



Midpeninsula Regional  
Open Space District

R-22-93  
Meeting 22-19  
August 10, 2022

## AGENDA ITEM 5

### AGENDA ITEM

Two-year extensions and/or two-year leases of four conservation grazing units in properties located in Purisima Creek Redwoods and La Honda Creek Open Space Preserves

### GENERAL MANAGER'S RECOMMENDATIONS *den*

1. Adopt a Resolution authorizing the General Manager to extend the current conservation grazing lease for two years, with an option for a one-year extension, with the current tenant, Tom Pacheco, for the Bluebrush Ranch in Purisima Creek Redwoods Open Space Preserve.
2. Adopt a Resolution authorizing the General Manager to extend the current conservation grazing lease for two years, with an option for a one-year extension, with the current tenants, Doniga and Erik Markegard, for the Lone Madrone Ranch in La Honda Creek Open Space Preserve.
3. Adopt a Resolution authorizing the General Manager to enter into a new two-year conservation grazing lease with an option for a one-year extension with current tenant, Vince Fontana, for the Lobitos Ridge Elkus Uplands and South Cowell conservation grazing areas located in Purisima Creek Redwoods Open Space Preserve and combine these two properties into a single lease.
4. Adopt a Resolution authorizing the General Manager to extend the current conservation grazing lease for two years, with an option for a one-year extension, with the current tenant, AGCO Hay, LLC, for the Driscoll Ranch in La Honda Creek Open Space Preserve.

### SUMMARY

In support of Midpeninsula Regional Open Space District's (District) Coastside mission of protecting and restoring the natural environment, preserving rural character, and encouraging viable agricultural use of land resources, the District manages several conservation grazing leases with ranchers. Four of these conservation grazing leases are expiring in calendar year 2022 or 2023. The General Manager recommends extending these leases for two years, with an option for a one-year extension, with the current tenant of each property upon expiration of each respective lease. The extensions will allow time to conclude the updates to and final adoption of the District's Agricultural Policy, which may set new policies for the length of leases and the frequency for soliciting new requests for proposals for the conservation grazing units.

## DISCUSSION

In the late 1990s, as development was beginning to threaten the rural character and agricultural heritage of the San Mateo County Coast, residents expressed their support of extending District boundaries to the coast side area. In 2004, the expansion of District boundaries to include the San Mateo County coast was completed. The District made a commitment to the coast side community to preserve agricultural land and its rural character and to encourage viable agricultural land use as reflected in the District's Coastside Protection mission statement.

*To acquire and preserve in perpetuity open space land and agricultural land of regional significance, protect, and restore the natural environment, preserve rural character, encourage viable agricultural use of land resources, and provide opportunities for ecologically sensitive public enjoyment and education.*

Conservation grazing serves as an important natural resource management tool for maintaining sensitive grassland habitats while supporting viable agricultural uses of land resources. Conservation grazing differs from livestock production grazing in that conservation grazing is carefully managed and prescribed to specifically protect and enhance grassland habitat biodiversity, improve overall ecological health, and reduce fuels for wildland fire safety. Concurrently, conservation grazing supports sustainable livestock production as an agricultural land use. Each District property utilizing conservation grazing has a customized Rangeland Management Plan defining management parameters such as stocking rates, class of livestock, seasonality, and duration of grazing to ensure that the conservation goals and natural resource management objectives for the property are achieved. Conservation grazing is a critical tool utilized to manage the District's 8,000 plus acres of coastal grasslands and is a mutually beneficial partnership with ranchers on the San Mateo County Coast.

Separate to yet pertinent to the management of agricultural leases, the District is in the midst of updating its Agricultural Policy. During early Board review of current and potential future policy direction, Board members robustly discussed the Request for Proposal process for soliciting prospective grazing tenants and the selection criteria for identifying the top recommended tenant candidate. In the end, the Board directed the General Manager to reevaluate the grazing tenant selection process as part of the updates to the Agricultural Policy to identify procedural improvements that align with District goals and priorities. Based on extensive outreach to agricultural stakeholders on the San Mateo Coast as part of the Agricultural Policy work, stakeholder interest in agricultural leases largely centers on the lease length, frequency of open competition for leases, and selection criteria. The District anticipates completing the Agricultural Policy update late this year, bringing forth recommendations for Board consideration and final adoption in late 2022/early 2023.

