



County of Santa Cruz

OFFICE OF THE AGRICULTURAL COMMISSIONER

KEN CORBISHLEY
AGRICULTURAL COMMISSIONER
SEALER OF WEIGHTS AND MEASURES
DIRECTOR, MOSQUITO AND VECTOR CONTROL

March 19, 2009

Agricultural Policy Advisory Commission

SUBJECT: Coast Dairies Ranch / Trust for Public Land

Dear Agricultural Policy Advisory Commissioners:

The Coast Dairies Ranch property consists of approximately 7,200 acres. The land is located on the County's North Coast area surrounding the town of Davenport. In 1998 The Coast Dairies Ranch was purchased by the Trust for Public Land with a commitment to preserve agricultural use of the land. The land is to be transferred to the California Department of Parks and Recreation (coast side of Highway 1), the US Department of Interior, Bureau of Land Management (inland areas other than row crop agriculture). Inland row cropland will be conveyed from BLM to the non-profit Agri-Culture who will then manage the row crop acreage.

On October 21, 2008, the Santa Cruz County Board of Supervisors approved an Agricultural Conservation Easement for part of this ranch. The purpose of the Agricultural Conservation Easement is to preserve and protect the agricultural value, use, and quality of the property. This Easement prevents any use of the property that would impair or interfere with its agricultural value, use or utility. This Easement also states that when the agricultural land is leased preference will be given to farming practices that meet USDA organic standards. The Easement also limits the use of agricultural pesticides within 275 feet of the town of Davenport.

Community members originally sought a 4,800-foot buffer zone between agriculture and the town. This buffer is based upon the one-half mile (0.5) buffer put in place by this office on growers using the pesticides chlorpyrifos, diazinon and dimethoate and the affected growers self-imposed one and one-half mile (1.5) buffer. Note: the restriction applied by this office and the voluntary controls by growers is specific to the pesticides chlorpyrifos, diazinon and dimethoate and is not a prohibition against the use of other pesticides. The 4,800-foot buffer the Davenport Community sought stems from current pesticide volatilization issues as well as past problems associated with the pesticide chlorpyrifos.

In summary the deed requirements limit the use of agricultural pesticides from zero to 275 feet from the town of Davenport. Secondly the deed provides preference to farming practices that meet organic standards on land that is located at least 275 feet from the town of Davenport. Finally these restrictions are deed limitations that have been approved by the Trust for Public Land and the Board of Supervisors. Planned property use and transfers are also a part of a long-term plan developed and agreed to in August 2000 and memorialized in a Memorandum of Understanding between the Trust for Public Land, Bureau of Land Management and the California Department of Parks and Recreation with guidance and input



COUNTY OF SANTA CRUZ

PLANNING DEPARTMENT

701 OCEAN STREET, 4TH FLOOR, SANTA CRUZ, CA 95060
(831) 454-2580 FAX: (831) 454-2131 TDD: (831) 454-2123

TOM BURNS, PLANNING DIRECTOR.

APPROVED AND FILED

October 7, 2008 BOARD OF SUPERVISORS

DATE: 10/21/08

AGENDA: October 21, 2008

Board of Supervisors, COUNTY OF SANTA CRUZ

County of Santa Cruz, A. MAURIELLO

701 Ocean Street, SANTA CRUZ, CA 95060

Santa Cruz CA 95060

BY

SUBJECT: CONSERVATION EASEMENT ON COAST DAIRIES PROPERTY

Members of the Board:

The Coast Dairies Ranch property consists of approximately 7200 acres of land located in the North Coast area of the County, surrounding the town of Davenport. At the time of the Ranch's purchase by the Trust for Public Land in 1998, a commitment was made to preserve the agricultural uses on the property. The remainder of the Ranch was to be transferred to California Parks (coast side of Highway 1) and the Bureau of Land Management (inland areas). In 1999, a portion of the agricultural lands on the Ranch were encumbered with an agricultural conservation easement that was purchased using funds authorized by the California Wildlife, Coastal and Park Land Conservation Bond Act of 1988 (see Attachment 3).

