



Midpeninsula Regional
Open Space District

R-11-73
Meeting 11-19
July 13, 2011

AGENDA ITEM 6

AGENDA ITEM

Proposed Purchase of the Stanton Trust (Crites) Property as an Addition to the Mount Umunhum Area of Sierra Azul Open Space Preserve (Santa Clara County Assessor's Parcel Number 575-06-001) located in Unincorporated Santa Clara County, at 20466 Reynolds Road, Los Gatos, CA

GENERAL MANAGER'S RECOMMENDATIONS

1. Determine that the recommended actions are categorically exempt from the California Environmental Quality Act (CEQA) as set out in this report.
2. Adopt the attached Resolution authorizing purchase of the Stanton Trust (Crites) property.
3. Adopt the Preliminary Use and Management Plan recommendations contained in this report and name the property as an addition to the Mount Umunhum Area of Sierra Azul Open Space Preserve.
4. Withhold dedication of the property as public open space at this time.

SUMMARY

The Midpeninsula Regional Open Space District (District) is proposing to approve a purchase agreement for the 175.87-acre Stanton Trust (Crites) Property, at a price of \$1,432,000. The following report presents a description of the Stanton Trust (Crites) Property, a Preliminary Use and Management Plan, the environmental review, the purchase terms and conditions, and the financial considerations.

DISCUSSION

Property Description

The 175.87-acre Stanton Trust (Crites) property is located four miles east of the Town of Los Gatos, in the vicinity of Guadalupe Reservoir and Almaden Quicksilver County Park. Mount El Sombroso towers above, one half mile southwest, and north is the former Rancho de Guadalupe property. The property is surrounded by the Mount Umunhum Area of Sierra Azul Open Space Preserve on all sides. It is approximately one-half mile east of the Woods Trail, the designated

Bay Area Ridge Trail, which passes through Sierra Azul Open Space Preserve on its way from Lexington Reservoir County Park to Almaden Quicksilver County Park.

Prominent natural features of the Stanton Trust (Crites) property include diverse oak woodlands, creeks, and rugged hillsides. The steeply sloping property is perched on the edge of the Santa Clara Valley, with elevations ranging from 1,400 feet at the lowest point along Hicks Creek to 2,300 feet at the top. Spectacular eastward views of the Almaden Valley, San Jose, and Mount Hamilton unfold below. Located high on the northeast-facing forested slope, the scenic qualities of the property itself are most evident from Almaden Quicksilver County Park to the north and from the District's Newhagen Meadows (Guadalupe Land Company) property to the east.

The property comprises a portion of the upper headwaters of Hicks Creek, which conveys flows from Cherry Springs and the Mount El Sombroso watershed to Guadalupe Creek. Several year-round springs and a man-made spring-fed pond on the property contribute to the lushness of the creek corridor. Hicks Creek is regarded as potential steelhead habitat, it being the last available tributary on Guadalupe Creek below the reservoir dam, and is also potential habitat for the California Red-Legged Frog.

The southern three quarters of the Stanton Trust (Crites) property is densely wooded with a mature California Bay/Canyon Live Oak forest. The northern quarter is more varied, dominated by Bay/Coast Live Oak woodland with pockets of Manzanita and Mountain Mahogany Chaparral on serpentine soil outcrops and Big Leaf Maples in the drainages. All improvements are located in the northern quarter of the property.

Access to this irregularly shaped property is via Reynolds Road, a County-maintained paved road ascending steeply from Hicks Road. Deeded vehicular access from Reynolds Road is via an existing private road that travels through District lands to the north. The access road is in good condition. Generally, the existing internal ranch roads are in good condition, although certain sections are steeper than the District standard. A well-maintained road climbs up the ridge into the Preserve and connects to the Bay Area Ridge Trail at Mount El Sombroso at an elevation of 2,999 feet.

Improvements on the lower property affect about six acres, reflecting use since the late 1940s for residential purposes. Three graded flats are present; the lowest flat is improved with a two bedroom, two bath main residence built in the early 1950s. The residence has a substandard septic tank with no leach fields and the springs are minimally improved. A garage, non-operational vehicles and several outbuildings are associated with the main residence. The remains of an unpermitted second residence and several storage containers used as horse stalls are located on a flat above the main residence. Other improvements include electrical power, a spring-fed water system, water piping and old fence remnants.

Although 60 to 70 years old, the structures are of a utilitarian nature and do not appear to have any unique historic or architectural merit. The Stanton Trust (Crites) property does not have any mining history or association with the New Almaden mines. No evidence was found indicating that the property contains significant historic resources.

Modern residential development of the property would be highly visible from the surrounding open space and parklands, severely impacting the scenic qualities. As well as eliminating a substantial inholding within Sierra Azul Open Space Preserve and securing valuable trail use connections for the future, this purchase is also vital for protecting watershed, biodiversity, and wildlife linkages.

