

<p style="font-size: 1.2em; margin: 0;">County of Sonoma</p> <p style="font-size: 1.2em; margin: 10px 0 0 0;">Agenda Item</p> <p style="font-size: 1.2em; margin: 10px 0 0 0;">Summary Report</p>			<p style="font-size: 0.8em; margin: 0;">Clerk of the Board Use Only</p> <p style="font-size: 0.8em; margin: 0;">Meeting Date ___/___/___</p> <p style="font-size: 0.8em; margin: 0;">Agenda Item No: _____</p>																															
<p>Department: Sonoma County Agricultural Preservation and Open Space District</p>			<p>() 4/5 Vote Required</p>																															
<p>Contact: Stuart Martin</p>	<p>Phone: (707) 565-7360</p>	<p>Board Date: 8/18/09</p>	<p>Deadline for Board Action:</p>																															
<p>AGENDA SHORT TITLE:</p> <p style="margin-left: 40px;">ACQUISITION OF FEE TITLE TO THE MCCULLOUGH RANCH – PHASE ONE PROPERTY FOR PUBLIC RECREATION</p> <p>REQUESTED BOARD ACTION:</p> <p style="margin-left: 40px;">Resolution of the Board of Directors of the Sonoma County Agricultural Preservation and Open Space District approving fee title acquisition of the approximate 460.96-acre McCullough Ranch – Phase One Property for public outdoor recreation for a purchase price of \$8,463,000; determining that the acquisition is consistent with the 2020 Sonoma County General Plan; authorizing and directing the execution of the Right of First Offer Agreement; authorizing and directing the execution of the Charitable Pledge; authorizing and directing the execution of a certificate of acceptance; and directing the preparation of escrow instructions</p>																																		
<p>CURRENT YEAR FINANCIAL IMPACT</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;"><u>EXPENDITURES</u></th> <th style="width: 10%;"></th> <th style="width: 10%;"></th> <th style="text-align: left; border-bottom: 1px solid black;"><u>SOURCE OF ADDITIONAL FUNDS REQUESTED</u></th> <th style="width: 10%;"></th> <th style="width: 10%;"></th> </tr> </thead> <tbody> <tr> <td>Estimated Cost</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">8,463,000</td> <td>Contingencies (Fund Name:)</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">000.00</td> </tr> <tr> <td>Amount Budgeted</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">8,463,000</td> <td>Unanticipated Revenue (Sources:)</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">000.00</td> </tr> <tr> <td>Other Avail. Approp.</td> <td></td> <td></td> <td>Other Transfer(s): Fund Balance</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">000.00</td> </tr> <tr> <td colspan="2"></td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">000.00</td> <td>Total Source of Funds:</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">000.00</td> </tr> </tbody> </table> <p style="margin-left: 40px;">(Explain below) Additional Requested: \$</p> <p style="margin-left: 40px;">Explanation (if required): Funding will be provided by the 2007 Series A Measure F Sales Tax Bond Proceeds and the Open Space Authority sales tax revenues.</p>					<u>EXPENDITURES</u>			<u>SOURCE OF ADDITIONAL FUNDS REQUESTED</u>			Estimated Cost	\$	8,463,000	Contingencies (Fund Name:)	\$	000.00	Amount Budgeted	\$	8,463,000	Unanticipated Revenue (Sources:)	\$	000.00	Other Avail. Approp.			Other Transfer(s): Fund Balance	\$	000.00			000.00	Total Source of Funds:	\$	000.00
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<p>Prior Board Action(s):</p>																																		
<p>Alternatives - Results of Non-Approval: Do not adopt resolution. Close of escrow to acquire the McCullough Ranch – Phase One property will not occur.</p>																																		

Background:

NOTE: Certificate of Acceptance, Right of First Offer Agreement; Charitable Pledge; Notice of Exemption, Property Purchase Agreement, and Appraisal are on file with the Clerk of the Board

Project Summary

The District is proposing to purchase a 460.96-acre portion of the McCullough property in fee (Phase One) as a part of a potential 1,076-acre regional park. Acquisition of the McCullough-Phase One property will preserve about 1.7 miles of Mark West Creek and its riparian corridor, expansive views, and significant wildlife habitat including excellent coho and steelhead habitat. The acquisition would add to the adjacent 340-acre Cresta property purchased by the District in 2007. The two properties would be combined with the proposed future acquisition of the 275.5-acre McCullough-Phase Two property to form a 1,076-acre park. The acquisition will provide Sonoma County with a large and diversified regional park close to the Santa Rosa urban area.

2020 Sonoma County General Plan

Land Use: Diverse Agriculture, 20-acre density; Resources and Rural Development, 60-acre density; Resources and Rural Development (Agricultural Preserve), 100-acre density

Open Space and Resource Conservation Element: Scenic Corridor; Riparian Corridor; in vicinity of proposed park

Property Characteristics/Project Significance

The Phase One portion of the McCullough Ranch encompasses 460.96 acres located north of Santa Rosa in unincorporated Sonoma County. Access is via Cresta Road, which is a private road off of Mark West Springs Road. The property is contiguous to the Cresta property, which was purchased in fee by the District in 2007. Estate subdivisions border the property on the south and west, and other larger acreage parcels are found to the north and east. Other nearby protected properties include the Lang and Guttman conservation easements adjacent to Cresta to the north, and the Pepperwood Preserve, also adjacent and to the north of Cresta. All of these properties combined with the proposed McCullough Phase Two acquisition (275.46 acres) will ultimately form a contiguous protected habitat of 4,594 acres on the northern edge of the Santa Rosa urban area.

