



Midpeninsula Regional
Open Space District

R-19-53
Meeting 19-12
April 25, 2019

AGENDA ITEM 1

AGENDA ITEM

Bear Creek Stables Project Options and Cost Estimates

GENERAL MANAGER'S RECOMMENDATIONS

1. Review and provide input on the project options and associated cost estimates for the Bear Creek Stables Project.
2. Narrow down the range of project options, identify any new information to research, and direct the General Manager to return to the Board of Directors with this information for consideration at a future Board meeting.

SUMMARY

On January 25, 2017, the Board of Directors (Board) approved the Bear Creek Stables (Stables) Site Plan, which included conceptual-level cost estimates for Phase I improvements totaling approximately \$4.5M (including \$1M for water infrastructure) (R-17-15). In summer 2017, design and engineering consultants developed two schematic design alternatives with updated cost estimates that are \$3.3M to \$4.2M higher than the prior cost estimate. The revised estimates are significantly higher given the need for extensive site engineering, including retaining walls and grading work, to address slope instability and improve surface drainage for a new expanded public program area. Based on expenditures to date, the updated cost estimates, and cost escalation to 2019 dollars, both design options have a funding deficit of approximately \$6 million (2019 dollars).

In light of the significant funding gap, the District revisited an option with Santa Clara County that focuses on deferred maintenance repairs for the stables and complies with the existing non-conforming use status of the property. On April 25, 2019, District staff will present these and all other known options for the Stables site to the Board for review and discussion. The General Manager requests Board direction on narrowing down the project options for further evaluation. There are sufficient funds in Fiscal Year (FY) 2018-19 for the Board to consider and select a final option for Bear Creek Stables. Depending on Board direction at the April 25 meeting, a final decision may be made as early as fall 2019.

BACKGROUND

On January 25, 2017, the Board approved the Bear Creek Redwoods Preserve Plan (Preserve Plan) and certified the Environmental Impact Report, including the Stables Site Plan (R-17-01). The Preserve Plan identifies the following Board-approved goals for the Stables Project:

- Protect the site's natural resources;
- Maximize public benefit by broadening public access and use of the facility; and
- Develop a viable plan that is financially feasible for both a future tenant and the District.

The Preserve Plan identifies a phased implementation for the Stables Site Plan. High priority Phase I improvements are identified for implementation within the first three years (2017 to 2019) and focus on health, safety, and the environment. Lower priority improvements would be implemented after 2020 based on availability of funding and staff capacity.

The Board-approved FY2017-18 Action Plan and Budget included funding to initiate design development of the Phase I Stables improvements, including detailed site assessments to inform the design plans. In March 2017, the Board awarded a contract to John Northmore Roberts & Associates to provide design and engineering services, complete construction plans, and provide permitting and construction administration support for the Stables Improvements Project.

NEW INFORMATION

As part of the detailed site assessment work, the District received new information affecting the overall Phase I design that significantly increases the original cost estimates.

Site Assessments

Bear Creek Stables is located within the northeastern Preserve zone, off Bear Creek Road and approximately 0.75-mile west of Highway 17. The approximately 26-acre site is located on a narrow ridge bounded by the steeply incised Briggs Creek to the south, and an unnamed seasonal creek to the north. Geotechnical and geological assessments indicate that the Stables is located within the seismically active San Andreas Fault Zone with fault traces along the ridge. Extensive historic and more recent landslides are present on the Stables site. There is also evidence of fill at the outer edges of both the upper and lower flat terraces. In addition, the topographic survey reveals that the available space in the lower terrace is more limited than previously anticipated in the original conceptual plan. These assessments identified the need for extensive site grading, multiple retaining walls to address landslide areas, and rearrangement of elements to fit an expansion of public facilities within the constrained site.

Cost Estimate Increase

At the time the Board approved the Preserve Plan (January 2017), construction costs for the Phase I Stables work were estimated at \$4.5M (including \$1M for the water system to provide potable water as required by Santa Clara County).

The Board-approved FY2017-18 Budget and Action Plan allocated a combined budget of \$5.93M for the Phase I Stables improvements and associated Stables Water System. This included \$5.15M for the Phase I Stables improvements funded through Measure AA (\$3.00M), General Funds (\$500K), and grants and external partnerships (\$1.65M). The FY2017-18 Budget and Action Plan allocated an additional budget of \$777,300 for the Stables Water System funded through Measure AA.

Construction cost estimates have increased approximately 204% from what was presented to the Board in January 2017. The new, revised cost estimates for the Phase I improvements, including the water system upgrades (now \$850,000), range between \$9.2M and \$9.5M. A

significant factor affecting the cost is the amount of site grading and retaining walls, which alone amount to \$2.5M.

Given the significant increase in project costs, the General Manager directed staff to (1) develop a lower cost option and (2) explore the community fundraising potential for the project.

District staff clarified the County's Use Permit requirements and obtained information about the types of repairs allowed under the existing legal non-conforming use that would not trigger new and costly code requirements. Separately, District staff also assessed the potential for external and community fundraising partnerships to support the project. The General Manager informed the Board of this work through FYI memorandums in March 2018 and 2019. Below is a discussion of the newly obtained information and project considerations.

County of Santa Clara Use Permit Requirements

The Stables is located in unincorporated Santa Clara County and is in the Hillside (HS) zoning district. Stables operations are not permitted by right on HS-zoned parcels but may be authorized through a discretionary land use approval with a Use Permit. The current Stables operation does not have a Use Permit, and the County has documented the Stables as a legal non-conforming use.

Staff met with County representatives to reconfirm the regulatory requirements. Any increase in the intensity of use or expansion of public access requires a Use Permit. At minimum, to implement the original Phase I project, the District would need to obtain a Use Permit, triggering costly improvements to the driveway, parking, water, and wastewater treatment systems to address code and fire requirements for commercial facilities.

