



STEPHEN GRAVES & ASSOCIATES

Environmental and Land Use Consulting

March 8, 2006

MAC Commissioners c/o
Joan van der Hoeven
Santa Cruz County Planning Department
701 Ocean Street
Santa Cruz, CA 95060

Agenda Date: 4/20/06

Agenda Item: 8

Time: 1:30 p.m.

Re: APAC - Agricultural Policy Review Related to Proposed Best Foods
Relocation to Buak Ranch on Green Valley (APN#109-131-15).

Dear APAC Commissioners:

Our office is representing Better Brand Foods (BBF) out of Watsonville, who would like to purchase a 6-acre parcel (APN#109-131-15) located on Green Valley Road in order to relocate their existing facilities. In initial discussions BBF has had with County Planning Department staff, questions have been raised regarding the nature of the proposed use and its consistency with permitted uses in the CA zone district. We are requesting that your Commission consider the proposal and make a recommendation as to its consistency with the Agricultural policies of the zone district and General Plan. As you know, agricultural support facilities and agricultural service establishments are permitted uses in the CA zone district (see attached excerpts from the **Zoning** Ordinance and General Plan in Exhibit A).

As shown in the attached definition section, Agricultural Service Establishments includes the following:

"a business engaged in activities designed to support agricultural production and marketing such as application of agricultural chemicals, grading and irrigation contracting, harvesting, hauling of produce or other agricultural products, and large scale off-site cold storage facilities. This service does not include manufacturing or processing."

We urge **your** Commission to consider the information contained in **this** letter and supporting documentation and recommend that the Better Brand Foods proposal be determined consistent with an Agricultural Service Establishment. Exhibit B contains an operations statement and proposal prepared by Better Brand Foods. The following **summarizes this** information and supporting documentation.

Existing setting

The proposed 6 acre parcel is part of a the larger Buak apple farm which consists of three parcels as **follows:**

2735 Porter Street

Soquel, CA 95073

Phone (031) 455-0677 Fax (031) 465-0670

APN# 109-131-15 - 6 acre parcel. Better Brand **Foods** wants to purchase **this** parcel. **The** property **contains** an apple cooling facility, a home and a warehouse facility that at one time was used for apple packing and distribution. The usable acreage on the parcel is paved and there is no farmable land on **this** parcel. **Martinelli** currently leases the cooling facility and uses apples **from** the adjacent **Buak** apple orchards.

APN# 109-091-06 - 80 acre parcel. **This** parcel is in apple orchard production, and is farmed by **William** Buak. Apples from **this** parcel are pre purchased by S. Martinelli and stored in the apple cooling facility on parcel **15**. **This** relationship is expected to continue, since Mr. Buak intends to continue farming **this** land in apples. Exhibit C contains letters from both Mr. Buak and **Martinelli** urging support for **this** proposal.

APN 109-131-16 - 80 acre parcel. **This** parcel is also in apples and is currently farmed with apples which **are** also cooled in the building on parcel **15**. **This** parcel remains **on** the market and its ultimate use is uncertain.

Better Brand Foods Proposal.

As discussed in the letter from Better Brand Foods (BBF), the cooling facility, which comprises 50% of the property, **will** continue to be used by S. Martinelli a local processing plant in Watsonville and used for **juice** (see letter in Exhibit C). **This** use will remain unchanged and continue to serve as a valuable agricultural support service. The **existing** warehouse, which has not been utilized for many years, **will** house the Better Brand Foods operation. The **two** cold **rooms** **will** be updated for more modern **use** to handle refrigeration **as well as** frozen goods. These **rooms** **will** be used to store fresh produce, packaged salads, dressings as well **as** frozen produce and meats. The warehouse will be used to store **dry** products including **oils**, dairy products, canned fruits and vegetables **as well as other** related **dry goods** needed for the industries that they supply. The non-agricultural **items** that would be stored would comprise about **10%** of the business. The facility **will** allow for storage and distribution of BBF products.