At this time, the agricultural conservation easement for the remainder of the designated agricultural land on the Coast Dairies Ranch is ready to be completed. This easement would require that the lands be maintained in agricultural use in perpetuity (Attachment 1). This easement includes specific language regarding the use of pesticides and the provision of farmworker housing that differs from the 1999 easement.

The agricultural conservation easement is categorically exempt from CEQA review.


It is therefore RECOMMENDED that your Board:

- I. Approve the Agricultural Conservation Easement (Attachment 1) for a portion of the Coast Dairies Ranch; and
2. Direct the Chair of the Board to accept the Agricultural Conservation Easement on behalf of the County; and
3. Certify that the Agricultural Conservation Easement is exempt from the California Environmental Quality Act (Attachment 2).

Sincerely,


Tom Burns
Planning Director

RECOMMENDED:


SUSAN A. MAURIELLO
County Administrative Officer

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RECORDED AT THE REQUEST OF:
county of Santa Cruz

WHEN RECORDED MAIL TO:
County of Santa Cruz Government Center
701 Ocean Street, Room 4068
Santa Cruz, CA 95060
Attn: Planning Department

DEED OF AGRICULTURAL CONSERVATION EASEMENT
AND DEVELOPMENT RIGHTS

THIS DEED OF AGRICULTURAL CONSERVATION EASEMENT AND DEVELOPMENT RIGHTS (this "Easement") is dated (for reference purposes) as of _____, 2008 and is made by COAST DAIRIES & LAND CO., a California nonprofit public benefit corporation, ("Grantor") to the COUNTY OF SANTA CRUZ, a political subdivision of the State of California ("Grantee").

WITNESS THAT:

WHEREAS, Grantor is the owner in fee simple of certain real property in Santa Cruz County, California, more particularly described in Exhibit A attached hereto and incorporated herein by this reference (the "Property"), and generally shown on the map attached hereto as Exhibit A-1; and

WHEREAS, the Property possesses agricultural values as herein described of great importance to Grantor, the people of Santa Cruz County, the people of the State of California, and the public; and

WHEREAS, it is the intent of the County of Santa Cruz to further the agricultural land preservation policies established in the Santa Cruz County General Plan, Local Coastal Plan and County Code through the execution of this agreement; and

WHEREAS, Grantor and Grantee have prepared a ["Present Property Conditions Report"], dated as of that date indicated at the end of this instrument, on file with the Planning Department of Santa Cruz County, describing the Property and its improvements as of the date of this instrument, and hereby agree and acknowledge that said document accurately represents the condition of the Property for purposes of determining compliance with the covenants contained herein; and

WHEREAS, Grantor intends that the agricultural values of the Property be protected; and

(a) To identify, to preserve and to protect in perpetuity the agricultural value, use and utility, including the soil and water quality, of the Property. (The agricultural value, use and utility of the Property are hereinafter referred to collectively as the "protected values".)

(b) To enter upon, inspect, observe, and study the Property for the purposes of (1) identifying the current uses and practices thereon and the baseline condition thereof, and (2) monitoring the uses and practices regarding the Property to determine whether they are consistent with this Easement. Such entry shall be permitted upon reasonable prior notice to Grantor, and shall be made in a manner that will not unreasonably interfere with Grantor's use and quiet enjoyment of the Property.

(c) To prevent any activity on or use of the Property that is inconsistent with the purpose of this Easement and to require, at Grantor's expense, the reasonable restoration of such areas or features of the Property that may be materially damaged by any inconsistent activity or use. However, it is the intention that this Easement not limit Grantor's discretion to employ the choice of farm and ranch uses and management practices so long as those uses and practices are consistent with federal, state and local laws and with the purpose of this Easement.

(d) To erect and maintain, with the consent of Grantor, a sign or other appropriate marker on the Property, visible from a public road, bearing information indicating that the Property is protected by an agricultural conservation easement owned by Grantee and donated by CDLC. As used herein, the term "CDLC" shall refer to Coast Dairies & Land Co., a California nonprofit public benefit corporation, and not any of its successors in interest to the fee title to the Property. The wording of the information and the location of the sign shall be determined by mutual consent of Grantor and Grantee. Grantee shall be responsible for the costs of erecting and maintaining such sign or marker.

