

# **Santa Barbara County Board of Supervisors**

**Santa Barbara Ranch  
Consideration of Consent to Transfer Agreement  
March 20, 2012**



## RECOMMENDED ACTIONS

- Receive a written request from SBRHC, Inc. for the County to consent to a proposed Transfer Agreement between SBRHC, Inc. and CP II/BR SBR, LLC.

### AND EITHER:

- Authorize the Chair of the Board to Execute Written Consent to Transfer Agreement (Attachment 4)
- Find that CEQA is satisfied for the action through CEQA Section 15162(a), relying on the Santa Barbara Ranch EIR.

### OR:

## RECOMMENDED ACTIONS

- Determine that the County cannot reasonably and presently consent to the proposed Transfer because the proposed Transferee has not provided adequate evidence of its own financial resources to be able to perform the obligations proposed to be assumed.

## BACKGROUND

- Santa Barbara Ranch Project approved by BOS October 21 and December 9, 2008.
  - Included approval of two separate Development Agreements, one Coastal and one Inland
- Coastal Development Agreement rescinded by BOS on November 3, 2009.
- Naples Coalition, Environmental Defense Center and Surfriders Foundation filed suit on November 20, 2008 challenging County's certification of EIR and approval of project.

## BACKGROUND

- In May 2010, First Bank foreclosed on part or all of the Inland Project property and transferred its interests to SBRHC, Inc.
- On April 5, 2011, BOS heard request from First Bank, SBRHC, Inc., and the original developers to acknowledge Developer's performance is extended throughout the period of litigation and to receive and file staff's compliance report; matter was continued to May 17, 2011 where the item was withdrawn.

## BACKGROUND

- On February 7, 2012, the BOS approved a Notice of Compliance pursuant to Section 8.04 of the Inland Development Agreement
- On February 14, County was served with an Amended Complaint regarding the Quiet Title litigation between SBRHC and previous developer which includes the County as a defendant in the litigation

## CURRENT REQUEST

- On February 13, 2012, SBRHC, Inc. requested County's Consent to Transfer to CIP II/BR SBR, LLC
- On February 13 and March 8, 2012, CrossHarbor submitted letters providing information regarding the financial resources of CIP II and reputation of all the partners
- Inland Development Agreement provides the County 45 days from the date of the request to respond, or conclusive presumption that County consents to the Transfer

# ANALYSIS OF CONSENT TO TRANSFER

- Consent to Transfer by County provided for in Section 8.02 of the Inland Development Agreement:
  - The County may refuse to give its consent only if, in light of the proposed transferee's reputation and financial resources, such transferee would not in County's reasonable opinion be able to perform the obligations proposed to be assumed by such transferee.

# ANALYSIS OF CONSENT TO TRANSFER

- Financial information – CrossHarbor provided financial statement of CIP II, owned by CrossHarbor
  - Capitalized with approximately \$425,000,000 of discretionary capital commitments from institutional investors
  - \$125,000,000 subscription secured line of credit
  - CIP II would make \$300,000 available to the Transferee to meet its obligations under the Inland Development Agreement

# ANALYSIS OF CONSENT TO TRANSFER

- Inland Development Agreement requires Developer to :
  - Pay \$100,000 for preparation of a Creek Restoration Plan to enhance areas of around Dos Pueblos Creek (Completed)
  - Offer reasonable assistance in completing Creek Restoration Plan
  - Prior to commencing grading or construction of the Inland Project, pay \$300,000 to implement the Creek Restoration Plan
  - Offer reasonable assistance in implementing Creek Restoration Plan

# ANALYSIS OF CONSENT TO TRANSFER

- Reputation Information
  - February 13, 2012 letter from CrossHarbor provides information about the reputation of all partners
  - Information includes Preserve Communities and projects undertaken in areas with sensitive resources

# ANALYSIS OF CONSENT TO TRANSFER

- Determination of Inland Development Agreement rights and obligations remains subject of ongoing litigation
- Staff recommends that if the Board of Supervisors Consents to the Transfer, the Board specify in the Consent to Transfer that the County:
  - Reasonably cannot at this time certify those respective rights and obligations; but
  - Consents to SBRHC Inc's proposed transfer to CIP II/BR SBR, LLC of whatever interests, rights and obligations that SBRHC Inc. has under the Inland Development Agreement, Inland Project Approvals and the Subsequent Approvals.

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