



DATE:	April 15, 2024
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TO: Honorable Mayor and Members of the City Council through City Manager

FROM: Heather Hines, Special Projects Manager

SUBJECT: Resolution Approving Allocation of Open Space Acquisition Funds to Earth Island Institute/Kelly Creek Protection Project for the Helen Putnam Park Expansion Project and Authorizing the City Manager to Sign Documents for Financing of The Project

RECOMMENDATION

It is recommended that the City Council adopt the attached Resolution approving allocation of \$250,000 in Open Space Acquisition funds to Earth Island Institute/Kelly Creek Protection Project for the acquisition and implementation of Phase 1 restoration activities to facilitate the acquisition, development, and subsequent dedication of approximately 47 acres of open space to Sonoma County Regional Parks for expansion of Helen Putnam Regional Park and authorizing the City Manager to sign documents for financing of the project.

BACKGROUND

Project Summary

The Scott Ranch project has an extensive history spanning nearly two decades. The City received the project's initial submittal in 2004 which was followed by a series of public hearings in 2013, 2017, 2018, and between 2021 to 2023. Final actions and entitlements approved by the City Council for the Scott Ranch Project to date are outlined below:

1. Resolution No. 2023-023 N.C.S. certifying the Environmental Impact Report for the Scott Ranch Project and adopting Findings of Fact, Statement of Overriding Considerations, the Mitigation Monitoring or Reporting Program, and FEIR Errata.
2. Resolution No. 2023-024 N.C.S. approving a General Plan Amendment to modify Policy 2-P-68 and Figure 5-3.
3. Ordinance No. 2839 N.C.S. approving a Zoning Map Amendment to rezone the project site from R1 to PUD.

4. Ordinance No. 2840 N.C.S. approving a Zoning Text Amendment adopting the Scott Ranch Planned Unit Development Guidelines and Unit Development Plan
5. Resolution No. 2023-025 N.C.S. approving a Vesting Tentative Subdivision Map to create 28 single family lots, private open space, and park and open space parcels.
6. Ordinance No. 2867 N.C.S. approving a Zoning Amendment to designate the Red Barn Complex a Local Landmark.

The City is currently reviewing an application for Major Site Plan and Architectural Review for the 28 single family homes, an application for Administrative Site Plan and Architectural Review application for improvements to the park parcel consistent with the concept park plan reviewed as part of the larger project, and Public Improvement Plans for infrastructure and roadway improvements in the public right of way.

Subsequent entitlements for implementation of the project will include a Tentative Parcel Map to create Parcel B in order to transfer the 47 acre park parcel to Earth Island Institute/Kelly Creek Protection Project (EII/KCPP) and the Final Map for the residential subdivision.

All entitlements are reviewed for consistency with applicable mitigation measures and conditions of approval included in the original entitlements and the certified EIR for the project.

Project Location

The project site is located at 1860 D Street, within the Scott Ranch Planned Unit Development (PUD) zoning district, at the intersection of Windsor Drive and D Street. More specifically, Parcel B of the approved Scott Ranch Subdivision and PUD and is specifically described in the PUD guidelines for use as public open space/park. As part of the Scott Ranch approvals, Parcel B will initially be owned by EII/KCPP and will then be transferred to Sonoma County Regional Parks for an extension of Helen Putnam Regional Park. The memorandum of understanding between EII/KCPP and Sonoma County Regional Parks outlines specific Phase 1 improvements to occur prior to the property transfer and includes language about the future management of the park and preservation of the red barns as discussed in greater detail below.

LOI with Regional Parks

In 2022 EII/KCPP and Sonoma County Regional Parks signed a Letter of Intent for the ultimate dedication of the property for extension of Helen Putnam Regional Park. The LOI references anticipated improvements that EII/KCPP will complete prior to dedication, including:

- Stabilization of main barn structure
- Removal of abandoned structures on the property
- Restoration of the stock pond, eroded gully, and Kelly Creek riparian area
- Construction of north trail along Kelly Creek, lower parking lot, and portable restrooms

The 2022 LOI anticipates a more detailed transfer agreement between the two parties to further detail these Phase 1 improvements that must be completed prior to Sonoma County's acceptance of the dedication. The current Administrative Site Plan and Architectural Review submitted by

EII/KCPP includes all of the Phase 1 improvements and is being reviewed for consistency with the Park Concept Plan and applicable mitigation measures and conditions of approval associated with the Scott Ranch Project entitlements.

