



Midpeninsula Regional
Open Space District

R-16-20
Meeting 16-04
February 24, 2016

SPECIAL MEETING AGENDA ITEM 1

AGENDA ITEM

Bear Creek Stables Site Plan

GENERAL MANAGER'S RECOMMENDATIONS

1. Receive an informational presentation and provide feedback on the Bear Creek Stables Site Plan, including Site Design Alternatives A and B, public programming scenarios, and public/private cost allocation.
2. Given the high cost of improvements for Alternatives A and B, and high up-front capital investment for either the District or both the District and a future tenant, the Board of Directors is asked to consider directing the General Manager to develop the following additional three alternatives for Board consideration at a subsequent public meeting:
 - i. Phased Implementation Plan for Site Design Alternatives A that phases in the improvements based on level of priority and available funding. Phase I improvements would focus on necessary safety and environmental protection improvements to provide a safe environment for boarders, their horses and the public, and protect the site's natural resources. Remaining improvements would be programmed into future annual District and tenant work plans pending funding, available capacity, and other priority needs, resulting in phased budgeting and phased expenditures.
 - ii. Phased Implementation Plan for Site Design Alternatives B that phases in the improvements based on level of priority and available funding. Phase I improvements would focus on necessary safety and environmental protection improvements to provide a safe environment for boarders, their horses and the public, and protect the site's natural resources. Remaining improvements would be programmed into future annual District and tenant work plans pending funding, available capacity, and other priority needs, resulting in phased budgeting and phased expenditures.
 - iii. New Minimal Site Design Alternative C that only identifies the necessary safety and environmental protection improvements to provide a safe environment for boarders, their horses, and the public, and protect the site's natural resources, therefore limiting the total cost of implementation.

SUMMARY

Considerations for the Bear Creek Stables Site Plan are being presented to the Board of Directors (Board) in a public session for the Board to provide further guidance on the planning process.

Specific topics that will be covered include the elements of the two current Site Plan Alternatives (A & B) and related financial considerations. Based on the financial considerations described in this report, the Board is asked to consider directing the General Manager to develop phased implementation plans for each current site plan alternative as well as a minimal site design alternative as options for reducing the magnitude of the upfront capital costs.

MEASURE AA

The 5-year Measure AA (MAA) Project List amended by the Board at their March 25, 2015 meeting includes the voter-approved Priority Action #21 (Portfolio 21), Bear Creek Redwoods Public Recreation and Interpretation Projects, which includes the Bear Creek Stables Site Plan (Project #21-4). The MAA Expenditure Plan allocated \$17.478M for all Bear Creek Redwoods Open Space Preserve projects of which approximately \$3M is specifically for improvements at Bear Creek Stables.

BACKGROUND

Bear Creek Stables was acquired in 2000 as part of a 260-acre property purchase. The Preliminary Use and Management Plan for the property called for the continued operation of the stables, which has been operating on a month-to-month lease since 2000. A Stables Site Plan is required in order to enter into a long-term lease with a tenant operator to ensure that the District's resource management and public access goals are met for the property.

As part of the Bear Creek Redwoods Preserve Plan, the Bear Creek Stables Site Plan is being developed to meet the following goals that have been identified for this facility:

- Emphasize the protection of the site's natural resources;
- Maximize public benefits by broadening public access and use of the facility; and
- Develop a viable plan that is financially feasible for a tenant and the District.

DISCUSSION

Planning and Outreach Process

The Stables site planning process integrates existing conditions data and site analysis, case studies of other publicly-owned equestrian facilities, extensive input from stakeholders, and permitting feasibility.

Stakeholder feedback was solicited through three, well-attended public workshops. Input and ideas on the future of Bear Creek Stables were recorded at the first open house. Preliminary design concepts that reflected some of this early input were then presented to the public at the second meeting for feedback. At a third workshop, which included the larger Preserve Plan, the public had an opportunity to provide input on preliminary site design alternatives for the Stables. Public comment has also been received at various other Board and Committee meetings in April, June, and September of 2015.

