



Midpeninsula Regional
Open Space District

R-23-40
Meeting 23-11
April 12, 2023

AGENDA ITEM 5

AGENDA ITEM

Proposed Purchase of a Remaining 33% Undivided Interest in the 611.7-acre South Cowell Property from Peninsula Open Space Trust, which is located at 1000 Verde Road, Half Moon Bay, in unincorporated San Mateo County (Assessor's Parcel Numbers 066-280-010, 066-280-020, 066-280-051 and 066-280-052), as an addition to Purisima Creek Redwoods Open Space Preserve

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 an undivided 33% interest in the South Cowell Property for \$1,251,000.
3. Approve, execute, and accept a Public Trail Easement from the tenants in common owners.
4. Amend the South Cowell Preliminary Use and Management Plan to reflect the purchase of the Property.
5. Withhold dedication of the property as public open space at this time.
6. Allocate \$450,000 of the available interest income on Measure AA Bond Proceeds to Portfolio #03 to include the proposed South Cowell Property purchase as a Measure AA project.

SUMMARY

The General Manager recommends the purchase of POST's remaining undivided 33% interest in the 611.7-acre South Cowell Property (Property), which includes a single-family residence, at a price of \$1,251,000 as an addition to Purisima Creek Redwoods Open Space Preserve (Preserve). The Midpeninsula Regional Open Space District (District) Board of Directors (Board) approved the purchase of a 54% undivided interest in the Property from POST on October 28, 2020 ([R-20-122](#)), and escrow closed on December 18, 2020. The purchase of the remaining 33% interest would bring the District's undivided ownership interest in the Property to 87%. This report

provides a description of the Property, an amended Use and Management Plan, findings of the environmental review, the purchase terms and condition, and financial considerations.

The applicable Measure AA (MAA) Portfolio is almost fully spent. To include this purchase as an eligible MAA cost, the General Manager requests Board authorization to allocate \$450,000 of available interest earned from Measure AA bond proceeds to fund the South Cowell property purchase. Regarding the current FY23 budget, there will be sufficient unspent funds that can be redirected to this purchase due to additional time required to address Use Permit issues with Santa Clara County related to the MAA21-004 Bear Creek Stables Project. With this net-zero FY23 budget adjustment, no additional increase is required to the District's FY23 budget.

DISCUSSION

Background

On December 18, 2020, the Board approved the purchase of an undivided 54% interest in the Property with the intention of completing a subsequent land division and future transfers (see Attachment 3 – Proposed Area of Land Division Map). The Property had been originally identified as 600-acres, and has since been surveyed at 611.7-acres. Under the original deal terms, upon approval of the land division application by the County of San Mateo, the property transfer would convey 100% fee title interest in the parcels created as follows:

- POST and Marsh Trust would convey the 372-acre (corrected from 371-acres) upland parcel to the District (Upland Property)
- POST and District would convey the 236-acre (corrected from 226-acres) farm parcel to the Marsh Trust (Farm Property)
- Marsh Trust and District would convey the 3.45-acre (corrected from 2-acres) residence parcel to POST (Residential Property)

The three-parcel land division application was submitted to the County of San Mateo in March 2022.

However, after extensive planning regarding future trail routes across the Property, it was determined that to best serve the public, future trails would need to cross in very close proximity to the Residential Property. POST was originally intending to retain or possibly sell the Residential Property to a private entity; however, it would be in the public's best interest for the District to own the Residential Property to ensure the long-term viability of future public trail connections (including the Purisima-to-the-Sea Trail that is currently in conceptual planning), and to provide year-round staff presence in the area. Moreover, a dedicated, onsite staff residence would facilitate better communication with the grazing tenant and neighboring farmers. A member of the District's maintenance staff currently resides at the Residential Property through a caretaker agreement with POST. If the purchase is approved, the employee would continue to reside on the property and the residence will be enrolled into the District's Housing Program.

Proposed Purchase

The District proposes to purchase POST's remaining undivided 33% interest (or shared interest) in the 611.7-acre Property, which would bring the District's interest to 87% with the Marsh Trust retaining their 13% interest. With the purchase of the additional 33% interest, the District would

control the Residential Property. The District would also work to amend and simplify the land division application to eliminate the creation of a separate Residential Property parcel so that it would remain part of the Upland Property parcel.

As part of the *previous* transaction, the three parties entered into a tenancy-in-common agreement establishing exclusive use and management of the Property as follows:

- The District is responsible for the Upland property, consisting of a 372-acre area east of Verde Road (exclusive of the residence site), including a 10-acre area between Verde Road and Highway 1;
- The Marsh Trust is responsible for the farm area, consisting of a 236-acre area of farmland between Verde Road and Highway 1 and farmland west of Highway 1; and
- POST is responsible for the 3.45-acre residence site east of Verde Road.

Under the proposed purchase, the previously executed tenancy-in-common and water allocation agreements would be amended between the District and the Marsh Trust in order to remove POST's interest. Under the amended tenancy-in-common agreement, the District would be responsible for the 3.45-acre Residential Property. The District and Marsh would then work together to amend the land division application. POST has agreed to continue sharing the costs of the land division process with the District.

