



COUNTY OF SONOMA

575 ADMINISTRATION
DRIVE, ROOM 102A
SANTA ROSA, CA 95403

SUMMARY REPORT

Agenda Date: 9/23/2025

To: Board of Directors of the Sonoma County Agricultural Preservation and Open Space District

Department or Agency Name(s): Sonoma County Agricultural Preservation and Open Space District

Staff Name and Phone Number: Misti Arias, General Manager, 707-565-7360; Stephanie Tavares, Senior Acquisition Specialist, 707-565-7362

Vote Requirement: Majority

Supervisory District(s): Fourth District

Title:

Conservation and Sale of Haroutunian North Property (Property No. 0154)

Recommended Action:

Adopt a Resolution of the Board of Directors of the Sonoma County Agricultural Preservation and Open Space District:

- i) Determining that conservation of the Haroutunian North Property to be accomplished by the proposed sale of the property subject to a conservation easement and agricultural conservation covenant is consistent with the Agricultural Preservation and Open Space District's Expenditure Plan and the 2020 Sonoma County General Plan;
- ii) Determining that conservation of the Haroutunian North Property to be accomplished by the proposed sale of the property subject to a conservation easement and agricultural conservation covenant is exempt from the Surplus Lands Act;
- iii) Making certain determinations pursuant to the California Environmental Quality Act and directing the filing of a notice of exemption for the transaction;
- iv) Authorizing and directing the General Manager to complete the merger of all parcels comprising the Haroutunian North Property into a single legal parcel prior to closing;
- v) Approving and authorizing the General Manager to execute a Purchase and Sale Agreement defining the terms and conditions under which the Sonoma County Agricultural Preservation and Open Space District will sell the Haroutunian North Property to Tierra Vegetables Inc. for the appraised value of \$455,000, subject to conveyance of a conservation easement and agricultural conservation covenant.
- vi) Authorizing the President to execute a conservation easement protecting the property in a form on file with the Clerk;
- vii) Authorizing the President to execute an affirmative agricultural covenant to require the property's continued use for productive agriculture in a form on file with the Clerk;
- viii) Dedicating the conservation easement interest to open space purposes pursuant to Public Resources Code section 5540; and
- ix) Authorizing recordation of all instruments necessary to accomplish the transaction and authorizing and directing the General Manager to prepare and execute all related transactional documents in a form approved by County Counsel and to take all necessary actions to facilitate the described sale and conservation of the Haroutunian North Property.

(Fourth District)

Executive Summary:

Sonoma County Agricultural Preservation and Open Space District (“Ag + Open Space”) is proposing the permanent conservation and sale of its 16.25-acre Haroutunian North property north of Santa Rosa. Ag + Open Space purchased the property in 1998 for open space and agricultural conservation, with the specific intention that the property be sold to a fee buyer subject to a conservation easement. This item implements the original vision for this property in authorizing the sale of the property to the long-time tenant Tierra Vegetables Inc. (“Tierra Vegetables” or “Buyer”) for \$455,000.

Discussion:

Description of Property

The Haroutunian North property is a 16.25-acre agricultural property located near Highway 101 at 651 Airport Boulevard north of Santa Rosa (the “Property”) in unincorporated Sonoma County. The Property is highly visible from Airport Boulevard and Highway 101 and is located in a designated community separator. The Property has been actively farmed for more than 23 years, over which time the soils have been extensively improved by the Buyer, demonstrating its essential agricultural values. Natural resource values of the Property include native oak saplings and dogbane in the north of the Property and a native garden planted in the drainage easement that runs through the middle of the Property. The Property is composed of two parcels, which will be merged into a single parcel prior to the sale.

Original Purposes of Acquisition by Ag + Open Space

Ag + Open Space purchased the Property in 1998 for \$395,000 under the Greenbelt/ Agricultural category of the 1992 Ag + Open Space Acquisition Plan to maintain the open space character and agricultural uses of the area. Ag + Open Space’s Board of Directors authorized the purchase with the expressed intention of selling it to a farmer subject to a conservation easement protecting its open space and agricultural values.

Selection of Tierra Vegetables, Inc.

In 2002, the Ag + Open Space conducted a competitive process for an agricultural lease opportunity on the Property. Tierra Vegetables was selected to lease the Property due to its extensive experience farming in Sonoma County, lack of land tenure, preparedness for farming on the urban edge, and ability to make the transition to a larger property.

The Property has been continuously leased to Tierra Vegetables since that time. In 2011, Ag + Open Space amended the lease with Tierra Vegetables to include an affirmative obligation to farm the Property and permit the construction of the barn. This lease amendment also included an agreement to negotiate an option to purchase the Property. The Property is now a highly productive row-crop operation providing food to local residents through community supported agriculture memberships, a farmstand, farmers’ markets, and sales to restaurants. Additionally, Tierra Vegetables hosts numerous school outings, pumpkin carving contests, and a variety of family-friendly gatherings on the farm. The prominent white barn on the Property, well pump equipment, and “high tunnel” ground covers are owned by the Buyer and are not part of the sale.