Staff has consulted with the County of Santa Clara (County) to determine the regulatory requirements to increase public access and implement improvements at the site. A new use permit would be required for expanded public access, replacement/repair of structures, and upgrades to the infrastructure system (e.g. driveway, water system, etc.). The site design

alternatives were subsequently revised to address the regulatory requirements related to parking, access, fire suppression water storage, ADA requirements, and riparian setbacks.

Using the District’s goals for the site as guiding principles, and incorporating the public input received on the design concepts, the District’s consultants, Populous, developed a range of site design alternatives with preliminary cost estimates. These site design alternatives were presented to the Planning and Natural Resources (PNR) committee at a public meeting on April 14, 2015. A refined set of site design alternatives that incorporate public input and feedback received from the County were presented to the PNR at a public meeting on September 29, 2015.

Site Design Alternatives

Three site design alternatives were originally developed to accommodate a range of uses, different levels of public programming, and different intensities of development. During the environmental review process, a third alternative (previously Alternative C) was identified as having significantly greater impacts on the environment relative to Alternatives A or B. Improvements associated with this third alternative would require the greatest quantity of grading, create the largest amount of new impervious surface, require significantly more water than Alternatives A or B, and could result in potentially significant aesthetic impacts to neighboring properties. Due to these associated environmental impacts, the PNR committee removed this third alternative from further consideration (R-15-44). The table below provides a comparison of the improvements associated with the two remaining site design alternatives that are currently under consideration (Attachment 1: Site Plan Design Alternatives)

TABLE 1

	Alternative A	Alternative B
Horses	63 horses (boarded)	72 horses (60 boarded + 12 public program)
Livery stable	No	Yes- 12 livery runs
Arena	Large (boarder) arena rotated in boarder area Small (public) arena in public access area	Large (public) arena next to hillside, bleacher seating, in boarder area Small (boarder) arena in former dressage area
Public Access facilities	Visitor kiosk or center Stabilized or restored stable Farm animals barn in restored stable	New 1-2 story structure to replace old stable Visitor center in new structure
Administration facilities	New office and caretaker residence in existing location	New office in new 1-2 story structure New caretaker residence at entrance
Pasture Areas	Restoration	Restoration
Order of Magnitude Cost	>\$7.25 M (includes water system)	>\$8 M (includes water system)
Common improvements: Paved roads and parking, new hay barn, visitor and boarder restrooms, optional small animal barn.		

Stables Improvement Standards

The Stables Site Plan will include improvement standards to improve resource management practices and water quality at the site. Erosion will be reduced by eliminating access to and use of steep hillsides, installing vegetative filter strips in heavy use areas, renovating paddocks with roofs to direct water away from the enclosure, and lining each enclosure with base rock and rubber matting. These improvement standards will be finalized once a site design alternative is approved for the Stables.

Stables Management Guidelines

Management guidelines (Attachment 1, page 3) will accompany a long-term lease for the stables to ensure that a safe and healthy environment is provided for horses, equestrians, and the general public who will be visiting the site. These include:

- Implement a manure management program that establishes guidelines for the cleaning, storage, and composting of manure.
- Implement health, safety and emergency measures, including storage/access to basic medical provisions, an emergency land line phone, and development of an emergency evacuation plan.

Water System Infrastructure Improvements

Water system infrastructure improvements are a necessary component of the overall Site Plan to provide a long term, sustainable water supply for both potable and fire suppression needs at the stables. Conceptual level designs for new water infrastructure have been developed, with estimated costs for construction, maintenance, and operation utilizing various water sources within the Preserve. Construction cost estimates for each system range from \$620,000 to \$1,000,000; ongoing maintenance is an additional cost. Total water system infrastructure costs would exceed \$1M if separate water systems are required to meet potable and fire suppression water needs for the stables. An evaluation of additional water sources is underway to determine if less expensive water system options are feasible.

Public Programming

The Stables facility presents an opportunity for enhanced public programming that focuses on nature appreciation, equestrian and horse husbandry activities, and environmental education. The following two public programming scenarios have been developed to date for Board consideration:

Scenario A: Limited Public Programs; No Livery

Associated with Site Design Alternative A and includes:

- Introductory Riding Lessons
- Trail Equestrian Rides
- Small Farm Animals Barn

Public program horses would be brought to the site daily. This limited public programming option requires fewer facilities and capital improvements.

