



R-24-58
Meeting 24-13
May 14, 2024

AGENDA ITEM 1

AGENDA ITEM

Bear Creek Stables Capital Maintenance and Repair Project Update and Confirmation on Next Steps

GENERAL MANAGER'S RECOMMENDATIONS

1. Receive an update on the Bear Creek Stables Capital Maintenance and Repair Project, County permit status, escalating project costs, and unanticipated long-term operational costs.
2. Given the cost escalation of the Repair Project and long-term operational costs, the General Manager recommends selecting an alternative option for the Stables:
 - a. Close the Stables, allowing for a six-month relocation period for existing boarded horses.
 - b. Replace the horse boarding and public programming with a lower intensity horse experiential opportunity for the public; option *substantially* reduces the scale of the repairs; includes six-month relocation period for existing boarded horses.
 - c. Reduce the Stables operation to only allow either horse boarding or programming; option *partially* reduces the scale of the repairs and requires a redesign of the Repair Project.
3. If horse boarding and/or public programming at the Stables site will continue, direct the General Manager to either return with a revised concessionaire agreement and proposal for additional District support staff and/or to prepare a hiring plan for approval of new staff if the District is to assume major portions of the operation.

SUMMARY

Given significant escalating costs of the Bear Creek Stables Capital Maintenance and Repairs Project (Repair Project) and anticipated long-term operational costs, the General Manager is returning to the Board of Directors (Board) for direction on the Repair Project and consideration of other options that reduce the scale of equestrian operations. In 2019, when the Board selected the Repair Project option, a targeted project construction budget of \$4.4 million was understood and agreed to by the Board. Recent new calculations estimate the construction costs at \$9.5 to \$10.5 million. This cost now includes improvements to the boarder area given deterioration of the conditions since 2019. The rise in costs also is due to the inclusion of Santa Clara County (County) code requirements, conditions of permit approvals for the Repair Project, and inflation.

Since 2019, the District has also gained hands-on experience on the level of District operational resources necessary to adequately oversee, support, and manage the Stables operation with a

concessionaire onsite. If the Stables continue to operate, staff anticipate direct staffing (salary and benefits costs) and services and supplies costs of over \$350,000 annually to continuously address repair and maintenance needs of the current Stables operation. In addition, it is anticipated that ongoing operational issues and public inquires and concerns regarding site conditions and management will continue to pull the time and attention of the District's maintenance crew and supervisorial and management staff from other priorities, reducing the effectiveness and timeliness of project delivery for Measure AA (MAA) projects and regular Preserve maintenance (including fire resiliency treatments, invasive vegetation management, and trail maintenance). Moreover, Chaparral Country Corporation (Chaparral), the current Stables concessionaire, has advised the District that they are not able to continue operations in the long term unless the District considers changes to the agreement to reduce costs and generate a greater margin of revenue.

Given the substantial increase in construction costs for the Repair Project and the negative operational impact to retain the Stables that is affecting staff delivery of other District priorities, MAA projects, and maintenance activities, the General Manager recommends considering either closure of the stables or a reduced operating model. It is unclear if there is concessionaire interest in a reduced operating option, so additional staffing costs on top of the \$350,000 annual costs are estimated for each project option should the District be required to fully operate various Stables programs.

PROJECT OPTIONS

Option A: Close the Stables

Capital Cost Estimate: **\$1 to \$2M**

Operational Cost Estimate: **\$30,000 per year for 10 years** for vegetation management for passive restoration

This option is the least impactful to District short-term and long-term financial and staffing resources and returns much of the site to a natural condition. No equestrian programming is offered, instead the site can be opened to public access via the surrounding trail network to expand upon the Preserve's open space trail experience. Boarding would continue for up to 6 months to allow boarders to find other accommodations.

Option B: Lower Intensity Horse Experiential Opportunity for the Public

Capital Cost Estimate: **\$3.0M to \$3.5M**

Operational Cost Estimate: **\$120,000 per year for 10 years** for vegetation management for passive restoration and site maintenance, **\$90,000 per year after 10 years.**

This option would not provide horse boarding or standard programming. Instead, 2 to 3 horses would be kept on site to provide viewing only with potential for some equestrian exposure (non-riding) programming via hike in only.

Option C: Reduce Operation to Either Boarding or Programming only

Capital Cost Estimate: **\$8.7M to \$9.7M**

Operational Cost Estimate: Boarding or programming by Concessionaire - **\$350,000 per year**
Boarding by District - **\$1.03M per year**

This option would limit the Stables operation to either boarding only or programming only. This option has the most uncertainty for both capital costs and operational costs; unknowns include permit conditions for a reduced operation, whether there is interest from a concessionaire for a reduced operation, and if programming operation would keep horses onsite or trailer them in.

Repair Project: Maintains existing Stables operations for boarding & public programming

Capital Cost Estimate: **\$9.5 to \$10.5 M**

Operational Cost Estimate: Boarding and programming by Concessionaire; District maintains and operates infrastructure - **\$350,000 per year**
Boarding by District; Concessionaire provides only programming - **\$1.03M per year**

Continuing the current permit pathway to implement the Repair Project would result in high up front capital costs, ongoing operational costs, and the need to divert staff resources to address ongoing Stables issues. These capital costs are for construction only and do not include planning and design cost. Under this scenario, both boarding and public programming remain as part of the Stables operation.

BACKGROUND

In 1999, the District acquired a 260-acre property in unincorporated Santa Clara County (County), south of Monte Sereno and Los Gatos, establishing Bear Creek Redwoods Open Space Preserve (Preserve). This acquisition included an equestrian stable (Stables) that has been in continuous operation since the 1940s. The Stables has operated under a legal, non-conforming use designation since 1975. A 'non-conforming use' refers to a lawful use that has existed prior to the effective date of zoning and building requirements and has continued since that time without conformance to current ordinances ([§ 4.50 of the Santa Clara County Zoning Ordinance](#)). The Stables is allowed to board up to 72 horses under the legal non-conforming use designation. Due to only very basic and minimal maintenance over many decades, the Stables are now in need of major capital improvements for its continued operation. The County's interpretation of the County Zoning Ordinance does not allow the District to conduct necessary repairs at the scale needed for the District to continue operations over the long term. Under the legal nonconforming status, structural modifications are severely limited to 25% of the building's construction valuation within any 12-month period and there is no variance or exception to this restriction in the code. In order to make substantial repairs to existing structures within a timely manner, and before the structures run the risk of structurally and functionally failing, the District must apply for and receive a discretionary Use Permit to then apply for and secure the required building permits for the repairs.