The District's Regional Open Space Study identifies the property as having potential major trail connections from the Rancho de Guadalupe and Newhagen Meadows areas of Sierra Azul Open Space Preserve to the Bay Area Ridge Trail (Woods Trail) near Mount El Sombroso. The Bay Area Open Space Council's Conservation Lands Network, the result of their Upland Habitat Goals Project, identifies the Stanton Trust (Crites) property as "Essential to Conservation Goals", indicating that it is an essential component of a network of conservation lands for biodiversity preservation. The property is also part of draft Santa Cruz Mountains to Hamilton Range Linkage Network being prepared by the Moore Foundation-funded Bay Area Critical Linkages Project, a collaborative, interagency effort to identify and protect critical functional linkages within the San Francisco Bay Area eco-region and connections to adjacent eco-regions.

USE AND MANAGEMENT

Planning Considerations

The Stanton Trust (Crites) property is located just outside of the Los Gatos Sphere of Influence within unincorporated Santa Clara County and is zoned HS (Hillside), requiring a 20- to 160-acre minimum lot size based upon a slope density formula. The property consists of one legal parcel with one residential site allowable. Further residential development would be feasible given the existing access road and two existing level building pads.

The property is subject to a Land Conservation (Williamson Act) Contract dated February 20, 1974, which is in nonrenewal status and is slated to terminate on January 1, 2020. Pursuant to Government Code Section 51291, the District has notified the State Department of Conservation of the proposed purchase of land subject to Williamson Act contract.

Although not proposed for Board consideration at this time, the property could be used in the future for low intensity recreation, eventually using the existing roads to connect between the future recreational opportunities available in the Preserve's Rancho de Guadalupe Area and the Bay Area Ridge Trail (Woods Trail) near Mount El Sombroso.

District staff has concluded that numerous costly improvements would be required to bring the residence and associated structures up to the standards of the District's rental program. Moreover, unoccupied properties in this vicinity can quickly become an attractive nuisance. For this reason, staff recommends removal of the residence and outbuildings, and re-vegetating the building pads for erosion protection.

As an acknowledgement of the family's long history in the area, the purchase agreement permits designated members of the Stanton and Crites families to obtain a District hiking permit to visit the property while it is closed. Standard District permit procedures would be followed.

Preliminary Use and Management Plan (Next Steps)

The Preliminary Use and Management Plan will take effect at the close of escrow and remain effective until the Plan is amended or a Comprehensive Use and Management Plan or Master Plan is approved for Sierra Azul Open Space Preserve. The Preliminary Use and Management Plan represents a status quo approach to management, including securing the site, posting signs, conducting resource management activities, and removing structures that are not necessary for management, as described more fully below. The property will be maintained in a natural condition. 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:	Closed to public use at this time. Consistent with the purchase agreement and District procedures, permit designated members of the seller's family to obtain a short-term visitor permit to hike or picnic on the property.
Signs and Site Security:	Install Preserve gates, as well as boundary and closed area signs where appropriate.
Structures and Improvements:	Demolish and remove the residential building, outbuildings and associated infrastructure. Demolition and removal of these structures are estimated at \$35,000, as a cost associated with the proposed purchase. Re-vegetate the building sites for erosion control purposes. Disconnect the water system from the source spring.
Resource Management:	Conduct invasive plant and animal management activities consistent with the District's standard policies and procedures.
Patrol:	Routinely patrol the property utilizing existing roads.
Wildfire Fuel Management:	Further assess vegetative communities to determine wildfire management needs.
Roads and Trails:	Maintain existing roads in serviceable condition. Implement minor erosion and sediment control measures as needed.
Site Safety Inspection:	No known safety hazards exist on the site.
Name:	Name the property as an addition to the Mt. Umunhum Area of Sierra Azul Open Space Preserve.
Dedication:	Withhold dedication of the property as public open space at this time.
Subsequent Planning:	Integrate the property into the Sierra Azul Open Space Preserve Master Plan currently under preparation.

CEQA COMPLIANCE

Project Description

The project consists of the acquisition of a 175.87-acre property as an addition to the Mount Umunhum Area of the Sierra Azul Open Space Preserve and the concurrent adoption of a Preliminary Use and Management Plan for the property. The land will be permanently preserved as open space and maintained in its current natural condition. Minor road maintenance and resource management activities are proposed to reduce erosion potential and control invasive plants. The residence, along with associated infrastructure, is proposed for demolition.

No decisions are being made now about future changes to use, management, or improvements proposed. Ultimately, the property will be included in the Master Plan for the Sierra Azul Open Space Preserve, currently under preparation and subject to further public input and subsequent environmental review. The outcome of this future decision making process is speculative at this time.