On December 4, 2018, District staff met with County Planning staff and the Fire Marshal Office to discuss the type of repair and maintenance work that would be permissible under the existing legal, non-conforming use. Numerous repairs of existing facilities are allowed under this option, including maintenance repairs to the driveway and structures, improvements to comply with the Americans with Disabilities Act (parking, pathways, restroom), site work to correct surface drainage, restoration of the hillsides, and development of a potable water system for increased reliability. With this confirmation, staff developed a lower cost option that focuses on the high priority site repairs and maintenance work for the Stables (refer to Option 2 on page 5).

Community Fundraising Partnerships

Two individuals/groups associated with the Stables expressed interest in leading fundraising efforts to financially support the Stables improvements and close the funding gap. Since first contacting the District, only one group continues to remain in discussions with the District.

The District hired Stewart Woods & Associates (SWA) in early 2019 to confirm the viability of closing the funding gap through a third party fundraising entity. The fundraising pre-feasibility assessment conducted by SWA also evaluated whether sufficient capacity and motivation exists for the District or a partnering entity to implement and sustain a development campaign for the Stables project (see Attachment 4 for the Executive Summary of the Fundraising Feasibility Study). SWA contacted twenty-eight people, including four District Board members, ten District staff, three representatives from partner organizations, six stakeholders, and five others with fundraising knowledgeable for similar ventures.

SWA determined that such a fundraising effort could be successful under certain conditions; however, the exact amount that may ultimately be raised is not known. If the Board pursues moving forward with a fundraising effort, the following factors must be considered:

- A third-party group, such as Friends of Bear Creek Stables (FBCS) with the assistance of Development Counsel, should lead the effort. Development Counsel are consultants who would help plan and implement a fundraising campaign. If the Board considers implementing a fundraising effort, SWA recommends the District form a collaboration through a working group with FBCS to finalize the site plan and organize and implement the fundraising;
- Fundraising could take between 3-7 years, which includes a year to organize the effort before commencing with fundraising;
- The District would need to pay the fundraising costs, including the costs of Development Counsel and communications, which will likely be between 5-15% of the fundraising total;
- This type of fundraising effort would require a substantial shift in how the District communicates and engages with partners and would require that the District prioritize the voice of donors who may expect to see certain features or programming at the site;
- Donors often seek to ensure the longevity of their investment, and therefore, fundraising should include an additional endowment fund for maintenance, which would increase the total required fundraising amount;
- The fundraising effort and Bear Creek Stables project would need to be of high priority for the District, relying on significant board and staff time; and
- Broad options for public programming would be key to a successful fundraising effort.

In addition to the considerations mentioned above, the District would ultimately need to raise a significantly larger amount beyond the current funding gap to include Development Counsel fees, construction cost escalation, and a maintenance endowment. The table below shows a potential fundraising scenario.

Funds to be raised for Phase I	\$5,000,000
Estimated Development Counsel Cost (5-15%)	\$250,000 - \$750,000
Escalation 3-7 years @ 6%/yr	\$1,710,000 - \$3,990,000
Maintenance Endowment	\$1,000,000
Total Fundraising Requirement	\$7,960,000 - \$10,740,000

PROJECT OPTIONS (Attachment 1, Project Options)

The options presented below present a wide range of possible options for the Stables site. These options include the original 2017 Phase I schematic design options, one reduced cost/scope option, and three other options for Board review and discussion. To help move the project forward in a defined direction, *the General Manager requests that the Board consider narrowing the options to those that merit further consideration, and direct the General Manager to return to the Board with these options for further consideration.* The General Manager also requests Board feedback on the options that should return, including any additional analysis desired and/or questions to address. In addition, the Board may choose to direct the

General Manager to explore a new and different option not listed below. Based on Board feedback, the General Manager would return with the selected options and new requested information later this year (as early as fall 2019).

Option 1. Preserve Plan Site Design (Phase I \$9.2M - \$9.5M, Phase II ~\$5M+)

To implement the Board-approved Stables Site Plan, consultants developed two design alternatives with two phases of improvements (Phases I and II). These alternatives allow for increased public access and require a Use Permit from the County (Attachment 2, Site Design Alternatives). The alternatives are largely similar because of the site's geotechnical and space constraints.

Phase I under both alternatives includes driveway and parking improvements, a plumbed restroom, and a potable water system with a connection to San Jose Water Company's service.

Both options allow for an intensity of use and expanded public access at the site, providing a public livery stable dedicated for public equestrian programming. A new arena is also included in the public program area with a new hay barn situated along the upper road to accommodate expanded public programming facilities. The boarding area remains in its current condition with the exception of new erosion control and drainage improvements along the northern edge of the paddocks and the displacement of approximately six existing paddocks to accommodate new required parking. Both options also include hillside pasture restoration to establish native vegetation and improve stability. Grading and infrastructure improvements occur throughout the site to improve drainage. Future Phase II improvements under both alternatives include trailer parking/storage along the upper road. In addition, new paddocks, an arena, and a restroom are built in the reconfigured public boarding area, and the barn is improved to accommodate public use of the building.

Alternative IA (Phase I \$9.2M, Phase II ~\$5M+)

The first alternative maximizes parking in the public program area. A total of 15 regular and 2 accessible parking spaces are provided in the public program area, requiring approximately 160 linear feet of retaining wall to address a landslide area. In addition, 12 regular parking spaces are provided in the boarding area. Phase II improvements include a smaller maintenance building adjacent to the trailer parking and a caretaker residence adjacent to the barn.

Alternative IB (Phase I \$9.5M, Phase II ~ \$5M+)

The second alternative reduces the extent of site grading and improvements with fewer parking spaces in the public area (7 regular and 2 accessible spaces) with the remaining 20 required spaces accommodated in the boarding area. Phase II improvements include a new larger maintenance building near the driveway entrance and replacement of the caretaker's house.

Option 2: Deferred Maintenance Repairs (\$4 - \$4.4M)

Deferred Maintenance Repairs include repairs to existing structures, replacing the port-a-potty with a flush restroom, a potable water system with a connection to San Jose Water Company's service, ADA-accessible parking and pathways, driveway and drainage repairs, hillside restoration, a replaced (or repaired) caretaker cottage, and demolition of miscellaneous dilapidated structures (Attachment 3, Deferred Maintenance Repairs). This work neither requires a Use Permit nor triggers the associated commercial facility permit conditions. Under the legal non-conforming use, the County limits the repairs allowed to existing structures within a 12-

month period, and repairs could take multiple years to complete. If the caretaker residence is replaced (versus repaired over time), compliance with permit conditions associated with a new residential development would be required, including emergency access and fire protection requirements, and new wastewater and stormwater treatment systems.

