



Midpeninsula Regional
Open Space District

R-25-16
Meeting 25-03
January 22, 2025

AGENDA ITEM 8

AGENDA ITEM

Proposed purchase of the Alves Properties: 1) 2.61-acre Commercial Property at 2251 South Cabrillo Highway and 1602 Miramontes Point Road, Half Moon Bay, CA as a potential new Coastal Area Field Office site (San Mateo County APNs 066-093-270 and 066-093-280) and 2) 31.26 and 31.42-acre Open Space Properties (62.68 acres total) on Miramontes Point Road in unincorporated San Mateo County as additions to Miramontes Ridge Open Space Preserve (San Mateo County APNs 066-430-100 and 066-430-110).

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 the Alves Properties for \$8,100,000 with a corresponding authorization for a Fiscal Year 2024-25 budget adjustment of the same amount.
3. Adopt a Use and Management Plan for the Alves Properties, as set out in the staff report.
4. Withhold dedication of the Alves Properties as public open space at this time.

SUMMARY

The General Manager recommends purchasing the Alves Properties (Properties) at a combined purchase price of \$8,100,000. This purchase price includes \$5,500,000 for the 2.61-acre Commercial Property (Commercial Property) that has the capacity to serve as a new Coastal Area Field Office. The purchase price also includes \$1,300,000 for each of the 31.26 and 31.42-acre Open Space Properties (Open Space Properties), representing a total of \$2,600,000 for the combined 62.68-acre Open Space Properties as additions to Miramontes Ridge Open Space Preserve (Miramontes Ridge OSP or Preserve). The following report includes a description of the Properties, a Preliminary Use and Management Plan for the Properties, findings of the environmental review, the purchase terms and conditions, and financial considerations. If approved, a budget adjustment of \$8,100,000 to the Fiscal Year 2024-25 (FY25) budget would be required to proceed with the acquisition.

DISCUSSION

Commercial Property

In June 2003, the Midpeninsula Regional Open Space District (District) expanded the District boundary to include the San Mateo County Coastal Annexation Area (Coastal Annexation Area) and adopted an associated Service Plan (Coastal Service Plan). The Coastal Service Plan directed the District to create a field office and maintenance facility once the District manages approximately 15,000 acres of land within the Coastal Annexation Area. The District currently manages approximately 18,588 acres (includes 17,432 acres in fee title and 1,156 under a lease and management agreement) in the Coastal Annexation Area, necessitating a permanent Coastal Area Field Office to serve the additional staff and operational needs resulting from these District lands in the Coastal Annexation Area.

Over the last several years, the District has searched for a Coastal Area Field Office in response to increasing operational and maintenance needs in the Coastal Annexation Area. Few properties in the Coastal Annexation Area meet District needs for a potential Coastal Area Field Office site, including adequate size, zoned to allow for a field office use, served by public utilities, and not containing prime agricultural soils.

Property Description and Regional Context (see attached map)

The District proposes to purchase the 2.61-acre Commercial Property consisting of two legal parcels. The Commercial Property is located south of Half Moon Bay, entirely within the City Limits. The property is surrounded by private property at the corner of Highway 1 and Miramontes Point Road. The Commercial Property has existing access from both Highway 1 and Miramontes Point Road.

Land Use and Improvements

The Commercial Property is improved with an approximately 3,000 square foot building and an approximately 1.4-acre paved parking area. The building is currently rented on a month-to-month basis by two businesses for storage and the parking area is currently leased by a business for employee parking through June 2026. The building is connected to municipal water and electrical service but does not possess a functioning septic system or sewer connection. The Commercial Property is zoned Commercial-General, allowing for a variety of uses including for government offices, limited industrial, and vehicle and material storage.

Staff has investigated the Commercial Property and confirmed that the available space, commercial zoning, and strategic location meet District needs. Staff quickly moved on bringing this rare opportunity before the Board for purchase consideration.

Site Advantages

1. Location along Highway 1, south of the City of Half Moon Bay, offers great access and reduced travel time to Coastal Preserves, including Cloverdale Ranch, Miramontes Ridge, Purisima Creek Redwoods, and Tunitas Creek.
2. Commercial-General zoning allows for government offices, limited industrial, and vehicle and material storage.
3. Some municipal utility services and infrastructure are already available at the site (water and power) as well as proximity to municipal sewage.
4. Is absent of prime agricultural soils.