Overall Better Brand Foods **will** provide an economically viable long term **use** of a property that has declined in its overall **utility**. Better Brand Foods **will** add to **this** property and make it a greater asset to the agricultural community by preserving its current agricultural **uses**. Non-agricultural related goods storage comprises a very small portion of the overall business (**10** percent). **As** highlighted in the County code excerpts in Exhibit **A**, County code allows for off-site cold storage of agriculturally related products. The definition of 'agricultural support establishment- specifically excludes manufacturing or processing. Clearly, Better Brand Foods is not a food manufacturing or processing operation, but is more accurately characterized as a food storage and distribution **use**. **This** characterization, along with their commitment to maintaining the apple *cooling* operations on site, would support **APAC's** determination that this proposal would preserve and support agricultural uses and should be found consistent **with** the allowed **uses** in the CA zone district.

This proposal will also allow an important local business, which has been in the Watsonville area for nearly 70 years to remain in the County. We urge you to support this use. Please call us if you have any questions regarding this proposal or APAC's role in this process.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen Graves", with a long horizontal flourish extending to the right.

Stephen P. Graves

Attachments

APN Map

Exhibit A - Excerpts From CA zoning and General Plan

Exhibit B - Better Brand Foods Proposal

Exhibit C - Letters of Support from Martinelli & William Buak

Cc: John Summers

2.82.050 Powers and duties. (APAC)

The commission shall exercise the following responsibilities:

- A. Advise and assist the board of supervisors by providing information on the county's agricultural industry, and evaluating matters referred to the commission by the board;
- B. Review, in cooperation with the planning department, proposed development projects having the potential to affect agricultural lands, as designated on the county's Agricultural Resources Map. Such review shall consist of buffer setback determinations, recommendations regarding land division proposals for Type 1a agricultural land, and recommendations regarding proposed amendments to the agricultural land type designations as shown on the Agricultural Resources Map. The commission shall also perform the functions specified in Chapter **14.14** of this code. (Prior code § 3.59.020: Ord. **2521**, 1/17/78; Ord. 2677, 5/11/79)

AGRICULTURAL USES CHART

KEY:

- A = Use must be ancillary and incidental to a principal permitted use on the site
- P = Principal permitted use (see Section 13.10.312(a)); no use approval necessary if "P" appears alone
- 1 = Approval Level I (administrative, no plans required)
- 2 = Approval Level II (administrative, plans required)
- 3 = Approval Level III (administrative, field visit required)
- 4 = Approval Level IV (administrative, public notice required)
- 5 = Approval Level V (public hearing by Zoning Administrator required)
- 6 = Approval Level VI (public hearing by Planning Commission required)
- 7 = Approval Level VII (public hearing by Planning Commission and Board of Supervisors required)
- = Use not allowed in this zone district
- * = Level IV for projects of less than 2,000 square feet
Level V for projects of 2,000 to 20,000 square feet
Level VI for projects of 20,000 square feet and larger
- ** = For purposes of this section, "on-site" shall mean on the parcel on which the use is located, plus any other parcel(s) owned, leased and/or rented by the farm operator in this County or adjoining counties.
- *** = Processed as a level 5 Coastal Zone Permit project when within the geographic area defined by Section 13.20.073.
- **** = Soils dependent agricultural uses are those uses which use the in situ soils as the growing medium for all crops
- BP = Building permit only

AGRICULTURAL USES CHART

Agricultural custom work occupations subject to the provisions of Section 13.10.638	Pi4	P/4	P/4
Agricultural support facilities for processing, packing, drying, storage and refrigeration of produce above a total aggregate size of 2,000 square feet or 100 square feet per acre on-site** (whichever is greater) subject to the provisions of Section 13.10.632. Maximum aggregate size of such facilities shall be 50,020 square feet. Inside the coastal zone agricultural support facilities greater than 2,000 square feet shall be processed at Level 5 and shall not be considered a principal permitted use.			
Up to and including a maximum aggregate of 2,000 sq. A. or 100 sq. A. per acre on-site** (whichever is greater)	3	3	3
Greater than an aggregate of 2,000 sq. ft. or 100 sq. ft. per acre on-site** (whichever is greater)	4	4	4
Agricultural Service Establishments subject to the provisions of Section 13.10.633 (see Section 13.10.700-A definition)	—		
Apiary = beekeeping)	P		
Biomedical Livestock Operations (subject to Section 13.10.647)	5		
Berry and other vine crops	P		
Commercial dairying, subject to the provisions of Section 16.22.060	3		
Field crops, including hay, grain, seed, and turf crops	P		
and other small animals under 100 per acre			P