The upcoming Board adoption of the District's updated Agricultural Policy is expected to provide new and improved direction for the management of agricultural leases. Given the expected implications of future policy changes to grazing leases and tenants, it behooves the District to enter into short-term lease extensions for those leases that will soon or have recently expired to bridge the gap for the upcoming adoption of the Agricultural Policy. Four existing conservation grazing leases are proposed to be extended for a two-year term. This timeframe will allow the District to complete its Agricultural Policy work, obtain final Board adoption of the new policy language, and provide sufficient lead time for existing tenants to adjust their operations as needed to best compete for future grazing leases under the new policy

requirements. Two-year leases will also give grazing tenants more economic certainty over the near term as opposed to going into a month-to-month holdover. The four grazing leases reaching the end of their terms in 2022 and 2023 are:

PROPERTY	EXPIRATION DATE	TENANT	LOCATION	NEW EXPIRATION DATE
Bluebrush Ranch	August 31, 2022	Tom Pacheco	Purisima Creek Redwoods OSP	October 31, 2024
Lone Madrone	October 31, 2022	Markegard Family	La Honda Creek OSP	October 31, 2024
Elkus\Lobitos	October 31, 2023	Vince Fontana	Purisima Creek Redwoods OSP	October 31, 2025
Driscoll	October 31, 2023	AGCO Hay, LLC	La Honda Creek OSP	October 31, 2025

The new two-year leases would be under the same terms as the existing leases with one exception. The Elkus\Lobitos property does not have corrals or a staging area for loading\unloading of cattle. Peninsula Open Space Trust constructed a new corral with an accessible loading area just prior to the District's acquisition of the South Cowell property. The District's purchase of South Cowell resolved corral loading\unloading issues on Elkus\Lobitos as the properties are adjacent to one another and are leased to the same tenant, Vince Fontana. Mr. Fontana operates the three properties as a single ranch. Merging the properties together under the one proposed two-year lease increases management efficiency and opportunity for improved cattle rotation.

### FISCAL IMPACT

The District lease rate for grazing properties is calculated by multiplying the number of Animal Unit Equivalents (AUE) grazing on the property by the total number of months grazed for the season/year to obtain the total Animal Unit Months (AUM). The AUMs utilized are then multiplied by the current AUM market rate to determine the total lease fee for the year. The FY2022-23 AUM rate utilized by the District is \$14.25 per AUM.

The estimated initial annual lease rates for each of the properties discussed in this report are as follows:

Ranch	AUM (Annual)	AUM Rate (2022)	Annual Lease Fee
Bluebrush	300	\$ 14.25	\$ 4,275.00
Lone Madrone	960	\$ 14.25	\$13,680.00
Driscoll	2,020	\$ 14.25	\$23,785.00
Elkus/Lobitos/South Cowell	336	\$ 14.25	\$ 4,788.00

### BOARD AND COMMITTEE REVIEW

- October 27, 2010: Board reviewed and approved the initial Elkus/Lobitos grazing lease with Vince Fontana (R-10-99, [minutes](#))
- August 22, 2012: Board reviewed and approved the Bluebrush Canyon grazing lease with Tom Pacheco (R-12-80)

- November 13, 2013: Board reviewed and approved the Driscoll lease with AGCO Hay, LLC, and the initial Lone Madrone (formerly MacDonald) lease with the Markegard Family ([R-13-103, minutes](#))
  - March 28, 2018: Board reviewed and approved the Tunitas Creek lease with Doug Edwards ([R-18-27, minutes](#))
  - July 11, 2018: Board reviewed and approved the October Farms lease with Doug Edwards ([R-18-79, minutes](#))
  - October 23, 2019: Board reviewed and approved the second Lone Madrone lease with the Markegard Family ([R-19-137, minutes](#))
  - August 26, 2020: Board reviewed and approved the second Elkus/Lobitos lease with Vince Fontana ([R-20-95, minutes](#))
- March 9, 2022: Board reviewed and declined new tenant selected for the Big Dipper lease ([R-22-35, minutes](#))

## **PUBLIC NOTICE**

Public notice was provided as required by the Brown Act.

## **CEQA COMPLIANCE**

In accordance with the California Environmental Quality Act (CEQA), Rangeland Management Plans for Lone Madrone, Elkus Lobitos, and Driscoll Ranches were previously evaluated through a Negative Declaration (Elkus Lobitos, adopted 2010) and Mitigated Negative Declaration (Lone Madrone and Driscoll, adopted 2012). The proposed conservation grazing lease extensions in Lone Madrone, Elkus/Lobitos/South Cowell, and Driscoll ranches are consistent with the Rangeland Management Plans and associated CEQA documents.

The grazing lease at Bluebrush Ranch was determined to be categorically exempt from CEQA under Section 15301 in 2012. The proposed lease extension is consistent with the existing CEQA evaluation performed in 2012.

