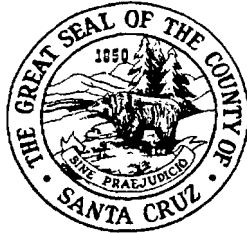

 PLANNING DEPARTMENT

GOVERNMENTAL CENTER



 COUNTY OF SANTA CRUZ

 701 OCEAN STREET, ROOM 400, SANTA CRUZ, CALIFORNIA 95060
 (408) 454-2580 FAX: (408) 454-2131 TDD: (408) 454-2123

April 17, 1998

Agenda: April 28, 1998

Board of Supervisors
 County of Santa Cruz
 701 Ocean Street
 Santa Cruz, California 95060

AGRICULTURAL CONSERVATION EASEMENT PROGRAM

Dear Members of the Board:

On February 24, 1998 your Board directed the Planning Department to return on this date with a status report on the Santa Cruz County Agricultural Conservation Easement (ACE) Program.

As you may recall, on October 7, 1997 your Board approved a proposal to expend Proposition 70 grant funds for the purchase of agricultural conservation easement in the amount of \$700,000 on a portion of the Coast Dairies Lands and \$200,000 for the Cardoza Dairy on **Harkins** Slough Road. The approved proposal was contingent upon the following: Acquisition of the Coast Dairies Land by Save-the-Redwoods-League (or their assignee) and the Cardoza Dairy by the Open Space Alliance; receipt of appraisals justifying the purchase price of the conservation easements; satisfactory negotiation of the terms of the easements; and final Board of Supervisors approval.

Both of the non-profit organizations continue to focus their effort towards completion of the property acquisitions. However, many challenges still need to be overcome before the acquisition of the agricultural conservation easements can be completed. The Save-the-Redwoods League had to delay exercising the option to purchase the Coast Dairies Land, which postpones the close of escrow to October 30, 1998. The Save-the-Redwoods League has also officially transferred the option to purchase to the Trust for Public Lands (TPL).

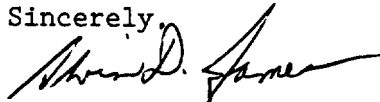
As you are well aware, the funds granted under the California Wildlife, Coastal and Park Land Conservation Act of 1988 (Proposition 70) must be expended before the statutory deadline of June 30, 1998. The TPL is actively pursuing, at the State level, a means to encumber the funds so that they can be set aside and spent after the statutory deadline. In the meantime **the** TPL is in the process of getting an appraisal and is working with County Counsel and Planning Department staff on the draft language of the Deed of Agricultural

Conservation Easement and Development Rights (Deed). Escrow will be opened as soon as the Deed is in final draft form.

Progress also continues on the acquisition of the Cardoza Dairy by the Open Space Alliance, but it is now apparent that their efforts to raise funds will also not be completed until after the statutory deadline. It is unknown whether that efforts of the TPL to encumber the funds for use after the deadline will also benefit the Open Space Alliance. However, an appraisal was conducted, which valued the agricultural conservation easement at \$212,000.

It is therefore RECOMMENDED that your Board direct the Planning Department to continue to work with the Trust for Public Lands and Open Space Alliance towards the acquisition of agricultural conservation easements and to return with a status report on or before June 2, 1998.

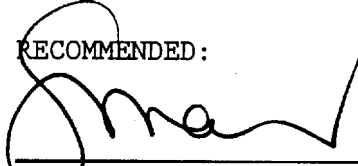
Sincerely,



ALVIN D. JAMES
Planning Director

AJ/DB:714

RECOMMENDED:



SUSAN A. MAURIELLO
County Administrative Officer

cc: Santa Cruz County Farm Bureau
The Land Trust of Santa Cruz
Santa Cruz County Agricultural Policy Advisory Commission
Agricultural Commissioner
Agricultural U.C. Extension - Farm Advisor