



Midpeninsula Regional
Open Space District

R-20-122
Meeting 20-25
October 28, 2020

AGENDA ITEM 9

AGENDA ITEM

Proposed purchase of an undivided 54% interest in the Peninsula Open Space Trust (POST) South Cowell Property, 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 54% interest in the POST South Cowell Property for \$4,750,000 with a corresponding authorization for a Fiscal Year 2020-21 budget increase in the same amount.
3. Adopt a Preliminary Use and Management Plan, as set out in the staff report.
4. Withhold dedication of the property as public open space at this time.

SUMMARY

The General Manager recommends the purchase of an undivided 54% interest in the 600-acre South Cowell Property (Property) at a price of \$4,750,000 as an addition to Purisima Creek Redwoods Open Space Preserve (Preserve) and a subsequent land division and land transfer to create a 371-acre Upland property to be owned solely by Midpeninsula Regional Open Space District (District). This report provides a description of the Property, a Preliminary Use and Management Plan, findings of the environmental review, the purchase terms and condition, and financial considerations. A budget adjustment/increase of \$4,750,000 to the Fiscal Year 2020-21 (FY21) budget would be required to proceed with the acquisition.

DISCUSSION

The District proposes to purchase an undivided 54% interest (or shared interest) in the 600-acre Property with Peninsula Open Space Trust (POST) retaining a 33% interest and the Marsh Trust retaining a 13% interest. As part of the proposed transaction, the three parties will enter into a tenancy in common agreement establishing exclusive use and management of the Property as follows:

- The District will be responsible for the Upland property, consisting of a 361-acre area east of Verde Road (exclusive of the residence site) and a 10-acre area between Verde Road and Highway 1;
- The Marsh Trust will be responsible for the farm area, consisting of a 226-acre area of farmland between Verde Road and Highway 1 and farmland west of Highway 1; and
- POST will be responsible for the 2-acre residence site east of Verde Road.

Under the proposed tenancy in common agreement, the three parties have agreed to continue existing agricultural uses and apply for a land division with San Mateo County (County) after the completion of the initial purchase to create a 371-acre Upland property to be owned in fee by the District, a 226-acre farm property retained by the Marsh Trust, and a 2-acre residence property retained by POST. County approval of the application is contingent upon final adoption of an amendment to the County zoning and subdivision ordinances to provide consistency with the California Coastal Act and San Mateo County Local Coastal Program exemptions for land divisions by a public agency for public recreational use. The amendment was approved by the County Board of Supervisors on July 7, 2020 and is anticipated to be adopted by the Coastal Commission in the fall of 2020.

This purchase advances land conservation opportunities in the District's Vision Plan Portfolio #3 *Purissima Creek Redwoods: Purissima-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 improved opportunities for compatible trail use when planning the Purissima-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 parcel, 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 2-acre residence site 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 is leased to a local rancher for cattle grazing. Existing improvements that support grazing include two stock ponds, a developed spring with a water trough, two small corral areas, perimeter fencing and a network of ranch roads. Remnants of oil production piping is 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.

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 2-acre residence site is managed by POST and is improved with a single-family home, a metal barn, landscaping, and several sheds. The house is in fair to poor condition and POST is planning to make repairs. When repairs are completed on the house, POST will seek a caretaker to occupy the residence site.

Phase I and II Environmental Assessments were conducted in early 2020 on the residence area, farm area, the rangeland, an old gravel pile area east of Verde Road, and the former oil well pads and oil storage tank area also located east of Verde Road that were decommissioned between 1996-1997 by the California Underground Storage Fund. The Phase I report recommended soil sampling of the former oil storage tank area and the 10-acre farm field west of Verde Road. The Phase I report also recommended the removal of oil pipes buried and exposed prior to any public use. The Phase II assessment conducted screening-level soil sampling of the former oil storage tank area. The results were found to be below environmental screening levels that present an exposure concern. The 10-acre fallow farm field was tested for pesticides, and none were detected.

