



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: October 19, 2016 and November 16, 2016

09

TO: Board of Supervisors

SUBJECT: PURCHASE OF AGRICULTURAL CONSERVATION EASEMENT (PACE) PROGRAM – PURCHASE OF TWO AGRICULTURAL CONSERVATION EASEMENTS IN RAMONA AND PALA-PAUMA VALLEY (10/19/16-SET HEARING; 11/16/16-HOLD HEARING) (DISTRICTS: 2 & 5)

Overview

On December 4, 2013 (3), the Board of Supervisors (Board) established the Purchase of Agricultural Conservation Easement (PACE) Program as an on-going County program and established the continuous funding of acquisitions through an annual General Fund appropriation and sale of mitigation credits. On September 17, 2014 (1), the Board expanded the PACE Program to include a mitigation component.

The Board provided staff with the following direction:

- Periodically reopen the PACE application process to interested property owners; and
- Pursue an on-going PACE program based on an annual funding allocation of up to \$1,500,000.

In response to the Board's direction, in Fiscal Year (FY) 2015-16, the County acquired 189.87 acres through the PACE program. As of today, 59.23 acres have been acquired in FY 2016-17. Today's request is to approve easement acquisitions from two property owners that have signed "willing seller" letters. The first property is identified as Assessor Parcel Numbers (APN) 130-120-07, 132-020-16, -22, -37, -51, -52 (211.54 acres) appraised at \$608,470, and the second property is identified as APN 278-080-08 (81.99 acres) appraised at \$361,500, for a total of 293.53 acres. The appraised value of each easement exceeds the limit established by Government Code Section 25350.60 and Administrative Code Section 73(a), which authorizes acquisition of real property interests valued at less than \$250,000 by the Director, Department of General Services, and requires the Board's approval. The two agricultural conservation easements appraised for a combined value of \$969,970.

The easement acquisition request requires two steps. On October 19, 2016, the Board is requested to set a hearing for November 16, 2016, and provide public notice for the hearing. If the Board takes the actions recommended for October 19, 2016, then on November 16, 2016,

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after making the necessary findings, staff requests the Board approve the purchase of agricultural easements for the above referenced properties.

Recommendation(s)

CHIEF ADMINISTRATIVE OFFICER

On October 19, 2016:

1. Set a hearing for November 16, 2016 at which time the Board of Supervisors may consider approving the purchase of agricultural easements over Assessor Parcel Numbers (APNs) 130-120-07, 132-020-16, -22, -37, -51, -52 and 278-080-08.
2. Direct the Clerk of the Board of Supervisors to provide notice of said hearing via publication and posting as required by law.

If on October 19, 2016, the Board takes the actions recommended in Items 1-2 above, then on November 16, 2016:

1. Find that the proposed project is categorically exempt from the California Environment Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15325 as it involves the transfer of ownership of land to allow continued agricultural use and preserve existing natural conditions.
2. Approve the Real Property Contract for the purchase of an agricultural conservation easement over APNs 130-120-07, 132-020-16, -22, -37, -51, and -52 from Few Acres Ranch LLC, John Dwight Beck Family Trust U.D.T. 2/17/99, and John D. Beck Family Trust U/D/T February 17, 1999 for the appraised value of \$608,470.
3. Approve the Real Property Contract for the purchase of an agricultural conservation easement over APN 278-080-08 from JSB Trust Dated January 22, 2000 for the appraised value of \$361,500.
4. Authorize the Director, Department of General Services, or designee, to execute two originals of each Real Property Contract as well as all escrow and related documents necessary to complete the purchases of agricultural conservation easements over APNs 130-120-07, 132-020-16, -22, -37, -51, -52 and 278-080-08.

Fiscal Impact

Funds for this request are included in the Fiscal Year 2016-17 Operational Plan for Planning & Development Services (PDS). If approved, this request will result in estimated costs of \$974,970 for the two easements totaling \$969,970 which includes \$5,000 in related title and escrow costs. The funding source is Fiscal Year 2015-16 (\$411,056) and 2016-17 (\$563,914) PACE Program available fund balance. After acquiring the two easements, \$936,086 will remain in the PACE Program. There will be no change in net General Fund costs and no additional staff years.

Business Impact Statement

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N/A

Advisory Board Statement

N/A

Background

On December 4, 2013 (3), the Board of Supervisors established the Purchase of Agricultural Conservation Easement (PACE) Program as an on-going County program. The PACE Program is intended to promote the long-term preservation of agricultural land. 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 in the unincorporated County are compensated for placing a permanent easement on their 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.

In order to participate in the PACE Program, a property owner must meet 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 on August 3, 2011 (1); and 3) the property must have had the ability to subdivide under the previous General Plan that was in effect prior to August 3, 2011. Program eligibility requirements were established and publically vetted during the General Plan Update process and reviewed by a PACE Advisory Group prior to implementation.

During FY 2015-16, PDS received 77 applications for the PACE Program. A total of 37 applications, totaling 1,288.70 acres, were deemed eligible per the PACE Program Guidelines.

Since the PACE Program was established in FY 2013-14, the County has permanently preserved 1,385.69 acres for agriculture easements, including 189.87 acres in FY 2015-16. A total of 18 property owners have been compensated for placing agricultural easements on their land in the combined total amount of \$3,895,212. An additional 59.23 acres of agricultural conservation easements have been acquired in FY 2016-17 from three property owners administratively pursuant to Administrative Code Section 73(a).

The current request is to approve the acquisition of agricultural conservation easements from two property owners that have signed “willing seller” letters. The proposed agricultural conservation easements total 293.53 acres with a value of \$969,970 (refer to Table 1 below).

Table 1: PACE Application and Property Data

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Location	APNs	Size (acres)	Type	Easement Value
Pala-Pauma Valley	130-120-07, 132-020-16, -22, -37, -51, and -52	211.54	Agriculture	\$608,470
Ramona	278-080-08	81.99	Agriculture	\$361,500
		293.53		\$969,970

An independent third-party appraiser conducted property-specific appraisals on each of the two properties. In determining the value of each easement, staff instructed the appraiser to apply the traditional appraisal valuation approach used by the State Department of Conservation in its California Farmland Conservancy Program. Under this approach, the appraiser used the sales comparison approach to estimate market value of the land as though it was 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 easements. Based upon the appraised values and available funding, County staff secured “willing seller” letters from the owners of two appraised properties and prepared real property contracts for the acquisition of these easements.

Environmental Statement

Pursuant to CEQA Section 15325, the proposed acquisition of agricultural easements over APNs 130-120-07, 132-020-16, -22, -37, -51, -52 and 278-080-08 is categorically exempt from CEQA because it involves the transfer of ownership of land to allow continued agricultural use and preserve existing natural conditions.

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 2016-2021 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: JSB Property and Beck 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 September 17, 2014 (1), Approved the purchase of eight agricultural conservation easements and expanded the Purchase of Agricultural Conservation Easement (PACE) Program to include a mitigation component; On December 4, 2013 (3), Established the Purchase of Agricultural Conservation Easement (PACE) Program; On June 26, 2013 (2) Approved the purchase of five agricultural easements; 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.

BOARD POLICIES APPLICABLE:

N/A

BOARD POLICY STATEMENTS:

N/A

MANDATORY COMPLIANCE:

On August 25, 2016, pursuant to Government Code Sections 65402 and 65566, Planning & Development Services 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): Planning & Development Services

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