



Midpeninsula Regional
Open Space District

R-17-29
Meeting 17-12
May 24, 2017

AGENDA ITEM 3

AGENDA ITEM

Proposed purchase of the Peninsula Open Space Trust (Conley) Property as an addition to Long Ridge Open Space Preserve, located on Shingle Mill Road in unincorporated San Mateo County (Assessor's Parcel Numbers 085-170-020, 085-170-290, and 085-170-310)

GENERAL MANAGER'S RECOMMENDATIONS

1. Determine that the recommended actions are categorically exempt from the California Environmental Quality Act (CEQA), as set out in the staff report.
2. Adopt a Resolution authorizing the purchase of the Peninsula Open Space Trust (Conley) property for \$500,000 with a corresponding authorization for a Fiscal Year 2016-17 budget increase of the same amount.
3. Adopt a Preliminary Use and Management Plan for the Peninsula Open Space Trust (Conley) property, as set out in the staff report.
4. Withhold dedication of the Peninsula Open Space Trust (Conley) property as public open space at this time.

SUMMARY

The General Manager recommends purchasing the 191.2-acre Peninsula Open Space Trust (POST) Conley property at a bargain sale price of \$500,000 as an addition to Long Ridge Open Space Preserve. As part of the purchase approval, a line item budget increase of \$500,000 to the Fiscal Year 2016-17 budget is required to proceed with the acquisition. This Report contains a description of the property, a Preliminary Use and Management Plan, findings of the environmental review, the purchase terms and conditions, and financial considerations.

DISCUSSION

The reasons for this purchase includes advancement of Measure AA Portfolio #15, Regional Redwood Protection and Salmon Fisheries Conservation, to preserve and protect redwood forests, scenic landscapes, and fisheries habitat in the upper Pescadero Creek watershed.

Property Description and Regional Context (Attachment 2, Location Map)

Located in unincorporated San Mateo County, the 191.2-acre POST(Conley) property is approximately 1.5 miles southwest of Skyline Boulevard (State Highway 35) just outside the western boundary of Long Ridge Open Space Preserve, and near the intersection of Shingle Mill

Road and Big Basin Way (State Highway 9). Portola Redwoods State Park is located to the north and west. Castle Rock State Park is located across the Santa Cruz County boundary approximately 1/2 mile to the southeast. The property consists of three parcels, mostly undeveloped. One of the smaller parcels abuts the 580-acre Boy Scouts of America Camp Chesebrough, but there is no access to the camp from the property.

The property averages 1,800 feet in elevation, with a generally northwest-southeast orientation. The highpoint of the property is 1,960 feet and the low point along Oil Creek is 920 feet. The property is sloped and densely wooded, mostly with second-growth redwood and Douglas fir, with larger specimens of coast redwoods in the deeper drainages.

Improvements and Land Use

The largest parcel (111.61 acres) has a small 330 square foot summer cabin, outhouse, and storage shed. A small amount of wood debris and an abandoned vehicle lie in the brush below the cabin. An unpaved road provides direct access from Shingle Mill Road to the interior of the parcel. Access to the two smaller parcels (40 acres and 39.59 acres respectively) is via unpaved roads through adjoining private parcels. Logging occurred on the property in 2001. The network of unpaved roads is likely the result of previous logging activity.

Water Rights and Resources

The property drains to Oil Creek, a perennial tributary in the upper Pescadero Creek watershed. A portion of Oil Creek traverses the northwest parcel. A small water tank is located adjacent to the cabin, but the water source or spring has not been located. A non-exclusive right to use and develop springs is recorded on title for the northeast parcel (APN 085-170-020). The adjoining private property to the south holds a reserved right to use and develop a spring for shared use with the subject property. This right is located in the headwaters of a seasonal tributary to Oil Creek. In this drainage, no developed spring has been found.

