



SONOMA COUNTY

AGRICULTURAL PRESERVATION
AND OPEN SPACE DISTRICT

Thursday, October 27, 2016

REGULAR MEETING

***SONOMA COUNTY AGRICULTURAL PRESERVATION AND OPEN SPACE
DISTRICT ADVISORY COMMITTEE***

Meeting begins at 5:00 p.m.

MEMBERS PLEASE CALL IF UNABLE TO ATTEND

AGENDA

1. **Public Comment** - Comments on items not listed on the agenda
(*Time is limited to 3 minutes per person/item*)
2. **Approval of Minutes** [Attachment "A"]
September 22, 2016 ***ACTION***
3. **General Manager's Report** ***INFORMATIONAL***
4. **Subcommittee Report Out** ***INFORMATIONAL***
5. **District Ag & Open Space Center Business Plan** [Attachment "B"]
Mary Dodge, Admin & Fiscal Services Manager ***INFORMATIONAL***
6. **Form Comprehensive Plan Sub-committee** ***ACTION***
Karen Gaffney, Conservation Planning Program Manager
7. **Comprehensive Plan Update** ***INFORMATIONAL***
Amy Ricard, Community Relations Specialist
8. **Projects in Negotiation** [Attachment "C"] ***INFORMATIONAL***
9. **Announcements from Advisory Committee Members** ***INFORMATIONAL***
10. **Adjournment** Next Meeting: December 8, 2016

PUBLIC COMMENT:

Any member of the audience desiring to address the Committee on a matter on the agenda will have an opportunity to speak. In order that all interested parties have an opportunity to speak, please be brief and limit your comments to the subject under discussion. Each person is usually granted 3 minutes to speak; time limitations are at the discretion of the Chair.

Future Meeting Topics
(subject to change)

12/8/16

Acquisition Program Update & Overview: 2016 Closings
Mitigation Administrative Policy Update

1/26/17

Stewardship Program Update and Overview

2/23/17

Comprehensive Plan Workshop

DISABLED ACCOMMODATION: If you have a disability which requires the agenda materials to be in an alternative format or requires an interpreter or other person to assist you while attending this meeting, please contact Mariah Robson at (707) 565-7363, at least 72 hours prior to the meeting to ensure arrangements for accommodation.



Attachment "A"

***SONOMA COUNTY AGRICULTURAL PRESERVATION AND OPEN SPACE
DISTRICT ADVISORY COMMITTEE***

September 22, 2016 MINUTES

5:08 pm Meeting convened at the District office, 747 Mendocino Avenue,
Suite 100, Santa Rosa, California

Members Present

Cary Fargo	Bill Smith	Laurie Gallian
Jan McFarland	John Nagle	Kristin Thigpen
Steve Rabinowitsh	Jeffrey Holtzman	

Members Absent

Don McEnhill	Curt Nichols
Sue Conley	Gary Wysocky
Doug Lipton	John Dell'Osso

Staff Present

Karen Gaffney, Conservation Planning Program Manager; Amy Ricard, Community Relations Specialist; Kim Batchelder, Natural Resources Planner; Alex Roa, Associate Planner; Judy Bellah, Marketing Specialist; Bob Pittman, County Counsel; Mariah Robson, Advisory Committee Clerk

Chair Rabinowitsh called the meeting to order at 5:08 pm.

The new Advisory Committee youth member, Annaleigh Nguyen, was in attendance and introductions were made.

Public Comment

Duane DeWitt from Roseland thanked staff, Ms. Gaffney, Ms Emerson and Mr. Keene for being involved in the efforts to save natural areas in Roseland. He would like to help save the taxpayers' money by pointing out that the two Burbank Avenue properties in Roseland have been appraised at a half million dollars and he feels that they are not that valuable. He does not want the District, via taxpayers' money, to spend that much to try and protect the Burbank properties. He would like to have a comparative appraisal done. He will be bringing the results of the comparable appraisal to a future Advisory Committee meeting.

Approval of Minutes

Chair Rabinowitsh asked if there were any corrections to the minutes. Jeffrey Holtzman said that his announcement regarding the protection of 159 acres of biotic land that was approved by the Board was not in Graton, but rather Atascadero Creek. Mariah Robson, Advisory Committee Clerk, will make the correction. The minutes of August 25, 2016 were approved with the correction.

General Manager's Report (Karen Gaffney, on behalf of Bill Keene)

- The District will take the Estero Ranch Mitigation proposal by the Wildlands Conservancy to the Board on September 27, 2016. The funding would come from Caltrans to compensate for impacts due to the replacement of the Highway One bridge over the Estero Americano. The General Manager is recommending that the Board find the proposed mitigation to be consistent with the conservation easement.
- Stewardship Manager Sheri Emerson will be bringing a revision of the mitigation policy back to the Advisory Committee for consideration in December.
- A \$3 million dollar grant for acquisition of a conservation easement over the Stewart's Point property was approved by the Wildlife Conservation Board.
- The District was awarded a \$750,000 Sustainable Agricultural Lands Conservation Program grant for acquisition of an agricultural conservation easement over Mattos Dairy. The Mattos Dairy is nearly 900 acres in the Stemple Creek watershed and produces milk for St. Benoit yoghurt.

Presentation on Permissible Activities in Connection with Ballot Measures

Bob Pittman, County Counsel, presented a PowerPoint on Permissible Activities in Connection with Ballot Measures. The presentation included definitions of public resources and outlined what public officials can and can't do in regards to ballot measures. It is not permissible to use public resources to advocate or campaign for a ballot measure; however, a local government agency may adopt an official position on a ballot measure provided it is an open public meeting and is properly noticed on an official agenda. It was acknowledged that the Advisory Committee would be considering adopting an official position on two ballot measures in the meeting this evening and that both criteria had been met.