Ag + Open Space has negotiated the sale to Tierra Vegetables, on and off, for many years. The Buyer has been a good tenant and has improved the agricultural utility of the property over their tenure. They have improved the soil, installed infrastructure, and even moved a historic barn to the Property to serve as a hub for

community engagement and community supported agriculture. Tierra Vegetables has become an integral part of the local community, providing agricultural education in the form of field trips, farm days, events, and outings, as well as providing access to local food. Their strong relationship with the community, the care they have shown for the farm, and their dedication to agricultural education make them an ideal successor owner for the Property.

Ag + Open Space is proposing the sale of the property subject to a conservation easement and agricultural conservation covenant that will ensure the continued and perpetual use of the Property for agricultural production consistent with conservation of scenic, natural resource, and open space values. It will also ensure ongoing community engagement with agriculture on the site through required agricultural education events. Sale of the property also furthers Ag + Open Space's public purposes by enabling the current farmer-tenant to make capital investments in the operation that will support diversification and improvement of the agricultural utility of the property for the benefit of the community.

Merger, Conservation Easement, and Agricultural Covenant

Ag + Open Space staff have negotiated a conservation easement that protects the Property's scenic, agricultural, and natural resources. The conservation easement requires the Property to remain a single parcel, following the pre-closing merger of all legal lots. It restricts most development on the Property to one building envelope around the existing farmstead (0.77 acres) and a second building envelope of up to 0.5 acres to be established by mutual agreement at a later date. The conservation easement permits two residences - one of 2,000 square feet and an agricultural worker residence of up to 1,800 square feet. The conservation easement also establishes a "Building Exclusion Zone" where no permanent structures or improvements are permitted to protect scenic views of the farm.

The agricultural conservation covenant requires at least 75% of the Property (outside of the Building Envelopes) to remain in agricultural use in perpetuity and requires the landowner to provide at least four public agricultural education events on the Property each year. The agricultural conservation covenant also restricts residential use of the Property to agricultural employees and owner-operators. The Agricultural Conservation Covenant includes a remedy that allows Ag + Open Space to unilaterally invoke a leasehold interest in the Property in the event the owner fails to maintain the required agricultural uses on the Property.

Purchase & Sale Agreement and Sale Price

The General Manager is seeking authorization to enter into the attached purchase and sale agreement to allow sale of the Property, subject to the conservation easement, the agricultural conservation covenant, and the offer to dedicate, for the appraised fair market value of \$455,000.00. The sale will be made on an "as is" basis, with no representations or warranties from Ag + Open Space.

Escrow/Closing

Close of escrow for the sale is anticipated to occur on or before December 31, 2025, provided that the merger of the parcels can be accomplished by that date.

CEQA

Pursuant to Public Resources Code Section 21080.28 (a) and (c), Ag + Open Space's sale of the Property, subject to a conservation easement, agricultural covenant, and merger, is statutorily exempt because it will enable continued agricultural use of the land and preserve natural conditions, including plant and animal

habitats. Alternatively, pursuant to California Code of Regulations section 15325 (a) and (b), Ag + Open Space's sale of the Property, subject to a conservation easement, agricultural conservation covenant, and merger, is exempt from CEQA because its purpose is to allow continued agricultural use of the area, as well as to preserve natural conditions, including plant or animal habitats. Additionally, pursuant to California Code of Regulations section 15317, Ag + Open Space's sale of the Property subject to the conservation easement and agricultural conservation covenant is exempt from CEQA because it will maintain the open space character of the area.

Surplus Lands Act

The Surplus Land Act, Government Code sections 54220 *et seq.* (the "SLA"), applies when a local agency disposes of "surplus land," which is defined by the SLA as "land owned in fee simple by any local agency for which the local agency's governing body takes formal action in a regular public meeting declaring that the land is surplus and is not necessary for the agency's use." (Government Code section 54221(b)(1).) The Property at issue in this transaction is not surplus land, as it will continue to be used in its entirety for Ag + Open Space purposes. That is, the sale, subject to the conservation easement and agricultural conservation covenant to be held and enforced by Ag + Open Space, assures that the Property will be used for productive agriculture in perpetuity, which directly furthers the express purposes of Ag + Open Space as defined by Public Resources Code Sections 5500 *et seq.* and Measure F. Because the sale directly furthers Ag + Open Space's public purposes, the transaction is not subject to the SLA pursuant Cal Gov Code § 54221(c), which specifies that land being used for conservation purposes qualifies as an "agency use" if such purposes are included in a written plan adopted by the agency's governing board. Ag + Open Space's Expenditure Plan, Fee Lands Strategy, Vital Lands Initiative and even the original acquisition plan for this property all describe the conservation purposes that are furthered by this transaction. A local agency that plans to sell land for the agency's use must provide documentation that the land meets the definition of "agency use" to the California Department of Housing and Community Development (HCD) at least 30 days prior to disposition. The proposed resolution authorizes and directs the General Manager to provide the required notice to HCD as required by HCD's 2024 Guidelines.

Conformance with Adopted Plans

Ag + Open Space Expenditure Plan

The sale of the Property is consistent with Ag + Open Space's Expenditure Plan, specifically regarding greenbelts, scenic landscape units, and agriculturally productive land.