Under this option, current equestrian programs, public access, and two permitted equestrian trailer parking spaces remain status quo. This option allows the Stables to continue operating under its current legal non-conforming use status. If the Board selects this option for further consideration, the General Manager recommends soliciting Letters of Interest from prospective Stables operators prior to expending funds on the development of repair plans to ensure that this level of site repair is sufficient for the financial sustainability of a future operator.

Option 3: Close Stables and Restore Site (\$810K - \$1.3M)

Another option is to close the Stables and restore the site. To pursue this option, the District would need to develop a transition plan to determine the remaining life of the operation and identify strategies to retain an operator to the longest extent possible until all boarders relocate, with the expectation that the District may need to take over operations as the number of boarders decreases.

Restoring the site would include demolition of all or most structures, removal of the water system and septic tanks, site re-contouring to return natural drainage patterns, and native plant restoration.

The Preserve Plan proposes a north parking area with equestrian trailer parking in Phase III (estimated to begin between 2028 and 2037). With this option, the Board may want to consider reprioritizing the north parking area to expedite its construction to facilitate public equestrian access to the Preserve.

Option 4: Sell or Lease the Stables Property (no direct cost)

The District purchased the lower 260-acre Preserve property, which includes Bear Creek Stables, in 1999. In December of 2000, the Board of Directors dedicated the property as public open space in accordance with Section 5540 of the State Public Resources Code. Once open space is dedicated, the conveyance or leasing of dedicated lands is restricted and may not be sold without fulfilling certain procedures set forth in state law, which include either voter consent, a resolution of the state legislature, or conveyance to another public agency that agrees to use the property for park or open space purposes. A high level of uncertainty exists in a legislative or election process. If the site were ultimately sold, there is no guarantee that it would remain in use as a commercial stable.

The District could enter into a long-term lease with an outside operator for a term of up to 50 years if the Board makes certain findings in approving the lease. However, leasing the site for an extended period also brings a high level of uncertainty as to the quality of the operation, the level of maintenance and care provided to the site, and the ability for an operator to finance and complete the necessary maintenance and repairs for the site.

Option 5: Relocate the Stables (\$15.7M - \$16.9M)

The Stables is located on a highly constrained site that is seismically and geologically active. Staff conducted a preliminary analysis of District lands for alternative sites that could be suitable for an equestrian facility based on an approximately ten-acre area with a maximum slope of eight

percent. After eliminating sites with sensitive resources or existing uses, few feasible site alternatives were identified on current District land. Any future purchases that may be suitable would require a similar permitting process and associated permit conditions to establish an equestrian facility. In addition, all new infrastructure would be required. According to a Santa Clara County Equestrian Stables Feasibility Study, the probable cost for developing a new facility is approximately \$10M in 2009 dollars (not including land costs), and with escalation could be estimated at \$15.7M - \$16.9M (not including land costs).

ADDITIONAL PUBLIC PROCESS

If the Board directs the General Manager to analyze new project options, staff would conduct the necessary research to develop the option(s) and solicit public and stakeholder input prior to returning to the Board with the information for Board consideration.

FISCAL IMPACT

A cost comparison table for the five options previously discussed is included below.

Bear Creek Stables Improvement Project Options <i>(2019, \$ in Millions)</i>	Low Range	High Range
Option 1: Preserve Plan Site Design, Phase I Improvements*	\$9.2	\$9.55
Option 2: Deferred Maintenance Repairs*	\$4.0	\$4.4
Option 3: Close Stables and Restore Site	\$0.81	\$1.3
Option 4: Sell or Lease the Stables Property	N/A	N/A
Option 5: Relocate the Stables	\$15.7	\$16.9

* Includes a potable water system water system with a direct connection to San Jose Water Company's service.

The following table outlines the Measure AA Portfolio 21 allocation, costs-to-date, projected future project expenditures and projected ending balance. Notably, future proposed project expenditures exclude the Stables Water System and Phase I Improvements project costs.

MAA21 Portfolio Appropriation:	\$17,478,000
Grant Funding:	\$1,149,500
Life-to-Date Spent (as of 04/16/2019):	(\$7,205,359)
Encumbrances:	(\$1,030,764)
MAA Portfolio 21 funds committed to MAA21-003 & MAA21-004:	(\$3,713,750)
FY2019-20 Proposed Project Expenditures**:	(\$2,444,020)
FY2020-21 Proposed Project Expenditures**:	(3,590,200)
FY2021-22 Proposed Project Expenditures**:	(10,000)
Portfolio Balance Remaining (Proposed):	\$633,407
less future MAA21-005 BCR Public Access Phase II Undercrossing expenses***:	(1,260,000)
Potential Portfolio 21 Funding Gap:	(\$626,593)

** Excludes MAA21-003 Bear Creek Redwoods Stables Water System and MAA21-004 Bear Creek Stables Site Plan Implementation project costs.

*** Funding sources undetermined at this time. Project has potential for partner funding.

The tables below outline the project expenditures for the following Measure AA projects: MAA21-003 *Bear Creek Redwoods Stables Water System* and MAA21-004 *Bear Creek Stables Site Plan Implementation*. Future year costs include costs projections from FY2019-20 onwards, as presented in the adopted FY2018-19 Budget and Action Plan.

