



Midpeninsula Regional
Open Space District

R-21-132
Meeting 21-31
November 10, 2021

AGENDA ITEM 10

AGENDA ITEM

Proposed purchase of the Peninsula Open Space Trust - Johnston Ranch Uplands Property, located along Higgins Canyon Road, in unincorporated San Mateo County (Assessor's Parcel Numbers 064-370-110, 064-370-120, the north and east portion of 064-370-200, and the east portion of 065-210-220 and 065-210-240), as an addition to Miramontes Ridge Open Space Preserve

GENERAL MANAGER'S RECOMMENDATIONS *den*

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 the Peninsula Open Space Trust - Johnston Ranch Uplands Property for \$4,800,000 with a corresponding authorization for a Fiscal Year 2021-22 budget increase in the same amount, and an additional adjustment of \$60,750 for miscellaneous costs related to this transaction, for a total budget adjustment of \$4,860,750.
3. Adopt a Resolution authorizing the filing of a notice of Williamson Act nonrenewal with the County of San Mateo for Assessor's Parcel Number 064-370-110.
4. Authorize the General Manager to enter into a Lease and Management Agreement with Peninsula Open Space Trust to manage the Property, including any extensions thereof, and the Assignment of Grazing Lease with Pacheco Ranch for a 5-year term with the option to extend for one additional 5-year term.
5. Adopt a Preliminary Use and Management Plan, as set out in the staff report.
6. Withhold dedication of the property as public open space at this time.

SUMMARY

The General Manager recommends the purchase of the 644-acre Johnston Ranch Uplands Property (Uplands) from Peninsula Open Space Trust (POST) at a price of \$4,800,000 as an addition to Miramontes Ridge Open Space Preserve (Preserve). In addition, the General Manager recommends entering into a Lease and Management Agreement with POST for the Uplands property until completion of a lot line adjustment to create the Uplands property for transfer to the Midpeninsula Regional Open Space District (District). This report provides a description of the Uplands property, a Preliminary Use and Management Plan, findings of the environmental review for these actions, the purchase terms and condition, and financial

considerations. A budget adjustment of \$4,800,000 to the Fiscal Year 2021-22 (FY22) budget is required to proceed with the acquisition. Approximately \$110,000 is needed to cover the title insurance, escrow fees, appraisal, San Mateo County lot line adjustment application fees, planning consultant services, outside legal services, environmental consultant services, survey, recordation fees, and miscellaneous costs related to this transaction. The current project budget includes \$49,250, requiring an additional adjustment of \$60,750 to cover the associated purchase fees. If approved, the total increase to the FY22 budget would be \$4,860,750.

DISCUSSION

The District proposes to purchase the 644-acre Uplands property portion of the 868-acre Johnston Ranch from POST, with POST retaining the 224-acre Farm property portion. To create the Uplands property and Farm property, the District and POST, as co-applicants, submitted a lot line adjustment application to the County of San Mateo (County) on September 30, 2021. As part of the proposed transaction, the parties would enter into a lease and management agreement for the District's use and management of the Uplands property until the lot line adjustment is approved by the County. Under the proposed lease and management agreement, the District would be assigned the existing conservation grazing lease with the longtime rancher of the Uplands property on the north side of Higgins Canyon Road. The 224-acre Farm property retained by POST would continue to be irrigated and dry farmed for future sale to a farmer subject to an agricultural conservation easement.

This proposed purchase advances land conservation opportunities in the District's Vision Plan Portfolio #1 *Miramontes Ridge: Gateway to the Coast Public Access, Stream Restoration and Agricultural Enhancement*. The proposed purchase is eligible for Measure AA funding. The purchase would preserve coastal open space, protect grazing and agricultural lands, protect the Arroyo Leon Creek watershed, and provide opportunities for future public trail opportunities in partnership with the City of Half Moon Bay (City of HMB) and California State Parks. Staff presented the proposed Johnston Ranch purchase to the City of HMB Parks and Recreation Commission on August 25, 2021, and the Commissioners were supportive of the project.

Property Description (see Attachment 3 - Location Map)

The larger 868-acre Johnston Ranch property, of which the Uplands is a portion, is located at the southern boundary of the City of HMB, east of Highway 1, and is accessible from Higgins Canyon Road. Johnston Ranch is in unincorporated San Mateo County, southwest of the District's 1,715.63-acre Miramontes Ridge Open Space Preserve (Preserve), and west of Burleigh H. Murray Ranch State Park. Much of Johnston Ranch is visible from Highway 1 and within the State's Highway 1 Scenic Corridor. Recorded easements through the City of HMB's James Johnston House property provide access to the south side of Johnston Ranch, including the Uplands. POST worked with San Mateo County Resource Conservation District (RCD) utilizing RCD's grading exemption to improve the access easement with base rock and drainage drips to an all-season, year-round road standard. A trail easement on Johnston Ranch adjacent to Higgins Canyon Road granted by POST to the City of HMB facilitates future trail connections between the Johnston House and City of HMB trails to the west.