This purchase advances land conservation opportunities in the District's Vision Plan Portfolio #3 *Purisima Creek Redwoods: Purisima-to-the-Sea Trail Completion, Watershed Protection, and Conservation Grazing*. The purchase will preserve grazing lands, protect the Lobitos Creek watershed, and improve access to surrounding District lands. It will also provide opportunities for compatible trail use when planning the Purisima-to-the-Sea Trail, a regional trail envisioned to link the Bay Area Ridge Trail with the California Coastal Trail along the San Mateo coast. The purchase is eligible for Measure AA funding.

Property Description (see Attachment 2 - Location Map)

The Property consists of one legal parcel within unincorporated San Mateo County, located three miles south of the City of Half Moon Bay. It is bisected by Verde Road and Highway 1 and abuts the 5,038-acre Preserve to the north, east, and south. The Property is visible from Highway 1 and within the State's Highway 1 Scenic Corridor.

The Upland property consists of the grasslands east of Verde Road and a 10-acre fallow field between Verde Road and Highway 1. The undulating terrain east of Verde Road rises from 200 feet to approximately 800 feet in elevation along Lobitos Ridge. The 3.45-acre Residential Property is similar to the surrounding Upland property. The land between Verde Road and Highway 1 consists of sloping fields. The land west of Highway 1 consists of sloping fields that abut private farmland to the north and south, and end at the coastal bluffs to the west.

Existing Land Uses and Improvements

The grasslands of the Upland portion of the Property east of Verde Road are leased to a local rancher for cattle grazing, and the lease and rangeland management plan were assigned to the District at the close of the initial escrow. Existing improvements that support grazing include two stock ponds, a developed spring with a water trough, a large corral area, perimeter fencing and a network of ranch roads. Remnants of oil production piping are visible at two locations along the main ranch road. The 10-acre fenced field between Verde Road and Highway 1 has

not been farmed for many years and was last used for a small beekeeping operation. It is not designated as prime agricultural land.

The farm portion of the Property between Highway 1 and Verde Road is dry farmed and grazed by the Marsh family. Existing improvements that support farming include a commercial farm stand and parking lot, an agricultural center, including wood barn, outbuildings, and a materials yard - all operated by the Marsh family. The farm portion of the Property located west of Highway 1 is grazed by the Marsh family. It is improved with ranch roads, perimeter fencing, and an agricultural pond.

The 3.45-acre Residential Property is currently managed by POST and is improved with a 2,325 square foot, 4-bedroom, 2-bath, single-family home, a metal barn, landscaping, and several sheds. A historic resource evaluation of the house conducted in 2020 determined it does not qualify as a historic resource. The house was in fair to poor condition, but POST recently replaced the roof, improved the electrical and water systems, painted the house, and improved the structural integrity of the house at a cost of approximately \$200,000. After the repairs were completed, POST executed a caretaker agreement with a member of the District’s maintenance staff; this agreement is currently in place.

Habitat and Natural Resources Value

The Upland property is part of a 4,000-acre terrestrial habitat patch of coastal scrub and annual grassland habitat, with mixed willow and Arroyo willow vegetation in the riparian corridors. It also contains patches of Bulrush vegetation series and Blueblossom-Jimbrush (*Ceanothus thyrsiflorus*), two locally unique and sensitive native plant communities. Oaks, alders, and riparian vegetation are found in the drainages connecting to Lobitos Creek and the drainage that flows directly to the ocean. The Upland property provides habitat for a number of species, including deer, coyotes, bobcats, and mountain lions. A wide variety of small mammals, birds, and other species occupy or migrate through it. Approximately ¾ miles of Lobitos Creek abuts the south side of the Upland property. Lobitos Creek supports aquatic linkages between upland habitat and the Pacific Ocean, and provides potential spawning and rearing habitat for federally protected Steelhead trout. However, steelhead passage is limited in most years due to two obstructive culverts channeling stream flow under Verde Road and Highway 1.

Water Rights

The Property has water rights in Purisima Creek to serve the Residential Property, Farm Property, and grazed Uplands Property. The Purisima Creek watershed and all of its surface waters were adjudicated in San Mateo County Court in 1985. The adjudication allocated water rights to the S.H. Cowell Foundation to serve many parcels, including the Property. Point of Diversion 27 (POD27) in the adjudication provides the Property with water for inside and outside residential uses, farm uses, and stock water uses. The adjudication provides all water users with a baseline of allocation during low flow conditions, calculated in gallons per day (gpd), and additional water during high flow conditions. To serve the Property’s current and potential future uses, the three parties entered into a Water Allocation Agreement to allocate the adjudicated water allotment as follows:

Purisima Creek POD27 Allotment	Upland Property (District)	Residential Area (POST)	Farm Property (Marsh Trust)
500 gpd inside residential (low flow)	-----	250 gpd inside residential	250 gpd inside residential

500 gpd outside residential (low flow)	-----	250 gpd outside residential	250 gpd outside residential
1,500 gpd stock water (low flow)	750 gpd stock water	-----	750 gpd stock water
2,000 gpd of stock water or outside residential (high flow)	750 gpd high flow stock water	250 gpd high flow outside residential	1,000 gpd high flow stock water

The Upland property is well served by local water sources (springs and ponds) and is unlikely to benefit from utilizing the above water right for stock water (which would require a significant extension of the water line uphill). If the District’s purchase is approved, the Water Allocation Agreement would be amended to remove POST and to adjust other terms. Under the amended Water Allocation Agreement, POST’s residential water allocations would come to the District.

