

COASTAL CONSERVANCY

Staff Recommendation
March 2, 2006

STEVENS CANYON RANCH ACQUISITION

File No. 06-006
Project Manager: Amy Hutzel

RECOMMENDED ACTION: Authorization to disburse up to \$500,000 to the Midpeninsula Regional Open Space District for the acquisition of the 238-acre Stevens Canyon Ranch for the protection and restoration of natural resources and to provide public access.

LOCATION: Stevens Canyon Road, adjacent to Saratoga Gap Open Space Preserve, west of the City of Saratoga in western Santa Clara County (Exhibit 1).

PROGRAM CATEGORY: San Francisco Bay Area Conservancy

EXHIBITS

- Exhibit 1: Project Location and Site Maps
 - Exhibit 2: Photographs
 - Exhibit 3: Letters of Support
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RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31160-31164 of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes the disbursement of an amount not to exceed five hundred thousand dollars (\$500,000) to the Midpeninsula Regional Open Space District (“District”) for the purpose of acquiring Santa Clara County Assessor Parcel Nos. 503-04-001, 503-05-016 and -039, and 503-06-024, known as the Stevens Canyon Ranch (“property”), consisting of 238 acres, subject to the following conditions:

1. Prior to the disbursement of funds for the acquisition, the District shall submit for the review and approval of the Executive Officer of the Conservancy (“Executive Officer”):
 - a. All relevant acquisition documents, including without limitation, a current appraisal, purchase agreement, escrow instructions, environmental or hazardous materials assessment and title report.

- b. Evidence that sufficient funds are available to complete the acquisition.
2. The District shall pay no more than fair market value for the property.
3. The District shall permanently dedicate the property for habitat preservation, open space protection and public access, through an irrevocable offer to dedicate an interest in the property or other instrument approved by the Executive Officer, and maintain the property to allow public access.
4. Conservancy funding shall be acknowledged by erecting and maintaining a sign on the property, the design and location of which has been approved by the Executive Officer.”

Staff further recommends that the Conservancy adopt the following findings:

“Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

1. The proposed project is consistent with the purposes and objectives of the San Francisco Bay Area Conservancy Program, Chapter 4.5 of Division 21 of the Public Resources Code Sections 31160-31164.
2. The proposed project is consistent with the Project Selection Criteria and Guidelines adopted by the Conservancy on January 24, 2001.”

PROJECT SUMMARY:

This project will result in the acquisition by the Midpeninsula Regional Open Space District (“District”) of the 238-acre Stevens Canyon Ranch (“property”) and inclusion within the 1,305-acre Saratoga Gap Open Space Preserve owned and managed by the District.

Readily accessible from nearby communities, Stevens Canyon Ranch lies at the heart of over 6,720 acres of public land in the upper Stevens Creek watershed. The property’s strategic location along Stevens Canyon Road between Saratoga Gap Open Space Preserve, Monte Bello Open Space Preserve, and the County of Santa Clara’s Stevens Canyon Park make it an ideal site for a public staging area. The property provides excellent opportunities for visitors to access regional trails. The first trail would start at the property, cross Stevens Creek, and ascend to the planned Stevens Creek Trail between Monte Bello Open Space Preserve and Stevens Creek County Park. The partially-completed and heavily-used Stevens Creek Trail will eventually connect the Bay Area Ridge Trail with the San Francisco Bay Trail. The second trail would extend from the property’s northwestern boundary through Saratoga Gap Open Space Preserve south to the Bay Area Ridge Trail. This new trail would connect with the chain of parks and preserves along Skyline Boulevard and the California State Parks’ “Skyline to the Sea” trail through Castle Rock and Big Basin State Parks.

The property’s outstanding recreational, natural, and cultural resources also make it an attractive destination in itself. Stevens Canyon Ranch is made up of a mix of riparian habitat, redwood forest, oak woodland, grassland, and mixed evergreen forest, and provides habitat for two special

status plants. The property has been a family ranch since the 1890s, and the original stone winery with upper residence, weathered outbuildings, five acres of productive orchard, ranch roads that form a ready made trail system, and a large family picnic area still exist, although the original 40 acres of vineyard have disappeared. The District will conduct a planning process before opening the property to visitors, and in the future may add an environmental/cultural education center to interpret the property's natural and agricultural history.