DISCUSSION

Project Financing

The estimated cost for acquisition and Phase 1 park improvements as communicated by EII/KCPP is \$9.5 million. To date EII/KCPP has raised approximately \$4.1 million and is actively pursuing funding from a variety of sources for the remaining \$5.4 million to complete the project. Active funding opportunities currently being pursued include:

- \$1M from Ag and Open Space for park acquisition (not mitigation)
- \$450k from Ag and Open Space for restoration (not mitigation)
- \$1.8M in county park funds
- Funds from the Coastal Conservancy
- Funds from the Wildlife Conservation Bond
- Funds from foundations and other patrons
- Several large donations from specific private citizen

The requested allocation of \$250,000 from the City of Petaluma will support the fundraising effort and demonstrate local support to make future funding applications more competitive.

Open Space Acquisition Fund

The Purpose of the Open Space Land Acquisition Fee is to provide funding to achieve the City's goal of maintaining existing service levels and to provide adequate open space amenities for Petaluma residents as established in the General Plan and to accommodate the needs generated by future development. The General Plan sets forth a standard of 10 acres of open space for every 1,000 Petaluma residents. When the last nexus study was completed in 2012 the City had an open space inventory of 713 acres of the 727 acres needed to meet the General Plan standard. Therefore, the collection of Open Space Acquisition Funds is to acquire at least 14 acres of additional publicly available open space land.

These funds can be used for a variety of things associated with providing open space, including costs associated with design, engineering, right-of-way or land acquisition and construction and/or acquisition of the Facilities and reasonable costs of outside consultant studies.

General Plan Consistency

The requested allocation would support and facilitate the acquisition, development, and subsequent dedication of approximately 47 acres as park and open space for the future Helen Putnam Park Extension, which is consistent with and implements many policies of the General Plan, including:

Policy 1-P-1: Promote a range of land uses at densities and intensities to serve the community needs within the Urban Growth Boundary (UGB).

The Helen Putnam Regional Park expansion furthers the open space and recreational land uses found in the area. Additionally, the park expansion provides for open vistas at the Urban Growth Boundary which furthers other policies in the General Plan. The 300-foot urban separator along the southern boundary of the project site and contiguous with the Urban Growth Boundary remains undeveloped and preserved as open space in perpetuity under proposed conservation easements for habitat preservation.

Policy 1-P-18: Maintain a permanent open space around the city by the continuation of the Urban Separator and the use of an Urban Separator Pathway, as designated.

The project will permanently protect the 300-foot Urban Separator along the southern boundary of the project site, in addition to all land south of Kelly Creek, by dedicating approximately 47 acres to the Sonoma County Regional Parks to be retained as open space and protected habitat. No development or grading would occur within the 300-foot buffer. An Urban Separator Pathway will not be installed at this location due to sensitive habitat. However, the project meets the intent of this policy by maintaining the Urban Separator and additional lands as open space and providing pathway connection generally parallel to the D Street right of way and connecting to onsite pathways along Kelly Creek and connecting to trails in the existing Helen Putnam Regional Park.

Policy 1-P-20: Maintain a standard width for the urban separator at a minimum of 300 feet except in those areas where it may be variable due to topography, physical or ownership constraints, or is already established at more or less than 300 feet.

The project will maintain the 300-foot Urban Separator along the southern boundary of the project site and is proposed for dedication to the Sonoma County Regional Parks as part of the 47-acre regional park expansion. No development or grading would occur within this 300-foot buffer due to steep topography and sensitive habitat.

Policy 2-P-2: For development adjacent to the Urban Growth Boundary, the intent of the designated land uses is to feather or reduce densities to provide a transition from urban to rural.

The overall Scott Ranch Project density is consistent with the “Very Low Density Residential” land use designation, which carries out this policy's intent of feathering densities by providing a transition from urban to rural with the higher densities permitted in the central parts of Petaluma and lower densities feathering out toward the Urban Growth Boundary. The overall project protects approximately 47 acres to remain as open space for dedication to Sonoma County Regional Parks to expand Helen Putnam Regional Park. This will provide an open visual vista approaching the city limits and urban growth boundary, consistent with the intent of Policy 2-P-2 and the transition of urban to rural.

Policy 2-P-56: Preserve and enhance the oak woodland setting and integrate development to protect and enhance these resources.

There are 509 trees currently on the Scott Ranch property, 472 of which are protected trees as defined in IZO Chapter 17. The project has focused on preserving trees to the greatest extent possible by clustering the residential development around Windsor Drive and minimizing development on the remainder of the site. Up to thirty protected trees are proposed for removal, largely along Windsor Drive to accommodate sidewalks and the new roundabout, and elsewhere to accommodate trail placement. In addition to preserving the other approximately 442 protected trees currently on the site, the project includes planting of 427 trees, which exceeds the required replacement as outlined in the zoning ordinance. The project proposes preservation of more than 94 percent of the protected trees on the site.