(1) Fifty (50) feet from the bank full **flow** line of a perennial **stream**, as defined in Section 1630.030 of the County Code;

(2) Thirty (30) feet from the bank full **flow** line of an intermittent **stream**, as defined in section 1630.030 of the County Code;

(b) Notwithstanding the above, if compliance with section (a) of this section would preclude access to timber that is otherwise subject to harvest consistent with this section, the cutting and removal of trees and other solid wood products for commercial purposes which require either a Timber Harvest Plan or Non-Industrial Timber Management Plan within riparian corridors shall be permitted only as necessary to provide access to such timber.

(c) Notwithstanding the foregoing, this section shall only apply outside of the Coastal Zone. (Ord. 4529, 12/15/98; Ord. 4571, § 1, 11/16/99)

PART VII. DEFINITIONS

13.10.700 Definitions.

For the purposes of this chapter certain terms used herein are defined as follows:

(a) All words in the present tense shall include the future tense. All words in the singular number shall include the plural number and all words in the plural number shall include the singular number, unless the natural construction of the wording indicates otherwise. The word "shall" is mandatory and not directory.

(b) All terms used in this chapter shall be as defined in the General Plan, including the Local Coastal Program Land Use Plan glossaries, except as noted in this chapter.

13.10.700-A "A" definitions.

"A"- **Agricultural Zone District** (Section 13.10310)

Abutting, adjoining, **adjacent**. Touching the subject parcel and not separated from the subject parcel by a road, street, or other property.

Accessory. See Appurtenant.

Affected Property. Any property whose buildings, fences, other structures or vegetation interfere with, or is likely in the future to interfere with, the solar access of the existing or proposed solar energy system.

Affordable Housing. **Housing** capable of purchase or rental by a person with average or below average income, as determined periodically by the U.S. Department of Housing and Urban Development based on the median household income for Santa Cruz County.

Agriculture. The art or science of cultivating the ground, including the harvesting of crops and the rearing

and management of livestock; tillage; husbandry; farming; horticulture.

Agricultural Caretakers' Mobile Home. A navel trailer or mobile home maintained as temporary living quarters for person employed principally for security needs and/or farming and related activities on the parcel on which the unit is located. This use is an accessory use to the main dwelling on the property or in place of the main dwelling.

Agricultural Custom Work Occupations. An agricultural support service for hire which is conducted as a secondary or incidental use on a parcel where agriculture is the primary use such as fumigation services, land leveling, irrigation contracting and farm equipment repair.

Agricultural Lands, Types 1, 2, and 3. Agricultural land type designations applied pursuant to a County classified system as established in Chapter 16.50 (Sections 16.50.030 and 16.50.040) of the County Code.

Agricultural Policy Advisory Commission. An advisory commission created pursuant to Chapter 16.50 of the County Code to advise the Board of Supervisors and Planning Commission on policy matters related to agricultural uses.

Agricultural Preserve. A contract between a landowner and Santa Cruz County establishing that certain land will be used only for agricultural purposes for a minimum of 10 years. The 10-year period is renewed every year. In recognition of this land use restriction, the landowner may receive preferential taxation on that land.

Agricultural Service Establishment. A business engaged in activities designed to support agricultural production and marketing such as application of agricultural chemicals, grading and irrigation contracting, harvesting, hauling of produce or other agricultural products, and large scale off-site cold storage facilities. This service does not include manufacturing or processing.

Air Smp. A landing strip for private planes of the property owner, employee, or guest; a non-commercial landing strip.

Alley means a passage or way open to public travel permanently reserved primarily for vehicular service access to the rear or side of properties otherwise abutting on a street.

Allowed Use. See Use, Allowed.

Amusement Park. A site authorized for outdoor recreation consisting of rides, games of skill, and food concessions.