## **NEXT STEPS**

Upon approval from the Board, General Manager will execute two-year lease extension agreements with each of the respective tenants prior to the expiration of each current lease term.

### **Attachments:**

1. Resolution authorizing the General Manager to extend the current conservation grazing lease with Tom Pacheco for two years, with a one-year option for extension, for the Bluebrush Ranch in Purisima Creek Redwoods Open Space Preserve.
2. Resolution authorizing the General Manager to extend the current conservation grazing lease with AGCO Hay, LLC for two years, with a one-year option for extension, for the Driscoll Ranch in the La Honda Creek Open Space Preserve.
3. Resolution authorizing the General Manager to enter into a two-year conservation grazing lease with an option for a one-year extension, with Vince Fontana for the Lobitos Ridge Elkus Uplands and South Cowell conservation grazing areas located in the Purisima Creek Redwoods Open Space Preserve.

4. Resolution authorizing the General Manager to extend the current conservation grazing lease with the Doniga and Erik Markegard for two years, with a one-year option for extension, for the Lone Madrone Ranch in the La Honda Creek Open Space Preserve.
5. Map Bluebrush Property
6. Map Driscoll Ranch Property
7. Map Lobitos/Elkus/South Cowell properties
8. Map Lone Madrone Property

Responsible Department Head:

Brandon Stewart, Land & Facilities Services Department Manager

Prepared by / Contact person:

Susan Weidemann, Property Management Specialist II, Property Management, Land & Facilities Services Department

**RESOLUTION 22-\_\_**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
MIDPENINSULA REGIONAL OPEN SPACE DISTRICT APPROVING A  
TWO-YEAR GRAZING LEASE WITH TOM PACHECO (BLUEBRUSH  
RANCH, PURISIMA CREEK REDWOODS OPEN SPACE PRESERVE)**

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**WHEREAS**, the Midpeninsula Regional Open Space District (District) may, under the provisions of California Public Resources Code section 5540, lease property owned by the District; and

**WHEREAS**, the lease of the Bluebrush Ranch for grazing and range management purposes is compatible with park and open space purposes, and the lease of such premises is in the public interest; and

**WHEREAS**, the District wishes to extend its current lease of the Bluebrush Ranch with Tom Pacheco for two years.

**NOW, THEREFORE**, the Board of Directors of Midpeninsula Regional Open Space District does hereby resolve as follows:

1. The two-year extension, with an option for an additional one-year extension, to the current Bluebrush Ranch Grazing Lease between the Midpeninsula Regional Open Space District and Tom Pacheco is approved.
2. The General Manager is authorized to execute the Grazing Lease extension on behalf of the District. The General Manager, with the concurrence of the General Counsel, is authorized to make minor changes to the Grazing Lease that do not materially amend the terms and conditions thereof.

\* \* \* \* \*

PASSED AND ADOPTED by the Board of Directors of the Midpeninsula Regional Open Space District on \_\_\_\_\_, 2022, at a regular meeting thereof, by the following vote:

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

**ATTEST:**

**APPROVED:**

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Karen Holman, Secretary  
Board of Directors

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Zoe Kersteen-Tucker, President  
Board of Directors

**APPROVED AS TO FORM:**

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Hilary Stevenson, 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.

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Jennifer Woodworth, District Clerk

**RESOLUTION 22-\_\_**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
MIDPENINSULA REGIONAL OPEN SPACE DISTRICT APPROVING A  
TWO-YEAR GRAZING LEASE WITH AGCO HAY, LLC (DRISCOLL  
RANCH, LA HONDA CREEK OPEN SPACE PRESERVE)**

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**WHEREAS**, the Midpeninsula Regional Open Space District (District) may, under the provisions of California Public Resources Code section 5540, lease property owned by the District; and

**WHEREAS**, the lease of the Driscoll Ranch for grazing and range management purposes is compatible with park and open space purposes, and the lease of such premises is in the public interest; and

**WHEREAS**, the District wishes to extend its lease of the Driscoll Ranch to AGCO Hay, LLC for two years.

**NOW, THEREFORE**, the Board of Directors of Midpeninsula Regional Open Space District does hereby resolve as follows:

1. A two-year extension with an option for an additional one-year extension, to the current Driscoll Ranch Grazing Lease between the Midpeninsula Regional Open Space District and AGCO Hay, LLC is approved.
2. The General Manager is authorized to execute the Grazing Lease on behalf of the District. The General Manager, with the concurrence of the General Counsel, is authorized to make minor changes to the Grazing Lease that do not materially amend the terms and conditions thereof.

