



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: Planning &  
Development  
Department No.: 053  
For Agenda Of: September 7, 2010  
Placement: Departmental  
Estimated Tme: 30 minutes  
Continued Item: Yes  
If Yes, date from: June 1, 2010  
Vote Required: Majority

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**TO:** Board of Supervisors

**FROM:** Department Glenn Russell, Planning and Development, 568-2084  
Director(s)  
Contact Info: Doug Anthony, Deputy Director, Energy Division, 568-2046

**SUBJECT:** **Hearing to Allocate Coastal Resource Enhancement Fund Awards with 2010 and 2011 Acquisition Monies**

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**County Counsel Concurrence**

As to form: N/A

**Auditor-Controller Concurrence**

As to form: N/A

**Recommended Actions:**

**That the Board of Supervisors:**

- A. Approve staff's recommendations for CREF acquisition awards, along with the specific preliminary conditions of awards in Appendix A of the staff report;**
- B. Take public testimony; and**
- C. Direct staff to prepare the required contractual agreements with grantees, including final grant conditions required for approval by the Board of Supervisors.**

**Summary Text:**

***Amount Available.*** Currently, \$689,576.87 of unallocated CREF fees is available for acquisitions. Of this amount, \$378,076.87 is from the 2010 cycle and a minimum of \$311,500.00 is available from the 2011 cycle (50% of 2011 CREF fees). The 2011 CREF fees will be available in February of 2011.

In addition, the Land Trust for Santa Barbara has \$125,268.00 of unspent funds allocated to it from a 2002 award. The Board has the discretion to reallocate that money to a timely acquisition in the 2010 CREF cycle. Since The Land Trust currently does not have a viable and timely project,

staff recommends that the \$125,268.00 be reallocated in the 2010 cycle, making a total of \$503,344.87 available in the 2010 cycle and 311,500.00 available in the 2011 CREF cycle.

**Potential Amount Available in Acquisition Monies**

<b>Source</b>	<b>2010 Cycle</b>	<b>2011 Cycle</b>
From 2010 Cycle	\$378,076.87	
Unspent Funds from previous award	\$125,268.00	
50% of 2011 Fees		\$311,500.00
<b>Total</b>	<b>\$503,344.87</b>	<b>\$311,500.00</b>

**Proposals Received.** Staff has received two applications (see table below with updated funding requests).

**Acquisition Proposals in the 2010 CREF Cycle**

<b>Project</b>	<b>Applicant</b>	<b>Updated Request Amount</b>
Ocean Meadows Property	Trust for Public Land	\$750,000.00
Mathilda Drive Parcels	City of Goleta	\$315,000.00
Gaviota Ranch (Brinkman)	The Land Trust for Santa Barbara County	Withdrew request

**Staff Recommendations.** Staff recommendations for the 2010 and 2011 acquisition awards are in the table below. The Trust for Public Land has secured an option agreement with the current landowner of Ocean Meadows. The City of Goleta is making offers on two of eight parcels it hopes to purchase; however, the CREF funds it seeks would not go towards the two parcels but would help purchase the additional parcels. An updated evaluation of each of the proposals seeking funds from CREF appears in Appendix A, along with specific preliminary conditions of awards.

**Recommendations for Acquisition Awards  
2010 & 2011 Monies**

<b>Project</b>	<b>Applicant</b>	<b>2010 Acquisition</b>	<b>2011 Acquisition</b>
Ocean Meadows Property	Trust for Public Land	\$ 438,500.00	\$ 311,500.00
Mathilda Drive Parcels	City of Goleta	\$ 64,844.87	
<b>Total</b>		<b>\$ 503,344.87</b>	<b>\$ 311,500.00</b>

A full CREF staff report was attached to the June 1, 2010 Board letter.

**Background:** At the June 1, 2010 hearing, the Board of Supervisors awarded eight general allocation awards, totaling \$695,198.88 from the 2010 Coastal Resource Enhancement Fund (CREF) cycle. The Board continued the hearing to September 7, 2010, for approving acquisition awards, giving the three applicants seeking acquisition monies more time to secure option agreements with willing landowners. One of the applicants, The Land Trust for Santa Barbara County, has withdrawn its CREF request for purchasing the Gaviota Ranch since it had not made progress on securing an option agreement with the Brinkman Family Trust.

