



# COUNTY OF SAN DIEGO

## LAND USE AGENDA ITEM

### BOARD OF SUPERVISORS

GREG COX  
First District

DIANNE JACOB  
Second District

DAVE ROBERTS  
Third District

RON ROBERTS  
Fourth District

BILL HORN  
Fifth District

**DATE:** May 15, 2013, June 19, 2013 and July 17, 2013

**01**

**TO:** Board of Supervisors

**SUBJECT:** PURCHASE OF AGRICULTURAL CONSERVATION EASEMENT (PACE) PROGRAM - PURCHASE OF FIVE AGRICULTURAL EASEMENTS IN WARNER SPRINGS, RANCHITA, POTRERO, FALLBROOK AND CAMPO (6/19/13 - Set Hearing; 7/17/13 - Hold Hearing) (DISTRICTS: 2 and 5)

### Overview

On May 15, 2013 (2), the Board of Supervisors continued the item to June 19, 2013.

The County of San Diego has initiated an agricultural conservation pilot program known as the Purchase of Agricultural Conservation Easement (PACE) program. The PACE program is intended to promote the long term preservation of agricultural land in the county. Under the PACE program, willing property owners are compensated for placing a perpetual irrevocable easement on their agricultural property which limits future uses and extinguishes future development potential.

County staff has identified property owners that are eligible to participate in the PACE program and by use of a ranking system, made offers to five with the highest rankings. Staff worked with these five property owners to negotiate contracts for the purchase of agricultural conservation easements over a total of 738-acres in Warner Springs, Potrero, Fallbrook and Campo at a cost of \$1,709,000.

Today's request requires two steps. On June 19, 2013, it is requested that the Board set a hearing for July 17, 2013, and provide public notice of the hearing. If the Board takes the actions recommended for June 19, 2013, then on July 17, 2013, after making the necessary findings, the Board is requested to approve the purchases of the agricultural easements of the above five properties.

### Recommendation(s)

#### CHIEF ADMINISTRATIVE OFFICER

#### On June 19, 2013:

1. Find that the proposed action to set a hearing to consider approving the purchase of agricultural conservation easements over APNs 114-070-07, 114-070-27, 28, 34, 114-

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080-13, 14, 114-120-24, 42, 101-562-06, 14, 652-061-01, 102-580-06 and 655-100-33 is exempt from review under the California Environmental Quality Act (CEQA) pursuant to Section 15060(c)(3) of the CEQA Guidelines, as it is not a project as defined under Section 15378 of the CEQA Guidelines.

2. Direct the Clerk of the Board to publish the required Notice of Intention to Purchase in accordance with Government Code Sections 25350 and 6063.
3. Set a hearing for July 17, 2013, at which time the Board of Supervisors may consider approving the purchase of agricultural conservation easements over APNs 114-070-07, 114-070-27, 28, 34, 114-080-13, 14, 114-120-24, 42, 101-562-06, 14, 652-061-01, 102-580-06 and 655-100-33.

**If, on June 19, 2013, the Board takes the actions recommended in Items 1-3 above then, on July 17, 2013:**

1. Find in accordance with Section 15317 of the CEQA Guidelines, that the purchase of agricultural conservation easements over APNs 114-070-07, 114-070-27, 28, 34, 114-080-13, 14, 114-120-24, 42, 101-562-06, 14, 652-061-01, 102-580-06 and 655-100-33 is categorically exempt from the provisions of the CEQA guidelines, as it involves the purchase of easements interests to preserve agricultural and natural conditions.
2. Approve the Real Property Contract (Agreement) for the purchase of an agricultural conservation easement over APNs 114-070-07, 114-070-27, 28, 34, 114-080-13, 14, 114-120-24, and 42 from the Lovingier Family Trust for \$1,047,000 and authorize the Director of General Services to execute two copies of the Agreement.
3. Approve the Real Property Contract for the purchase of an agricultural conservation easement over APNs 101-562-06 and 14 from Joseph and Joyce Edwards for \$300,000 and authorize the Director of General Services to execute two copies of the Agreement.
4. Approve the Real Property Contract for the purchase of an agricultural conservation easement over APN 652-061-01 from The Carson Family Revocable Trust for \$80,000 and authorize the Director of General Services to execute two copies of the Agreement.
5. Approve the Real Property Contract for the purchase of an agricultural conservation easement over APN 102-580-06 from Marquis Vawter and Karen Harvey for \$75,000 and authorize the Director of General Services to execute two copies of the Agreement.
6. Approve the Real Property Contract for the purchase of an agricultural conservation easement over APN 655-100-33 from Johnson Family Trust for \$192,000 and authorize the Director of General Services to execute two copies of the Agreement.
7. Authorize the Director of the Department of General Services, or designee, to execute all escrow and related documents necessary to complete the purchase.

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8. Direct the Chief Administrative Officer to report back to the Board within 120 days of all easement acquisitions completing escrow. The report will detail the opportunities and challenges realized during the program's implementation, provide an analysis of program demand and property characteristics of interested program participants, discuss outside funding opportunities and provide options for future County PACE program efforts.

### **Fiscal Impact**

Funds for this request are included in the Fiscal Year 2012-13 Operational Plan for the Department of Planning & Development Services. If approved, this request will result in current year cost of \$1,694,000 for the purchase of the easements, and \$15,000 for related title and escrow costs for a total of \$1,709,000. The funding source is General Fund fund balance. There is no change in net current year General Fund costs and no additional staff years.