On April 25, 2019, the Board considered five stables project options (Preserve Plan Site Plan, Maintenance and Repairs, Close Stables, Sell or Lease, Relocate). At that meeting the Board directed staff to move forward with the Repair Project at a cost of \$4 - \$4.4 million to maintain current equestrian programming, implement key repairs, and incorporate Americans with Disabilities Act (ADA) requirements.

On June 9, 2021, the Board received an update on the Repair Project, including the legal non-conforming use status and challenges therein, and approved the pursuit of a Use Permit to facilitate County approvals for the Repair Project. Since that time, staff have prepared the Use Permit application and worked on three rounds of comments with the County.

On March 22, 2023, the Board directed staff to address Use Permit Conditions using an alternate means and methods approach, known as the [Application for Use of Alternate Materials, Methods of Construction, or Modification of Code](#) (AMMR) to reduce the scale, cost and environmental impacts of certain conditions of approval and remain as close to the Repair Project budget as possible. In February 2024, the County Fire Marshal provided a response letter indicating that the AMMR was not approved and stating that the full baseline fire suppression system is required to meet current fire code. The fire suppression system requirements increase Project costs by an additional \$1.2M to \$1.4M. The County did recently offer an alternative; however, this alternative does not significantly change the overall project cost. In addition to the fire code requirements imposed by the County, the original Repair Project construction costs have increased significantly since 2019 due to inflation (another \$1.4M to \$1.6M).

On August 24, 2022, the Board selected Chaparral to be the next operator for the Stables. On June 1, 2023, Chaparral formally assumed operations, including boarding operations and equestrian programming. During protracted litigation to remove the previous operator, and to this date, District staff have spent considerable time and resources conducting onsite repairs, maintaining infrastructure, ensuring water availability, managing the operator, and addressing boarder and public concerns regarding the operation and facility conditions. On April 4, 2024, District suspended camps, trainings, riding instruction, and other equestrian events at the Stables while Chaparral and District work together to determine appropriate levels of programming and associated insurance for the site.

See Attachment 1 for additional background details.

DISCUSSION

Santa Clara County Permitting Efforts

Below is the permitting timeline since the June 09, 2021 regular meeting when the Board approved the pursuit of a Use Permit to facilitate County permit approvals for the Repair Project.

- October 4, 2021 – Staff submitted the Use Permit application.
- November 14, 2021 – The County provided an incomplete letter without detailed Fire Marshal comments that required additional consultations, resulting in delays in obtaining and preparing responses to substantive Fire Marshal comments.
- December 2021 – May 2022 – Staff requested clarification from County Planning staff and formal comments from the Fire Marshal multiple times. Staff met with County Planning, Fire Marshal, Land Development Engineering, and Environmental Health to discuss County comments and request formal comments from the Fire Marshal. Staff prepared a variance request for the driveway width, a justification letter for a parking exemption, stormwater calculations, onsite water treatment system calculations, road sight distance analysis, and creek setback exhibits as part of a resubmittal package.
- May 11, 2022 - The Fire Marshal's Office provided informal comments via email.
- June 28, 2022 – The County provided detailed Fire Marshal comments as an addendum to the November 2021 incomplete letter.
- August 4, 2022 – Staff responded to the November 2021 incomplete letter and resubmitted the Use Permit application.

- September 2, 2022 – The County issued a second incomplete letter with detailed fire suppression system requirements. The letter also requested clarifications to the storm water questionnaire and more information on the onsite wastewater treatment system (OWTS). Fire Marshal comments included the requirement to widen the driveway to 24 feet (20 feet drivable width with an additional 2-foot shoulder on each side), necessitating the removal of over 30 riparian trees, and 350 feet of six- to eight-foot tall retaining walls.
- December 20, 2022 – Following multiple phone calls and emails to the Fire Marshal's Office in October, November and December, the Fire Marshal's Office confirmed the fire suppression assumptions, allowing the design consultant to proceed with system calculations.
- March 22, 2023 – Staff provided an update to the Board and received authorization to submit an Application for Use of Alternate Materials, Methods of Construction, or Modification of Code (AMMR) with alternative fire safety improvements to replace certain Fire Marshal requirements (including the driveway widening).
- June 30, 2023 – Staff submitted the AMMR.
- November 14, 2023 – The County issued a Plans Examination letter requesting revised plans and calculations. Staff subsequently met with the County shortly after to review the comments.
- February 9, 2024 – Staff resubmitted the AMMR application with information requested.
- February 29, 2024 – the County issued a letter denying the AMMR proposal and reiterating the 20-foot minimum driveway requirements.
- March 7, 2024 – Staff met with the County to discuss Fire Marshal comments and potential alternatives. At the meeting, County staff offered an alternative of providing one-way fire department access road by widening the upper road from the existing 8 to 9-foot width to 12 to 14 feet. Unfortunately, this alternative does not significantly reduce the total project cost due to significant grading and retaining walls to widen the upper road. Furthermore, this alternative requires additional engineering analysis and a formal County approval.

Repair Project Cost Estimate

At the April 25, 2019 Board meeting, the Board selected the Repair Project option at a Project Construction Cost of between \$4M and \$4.4M. That cost has increased significantly and is now estimated to be between \$9.5 and \$10.5 million (includes water system costs and improvements to the boarder area), with a new starting construction date of January 2027. Costs have increased significantly primarily due to County fire and building permit requirements and mitigation requirements (at an additional cost of \$1.75M to \$2.15M), inflation (another \$1.4M to \$1.6M), and inclusion of boarder area improvements (\$1.5M).

Below is a summary of the updated Project Construction Costs:

PROJECT COST ESTIMATE*	
Description	Cost Estimate
Deferred Maintenance Repair – 2019 costs	\$4.0M-\$4.4M
Escalation adjustment to Jan 2027	\$1.4M-\$1.6M
Fire and Building Permit Conditions	\$1.2M-\$1.4M
Mitigation Costs for Permit Conditions	\$550K-\$750K
Water System	\$480K
Total Construction Estimate (start Jan 2027)	\$7.6M-\$8.6M
Water System Completed to Date (2018 and 2023)	\$415k
Total Construction Estimate with water system (start Jan 2027)	\$8.0M-\$9.0M
Total Construction Estimate with Repairs to Boarder Area ^	\$9.5M-\$10.5M

* Separate from construction costs, the District has incurred \$755,000 in consultant costs to date (feasibility studies, designs, permit application preparation) and another \$450,000 would be needed to complete the Repair Project (final plans, as-builts, construction administration).

^ Based on ongoing deteriorating conditions of the boarder area, which have not been part of the Repair Project, the District expects the need to include these repairs with the Repair Project at an additional cost of +/- \$1.5 million.