\* \* \* \* \*

PASSED AND ADOPTED by the Board of Directors of the Midpeninsula Regional Open Space District on \_\_\_\_\_, 2022, at a regular meeting thereof, by the following vote:

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

**ATTEST:**

**APPROVED:**

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Karen Holman, Secretary  
Board of Directors

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Zoe Kersteen-Tucker, President  
Board of Directors



**APPROVED AS TO FORM:**

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Hilary Stevenson, General Counsel

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Jennifer Woodworth, District Clerk

**RESOLUTION 22-\_\_**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
MIDPENINSULA REGIONAL OPEN SPACE DISTRICT APPROVING A  
TWO-YEAR GRAZING LEASE WITH VINCE FONTANA (LOBITOS  
RIDGE ELKUS UPLANDS AND SOUTH COWELL, PURISIMA CREEK  
REDWOODS OPEN SPACE PRESERVE)**

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**WHEREAS**, the Midpeninsula Regional Open Space District (District) may, under the provisions of California Public Resources Code section 5540, lease property owned by the District; and

**WHEREAS**, the lease of the Lobitos Ridge Elkus Uplands and South Cowell for grazing and range management purposes is compatible with park and open space purposes, and the lease of such premises is in the public interest; and

**WHEREAS**, the District wishes to lease the Lobitos Ridge Elkus Uplands and South Cowell to Vince Fontana for two years.

**NOW, THEREFORE**, the Board of Directors of Midpeninsula Regional Open Space District does hereby resolve as follows:

1. The two-year Grazing Lease with an option for an additional one-year extension, between the Midpeninsula Regional Open Space District and Vince Fontana, a copy of which is attached hereto and incorporated herein by this reference, is approved.
2. The General Manager is authorized to execute the Grazing Lease on behalf of the District. The General Manager, with the concurrence of the General Counsel, is authorized to make minor changes to the Grazing Lease that do not materially amend the terms and conditions thereof.

\* \* \* \* \*

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

**ATTEST:**

**APPROVED:**

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Karen Holman, Secretary  
Board of Directors

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Zoe Kersteen-Tucker, President  
Board of Directors

**APPROVED AS TO FORM:**

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Hilary Stevenson, General Counsel

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Jennifer Woodworth, District Clerk

**RESOLUTION 22-\_\_**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
MIDPENINSULA REGIONAL OPEN SPACE DISTRICT APPROVING A  
TWO-YEAR GRAZING LEASE WITH DONIGA AND ERIK  
MARKEGARD (LONE MADRONE RANCH, LA HONDA CREEK OPEN  
SPACE PRESERVE)**

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**WHEREAS**, the Midpeninsula Regional Open Space District (District) may, under the provisions of California Public Resources Code section 5540, lease property owned by the District; and

**WHEREAS**, the lease of the Lone Madrone Ranch for grazing and range management purposes is compatible with park and open space purposes, and the lease of such premises is in the public interest; and

**WHEREAS**, the District wishes to extend its current lease of the Lone Madrone Ranch to Doniga and Erik Markegard for two years.

**NOW, THEREFORE**, the Board of Directors of Midpeninsula Regional Open Space District does hereby resolve as follows:

1. The two-year extension, with an option for an additional one-year extension, to the current Lone Madrone Ranch Grazing Lease between the Midpeninsula Regional Open Space District and Doniga and Erik Markegard is approved.
2. The General Manager is authorized to execute the Grazing Lease on behalf of the District. The General Manager, with the concurrence of the General Counsel, is authorized to make minor changes to the Grazing Lease that do not materially amend the terms and conditions thereof.

\* \* \* \* \*

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

**ATTEST:**

**APPROVED:**

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Karen Holman, Secretary  
Board of Directors

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Zoe Kersteen-Tucker, President  
Board of Directors