Vital Lands Initiative

The conservation and sale of the Property is consistent with the Vital Lands Initiative, which calls for all fee properties to be transferred or sold to other entities or individuals, subject to a conservation easement, before the expiration of Measure F funding in 2031.

Additionally, conserving this Property with a conservation easement and agricultural conservation covenant meets multiple objectives described in the Vital Lands Initiative as follows:

- Agricultural Lands: Protect lands that support diverse, sustainable, and productive agriculture.
- Community Identity: Protect open lands that surround and differentiate the County's urban areas and contribute to the unique scenic character of the County.
- Healthy Communities: Protect open space and publicly accessible lands in and near cities and

communities and connect people with protected lands.

Sonoma County General Plan 2020

The project furthers several goals and policies in Sonoma County's General Plan 2020, specifically in the Land Use, Open Space and Resource Conservation, and Agriculture Elements as noted in, but not limited to, the following:

- Protect land currently in agricultural production and lands with soils and other characteristics that make them potentially suitable for agricultural use. Retain large parcel sizes and avoid incompatible non-agricultural uses. (Goal LU-9)
- Preservation of important scenic features. (Goal LU-10).
- Maintain important open space areas between and around the county's cities in a largely open or natural character with low intensities of development (Goal LU-5).
- Encourage conservation of undeveloped land, open space, and agricultural lands. (Policy LU-11f)
- Identify and preserve roadside landscapes that have a high visual quality. (Goal OSRC-3)
- Preserve the unique rural and natural character of Sonoma County. (Goal OSRC-6)
- Protect and enhance the County's natural habitats and diverse plant and animal communities. (Goal OSRC-7)

Fee Lands Strategy

Ag + Open Space's Board of Directors approved an initial Ag + Open Space Fee Lands Strategy on November 20, 2012, directing staff to transfer or sell all fee-owned properties within Ag + Open Space's portfolio. In February 2021, Ag + Open Space adopted a Fee Lands Strategy Update (the "Fee Lands Strategy"), which includes a strategy for the conveyance of all Ag + Open Space-owned lands by 2031.

The Fee Lands Strategy establishes a tiered priority system for conveying fee lands. Tier 1 properties are those fee-owned lands for which a suitable future owner has been identified and for which there are the fewest impediments to transfer. Haroutunian North is in the first tier of fee-owned properties and is identified for sale to a private farmer, in keeping with the Board of Director's intent when the Property was purchased.

Appraisal and Fiscal Oversight Commission

Ag + Open Space is proposing to sell the fee interest in the Property, subject to merger, a conservation easement, and a recreation covenant. The sale of real property interests requires the Ag + Open Space Fiscal Oversight Commission to determine whether Ag + Open Space is paying more or receiving less than fair market value for these interests.

An appraisal completed by Wayne Harding on March 10, 2025, determined the fair market value of the merged Property, after deducting the value of the conservation easement and agricultural covenant is \$455,000.00. The Ag + Open Space Fiscal Oversight Commission approved the appraisal in a meeting held on April 3, 2025, and determined by resolution 2025-002 that (1) the appraisal meets Ag + Open Space's Appraisal Guidelines and Standards, and (2) the sale of the Property, with the parcels merged, and subject to the Conservation Easement, Agricultural and Conservation Covenant, for a purchase price not less than the opinion of value set forth in the appraisal does not result in Ag + Open Space receiving less than the fair market value.

Racial Equity:

N/A

Was this item identified as an opportunity to apply the Racial Equity Toolkit?

No.

Prior Board Actions:

1. Purchase: Resolution No. 98-0189 approved February 01, 1998 authorizing Ag + Open Space to purchase the Property and directing the General Manager to find a fee buyer and to sell the Property subject to a Conservation Easement.
2. Lease: Resolution No. 02-0631, approved on June 4, 2002, authorized the General Manager to enter into an agricultural lease of the Property with Tierra Vegetables.

FISCAL SUMMARY

Expenditures	FY 24-25 Adopted	FY 25-26 Projected	FY 26-27 Projected
Budgeted Expenses		0	
Additional Appropriation Requested		0	
Total Expenditures		0	
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other		\$455,000.00	
Use of Fund Balance			
Contingencies			
Total Sources		\$455,000.00	

Narrative Explanation of Fiscal Impacts:

Adequate appropriations are included in the FY 25-26 Ag + Open Space budget to account for the revenue from the sale of Hartounian North.

Staffing Impacts:			
Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

Narrative Explanation of Staffing Impacts (If Required):

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Attachments:

1. Resolution
2. General Plan Map 2020
3. Conservation Easement
4. Project Structure Map
5. Agricultural Conservation Covenant
6. Agricultural Map
7. Purchase and Sale Agreement
8. Grant Deed
9. Application for Administrative Merger
10. Notice of Exemption

Related Items “On File” with the Clerk of the Board:

1. 98-0189 Summary Report & Resolution Haroutunian North Purchase.
2. 02-0631 Summary Report & Resolution Haroutunian North Lease.