RECOMMENDED ACTION: Authorization to disburse up to $4,340,000 to the Santa Clara County Open Space Authority to acquire the Blair Ranch in Santa Clara County for habitat preservation, open space protection, public access and incidental agricultural use.

LOCATION: On the southern boundary of San Jose near Morgan Hill in southwestern Santa Clara County (Exhibit 1)

PROGRAM CATEGORY: San Francisco Bay Area

EXHIBITS
Exhibit 1: Project Location Map
Exhibit 2: Aerial Photographs
Exhibit 3: Site Photographs
Exhibit 4: Vegetation Map
Exhibit 5: Letters of Support

RESOLUTION AND FINDINGS:
Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31118 and 31160-31165 of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes disbursement of an amount not to exceed four million three hundred forty thousand dollars ($4,340,000) to the Santa Clara County Open Space Authority (SCCOSA) for the purpose of acquiring the Blair Ranch property (Santa Clara County Assessor Parcel Number 742-23-002, and portions of APNs 742-23-001 and 742-24-005) consisting of approximately 868 acres for habitat preservation, open space protection, public access and incidental agricultural use, subject to the following conditions:

Prior to the disbursement of funds for the acquisition, SCCOSA shall submit for the review and approval of the Executive Officer of the Conservancy:
(a) All relevant acquisition documents, including, without limitation, the 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. SCCOSA shall pay no more than fair market value for the property, as approved by the Conservancy, based on an appraisal of the property.

3. SCCOSA shall repay to the Coastal Conservancy two million dollars ($2,000,000), without interest accruing, on the terms and conditions established by the Executive Officer of the Coastal Conservancy but in no event later than March 31, 2011.

4. SCCOSA shall permanently dedicate the property for habitat preservation, open space protection, public access and incidental agricultural use through an irrevocable offer to dedicate the property or other instrument approved by the Executive Officer of the Coastal Conservancy.

5. Coastal Conservancy funding shall be acknowledged by erecting and maintaining a sign on the property, the design and location of which to be 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 current Project Selection Criteria and Guidelines.

2. The proposed authorization is consistent with the purposes and objectives of Chapter 4.5 of Division 21 of the Public Resources Code Sections 31160-31165, regarding the San Francisco Bay Area Conservancy Program.”

PROJECT SUMMARY:

Conservancy staff recommends authorization of a grant of $4,340,000 to the Santa Clara County Open Space Authority (SCCOSA) for the acquisition of the 868-acre Blair Ranch to protect existing natural resources and provide open space and public access. Two million dollars of this grant would be a no-interest, bridge loan to the grantee to be repaid to the Conservancy within three years. After acquisition, the property will be managed for the acquisition purposes, and agricultural uses consistent with the grant purposes. Any proceeds derived from grazing leases on the property will be used by SCCOSA to steward the property for habitat preservation, open space protection and public access.

The Blair Ranch currently totals some 990 acres and has been used as a cattle ranch by the Blair family for over 30 years. The Blair family will retain the developed, 122 acres
that include an existing residence (see Exhibit 2). Title to the remaining 868 acres of the Blair Ranch will transfer directly to SCCOSA at the close of escrow. SCCOSA will open the property to public access after it has completed an access plan for the property. The acquisition will be afforded permanent conservation protection as an addition to the neighboring Rancho Cañada del Oro Open Space Preserve, also owned by SCCOSA.

This acquisition is an important step in the long-term vision of open space in the southwestern Santa Clara County foothills, one of the most rapidly developing regions in the Bay Area. The addition of Blair Ranch to protected open space lands will add necessary recreational opportunities while also inhibiting habitat fragmentation. With increased development pressures on the agricultural lands between southern San Jose and Morgan Hill, this area is under intensified threat. San Jose’s current plan to add 25,000 homes, 50,000 jobs and 80,000 residents to the Coyote Valley considerably increases the development pressure on an agrarian community, changing the face of the Coyote Valley while also increasing the recreation and park needs of the region.

These proposed commercial and residential developments in the Coyote Valley are merely ten minutes away from Blair Ranch. Even if this development plan were not pursued, the western Santa Clara hillsides and the area surrounding Blair Ranch are threatened by subdivision and the development of large estates or executive houses that would seriously and detrimentally affect the open space areas of the region.