CEQA Determination

The District concludes that this project will not have a significant effect on the environment. It is categorically exempt from CEQA under Sections 15301, 15316, 15317, 15325 and 15061(b)(3) 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, including the demolition of individual small structures and site restoration. The project proposes demolishing a residence and ancillary structures and improvements, and performing minor resource management work including re-vegetation for erosion control purposes.

Section 15316 exempts the acquisition of land in order to create parks if the site is in a natural condition, and the management plan proposes to keep the area in a natural condition. The Preliminary Use and Management Plan specifies that the land will not be developed and will remain in a natural condition.

Section 15317 exempts the acceptance of fee interests in order to maintain the open-space character of an area. The District will acquire fee interest and maintain the open-space character of the area. No new development is proposed as part of this project.

Section 15325 exempts transfers of ownership of interests in land in order to preserve open space. This acquisition will transfer fee ownership to the District and ensure that the property will be preserved as public open space by incorporating it into the Mount Umunhum Area of Sierra Azul Open Space Preserve.

The actions proposed are also exempt under Section 15061(b)(3), as there is no possibility the actions may have a significant effect on the environment.

TERMS AND CONDITIONS

The 175.87 acre Stanton Trust (Crites) property is proposed for purchase at a price of \$1,432,000 on an all-cash basis at the close of escrow. The property consists of one residential building site improved with an older single family residence in poor condition with panoramic views of the Santa Clara Valley, Almaden Quicksilver County Park and Mount Umunhum. It was originally listed on the open real estate market at \$3,700,000 in 2004, and reduced to \$2,700,000 at the beginning of 2011. Ongoing negotiations with the property owner resulted in the agreed upon purchase price of \$1,432,000, which is well supported by recent sales and property purchases by the District in this area.

As a condition of the purchase agreement, the seller has agreed to remove personal property and debris by the close of escrow including the remains and foundation of the unpermitted second residence that burned down in March, 2006. The District is withholding \$4,500 in escrow to ensure that these items are cleaned and removed to the District's satisfaction. Staff has also reviewed disclosure documents provided by the seller, conducted several site inspections with a licensed demolition contractor, staff has also contacted Santa Clara County's Planning, Building and Environmental Health Departments and is satisfied that no underground storage tanks or hazardous wastes exist on the property.

The purchase agreement also provides that the seller's immediate family members may request a permit to enter from the District to visit the property in the future for hiking or picnicking.

BUDGET CONSIDERATIONS

2011–2012 Budget for New Land Purchases:

New Land	\$13,495,000
Land purchases approved this year	2,631,000
Stanton Trust (Crites) Property	(\$ 1,432,000)
New Land Purchase Budget Remaining	\$ 9,432,000

PUBLIC NOTICE

Neighboring property owners and individuals previously expressing interest in Sierra Azul Open Space Preserve have been mailed written notices of this meeting. The agenda and this report have been made available on the District's website. Therefore, public notice was provided as required by the Brown Act.

NEXT STEPS

Upon approval by the Board of Directors, staff will proceed with close of escrow for the purchase of the Stanton Trust (Crites) property. The District's Foothills Field Office will manage the property as an addition to the Sierra Azul Open Space Preserve in accordance with the adopted Preliminary Use and Management Plan. Staff will review the priority of the

demolition of the residence as compared to other projects, correlate with staff capacity, and incorporate the demolition of the residence into the District Action Plan and budget.

Attachments:

1. Resolution
2. Map

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Contact person:

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RESOLUTION 11-XX

RESOLUTION OF THE BOARD OF DIRECTORS OF MIDPENINSULA REGIONAL OPEN SPACE DISTRICT AUTHORIZING ACCEPTANCE OF PURCHASE AGREEMENT, AUTHORIZING 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 (SIERRA AZUL OPEN SPACE PRESERVE - LANDS OF STANTON REVOCABLE TRUST)

The Board of Directors of Midpeninsula Regional Open Space District does 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 Agreement with William T. Crites, Successor Trustee of the Stanton Revocable Trust dated March 4, 1986, 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 or other appropriate officer to execute the Agreement on behalf of the District to acquire the real property described therein (“the Stanton Trust Property”).

Section Two. The General Manager, President of the Board of Directors or other appropriate officer is authorized to execute Certificate of Acceptance for the Grant Deed on behalf of the District.

Section Three. The General Manager or the General Manager’s designee shall cause to be given appropriate notice of acceptance to the seller and to extend escrow if necessary.

