



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

File #: 12-1106, **Version:** 1

- a. Approve three (3) Applications to create Farmland Security Zones (FSZ) and establish FSZ Contracts (FSZ Application Nos. 2013-003 [Minhoto Family Partnership], 2013-004 [Dolan Trust et al] and, 2013-005 [Hamby Properties LP]) pending execution of the corresponding FSZ Contracts by the property owners; and, rescind Agricultural Preserve and Land Conservation Contract No. 97-13 between the County and Glenn E. Dolan and Josephine S. Dolan and simultaneously place the entire property in a new Farmland Security Zone and Contract as applicable to the real property described in Exhibit A “Legal Description” to proposed new Farmland Security Zone Contract No. 2013-004 between the County and the Dolan Trust et al;
- b. Continue one (1) application for an Agricultural Preserve (AgP) and Land Conservation Contract (AgP Application No. 2013-002 [M. Rodoni and Company]) to the 2014 application review period;
- c. Deny two (2) applications which have been continued from 2012 (AgP Application No. 2012-009 [John H. Hinrichs, Jr., Trustee] and FSZ Application No. 2011-007 [Ryan Land Co. & Ryan Ranch]); and, deny four (4) applications from 2012 which were approved pending execution of the corresponding FSZ Contracts by the property owners (FSZ Application Nos. 2012-21, 2012-22, 2012-23 [L&W Land Company, Inc.] and 2012-24 [Sakata Ranches, Inc.]) which were never executed nor returned by the property owners;
- d. Authorize the Chair to execute Farmland Security Zone Contract Nos. 2013-003, 2013-004, and 2013-005; and
- e. Direct the Clerk of the Board to record Farmland Security Zone Contract Nos. 2013-003, 2013-004 and 2013-005, pending execution of the corresponding FSZ Contracts by the property owners of record, and timely receipt of said FSZ Contracts by the County, prior to the January 1, 2013 property tax lien date. (PLN120585/Williamson Act Contract Applications - 2013, County-wide)

PROJECT INFORMATION:

Planning File Number: PLN120585
Project Location: Various
APNs: Various
Plan Area: Various
Flagged and Staked: No
CEQA Action: Categorically Exempt per 15317

RECOMMENDATION:

It is recommended that the Board of Supervisors Conduct a Public Hearing and adopt corresponding Resolutions to:

- a. Approve three (3) Applications to create Farmland Security Zones and establish FSZ Contracts: FSZ No. 2013-003 (Minhoto Family Partnership), FSZ No. 2013-004 (Josephine S. Dolan, Trustee of the Josephine S. Dolan Trust Agreement dated November 30, 1999 and Glenn E. Dolan, Trustee of the Glenn E. Dolan Trust Agreement dated November 30, 1999 and Stacey Dolan, tenants in common)(hereafter, sometimes referred to as, Dolan Trust et al), and FSZ No. 2013-005 (Hamby Properties, LP)

And

Rescind Agricultural Preserve and Land Conservation Contract No. 97-013 between the County and Glenn E. Dolan and Josephine S. Dolan and simultaneously place the entire property in a new Farmland Security Zone and Contract as applicable to the real property described in Exhibit A “Legal Description”

- to proposed new Farmland Security Zone Contract No. 2013-004 between the County and the Dolan Trust et al.
- b. Continue one (1) application for an Agricultural Preserve and Land Conservation Contract (AgP Application No. 2013-002 [M. Rodoni and Company]) to the 2014 application review period.
 - c. Deny two (2) applications which have been continued from 2012 (AgP Application No. 2012-009 [John H. Hinrichs, Jr., Trustee] and FSZ Application No. 2011-007 [Ryan Land Co. & Ryan Ranch]); and, deny four (4) applications from 2012 which were approved pending execution of the corresponding FSZ Contracts by the property owners (FSZ Application Nos. 2012-21, 2012-22, 2012-23 [L&W Land Company, Inc.] and 2012-24 [Sakata Ranches, Inc.]) which were never executed nor returned by the property owners.
 - d. Authorize the Chair to execute Farmland Security Zone Contract Nos. 2013-003, 2013-004, and 2013-005.
 - e. Direct the Clerk of the Board to record Farmland Security Zone Contract Nos. 2013-003, 2013-004 and 2013-005, pending execution of the corresponding FSZ Contracts by the property owners of record, and timely receipt of said FSZ Contracts by the County, prior to the January 1, 2013 property tax lien date.

