



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
Department No.: 054
For Agenda Of: March 6, 2007
Placement: Administrative
Estimated Tme:
Continued Item: Yes
If Yes, date from: February 20, 2007
Vote Required: 3 votes

TO: Board of Supervisors
FROM: Department Phillip M. Demery, Director Public Works Department
Director(s) 568-3010
Contact Info: Mark Schleich, Public Works Deputy Director
882-3604
**SUBJECT: Declaration as Excess; Portion of Baron Ranch
Third Supervisorial District**

County Counsel Concurrence

As to form: Yes

Other Concurrence: N/A

Recommended Actions:

A. Declare County-owned Land as Surplus by the following:

(1) Adopt the attached Resolution Declaring Real Property as Surplus, which declares a 140-acre portion of the County-owned property known as the Baron Ranch (APN 081-150-032) as surplus to County's needs (3 votes required pursuant to Government Code §§ 50569 and 25005). The Resolution is attached hereto as Attachment A. The Baron Ranch property is shown on "Exhibit A-1," and the 140 acre portion proposed as surplus (hereinafter the "Portion") is shown on "Exhibit A-2" as attached to the Resolution.

(2) Approve the attached Notice of Exemption pursuant to the California Environmental Quality Act (CEQA) Guideline Section 15061(b)(3). The Notice of Exemption is attached as Attachment B.

B. If the above actions are approved, authorize the Real Property Division of the Public Works Department to:

(1) Submit a request to the Santa Barbara Planning Commission to determine if the sale and transfer of the Portion would be in compliance with the County's adopted General Plan (Government Code § 65402);

Auditor-Controller Concurrence

As to form: N/A

- (2) Order an appraisal to determine the market value of the Portion; and
- (3) Evaluate the potential payoff or transfer of debt associated with the possible sale or transfer of the Portion.

Summary Text:

The County owns Baron Ranch (hereinafter the "Property") in fee. The Property is planted with approximately 100 acres of avocado and 7 acres of cherimoya which are professionally managed under contract. Net revenue from the sale of the fruit offsets the costs for operating the ranch but does not cover the cost for debt service. Over the last eight years, the Division has paid an average of approximately \$700,000 per year to maintain the ranch. A 140-acre parcel on the ranch (the Portion) is improved with a single family residence. A County Project Team has determined that the Portion is unneeded by the County and the sale of which could significantly offset the debt for the remaining property. If adopted, the Resolution Declaring Real Property as Surplus will declare the Portion as excess to County needs and allow Real Property and Resource Recovery and Waste Management (herein "RR&WM") staff to evaluate the potential sale or transfer of the Portion to another public entity or private party. County Counsel has advised that if the Portion is eventually sold, the sale must be preceded by compliance with CEQA which may require preparation of a Negative Declaration.

Background: Baron Ranch is a 1,092 acre County-owned property located at 14550 Calle Real, adjacent to and east of the Tajiguas Landfill. RR&WM purchased Baron Ranch for \$7,500,000 to provide a buffer between the landfill and private ownership, to allow flexibility for the RR&WM Division's existing and future solid waste operations, provide options for project specific mitigation, and for possible future public access for community uses. Purchase monies and incidental expenses were financed using 1991 Certificates of Participation in the amount of \$7,994,003. The Property is zoned for agriculture, and is planted with approximately 100 acres of avocado and 7 acres of cherimoya which are professionally managed under contract.

In 2003, a consultant conducted an analysis of the RR&WM Division's finances. That study showed that when the debt service payments were included, the costs for Baron Ranch continually exceeded revenues. Staff has addressed all recommendations contained in the study with the exception of the disposal of Baron Ranch. Over the past eight years, the Division has paid an average of approximately \$700,000 per year to maintain the property. This is approximately \$3.20 per ton disposed at the Tajiguas Landfill until the end of the debt service which is scheduled to be retired in 2011. The outstanding balance as of February 2007 is \$2,890,000.

On May 24, 2005, in order to significantly reduce or eliminate RR&WM's debt service for the Baron Ranch property, or to pay for RR&WM capital projects, your Board directed RR&WM staff to form a project team to study the feasibility of declaring all or part of the Baron Ranch as excess to County needs. On February 21, 2006, RR&WM staff brought the Project Team's recommendation to your Board for consideration. Staff's recommendation was to declare a 140-acre portion, including the single family residence, as surplus to County needs and maintaining the majority of the Property for future Division needs as well as maintaining a buffer for the Tajiguas Landfill. At that hearing, several questions were raised by your Board as well as members of the public. On March 21, 2006, staff returned to your Board with responses to the concerns expressed at the prior month's Board meeting.

