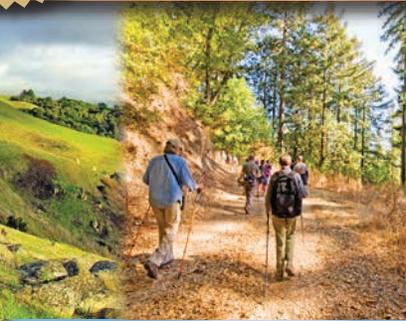




A N N U A L



U P D A T E



## GENERAL MANAGER'S MESSAGE

Over the past year, the District has made innovative organizational changes to meet the needs of an evolving operational, natural, and social environment. In 2014, with the passage of Measure AA, the public voted for an open space vision that increases protection of natural resources and accelerates completion of public access projects. On behalf of our Board and staff, I am pleased to report that we are working hard to meet your expectations in these areas while also increasing critical habitat restoration projects and providing programs and services to our District's many communities.

In order to keep the promises made to the public with the passage of Measure AA, the District conducted an analysis of its current capacity and future needs, and strategically restructured to create a new Engineering & Construction team, a chief financial officer position and an IT manager position. In parallel, our Operations department was reorganized into two departments: a Visitor Services department that includes our dedicated ranger staff as well as docent and volunteer programs; and a Land & Facilities department for our talented trail builders, maintenance teams, as well as property management and facilities management functions.

This redesign of the organization is already showing great promise. We are proud to report that we have accelerated delivery of Measure AA projects and are now targeting the opening of three closed areas over the next three years: the summit of Mount Umunhum (mid-2017), Lower La Honda Creek (late-2017), and western Bear Creek Redwoods (late-2018). In addition, we are undertaking major trail projects to fill in gaps and create connections in the regional trail network, including the Bay Area Ridge Trail and San Francisco Bay Trail. At the same time, we are working toward securing additional property to allow for a future Purisima-to-the-Sea Trail.

To ensure sustainable growth and steward public resources, we refinanced two issues of prior bonds and issued refunding bonds as the District's first "green bonds," saving the public \$15.7 million dollars.

An astounding 65% of these bonds were sold in the retail market to individuals and families who chose to invest in the District via these green bonds. Prior to the sale of the bonds, the District received AAA credit ratings from both Fitch and Standard & Poor's, a reflection of our strong management, financial position, and solid tax base.

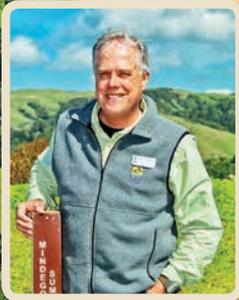
Protecting and restoring natural habitat is an important component of our work. This year, we completed a 10-year Sudden Oak Death study and funded another 10 years of study so that we can lead in the effort to help slow the spread of this disease and its damage to our wildlands and wildlife. We launched an effort with multiple partners to create a wildlife corridor under Highway 17 at the edge of Los Gatos in the Santa Cruz Mountains that will help sustain wildlife populations over the long term by reducing kills by automobiles and minimizing local extinction caused by inbreeding, as well as increasing safety for drivers on Highway 17.

We have also adapted to our changing social environment. For an increasingly tech-savvy audience, we redesigned our website and created downloadable PDF maps that can help visitors track their treks. We've created innovative programming to bring underserved populations to open space preserves and connect young people with redwood forests.

Meanwhile, we have continued to grow and nurture all of our existing programs, including community outreach, volunteer enrichment, docent-led activities, events for youth and families, scientific research, and our core work of protecting humans and wildlife alike throughout our 26 preserves. We are grateful for your support and your trust in us as we accomplish this work on behalf of the public. We look forward to fulfilling the vision we share, one in which every person in our region enjoys improved mental and physical health, clean air and water, free outdoor activities, the biodiversity we need to survive, and all the countless other benefits of living in a thriving natural environment.