Existing Land Uses and Improvements

The Uplands north of Higgins Canyon Road is leased to a local rancher for cattle grazing. Improvements include two stock ponds, a developed spring with a water distribution system, a refurbished hay barn, two small corrals, perimeter fencing, and a network of ranch roads. The

Uplands south of Higgins Canyon Road contains a seven-acre field that is used for cultivating hay for supplemental feed and is included in the grazing lease. The remainder of the Uplands south of Higgins Canyon Road has not been grazed for over 20 years and contains no improvements. The 224-acre Farm property portion of Johnston Ranch is leased to a local farmer for irrigated row crops and dry farming. Existing improvements include three irrigation reservoirs and two irrigation wells, a water distribution system, field fencing, and farm roads.

A Phase I Environmental Site Assessment was conducted on the Uplands on May 3, 2021, to assess the potential for hazardous conditions on the property. The Phase I Assessment recommended further soil sampling of an old gully that was filled with vegetation and construction debris dating from the late 1970s to the early 1980s and covered over with soil on the Uplands north of Higgins Canyon Road. The Phase II Assessment of the buried debris site was conducted on July 7, 2021, including trenching and soil sampling for hazardous materials. The Phase II Assessment concluded that the materials in the gully were not hazardous. The debris site is vegetated over with grasses and coastal shrubs, stable, and not hazardous; therefore, no further action is recommended at this time.

Habitat and Natural Resources Value

The Uplands is part of a 4,000-acre terrestrial habitat patch of coastal scrub and annual grassland habitat, with a Sensitive Community designation of mixed willow and Arroyo willow vegetation in the riparian corridors. The eastern half of the Uplands is a mixture of California Annual Grassland, a highly significant biological community, and Coyote Brushland with other mesic deciduous shrubs. The Uplands provides habitat for several species, including deer, coyotes, bobcats, and mountain lions. A wide variety of small mammals, birds, and other species occupy or migrate through it. Approximately 1.2 miles of Arroyo Leon flows through the Uplands. Arroyo Leon is a tributary in the Pilarcitos Creek watershed that 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 currently limited in most years due to two inactive dams that limit fish passage in Arroyo Leon.

Water Rights

The Uplands has an appropriative water right of 1.1-acre-feet for the stock pond that serves as the primary water source for grazing operations and would be transferred to the District as part of the purchase.

Support of Coastal Agriculture

POST leases approximately 311-acres of the Uplands to Tom Pacheco and Rachel Lynne Pacheco Catuiza (“Pacheco Ranch”) for cattle grazing, a local rancher who has run cattle on the property for over 20 years. Upon entering into the lease and management agreement, POST would assign the existing conservation grazing lease and Rangeland Management Plan with Pacheco Ranch to the District as a five-year grazing lease with an option to extend for an additional five years. At a future date, per District practice and in compliance with the District’s Coastal Service Plan, the Rangeland Management Plan for the Uplands property will be presented to the Board of Directors for adoption. The grazing lease prepared by POST follows the District form, and the Rangeland Management Plan (RMP) was prepared by a qualified consultant who has previously worked with the District on preparing other RMPs.

Future Recognition of Funding Partners

As part of the transaction and funding contributions for the purchase, POST, the Coastal Conservancy, and the California Department of Parks and Recreation request to be recognized for their contributions and funding support to assist with the purchase and long-term protection of the Uplands as open space. The recognition complies with Board Policy 5.01 – *Site Naming, Gift, and Special Recognition*.

COASTAL ANNEXATION AREA SERVICE PLAN COMPLIANCE

The Uplands 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) establishes policies for the District's Coastsides Protection Program (Program). The Program guides the District's coastal purchases and use and management of open space land within the Service Plan Area.

The District's coastal land purchases are subject to a Memorandum of Understanding between the San Mateo County Farm Bureau and the District. In accordance with the memorandum, District and POST staff presented information on the proposed purchase at a Farm Bureau meeting on October 4, 2021.

The Farm Bureau expressed concerns about proposed future trail use on the Uplands and capacity for shared parking on the City of HMB property considering the increased public use of beaches and parks during COVID. Staff responded that future trail and parking planning would include a consultation with the Farm Bureau and the District will undertake a robust public engagement process to develop a range of options for the community to consider prior to submitting any coastal development application for County review and permitting. The District would work with the City of HMB to identify and address parking needs and work with the County to limit parking where appropriate along Higgins Canyon Road. It was also identified that the City's safety crossing across Highway 1 and future ped/bike trail along the south side of Higgins Canyon Road to the City of HMB Johnston House site would provide safe non-vehicular access from the downtown and from the existing ped/bike trail (Naomi Partridge Trail) along Highway 1 and the California Coastal Trail further to the west.

One Farm Bureau member provided a farming history of the fallow Uplands south of Higgins Canyon Road, which had involved a rotation of three years of seasonal grazing followed by tilling for growing hay for two years to manage brush encroachment, and acknowledged that farming was currently not feasible in this area. Another member suggested considering using goats to reduce brush and reduce fuel loads. The Farm Bureau was supportive that the irrigation reservoirs that supply water for row crops were included in the proposed lot line adjustment configuration of the Farm property being retained by POST. Staff reiterated that farming would continue under private ownership on the Farm property and grazing would continue on the Uplands under District ownership.