Surplus Declaration:

Adoption of the Resolution Declaring Real Property as Surplus will serve to declare the Portion as excess to County needs. Because this Resolution will not result in any changes of legal or physical status to the Property, the Resolution will be exempt from CEQA under CEQA Guidelines Section 15061(b)(3). Concurrently Real Property will (a) submit a request to the Santa Barbara County Planning Commission to determine if the sale and transfer of the Portion is in conformity with the County's adopted General Plan (Government Code § 65402), (b) will order an appraisal to determine the market value of the Portion; and (c) evaluate the potential payoff or transfer of debt.

Upon completion of these steps, Real Property and RR&WM staff will consider options for the 140-acre Portion, including the possible transfer or sale of the Portion to another public entity or private party. County Counsel has advised that if the Portion is later sold, that such a sale must be preceded by compliance with CEQA, which may require preparation of a Negative Declaration.

Performance Measure: Fiscal and Facilities Impacts:

Budgeted: Select_Budgeted

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			
Other:			
Total	\$ -	\$ -	\$ -

Narrative:

The requested actions do not obligate County expenditures or identify specific revenues. The recommended actions initiate the process for declaring the property as surplus, future steps in the process will highlight specific costs and revenues. These costs and revenues will include impacts related to the \$2,890,000 of outstanding principle (as of February 1, 2007) obligated for the Baron Ranch purchase via the 1998 Certificates of Participation (which refunded the 1991 Certificates of Participation.)

Staffing Impacts:

Legal Positions:

FTEs:

Special Instructions: After Board action, distribute as follows:

- | | |
|--------------------------------|------------------------------------------------------|
| 1. Copy of executed Resolution | Facilities Services, Public Works, Attn: Jeff Havlik |
| 2. Minute Order | Facilities Services, Public Works, Attn: Jeff Havlik |

Attachments:

Attachment A: Resolution Declaring Real Property as Surplus, including Exhibit A-1 Baron Ranch and Exhibit A-2 140-acre Portion.)

Attachment B: Notice of Exemption

Authored by:

Jeff Havlik, SR/WA, Public Works, Real Property, 568-3073

Leslie Wells, Public Works, Resource Recovery & Waste Management, 882-3611

cc:

Claude Garciacelay, Parks Department

Marie LaSala, Deputy County Counsel

RESOLUTION
DECLARING REAL PROPERTY
AS SURPLUS

ATTACHMENT A

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE
COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA**

RESOLUTION NO. _____

**In the Matter of the Board of)
Supervisors Declaring County-)
Owned Real Property as Surplus)**

**RESOLUTION DECLARING REAL
PROPERTY AS SURPLUS**

[140-Acre Portion of Baron Ranch,
14550 Calle Real, APN 081-150-032]

Government Code Section 50569

WHEREAS, in 1990 the Resource Recovery and Waste Management Division of the Department of Public Works for the County of Santa Barbara ("RR&WM") purchased real property and improvements at located at 14550 Calle Real, within the boundaries of the *County of Santa Barbara*, also known as County Assessor's Parcel Number 081-150-032 (hereinafter the "Property");

WHEREAS, the Property was purchased for use by the RR&WM Division to provide a buffer between the Tajiguas Landfill and privately owned property to allow flexibility for the RR&WM Division's existing and future solid waste operations, provide options for project specific mitigation, and for possible future access for community uses; and

WHEREAS, the Property contains a 140-acre legal parcel which is improved with a single family home (hereinafter the "Portion"); and

WHEREAS, the RR&WM Division has determined that the 140-acre Portion is not needed for any of the uses for which the Property was purchased; and

WHEREAS, the Board of Supervisors of Santa Barbara County deems it to be in the best interest of the public to declare the 140-acre Portion as excess to the County's foreseeable needs.

NOW, THEREFORE, BE IT RESOLVED, the Board of Supervisors of the County of Santa Barbara, State of California does hereby find, determine and order as follows:

1. That the above recitals are true and correct.
2. That the Board of Supervisors hereby finds that the above referenced 140-acre Portion of the Property as shown and described on Exhibit A-1 and Exhibit A-2 attached hereto, is in excess of the County's needs and declares it to be surplus property.

PASSED AND ADOPTED by the County of Santa Barbara, State of California, this _____ day
of _____, 2007, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

COUNTY OF SANTA BARBARA

ATTEST:
MICHAEL F. BROWN
CLERK OF THE BOARD

Chair, Board of Supervisors

By: _____
Deputy Clerk

APPROVED AS TO FORM:
STEPHEN SHANE STARK
COUNTY COUNSEL

APPROVED AS TO FORM:
ROBERT W. GEIS, CPA
AUDITOR-CONTROLLER

By: _____
Deputy

By: _____
Deputy

**CEQA
NOTICE OF EXEMPTION**

ATTACHMENT B