Support of Coastal Agriculture

Approximately 360-acres of the Uplands Property is leased to Mr. Vince Fontana for cattle grazing, who has run cattle on the property since 2013. POST assigned its grazing lease with Mr. Fontana to the District. The assignment is consistent with the District’s Coastal Service Plan, which states that when the District acquires lands in agricultural use, the acquisition shall be subject to the continued use by the operator, pursuant to the use and management plan adopted for the property. The lease is currently managed in conjunction with Mr. Fontana’s existing lease for the District’s adjacent 830-acre Lobitos/Elkus grazing unit in the adjoining Preserve.

Under the current terms of the tenancy in common agreement, the Marsh family has exclusive use and management of the 236-acre Farm Property, and this will continue if the District purchases the Residential Property.

The proposed land division of the Property is not anticipated to impact existing agricultural and grazing uses. Any future planning for public recreation will follow the guidelines and mitigations adopted as part of the Coastal Service Plan, conditions of the conservation easements to protect agricultural lands (discussed separately in this Report) and will comply with all County approval processes that also serve to protect agriculture.

Conservation Easements

There used to be four conservation easements that covered the Property. When POST owned the Property in 1989, POST granted a trail and conservation easement and a separate trail and conservation easement to the Coastal Conservancy to protect the conservation values of the Property. In 1991, POST sold the Property to the Marsh and Andreini families subject to two additional easements held by POST, both nearly identical in terms and intent to the two Coastal Conservancy easements.

In September 2022, POST and the California Coastal Conservancy (Conservancy) combined and modernized the four conservation easements into two easements: one conservation easement and one trail and conservation easement. The Conservancy quitclaimed its interest in the two amended easements to POST. The result is that POST now holds a conservation easement and a separate trail and conservation easement over the South Cowell Property. The Marsh family and the District agreed to the amended easements. These easements continue to protect the conservation values (agricultural, natural, scenic, open space and recreation) of the Property.

The conservation easement covers the Upland, Residence and Farm areas of the Property. The trail and conservation easement only covers the Farm Property. The new easements eliminate a second residence site on the Upland Property, allow for workforce housing on the Farm Property and the land division of the Upland Property to be in public ownership by the District.

COASTAL ANNEXATION AREA SERVICE PLAN COMPLIANCE

The Property is within the boundaries of the District's Service Plan for the San Mateo County Coastal Annexation Area (Service Plan). The Service Plan and conditions approved by the San Mateo Local Agency Formation Commission (LAFCo) established policies for the District's Coastsides Protection Program (Program). The Program guides the District's coastal purchases and use and management of open space land within the Service Plan Area.

The District's coastal land purchases are subject to a Memorandum of Understanding between the San Mateo County Farm Bureau and the District. In accordance with the memorandum, District and POST staff presented information on the proposed purchase at a Farm Bureau meeting on October 3, 2022. Some Farm Bureau members were not in favor of the land division of the Property, but did agree that merging the Upland and Residential areas of the Property was an improvement compared to creating a separate Residential Property. The Farm Bureau expressed their concerns with the new amended conservation easements and stated that future trails could adversely impact the grazing operation and did not agree with the proposed location of the parking lot. The Farm Bureau was agreeable to the elimination of a second home site on the Upland property.

District and POST staff reinforced that farming would continue under private ownership on the Farm property, and grazing would continue on the Upland property under District ownership. The amended conservation easement would not change this intent and would continue to uphold the agricultural uses. In addition, staff consulted with the Farm Bureau regarding the Purisima-to-the-Sea Trail and Parking project on June 7, 2022. It has been the District's experience and that of many other open space agencies (including East Bay Regional Park District and Santa Clara Valley Open Space Authority) that grazing and public trail access are compatible and can successfully coexist with proper policies and practices in place. As part of the original South Cowell purchase in 2020, the District and POST also consulted with the Farm Bureau.

USE AND MANAGEMENT

Planning Considerations

The Property has a General Plan designation of Agricultural Rural, with a zoning designation of Planned Agricultural Development/Coastal Development (PAD/CD). Current land uses consist of cattle grazing, pasturing, farming, and residential. Natural resource management, habitat preservation, and low intensity recreation are allowable uses within the land use designation. On September 23, 2020, the County Planning Commission confirmed that the purchase of an undivided interest in the Property by the District for open space and agricultural use complies with the County's General Plan.

If purchased, the Residential Property will be incorporated into the surrounding Preserve and the Amendment to the Preliminary Use and Management Plan as set out in this report will be implemented. Future planning processes would analyze opportunities for compatible public use when undertaken and further environmental review would be prepared as needed. Subsequent

planning would be in accordance with the District's Service Plan, including consultation with appropriate agencies, organizations, and adjoining landowners.

Purisima-to-the-Sea Trail and Parking Area

A separate planning effort for the Purisima-to-the-Sea Trail and Parking Area project is underway. This project's goals are to implement a regional trail through the Preserve envisioned to link the Bay Area Ridge Trail with the California Coastal Trail along the San Mateo coast and develop a new trailhead and parking area at a new western Preserve entrance.

Williamson Act Considerations

The Property is not subject to a Land Conservation Agreement under the California Land Conservation Act of 1965 (also known as the Williamson Act).

Partnership Recognition

At a future date, POST and the Coastal Conservancy will be recognized for protection of the Property as open space. Recognition will comply with Board Policy 5.01 – *Site Naming, Gift, and Special Recognition*.