**APPROVED AS TO FORM:**

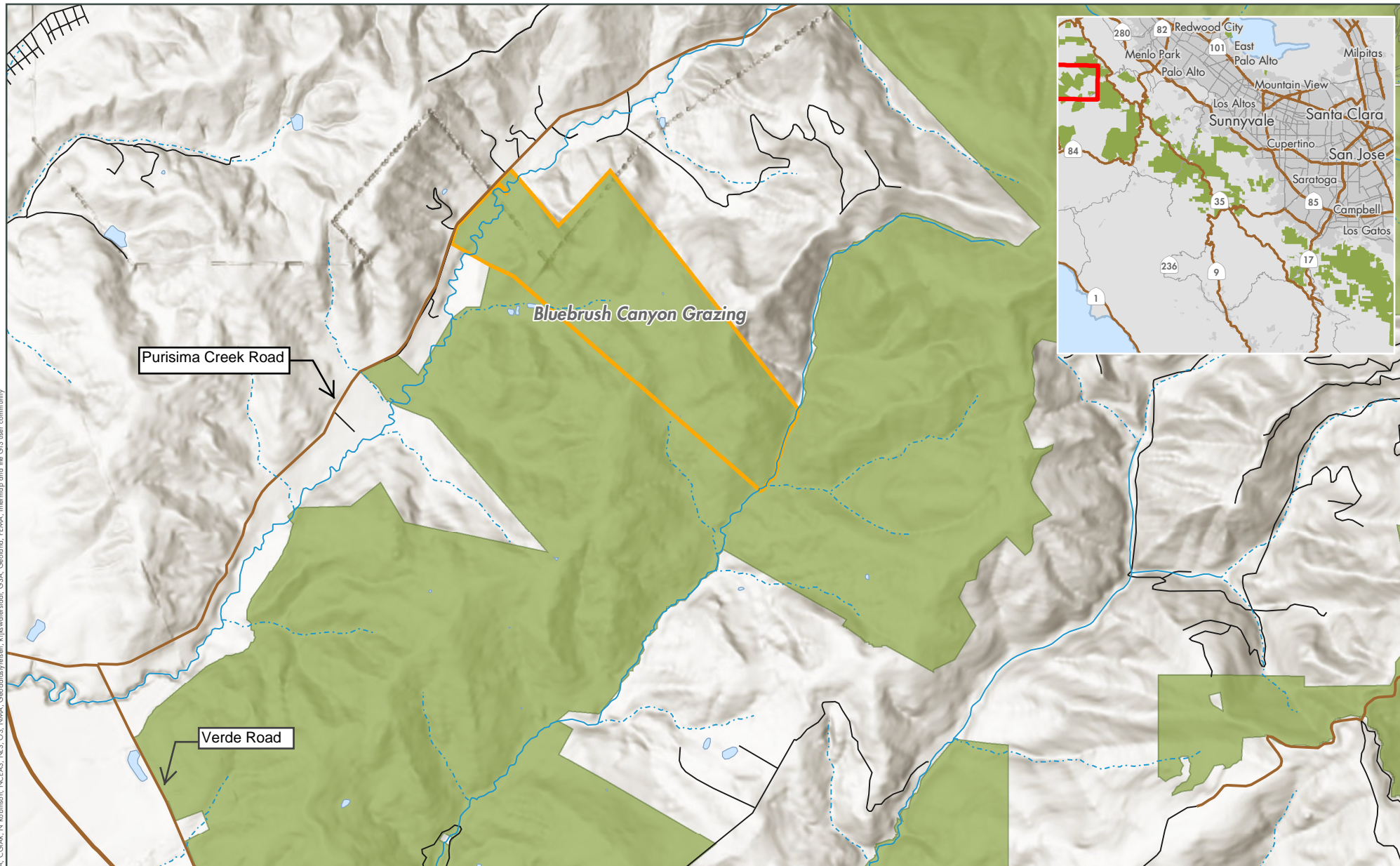
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Hilary Stevenson, General Counsel

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Jennifer Woodworth, District Clerk



