

OAKLEY



CALIFORNIA

STAFF REPORT

Approved and Forwarded to City Council:

A handwritten signature in blue ink, appearing to read "Bryan H. Montgomery".

Bryan H. Montgomery, City Manager

Date: February 9, 2016
To: Bryan H. Montgomery, City Manager
From: Kenneth W. Strelow, Senior Planner
SUBJECT: **Oakley Agricultural Conservation and Viticulture Program (ACVP) Phase 2 Scope of Work and Proposal**

Background and Analysis

The Agricultural Conservation and Viticulture Program ("ACVP") has been ongoing in its official capacity since August of 2012, and was the topic of discussion, work sessions and Staff meetings since October of 2010, and of general interest to the City of Oakley long before that. Although its title has often changed, the main goal has remained the same: to conserve agricultural lands and celebrate and encourage Oakley's rich history and active participation in viticulture.

In June of 2012, the Oakley City Council adopted Resolution No. 64-12 approving the scope of work and proposal for the ACVP and authorizing the City Manager to enter into a services agreement with Agricultural-Natural Resources Trust ("ANRT" or "Consultant") to begin work on the project. The original scope of work included Phase 1, to what was envisioned as a potential multi-phase project, for a cost not to exceed \$13,700.00. ANRT conducted the work for Phase 1, and on May 13, 2014 presented the Phase 1 deliverables and future Phase 2 concept to the City Council for acceptance. At the meeting, the City Council accepted the Phase 1 deliverables and directed Staff to proceed with a Phase 2, subject to available funding. (A copy of the Phase 1 deliverables Staff Report is attached as additional background and reference).

In June 2014, the Oakley City Council approved and allocated a one-time expenditure funding in the amount of \$17,500 for Phase 2. Based on that allocation and additional direction from the Agricultural Subcommittee, ANRT developed the scope of work for Phase 2 (attached). Because of ANRT's shared interest in agriculture, there is some overlap between the goals in the scope of work for Phase 2 and ANRT's own goals. As a result, ANRT has allocated \$7,664 of its own funding to Phase 2, resulting in a total budget of \$25,164, when combined with the contract with the City.

General Plan Compliance

General Plan Compliance of the ACVP was covered in the original Staff Report for Phase 1. In summary, the Oakley 2020 General Plan speaks to agricultural resources and contains goals and policies that are consistent with the proposed ACVP.

Oakley Strategic Plan 2014-2016

Approving Phase 2 of the ACVP will be a step toward implementing Item 2.p of the Strategic Plan, which is to complete the Agricultural Conservation and Viticulture Program for Council consideration.

Fiscal Impact

The scope of work and proposal is for an amount not to exceed \$17,500.00. Other fiscal impacts would be associated with Staff time in working with the consultant writing reports, and participating in the "Role of the City" items on page 3 of the scope and proposal. Costs associated with Staff time are expected to occur sparsely and average approximately 1-2 hours per week.

Recommendation

Staff recommends that the City Council adopt a resolution approving an agreement with Agricultural – Natural Resources Trust for assistance in developing Phase 2 of the City of Oakley Agricultural Conservation and Viticulture Program for an amount not to exceed \$17,500.00 and authorizing the City Manager to execute said agreement.

Attachments

1. Phase 1 Deliverables (City Council Staff Report – May 13, 2014)
2. Proposed Resolution with Exhibit "A" (Scope of Work and Estimate)



Agenda Date: 05/13/2014
Agenda Item: 5.2

STAFF REPORT

Approved and forwarded to City Council


Bryan H. Montgomery, City Manager

Date: May 13, 2014
To: Bryan H. Montgomery, City Manager
From: Kenneth W. Strelow, Senior Planner
Subject: **Agricultural Conservation and Viticulture Program (ACVP) –
Consideration of Phase 1 Deliverables and Future Phase 2**

Summary

The Agricultural Conservation and Viticulture Program (“ACVP”) was initiated by the City Council in June of 2012 through adoption of City Council Resolution 64-12, approving an agreement with Agricultural Natural Resources Trust (“ANRT”). Since that time, ANRT held a public workshop in October of 2012, received initial input from landowners of vineyards and other agricultural properties, and presented updates to the City Council and public. This item will focus on ANRT’s “deliverables” from Phase 1 of the ACVP, provide topic points for discussion and deliberation, and request Council direct Staff on whether to proceed with Phase 2 of the ACVP.