SUMMARY:

The California Land Conservation Act of 1965, commonly referred to as the Williamson Act, and Board of Supervisors Resolution Nos. 03-383, 01-485 Amending Procedures of Agricultural Preserves, and Resolution No. 01-486, Amending Procedures for the Creation of Farmland Security Zones and Contracts authorize the Board to enter into Contracts with private landowners for the purpose of restricting certain parcels of land to commercial agricultural production of food or fiber. In return, landowners receive lower property tax assessments based upon the restricted Williamson Act value as opposed to full market value.

Each calendar year, the Board of Supervisors must consider applications to establish Agricultural Preserve(s) (AgP) and to create Farmland Security Zone(s) (FSZ) and contracts. This year, a total of four (4) applications for the establishment of one (1) AgP (AgP Application No. 2013-002 [M. Rodoni and Company]) and three (3) FSZs and contracts (FSZ Application Nos. 2013-003 [Minhoto Family Partnership], 2013-004 [Dolan Trust et al] and, 2013-005 [Hambey Properties LP]) were received. Six (6) applications have been continued from last year's review period (FSZ Application No. 2011-007 [Ryan Land Co. & Ryan Ranch], AgP Application No. 2012-009 [John H. Hinrichs Jr., Trustee], FSZ Application Nos. 2012-021, 2012-022, 2012-023 [L&W Land Company, Inc.] and 2012-024 [Sakata Ranches, Inc.]). All of the applications have been reviewed by members of the Agricultural Preserve Review Committee (hereafter, "Committee"). The Committee is comprised of representatives from the Agricultural Commissioner's Office, Resource Management Agency-Planning Department, County Assessor's Office and the Office of the County Counsel. Board action is required to establish by contract, AgP and FSZ status for those selected applications, to commence in the year 2013, if the subject property meets the criteria found under Board Resolution No. 01-485 as amended by Board Resolution No. 03-383 (Procedures for Agricultural Preserves) or Board Resolution No. 01-486 (Procedure for the Creation of Farmland Security Zones and Contracts) as applicable. (Both included as **Attachment "C"**).

DISCUSSION:

The Committee met on October 5, 2012 to review applications to establish an AgP and to create FSZs and contracts to commence on January 1, 2013. Subsequent site visits were made to all of the subject properties by members of the Committee on October 10 and October 31, 2012.

An application for the creation of a Farmland Security Zone and contract must meet the requirements of

California Government Code Section 51296 et seq. (Farmland Security Zones) and Board Resolution 01-486 (Amending Procedure for Creation of FSZs). Government Code Section 51296.8 requires that Farmland Security Zones shall only apply to land that is designated on the Important Farmland Series maps, prepared pursuant to Section 65570, as predominately one or more of the following:

- (a) Prime Farmland [or producing unprocessed agricultural plant production of not less than \$200 per acre pursuant to Government Code Section 51201 (c) (4)].
- (b) Farmland of statewide significance.
- (c) Unique Farmland.
- (d) Farmland of local importance

Board Resolution No. 01-486 (Amending Procedure for Creation of FSZs) requires that the parcel or group of contiguous parcels to be included in an FSZ contain 100 or more acres and shall have had an annual gross income during three of the last five years from the production of animals and/or unprocessed agricultural plant products of not less than \$8,000. The Committee is recommending approval of the three (3) FSZ applications received for 2013 (FSZ Application No. 2013-003 [Minhoto Family Partnership], FSZ Application No. 2013-004 [Dolan Trust et al] and FSZ Application No. 2013-005 [Hambey Properties LP]). Each of the FSZ Applications far exceed the minimum size and gross income requirements as well as the minimum 51% percent of overall acreage to be comprised of “Prime” Farmland (According to California Department of Conservation’s Farmland Mapping and Monitoring (FMMP) map references). Site visits by Committee members confirmed that these properties each consist almost entirely of highly-productive row-crop acreage.