Given the substantial increase in estimated Project Construction Costs from when the Board formally approved moving forward with the Repair Project in 2019, this item is returning to the Board to consider next steps for Stables.

Other Costs to Pursue the Repair Project and Maintain Horse Boarding and Public Programs

As part of Board deliberation on the next steps for the Stables, below is additional pertinent information regarding other associated costs and requirements to pursue the Repair Project and maintain ongoing horse boarding and public programs (e.g., lessons, trainings, camps). Based on experience in having an outside concessionaire operate the Stables under both the current and prior operators, the following has been made clear to the District:

1. The District must dedicate sufficient staff time, vehicles/equipment, and an annual services and supplies budget to address ongoing repair and maintenance needs for the Stables. It is evident that certain repairs and maintenance activities are beyond the capacity and financial resources of an outside operator. These include water line and water tank repairs, driveway and road repairs and maintenance, paddock replacements, roof and panel repairs of existing structures, and defensible space fire clearance. In contrast, based on the District's research on stables operations on public agency lands, an outside operator for a boarding program can reasonably be expected to handle the care and feeding of horses, the cleaning of stalls, manure management, hay deliveries, and maintenance of paddocks and arenas (i.e., bedding/footings, removing obstructions, filling ground squirrel holes, weeding, keeping gates operational).
2. The District will need to make modifications to the existing concessionaire agreement to retain a viable operator for the site. These considerations apply to Chaparral's ability to

continue operations and are expected to be necessary in order to attract interest from any qualified operator:

- Amend the lease to modify and reduce insurance requirements;
- Amend the maintenance and repair requirements to shift capital and facility maintenance and repairs to the District;
- Amend the lease to reduce age of camp participants and increase the number of camp participants per day to increase enrollment numbers;
- Allow leasing of individual horses;
- Allow a notable increase in boarding rates, upwards of +100% of boarding costs, and setting market trailer parking rates.

Estimate of annual District costs in 2024 dollars to conduct Stables repairs and maintenance actions include new staffing costs, vehicle/equipment costs, and annual budgets for services and supplies as detailed below:

Annual District Costs for Stables Repair and Maintenance		
Staff Position	Number of Positions	Cost (per year)
Maintenance Supervisor	0.5	\$92,077
Farm Maintenance Worker	1	\$127,679
Facilities Maintenance Specialist	0.25	\$36,953
<i>Sub-Total</i>	<i>1.75</i>	<i>\$256,709</i>
Vehicles and Machinery		
<i>F-150 Lighting and Tractor</i>	<i>Depreciated for annual cost</i>	\$16,600
<i>Sub-Total</i>		<i>\$273,309</i>
Annual Services and Supplies Budget		\$78,000
Total Annual Operating Costs		~\$350,000*

* Total annual cost is rounded to nearest \$1,000.

Due to the uncertainty of retaining a suitable operator for the boarding program, staff evaluated the feasibility and cost of the District operating the boarding directly. Under District operation, the District would take full responsibility for horse husbandry to maintain the horse boarding program. Below are the positions and costs anticipated if the District were to fully run the boarding operation:

District Costs – Boarding Plus Repair and Maintenance of the Site		
Staff Position	Number of Positions	Cost (per year)
Senior Property Management Specialist	1	\$223,875
Farm Maintenance Worker	2.5	\$319,198
Facilities Maintenance Specialist	0.25	\$36,953
<i>Sub-Total</i>	<i>3.75</i>	<i>\$580,026</i>
Vehicles and Machinery		
F-150 Lightning Truck and Tractor	<i>Depreciated for annual cost</i>	\$23,700
Manure Trailer		\$1,000

<i>Sub-Total</i>		\$604,726
Annual Services and Supplies Budget		\$78,000
<i>Sub-Total</i>		\$682,726
Feed & Care for Boarded Horses	72 Horses	\$349,200*
TOTAL		\$1,031,926

*Cost is reduced to \$242,500 for 50 horses.

If the District were to operate the horse boarding program, below are the anticipated boarding fee costs per horse to recoup District costs:

Boarder Fee Scenarios to Recoup District Costs		
Cost per horse with boarding only	@ 72 horses	~\$14,330 per year ~\$1,195 per month*
Cost per horse with boarding only	@ 50 horses	~\$18,505 per year ~\$1,540 per month
Cost per horse with boarding and programming (assumes ½ of the repair and maintenance costs)	@ 72 horses	~\$9,590 per year* ~\$800 per month*
Cost per horse with boarding and programming (assumes ½ of the repair and maintenance costs)	@ 50 horses	~\$11,677 per year ~\$973 per month
<p><i>*Unlikely to be feasible since it would require that programming horses be trailered in each day instead of kept on site given that all 72 allowed horses are public boarded horses and are not available for use by the programming concessionaire.</i></p>		

If the District were to operate the boarding program directly and opt to continue offering equestrian programs, the District would need to bring on an external vendor to provide programming horses and offer the public programs (e.g., trainings, lessons, camps). The actual lessons and trainings would be done by outside providers utilizing horses not owned by the District. The provision of programming would be dependent on finding a suitable provider. If no provider was interested in programming only, the District would not be able to provide any equestrian programs.

Alternative Options for the Stables

The following alternative options are presented for Board consideration in the deliberation on the next steps for the Stables.

Option A: Close the Stables

Remove majority of existing structures with potentially only the Tevis Barn remaining and provide site restoration (note: Tevis Barn is not deemed to be historic). No public vehicular access would be necessary. Public access would occur via trails that connect to the Alma Road Parking Area and to the future North Parking Area. This option requires the following considerations:

1. Stabilization of one structure (if desired) – Tevis Barn. Project scope and permit requirements are unknown at this time for this structure.
2. Cleanup and site restoration would cost approximately \$1 to \$2 million. Project scope and cost would be reduced significantly – upwards of +/- \$8.5 million.

Option B: Lower Intensity Horse Experiential Opportunity for the Public

A number of different iterations can be considered for a lower intensity horse experiential opportunity that is made available to the public. One concept can be to bring two to three horses onsite that are accessible for public viewing with limited interpretation and horse exposure programming, including talks regarding horse husbandry. No lessons or horse camps would be provided and no horse boarding would exist. This option requires the following considerations:

1. A Use Permit with the County may still be required for the reduced site improvements. Depending on County permitting requirements, the project may cost approximately \$3.0 million to \$3.5 million. The reduction in project scope may reduce costs by approximately \$7 million;
2. If improvements are still required for any of the three main barns to sustain the use, a Building Permit will likely be triggered, requiring fire access conditions and building code compliance. Use of the barn(s) will be dependent on whether the horses board onsite or whether they are transported in for the day based on the programming schedule.