3. Uses and Practices. The uses of the Property are confined to agriculture, ranching, limited farmer and farmworker housing associated with the agricultural use of the Property, and the other uses which are described in this Easement. Examples of permitted uses and practices are provided in Exhibit B, which is attached hereto and incorporated herein by reference. Examples of prohibited uses and practices are provided in Exhibit C, which is attached hereto and incorporated herein by reference. Exhibits B and C are not necessarily exhaustive recitals of consistent and inconsistent activities, respectively. Instead, they are intended to establish specific permitted and prohibited activities and to provide guidance in determining the consistency of other activities with the conservation purpose of the Easement.

3.1 Housing. Farmworker housing shall comply with current county farmworker housing ordinances.

3.2 Organic Agriculture. Organic agriculture shall be given preference on the Property, which shall mean that if, when Grantor is leasing all or a portion of the Property

ATTACHMENT 1

fails to begin curing such violation within the thirty (30) day period, or fails to continue diligently to cure such violation until finally cured, Grantee may bring an action at law or in equity in a court of competent jurisdiction to enforce the terms of this Easement, to enjoin the violation, by temporary or permanent injunction, to recover any damages for any loss of the protected values, and/or may require the reasonable restoration of the Property to the condition that existed prior to any such injury. If Grantee, in its reasonable discretion, determines that circumstances require immediate action to prevent or mitigate significant and material damage to the protected values of the Property, Grantee may pursue its remedies under this paragraph without waiting for the period provided for cure to expire, provided that prior written notice is given to Grantor. Grantee's rights under this paragraph apply equally in the event of either actual or threatened material violations of the terms of the Easement. Grantor agrees that Grantee's remedies at law for any violation of the terms of the Easement may be inadequate and that Grantee may be entitled to the injunctive relief described in this paragraph, both prohibitive and mandatory, in addition to such other relief to which Grantee may be entitled, including specific performance of the terms of this Easement. Grantee's remedies described in this paragraph shall be cumulative and shall be in addition to all remedies now or hereafter existing at law or in equity.

6.1 Costs of Enforcement. In any action respecting enforcement of the terms of this Easement, the prevailing party shall receive from the other party costs of suit, including, without limitation, attorneys' fees, and, in such actions in which Grantee is the prevailing party, any costs or restoration necessitated by Grantor's material violation of the terms of the Easement, shall be borne by Grantor, all as allowed by the court.

6.2 Grantee's Discretion. Enforcement of the terms of the Easement shall be at the discretion of Grantee, and any forbearance by Grantee to exercise its rights under the Easement in the event of any breach of any terms of this Easement by Grantor shall not be deemed or construed to be a waiver by Grantee of such term or of any subsequent breach of the same or any other term of the Easement or of any Grantee's rights under the Easement. Reasonable delay or omission by Grantee in the exercise of any right or remedy upon any breach by Grantor shall not impair such right or remedy or be construed as a waiver.

6.3 Acts Beyond Grantor's Control. Nothing contained in this Easement shall be construed to entitle Grantee to bring any action against Grantor for any injury to or change in the Property resulting from causes beyond Grantor's control, including, without limitation, fire, flood, storm, pest infestation, and earth movement, or from any reasonable action taken by Grantor under emergency conditions to prevent, abate, or mitigate significant injury to the Property resulting from such causes.

7. Costs and Taxes. Grantor retains all responsibilities and shall bear all costs and liabilities of any kind related to the ownership, operation, upkeep and maintenance of the Property. Grantor shall pay any and all taxes, assessments, fees and charges levied by competent authority on the Property or on this Easement. It is intended that this Easement constitute an enforceable restriction within the meaning of Article XIII, Section 8 the

11. Compensation. This Easement constitutes a real property interest immediately vested in Grantee. For the purposes of Sections 10 and 12, the parties stipulate that this Easement has a fair market value determined by multiplying (a) the fair market value of the Property unencumbered by the Easement (minus any increase in value attributable to improvements made after the date of this grant) by (b) the ratio of the value of the Easement at the time of this grant to the value of the Property, unencumbered by the Easement, at the time of this grant.

