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#3

April 5, 2013

Chairperson Salud Carbajal and Members of
the Santa Barbara County Board of Supervisors
105 East Anapamu Street, Fourth Floor
Santa Barbara, CA 93101

By Hand Delivery to
Clerk of the Board

LATE DIST

Re: April 9, 2013 Agenda Item #3
Naples Coalition Appeal of Proposed Schulte/Dos Pueblos Lot Line Adjustment (Case No. 10LLA-00000-00003)

Dear Chairperson Carbajal and Members of the Board of Supervisors:

I represent Dos Pueblos Ranch Holdings, LLC (**"DPRH"**), the owner of North Dos Pueblos Ranch (**"North DPR"**) and applicant for the proposed lot line adjustment (**"LLA"**). The adjoining landowner is SBRHC, Inc. (**"SBRHC"**). This letter responds to portions of the Naples Coalition's appeal of the Planning Commission's unanimous approval of the LLA, as set forth in Marc Chytilo's November 19, 201 letter. Mark Lloyd of L& P Consultants, agent for DPRH, also will be responding to portions of the Naples Coalition's appeal letter.

1. Summary of 2,053.5 Acres of LLA.

The following summarizes the 2,503.5 acres of land involved in the LLA application, which is zoned AG-II-100:

	Existing Lots	Proposed Lots
Larger Lot	1,977.5 acres	**1,693.5 acres**
Smaller Lot	76.0 acres	**360.0 acres**
SubTotal	2,053.5 acres	2,053.5 acres

The 2,053.5 acres involved are currently in a Williamson Act contract and are proposed to remain in Replacement Williamson Act contracts.

Fee title to all of the 2,053.5 acres is currently in the name of DPRH. These 2,053.5 acres are currently used for agricultural purposes and are currently in the possession of (and use by) DPRH and SBRHC, as follows:

Currently in possession of & use by DPRH **1,693.5 acres** (orchards, grazing)
Currently in possession of & use by SBRHC **360.0 acres** (grazing)

2. Purpose of LLA.

This LLA is proposed for the ultimate purpose of allowing transfer of fee title to 360 acres from DPRH into the name of SBRHC.

For both DPRH and SBRHC, the LLA is proposed for purposes of cleaning up title so that fee title conforms to the possession and use of the lands involved. SBRHC already has an easement over the 360-acre area under which it makes use of the 360 acres for agricultural purposes.

DPRH seeks the LLA for its own purposes, since DPRH seeks to sell the North Dos Pueblos Ranch and a transfer of the 360 acres to SBRHC will simplify DPRH's sales efforts.

3. The LLA Proposes No New Building.

While the Naples Coalition suggests that the LLA would result in new building (i.e., building of the Inland Subdivision of the Santa Barbara Ranch Alternative 1B Project), the assertion is contradicted by the fact that no new buildings or building sites are proposed (or would be approved) as part of the LLA.

4. Contrary to the Naples Coalition Assertions, the LLA is separate from and independent of the Santa Barbara Ranch Project.

The LLA and the Santa Barbara Ranch Alternative 1B Project (**"Alt. 1B Project"**) are completely independent and separate projects. The LLA is not part of and does not lead to development of the Alt. 1 Project. The Alt. 1 Project does not depend on the LLA. They just happen to involve the same land, but the two projects are independent of each other..

4.1 Discussion of Santa Barbara Ranch Alt. 1B Project.

The Alt. 1B Project was approved by the Board of Supervisors in December 2008, with a certified final environmental impact report (**"FEIR"**). The Alt. 1B Project included both **"Coastal Approvals"** (which still need to go to the Coastal Commission) and **"Inland Approvals"** (which were final in 2008).

In the lawsuit filed by the Naples Coalition challenging the Inland Approvals and the FEIR, the Inland Approvals were upheld and the FEIR was held to comply with the California Environmental Quality Act (**"CEQA"**). The Superior Court's judgment has been appealed to the Court of Appeal.

Neither the Alt.1 B Project nor the adequacy of the FEIR for Alt. 1B development is before the County at this time. The County's final action on such matters occurred long ago.

4.2 The Essence of the Naples Coalition's Argument Against the LLA.

At the Planning Commission hearings on the LLA, the Naples Coalition argued that the LLA and the Alt. 1B Project are, in essence, the same project and therefore the LLA application should be denied.