USE AND MANAGEMENT

Planning Considerations

The Uplands has a San Mateo County General Plan designation of Agricultural Rural, with a zoning designation of Planned Agricultural Development/Coastal Development (PAD/CD) and

Resource Management-Coastal Zone/Coastal Development District (RM-CZ/CD). Natural resource management, habitat preservation, and low intensity recreation are allowable uses within this land use designation. On September 8, 2021, the County Planning Commission confirmed that the proposed purchase of the Uplands by the District for open space complies with the General Plan.

If purchased, the Uplands would be incorporated into the surrounding Preserve and the Preliminary Use and Management Plan as set out in this report would 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.

Williamson Act Considerations

The Johnston Ranch property is subject to two Land Conservation Agreements between San Mateo County and POST under the California Land Conservation Act of 1965 (also known as Williamson Act) recorded in 2005. A 10-year contract covers approximately 555 acres, including Assessor's Parcel Numbers (APNs): 064-370-110, 064-370-120, 065-210-220, and 065-210-240. A 20-year Farmland Security Zone contract (20-year contract) covers approximately 313-acres, including APNs 064-370-070, 064-370-200 and 065-210-090.

As a condition of the lot line adjustment approval, the Land Conservation Agreements with the County would need to be rescinded and replaced to conform with the new parcels being created by the proposed lot line adjustment. The new contracts would increase the protection of cultivated farmland, enhance opportunities for future low-intensity recreational uses, and ensure the continuation of existing livestock grazing. New contracts on the reconfigured parcels would include terms for the same length of time as the original contracts as follows:

1. The 20-year Farmland Security Zone contract over 206 acres of the Uplands property north of Higgins Canyon Road would be replaced with a 20-year Open Space Easement Contract with the County.
2. The 10-year Land Conservation Contract over 227 acres of the Uplands property south of Higgins Canyon Road would be replaced with a 10-year Open Space Easement Contract with the County.
3. The 224-acre Farm property being retained by POST that is currently subject to both a 20-year Farmland Security Zone Contract and a 10-year Land Conservation Contract would be replaced with a new 20-year Farmland Security Zone Contract with the County.

A 210-acre area of the Uplands (APNs 064-370-110 and 064-370-120) is covered by a 10-year Land Conservation Contract; however, this property is not a part of the lot line adjustment application. In 2011, San Mateo County filed for non-renewal of the 10-year contract for APN 064-370-120 as part of their administrative review of existing contracts. The non-renewal period on this parcel has ended, and no additional action is needed. Upon transfer of the Uplands property, the District will file for non-renewal of the 10-year contract for APN 064-370-110. As a public agency, the District does not receive a property tax benefit from Land Conservation Contracts but remains subject to the administrative burden during the term of the contract. Therefore, the District's practice is to file for non-renewal of contracts in place at the time of purchase. These parcels would remain in grazing under a long-term conservation grazing lease with a Rangeland Management Plan.

Preliminary Use and Management Plan

The proposed Preliminary Use and Management Plan (PUMP) for the Uplands would establish 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 would take effect at the close of escrow and remain 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 644-acre Uplands.
Name:	Name the Uplands as an addition to Miramontes Ridge Open Space Preserve.
Dedication:	Withhold dedication of the Uplands as open space at this time.
Coastal Service Plan:	Operate and manage the Uplands in compliance with the District's Service Plan for the Coastal Annexation Area and the mitigation measures adopted pursuant to the Service Plan's Final Environmental Impact Report.
Public Access:	Designate the Uplands 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 Uplands.
Fences and Gates:	Install and maintain gates and fencing as necessary to prevent unauthorized entry in the Uplands.
Ranch Roads:	Implement minor erosion and sediment control measures and maintenance of existing ranch roads in the Uplands in accordance with District's adopted Open Space Maintenance and Restoration Program and regulatory permits.
Patrol:	Routinely patrol the Uplands.
Existing Grazing Lease:	Accept the assignment of the existing conservation grazing lease with Pacheco Ranch from POST. At a future date, adopt a Rangeland Management Plan for the grazing lease area.
Resource Management:	Conduct plant and animal management activities to protect natural resources and minor erosion and sediment control measures to protect water resources as needed, consistent with the District's adopted Resource Management Policies, Integrated Pest Management Program Guidance Manual, Open Space Maintenance and Restoration Program, and regulatory permits.