Staff recommends the City Council accept the deliverables from Phase 1 of the ACVP and direct Staff to pursue Phase 2, subject to available funding.

Fiscal Impact

The scope of work for Phase 1 totaled \$13,700. Completion of Phase 1 will result in expenditure of all remaining Phase 1 funding. Any future phases will require additional funding. Sources for that funding could include the General Fund and/or grant opportunities currently being sought out by ANRT. Prior to proceeding with future phases, the City Council would receive a proposed scope of work and estimate for its consideration.

Background and Project Description

History of Phase 1

When the ACVP first kicked off, the intention was to take two areas of focus (viticulture in Oakley and agricultural conservation), and approach both on their own merit, but also see how the two could co-exist. The viticulture aspect was to be based more in the heritage, culture, and future branding of grapes in Oakley, while the agricultural conservation was to

focus more on how to conserve, minimize impacts, or provide mitigation for the loss of protected agricultural land in Oakley. The initial mapping exercises proved to be much broader than initially envisioned, as did the vineyard parcel inventory, which spurred additional ideas for data collection and analysis.

Through additional research and analysis of entitled/non-entitled land, existing General Plan land use designations, and Department of Conservation Farmland maps, it was found that the non-entitled land that would result in "significant impacts" to loss of agricultural land if developed was spread throughout 48 separate parcels, 37 of which were each under 10 acres. Out of the remaining 11 parcels, three were over 20 acres, and only one was over 25 acres (88 acres, Cline vineyard off of Big Break Road). The likelihood of existing large, producing vineyards to cease production and request developments rights in the near future is unknown; but each project would undergo environmental analysis on its own accord. In addition to a lower need to establish immediate mitigation fees for undeveloped properties, the Walnut Meadows ancient vines relocation project produced a successful crop yield, which brought attention to Oakley's vineyard relocation efforts and potential for success. Overall feedback and interest began to lean toward the viticulture aspect of the ACVP.

Due to the tight budget for Phase 1, the Staff time, costs and potential legal fees of establishing a development impact fee (subject to the Mitigation Fee Act) associated with an "agricultural conservation program" to charge for mitigation of those lands could be substantial. This insight, along with the desire to further promote Oakley's history and future with vineyards, led to the direction of the ACVP to focus more time and research of Phase 1 on the "Viticulture" aspect of the ACVP, and holding the "Agricultural Conservation" aspect to a later date, or handling those potential impacts on a project by project basis.

Summary of Vineyard Parcel Inventory

The mapping and research portion of Phase 1 not only resulted in valuable information that can be sorted in a spreadsheet table, but also offers a bird's eye view of existing conditions in Oakley. That aerial view enables ANRT to clump together certain areas and find corridors and clusters for areas of concentration. Below is a summary of the overall numbers, as well as three potential vineyard cluster areas.

Basis information:

- Vineyard parcels: 89 parcels with 723 acres and 54 Landowners
- Parcels > 10 acres: 44 parcels with 538 acres and 13 Landowners
- Entitled: 11 parcels with 193 acres and 6 Landowners
- Parcels < 10 acres: 45 parcels with 185 acres and 41 Landowners
- Entitled: 1 parcel with 1 acres and 1 Landowner

General Areas for Concentration – Vineyard "Clusters":

- O'Hara Cluster: 14 parcels with 82 acres and 9 Landowners
- Rose Cluster: 6 parcels with 49 acres and 5 Landowners
- Neroly Cluster: 15 parcels with 141 acres and 7 Landowners

Topic Points

While the City Council may address any portion of the existing ACVP or other topics not covered in this report, Staff has provided a few ideas and recommendations to promote discussion and deliberation, where applicable:

- Discuss potential funding source for future phases, if the Council chooses to continue with the program.
- Discuss the three potential "Vineyard Clusters" for voluntary vineyard preservation.

Recommendation: Due to the potential for future job growth, Staff recommends the potential "Neroly Vineyard Cluster" area, located in the Light Industrial zoning district, north of Oakley Road, not be considered as part of a future phase.

- Discuss a more focused direction for the program.

Assuming the City Council wants to continue with the ACVP, subject to available funding, Staff recommends the program be amended to focus on the viticulture aspect and not spend resources on researching a mitigation fee for agricultural conservation as related to the California Environmental Quality Act impacts to farmland. There has been discussion at the County level of a potential county-wide mitigation fee, which would benefit all cities and the County in regards to the Mitigation Fee Act. ANRT will touch on this topic as part of their presentation.