The property will become part of a complex of connected preserves that makes dramatic progress toward a proposed trail and wildlife corridor threading together Calero County Park, Uvas Reservoir County Park and Uvas Canyon County Park over miles of foothills (See Exhibit 2). From Rancho Cañada del Oro (immediately adjacent to Blair Ranch), hiking trails connect to Almaden Quicksilver and Sierra Azul Open Space Preserve. SCCOSA will conduct a public access plan for the property, but it is anticipated that a staging area will be located at the entrance to the property off Uvas Road and ranch roads will serve as the basis for the trail network.

With this addition to existing connected open space preserves, Blair Ranch enhances a larger vision of protected lands and habitat that span from the western San Jose area to Morgan Hill. Protecting this signature property will provide for a future of sustainable land use that will benefit generations of Bay Area residents and the habitats that are directly impacted by human land use (See Site Description section, below).

The SCCOSA was created by the State Legislature 1993 to preserve hillsides, creek corridors, and other undeveloped land in Santa Clara County through acquisition of fee or conservation easements (Pub. Res. Code §§35100, et seq.). The Authority is comprised of the Cities of Campbell, Milpitas, Morgan Hill, Santa Clara, and San Jose as well as the unincorporated area of the County that is not within the Midpeninsula Regional Open Space District (MROSD). SCCOSA is a California independent special district within Santa Clara County which receives its revenue through benefit assessments that are levied by the Authority and from interest income. These revenues provide the main base for SCCOSA's acquisition work. SCCOSA dedicates approximately one to one and a half
million dollars of the four million dollars it receives annually to property acquisition. SCCOSA will use its acquisition funds to pay down the loan prior to undertaking new acquisition projects. SCCOSA’s ability to manage land and public access is exemplified by its management of neighboring Rancho Canada del Oro Open Space Preserve, which is fully open to the public with eight miles of trails offering opportunities for hikers, bicyclists and equestrians to explore the eastern slopes of the Santa Cruz Mountain range.

**Site Description:**

Blair Ranch is prominently visible in the undeveloped rolling hills that comprise the western side of the Santa Clara Valley. To the west, the property borders the Santa Cruz Mountains, to the east, it has views of Mount Hamilton, the Diablo Range, Coyote Valley and Morgan Hill (see Exhibits 2 and 3). The property is located in unincorporated Santa Clara County with a common address of 18881 Uvas Road, Morgan Hill.

Blair Ranch is part of an ecosystem that stretches far beyond the property itself. The property’s rolling hills of California live oak, broad grass pastures, and seasonal creeks sit at the head of the Uvas-Llagas creek watershed, which drains directly into the Pajaro River, one of the most threatened rivers in the United States. The land is situated at a unique transition area between Coast Range and Central Valley vegetation types. On Blair Ranch, one finds a huge variety of coastal and interior oak types, including black oak, blue oak, valley oak and coast live oak. This area also lies at the western edge of the range for grey pine and Coulter pine. The property also includes unique geologic features, such as beds of rare Morgan Hill poppy jasper and numerous serpentine outcroppings that support unique plant communities and rare species such as the Bay checkerspot butterfly (Exhibit 4).

The diverse vegetation includes grass pastures, oak and buckeye trees, and chaparral along with four types of state and federally listed plants, such as Santa Clara Valley Dudleya, Smooth Lessingia, Most Beautiful Jewel Flower, and Halls Bush Mallow, all of which are emblematic of the diversity of wildlife to be found on the property and in this region. There is habitat for various rare or special species including California red-legged frog and California tiger salamander, each of which have noted occurrences on SCCOSA’s Rancho Cañada del Oro, and depend on similar habitats that exist in the riparian corridors of Blair Ranch.