Such arguments are incorporated into this appeal in Mr. Chytilo's November 19 appeal letter, which asserts (in its concluding sentence) that:

> "Since the purpose and effect of this [LLA] project is undertaken to facilitate the transfer of the property to SBRHC ..., the County must examine the whole of the project, including the foreseeable sale and development of the property. As proposed, ..., this project should not be approved."

4.3 The Naples Coalition's Argument Against the LLA Is Without Merit.

The irony of the Naples Coalition's argument is that the County has already approved the development that the Naples Coalition opposes, and the County already prepared and certified a FEIR in connection with such development.

The LLA is entirely separate and proposes no new development. It is just a lot line adjustment. Denial of the LLA would not stop the development project that the Naples Coalition opposes.

Whether development, based on the Inland Approvals of the Alt. 1B project, goes forward or not *is independent of* whether the LLA is approved or not.

The Alt. 1B Project (i.e., the development project) can go forward even if the LLA is not approved.

Conversely, approval of the LLA does not allow the development project to go forward.

In fact, whether and when the development project goes forward will depend on the outcome of the pending appeal and the economics of the Alt. 1B Project, but not on the LLA.

In short, the Alt. 1B Project, including the Inland Approvals, was approved without the LLA and development under the Alt. 1B Project can go forward without the LLA.

Regardless of what happens with the Alt. 1B Project, DPRH is entitled to carry out a lot line adjustment and to sell this 360-acre portion of North Dos Pueblos Ranch.

4.4 The Naples Coalition's CEQA Argument Fails.

The Naples Coalition seeks to incorporate certain CEQA principles into its argument through Mr. Chytilo's statement that "the County must examine the whole of the project, including the foreseeable ..." quoted above.

This is a reference to CEQA's prohibition on what has been called "piece-meal" review of the significant impacts of a project. In short, agencies cannot allow "environmental considerations to become submerged by chopping a large project into many little ones – each with a minimal potential impact on the environment" in order to avoid review of the potentially significant environmental impacts of the whole of a development project. *Bozung v Local Agency Formation Com.* (1975) 13 Cal.3d 263, 283-284 [EIR required when city annexed land for anticipated development].

The California Supreme Court has set forth a piece-mealing test: i.e., (1) whether a proposed project will have the "reasonably foreseeable consequence" of further development, and (2) whether that further development "will be significant in that it will likely change the scope or nature of the initial project." *Laurel Heights Improvements Assn. v. Regents of the University of California* (1988) 47 Cal. 3d 376, 396. The Supreme Court noted that "[u]nder this standard, the facts of each case will [be determinative]..." *Id.* at 396. At issue in *Laurel Heights* was a phased expansion project in which only the first phase, rather than the whole of the project, had been analyzed in the EIR.

The piece-mealing cases are exactly the opposite of what is involved in this matter. The Alt. 1B Project and its environmental impacts were analyzed in a FEIR that addressed the whole of the development project – before the LLA application was filed.

The LLA is not a development project and is not part of the Alt. 1B Project. No development project has been "chopped up" into smaller projects to escape environmental review of the whole of the development project. The FEIR analyze the environmental effects of the whole of the development project.

Development of the Alt. 1B Project is **not** a reasonably foreseeable consequence of the LLA and all development was analyzed in the FEIR.

The courts have recognized that two projects, even involving the same site, are not part of a single, larger project for purposes of CEQA when they serve different purposes or can be implemented independently. *Banning Ranch Conservancy v. City of Newport Beach* (2012) 211 C.A.4th 1209, 1224-1226 [rejecting "piece-mealing" challenge to EIR for a new City park because the road to the new park might also serve a proposed development on Banning Ranch, which future development was not analyzed in the EIR for the City park and had not yet been analyzed; the projects served different purposes and could be implemented independently]; *Communities for a Better Environment v. City of Richmond* (2010) 184 Cal.App.4th 70, 99 [independent projects at

the same refinery]; *Planning & Conservation League v. Castaic Lake Water Agency* (2009) 180 Cal. App.4th 210, 237 [a specific water transfer had significant independence from a broader water supply agreement, and would be implemented with or without it].

Similarly, this LLA is not piece-mealing of the Alt 1B project (a development project). The two projects (i.e., the LLA and the Alt. 1B Project) serve different purposes and can be implemented independently. The whole of the Alt 1B development project has been analyzed in the FEIR.

5. The County's Discretion in this LLA is Very Limited. The LLA Should be Approved as a Ministerial Action.

As I stated to the Planning Commission, the County's discretion in this matter is quite limited – and the County's inquiry as to the LLA should be limited to examining those issues over which the County has jurisdiction under State law.