For more information on permissible activities in connection with ballot measures, the PowerPoint presentation and a handout are available at the District upon request.

Regional Parks Tax Measure J: Request to Take an Official Position

Caryl Hart, Regional Parks Director who is on leave to work on the campaign, directed the Advisory Committee members, staff and the public to go to the website for more information on Measure J: www.yestasonomacountyparks.org and stated that people can personally endorse the measure on the website. Ms. Hart explained that per the District's Expenditure Plan and Measure F, the District's funds are limited to 10% of the development of parks which only includes initial public access. Measure J will bring funds to Regional Parks to help maintain the parks once they are transferred from the District. Ms. Hart requested that the Advisory Committee take an official position on this measure. Jan McFarland motioned for an official position and Laurie Gallian seconded the motion. Chair Rabinowitsh asked for a vote. All in favor with no opposition.

Community Separators Measure K: Request to Take an Official Position

Teri Shore, North Bay Regional Director of Greenbelt Alliance and Campaign Manager of Measure K, thanked the Advisory Committee members and District staff for putting Measure K on the agenda. This measure is to renew what the voters already protected and is a renewal of Sonoma County Policy that was approved in 1996. It is the backbone of all nine urban growth boundaries in the cities. Since Ms. Shore's last presentation to the Advisory Committee, the Greenbelt Alliance has continued working with the Board of Supervisors to add additional community separators and to update the policies. In August, the Supervisors voted 5-0 to put the measure on a ballot. This will triple the acreage of community separators which was 17,000 acres to 53,000 if it passes. Measure K

also extends this additional acreage for another twenty years. This helps to ensure that development is not increased on separators without a vote of the people. There is no opposition filed and a growing list of endorsements for Measure K with over 200 people, as well as organizations and environmental groups, including the Sonoma County Alliance and the Environmental Commission. The business community is also behind the measure. The voters need to know about the measure and Ms. Shore asked the Advisory Committee members to talk with people about it. There is confusion from voters on the measure, some thinking that there is a tax or fee associated with it, but there is not. The measure only needs a 50% majority to pass. Ms. Shore started to pass around a petition for the members to sign during the meeting but Mr. Pittman, County Counsel, explained that it was not ok to sign the petition during the meeting but after the meeting in the parking lot would be acceptable. Kristin Thigpen motioned to take an official position and John Nagle seconded the motion. Chair Rabinowitsh asked for a vote. All in favor with no oppositions.

Update on Youth Advisory Committee Members

Karen Gaffney, Conservation Planning Program Manager, announced that there are two new youth Advisory Committee members. Regan Connell is a senior at Montgomery High School and plays soccer. She will join the committee in December. Annaleigh Nguyen is a sophomore at Montgomery High School and would like to be a pediatrician and plays badminton. Both are voting members. It was a long process to get them on board but Heath Action led the process and helped us find Regan and Annaleigh. John Nagle will mentor Annaleigh and Steve Rabinowitsh will mentor Regan. District staff will also be resources for the new members and Amy Ricard, Community Relations Specialist, will work with them for youth outreach in the community.

Comprehensive Plan Update and Discussion

The Comprehensive Plan was directed by the Board during the 2014 District Management Review. That review identified multiple plans at the District that were not well integrated and are now outdated. The Board of Supervisors gave the District direction to integrate our plans in a hierarchical planning framework that would tier off of one another so to help keep the District working toward our mission. The Comprehensive Plan is a framework that will provide easy access to data. The plan will include planning documents, biannual work plans, and budgets. The purpose is to gain clarity for District priorities and actions and to refine how best to execute the mission with clarity, increase community support and draw on outside resources. It will tier off of the expenditure plan and enabling legislature and will be transparent and well informed by policies. The goal is to have it be digital to save paper, and to make for ease of adding and deleting data as processes evolve.

The proposed process and timeline would be as follows: currently in the assessment and project management phase; there will be a public “kickoff” in early December 2016 to help foster community engagement; draft on-the-ground targets in late winter 2016; draft strategies in spring 2017; draft plan to the Board of Directors in June 2017; final (web-based) plan in August 2017.

The proposed role for the Advisory Committee would be giving input and advising for the duration of the project and as ambassadors of the plan for the District. The Comprehensive Plan will be a standing item on the agenda for each meeting in the next year so that the Advisory Committee members can be more involved. At the October meeting Ms. Gaffney would like the Advisory Committee to form a Comprehensive Plan Subcommittee. She would like the District management team to set the pace of the plan and for the decision making, the District staff will develop the content and the Advisory Committee will advise the process. The District also has a Conservation Plan subcommittee internally that meet often and report back to the rest of the District staff and managers. Having the Advisory Committee members more involved may result in longer meetings.

Ms. Gaffney introduced the Conservation Planning team that are assisting in the District Comprehensive Plan: Alex Roa, Associate Planner; Amy Ricard, Community Relations Specialist;

Kim Batchelder, Natural Resources Planner; Judy Bellah, Marketing Specialist; and Allison Schichtel, Conservation GIS Analyst, who was not present.

Chair Rabinowitsh turned the meeting over to the Advisory Committee members for discussion. Comments by the members were in support of the plan, the process and the timeline.

For more information on the Comprehensive Plan Update, the PowerPoint presentation is available at the District upon request.

Projects in Negotiations

No report out.

Announcements From Advisory Committee Members

Laurie Gallian

There is a Festival of Lights at the Valley of the Moon Vintage Festival, their 119th year, on September 23, 2016.