Habitat and Natural Resources Value

The POST (Conley) property has some of the highest conservation values within the boundaries of the Midpeninsula Regional Open Space District (District), based upon the conservation-values GIS analysis conducted for the 2014 *Vision Plan*. Situated within the largest area of relatively intact forest habitat in the Santa Cruz Mountains, Coast redwoods and Douglas fir dominate the property. The understory consists of young trees, sword ferns and redwood sorrel, interspersed with oaks, madrones and big leaf maples. Shrubs and grasses associated with coastal forest communities fill small clearings. This native vegetation community is ecologically fire adapted.

The property supports aquatic linkages between forested upland habitat and the Pacific Ocean. Upper Oil Creek contains spawning habitat for steelhead trout, federally listed as a Threatened species. Oil Creek is also part of the larger Pescadero Creek Watershed, designated as a Core Focus Area for Coho salmon recovery by the National Marine Fisheries Service.

Sharp-shinned hawks (*Accipiter striatus*), listed as a “species of concern” in California, have been seen on the property (as documented in the 2004 Conservation Easement’s Baseline Documentation Report, prepared by POST). The woodland provides habitat for animal species associated with the upper elevations of the Pescadero Creek watershed, including deer, coyotes, bobcats, raccoons, and mountain lions. A wide variety of small mammals, birds, and other species occupy or migrate through the general area.

COASTSIDE PROTECTION PROGRAM PROCESS

The property is located within the boundaries of the District's Service Plan for the San Mateo County Coastal Annexation Area (Coastal Service Plan), adopted by the Board in June 2003. The Coastal Service Plan and subsequent conditions approved by the San Mateo County Local Agency Formation Commission (LAFCo) in September 2004 established policies and procedures for the Coastside Protection Program (Program). The Program guides the District's purchase of open space lands and their use and management within the Coastal Annexation Area.

USE AND MANAGEMENT

Land Use Designation

The property is comprised of three legal parcels in unincorporated San Mateo County. The General Plan designation on APN 085-170-020 and 085-170-290 is Open Space. The General Plan designation for APN 085-170-310 is Timber Production. Per the County General Plan, natural resource management, sensitive habitat preservation, and low intensity recreation are allowable uses within these designations. On March 22, 2017, the San Mateo County Planning Commission confirmed that the acquisition of this property for open space complies with the County's General Plan.

If purchased, the property would be incorporated into the Long Ridge Open Space Preserve. A subsequent planning process would analyze opportunities for natural resource management and compatible public trail use. Subsequent planning would be in accordance with the District's Coastal Service Plan, including consultation with appropriate agencies and organizations. The planning process includes public meetings to gather input and review draft and final plans. Further environmental review would be prepared as needed.

Conservation Easement

In 2004, POST received a gift of a conservation easement from the Krauskopf/Conley family to protect its scenic, natural habitat, and open space values. The conservation easement also provides for future public trail use on the property but prohibits parking lots. The Krauskopf/Conley family reserved the right to build one single-family residence.

The easement includes typical prohibitions such as subdivision, sale of water rights, excavation, and tree cutting. However, the tree cutting prohibition does allow for actions to maintain and enhance a healthy forest ecosystem per a management plan such as a restoration forestry plan, prepared by a qualified natural resource professional and subject to POST's approval as the conservation easement holder. The recommended use and management for the property would be consistent with the conservation easement.

Williamson Act Considerations

Parcels 085-170-020 and 085-170-290 are subject to a Land Conservation Agreement between the County of San Mateo and Konrad B. and Kathryn M. Krauskopf, under the California Land Conservation Act of 1965 (also known as the Williamson Act), recorded in 1969 (Document #50661AC). On August 9, 2011, the County initiated non-renewal of these contracts and the contracts will fully expire on December 31, 2020.