Better Brand Food Products, Inc.
P. O. Box 1001 655 Rodriguez St
Watsonville, CA 95077-1001
(831)724-7234

BETTER BRAND FOODS PROPOSAL

Better Brand Foods in Watsonville is proposing to relocate its facilities to 1309 Green Valley Road in Watsonville. The property encompasses APN# 109-131-15. **This** property is a 6 acre parcel. The property contains an apple cooling facility, a home and a warehouse facility that at one time was used for apple packing and distribution. The usable acreage **on** the parcel is paved and there is no farmable land on this parcel.

This property has been exclusively used for the cooling of apples. The last **few years** before that the warehouse that is also **on** the property was used to package and distribute apples. Unfortunately the packaging and distribution of apples is no longer profitable and the warehouse has not been **utilized** for a long time. **This** property has been **on** and **off** the market for the **last** 10 years.

Better Brand Foods has been a full service hotel, restaurant, deli and catering distributor since 1947. Our current location is **no** longer suitable for our business **needs**. Since the area has changed to mostly residential housing. **This** move **will** allow Better Brand Foods to remain in the Watsonville **area**.

Better Brand Foods proposes the following **operations** at **this** site

1. The **current** dynamics of the property **will** remain the same **as far as** the apple **cooling** operation. The cooling facility, which comprises **50%** of the property, will remain the same. Better Brand Foods will operate the cooler for apples for local growers **as well as** the current **sellers** of the property (Buak, who will continue to farm the adjoining property). These apples are purchased by **S. Martinelli Co.**, a local processing plant in Watsonville and **used** for juice. The cooling fees are paid by that processing plant. As long **as** there is a need for this **cooling facility** Better Brand Foods **will** be there for those growers **as** a source for the **cooling** operation.
2. The warehouse facility and its two cold rooms that are inside of it will be for Better Brand Foods operation. **This** ware house is currently not used and there is **no agricultural** production **from** it. No alternations to the existing **structures** other **than** interior upgrades are proposed. The two cold rooms **will** be updated for more modern **use** to handle refrigeration **as well as** frozen goods. These rooms **will be used** to store **fresh** produce, packaged **salads**, dressings **as well as** frozen produce and meats. The warehouse will be used to store **dry** products including **oils**, **dairy** products, canned **fruits** and vegetables **as well as** other related dry goods needed for the food service industry that we supply. The

non-agricultural items that we supply are about 10% of **our business** and these are all support items for the food products that **we sell** (napkins, coffee cups, **to-go-containers, ect**). **This** area **will** also be used **as** a staging area for the distribution of our products.

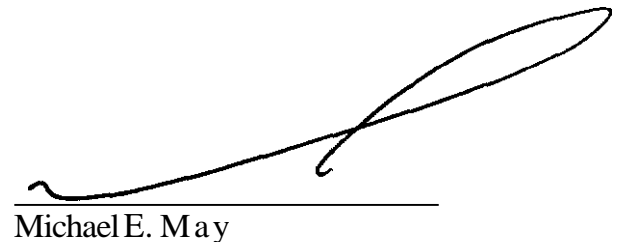
Overall Better Brand Foods **will** provide a better operation of **a** property that because of increased competition **from imports** and pricing is current not **fully utilized**. Better Brand Foods will actually be able to add to this property and make it a greater **asset** to the agricultural community while not changing its current dynamics what **so** ever.

This property **has** been **on** the market for a **number** of years. Mr. **Buak** and **his sons** are third generation farmers in the area and if **their** was a way to utilize the warehouse for distribution of apples and make it profitable **they** would be still doing it but the industry has changed. Mr. Buak is selling **this** property **so** that he **can** retire. **His son will** continue farming one of the parcel which consists of apples and the other parcel which is also in apple production is on the market. These apples are **all** sold to the local processing plant and used for **juice so** there is a continued need for the cold storage facility. Better Brand Foods is a perfect fit for **this** property **as** we are committed to serving **as a resource** for local farmers by maintaining the cooling operation. **This** proposed relocation will allow **us** to stay in the Watsonville area where we have been in business for almost 60 years.