The McCullough property is a mix of grasslands, chaparral, and mixed woodlands, which consist of oaks, Douglas fir, and redwood. The primary feature of the 306.74-acre eastern portion is Mark West Creek, which extends for about 1.7 miles through the middle of a valley with ridges on either side. A 285-acre portion of this area is protected through a conservation easement purchased by the District in August 2002. The 154.22-acre western portion is characterized by a long ridge which provides views of Santa Rosa in one direction, and the Mayacamas Mountains in the other direction.

Besides offering a valuable fish habitat and expansive views, the McCullough property includes an extensive multi-use road and trail system. Many equestrian groups have used the property over the years and enjoyed the beauty of the landscape. The trails are well-designed and maintained, and would require little or no modification to be used as a public park.

Attachments:

- 1. Site Map
- 2. Resolution

On File with Clerk:

- 1. Certificate of Acceptance
- 2. Right of First Offer Agreement
- 3. Charitable Pledge
- 4. Notice of Exemption
- 5. Property Purchase Agreement
- 6. Appraisal

CLERK OF THE BOARD USE ONLY

Board Action (If other than "Requested")

Vote:

Background (cont'd, page 2 of 3):

Project Structure

The District proposes to purchase the Phase One portion of the McCullough Ranch in fee as part of a larger proposed Sonoma County Regional Park. A purchase agreement has been negotiated for a recommended purchase price of \$8,463,000, and a closing date of September, 15, 2009. The Seller has agreed to donate \$850,000 at the close of the Phase One escrow to the Regional Parks Foundation in the form of a Charitable Pledge. This is the largest cash donation the District has secured in a purchase to date. The Seller is restricting the Pledge to be used for park planning, restoration, enhancement, development, maintenance, and/or operations for the Cresta and McCullough properties. In addition, the Seller's Pledge requires that up to \$75,000 be used towards relocating a portion of road through the neighboring property, and up to \$150,000 be used to acquire 18.5 acres of adjoining property to improve access. If costs exceed the proposed amount or if completion time is unreasonable, the funds are no longer restricted. Finally, up to \$250,000 of the Pledge may be used to offset staff costs to raise partnership funding for Phase Two.

In addition, the District will execute a 'Right of First Offer Agreement' to purchase the 275.5-acre remainder of the property as Phase Two of the project. The agreement will be in effect for four years. During this time, the District and Regional Parks will seek partnership funding for Phase Two, currently appraised at \$5,774,000. If Phase Two cannot be purchased, the District will evaluate alternative park management options or resale alternatives.

At close of escrow for Phase One, the District would hold fee title to 460.96 acres of the McCullough property, thus assuming responsibility for managing the land. Upon successful acquisition of the remaining 275.46-acres comprising Phase Two, the District would transfer the entire McCullough property and the adjacent 340-acre Cresta property to Regional Parks.

Connecting Communities and the Land, A Long Range Acquisition Plan

The McCullough Ranch project fulfills several policies in the District's acquisition plan, *Connecting Communities and the Land*. Under the 'Recreation and Education' category, it will provide the core of a large regional park very close to the urban area with a wide diversity of landscapes and recreational opportunities. The McCullough property's well-developed and maintained trail network is a valued amenity for potential use as a public park. The acquisition will also protect a very well-preserved stretch of Mark West Creek, one of the few portions of creek in Sonoma County that supports both steelhead and Coho salmon. Finally, under the 'Water, Wildlife, and Natural Areas' category, the property offers a unique opportunity to protect and expand on existing protected wildlife habitat, including creeks, riparian corridors, and upland habitat.

Expenditure Plan Consistency

On July 30, 2009, by Resolution No. 2009-012, the Open Space Authority Board of Directors found the project to be consistent with its Expenditure Plan.

Appraisal Information

A full narrative appraisal was conducted by John Bouyea of John Bouyea & Associates with a November 14, 2008 valuation date. The appraiser determined that the highest and best use of the property was for development of six legal lots for rural residential estate use. The appraiser concluded the estimated market value of the Phase One fee interest to be \$8,463,000.

District staff reviewed the appraisal and concluded it met the District's Appraisal Standards and Guidelines. The Open Space Authority reviewed and accepted the appraisal at its May 21, 2009 meeting.

Background (cont'd, page 3 of 3):

Purchase Agreement and Purchase Price

On July 28, 2009, the District and the Sellers entered into a purchase agreement for \$8,463,000. The purchase agreement is contingent upon all required approvals from the Open Space Authority and Board of Directors, in addition to other standard contingencies. District staff is currently completing due diligence work with close of escrow to occur no later than September 15, 2009. All due diligence will be concluded by September 11, 2009 and staff will report to the Board orally at the meeting in the event there are any significant issues found as a result of the due diligence.

Escrow/Closing

Close of escrow for the acquisition of the property is set to occur on September 15, 2009.

CEQA

The project is categorically exempt from CEQA pursuant to State Guidelines Section 15313(c) or, in the alternative, pursuant to Guidelines Section 15316(a), 15317, or 15325(a), (c) and (f).