



SUMMARY REPORT

Agenda Date: 8/12/2025

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, 707-565-7264; Steph Tavares, 707-565-7362
Vote Requirement: Majority
Supervisory District(s): Second District

Title:

McClelland Dairy Conservation Easement Acquisition (Property No. 0220)

Recommended Action:

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

- A) Determining that the acquisition of a conservation easement over the McClelland Dairy is consistent with the Agricultural Preservation and Open Space District's Expenditure Plan and the 2020 Sonoma County General Plan;
- B) Making certain determinations pursuant to the California Environmental Quality Act and directing the filing of a notice of exemption for the acquisition;
- C) Authorizing a purchase price of \$2,610,000.00 for the acquisition of the McClelland Dairy conservation easement;
- D) Authorizing the President of the Board of Directors to execute a conservation easement protecting the property in a form on file with the Clerk, along with the associated certificate of acceptance;
- E) Dedicating the conservation easement interest to open space purposes pursuant to Public Resources Code section 5540; and
- F) Authorizing recordation of all instruments necessary to accomplish the transaction, and directing the General Manager, in consultation with County Counsel, to take all other actions necessary or appropriate to establish a permanent conservation easement over the property.

(Second District)

Executive Summary:

The Sonoma County Agricultural Preservation and Open Space District ("Ag + Open Space") is proposing to purchase a conservation easement over the 348.11-acre McClelland Dairy property west of Petaluma. The conservation easement will protect the agricultural, natural resource, and scenic values of the property. McClelland Dairy is located in the "coastal ag belt" of Sonoma County across Bodega Avenue from Ag + Open Space-protected Uncle Henry's Ranch in an area with more than a dozen other protected agricultural properties. Ag + Open Space seeks authorization to pay the appraised value of \$2,610,000.00 for the acquisition of the conservation easement, using \$800,000 in grant funding from the Sustainable Agricultural Lands Conservation Program and \$1,810,000 in Ag + Open Space sales tax revenue.

Discussion:

Property Characteristics/Project Significance

The McClelland Dairy project is the proposed acquisition of a conservation easement over a 348.11-acre farm and dairy in the Two Rock Valley (the “Property”) composed of six legal lots. The Sonoma County Agricultural Preservation and Open Space District (“Ag + Open Space”) is proposing to purchase a conservation easement protecting the Property’s agricultural, natural resource, and scenic values. The majority of the Property is visible from Bodega Avenue, a county-designated scenic corridor, with the remainder visible from Middle-Two Rock and Purvine roads. Once protected, the McClelland Dairy conservation easement will help create a block of nearly 1,500 acres of Ag + Open Space-protected farms and ranches in the area.

McClelland Dairy has strong agricultural values with rolling to flat terrain; productive agricultural soils including prime soils and soils of statewide importance; abundant water secured through appropriative and riparian rights as well as groundwater wells; and a mild climate and good forage production. McClelland Dairy is located along a major thoroughfare with easy access to major markets and could support a wide variety of agricultural operations. The Property has long been used as an organic dairy and also hosted a popular pumpkin patch and farm days event prior to the Covid-19 Pandemic.

An upper stretch of Stemple Creek flows through the Property, and its riparian area was restored more than a decade ago, providing excellent habitat, water filtration, and other ecological functions. There is also a spring and associated vegetation in the southeastern area of the property that provides bird and wildlife habitat as well as water for the agricultural operation. The State Water Resources Control Board has identified Stemple Creek as an impaired waterbody with water quality goals for nutrients and sediment from nonpoint sources and numeric targets for dissolved oxygen, temperature, pH, ammonia, and sediment. Its waters run to the Estero de San Antonio, a rare coastal habitat for waterfowl and nursery habitat for several commercial and recreational fisheries species. The Estero is included in the Gulf of the Farallones National Marine Sanctuary and is a state Marine Recreational Management Area. The continued careful stewardship of the riparian corridor on McClelland Dairy’s stretch of Stemple Creek is important for the long-term recovery goals of the watershed and has served as a model for other properties in the area.

Project Structure

The conservation easement will protect the Property’s agricultural, natural, and scenic resources. Agricultural and scenic values will be protected by merging all legal lots into one and limiting most development to the three existing building envelopes. All agricultural practices that are legal and consistent with the long-term agricultural viability of the Property are permitted.

Because of the importance of Stemple Creek as habitat and for fisheries health, the conservation easement designates a 50-foot buffer around Stemple Creek to protect and enhance the riparian area’s water quality, natural resources, and ecological functions. It will also protect a spring and small buffer around it in the southeast of the Property, which provides habitat for birds and other wildlife.