Adjournment: 6:26 pm

Next scheduled meeting date: October 27, 2016

Respectfully submitted,

Mariah Robson,
Advisory Committee Secretary

DRAFT

Agricultural Preservation and Open Space District

Analysis of District Office Scenarios

Phase I Business Plan

September 16, 2016

Table of Contents

1	Introduction	1
2	Goals.....	2
3	Screening Criteria	3
4	Scenarios	Error! Bookmark not defined.
	Scenario 1: Continue leasing at current building.....	6
	Scenario 2: Lease a different office facility	6
	Scenario 3: Buy an existing office facility	7
	Scenario 4: Build a new office facility	8
	Scenario 5: Become an anchor owner in a community development project.	9
	Scenario 6: Build a new facility with integrated agricultural operation.	9
5	Additional Options	12
	Programming	12
	Network Hub.....	12
	Acquisition Strategies for Land	13
6	Phase II Business Plan.....	13

1 Introduction

The Board of Directors (BOD) of the Sonoma County Agricultural Preservation and Open Space District (District) has directed District staff to develop a business plan for a new facility for the Agricultural Preservation and Open Space District. This facility would house the District's offices and potentially provide a location for agricultural and open space programming. It could also present an opportunity to expand the protection of urban farmland and open space in Sonoma County.

The District currently leases office space on Mendocino Avenue in Santa Rosa at an annual cost of \$188,000. At just shy of 9,000 square feet, the building provides neither the space nor the workflow efficiency that the District needs. Staff is currently divided into four office spaces separated by locked doors and public space. In addition, there are not enough meeting spaces/conference rooms to meet demand for staff, or for monthly District Fiscal Oversight Commission and Advisory Committee meetings. Although close to the County administrative offices and downtown, the site offers no outside space for programming and does not reflect the District's identity. Security has been a concern, as the District shares the site with other renters and does not have full control over the office space.

The District has an opportunity to find a new home that costs the same or less per year, is more energy efficient, ensures staff and visitor safety, and better expresses the mission of the District through its physical presence and space for programming to engage a diversity of Sonoma County residents. In addition, purchasing or building a new facility will leave the public with a capital asset and a stable location for the District through 2031 and beyond. A new facility could also allow the District to participate in other County priorities, such as fostering community health and supporting economic development in underserved areas.

This document represents the Phase I Plan (Plan), and takes a preliminary look at both short-term and ongoing costs of six scenarios, including staying at the current location. Two scenarios include continuing to lease office space, three scenarios consider buying or constructing an office building, and one scenario suggests purchasing a plot of land large enough for an office building and a working agricultural operation with programming run by one or more other organizations selected through a competitive process. All of the "purchase" scenarios are focused on the urban edge where the District and its resources would be readily accessible to residents of some of the fastest growing and most economically-challenged parts of Sonoma County.

After the Board selects a preferred scenario, a Phase II Business Plan will be developed. This document will include a detailed acquisition plan for the preferred scenario, as well as a more comprehensive cost analysis. If the Agricultural Operation Program is selected, the document will develop parameters to guide programming, including a process for soliciting ideas from organizations capable of implementing them, criteria for selecting the best fit, and performance standards to ensure that District goals are met.

2 Goals and Issues

The Board of Directors and District staff have identified the following goals and issues for requesting direction on evaluating scenarios for housing the District:

Goal 1: Spend District funds efficiently.

By continuing to lease its current building, the District is losing an opportunity to invest the lease amount in a District-owned capital asset. Since the District does not own the building, and is not the only tenant, control of maintenance and improvements is not available to the District. Efficiencies in areas such as HVAC, maintenance and other improvements are entirely in the hands of the landlord. Additionally, inherent to any lease amount is a profit for the owner over the costs associated with interest on the purchase, maintenance and property tax of the site.

With the District's availability to cash it could purchase and construct outright a new, more efficient facility without paying interest or property taxes. These savings would allow for the following goals to be achieved in the District office:

Goal 2: Reflect the District's mission.

The mission of the District is to permanently protect the diverse agricultural, natural resource, and scenic open space lands of Sonoma County for future generations. Once the District purchases conservation easements or turns over fee-owned property to a park entity to manage, it can be difficult for the public to link their sales tax with on-the-ground projects. A goal for a new home for the District would be to provide a long-term understanding by County residents of the role of the District and the benefits from the lands it has protected. Because of the lack of control over the facility the current situation limits the District's ability to showcase projects, foster partnerships, provide educational opportunities to a wide variety of Sonoma County residents, and create a recognizable identity that can engage voters in the role their tax dollars play in protecting open space and agriculture.

Goal 3: Provide an efficient workspace that enhances workflow.

The District needs a well-designed space that facilitates collaboration, provides a mix of small and large meeting rooms, minimizes dead space and helps staff work efficiently, cross-programmatically and produce high quality results. Much of the work that happens at the District is collaborative in nature, requiring teams from internal staff as well as partners and members of the public to work together. Having a physical space that would better allow for this type of interaction will enhance workflow and provide more efficient communication and thus improved results.

Goal 4: Lead by example with sustainable practices.

From the SMART Train to Sonoma Clean Power to the Community Climate Action Plan, Sonoma County has been a leader in promoting clean energy and sustainable development. The District's work contributes greatly to a healthy community and healthy lands and its home should embody that same commitment to public health and a thriving environment. To that end, the District's

home should be energy and water efficient; easy to reach through bicycles, walking, and public transportation; and within short driving distance for most of the County's residents.