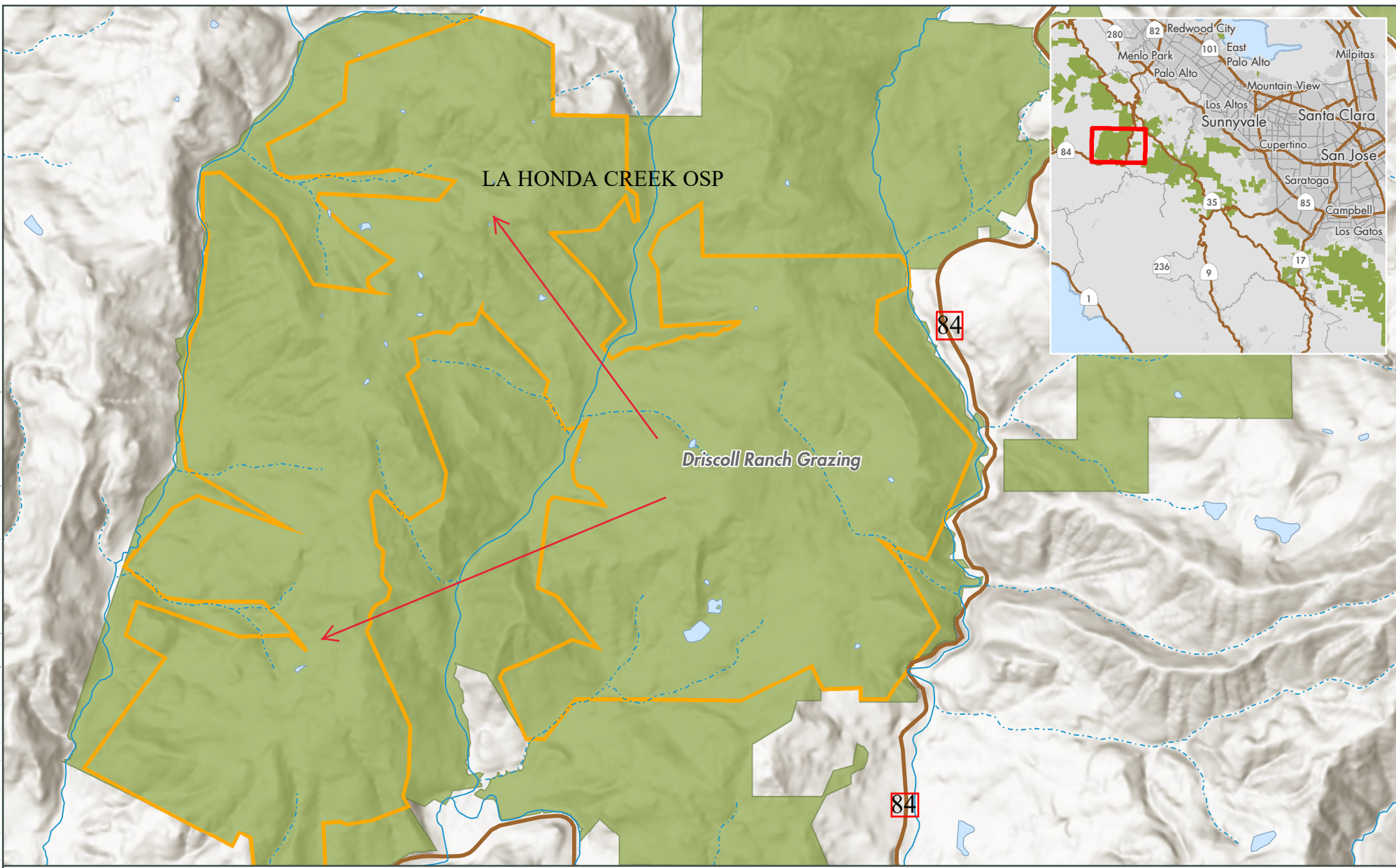
### Bluebrush Grazing Property

- |                                |                                |
|--------------------------------|--------------------------------|
| <b>Trail (classes)</b>         | <b>Road Centerline (minor)</b> |
| Paved Road                     | Road                           |
| <b>Road Centerline (major)</b> | <b>Lease Area</b>              |
| Arterial                       | Grazing                        |
| Highway                        | Preserve Boundary (fill)       |

Midpeninsula Regional  
Open Space District  
(MROSD)  
7/21/2022






Data Source(s): Esri, Airbus DS, USGS, NGA, NASA, CCIAR, N. Robinson, NCEAS, NLS, OS, NMA, Geodatasystemen, Rijkswaterstof, GSA, Geoland, FEMA, Intermap and the GIS user community