5. Avoids development of existing open space.
6. Location can be accessed using multiple modes of transportation.
7. If the space permits, there is the possibility of using the site for coastal public meetings.

Site Disadvantages

1. Lot size is slightly smaller than the desired size (2.61 acres vs 3+ acres desired).
2. Requires developing a connection to municipal sewage.
3. Requires site improvements to repurpose the site for a field office/maintenance yard.

Open Space Properties

Property Description and Regional Context (see attached map)

The larger Alves Properties purchase also includes 62.68-acres of Open Space Properties consisting of two legal parcels. The Open Space Properties are located southeast of Half Moon Bay and are surrounded by private properties. The Johnston Ranch area of Miramontes Ridge OSP is located approximately 350 feet north of the Open Space Properties, separated by private property (future public access from the Moonridge Housing Development located to the east to the Johnston Ranch/Miramontes Ridge OSP would be possible with one additional property right). The Open Space Properties are accessed from the Miramontes Point Road on the southern boundary.

Land Use and Improvements

The Open Space Properties are vacant and unimproved with no utilities. A system of dirt and grass seasonal roads provide access to the Open Space Properties from Miramontes Point Road.

Habitat and Natural Resources Value

The Open Space Properties are predominately comprised of gentle hillsides of grassland and chaparral rising from 140 feet in elevation at the southern boundary to 325 feet in elevation in the Open Space Properties interior. The upper elevations of the Open Space Properties form part of the scenic viewshed as seen from Highway 1 and the City of Half Moon Bay.

Water Resources and Rights

The Open Space Properties fall within the Arroyo Canada Verde watershed. However, no waterways exist on the Open Space Properties and there is currently no developed water infrastructure.

COASTAL ANNEXATION AREA SERVICE PLAN COMPLIANCE

The Properties are 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 Coastsides Protection Program (Program). The Program guides District coastal purchases and use and management of open space land within the Service Plan Area.

District 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 staff provided a letter to the Farm Bureau on January 10, 2025 requesting their input and feedback. As of the date of publication of this Board Report, District staff has not received a response from the

Farm Bureau. Any response received from the Farm Bureau prior to the January 22nd Board meeting will be provided to the Board during that meeting.

USE AND MANAGEMENT

The Preliminary Use and Management Plans (PUMP) below establish a status quo management approach in the interim between the purchase and the completion of a future long-term plan for the Properties. The PUMPs include site security and maintenance of the Properties and are divided between the Commercial Property and the Open Space Properties. The PUMPs take effect at the close of escrow and remains effective until changes warrant an amendment, or a subsequent planning and design process, such as a Preserve Master Plan, is developed or amended to include these Properties. If changes to land use or the physical environment for these Properties were proposed in the future, the plan would be subject to further environmental review and public input.

Commercial Property Preliminary Use and Management Plan

The Commercial Property has a City of Half Moon Bay Local Coastal Plan designation of Commercial - Visitor Serving, with a zoning designation of Commercial - General. The PUMP below outlines the management of the Commercial Property until the District proceeds with future redevelopment of the Commercial Property for use as a Coastal Area Field Office through a process of subsequent planning and design subject to District Board input and approval.

Public Access: Designate the Commercial as closed to general public use at this time.

Commercial Tenants: Continue to lease the Commercial Property in accordance with existing lease agreements. If the existing tenants desire to extend their rental or lease of the Commercial Property, allow for continued rental or lease of the Commercial Property until District development of a Coastal Area Field Office requires the site to be vacated.

Signs and Site Security: Install site security measures and signage as appropriate.

Fences and Gates: Install, maintain, and replace gates and fencing as necessary to prevent unauthorized entry.

Structures and Site Improvements: Maintain the existing structures and site improvements as necessary and as required by tenant rental and/or lease agreements.