STEPHEN E. ABBORS  
General Manager



### Innovation @ Midpen

In 2015-16, we adapted to a rapidly changing environment by:

- Installing and studying fog catching devices, which can be used to sustain wildlife during unprecedented droughts.
- Using mountaintop reclamation techniques to rebuild Mount Umunhum, restoring this peak to its natural contours prior to its use as an Air Force base between 1958 and 1980.
- For the first time in District history, issuing "green bonds" and making them available to a retail market, giving local residents an opportunity to invest directly in their open space.



# CONNECTING WITH NATURE THROUGH TECHNOLOGY

In open space, visitors can unplug from the buzzes and chimes of their digital devices to fully enjoy the sights and sounds of nature, but technology can play an important role in the planning, conservation, protection and use of open space. As technology continues to improve, the District has looked for new ways these advancements can help us protect and enjoy open space.

## Website Upgrade and Accessibility

Midpen launched its revamped website in June 2015. This project involved updating the District's website platform for ease of use, mobile accessibility, and system stability.

**Quick Fact: Openspace.org receives 1.4 million page views a year**

## Digital GeoPDF Maps

Midpen's trail maps were redesigned and are available as GeoPDF® files. This new spatially-enabled format provides greater detail and consistency, allows for better trail navigation using GPS, and is easily downloaded to any smart device. Users enjoy the map's new ability to save placemarks, track distance and elevation, and staff appreciates the simplification of map production and edit integration.

## iNaturalist

Staff and visitors have begun documenting their observations using iNaturalist.org, a website with a downloadable mobile device app, which brings naturalists and citizen scientists together to identify and document their field notes. The app is available for all users, and some Midpen staff contributed over 500 observations in just a few months!



## COMMUNITY RELATIONS AND VISITOR SERVICES

Last fiscal year, Midpen partnered in numerous initiatives in outdoor education, creating change in communities of all types, and inspiring the next generation of environmental stewards. Through collaborative events and activities with partners, we worked together toward making the Peninsula and South Bay a better place for all our residents. The highlights include:

- Partnered with Latino Outdoors on a pilot program to provide transportation and a one-day outdoor activity in a preserve for Latino families
- Initiated a new collaborative field trip program with Save the Redwoods League to provide local high school students with field learning experiences focused on redwood forest ecology and climate change issues
- Provided docents and funding for transportation in a new partnership with Bay Area Older Adults, a nonprofit organization that provides outdoor hiking and nature study experiences for active older adults
- Hosted six Walk with a Doc events at different preserves, in partnership with the San Mateo County Medical Association, for people of all fitness levels



## Visitor Safety and Maintenance

Over the course of the District's 44-year history, Patrol and Maintenance staff have been assigned to ensure a safe and enjoyable visitor experience. In addition to responding to over 220 incidents, staff completed fire protection and safety services such as road maintenance, trail brushing, and bridge inspections.

## VOLUNTEERS BY THE NUMBERS

Volunteers make open space possible. Over 600 dedicated volunteers are the very heart of efforts to promote and accomplish Midpen's mission and vision.

**287**

Guided Activities

**56**

Community Events Attended

**3,060**

Visitors Greeted by Nature Center Hosts

**43**

School Classes Participated in Spaces and Species Field Trips

**40**

New Trail Patrol Volunteers Recruited and Trained

**22**

New Activity Docents Graduated from a 12-week Training Course

**19,965**

Total Volunteer Hours

**\$536,460**

Fiscal Value (\$26.87/hr as determined by Independent Sector)

# PROJECT HIGHLIGHTS

In 2015-16, Midpen launched and accelerated a wide variety of critical short- and long-term projects through a newly re-engineered project delivery system and support from Measure AA, the 2014 open space bond. To learn more, visit [www.openspace.org/our-work/current-projects](http://www.openspace.org/our-work/current-projects).