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 residence, farm area, and grazed uplands. 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 will enter into a Water Allocation Agreement to divide 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). Nonetheless, clearly defining the current and future rights and responsibilities of the parties is important to clarify at this time.

Support of Coastal Agriculture

Approximately 360-acres of the Upland portion of the Property is leased to Mr. Vince Fontana for cattle grazing, who has run cattle on the property since 2013. POST entered into a new month to month lease with Mr. Fontana in June 2020 when they became the Property’s co-owner with Marsh. POST is currently making improvements to the infrastructure that supports the grazing operation, including upgrades to the existing perimeter fencing and the corral area east of Verde Road. Upon purchase of a partial interest, the District will be assigned the month to month grazing lease with Mr. Fontana in compliance 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 assigned lease would be managed in conjunction with Mr. Fontana’s existing lease for the District’s 830-acre Lobitos/Elkus grazing unit in the adjoining Preserve, which was approved by the Board of Directors (Board) on August 26, 2020 (R-20-95).

At the District’s request, POST has hired a certified rangeland consultant to prepare an amendment to the Lobitos/Elkus Rangeland Management Plan (RMP) to incorporate the Upland property into that grazing unit, enhance grazing infrastructure for the operator, and further protect coastal grazing lands and habitats. The amended RMP may also contain options to consolidate grazing lands along Lobitos Ridge into a single grazing unit in the future to further protect the agricultural viability. The amended RMP will be presented to the Board for adoption at a later date.

Under the terms of the tenancy in common agreement, the Marsh family will continue to have exclusive use and management of the 226-acre farm portion of the Property and continue the existing agricultural and grazing uses in those areas. The allocation of adjudicated water rights discussed previously and codified in a water agreement between all three property owners distribute a proportional share of residential and agricultural water resources to the farm portion. POST and the District have also agreed to share costs for improvements to the water intake at the point of diversion that will further support the farm operation.

The proposed land division whereby each party will solely own the three areas of the Property individually 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

Four conservation easements cover the Property. When POST owned the Property in 1989, they granted a trail and conservation easement and a separate 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. The conservation easement protects the conservation values (natural, scenic, agricultural and open space) of the property, and the trail and conservation easements provide for trail and recreational use compatible with these conservation values.

The purpose of the two trail and conservation easements are: *“for trail and recreational use and will be preserved in its natural, scenic and open space condition in perpetuity. Grantor intends that this Easement limit the use of the Trail Easement Area to activities involving farming and grazing, public recreation and related uses which are consistent with both the conservation values of the South Cowell Property and the recreational uses.”*

The purpose of the two conservation easements are to retain *“in perpetuity in its natural, scenic, historical, agricultural, and open space condition and to prevent any use of the Conservation Easement Area that will significantly impair or interfere with conservation values of the Conservation Easement Area. Accordingly, this Easement restricts the use of the Conservation Easement Area to activities involving farming and grazing, recreation and related uses which are consistent with this Easement.*

It is the intent of the parties to this Easement that the Conservation Easement area be retained predominantly in its productive agricultural condition by preserving and protecting in perpetuity the agricultural values, character and utility of the Conservation Easement Area.”

POST’s recent re-purchase of a majority interest (87%) in the Property did not eliminate the easements. However, conservation law has significantly evolved in the intervening decades and there is a need to consolidate and modernize the easements. POST and the Coastal Conservancy are working together to revise the easements while retaining their original intent.

The existing conservation easements allow for the subdivision of a 2-acre residence site and a recreational trail corridor to connect to the California Coastal Trail. The creation of a second residence not to exceed 5,000 square feet is also allowed on the Property’s upland. The Coastal Conservancy and POST are working on an amendment to modify the conditions on the allowable subdivision to accommodate ownership of the Upland property by the District. This change in the subdivision configuration will better facilitate the original intent of implementing compatible public recreation and agriculture by eliminating the development of the second residence site on the South Cowell Ranch property. The addition of farm labor housing on the farm portion will continue to be an allowable use. Amendment of the easements will also allow for the future land division in accordance with the Coastal Act’s exemption for land divisions by a public agency for the purposes of public recreation.