Resource Management: Maintain the Commercial Property's grounds as needed. Conduct plant and animal management activities consistent with the adopted Resource Management Policies, Integrated Pest Management Program Guidance Manual, Open Space Maintenance and Restoration Program, Wildland Fire Resiliency Program, Best Management Practices, and regulatory permits as needed.

Patrol: Routinely patrol the Commercial Property to prevent unauthorized use of the site.

Open Space Properties Preliminary Use and Management Plan

The Open Space Properties consists of two parcels located in unincorporated San Mateo County with a General Plan designation of Agriculture and a zoning designation of Planned Agricultural District – Coastal Development (PAD-CD). Natural resource management, habitat preservation, and low intensity recreation are allowable uses within this land use designation. Staff has requested the San Mateo County Planning Commission to confirm that the acquisition of the Open Space Properties for open space complies with the County’s General Plan. The PUMP below outlines District status quo land management of the Open Space Properties:

Name: Name the Open Space Properties as an addition to Miramontes Ridge Open Space Preserve.

Dedication: Withhold dedication of the subject Open Space Properties as open space at this time.

Public Access: Designate the Open Space Properties as closed to public use at this time.

Signs and Site Security: Install Preserve boundary and closed area signs where appropriate.

Fences and Gates: Install, maintain, and replace gates and fencing as necessary to prevent unauthorized entry.

Roads and Trails: Continue to maintain existing dirt roads in a serviceable condition in accordance with the adopted Resource Management Policies standards and Open Space Maintenance and Restoration program.

Patrol: Routinely patrol the Open Space Properties using the existing dirt access roads.

Resource Management: Maintain the Open Space Properties in their natural condition. Conduct plant and animal management activities consistent with the adopted Resource Management Policies, Integrated Pest Management Program Guidance Manual, Open Space Maintenance and Restoration Program, Wildland Fire Resiliency Program, Best Management Practices, and regulatory permits as needed.

Water Resources: While no waterways existing on the Open Space Properties, minimize runoff from the properties to protect the watershed consistent with the adopted Resource Management Policies and Best Management Practices.

Wildfire Fuel Management: Implement standard District-wide fuel management and defensible space practices consistent with the adopted Wildland Fire Resiliency Program.

CEQA COMPLIANCE

Project Description

The project consists of the purchase of a 2.61-acre Commercial Property, located at the corner of Highway 1 and Miramontes Point Road in the City of Half Moon Bay, as well as the purchase of the 62.68-acre Open Space Properties located in unincorporated San Mateo County as an addition to the District's open space preserve system.

Commercial Property

For purposes of compliance with the California Environmental Quality Act (CEQA), actions related to the purchase of the Commercial Property is limited to the transfer of ownership at this time. Any activities such as redevelopment or change in use of the Commercial Property is subject to as-yet unprepared planning and design work. Such work would be evaluated for CEQA as the project description takes shape. Approval of the property purchase will not result in direct or indirect changes to the environment triggering CEQA.

Open Space Properties

The project includes the purchase of as set forth in the Purchase and Sale Agreement, and the concurrent adoption of a PUMP. The adoption of a PUMP establishes a status quo land management approach, with no expansion or changes to the Open Space Properties' existing use as open space and maintains it in a natural condition. As directed in the proposed PUMP, maintenance and minor resource management activities will be conducted in accordance with adopted District policies and programs and their associated CEQA documents.

CEQA Determination

The District concludes that this project will not have a significant effect on the environment. It is exempt from the California Environmental Quality Act (CEQA) under Article 19, Sections 15301, 15316, 15325, and 15601 of the CEQA Guidelines as follows:

Open Space Properties: Section 15301 exempts the repair, maintenance, or minor alteration of existing public or private structures, facilities, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination. The PUMP will maintain the Open Space Properties as status quo with no expansion to their existing use as open space. The PUMP includes maintenance of the existing roads as necessary, as well as maintenance of or minor alterations to the property for wildland fuel management and other natural resource management activities in accordance with the adopted policies and programs and their associated CEQA documents.

Open Space Properties: Section 15316 exempts the acquisition of land in order to create parks if the land is in a natural condition, and the management plan proposes to keep the area in a natural condition. The PUMP for the Open Space Properties specifies that the land will remain in a natural condition and will be designated as an addition to the District's Miramontes Ridge OSP.