Recommendation

Staff recommends the City Council accept the deliverables from Phase 1 of the ACVP and direct Staff on whether to pursue Phase 2, subject to available funding.

Presentation

Presentation by ANRT to accompany this staff report.

Attachments

None.

RESOLUTION NO. ___-16

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OAKLEY APPROVING AN AGREEMENT WITH AGRICULTURAL – NATURAL RESOURCES TRUST FOR ASSISTANCE IN DEVELOPING PHASE 2 OF THE CITY OF OAKLEY AGRICULTURAL CONSERVATION AND VITICULTURE PROGRAM FOR AN AMOUNT NOT TO EXCEED \$17,500.00, AND AUTHORIZING THE CITY MANAGER TO EXECUTE SAID AGREEMENT

WHEREAS, Clayton Wiedemann, Agricultural – Natural Resources Trust Board Chairman, has submitted the “Proposed Scope of Work for Assistance in Developing Phase 2 of the Oakley Agricultural Conservation & Viticulture Program (“Proposal”)” for an amount not to exceed \$17,500.00 as a result of direction from the City Council at its May 13, 2014 meeting and follow-up meetings with City Staff and the City Council Agricultural Preservation Subcommittee; and

WHEREAS, the Proposal will continue development of the Oakley Agricultural Conservation and Viticulture Program (“ACVP”), which will continue to implement compliance with Oakley General Plan 2020 Goal 6.1, Policy 6.1.1, Policy 6.1.3, and Item 2.p of the 2014-2016 Strategic Plan.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED, by the City Council of the City of Oakley that the agreement with Agricultural – Natural Resources Trust for the preparation of Phase 2 of the Oakley Agricultural Conservation and Viticulture Program for an amount not to exceed \$17,500.00 is hereby approved in the form attached hereto as Exhibit “A” and the City Manager is authorized to execute said Agreement.

PASSED AND ADOPTED by the City Council of the City of Oakley at a meeting held on the 9th day of February, 2016 by the following vote:

AYES:
NOES:
ABSENT:
ABSTENTIONS:

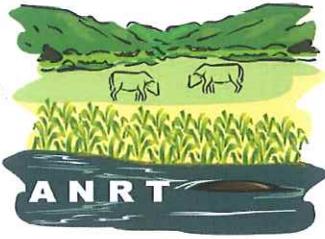
APPROVED:

Kevin Romick, Mayor

ATTEST:

Libby Vreonis, City Clerk

Date



5554 Clayton Road
Concord, CA 94521

phone: (925) 672-2354
email: info@anrtccc.org
website: www.anrtccc.org

January 28, 2016

Mr. Kenneth W. Strelo
Senior Planner
City of Oakley
3231 Main Street
Oakley, CA 94561

**Subject: Proposed Scope of Work for Assistance in Developing
Phase 2 of the Oakley Agricultural Conservation & Viticulture Program**

Dear Mr. Strelo;

The ANRT Board and Staff appreciate the opportunity to continue working with the City of Oakley in developing Phase 2 of its Agricultural Conservation & Viticulture Program ("ACVP").

Phase 2 is defined as a measured second step in the Oakley ACVP, the purpose of which is to implement a well-considered and inclusive program whereby the City Council can effectively continue development within the City of Oakley boundaries, while maintaining viable and important aspects of Oakley's agricultural heritage.

We believe our history of involvement with the City regarding its agricultural heritage and unique "ancient vines", as well as other development matters, demonstrates both our approach and commitment to this important element in the City's culture.

Definition of Program "Key Points":

- Over-arching provisions:
 - Voluntary participation -- "willing Landowner";
 - Grower input AND other Community input -- "the City is asking and listening"
 - "Right-to-farm", AND distinction between production agriculture and "hobby farming"; and
 - Clear support from established and respected Growers or Landowners.
- Identify City development activity from June 2014 to current
- Inventory of current agricultural usage parcels.
- Program design patterned to be uniquely Oakley:
 - emphasis on the heritage of Oakley's "ancient vines";
 - based upon the experience and success of other agricultural conservation programs;
 - flexible in design and participation

Role of the Ag Trust -- Phase 2 Deliverables:

In June 2014, the Oakley City Council approved and allocated a one-time expenditure funding in the amount of \$17,500 for Phase 2 and the Ad Hoc Agricultural Committee reviewed and adjusted the plan in March of 2015. Phase 2 is modeled after the Ad Hoc Committee's direction that the funds for Phase 2 be allocated to concentrate on the Deliverables listed below.