The property is zoned to allow development of up to seven homes. The Peninsula Open Space Trust ("POST") matched an offer on the property from a buyer who intended to build a large new home. The former owners (the Jones, Glendenning and Becker families) entered into negotiations with POST, which successfully purchased the property in December of 2004 for \$6,600,000. POST is seeking a \$1.6 million contribution towards their land purchase from the Santa Clara Valley Water District and, if successful, will be including deed restrictions that ensure watershed protection in perpetuity and selling the property to the District for \$5,000,000. The District is currently managing the property under an agreement with POST. In order to prevent a sale for private development and secure the property's future as a part of the Saratoga Gap Open Space Preserve, the District must raise the funds to purchase it from POST

The District manages approximately 50,000 acres of lands in 25 Open Space Preserves in San Mateo and Santa Clara Counties, and is fully capable of managing the new addition. The District's purpose is to purchase, permanently protect, and restore lands forming a regional open space greenbelt, preserve unspoiled wilderness, wildlife habitat, watershed, viewshed, and fragile ecosystems, and provide opportunities for low-intensity recreation and environmental education. The District has worked with the Conservancy on numerous projects and is an experienced partner in achieving compatible conservation goals.

Site Description: The property is located adjacent to the Saratoga Gap Open Space Preserve off of Stevens Canyon Road west of the City of Saratoga in western Santa Clara County. The property is easily accessible from nearby urban areas and is a short drive from Highway 280 in Cupertino or Highways 85 and 9 in Saratoga. The City of San Jose is approximately 10 miles to the south and San Francisco is approximately 40 miles to the north.

The property is surrounded by 6,720 acres of publicly owned and protected lands in the upper portion of Stevens Canyon. The 1,305-acre Saratoga Gap Open Space Preserve lies to the east and the south and the 1,077-acre Stevens Creek County Park and 3,021-acre Monte Bello Open Space Preserve lie just on the other side of Stevens Creek and Stevens Canyon Road from the property. The property is perfectly situated for creation of a new staging area, providing access from Stevens Canyon Road to the upper Stevens Creek watershed. The lower part of the property is fairly flat, a rarity in this steep-sided canyon. The upper part of the property is steep, rising about 1,000 feet between Stevens Creek and the boundary with Saratoga Gap Open Space Preserve.

In addition to serving as a staging area for the upper Stevens Creek watershed, the property's recreational, cultural, and natural resources are outstanding on their own. Habitats include a dense riparian zone along Stevens Creek, redwood forest (including a large stand of old growth redwood), orchard, grassland, oak woodland, and mixed evergreen forest. Grassy knolls with

dense clumps of purple needlegrass create openings in the forest with wide ranging views. Rare Santa Clara Red Ribbons (*clarkia concinna ssp. automaxia*) decorate moist shaded areas along forest edges. Water rich swales near the creeks are carpeted with ferns. The many edges between these habitats, abundant water from numerous springs and creeks, and the secluded rugged terrain support a variety of wildlife.

Stevens Canyon serves as the upper watershed of Stevens Creek, a 20 mile waterway and one of the most natural streams on the peninsula. From its headwaters high on the slopes of Monte Bello Open Space Preserve and Upper Stevens Creek County Park, it flows through the steep sided box canyon, past the subject property and through Stevens Creek County Park, into Stevens Creek Reservoir and then through Cupertino, Los Altos, Sunnyvale, and Mountain View, before entering San Francisco Bay.

The property has the additional asset of interesting cultural resources. Bastido Bordi bought the property in 1881, clearing and cultivating about 100 acres. He planted an orchard and vineyard and started a small family winery. His original main house, built atop a stone walled wine cellar, still stands as the central building on the property. The orchard includes many productive pear, plum, walnut, and apple trees. The attractive family picnic area has several tables next to the creek, as well as a water system, outdoor fireplace, and a restroom. Mortar holes for grinding acorns are evidence of even earlier occupation by Ohlone Indians.