After the proposed purchase and the anticipated land division, the agriculture uses will continue under private farm ownership by the Marsh family and under a lease agreement between the District and a local rancher. In addition, the protections afforded in the easements will be significantly enhanced to better ensure that the easements can be applied and enforced in perpetuity. All parties have agreed to new substantive terms to facilitate long term agricultural

use, including mandatory agricultural provisions, additional flexibility for ancillary commercial operations, and clarity regarding trail use and agricultural operations.

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 Coastside 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 August 3, 2020. The Farm Bureau had questions regarding the grazing lease, water rights, proposed land division, and the conservation easements' limitations of subdivision. District staff responded that the grazing lease would continue, and that POST would be making improvements to the livestock fencing and the corral. Adjudicated water rights would be divided among owners for domestic and agricultural uses. District and POST staff discussed that the existing conservation easements allow subdivision of the 2-acre residence site, trail corridors, and building of a second residence on the Upland property, and that the Coastal Conservancy and POST are working on amending them to allow for the future land division and elimination of development of a second residence on the Property. Farming will continue under private ownership on the farm property and grazing will continue on the Upland property under District ownership.

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. District staff made an informational presentation to the Agricultural Advisory Committee on October 19, 2020. (District staff was not able to present the purchase to the Commission on September 14, 2020 due to a lack of quorum.)

If purchased, the Property will be incorporated into the surrounding Preserve and 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

A separate planning effort for the Purisima-to-the-Sea Trail, a regional trail through the Preserve envisioned to link the Bay Area Ridge Trail with the California Coastal Trail along the San

Mateo coast, will evaluate the options for a trail route and public parking area within the Upland property. Among other planning considerations, the public access planning effort will consider buffers and setbacks needed to protect residential uses on Verde Road, and on grazing and farming uses on the Property and in the vicinity. Future stakeholder and public outreach will include consultation meetings with adjacent landowners and the community.

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

The Preliminary Use and Management Plan (PUMP) establishes a status quo land management approach in the interim between the purchase of a property and the completion of a future long-term plan. The PUMP takes effect at the close of escrow and remains effective until changes warrant an amendment or development of a comprehensive Preserve plan to include this Property. 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.

Application of the PUMP:	Apply the PUMP solely to the 371-acre Upland property managed by the District, in tandem with the provisions of the 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.
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 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 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, 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, 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 Resource Management Policies.
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: 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.

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.

Include the Upland property in the Trail Feasibility Study for the future Purisima-to-the-Sea Trail.

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 54% interest in the 600-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 371-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, wildland fuel management, and minor 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 the mitigation measures adopted as part of the Resource Management Policies' FEIR, and in accordance with applicable regulatory permits. Any invasive species control will be conducted in accordance with the District's adopted Integrated Pest Management Policies and Integrated Pest Management Program Guidance Manual, Best Management Practices, and the mitigation measures adopted as part of the Integrated Pest Management Policies' FEIR.

Analysis for impacts as a result of any subsequent land division to create a 371-acre Upland 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 PUMP is categorically exempt from the California Environmental Quality Act (CEQA) under Article 19, Sections 15301 and 15325 of the CEQA Guidelines:

Section 15301 exempts the operation, repair, maintenance, permitting, leasing, licensing, 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 PUMP will maintain the Property as status quo with no expansion or changes to its existing uses as agricultural and open space lands, complying with the District's adopted Resource Management Policies, Integrated Pest Management Program Guidance Manual, Best Management Practices, and regulatory permits as applicable. The PUMP includes minor erosion control work as necessary, minor wildland fuel management, and minor natural resource management activities.

Section 15325 (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 Upland portion of the Property as part of the District's Purisima Creek Redwoods Open Space Preserve.