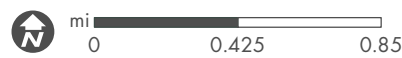


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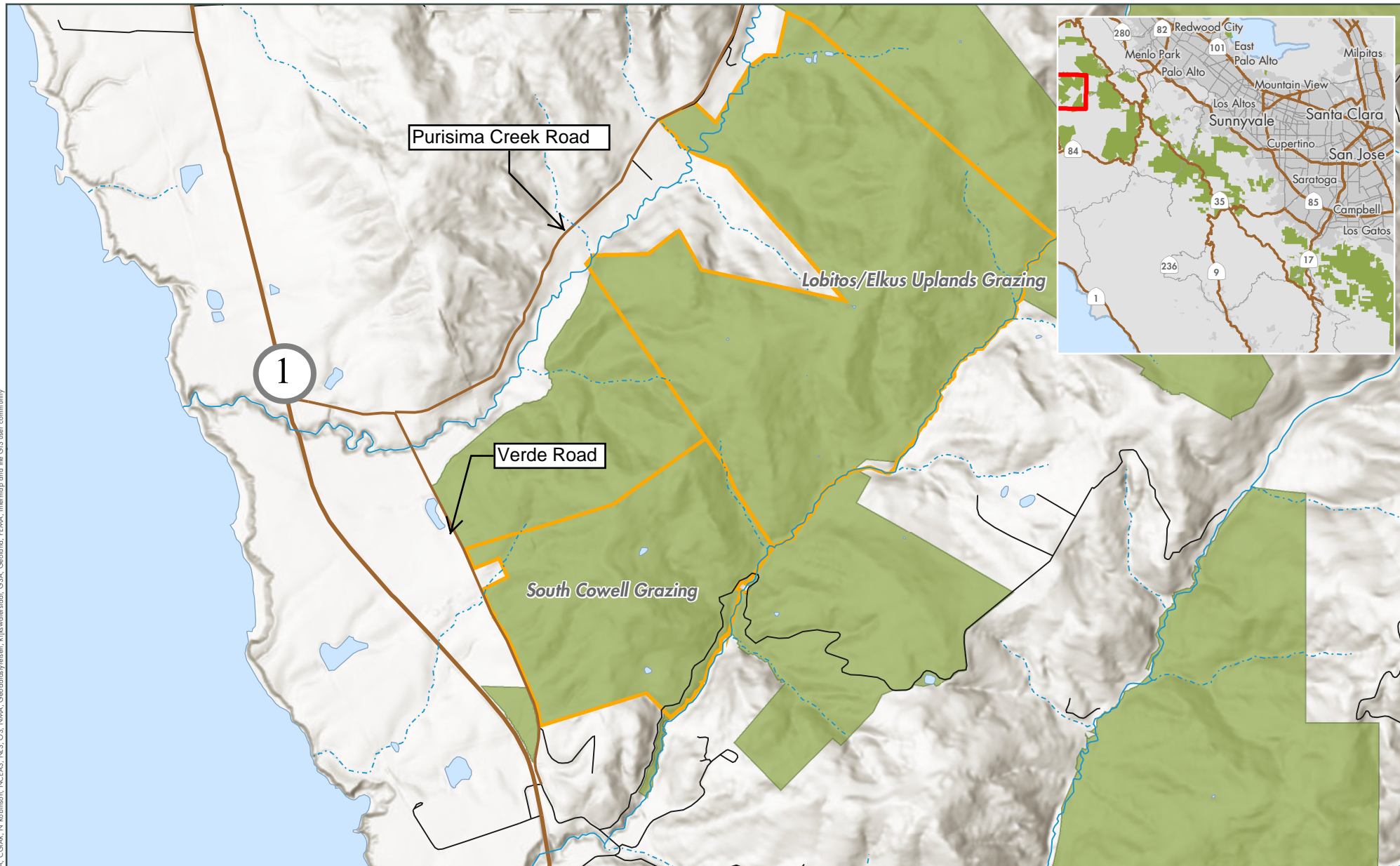
### Driscoll Ranch Grazing

- Road Centerline (major)**
-  Highway
- Lease Area**
-  Grazing
-  Preserve Boundary (fill)

Midpeninsula Regional  
Open Space District  
(MROSD)  
7/21/2022



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.



Data Source(s): Esri, Airbus DS, USGS, NGA, NASA, CCIAR, N. Robinson, NCEAS, NLS, O.S. NMA, Geodatasystemen, Rijkswaterstaat, GSA, Geoland, FEMA, Intermap and the GIS user community

### Lobitos/Elkus/South Cowell

**Trail (classes)**

— Paved Road

**Road Centerline (major)**

— Arterial

— Highway

**Road Centerline (minor)**

— Road

**Lease Area**

— Grazing

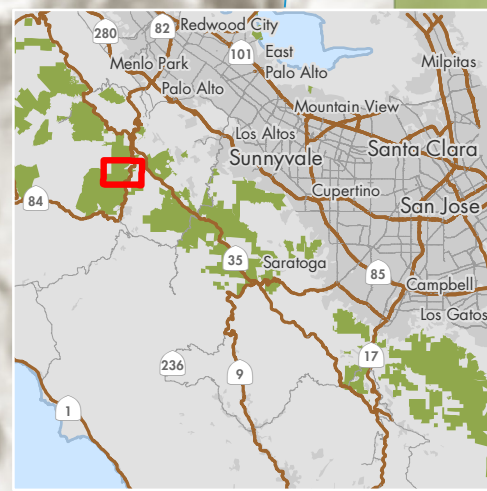
— Preserve Boundary (fill)