The County established CREF as a condition of permits for offshore oil and gas development and transportation projects; mitigation is provided through CREF for impacts to four categories of coastal resources: recreation, tourism, aesthetics, and environmentally sensitive resources

(e.g., marine mammals and birds). By law, the County must ensure that CREF fees are used to mitigate those impacts.

**Fiscal and Facilities Impacts:** The Coastal Resource Enhancement Fund is funded by mitigation fees paid by developers of offshore oil and gas reserves. Fees to fund grants are received annually. CREF is included in the Energy Division Mitigation Program Cost Center (5090) in the Planning & Development Department's FY 10/11 Budget on page D-342 (sections "Source of Funds Summary – Offshore Oil and Gas Mitigation" and section "Use of Prior Fund Balances" for revenue, and "Use of Funds Summary – Mitigation Programs"). Staff costs to administer the fund are offset by interest accrued to the Coastal Resource Enhancement Fund.

**Authored by:**

Kathy McNeal Pfeifer

**Attachments:**

Appendix A: Updated acquisition project evaluations from the 2010 CREF Staff Report

## **Appendix A**

### **Updated Acquisition Proposal Evaluations**

*2010 & 2011 CREF Monies*

# OCEAN MEADOWS ACQUISITION

3<sup>rd</sup> District

The Trust for Public Land

Updated Request \$689,576.87\*

*\*If more money is available, the applicant increases the request to \$750,000*

*Total Project Costs: \$7.8 Million*

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**Staff Recommendation:** Fund request of \$750,000, contingent on the following:

- (a) The purchase price shall not exceed the fair market value.
- (b) One hundred percent of the purchased land shall be dedicated to habitat restoration of and then preservation of the 57-acre wetland and six acres of upland and transitional habitat in perpetuity. Specific passive recreational uses shall be limited to those uses that do not:
  - (c) impact the 57-acre wetland and six acres of upland and transitional habitat;
  - (d) conflict with others who passively recreate; and
  - (e) conflict with surrounding neighbors.
- (f) The property itself cannot be used as collateral for any loans, including loans required to purchase the property.
- (g) Transfer of property ownership must be approved by County.

**Summary of Proposal:** The applicant requests a grant to purchase the 63-acre Ocean Meadows property, located north of Devereux Slough and Coal Oil Point, adjacent to the City of Goleta. Acquisition of the property would be Phase I. Phase II would include initial activities towards restoring the property, which is currently developed with a golf course onsite, to its historic 57-acre wetland and 6-acre upland and transitional habitat. The initial restoration activities included in Phase II are estimated to be approximately \$1.2 million. Once restored, the property would be preserved in open space for perpetuity and managed for environmental education and research and passive public recreation.

Currently, the property is approximately 70 acres, and there is a conceptually approved project onsite that would:

- subdivide the 70 acres into three parcels of 63.0 acres, 5.9 acres, and 1.1 acres,
- rezone the 63 acres from Planned Unit Development to Recreation,
- develop 32 market rate units on the 5.9 acres, and,
- develop 21 condos, 5 market-rate townhouses, and a club house on the 1.1 acres.

The Planning Commission and Board of Supervisors conceptually approved that project. The County believes the developer will be submitting their plans to the County for final approval; however, the County does not know when this submittal may occur or if the project may be revised prior to re-submittal.

**Applicant's Priority Ranking:** The applicant submitted only this proposal.

**Background:** Ocean Meadows property is mostly surrounded by protected open space. To the south and west of the property is the 69-acre South Parcel, held in a conservation easement by The Land Trust for Santa Barbara County. Beyond the South Parcel to the west is the 230-acre Sperling Preserve at Ellwood Mesa, owned by the City of Goleta. To the south and east is the 170-acre Coal Oil Point Reserve, which is part of the University of California's Natural Reserve System. To the north is an area slated for University housing development. Ocean Meadow is located within the Devereux Slough watershed, with Devereux

Creek running through its property as a channelized stream. Most of the historic wetland was filled with soil in 1965 to construct a golf course onsite.

A golf course currently exists onsite, and the site is currently zoned “Planned Residential Development.” However, the current owner has received approvals from the County to upgrade the golf course, construct a 4,700 square foot (s.f.), two-story clubhouse/restaurant, a 1,600 s.f. barn and additional parking.