TERMS AND CONDITIONS

The proposed purchase price for the undivided 54% interest in the Property is \$4,750,000 based upon an independent fair market appraisal commissioned by the District. POST will retain an undivided 33% interest and the Marsh Trust will retain a 13% interest in the property. The appraisal incorporates the value of POST's livestock corral improvements and 7,700 linear feet of livestock fencing along Verde Road and the northern and southern boundary of the Upland property. The appraisal values the 371-acre uplands portion of the Property at the low end of comparable sales market range due to the restrictions attributable to the conservation easements held by the Coastal Conservancy and POST (see conservation easement discussion on pages 4 and 5). The property interest would be purchased on an "as-is" all-cash basis. The transaction would close escrow by December 2020.

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

1. **Assignment of Grazing Lease:** POST would assign a month to month grazing lease with the existing rancher to the District, and District would reimburse POST up to \$12,000 for preparation of an amendment to the Lobitos/Elkus rangeland management plan incorporating the upland grazing lease area as part of the approximately 1,200-acre grazing operation on the Preserve.
2. **Tenancy in Common Agreement:** POST, Marsh Trust, and District would enter into a tenancy in common agreement for cooperation on amending the conservation easements, land division application, entering into a water agreement, identifying the parties exclusive use and management of the property areas, and District consultation with POST and Marsh Trust on public trail planning.

- 3. Water Allocation Agreement:** The three parties would enter into a water agreement allotting the domestic water rights to the residence area, and future farm labor housing on the farm property and sharing of the livestock water between the Upland area and farm area.

The purchase and sale agreement provides for the subsequent land division application and future property transfers. (See Attachment 3 – Proposed Area of Land Division Map.) Upon approval of the application by the County, the property transfer escrow would convey 100% fee title interest in the parcels created as follows:

- POST and Marsh Trust would convey the 371-acre upland parcel to the District.
- POST and District would convey the 226-acre farm parcel to the Marsh Trust.
- Marsh Trust and District would convey the 2-acre residence parcel to POST.

The amended conservation easement held by POST would be recorded over all of the parcels, protecting the following conservation values: agriculture, scenic, habitat and natural resources, open space and recreation, and restricting uses to farming, grazing, recreation, residential and related uses.

FISCAL IMPACT

Land acquisitions brought before the Board for approval include a budget adjustment/increase to the adopted budget. If approved, an increase of \$4,750,000 to the FY21 budget is required.

South Cowell Upland Property Purchase Amount (including \$10,000 option deposit)	\$4,750,000
Total Land purchases approved to date for FY21	\$1,075,000
Total Land Purchases (if approved)	\$5,825,000

The following table outlines the Measure AA 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.

MAA03 Purisima Creek Redwoods: Purisima-to-Sea Trail, Watershed Protection and Conservation Grazing Portfolio Allocation:	\$7,608,000
Life-to-Date Spent (as of 09/24/2020):	(\$1,386,519)
Encumbrances:	(\$8,146)
South Cowell Upland Land Conservation	(\$4,750,000)
MAA03-006 Title Insurance, Escrow fees, and other miscellaneous project costs:	(\$50,000)
Remaining FY21 Project Budgets:	(\$326,950)
Future MAA03 project costs (projected through FY23):	(\$156,752)
Total Portfolio Expenditures:	(\$6,678,367)
Portfolio Balance Remaining (Proposed):	\$929,633

The following table outlines the Measure AA Portfolio 03 allocation, costs to date, and the fiscal impact related to the Property purchase.

MAA03 Purisima Creek Redwoods: Purisima-to-Sea Trail, Watershed Protection and Conservation Grazing Portfolio Allocation:	\$7,608,000
Projected Project Expenditures (life of project):	
MAA03-001 Purisima Uplands Lot Line Adjustment and Property Transfer	(\$425,114)

*MAA03-002 Purisima Uplands Site Cleanup and Soil Remediation Assessment	(\$611,017)
MAA03-003 Purisima Creek Fence Construction	(\$169,190)
MAA03-004 Harkins Bridge Replacement	(\$516,916)
MAA03-005 Purisima Uplands Parking Area and Trail Connections	(\$156,130)
MAA03-006 South Cowell Upland Land Conservation	(\$4,800,000)
Total Portfolio Expenditures:	(\$6,678,367)
Portfolio Balance Remaining (Proposed):	\$929,633

