

**BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY**

**AGENDA REPORT**

For meeting of: **January 16, 2018**

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**TO:** Honorable Mayor and City Council  
**VIA:** Magda Gonzalez, City Manager  
**FROM:** John Doughty, Public Works Director  
**TITLE:** **880 STONE PINE ROAD (POST PROPERTY)**

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**RECOMMENDATION:**

By motion, acknowledge receipt of letter from Peninsula Open Space Trust (POST), dated, November 9, 2017 regarding the property located at 880 Stone Pine Road, Half Moon Bay, and provide staff direction as to next steps.

**FISCAL IMPACT:**

There is no fiscal impact directly associated with the request for direction. The fiscal impact related to any future actions would vary based upon the direction given.

**STRATEGIC ELEMENT:**

This action supports the Inclusive Governance Element of the Strategic Plan.

**BACKGROUND:**

The City recently received a letter dated November 9, 2017 from Walter T. Moore, President of Peninsula Open Space Trust (see Attachment 1). The letter requests discussions with the City regarding potential purchase of the 21+-acre parcel at 880 Stone Pine Road (APN 056-260-180) as well as the possible interim lease of property currently used for the City Corporation Maintenance Yard.

The property (880 Stone Pine Road) was acquired by the City in 2004 from Nurserymen's Exchange for \$3.1 million. The City Council purchased the property for construction of a community park.

The purchase was made possible by a loan from POST. The initial Promissory Note and Deed of Trust (recorded October 18, 2004) provided for a no interest loan until October 15, 2007. The loan was due and payable on October 15, 2007.

POST and the City mutually agreed to an Extension of the Note on October 15, 2007; extending the term to October 15, 2009. The extension was granted to allow the City additional time to reach consensus on design and address environmental/habitat questions. The extension resulted in a conversion of the Note from interest free to a 10-percent annual interest rate.

On July 23, 2009, the City Council adopted Resolution C-64-09 which: 1) ordered the abandonment of plans for a park; 2) transfer of title to the property to POST; and 3) approval of a license and maintenance (License) agreement with POST. The License agreement permits the City to operate and maintain its current City Corporation Maintenance Yard. The City does not pay a fee, but is responsible for maintaining the entire property.

Attachment 2 to this report includes additional chronological history of the more pertinent actions related to the Property.

#### **DISCUSSION:**

As per POST's letter dated November 9, 2017, POST has indicated a desire to sell 880 Stone Pine Road and are offering the property to the City. POST is also requesting to initiate negotiations on a lease for the portion of property used by the City for the Corporation Maintenance Yard. The City is currently occupying the property under a License and Management Agreement (License Agreement) dated June 2013. This agreement remains in effect until terminated by either party. A copy of the License Agreement is included as Attachment 3.

The following information may help the City Council frame discussion and direction as it relates to the subject property and the letter from POST:

- 1) The City is currently operating its Corporation Maintenance Yard on the site. It is imperative that the City maintain a yard for Public Works Maintenance functions. The City does not currently own or lease a site capable of handling the day-to-day needs of the Public Works Maintenance Division. We are not aware of any opportunities to co-locate with other agencies, but can investigate the possibilities. Under section, 16.1 of the License Agreement, POST only needs to provide a 60-day notice of termination.
- 2) In 2009 the City Council formally abandoned plans for a park on the site. Plans were abandoned for many reasons including: financial impacts of the Beachwood/Glen Cree lawsuit; a lack of community consensus on park plans; project costs; neighbor concerns and identification of endangered California red-legged frogs and habitat on and adjacent to the property. Many, if not all the prior concerns and issues remain.
- 3) Currently the City is in the process of circulating a Draft Parks Master Plan. This Plan is intended to provide City Council, the Parks and Recreation Commission, and staff with insight on community wants and desires around parks and other recreation facilities. The Draft plan has identified a clear desire for a "community park" in the City. Several potential locations were considered including 880 Stone Pine Road.

Two sites were recommended in the Draft Plan; one of which is 880 Stone Pine Road. At this time the Draft Parks Master Plan is in circulation and scheduled for what is anticipated to be a final review by the Parks and Recreation Commission on January 24, 2018. The Plan will be submitted to the City Council in February or March for consideration and adoption.

Staff is seeking direction from the City Council as to next steps related to the correspondence received from POST.

#### ATTACHMENT

- 1) Letter from POST
- 2) Chronological History
- 3) License Agreement with POST