



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Public Works/Lag San
Department No.: 054
For Agenda Of: 4/22/2014
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: 4/5

TO: Board of Supervisors, Board of Directors, Laguna County Sanitation District

FROM: Department Scott McGolpin, P.E., Director, x3010
Director(s)
Contact Info: Mark A. Schleich, P.E., Deputy Director, x3605

SUBJECT: Land Acquisition by Laguna County Sanitation District – Third Supervisorial District

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: Risk Management & General Services

As to form: Yes

Recommended Actions:

As the Board of Directors of the Laguna County Sanitation District:

- A. Approve and execute the attached original and duplicate purchase agreement between Betteravia Ranches, LLC (seller) and Laguna County Sanitation District (buyer) for acquisition of a portion of seller's real property known as APN 113-240-002 in the amount of \$890,000.00.
- B. Accept the attached Grant Deed to the real property conveyed from Betteravia Ranches, LLC to the Laguna County Sanitation District for a portion of APN 113-240-002 by authorizing the Clerk of the Board to sign the Certificate of Acceptance attached thereto.
- C. Approve the attached budget revision to appropriate current year funds in the amount of \$890,000.00 from Laguna County Sanitation District budget line item 8200 to line item 8100 for acquisition of the property.
- D. Regarding the acquisition from Betteravia Ranches, LLC, find pursuant to Government Code Sections 51292 (a) and (b), that:
 1. The location is not based primarily on a consideration of the lower cost of acquiring land in an agricultural preserve.

2. There is no other land within or outside the preserve on which it is reasonably feasible to locate the interests in real property.

E. Determine that these activities are exempt from the California Environmental Quality Act (CEQA) review per CEQA Guidelines Section 15061(b)(3) since it can be seen with certainty that there is no possibility that the activities may have a significant effect on the environment and direct staff to file a notice of exemption.

As the Board of Supervisors:

A. Direct the County Surveyor to issue an unconditional Certificate of Compliance for the remaining portion of APN 113-240-002, the parent parcel, as amended by the transfer of 126.7 acres to the Laguna County Sanitation District, upon recordation of the Grant Deed to Laguna Sanitation.

B. Determine that these activities are exempt from the California Environmental Quality Act (CEQA) review per CEQA Guidelines Section 15061(b)(3) since it can be seen with certainty that there is no possibility that the activities may have a significant effect on the environment and direct staff to file a notice of exemption.

Summary Text:

Betteravia Ranches, LLC owns land adjacent to land owned by the Laguna County Sanitation District (District) and recently offered to sell a portion of APN 113-240-002 to the District. The land in question is a 126.7 acre portion of a 328.9 acre parcel and has historically been used for dry and irrigated cattle pasture. This action authorizes the land acquisition.

Background:

The Laguna County Sanitation District wastewater reclamation plant produces recycled water and discharges the water on demand to offsite users. Water not used offsite during the wet season is stored in a reservoir for later discharge to onsite irrigated pasture. Treatment plant capacity is 3.7 million gallons per day (mgd), however, discharge capacity is currently 2.4 mgd. To help meet discharge capacity needs, the District is pursuing both offsite and onsite discharge alternatives in order to ensure it has adequate capacity.

The District was recently approached by Betteravia Ranches, LLC regarding the sale of a portion of the 328.9 acre parcel known as APN 113-240-002. General Services Department staff acted as agent to the District in negotiating and managing the acquisition. The property is bisected by Orcutt Creek and the portion in question is that located north of the creek. The northern portion is used for dry and irrigated pasture while the southern portion of the creek is farmed. The District recommends the acquisition of the northern portion of the property because the District owns pastureland that adjoins this property to the north and land containing its storage reservoir to the east, has access to this property, and would use the land for the same purposes of irrigated pasture, which would assist in meeting the District's discharge capacity needs.

The legal status of the remaining 202.2 acres will be addressed through a Certificate of Compliance to be issued by the County Surveyor's Office.