MAA21-003 Bear Creek Redwoods Stables Water System	Prior Year Actuals	FY2018-19 Adopted/ Amended	Future Years	TOTAL
MAA21-003 Budget:	\$191,149	\$5,648	\$940,873	\$1,137,670
Spent-to-Date (as of 04/03/2019):	(\$191,149)	(\$794)	\$0	(\$191,943)
Budget Remaining (Proposed):	\$0	\$4,854	\$940,873	\$945,727

MAA21-004 Bear Creek Stables Site Plan Implementation****	Prior Year Actuals	FY2018-19 Adopted/ Amended	Future Years	TOTAL
MAA21-004 Budget:	\$282,075	\$140,121	\$8,203,884	\$8,626,080
Spent-to-Date (as of 04/03/2019):	(\$282,075)	(\$1,917)	\$0	(\$283,992)
Budget Remaining (Proposed):	\$0	\$138,204	\$8,203,884	\$8,342,088

**** *Project funding sources include \$2,576,080 in Measure AA funds (Fund 30), \$500,000 in General Fund Capital (Fund 40) and \$5,550,000 in unsecured other funding (i.e. grants, fundraising, partnership funding).*

BOARD COMMITTEE REVIEW

The Bear Creek Redwoods Preserve Plan involved extensive Committee and Board review. The Board approved the Bear Creek Stables Site Plan, which is included in the Bear Creek Redwoods Preserve Plan, on January 25, 2017 (R-17-15). Prior to the Board's approval of the project, the Board reviewed the Site Plan alternatives and selected the Preferred Site Plan Alternative on July 6, 2016 (R-16-64).

PUBLIC NOTICE

Public notice was provided as required by the Brown Act. In addition, Bear Creek Stables interested parties were notified of the public meeting.

CEQA COMPLIANCE

The Bear Creek Redwoods Preserve Plan Environmental Impact Report (EIR) analyzed the Stable Site Plan. The Board of Directors certified the Final EIR on January 25, 2017. Two additional project alternatives, the no project alternative and the no special events alternative were analyzed in the EIR. Board direction to explore new project options may require additional CEQA analysis prior to a final Board decision.

NEXT STEPS

Based on Board feedback, the General Manager will direct staff to bring back the selected project options and any additional requested information to the Board, which may occur as early as fall 2019.

Attachments

1. Bear Creek Stables Project Options
2. Bear Creek Stables Design Plans
 - a. Alternative IA Build-Out
 - b. Alternative IA Phase I
 - c. Alternative IB Build-out
 - d. Alternative IB Phase 1
3. Bear Creek Stable Minimal Repair Option
4. Bear Creek Stables Fundraising Feasibility Study Executive Summary

Responsible Department Head:

Jane Mark, AICP, Planner Manager

Prepared by/Contact person:

Gretchen Laustsen, Planner III, Planning Department

Bear Creek Stables Project Options

1.

Preserve Plan Site Design		
Description	<u>Alternative IA Phase I improvements include:</u> <ul style="list-style-type: none"> • Structure demolition • Road and parking improvements (15+2 ADA spaces in public program area, 12 spaces in boarder area) • New water system (potable/fire water) • New public restroom/septic/leach field • New public livery stable • New public arena • New hay barn • Grading/drainage/restoration 	<u>Alternative IB Phase I improvements include:</u> <ul style="list-style-type: none"> • Structure demolition • Road and parking improvements (7 + 2 ADA spaces in public program area, 20 spaces in the boarder area) • New water system (potable/fire water) • New public restroom/septic/leach field • New public livery stable • New public arena • New hay barn • Grading/drainage/restoration
Considerations	Intensification of use through expanded public access require Santa Clara County Use Permit. Use Permit commercial conditions include parking, emergency access, and fire protection requirements. Estimated cost exceeds project budget and MAA funding. Designed to accommodate increased public programming, which results in greater revenue potential for tenant.	
Cost	\$9.2 M	\$9.5M

* Optional Phase II scope costs: \$5M +

2.

Deferred Maintenance Repairs	
Description	<ul style="list-style-type: none"> • New restroom/septic/leach field • Driveway improvements • New water system -connected to restroom/ caretaker • ADA parking/pathways • Selective building demo • Minimal structure repair* • Replace (or repair*) caretaker cottage • Minimal grading/drainage/restoration • Minimal arena improvements • Maintain/improve 2 permit equestrian parking
Considerations	Status quo site uses. Allowed repairs to existing structures are limited within a 12-month period and could take multiple years to complete.* Public equestrian parking will be limited to the existing two permitted spaces until the north lot is developed in Phase III. Replacement of the caretaker cottage will require residential permit conditions include access, and fire protection requirements. Project costs are significantly less than those of the Preserve Plan Site Design Alternatives, however there is still a budget overage of approximately \$1M.
Cost	\$4.0M-\$4.4M

3.

Close Stables and Restore Site	
Description	<ul style="list-style-type: none"> • Structures demolition

	<ul style="list-style-type: none"> • Septic tank removal • Water pipe & tank removal • Grading to improve drainage • Site restoration
Considerations	A transition plan would need to be developed to consider remaining life of the operation and strategies to retain tenant. No available equestrian parking until the north lot is developed in Phase III.
Cost	\$.81M - \$1.3M

4.

Sell or Lease the Stables Property	
Description	Sell Stables or enter into long-term lease
Considerations	<ul style="list-style-type: none"> • The Board dedicated the stables parcel as open space in 2000. Voter consent or resolution of the state legislature is needed to convey or sell this area of the Preserve unless it is conveyed to another public agency for park and open space purposes. A new parcel distinct from the remaining Bear Creek Redwoods area would be created pursuant to the County of Santa Clara's subdivision rules. • Lease agreements with a term of up to 50 years can be entered into with certain findings made by the Board.
Cost	TBD Cost would be associated with zoning compliance and potential election or legislative action.

5.

Relocate the Stables	
Description	<ul style="list-style-type: none"> • Identify potential alternative sites • Prepare feasibility study • Site planning • Design and engineering • Permitting
Considerations	A preliminary analysis of other District lands shows few viable sites. These sites would face a similar permitting process and conditions. Based on escalated costs from the 2009 Santa Clara County Equestrian Stables Feasibility Study, costs could exceed those of the Preserve Plan Site Designs. No available equestrian parking until the north lot is developed in Phase III.
Cost	\$15.7M-\$16.9M (Costs do not include land purchase.)



