

Attachment 8: Letter from Cox, Castle, & Nicholson dated January 29, 2021



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File No. 71989

January 29, 2021

VIA E-MAIL AND U.S. MAIL

Ms. Lisa Plowman
Director, Planning and Development
County of Santa Barbara
123 East Anapamu Street
Santa Barbara, CA 93101-2058

Re: Santa Barbara Ranch – Inland Development Agreement Compliance

Dear Ms. Plowman:

Section 10.04 of the Inland Development Agreement for Santa Barbara Ranch (“IDA”) requires the County to annually conduct a “Periodic Review” of the Developer’s good faith compliance with the IDA. Pursuant to Section 10.04, SBRHC, Inc. (“SBRHC”) requests that the County conduct such a review.

As you know, SBRHC is the Developer under the IDA. SBRHC has designated Standard Portfolios Asset Management Co. LLC (“Standard Portfolios”) as its agent and has authorized Standard Portfolios to carry out the Developer’s obligations under the IDA on its behalf. Standard Portfolios has been carrying out the Developer’s obligations in that capacity since January 29, 2015.

The County conducted the last Periodic Review last year. On April 7, 2020, you issued a written determination that the Developer was in good faith compliance with the IDA. Specifically, the County determined:

Section 2.02(a) of the Agreement sets forth provisions for the Developer to pay \$100,000 to a non-profit organization to “*initiate planning to enhance areas of natural, scenic, wildlife, biological, open space, and drainage corridors within the Dos Pueblos Creek drainage . . .*” and to ultimately implement a creek restoration plan. Consistent with this requirement, the Developer has 1) deposited \$100,000 with the California Rangeland Trust (CRT), a non-profit conservation organization fully independent from the developer; 2) managed and funded preparation of the *Dos Pueblos Creek Restoration, Maintenance and Monitoring Plan*; 3) submitted to Santa Barbara County the completed *Dos Pueblos*

Creek Restoration, Maintenance and Monitoring Plan; and, 4) Received peer review by the County biological resources consultant, Storrer Environmental, which found the *Dos Pueblos Creek Restoration, Maintenance and Monitoring Plan* to be acceptable

Section 2.02(a) of the Agreement states that the Developer “shall pay the sum of three hundred thousand dollars (\$300,000) to a non-profit conservation organization of Developer’s choice to be used to implement the Creek Restoration Plan . . .” Consistent with this requirement, the Developer has 1) deposited \$300,000 with the California Association of Resource Conservation Districts (CARCD); and, 2) entered into an agreement with CARCD for CARCD to use the funds for creek restoration, consistent with the requirements of Section 2.02(a) of the IDA. In addition, the CARCD has retained the Cachuma Resource Conservation District (CRCDD) and Mauricio Gomez of South Coast Habitat Restoration (SCHR) for assistance with implementation of the restoration. CRCDD expended \$183,842.49 of the \$300,000 to implement the Creek Restoration Project to date.

Therefore, based on documents referenced above, including the specific facts presented in the letter from Cox, Castle & Nicholson on behalf of Standard Portfolios dated February 7, 2020, and the accompanying supporting documentation, the Developer’s current efforts to support implementation of the Creek Restoration Plan constitute good-faith compliance with the terms of the Agreement.

At the time of last year’s compliance review, the Developer informed the County that in the course of the meetings with the landowners, the Dos Pueblos Ranch North owners informed Standard Portfolios that it does not consent to the implementation of the *Dos Pueblos Creek Restoration, Maintenance and Monitoring Plan* on its property. Section 2.02(a) of the IDA states that implementation of the Creek Restoration Plan shall be subject to and shall not occur until . . . consent of Dos Pueblos Ranch with respect to activities that occur on Dos Pueblos Ranch. As a result, CARCD has been unable to perform the work under the current scope of the grant and is not able to implement the *Dos Pueblos Creek Restoration, Maintenance and Monitoring Plan* at this time.

Pursuant to IDA Section 2.02(a), the Creek Restoration Implementation Funding Agreement with CARCD requires CARCD to: (i) expend the funds for creek restoration elsewhere-on the Gaviota Coast in the event that the Creek Restoration Plan is not implemented within five (5) years of the Effective Date for any reason, (ii) obtain the County’s written consent as to the alternative creek restoration project prior to expending said funds, and (iii) complete the alternative creek restoration project within seven (7) years of the Effective Date.

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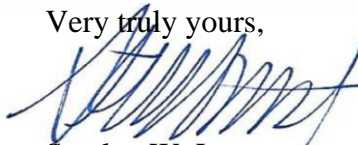
In light of the fact that the five-year anniversary of the Effective Date was April 8, 2019 and that a condition to the implementation of the Creek Restoration Plan had not been met, the Developer assisted CARCD to formalize a request for the County's consent to use the remaining funds for alternative restoration in accordance with the terms of IDA Section 2.02(a) and the Creek Restoration Implementation Funding Agreement.

Our understanding is that CARCD has been working directly with the County since that time. The Developer has periodically responded to requests for information from the County over the course of the last year.

Section 2.02(a) states in relevant part, "In the event that the culturally significant resources are encountered during construction of the Inland Project pursuant to the Inland Project Approvals and required mitigation exceeds the thresholds prescribed in the California Public Resources Code, the Developer agrees to either: (i) mitigate all impacts regardless of cost; or (ii) avoid the impact through other means acceptable to the County." No construction of the Inland Project pursuant to the Inland Project Approvals has occurred to date.

If you have any questions or require any further information, please do not hesitate to contact us.

Very truly yours,



Stanley W. Lamport

SWL/rs1

cc: Ms. Nicole Lieu
Christian H. Cebrian, Esq.

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