

Subject: Direction to Staff Regarding Negotiations with City of Santa Maria on Key Site 26 (Richard's Ranch) and Related Annexation Agreements

As the Board considers property tax exchange negotiations between the County of Santa Barbara and the City of Santa Maria regarding Key Site 26, I believe/propose the following priorities and positions should guide staff engagement to ensure fair, balanced, and forward-thinking outcomes. These positions are intended to ensure that annexation discussions are fair, transparent, and aligned with the long-term planning objectives of both jurisdictions. I respectfully request Board direction to staff to pursue negotiations based on these principles.

1. Fire District Retention

Direction: Key Site 26 should remain in the Santa Barbara County Fire Protection District, preserving the existing 17% property tax allocation.

Rationale: Current County resources are closer than City resources, as well as the County provides Advanced Life Support (ALS) in contrast to the City's Basic Life Support (BLS). Station 25, now under development within 400 yards of the project site, represents a substantial County investment intended to serve this area.

2. Development Impact Fees and Community Facilities District (CFD) Participation

Direction: Development impact fees should match County rates and be paid to the County. All new development should be required to participate in the Orcutt CFD, or the City should provide additional equivalent compensation to County for CFD services.

Rationale: The project will utilize county infrastructure and services, necessitating future improvements and expansions. The OCFD is critical to sustaining public safety, library, parks, and road services not fully funded by other tax revenues.

3. Property Tax Equity and Rebalancing

Position: Evaluate past tax exchange agreements to ensure full reimbursement for County services and impacts.

Rationale: Past agreements have disproportionately benefited the City. With changed conditions, it is appropriate to rebalance allocations to reflect service responsibilities.

4. Water and Sewer Services MOU

Direction: Formalize reciprocal policies governing utility service provision between the County and City.

Rationale: Current informal practices disadvantage County commercial projects

while benefiting City expansions. A mutual MOU will ensure consistency and fairness.

5. Replacement Commercial Planning Support

Direction: Annexation should include support for County efforts and funding to designate and plan new commercial zones.

Rationale: Orcutt's plan was carefully crafted to balance land uses. Lost commercial capacity will need to be replaced, likely requiring the conversion of agricultural land.

6. Deed Restriction Resolution

Direction: Discuss existing deed restrictions that potentially inhibit the proposed project before finalizing any negotiations and look at options to resolve.

Rationale: Restrictions currently in place may prevent the project, as envisioned, from moving forward, necessitating significant modifications.

7. Development Timelines and Reversion Clause

Position: Include a clause reverting the property to the County if no development occurs within a reasonable timeframe.

Rationale: Key Site 25 remains undeveloped since its 2006 annexation. This clause ensures productive land use and prevents indefinite stagnation.

8. RHNA (Regional Housing Needs Allocation) Transfer

Direction: Evaluate transferring RHNA obligations to the City as part of the annexation agreement.

Rationale: This approach better aligns housing planning with jurisdictional responsibilities and resources.