Well maintained ranch roads form a ready made trail system with two main hiking trails. One passes the historic buildings and orchard and ascends to a vista point on the eastern edge of the property. The second heads towards the creekside picnic area, then follows the creek up towards the northwestern boundary on the road leading to a neighboring subdivision.

Project History: The District has long been cooperating with Santa Clara County to purchase properties and trail rights along Stevens Canyon Road, with the goals of increasing public open space in the Stevens Creek Watershed and protecting the canyon from further development. The District's Master plan in 1978 rates the lands bordering Stevens Canyon Road, including the property, in the moderate to highest category for acquisition as open space. The Stevens Canyon Ranch property was identified in the District's 1998 Regional Open Space Study (a blueprint for the District's objectives for the ideal future of parks and open space in the region) as "land worth considering for open space protection".

In December of 2004, POST purchased the property from the Jones, Glendenning and Becker families for \$6,600,000. POST had matched an offer on the property from a buyer who intended to build a large new home on the grassy ridge which provides views of neighboring parklands and is habitat for a rare plant, San Francisco lacewing (*Nothochrysa californica*). The property is zoned HS (Hillside), allowing one dwelling unit per 160 acres. If the development is clustered, the allowable density is based on the average steepness of the property. The property is considered developable for up to seven homes and would be easy to develop due to the access along Stevens Canyon Road, developed interior roads, and desirable home sites.

POST does not have the resources to hold and manage the property. The District is currently managing the property under an agreement with POST. In order to prevent a sale for private

development and secure the property's future as a part of the Saratoga Gap Open Space Preserve, the District must raise the funds to purchase it from POST. If sold on the open market, the property would most likely be developed for high-end homes, compromising its scenic and recreation value, as well as creating a major intrusion on trail and habitat corridors.

PROJECT FINANCING:

Coastal Conservancy *	\$500,000
Midpeninsula Regional Open Space District	\$3,259,682
Roberti-Z'berg Harris Block Grant	\$1,240,318
Santa Clara Valley Water District **	<u>\$1,600,000</u>
Total Property Cost	\$6,600,000

* The District had requested \$1,000,000 in funds from the Conservancy, as reflected in the support letters (Exhibit 3). Based on the high need throughout the nine-county Bay Area for remaining San Francisco Bay Area Conservancy Program funds, staff recommends the authorization of \$500,000 to the District for the acquisition of the property.

** Funding from the Santa Clara Valley Water District is speculative and, in the event it is not obtained, the Midpeninsula Regional Open Space District's contribution will increase to \$4,859,682.

The expected source of the proposed grant is the FY 04/05 appropriation made to the San Francisco Bay Area Conservancy Program pursuant to the California Clean Water, Clean Air, Safe Neighborhood Parks and Coastal Protection Act of 2002 (Proposition 40), which allocates bond funds to the San Francisco Bay Area Conservancy Program in the Coastal Conservancy for the purposes of Division 21 of the Public Resources Code. Consistent with the purposes of this funding source, the proposed project would assist in the acquisition of land and water resources in accordance with the provisions of Division 21, Chapter 4.5 (see "Consistency with Conservancy's Enabling Legislation" section below). Proposition 40 requires the Conservancy give priority to projects that include a commitment for a matching contribution, such as that being provided by the District, POST, and other sources.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

This project is undertaken pursuant to Chapter 4.5 of the Conservancy's enabling legislation, Public Resources Code Sections 31160-31164, to address resource and recreational goals in the San Francisco Bay Area.

The Stevens Canyon Ranch Property is located in Santa Clara County, one of the nine San Francisco Bay Area counties in which the Conservancy is authorized, under Sections 31160 and 31162 of the Public Resources Code, to undertake projects and award grants to address resource and recreational goals for the region.

Under Section 31162(b), the Conservancy may act to protect, restore, and enhance natural habitats and connecting corridors, watersheds, scenic areas, and other open space resources of regional significance. The proposed project will protect 238 acres of watershed land containing riparian habitat, redwood forest, oak woodland, grassland, and mixed evergreen forest. It will become part of the 1,290-acre Saratoga Gap Open Space Preserve, home to numerous native wildlife species.