California Government Code Section 51296.1 provides that a landowner or group of landowners may petition the board to rescind an AgP land conservation contract or contracts entered into pursuant to the Williamson Act in order to simultaneously place the land subject to AgP contract or contracts under a new contract designating the property as an FSZ. Subsection 51296.1(a) provides that before approving the rescission of an AgP contract or contracts in order to simultaneously place the land under an FSZ contract, the board shall create an FSZ pursuant to Government Code Section 51230 at a noticed public hearing. Subsection 51296.1 (b) provides that, “No land shall be included within a farmland security zone unless expressly requested by the landowner....”

Consistent with Government Code Section 51296.1 the County’s standard form FSZ contract, on file with the Department of Conservation pursuant to Government Code Section 51249, provides that the Owner has expressly requested that County create an FSZ, which requires rescission of the underlying AgP and contract as it applies to the property described in Exhibit A (legal description) and simultaneous placement of the property under a new FSZ and contract.

The Committee’s review of the application materials for FSZ Application Nos. 2013-003 [Minhoto Family Partnership] and 2013-005 [Hambey Properties LP]) does not indicate that all of the subject properties are currently within an existing AgP and contract. Therefore, no action to rescind any existing AgP, nor contract, is required to establish the requested FSZs for FSZ Application Nos. 2013-003 [Minhoto Family Partnership] or 2013-005 [Hambey Properties LP].

The application materials in FSZ Application No. 2013-004 (Josephine S. Dolan, Trustee of the Josephine S. Dolan Trust Agreement dated November 30, 1999 and Glenn E. Dolan, Trustee of the Glenn E. Dolan Trust Agreement dated November 30, 1999 and Stacey Dolan, tenants in common) and County records indicate that

the property which is the subject of FSZ Application No. 2013-004 is located entirely within an existing AgP (No. 97-13) established by County by Resolution No. 97-497.

Consistent with Government Code Section 51296.1, proposed FSZ Contract No. 2013-004 provides that the, “Owner has expressly requested that County create a farmland security zone, which requires rescission of Agricultural Preserve Contract (No. 97-13) as it applies to the property described in Exhibit A and simultaneous placement of the property under a new Farmland Security Zone and Contract (No. 2013-004) established by County Resolution No. (2012- ____); and...” Therefore, a new FSZ will apply to the property described in Exhibit A (legal description) to proposed FSZ Contract No. 2013-004. Further, AgP Land Conservation Contract No. 97-13, on file with the County Recorder as Document No. 9775588, recorded on 12/22/1997, will be rescinded as it applies to the entire property described in Exhibit A to proposed FSZ Contract No. 2013-004.

Board Resolution No. 01-485 (Amending Procedure for Agricultural Preserves) requires that the parcel or group of contiguous parcels contain 100 or more acres and shall have had an annual gross income during three of the last five years from the production of animals and/or unprocessed agricultural plant products of not less than \$8,000, or in the case of recently improved lands, have a potential during the next succeeding year of producing a gross income of \$8,000. The Committee is recommending a continuance of AgP Application No. 2013-002 (M. Rodoni and Company) to the 2014 application review period. The subject property does not meet the established program entry requirement of \$8,000 dollars of annual gross income for three of the last five years. The Applicant’s initial application materials, received July 10, 2012, indicated that M. Rodoni and Company is leasing the property for livestock grazing “...at \$10.00 per head per month and is currently receiving between \$140.00 to \$600.00 per month.” However, a Livestock Grazing Lease, effective July 1, 2012, signed by the Lessee on August 30, 2012, transmitted to the Assessor’s Office on October 12, 2012 by the Applicant’s representative, provides for \$800 rent per month to be paid by a neighboring landowner for livestock grazing purposes on the subject property. (Said documents are included as **Attachment “D”**) The Livestock Grazing Lease, effective July 1, 2012 for a one year term, provides for automatic renewal on an annual basis. However, either party may terminate the lease at any time upon thirty (30) days written notice. Therefore, there is no guarantee that the lease will continue through the initial one year term.