## Bear Creek Redwoods Open Space Preserve

- Conducted 6 public meetings with 300+ attendees
- Completed cultural resources evaluation, rehabilitation plan for Alma College, and site plan for stables
- Substantially completed the Preserve Plan and Draft Environmental Impact Report
- Scoped construction plans for a new parking area with ADA trail, restroom, and pedestrian crossing
- Volunteers devoted 1,103 hours to habitat restoration

## La Honda Creek Open Space Preserve

- Added 384.43 acres
- Began design of the Sears Ranch Parking Area and site planning for the historic Red Barn Area
- Fixed roads and culverts to prevent sedimentation, and repaired failing ponds



- Provided design and pre-construction support for two habitat restoration projects in San Gregorio Creek
- Completed grazing infrastructure improvements
- Volunteers devoted 310 hours to habitat restoration

## Land Acquisition & Preservation

- Purchased, exchanged, or partnered with other conservation agencies to protect over 638 acres of open space lands with \$1.5 million in partnership funds and a \$205,000 gift of land
- Preserved 340 acres of land on San Mateo County's Coastside
- Received \$740,000 in partnership funds from Santa Clara County Parks to purchase the 60-acre Lysons property, which secures the lands needed for the Upper Stevens Creek Trail

## Public Access

- Dedicated the Herb Grench Trail and Overlook in Windy Hill
- With partners, resurfaced a 1,925-foot segment of the San Francisco Bay Trail
- Identified trail corridors for future Purisima-to-the-Sea and Upper Stevens Canyon Trails
- Began project scoping for the re-opening of Alpine Road at Coal Creek
- Finalized the construction plans for the new Oljon Trail and bridge crossing at El Corte de Madera Creek

## Ravenswood Open Space Preserve

- Co-hosted the Cooley Landing Educational Center grand opening with honored speakers, Congresswomen Anna Eshoo and Jackie Speier
- Secured a \$1 million grant from San Mateo County's Measure A funds to fill a critical gap in the San Francisco Bay Trail
- Partnered with local cities, the San Francisco Bay Trail, and Facebook to host public meetings
- Finalized the San Francisco Bay Trail route and entered into a contract for trail design and engineering services



## Sierra Azul Open Space Preserve: Mount Umunhum and beyond

- Added 224 acres
- Completed 4.8 miles of trail to the summit
- Recontoured the summit, returning it to a more natural state
- Completed the road, summit, wayfinding and interpretive plans for Mount Umunhum



## Russian Ridge Open Space Preserve: Mindego Hill

- Held the grand opening dedication event for Mindego Hill and Mindego Hill Trail
- For the first time in District history, provided public access alongside conservation grazing
- Completed and dedicated the new Ancient Oaks Trail Extension
- Completed grazing infrastructure projects
- Volunteers devoted 700 hours to habitat restoration and access projects

- Surveyed and mapped rare plants and collected native seeds for restoration planting
- Obtained road rights to make safety improvements and provide public access to the summit
- Received \$1.5 million from the Santa Clara Valley Water District to protect and restore Hendrys Creek
- Volunteers devoted 700 hours to access projects



## Natural Resources Protection and Restoration

- Completed the El Corte de Madera Creek Watershed Protection Program, a comprehensive program to protect the San Gregorio Creek Watershed from erosion and sedimentation caused by an extensive network of old logging roads
- Completed a 10-year Sudden Oak Death (SOD) research and management analysis. Approved a new 10-year SOD Management Plan to prevent and treat nursery root pathogens
- Initiated a Highway 17 feasibility study for a new wildlife passage and Bay Area Ridge Trail crossing
- Completed the Integrated Pest Management work plan for first-year implementation
- Provided assistance and review to the Amah Mutsun Tribal Band ecologist to create an educational native plant garden
- Continued to oversee the District's Resource Management Grant Program funded research projects, including the UC Santa Cruz Puma Project, and the Central Coast Rangeland Coalition
- Completed grazing infrastructure projects at Big Dipper, Tunitas Creek, October Farm, McDonald Ranch, and Purisima-to-the-Sea properties
- Provided presentations to UC Elkus Ranch Camp, Park Rangers Association of California, and Central Coast Rangeland Coalition on conservation grazing practices; and hosted the Cal-Pacific Section of the Society for Range Management

# FINANCIAL OVERVIEW



This year's District tax revenue growth and other data will not be comparable to prior years as Midpen adjusted its fiscal year from April 1 – March 31, to July 1 – June 30, which added an additional three months to this budget cycle, resulting in a fifteen-month reporting period.