Preliminary Use and Management Plan

In 2020, the Board adopted a Preliminary Use and Management Plan (PUMP) for the South Cowell Upland Property acquisition ([R-20-122](#)). An amendment to the PUMP for the South Cowell Upland Property is needed to include the acquisition of the 33% undivided interest in the property, which folds in the Residential Property, and to incorporate programs developed since the adoption of the PUMP, like the Wildland Fire Resiliency Program and the Open Space Management and Restoration Program. The amended PUMP will remain in effect until any future amendments, or a Comprehensive Use and Management Plan or Preserve Plan is brought to the Board for consideration of approval.

Amendments to the PUMP are shown in tracked changes as follows:

Application of the PUMP:	Apply the PUMP solely to the 374 <u>375.45</u> -acre Upland Property (which includes the <u>3.45-acre Residential Property</u>) managed by the District, in tandem with the provisions of the <u>Amended</u> Tenants in Common Agreement identified in the Terms and Conditions of this purchase.
Name:	Name the Upland Property as an addition to Purisima Creek Redwoods Open Space Preserve after the completion of the future land division.
Dedication:	Withhold dedication of the Upland property as open space at this time.
Coastal Service Plan:	Operate and manage the Upland property in compliance with the District's Service Plan for the Coastal Annexation Area and the mitigation measures adopted pursuant to the Service Plan's Environmental Impact Report.
Public Access:	Designate the Upland property as closed to public use at this time.

<u>Residence:</u>	<u>Designate the residence as staff housing.</u>
Signs and Site Security:	Install and maintain Preserve boundary and closed area signs where appropriate in the Upland property.
Fences and Gates:	Upgrade and maintain gates and fencing as necessary <u>for conservation grazing</u> and to prevent unauthorized entry in the Upland property.
Roads and Trails:	Implement maintenance and minor erosion and sediment control measures for ranch roads in the Upland property in accordance with District's adopted <u>Service Plan, Open Space Maintenance and Restoration Program and associated environmental review document</u> , Resource Management Policies standards and regulatory permits.
Patrol:	Routinely patrol the Upland property, including the area in and around the existing house compound.
Existing Grazing Lease:	Accept assignment of existing grazing lease with Mr. Vince Fontana from POST and manage the lease in conjunction with the Lobitos/Elkus grazing unit. Prepare an amendment to the Lobitos/Elkus Rangeland Management Plan to incorporate the Upland property into that grazing unit. Routinely inspect existing ranch infrastructure as part of management of the assigned grazing lease.
Resource Management:	Maintain the Upland property in its existing uses of grazing land and open space. Conduct plant and animal management activities as needed, consistent with the District's adopted Resource Management Policies, Integrated Pest Management Program Guidance Manual, <u>Service Plan, Wildland Fire Resiliency Program, Open Space Maintenance and Restoration Program and associated environmental review documents</u> , Best Management Practices, and regulatory permits.
Water Resources:	Protect water resources on the Upland property consistent with the District's adopted Resource Management Policies, Integrated Pest Management Program Guidance Manual, <u>Service Plan, Wildland Fire Resiliency Program, Open Space Maintenance and Restoration Program</u> , Best Management Practices, and regulatory permits.
Water Rights:	Comply with division of adjudicated water rights from Purisima Creek POD 27 in accordance with the Water Allocation Agreement identified in the Terms and Conditions of this purchase.

Wildland Fuel Management:	Implement standard District-wide fuel management and defensible space practices on the Upland property consistent with the District's adopted <u>Wildland Fire Resiliency Program Resource Management Policies</u> .
Conservation Easements:	Comply with the conservation easements held by POST and the Coastal Conservancy on the Upland property. Work with POST and Coastal Conservancy to complete amendments to the conservation easements.
Subsequent Planning Considerations:	<p>Any subsequent future infrastructure improvements, changes in land management leases, or public access planning will include consultation with appropriate agencies, organizations, and the community, including public workshops to gather input and review draft and final plans for future public access. When preferred plans are identified, the District will complete the necessary environmental assessment under CEQA at that time.</p> <p>Subsequent planning considerations shall include partner recognition and interpretive signs that recognize POST and the Coastal Conservancy for their role in protection of the Property as open space as appropriate and in compliance with District policy.</p> <p>Include the Upland property in the Trail Feasibility Study for the future Purisima-to-the-Sea Trail.</p>
San Mateo County Local Coastal Program	The Property is within the San Mateo County Coastal Zone. Consult with County Planning on all subsequent actions to ensure compliance with the Local Coastal Plan (LCP) and Coastal Development (CD) permitting requirements.

CEQA COMPLIANCE

Project Description

The project consists of the purchase of an undivided 33% interest in the 611.7-acre Property in a coastal unincorporated area of San Mateo County as an addition to the District's open space preserve system and concurrent adoption of a PUMP for the 375.45-acre Upland portion of the Property that establishes a status quo land management approach, with no expansion or changes to its existing uses of agricultural lands and natural habitat.

The Property is within the boundaries of the District's Service Plan for the San Mateo County Coastal Annexation Area. The Service Plan and the Service Plan Final Environmental Impact Report (FEIR), certified in 2004, includes policies, guidelines, and mitigations to ensure compatibility with the County General Plan and Local Coastal Program. The actions proposed will be conducted in compliance with the Service Plan and FEIR.