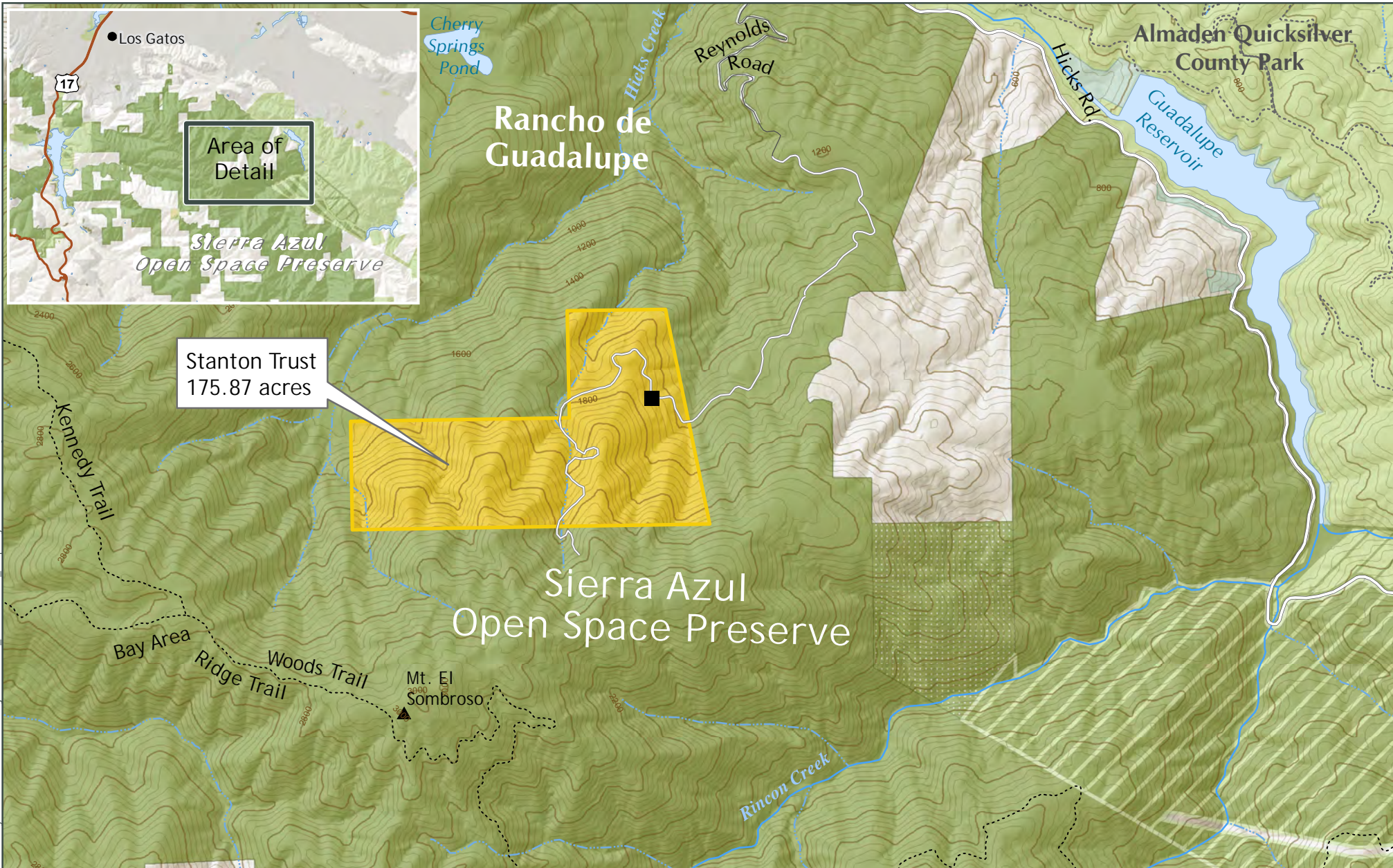
Section Four. The General Manager is authorized to expend up to \$40,000 to cover the cost of title insurance, escrow fees, demolition and site cleanup and other miscellaneous costs related to this transaction.

Section Five. 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.

Section Six. The purpose of this Section is to enable the District to reimburse its general fund for the cost of certain land acquisitions. The District wishes to finance certain of these real property acquisitions and expects to use tax-exempt debt, such as bonds, but a tax-exempt financing is not cost-justified for the District unless the principal amount of the financing is large enough to justify the related financing costs. Consequently, it is the District’s practice to buy









property with its general funds and, when a tax-exempt financing is cost-justified based on the aggregate value of acquisitions, to issue tax-exempt obligations to reimburse itself for previous expenditures of general funds. These general funds are needed for operating and other working capital needs of the District and are not intended to be used to finance property acquisitions on a long-term basis.

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Created By: aroa

Proposed Addition to Sierra Azul Open Space Preserve, Stanton Trust (Crites) Property

- | | |
|---|---|
|  Highlighted Property |  Partial MROSD Ownership |
|  MROSD Preserves |  Non MROSD Conservation or Agricultural Easement |
|  Other Protected Open Space or Park Lands |  MROSD Conservation or Agricultural Easement |
|  Private Property |  Watershed Land |

Midpeninsula Regional
Open Space District
(MROSD)



June, 2011



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