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**Satisfaction of CREF Criteria:**

*[(+) means the proposal satisfies the criterion; (-) means doesn't satisfy; (+/-) means partially satisfies]*

- (+) **Criterion #1.** The proposed property has a coastal nexus. Acquiring the property is the first step towards restoring the natural wetland habitat that once covered most of the site. It is a critical part of the Devereux Slough. Many publications and policy work support the restoration of this property: Joint Proposal for the Ellwood-Devereux Coast, Ellwood-Devereux Coast Open Space and Habitat Management Plan, University of California, Santa Barbara Campus Wetlands Management Plan, Southern California Wetlands Recovery Project Regional Strategy and Work Plan, UCSB Natural Areas Plan: Classification, Inventory and Management Guidelines, Devereux Slough Restoration Plan, Coal Oil Management Plan, and Santa Barbara County Conservation Element.
- (+/-) **Criterion #2.** It appears that purchase of the proposed property would enhance environmentally sensitive coastal resources and coastal recreation. The property once had a 57-acre wetland and six acres of upland and transitional habitat. The applicant states that acquiring the property is the first step towards restoring this historical coastal habitat. Eight wetland communities would be restored onsite, including mudflats, open water, salt marsh and emergent wetland habitat. The applicant states that restoring the site would benefit a number of special status species, including federally-listed endangered, federally-listed threatened and State-listed endangered species. The property would be preserved in open space for perpetuity and managed for environmental education and research and passive public recreation (e.g., walking, birding, and painting). However, specific “passive recreation” is still undefined by the applicant. Without knowing exactly what recreation will and will not be allowed, it is uncertain if the passive recreation will conflict with enhancement of environmentally sensitive coastal resources, or conflict with others who passively recreate.
- (+/-) **Criterion #3.** The site would be open for passive recreation and linked with adjacent open space areas (e.g. Sperling Preserve at Ellwood Mesa and Coal Oil Point). However, as noted above, specific “passive recreation” is still undefined by the applicant. Without knowing exactly what recreation will and will not be allowed, it is uncertain if the passive recreation uses will conflict with each other and conflict with environmentally sensitive coastal resources. Therefore, it is uncertain if the project would benefit present and future users of this site.
- (+) **Criterion #4.** The proposal is a coastal acquisition, which satisfies the higher priority of CREF.
- (+) **Criteria #5 and #7.** The applicant seeks 10% of the total budget costs for acquiring the property from CREF. The applicant, in partnership with the State Coastal Conservancy (SCC), will seek funding for both Phase I (acquisition) and Phase II (initial restoration) from federal, state, and local agencies, along with some private organizations. In June, the applicant and the SCC submitted applications to: (a) the National Coastal Wetlands Conservation Grant Program for \$1 million (half for acquisition and half for restoration); and (b) Coastal and Estuarine Land Conservation Program for \$3 million. SCC, as the co-applicant, will be matching a substantial portion of these funds. In

addition, the applicant states that it has been informed by the Goleta Valley Land Trust that a grant for this project will be discussed in October.

As noted below in Criterion #6 below, either the University of California or the County of Santa Barbara would be the owner of the property. The applicant states the University of California is not funding the acquisition of the property; however, the University's Cheadle Center for Biodiversity and Ecological Restoration will be responsible for fund-raising and restoring the wetland habitat. The University is very supportive of this acquisition and is leading the restoration and management of the sites north and south of the subject property. The applicant notes that the University has made significant in-kind contributions (in the millions of dollars) towards the restoration efforts of this property and connecting it with the restoration efforts of the parcel to the south of this property.

(+/-) **Criterion #6.** The applicant would transfer the ownership of the property to either the University of California or the County of Santa Barbara. The University's Cheadle Center for Biodiversity and Ecological Restoration is leading the restoration and management of the sites north and south of the property. A potential joint venture between both the University and County may also be pursued.

(+/-) **Criterion #8.** On July 2, 2010, the applicant signed an option agreement with the current owner. The applicant recently commissioned an appraisal for the site, and the appraisal is in process. There is a significant amount of money needed to be raised for this purchase (almost \$8 million). However, the applicant has identified three federal funding sources to solicit \$7 million. In addition, the applicant is skilled at raising funds to preserve open space property. The applicant has been successful in many open space purchases throughout the state, including several local purchases: Sperling Preserve in Goleta, and Gaviota Village and El Capitan Ranch on the Gaviota Coast. A CREF grant helped the applicant's fundraising with the Sperling Preserve and Gaviota Village, showing local interest and support.

