

**MEMORANDUM
DEPARTMENT OF FACILITY SERVICES
COUNTY OF PLACER**

To: Honorable Board of Supervisors Date: September 1, 2015
From: Ken Grehm, Facility Services Interim Director
By: Laurie Morse, Property Manager
Subject: Property Management / Objection to Tax-Defaulted Land Sale / Hofman Ranch

ACTION REQUESTED

Authorize the Director of Facility Services, or designee, to submit an objection to the tax-defaulted land sale of the Hofman Ranch parcel described as APN 020-162-023, located at 3505 Gladding Road in Lincoln, CA.

BACKGROUND: On July 13, 2015, the County's Treasurer-Tax Collector issued a notification of Tax-Defaulted Land Sale indicating your Board authorized the Tax Collector to sell tax-defaulted properties that are subject to the power of sale at public auction on October 7, 2015. The notice included a list of tax defaulted properties. In accordance with the California Revenue and Taxation Code, taxing agencies may object to the sale of a parcel when the agency wants to either purchase the parcel for a public purpose or preserve its lien on the parcel. Such objections are to be received by September 1st. Should the outstanding taxes not be paid prior to the auction, the agency would then enter into an agreement with the County to purchase the property at the amount equal to the minimum bid, legal noticing, and other transaction costs.

Property Management shared this list with Planning Services Division staff who identified the Hofman Ranch property as an opportunity to advance Placer Legacy and Placer County Conservation Program (PCCP) objectives. The Hofman Ranch (Property), a 30-acre parcel that is zoned F-B-X 20 acre minimum, is being auctioned off for a minimum bid of \$101,800. The Property is located at 3505 Gladding Road in Lincoln, CA and is described as APN 020-162-023, see Attachment 1 – Property Location Map.

The following describes this property's key public benefits:

- The Property is within the PCCP Reserve Acquisition Area (RAA) and contains important and sensitive resources that are essential to the implementation of the PCCP, see Attachment 2 – PCCP Reserve Acquisition Area. These resources include Doty Ravine, a perennial anadromous stream, and its associated riparian habitat and grasslands that are important to a number of covered species. Because the PCCP has a provision that requires mitigation lands be conserved in advance of impacts on sensitive resources, it is important there be a sufficient amount of "jump start" lands in conservation when the PCCP is initiated and the future Placer Conservation Authority (PCA) "stay ahead" of mitigation as the permit term progresses. Through Placer Legacy, the County has been successful in acquiring "stay ahead" and "jump start" lands for the oak woodlands in the foothills and has secured property, with the cooperation of the Placer Land Trust (PLT) that can also apply to the "jump start" and "stay ahead" provision on the valley floor.
- The Property is surrounded on three sides by lands owned by the Placer Land Trust (PLT). Therefore, the PLT is very interested in receiving the Property subject to a Conservation Easement granted to the PCA.
- Once the property is under stewardship (public or private) it would be possible to restore Doty Ravine and address non-native vegetation and implement conservation practices that would return to the property to a natural condition suitable to support the PCCP's covered species. The PLT also sees value with increasing its preserve to allow for greater grazing flexibility.

- The acquisition price would be a very cost effective approach based on the \$101,800 minimum bid price (\$3,393/acre). This is significantly below the approximately \$10,200/acre land acquisition costs assumed in the Placer County Conservation Plan (PCCP) cost model for similar properties in the valley portion of the PCCP area.

Recognizing the process does not provide a standard due diligence period to perform physical, environmental and title review, staff reviewed a March 10, 2005, Phase 1 Environmental Site Assessment (Phase 1 ESA) for the 450 acres of Hofman Ranch which included the 30-acre Property at that time. The Phase 1 ESA revealed no evidence of Recognized Environmental Conditions following research into the presence of two underground storage tanks that may have been located on the Property. Specific to the Property, the consultant was able to confirm one tank was removed in 2005 and a trace level of diesel was detected but this discovery did not warrant additional investigation or remediation. The Phase 1 ESA also identified two or three domestic or irrigation wells on the Property that may need to be serviced or abandoned. Home site structures on the Property have collapsed and resultant building and burn pile debris should be properly disposed of at costs estimated at \$155,000. Following acquisition, staff would work with the PLT to determine their willingness to remove the debris and structures. Communications with the Tax Collector staff indicate any outstanding deeds of trust will not be an obligation of the County. Staff will review available title reports prior to September 1st to confirm no liens or encumbrances impact the County's intended use of the Property.