Preliminary Use and Management Plan

The Preliminary Use and Management Plan (PUMP) establishes a status quo land management approach in the interim between the purchase and the completion of a subsequent long-term plan. The PUMP takes effect at the close of escrow and remains effective until changes warrant an amendment. The PUMP includes site security, new signage, and maintenance of the property in its natural condition, as described more fully below. If changes to land use or the physical environment are proposed in the future, the plan would be subject to further environmental review and public input.

Public Access:	Designate the property as closed to public use at this time. Issue neighbor permits on a case-by-case basis allowing hiking use consistent with historical use patterns.
Signs and Site Security:	Install Preserve boundary and closed area signs, where appropriate.
Fences and Gates:	Install gates and fencing as necessary to prevent unauthorized vehicular entry.
Roads and Trails:	Maintain access route into the site in a serviceable condition. Implement maintenance, and minor erosion and sediment control measures for access roads in accordance with District standards.
Patrol:	Routinely patrol property using existing access.
Resource Management:	Conduct invasive plant and animal management activities consistent with the District's Resource Management Policies.
Water Rights and Water Resources:	Determine location of any developed springs on the site and determine if springs are developed in accordance with recorded rights.
Structures and Improvements:	Upon purchase, remove and dispose of all structures, incidental improvements, debris, and abandoned vehicle per District Policy 4.08, Construction and Demolition Waste Diversion. The demolition and site cleanup costs are estimated between \$20,000 and \$25,000.
Conservation Easement	Continue use and management consistent with the existing Conservation Easement. Coordinate with the easement holder regarding any proposed physical alterations to the property prior to implementation, so that they may assess consistency with the easement provisions.
Wildfire Fuel Management:	Implement standard District-wide fuel management and defensible space practices.
Site Safety Inspection:	No evidence of hazardous materials detected.

Name: Name the property as an addition to Long Ridge Open Space Preserve.

Dedication: Indicate your intention to withhold dedication of the subject property as open space at this time.

CEQA COMPLIANCE

Project Description

The project consists of the purchase of the 191.2-acre POST(Conley) property as an addition to the District's open space preserve system and concurrent adoption of a Preliminary Use and Management Plan (PUMP). Minor erosion and sediment control measures in accordance with District standards will be conducted along the existing access routes/trails to prevent water quality degradation. Minor resource management activities may be conducted to control invasive plants. The land will be preserved as open space and maintained in a natural condition.

The property is within the boundaries of the District's Service Plan for the San Mateo County Coastal Annexation Area. The Service Plan and Final Environmental Impact Report (FEIR) incorporated policies, guidelines, and mitigations to ensure compatibility with the County General Plan and Local Coastal Plan. Actions proposed to purchase the property and implement the PUMP are in compliance with the Service Plan and FEIR.

CEQA Determination

The District concludes that this project will not have a significant effect on the environment. It is categorically exempt from the California Environmental Quality Act (CEQA) under Article 19, Sections 15301, 15316, and 15325 of the CEQA Guidelines as follows:

Section 15301 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. The project includes erosion control work as necessary along the existing road and minor restoration activities to maintain the property in a natural condition.

Section 15316 exempts the acquisition of land in order to create parks if the land is in a natural condition and the management plan proposes to keep the area in a natural condition. The PUMP specifies that the land will remain in a natural condition.

Section 15325 exempts transfers of ownership of interests in land to preserve open space. This acquisition will transfer fee ownership of the property to the District and ensure that the open space will be preserved. The PUMP proposes that the property be preserved as open space by incorporating it into Long Ridge Open Space Preserve.

BOARD COMMITTEE REVIEW

The District's Real Property Committee held a meeting on February 28, 2017 to review information about the property and receive public input on the proposed purchase. The District distributed a notice of the Real Property Committee meeting on February 23, 2017 to property owners located adjacent to or surrounding the subject property and to interested parties. Staff provided a tour of the property, reviewed the purchase terms, and described how the property would remain closed and managed as an extension of the surrounding Preserve. No members of

the public attended. The Real Property Committee recommended forwarding the proposed purchase to the District Board of Directors in a vote of 2-0 (One member was absent).

