluded location has kept the structures away from public view. Consequently minimal public sentiment or value is associated with them other than potentially those of former tenants.

8. Regional Importance and Value

The Cabins provide a small source of housing in the upper Stevens Creek corridor; however, this housing is currently in substandard condition with major access issues. Therefore, the housing value is greatly reduced. The open space value gained by restoring the site outweighs the minimal housing value.

9. Consistency with Strategic Plan

The Strategic Plan aims to balance the three legs of the District’s mission statement: 1) Public Access, 2) Preservation, and 3) Resource Management. By decommissioning and demolishing these Cabins, the District would be restoring the meadow area and improving the habitat value of the surrounding open space, consistent with resource management goals.

10. Tradeoffs and Impacts on District Resources

The decommissioning and demolishing the Cabins would shift District resources from ongoing maintenance and monitoring of the Cabins to higher priority District projects.

11. Visitor Experience – refer to section 7 above.

**CEQA COMPLIANCE**

This action is categorically exempt under section 15301, Existing Facilities, which exempts the repair, maintenance, or minor alteration of existing public or private structures, facilities, or

topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination, including the demolition of individual small structures. The project purposes performing minor erosion control work along existing roads, and performing minor restoration activities to return the demolition site to a natural condition.

### **BOARD COMMITTEE REVIEW**

The Real Property Committee met on Tuesday, May 20, 2014 for a staff presentation and tour of the property. After Committee discussion (no public present) and consideration of the results of the Structures Disposition Analysis, the Committee unanimously forwarded to the full Board a recommendation to demolish the Saratoga Gap Cabins, salvage/recycle materials where possible, and return the site to a natural condition. Note: the Planning and Natural Resource Committee (PNR) reviewed a separate demolition project (not associated with property management) on February 18th and at that time directed the General Manager to develop a waste stream diversion policy. PNR agreed to proceed with current demolition projects using interim waste stream diversion requirements ahead of adopting a related Board policy to avoid project delays.

### **FISCAL IMPACT**

The FY2014-15 Budget includes \$100,000 for the demolition of the Cabins and site restoration.

### **PUBLIC NOTICE**

Public notice was provided as required by the Brown Act. Notice was also given to neighbors surrounding the Cabins, including the Santa Clara County Parks and Recreation Department.

### **NEXT STEPS**

If the Board agrees with the recommendation to demolish the Cabins, staff would activate the public bidding process to solicit bids for the demolishing and returning the site to a natural condition. The bid package would include waste stream diversion requirements, which staff is currently researching and solidifying. These requirements will be reported to the Board should the item return for award of contract. By the end of the calendar year, a draft waste stream diversion policy will be separately brought to the Board, which once adopted, will guide future demolition work.

#### **Attachments:**

1. Estimated Costs for Cabin Repairs
2. Charcoal Road in Saratoga Gap Open Space Preserve
3. Premise Area – Existing Structures and Debris to be Removed
4. Real Property Committee Meeting Draft Minutes for May 20, 2014

