



## Legislation Text

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**TO:** Board of Supervisors  
**FROM:** Brian D. Bordona, Director Planning, Building and Environmental Services,  
**REPORT BY:** Daniel Zador, Planner II  
**SUBJECT:** Williamson Act Agricultural Preserves and Contracts 2023

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### **RECOMMENDATION**

PUBLIC HEARING 9:00 AM - Williamson Act Agricultural Preserves and Contracts 2023

Director of Planning, Building and Environmental Services requests adoption of a Resolution establishing certain Agricultural Preserves (Types A & H), and approval of and authorization for the Chair to execute the following Williamson Act Agricultural Contracts:

1. Approving three new contracts with the following applicants:
  - a. Hunter Holdings II LLC, at 2628 Las Amigas Road;
  - b. Marly Holding LLC, at 2955 Sulphur Springs Road;
  - c. Pritchard Hill Vineyards LLC, at 1553 Sage Canyon Road; and
2. Approving rescission of two existing contracts and replacing with two new contracts with the following applicant:
  - a. Stag's Leap Wine Cellars LLC, 5766 Silverado Trail, Napa, CA (Contracts P23-00289 and P23-00290).

### **EXECUTIVE SUMMARY**

In total, there will be an increase of approximately 155.09 acres of new contracted land under Williamson Act brought about by the requested action.

#### Procedural Requirements

1. Open Public Hearing.
2. Staff report.
3. Public Comment.

4. Close Public Hearing.
5. Motion, second, discussion and vote on the requested actions.

**FISCAL & STRATEGIC PLAN IMPACT**

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
Where is it budgeted?	Potential fiscal impacts would derive from lower property tax revenues following execution of Williamson Act contracts. No alternate source of revenue has been identified.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	The Williamson Act program in general, and these contracts specifically, contribute to the preservation of agriculture in Napa County. The primary intent of the California Land Conservation Act (CLCA), also known as the Williamson Act, program is to preserve the limited supply of agricultural land in the state by discouraging premature and unnecessary conversion to urban uses.
Is the general fund affected?	Yes
Future fiscal impact:	Property taxes for properties covered by a Williamson Act contract may be assessed at a lower level than other properties. To the extent properties are assessed at a lower level, the County will receive reduced tax revenue. Property owners receive a reduction in property taxes depending on whether they are assessed at the lower of their factored Proposition 13 base year value or the restricted CLCA value. Estimated decreases in County property tax revenue resulting from the proposed new contracts were not provided. The Assessor has indicated that the fiscal impact would be similar to those seen in prior years when new contracts were approved.
Consequences if not approved:	The County would not be providing an incentive for keeping land in agricultural production, which is the intent of the County's approved General Plan.
County Strategic Plan pillar addressed:	Vibrant and Sustainable Environment

**ENVIRONMENTAL IMPACT**

ENVIRONMENTAL DETERMINATION: Categorical Exemption Class 17: Open Space Contracts or Easements. It has been determined that this type of project does not have a significant effect on the environment and is exempt for the California Environmental Quality Act. [See Class 17 (Open Space Contracts or Easements) which may be found in the guidelines for the implementation of the California Environmental Quality Act at Title 14 CCR Section 15317.]

**BACKGROUND AND DISCUSSION**

Requested Preserves and Contracts:

The Director of Planning, Building and Environmental Services requests that the Board open the public hearing, hear public testimony, close the public hearing, and adopt a resolution establishing certain Agricultural

Preserves (Types A & H), and approving the following new, Type "A" and "H" agricultural preserve contracts within the resulting preserves identified below. Template Type A and H Contracts that property owners identified herein will enter into are attached for reference. The pending owner signed original contracts are with the Department of Planning, Building and Environmental Services.

All proposed Agricultural Preserves are located on lands that have either an Agricultural Resource (AR) General Plan Land Use Designation and an Agricultural Preserve (AP) Zoning Designation, or an Agriculture, Watershed and Open Space (AWOS) General Plan Land Use Designation and an Agricultural Watershed (AW) Zoning Designation, all of which provide for agriculture as the predominant use, and generally limit the types of activities allowed on such parcels to agriculture and other uses deemed compatible with agriculture. Pursuant to the California Land Conservation Act an "Agricultural Preserve" means an area devoted to either agricultural use, recreation use, open-space use, or combination thereof (Government Code Section 51201(d)). Therefore, the proposed Agricultural Preserves are consistent with the County's General Plan and Zoning designations, in that agriculture is the predominant use specified for each.

Three (3) New Contracts for Year 2023/2024:

Requestor:	Type:	APN:	Acreage:
Hunter Holdings II LLC	H	047-272-017	21.64
Marly Holdings LLC	H	027-020-081	88.60
Pritchard Hill Vineyards LLC	H	032-510-004	44.85

Rescinding two (2) existing contracts and replacement with two (2) new contracts:

1. Contract #67/70/A and Contract #1300161 are being rescinded and replaced by two new contracts due to a lot line adjustment:

Stag's Leap Wine Cellars LLC.

New contracts being entered into due to the rescission of the contracts identified in 1 above:

Requestor:	Type:	APN:	Acreage:
Stag's Leap Wine Cellars LLC	H	039-030-043	43.14
Stag's Leap Wine Cellars LLC	A	039-030-044	61.00

Attached are template forms of the Type A and Type H Contract being offered and entered into this year. Signed originals of the contracts requested for approval are available for review and inspection with the Board Clerk.