Any minor erosion and sediment control measures, infrastructure repair and maintenance, wildland fuel management, and resource management activities implemented by the District or

tenants as part of the PUMP will be conducted in accordance with the District's approved Resource Management Policies and related FEIR, the adopted Wildland Fire Resiliency Program and related FEIR, Open Space Maintenance and Restoration Program and related Initial Study/Mitigated Negative Declaration (MND), and in accordance with applicable regulatory permits. Any invasive species control will be conducted in accordance with the District's adopted Integrated Pest Management (IPM) Policies and IPM Program Guidance Manual and related FEIR, and the Open Space Maintenance and Restoration Program and related MND.

Analysis for impacts as a result of any subsequent land division to create a 375.45-acre Upland Property (372-acres + 3.45-acre Residential Property) will be conducted separately as part of the process to secure County approval.

CEQA Determination

The District concludes that the purchase of the Property and adoption of the Amendment to the PUMP is categorically exempt from the California Environmental Quality Act (CEQA) under Article 19, Sections 15301, 15316, and 15325 of the CEQA Guidelines:

Section 15301 exempts the operation, repair, maintenance, or minor alteration of existing public or private structures, facilities, or topographical features, involving negligible or no expansion of use beyond the existing uses. The Amended PUMP will maintain the Property as status quo with no expansion or changes to its existing uses as a residence and agricultural and open space lands. The Amended PUMP includes maintenance of the existing infrastructure as necessary, as well as maintenance of or minor alterations to the property for wildland fuel management and other natural resource management activities in accordance with the District's adopted policies and programs and their associated CEQA documents.

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 Amended PUMP for the Property specifies that the land will remain in a natural condition and will be designated as an addition to the District's Purisima Creek Redwoods Open Space Preserve.

Section 15325 exempts (a) acquisition or transfer of ownership to preserve existing natural conditions, including plant and animal habitats, (b) acquisition or transfer of ownership to allow continued agricultural uses, and (f) acquisition or transfer of ownership to preserve open space. The proposed purchase will transfer a portion of ownership of the Property to the District to ensure that its existing natural conditions will be preserved, will allow for the existing agricultural and grazing uses to continue, and preserve the Upland portion of the Property as part of the District's Purisima Creek Redwoods Open Space Preserve.

In addition, none of the exceptions listed in Section 15300.2 apply to this project.

TERMS AND CONDITIONS

The proposed purchase price for POST's remaining undivided 33% interest in the Property is \$1,251,000 and is supported by an independent fair market appraisal commissioned by the District. The Marsh Trust will retain a 13% interest in the property. The property interest would be purchased on an "as-is" all-cash basis. The transaction would close escrow by June 30, 2023.

As part of this transaction, the following additional agreements will be entered into between the District and the Marsh Trust:

1. **Assignment of Caretaker Agreement:** POST would assign its month-to-month caretaker agreement with the existing tenant to the District.
2. **Amended Tenancy-in-Common Agreement:** Marsh Trust and the District would amend the existing tenancy-in-common agreement to remove POST and to adjust other terms.
3. **Trail Easement:** Marsh Trust, POST and the District would grant a Public Trail Easement to the District across the Farm Property along a short segment of Verde Road to provide for a safe crossing of the road (all tenant-in-common owners will grant the easement to the District)
4. **Amended Water Allocation Agreement:** Marsh Trust and the District would amend the existing Water Allocation Agreement to remove POST and to adjust other terms.

The Amended Tenancy in Common Agreement provides for the subsequent land division application and future property transfers. (See Attachment 3 – Proposed Area of Land Division Map.) When the Upland and Farm property boundaries are finalized, the Marsh Trust would convey 100% fee title of the 375.45-acre Upland Property (including the Residential Property) to the District, and the District would transfer fee title to the 336-acre Farm Property to the Marsh Trust.

FISCAL IMPACT

Land acquisitions brought before the Board for approval include a budget adjustment to the adopted budget.

South Cowell Property Purchase Amount <i>(including \$10,000 option deposit)</i>	\$1,251,000
Total Land purchases approved to date for FY23	\$19,210,180
Total Land Purchases (if approved)	\$20,461,180

There are sufficient funds in the FY23 budget that will be unspent and can thus be redirected to the proposed purchase. Upon approval of the acquisition, \$1,251,000 in Measure AA Fund 30 related to the MAA21-004 Bear Creek Stables Project would be transferred to MAA03-006 to cover the acquisition, resulting in a net-zero budget adjustment for FY23.

The following table outlines the Measure AA (MAA) Portfolio #03 *Purisima Creek Redwoods: Purisima-to-the-Sea Trail, Watershed Protection and Conservation Grazing* allocation, costs-to-date, projected future project expenditures and projected portfolio balance remaining. The table below also includes \$274,863 in FY23 project budget that will be deferred to future fiscal years. This table accounts for portfolio expenditures through FY23 and projected Quarter 3 budget adjustments that will be taken to the Board for approval at the May 10, 2023 Board meeting. Since the overall MAA Portfolio #03 allocation is insufficient to include the purchase as a MAA reimbursable expense, the General Manager recommends allocating \$450,000 of available interest earnings to MAA Portfolio #03 to ensure sufficient allocation through FY23.