ALTERNATIVE IA BEAR CREEK STABLES

Los Gatos, CA

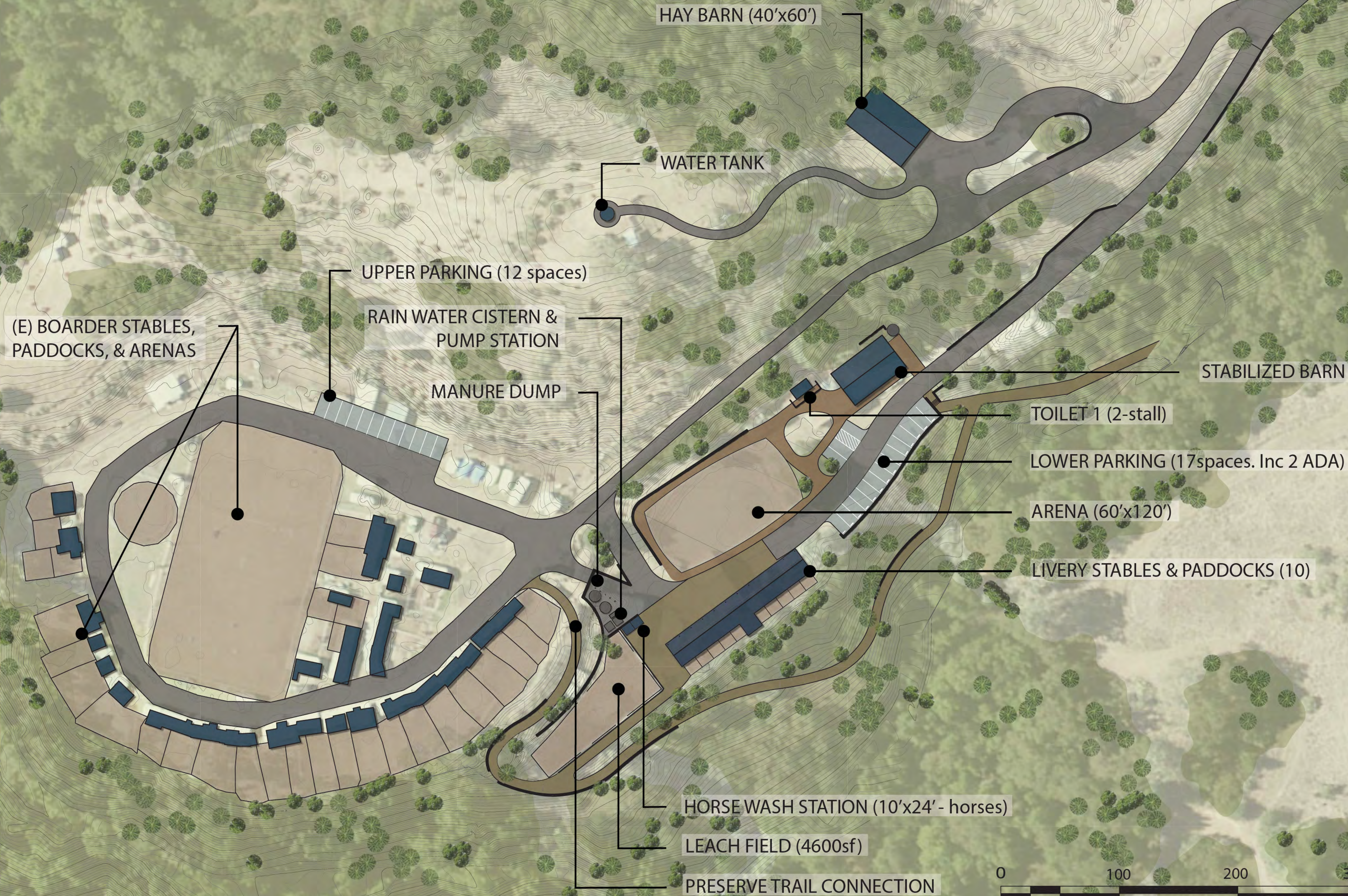




ALTERNATIVE IA - PHASE I

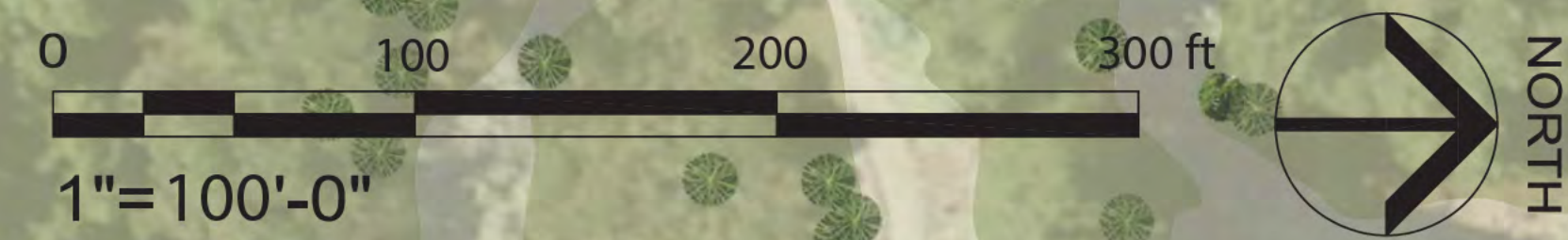
BEAR CREEK STABLES

Los Gatos, CA



LEGEND

- ARENA & PADDOCK
- BUILDING
- TRAIL
- ROAD
- PARKING

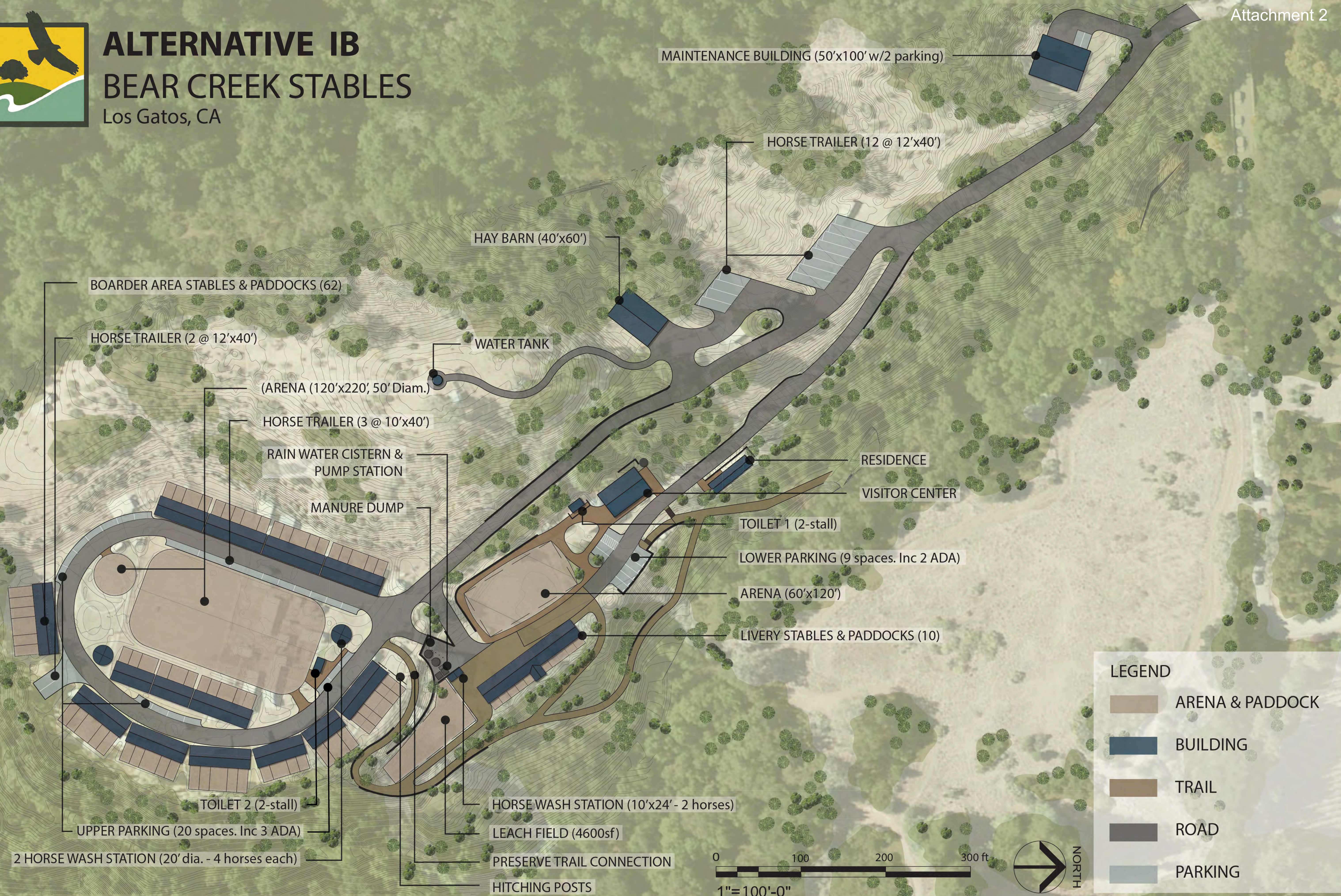




ALTERNATIVE IB

BEAR CREEK STABLES

Los Gatos, CA



MAINTENANCE BUILDING (50'x100' w/2 parking)

HORSE TRAILER (12 @ 12'x40')

HAY BARN (40'x60')

BOARDER AREA STABLES & PADDOCKS (62)