12. Condemnation. If the Property is taken, in whole or in part, by exercise of the power of eminent domain, Grantee shall be entitled to compensation in accordance with applicable law, and in accordance with Section 11 above, for the value of the Easement taken; provided, however, because CDLC donated the Easement to Grantee, Grantee hereby assigns and pledges to CDLC any rights it has to any compensation under this Section 12 in the event of eminent domain, and agrees that any sums payable to Grantee under this Section 12 in connection with a taking shall be paid directly to CDLC; and the Grantor shall be entitled to compensation in accordance with applicable law for the value of the underlying fee title taken. CDLC shall not transfer CDLC's right to receive funds pursuant to this Section 12 to the fee owner of the Property.

13. Assignment of Interest. Grantee may assign its interest in this Easement only to a "qualified organization", within the meaning of Section 170(h) of the Internal Revenue Code of 1954, as amended, or any successor provision, and which is authorized to acquire and hold conservation easements under California law upon obtaining the prior written consent of Grantor. Any assignment without such consent shall be void and of no effect. Such consent shall not be unreasonably withheld by Grantor.

14. General Provisions.

(a) Controlling Law. The interpretation and performance of this Easement shall be governed by the laws of the State of California. The Property and the terms and provisions herein shall be subject to all applicable laws, rules, codes and ordinances, including but not limited to the land use regulations of the County and the State of California. Nothing herein shall be deemed to diminish restrictions, rules or regulations set forth in the Santa Cruz County Code or any other applicable law.

(b) Liberal Construction. Any general rule of construction to the contrary notwithstanding, this Easement shall be liberally construed in favor of the grant to effect the purpose of the Easement and the policy and purpose of the California Conservation Easement Act of 1979, as amended. If any provision in this instrument is found to be ambiguous, an interpretation consistent with the purpose of this Easement that would render the provision valid shall be favored over any interpretation that would render it invalid.

(c) Severability. If any provision of this Easement, or the application thereof to any person or circumstance, is found to be invalid, the remainder of the provisions of this Easement, or the application of such provision to persons or circumstances other than

Project History

Property History and Purpose Acquired

In the 1860s, two intermarried Swiss families, the Respinis and the Morettis, formed the Coast Dairies & Land Company (CDLC) and acquired in its name the lands of two entire Spanish grants, from Scott Creek in the north to Laguna Creek in the south. The Swiss dairymen put cows on the hillside pastures and coastal terraces. In 1906, a large cement plant was built at Davenport, drawing hundreds of Italian immigrants to work there; the enterprise survives today as the RMC Pacific Materials cement plant. By the 1920s, the families that owned the CDLC had moved back to Switzerland – they and their heirs continued to lease land to local farmers and dairy operators employing a series of local land managers. By mid-century, better refrigeration and transportation gave dairies east of the mountains competitive advantages, and the coastside dairies closed. In the 1950s, except for the cement plant and a few leased artichoke and Brussels sprouts fields, the stretch of coast from Santa Cruz to Half Moon Bay was more or less as it had been in the 19th century – in some ways even less settled, populated, and exploited.

But California was growing rapidly, and in the 1960s Santa Cruz was poised to expand north toward Davenport. The absentee landlords were two generations removed from the coast, and selling to a developer was tempting. In the 1970s, Pacific Gas & Electric Company held an option on the Property with a view to building a nuclear power plant, until the likelihood of a major earthquake eliminated the site from further consideration. In 1993, the California Coastal Conservancy secured an option on the Property, but when a 1994 statewide parks bond measure failed to pass, the Property went back on the market.

Given the long list of parkland purchases awaiting funding, the likelihood was dwindling that any public institution would be able to step forward to protect the land. Federal spending from the Land and Water Conservation Fund to buy parkland and wildlife habitat had dropped nearly 70 percent since 1980. In the same period, state funding for park expansion fell about 90 percent. In 1996, a developer held an option on the Property with a plan to develop it as 139 separate parcels.