MAA03 Purisima Creek Redwoods — Purisima-to-the-Sea Trail, Watershed Protection and Conservation Grazing Portfolio Allocation:	\$7,608,000
Grant Income (through FY25):	\$292,306
Interest Income Allocation:	\$450,000
Total Portfolio Allocation:	\$8,350,306
Life-to-Date Spent (as of 03/27/23):	(\$6,859,930)
Encumbrances:	(\$102,982)
South Cowell Property Acquisition:	(\$1,251,000)
MAA03-006 Title insurance, escrow fees, survey and miscellaneous costs:	(\$50,000)
Remaining FY23 Project Budgets:	(\$358,057)
Projected Quarter 3 budget adjustments:	\$274,863
Total Portfolio Expenditures through FY23:	(\$8,347,105)
FY23 Portfolio Balance Remaining (Proposed):	\$3,201
Future MAA03 project costs (projected through FY26):	(\$7,792,789)
Portfolio Balance Remaining (Proposed):	(\$7,789,588)

The following table outlines the Measure AA Portfolio 03 allocation, costs to date, and the fiscal impact related to the Property purchase. Subsequent to the acquisition, and the budget adjustments and interest income allocation to balance FY23, there is a remaining ~\$7.8 million funding gap projected in the portfolio in the foreseeable future. A future reallocation of MAA funds, allocation of interest earnings, or general fund reserves will be needed to close the funding gap.

MAA03 Purisima Creek Redwoods — Purisima-to-the-Sea Trail, Watershed Protection and Conservation Grazing Portfolio Allocation:	\$7,608,000
Grant Income (through FY26):	\$292,306
Interest Income Allocation:	\$450,000
Total Portfolio Allocation:	\$8,350,306
Projected Project Expenditures (life of project):	
03-001 Purisima Uplands Lot Line Adjustment and Property Transfer	(\$425,113)
03-002 Purisima Upland Site Clean up and Soil Remediation	(\$922,823)
03-003 Purisima Creek Fence Construction	(\$169,190)
03-004 Harkins Bridge Replacement	(\$516,916)
03-005 Purisima-to-the-Sea Trail and Parking Area - Phase I Feasibility Study	(\$618,659)
03-006 South Cowell Upland Land Conservation	(\$6,252,707)
03-007 Purisima-to-the-Sea Habitat Enhancement and Water Supply Improvement Plan	(\$568,674)
03-008 Rieser-Nelson Land Purchase	(\$16,715)
03-009 Purisima-to-the-Sea Parking	(\$3,991,687)
03-010 Purisima-to-the-Sea Trail	(\$2,120,000)
03-011 Lobitos Creek Fisheries Restoration	(\$397,410)

03-012 Purisima-to-the-Sea Comprehensive Use and Management Plan	(\$140,000)
Total Portfolio Expenditures:	(\$16,139,894)
Portfolio Balance Remaining (Proposed):	(\$7,789,588)

Coastside Protection Area Fiscal Considerations

The Property is not located within the service area of San Mateo County Fire or the La Honda-Pescadero Unified School District. Therefore, the District is not required to pay any County Fire or School District fees.

BOARD COMMITTEE RECOMMENDATIONS

The original purchase went before the Real Property Committee on September 1, 2020, and it was determined another committee meeting was not necessary.

PUBLIC NOTICE

Public notice for this meeting was provided as required by the Brown Act. A copy of the agenda for this meeting was mailed to property owners of land located adjacent to or surrounding the Property, to interested parties, and to those listed on the Coastside Protection Area mailing list.

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 Amended PUMP. The District's Skyline Field Office will manage the Property as an addition to Purisima Creek Redwoods Open Space Preserve. Staff will work with the Marsh Trust and POST to update the land division application to the County of San Mateo. Upon approval of the application by the County, the General Manager is authorized to proceed with the future transfer of the Upland/Residential Property to the District.

Attachments:

1. Resolution Authorizing Acceptance of Purchase and Sale Agreement, Authorizing the General Manager or Other Officer to Execute Certificates of Acceptance of Grants to District and Grants for the Future Transfer of Parcels to the Marsh Trust, and Authorizing General Manager to Execute Attachments to the Agreement and any and all Other Documents Necessary or Appropriate to Closing of the Transaction (Purisima Creek Redwoods Open Space Preserve - Lands of Peninsula Open Space Trust)
2. South Cowell Ranch Property Location Map
3. South Cowell Ranch Proposed Area of Land Division Map

Responsible Department Head:

Michael Williams, Real Property Manager

Prepared by:

Michael Williams, Real Property Manager
Allen Ishibashi, Senior Real Property Agent

Staff Contact:

Allen Ishibashi, Senior Real Property Agent

Graphics prepared by:
Nathan Greig, Senior Technologist
Francisco Tapia, Data Analyst I

RESOLUTION 23-__

RESOLUTION OF THE BOARD OF DIRECTORS OF MIDPENINSULA REGIONAL OPEN SPACE DISTRICT ACCEPTING THE PURCHASE AND SALE AGREEMENT, AUTHORIZING GENERAL MANAGER OR OTHER APPROPRIATE OFFICER TO EXECUTE CERTIFICATES OF ACCEPTANCE FOR GRANTS TO DISTRICT AND GRANTS FOR THE FUTURE TRANSFER OF PARCELS TO THE MARSH TRUST, EXECUTING AND ACCEPTING A PUBLIC TRAIL EASEMENT, AND EXECUTING ATTACHMENTS TO THE AGREEMENT AND ANY AND ALL OTHER DOCUMENTS NECESSARY OR APPROPRIATE TO CLOSE THE PURISIMA CREEK REDWOODS OPEN SPACE PRESERVE - LANDS OF PENINSULA OPEN SPACE TRUST TRANSACTION

WHEREAS, the Board of Directors (“Board”) approves the Midpeninsula Regional Open Space District’s (“District”) purchase of a partial interest in the South Cowell Property (“Property”) as set forth in the report, attached hereto and incorporated herein by this reference; and

WHEREAS, as part of the transaction, the District and Marsh Trust have agreed to complete a land division to create a 375.45-acre Upland parcel (includes the 3.45-acre Residential Property) to be owned in fee by the District and a 236-acre farm property retained by the Marsh Trust, and accordingly the Board wishes to authorize the appropriate District officer to grant the District’s interests in the non-Upland parcels to the Marsh Trust.

