



Legislation Text

File #: 2020-0927, **Version:** 1

To: Board of Directors, 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: Stephanie Tavares-Buhler, 565-7362
Vote Requirement: 4/5th
Supervisory District(s): Second District

Title:

Mattos Dairy Conservation Easement Acquisition

Recommended Action:

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

- A) Determine that the acquisition of a conservation easement over Mattos Dairy is consistent with the Agricultural Preservation and Open Space District's Expenditure Plan and the 2020 Sonoma County General Plan;
- B) Authorize the President to execute a conservation easement over the property, and associated certificates of acceptance;
- C) Dedicate the Conservation Easement interest to park and open space purposes pursuant to Public Resources Code section 5540;
- D) Direct the filing of a notice of exemption in compliance with the California Environmental Quality Act; and
- E) Authorize up to \$3,210,000 and escrow costs for the acquisition of the Mattos Dairy property conservation easement;
- F) Authorize 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 and over the property.

(Second District) (4/5th Vote Required)

Executive Summary:

The Sonoma County Agricultural Preservation and Open Space District is proposing to purchase a conservation easement over the 700.92-acre Mattos Dairy on the edge of the Two Rock Valley. The conservation easement will protect the agricultural, natural resource, and scenic values of the property. The Mattos Dairy property is located across Pepper Road from the Mazetta Dairy Conservation Easement and Mickelsen Conservation Easement and is near several other Sonoma County Agricultural Preservation and Open Space District-protected properties.

Discussion:

PROPERTY CHARACTERISTICS/PROJECT SIGNIFICANCE

The Mattos Dairy project (“Project”) is the proposed acquisition of a conservation easement over an approximately 700.92-acre property (“Property”) comprised of nine legal lots. It is located off Meacham (aka “Mecham”) and Pepper roads on the edge of the Two Rock Valley near Petaluma, two miles southwest of Cotati. Portions of the property are highly visible from these main roads. The property is across Pepper Road from the Mazzetta Dairy Conservation Easement and across Meacham Road from the Mickelsen Conservation Easement, creating a 1,160-acre block of Sonoma County Agricultural Preservation and Open Space District (Ag + Open Space)-protected agricultural lands. It is also near other Ag + Open Space-protected properties, including many pasture ranches used for dairy and livestock.

The terrain is level to gently rolling pasture with 2.6 miles of creeks, including a small portion of Stemple Creek. There is a 32-acre oak woodland on the property and riparian vegetation along many of the creeks. Stemple Creek traverses a 7-acre seasonal wetland on the property. Stemple Creek is one of the few creeks in the County that supports the endangered California freshwater shrimp. The Farmland Mapping and Monitoring Program designates 188 acres of this property as Farmland of Local Importance. The Water Resources Element of the Sonoma County General Plan 2020 identified 70 acres of the property within a Major Natural Recharge Area. Much of the proposed Project (587.37 acres) is in a Land Conservation (Williamson) Act Agricultural Preserve contract, though the eastern 113.55 acres is not under Williamson Act. The Property supports two independent Organic dairy facilities. The Property has agricultural infrastructure for productive Organic dairy operations, including milking parlors, loafing barns, hay barns, storage buildings, two primary residences, and farmworker housing. John and Joni Mattos operate the “Upper Dairy,” which has been in the Mattos family since the 1940s, and their son Nick Mattos operates the “Lower Dairy,” on land that was purchased in 2004 and 2014.

PROJECT STRUCTURE

The conservation easement will cover all lots comprising the Property, and will allow it to continue as two separate dairies. It will protect the Property’s agricultural values, natural resources, and scenic qualities by prohibiting division into more than two lots, limiting uses in the natural areas, and clustering development in designated agricultural, recreational, and residential building envelopes. The landowners will be required to merge the existing nine legal parcels down to two and submit the voluntary merger applications for recordation at closing. The Property will contain two agricultural building envelopes that encompass the existing farmsteads, two residential building envelopes, and one existing recreational building envelope. The conservation easement also requires creation of a Riparian Restoration and Enhancement Plan for the Natural Areas, to restore and enhance riparian habitat. The conservation easement requires the landowner to submit an approved plan within three years of closing, or earlier if they wish to undertake specified agricultural activities in the Natural Areas. The Mattos family has agreed to start work on this plan in partnership with Sonoma Resource Conservation District and/or Natural Resources Conservation Service, and to have a draft substantially completed prior to closing.

Ag + Open Space offered to purchase an agricultural conservation covenant - an affirmative servitude requiring ongoing productive agricultural use of the land. The Mattos family has declined to sell the agricultural conservation covenant at this time.

CONFORMANCE WITH ADOPTED PLANS

Connecting Communities and the Land

The Project fulfills several objectives and policies in Ag + Open Space’s acquisition plan, as noted below:

- **Farms and Ranches**, specifically to protect agricultural lands near the urban edge that supports a larger agricultural operation and preserves the diverse agricultural character and heritage of Sonoma County.
- **Greenbelts and Scenic Hillside**s, specifically to protect lands that are visible from highly travelled roads that contribute to the rural character and sense of place.

