TO: Board of Supervisors
FROM: Ken Grehm, Director of Public Works and Facilities
By: Laurie Morse, Property Manager
SUBJECT: Real Estate Services / Placer Land Trust Funding Agreement for Placer Legacy Open Space Funds Towards Acquisition of Three Agricultural Conservation Easements / 314 acres of Oest Ranch, in North Auburn CA

ACTION REQUESTED
Adopt a Resolution authorizing the Director of Public Works and Facilities, or designee, to finalize and execute the Funding Agreement to provide $496,200 in Placer Legacy Open Space funds towards the Placer Land Trust's acquisition of three agricultural conservation easements over 314 acres of land located along Highway 49 north of Lorenson Road/Florence Lane and north and south of Lone Star Road in the North Auburn area of Placer County from the Oest Family Trust.

BACKGROUND
Since inception of the Placer Legacy Open Space and Agricultural Conservation Program (Legacy), your Board has provided significant policy direction and financial support towards acquisition of property interests that are considered the highest priority in terms of the Legacy objectives, particularly those properties that conserve landscapes and meets multiple Legacy objectives. Based on your direction, staff has long considered the Oest Ranch along Highway 49 as a priority for future Legacy acquisition since it meets multiple Legacy objectives.

For over 150 years, the Oest family has owned and operated its 427±-acre ranch located north of Auburn along Highway 49, as a working cattle ranch. Since Oest Ranch is a part of the Spenceville Conceptual Area Protection Plan it qualified for State conservation funding from the Wildlife Conservation Board (WCB) for the purchase of Agricultural Conservation Easements over a 113.4 acre portion of the Oest Ranch. This resulted in two separate Agricultural Conservation Easements being recorded in 2015 (over 36 acres) and 2016 (over 77.4 acres) after the Placer Land Trust (PLT) was awarded funding from the WCB ($667,000). Your Board approved Legacy funding contributions totaling $112,000 for those easements on May 5, 2015 and on May 17, 2016 (Attachment - Oest Property).

Recently, PLT approached the County requesting $496,200 in additional Legacy funds as matching funds towards their application for $1,402,500 from the State's Department of Conservation's Statewide Agricultural Land Conservation (SALC) Program. Given the Oest family's continued interest in selling Agricultural Conservation Easements over their remaining oak woodland properties, PLT wishes to acquire the following three separate Agricultural Conservation Easements (Easements) over 314 acres:

1) Northwest Property comprised of APNs 075-070-039 and 069 (38-acre);
2) Northeast Property comprised of APNs 075-070-066 and 075-060-022 (124-acre); and
3) Southern Property comprised of APNs 076-120-017/031/035/036/040/042/043/044 and 045 (152-acre).

These areas contain a large un-fragmented foothill oak woodland community, grasslands and irrigated pasture used for seasonal livestock grazing, and are located within the Placer County Conservation Plan (PCCP) Reserve Acquisition Area (Attachment - Oest Ranch Attributes).

The Oest Family is willing to sell three Easements for $1,870,000 which has been supported by a recent appraisal obtained by PLT. PLT has received $297,500 in local private pledges to cover the PLT's long-term stewardship costs. Should your Board approve funding towards the acquisition of
these Easements, PLT desires to close escrow by the end of October and has requested that County funds be deposited into escrow by October 29th. These final acquisitions will complete PLT’s and the County’s efforts to acquire conservation easements over the Oest’s entire 427-acre North Auburn land area protecting in perpetuity these properties’ open space, biological, cultural, historic and agricultural values.

With your Board’s approval, County staff and PLT will finalize terms of a Funding Agreement (Agreement) that addresses the following key terms:

1. County will deposit $496,200 into an escrow account to be applied to the purchase price for the three Easements. If the acquisitions do not close escrow within 120 days following the Funding Agreement Effective date, the County’s contribution will be returned unless extended by mutual agreement of the parties. In no event shall such extension extend beyond a maximum of 180 days following the Effective Date.

2. PLT will acknowledge the County’s contribution to the Easements on sign(s) and other PLT promotional materials or literature, as appropriate.

3. The County will be permitted to accompany PLT on monitoring visits to assess compliance with terms, covenants, and conditions of the Easements.

4. The Easements will designate the County as a third-party beneficiary providing the County rights to enforce the terms of the Easements. These enforcement rights are required to allow the County to count its proportional share of the acquisition costs towards the 47,300-acre conservation goal under Placer County Conservation Plan (PCCP).

Staff believes this contribution towards acquisition of the three Easements is in the best interest of the County given it preserves additional open space property that meets both Legacy and PCCP objectives. The Easements will protect in perpetuity the Oest Property’s historic values, including current and future livestock grazing, oak woodland habitat, and scenic open space values. Staff will seek the Placer County Agricultural Commission’s support of these acquisitions at their September 24 meeting. To proceed with the Funding Agreement, your Board’s approval of the Resolution is necessary to authorize the Director of Public Works and Facilities, or designee, to finalize and execute the Agreement, subject to approval by County Counsel, and to take all actions necessary to facilitate this transaction and implement provisions of the Agreement.