In 1998, the Save-the-Redwoods League, in cooperation with several public and private partners, including the David and Lucile Packard Foundation, the Trust for Public Land (TPL), the Land Trust of Santa Cruz, and the California Coastal Conservancy, halted the threat of development by negotiating a purchase of the development company's stock option in the corporation. The Save-the-Redwoods League then assigned its right to purchase the option to the TPL. The TPL exercised its option in October 1998, pursuant to a stock option agreement entitled *Assignment of Stock Option, Escrow Account and Stock Option Deposit*, purchasing the CDLC and its Coast Dairies Property. At the time of its acquisition, the Property was one of the three largest privately held tracts of land remaining in single ownership along coastal California between San Francisco Bay and the Mexican border. Property acquisition provided an unparalleled opportunity to undertake actions to ensure the preservation of the Property's signature attributes in perpetuity.

During the process of purchasing the CDLC, the TPL issued a request for proposals to locate an entity to receive the fee ownership of, and assume the long-term management and stewardship responsibilities for, the Property. Based on proposals received, two agencies, the California Department of Parks and Recreation (Department) and the U.S. Department of the Interior, Bureau of Land Management (BLM), were chosen for ultimate ownership and joint long-term stewardship of the Property.

How BLM and the Department Will Use this Plan – Chapter VII and Appendix D

First, it had been assumed by TPL and its consultant, ESA, that the planning process would include analysis of the Plan under the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA). This would have meant that the Plan would be officially accepted by the Department and BLM at the time the Property was transferred. In March 2002, the Planning Team announced to the CAG that, as a non-profit agency, TPL could not prepare the NEPA/CEQA documents because, under law, it could not be the "lead agency." Further, BLM and the Department could not accept NEPA/CEQA documents on land they didn't yet own and manage. As a result, it is now envisioned that the long-term Plan will stand alone until it can be legally integrated into the internal planning frameworks of the new land stewards.

few small errors of fact and lapses of clarity, which have been corrected, this Plan has not been substantially changed from the June 2003 Draft. Most of the public comments received express support for certain specific policies. For the most part these actions would be allowed under the Plan, but public comments have called for policy decisions that are more specific than the general level of policy represented by the Plan. So that the public input can guide the agencies as specific policy decisions are made in the future, the Planning Team decided that it was preferable to retain all these comments as literally as possible. As an appendix, maintained in the project record, the land stewards can exercise their own judgment on these comments when they consider the Plan afresh, as part of their CEQA and NEPA deliberations.

Appendix F is specific to San Vicente Pond. The report compares relative population sizes and physical conditions of fish from both the pond and the main channel and attempts to answer questions about the effect that the pond has on the overall salmonid population of San Vicente Creek.

From these documents, it appears that water can be withdrawn from four of the streams and stored in ponds, subject to seasonal restrictions and maximum amounts. It appears as well that the pond at San Vicente Creek has had a positive impact on the fish using San Vicente Creek.

Using best management practices, ponds can be either screened to avoid entrapping fish, or alternatively shown to do the fish no harm, making off-stream storage of water a good solution to maintaining irrigated agriculture at Coast Dairies, one of the Plan's main goals. There are currently many off-stream storage ponds on the Property in addition to the pond studied at San Vicente.

A Last Word from the Planning Team

All of the individuals involved in the details of this complicated and sometimes frustrating planning process never doubted the worthiness and importance of their enterprise. They also appreciate the patience of the community, the resource agencies, and the tireless efforts of all the members of the Steering Committee. Along with the readers of the Plan, we hope someday to visit the "Coast Dairies Park" and find it meets all of our collective expectations.

California Public Resources Code Section 5002.2. Implementation plans, which would tier off of general planning documents, focus on how to implement an activity or project needed to achieve a long-term goal. Implementation plans may direct specific projects as well as ongoing management activities or programs, and provide a high level of detail and analysis. Implementation plans affecting the Property should be consistent with the policies set by the Coast Dairies Plan. Once the Coast Dairies Plan is adopted by the BLM as a Resource Management Plan (RMP) Amendment, all future BLM actions must be consistent with the adopted plan and RMP Amendment. Future specific projects or implementation plans would need to comply with the CEQA and/or NEPA as well as all other applicable laws and statutes, which could require additional environmental and other site studies to assess the potential impacts of future proposals.