Now, therefore, 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 does hereby accept the offer contained in that certain Purchase and Sale Agreement between Peninsula Open Space Trust (POST) and the 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 (including amendments to the tenancy-in-common agreement, water allocation agreement and assignment of caretaker agreement) on behalf of the District to acquire the real property described therein (“the POST South Cowell Ranch Property”).

SECTION TWO. The Board authorizes the expenditure of \$1,251,000.00 covering the purchase of the South Cowell Ranch Property, including an option deposit of \$10,000.00.

SECTION THREE. The General Manager or President of the Board of Directors and/or other appropriate officer is authorized to execute a Grant Deed for the future transfer of parcels to the Marsh Trust after the land division is complete and to execute and accept a public trail easement over the farm portion of the property.

SECTION FOUR. The General Manager, President of the Board of Directors, or other appropriate officer is authorized to execute Certificates of Acceptance and the Grant Deeds 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, execute all escrow documents and to extend escrow if necessary.

SECTION SIX. The General Manager or the General Manger’s designee is authorized to expend up to \$50,000.00 to cover the cost of title insurance, escrow fees, land division, survey and miscellaneous costs related to this transaction

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 _____, 2023, at a regular meeting thereof, by the following vote:

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

ATTEST:

APPROVED:

Craig Gleason, Secretary
Board of Directors

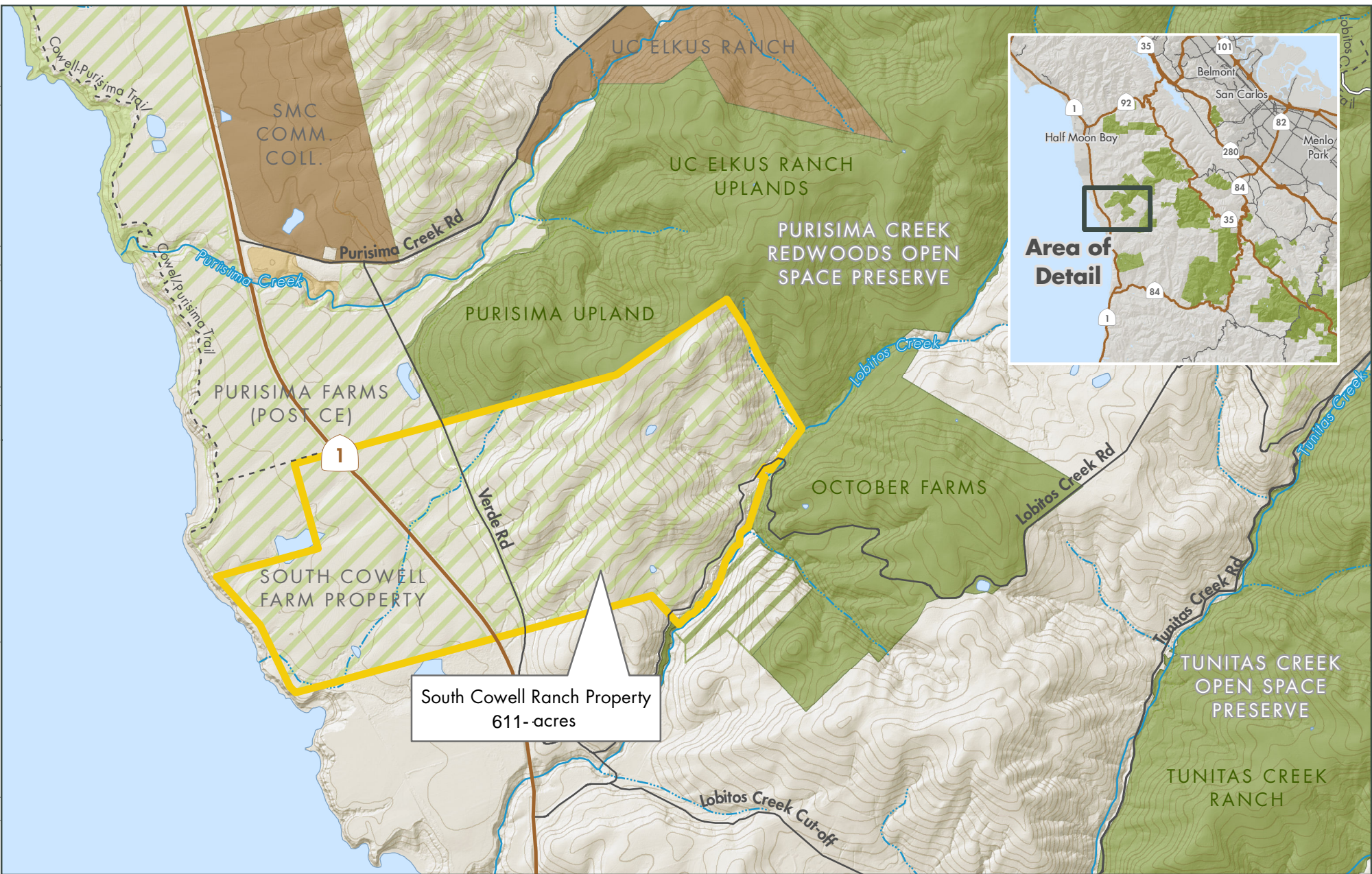
Yoriko Kishimoto, President
Board of Directors

APPROVED AS TO FORM:

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.

