



MEETING DATE: 6/2/08

ITEM NO: 20

COUNCIL AGENDA REPORT

DATE: MAY 23, 2008

TO: MAYOR AND TOWN COUNCIL

FROM: GREG LARSON, TOWN MANAGER

A handwritten signature in cursive script, appearing to read "Greg Larson".

SUBJECT: CONSIDER STAFF REPORT AND RECOMMENDATIONS REGARDING
COMMUNITY AND YOUTH SPORTS FACILITIES AND DISPOSITION OF TOWN
LAND WITHIN VASONA PARK

RECOMMENDATION:

It is recommended that Council:

1. Direct staff to initiate the preparation of Master Plans for Balzar Field and Blossom Hill Park to ensure the continued availability and use of existing baseball fields and tennis courts;
2. Authorize organized soccer practice use of the Oak Meadow Park field Monday through Thursday afternoons during the typical youth soccer season;
3. Adopt a resolution authorizing the Town Manager to negotiate and execute a trade and sale of 13 acres of unusable Town land within Vasona County Park for \$6 million, subject to the condition that the land will be maintained in perpetuity for open space and public park uses only.
4. Direct staff to prepare an ordinance requiring that the proceeds from such sale, and all interest accruing thereof, be placed in a reserve legally restricted for community and youth sports facilities;
5. Accelerate the General Plan Update studies and public discussion regarding community recreation and youth services as directed by Town Council;
6. Direct the creation of an ad hoc interagency task force to identify and procure land for community and youth sports facilities involving public, private and non-profit organizations.

PREPARED BY: **GREG LARSON**
Town Manager

GL:pg

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Reviewed by: PSS Assistant Town Manager DL Town Attorney
____ Clerk Administrator SC Finance ____ Community Development

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BACKGROUND:

The Town Council has initiated significant projects to meet Town needs as specified in the General Plan, the Capital Improvement Program, the Civic Center Master Plan and other priority-setting documents. Most recently, the Council has authorized:

Police Operations Building acquisition and construction; and
New Library design and funding.

At the Town Council Retreat in March, there was a convergence of public, expert and Council support for initiation of efforts to make a community and youth sports facility a reality in Los Gatos. With the police and library projects now well underway, the Town must begin planning for the next priority project: **a community and youth sports facility to meet the growing recreational needs of Los Gatos.**

This document and these recommendations are a blueprint for achieving that potential reality despite the difficult fiscal conditions faced by most levels of government for the foreseeable future.

DISCUSSION:

The Town Council has received numerous staff reports and has conducted at least three public meetings on the need for additional sports facilities and the potential use of Town land within Vasona Park. Key past reports will be available on the Town website along with the full Council meeting packet to be distributed on Thursday, May 28. This staff report is provided in advance at the request of the Council.

Existing Sports Facilities:

The recently completed Recreational and Open Space Inventory prepared as an initial step for the General Plan Update identified a multitude of Town, public, educational, non-profit and private recreational and open space resources, programs and amenities serving Los Gatos.

Of the sports facilities identified, relatively few are directly owned and maintained by the Town itself; nonetheless, they are some of the most heavily used resources available. Specifically, the two baseball fields at Balzar Field and Blossom Hill Park, and the tennis courts at Blossom Hill and Rinconada Parks are particularly in demand.

A recent comprehensive operational assessment of the Town's park system identified that updated park master plans are needed for all 14 of the Town's parks. Given the need to maintain the limited existing sports facilities provided by the Town, it is recommended that Master Plans be prepared first for Balzar Field and Blossom Hill Park.

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There is also a need for additional soccer facilities in Town. The Council has previously authorized limited youth soccer practice on the field at Oak Meadow Park, but the field has not been used for such given its prior condition. However, a smoothing and reurfing of the Oak Meadow Field has just been completed, so organized soccer practice can now be allowed for up to four days a week during the youth soccer season. This will partially alleviate some of the immediate need for additional soccer facilities.

Last, the Town needs to maintain the balance of its park and open space facilities for informal recreational use, including impromptu, family or neighborhood softball, soccer, football, flying disc, volleyball, lacrosse, field hockey or equivalent sporting practice.

Vasona County Lake Park:

For nearly 50 years the Town of Los Gatos has been a partner with the Santa Clara County Department of Parks and Recreation in providing a passive recreational and open space amenity for the residents of Los Gatos and the broader Silicon Valley region through a long-term lease of 13 acres in the middle of Vasona Lake County Park (Vasona Park).