TERMS AND CONDITIONS

The 191.2-acre POST (Conley) property is proposed for purchase on a bargain sale basis at a price of \$500,000 (\$2,615 per acre) with a gift component of \$450,000. The property has a fair market value determined to be \$950,000 based on an independent appraisal commissioned by the District. The property would be purchased as-is on an all cash basis.

The grant deed conveying fee title of the subject property to the District includes a provision that the property will remain subject to the conservation easement held by POST, which is to be executed by both the District and POST.

The purchase agreement includes a covenant that provides POST a period of five years in which to recognize the Krauskopf family as significant donors who protected the subject property with a gift of a conservation easement to POST in 2004, in accordance with the District’s Policy 5.01 “Site Naming, Gifts, and Special Recognition.” The policy requires Board Committee approval of such naming proposals.

FISCAL IMPACT

Beginning in FY2016-17, the District amended its approach on budgeting for land acquisitions. For FY2016-17, the District only budgeted for costs associated with appraisals, property purchase research, and early negotiations. Land acquisitions bought before the Board for approval would include a budget increase to the adopted budget.

If the purchase of the POST (Conley) Property is approved, a budget increase of \$490,000 to the FY2016-17 budget is required.

POST(Conley) Property Purchase Amount	\$ 490,000
POST(Conley) Option Deposit	\$ 10,000
Kahn Property Purchase (also on this agenda)	\$ 550,000
Total Land purchases approved to date for FY 2017	\$5,539,000
Total Land Purchases (if approved)	\$6,589,000

The following table outlines the Measure AA Portfolio #15 budget, costs to date, and the fiscal impact related to the POST (Conley) Property Purchase:

MAA 15 Portfolio Allocation:	\$50,728,000
Spent to Date (May 15):	\$2,524,939
POST (Conley) Property Purchase:	\$490,000
Balance Remaining (Proposed):	\$47,713,061

Installation of boundary demarcation, gates, and fencing to prevent unauthorized vehicular entry is estimated at \$5,000. These costs are included in the Real Property Budget for FY2016-17. The disposition of the small cabin is estimated between \$20,000 and \$25,000, and will be included in the FY2017-18 Real Property Budget. No other capital costs are required as part of the purchase.

Current Coastside Protection Area Fiscal Considerations

The POST (Conley) property is located within the service area of San Mateo County Fire. Under the terms of the District and County Fire agreement, the District would pay \$93.76, which would increase annually by 2%.

The property is located within the service area of the La Honda-Pescadero Unified School District. Under the terms of the District and School agreement, the District would pay \$568.62, which would increase annually by 2%.

PUBLIC NOTICE

Public notice was provided as required by the Brown Act and a copy of this agenda was mailed to property owners of land located adjacent to or surrounding the subject property.

NEXT STEPS

Upon approval, the General Manager will direct staff to proceed with the close of escrow for the purchase of the property and implement the PUMP. The District's Skyline Field Office would manage the property as an addition to Long Ridge Open Space Preserve.

Attachments:

1. Resolution Authorizing Acceptance of Purchase Agreement, Authorizing the General Manager or Other Officer to Execute Certificate of Acceptance of Grant to District, and Authorizing General Manager to Execute any and all Other Documents Necessary or Appropriate to Closing of the Transaction (Long Ridge Open Space Preserve - Lands of Peninsula Open Space Trust(Conley))
2. Location Map

Responsible Department Head:
Michael Williams, Real Property Manager

Prepared by:
Michael Williams, Real Property Manager
Elish Ryan, Real Property Planner III