Midpeninsula Regional  
Open Space District  
(MROSD)  
7/21/2022

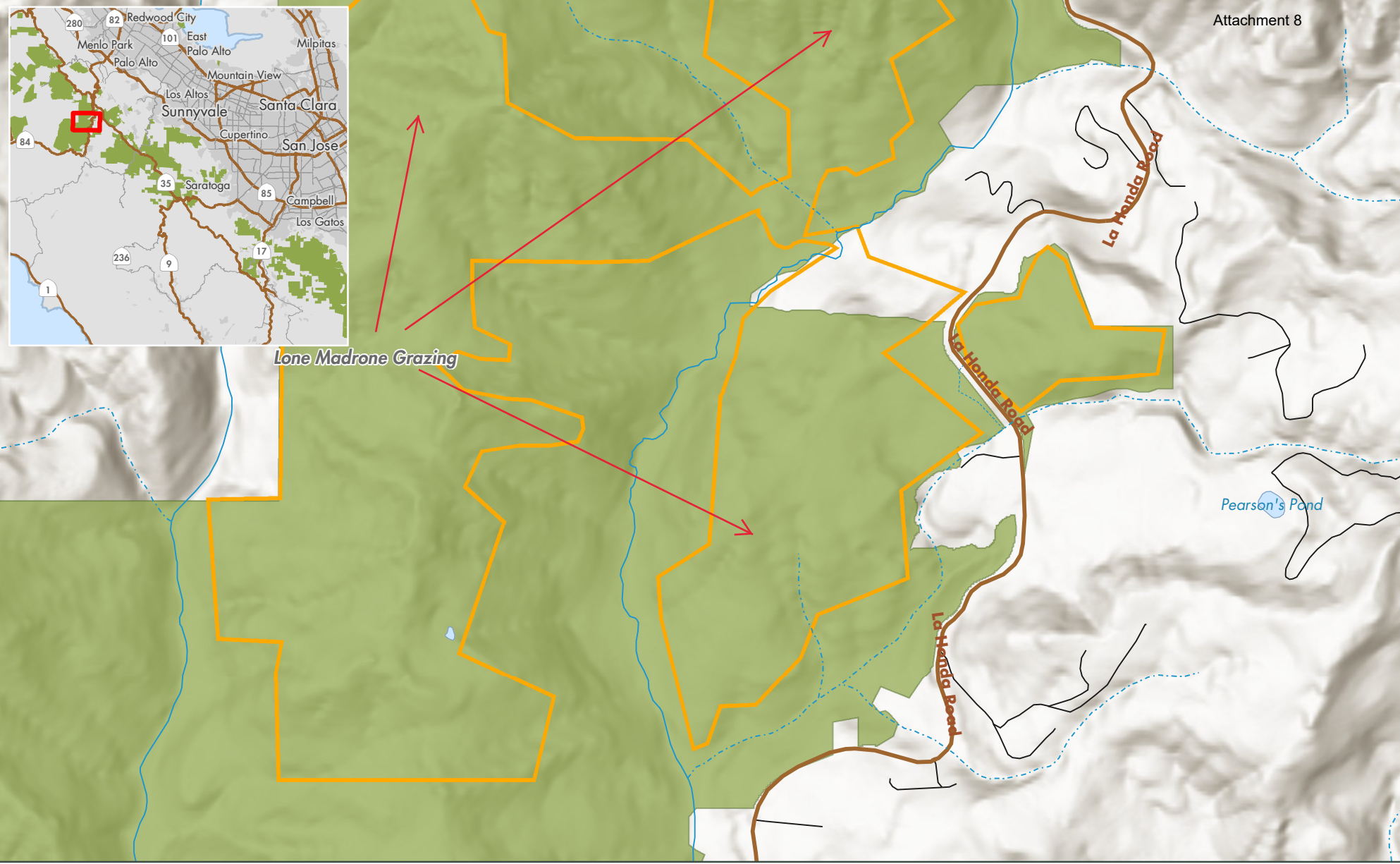


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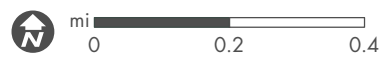
Lone Madrone Grazing



### Lone Madrone Grazing Property

- Road Centerline (major) Lease Area**
- Highway
- Road Centerline (minor)
- Preserve Boundary (fill)
- Road
- Grazing

Midpeninsula Regional  
Open Space District  
(MROSD)  
7/21/2022



Data Source(s): Esri, Airbus DS, USGS, NGA, NASA, CCIAR, N. Robinson, NEEAS, NLS, OS, NMA, Geodatasystemen, Rijkswaterstaat, GSA, Geoland, FEMA, Intermap and the GIS user community

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