Lot line adjustments such as this LLA are expressly exempted from the Subdivision Map Act.

Specifically, the Subdivision Map Act "shall be inapplicable to ... [a] lot line adjustment between four or fewer existing adjoining parcels, where the land taken from one parcel is added to an adjoining parcel, and where a greater number of parcels than originally existed is not thereby created," even if the lot line adjustment must be approved by a planning commission or board of supervisors. California *Government Code* § 66412(d).

As to such a lot line adjustment, a planning commission or board of supervisors "shall limit its review and approval to a determination of whether or not the parcels resulting from the lot line adjustment will conform to the local general plan, any applicable specific plan, any applicable coastal plan, and zoning and building ordinances." California *Government Code* § 66412(d).

As to such a lot line adjustment, a planning commission or board of supervisors "shall not impose conditions or exactions on its approval of a lot line adjustment except to conform to the local general plan, any applicable specific plan, any applicable coastal plan, and zoning and building ordinances, to require the prepayment of real property taxes prior to the approval of the lot line adjustment, or to facilitate the relocation of existing utilities, infrastructure, or easements." California *Government Code* § 66412(d).

Please also note that Sierra Club v. Napa County Board of Supervisors (2012) 205 C.A.4th 162 holds that the processing of a lot line adjustment is categorically exempt from CEQA, as long as a discretionary permit is not concurrently processed. That is precisely the situation in connection with this LLA, in which no development is proposed and no discretionary permit is requested.

6. Attachments.

In order to provide you with a complete record, prior submissions by DPRH to the Planning Commission and Agriculture Preserve Advisory Committee are attached.

7. Conclusion.

For the foregoing reasons, DPRH requests that the Board of Supervisors deny the appeal and approve the LLA.

Thank you for your consideration of this letter.

Very truly yours,

David C. Fainer Jr.

DAVID C. FAINER. JR.

cc: Dos Pueblos Ranch Holdings, LLC
SBRHC, Inc./Deborah M. Rosenthal, Attorney at Law
L&P Consultants/Mark Lloyd
County P&D/Errin Briggs
County Counsel/Rachel Van Mullen

Attachment A: Oct. 4, 2012 memo to APAC

Attachment B: Nov. 5, 2012 letter to Planning Commission
with attached October 16, 2012 Memorandum

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By Hand Delivery at October 5, 2012 Meeting

TO: Agriculture Preserve Advisory Committee ("APAC")

FROM: David C. Fainer, Jr.

DATE: October 4, 2012

RE: Response to Marc Chytillo's October 2, 2012 Letter

I represent the owners of Dos Pueblos Ranch, whose real property is the subject of an application for a lot line adjustment ("LLA").

The purpose of this memorandum is to respond to a few points in Marc Chytillo's October 2, 2012 letter to the APAC. While my client and I dispute just about everything in Mr. Chytillo's letter, we will limit the response to a few key points.

1. Response to Mr. Chytillo's request that the APAC hearing be delayed.

The LLA is scheduled for hearing at the Planning Commission on October 17. A staff report will be provided with the agenda for that October 17 hearing in accordance with standard Planning & Development Department procedure, or the October 17 hearing will not go forward as scheduled.

Mr. Chytillo's request that APAC defer commenting on the LLA as to matters in APAC's purview because the Planning Commission staff report has not been released is a transparent effort at delay.

If the APAC was to defer its hearing today, then Mr. Chytillo likely would argue on October 17 that the Planning Commission should not go forward on October 17 because the Planning Commission would not have the benefit of the APAC's comments on those matters within the purview of the APAC.

2. Response to Mr. Chytillo's Williamson Act-ACE Exchange Argument

Mr. Chytillo's essential position is that the LLA should not be approved unless an Agriculture Conservation Easement ("ACE"), which is different than an Agriculture

ATTACHMENT A

Preserve Contract, is recorded. That is not a legitimate or allowable condition to a lot line adjustment in these circumstances.

The proposal is for a LLA with all of the lands in the LLA area, which are now in an Agriculture Preserve, continuing as Agriculture Preserve lands.

Mr. Chytillo's argument that the LLA would "allow the 360 acre parcel in question to be separated from its parent parcel and made available for development while the projected underlying protection of agricultural resources, the Agriculture Conservation Easement, would never be executed and recorded" is completely false.