Several animal and avian species have also been noted on the property. These include coyote, grey fox, mountain lion, bobcat, big brown bat, dusky footed woodrat, little brown myotis, Botta’s pocket gopher and others. The total of 49 observed avian species includes great blue heron, white-tailed kite, American kestrel, western meadowlark, red-winged blackbird, ruby crowned kinglet, great horned owl, bushtit, and California towhee. Special status birds that may be found on the property include tricolored blackbird and black swift, both reported in close proximity to Blair Ranch.
Project History:
In 2004, the Peninsula Open Space Trust (POST) took the lead to protect lands southwest of Calero County Park by acquiring land that is now the Rancho Cañada del Oro Open Space Preserve managed by SCCOSA. In 2006, POST approached the Blair family to secure the property for permanent conservation as an addition to Rancho Cañada del Oro. POST submitted the grant applications for the project to the Conservancy and other, private philanthropic foundations. The Moore Foundation has approved a $2 million grant to support the acquisition, and the Santa Clara County Parks and Recreation Department has approved a $1 million contribution to the acquisition, as well.

PROJECT FINANCING:

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<td>Santa Clara County Parks and Recreation Department</td>
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<tr>
<td>POST (transaction costs)</td>
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**Total Project Cost** $8,693,000

* Two million dollars will be reimbursed to the Conservancy by SCCOSA.

The anticipated source of funds will be the fiscal year 07/08 appropriation of the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Proposition 84) for the San Francisco Bay Area Conservancy Program and Coastal Conservancy state-wide acquisitions ($2,340,000 is Bay Program, $2,000,000 loan is from the state-wide appropriations), which can be used for coastal watershed protection, including the acquisition and protection of land and water resources consistent with Chapter 4.5 of Division 21 of the Public Resources Code. Pursuant to Section 31162(b) of Chapter 4.5 of Division 21, this project furthers the San Francisco Bay Area Conservancy Program’s goal to protect, restore, and enhance natural habitats, as discussed below.

Consistent Proposition 84 requirements, in evaluating proposed projects that involve acquisition for the purpose of natural resource protection, the Conservancy gave priority to this project because it demonstrated the following characteristics: (1) the property provides a link to existing protected areas with other large blocks of protected habitat. Due to its adjacency to other open space preserves, the property connects existing protection areas, allows for the movement of wildlife across an approximately 32,000 acre area and increases the sustainability of this and surrounding properties. (2) The project funding includes a non-state matching contribution toward the acquisition costs. (See Public Resources Code Sec. 75071).
Finally, as required by Section 75701, Conservancy staff has submitted to the Resources Agency and has posted on the Conservancy’s website an explanation as to how the proposed acquisition meets the criteria for Proposition 84 funding.

**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 31118 and 31160-31164, to address resource and recreational goals in the San Francisco Bay Area.

The Blair Ranch 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 31161 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 approximately 868 acres of riparian, woodland, and grassland habitat, as well as a highly scenic open space resource.

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 purposes.

Finally, the Blair Ranch acquisition satisfies all of the criteria for determining project priority under 31163, as follows: (1) It is supported by adopted regional plans, as follows:

- This acquisition would meet the goals and objectives of the open space element of the Santa Clara County General Plan under its rural unincorporated area growth and development, resource conservation, and parks and recreation chapters.
- The Open Space Preservation 2020 Task Force report was written in 1987 by County officials including the Parks, Planning, and Farm Bureau agencies, as well as the MROSD. One of the Task Force's recommendations was to develop an open space district to work in portions of the County outside of the MROSD's jurisdiction. Formed in 1993, SCCOSA has assumed that role. The Blair property falls within the report's Llagas/Chesbro Study Area, identified as a “high priority for park acquisition. This reflects the high priority given to establishing links between Calero, Santa Teresa, and Almaden Quicksilver County Parks, as well as to the future expansion of Calero itself.”
- The property falls within the Western Watershed Study Area of SCCOSA's Five-Year Plan. In addition to preserving the crucial benefit of continuous habitat and riparian corridors, acquiring strategic parcels within this Study Area could result in a regional trail network through the County Parks and into lands managed by MROSD. Further, preservation of critical parts of this Study Area will extend the ridgeline and view protection. This Area is rich in habitat for many varieties of mammals, reptiles, amphibians, birds, and insects. Among the protected species that are predicted to occur are Western Pond Turtle, California Tiger Salamander, and Red-Legged Frog. The Blair property satisfies all of these characteristics.
• The project is consistent with the California Department of Parks and Recreation Natural Resource Acquisition Program, which prioritizes projects such as this that create landscape-scale habitat linkages and protect “significant” watersheds.
• The project is consistent with the California Department of Parks and Recreation California Outdoor Recreation Plan, 2002, which supports projects that provide public access connections, protection of natural resource values, and protect and preserve culturally significant sites.
• The project is consistent with the Implementation Strategy of the San Francisco Bay Joint Venture Acquisition Goals, which prioritize acquisition of wetland, grassland, and stream habitats.