Option C: Reduce Operation to Either Boarding or Programming Only

This option includes a good deal of uncertainty. The current and former Stables operators expressed that their operations are dependent on boarder fees to cover fixed cost of operating the Stables site and programming is necessary to generate revenue to support a viable operation. It is likely that a boarder only operation will fall to the District for operation due to lack of interest from a qualified operator. A programming only operator may need to be subsidized by the District to cover fixed costs.

Boarding Only

The boarding only operation would allow 72 onsite boarding paddocks but no public programming. This option requires consideration of the following:

1. Increasing boarding rates to current market rates (upwards of +100% in monthly fees);
2. Direct staff to secure the Use Permit through the County with a reduced Project scope. May result in a savings of approximately \$500,000 to 800,000, resulting in a total Repair Project of approximately \$9.7 million.
3. Elect to have the Stables operated by either:
 - a. A concessionaire under a new agreement with different terms (note: concessionaire interest in a boarding only operation is unknown at this time). Estimated annual District operating costs of ~\$350,000; or

District staff by hiring new positions and setting aside annual operating costs of \$1.03 million, with costs offset by boarder fees.

Programming Only

The programming only operation will allow activities such as lessons, horse camps, and other equestrian activities; no onsite horse boarding is included. This option would not be performed by the District. This option requires the following considerations:

1. Direct staff to secure the Use Permit through the County with a reduced Project scope. May result in a savings of approximately \$500,000 to \$800,000; Project savings would be from stabilizing and securing the Tevis barn rather than rehabilitation and reuse. The total Repair Project cost would be approximately \$8.7 million.
2. A new concessionaire agreement with different terms is required (note: concessionaire interest in programming only is unknown at this time). Estimated annual District operating costs of ~\$350,000.

A summary table of the Options compared to Costs and the 2017 Preserve Goals are shown below. See Attachment 2 for summary table with additional descriptions.

	Cost (Capital and Operation)	Minimizing Impact to Site and protection of Natural Resources	Maximize Public benefit by broadening public access and use of the facility	Develop a viable plan that is financially feasible for both a future tenant and the District
Option A - Close the Stables	●	●	◐	●
Option B - Lower Intensity Horse Experiential Opportunity for the Public	◐	◐	◑	◐
Option C – Reduce Operation to Either Boarding or Programming	◐	◑	Boarding only ◐ ----- Programming only ◑	◐
Repair Project: Maintains Existing Stables Operations for Boarding and Public Programming	○	◑	●	◑

- Strongest alignment with criteria
- ◑ Stronger alignment with criteria
- ◐ Medium alignment with criteria
- ◒ Weaker alignment with criteria
- Weakest alignment with criteria

District Trade-offs to Maintain Stables and/or Operate Boarding

FY25 and FY26 Impacts

- **Staffing:** In order to immediately manage the Stables, two Open Space Technicians (OST) would be assigned to assist Stables operations and a Maintenance Supervisor would be required to manage and coordinate with the property management team. Losing these staff members would severely impact scheduled and recurring maintenance work such as trail brushing, tractor brushing, fire road and trail maintenance, the Wildland Fire Resiliency Program, the Open Space Maintenance and Restoration Program, invasive species removal, and restoration and habitat improvement projects.
- **Site Security:** If the District takes on the boarding operation, the District would need to provide a night caretaker. This could be accomplished by securing a trailer and offering on-site housing to maintenance staff or finding a contractor to perform evening care and safety checks.
- **Training:** Newly assigned staff to the Stables would require specific Stables management training. If the District takes on the boarding program, the Farm Maintenance Worker (FMW) assigned to Deer Hollow Farms (DHF) in Rancho San Antonio would temporarily be reassigned to Stables to provide training on animal feeding and stall clean out. This will impact our committed support to DHF with the City of Mountain View and temporarily affect the level of service and experience our Rancho San Antonio visitors enjoy. The temporary vacancy at DHF will need to be backfilled with an OST or SOST, which will worsen the current position challenges and capacity constraints, further reducing the ability of staff to meet minimum District-wide service requirements for trail and infrastructure maintenance. Furthermore, the current FMW has no knowledge/experience caring for horses. Additional training from a qualified horse caretaker will be required to ensure the District is in compliance with State and County requirements regarding the care and feeding of horses.

Specific Project and Program Impacts

- **BCR Phase II:** Staffing levels required to complete the final scope of work to prepare Phase II Trails for a grand public opening in October 2024 will need to be re-evaluated. Reducing current staffing levels on this project to address Stables needs may delay the grand opening date if the trail work is not completed by the end of the 2024 construction season.
- **Wildland Fire Resiliency Program (WFRP):** The reallocation of field staff resources will likely affect Resource Crews to address annual vegetation management work at the Stables. This adjustment would impact the scope of work outlined in the Los Gatos Creek Watershed Collaborative Forest Health Grant (LGCWCFHG) Project, which we are currently engaged in with local partners. Additionally, we are planning to begin introducing fire back into District preserves this fall with our first prescribed burn at Rancho De Guadalupe. If the Resource Crew capacity is redirected, the pretreatment

work required to prepare the site for fire may need to be postponed, requiring the District to wait until the following year, spring of 2025, before the prescribed fire component of the WFRP can be implemented.

- Kangaroo Rat Habitat Enhancement Project: Resource Crew staff reassigned to support scheduled vegetation maintenance work at the Stables may also be unable to complete all the work planned for the Kangaroo Rat Habitat Enhancement Project. As this project was a contributing factor that excited our partners in the LGCWCFHG to expand to a second phase of fuel treatment work that is beneficial for the Kangaroo Rat, delays to the habitat enhancement project may impact the District's ability to leverage future collaborations with the collective group.
- Invasive Species Management Projects: Redirecting staff would impact, and possibly postpone, invasive species management projects including the:
 - Biodiversity of Non-Native Grassland at Rancho San Antonio Preserve: this project utilizes mowing and seeding to promote biodiversity and restore native grasslands at a 50-acre non-native grassland area in the preserve. (The treatment protocol requires a three-year commitment of staff.)
 - Hendry's Creek Restoration Site: the current contract with Grassroots Ecology is set to expire this year and the Resource Crew is planned to assume management of this site. If redirected, a new contract with Grassroots Ecology would need to be prepared to continue maintenance and monitoring of restoration efforts at this location.

FISCAL IMPACT

At the April 2019 meeting, the Board selected the Repair Project option with estimated construction cost of between \$4M and \$4.4M. At the April 2020 meeting, the Board approved allocation of \$1.223M of available interest income from Measure AA Bond Proceeds to close the known funding gap to implement the Repair Project. Based on new refined costs estimates, the new Repair Project construction cost is anticipated to be between \$9.5 and \$10.5 million due primarily to escalation from 2019 dollars and the additional conditions and components required through the permitting process.

