



County of San Mateo

Inter-Departmental Correspondence

Department: PARKS

File #: 19-382

Board Meeting Date: 5/14/2019

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Peggy Jensen, Interim Parks Director

Subject: Grant Agreement and Purchase and Sale Agreement for the acquisition of the Tunitas Creek Beach property

RECOMMENDATION:

Adopt resolutions authorizing:

- A) The President of the Board of Supervisors to execute a grant agreement with the California State Coastal Conservancy for \$3.2 million to fund the acquisition of 20775 Cabrillo Highway South in unincorporated San Mateo County, and the associated Offer to Dedicate; and
- B) The Parks Director, or her designee, to execute amendments to the grant agreement to modify the agreement's terms, so long as the modified term(s) are within the current or revised fiscal provisions; and
- C) The President of the Board of Supervisors to execute a Purchase and Sale Agreement for the acquisition of 20775 Cabrillo Highway South in unincorporated San Mateo County from the Peninsula Open Space Trust for \$3.2 million; and
- D) The County Manager, or his designee, to negotiate and execute any and all notices, exemptions, documents related to the title policy, and escrow instructions required to facilitate the purposes of the Purchase and Sale Agreement.

BACKGROUND:

The 58-acre Tunitas Creek Beach property (APNs 081-060-020, 081-060-030, and 081-060-130) is located along the shoreline eight miles south of the City of Half Moon Bay in Unincorporated San Mateo County ("Property"). Situated south of Tunitas Creek and west of State Route 1, the Property contains significant coastal, natural, and cultural resources. While under private ownership, the Property was poorly managed and the natural resources were damaged.

In 2017, the Peninsula Open Space Trust (“POST”) acquired the Property from its former owner for \$5 million. Since the acquisition by POST, the Parks Department has managed the Property under a License and Management Agreement. Under Parks’ management, the Property has been cleaned up and inappropriate activity has significantly decreased.

The plan is for the Property to become a San Mateo County park complete with visitor-serving amenities. To achieve this goal, there are a number of actions that will come to your Board for consideration. The first two actions detailed in this memo are (1) the execution of a grant agreement with the California State Coastal Conservancy (“Coastal Conservancy”) for \$3.2 million to fund the purchase the Property, and (2) the execution of a Purchase and Sale Agreement with POST for the acquisition. The third required action, also presented to your Board today, is the execution of a grant agreement with the Coastal Conservancy to fund the planning, permitting and design of visitor-serving amenities for the Property. A fourth action, a contract with a design and engineering consultant to develop the site plans and designs for the Property, will be brought to your Board in the coming weeks.

DISCUSSION:

Grant Agreement / Offer to Dedicate

On March 14, 2019, the Coastal Conservancy’s Board awarded the County \$3.2 million for the acquisition of the Property, subject to the execution of the grant agreement presented to your Board today. The acquisition grant agreement requires that the County (1) place signage on the Property stating that the Coastal Conservancy provided support for the purchase of the Property, (2) prepare a baseline report documenting the physical and environmental condition of the Property, and (3) conduct a monitoring and reporting program that includes inspecting and documenting the Property’s condition every five years. The grant agreement further requires that the Property be acquired by the County no later than October 31, 2019. Should the Property not be acquired by this date, and a subsequent amendment extending the date is not executed, Coastal Conservancy may withhold the funds.

Although not related to the Property, the grant agreement also stipulates that the County and POST enter into a management and operation agreement for the Cowell-Purisima Coastal Trail to the reasonable satisfaction of the Coastal Conservancy by December 31, 2019. No funds awarded by the Coastal Conservancy may be used for operation and management activities at the Cowell-Purisima Coastal Trail.

Lastly, prior to County receipt of the grant funds, the Coastal Conservancy must approve all acquisition documents, including the appraisal, title report, Purchase and Sale Agreement, escrow instructions, environmental documents, and instruments of conveyance. The County must also agree to record an Offer to Dedicate upon acquisition that declares that the State may take title to the Property should the County use the Property for a purpose other than open space preservation, public access to the coast, and natural resource protection.

Purchase and Sale Agreement

Also being presented to your Board today is the Purchase and Sale Agreement with POST for the acquisition of the Property for the negotiated purchase price of \$3.2 million. An appraisal commissioned by the County concluded a market value of the property of \$5.3 million. The transaction’s closing costs, estimated at \$5,755 will be covered by the County.

The Purchase and Sale Agreement establishes a deadline for consummation of the acquisition of October 31, 2019. As conditions to the close of the transaction, County and POST must negotiate

and execute two subsequent agreements, both of which will be presented to your Board for approval prior to October 31, 2019. The first, known as the Post-Transfer Agreement, will govern the County's obligation to expend \$2 million for improvements to the Property for such items as infrastructure, facilities, maintenance, and restoration. The Post-Transfer Agreement will also address POST's obligation to raise and expend additional funds for improvements on the Property related to public access and resource protection. POST's fundraising goal has been set at \$10 million. The second agreement is known as the Cowell-Purisima Coastal Trail Agreement and will address the management and operation of the Cowell-Purisima Coastal Trail. This coastal trail segment is owned by POST, and as they have limited resources available to operate properties for recreation uses, POST has asked County to manage the trail as part of the consideration for the acquisition of the Property.

County Counsel has reviewed and approved the resolutions, grant agreement, offer to dedicate, and purchase and sale agreement as to form.

Approval of this action contributes to the Shared Vision 2025 outcome of an Environmentally Conscious Community, as it enables the preservation of the Property and provision of a new coastal access and recreation opportunity for the public.

FISCAL IMPACT:

The Net County Cost for this transaction will only be the closing costs, which are estimated to be \$5,755. Although not an immediate cost, by purchasing and agreeing to operate Tunitas Creek Beach as a County park and also manage the Cowell-Purisima Coastal Trail, the Parks Department will incur additional costs of an amount to be determined after the improvement and management plans for these properties are complete.