



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: General Services
Department No.: 063
For Agenda Of: June 22, 2021
Placement: Administrative
Estimated Time: N/A
Continued Item: No
If Yes, date from: N/A
Vote Required: Majority

TO: Board of Directors, Fire Protection District
FROM: General Services Janette D. Pell, Director (805) 560-1011
Fire District Mark A. Hartwig, Fire Chief (805) 681-5500
Contact Info: Skip Grey, Assistant Director, General Services (805) 568-3083
Matthew Farris, Division Chief (805) 896-6405
SUBJECT: Santa Barbara County Fire Protection District's Proposed Potential Acquisition
of a Vacant Lot in Orcutt, Fourth District (RP Folio No. 003929)

County Counsel Concurrence

As to form: Yes

Other Concurrence: Risk Manager

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions: That the Board of Directors:

- a) Approve and authorize the Chair to execute the original and duplicate original Real Property Purchase Agreement and Escrow Instructions ("Agreement") between the Santa Barbara County Fire Protection District ("District"), as Buyer, and Edward D. McCoy Trust ("Owner"), as Seller, to conditionally purchase 4.6 acres of undeveloped land located on the north side of Union Valley Parkway between Bradley Road to the east and State Route 135 (Broadway) to the west, known as Assessor Parcel Number 107-321-013 (the "Property"), subject to the District's completion of due diligence and CEQA and the District's unilateral right to terminate based on the due diligence or CEQA review;
- b) Authorize the Fire Chief, or designee, to execute any and all documents necessary to open escrow to facilitate the terms and conditions of the proposed acquisition;
- c) Authorize the Fire Chief, or designee, subject to concurrence from District Counsel, to act on behalf of the District to complete the investigation of the Property and exercise authority on behalf of the District as described in in Section 1.e of the Agreement; and
- d) Direct staff to return to the District Board of Directors in Open Session to consider CEQA and to consider terminating the Agreement or granting authority to execute a Certificate of Acceptance consummating the purchase and accepting title to the Property;

- e) Determine that the recommended actions are not the approval of a project that is subject to environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15004(b)(4), finding that the actions consist only of a preliminary agreement that: conditions acquisition on compliance with CEQA; does not bind or commit the District to any definite course of action prior to CEQA compliance; does not restrict the District or any lead or responsible agency from considering any feasible mitigation measures and alternatives, including the “no project” alternative; and does not restrict the County or any lead or responsible agency from denying the project.

Summary Text:

This item is on the agenda for approval of a conditional purchase agreement regarding real property consisting of 4.6 acres of unimproved land located in the unincorporated area of Orcutt. The Property would be used for a future fire station. The Property is owned by Edward D. McCoy Trust and the listing broker is Modern Broker, Inc. with Associate Broker Bunny Maxim acting as negotiator for the Owner. The recommended actions include authority to execute the Real Property Purchase Agreement and Escrow Instructions (“Agreement”), which is subject to further due diligence and the completion of CEQA. The purchase agreement provides for a purchase price of \$970,450, plus escrow and title costs and other costs to facilitate the purchase, which would be paid from currently budgeted funds.

Staff will return to the Board at a later date to complete CEQA and consider whether to terminate the sale or grant the necessary authority to complete the purchase. In order to facilitate the CEQA review, the proposed purchase agreement provides an escrow period of up to seven (7) months. The Agreement provides the County a unilateral option to terminate the Agreement during the CEQA due diligence period and receive a full refund of the deposit.

Background:

Anticipated growth in the Orcutt area, as identified in the Orcutt Community Plan, as well as the 2020 Citygate Report, identified increased demand for fire protection services in the Orcutt area. In order for the Fire Department to maintain standards of cover, a new fire station will be required as noted in the Orcutt Community Plan Public Infrastructure Financing Program. Mitigation fees have been collected and set aside for future Fire Station 25. The Fire Department will use District funds to pay the balance of acquisition costs after mitigation fees are allocated.

In January 2020, the District reached out to County General Services to request assistance with this process and directed staff to look for vacant parcels located near the intersection of SR 135 and UVP with a minimum lot size of 3 acres. Multiple properties were considered and the subject property, a 4.6 acre unimproved parcel of land at the westerly terminus of Brookside Avenue, was identified as a viable option in terms of price, size, location and availability. The Property is located about ½ mile east of the intersection of Union Valley Parkway (UVP) and State Route 135 (Broadway) and is bounded by residential development, undeveloped parcels, and UVP. Access to the site is currently available from Brookside Avenue and a future driveway could provide direct access to UVP as shown on the attached preliminary feasibility assessment that was prepared to determine if the site could potentially fit a fire station using the plans of the Goleta Fire Station.

