



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
County Manager



Date: July 15, 2016
Board Meeting Date: October 4, 2016
Special Notice / Hearing: 3-week publication
Vote Required: Majority

To: Honorable Board of Supervisors

From: John L. Maltbie, County Manager

Subject: Real Property Transfer Agreement between Peninsula Open Space Trust and the County of San Mateo for the Transfer of Assessor's Parcel Number 047-300-120, comprised of 21 acres at Pillar Point Bluff

RECOMMENDATION:

Adopt a resolution:

- A) Authorizing the President of the Board of Supervisors to execute a Transfer Agreement with Peninsula Open Space Trust for the transfer, at no cost, of Assessor's Parcel Number 047-300-120, consisting of approximately 21 acres at Pillar Point Bluff; and
- B) Authorizing the County Manager or his designee to sign escrow instructions and execute any and all notices, amendments, consents, approvals, deeds, certificates of acceptance and documents in connection with the Agreement as needed to comply with the intent of this Resolution and the Agreement

BACKGROUND:

In 2015, the Peninsula Open Space Trust (POST) acquired from the Thompson family approximately 21 acres at the Pillar Point Bluffs west of Highway 1. The property, also known as San Mateo County Assessor's Parcel Number 047-300-120 ("Property"), is shown in Exhibit A attached.

The Property is bordered to the southwest by the Pacific Ocean and to the northeast by the privately-owned Pillar Ridge Manufactured Home Community ("Pillar Ridge"). The Property is comprised of sandy clay soils, and in 2006, a landslide flowed down the slope of the Property and over the top of the retaining wall separating the Property from the Pillar Ridge Community club house. The slide did not cause any harm; however, a catchment wall was installed to help prevent further erosion issues. The Seal Cove

Fault is located along the base of the ridge of the Property and the Alquist Priolo Earthquake Rupture Zone runs along this fault.

There is a 20-foot public access easement that runs through the Pillar Ridge Manufactured Home Community and across the drainage canal along the westerly perimeter of the Pillar Ridge Community that supports access to the California Coastal Trail.

In 2011, the County acquired three parcels comprising 140 acres on either side of the Property. These parcels are managed to protect natural habitats and endangered species, and for public uses that are consistent with wildlife habitat preservation and coastal recreation.

As a condition of the transfer, the County will agree to ensure the permanent protection of the natural resource values and ecological integrity of the Property. The County will not have any payment obligation in connection with the acquisition other than closing costs. The Property will allow for low-density public recreation uses and the potential completion of the California Coastal Trail at Pillar Point Bluff. The County will also agree to complete hazardous tree removal, erosion control and trail maintenance work on the Property. POST, as the recipient of \$25,000 in grant funding from the Resources Legacy Fund, will refund costs and expenses incurred by the County for this work up to the \$25,000. The Department of Parks has completed most of the tree removal, but is waiting on permits to complete the remaining work.

POST received a \$450,000 grant from the California Coastal Conservancy ("Conservancy") to assist in the acquisition of the Property. The Grant Agreement included terms that require the protection of habitat, public recreation, and open space in perpetuity. Should it be deemed by the Conservancy that the terms are violated, the Conservancy reserves the right to take fee title to the Property. The terms of the Conservancy grant will be assigned to the County upon transfer of the property.

The Department of Parks is interested in accepting the donation of the Property and the assignment of the Conservancy grant. The grant gives the Conservancy rights to take title to the Property in the event that it is not used, operated or maintained for the specified acquisition purposes.

DISCUSSION:

The Real Property Division has reviewed the independent appraisal completed for POST which established a value of \$925,000, the Phase 1 Environmental Site Assessment, Transfer Agreement and Deed. The County is responsible for all closing costs and other expenses associated with completing the transaction.

Acquisition of the Property is categorically exempt under the California Environmental Quality Act (CEQA). A notice of exemption was filed August 16, 2016.

A Phase I Environmental Site Assessment completed for POST's acquisition did not conclude that there was any overt evidence of environmental contamination on the Property. POST has not performed any activities on the Property that would have modified the on-site conditions from those at the time of POST's acquisition. The County would acquire the property in an "as is" condition and would be responsible for the environmental condition of the property, without recourse against POST. The Department of Parks performed a physical inspection of the Property, but seismic, geotechnical, arborist and other testing and/or reports were not completed.

A finding that the acquisition conforms with the County's General Plan was made on April 8, 2015. A Notice of Intent to Purchase Real Property has been published once each week for three weeks in compliance with California law.

County Counsel has reviewed and approved the Transfer Agreement and the Resolution as to form. The Director of Parks concurs with this recommendation.

Approval of this Resolution contributes to the Shared Vision 2025 outcome of a Collaborative Community by working with POST to support the goal of preserving natural landscapes and open space, and recreational activities consistent with those goals along the coast in San Mateo County.

FISCAL IMPACT:

The County agrees to pay all hard costs and expenses payable in connection with the Closing and/or incurred by POST in connection with the transfer of the Property to County up to a maximum of Twenty Five Thousand Dollars (\$25,000.00). The Parks Department currently manages the Property for POST therefore ongoing management costs have already been allocated in the Fiscal Year 2016-2017 Approved Recommended Department of Parks Budget.

EXHIBIT A