HORSE TRAILER (2 @ 12'x40')

WATER TANK

(ARENA (120'x220', 50' Diam.))

HORSE TRAILER (3 @ 10'x40')

RAIN WATER CISTERN & PUMP STATION

MANURE DUMP

RESIDENCE

VISITOR CENTER

TOILET 1 (2-stall)

LOWER PARKING (9 spaces. Inc 2 ADA)

ARENA (60'x120')

LIVERY STABLES & PADDOCKS (10)

TOILET 2 (2-stall)

UPPER PARKING (20 spaces. Inc 3 ADA)

2 HORSE WASH STATION (20' dia. - 4 horses each)

HORSE WASH STATION (10'x24' - 2 horses)

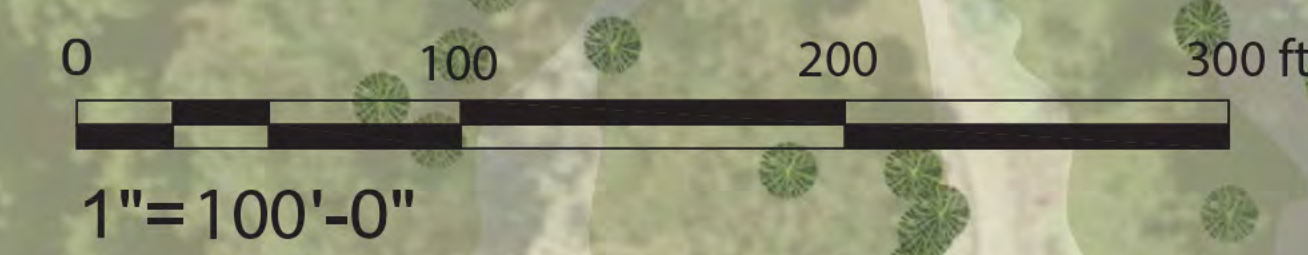
LEACH FIELD (4600sf)

