



Napa County

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Legislation Text

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TO: Board of Supervisors
FROM: David Morrison - Director Planning, Building and Environmental Services
REPORT BY: Daniel Zador - Planner II
SUBJECT: Williamson Act Agricultural Preserves and Contracts 2021

RECOMMENDATION

PUBLIC HEARING - 11:30 AM - 5 Minutes

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 twelve (12) new contracts with the following applicants:
 - a. Julianna & Jacob, and Edward & Denise Boydston, in Capell Valley: NE ¼ Section 8, T7N R3W;
 - b. Suscol Vista Vineyard LLC., in the general location of South Napa: NW ¼ Section 36, T5N R4W;
 - c. Rancho Suscol Vineyards LLC., in the general location of South Napa: N ½ Section 31, T5N R3W;
 - d. 1000 St. Helena LLC., in the general location of Mt Veeder: SE ¼ Section 7 T6N R5W;
 - e. 2020 Behera Sarna Family Trust dated July 20, 2020, in North Napa: SE ¼ Section, T6N R4W;
 - f. Colgin Cellars LLC., in the general location of Pritchard Hill: S ½ Section 7, T7N R4W;
 - g. Chaix Family Vineyards LLC., located in South St Helena: SW ¼ Section 16, T7N R5W;
 - h. Berlenbach Vineyards LLC., in the general location of East Napa: SE ¼ Section 6, T5N R3W;
 - i. FN Land LLC., in the general location of Carneros: SW ¼ Section 17, T5N R4W;
 - h. FN Land LLC., in the general location of Carneros: NW ¼ Section 20, T5N R4W;
 - j. FN Land LLC., in the general location of Carneros: NE ¼ Section 19, T5N R4W; and,

k. Suscol Vista Vineyard LLC., in the general location of South Napa: N ½ Section 36, T5N R4W.

2. Approving rescission of (4) existing contracts and replacing with five (5) new contracts with the following applicants:

- a. Ste. Michelle Wine Estates Limited, in location of Wooden Valley: E ½ Section 36, T6N; R3W;
- b. Koerner Rombauer Investments LLC, located in North St Helena: NE ¼ Section 14, T8N R6W;
- c. Boyer Family Trust, in the general location of Carneros: SE ¼ Section 14, T5N R5W;
- d. Boyer Family Trust ETAL, in the general location of Carneros: SW ¼ Section 14, T5N R5W; and,
- e. Baker Vineyards, in the general location of East Calistoga: NW ¼ Section 10, T8N R6W.

EXECUTIVE SUMMARY

In total, there will be an increase of approximately 1,280.1 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.

12 New Contracts for Year 2021:

Requestor:	Type:	APN:	Acreage:
Julianna & Jacob Boydston, & Edward & Denise Boydston	H	032-100-013	240.0
Suscol Vista Vineyard LLC.	H	057-020-087	73.5
Ranch Suscol Vineyards LLC.	H	057-340-001	197.2
1000 St. Helena LLC	H	034-360-021	35.0
2020 Behera Sarna Family Trust dated July 20, 2020	A	036-160-018	10.3
Colgin Cellars LLC.	H	032-560-036	136.8
Chaix Family Vineyards LLC.	A	027-210-026	37.3
Berlenbach Vineyards LLC.	H	052-130-013	37.9
FN Land LLC.	H	047-030-005	35.9
FN Land LLC.	H	047-080-001	47.3
FN Land LLC.	H	047-080-027	95.0
Suscol Vista Vineyard LLC.	H	057-020-088sfap 046-400-051sfap	270.7

Rescinding 4 existing contracts and replacement with 5 new contracts:

1. Contract #P17-00365 being rescinded and replaced by one new contract due to a lot line adjustment: Ste. Michelle Wine Estates Limited;

2. Contract #00410 is being rescinded and replaced by one new contract due to a lot line adjustment;
Koerner Rombauer Investments LLC.;
3. Contract #93260 is being rescinded and replaced by two new contracts due to a lot line adjustment:
Margaret G. and Peter S. Boyer Trust; and,
4. Contract #122-76 is being partially rescinded and replaced by one new contract due to a lot line adjustment,
Baker Vineyards.

New contracts being entered into due to the rescission of the contracts identified in 1 through 4 above:

Requestor:	Type:	APN:	Acreage:
Ste Michelle Wine Estates Limited	H	033-340-017	75.5
Koerner Rombauer Investments LLC.	A	021-410-035	34.6
Boyer Family Trust	H	047-010-026	63.9
Boyer Family Trust ETAL	H	047-010-027	54.1
Baker Vineyards	A	020-240-010	14.3

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 26, 2021. For preserves located within a mile of an incorporated city, written notice was provided to the City of Napa, the City of St. Helena, and the Napa County Local Agency Formation Commission (LAFCO) on November 8, 2021.

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, 2021 there are 727 CLCA contracts within the County covering 909 parcels which contain approximately 82,919 acres of land. According to the Assessor, of these 909 parcels 505 parcels receive a property tax benefit from CLCA contracts. The other 404 parcels are assessed at their Proposition 13 factored base year value. The total assessed value reduction for the 505 parcels receiving a benefit is \$875,695,660 which translates into approximately \$1.4 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 1,241 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.