The truth is that the residential subdivision that Mr. Chytillo opposes cannot go forward within the 360 acre area unless a final map is recorded and that cannot happen unless an ACE is recorded. That is the "Williamson Act-ACE Exchange" of the Santa Barbara Ranch Alternative 1B Project approved by the Board of Supervisors in 2008, and recently affirmed by the Superior Court (which rejected Mr. Chytillo's efforts to set aside such approvals, including a challenge to the Williamson Act-ACE Exchange).

Whether the LLA is approved or not, there will be no final map recorded for a residential subdivision unless an ACE is recorded.

Mr. Chytillo's statements are an effort to confuse and commingle two completely separate applications: the Santa Barbara Ranch Alternative 1B Project applications (previously approved) and the LLA application (pending).

An ACE is not a lawful or appropriate condition for this LLA. In contrast, the requirement of recordation of an ACE for a Williamson Act-ACE Exchange is appropriate.

Whether the LLA is approved or not will have no effect on whether the Santa Barbara Ranch Alternative 1B project will go forward or not.

Mr. Chytillo's arguments are without merit and his assertion of fact as quoted above is false.

3. <u>Response to Mr. Chytillo's Uniform Rules Arguments</u>

Mr. Chytillo's statement that "Dos Pueblos Ranch has noticed non-renewal of its Williamson Act contract" is false. All of his subsequent arguments are based on this factual inaccuracy and such arguments fail because such false factual assertion is central to Mr. Chytillo's arguments.

Mr. Chytillo argues that a LLA of two agricultural parcels totaling 2363 acres, currently divided into one parcel less than 80 acres and one parcel of about 2,280 acres,

into parcels of about 360 and 2003 acres affects the agriculture viability of the land and "condemns" the long term agriculture viability of the 360 acre parcel. The argument is absurd on its face, especially when it is considered that the lands involved are within an Agriculture Preserve both before and after the LLA.

4. Response to Mr. Chytillo's Transfer of Ownership Arguments

Mr. Chytillo's statement that "[r]eportedly, SBRHC holds a security interest in the 360 acre area ..." is inaccurate. SBRHC holds an easement over the 360-acre area and also has the right to be conveyed fee title to the 360-acre area when it is a separate legal parcel that can be conveyed by grant deed.

Mr. Chytillo's statement that "[r]eportedly, the conveyance [of the 360-acre area] will occur as a matter of law upon perfection of the lot line adjustment, thus the application is incomplete until that part of the project is disclosed and addressed" is also false.

Mr. Chytillo's arguments are an effort to confuse matters. The situation is actually quite simple, contrary to Mr. Chytillo's efforts to confuse them.

If/when a LLA is completed, the owner of Dos Pueblos Ranch will record a grant deed, conveying fee title to the newly-created 360-acre parcel to SBRHC and SBRHC would receive title to the 360-acre parcel subject to it being in an Agriculture Preserve. Such arrangement is the subject of a private agreement between the owner of Dos Pueblos Ranch and SBRHC's predecessor.

Nothing will occur "as a matter of law" and the argument that a transfer of ownership by operation of law renders the LLA application incomplete is false.

5. Conclusion

Mr. Chytillo's arguments lack merit and should not influence the actions of the APAC on the LLA.

End memo.

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November 5, 2012

Chairperson Michael Cooney and Members,
Santa Barbara County Planning Commission
c/o Errin Briggs, Planner
Planning & Development Dept.
County of Santa Barbara
123 East Anapamu Street
Santa Barbara, CA 93101

By Hand Delivery on
November 5, 2012

Re: Schulte/Dos Pueblos Ranch Lot Line Adjustment Project
Case No. 10LLA-00000-00003
Planning Commission Hearing Date: November 7, 2012

Dear Chairperson Cooney and Members of the Planning Commission:

I represent the owners of Dos Pueblos Ranch, the applicants for the above-referenced lot line adjustment. The scheduled hearing on November 7 is a continuance of an October 17 Planning Commission hearing.

On October 15, Marc Chytillo had delivered to staff an 85-page submission shortly before the deadline for public comment. I prepared a written response but could not enter it into the record at the hearing on October 17. My 4-page written response to Mr. Chytillo's 85-page submission on October 17 is attached.

There were no new public comment letters on the Planning & Development website for this matter until posting of Mr. Chytillo's additional 6-page letter (dated November 2). The applicants will review this additional submission and attempt to respond verbally at the November 7 hearing. Thank you for consideration of the applicants' information.

Very truly yours,

S/ DF

DAVID C. FAINER, JR.