**Other Considerations:** The applicant states the current owner has received approvals from the County to upgrade the golf course, construct a 4,700 square foot (s.f.), two-story clubhouse/restaurant, a 1,600 s.f. barn and additional parking. If the money cannot be raised by December 2011, the site may be slated for this development.

In December of 2003, a Phase I Environmental Site Assessment (ESA) was conducted on the Ellwood-Devereux Joint Proposal Area (this area includes the subject Ocean Meadows site). [Only a draft copy of this document could be found.] The assessment found three historic oil wells on the Ocean Meadows property; however, all three wells were deemed dry holes and never produced. However, at the maintenance facility area on Ocean Meadows, the report states "there is potential for impacts to subsurface soils from hazardous substances (e.g., fuels and lubricants, battery acids, paints, solvents, etc.) from this area." The report recommends preparation of a Phase II ESA for the Ocean Meadows Golf Course maintenance area to determine potential subsurface impacts. As part of its due diligence, the applicant states it will assess and complete any necessary soil contamination studies for the entire site.

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# MATILDA DRIVE PARCELS ACQUISITION

3<sup>rd</sup> District  
City of Goleta  
Updated Request \$315,000  
Total Project Costs: \$641,000

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**Staff Recommendation:** Fund partial request of \$64,844.87, contingent on the following:

- a) The County approves the specific property(ies) selected for acquisition with the grant.
- b) The purchase price shall not exceed the fair market value.
- c) One hundred percent of the purchased land shall be dedicated to habitat preservation and passive recreation in perpetuity. Specific passive recreational uses shall be limited to those that do not impact the environmentally sensitive resources onsite, and to prohibit conflicts with others who passively recreate.
- d) The property itself cannot be used as collateral for any loans, including loans required to purchase the property.
- e) Transfer of property ownership must be approved by County.

**Summary of Proposal:** The applicant requests a grant to purchase approximately 5-8 parcels, north of the Sperling Preserve Ellwood Mesa open space in Goleta. There are 17 separately owned parcels that total 6.77 acres in this area that the City hopes to buy and add to the Sperling Preserve. There are no structures on any of the sites and no street access. The applicant has identified three parcels that property owners are ready to sell; the applicant's City Council authorized the City Manager to make offers on two of the parcels (Assessor Parcel Number (APN) 079-553-016 and APN 079-554-029). The three parcels are not contiguous. The applicant states that there are two more properties where the property owners have expressed strong interest in selling but negotiations have not begun on these two parcels. These two latter parcels are located next to two of the three parcels that the applicant is working on final negotiations.

The applicant states that it would purchase the two properties it is making offers on with its own money, and the CREF grant would be used for potentially three to six additional parcels.

**Applicant's Priority Ranking:** The applicant submitted only this proposal.

**Background:** In February of 2005, the City of Goleta acquired the 137-acre Sperling Preserve from the Trust for Public Lands. The Sperling Preserve and the adjacent Santa Barbara Shores are known as the Ellwood Mesa Open Space area. The subject properties were not included in the preserve since that purchased involved one owner and a land swap deal.

The Goleta Community Plan, which was adopted in 1993 by the County, stated that the subject parcel sites were located next to ecosystems of regional importance and are "key components of remaining local blocks of coastal open space which experience heavy public use."

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**Satisfaction of CREF Criteria:**

*[(+) means the proposal satisfies the criterion; (-) means doesn't satisfy; (+/-) means partially satisfies]*

- (+) **Criterion #1.** The proposed properties have a coastal nexus. Past documents identify the parcels as being important because they are located next to coastal ecosystems with regional importance.



However, staff is uncertain of how strong the coastal nexus is without knowing how many and which parcels would be purchased. The applicant has identified three parcels that it is in final purchasing negotiations; however, these parcels are not contiguous. If the other parcels around them are not purchased and preserved in open space, the purchased parcels would not possess as strong of a coastal nexus.