3 Screening Criteria and Assumptions

All of the scenarios presented meet the following screening criteria and assumptions:

- The scenario must not cost the District more than it is currently paying annually for office space. Annual costs include lease payments, ongoing maintenance, utilities, and capital depreciation in the case of purchase. Outside funding may offset acquisition and capital costs. Table 2 outlines current and estimated costs for the various scenarios.
- The scenario must, at a minimum, meet or exceed the District's current and anticipated future space needs.
- Acquisition investments for land beyond what is required for office space (e.g., farmland or protected open space) must comply with the expenditure plan and typical BOD approved investments in agriculture, greenbelts and urban open space, or through the Matching Grant Program.
- The site must be located in reasonably close proximity to the District BOD Offices. For the purposes of this initial investigation, a six-mile radius was used to delineate locations that are close to District BOD offices. This encompasses most of Santa Rosa, north to the Larkfield-Wikiup area
- Must not be converting prime farmland or natural areas to office space.

The Board of Directors has requested that the District evaluate various scenarios for relocating and increasing the size of District staff offices, and potentially expanding to include farmland to be used as an educational resource and a community hub. The following six scenarios are considered individually with a focus on comparison of annual costs, availability of an asset for reduced cost to house District staff through 2031 and beyond, ability to enhance the District's identity in the community and act as a community convening place, and an environmentally appropriate office space such as one with Leadership in Energy and Environmental Design (LEED) certification.

In addition, the District may be able to leverage outside funding to assist with development of a new facility. Although outside funding is not considered a possibility for Scenarios 1, 2, and 3, preliminary research indicates that it may be possible for Scenarios 4, 5, and 6. This research by District staff indicates that grants might be available for sustainable construction, agricultural improvements, and programming. A potential partnership between other public entities or NGOs could provide an innovative partnership and funding stream.

For the Phase I business plan the following scenarios were evaluated:

SCENARIOS

- 1) Continue leasing at current building
- 2) Lease a different office facility
- 3) Buy an existing office facility
- 4) Build a new office facility
- 5) Become an anchor owner in a community development project
- 6) Build a new office facility with integrated agricultural operation

Table 1 presents a matrix of the six scenarios evaluated against the goals and other known benefits, opportunities, and challenges. This analysis is not intended to be an exhaustive review of potential “pros and cons” of each scenario, but rather to give some relative context to each scenario for further discussion.

Table 2 shows a preliminary cost analysis for each of the scenarios. Depreciation on new buildings assumes a 50-year life as per Sonoma County policy. In Scenario 3, that time frame is reduced to an estimate of 25 years because analysis of existing available buildings documented an average age of 25 years.

The annual cost is only a portion of what should be considered when reviewing the financial implications of this plan. Scenarios 3-6 all result in the District owning a significant capital asset in 2031. The 2031 asset value is solely determined by the initial value less 13 years of depreciation. No allowance is made for changes in the real estate market.

Scenario		Goal 1: Spend District funds efficiently		Goal 2: Reflect the District's mission	Goal 3: Provide an efficient workspace that enhances workflow	Goal 4: Lead by example - sustainable practices	Additional benefits and opportunities
		Less than or equal current cost / sq. ft.	Provides a capital asset by 2031				
1	Stay at current location	Yes	No	No	No	No	
2	Lease new office facility	Yes	No	Unlikely	Yes	Unlikely	
3	Buy existing office facility	Yes	Yes	Unlikely	Yes	Unlikely	<ul style="list-style-type: none"> May be able to retrofit an existing building to reflect the District's mission and incorporate sustainable practices, but to a lesser degree than new construction.
4	Build new office facility	Yes	Yes	Yes	Yes	Yes	<ul style="list-style-type: none"> Depending on the location, this scenario could support an underserved community and provide a community meeting place. Could build in interpretive and educational features re: Sonoma County agriculture and open space Building would be LEED certified. Potential for outside funding.
5	Anchor owner in community development project	Yes	Yes	Yes	Yes	Yes	<ul style="list-style-type: none"> Supports economic development in underserved community. Could build in interpretive and educational features re: Sonoma County agriculture and open space Shared facilities, such as outdoor space and meeting rooms, and potential mixed use could bring more members of public in contact with District. Building would be LEED certified. Potential for outside funding.
6	Build new office facility with integrated agricultural operation	Yes	Yes	Yes	Yes	Yes	<ul style="list-style-type: none"> Demonstrates integration of agriculture, natural resource protection, sustainable practices, and urban edge open space. Helps make agriculture and local food accessible to urban community. Would be in line with other projects taken on by the District, with a tangible outcome for the public to experience. Protects urban edge open space Potential for outside funding. Potential for enhanced relationships with community partners

Scenario 1: Continue leasing at current building

One-time moving costs: \$0	Purchase Price of Land: N/A
One-time building modification costs: \$0	Purchase Price of Land/Acre: N/A
Total one-time cost to be move-in ready: \$0	Purchase / Build Price of Building: N/A
Annual Operating Cost: \$188,088	Purchase Price of Farmland: N/A
Annual Operating Cost / Square Foot: \$20.90	Estimated Asset Value in 2031: \$0
Time required to complete: 0 Months	
Additional Potential Benefits: N/A	

The District began leasing at their office space at 747 Mendocino Ave, Santa Rosa on June 6, 1996. The lease provides for 8,930 square feet of office space in a building that was constructed in 1974. The office layout does not support efficient workflow and use of space by District staff. The lease includes utilities and janitorial services. As can be expected in a 42-year old building from that era, there have been problems with roof leaks and the HVAC system and there have been significant security issues. The lease has recently been renewed for a two-year term ending in July 31, 2018. After that time the lease will change to a monthly lease. The location is close to the District BOD offices, downtown Santa Rosa and has adequate parking for staff (though not enough for events such as public meetings and workshops).

Analysis of the costs of this location in Table 2 show an annual cost of \$188,000 and annual cost per square foot of \$20.90. The annual cost does not include any adjustment for rent increases. If the rate increases at an annual average of 2.5% (approximate average of annual Consumer Price Index for the San Francisco Area over the past ten years), the annual cost would increase to \$272,408 by 2031. Continuing to lease does not provide for an asset to house District staff nor does the current building have any level of LEED certification. Preliminary investigation indicates that retrofitting the building to LEED standards would be cost prohibitive.