Attachment: Oct. 16, 2012 Memo
cc: Mark Lloyd
Deborah Rosenthal

ATTACHMENT B

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TO: Chairperson Michael Cooney and Members,
Santa Barbara County Planning Commission

By Hand Delivery at Oct. 17, 2012 meeting

FROM: David C. Fainer, Jr.

DATE: October 16, 2012

RE: Response to Marc Chytilo's October 15, 2012 Letter

I represent the owners of Dos Pueblos Ranch. At this time, all areas of Dos Pueblos Ranch north of Highway 101 are owned in fee by Dos Pueblos Ranch Holdings, LLC. The LLC is owned and managed by the Trustees of the Rudolf Schulte 1991 Trust.

The applicant for the Lot Line Adjustment (**"LLA"**) on your October 17 agenda is Dos Pueblos Ranch Holdings, LLC, through its designated agent, Mark Lloyd.

The purpose of this memorandum is to respond to certain arguments by Marc Chytilo in his October 15, 2012 letter to you. Other responses to certain of Mr. Chytilo's assertions will be made by Mr. Lloyd, as agent for the applicant.

Throughout this memo, Dos Pueblos Ranch will be referred to as **"DPR"** and Santa Barbara Ranch will be referred to as **"SBR."**

The LLA is Completely Separate From the Inland Subdivision of the Alt. 1B Project

At pages 4-6 of his October 15 letter, Mr. Chytilo argues that the LLA is not an independent project, but is somehow a step in and part of an already-approved project – specifically, the "Inland Subdivision" of the Santa Barbara Ranch Alternative 1B Project – and therefore the LLA should be denied. Mr. Chytilo's arguments are not correct.

Mr. Chytilo, however, does make two accurate factual assertions:

- The proposed 360-acre parcel of the LLA includes lands on which residential development has been approved by the Planning Commission and Board of Supervisors, as part of and subject to conditions of approval for the Inland Subdivision of the Alternative 1B Project; and

- The LLA is undertaken to facilitate a transfer of fee title from the applicant to SBRHC of the proposed 360-acre parcel of the LLA.

ATTACHMENT B

The problem is that, from these two factually-accurate statements, Mr. Chytilo then attempts to bootstrap a number of inaccurate statements and mistaken conclusions.

In particular, Mr. Chytilo makes the following inaccurate assertions and/or conclusions:

- Mr. Chytilo states that *"the Purchase Agreement between DPR and SBRHC's predecessors describes the creation of the 360 acre lot [as] a step in the process of creating separate ownership to facilitate the approved development of the property."* (page 5 of Mr. Chytilo's letter, referring to Exhibit 3 to his letter, which Mr. Chytilo obtained from Superior Court files; *italics added.*)

  Response: This statement is not accurate and is directly contradicted by the Purchase Agreement. In fact, the opposite of what Mr. Chytilo asserts is what the Purchase Agreement provides. Section 6(h) on page 7 of the Purchase Agreement states:

  > "Seller (i.e., the Schulte Trust) has an overriding objective to complete the separation of the [2003 acres north of Highway 101] from the [360 acres] so that the marketability of the [2003 acres] is unimpaired by further entanglement with the [360 acres] and Buyer's Project.
  > "... Buyer will diligently pursue approval of a lot line adjustment ... to have [the 360 acres] severed from the remaining [2003 acres] as promptly as reasonably possible, including, to the extent reasonably practicable, under a separate process apart from Buyer's overall project."

- Mr. Chytilo states that *"the consequence of the requested lot line adjustment would be to allow the 360 acre parcel in question to be separated from its parent parcel and made available for sale and development."* (page 5-6 of Mr. Chytilo's letter; *italics added*)

  Response: This statement is not accurate. The LLA would result in a 1693-acre parcel and a 360-acre parcel, each subject to a Williamson Act contract, with ten-year terms that annually renew. This area of 2053 acres (in the current configuration of a 1,977-acre parcel and a 76-acre parcel), is currently under a Williamson Act contract, which has a ten-year term that annually renews. There is nothing about the LLA that promotes or advances the development of the Inland Subdivision. The Inland Subdivision will or will not go forward depending on other factors (including the ultimate outcome of litigation). Whether the LLA is approved or not is *irrelevant* to whether the Inland Subdivision goes forward. The projects are completely separate.