Pursuant to Resolution No. 01-485 as amended by Resolution No. 03-383, lands which do not meet the minimum annual gross income of \$8,000 during three of the last five years may still be considered for approval “...in the case of recently improved lands...” if said lands, “...have a potential during the next succeeding year of producing a gross income of \$8,000.” Of the approximately 2,561 acres proposed under AgP Application No. 2013-002 (M. Rodoni and Company), FMMP mapping references indicate that approximately 450 acres are designated as “Grazing Land” with the remaining 2,111 acres of mostly mountainous terrain designated as “Other Lands.” (See Exhibit “B-2”). The Committee is recommending a continuance of AgP Application No. 2013-002 so that the property’s potential to generate at least \$8,000 of annual income can be firmly established for the 2014 application review period.

Four (4) applications from 2012 (FSZ Application Nos. 2012-21, 2012-22, 2012-23 [L & W Land Company, Inc.] and 2012-24 [Sakata Ranches, Inc.]) which were approved pending execution of the corresponding FSZ Contracts by the Property Owners are recommended for denial because said FSZ Contracts were never executed nor returned to the County by the Property Owners. Further, FSZ Application Nos. 2012-21, 2012-22, 2012-23 (L & W Land Company, Inc.) and 2012-24 (Sakata Ranches, Inc.) were subsequently withdrawn from consideration at the Applicants’ request after the Board had approved said FSZ applications pending execution of the corresponding FSZ Contracts by the property owners.

AgP Application 2012-009 (John H. Hinrichs, Jr., Trustee) was continued at the request of the applicant, who

has subsequently sold the property, and is also recommended for denial. FSZ Application 2011-007 (Ryan Land Co. & Ryan Ranch) has twice been continued due to the fact that the subject parcels do not contain sufficient acreage of prime farmland in order to qualify for inclusion in a Farmland Security Zone and Contract. The Applicant, Ryan Land Co. & Ryan Ranch, through their Attorney, have been instructed that a subdivision or a lot line adjustment would be required to create a parcel consisting of predominantly prime farmland to qualify for the creation of an FSZ. To date, no application has been received for said subdivision or lot line adjustment. Therefore, the Committee now recommends denial of FSZ Application No. 2011-007 (Ryan Land Co. & Ryan Ranch).

Attached to this report is the 2013 Application Matrix (**Attachment "A"**) listing the name, acreage and parcel numbers and General Plan/Area Plan designation, for applications submitted for the 2013 round of applications and those applications continued from 2012, as well as a small-scale map (**Attachment "A"**) showing the general locations of the newly proposed 2013 AgP and FSZs. The public has been informed of the scheduled December 4, 2012 public hearing by way of County-wide noticing through publication of notice in newspapers of general circulation. Notices of hearing, as well as the respective Committee recommendations on their respective applications, have been mailed to applicants and/or their legal representatives.

OTHER AGENCY INVOLVEMENT:

The Agricultural Preserve Review Committee, consisting of representatives from the Agricultural Commissioner's Office, Resource Management Agency-Planning Department, County Assessor's Office and the Office of the County Counsel, has reviewed the 2013 Applications, conducted site visits, and has made its recommendations using the criteria set forth in Board Resolution No. 01-485, Procedures for AgP Contracts-as amended by Board Resolution No. 03-383-and Board Resolution No. 01-486, Procedures for the Creation of FSZs. The Committee has also made its recommendations for denial concerning two (2) applications which have been continued from 2012 (AgP Application No. 2012-009 [John H. Hinrichs, Jr., Trustee] and FSZ Application No. 2011-007 [Ryan Land Co. & Ryan Ranch]) and four (4) applications from 2012 (FSZ Application Nos. 2012-21, 2012-22, 2012-23 23 [owned by L & W Land Company, Inc.] and 2012-24 [Sakata Ranches, Inc.]) which were approved pending execution of the corresponding FSZ Contracts by the Property Owners for which FSZ Contracts were never executed nor returned to the County by the Property Owners.