Scenario 2: Lease a different office facility

One-time moving costs: \$50,000	Purchase Price of Land: N/A
One-time building modification costs: \$100,000	Purchase Price of Land/Acre: N/A
Total one-time cost to be move-in ready: \$150,000	Purchase / Build Price of Building: N/A
Annual Operating Cost: \$211,233	Purchase Price of Farmland: N/A
Annual Operating Cost / Square Foot: \$21.12	Estimated Asset Value in 2031: \$0
Time required to complete: 12 Months	
Additional Potential Benefits: N/A	

Moving to a newer leased facility would provide for more current construction and allow for the 10,000 square foot estimated that the District needs. The increased square footage would include additional meeting rooms and more efficient office space. This size estimation was prepared by an architectural

consultant whose report was reviewed by the County Architects office for feasibility (Bull Stockwell Allen 2013).

Any leased facility the District selected would require some modifications for the move; the estimate for those tenant improvements is \$100,000. An additional \$50,000 for moving expenses was added for a total of \$150,000 in one-time costs. A new lease would continue to include maintenance and utility costs. Staff research shows there are only 21 LEED certified buildings in Sonoma County and they include residential, commercial, and retail. With so few suitable LEED certified leasing opportunities, it is unlikely one would be available for the District to lease.

Analysis by District staff of current buildings available for lease estimates a current lease cost of \$207,900. Assuming a 30 year depreciation schedule for the tenant improvements, the cost per square foot would be \$21.12.

Scenario 3: Buy an existing office facility

One-time moving costs: \$50,000

One-time building modification costs: \$600,000

Total one-time cost to be move-in ready: \$2,650,000

Annual Operating Cost: \$164,000

Annual Operating Cost / Square Foot: \$16.50

Time required to complete: 24 Months

Additional Potential Benefits: Some sustainable practices could be demonstrated, but to a lesser degree than in a new building.

Purchase Price of Land: N/A

Purchase Price of Land per Acre: N/A

Purchase / Build Price of Building: \$2,000,000

Purchase Price of Farmland: N/A

Estimated Asset Value in 2031: \$1,248,000

An analysis of suitable facilities currently on the market for purchase was done by District and County Architect office staff and yielded an estimated cost to purchase a building, perform some modifications (such as adjusting interior walls and doors to facilitate workflow), and move into the building to be approximately \$2,650,000. Considering annual depreciation as well as utility and maintenance expenditures, the annual cost is estimated to be \$164,000 or \$16.40 per square foot.

Buying a facility would provide an asset to the District but one that could need considerable improvements by the 2031 sunset date. Existing building stock averages around 25 years in age and would most likely not be able to be LEED certified without significant improvements, and potentially not at all. In addition, this scenario has significant constraints on the potential design and layout of the building. Modifying an existing building such that it would meet Goals 2 (Reflect District Mission) and 4 (Lead by example with sustainable practices) would likely be cost prohibitive.

Scenario 4: Build a new office facility

One-time moving costs: \$50,000	Purchase Price of Land: \$600,000
One-time building modification costs: N/A	Purchase Price of Land/Acre: \$300,000
Total one-time cost to be move-in ready: \$6,424,000	Purchase / Build Price of Building: \$5,574,000
Annual Operating Cost: \$159,480	Purchase Price of Farmland: N/A
Annual Operating Cost / Square Foot: \$15.95	Purchase Price of Farmland / Acre: N/A
Time required to complete: 48-60 Months	Estimated Asset Value in 2031: \$4,724,760
Additional Potential Benefits: Depending on location, could support economic development in underserved community; LEED certification	

The District retained an architectural consultant to estimate cost for construction and site improvements to build a new 10,000 sq ft facility. The estimate of \$5,036,000 includes \$682,000 for design development, \$3,120,000 for construction, \$504,000 for site improvement and \$730,000 for bonds, insurance, and other soft costs. The consultant also recommended a cost escalator of \$538,000 for the average time it would take from the October 2013 estimate to complete construction. District staff has estimated the cost of land to be \$600,000.

The following characteristics were used to search for office site properties:

- Zoning allows office building development
- Any required mitigation completed and included in the land purchase price
- Vacant parcel or dilapidated structures only
- 1 to 5 acres
- Located within Santa Rosa City limits, or slated for annexation (pre-zoned), or in the County within the 6-mile radius from the County Center.

There were not enough sales of commercially-zoned properties to evaluate in the last three years, so only listings as of January 24, 2016 were used in the analysis. This likely overstates the actual cost. The research shows that the range of listing prices for an office site is between \$220,000 and \$435,000 per acre with an average of \$300,000 per acre.

Currently, the District uses about 1 acre of land for its current 2-story building site and parking lot. However, research shows that there is a very limited supply of 1-acre commercially-zoned sites. Given this situation, it is assumed that a minimum of two acres would be purchased for the office site. This will also provide some flexibility with siting, parking, building height, and landscaping.

The annual cost for Scenario 4 including depreciation, utilities and maintenance would be \$159,480 or \$15.95 per square foot. Utility and maintenance costs are estimated at a 20% reduction due to the LEED construction. This scenario provides for green construction and an asset that will be available to the District for many years.

Scenario 5: Become an anchor owner in a community development project.