To pursue this opportunity, an Application to Purchase Tax-Defaulted Property must be submitted to the Tax Collector by the end of day September 1st. The Application serves to notify the Tax Collector of the Department's objection to the sale of the Property. It is important to note this opportunity will be lost if the owner or lender redeems the Property prior to October 6th at 5:00 p.m. through payment of the taxes owed. Should the Property not be redeemed, staff would return to your Board in Open Session with a request for authorization to execute an agreement to purchase the tax-defaulted property by Agreement Sale under applicable provisions of the California Revenue and Taxation Code. Following acquisition of the Property, staff would hold further discussions with PLT regarding the future of the Property in light of objectives of the PCCP and may return with recommendations associated with a potential transfer.

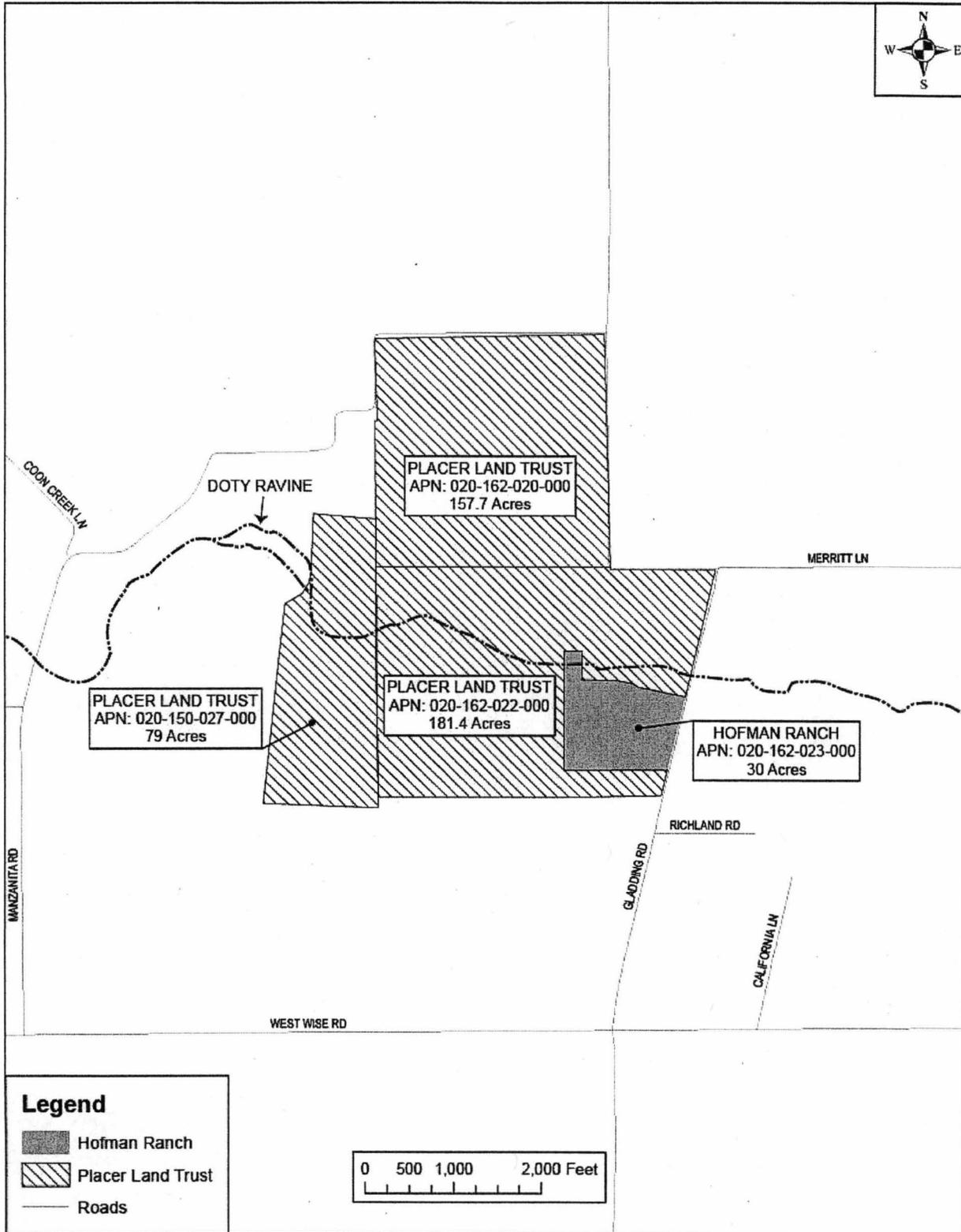
ENVIRONMENTAL IMPACT: The proposed acquisition is categorically exempt from the California Environmental Quality Act pursuant to CEQA Guidelines Section 15317 and 15325. These sections provide for the transfer of ownership of land to accept easements or fee title interests in order to maintain the open space character of an area and to preserve existing natural conditions and other resources. The Board's action is exempt from CEQA and the requested action does not require further CEQA review.

FISCAL IMPACT: The cost to acquire the Property is estimated at \$147,000 which includes staff and legal expenses. The acquisition will be funded from the Swainson Hawk Fund (\$132,000) and the Property Management FY 2015-16 Budget (\$15,000).