Scenario B: Expanded Public Programs; With Livery

Site Design Alternative B is designed to accommodate all of the following potential public programs:

- Introductory, Intermediate, and Private Riding Lessons
- Trail Rides
- Small Farm Animals Barn
- Horse Training
- Weekend and Summer Horse Camps
- Therapeutic Riding
- Environmental and/or Equestrian Education Events

Scenario B provides the greatest opportunity for public use of the site, specifically increased program diversity and youth engagement. In addition, there is an increased potential for on-site revenue generation to maintain the facility. The expanded public programs scenario would require a higher cost for capital improvements, a more intensive use of the site and likely additional associated traffic.

Financial Considerations

Included as one of the goals of the Bear Creek Stables site planning process is to create a plan that is financially viable for the District and a long-term tenant so that the District can confidently invest in the site, and a tenant can operate a financially-sound business and assume responsibility for ongoing site maintenance. As part of the MAA Expenditure Plan, approximately \$3M has been allocated for stables improvements. Due to the existing site conditions at the stable and the regulatory requirements associated with each current site design alternative, the cost estimates for these site improvements (including water system infrastructure) range from \$7.25M to \$8M, far exceeding the MAA funding allocation. The MAA Expenditure Plan did not anticipate the scale of structural improvements, regulatory requirements, and water system improvements to support the Stables and enhance the public programs.

The following preliminary public/private cost allocation scenario was presented at the September 29, 2015 PNR committee meeting based on cost estimates for Site Design Alternatives A and B. This cost sharing scenario proposes a District contribution of capital investment to implement the improvements within the proposed public access area while a tenant (likely with partner and grant funding) would contribute the capital investment for improvements in the boarders area. Table 2 shows the preliminary public/private cost allocation.

TABLE 2

	District Funds	Tenant / Partner / Grant Funds	Total Cost
Alternative A + water system	>\$5.75 M	\$1.5 M	> \$7.25 M
Alternative B + water system	>\$6.5 M	\$1.5 M	> \$8 M

To understand the financial obligation that could be reasonably required of a tenant, staff worked with the consultants to develop business models based on the public programming options and site design alternatives. A public stable facility analysis was also conducted to gather comparable data about similar local facility expenses and revenue, as well as program utilization. To develop

the business models, comparable boarding rates, public program fees, and lease terms were used to determine the potential revenue that a tenant could contribute to site improvements. The results of the financial analysis raise concerns about the feasibility of the cost allocation scenario. Based on projected revenue, any significant tenant cost share (even with the leveraging of partnership and grant funding) may be prohibitive in finding a viable, long-term tenant.

Table 3 shows the potential revenue, expenses, and profit for a tenant operating at an improved facility under public programming scenarios A (Limited Public Programs; No Livery) and B (Expanded Public Programs; With Livery). According to the financial analysis, a tenant is likely to operate a more financially-profitable business operating under public programming scenario B, using operator-owned horses housed in a livery stable. However, it may take a tenant several years to acquire the public program horses and establish the cliental needed to support the profits reflected in the following table. Additionally, it is reasonable to assume that boarding occupancy will fluctuate below 100% occupancy.

TABLE 3

	Option A	Option B
Total Annual Boarding Revenue	\$480,000 - \$573,000	\$456,000 - \$550,000
Total Annual Public Programming Revenue:	\$10,000 - \$17,000	\$250,000 - \$275,000
Total Annual Revenue:	\$490,000 - \$590,000	\$650,000 - \$800,000
Total Annual Expenses	\$440,000 - \$451,000	\$525,000 - \$600,000
Monthly Profit		
100% occupancy Profit/(Loss):	\$4,000 - \$11,500	\$8,000 - \$16,000
90% occupancy Profit/(Loss):	\$1,700- \$8,500	\$6,000 - \$15,000
80% occupancy Profit/(Loss):	(\$2,500) – \$3,700	\$2,400 - \$10,000

Under both public program scenarios, an initial significant capital investment, as presented in the preliminary cost allocation scenario, would significantly reduce or eliminate any profit, hence decreasing the likelihood that a long-term tenant could be found.

General Manager Recommendations: Develop Phased Implementation Plans for Site Design Alternatives A and B and a new Minimal Site Design Alternative C as options to reduce upfront capital costs.