Water Rights:	Monitor and submit annual reports on the stock pond water right.
Wildland Fuel Management:	Implement standard District-wide fuel management and defensible space practices consistent with the District's adopted Wildland Fire Resiliency Program.
Williamson Act Contracts	File for non-renewal of the existing Williamson Act Contract on APN 064-370-110 with the County of San Mateo. Comply with the existing Williamson Act contract during the nonrenewal period. Rescind and replace existing contracts on other portions of the Uplands with Open Space Easement Contracts per the conditions of the lot line adjustment application approval.
Memorandum of Agreement	Develop a Memorandum of Agreement (MOA) with the City of Half Moon Bay to memorialize a Partnership Letter of Intent executed on October 1, 2019, to collaborate and partner on future trail and parking uses and funding for an expanded parking area and trailhead on the Johnston House Park property, and trail planning on the Uplands south of Higgins Canyon Road.
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, the Coastal Conservancy, and California State Parks for their role protecting the Property as public open space in compliance with District policy.
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 a lease and management and subsequent purchase of the 644-acre Uplands portion of POST's Johnston Ranch property, located in an unincorporated area of San Mateo County, as an addition to the District's open space preserve system. The project includes the adoption of a PUMP for the 644-acre Uplands that establishes a status quo land management

approach, with no expansion or changes to its existing uses of agricultural lands and natural habitat.

The Uplands are located 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 the adopted findings of the Service Plan's FEIR and Mitigation Monitoring Plan.

Any minor erosion and sediment control measures, road and trail maintenance, 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, the adopted Wildland Fire Resiliency Program and FEIR, Open Space Maintenance and Restoration Program and Mitigated Negative Declaration, 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, mitigation measures adopted as part of the Integrated Pest Management Policies' FEIR, and the Open Space Maintenance and Restoration Program and Mitigated Negative Declaration.

Analysis for potential impacts as a result of adjustment of Johnston Ranch lot lines to create a 644-acre Uplands property will be conducted separately by the County as part of the application approval process.

CEQA Determination

The District concludes that the lease and management, and purchase of the Uplands 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 Uplands 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 Service Plan for the Coastal Annexation Area, the District's adopted Resource Management Policies, Integrated Pest Management Program Guidance Manual, Wildland Fire Resiliency Program, the mitigation measures adopted pursuant to Final Environmental Impact Reports of the cited plans and policies, and the District's Open Space Maintenance and Restoration Program and Mitigated Negative Declaration, and regulatory permits as applicable. The PUMP includes minor erosion control work as necessary, minor road and trail maintenance, 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 the Uplands property as part of the District's Miramontes Ridge Open Space Preserve.

TERMS AND CONDITIONS

The proposed purchase of 644-acre Uplands is at a bargain sale price of \$4,800,000. The Uplands property has an appraised value of \$5,500,000 (approximately \$8,540 per acre), which is based upon an independent fair market appraisal commissioned by the District. This equates to a gift value of \$700,000. The appraisal incorporates the value of structural repairs and re-siding a barn, and livestock perimeter fence improvements on the Uplands by POST. The Uplands would be purchased on an "as-is" all-cash basis after the lot line adjustment is approved by the County.

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

- 1. Lease and Management Agreement:** District and POST would enter into a Lease and Management Agreement for patrol, maintenance, property and natural resource management and future trail planning on the property. As part of this agreement, the District would reimburse POST up to \$19,500 for the Phase II Environmental Assessment Report and Access Road Plans, which is half of the total actual cost of \$39,000. The Lease and Management Agreement would be in effect until the close of escrow.
- 2. Assignment of Grazing Lease:** POST would assign a five-year grazing lease term with an option to extend for an additional five-year term with the existing rancher for the Uplands property on the north side of Higgins Canyon Road to the District. The lease assignment would begin during the term of the Lease and Management Agreement.

Upon approval of the lot line adjustment by the County, the 644-acre Uplands property will transfer to the District in 100% fee title. The Lease and Management Agreement would terminate at the close of escrow.

The District is anticipating receiving a purchase grant of \$200,000 from the California Department of Parks and Recreation (State Parks) under the Habitat Conservation Fund program and has been selected for a second purchase grant of \$500,000 from the State Coastal Conservancy (Coastal Conservancy) under Proposition 1. Upon approval by the Coastal Conservancy Board and following the County approval of the lot line adjustment, the Coastal Conservancy and State Parks would provide grant funds totaling \$700,000 into escrow for the acquisition of the Uplands property. This would equate to a net purchase cost to the District of \$4,100,000. The Coastal Conservancy requires recording an Irrevocable Offer to Dedicate Title in Fee restriction, and State Parks requires a Deed Restriction with a 20-year term held by State Parks. These documents would be recorded as part of the close of the escrow.

FISCAL IMPACT

Land acquisitions brought before the Board for approval include a budget adjustment to the adopted budget for the purchase cost at minimum. If approved, \$4,800,000 for the acquisition and \$110,000 to cover associated costs related to this transaction are required. The current FY22

project budget includes \$49,250 for miscellaneous due diligence/transactional costs. If approved, a total increase of \$4,860,750 to the FY22 budget is required.

The District was successful in being selected for two purchase grants totaling \$700,000; \$500,000 from the Coastal Conservancy (Proposition 1), and \$200,000 from State Parks - Habitat Conservation Fund. Upon approval by the Coastal Conservancy Board and with final grant agreements executed with the Coastal Conservancy and State Parks, these grant funds will be applied to the purchase of the Johnston Ranch Uplands property. The Coastal Conservancy (Proposition 1) grant will be presented to the Coastal Conservancy Board for authorization on March 24, 2022, at which time a grant revenue budget adjustment will be brought to the District Board.