One-time moving costs: \$50,000

One-time building modification costs: N/A

Total one-time cost to be move-in ready: \$5,050,000

Annual Operating Cost: \$148,000

Annual Operating Cost / Square Foot: \$14.80

Time required to complete: 36-60 Months

Purchase Price of Land: N/A

Purchase Price of Land per Acre: N/A

Purchase / Build Price of Building: \$5,000,000

Purchase Price of Farmland: N/A

Estimated Asset Value in 2031: \$3,700,000

Additional Potential Benefits: Support economic development in underserved community; shared facilities could bring more members of public in contact with District and provide opportunities for education; LEED certification.

The District may have the opportunity to contribute to economic development projects in and around Santa Rosa. Examples of types of projects currently in planning stages include the Roseland Village Neighborhood Center and the SMART station in Railroad Square. Participating as an anchor tenant could promote community engagement and collaboration with other tenants, provide good access to public transportation, and allow for shared use of some facilities such as large meeting rooms and outside space.

Some development projects may also offer the possibility of including a small demonstration farm or garden in either adjoining or nearby parcels. As discussed more thoroughly in Scenario 6, programming for a small urban farm would be developed and managed through an open, competitive, community process.

The cost for this scenario is based on the construction estimate prepared by Mach 5 (2013) for Scenario 4, but does not include any land purchase. Potential issues with this scenario would be the commitment to the shared responsibility for future programming and maintenance.

Scenario 6: Build a new facility with integrated agricultural operation.

One-time moving costs: \$50,000

One-time building modification costs: N/A

Total one-time cost to be move-in ready: \$12,449,000

Annual Operating Cost: \$159,480

Annual Operating Cost / Square Foot: \$15.95

Time required to complete: 48-72 Months

Purchase Price of Land: \$600,000

Purchase Price of Land per Acre: \$300,000

Purchase / Build Price of Building: \$5,574,000

Purchase Price of Farmland: \$6,225,000

Estimated Asset Value in 2031: \$10,349,760

Additional Potential Benefits: Protects urban edge open space; provides excellent educational opportunities; could support economic development; LEED certified

Scenario 6 envisions one property owned by the District with an office building and a working agricultural operation. This “Agriculture and Open Space Center” (Center) would be located in an underserved urban area on land that meets the criteria in the District’s acquisition plan. The Center would include an energy

efficient green building to house offices and meeting space, and outdoor working, demonstration, and interpretive sites for educational and community programs. It would be a visible demonstration of the connection between healthy farming, healthy food, and healthy communities. Though it would most likely be more costly than other options, this scenario provides a large step up in services provided to the public at large, to the local community, and results in a lasting and tangible reminder of the District's mission, while simultaneously fulfilling it by protecting urban open space.

The District would contract through a competitive process with one or more local organizations with the capacity to run on-site programs that could educate children, adults, and aspiring farmers; provide access to healthy, local food; build markets and capacity for local farmers; and provide a place for people to learn about farming and stewardship. Programs would be designed in collaboration with local partners to avoid duplication and support existing efforts.

To estimate the cost for Scenario 6, District staff used the estimates from Scenario 4 (buy land, build new office building), and replaced the land cost (2 acres for \$600,000) with a much larger parcel. A District consultant study estimated that 15 acres was a reasonable size for the type of small-scale agricultural operation the District envisions for Scenario 6.

To estimate the cost of land for Scenario 6, District staff looked at sales data back to January 1, 2012 and current listings as of January 24, 2016. Sales were separated into 2 categories: very low residential density and agriculture zoned properties; and residential properties suitable or zoned for more subdivision, all the way up to high density residential use. The following characteristics were used to search for all properties that had the potential for District-related agriculture:

- Suitable for planting crops
- No additional mitigation costs for wetlands, state or federally listed plant species, or California tiger salamander
- Pasture land mostly free of trees and structures
- 5 to 40 acres in size
- Located within the Santa Rosa City limits, or slated for annexation (pre-zoned), or in the County within the 6-mile radius of the County Center.

Farm sites vary widely in price depending upon zoning, location, size, and utility. For agriculture zoned and/or very low residential density zoned land, the estimated costs for vacant property are between \$20,000 and \$35,000 per acre. However, the low end of this sample was purchased for wetland mitigation, so those were not viable for cultivated agriculture without mitigation costs. Therefore, \$30,000 per acre is considered to be the minimum cost per acre for farmable land.

Using sales and listings with higher residential density, the estimated costs are: low density (2-4 units/acre) value ranges between \$30,000 and \$100,000 per acre; medium density (5-18 units per acre) value ranges between \$150,000 per acre and \$500,000 per acre; and high density (19-34 units per acre) value ranges between \$500,000 and \$800,000 per acre.

Using 15 acres as a reasonable size for the Center, District staff concludes that the range of costs for 15 acres of farmable land would be between \$30,000 and \$800,000 per acre, or \$450,000 and \$12,000,000 with a mid-point of \$6,225,000.

Though the initial input (cost) is greater in Scenario 6, the final output is also greater in physical size and value, both financially and for the community. However, without significantly more effort, it is impossible to accurately assess the initial cost and thus the return on investment. In addition, the entire design depends on finding a suitable site for a reasonable cost, which may prove difficult given the relatively small search area.

The following table provides more detail on these assumptions including one-time and annual costs.

4 Additional Options

Programming

Educational and community relations programming is a critical tool for the District. It provides education for current and future voters on the value of protecting agriculture and open space. It helps ensure a steady supply of new farmers and trained stewards to take care of the land that the people of Sonoma County have already protected. And most fundamentally, it allows everyone to experience and enjoy our beautiful county. At a relatively small cost, the value added by community outreach greatly enhances the resources available to the public.

The Expenditure Plan allows the District to purchase conservation easements and fee title of land to accomplish specific goals, grants for urban open space through the Matching Grant Program, and with the passage of Measure F in 2006, to spend up to 10% of annual tax revenues on initial public access, operation, and maintenance of recreational lands. It does not include provision for extensive programming activities, although counsel has determined that some educational and outreach programming is appropriate to further the District's open space mission.