Open Space Properties: Section 15325 exempts transfers of ownership of interests in land to preserve open space. This acquisition will transfer fee ownership of the Open Space Properties

to the District to ensure that the open space will be preserved and incorporated into Miramontes Ridge OSP.

Commercial Property: Section 15061(b)(3) exempts projects where it can be seen with certainty that there is no possibility the activities may have a significant effect on the environment. No plans for a change in the use of the property or redevelopment of this site have yet been developed. Any future redevelopment of the site would be subject to a separate review for compliance with CEQA and approval by the District with associated permit approvals required from the City of Half Moon Bay.

In addition, none of the exceptions listed in Section 15300.2 apply to this project.

TERMS AND CONDITIONS

The Alves Properties are proposed for purchase at a combined purchase price of \$8,100,000. This purchase price includes \$5,500,000 for the 2.61-acre Commercial (using General Fund Capital) and \$1,300,000 for each of the 31.26 and 31.42-acre Open Space Properties (total of \$2,600,000 for the combined 62.68-acre Open Space Properties using Measure AA Fund Capital). The Property would be purchased as-is on an all-cash basis. Escrow would close on or before March 28, 2025.

FISCAL IMPACT

Land acquisitions brought before the Board of Directors (Board) for approval include a budget adjustment to the adopted budget. If approved, an increase of \$8,100,000 to the FY25 budget for the acquisition (\$5,500,000 for the Commercial property using General Fund Capital and \$2,600,000 for the combined Open Space Properties using Measure AA Fund Capital) is required. The current FY25 budget includes \$130,000 for the Coastal Field Office project (#20132) in General Fund Capital to cover the cost of title insurance, escrow fees, survey and miscellaneous costs related to this transaction. There are sufficient existing funds in the project budget to cover the cost of those expenditures.

Alves Total Property Purchase Amount* (including three deposits of \$50,000 for a total of \$150,000)	\$8,100,000
Total Land purchases approved to date for FY25	\$4,057,500
Total FY25 Land Purchases (if approved)	\$12,157,500

*Cost only includes purchase price

The following table outlines the *Measure AA Portfolio 1 Miramontes Ridge — Gateway to the Coast Public Access, Stream Restoration and Agriculture Enhancement* allocation, costs-to-date, projected future project expenditures and projected portfolio balance remaining.

MAA01 Miramontes Ridge — Gateway to the Coast Public Access, Stream Restoration and Agriculture Enhancement Portfolio Allocation:	\$27,774,000
Grant Income (through FY28):	\$738,925
Total Portfolio Allocation:	\$28,512,925

Life-to-Date Spent (as of 01/06/25):	(5,461,011)
Encumbrances:	(\$8,351)
Alves Property Open Space Acquisitions*:	(\$2,600,000)
Remaining FY25 Project Budgets:	(104,101)
Future MAA25 project costs (projected through FY28):	(\$934,524)
Total Portfolio Expenditures:	(\$9,107,987)
Portfolio Balance Remaining (Proposed):	\$19,404,938

**If budget adjustment approved*

The following table outlines the Measure AA Portfolio 01 allocation, projected life of project expenditures and projected portfolio balance remaining.

MAA01 Miramontes Ridge — Gateway to the Coast Public Access, Stream Restoration and Agriculture Enhancement Portfolio Allocation:	\$27,774,000
Grant Income (through FY28):	\$738,925
Total Portfolio Allocation:	\$28,512,925
Projected Project Expenditures (life of project):	
01-004 Remediation Plan and Ranch Debris Clean Up, Madonna Creek Ranch	(\$419,791)
01-005 Johnston Ranch Land Acquisition	(\$4,947,100)
01-006 Madonna Creek Habitat Enhancement, Water Supply and Bridge Replacement	(\$1,141,096)
01-007 Alves Property Open Space Acquisitions*	(\$2,600,000)
Total Portfolio Expenditures:	(\$9,107,987)
Portfolio Balance Remaining (Proposed):	\$19,404,938

**If budget adjustment approved*

PRIOR BOARD AND COMMITTEE REVIEW

The Real Property Committee did not review the purchase due to the compressed timeline of this acquisition.