The following table outlines the Measure AA Portfolio 01 *Miramontes Ridge: Gateway to the Coast Public Access, Stream Restoration and Agricultural Enhancement* allocation, costs-to-date, projected future project expenditures and projected portfolio balance remaining. Prior year expenses for VP01-001 incurred for the acquisition of Johnston Ranch in the amount of \$62,129 will be reclassified to MAA01-005.

MAA01 Miramontes Ridge: Gateway to the Coast Public Access, Stream Restoration and Agriculture Enhancement Portfolio Allocation:	\$27,774,000
Grant Income (through FY25):	\$700,000
Total Portfolio Allocation:	\$28,474,000
Life-to-Date Spent (as of 10/26/2021):	(\$421,962)
Encumbrances:	\$0
Johnston Ranch Uplands Purchase:	(\$4,800,000)
MAA01-005 Title Insurance, Escrow Fees, and Other Miscellaneous Project Costs ¹ :	(\$110,000)
VP01-001 Johnston Ranch Uplands Prior Year Actuals:	(\$62,129)
Remaining FY22 Project Budgets:	(\$124,881)
Future MAA01 project costs (projected through FY25):	(\$384,923)
Total Portfolio Expenditures:	(\$5,903,895)
Portfolio Balance Remaining (Proposed):	\$22,570,105

¹Amount includes Board approved \$57,948 cost share agreement with POST (R-21-71).

The following table outlines the Measure AA Portfolio 01 allocation, costs to date, and the fiscal impact related to the Property purchase.

MAA01 Miramontes Ridge: Gateway to the Coast Public Access, Stream Restoration and Agriculture Enhancement Portfolio Allocation:	\$27,774,000
Grant Income (through FY25):	\$700,000
Total Portfolio Allocation:	\$28,474,000
Projected Project Expenditures (life of project):	
01-004 Remediation Plan and Ranch Debris Clean Up, Madonna Creek Ranch	(\$435,857)
01-005 Johnston Ranch Uplands Land Acquisition	(\$4,979,745)
01-006 Madonna Creek Fish, Water Supply and Bridge Replacement	(\$488,293)

Total Portfolio Expenditures:	(\$5,903,895)
Portfolio Balance Remaining (Proposed):	\$22,570,105

The following table lists the purchase cost to date for new land acquisitions in FY22:

Johnston Ranch Uplands Property Purchase Amount <i>(including \$10,000 option deposit)</i>	\$4,800,000
Total land purchases approved to date for FY22	\$0
Total Land Purchases for FY22 (if approved)	\$4,800,000

Coastside Protection Area Fiscal Considerations

The Uplands 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 County Fire or School District fees.

BOARD AND COMMITTEE REVIEW

The District distributed a notice of the Real Property Committee meeting on August 18, 2021 to property owners located adjacent to or surrounding the subject property and to interested parties. The Real Property Committee meeting was held on [August 31, 2021](#) at 110 Higgins Canyon Road (adjacent to the Property) to review information about the Uplands property and receive public input on the proposed purchase. All members of the Real Property Committee were in attendance. Staff presented the reasons for purchase, terms, and described how the Uplands would remain closed at this time and managed as an extension of the surrounding Preserve. Fifteen members of the public attended the meeting ([Committee meeting fact sheet](#)). Comments received included questions about parking facilities to support future recreational trails, future multimodal options to access trails, how existing agricultural uses would be protected after the proposed lot line adjustment, and how future trails on the Uplands would connect to local trails and the California Coastal Trail. City of HMB staff also attended to address questions about the partnership between the City of HMB, POST, and the District. The Committee recommended forwarding the proposed purchase to the Board in a vote of 3-0. Draft minutes from the Committee meeting are provided as Attachment 4.

PUBLIC NOTICE

Public notice 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

1. Upon approval, the General Manager would enter into the Lease and Management Agreement with POST initiating patrol and management of the Uplands property, including assignment of the grazing lease with Pacheco Ranch, and implement the PUMP. The District's Skyline Field Office and Coastal Area Outpost would manage the Property as an addition to Miramontes Creek Open Space Preserve.

2. Staff would work with POST to complete the lot line adjustment 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 Uplands to the District.
3. Staff will develop a Memorandum of Agreement with the City of Half Moon Bay to collaborate and partner on future trail and parking plans, shared use, and funding of an expanded parking area and trailhead on the Johnston House Park property, and trail planning on the Uplands property south of Higgins Canyon Road.