### **Business Impact Statement**

N/A

### **Advisory Board Statement**

N/A

### **Background**

On August 3, 2011 (1), the Board of Supervisors directed staff to develop a Pilot Purchase of Agricultural Conservation Easement (PACE) Program as a component of the General Plan Update Implementation Plan. The PACE program is intended to promote the long term preservation of agricultural land in the County. The program is based on the framework of what is traditionally referred to as a Purchase of Development Rights program. Under the PACE program, willing agricultural property owners are compensated for placing a perpetual easement on their agricultural property that limits future uses and extinguishes future development potential. As a result, the agricultural land is preserved and the property owner receives compensation that can make its continued use for agriculture more viable. A PACE Advisory Group was established at the onset of the program to solicit feedback from key stakeholders during the programs implementation.

In order to participate in the PACE program, a property owner must have met three eligibility requirements: 1) The property must have been actively farmed and /or ranched for a minimum of two years prior to applying for the program; 2) The property must have realized a density reduction as a result of the General Plan Update adopted by the Board of Supervisors on August 3, 2011; and, 3) The property must have had the ability to subdivide under the previous General Plan (in effect prior to August 3, 2011). The eligibility criteria was established and publically vetted during the General Plan Update process and reviewed by the PACE Advisory Group prior to implementation of the program.

A total of sixty property owners applied for the program. All applications were reviewed and ranked based on criteria established from PACE Advisory Group input. The density reduction realized as a result of the General Plan Update was the primary ranking factor. Additional ranking criteria included agricultural viability as well as the ability to contribute to assemblage of

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the Multiple Species Conservation Plan.

An independent third party appraiser conducted property specific appraisals on each of the selected properties. In determining the value of the easements, the County instructed the appraiser to apply the traditional appraisal valuation approach used by the State Department of Conservation in their California Farmland Conservancy Program. Under this approach, the appraiser used the sales comparison approach to estimate market value of the land as unencumbered. The appraiser then estimated the property value with the agricultural conservation easement in place. Finally the market value of the encumbered land was subtracted from the market value of the unencumbered land to arrive at the appraised value of the agricultural conservation easement. Based upon the appraised values and available funding, County staff secured “willing seller letters” and prepared a Real Property Contract for the acquisition of easements from the five property owners as outlined in the table below. The total value of the five easements proposed for acquisition is \$1,694,000. The easements cover a total area of 738 acres. The remaining balance of the \$2 million allocated to the Pilot PACE program was utilized on appraisals and administrative expenses.

Rank	Location	APN	Size (acres)	Type	Easement Value	Status
1	Warner Springs	114-070-07, 114-070-27, 28, 34, 114-080-13, 14, 114-120-24, and 42	429.1	Agriculture & Ranching	\$1,047,000	Accepted easement Offer
2	Ranchita	-	159	Ranching	\$102,300	Declined easement Offer
3	Fallbrook	101-562-06 and 14	117.31	Agriculture	\$300,000	Accepted easement Offer
4	Potrero	652-061-01	79.45	Agriculture	\$80,000	Accepted easement Offer
5	Fallbrook	-	80	Agriculture	\$175,000	Declined easement Offer
6	Fallbrook	102-580-06	20.86	Agriculture	\$75,000	Accepted easement Offer
7	Campo	655-100-33	91.7	Ranching	\$192,000	Accepted easement Offer
8	Valley Center	-	44	Agriculture	\$165,000	Offer not extended due to funding limits
9	Escondido	-	196.4	Agriculture	\$381,800	Offer not Extended due to funding limits
10	Lakeside	-	44.92	Agriculture	\$68,750	Offer not extended due to funding limits

**Environmental Statement**

The proposed acquisition of agricultural easements over APNs 114-070-07, 114-070-27, 28, 34, 114-080-13, 14, 114-120-24, 42, 101-562-06, 14, 652-061-01, 102-580-06 and 655-100-33 is categorically exempt from the provisions of the CEQA guidelines, as it involves the transfer of ownership of land to preserve agricultural and natural conditions.

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**Linkage to the County of San Diego Strategic Plan**

The requested action for acquisition of agricultural easements supports the Sustainable Environments Strategic Initiative in the County of San Diego's 2013-2018 Strategic Plan by implementing land use strategies that protect and promote our natural and agricultural resources.

Respectfully submitted,



SARAH E. AGHASSI  
Deputy Chief Administrative Officer

**ATTACHMENT(S)**

A – Location Maps: Lovingier Property, Edwards Property, Carson Property, Vawter/Harvey Property and Johnson Property

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**AGENDA ITEM INFORMATION SHEET**

**REQUIRES FOUR VOTES:**          Yes        No

**WRITTEN DISCLOSURE PER COUNTY CHARTER SECTION 1000.1 REQUIRED**  
    Yes        No

**PREVIOUS RELEVANT BOARD ACTIONS:**

On August 3, 2011 (1), The Board of Supervisors directed staff to develop a Pilot Purchase of Agricultural Conservation Easement (PACE) Program as a component of the General Plan Update Implementation Plan and allocated \$2 million to fund the program.

**BOARD POLICIES APPLICABLE:**

N/A

**BOARD POLICY STATEMENTS:**

N/A

**MANDATORY COMPLIANCE:**

On April 24, 2013, pursuant to Government Code Sections 65402 and 65566, the Department of Planning and Land Use made a finding of consistency with the General Plan, based on its preliminary review of the location, purpose and extent of the proposed acquisitions.

**ORACLE AWARD NUMBER(S) AND CONTRACT AND/OR REQUISITION NUMBER(S):**

N/A

**ORIGINATING DEPARTMENT:** Department of General Services

**OTHER CONCURRENCES(S):** Department of Planning & Development Services

**CONTACT PERSON(S):**

Adam S. Weinberg, Chief, Real Estate Services  
Name  
858-694-2301  
Phone  
adam.weinberg@sdcounty.ca.gov  
E-mail

Angela Jackson, Senior Real Property Agent  
Name  
858-694-2336  
Phone  
angela.jackson@sdcounty.ca.gov  
E-mail