
 PLANNING DEPARTMENT



 COUNTY OF SANTA CRUZ

GOVERNMENTAL CENTER

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September 14, 1998

Agenda: September 22, 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 June 16, 1998 your Board approved the expenditure of Proposition 70 grant funds for the purchase of agricultural conservation easements in the amount of \$700,000 plus closing costs on a portion of Coast Dairies and \$200,000 plus closing costs on the Cardoza Dairy. In addition, your Board approved the related contingency that if escrow for the Cardoza Dairy cannot close on or before September 30, 1998, all of the grant funds were to be used towards the Coast Dairies acquisition. Unfortunately, the Open Space Alliance has not secured the funds needed to complete the acquisition of the Cardoza Dairy by September 30, 1998. and has submitted a written request for extension of this deadline to March 15, 1999 (Attachment 1). Conversely, The Trust for Public Land has been successful in their efforts to raise all of the funds needed for acquisition of Coast Dairies and, as planned. will close escrow on October 30, 1998.

Since the Planning Department's last report to your Board, the California Department of Parks and Recreation (DPR) has disbursed to the County the funds granted under the California Wildlife, Coastal and Park Land Conservation Act of 1988 (Proposition 70). The funds, in the amount of \$926,609, have been placed in an interest bearing account, as required under the terms of the grant, until transfer to escrow.. Interest earned monies must be used toward conservation easement acquisition. Grant funds may also be used for reimbursement for costs related to acquisition. These reimbursable costs include the costs of acquiring real property such as appraisals, surveys. title insurance, escrow fees and County staff time spent on the project.

Staff has evaluated the Open Space Alliance's request for extension in the context of the feasibility for acquisition completion and potential for loss of the Proposition 70 grant funds. It appears that the most promising strategy for completion of the acquisition is for the Open Space Alliance to find a buyer for the easement restricted property. If the Open Space Alliance is successful in obtaining additional funds from the National Fish and Wildlife Foundation for the sale of an easement over the wetland portion of the property, the remaining value of the easement restricted property would make it very attractive to potential buyers.

The DPR has acknowledged that an extension is allowed, but prefers that it is for as short a defined period of time as necessary, and supported by a detailed **timeline** for completion. Planning Department staff is working with the Open Space Alliance on the completion of this **timeline** document, which will be forwarded to the DPR.

Planning Department staff will continue to work with the Open Space Alliance to help ensure the completion of the agricultural conservation easement acquisition. If the Open Space Alliance appears to be encountering difficulties in attaining acquisition of the Cardoza Dairy property the Planning Department will report back to your Board prior to March 31, 1999.

It is therefore RECOMMENDED that your Board approve extension of the deadline for the expenditure of Agricultural Conservation Easement Program funds to purchase an agricultural easement on the Cardoza Dairy property to March 31, 1999. and direct staff to report back on or before March 31, 1999.

Sincerely,



ALVIN D. JAMES
Planning Director

RECOMMENDED:



SUSAN A. MAURIELLO
County Administrative Officer

Attachments: Letter of request from Open Space Alliance dated September 10, 1998

- cc: Santa Cruz County Farm Bureau
- The Land Trust of Santa Cruz
- The Trust for Public Land
- The Open Space Alliance
- California Department of Parks and Recreation

Open Space Alliance, Inc.P.O. Box 8042 Santa Cruz, CA 95061 phone: (831) 423-0700 e-mail: saveland@cruzio.com

Ms. Donna Bradford
Program Administrator,
Agricultural Conservation Easement Program.
County Planning Department, County of Santa Cruz
701 Ocean Street
Santa Cruz, CA 95060



Dear Ms. Bradford,

I am writing in reference to the \$200,000 of Agricultural Conservation Easement (ACE) funds which were approved by the Board of Supervisors in the spring of this year for use in the purchase and preservation of the Cardoza Ranch. The ranch contains rare freshwater wetland strategically placed adjacent to lands which are currently in the public domain-owned by the County- and other lands soon to be owned by the Department of Fish and Game. The lands contiguous and to the north of the property have been foreclosed by the Farmers Home Administration and National Fish and Wildlife is undertaking efforts to secure the wetland portions of those properties. The farmland portion is currently farmed by an organic farmer and the land will be certified organic next year. In short, this property will provide a good opportunity for developing a management plan which protects the wetland and upland portions while also preserving farming on the flat portions of the land. The funds were placed in an escrow account earmarked for agricultural conservation for two properties, the Coast Dairies and the Cardoza Ranch.

We are requesting an extension in time adequate to raise the remaining funds for the purchase of the ranch which we now project as March 31, 1999. We are optimistic about raising the remaining funds necessary for the purchase in that time. Without ACE funds, our job of raising the remaining funds would be that much more difficult. It is our understanding, that along with the already approved \$700,000 of ACE funds, the Coast Dairies Project will have all the funds needed for its purchase thus saving the \$200,000 for the Cardoza Ranch would not jeopardize the Coast Dairies acquisition. There have been some dramatic acquisition/preservation projects in the last two years in the northern parts of our county. The rare freshwater wetlands west of Watsonville have not had similar attention paid to them. Yet, these are extremely rare freshwater habitats threatened by increased development pressures due to efforts by the City of Watsonville to annex those lands.

I have spoken to Ode11 King, the supervisor of the section of State Department of Parks, which is responsible for this extension. He has relayed to me that the county can request an extension to allow the Open Space Alliance the time it needs to complete the acquisition of the Cardoza Ranch and if necessary an extension can be granted for the Coast Dairies property. The Department of Parks would need a letter of intent concerning the Cardoza Property, identifying the time that was needed for the acquisition. They also expressed the desire to hear from the county concerning the

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progress toward both purchases. Open Space Alliance staff would be able to communicate with him and to Donna Bradford concerning the Open Space Alliance efforts for the Cardoza acquisition.

An outline of our current fund development plan with some sources for raising the remaining funds appears below. We will be utilizing two parallel strategies. Our first priority is to secure sufficient funds to purchase the property allowing us greater flexibility in managing the land to maximize preservation of wetland and upland while allowing model farming on the flatland of the site.

The other focus is to search for an organic farming partner who would buy the portion of the ranch that is set aside for farming and use the house and farm buildings at the site.

Grants Sources: (partial list)

Public Sector:


1. Sent: in August: National Fish and Wildlife Foundation: \$80,000 for a portion of the acquisition
2. State Department of Transportation:
Environmental Mitigation and Enhancement Program:
3. State Department of Transportation: TEA Program

Private Sector:

Farming Partner/Co-Buyer of the property: \$380,000 to \$400,000
Community Fund Raising: \$30,000
Packard Foundation: \$200,000

The complete fund development plan can be submitted upon request. If you have any questions or need further please call me at 429-1016.

Yours truly,


Mary A. Tsalis
Executive Director