PUBLIC NOTICE

Public notice was provided as required by the Brown Act, and a copy of this agenda was mailed to property owners of land located adjacent to or surrounding the Property.

NEXT STEPS

Upon approval by the Board, staff would proceed with the close of escrow for the purchase of the Alves Properties by March 28, 2025, and take the next steps identified in the PUMP as contained in this report. Redevelopment of the Commercial Property as a Coastal Area Field Office will be added as a project to the District Capital Improvement and Action Plan beginning with the planning and design phase. The District's Skyline Field Office would manage the Open Space Properties as an addition to the Miramontes Ridge OSP.

Attachment(s)

1. Resolution Authorizing Acceptance of Purchase and Sale Agreements, Amending the Fiscal Year 2024-25 Measure AA and General Fund Capital Budget, Authorizing the General Manager or Other Officer to Execute Certificates of Acceptance of Grant to District, and Authorizing the General Manager to Execute any and all Other Documents Necessary or Appropriate to Closing of the Transactions
2. Alves Properties Location Map

Responsible Department Head:
Allen Ishibashi, Real Property Manager

Prepared by:
Aaron Peth, Real Property Planner
Allen Ishibashi, Real Property Manager

Contact person:
Aaron Peth, Real Property Planner

Graphics prepared by:
Anna Costanza, GIS Technician

RESOLUTION 25-__

RESOLUTION OF THE BOARD OF DIRECTORS OF MIDPENINSULA REGIONAL OPEN SPACE DISTRICT AUTHORIZING EXECUTION OF PURCHASE AND SALE AGREEMENTS, AMENDING THE FISCAL YEAR 2024-25 MEASURE AA AND GENERAL FUND CAPITAL BUDGET, AUTHORIZING GENERAL MANAGER OR OTHER APPROPRIATE OFFICER TO EXECUTE CERTIFICATES OF ACCEPTANCE AND GRANT TO DISTRICT, AND AUTHORIZING GENERAL MANAGER TO EXECUTE ANY AND ALL OTHER DOCUMENTS NECESSARY OR APPROPRIATE TO CLOSING OF THE TRANSACTIONS (LANDS OF ALVES APNS 066-093-270, 066-093-280, 066-430-100, and 066-430-110)

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 Agreements (Agreements) between the Alves Property Owners (which includes successors in interest designated in an Owners’ Agreement dated 2024), and the Midpeninsula Regional Open Space District, a copy of which Agreements are 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 Agreements and all related transactional documents on behalf of the District to acquire the real property described therein, Assessor’s Parcel Numbers 066-093-270, 066-093-280, 066-430-100, and 066-430-110 (Alves Properties).

SECTION TWO. The Board of Directors of Midpeninsula Regional Open Space District authorizes the expenditure of \$8,100,000.00 covering the purchase of the Alves Properties, including three deposits of \$50,000.00 (for a total of \$150,000.00).

SECTION THREE. The Board of Directors of Midpeninsula Regional Open Space District does hereby amend the Budget and Action Plan for the Midpeninsula Regional Open Space District for Fiscal Year 2024-25 by increasing the Measure AA Fund Capital budget in the amount of \$2,600,000.00 and the General Fund Capital budget in the amount of \$5,500,000.00. Except as herein modified, the FY 2024-25 Budget and Action Plan, Resolution No. 24-18 as amended, shall remain in full force and effect.

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

SECTION FIVE. The General Manager or the General Manager’s designee (Real Property Manager) is authorized to provide notice of acceptance to the seller, execute all escrow docs, and to extend escrow if necessary.