Attachments:

1. Resolution Authorizing Acceptance of Purchase and Sale Agreement, Amending the Fiscal Year 2021-22 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, rescind Land Conservation Contracts with County of San Mateo and replace with Open Space Easement Contracts with County after Lot Line Adjustment, and Authorizing General Manager to Execute Attachments to the Agreement and any and all Other Documents Necessary or Appropriate to Closing of the Transaction (Miramontes Ridge Open Space Preserve - Lands of Peninsula Open Space Trust)
2. Resolution Approving the filing of a non-renewal and to rescind and replace certain Williamson Act Land Conservation Agreements
3. Johnston Ranch Uplands Location Map
4. Draft Minutes for 8/31/2021 Real Property Committee Meeting

Prepared by:

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RESOLUTION 21-__

RESOLUTION OF THE BOARD OF DIRECTORS OF MIDPENINSULA REGIONAL OPEN SPACE DISTRICT ACCEPTING THE PURCHASE AND SALE AGREEMENT, AMENDING THE FISCAL YEAR 2021-22 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 PENINSULA OPEN SPACE TRUST (POST), AFTER A LOT LINE ADJUSTMENT, AND TO EXECUTE ATTACHMENTS TO THE AGREEMENT AND ANY AND ALL OTHER DOCUMENTS NECESSARY OR APPROPRIATE TO CLOSING OF THE TRANSACTION (MIRAMONTES RIDGE OPEN SPACE PRESERVE - LANDS OF PENINSULA OPEN SPACE TRUST)

WHEREAS, the Board of Directors approves the District’s purchase of the Johnston Ranch Uplands Property (“Property”) as set forth in the report, attached hereto and incorporated herein by this reference; and

WHEREAS, as part of the transaction, the District and POST have agreed to apply for a lot line adjustment to create a 644-acre Uplands property to be owned in fee by the District, and a 224-acre Farm property owned in fee by POST, and accordingly the Board wishes to authorize the General Manager to enter into Lease and Management Agreement with POST

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 and lot line adjustment with the County on behalf of the District to acquire the real property described therein (“the POST Johnston Ranch Property”).

SECTION TWO. The Board authorizes the expenditure of \$4,800,000.00 covering the purchase of the Johnston Ranch Property, including an option deposit of \$10,000.00.

SECTION THREE. The General Manager, or General Manager’s designee is authorized to expend up to \$110,000.00 to cover the cost of title insurance, escrow fees, appraisal, San Mateo County lot line adjustment application fees, planning consultant services, outside legal services, environmental consultant services, survey, recordation fees and miscellaneous costs related to this transaction. The current FY22 budget includes \$49,250 for these expenses, which would require an additional adjustment of \$60,750.

SECTION FOUR. The Board approves an amendment to the Budget and Action Plan for Fiscal Year 2021-22 by increasing the Measure AA Fund Capital budget in the amount

of \$4,800,000.00 for the purchase, and \$60,750 for associated costs related to this transaction, for a total budget adjustment of \$4,860,750. Except as herein modified, the FY 2021-22 Budget and Action Plan, Resolution No. 21-18 as amended, shall remain in full force and effect.

SECTION FIVE. The General Manager or President of the Board of Directors and/or other appropriate officer is authorized to enter into Lease and Management Agreement with POST for management of the Property and any extensions thereof until the Purchase of the property and the Assignment of Grazing Lease with Pacheco Ranch for a 5-year term with the option to extend for one additional 5-year term.

SECTION SIX. 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 SEVEN. 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 EIGHT. The General Manager or the General Manager’s designee is authorized to rescind Land Conservation Agreements with the County of San Mateo (“County”), and replace with Open Space Easement contracts with the County as part of the lot line adjustment.

SECTION NINE. 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 _____, 2021, at a regular meeting thereof, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST:

APPROVED:

Larry Hassett, Secretary
Board of Directors

Curt Riffle, 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

RESOLUTION 21-__

RESOLUTION OF THE BOARD OF DIRECTORS OF MIDPENINSULA REGIONAL OPEN SPACE DISTRICT PURSUANT TO GOVERNMENT CODE SECTION 51245 APPROVING THE FILING OF A NON-RENEWAL AND TO RESCIND AND REPLACE CERTAIN WILLIAMSON ACT LAND CONSERVATION AGREEMENTS BETWEEN PENINSULA OPEN SPACE TRUST AND THE COUNTY OF SAN MATEO

WHEREAS, the Midpeninsula Regional Open Space District (“District”), upon close of escrow will own property in unincorporated County of San Mateo, known as San Mateo County Assessor’s Parcel Number 064-370-110, which are subject to Land Conservation Agreement between the County of San Mateo and Peninsula Open Space Trust under the California Land Conservation Act of 1965 (also known as Williamson Act); and

WHEREAS, the mission of the District includes preservation of open space lands in perpetuity and support of viable agriculture so that acquisition of such contracted lands accomplishes the purposes of the Williamsons Act; and

WHEREAS, the procedures established by the County of San Mateo for administering such contracts serve no useful purpose when land is owned by a park or open space agency preserving such lands’ open space resources, yet such procedures can impose a procedural and financial burden on the District’s ability to efficiently carry out its operations; and

WHEREAS, the benefits of reduced property tax in exchange for such land preservation is no longer relevant once the District has acquired such lands, as the District is exempt from property tax in most situations.

The Board of Directors of Midpeninsula Regional Open Space District does hereby resolve as follows:

SECTION ONE. Authorizes the General Manager of the District, or their designee, pursuant to Government Code Section 51245, to file a notice of nonrenewal with the County of San Mateo for Assessor’s Parcel Number 064-370-110, (currently subject to the same Land Conservation Contract) and, upon the close of escrow, owned by the District.

