



August 1, 2024

TO: Los Osos Utilities Advisory Committee

FROM: Ron Munds, General Manager

SUBJECT: Agenda Item 8B – 08/01/2024 Utilities Advisory Committee
Discussion on the Park Space in Los Osos, Future Admission Fee to Montana de Oro State Park and Direction to Staff to Submit a Correspondence to the County of SLO Regarding the Park Issues

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STAFF RECOMMENDATION

Staff recommends the Board adopt the following motion:

Motion: I recommend the Board to:

- 1. Direct staff to Draft a letter to the County of San Luis Obispo Board of Supervisors which includes the discussion points from the Board meeting and Public Comments; and***
- 2. Authorize the President, or his designee, to sign and submit the letter.***

Discussion

Los Osos has, historically, been deficient in parkland space. The approved Los Osos Community Plan (LOCP) states that the current standard for community park facilities should be 3.0 acres per 1,000 residents (Community Plan Section 8.3.3 Parks). This would equate to 42 acres of parkland. The LOCP goes on to say in Section 3.7 Recreation & Tourism subsection, 3.7.1 Parks:

“Los Osos has one community park, the 6.2-acre Los Osos Community Park. In addition, Los Osos residents have convenient access to Montana de Oro State Park, and other "special" recreation facilities, including Sweet Springs Nature Preserve, Elfin Forest Natural Area, Morro Bay State Park and Golf Course, and Los Osos Oaks State Reserve. Public schools augment the community’s recreational facilities. The California Education Code allows community use of public-school facilities and grounds, including supervised recreation activities. Although the County has no joint-use agreements with the school district, school sites are extensively used by local neighborhoods for recreational purposes”.

Stating that Los Osos residents have convenient access to Montana de Oro implies that this access is fulfilling part of the underprovided park space in our town.

The reason this is important is that in June 2009, the Board of Supervisors approved the construction of an entry kiosk on Pecho Valley Rd. and established four contingencies for State Parks to meet prior to moving forward with the Kiosk project and charging entry to Montana de Oro. These criteria are as follows:

- Offer an annual, single-family pass at a cost of approximately \$25.
- Offer free day-use for volunteers who serve the local district with at least 40 hours of service annually.

- Offer a commitment directing new revenues toward the development and maintenance of a trail system in the new park properties being acquired in the Irish Hills area.
- Agree to the proposed amendments to the Operating Agreement relative to rent payments and capital improvements at Morro Bay Golf Course as submitted to State Parks under the previous cover.

In the negotiations between the State and the County, it appears that the County used the road into Montana de Oro, approval of a kiosk, and entry fee as bargaining tools to receive better terms on the other parts of the operating agreement which include the Morro Bay Golf Course, Cayucos Vets Hall, Cayucos Pier and other amenities. The current operating agreement is in effect through August 2024, at which time a new operating agreement will be brought to the Board for approval. The date of the meeting is uncertain at this time.

The outcome of State and County negotiation process is that sometime in the future Los Osos residents will lose free access to one of the parks/recreational areas identified in the LOCP as a mitigation measure for not having adequate parklands within the community. In essence, leaving Los Osos citizens paying for part of the better terms in the operating agreement.

The community bears other impacts from its proximity to Montana de Oro. It is estimated that there are 700,000 vehicle trips to the park annually. Though there may be some economic benefit from the vehicles passing through town, the added traffic on Los Osos Valley Road (LOVR) increases congestion and risks at the many intersections entering onto LOVR.

It is recommended that the Board direct staff to draft a letter to the Board of Supervisors expressing the community's concerns about executing a new agreement which imposes a fee for entry into Montana de Oro State Park.