Goals

The Coast Dairies Plan provides seven goals specific to the Property:

- Conserve and enhance the biological open space values;
- Create new and diverse recreational and educational opportunities;
- Maintain and enhance sustainable agriculture;
- Restore key natural resources;
- Protect natural forested areas from commercial harvest;
- Allow for other sustainable economic uses of the land; and
- Use adaptive management as a tool to achieve sound long-term stewardship of the property.

These seven goals lay the foundation for the management of the Property.

Land Transfer and Plan Implementation Stages

Land Transfer

The Department and BLM intend to manage the approximately 7,000-acre Property following the Seamless Management Principle described herein. However, to facilitate the real estate transfer, the Property will be divided and conveyed separately to the agencies. At the agencies' request, the Property coastsides of Highway 1 (and the area surrounding the Laguna Inn) will be transferred to the Department, and the portion of the Property inland of Highway 1 will be transferred to BLM. Agri-Culture, a non-profit agency closely affiliated with the Santa Cruz Farm Bureau, will acquire and manage the agricultural land inland of Highway One. BLM will enhance salmonid, red-legged frog, and associated riparian habitats, manage mining leases and right-of-ways, evaluate grazing as a continuing management tool, and provide control of invasive weeds and feral pigs. The BLM will also offer the Department scientific and other support, as funding allows, and will recruit volunteers to conduct tours and assist with research.

Plan Implementation Stages

The Plan (in Chapter VII) describes in general terms how access to the Property will change under the stewardship of BLM and the Department. The term "access" as used here comprises both public access and other uses. The simplest and most benign uses, or those which can be considered identical to existing conditions on the Property, are allowed first. This is called the "Immediate Access Stage," and will be operational shortly after conveyance. As funding becomes available (0-5 years after conveyance) additional access may be provided, but only to the extent that significant impacts to the environment can be avoided. If the agencies offer additional (but limited) access during this period this will be called the "Interim Access Stage." In the longer term (5-10 years after conveyance) a full Plan will emerge that more closely resembles this document and will

Organization of the Coast Dairies Long-term Resource Protection and Use Plan

The contents of the Coast Dairies Plan are as follows:

- **Executive Summary.** This section provides a concise overview of the Plan.
- **Introduction.** This section provides an overview of the Property and the purpose, intent, and intended use of the Plan.
- **Project History.** This section describes the historic uses of the Property and the sequence of events that led to its purchase by the Trust for Public Land.
- **Affected Environment.** This section presents a summary of the existing conditions on the Property as presented in the Existing Conditions Report. It serves as a "reader's guide" to the compendium of baseline studies included in the Existing Conditions Report, providing the kind of summary and overview necessary to understand the relative importance of the different resource/issue areas. This section includes an overview, a brief description of the regional setting, a description of each watershed on the Property, and a summary of applicable resource data organized by resource topic.
- **Opportunities and Constraints.** Similar to the Affected Environment, above, this section summarizes the results of the Opportunities and Constraints Analysis prepared for the Property.
- **Goals and Standards.** This section presents the Goals and Standards that are intended to guide future management of the Property. This is the beginning of the operational portion of the Plan – where the results of the Opportunities and Constraints Analysis, along with other decisions and recommendations, are shaped into a cohesive, useful land management plan that provides on-the-ground guidance for future land managers.
- **Management Zone Prescriptions.** This section provides guidance on how each watershed should be managed. The management zone prescriptions describe the future desired condition, a list of activities or facilities typically consistent with the zone, and a list of activities or facilities that would typically be inconsistent with the zone.
- **Plan Implementation and Public Access.** The access plan includes three tiers: what will occur on day of conveyance, the interim access stage (i.e., those portions of the Property recommended to be opened to public access as soon as feasible) and a long-term access program that describes the overall vision for ultimate access to the Property.
- **Adaptive Management Program.** The Adaptive Management Program includes measures and monitoring protocols and standards required by local, state, or federal regulation and provides recommendations on other measures that could be implemented by future land managers.
- **Appendices.** Appendices include applicable regulations, the list of preparers, bibliography, public comments and data on water resources.