Given that the magnitude of costs associated with either Site Design Alternative A or B exceed the MAA funding allocation by a rather large margin, the Board may want to consider directing a phased implementation of the improvements, done in a manner that is feasible for the District and a future tenant. With a phased implementation approach, the Board would still be able to approve Site Design Alternative A or B as the long-term vision for the stables and only authorize funding for the first phase of site improvements. Future phases could be pursued dependent on the success of the operation, public use of and interest in the site, as well as (1) the availability of additional funding, (2) staff and/or tenant capacity to implement, and (3) other pending priorities. The first phase of work would include priority improvements to ensure site safety and resource protection and stay, as close as possible, within the MAA funding allocation. Enhancements to public programming would likewise be phased concurrent with the associated capital improvements.

Another alternative that can be developed for Board consideration is a new Minimal Site Design Alternative C that limits improvements to only those necessary to provide a safe environment for the tenant, boarders, their horses, and the public, and improve resource protection. The highest priority improvements would be included as part of this proposed alternative. Public programming would remain close to what exists now, with some possible enhancements over time. This alternative addresses the most critical and basic needs at the site, supports continued stables operations, continues to provide a basic level of public programming, and significantly reduces overall capital and long-term maintenance costs for the District and a long-term tenant.

FISCAL IMPACT

Sufficient funds are included in the Fiscal Year (FY) 2015-16 Planning Department budget for the development of the Preserve Plan, including the Bear Creek Stables Site Plan, and Environmental Impact Report (EIR). Additional funds will be budgeted in FY2016-17 to complete the Site Plan and certify the EIR.

BOARD COMMITTEE REVIEW

Six PNR committee meetings have been held to date. Staff presented the process for developing a long-term plan and lease to the PNR committee on August 27, 2013 and December 2, 2014. Two additional PNR committee meetings were held to solicit public input on March 16 and March 18, 2015. On April 14, 2015, the PNR committee reviewed preliminary site design alternatives. On September 29, 2015, the PNR committee reviewed the revised site design alternatives and the preliminary cost sharing proposals.

PUBLIC NOTICE

Public notice was provided as required by the Brown Act. Additional notice was provided to interested parties of the Stables Site Plan, as well as adjoining neighbors of Bear Creek Redwoods Open Space Preserve.

CEQA COMPLIANCE

An EIR is currently in preparation for the Preserve Plan, which includes the Bear Creek Stables and Alma College Site Plans. In June 2015, the Board accepted the project description of the proposed Preserve Plan, including a range of potential improvements at the Stables, for the purposes of completing the environmental review process consistent with the California Environmental Quality Act (CEQA) (R-15-16). If the Board directs the General Manager to develop Phased Implementation Plan(s) and/or a Minimal Site Design Alternative, these options will also be assessed as part of CEQA review.

NEXT STEPS

If directed by the Board, the General Manager will direct staff to identify the highest priority improvements for the Stables and develop phased implementation plan(s) and/or a minimal site design alternative and return to the Board in Spring 2016 to present the additional alternative(s) and related cost estimates.

PROJECT SCHEDULE

Presentation of the Phased Improvement Plans and/or Minimal Site Design Alternatives	April/May 2016
BCR Preserve Plan EIR Hearing and Alma College Presentation	May/June 2016
EIR Certification and Preserve Plan (including Stables and Alma College Site Plans) Approval	July/August 2016

Attachment

1. Site Design Alternatives

Responsible Department Head:

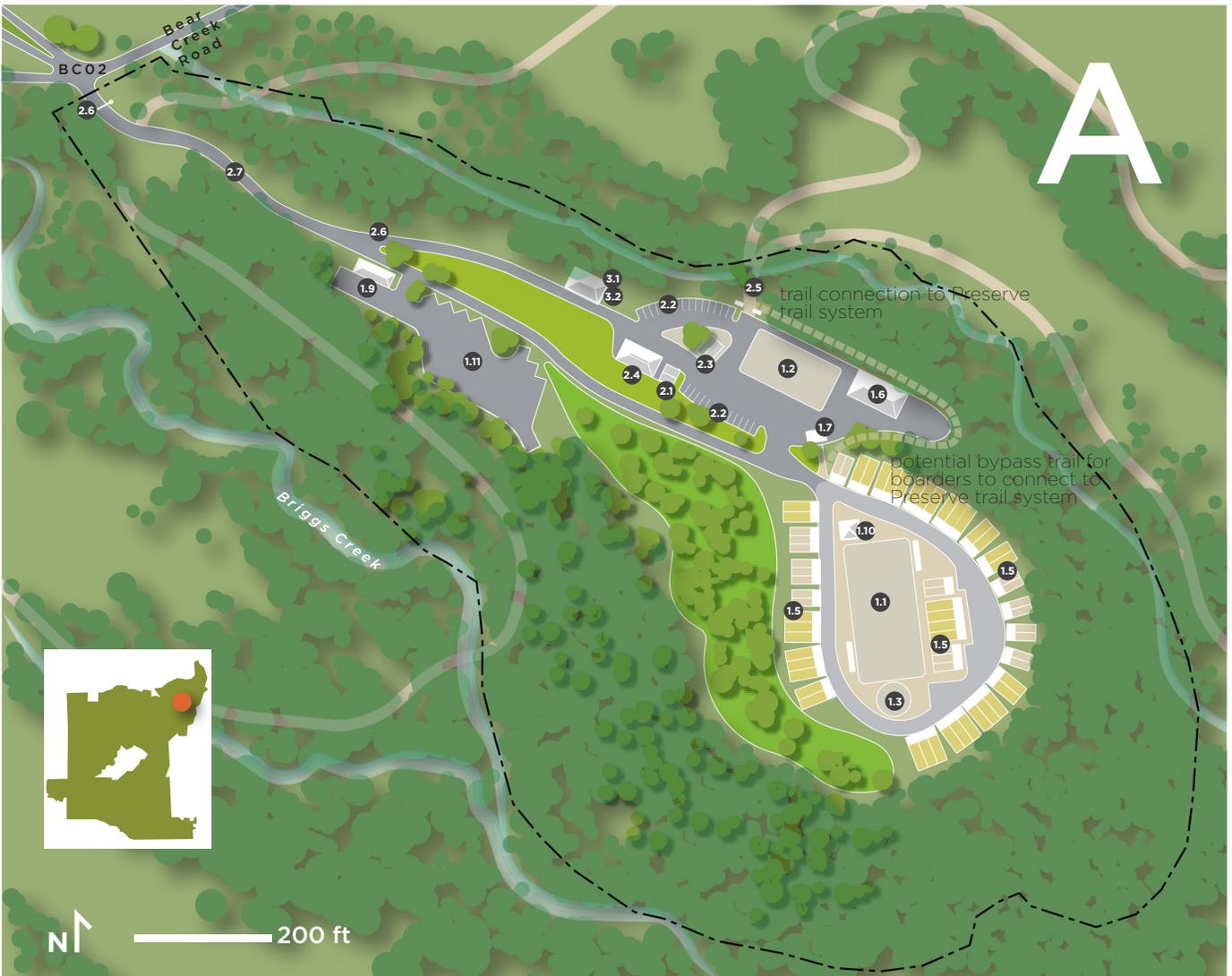
Jane Mark, AICP, Planning Manager, Planning Department

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Bear Creek Stables Alternative A

1. Horse Stables

- 1.1** Main Riding Arena
- 1.2** Secondary Arena
- 1.3** Round Pen
- 1.5** (23) Boarding Shelters + Paddocks (15x30ft)
- 1.5** (40) Boarding Shelters + Paddocks (15x40ft)
- 1.6** Hay Barn
- 1.7** Manure Dump
- 1.9** Maintenance & Storage
- 1.10** Restrooms at Arena
- 1.11** Trailer Parking (2 to 4 full trailer parking + 10 to 12 trailer storage spaces)