Therefore, the District relies on partners to implement programming. A good example has been the relationship with various NGOs and RCDs who provide regular, guided tours to District properties that are otherwise not open for public access.

Scenario 6 and possible Scenarios 4 and 5 would rely on varying levels of programming to accomplish the goal of providing education about the multiple benefits of protecting agriculture and open space. Programming could include Farm to Institution programs, youth training, farmers markets, agricultural business incubators, community gardens and education regarding the importance of agriculture in Sonoma County. The complexity and scale of programs would depend largely on the site. For example, in a community development scenario (Scenario 5), programming could include a butterfly garden or a selection of local fruit trees and grape vines. At a 15-acre farm site (Scenario 6), programming could include operating a neighborhood farm stand or a summer job training program for local teens.

In all cases, the programming must meet key criteria, including no additional cost for District staff and clear, measurable outcomes that link directly to the District's mission. Should the Board approve this Phase I Business Plan, Phase II of the business plan will include development of these criteria, a stakeholder outreach strategy, and recommendations for an RFP process to solicit and select site-appropriate programs.

Networking Existing Urban Farm Sites

With more space and better meeting facilities, the District office could serve as a central "hub" for a satellite of existing farms and gardens, some of which have been funded through District programs. These include Bayer Farm, Sonoma Garden Park, Tierra Vegetables, the potential Young Armos Incubator Farm

project, the Sebastopol Skate Park and Community Garden, and many other private and community small farms and gardens. Examples of how coordination could strengthen these independent efforts include sharing the cost of expert help, developing a produce exchange (my onions for your carrots so we can both produce CSA boxes), and cooperating to reliably provide produce for local schools. Again, this would be explored in a Phase II Plan Business Plan should the Board approve Scenarios which might include a “Hub.”

Acquisition Strategies for Land

Scenarios 6 and possibly Scenario 4 includes acquisition of agricultural land at the urban edge for development of the Agricultural and Open Space Center. The District has a strong history of protecting urban open space and urban edge agriculture utilizing traditional and innovative measures. Recent Board-approved projects include the Bayer Farm acquisition and programming, the Roseland Creek/Burbank acquisition, and land acquisition in support of the City of Santa Rosa’s Colgan Creek restoration and trail. In addition to the Matching Grant Program, conservation easements, and purchase of land in fee title, the District has added tools to expand the effectiveness of their tax revenues and help foster long-term stewardship of agricultural, recreation, and natural resource lands. The District is currently working with several agricultural partners to develop the Young Armos incubator farm and is also pursuing affirmative agriculture easements to ensure that land protected for farming remains in production. Projects such as Bayer Farm provide an opportunity for urban residents to experience growing their own food and develop a direct connection to the food web around them. The LiDAR and vegetation mapping projects sharpen the District’s knowledge of how the natural and developed landscapes interact, and where protection can make the most difference. All of these tools are at the District’s disposal in acquiring a site for the District office building and farm, should that scenario be selected.

Options for acquiring property consistent with the Expenditure plan include:

- District purchases a suitable piece of property and manages programming through a competitive process as described in Scenario 6.
- For Scenario 6, District purchases the land for urban open space and sells most of it with an affirmative agriculture easement while constructing District offices in the remainder. This may limit the District’s control over programming, but it would ensure long-term agricultural use immediately adjacent to District offices at no cost to the District.
- District purchases the land and leases it for programming with clear, auditable criteria for outcomes, public benefit, and consistency with the District mission.

5 General Manager Recommendation

BOD continue to keep in play scenarios x and x, remove from consideration q and q

6 Phase II Business Plan

The Phase II Business Plan will be completed after the BOD selects one or more scenarios for further analysis. Depending on the scenario(s) selected, the Phase II business plan will include detailed cost

analyses, acquisition plans, and timelines for scenarios as well as a description of known and potential outside funding sources. Depending on the scenario selected, detailed programming strategies may be further developed, and would include community input sessions, potential partners, funders, and an analysis of costs and benefits. . An educational and community outreach programming strategy is expected to evaluate the types of programs that fit a particular site (for example, a small demonstration insectary versus a half-acre cultural garden), criteria for a competitive process for selecting specific programs and the organizations to run them,, and an auditable evaluation process to ensure that programs advance the District’s mission and comply with the Expenditure Plan.