FINANCING:

Allowing the subject properties recommended for approval to attain Farmland Security Zone status will reduce the assessed valuation of each property involved. The estimated impact amounts for all of the applications to be considered are shown on the Financial Impact Analysis attached herein (**Attachment "A"**). The Assessor estimates that the net tax loss for the three (3) applications recommended for approval would be \$17,826. Approval of the application recommended for continuance (2013-002) would increase this net tax loss by approximately \$15,058.

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cc: Front Counter Copy; Board of Supervisors (10); Department of Conservation; Hambey Properties, LP; Minhoto Family Partnership in care of John Piini of Piini Realty; Stacey V. Dolan; Ryan Land Company & Ryan Ranch and John E. Kesecker, Esq. of Fenton and Keller; John H. Hinrichs, Jr. and Steve Dyer, Esq. of Horan Law Offices; L&W Land Company, Inc. and Sakata Ranches, Inc., Attn: Gloria Sakata; M. Rodoni and Company and John L. Ritchey, III, Esq. of Wyckoff, Ritchey and Shanle; City of Watsonville; LAFCO Monterey County; California Coastal Commission; Jacqueline R. Onciano, Planning Services Manager; Steve Mason, Assistant Planner; Mary Grace Perry, Deputy County Counsel; Gregg MacFarlane, Assessor-Recorder's Office; Robert A. Roach, Agricultural Commissioner's Office; The Open Monterey Project; LandWatch; Project File PLN120585

The following attachments are on file with the Clerk of the Board:

Attachment A: County-Wide Map of 2013 Applications; County-wide map showing the general location of the proposed Farmland Security Zones and Agricultural Preserves; Williamson Act Application Matrix; and Financial Impact Analysis for Williamson Applications.

Attachment B (1): Proposed Resolution Creating Farmland Security Zones (FSZs), Agricultural Preservation Review Committee Sheets and GIS data:

Exhibit "B-3" FSZ No. 2013-003 (Minhoto Family Partnership)

Exhibit "B-4" FSZ No. 2013-004 (Josephine S. Dolan, Trustee of the Josephine S. Dolan Trust Agreement dated November 30, 1999 and Glenn E. Dolan, Trustee of the Glenn E. Dolan Trust Agreement dated November 30, 1999 and Stacey Dolan, tenants in common)

Exhibit "B-5" FSZ No. 2013-005 (Hambey Properties, LP).

Attachment B (2): Proposed Resolution Continuing Agricultural Preserve (AgP) No. 2013-002 (M. Rodoni and Company), Agricultural Preservation Review Committee Sheets and GIS data:

Exhibit "B-2" AgP No. 2013-002 (M. Rodoni and Company).

Attachment B (3): Proposed Resolution Denying AgP Application No. 2012-009 (John H. Hinrichs, Jr., Trustee); FSZ Application No. 2011-007 (Ryan Land Co. & Ryan Ranch); FSZ Application Nos. 2012-21, 2012-22, 2012-23 (L&W Land Company, Inc.) and FSZ Application No. 2012-24 (Sakata Ranches, Inc.).

Attachment C: Board Resolution No. 03-383 (Amending Resolution No. 01-485); Board Resolution No. 01-485 (Amending Procedures for Agricultural Preserves) and Board Resolution No. 01-486 (Amending Procedures for the Creation of Farmland Security Zones and Contracts)

Attachment D: Income statements for AgP No. 2013-002 (M. Rodoni and Company); Letter dated October 12, 2012 and Livestock Grazing Lease effective July 1, 2012.