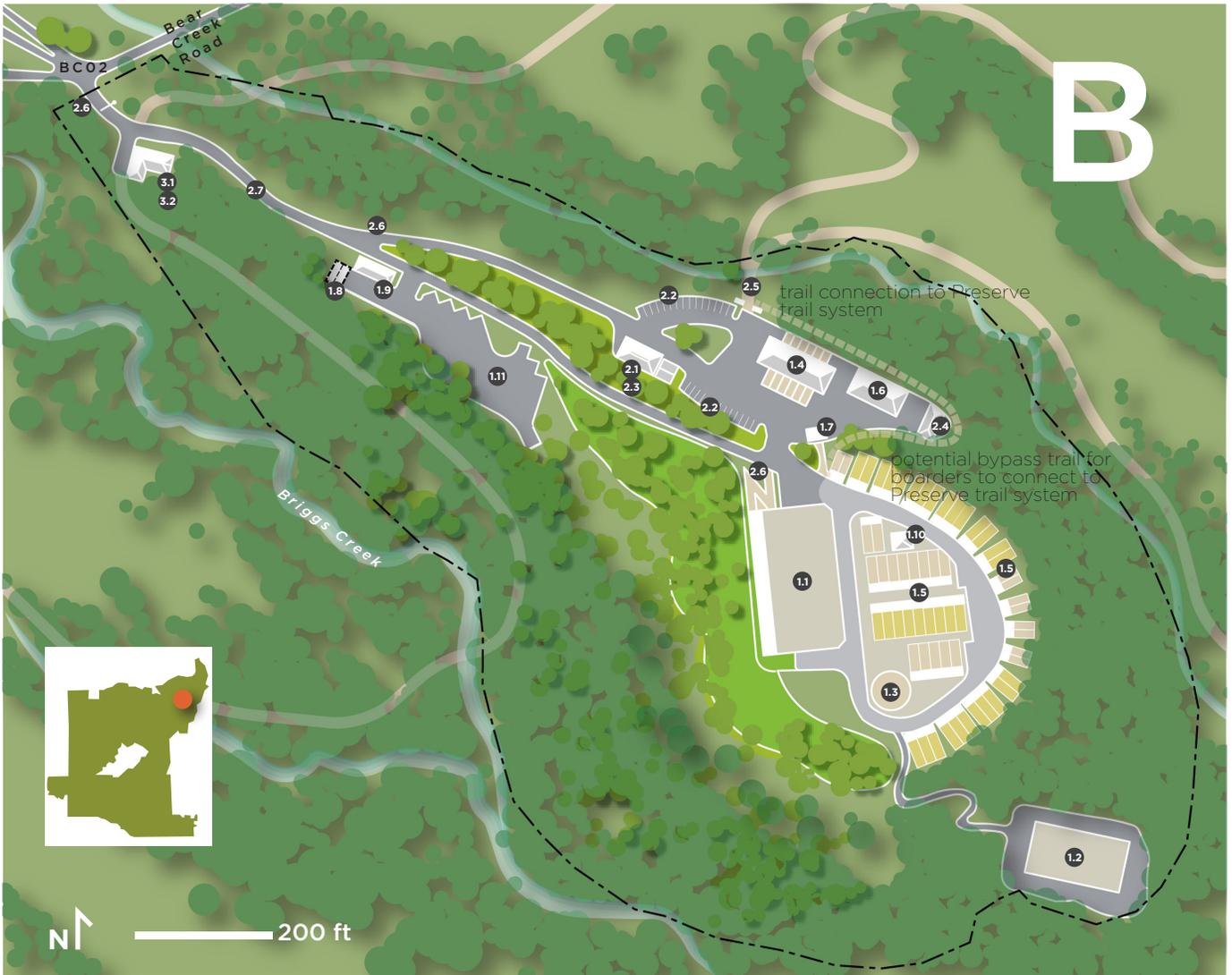
2. Public Access

- 2.1** Public Restrooms
- 2.2** Visitor Parking (25 to 40 spaces)
- 2.3** Visitor Facility (Welcome/Learning Center): shelter under existing tree
- 2.4** Farm Animals Barn (in older stables structure)
- 2.5** Horse/Pedestrian Trailhead
- 2.6** Directional/Informational Signage
- 2.7** Road Upgrades

3. Administration

- 3.1** Office (new building)
- 3.2** Groundskeeper House (new building)