The FY24 adopted budget includes \$138,105 for the Bear Creek Stables Project MAA21-004. The FY25 proposed budget should be sufficient to move forward with any option. Funds for future year costs will be updated to reflect whichever decision is made by the Board and recommended in future fiscal year budgets as a part of the annual Budget and Action Plan process.

MAA21-004 - Bear Creek Stables Project	Prior Year Actuals	FY24 Adopted	FY25 Projected	FY26 Projected	TOTAL
District Funded (Fund 30):	\$893,721	\$138,105	\$227,865	\$2,710,998	\$3,970,689
Fund 30 Interest Income:	\$0	\$0		\$1,223,000	\$1,223,000
District Funded (Fund 40):	\$0	\$0		\$527,000	\$527,000
Total Budget:	\$893,721	\$138,105	\$227,865	\$4,460,998	\$5,720,689*
Spent-to-Date (as of 05/09/24):	(\$893,721)	(\$26,659)	\$0	\$0	(\$920,380)
Encumbrances:	\$0	(\$82,970)	\$0	\$0	(\$82,970)
Current Budget Remaining:	\$0	\$28,476	\$227,865	\$4,460,998	\$4,717,339

*Future projected costs based on proposed FY25 Budget and Action Plan which is going to the full Board for approval in June 2024. Future fiscal year projections are preliminary and will be revisited as part of the annual Budget and Action Plan process.

A cost comparison table for the options moving forward as previously discussed is included below.

Bear Creek Stables Options (2024, \$ in Millions)	Construction Cost		Annual Operating Cost *
	Low Range	High Range	
Option A: Close the Stables	\$1.0	\$2.0	\$0.03**
Option B: Lower Intensity Horse Experiential Opportunity	\$3.0	\$3.5	\$0.12**
Option C: Reduce Operation to either Boarding or Programming	\$8.7	\$9.7	\$0.35^
Repair Project	\$9.5	\$10.5	\$0.35^

*Annual cost assumes concessionaire responsible for boarding and programming

** Annual cost for first 10 years only

^ Annual cost for boarding or programming by Concessionaire. Boarding by District projected at \$1.03M per year.

The following table outlines the Measure AA (MAA) Portfolio 21 Bear Creek Redwoods — Public Recreation and Interpretive Projects allocation, costs-to-date, projected future project expenditures and projected portfolio balance remaining. There is currently a positive portfolio balance of \$3.5M projected if Option A is chosen, and a negative portfolio balance of about \$6.0M projected if the Repair Project option is chosen. Additional funding to complete the Bear Creek Stables project will need to be covered by General Fund monies.

MAA21 Bear Creek Redwoods — Public Recreation and Interpretive Projects Portfolio Allocation:	\$17,478,000
Grant Income (through FY27):	\$5,061,002
Interest Income Allocation:	\$2,709,000*
Fund 40 Allocation:	\$977,000
Total Portfolio Allocation:	\$26,225,002
Life-to-Date Spent (as of 05/09/24):	(18,745,170)
Encumbrances:	(431,205)
Remaining FY24 Project Budgets:	(813,259)

Future MAA21 project costs (low range to high range option projection):	(2,767,237) to (12,267,237)^
Total Portfolio Expenditures:	(\$22,756,872) to (\$32,256,872)
Portfolio Balance Remaining (Proposed):	\$3,468,130 to (\$6,031,870)

**Includes the Board-approved allocation of \$1.223M in available interest income on Measure AA Bond Proceeds for the Bear Creek Stables project and \$1.486M for Phase II Trail Improvement project.
^Future projected costs based on proposed FY25 Budget and Action Plan which is going to the full Board for approval in June 2024. Also added to this figure is 1M for the low range option and 10.5M for the high range option. Future fiscal year projections are preliminary and will be revisited as part of the annual Budget and Action Plan process.*

The following table outlines the Measure AA Portfolio 21 allocation, projected life of project expenditures and projected portfolio balance remaining.

MAA21 Bear Creek Redwoods — Public Recreation and Interpretive Projects Portfolio Allocation:	\$17,478,000
Grant Income (through FY27):	\$5,061,002
Interest Income Allocation:	\$2,709,000
Fund 40 Allocation:	\$977,000
Total Portfolio Allocation:	\$26,225,002
Projected Project Expenditures (life of project):	
21-001 Moody Gulch Fence & Gate Improvements	(\$847)
21-004 Bear Creek Stables Project (Low Range to High Range Option)	(\$2,031,825) to (\$11,531,825)
21-005 Bear Creek Redwoods Public Access	(\$5,548,003)
21-006 Bear Creek Redwoods - Alma College Cultural Landscape Rehabilitation	(\$5,775,926)
21-007 Bear Creek Redwoods Preserve Plan Invasive Weed Treatment	(\$2,056,410)
21-008 Bear Creek Redwoods Ponds Restoration and Water Rights	(\$681,517)
21-009 Bear Creek Redwoods Webb Creek Bridge	(\$487,492)
21-010 Bear Creek Redwoods Landfill Characterization and Remediation	(\$517,444)
21-011 Phase II Trail Improvements, Bear Creek Redwoods OSP	(\$5,566,493)
21-012 Bear Creek Redwood Tree Restoration	(\$90,915)
Total Portfolio Expenditures:	(\$22,756,872) to (\$32,256,872)
Portfolio Balance Remaining (Proposed):	\$3,468,130 to (\$6,031,870)

PRIOR BOARD AND COMMITTEE REVIEW

Since the approval of the Preserve Plan, this Project previously came before the full Board at the following public meetings:

- **December 15, 1999:** The Board adopted an amendment to the preliminary use and management plan for Bear Creek Redwoods Open Space Preserve to continue horse boarding facility use and authorized the General Manager to execute a stables rental agreement. ([R-99-159](#), [meeting minutes](#))
- **October 14, 2015:** The Board approved the assignment and amendment of the Bear Creek Stables Rental Agreement from Glenda Smith to Pamela Ashford. ([R-15-146](#), [meeting minutes](#))
- **January 25, 2017:** The Board adopted a resolution certifying the Final Environmental Impact Report, adopting the Findings of Fact and Statement of Overriding Considerations, approving a Mitigation Monitoring and Reporting Plan, and approving the Bear Creek Redwoods Preserve Plan. ([R-17-15](#), [meeting minutes](#))
- **April 25, 2019:** The Board considered various project options for the Stables and directed staff to move forward with Deferred Maintenance Repairs at the Stables in the near-term and the Preserve Plan Site Design as a long-term solution. ([R-19-53](#), [meeting minutes](#))
- **September 25, 2019:** The Board received an FYI memorandum on the revised scope and fee for the design consultant, John Northmore Roberts & Associates. ([FYI Memo](#))
- **October 9, 2019:** The Board directed the General Manager to refrain from pursuing a public-private fundraising endeavor and focus on implementing Deferred Maintenance Repairs. ([R-19-131](#), [meeting minutes](#))
- **April 8, 2020:** The Board directed the General Manager to allocate \$1.223M of the available Interest on Measure AA Proceeds to close the known funding gap to implement the Stables Project. ([R-20-34](#), [meeting minutes](#))
- **June 09, 2021:** The Board received an update on the Bear Creek Stables Project, including its legal non-conforming permitting status and challenges therein, and affirmed the Use Permit permitting approach. ([R-21-74](#), [meeting minutes](#))
- **July 14, 2021:** The Board approved operational requirements, concessionaire selection criteria, and agreement terms for a new concessionaire at Bear Creek Stables. ([R-21-98](#), [meeting minutes](#))
- **August 24, 2022:** The Board authorized the General Manager to enter into a Concessionaire Agreement for Bear Creek Stables with Chaparral Country Corporation. ([R-22-99](#), [meeting minutes](#))

PUBLIC NOTICE

Public notice was provided as required by the Brown Act. Bear Creek Redwoods interested parties plus the Stables boarders were notified of the public meeting. Additionally, a notice was also posted at the Stables location.

CEQA COMPLIANCE

The Bear Creek Redwoods Preserve Plan Environmental Impact Report (EIR) analyzed the Stables Site Plan. The Board certified the Final EIR on January 25, 2017. The EIR evaluated project elements associated with the repair plan. Implementation of the repair plan would not result in new significant effects or a substantial increase in the severity of previously identified significant effects; therefore, no additional environmental review is necessary.

Pending Board direction, staff would prepare a revised Use Permit application if needed that requires documentation of the prior CEQA compliance obtained for the Preserve Plan, which analyzed the Project. No additional environmental review is required.

NEXT STEPS

If the Board supports Option A to close the stables, staff will proceed with design development, permitting and implementation for demolition and site restoration.

If the Board supports Option B staff will proceed with design development, permitting and implementation for demolition and site improvements to support the Lower Intensity Horse Experiential Opportunity. Staff would explore partnership opportunities for retaining 2 to 3 horses on site available for public viewing. Depending on the staffing needs after a plan is developed, additional staffing may be requested.

If the Board supports Options C, staff will develop a new project scope, budget and timeline. Additionally, staff would prepare a new agreement to retain an operator for the modified Stables operation. The General Manager will request additional staff to meet the Stables repair and maintenance needs. Alternatively, the General Manager would request additional increases in staffing and/or redirect existing staff resources to manage the Stables if the District is unable to secure an operator.

If the Board decides to continue with the Repair Project to maintain existing Stables operations for boarding and public programming, staff will proceed with design development, permitting and implementation of the Capital Maintenance and Repair Plan. The General Manager will request additional staff to meet the Stables repair and maintenance needs. Additionally, staff will pursue a modification of concessionaire agreement terms if the Board elects to have a concessionaire continue operating the Stables. Alternatively, the General Manager would request additional staffing or redirect existing staff resources to manage the Stables if the District is unable to secure an operator.

Attachments:

1. Capital Repairs and Maintenance Project and Stables Operations Background Summary
2. Stables Options Comparison
3. Capital Repair and Maintenance Project Overview Site Plan

Responsible Department Head / Prepared by / Staff Contact:
Jason Lin, Engineering & Construction Manager
Brandon Stewart, Land & Facilities Manager

Capital Repairs and Maintenance Project and Stables Operations Background Summary

On January 25, 2017, the Board approved the Bear Creek Redwoods Preserve Plan (Preserve Plan). The Preserve Plan designates the Stables for continued equestrian use and identifies numerous actions for the Stables, including infrastructure improvements, hillside erosion control and revegetation, and public access enhancements. Cost estimates for the Bear Creek Stables Site Design included in the Preserve Plan increased significantly during design development and permitting consultation due to the need for extensive site engineering. Since that time, the Board has received several updates and adjusted the Project scope and permitting process as follows:

April 25, 2019 (R-19-53): The Board considered five Project options (Preserve Plan Site Plan, Maintenance and Repairs, Close Stables, Sell or Lease, Relocate) and directed staff to move forward with the Capital Maintenance and Repair Project to maintain current equestrian programming under the legal, non-conforming status and implement key repairs and incorporate Americans with Disabilities Act (ADA) requirements. The estimated cost of repairs at that time was \$4M - \$4.4M.

March 25, 2020 (R-20-34): The Board received an update on the Stables Project, plan development, permitting requirements, schedule, and cost estimates. At this meeting the Board allocated an additional \$1.223M of interest income from Measure AA bond proceeds to close the anticipated funding gap for the Project.

June 9, 2021 (R-21-74): The Board received an update on the Stables Project and major challenges in securing County permits for the repair work given the property's legal non-conforming status that would:

- Set annual limits to the amount of repair work that could be made on existing structures.
- Prohibit the relocation of paddocks (effectively reducing the number of boarded horses) following the removal of select paddocks to accommodate a new septic leach field.
- Prohibit the issuance of a temporary construction operation permit.
- Add project costs to address permit conditions and building code upgrades related to the unpermitted structures.

Staff subsequently presented the option of first securing a Use Permit for the Stables to formalize the use and facilitate County building permits for the repair work. Through discussions with County staff, the District's understanding of key advantages and disadvantages are shown below:

Advantages of Applying for a Use Permit

- Provides a holistic approach to permitting a suite of improvements and activities.
- Provides an opportunity to work with the County to define phased improvements and corresponding permit conditions.
- Brings the Stables in compliance with the County's Zoning Ordinance and therefore eliminates Zoning Ordinance limitations associated with non-conforming uses.
- Supports a phased approach to implement site improvements and repairs. Phased work would be described in the Conditions of Approval.

- Provides a mechanism to complete minor routine repairs.
- Allows for future expansion of public uses; during future lease negotiations, tenants would be able to propose expanded programming as part of a sustainable business model.
- Due to past closures of equestrian facilities within the County, and the Board of Supervisors’ interest in maintaining the remaining boarding facilities, the County would work closely with the District in developing permit conditions that meet District goals for the Stables site plan.