ENVIRONMENTAL IMPACT

Financial participation in these acquisitions 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. Each of these facts is a separate and independent basis for the Board’s determination that the Board’s actions are exempt from CEQA and the requested actions do not require further CEQA review.

FISCAL IMPACT

PLT’s total acquisition cost for the three Easements is estimated at $2,210,200, including the Purchase Price ($1,870,000), appraisal, title, escrow, and other transactional expenses ($42,700), and long-term stewardship costs ($297,500). Funding for PLT’s acquisition would come from the State Department of Conservation’s SALC Program ($1,402,500), Placer Legacy Funds ($496,200), Placer Land Trust ($14,000), and private philanthropy ($297,500). The estimated total County project cost is estimated at $502,200, including staff and legal expenses, and will be funded from the Open Space Fund 1150 ($496,200) and the Real Estate Services FY 2018-19 Budget ($6,000).

ATTACHMENTS

Oest Property
Oest Ranch Attributes
Resolution
Oest Ranch Attributes

Oest Ranch possesses the following attributes which are considered a priority to the Placer Legacy Open Space and Agricultural Conservation Program, Placer County Conservation Plan, and Placer County General Plan Objectives:

1. **Agricultural**: Oest Ranch is a working cattle ranch, operating on a mixture of dry and irrigated pasture.

2. **Biological**: Oest Ranch contains significant oak woodlands, which are the most diverse and rich biological resources in the Sierra Foothills. The potential exists to protect a north/south wildlife corridor between Oest Ranch and the Bear River, through conservation of the entire 437-acre Oest Ranch and the large Laursen holdings to the north. Similarly, there is an east-west corridor for properties within the Coon Creek watershed. The Coon Creek watershed is a high priority conservation area for the PCCP because of the presence of state and federally listed fish species, and along with the Bear River, represents the only other watershed that connects the Sierra Nevada to the valley floor in one relatively unbroken contiguous corridor without any significant urban influences. PCCP covered species that will benefit from this acquisition include Chinook salmon, Central Valley steelhead, Swainson’s hawk, Western pond turtle and potentially the California Red-legged frog and Foothill Yellow-legged frog. The County's proportional share of the acquisition may be counted towards the 47,300-acre conservation goal under PCCP with the addition of the County to the easement as a third party beneficiary with enforcement rights.

3. **Scenic/Historic**: The Oest Ranch is one of the oldest continuously producing ranches in Placer County, dating back to the Gold Rush era. Traveling north on Hwy 49 as you leave the North Auburn area, the Oest Ranch provides the first large open-space vistas on both sides of the highway.

4. **Open Space - Separation of Urban Areas**: The Oest Ranch is the quintessential “green belt” property, which defines the North Auburn area by separating Auburn from the Lake of the Pines population center. The draft PCCP Reserve Map designates the Oest Ranch as part of the “Reserve Acquisition Area” for the purposes of conserving a large interconnected system of agricultural, open space, and species habitat in the County.
Before the Board of Supervisors
County of Placer, State of California

In the matter of: Adopt a Resolution authorizing
the Director of Public Works and Facilities, or
designee, to execute the Funding Agreement with
Placer Land Trust and take all actions necessary to
facilitate the acquisition of three agricultural
conservation easements over 314 acres of the Oest
Ranch

Resolution No.: _________

The following Resolution was duly passed by the Board of Supervisors of the County of Placer
at a regular meeting held ______________________, by the following vote on roll call:

Ayes:
Noes:
Absent:

Signed and approved by me after its passage.

______________________________
Chair, Board of Supervisors

______________________________
Clerk of said Board

WHEREAS, the Oest Family desires to grant three Agricultural Conservation Easements
(Easements) over 314 acres located long Lone Star Road and Highway 49 in Auburn, CA to
Placer Land Trust (PLT) for a $1,870,000 purchase price; and,

WHEREAS, PLT has applied and anticipates receipt of funding from the State of California’s
Department of Conservation’s Statewide Agricultural Land Conservation (SALC) Program in the
amount of $1,402,500 towards the $2,210,200 in total acquisition costs, inclusive of $297,500 in
long-term stewardship costs; and,

WHEREAS, PLT has requested funding in the amount of $496,200 from the Placer Legacy
Open Space Fund towards the acquisition costs and has provided the County with a draft
Funding Agreement for approval and execution; and,

WHEREAS, the balance of the acquisition costs will be provided by PLT in the amount of
$14,000 with the $297,500 in long-term stewardship costs provided for through private
philanthropy; and,
WHEREAS, Staff believes pursuit of funding from the SALC Program and continued partnership with PLT is in the best interest of the County given this acquisition preserves additional open space property that meets both Legacy and Placer County Conservation Plan objectives.

NOW THEREFORE, BE IT RESOLVED, the Board of Supervisors, County of Placer, State of California, does hereby authorize the Director of Public Works and Facilities, or designee, on its behalf to finalize and execute the Funding Agreement, subject to approval by County Counsel, and to take all actions necessary to facilitate this transaction and implement provisions of the Funding Agreement.