Attachment

SLO County/State Parks Operating Agreement Report



**COUNTY OF SAN LUIS OBISPO
BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Parks and Recreation	(2) MEETING DATE 4/9/2024	(3) CONTACT/PHONE Tanya Richardson 805-781-5204	
(4) SUBJECT Request to 1) approve an Operating Agreement between the County of San Luis Obispo and the State of California Department of Parks and Recreation for the use and operation of Cayucos State Beach, Pier, and Veterans' Memorial Hall, and 2) approve Amendment No. 2 of the 1999 Operating Agreement to remove all references to Cayucos State Beach, Pier, and Veterans' Memorial Hall.			
(5) RECOMMENDED ACTION It is recommended that the Board: 1. Approve the Operating Agreement between the County of San Luis Obispo and the State of California Department of Parks and Recreation for the use and operation of Cayucos State Beach, Pier, and Veterans' Memorial Hall. 2. Approve Amendment No. 2 of the 1999 Operating Agreement to remove all references to Cayucos State Beach, Pier, and Veterans' Memorial Hall. 3. Authorize the Chairperson to execute the Operating agreement and Amendment No. 2.			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT 0.0000	(8) ANNUAL FINANCIAL IMPACT 0.0000	(9) BUDGETED? yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Board Business (Time Est. _____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: 8/10/1999, 6/23/2009, 10/30/2012	
(17) ADMINISTRATIVE OFFICE REVIEW Mia S. Trevelyan			
(18) SUPERVISOR DISTRICT(S)			



COUNTY OF SAN LUIS OBISPO

TO: Board of Supervisors

FROM: Parks and Recreation / Tanya Richardson 805-781-5204

DATE: 4/9/2024

SUBJECT: Request to 1) approve an Operating Agreement between the County of San Luis Obispo and the State of California Department of Parks and Recreation for the use and operation of Cayucos State Beach, Pier, and Veterans' Memorial Hall, and 2) approve Amendment No. 2 of the 1999 Operating Agreement to remove all references to Cayucos State Beach, Pier, and Veterans' Memorial Hall.

RECOMMENDATION

It is recommended that the Board:

1. Approve the Operating Agreement between the County of San Luis Obispo and the State of California Department of Parks and Recreation for the use and operation of Cayucos State Beach, Pier, and Veterans' Memorial Hall.
2. Approve Amendment No. 2 of the 1999 Operating Agreement to remove all references to Cayucos State Beach, Pier, and Veterans' Memorial Hall.
3. Authorize the Chairperson to execute the Operating agreement and Amendment No. 2.

DISCUSSION

The California Department of Parks and Recreation (CDPR) and the County of San Luis Obispo (County) have been involved in a series of Operating Agreements regarding County management of State-owned facilities since the mid 1940's. The current twenty (20) year agreement between CDPR and the County was approved on August 10, 1999. Noted on the attached vicinity map (Attachment 5), properties include the Morro Bay Golf Course (MBGC), Cayucos State Beach, Cayucos Pier, Cayucos Veterans' Memorial Hall, the top of Bishop Peak, Norma Rose Park, and an undeveloped site near Old Creek in Cayucos. The agreement also contains conditions allowing CDPR to install an entry kiosk on Pecho Road for Montaña de Oro State Park (MdO) at the end of the tenth contract year (2009).

On June 23, 2009, the Board of Supervisors approved the construction of an entry kiosk on Pecho Valley Rd. and established four contingencies for State Parks to meet prior to moving forward with the Kiosk project and charging entry to MdO. These criteria are as follows:

- Offer an annual, single-family pass at MdO at a cost of approximately \$25.
- Offer free day-use to MdO for volunteers who serve the local district with at least 40 hours of service annually.

- Offer a commitment directing new revenues toward the development and maintenance of a trail system in the new park properties being acquired in the Irish Hills area.
- Agree to the proposed amendments to the Operating Agreement relative to rent payments and capital improvements at MBGC as submitted to State Parks under previous cover.

While discussing the above County conditions, CDPR requested ownership of that portion of Pecho Valley Road that would have begun at the agreed location of the entry kiosk and continued within MdO. Staff saw this as appropriate in that State Parks would have maintained the roadway, it would have been entirely within MdO and CDPR would have policed its activities. In return CDPR agreed to maintain public access to this roadway and maintain it in at least as good condition as the other roads within MdO. County staff requested a five-year extension of the agreement from January 2019 to January 2024 to allow for a longer time period to complete required capital investments.