Disadvantages of Applying for a Use Permit

- The Use Permit process opens up the entire operations of the Stables to public review, additional comments, and critique submitted to the County as they review the Use Permit application.
- Requires discretionary approval from the County Planning Commission with an uncertainty of new requirements and/or restrictions that do not currently exist under the legal non-conforming use status; some of these new requirements and/or restrictions may be imposed in response to public comments about the operations.
- May require additional time and consultant services to address comments from the County and/or public, potentially delaying the Project schedule and increasing costs. Delays and additional costs would also result if the Use Permit process triggered the need for new expanded site work such as upgrades to the driveway and/or parking.

Based on the information presented, the Board affirmed the Use Permit approach to facilitate County permit approvals for the repair work.

March 22, 2023 (R-23-33): The Board received an update on the Use Permit process that had been intended to facilitate County permit approvals. Staff presented on Use Permit challenges, most notably the Fire Marshal conditions, which pose significant budget implications. The Board was presented with the option to provide baseline fire suppression system or propose and negotiate alternate means and methods through County’s AMMR process. Below is a summary of the baseline option compared to the AMMR option:

	Baseline Option		AMMR Option
Driveway Width	20’ wide + 2’ shoulders = 24’		16’ wide min. up to 20’ wide
Breezeway Barn	Sprinklers	Bldg. permit	Demolish & replace with one new barn equivalent in size and amenities
Hay Barn	Sprinklers	Bldg. permit	
Water Tank	33,000 gallon + booster pump		Minimum 15,000-gallon
Cost Increase	\$770,000		\$440,000

The Board directed staff to proceed with the AMMR option.

Stables Operations

In December 1999, the Board approved a month-to-month Stables lease with Glenda and Paul Smith, the operators at the time of District acquisition of the property ([R-99-159](#)). In 2015, when Glenda Smith decided to relocate to Washington State, District staff met with Ms. Smith to discuss interim management options. She requested assigning the Stables lease to Pamela Ashford on an interim basis to maintain status quo operations while the Bear Creek Stables Site Plan (Plan) was completed. The Board approved and assigned the Stables lease to Pamela Ashford in October 2015 ([R-15-146](#)). Pamela Ashford continued to operate the site on a month-to-month lease.

July 14, 2021 ([R-21-98](#)): The Board received a presentation on the Bear Creek Stables process for selecting a long-term stables concessionaire. Staff presented the Bear Creek Stables operational requirements and concessionaire selection criteria. The Board reviewed the proposed criteria and selected nine objectives for future operations at Bear Creek Stables. Additionally, the Board reviewed and approved the proposed concessionaire evaluation criteria.

August 24, 2022 ([R-22-99](#)): Following an open and competitive Request for Proposals (RFP) process to select a new stables operator, the Board authorized the General Manager to enter into a concessionaire agreement for Bear Creek Stables with Chaparral Country Corporation for a preliminary 2-year term with options to extend for two additional 5-year terms, and a fee structure of: (1) 5% of gross receipts lease payment and (2) 5% of gross receipts payment held in a maintenance and improvement fund.

Since the award of a new concessionaire, the District has spent considerable staff time and resources coordinating with the previous and current operators to ensure continued boarding operations and public programming at the Stables. Below is a summary of repairs and ongoing maintenance that has occurred to date.

Stables Repairs and Maintenance Completed by the District

- **Water Line Repairs** – staff had performed multiple repairs of the mainline pipe supplying water to the stables from an existing spring due to breaks related to winter storm damage and deteriorated steel pipes. Given the deteriorated condition of the water line and its inability to handle water pressure, this line was ultimately abandoned and replaced with a connection to San Jose Water.
- **Water Deliveries** – following abandonment of the spring, water was required to be delivered to the stables until the San Jose Water connection stretching from the northeast trail head was completed. These regular deliveries required staff working on weekends and contractor delivery costs.
- **Septic Pumping and Garbage Service** – the District pays for a portable ADA restroom and has paid for multiple 40-yard dumpsters for trash and debris removal of material left by the former operator.
- **Vegetation Management** – staff annually perform defensible space vegetation clearing around the stables, removing ladder fuels, maintaining shaded fuel clearance, and reducing brush density and brush encroachment.

- **Demolition and Replacement of Paddocks** - staff have removed 18 paddocks that were degraded to the point of not being appropriate for horse use. These paddocks are being replaced in phases.
- **Driveway and Ground Preparation** – the District has been maintaining the driveway, working with contractors and District field crews to pulverize existing sections of failing asphalt and regrade sections of the road leading into the stables.
- **Transition from Pam Ashford to Chaparral** – the District was required to replace panels to reestablish the arena, water troughs, and other infrastructure that was removed when the prior operator exited the site.
- **Staff Administration** – the District conducts regular site visits and meetings with Chaparral to review elements of the concessionaire agreement.














Each of the following costs are based upon ongoing work orders, over the last 13 months, tracked through Cityworks:





Category	Amount
Water Line Repairs	\$204,747.27
Water Deliveries	\$49,640
Septic Pumping	\$9,628.60
Garbage Service	\$9,709.23
Vegetation Management and Demolition	\$81,422.12
Driveway & Ground Preparation	\$34,322.88
Transition from Pam Ashford to Chaparral	\$19,250.31
Staff Administration	\$11,905.59
Total	\$420,626.00

###

STABLES OPTIONS COMPARISON


ATTACHMENT 2

	Cost (Capital and Operational) *	Minimizing Impact to Site and protection of Natural Resources	Maximize Public benefit by broadening public access and use of the facility	Develop a viable plan that is financially feasible for both a future tenant and the District
Option A - Close the Stables				
	Least costly to implement. Will require minimal maintenance.	Removes majority of existing structures (with potentially only the Tevis Barn remaining) and restores site to natural environment. No major tree removal is required. Ongoing natural resource impacts and disturbances related to regular stables maintenance, use, and defensible space clearance is avoided.	Public access would be consistent with general Preserve and trail access. A quarter moon is shown to indicate that the site can be made accessible to the public via the internal trail system. Rather than provide an equestrian experience, the site would expand upon the open space preserve experience.	Eliminates Repair Project Costs and future costs related to ongoing repairs and maintenance of the stables, as well as staffing resources that would otherwise need to be allocated to address Stables operating issues and public inquiries and concerns.
Option B - Lower Intensity Horse Experiential Opportunity for the Public				
	Marginally costly to implement and maintain.	This option includes minimal site grading and rocking to existing road and public access area, reduced structure stabilization, reduced utilities upgrades, and minimal programming amenities. No major tree removal is anticipated.	Experiential horse opportunity provides a different equestrian experience, with stables and horse viewing only. No boarding or programming is included.	Project scope significantly reduces up front capital costs and ongoing maintenance and management costs.
Option C – Reduce Operation to Either Boarding or Programming			Boarding only 	
	Costly to implement and maintain. Minimal cost savings from full Repair Project.	This option includes mitigation of existing conditions and equestrian uses, such as site restoration, grading and drainage, stormwater treatment, and septic system replacement. Construction would result in negative site impacts due to	Programming only 	
Boarding provides minimal public benefit, limited to a specific group of individuals. Equestrian programming provides a greater public benefit to a larger and broader number of individuals.			Boarding fees would need to increase +100%, and still, it is unclear whether a boarding only option will be financially viable for a commercial operator. If the District assumes operation, similar increases in boarding fees are necessary to recoup costs. New dedicated staff will be required to manage boarding, along with an	

