

FACT SHEET: PHASED PURCHASE OF ~6,300 ACRES OF THE CLOVERDALE RANCH PROPERTY

The Midpeninsula Regional Open Space District (District) proposes to initially purchase a ~5,100 acre portion of the ~6,700 acre Cloverdale Ranch property from Peninsula Open Space Trust (POST). In addition, the District would enter into an option with POST for the potential purchase of the approximately 1,200 acre western area of Cloverdale Ranch, bringing the total acreage to approximately 6,300 acres. The final remaining approximately 400 acres of farmland would stay under POST ownership. The proposed transactions would preserve coastal open space, protect the Arroyo de los Frijoles watershed and riparian habitat for the endangered San Francisco garter snake and threatened California red-legged frog, protect the Butano and Gazos Creek watersheds that provide habitat for steelhead trout, protect and sustain grazing and agricultural lands, and improve future public access to surrounding public park and open space lands.

Background: Between 1997 and 2012, POST purchased four properties totaling over 8,000 acres to protect Cloverdale Ranch in response to wide-ranging concerns about the accelerating loss of agricultural lands and open space on the San Mateo Coast. In 2000, POST transferred approximately 900 acres east of Cloverdale Road to State Parks as an addition to Butano State Park, and in 2005, POST transferred the 39-acre Pigeon Point Lighthouse to State Parks. In 2007, POST transferred the 482-acre Bolsa Point Farm property to a private farmer subject to a conservation easement that retains the property in agricultural use. POST's intent has been to transfer the upland areas of the property to a public agency to ensure permanent protection of the open space and habitat, and continued livestock grazing while allowing for compatible public access. POST would separately retain approximately 400 acres of farmland that will remain in agriculture use and be purchased by local farmers, subject to agricultural conservation easements.

After extensive public engagement in 2011 and 2012, the District's Board of Directors adopted a Vision Plan to guide ongoing efforts in protecting scenic open spaces of regional value, preserving natural and cultural resources, supporting local agriculture, and providing additional opportunities for the public to experience nature. The Vision Plan identifies the preservation of open space at Cloverdale Ranch as one of 25 priority projects for achieving these goals with specific emphasis placed on continuing and enhancing conservation grazing, improving habitat for San Francisco garter snake (SFGS), California red-legged frog (CRLF), and steelhead, and providing trail connections to nearby State parks and the South Coast community. In 2014, the voters of San Mateo and Santa Clara County approved Measure AA bond funding to help implement these priority projects.

Location (see Attachment 1): The property is located at the southern end of the Town of Pescadero. Purchase of the property would result in the creation of a new preserve, the Cloverdale Open Space Preserve. The property is surrounded by over 31,000-acres of open space and park land, including Butano State Park to the east, Big Basin Redwoods State Park to the east and south, Año Nuevo and Cascade Ranch to the south, Pigeon Point Light House and Bean Hollow State Beach to the west, and Pescadero Marsh to the north. The property is bounded by Pescadero Road

to the north, Cloverdale Road to the east, Gazos Creek Road to the south, Highway 1 and Bean Hollow Road to the west.

Funding: The District's Board of Directors are scheduled to consider the purchase of the property interest, including price and terms, in the winter of 2022/23. Purchase of the property supports the District's overall coastal mission and Vision Plan Portfolio #13 *Cloverdale Ranch: Wildlife Protection, Grazing and Trail Connections*. The District has secured \$9,928,282 in grant funding for the purchase. The purchase is eligible for Measure AA funding.

EXISTING CONDITIONS

Landscape: Cloverdale Ranch encompasses a series of terraced ecosystems from the coastal bluffs to a western ridge of the Coastal Range and connects to more than 31,000 acres of surrounding open space and park land. Elevation ranges from 41 feet above sea level along Pescadero Creek Road on the northern boundary, to over 623 feet on the ridge top near the southern boundary above Gazos Creek Road. Topography ranges from gently rolling hills to extremely steep slopes and canyonlands. The level to gently rolling hills and ridgetops support annual grasslands and coastal scrub habitat. The steeper canyon areas and riparian corridors are comprised of dense brush and woody vegetation. The eastern edge of the property meets the forested mountains characteristic of Butano State Park.