Maria Soria, District Clerk









South Cowell Ranch Property
611- acres

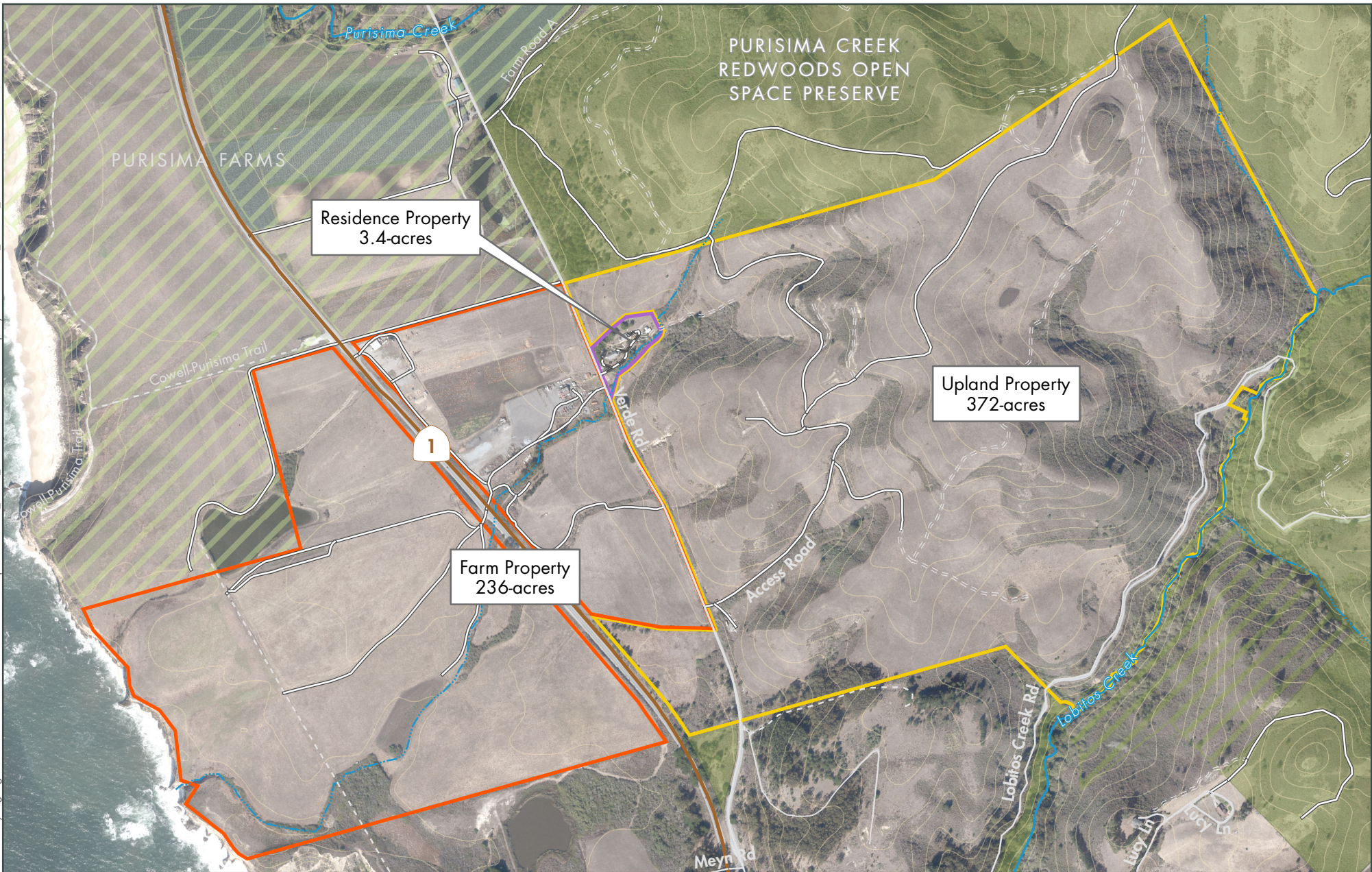
South Cowell Ranch Property Location Map

ATTACHMENT 2






Midpeninsula Regional
Open Space District
(Midpen)
12/20/2019

- | | |
|---|---|
|  MROSD Preserves |  South Cowell Ranch Property |
|  Other Public Agency |  Land Trust |
|  Private Property |  POST Conservation Easement |





South Cowell Ranch Proposed Parcels

- | | |
|---|--|
|  Purisima Creek Redwoods OSP |  Proposed Upland Property |
|  Chamberlain-Lundell Conservation Easement |  Residence Property |
|  Purisima Farms Conservation Easement (POST) |  Farm Property |

ATTACHMENT 3

Midpeninsula Regional
Open Space District
(Midpen)
2/22/2022



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.