* *Ascent Environmental Contract and Bonkowski & Associates, Inc., Contract are concurrently going to the Board for approval at the 10/28/2020 meeting*

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 District distributed a notice of the District's Real Property Committee meeting on September 1, 2020 to property owners located adjacent to or surrounding the subject property and to interested parties. The Real Property Committee held a virtual meeting on September 8, 2020 to review information about the Property and receive public input on the proposed purchase. Staff presented the Property, reasons for purchase, terms, and described how the Property would remain closed at this time and managed as an extension of the surrounding Preserve. All members of the Real Property Committee attended the meeting. A Farm Bureau member submitted public comments that the proposed land division and acquisition were not endorsed by the Farm Bureau, and that the conservation easements held by the Coastal Conservancy and POST were not included in the South Cowell fact sheet presented to the Committee. These comments were read by the District Clerk. The Real Property Committee recommended forwarding the proposed purchase to the Board in a vote of 2-0. (One member was unable to vote due to loss of connection to the virtual meeting.)

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 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 POST to submit a 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 property to the District.

Attachments:

1. Resolution Authorizing Acceptance of Purchase and Sale Agreement, Amending the Fiscal Year 2020-21 General Fund Capital Budget, 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 POST and the Marsh Trust after Land Division, 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:
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RESOLUTION 20-__

RESOLUTION OF THE BOARD OF DIRECTORS OF MIDPENINSULA REGIONAL OPEN SPACE DISTRICT ACCEPTING THE PURCHASE AND SALE AGREEMENT, AMENDING THE FISCAL YEAR 2020-21 GENERAL FUND CAPITAL BUDGET, 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 POST AND THE MARSH TRUST AFTER LAND DIVISION, AND 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)

WHEREAS, the Board of Directors approves the District’s 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, POST, and Marsh Trust have agreed to apply for a land division to create a 371-acre Upland property to be owned in fee by the District, a 226-acre farm property retained by the Marsh Trust, and a 2-acre residence property retained by POST, and accordingly the Board wishes to authorize the appropriate District officer to the grant the District’s interests in the non-Upland parcels to POST and the Marsh Trust, respectively.

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 (District) does hereby accept the offer contained in that certain Purchase and Sale Agreement between Peninsula Open Space Trust (POST) 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 of the Board of Directors, General Manager, or other appropriate officer to execute the Agreement and all related transactional documents 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 \$4,750,000.00 covering the purchase of the South Cowell Ranch Property, including an option deposit of \$10,000.00.

SECTION THREE. The Board approves an amendment to the Budget and Action Plan for Fiscal Year 2020-21 by increasing the Measure AA Fund Capital budget in the amount of \$4,750,000.00. Except as herein modified, the FY 2020-21 Budget and Action Plan, Resolution No. 20-18 as amended, shall remain in full force and effect.

SECTION FOUR. The General Manager or President of the Board of Directors and/or other appropriate officer is authorized to execute a Grant Deeds for the future transfer of parcels to POST and the Marsh Trust after the land division is complete.

SECTION FIVE. The General Manager, President of the Board of Directors, or other appropriate officer is authorized to execute a Certificates of Acceptance and the Grant Deeds on behalf of the District.