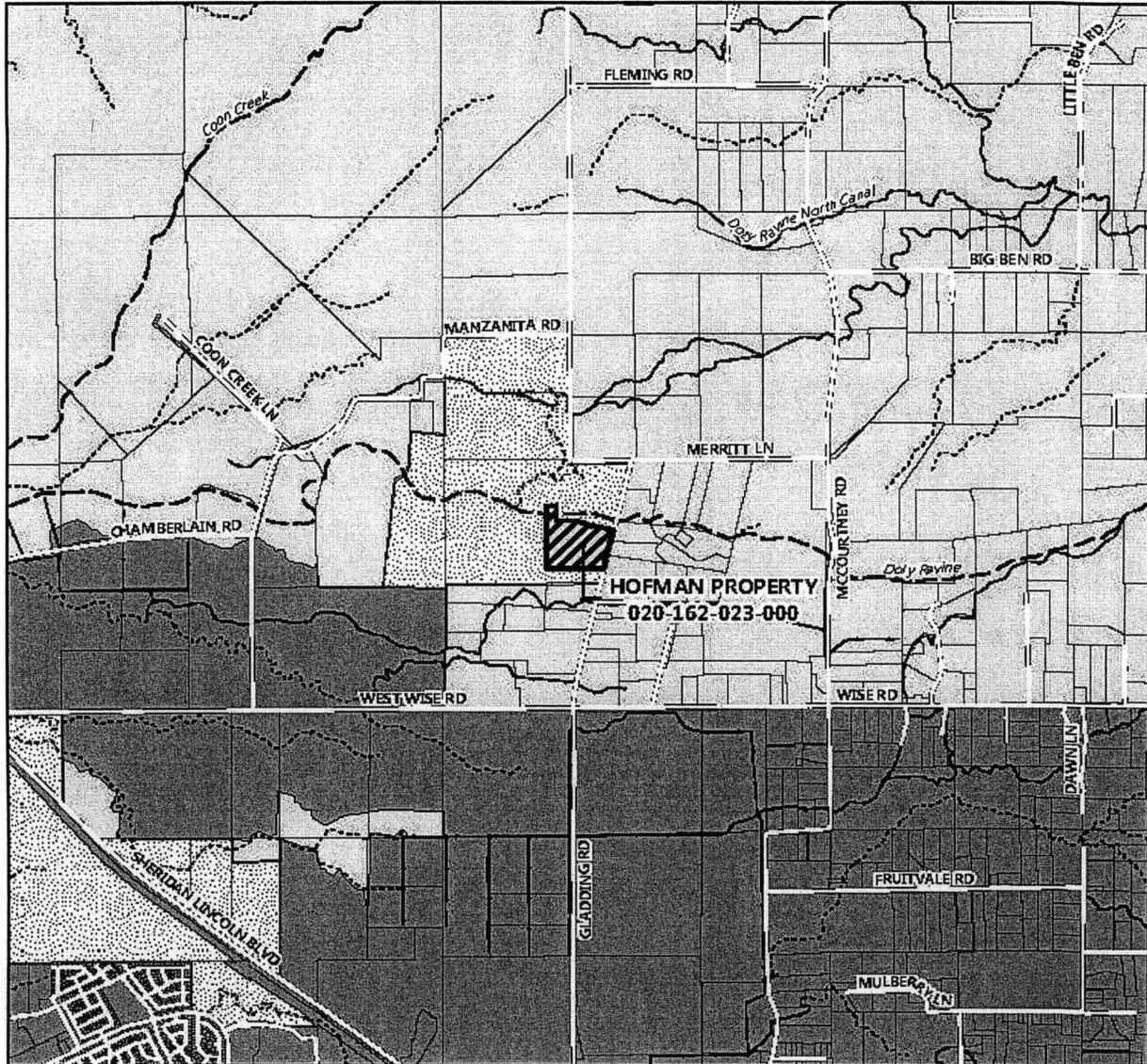
Attachment 1 – Property Location Map
Attachment 2 – PCCP Reserve Acquisition Area

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ATTACHMENT 1
PROPERTY LOCATION MAP

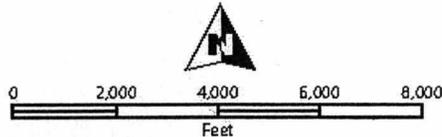


Hofman Property and PCCP Reserve Areas



LEGEND

- Roads
-  Hofman Property
-  Existing Reserve
-  Reserve Acquisition Area
-  Potential Future Growth
-  Parcels



DATA DISCLAIMER:
The features on this map were prepared for geographic purposes only and are not intended to illustrate legal boundaries or supersede local ordinances. Official information concerning the features depicted on this map should be obtained from recorded documents and local governing agencies

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