



Buildout Reduction Program Citizens' Committee (BRPCC)

REGULAR MEETING
Monday, May 1, 2017 - 10:00 AM
2850 Burton Drive Cambria CA 93428

AGENDA

- A. CALL TO ORDER
- B. ESTABLISH QUORUM
- C. CHAIRMAN'S REPORT

1. PUBLIC COMMENT

Members of the public may now address the Committee on any item of interest within the jurisdiction of the Committee but not on its agenda today. In compliance with the Brown Act, the Committee cannot discuss or act on items not on the agenda. Each speaker has up to three minutes. Speaker slips (available at the entry) should be submitted to the District Clerk.

2. REGULAR BUSINESS

- A. Consideration to Approve the Minutes from the Regular Meeting held on April 17, 2017
- B. Report on Subcommittee Review of Lot Retirement Methods:
 - 1. Review of Potential Local Taxes and Fees for Acquisition of Undeveloped Properties
 - 2. Review of Funding Sources Outside of Local Taxes and Fees for Acquisition of Undeveloped Properties
 - 3. Review Potential Organizational Structures to Acquire and Manage Undeveloped Properties
- C. Discussion to Define Process for Valuing Undeveloped Parcels
- D. Discuss and Update the Buildout Reduction Report
- E. Discussion to Estimate the Cost of Maintenance of Acquired Properties

3. FUTURE AGENDA ITEMS

4. ADJOURN



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REGULAR MEETING
Monday, April 17, 2017 - 10:00 AM
2850 Burton Drive Cambria CA 93428

MINUTES

A. CALL TO ORDER

Chairman Siegler called the meeting to order at 10:00 a.m.

B. ESTABLISH QUORUM

A quorum was established.

Committee Members Present:

Ted Siegler, Crosby Swartz, Laura Swartz, Greg Hunter, Cindy Steidel, Jerry McKinnon

Bob Sfarzo arrived at 10:06 a.m.

Committee Members Absent:

Mel McColloch, Mark Rochefort, Allison Groves

CCSD Staff Present:

Haley Dodson, Confidential Administrative Assistant

C. CHAIRMAN'S REPORT

No report at this time.

1. PUBLIC COMMENT

None.

2. REGULAR BUSINESS

A. Consideration to Approve the Minutes from the Regular Meeting held on March 20, 2017

Committee Member Crosby Swartz stated that Chairman Siegler is misspelled under call to order.

Committee Member Crosby Swartz motioned to approve the minutes as amended.

Committee Member Hunter seconded the motion.

Motion was approved unanimously.

- B. Report on Subcommittee Review of Lot Retirement Methods:**
 - 1. Review of Potential Local Taxes and Fees for Acquisition of Undeveloped Properties**
 - 2. Review of Funding Sources Outside of Local Taxes and Fees for Acquisition of Undeveloped Properties**
 - 3. Review Potential Organizational Structures to Acquire and Manage Undeveloped Properties**

B1: No report at this time.

B2: No report at this time.

B3: Committee Member Crosby Swartz distributed a handout (attached) of the Draft Organizational Options for the Buildout Reduction Report.

C. Discussion to Define Process for Valuing Undeveloped Parcels

Chairman Siegler has a map of Cambria with different areas of real estate values. He would like to incorporate the analysis of what properties may be worth in the report.

D. Discuss and Update the Buildout Reduction Report Outline

Chairman Siegler stated the lot retirement method group's needs to start writing their reports, and we can start putting the relevant information into one report. He would like to see progress by the next meeting.

Committee Member Hunter and Committee Member McKinnon will work on Identification of undeveloped property subject to retirement. Committee Member Hunter stated Committee Member McColloch will help with this report as well.

Committee Member Steidel will work on Stakeholders of retiring properties and maintaining open space in Cambria.

Committee Member Sfarzo will work on Methods of Retirement: Voluntary, Land Conservancy of SLO and TDC, and Greenspace.

Chairman Siegler suggested Committee Member Rochefort work on Methods of Retirement: Other private funds and/public grants.

Chairman Siegler will work on Methods of Retirement: Locally generated public funds.

Committee Member Crosby Swartz and Committee Member Laura Swartz will work on Identifying organizational structures to acquire and manage undeveloped properties.

Chairman Siegler stated maintenance should be included under organizational structures and methods of retirement.

Chairman Siegler stated we need a page stating the definition of terms and acronyms.

E. Discussion to Estimate the Cost of Maintenance of Acquired Properties

Chairman Siegler read a memo (attached) from Committee Member Rochefort that stated he and Committee Member McColloch met with Jerry Gruber, Carlos Mendoza, and Patrick O'Reilly at the CCSD Office to discuss the costs to maintain vacant parcels owned by the CCSD, including but not limited to the parcels recently transferred by the San Luis Obispo County Land Conservancy. In addition to the Fiscalini Ranch Preserve, the CCSD owns and maintains approximately 177 vacant parcels. These include 162 parcels transferred from the SLOCLC between 2002 and 2016, 14 parcels transferred from the County, and the Dog Park land. The total cost to maintain the 177 vacant parcels owned by the CCSD is approximately \$56,100.

3. FUTURE AGENDA ITEMS

Chairman Siegler asked to remove the word "outline" on Regular Business Item 2D to read "Discuss and Update the Buildout Reduction Report" for future meetings.

4. ADJOURN

Committee Member Crosby Swartz motioned to adjourn the meeting.