- Mr. Chytilo argues that *"Decisionmakers must willfully ignore facts in the record specifically applicable to these lands to find that the agricultural viability of these*

lands will be protected by the replacement Williamson Act contract. ... the logical chain necessary to approve this lot line adjustment is broken when the approved residential development is considered. Even if the Planning Commission accepts the lot line adjustment and replacement Williamson act contract may be viewed independently, ... the uncertain future of the lands in question [means] that necessary investment ... will not be committed and the stated intention to maintain agricultural activities is a fiction." (pp. 4-5 of October 15 letter; *italics added*)

Response:

(1) No-one asks that the Planning Commission ignore the fact that the lands of the proposed 360-acre parcel of the LLA are also part of the Inland Subdivision. But, contrary to Mr. Chytilo's suspicions, there is no link between the LLA and the Inland Subdivision. They are completely separate projects. And contrary to Mr. Chytilo's hopes, even if the LLA did not go forward for any reason, that would have absolutely no impact on whether the Inland Subdivision goes forward or not.

(2) As to Mr. Chytilo's second argument quoted above, concerning investment in the agricultural use of the 360-acre area, there is absolutely no basis for anyone to believe that agricultural investment in the 360-acre area will be any different if the LLA is denied than if it is approved, or if it is operated under a Williamson Act contract signed by the owner of DPR, rather than the owner of SBR. This 360-acre area will be operated in the same fashion (for grazing) regardless whether the LLA goes forward or not.

(3) Mr. Chytilo's third argument quoted above is very narrowly drawn in alleged agriculture protection terms, but avoids the facts. A Williamson Act contract requires that agricultural activities be maintained for a ten-year term and it annually renews. This is true whether or not the 360-acre area in question is operated under the current Williamson act contract or under a replacement Williamson Act contract, which is another way of saying whether the LLA is approved or not.

The owner of the proposed 360-acre parcel will be obligated to conduct agriculture on the 360-acre parcel for the term of the Williamson Act contract. There can be little doubt that this is what will happen, with only one possible exception. The exception is if there is a Williamson Act-Agricultural Conservation Easement Exchange (**"W.A.-ACE Exchange"**) – such as was approved by the Planning Commission and Board of Supervisors. In a W.A.-ACE

Exchange, the goal of preserving agricultural lands for long term agricultural use is advanced and promoted. [1]

Thus, Mr. Chytilo's opposition to the LLA on alleged concerns about long-term agriculture protection ignores the W.A.-ACE Exchange, which is the "big picture" in any discussion of agricultural protection and the Inland Subdivision.

Like the Inland Subdivision, however, whether there is a W.A.-ACE Exchange or not will not be determined or even influenced by whether the LLA is approved or denied. This is just one more instance of Mr. Chytilo trying to link up two completely separate applications.

Water

In his October 15 letter, Mr. Chytilo argues that in order to adjust the lot lines, there must be an extended discussion of water supplies – although the exact same land area (i.e., the 2,053 area within the proposed LLA) will be devoted to the same agricultural uses and in Williamson Act contracts after the proposed LLA. The argument is without merit.

The Santa Barbara Ranch Project EIR describes agricultural water sources and may be referenced for these purposes. There is no need for yet another lengthy discussion of the same subject. The Superior Court has upheld the adequacy of the EIR in litigation.

The water supplies for agriculture are the same today as the baseline supplies discussed in the EIR four years ago. There will be no change in agricultural use of the land, or the water needed to support such use, or the sources of agricultural water as a result of the LLA project. And that is why the Addendum is appropriate, since the baseline water conditions are described in the EIR.

As to the "Water Agreement" and "Replacement Water Agreement" referenced in Mr. Chytilo's letter, the owners of DPR and SBR have not completed or recorded a "Replacement Water Agreement" pursuant to Section 5 of the Purchase Agreement. The purpose of the Replacement Water Agreement was, as stated in Section 5, to simplify and clarify the existing "Water Agreement" but was not to carry out major changes. Since no Replacement Water Agreement has been completed and recorded, the parties continue to operate under the existing Water Agreement as it was discussed in the EIR.

[end memo]

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[1] In the approved W.A.-ACE Exchange (which is a pre-condition to recordation of a final map for the Inland Subdivision), (a) protected agricultural acreage would increase by about 90 acres, from 2,566 acres in Williamson Act contracts to 2,653 acres in ACEs, (b) protected prime agricultural land would increase by about 80 acres, from 517 to 596 acres, and (c) the duration of protection would increase from 10-year Williamson Act contracts to ACEs in perpetuity. (Source: Planning & Dev. Dept. website, Santa Barbara Ranch Project Detailed Description, updated Nov. 2008, page 6.)