#### **Responsible Department Head:**

Michael Williams, Real Property Manager

#### **Prepared by:**

Elaina M. Cuzick, Real Property Specialist

**Attachment 1: Cabin Repairs and Associated Cost****Cabin A Repairs**

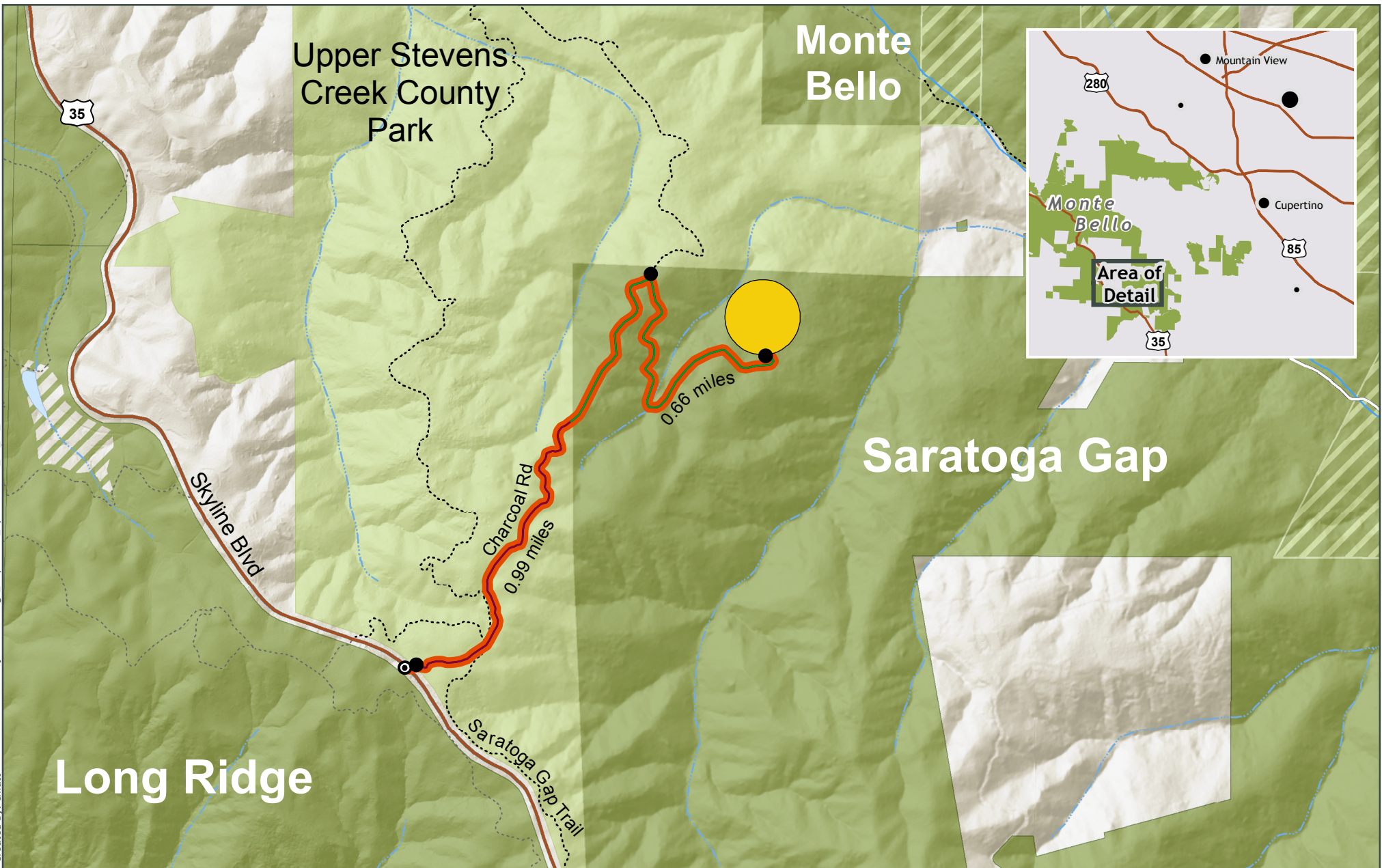
<b>Repair</b>	<b>Approx. Cost</b>
Insulation	\$15,000
Window replacements (9)	\$24,000
Electrical to code	\$8,000
Bathroom shower replacement	\$3,000
Relocation/replacement of water heater	\$5,000
Interior floor repair	\$10,000
Interior carpet replacement	\$2,000
Interior paint	\$5,000
Deck replacement	\$25,000
Wood Stove replacement	\$5,000
Appliances (basic)	\$2,000
Contingency (~15%)	\$16,000
Total Cost	\$120,000

**Cabin B Repairs**







<b>Repair</b>	<b>Approx. Cost</b>
Insulation	\$15,000
Window replacements (8)	\$20,000
Porch window replacements	\$12,000
Electrical to code	\$8,000
Bedroom ceiling repair	\$15,000
Replace back door	\$4,000
Interior floor repairs	\$10,000
Front Step replacement	\$5,000
Appliances (basic)	\$1,500
Contingency (~15%)	\$13,500
Total Cost	\$104,000

**Cabin C Repairs**

<b>Repair</b>	<b>Approx. Cost</b>
Insulation	\$15,000
Window replacements (8)	\$20,000
Electrical to code	\$8,000
Bathroom upgrade (basic)	\$10,000
Interior floor replacement	\$10,000
Interior carpet replacement	\$2,500
Wood stove replacement	\$5,000
Interior paint	\$5,000
Kitchen upgrade (basic) including laundry room	\$20,000
Appliances (basic)	\$2,000
Contingency (~15%)	\$14,500
Total Cost	\$112,000



### Exhibit A: Charcoal Road in Saratoga Gap Open Space Preserve








-  Saratoga Gap Cabin Residence Site
-  Charcoal Road
-  MROSD Preserves
-  Other Protected Open Space or Park Lands
-  Private Property
-  Management Agreement
-  Non MROSD Conservation or Agricultural Easement
-  MROSD Conservation or Agricultural Easement
-  Trail
-  Road

Midpeninsula Regional Open Space District (MROSD)