Land Use: Land use on the 6,700-acre Cloverdale Ranch includes cattle grazing, irrigated row and dry farmed crops, and limited recreation on the 1.1 mile Wilbur's Watch Trail located at the southwestern corner of the property.

Cloverdale Ranch consists of approximately 4,500 acres of grasslands. The grasslands on the north and east sides of the property are actively grazed in four grazing units leased by two separate tenants: Butano Farms is leased by one tenant, and Holm Ranch, Hidden Valley, and Goat Ranch are leased by another. Under the proposed District purchase, these areas would continue to be grazed subject to conservation grazing leases and a rangeland management plan. Grazing on Cloverdale Ranch is supported by a system of agricultural wells, springs, ponds and reservoirs. Additional grazing improvements include a system of ranch roads and fencing, four corrals, and a barn. Due to a lack of infrastructure, reintroduction of grazing is not currently proposed for the grasslands on the western portion of the property.

The approximately 400 acres of farmland that we be retained by POST on Cloverdale Ranch includes over 250 acres of cultivated crop land and 140 acres of dry farmed land, which are currently fallow and leased to four separate farmers. This cropland comprises much of the prime agricultural land of Cloverdale Ranch and is supplied by a water system of wells, in-stream water pumps, and reservoirs. POST will retain these farm parcels following the land division with the intention to be transferred to farmers and permanently protected with agricultural conservation easements that allow for farm labor housing, farm structures and other farm-support infrastructure.

Existing public access on the property is limited to Wilbur's Watch, a one-mile trail on the west side of the property, accessible from Highway 1 across from Pigeon Point. An 8-vehicle public

parking lot serves the trail. Currently, POST manages both the trail and the parking lot. POST also provides special use permits for access to other parts of the property, for activities ranging from academic study to hiking, birdwatching, and horseback riding. Under District ownership, interim public access would be limited to hiking.

Flora and Fauna: Cloverdale Ranch has a diverse patchwork of habitats, including California annual grassland, coastal scrub (dominated by coyote brush), riparian (dominated by white alder), pockets of Monterey pine and Douglas fir, and the largest intact native Coastal Terrace Prairie in San Mateo County. Cloverdale Ranch contains seven sensitive natural communities and five special-status plant taxa, including Scouler's catchfly, Pt. Reyes meadowfoam (Endangered), Choris's popcorn flower, harlequin lotus, and johnny-nip.

Cloverdale Ranch's diverse ecology provides habitat for a wide range of wildlife, including several special status species: the SFGS, CRLF, western pond turtle, American badger, and California coast steelhead. Other species of interest that occur on the property include mountain lion, bobcats, coyotes, deer, monarch butterflies and other insects, numerous migratory bird species, and several bat species.

Water Resources: Cloverdale Ranch encompasses over 15 miles of streams in several watersheds, primarily Butano Creek, Little Butano Creek, Arroyo de los Frijoles Creek, Gazos Creek, and several unnamed coastal creeks. The San Mateo Resource Conservation District (RCD) and POST recently restored sections of Butano Creek within the property to reconnect the creek's floodplain to its channel, reduce sediment load, improve water quality, and enhance habitat. Arroyo de los Frijoles Creek was impounded in the 1930s to create Lake Lucerne and the two Bean Hollow reservoirs. This water system is managed by the Lake Lucerne Mutual Water Company for the purpose of irrigating agricultural row crops on private farms located to the west and north of Cloverdale Ranch.

The property's network of springs, wells, ponds, and surface-water diversions support agricultural uses while sustaining habitat connectivity across the property. The Bean Hollow reservoirs are of high conservation value, creating extensive aquatic and riparian habitat that maintains water year-round. Taken together, the naturally occurring waterways and constructed reservoirs at Cloverdale Ranch provide a robust assemblage of aquatic resources for coastal agriculture and regionally significant populations of SFGS and CRLF.

Coastal 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), adopted in June 2003. The mission of the Service Plan is *"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."* The purchase of the property complies with and furthers the mission of the Service Plan.