With that long-term support from the Town, Vasona Park has emerged as the single most popular park in the County, providing over 150 acres of creek, trail, habitat and lake resources, including 45 acres of grassy fields, for casual recreational and sports use. In addition, Vasona Park serves as the location for the non-profit Youth Science Institute, the annual Fantasy of Lights holiday display, and annual events like the recent Persian Nourouz Festival, a celebration of Spring. The County estimates that a majority of the visitors to Vasona Park are from Los Gatos.

Municipal park facilities are traditionally used for more active recreational purposes while County facilities are traditionally used for more passive recreational purposes. Consequently, in order to maintain Vasona as the popular passive recreational resource that it has become, the County has again offered the Town an extremely favorable acquisition price (\$6 million) based on a residentially appraised valuation, even though the Town's 13 acres would be restricted in perpetuity to parks and open space use. This increases the funding available to the Town for a future sports facility from a lower open space appraisal of roughly \$2 million to the offered \$6 million residential appraisal without any loss to Vasona Park or other recreational resources in Los Gatos.

In addition, the Town has historically supported the operation of the Billy Jones Railroad at Oak Meadow and Vasona Parks. The offer from the County also includes providing two-thirds of an acre of County land (appraised at \$525,000) to complete the Town ownership of the Billy Jones Railroad structures in Oak Meadow Park.

As discussed below under Alternatives, the Town's 13 acres within Vasona Park are unsuitable for active recreational use and the County is unwilling to consider any land trade within Vasona Park given the popularity and value of the park as it is.

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In addition, public assertions that the appraised valuation of the Town's land is too low neglect to consider that the Town's 13 acres are effectively landlocked within Vasona Park and are undevelopable due to environmental constraints and Resource Conservation zoning.

Restricted Funding for a New Sports Facility:

The \$6 million offered by the County is the single largest source of funds available to the Town for new or expanded parks. Given the priority for a community and youth sports facility, it is recommended that the entire \$6 million, plus interest accruing thereof (\$100,000 to \$500,000 per year), be placed in a reserve legally restricted for community and youth sports facilities as directed by the Council.

In addition to being "new" money that the Town would not otherwise have for a sports facility, the \$6 million in restricted funds also provides an opportunity to leverage additional financial and property resources for a future sports facility. All past Town efforts for increased sports facilities have been hampered by the lack of financial resources to make the project a reality. The availability of these restricted funds are necessary to increase the priority and viability of the Town's efforts to finally create a community and youth sports facility.

General Plan Update:

As noted earlier, the General Plan Update work has already created an inventory of existing recreational and open space resources serving Los Gatos. The next step is to more fully define the future recreational and sports needs of Los Gatos to drive the planning for a community and youth sports facility.

The General Plan Update process is an ideal way to undertake this planning work because it: 1) focuses on the future needs of Los Gatos, 2) incorporates potential land use and development opportunities, and 3) entails a highly public and participatory process focused on the General Plan Update priorities previously established by Council, including recreation and youth services.

However, the entire General Plan Update process will not be completed until early 2010. Consequently, moving the proposed community and youth sports facility ahead more quickly will require accelerating the research and drafting of the proposed new Recreation Element of the General Plan. Upon Council approval of this recommendation, staff will work with the proposed General Plan consultant to adjust the work plan accordingly.

Los Gatos Sports Facility Task Force:

Achieving a new community and youth sports facility for Los Gatos will need to be a community-wide priority focusing on achieving that end. With the funds provided by the County, the Town will be able to lead that effort with other potentially interested parties, such as the local schools, youth sports organizations, the Jewish Community Center, the County, service clubs, neighboring and special

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jurisdictions, the Santa Clara Valley Water District, the San Jose Water Company, major property owners and/or other stakeholders and supporters.

Consequently, the Town should establish an interagency ad hoc task force, drawing on the work of the General Plan Update, to assist efforts to identify, acquire and develop a community and youth sports facility. The Town Manager's Office will directly staff this effort and regular updates will be provided to the Council and public.

ALTERNATIVES

Other alternatives have been proposed and are presented and analyzed below:

1. *Force the County to Provide Active Recreational Space within Vasona Park*

The County has been steadfast in opposing any change to their traditional role of providing passive recreational space, leaving the provision of active recreational space and sports facilities to local municipalities, as is usually the case. This policy position has existed for decades and extends from Parks staff through executive management to the Board of Supervisors.

The argument that the Town could force a change upon the County by restricting public use of Town park land within Vasona Park upon expiration of the current lease is not a viable option for two reasons: 1) The Town does not have any effective access to its land except through and with the permission of the County; and 2) the public impact from and opposition to any closure or degradation of the Town's park land within Vasona would likely be severe.