On March 25, 2010, the County Planning Commission determined that the transfer of maintenance of Pecho Valley Road did not conform to the County General Plan. This determination, however, would not prevent approval of this negotiated amendment.

On August 25, 2011, the CDPR Director provided written approval of the above noted conditions provided by the Board of Supervisors and approved the framework for this amendment. Attached Amendment One contains the following elements:

- Five-Year extension of County's current Morro Bay Golf Course operating agreement from 2019 to 2024.
- Reduction of County Morro Bay Golf Course Lease costs from 10% to 5% of gross revenues annually.
- Increase the contractual amount of County's capital project investment from \$300,000 to \$475,000, which considers the five-year extension.
- Allows rent credits for approved County capital investments on properties within the agreement when the total investment exceeds \$475,000.
- Allows CDPR to permit, design, and construct a kiosk and collect fees for entrance of Montaña de Oro State Park via Pecho Valley Road per County BOS June 23, 2009, conditions.
- The County will relinquish Pecho Valley Road from the future kiosk inward within MdO. CDPR agrees to maintain public access to this road, as well as, maintain the road at a level equal to that of other State Park roads.

On October 30, 2012, Amendment One was approved resulting in the extension of a successful Operating Agreement between County and CDPR, decreasing annual lease costs to the County, aiding in the enhancement of public recreation opportunities, and reducing the likelihood of future considerations of the closure of Montana de Oro State Park.

Amendment No. 2 (Attachment 4) of the Operating Agreement will remove all references to Cayucos State Beach, Pier, and Veterans' Memorial Hall. All other terms and conditions of the Operating Agreement remain the same. The Operating Agreement will continue operating the other properties through August 2024, at which time a new operating agreement will be brought to the Board for approval.

Operation of the Cayucos State Beach, Pier, and Veterans' Memorial Hall are addressed in a new operating agreement (Attachment 3 – Operating Agreement #P21OA005) with the California Department of Parks and Recreation for a fifty-year term, all other terms and conditions reflect those in the original agreement.

OTHER AGENCY INVOLVEMENT/IMPACT

Staff have worked closely with the California Department of Parks and Recreation, County Parks and Recreation Commission, County Counsel, County Department of Public Works, and the County Department of Planning and Building to develop the new operating agreement and amendment to for the use and operation of Cayucos State Beach, Pier, and Veterans' Memorial Hall, and amendment No. 2 of the 1999 Operating Agreement to remove all references to Cayucos State Beach, Pier, and Veterans' Memorial Hall.

County Counsel has reviewed and approved the new Cayucos related Operating Agreement #P21OA005 and Amendment No. 2 to the 1999 Operating Agreement as to form and legal effect.

FINANCIAL CONSIDERATIONS

The approval of the new Cayucos related Operating Agreement #P21OA005 will allow for increased revenue opportunities at the soon to be renovated Cayucos Veterans' Memorial Hall. The rental fees collected will go toward repayment of loans, maintenance, and operations.

RESULTS

Approval of the recommended actions will result in a new fifty-year operating agreement for Cayucos State Beach, Pier, and Veterans' Memorial Hall and amendments to the original 1999 contract to reflect this change and continued operation of the Morro Bay Golf Course, Bishop's Peak, Norma Rose Park, and an undeveloped site near Old Creek in Cayucos. The new Operating Agreement between County and CDPR will aid in the enhancement of public recreation opportunities, thereby supporting County goals for providing a well-governed community, a healthy community, a prosperous community, and a livable community.

ATTACHMENTS

- 1 - Operating Agreement 1999
- 2 - Amendment One
- 3 - State Parks Operating Agreement 4-9-2024
- 4 - Amendment Two
- 5 - Vicinity Map