Policy 2-P-68: Preserve the uniqueness of the property at the intersection of D Street and Windsor Drive (Scott Ranch) through incorporation of the following criteria in the future development process:

- Respect the gateway value with a minimum 100'-setback from D Street with no sound walls.
- Maintain a minimum of a 100'-setback along Kelly Creek and its tributaries.
- Preserve the red barns in place, designate them historic and encourage the incorporation of a nature study area.
- Preserve and maintain habitat areas and trees.
- Avoid slide areas and minimize grading.
- Provide a minimum 300'-wide Urban Separator.
- Provide a minimum of a 3-acre park site.
- Include the provision of trailhead facilities with restrooms and parking with a connection to Helen Putnam Regional Park.
- Respect City hillside regulations.

The project complies with Policy 2-P-68 by preserving the Barn Complex and incorporating a nature study area with the proposed development of vegetable gardens, demonstration and working corrals, antique farm equipment with a hand pump, and an amphitheater for outdoor learning activities.

The Helen Putnam Park Extension will preserve trees and California red-legged frog breeding habitat. The approved project was designed to minimize grading and avoid landslide areas by not developing south of Kelly Creek for residential purposes and improving this area as open space. The 300-foot band along the southern boundary of the project site that is designated

Urban Separator on the General Plan Land Use map will be part of the dedicated to the Sonoma County Regional Parks and retained as open space and protected habitat as part of the proposed project.

The Helen Putnam Park Extension will extend the existing Helen Putnam Regional Park eastward to D Street by developing a park area on approximately 47-acres of the project site. Therefore, the proposed project would meet and exceed the policy's requirement of providing a minimum 3.0-acre park. The proposed project also would include trailhead facilities with restrooms and parking.

PUBLIC OUTREACH

This agenda item appeared on the City's tentative agenda document on April 8, 2024, which was a publicly-noticed meeting. The larger Scott Ranch Project included robust public engagement and the project scope was largely shaped by public input received between the original application date and the approval of the project in February of 2023.

Consideration of both the Major SPAR for the residential component and Administrative SPAR for the park improvements will be duly noticed consistent with the City's public noticing requirements.

COUNCIL GOAL ALIGNMENT

The allocation of funding to support EII/KCPP acquisition and development of the Helen Putnam Park extension reinforces several of the Citywide Goals and Priorities, including preserving spaces and places that inspire by preserving a special place in Petaluma that celebrates our community history and honoring our environmental legacy through protection of our open spaces.

CLIMATE ACTION/SUSTAINABILITY EFFORTS

The City's Climate Framework was adopted to guide the City's ongoing response to and discussion about the climate crisis and guides and informs subsequent policies and implementation strategies. The principles identified in the Framework establish Petaluma's shared vision of a healthy, sustainable, and equitable community. By setting the shared intention of this framework and working from the framework in subsequent planning efforts to create policy and implementation, the City will actively work to avoid catastrophic climate change and adapt to its expected impacts.

The Scott Ranch Project will install sidewalks, bicycle lanes, and multi-use pathways furthering opportunities for outdoor recreation. Additional improvements include bank stabilization, habitat restoration, and enhancement of the riparian corridor through native tree plantings, which will further enhance and preserve the land consistent with goals of the Framework.

ENVIRONMENTAL REVIEW

An Environmental Impact Report for the Scott Ranch project, inclusive of the park component, was certified by the City Council on February 27, 2023 (SCH #2004072137). The current action before the City Council is allocation of funds for the acquisition and implementation of the park component of the project and therefore consistent with the environmental analysis presented in the certified EIR for the larger project.

No further analysis is warranted based on the current scope of the item before the City Council for consideration.

FINANCIAL IMPACTS

The requested allocation is for \$250,000 from funds collected through the Open Space Acquisition Impact Fee, consistent with the purpose of that fee to provide at least ten acres of publicly accessible open space per 1,000 Petaluma residents. The current fund balance is approximately \$660,000. A budget adjustment will be included in the FY24 year-end adjustments to increase expenditures in the Open Space Acquisition Impact Fee Fund by \$250,000 (2143.21430.57310). If not expended in FY24, the appropriation will be carried forward into FY25.

Funds for this account are generated for all new development projects at the following established rates and are automatically increased each July by CPI:

OPEN SPACE ACQUISITION FEE		
Land Use Type	Fee	Unit of Measurement
Single Family Residential	\$531	Unit
Multifamily Residential	\$356	Unit
Commercial	\$102	1,000 sq ft of building space
Industrial	\$62	1,000 sq ft of building space

The Scott Ranch residential component (28 single family homes) is anticipated to generate approximately \$14,000 in open space acquisition fees payable at certificate of occupancy for the single family homes.

ATTACHMENTS

1. Resolution
2. Concept Park Plan
3. Letter of Intent between Sonoma County Regional Parks and Kelly Creek Protection Project