- **Water, Wildlife, and Natural Areas**, specifically to protect open pasture as well as wetlands, riparian, and oak woodland areas, providing wildlife habitat, and preserving natural systems and lands that provide viable habitat linkages for wildlife.

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, Agricultural Resource, and Water Resources Elements including 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)
- Encourage conservation of undeveloped land, open space, and agricultural lands, protection of water and soil quality, restoration of ecosystems, and minimization or elimination of the disruption of existing natural ecosystems and flood plains. (Policy LU-11f)
- Identify and preserve roadside landscapes that have a high visual quality as they contribute to the living environment of local residents and to the County's tourism economy. (Goal OSRC-3)
- Preserve the unique rural and natural character of Sonoma County for residents, businesses, visitors and future generations. (Goal OSRC-6)
- 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)
- Protect and enhance the County's natural habitats and diverse plant and animal communities. (Goal OSRC-7)
- Identify and protect native vegetation and wildlife, particularly occurrences of special status species, wetlands, sensitive natural communities, woodlands, and areas of essential habitat connectivity. (Objective OSRC-7.1)
- Maintain connectivity between natural habitat areas. (Objective OSRC-7.5)
- In areas outside the Urban Service Areas, encourage property owners to utilize wildlife friendly fencing. (Policy OSRC-7d)
- Protect and enhance Riparian Corridors and functions along streams, balancing the need for agricultural production, urban development, timber and mining operations, and other land uses with the preservation of riparian vegetation, protection of water resources, flood control, bank stabilization, and other riparian functions and values. (Goal OSRC-8)
- Protect existing groundwater recharge areas. (Objective WR-2.3)
- Limit intrusion of urban development into agricultural areas. (Objective AR-2.1)
- Reduce economic pressure for conversion of agricultural land to non agricultural use. (Objective AR-2.4)
- Use voluntary purchase or transfer of development rights programs to limit intrusion of residential development into agricultural lands. (Policy AR-2d)
- Maintain the maximum amount of land in parcel sizes that a farmer would be willing to lease or buy for agricultural purposes. (Goal AR-3)

Ag + Open Space's Expenditure Plan

The Project is consistent with Ag + Open Space's Expenditure Plan because it preserves agriculturally productive land and biotic habitat areas as well as scenic landscape units.

OUTSIDE FUNDING

Ag + Open Space has secured a grant for \$750,000 from the Sustainable Agricultural Lands Conservation Program ("SALC" or the "Funder") 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

Appraiser Wayne Harding prepared a full narrative appraisal of the Mattos Dairies conservation easement with a date of valuation of April 29, 2020. The appraiser determined that the highest and best use of the property was to sell off the property as up to nine rural residential home sites. The appraiser concluded the estimated market value of the conservation easement was \$3,210,000. Ag + Open Space staff and review appraiser Geoff Hornsby reviewed the appraisal and concluded it met the Appraisal Standards and Guidelines. The Fiscal Oversight Commission reviewed and accepted the appraisal at its July 23, 2020 meeting (Resolution # 2020-005).

PURCHASE AGREEMENT AND PURCHASE PRICE

The Landowners and Ag + Open Space have negotiated a purchase of the conservation easement at full appraised fair market value of \$3,210,000, contingent upon Board of Director's approval, approval by the Funder, standard contingencies, and the following conditions: 1) merge the legal lots so that there remain only two legal lots comprising the property, and 2) substantially complete a Riparian Restoration and Enhancement Plan for the Property with a Resource Conservation District or other qualified professional

prior to closing.

Escrow/Closing

Close of escrow for the acquisition of the conservation easement is anticipated to occur on or before November 13, 2020, but in no event later than the end of the fiscal year (June 30, 2021).

CEQA

The project is statutorily exempt from CEQA pursuant to California Public Resources Code Section 21080.28, and is categorically exempt from CEQA pursuant to State Guidelines Section 15325(a) & (b), all of which exempt from CEQA the acquisition, sale, or other transfer of interest in land by a public agency for the preservation of natural conditions existing at the time of transfer, including plant and animal habitats, and for continuing agricultural use of the land. In the alternative, this project is exempt from CEQA pursuant to State Guidelines Section 15317, which exempts from CEQA the acceptance of easements in order to maintain the open space character of an area.

Prior Board Actions:

FISCAL SUMMARY

Expenditures	FY 20-21 Adopted	FY 21-22 Projected	FY 22-23 Projected
Budgeted Expenses	\$3,210,000		
Additional Appropriation Requested			
Total Expenditures	\$3,210,000		
Funding Sources			
General Fund/WA GF			
State/Federal	\$750,000		
Fees/Other	\$2,460,000		
Use of Fund Balance			
Contingencies			
Total Sources	\$3,210,000		

Narrative Explanation of Fiscal Impacts:

Ag + Open Space has adequate appropriations in its FY 20-21 budget for the entire \$3,210,000 conservation easement acquisition contribution.

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

Narrative Explanation of Staffing Impacts (If Required):

Attachments:

1. General Plan Map 2020
2. Location Map
3. Site Map
4. Resolution

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

1. Certificate of Acceptance
2. Notice of Exemption
3. Conservation Easement