Conformance with Adopted Plans

Vital Lands Initiative

The McClelland Dairy project furthers the Ag + Open Space Vital Lands Initiative, by protecting lands that support diverse, sustainable, and productive agriculture; open lands that surround and differentiate the County's urban areas and contribute to the unique scenic character of the County; natural lands and aquatic habitats that support sustainable aquatic ecosystems and water resources; and natural lands and terrestrial habitats that support plants, wildlife, and biodiversity. □

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, Agriculture, and Water Resources elements, as noted in, but not limited to, the following:

- Preservation of lands 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-09)
- Preserve roadside landscapes that have high visual quality (OSRC-03)
- Preserve the unique rural and natural character of Sonoma County (OSRC-06)
- Protect and enhance the County's natural habitats and diverse plant and animal communities (Goal OSRC-07)
- Protect and enhance Riparian Corridors and functions along streams, balancing the need for agricultural production... and other land uses within the preservation of riparian vegetation protection of water resources, flood control, bank stabilization, and other riparian functions and values (OSRC-8)
- Encourage conservation of soil resources to protect their long-term productivity and economic value (OSRC-10)
- Protect, restore, and enhance the quality of surface and groundwater resources (WR-01)
- Protect existing groundwater recharge areas (Objective WR 2.3)
- Reduce economic pressure for conversion of agricultural land to non-agricultural use (Objective AR-2.4)
- Maintain the maximum amount of land in parcel sizes that a farmer would be willing to lease or buy for agricultural purposes (Goal AR-03)

Ag + Open Space's Expenditure Plan

The Project is consistent with the Ag + Open Space Expenditure Plan because it preserves agricultural land uses, biotic habitat areas, and scenic landscape units.

Grant Funding

In 2022, Ag + Open Space secured a grant for \$800,000 from the Sustainable Agricultural Lands Conservation Program ("SALC") to assist with the purchase of the conservation easement. This program is administered by the State Department of Conservation and provides funding to leverage the protection of strategically located, highly productive, and critically threatened agricultural land via permanent agricultural conservation easements in order to avoid increases in greenhouse gas emissions associated with conversion of agricultural lands, consistent with AB 32: the California Global Warming Solutions Act of 2006. □

Appraisal and Fiscal Oversight Commission

An appraisal completed by Wayne Harding was completed on June 26, 2025. The appraised value of the conservation easement as of April 11, 2025 was \$2,610,000.00. The Ag + Open Space Fiscal Oversight Commission ("FOC") reviewed the appraisal in a meeting held on July 16, 2025 and determined by resolution

2025-004 that the proposed acquisition price does not exceed the fair market value of the conservation easement to be acquired.□

Purchase Agreement and Purchase Price

The General Manager proposes to purchase the conservation easement for the appraised value of \$2,610,000.00. The General Manager has entered into a purchase agreement with the landowner, conditioned upon final approval by this Board. The agreement contemplates a closing on September 17, 2025 if all conditions to closing are satisfied, and requires the landowner to complete the administrative merger of all legal lots covered by the conservation easement within 8 months of close of escrow.

CEQA

The acquisition of the subject conservation easement is exempt from the requirements of the California Environmental Quality Act (Public Resources Code Sections 21000 *et seq.*) pursuant to Public Resources Code Section 21080.28(a)(1)(A) & (C) and Cal. Code of Regs. Tit. 14, § 15325(a) & (b)), which exempts from CEQA the acquisition, sale, or other transfer of interest in land by a public agency for the preservation of the natural condition of the property including plant and animal habitats; restoration of natural conditions including plant and animal habitats; for continuing agricultural use of the land; and preservation of open space. Alternatively, it is exempt pursuant to Section 15317 of Title 14 of the California Code of Regulations, because the purpose of the acquisition is to maintain the open space character of the area.

Dedication

Consistent with Ag + Open Space practice, the Board is asked to dedicate the conservation easement to open space purposes pursuant to Public Resources Code Section 5540. By taking this action, Ag + Open Space is restricting its ability to convey or relinquish the protections embodied in the conservation easement.

Strategic Plan:

N/A

Racial Equity:

n/a

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

no.

Prior Board Actions:

Per resolution 2022-0333, the Board of Directors authorized the submission of an application to the California Department of Conservation for an \$800,000 grant under the SALC Program to be used towards acquisition of a conservation easement for the McClelland Dairy, authorizing the General Manager to enter into an associated grant agreement, and other related matters (August 30, 2022)).

FISCAL SUMMARY

Expenditures	FY 24-25 Adopted	FY 25-26 Projected	FY 26-27 Projected
Budgeted Expenses		\$2,610,000.00	

Additional Appropriation Requested			
Total Expenditures		\$2,610,000.00	
Funding Sources			
General Fund/WA GF			
State/Federal		\$800,000.00	
Fees/Other Measure F		\$1,810,000.00	
Use of Fund Balance			
Contingencies			
Total Sources		\$2,610,000.00	

Narrative Explanation of Fiscal Impacts:

Ag + Open Space has adequate appropriations in its FY 25-26 budget for the \$1,810,000.00 funding for conservation easement acquisition, which is funded by Sonoma County voter approved Measure F.

Narrative Explanation of Staffing Impacts (If Required):

n/a

Attachments:

1. General Plan Map 2020 McClelland Dairy
2. Site Map McClelland Dairy
3. Resolution McClelland Dairy
4. Certificate of Acceptance McClelland Dairy
5. Notice of Exemption McClelland Dairy
6. Conservation Easement McClelland Dairy
7. Project Structure Map McClelland Dairy

Related Items "On File" with the Clerk of the Board:

1. SALC Grant Agreement McClelland Dairy