SECTION TWO. Authorizes the General Manager of the District, or their designee, to execute and submit documents and take such actions as may be necessary or convenient to accomplish the purpose of this Resolution, or to comply with the requirements of the County of San Mateo or the State Williamson Act, in order to accomplish the nonrenewal of the contract described above.

* * * * *

PASSED AND ADOPTED by the Board of Directors of the Midpeninsula Regional Open Space District on _____, 2021, at a regular meeting thereof, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST:

APPROVED:

Larry Hassett, Secretary
Board of Directors

Curt Riffle, President
Board of Directors

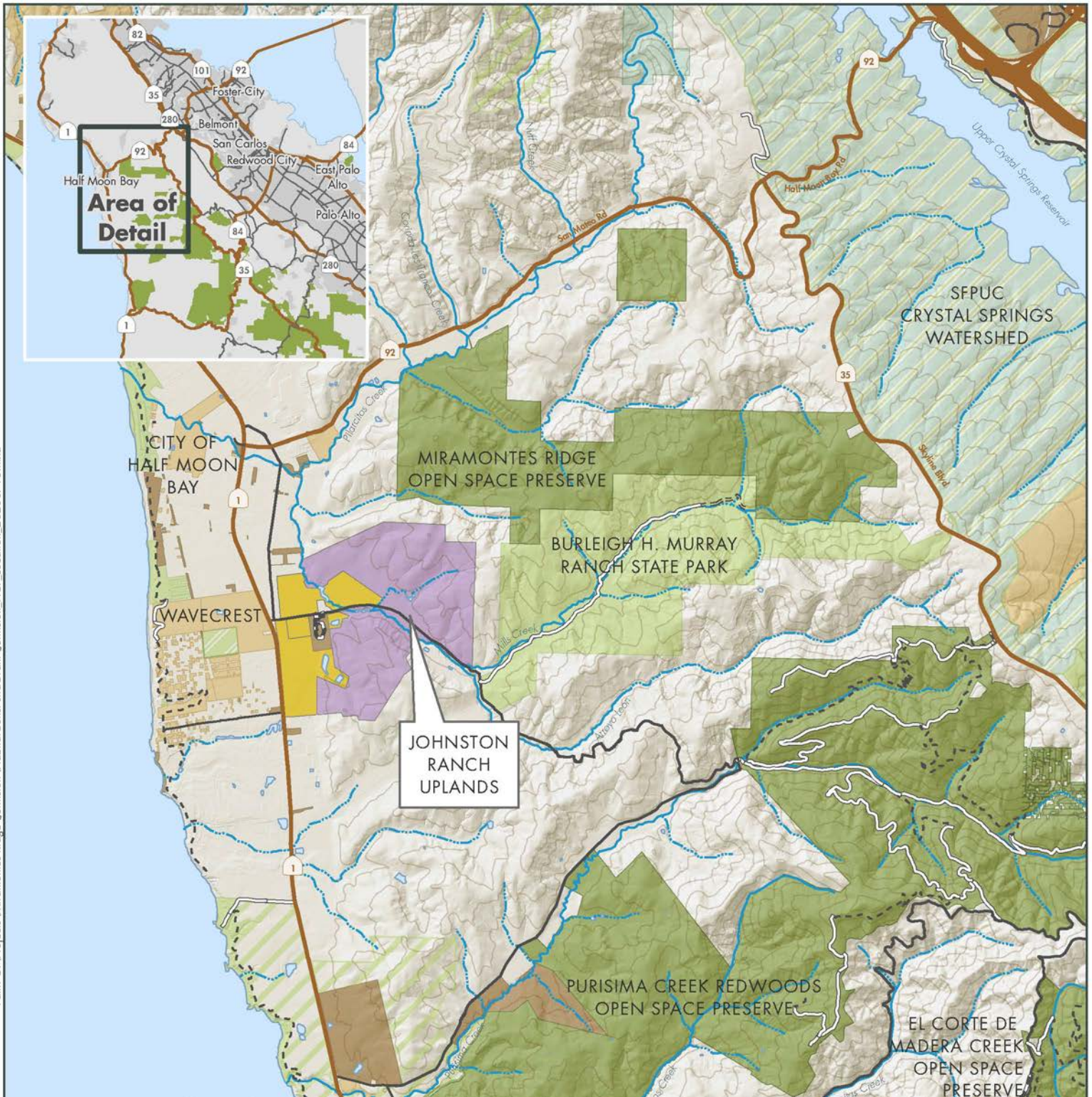
APPROVED AS TO FORM:

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

Path: G:\Projects\Miramontes Ridge\Johnson\Habitat\ConsFund\Grant\Johnson_HCF_Location_20200713.mxd



Location Map - Johnston Ranch Property Interest Acquisition

- | | | |
|-------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
|  Portion of Johnston Ranch to be managed by POST |  Other Protected Lands |  Land Trust |
|  Portion of Johnston Ranch to be managed by MROSD |  Private Property |  Other Public Agency |
|  MROSD Preserves |  Watershed Land | |

Midpeninsula Regional
Open Space District
(MROSD)
July 2021



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.