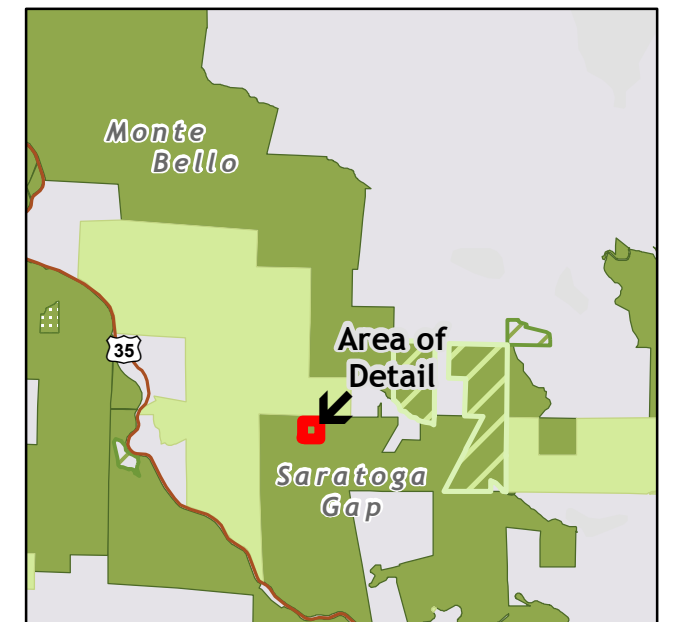
May, 2014



# Exhibit B: Saratoga Gap Premise Area- Existing Structures and Debris to be Removed

-  Structure
-  Debris
-  Parcel Boundaries
-  Well or Water Tank
-  Power Line Pole
-  Power Line
-  Road

- |                          |                     |
|--------------------------|---------------------|
| 1. House                 | 7. Propane Tank Pad |
| 2. Propane Tank Pad      | 8. House/Debris     |
| 3. Water Pump Box/Debris | 9. Concrete Shed    |
| 4. Garage/Debris         | 10. Septic          |
| 5. House                 | 11. Fence/Debris    |
| 6. Shed                  | 12. Shed            |



Midpeninsula Regional  
Open Space District

(MROSD)

April, 2014



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APN: 35113010





Midpeninsula Regional  
Open Space District

**SPECIAL MEETING**  
**REAL PROPERTY COMMITTEE**

**DRAFT MINUTES**

**May 20, 2014**

**I. CALL TO ORDER**

Director Hanko called the meeting of the Real Property Committee to order at 2:00 p.m.

**II. ROLL CALL**

Members Present: Nonette Hanko, Cecily Harris, Larry Hassett

Members Absent: None

Staff Present: Assistant General Manager Ana Ruiz, General Counsel Sheryl Schaffner, Supervising Ranger Brendan Downing, Real Property Manager Mike Williams, Real Property Specialist Allen Ishibashi, and District Clerk Jennifer Woodworth

**III. ORAL COMMUNICATIONS**

No speakers present.

**IV. ADOPTION OF THE AGENDA**

**Motion:** Director Hassett moved, and Director Harris seconded a motion to adopt the agenda.

VOTE: 3-0-0

**V. COMMITTEE BUSINESS**

**1. Election of Committee Chair**

Director Hanko nominated Director Hassett to be the chair of the Real Property Committee for 2014, and Director Harris seconded the nomination. Director Hassett accepted the nomination.

VOTE: 3-0-0

**2. Approval of Real Property Committee Minutes for January 21, 2014**

**Real Property Committee  
May 20, 2014**

**Motion:** Director Harris moved, and Director Hanco seconded a motion to approve the January 21, 2014 Real Property Committee meeting minutes.

VOTE: 3-0-0

**3. Consideration for the Removal of the Saratoga Gap Cabins from the District's Property Management Program and Demolition in Summer 2014**

Real Property Specialist Elaina Cuzick described the location of the cabins in relation to Upper Stevens Creek County Park and District preserves. Ms. Cuzick explained that the cabins were evaluated based on the Board-approved *Factors to Consider for Existing Structures* and described the currently deteriorated condition of Charcoal Road, which is used to access the Saratoga Gap Cabins.

The Real Property Committee and District staff conducted a tour of the property and the water system which served the structures.

Director Hanco inquired if anyone has expressed interest in preserving the Saratoga Gap cabins to which Ms. Cuzick responded that no one has come forward in favor of preserving the cabins.

Discussion ensued regarding salvage of the cabins' building materials.

Public hearing opened at 3:10 p.m.

No speakers present.

Public hearing closed at 3:10 p.m.

**Motion:** Director Harris moved, and Director Hanco seconded a motion to recommend to the full Board to demolish the Saratoga Gap Cabins and direct staff to evaluate demolition and salvage options.

VOTE: 3-0-0

**VI. ADJOURNMENT**

Chair Hassett adjourned the meeting of the Real Property Committee at 3:15 p.m.

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Jennifer Woodworth, CMC  
District Clerk