Driven by the continued strong economy in Silicon Valley, Midpen property tax revenues again increased above its long-term trend line in Fiscal Year 2015-16. The assessed valuation of secured and unsecured property within the District, as of June 30, 2016, increased by 10.1%.

District expenditures totaled \$58.71 million and remained within the budget approved by the District Board of Directors. Excluding land purchases and debt service, total expenditures were \$34.56 million, which is \$3.68 million or 9.5% below the final adjusted budget. Of the \$18.98 million in land purchases and capital expenditures, \$15.44 million was funded by Measure AA bonds. As in most recent years, a large majority of the budget variance was due to delays and deferrals of capital projects.

Significant financial events include:

- The issuance of \$45 million of Measure AA General Obligation (GO) bonds
- Tax revenue related to the GO bonds amounted to \$1.78 million
- Midpen made a \$3 million pre-payment to CalPERS towards the District's unfunded pension liability. The savings from this payment is projected to save the District \$3.3 million spread over the next 20 years
- Committed Reserves for Infrastructure were increased by an additional \$15 million to better reflect Midpen's future facilities requirements in support of the implementation of Measure AA projects
- Purchased \$13 million of land and associated structures funded through Measure AA GO bond proceeds

## Measure AA Bonds

In August 2015, the District sold its first series of Measure AA bonds for \$45 million out of the available \$300 million. For Fiscal Year 2015-16, \$15.44 million of Measure AA funds were used. The current tax rate is \$0.66 per \$100,000 of assessed property value, substantially below the original estimate of \$1.00!

## Organizational Change and Growth

To support Midpen's commitment to carrying out Measure AA projects, the District completed an evaluation of its structure, capacity, and financial sustainability. The resulting Financial and Operational Sustainability Model (FOSM) Report was a proactive effort to address the changing demands of the organization. Midpen has already begun to implement key strategic recommendations from this study including:

- Division of the Operations Department into the Visitor Services and Land and Facilities Services Departments.
- Changing the fiscal year-end date from March 31 to June 30.
- Hiring of key positions, including Information Services and Technology Manager, Engineering and Construction Manager, and Chief Financial Officer/Director of Administration Services.

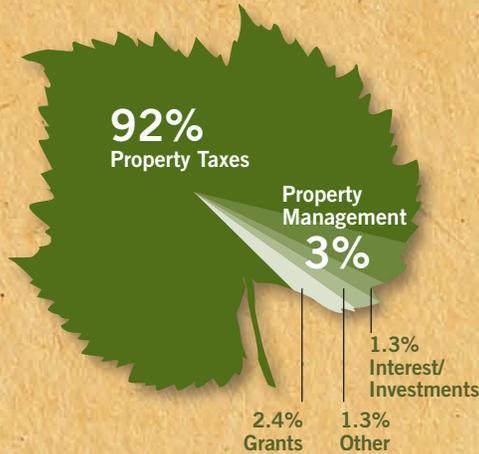
## Information Technology Master Plan

Midpen IT has made significant strides in our collective efforts to foster innovation, improve shared IT services, and prepare for the future. The creation of a new IT Master Plan includes the development of general IT project guidelines for the next five years, such as:

- Firewall and hardware replacements and upgrades
- Implementation of Windows 10 and Office 2016/Office 365, including project management and collaboration software.