Within 60 days of confirming Services Agreement:

1. Confirming carry-over from Phase 1 (e.g. -- data maintenance; records retention).
2. Reviewing current development activity and updating the parcel inventory and map:
 - a. Permitted
 - b. Approved
 - c. Applied for
 - d. Under discussion
 - e. Impact of Vineyard parcels
 - f. Impact on Important Farmland parcels

Within 90 days of confirming Services Agreement:

1. Reviving discussion with O'Hara Cluster Vineyard Landowners:
 - a. O'Hara Cluster is the sole remaining potential area identified to date
 - b. Discussion with Lucchesi Family on Letter of Agreement to be concluded within 1 month of Phase 2 Services Agreement;
 - c. Property appraisal to be commissioned within 2 additional weeks (~75 days to complete)
 - d. Letter from City of Oakley confirming ANRT's representation for funding and easement negotiation purposes (in the interim awaiting appraisal);

Within 150 days of confirming Services Agreement:

1. Further address Community Awareness in a measured manner (costs to be determined and negotiated)
 - a. Identify where Oakley ACVP can be included in scheduled City events
 - b. Discuss Walnut Meadows and Oakley ACVP on Oakley Update and City website
 - c. Planning of a Farm to Table event featuring local ag products and wines using Oakley grapes
 - d. Explore cost to update initial Oakley ACVP video with the 2016 harvest
2. Further developing the vineyard at Walnut Meadows into a true showcase of Oakley's Ancient Vines (see budget suggestions below)

Re-allocate the approved \$17,500

• O'Hara Cluster:	\$13,770 total	\$10,500 City	\$3,270 ANRT (23%)
• Electricity to Walnut Meadows (adjusted by Ad Hoc Committee)	<u>\$11,394 total</u>	<u>\$ 7,000 City</u>	<u>\$4,394 ANRT (39%)</u>
	\$25,164 total	\$17,500 City	\$7,664 ANRT (30%)

A flat fee not to exceed \$17,500.00, with initial payment of \$7,500.00 upon execution of the City of Oakley Services Agreement, and a progress payment of \$5,000.00 upon acceptance of 90-day Project Status Report. Balance to be paid upon acceptance of the Final Project Report.

NOTE: It is typical, but not guaranteed, that the direct cost of completing conservation easements (appraisal, due diligence, legal review, documentation, closing costs, staff time, etc.) be included in funding arrangements. As part of ongoing program development, ANRT will review any and all potential funding opportunities with the City and asks for agreement from the City to reimburse proportionately costs which exceed those covered in final easement funding.

Process:

1. Confirmation from City of Oakley of direction identified in the Proposal and Scope of Work
2. Execution of agreement between City of Oakley and the Ag Trust (and initial payment)
3. Project Status Reports after 60 days and 90 days, with completion anticipated within 5 months

Role of the City:

1. Lead in Communication, Community Awareness and Publicity
2. Assistance in updating mapping (City mapping and data resources)
3. Consideration in participating jointly to present ACVP to identified Funding Sources
4. Support for possible ACVP events and in publicity ("Taste of Oakley" – Wine Festival; Vineyard Tours, City web-site and announcements, Farm to Table event, press releases, etc.)
5. Other possible marketing assistance and promotion (e.g. - Brentwood, Lodi and Livermore)
 - a. Support in proposing a special label for wine produced from Walnut Meadows
 - b. Special signage for participating Growers
 - c. developing logo to compliment the Oakley ACVP

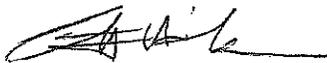
Other Matters to be considered:

1. Further input from City of Oakley Staff
2. Further input from Oakley City Council
3. Additional information and input gathered as the Project is developed in Phase 2

This proposal is subject to final discussion and clarification with City of Oakley, and execution of a formal agreement typically used by the City. This proposal is in effect for 60 days from the date above.

Thank you for the opportunity to submit this Proposal and Scope of Work and for your assistance in defining the approach outlined herein.

Sincerely,



Clayton Wiedemann
ANRT Board Chairman