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

SECTION EIGHT. 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 _____, 2020, at a regular meeting thereof, by the following vote:

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

ATTEST:

APPROVED:

Jed Cyr, Secretary
Board of Directors

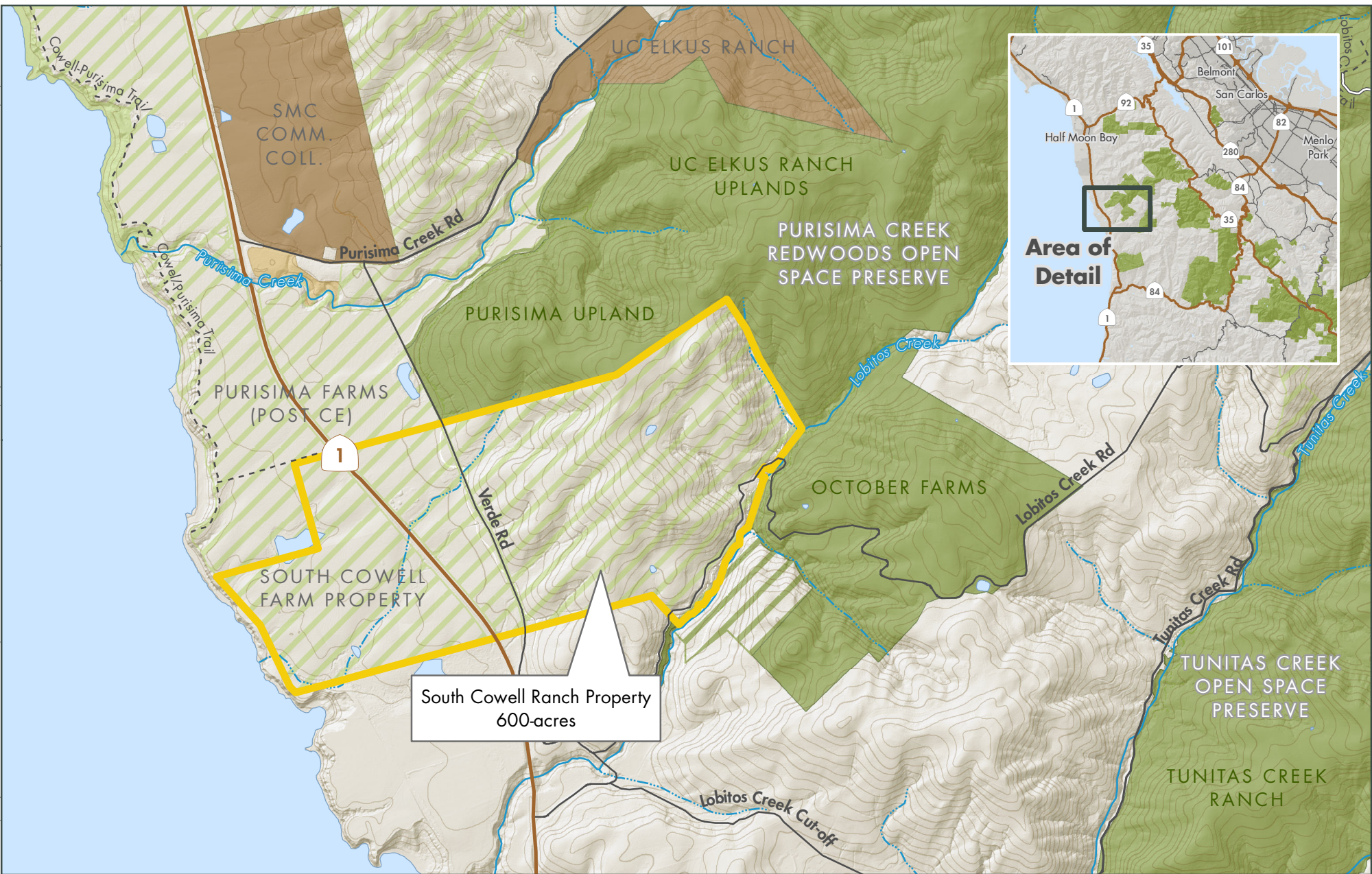
Karen Holman, President
Board of Directors

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.