DRAFT

Table 2. Preliminary Cost Analysis

Scenarios			One-time Costs							Annual Costs					Estimate of Asset Value in 2031**	Notes
		Square Ft*	Moving services	Building modification	Building purchase	Building construction	Land purchase	Farmland purchase	Total One-Time Cost	Lease	Depreciation Costs	Utility and Maintenance	Total Annual Cost	Total Annual Per Square Foot		
1	Stay at current location	9,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$188,088	\$0	\$0	\$188,088	\$20.90	\$0	Annual cost is for next 2 years only. At 2.5% annual increase, annual cost per sq. ft. would rise to \$30.27 by 2031.
2	Lease new office facility	10,000	\$50,000	\$100,000	\$0	\$0	\$0	\$0	\$150,000	\$207,900	\$3,333	\$0	\$211,233	\$21.12	\$0	At 2.5% annual increase, annual cost per sq. ft. would rise to \$30.11 in 2031. Depreciation basis of 30 years used for building improvements; this could be shortened depending on the type of improvements.
3	Buy existing office facility	10,000	\$50,000	\$600,000	\$2,000,000	\$0	\$0	\$0	\$2,650,000	\$0	\$104,000	\$60,000	\$164,000	\$16.40	\$1,248,000	Purchase cost determined by evaluation of available facilities and adding a 30% remodeling estimate. Utility and Maintenance based on \$5,000/mo. Depreciation based on 25 years of remaining building life and includes building improvements.
4	Build new office facility	10,000	\$50,000	\$0	\$0	\$5,574,000	\$600,000	\$0	\$6,224,000	\$0	\$111,480	\$48,000	\$159,480	\$15.95	\$4,724,760	Construction estimate of \$5,036,000 plus a cost escalator of 5.2%/year for \$538,000. Contruction cost estimate developed using outside consultant with review and input from County Architect's Office. Utility and maintenance costs based on \$5,000/month estimate less 20% LEED benefit. Depreciation is for 50 years as per County policy for new buildings.
5	Anchor owner in shared building	10,000	\$50,000	\$0	\$0	\$5,000,000	\$0	\$0	\$5,050,000	\$0	\$100,000	\$48,000	\$148,000	\$14.80	\$3,700,000	Construction estimates are based on discussions with potential developers. Per preliminary research they are within reasonable parameters.
6	Build new office facility with integrated agricultural operation	10,000	\$50,000	\$0	\$0	\$5,574,000	\$600,000	\$6,225,000	\$12,449,000	\$0	\$111,480	\$48,000	\$159,480	\$15.95	\$10,949,760	No costs included for well construction or other farming infrastructure.

PROJECT	Acreage (approximate)	Supervisory District	Acquisition Plan Category	Project Design	Appraisal Process	Approvals/Baseline	Escrow	Comments
Arrowhead-Maas Ranch	245	2	Farms & Ranches	x				CE under negotiation
Bettinelli Dairy	300	2	Farms & Ranches					On hold at request of owner
Buttke Dairy	253	2	Farms & Ranches					On hold at request of owner
Cresta III	46	1	Recreation & Education	x	x			Appraisal being updated
Donnell	909	1	Greenbelts & Scenic Hillside	x				CE under negotiation
Foppiano Vineyards	160	4	Greenbelts & Scenic Hillside	x	x			Fiscal Oversight Commission reviewed 3/5/15
Glenn Ranch	230	2	Farms & Ranches	x	x			On hold at request of owner
Gloeckner-Turner Ranch	3,364	5	Water, Wildlife & Natural Areas	x				Project design
Hansen Ranch	330	2	Farms & Ranches	x	x			Appraisal being updated
Howlett Forest	1,395	5	Water, Wildlife & Natural Areas	x	x			Appraisal underway
LaFranchi	1,189	4	Farms & Ranches	x				On hold at request of owner
Lafranconi	211	5	Greenbelts & Scenic Hillside	x				CE under negotiation
Mattos Dairy	866	2	Farms & Ranches	x				Project design
McClelland Dairy	337	2	Farms & Ranches	x	x			On hold at request of owner
McCullough - Phase 2	259	1	Recreation & Education	x	x			On hold at request of owner
Rips Redwoods	1,850	5	Water, Wildlife & Natural Areas	x	x			Appraisal underway
Sonoma Developmental Ctr V (Transforma	945	1	Greenbelts & Scenic Hillside					Resource assessment underway
Spring Hill Ranch	313	1	Farms & Ranches	x				On hold at request of owner
Stewarts Point Ranch	871	5	Water, Wildlife & Natural Areas	x	x	x	x	Board approved on August 16, 2016
Terrilinda Dairy	175	2	Greenbelts & Scenic Hillside	x				Project design
Weeks Ranch - Rasmason	1,372	1	Water, Wildlife & Natural Areas	x				CE under negotiation

Total Acres: 15,620

Matching Grant Projects	Acres (approximate)	Supervisory District	Location	Begin Grant Process	Appraisal Process	Approvals/Baseline	Escrow	Comments
Bayer Farm Site Development	6**	5	Southwest Santa Rosa	x	x	x	x	Reimbursement ongoing, Grant term extended
Colgan Creek Restoration (Ph 3)	7	5	Southwest Santa Rosa	x	n/a	x	x	Board approved 4/21/15
Crane Creek Regional Trail	6	1	East of Rohnert Park	x	n/a			Advisory Committee accepted project 6/28/07
Creekside Park, Phase 1A	4**	5	Monte Rio	x	n/a	x	x	Reimbursement complete
Denman Reach Phase 3	2	2	North Petaluma	x	n/a			Board approved 9/13/16
East Washington Park	25	2	Northeast Petaluma	x	n/a	x		Board approved 5/24/16
Falletti Ranch	4	2	Cotati	x	x	x	x	Tracking match
Forever Forestville	4	5	Downtown Forestville	x	x	x	x	Tracking match
Guerneville River Park, Phase 2	5	5	Central Guerneville	x	x	x		Negotiations with new owner
Irwin Creek Riparian Restoration	47**	5	West of Santa Rosa	x	n/a	x	n/a	Reimbursement ongoing
Moorland Park	4	5	Southwest Santa Rosa	x				Drafting documents
Nathanson Creek Preserve Restoration	1**	1	Sonoma	x	n/a			Board approved 9/13/16
Paula Lane OSP	11	2	West Petaluma	x	x	x	x	Tracking match
Roseland Village Public Space	1	5	Southwest Santa Rosa	x				Negotiations
Sebastopol Skategarden Expansion	1	5	Sebastopol	x	n/a	x	x	Reimbursement, tracking match
SMART Pathway – Hearn to Bellevue	6	5	Southwest Santa Rosa	x	n/a			Negotiations
SMART Pathway - Payran to S. Point	14	2	Petaluma	x				Initiating project
Sonoma Garden Park, Phase 2	5**	1	East of Sonoma	x	n/a	x	n/a	Reimbursement ongoing
Total Acres:	90							

** Restoration/Development Project on previous acquisition.