Contact person:
Michael Williams, Real Property Manager

Graphics prepared by:
Torie Richardson, GIS Technician

RESOLUTION 17-__

RESOLUTION OF THE BOARD OF DIRECTORS OF MIDPENINSULA REGIONAL OPEN SPACE DISTRICT AUTHORIZING ACCEPTANCE OF PURCHASE AGREEMENT, AMENDING THE FISCAL YEAR 2016-17 GENERAL FUND CAPITAL BUDGET, AUTHORIZING GENERAL MANAGER OR OTHER APPROPRIATE OFFICER TO EXECUTE CERTIFICATE OF ACCEPTANCE AND GRANT TO DISTRICT, AUTHORIZING GENERAL MANAGER TO EXECUTE ANY AND ALL OTHER DOCUMENTS NECESSARY OR APPROPRIATE TO CLOSING OF THE TRANSACTION (LONG RIDGE OPEN SPACE PRESERVE - LANDS OF PENINSULA OPEN SPACE TRUST(CONLEY)), AND AMEND THE BUDGET FOR FISCAL YEAR 2016-17.

The Board of Directors of Midpeninsula Regional Open Space District does hereby resolve as follows:

SECTION ONE. The Board of Directors of Midpeninsula Regional Open Space District (District) does hereby accept the offer contained in that certain Purchase Agreement – Bargain Sale between Peninsula Open Space Trust, and the Midpeninsula Regional Open Space District, a copy of which purchase agreement is attached hereto and by reference made a part hereof, and authorizes the President of the Board of Directors, General Manager, or other appropriate officer to execute the Agreement and all related transactional documents on behalf of the District to acquire the real property described therein (“the POST Property”).

SECTION TWO. The Board of Directors of Midpeninsula Regional Open Space District authorizes the expenditure of \$500,000.00 covering the purchase and settlement of the POST Property, including a deposit of \$10,000.00.

SECTION THREE. The Board of Directors of Midpeninsula Regional Open Space District authorizes amending the Budget and Action Plan for the Midpeninsula Regional Open Space District for Fiscal Year 2016-17 by increasing the Measure AA Fund Capital budget in the amount of \$490,000.00. Except as herein modified, the FY 2016-17 Budget and Action Plan, Resolution No. 16-25 as amended, shall remain in full force and effect.

SECTION FOUR. The General Manager, President of the Board of Directors, or other appropriate officer is authorized to execute a Certificate of Acceptance and the Grant Deed on behalf of the District.

SECTION FIVE. The General Manager or the General Manager’s designee is authorized to provide notice of acceptance to the seller and to extend escrow if necessary.

SECTION SIX. The General Manager or the General Manager’s designee is authorized to expend up to \$5,000.00 to cover the cost of title insurance, escrow fees, and other closing costs related to this transaction and up to \$30,000 for gates, fencing and site clean-up of the property.

SECTION SEVEN. The General Manager and General Counsel are further authorized to approve any technical revisions to the attached Agreement and documents, which do not involve any material change to any term of the Agreement or documents, which are necessary or appropriate to the closing or implementation of this transaction.

* * * * *

PASSED AND ADOPTED by the Board of Directors of the Midpeninsula Regional Open Space District on _____, 2017, at a regular meeting thereof, by the following vote:

- AYES:**
- NOES:**
- ABSTAIN:**
- ABSENT:**

ATTEST:

APPROVED:

Secretary
Board of Directors

President
Board of Directors

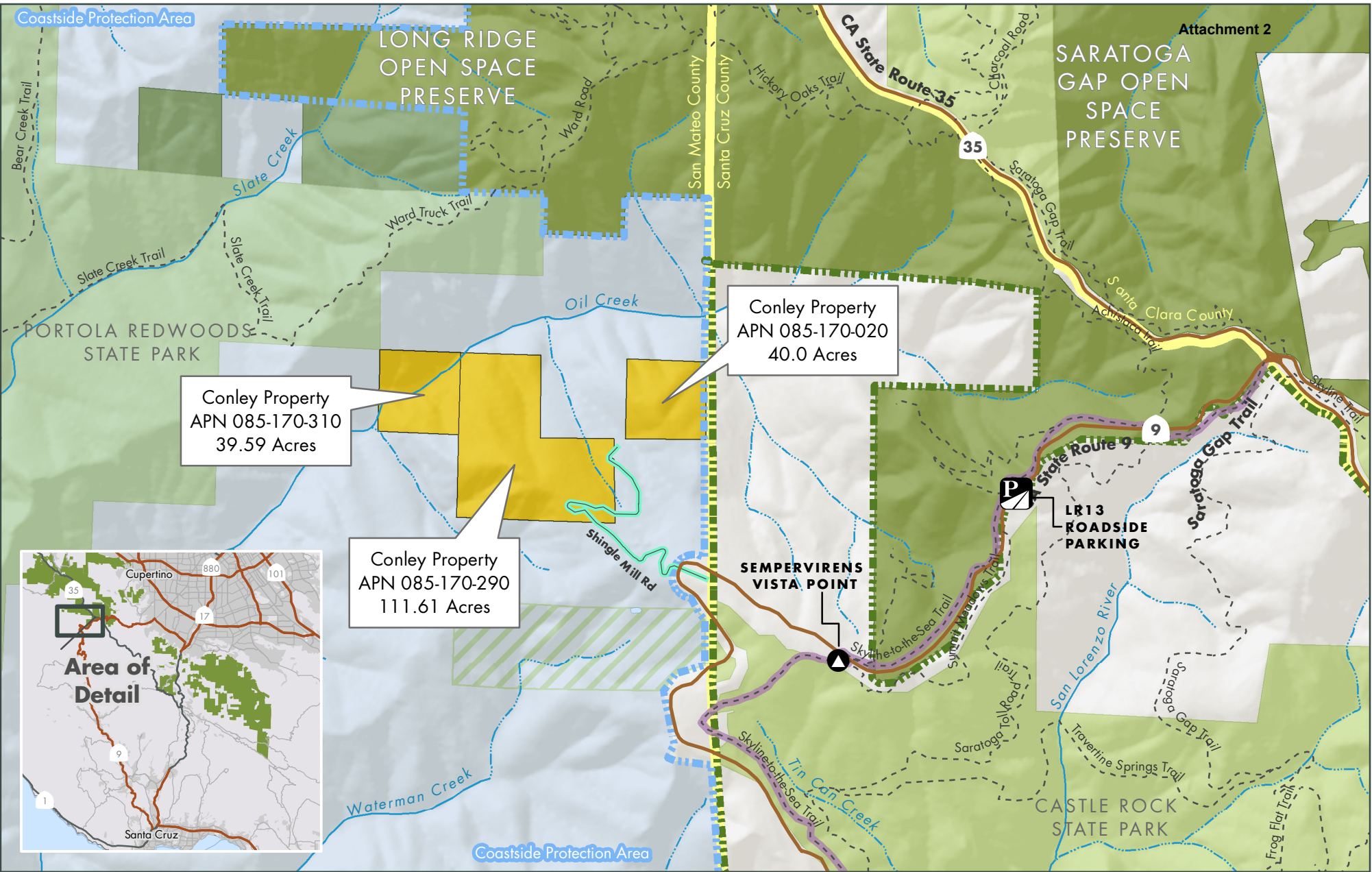
APPROVED AS TO FORM:

General Counsel

I, the District Clerk of the Midpeninsula Regional Open Space District, hereby certify that the above is a true and correct copy of a resolution duly adopted by the Board of Directors of the Midpeninsula Regional Open Space District by the above vote at a meeting thereof duly held and called on the above day.

District Clerk

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Conley Property Proposed Acquisition

- MROSD Preserves
- Conley Properties w/ POST Conservation Easement
- Coastside Protection Boundary
- Skyline-to-the-Sea Trail
- Other Protected Lands
- Property Access Road
- Private Property
- MROSD Boundary
- County Boundaries

Midpeninsula Regional
Open Space District
(MROSD)
March 2017



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