(2) The project serves a regional constituency, in that the project will help preserve habitat and provide public access for the benefit of the population for the San Francisco Bay Area. (3) The project can be implemented immediately. (4) The project provides benefits that would be lost if the project is not quickly implemented, as discussed in the project selection criteria below. (5) The Conservancy’s funds leverage additional funding by over $4 for every $1 contributed by the Conservancy.

Section 31118 of the Public Resources Code authorizes the Conservancy to loan funds on terms and conditions appropriate to carry out the purposes of Division 21. As discussed, the grant loan of funds will help implement the San Francisco Bay Program goals.

CONSISTENCY WITH CONSERVANCY’S 2007 STRATEGIC PLAN GOAL(S) & OBJECTIVE(S):

Consistent with Goal 10, Objective D of the Conservancy’s 2007 Strategic Plan, the proposed project will result in the acquisition of 868 acres of upland wildlife habitat and other significant open space in the Bay Area.

Consistent with Goal 11, Objective C the proposed project will increase the amount of land accessible to the public and provide a corridor for trails.

CONSISTENCY WITH CONSERVANCY’S PROJECT SELECTION CRITERIA & GUIDELINES:

The proposed project is consistent with the Conservancy’s Project Selection Criteria and Guidelines, last updated on September 20, 2007, 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 is supported by Senator Abel Maldonado, Assembly member John Laird, Santa Clara County Parks and Recreation Department,
BLAIR RANCH ACQUISITION

SCCOSA, MROSD, Greenbelt Alliance, and the Committee for Green Foothills. Letters of Support are attached as Exhibit 5.

4. **Location:** The Blair Ranch is located in western Santa Clara County, within the jurisdiction of the San Francisco Bay Area Conservancy. Acquisition of this property will protect unique plant communities and rare species and provide significant recreational opportunities.

5. **Need:** The opportunity to secure the Blair Ranch could be lost without Conservancy support. POST has expended great effort in locating additional funding sources, including the Gordon and Betty Moore Foundation and the SCCOSA, which are contributing to the extent they can.

6. **Greater-than-local interest:** Acquisition of this property will protect unique plant communities and rare species and provide significant recreational opportunities in one of the most rapidly expanding regions in the Bay Area. The property will become part of a complex of connected preserves that makes dramatic progress toward a proposed trail and wildlife corridor.

**Additional Criteria**

7. **Urgency:** With increasing development pressures south of San Jose, the southwestern Santa Clara hillsides, including the Blair Ranch, are under intensified threat of development.

8. **Resolution of more than one issue:** The project will offer opportunities to protect riparian zones, oak woodlands and grasslands located at Blair Ranch. Additionally, acquisition of the Property will expand the Rancho Cañada del Oro Open Space Preserve and make significant progress toward a proposed trail and wildlife corridor. Finally, acquisition of the property will eliminate threats of development, and will allow for public access.

9. **Leverage:** Conservancy funds are matched four to one with private and local funding sources. See the “Project Financing” section above.

10. **Conflict resolution:** Acquisition of the ranch for conservation purposes will resolve any potential future conflict over development of the Property.

12. **Readiness:** POST has negotiated a transaction that is acceptable to the landowners. With the reimbursable loan provided by the Conservancy, POST and SCCOSA are confident that all funds will be in hand shortly and is ready to proceed with the acquisition.

14. **Return to Conservancy:** Short-term funding needed to secure the property will be repaid to the Conservancy, consistent with the Conservancy’s long-term financial strategy. See the “Project Financing” section above.

15. **Cooperation:** POST has led the effort to acquire the property, and has enlisted the cooperation of state and regional resource agencies and a private foundation to engineer this acquisition. SCCOSCA will develop the property and manage it.
COMPLIANCE WITH CEQA:

Acquisition of the Blair Ranch 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, to preserve existing natural conditions and allows some continued agricultural use (14 Cal. Code of Regulations Section 15325). Staff will file a CEQA Notice of Exemption upon Conservancy approval of the project.