- (+/-) **Criterion #2.** It appears that purchase of the proposed properties could enhance coastal recreation and environmentally sensitive coastal resources. As stated above, past documents identify the parcels as being important because they are located next to coastal ecosystems with regional importance. The applicant states there are numerous informal trails on some of the sites, many leading to the coast. The applicant has identified three parcels that it is in final purchasing negotiations; however, these parcels are not contiguous. If the other parcels around them are not purchased and preserved in open space, the purchased parcels would not fully enhance coastal recreation and environmentally coastal ecosystems. In addition, specific “passive recreation” is still undefined by the applicant. Without knowing exactly what recreation will and will not be allowed, it is uncertain if the recreation will conflict with enhancement of environmentally sensitive coastal resources or others who passively recreate.
- (+/-) **Criterion #3.** Purchasing the entire 17 parcels may benefit present and future users of these sites. Historically, many people walk, jog, bike, horseback-ride, bird-watch, and use the sites for beach access. Private development of the 17 parcels would put development closer to coastal ecosystems with regional importance and reduce current open space by 6.77 acres. However, private development on these 17 sites would not block public beach access since there are many other access points to the Sperling Preserve and the beach below. The extent of the public benefit is uncertain without knowing which parcels and how many parcels would be purchased. In addition, as noted above, specific “passive recreation” is still undefined by the applicant. Without knowing exactly what recreation will and will not be allowed, it is uncertain if the passive recreation uses will conflict with each other and conflict with environmentally sensitive coastal resources. Therefore, it is uncertain if the project would benefit present and future users of this site.
- (+) **Criterion #4.** The proposal is a coastal acquisition, which satisfies the higher priority of CREF.
- (-) **Criteria #5 and #7.** The applicant seeks 49% of the total budget costs from CREF. The applicant offers 51% towards purchasing the parcels. The applicant estimates that it can purchase 5-8 parcels with the \$641,000 budget. It plans on purchasing two parcels and hopes to purchase another three to six parcels with the requested CREF amount. However, looking at the appraisals for the properties, the applicant would need to purchase three to six parcels significantly below the appraised values; the applicant states that it believes it can purchase these parcels at a significant amount less than the appraised value (see *Other Considerations* below).
- (+) **Criterion #6.** The applicant states that the properties would be maintained with the applicant’s current management of the adjoining Sperling Preserve. The applicant states that it has \$158,000 annually budget for the Sperling Preserve, which the applicant characterizes as adequate funding.
- (+) **Criterion #8.** The applicant has sent letters to all 17 property owners and is currently undergoing discussions with some of the property owners who have expressed interest in selling their properties. The applicant states that it is in final purchasing negotiations with three property owners; the applicant’s City Council authorized the City Manager to make offers on two of the parcels. Also, the applicant states that there are 2-3 other property owners that the applicant has had initial conversations. Staff believes it is too early to determine if parcels can be acquired successfully.

Appraisals were prepared in March of 2008. Eleven parcels' values ranged from \$110,000 to \$145,000; five parcels' values ranged from \$150,000 to \$200,000 and one parcel was valued at \$610,000. The applicant believes the values may be high since there was difficulty in finding comparison sales and real estate prices have fallen over the last two years. The applicant believes it can purchase 5-8 parcels with a \$641,000 budget; this puts the average estimated purchase price of each parcel at \$80,000 to 128,000.

**Other Considerations:** The parcels are zoned residential but are designated as Environmentally Sensitive Habitat Areas in the City of Goleta's General Plan/Local Coastal Plan. The parcels' environmental constraints include wetlands or Monarch Butterfly habitat. The applicant states the environmental constraints reduce but do not eliminate the development potential onsite. The appraisal of the properties notes many physical constraints to developing the parcels: environmentally sensitive location, extension of streets would require extensive grading and soil fill, some parcels would need a bridge over Devereux Creek to gain access, setback requirements for creek and wetlands, and small size of the parcels. The appraisal goes on and states "Given the factors discussed above, development of most of the individual subject sites with single-family residences would be extremely costly and the entitlement process would be lengthy and extremely difficult with an uncertain outcome." (Appraisal Report by Lea Associates, March 28, 2008, p.9).

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**GAVIOTA COAST CONSERVATION PROJECT**  
**THE GAVIOTA RANCH/BRINKMAN FAMILY TRUST**

*3<sup>rd</sup> District*  
*The Land Trust for Santa Barbara County*

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*Updated Request: Withdraws Proposal*

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