2. *Town to Use Its Land Within Vasona Park for Active Recreational Uses*

The Town's 13 acres within the middle of Vasona Park are unsuitable for active recreational use as they primarily consist of a creek, oak knoll, trails, road, parking, a picnic area and a portion of a tot lot. The existing small grassy area is insufficient for any sports field use. Significant development to increase the grassy area for fields would require eliminating existing services (e.g., Billy Jones Railroad and tot lot) and significant environmental impacts to the existing creek and trees.

Further, maintenance of the Town's 13 acres would require additional staff and resources that are not currently budgeted or a proportional reduction in the maintenance of other parks and medians throughout the Town.

Last, it is unlikely that the County would provide the access needed to use or maintain any active recreational facilities in the middle of Vasona Park.

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3. *Delay*

The County's offer to provide \$6 million to the Town while maintaining the Town's land as park and open space has been withdrawn once before and has only been offered again for a limited time. Delaying acceptance of the County's offer could lead to a significant reduction in the valuation of the Town's land due to either declining real estate market conditions or future appraisals based on existing, rather than residential, zoning. Any delay also delays the availability of the funds needed to create a community and youth sports facility.

CONCLUSION

Based on the preceding discussion, staff recommends that Council:

1. Direct staff to initiate the preparation of Master Plans for Balzar Field and Blossom Hill Park to ensure the continued availability and use of existing baseball fields and tennis courts;
2. Authorize organized soccer practice use of the Oak Meadow Park field Monday through Thursday afternoons during the typical youth soccer season;
3. Adopt a resolution authorizing the Town Manager to negotiate and execute a trade and sale of 13 acres of unusable Town land within Vasona County Park for \$6 million, subject to the condition that the land will be maintained in perpetuity for open space and public park uses only.
4. Direct staff to prepare an ordinance requiring that the proceeds from such sale, and all interest accruing thereof, be placed in a reserve legally restricted for community and youth sports facilities;
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ENVIRONMENTAL ASSESSMENT:

Is not a project defined under CEQA, and no further action is required.

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FISCAL IMPACT:

Acceptance of the recommendations will result in \$6 million being placed in a reserve legally restricted for community and youth sports facilities. Minor budget or workload adjustments may also be required to prepare the Balzar and Blossom Hill Parks Master Plans and accelerating the Recreation Element of the General Plan Update.

Attachments:

1. Resolution approving sale of Vasona property to Santa Clara County
2. Aerial photo of Vasona land

RESOLUTION

RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS
FINDING IT TO BE IN THE COMMON BENEFIT OF THE CITIZENS
OF THE TOWN OF LOS GATOS TO SELL TOWN-OWNED PROPERTY
IN VASONA CREEK COUNTY PARK TO THE COUNTY OF SANTA CLARA
AND AUTHORIZING THE TOWN MANAGER TO NEGOTIATE AND EXECUTE AN
AGREEMENT WITH THE COUNTY SUBJECT TO SPECIFIC TERMS

WHEREAS:

A. The Town owns a 13-acre parcel of land ("Vasona") located in and surrounded by Vasona Lake County Park, which is owned by the County of Santa Clara.

B. Vasona was acquired by the Town sometime between 1910 and 1920, and was leased by the Town for various private commercial uses, including gravel quarry operations, from approximately the mid-1940s until 1960.

C. Vasona was leased at no cost to the County of Santa Clara in 1960 "to establish and maintain a public park...." Vasona Lake County Park was thereafter developed by the County of Santa Clara using State of California Park Bond funds. The lease was for a period of 25 years with an option for an additional 25 years, exercised by the County without objection by the Town. The lease terminates on January 1, 2010.

D. In December 1965, the Town Council adopted resolution 1965-260 asking the County of Santa Clara to acquire Vasona using funds available for park acquisition. The County declined the Town's request in March 1966.

E. Billy Jones Wildcat Railroad, a historic miniature steam railroad attraction operating since 1968, is located, in part (two thirds (0.66) of an acre), on County-owned property in Vasona Lake County Park and, in part, on property owned by the Town.

F. In 2003 the County proposed to acquire Vasona from the Town. The parties explored the possibility of a land transfer with the County ultimately deciding to make a cash-only offer. The Town and County agreed that the purchase price should be based on a mutually acceptable appraisal of the Vasona Property.

G. In March 2005, a jointly funded appraisal conducted by Hulberg & Associates, an appraisal firm with significant experience conducting appraisals on behalf of public agencies, determined the value of Vasona to be \$7,025,000. The appraiser based the value of the Vasona Property on the assumption that the highest and best use of the property is residential development at a density of 5.9 dwelling units per acre. The value is favorable to the Town given that the land is zoned Resource Conservation (RC), a designation that does not allow for residential development. The appraisal also reflects land value during a high market period for residential properties. An earlier appraisal performed by Hulberg & Associates determined the fair market value of Vasona as of March 8, 2004 to be \$2,982,000 based on a highest and best use of one single-family residence, the maximum residential density permitted under the current zoning of Vasona, Resource Conservation (RC).

