

Item:  
Date: 05/02/06

## Staff Report

**April 25, 2006**

**TO:** City Council

**FROM:** Donna Silva, Parks and Community Services Director  
Mitch Sears, Open Space Planner

**SUBJECT:** Open Space Acquisition – Revised Ebey/Laughtin Farm acquisition transaction structure and budget adjustment.

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### **Recommendation**

1. Approve a loan to the project to cover federal grant funding amount to complete the purchase of the conservation easement.
2. Approve attached budget adjustment for the loan.

### **Fiscal Impact**

In October 2005 the Council gave approval of Davis's share of the acquisition costs for the project. The local matching funding approved by the Council was:

<b>Approved Funding Source (City Account)</b>	<b>Amount</b>
Ag Land Acquisition (mitigation in-lieu fees)	\$200,000
Open Space Protection Special Tax (Measure O)	\$535,000
<b>Total</b>	<b>\$735,000</b>

Approval of the current requested action will add a \$475,000 loan by the City to cover the federal funding amount for the project. The loan would be drawn from Measure O funds, leaving approximately \$1.3 million dollars in that account for immediate use on other open space related projects. Based on discussions with NRCS staff, repayment of the loan would occur within several weeks of close of escrow.

### **Background and Analysis**

The 145 acre Ebey/Laughtin Farm is located between Dixon and Davis on I-80, adjacent to the recently completed McConeghy Ranch acquisition. Together the two farms form the beginning of a permanent agricultural greenbelt between the two cities.

On June 15, 2004 the City Council considered the project and tentatively approved funding for up to \$735,000 for the Ebey/Laughtin Farm acquisition, pending approval of matching grants from state and federal conservation programs. On August 31, 2005 the City received notification that the project received \$1.3 million dollars in grant funding to complete the transaction. On September 12, 2005 the City Council approved a resolution authorizing staff to complete the negotiations for the acquisition of the Ebey/Laughtin Farm. On October 18, 2005 the Council approved transfer of funds into escrow.

The primary objectives of the City have been the protection of the McConeghy and Ebey/Laughtin farms and sale of the properties to a common ownership group at an appraised fair market price. This increases the viability of the farms in the long run and allows the City to cycle its funding back into other conservation projects.

#### Current requested action

The loan to the project will allow the easement funding to pass through the City and place the responsibility for taxes with the sellers rather than the conservation buyer. Staff has confirmed that this transaction structure is acceptable to the City's Federal and State funding partners.

#### Next steps

Escrow is anticipated to close in May 2006.

#### Attachments

1. Ebey/Laughtin acquisition budget adjustment for loan.