Notice of the Board's intent to consider and take possible action on the proposed Agricultural Preserves and agricultural preserve contracts was published in the Napa Valley Register on Friday November 16, 2023. For preserves located within a mile of an incorporated city, written notice was provided to the City of St. Helena, and the Napa County Local Agency Formation Commission (LAFCO) on November 8, 2023. The published notice had included two rescind and replace contracts for Robert Mondavi Winery (i.e. P23-00302 and P23-00303); however, the lot line adjustment has not be completed yet, so those two contracts were removed from this item, as reflected in the proposed Resolution.

The California Land Conservation Act of 1965 and County Participation:

The California Land Conservation Act (CLCA) of 1965, which is commonly referred to as the Williamson Act, enables local governments to enter into voluntary contracts with private landowners for the purpose of restricting specific parcels of land to agricultural or related open space use. In return, landowners may receive property tax assessments that are lower than normal because they are based upon farming and open space uses as opposed to full market value. Pursuant to California Government Code (CGC) Section 51230, the County -- by resolution and after a public hearing -- may establish agricultural preserves and subsequently enter into agricultural preserve contracts pursuant to Section 51240 of the CGC.

The County has been participating in the Williamson Act program since 1969 as a tool for promoting agricultural land preservation consistent with the County's agricultural heritage and General Plan agricultural preservation goals and policies which include the following: Goal AG/LU-1, "Preserve existing agricultural land uses and planed of agriculture and related activities as the primary land use in Napa"; and Policy AG/LU-6, "The County will continue to study tax assessment policies which recognize the long-term intent of agricultural zoning and the fact that agricultural land uses require a minimum of public expenditure for protection and servicing".

Napa County has designed its rules to require that each property subject to contract constitutes its own CLCA preserve. Whether or not a parcel is eligible for a contract and associated CLCA preserve depends on its size and agricultural use as determined by the Planning, Building and Environmental Services (PBES) Department in cooperation with the Agricultural Commissioner. To qualify for the establishment of a CLCA preserve and associated contract, a parcel must meet a minimum size requirement and contain a bona fide agricultural use (or Agricultural commodity as defined by Government Code Section 51201(a)). For prime agricultural land, if a parcel is either zoned AP or meets the definition of Prime Agricultural Land within local rules, a minimum of 10 acres is required. For non-prime agricultural land (i.e. grazing land) a minimum 40-acre parcel is required.

Currently the County offers three types of contracts, Type A, Type C, and Type H. Type A and C contracts are specific to the Agricultural Preserve (AP) zoning district, and Type H contracts are specific to the Agricultural Watershed and Open Space (AWOS) zoning district. Type C contracts are special circumstance contracts that allow the ability to contract a parcel between 5 and 10 acres in size provided it meets specific conditions, in particular that at least 75% of the parcel is in commercial agriculture and that it contributes to the diversity of crops in Napa County. Agricultural preserve contracts have a rolling 10-year term: each year the contract is automatically renewed for an additional year, unless a notice of non-renewal is given by either the County or contract holder/owner.

#### Financial Implications of the CLCA in Napa County:

As of January 1, 2023 there are 740 CLCA contracts within the County covering 928 parcels which contain approximately 84,247 acres of land. According to the Assessor, of these 928 parcels 543 parcels receive a property tax benefit from CLCA contracts. The other 385 parcels are assessed at their Proposition 13 factored base year value. The total assessed value reduction for the 543 parcels receiving a benefit is \$1,099,825,727 which translates into approximately \$1.93 million in reduced tax revenue for the Napa County general fund. The Assessor has indicated that the fiscal impact would be similar to those seen in prior years when new contracts were approved. Currently there are approximately 1,098.29 contracted acres within the county that are in non-renewal.

#### Subvention Payments:

The Open Space Subvention Act (OSSA) was enacted by the State in 1972 to provide for the partial

replacement of local property tax revenue foregone as a result of participating in the CLCA and other open space programs. The State eliminated subvention funding in the 2009-2010 Fiscal Year budget. In 2009, the last year the county received full subvention funding, the subvention payment to Napa County was approximately \$90,000.

In an effort to address the fiscal impacts associated with the elimination of subvention payments, the Legislature passed SB 863 in 2010. SB 863 established a temporary alternative funding source for counties which might otherwise be forced to non-renew all Williamson Act contracts due to the loss of State subventions, by providing counties a method to backfill subvention payment by imposing a direct charge on contract holders equal to 10% of their property tax savings. SB 863 also included a one-time appropriation of \$10 million to the State subvention fund which provided approximately \$22,000 to Napa County for 2010-2011 Fiscal Year, or approximately 25% of its normal subvention.

On January 25, 2011, the Board of Supervisors reviewed the CLCA program as a result of the elimination of the State subvention funds and SB 863. The Board discussed the provisions of Senate Bill (SB) 863, acknowledging that non-renewal of Williamson Act contracts would have little immediate effect (because of the 9-year phase out), and emphasized that continued participation in the Williamson Act program is consistent with the County's general plan focus on agricultural preservation values. The Board unanimously voted to continue Napa County's participation the CLCA as currently administered.