SECTION SIX. The General Manager and General Counsel are further authorized to approve any technical revisions to the attached Agreements and documents, which do not involve any material change to any term of the Agreements 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 January 22, 2025, at a regular meeting thereof, by the following vote:

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

ATTEST:

APPROVED:

Zoe Kersteen-Tucker, Secretary
Board of Directors

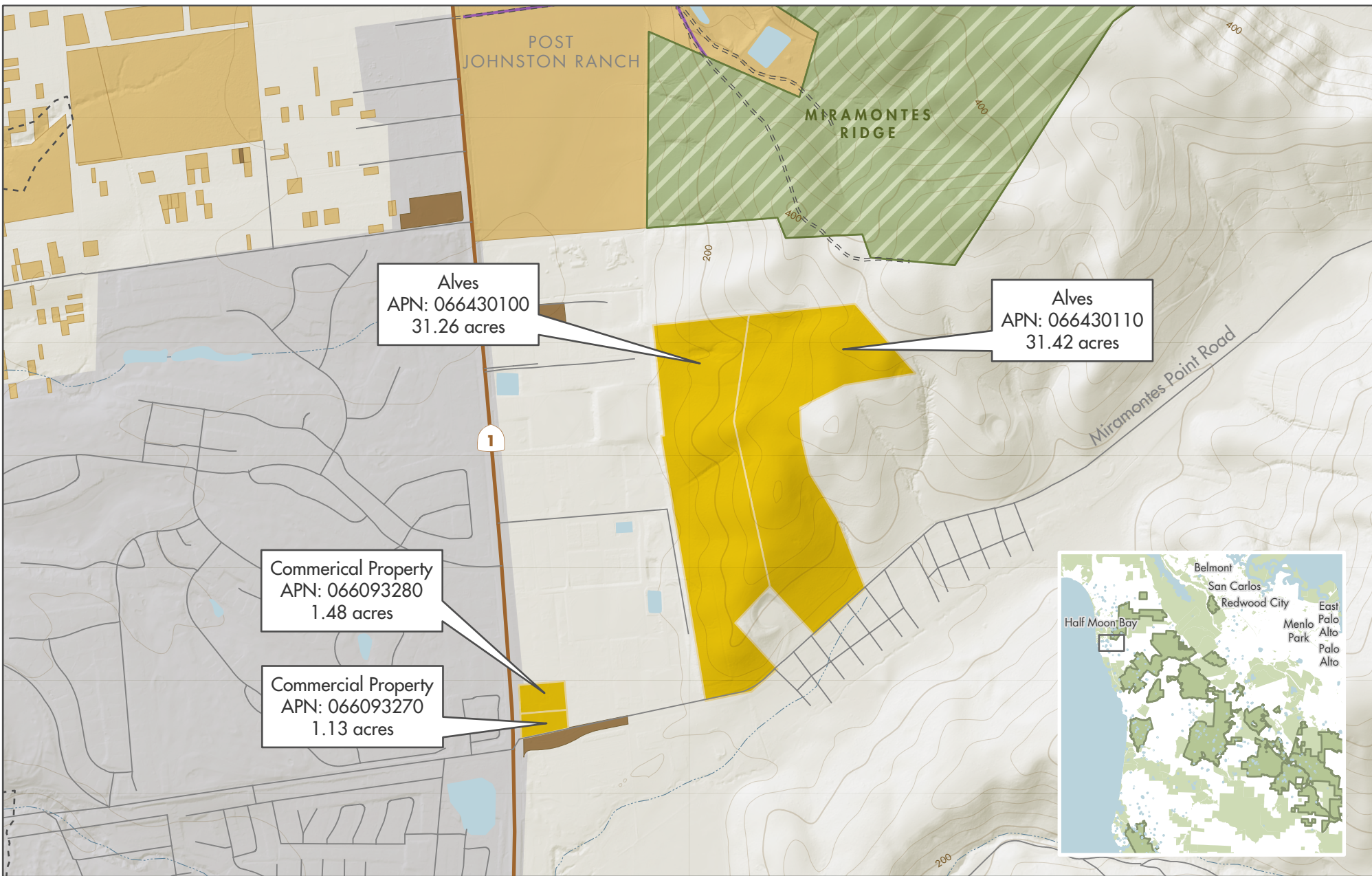
Jed Cyr, President
Board of Directors

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.

Maria Soria, District Clerk



Alves Properties

- Midpen preserve
- Watershed land
- Alves properties
- Other protected lands
- Land trust
- Private property
- Other public agency

ATTACHMENT 2

Midpeninsula Regional
Open Space District
(Midpen)
11/22/2024