Sincerely,



Peter S. Imlay



Michael E. May



SINCE 1868

S. MARTINELLI & COMPANY

P.O. BOX 1868

WATSONVILLE, CALIFORNIA 95077

(831) 724-1126

February 14, 2006

Bruce Dau
Chairperson Agricultural Policy Advisory Commission
175 Westridge Drive
Watsonville, CA 95076

Re: Better Brands Foods re-location to Buak facility.

Dear Mr. Dau:

As you may know, S. Martinelli and Company has been in business in Watsonville for over 135 years, making 100% apple juice from local apples. Buak **has** been one of our key growers for over 50 years and **his** cold storage facility improves our ability to consume the apples grown in the Pajaro Valley by lengthening our processing season well beyond the harvest period.

It is certainly our intent to continue utilizing this facility as far as we can look into the future. Likewise, it appears that Better Brands Foods also intends to retain this historical use, which will help preserve the surrounding apple **orchards**. Of course, **this is** consistent with the requirement that **this** facility continue to function **as an** agricultural support service.

Therefore, we are in support of Better Brands Foods' proposal **to** re-locate **their** facilities to the Buak apple cold storage facility on Green Valley Road and we encourage APAC to rule favorably so that the Best Foods proposal can move forward.

Sincerely,


S. John Martinelli
Vice President/General Manager

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Exhibit C

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1-800-662-1868

www.martinellis.com

FAX (831) 721-2910

Bruce Dau
Chairperson Agricultural Policy Advisory Commission
175 Westridge Drive
Watsonville, CA 95076

Dear Mr. Dau:

I ~~am~~ the owner of APN# 109-091-06 adjacent to APN# 109-131-15 the Green Valley Road parcel that is the proposed sale to Better Brand Foods. My family has been farming apples in this area for over 80 years. It is ~~our~~ intention to continue farming over 200 acres of apples and utilizing the cooling facility that is part of the proposed sale as needed by S. Martinelli & Company. I ~~am~~ in support of the Better Brand Foods proposal and feel that it would assist greatly in the viability of my ability to continue to farm my parcel. Better Brand Foods is definitely ~~an~~ agricultural support service related business, and I strongly urge your Commission to find that they are ~~an~~ appropriate use for this site.

Sincerely,


William Buak
Buak Fruit Company

Title 13 PLANNING AND ZONING REGULATIONSChapter 13.10 ZONING REGULATIONS

13.10.632 Agricultural processing and storage facilities.

(a) Food processing facilities, such as cider pressing, jelly and jam making or honey making, shall be allowed in any agricultural zone district and the "SU" zone district when:

1. the processing facility is incidental to the primary agricultural production use on site;
2. the food processed is limited to that produced on-site;
3. meets all Environmental Health sewage disposal requirements.

(b) Facilities for processing, packing, drying, storage and refrigeration of agricultural products shall be developed and maintained according to the following standards.

1. Mitigations shall be required for any adverse visual impacts of facilities greater than 5,000 sq. ft. which will be visible from designated scenic roads, beaches or recreation facilities. Mitigations may include such measures as vegetative screening or other landscaping, materials which produce less glare, berming, and/or arrangement of structures on the site to minimize bulky appearance. Facilities shall not be located where they would block ocean views from designated public areas.
2. Storm water runoff drainage shall be retained on-site in areas of primary groundwater recharge capacity; in other areas, the drainage shall be detained onsite such that the rate of runoff leaving the site after the project is no greater than the rate before the project. Drainage plans may be prepared by the applicant unless engineered plans are required by the building official.
3. On-site parking shall be provided commensurate with the need created by the proposed use
4. Site preparation for buildings shall comply with regulations of the County Grading Ordinance (Chapter 16.20).
5. Buildings used for labor operations (such as parking sheds or cold storage facilities) shall locate building entrances and window openings away from adjacent commercial agricultural lands unless the use conforms to the 200 ft. agricultural buffer setback or the siting of the use is approved by the Agricultural Policy Advisory Commission through Agricultural Buffer Review.
6. The facility shall be designed and sized to serve primarily the produce grown on-site.
7. To the maximum extent possible any such facility shall be located on the non-productive portions of the property, or on that portion of the property that is least productive for agricultural purposes.