PRESERVE TRAIL CONNECTION

HITCHING POSTS

LEGEND

- ARENA & PADDOCK
- BUILDING
- TRAIL
- ROAD
- PARKING

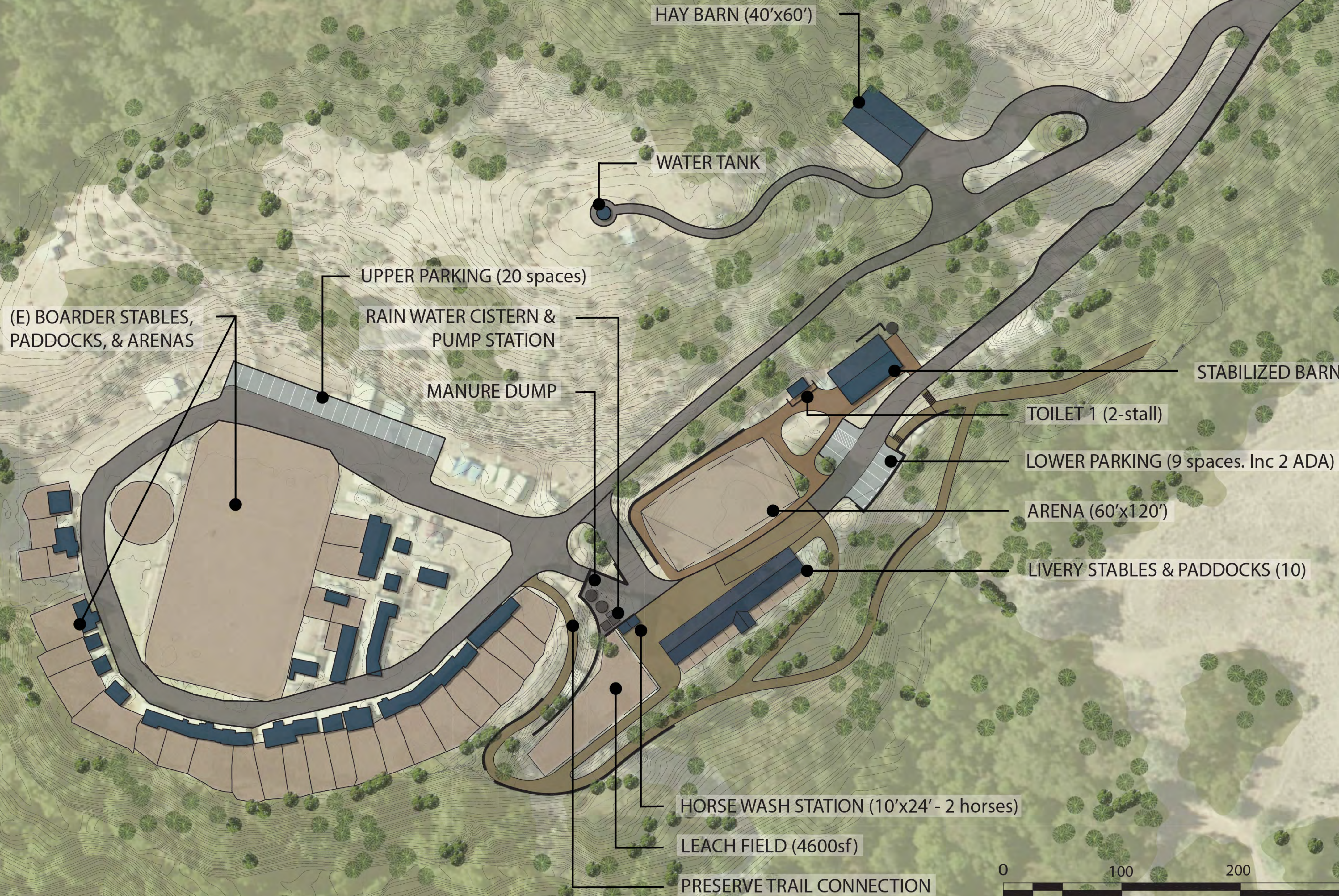




ALTERNATIVE IB - PHASE I

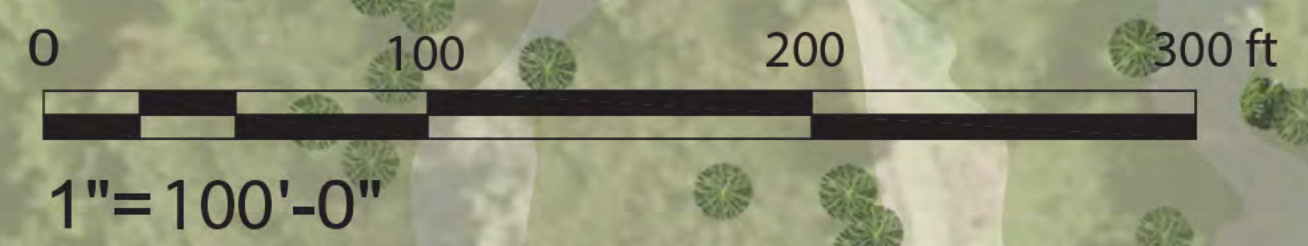
BEAR CREEK STABLES

Los Gatos, CA

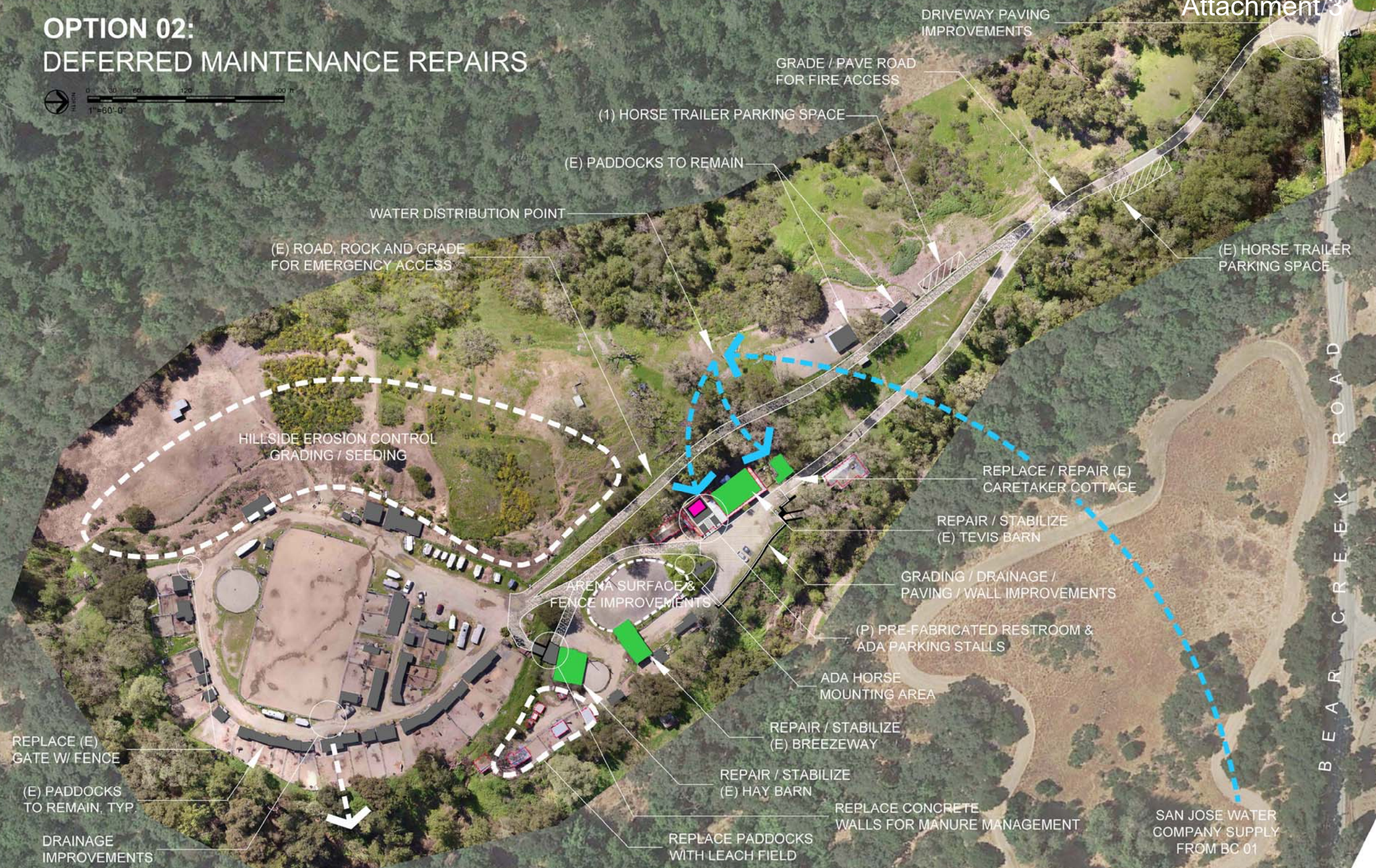


LEGEND

- ARENA & PADDOCK
- BUILDING
- ACCESSIBLE TRAIL
- ROAD
- PARKING



OPTION 02: DEFERRED MAINTENANCE REPAIRS



DRIVEWAY PAVING IMPROVEMENTS

GRADE / PAVE ROAD FOR FIRE ACCESS

(1) HORSE TRAILER PARKING SPACE

(E) PADDOCKS TO REMAIN

WATER DISTRIBUTION POINT

(E) ROAD, ROCK AND GRADE FOR EMERGENCY ACCESS

(E) HORSE TRAILER PARKING SPACE

HILLSIDE EROSION CONTROL GRADING / SEEDING

REPLACE / REPAIR (E) CARETAKER COTTAGE

REPAIR / STABILIZE (E) TEVIS BARN

GRADING / DRAINAGE / PAVING / WALL IMPROVEMENTS

(P) PRE-FABRICATED RESTROOM & ADA PARKING STALLS

ADA HORSE MOUNTING AREA

REPAIR / STABILIZE (E) BREEZEWAY

REPAIR / STABILIZE (E) HAY BARN

REPLACE CONCRETE WALLS FOR MANURE MANAGEMENT

SAN JOSE WATER COMPANY SUPPLY FROM BC 01

ARENA SURFACE & FENCE IMPROVEMENTS

REPLACE (E) GATE W/ FENCE

(E) PADDOCKS TO REMAIN, TYP

DRAINAGE IMPROVEMENTS

BEAR CREEK ROAD

M E M O R A N D U M

To: Board of Directors and Staff, Midpeninsula Regional Open Space District
From: Bob Woods, Principal, Stewart Woods & Associates
Re: Executive Summary of the Development Feasibility Study for Bear Creek Stables
Date: April 18, 2019

Midpeninsula Regional Open Space District (District) hired Stewart Woods & Associates (SWA) to conduct a development feasibility study to explore two opportunities:

- 1) Whether the District or a third party has the capacity or the inclination to undertake a fundraising campaign to rehabilitate the stables; and
- 2) Determine whether donors are likely to support a fundraising effort for an amount up to \$5 million in support of the stables.

To do this SWA conducted 30 interviews with internal and external stakeholders to examine:

- A) The District's and potential third party organizational capacity and infrastructure to undertake a campaign as well as the gift capacity of likely prospective donors;