Terms and Conditions: The proposed purchase of approximately 6,300 acres of the 6,700-acre Cloverdale Ranch would include two transactions in 2023: one transaction totaling over 5,100-acres

and a second transaction for the option to purchase the western 1,200-acres in 2025 as outlined below and shown in Attachment 1:

1. The 1,800+acre southern portion of the Cloverdale Ranch property, including the Wilbur's Watch Trail, would be purchased in fee title during the first half of 2023 utilizing the \$1,428,282 Proposition 68 Recreational Infrastructure Revenue Enhancement (RIRE) Grant funds, a portion of the State Specific Grant (\$8,000,000), and District Measure AA (MAA) funding.
2. The 3,300+acre eastern and northern portion of the property, including a single-family residence along Cloverdale Road, would be purchased in the first half of 2023 utilizing a portion of State Specific Grant funds (\$8,000,000), a San Mateo County Measure K grant in the amount of \$500,000, and District MAA funding. Portions of this property would be purchased in fee, and as an undivided interest with POST as tenants in common for properties requiring a land division to create separate upland and farm properties. The tenancy-in common agreement would provide the District with exclusive use of the upland areas and POST with exclusive use of the farm areas. The land division application(s) with San Mateo County would create separate upland and farm properties. Upon future approval of a land division by the County, the District would later be transferred 100% fee title to these upland properties, and POST would be transferred 100% fee title to the farm properties.

For the property interests identified in 1 and 2 above, the two existing grazing leases on the properties would be assigned by POST to the District subject to a rangeland management plan.

3. The District would also enter into an option agreement with POST to purchase the western 1,200-acre area of the property in 2025. The purchase would utilize District Measure AA funds. The two-year option would provide time for the District and POST to work with the farmer shareholders of the Lake Lucerne Mutual Water Company to address future water infrastructure improvements, and better define the ongoing maintenance responsibilities and liabilities between the water users and the fee property owner. During the option term, the District would enter into a lease and management agreement with POST to patrol and manage this property. The District's Board of Directors would determine in 2025 whether to exercise the option to complete this purchase.

The 6,300-acre portion of the Cloverdale Ranch property that is under District consideration for purchase has an estimated fair market value of \$32 million, which is being confirmed by an independent real estate appraiser. POST has agreed to sell the property to the District at a 50% bargain sale price of approximately \$16 million.

The District would utilize the full amount of the secured \$9,928,282 grant funding and Measure AA funding for the purchase of the two Cloverdale Ranch properties totaling 5,100+ acres in 2023.

The proposed future purchase of the approximately 1,200-acre western portion of the property would use MAA funding in 2025. District Measure AA funding for the two proposed transactions

in 2023 and the future transaction in 2025 would be approximately \$6,071,718.

NEXT STEPS

Environmental Review: Environmental review in compliance with the California Environmental Quality Act (CEQA) is underway for the proposed purchase.

Board Action: The District's Board of Directors will consider the purchase of 5,100+ acres in 2023 and an option to purchase the 1,200-acre western portion of Cloverdale Ranch in 2025 at a public meeting in the winter of 2022/23. Included for consideration at that time will be the property's Preliminary Use and Management Plan, which is expected to propose a status quo management approach of the uplands area. The District would manage the Wilbur's Watch trail and parking lot, and develop an interim public access plan for the property, which could include community field days, docent led hikes and possible permit access. Otherwise, the District would manage the uplands area as a closed area pending further planning as described below.

Planning: If purchased, a land division plan allowing the District to secure sole interest in the uplands area would be submitted to the County and be subject to public review and comment. Subsequent planning for any future public access (trails) would include consultation with private property owners as needed, California State Parks, and appropriate agencies and organizations. Outreach would include public meetings to gather input and to review draft and final plans. Further environmental review would be prepared to assess and mitigate potential impacts as a result of any plans that are proposed.

Public Participation: Interested parties are encouraged to contact Ariel Starr, Real Property/Natural Resources Administrative Assistant at the District office (650) 691-1200, extension 567, or at astarr@openspace.org, to request that their names be added to the public notification list for this proposed property purchase.

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