Committee Member Laura Swartz seconded the motion.

The committee unanimously agreed to adjourn the meeting at 11:38 a.m.

The next BRPCC meeting will be on Monday, May 1, 2017 at 10:00 a.m.

* Organizational Structures to Acquire and Manage Undeveloped Properties

The CCSD is the lead agency for the SWF Project and has agreed to administer the Buildout Reduction Program to offset the growth inducing impact of the SWF Project. It is the responsibility of the CCSD to provide adequate funding and management oversight to ensure the success of the BRP.

The CCSD can delegate parts of the BRP to other organizations. The execution of the property purchase process could be contracted to a local land conservation organization. These organizations have experience in contacting potential sellers, appraisal and negotiation, and recording documentation of sale and deed restrictions to retire and conserve purchased parcels. The maintenance management function could be delegated to an appointed maintenance advisory board, the CCSD PROS Commission or the Friends of the Fiscalini Ranch Preserve Board, acting as a separate advisory board.

The Land Conservancy of San Luis Obispo has managed a land conservation program in the Lodge Hill area for many years using funds from the sale of Transfer Development Credits authorized by the County. This program could be expanded to cover other areas in Cambria. The pace of parcel acquisition under this program is limited by available funding, but could be accelerated by a new negotiated funding agreement with the CCSD. The Land Conservancy transfers ownership of the conserved parcels to the CCSD, who becomes responsible for routine maintenance.

Another organizational option is to establish an Open Space District to acquire and maintain retired parcels. An Open Space District is a governmental agency, with powers similar to a Community Service District but with a single purpose and board expertise. One advantage of an Open Space District is that the financial and management operations are separate from the CCSD which has multiple areas of responsibility unrelated to property acquisition and retirement. An Open Space District could accept ownership and maintenance responsibility for parcels purchased by The Land Conservancy under the Transfer Development Credits Program.

MEMORANDUM

TO: Ted Siegler
FROM: Mark Rochefort
DATE: April 13, 2017
RE: Recent Activities

PARCEL MAINTENANCE COSTS AND TAXES:

On Tuesday, April 10, 2017 Mel McColloch and I met with Jerry Gruber, Carlos Mendoza and Patrick O'Reilly at the CCSD Offices to discuss the costs to maintain vacant parcels¹ owned by the CCSD, including but not limited to the parcels recently transferred by the San Luis Obispo County Land Conservancy (SLOCLC). Subsequently, Carlos, Patrick, Mel and I exchanged a number emails to determine such vacant parcel maintenance costs. Following is a summary of our findings:

1. In addition to the Fiscalini Ranch Preserve, the CCSD owns approximately 177 vacant parcels that it is responsible to maintain. These include 162 parcels transferred from the SLOCLC between 2002 and 2016, 14 parcels transferred from the County and the Dog Park land.
2. The 2016/17 CCSD Budget includes \$22,000 as the sums paid to independent contractors to perform weed abatement on, and some removal of dead and dying trees from, approximately 84 parcels which part of the Fire Department's FHFR Program.
3. In addition, the CCSD estimates that the Facilities and Resources Department spends about 10% of Staff time managing all 177 parcels including performing additional weed abatement and tree removal (from parcels not included in the FHFR Program), illegal dumping and clearing homeless encampments. The fully loaded cost for this additional Staff time is \$34,100.
4. Therefore, the total cost to physically maintain the 177 vacant parcels owned by the CCSD is approximately \$56,100.

¹ The CCSD records its maintenance data according to APN so when the term "parcel" or "vacant parcel" is used it means APN.

5. District Financial Officer Patrick O'Reilly also indicated that the CCSD pays real property taxes on vacant land not used for public purposes and produced a tax bill denominated "vacant" for 5 parcels totaling approximately \$600. Upon further research, it is questionable whether this bill really relates to vacant parcels but rather may relate to developed parcels on San Simon Creek Rd. and the Vets Hall property. For the sake of erring on the high side, we include the \$600 property taxes as an additional maintenance cost for vacant parcels. The larger question arising from Patrick's comments is whether future acquisitions under the BRP may generate additional property tax liabilities to the District. We should obtain legal advice outlining the best way to hold future acquisitions to avoid this additional tax expense.
6. **In summary, the total estimated maintenance cost including physical maintenance and possible property taxes for the 177 vacant parcels owned and maintained by the CCSD is \$56,700 or about \$320 per year per parcel. Assuming that the mix as to size and topography of the parcels to be acquired under the BRP is representative of the mix of parcels currently owned by the CCSD and without considering any efficiencies of scale that may be achieved by adding a substantial number of additional parcels under the BRP, a conservative estimate to maintain 1,500 vacant parcels in 2017 dollars would be approximately \$480,000 per year once all the parcels have been acquired. We will need to agree upon assumed interest/discount rates and the pace at which the properties will be acquired to determine the maintenance cost of the program over time.**

Patrick O'Reilly also raised another tax issue unrelated to maintenance expense but which may be important to our identifying practical means to implement the BRP. From time-to-time the CCSD is invited by the County Tax Assessor to bid on properties subject to tax sales but the District, so far, has declined. We may wish to note in our recommendations that the CCSD be authorized to bid on and purchase these tax sale properties pursuant to the BRP. The purchase price at such tax sales would likely be low.

I have also emailed Daniel Bohlman to obtain maintenance cost data from SLOCLC but Daniel is out of the country until May 1. We will follow up with Daniel as soon as he returns.