- B) The passion that the institutions bring to the project as well as the inclination of likely prospects to become donors; and
- C) The timing of the campaign as well as the metrics and milestones that must met in order for the campaign to be successful.

SWA found that a fundraising effort of up to \$5 million could be successful. However, the following conditions would need to be in place:

- A) The District should not try to raise the money itself, certainly not without Development Counsel;
- B) A third-party group, such as Friends of Bear Creek Stables (FBCS), should lead the effort. To do this, SWA recommends the District form a collaboration through a working group with FBCS to finalize the site plan and organize and implement the fundraising;
- C) This type of fundraising effort would require a substantial shift in how the District communicates and engages with partners, and require that the District prioritize the voice of donors who may expect to see certain features or programming at the site;
- D) Fundraising could take between 3-7 years, which includes a year to organize the effort before commencing with fundraising;
- E) The District would need to pay the fundraising costs, including the costs of Development Counsel and communications, which will likely be between 5-15% of the fundraising total;

- F) Donors seek to ensure the longevity of their investment, and therefore fundraising should include an additional endowment fund for maintenance, which would increase the total required fundraising amount;
- G) The fundraising effort and Bear Creek Stables project should become a priority for the District, relying on significant board and staff time; and
- H) Broad options for public programming would be key to a successful fundraising effort.

These enabling conditions for fundraising are likely gating factors when considering whether the District should undertake the effort, given the timing necessary to raise the funds, the significant financial investment required from the District, and lack of certainty regarding its eventual success.