H. On March 26, 2006, the County made a final offer of six million dollars (\$6,000,000) for Vasona, which would include an exchange of the 0.66 acre of County land on which the portion of Billy Jones Wildcat Railroad facility is located. The offer is based on the Hulberg appraisal with two adjustments, including a \$500,000 deduction in consideration of the cost to acquire road easements and road/bridge improvements necessary to gain access to Vasona, assuming residential development, and a deduction of \$525,000 to account for the 0.66 acre land exchange involving the portion of Billy Jones Wildcat Railroad facility located on County land.

I. On May 9, 2007, the Town Planning Commission determined pursuant to Government Code section 65402 that the proposed sale of Vasona to the County conformed with the Town's General Plan.

J. On May 1, 2007, the Town Parks Commission advised pursuant to Los Gatos Town Code section 19.20.010 whether the Town should sell Vasona to the County. The Commission recommended that Council sell Vasona to the County.

K. Opponents of the sale of Vasona stress the need for youth sports facilities in the Town and the lack of available land for such facilities. In light of these concerns, opponents question the adequacy of the County's offer, particularly the County's reluctance to exchange other County park property to be developed for youth sports activities. Opponents assert that the Town should reject the County's offer and either develop Vasona for soccer fields or await a better offer from the County, which opponents assert would occur upon expiration of the lease.

I. The concerns of opponents are countered by the following:

1. The development of Vasona for active sports facilities is environmentally insensitive and impractical. Vasona is narrow, hilly, covered in part with numerous mature trees, and located adjacent to Los Gatos Creek, which must be crossed in order to obtain access via Town-owned land. All other access to Vasona is controlled by the County. Consequently, Vasona cannot be developed for active sports activities, especially soccer fields, without extensive tree removal and grading. Also, the Town will have great difficulty developing suitable access to Vasona over the creek and is unlikely to gain access via County-owned property.

2. The County's motivation to acquire Vasona is unlikely to increase upon expiration of the lease. It is entirely impracticable for the Town to block continuing use of Vasona for park purposes, which substantially benefits all residents of the Town. Upon expiration of the

lease, Vasona will likely continue to be used as a park in the same manner as that developed and maintained by the County for over 40 years. Consequently, the County has no need to either increase its cash offer, which is already highly favorable to the Town, or reconsider its policies against exchanging park land or converting passive park land to active uses.

3. The Town will incur additional costs to operate and maintain Vasona, without an increase in revenues, which may result in a reduction in services in maintaining other Town-owned park properties.

4. The proceeds of the sale of Vasona can be dedicated for use by the Town, in conjunction with other public agencies, to acquire and develop other land in the Town for development of sports facilities.

J. Pursuant to Town Code section 37350, the Town may purchase, lease, receive, hold, and enjoy real and personal property, and control and dispose of it for the common benefit.

K. The Town Council finds that the sale of Vasona benefits the citizens of the Town of Los Gatos as follows:

i. By preserving in perpetuity at no cost to the Town a public park use that has existed in the Town for over 40 years.

ii. By preserving in perpetuity at no cost to the Town the natural features of Vasona, including hills, creek, trees and lawn.

iii. By receiving six million dollars (\$6,000,000) for the Town's fee interest in Vasona, an amount in excess of the value of the land with its highest and best use limited to its current zoning, Resource Conservation (RC).

iv. By committing the proceeds of the sale of Vasona to fund the acquisition of land in the Town and development of sports facilities thereon.

v. By receiving fee title to .66 acre of County land on which the portion of Billy Jones Wildcat Railroad facility is located.

RESOLVED:

The Town Manager is authorized to negotiate and fully execute on behalf of the Town all documents necessary to complete the sale of Vasona to the County of Santa Clara according to the following terms:

1. The County shall pay the Town six million dollars (\$6,000,000).
2. The County shall deed all of its interests in 0.66 acre of land occupied and used by Billy Jones Wildcat Railroad.
3. A deed restriction shall be recorded limiting Vasona to park use in perpetuity.

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Los Gatos, California held on 2nd day of June 2008 by the following vote.

COUNCIL MEMBERS:

AYES:

NAYS:

ABSENT

ABSTAIN:

SIGNED:

MAYOR OF THE TOWN OF LOS
GATOS, CALIFORNIA

ATTEST

CLERK ADMINISTRATOR
LOS GATOS, CALIFORNIA

