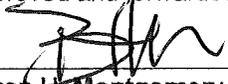




STAFF REPORT

Approved and forwarded to City Council


Bryan H. Montgomery, City Manager

Date: May 13, 2014
To: Bryan H. Montgomery, City Manager
From: Kenneth W. Strelo, 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.