To address the fact that APN 113-240-002 is in an agricultural preserve contract (81-AP-12 recorded as instrument 82-8835), the District advised the California Department of Conservation and the County

Agricultural Preserve Advisory Committee on December 20, 2013 and February 13, 2014 of its interest in acquiring the portion of the parcel pursuant to Government Code Section 51291(b). A response from the Department of Conservation on March 26, 2014 stated that the agricultural preserve contract would remain in effect upon acquisition, provided alternatives for its termination, and indicated that land uses must remain compatible with agricultural activities. The proposed land uses are the same as those practiced by the prior owner and the District anticipates applying for non-renewal with the County Agricultural Preserve Advisory Committee, since it is a governmental tax exempt entity.

Further, a governmental agency must generally make findings pursuant to Government Code Section 51292 (a) and (b) that the acquisition was not based on the lesser cost of agricultural land and that no other land was feasible. Because all land adjacent to the District's plant and storage facilities are located in Williamson Act agricultural preserves or farmed, the cost of agricultural land was not a factor. Further, due to the land's proximity to the District's existing reclamation, storage, and pasture facilities, it is ideally situated for acquisition by the District to expand on its existing discharge capabilities in that the acquisition connects District owned land making cattle movement, fencing and pasture management simple. Therefore, this acquisition is the most reasonably feasible given that there are no other lands located in or out of the preserve that provide similar advantages. Because the land will continue to be used for the same agricultural purposes, which are compatible and consistent with the uses of land under an agricultural preserve contract, the District is exempt from making these findings pursuant to Government Code Section 51293(e)(3). However, since the findings may be made on the basis provided above, staff recommends that the District makes the findings as enumerated in Recommendation D above.

Lastly, within 10 days upon recordation of the deed, the District will inform the Department of Conservation that the acquisition was completed and provide the certified minute order of the actions to evidence that the findings in Recommendation D were made. The remainder parcel will continue to be owned by Betteravia Ranches, LLC, and as owner, Betteravia Ranches, LLC may consider action to apply for a replacement agricultural preserve contract on the remainder parcel.

Because the use of the land is the same as that currently being practiced, there is no activity considered to be a project having the potential to cause a significant effect on the environment. Therefore, the land acquisition, as the action being considered, is not subject to CEQA pursuant to CCR Section 15061(b)(3).

Completion of the above actions provides for the transfer of a portion of APN 113-240-002 from Betteravia Ranches, LLC to the Laguna County Sanitation District.

Performance Measure:

This action provides for the acquisition of a 126.7 acre portion of real property known as APN 113-240-002 consisting of 328.9 acres. The land will be used for the discharge of recycled water on cattle pasture and provide for approximately 300,000 gpd in discharge capacity.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund			
State			
Federal			
Fees			
District Reserves			\$ 890,000.00
Total	\$ -	\$ -	\$ 890,000.00

The costs for the acquisition include the purchase and the various professional services for administration and the preparation of legal documents and contracts. The funds were budgeted in fiscal-year 2013-2014 but are being reallocated for this acquisition. Budget Revision 0003292 for the purchase is \$890,000 is attached. The costs for the various professional services are budgeted in Fund 2870, which are estimated to be under \$20,000.

Staffing Impacts:

There are no staffing impacts with this action.

Special Instructions:

Clerk of the Board, please distribute as follows:

1. Return the original and duplicate original purchase agreements to General Services, Attn: Don Grady. An original fully executed purchase agreement will be returned to the Clerk upon execution by the escrow holder.
2. Clerk of the Board to retain a copy of the purchase agreement.
3. Certificate of Acceptance to General Services, Attn: Don Grady.
4. Clerk of the Board to retain a copy of the Certificate of Acceptance.
5. Certified minute order to General Services, Attn: Don Grady and Laguna Sanitation District, Attn: Martin Wilder.

Upon execution, staff will open escrow to facilitate recordation of the Grant Deed, the Certificate of Acceptance, and the Certificate of Compliance. After recordation, the original documents will be delivered to the Clerk of the Board for filing.

Attachments:

- Purchase Agreement (with exhibits) – two originals
- Copy of Grant Deed (with exhibits)
- Certificate of Acceptance
- Budget Revision
- Notice of Exemption (acquisition)
- Notice of Exemption (Certificate of Compliance)
- Certificate of Compliance (with exhibits)

Authored by:

Martin Wilder, P.E., Laguna County Sanitation District, x8755

Copy:

- Don Grady - GS Real Property
- Johannah Hartley – County Counsel
- Aleksander Jevremovic – County Surveyor