Rincon Consultants, Inc. (“Rincon”) prepared a Phase I Environmental Site Assessment (ESA) (“Phase I”) for the Property and presented its findings to the District on April 22, 2020. The Phase I identified no recognized environmental conditions (RECs) in connection with the Property; however, it noted that the presence of gas pipeline markers create an unknown environmental condition that may warrant further investigation. At the District’s direction, Rincon prepared a proposal to conduct a Phase II ESA, which would involve soil vapor sampling and assessment to determine if volatile organic compounds, petroleum hydrocarbons, and/or methane are present in the soil, and would cost approximately \$9,722.

Key issues for CEQA analysis of the project are expected to include biological and cultural resources, noise and aesthetics. Rincon provided a proposal to prepare an Initial Study-Mitigated Negative Declaration (IS-MND), supporting biological and cultural technical reports, and a Mitigation Monitoring and Reporting Program (MMRP) that will list all mitigation measures and monitoring activities, for an estimated total of \$55,309. The complete scope of work will include a public review period and a public meeting or hearing to determine whether to proceed with the project.

The Property is located in the unincorporated area of the County of Santa Barbara and, upon execution of the Agreement, a request will be sent to the County Planning & Development Department in accordance with Government Code Section 65402 to determine whether the proposed acquisition of the Property is consistent with the County’s General Plan. Prior to returning to the Board for authority necessary to complete acquisition, a Notice of Intent to Purchase the Property will be published in accordance with California Government Code Sections 25350 and 6063.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

<u>Funding Sources</u>	<u>FY 20/21</u>	<u>FY 21/22</u>	<u>Total Funding</u>
Fund 1130 Orcutt Mitigation Fund Balance		\$ 611,500	\$ 611,500
Orcutt Community Facilities District Funding		293,500	293,500
Fire Protection District Capital Reserve		50,750	50,750
Fund 2280-Fire Protection District	\$ 15,000		15,000
Total Estimated Cost for Land Acquisition	\$ 15,000	\$ 955,750	\$ 970,750

Development impact mitigation fees collected by the Santa Barbara County Fire Protection District (approximately \$625,000) for the purpose of building a new fire station in the Orcutt area (often referred to as Station 25) would fund this acquisition. In addition, Orcutt CFD funding and Capital Outlay funds designated within the Santa Barbara County Fire Protection District would be utilized for the remainder of the required funding to acquire the site. Due to timing of the potential land acquisition, a Final Budget Adjustment was submitted to shift the land acquisition budget into FY 21/22 (\$626,500). In FY 21/22 the District will submit a budget adjustment, for Board approval, to release the remaining funding from reserves in FY 21/22.

Funding for potential future construction of Station 25 has not yet been identified.

Key Contract Risks:

District has 45 days following execution of the Agreement to approve or disapprove, in its sole judgment, the condition of the Property after completing an investigation of the Property. If the Fire Chief, or designee, exercises delegated authority to terminate this Agreement, he will communicate such termination to Owner within this this time period and shall thereafter have no further liability with respect to the purchase and shall be entitled to the return of any earnest money deposit together with interest accrued thereon.

Furthermore, as discussed above, District has 7 months following execution of the Agreement to complete the CEQA environmental review process for this proposed transaction. At a subsequent Board hearing, the District will consider the draft CEQA analysis and decide whether to terminate agreement or grant the necessary authority to complete the acquisition. During the 7-month CEQA due diligence period, the District may elect to terminate the Agreement by communicating such termination to Owner within this time period. District shall thereafter have no further liability with respect to the purchase and shall be entitled to the return of any earnest money deposit together with interest accrued thereon.

District will likely incur costs to conduct due diligence investigations, including environmental evaluations associated with CEQA compliance and Phase II reporting, which will not be reimbursed in the event District elects to terminate the Agreement and cancel the purchase transaction.

Staffing Impacts:

None

Special Instructions:

After Board action, distribute as follows:

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|---|-------------------------------------|
| 1. Duplicate Original Real Property Purchase Agreement and Escrow Instructions | Clerk of the Board Files |
| 2. Original Real Property Purchase Agreement and Escrow Instructions and Minute Order | Real Estate Services, S. Freebourn |
| 3. Copy of Real Property Purchase Agreement and Escrow Instructions and Minute Order | Fire Protection District, M. Farris |

Attachments:

1. Real Property Purchase Agreement and Escrow Instructions

Authored by: Susan Freebourn, Real Estate Services