		extensive site grading, asphalt paving, retaining walls, utilities, and may require removal of over 30 trees in the riparian corridor to address Fire Department Access Road requirements.		annual services and supplies budget for repairs and maintenance. A programming only option will require additional District support staff and an annual services and supplies budget to conduct repairs and maintenance of the site and address ongoing public inquiries and concerns.
Repair Project: Maintains Existing Stables Operations for Boarding and Public Programming				
	Most costly option to implement and maintain.	<p>This option includes mitigation of existing conditions and equestrian uses, such as site restoration, grading and drainage, stormwater treatment, and septic system replacement.</p> <p>Construction would result in negative site impacts due to extensive site grading, asphalt paving, retaining walls, utilities, and may require removal of over 30 trees in the riparian corridor to address Fire Department Access Road requirements.</p>	Implementation of the Repair Project would allow for continued boarding, expanded equestrian programming and general public access to the site, maximizing public benefit.	Requires substantial amendments to the concessionaire agreement, including increasing boarder fees by ~+100%, insurance requirement adjustments, horse leasing, and an easing of programming restrictions to improve viability of the operation. Also requires additional District support staff and an annual services and supplies budget to conduct annual repairs and maintenance of the site and address ongoing public inquiries and concerns.

*Refer to Board report for full cost breakdown.

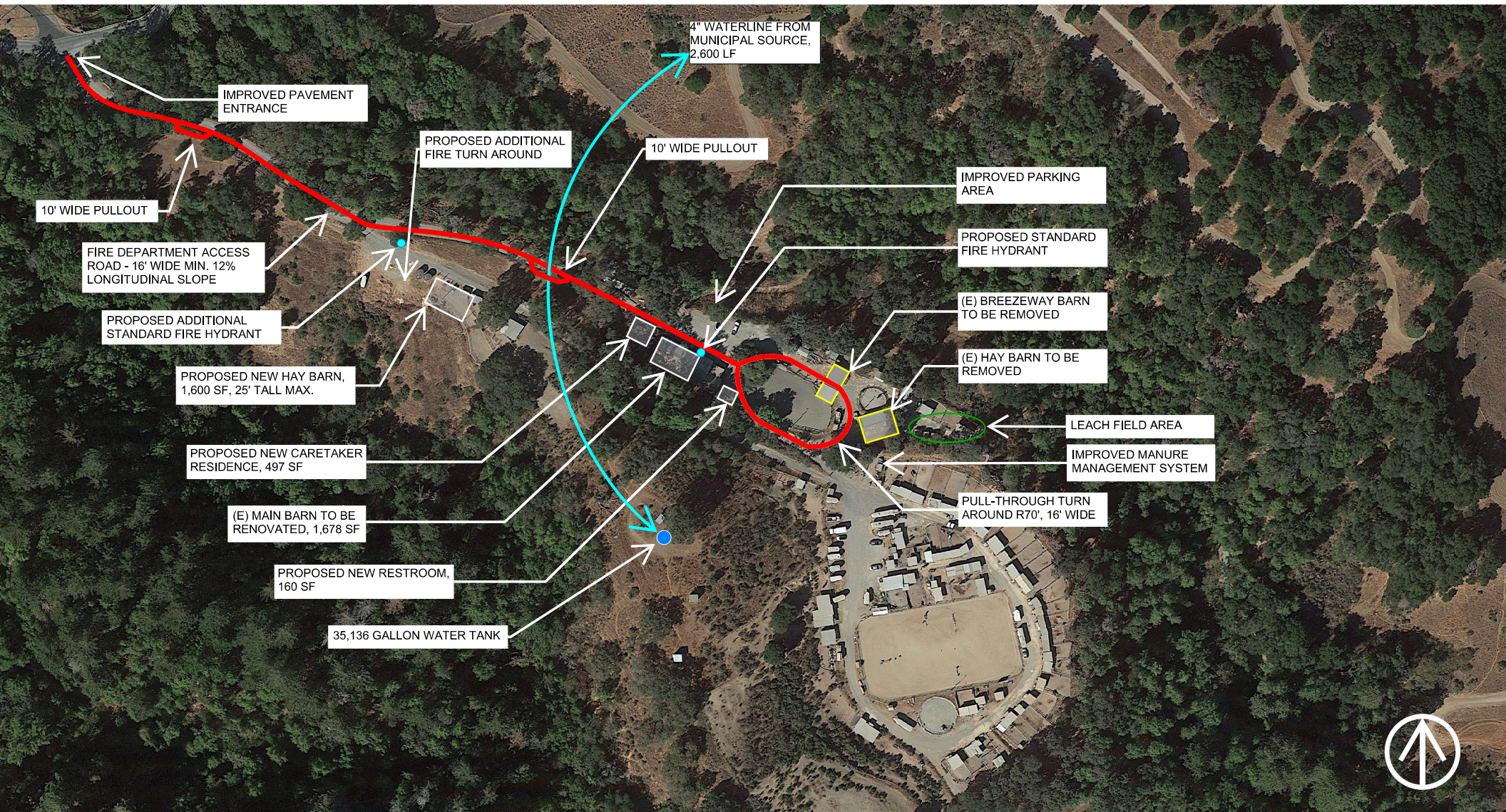
 Strongest alignment with criteria

 Stronger alignment with criteria

 Medium alignment with criteria

 Weaker alignment with criteria

 Weakest alignment with criteria



ATTACHMENT 3: REPAIR PROJECT OVERVIEW SITE PLAN
BEAR CREEK STABLES
NOT TO SCALE

THIS PLAN INTENDS TO PRESENT A SCHEMATIC PROJECT OVERVIEW ONLY. PROGRAM ELEMENTS NOT SHOWN INCLUDE, BUT NOT LIMITED TO, ADA IMPROVEMENTS TO PARKING, PATH OF TRAVEL, AND HORSE MOUNTING AREA.