Jennifer Woodworth, District Clerk



South Cowell Ranch Property
600-acres

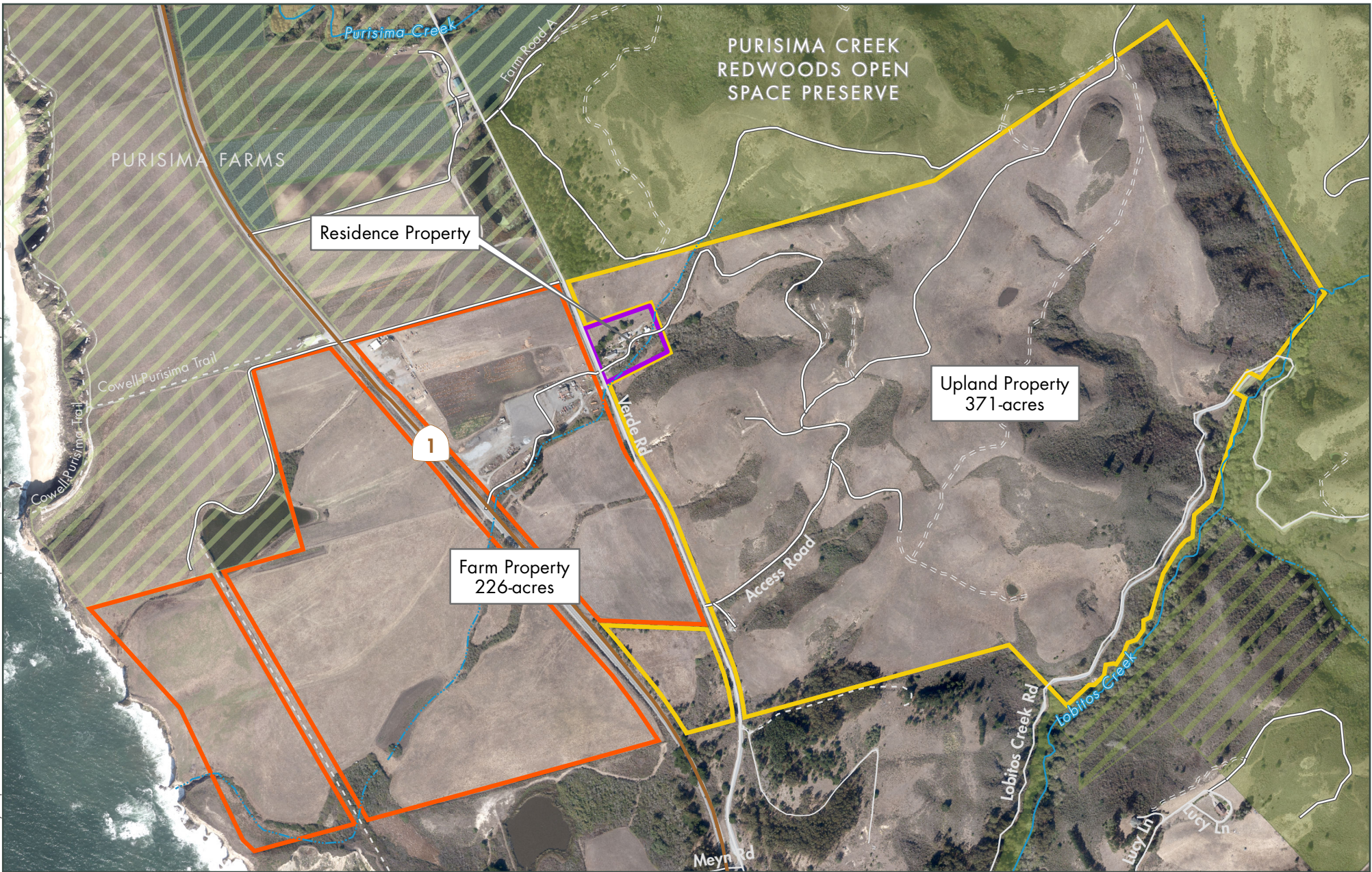
Attachment 2 South Cowell Ranch Property Location Map

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


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



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.



Attachment 3: South Cowell Ranch Proposed Area of Land Division

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

Midpeninsula Regional
Open Space District
(Midpen)
8/20/2020



Miles
0 0.125 0.25