Midpeninsula Regional
Open Space District

MIDPENINSULA REGIONAL OPEN SPACE DISTRICT

REAL PROPERTY COMMITTEE

Historic Train Depot
110 Higgins Canyon Road
Half Moon Bay, CA

Tuesday, August 31, 2021

DRAFT MINUTES

CALL TO ORDER

Director Hassett called the meeting of the Real Property Committee to order at 4:32 p.m.

ROLL CALL

Members Present: Larry Hassett, Zoe Kersteen-Tucker, and Pete Siemens

Members Absent: None

Staff Present: General Manager Ana Ruiz, General Counsel Hilary Stevenson, Assistant General Manager Susanna Chan, Real Property Manager Mike Williams, Planner III Elish Ryan, Planning Manager Jane Mark, and District Clerk/Assistant to the General Manager Jennifer Woodworth

ADOPTION OF AGENDA

Motion: Director Hassett moved, and Director Kersteen-Tucker seconded the motion to adopt the agenda.

VOTE: 3-0-0

ORAL COMMUNICATIONS

Jim Sullivan commented on the amount of land the District has preserved and the need to connect the open spaces through regional connections, such as at Tunitas Creek, Purisima Creek Redwoods, and Burleigh Murray State Park. Mr. Sullivan suggested the District negotiate easements to connect the various pockets of open space and provide trail connections to the public.

COMMITTEE BUSINESS

- 1. Selection of Committee Chair for Calendar Year 2021**

**Real Property Committee
August 31, 2021**

Director Kersteen-Tucker nominated Director Hassett to serve as the Real Property Committee Chair for Calendar Year 2021, and Director Siemens seconded the nomination.

Director Hassett accepted the nomination.

VOTE: 3-0-0

2. Approval of Real Property Committee Minutes for April 30, 2019.

Motion: Director Siemens moved, and Director Kersteen-Tucker seconded a motion to approve the January 19, 2021 Real Property Committee meeting minutes.

VOTE: 3-0-0

3. Consideration of a new land purchase known as “Johnston Ranch” as an addition to the Miramontes Ridge Open Space Preserve in unincorporated San Mateo County (APN: 064-370-070, 064-370-110, 064-370-120, 065-210-090, 065-210-190, 065-210-210, 065-210-220, 065-210-230 and 065-210-240).

Real Property Manager Mike Williams provided the staff presentation describing the Johnston Ranch property, geographical features of the area, habitat and resource values of the property, and reasons for the proposed purchase. Mr. Williams described access routes to the property, including plans to improve access by the City of Half Moon Bay at a nearby pedestrian crossing, and regional connections. The proposed purchase is included in Measure AA portfolio 1 to support public access in the Coastal Annexation Area. Finally, Mr. Williams outlined the terms and conditions of the proposed purchase, including a management agreement with Peninsula Open Space Trust (POST) and a proposed land division being pursued to support continued farming and grazing of the property.

Public comments opened at 4:46 p.m.

Charles Shafae expressed concerns regarding road safety, public access, and parking for the site. Mr. Shafae stated cars often park illegally on Higgins Canyon Road and additional parking is needed for visitors.

Bo Putnam inquired why a land division is needed stating the District should continue to co-own the flat portion of the property with POST. Mr. Putnam expressed concern that the property could be sold to a developer in the future.

Mr. Williams provided information regarding the District’s approach to intensive agriculture, such as row crops, and reported the proposed conservation easement on the property would preserve the agricultural uses and prevent the land from being developed.

Ben Wright, with POST, described POST’s approach to preserving agricultural uses and protecting open space, stating the farm may remain in private ownership but will be protected through a conservation easement.

Meg Delano asked about regional connections to the property and to connect to the Coastal Trail. Ms. Delano spoke in favor of having a director trail connection to the San Mateo Coast.

Public comments closed at 5:04 p.m.

John Doughty, Public Works Director for the City of Half Moon Bay, provided additional information regarding potential access to the property, including the Naomi Partridge Trail, the nearby pedestrian crossing and potential paving of the Smith Fields parking lot and Wavecrest Trail.

Director Kersteen-Tucker commented on the proposed acquisition and stated public access and regional connections is an example of partnerships among agencies to increase public access and preserve land on the San Mateo Coast.

Director Siemens stated one of the benefits of the proposed agreements and property acquisition is that it will preserve open space and agricultural lands on the Coast while keeping the farmland in private ownership. The District will continue to manage the uplands property through conservation grazing.

Motion: Director Siemens moved, and Director Kersteen-Tucker seconded a motion to recommend to the Board approval of the Johnston Ranch property purchase for the proposed price of \$4,800,000.

VOTE: 3-0-0

ADJOURNMENT

Director Hassett adjourned the meeting of the Real Property Committee at 5:19 p.m.

Jennifer Woodworth, MMC
District Clerk