

From: [REDACTED]
To: [web; Clerk; General Information](#)
Subject: Full Board of Directors and District Clerk - Board Contact Form
Date: Monday, May 20, 2019 3:28:28 PM

Name * Frank Bakonyi

Select a Choice * Full Board of Directors and District Clerk

Email * [REDACTED]

Location: (i.e. City, Address or District Ward) Bear Creek Stables, Los Gatos-related issues

Daytime Phone Number (if you wish to be contacted by phone) (408) 674-3899

Comments: *

Dear distinguished Directors.

The letter below was sent to your administrator, Gretchen asking for some discoveries for the Bear Creek Stable related issues. It contains a few suggestions and a different approach to the stables financial solutions.

Please take it into consideration when trying to come up with solutions related to this project. Your open minded and informed decisions are greatly appreciated.

Sincerely:

Frank Bakonyi

Good afternoon Gretchen.

Hope you have recovered from all the stress and pressure.

We have liked the outcome of the meeting. Hopefully now the whole project will have a newfound momentum and the correct steps will be taken to follow up the decisions.

As I understand there will be meetings with the county to determine the improvements which will not cause a use permit trigger.

As a planned improvement-provided that my group's bid will be successful of gaining the long term lease-please check with the county during the discussions the following:

A 30-or 32 stall horse barn (like MD Barn) which is a professionally built metal horse shelter and a covered arena will or will not trigger the use permit change?

It is VERY important part of the proposed improvements by my group to help to have better public access to this facility and weather independent enjoyment of the place. The proposal is that the cost will be rest upon the tenant as part of the lease agreement.

Another issue is that the directors actually suggested the use of a prefab housing unit to be installed for the care taker (and an assistant is also will be needed).

The suggestion is to allow the tenant to chose and pay for the housing unit of their choosing. It would lessen the financial burden on MidPen.

I do have another question to be looked at: The financial gap of the proposed budget is substantial.

However, in order to narrow it, how is it going to be measured? For example: MidPen determines that the cost of a project (whatever it is) let' s say \$2M.

A resourceful tenant will do the same for \$350K. Will it be considered as a \$2M improvement (or savings) or a \$350K saving or improvement? Assuming that the end result is the same.

Perhaps an alliance or some sort of partnership should be considered between the tenant and MidPen and the end results would bring this whole project within the available budget or even result in a substantial savings.

Please give it due consideration and advise of the end results.

Thank you for your tireless effort and due diligence in this whole project.

Have a very good day.

Best regards:

Frank

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Ferenc (Frank) Bakonyi
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RE: Bear Creek Stables

Dear Mr. Bakonyi,

Thank you for your continued interest in the Bear Creek Stables and your letter sent May 20, 2019. We appreciate your efforts to support Midpeninsula Regional Open Space District's (Midpen's) work to maintain and improve the site. At the April 25, 2019 Board of Director's (Board) meeting, the Board directed staff to move forward with Deferred Maintenance Repairs in the near-term and the Preserve Plan Site Plan in the long-term. Based on the Board's direction, we would like to address the questions in your letter (Attachment 1).

First, please note that a 30- or 32- stall horse barn and covered arena were not approved by the Board as part of the long-term plan for the Stables. Public and boarders' input received during the Preserve Plan process indicated that the current arrangement of paddocks was preferred over a mare barn, which would consolidate boarding, and that open arenas were preferred to covered arenas to reduce costs. To consider a mare barn or a covered arena as a new use for the site, the Board would have to review and approve this new, proposed use before a tenant would be allowed to build that improvement. If the Board would like to consider a new use, staff will investigate the County's permitting requirements, and whether the improvements associated with the new use would trigger a Use Permit.

Second, because Midpen is a public agency, state laws governing public contracting requirements apply to the project, regardless of who is doing the work. While a tenant may identify methods with potential cost savings, implementing projects on Midpen lands is generally more costly due to these public contracting requirements, which generally do apply to a private construction project.

For example, factors and legal obligations that increase public agency projects costs include:

1. Prevailing wage requirements for labor paid in whole or in part with public funds or on public property (Cal. Labor Code section 1770-)
2. Required insurance coverages (including commercial general liability and workers' compensation)
3. California general engineering contractor license ("A" License) is required

4. Payment bond/security (Cal. Civil Code sections 8600, 9000)
5. Costs for licensed consultants such as geotechnical and civil engineers to provide construction observation
6. Environmental review requirements (mitigation measures) incorporated into projects and contracts to comply with the California Environmental Quality Act – examples:
 - a. County permitting conditions
 - b. Pre-construction biological surveys
 - c. Contractor training
 - d. Onsite biological monitors

Third, regarding the Deferred Maintenance Repairs option, Midpen staff confirmed with the County the limit to repairs to existing structures that are allowed within the legal, nonconforming use status of the Stables. The County limits the cost of repairs to existing structures to 25% of the building construction valuation based on a value multiplier set by the County. The County requires the fair market value of the repair work to be used for these calculations and would not lower this construction value even if volunteers completed the work and/or materials were donated.

As a reminder, the Board approved Deferred Maintenance Repairs plan includes the following items:

- New restroom/septic/leach field
- Driveway improvements
- New water system – connected to restroom/ caretaker cottage
- ADA parking/pathways
- Selective building demolition
- Minimal structure repair
- Replace (or repair) caretaker cottage
- Minimal grading/drainage/restoration
- Minimal arena improvements
- Maintain/improve 2 permit equestrian parking

Midpen would implement and own these proposed improvements at the Stables, including housing, because of the magnitude of the anticipated cost of improvements and the limited revenue-generation potential within the current allowable use. In addition, the County is reviewing its requirements for repair or construction of caretaker housing, and these requirements will likely influence the type of housing that can be provided. A pre-fabricated, manufactured or modular house potentially could be implemented without requiring a Use Permit, but Midpen would need to submit an application to the County and work with the County to fully understand the permitting limitations on proposed improvements.

Finally, Midpen staff will be reaching out to stakeholders who have offered to assist with design and/or cost estimate reviews. Specifically, there will be two upcoming Community Open Houses to provide input on the plans to staff.

Upcoming public meetings on this project include:

- Community open houses to review the Deferred Maintenance Plan - *Summer 2019*
- Board study session on the potential for fundraising - *Fall 2019*
- Board meeting to provide clarification on short and long-term design plans – *Fall/Winter 2019-20*

Midpen continues to welcome input on the design plans, as well as contribution of volunteer time and donations toward the Stables repairs and long-term improvements. We hope that you and others will attend an open house to engage with staff and participate in subsequent public meetings.

Regards,

Pete Siemens
MROSD Board President