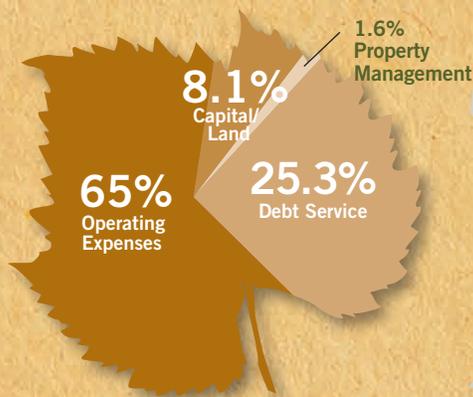
## Revenue: \$49.12 million

Property Taxes	\$44.98M
Property Management	\$1.64M
Interest/Investments	\$0.67M
Other Revenue	\$0.64M
Grants	\$1.19M



## Expenditures – General: \$42.85 million

Operating Expenses	\$27.85M
Capital/Land	\$3.46M
Property Management	\$0.70M
Debt Service	\$10.84M



## Expenditures – Measure AA: \$15.85 million\*

Operating Expense**	\$0.41M
Capital/Land*	\$15.44M

\* net value based on \$1,010,970 received from Grants and other contributions.

\*\* capital reimbursement for projects constructed by District personnel

# THE FUTURE

## Bear Creek Redwoods

Located just off Highway 17 in Los Gatos, Bear Creek Redwoods offers tranquil redwood forests near the urban center and a rich cultural history. The site includes the former Alma College campus site and was once the grounds for an extensive estate. It also features Bear Creek Stables for horseback riding and boarding. Midpen is working to open this site complete with a new parking area, pedestrian road crossing, restroom, ADA trail and trailhead, as well as rehabilitating the Alma College site and stables area. Eventually, 15 miles of trail will be open in this preserve, including an important throughway for mountain bike riders.



Creek near the town of La Honda, where the District is building a parking lot, trailhead, and vault toilet, and later at Upper La Honda Creek where the iconic Red Barn is located. Altogether, 20 miles of trail will open at this Preserve, which will offer rich interpretive experiences of the site's natural and agricultural histories.

## Ravenswood

Midpen is working with partners to fill a critical gap in the San Francisco Bay Trail. When filled, 80 miles of continuous trail will connect the communities of East Palo Alto and Belle Haven to other parts of the Bay Area through this premier regional trail.



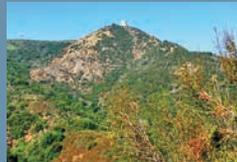
## Highway 17 Safe Passages Project

Highway 17, near Los Gatos, is dangerous to both wildlife and motorists who try to navigate an increasingly busy stretch of narrow highway. This project will create ways for both wildlife and hikers to cross Highway 17 and will also improve safety for motorists. The crossing construction will require extensive planning and collaboration with partners to build support for this project, identify funding, connect lands, and build the crossings.



## Sierra Azul: Mount Umunhum

Mount Umunhum is often referred to as the "resting place of the hummingbird," the central figure in the Amah Mutsun creation story, a story which began at that very summit. With its high altitude and dramatic weather conditions, Mount Umunhum is home to many unique and unusual plants, including wildflowers that last through the summer, and soaring, height-loving insects and birds. Midpen is creating an ADA-accessible site at the summit, including a parking lot, trailhead, two weather shelters, stone viewing coves, and a ceremonial circle. The summit will also feature interpretive materials that tell the cultural, military, and ecological stories of the mountain.



## La Honda Creek

Midpen's second largest Preserve, La Honda Creek, is currently open to the public by permit only. Midpen is opening this Preserve in stages, first at Lower La Honda



**Mission Statement:** To acquire and preserve a regional greenbelt of open space land in perpetuity, protect and restore the natural environment, and provide opportunities for ecologically sensitive public enjoyment and education.



## Midpeninsula Regional Open Space District Board of Directors



Midpen is governed by a seven-member Board of Directors. The District is divided into seven geographic wards, each represented by an elected Board member for a four-year term. The District itself consists of San Mateo, Santa Clara, and parts of Santa Cruz counties.

Board of Directors (left to right): Jed Cyr, Ward 3; Nonette Hanko, Ward 5; Cecily Harris, Ward 7; Larry Hassett, Ward 6; Pete Siemens, Ward 1; Yoriko Kishimoto, Ward 2; Curt Riffle, Ward 4.



330 Distel Circle  
Los Altos, CA 94022  
650-691-1200  
[www.openspace.org](http://www.openspace.org)