In addition, consistent with Section 31162(d), the project will provide open space and a natural area that is accessible to the urban population of the San Francisco Bay Area for recreational and educational purposes. The property will act as an entrance for adjacent protected lands as well as a recreational resource in its own right, with trails and picnic areas enabling visitors to enjoy the historical and cultural resources, scenic views, and natural habitats.

Finally, acquisition of this property, including it within Saratoga Gap Open Space Preserve, and opening it to public access satisfies all of the criteria for determining project priority under Section 31163(c), as follows: The project (1) is supported by adopted regional plans; (2) serves a regional constituency, in that the project will help preserve habitat and provide public access for the benefit of the population of the San Francisco Bay Area, (3) can be implemented immediately; (4) provides benefits that would be lost if the project is not quickly implemented; and (5) includes significant matching funds.

CONSISTENCY WITH CONSERVANCY'S STRATEGIC PLAN GOAL(S) & OBJECTIVE(S):

Consistent with **Goal 10 Objective A**, the proposed project will result in the acquisition of 238 acres of upland habitat, including significant riparian and creek habitat. Also, consistent with this goal, the project leverages \$500,000 of Conservancy funding for a \$6,600,000 acquisition.

Consistent with **Goal 11 Objective A**, the proposed project will result in a significant increase in land that will be accessible to the public for recreational purposes.

CONSISTENCY WITH CONSERVANCY'S PROJECT SELECTION CRITERIA & GUIDELINES:

The proposed project is consistent with the Conservancy's Project Selection Criteria and Guidelines adopted January 24, 2001, in the following respects:

Required Criteria

- 1. Promotion of the Conservancy's statutory programs and purposes:** See the "Consistency with Conservancy's Enabling Legislation" section above.
- 2. Consistency with purposes of the funding source:** See the "Project Financing" section above.
- 3. Support of the public:** The project has widespread public support, including that of Senator Simitian, Assemblyman Ruskin, the County of Santa Clara Parks and Recreation

Department, Bay Area Ridge Trail Council, Santa Clara Valley Water District, and the City of Cupertino Parks and Recreation Department. Letters of Support are attached as Exhibit 3.

4. **Location:** The property is located within Santa Clara County and within the jurisdiction of the San Francisco Bay Area Conservancy.
5. **Need:** The opportunity to secure this property would be lost without Conservancy support. Both POST and the District have committed all of the funds available to them at this time for this project.
6. **Greater-than-local interest:** The property, centered in 6,720 acres of public parks and open space preserves, is regionally significant with respect to recreation and natural resources. The property is perfectly positioned to be the gateway to the surrounding public lands and a regionally important staging area. Its strategic location makes it a key access point and link between the two main regional trails in the area, the Bay Area Ridge Trail and the San Francisco Bay Trail.

Additional Criteria

7. **Urgency:** POST purchased this property in December of 2004 with the intention of selling it to Midpeninsula Regional Open Space District, the current managers of the land under a license and management agreement. If not purchased, POST will have to decide whether to sell the property in order to repay its acquisition costs. The property would then be at risk of development for up to seven homes.
8. **Resolution of more than one issue:** Purchase of this property preserves habitat and open space, while providing a quality public access experience. The property has significant historical and cultural resources, as well as a mix of wildlife habitats. Acquisition and preservation of the property as open space also aids in the protection of water quality in Stevens Creek and enhances surrounding open spaces and parks.
9. **Leverage:** See the “Project Financing” section above.
12. **Readiness:** POST and the District have negotiated a transaction that is acceptable to all parties, funding has been identified and the project is ready to move ahead.
15. **Cooperation:** The project has garnered significant public support and is a cooperative effort between POST, the District, and the Conservancy to protect the property, and include it within the Saratoga Gap Open Space Preserve.

COMPLIANCE WITH CEQA: Acquisition of the Stevens Canyon Ranch property is categorically exempt from the California Environmental Quality Act (CEQA) in that it involves the acquisition of land for open space and wildlife habitat purposes and preserves existing natural conditions (14 Cal. Code of Regulations Section 15325). Staff will file a Notice of Exemption upon Conservancy approval of the project.