B



1. Horse Stables

- 1.1** Main Riding Arena (OPTIONAL: covered)
- 1.2** Secondary Arena (OPTIONAL: covered)
- 1.3** Round Pen
- 1.4** Livery + (12) Runs
 - (25) Boarding Shelters + Paddocks (15x30ft)
- 1.5** (35) Boarding Shelters + Paddocks (15x40ft)
- 1.6** Hay Barn
- 1.7** Manure Dump
- 1.8** Composting Station (OPTIONAL: 20-horse system)
- 1.9** Maintenance & Storage
- 1.10** Restrooms at Arena
- 1.11** Trailer Parking (2 to 4 full trailer parking +10 to 12 trailer storage spaces)

2. Public Access

- 2.1** Public Restrooms (in new Visitor Facility)
- 2.2** Visitor Parking (25 to 40 spaces)
- 2.3** Visitor Facility (Welcome/Learning Center): new structure
- 2.4** Farm Animals Barn
- 2.5** Horse/Pedestrian Trailhead
- 2.6** Directional/Informational Signage
- 2.7** Road Upgrades

3. Administration

- 3.1** Office (in new Visitor Facility)
- 3.2** Groundskeeper House (new building at entry)

Bear Creek Stables Alternative B

Stables Improvement Standards

The following improvement standards would be implemented to improve the resource management and water quality at the site:

- Remove from use and restore pastures and hillsides to native landscape.
- Eliminate paddocks outside of “boarder area.”
- Maintain vegetative filter strips between and down slope of paddocks. These areas are not to be used for horse grazing.
- Require a roof for each paddock and ensure that the orientation of the roof directs water away from the enclosure or areas of bare soil and into the filter strip areas.
- Line each enclosure with base rock and geogrid matting for stabilization.
- Stabilize and/or restore existing stables building.
- Demolish, improve and/or construct structures in accordance with the final approved site design and structure design guidelines.

These improvement standards will be finalized based on the site design alternative that the Board approves for the Stables.

Stables Management Guidelines

The following draft management guidelines will accompany a long-term lease for the stables to ensure a safe and healthy environment is provided for horses as well as a safe environment for equestrians and the general public visiting the site:

- Strive to maintain a horse capacity as close as possible to, but not exceeding, the 72 maximum allowed by the Santa Clara County Use Permit.
- Implement a manure management program that requires:
 - Paddocks to be cleaned a minimum of once daily,
 - Manure must be stored in storage enclosures that will be covered during rain and before off hauling, and
 - Drainage from storage enclosures must flow into vegetated filter strips.
- Develop, jointly between District and tenant, rules and regulations for maintaining a safe environment for visitors, riders and horses. Post the rules and regulations in prominent locations throughout the facility.
- Develop, jointly between the District and tenant, rules and regulations for parking and/or storage of horse trailers and other mobile equipment related to the horse boarding operation.
- Require quarterly visual inspections and reporting of facilities and horses by a qualified animal husbandry practitioner to ensure safety and health of horses.
- Require tenant to establish emergency plans, including Emergency Animal Evacuation and Protection Plan, providing an emergency land line phone and basic medical first-aid provisions for humans and horses.
- Establish operating hours to be during daylight hours until adequate outdoor lighting is provided in riding arenas. In accordance to District ordinance, trail system will remain closed to users between dusk and dawn.
- Require tenant to provide a qualified on-site caretaker, subject to background checks and approval of the District.
- Require tenant to provide monthly reporting of activities, such as horse population, maintenance activities, incident occurrence, complaints, public access/education activities, etc.
- Require tenant to provide a public access plan, outlining intent and planned methods of engaging the public in boarding, tours, education, clinics and other methods of public engagement.

Public Access Programs and Improvements

To maximize public benefit of the site, a safe, welcoming and inclusive public access program will be implemented.

- Designate public access areas as part of the Stables.
- Install a visitor kiosk or center with equestrian program brochures, interpretive information, and District standard signage.
- Offer public equestrian programs and horse boarding.
- Design and install monument signage at the facility entry.
- Provide public restrooms and visitor parking.
- Designate a trail connection that would tie into the rest of the preserve's trail system as part of the Bear Creek Redwoods Open Space Preserve Plan.

Maintenance and Operations Projects

Major maintenance and operations projects include the following:

- Upgrade access roads to improve safety and reduce erosion.
- Improve and maintain roads and trails in accordance with District Road and Trail Inventory.