



City of Palo Alto

City Council Staff Report

(ID # 9434)

Report Type: Consent Calendar

Meeting Date: 10/15/2018

Summary Title: Annual Williamson Act Contract Renewal (2018)

Title: Annual Review of Williamson Act Contract Renewals Within the City of Palo Alto

From: City Manager

Lead Department: Planning and Community Environment

Recommendation

Staff recommends that the City Council take the following actions:

1. Find that the project is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15317; and
2. Review and approve the renewal of Williamson Act contracts listed in Attachment A.

Background

The California Land Conservation Act of 1965, commonly known as the Williamson Act, is a state program that discourages agricultural lands from being converted to urban uses, preserves open space, and promotes efficient urban growth patterns. Under the California Land Conservation Act Program (Williamson Act), private landowners can voluntarily restrict their land to agricultural and compatible open-space land uses under a minimum 10-year rolling term contracts administered by the jurisdictions. In return, restricted parcels are assessed for property tax purposes at a rate consistent with their actual use or generated income, rather than potential market value. The program provides property tax relief to owners of agricultural land who agree to limit the use of their property to agricultural or other approved compatible uses.

On July 24, 1974, the City of Palo Alto adopted Ordinance No. 2663 to establish rules for both establishing and administering Williamson Act contracts for Palo Alto properties. Among other things, the rules regarding administration of established contracts limit the allowable uses of

the property to what is described in the contract, and provide that the contract remains in place when a property is sold, ensuring that the new owners are subject to the same use restrictions. The contracts are for a rolling 10-year term with a renewal date of January 1 each year, at which time one year is added to the contract term so that the term remains 10 years unless either party provides notice of non-renewal.

Every year, at least 80 days prior to the January 1 renewal date, the City Council reviews the contracts and, at that time, may initiate a notice of non-renewal for any contract or approve a notice of non-renewal submitted by a landowner. If the Council takes such action, then that contract does not renew on January 1 and terminates ten years later. Under certain conditions, the Council may also approve a landowner's request to cancel a contract. Contracts, for which the Council has not approved a notice of non-renewal or a cancellation, automatically renew for another 10-year term each January 1.

Discussion

The Williamson Act Property Report for Calendar Year 2018 (Attachment A) provides information on the 25 parcels currently under contract with the City. Attachment A lists the parcels' 2018 assessed land value, acreages, and the land class (prime and non-prime land). A map showing the location of these individual parcels has been prepared for reference and is included as Attachment B.

Properties under Contract Renewal

There are 23 properties renewing their contract with the City of Palo Alto for another 10 year term starting from January 1, 2019. Of the 23 contracts, the privately operated Palo Alto Hills Golf and Country Club is not eligible for tax benefits. Although this golf course is a permitted use, only golf courses that are open to the public and charge minimal green fees are eligible for tax benefits.

A total of 350 acres of land is under Williamson Act contracts in the City of Palo Alto. Approximately 42 percent of this land (147 acres) is defined as prime land with a Class I or Class II Natural Resource Conservation Service (NRCS) rating, which is considered to have the features able to sustain long-term agricultural production. About 70 percent of the land under contract is owned by private individuals. Stanford University Board of Trustee owns another 27 percent while the remaining land is owned by the City of Palo Alto. The 2016 California Land Conservation Act Status Report (Link: [2016 California Land Conservation Act Status Report](#)) published in December 2016 provides detail of the land enrollment under the California Land Conservation Act throughout the state of California.

Properties under Contract Non-Renewal

No application for Williamson Act contract non-renewal was filed with the City from October 2017 to August 2018. At present there are two parcels, previously approved for non-renewal by the City Council in 2014 and 2016 that are in the ten year process of termination. The two parcels will reach the end of their remaining terms on December 31, 2024 and 2026 respectively (see Attachment A for parcel details). Four parcels reported in last year's report ([October 2017 report](#)), owned by Mid-Peninsula Regional Open Space District, reached the end of their last ten-year term on December 31, 2017 and were removed from the Williamson Act designation.

The California Department of Conservation's Williamson Act Program requires participating cities and counties to complete and submit applications for an Open Space Subvention Act payment per Government Code section 16144, which states: "On or before October 31 each year, the governing body of each county, city, or city and county shall report to the Secretary of the Resources Agency the number of acres of land under its regulatory jurisdiction which qualify for state payments pursuant to the various categories enumerated in Section 16142, together with supporting documentation as the secretary by regulation may require." While the State no longer provides meaningful subvention payments to local agencies, this reporting requirement remains in the law.

Resource Impacts

The property tax assessment for parcels under the Williamson Act is based on a rate consistent with the actual land use or generated income, rather than its potential market value. Because of this method of assessment, the City does not receive market value tax revenue for these properties. Based on data collected from the County Assessor's Office, the City would have received \$11,000 in tax revenue if the parcels were not under Williamson Act contracts.

Historically, the City received approximately \$1,000 a year in subvention payments from the State to partially offset the foregone revenue. However, during the recession, the State suspended funding for these payments. In 2011, Assembly Bill 1265 allowed participating cities and counties to recapture 10% of the benefits; however, the implementation of this provision is generally only cost effective for cities and counties that have significant acreage under contract.

Policy Implications

The recommended action implements Ordinance No. 2663 regarding the administration of the Williamson Act for Palo Alto properties. The Williamson Act program complies with the goals of the Natural Environment Element of the City's Comprehensive Plan. The Natural Environment Element encourages protection, and conservation of Palo Alto's open space, natural resources

and ecosystems. Program N1.3.1 of Goal N-1 specifically supports preservation of Palo Alto's Williamson Act agricultural preserves.

Environmental Review

The proposed project is exempt from review under the California Environmental Quality Act (CEQA) pursuant to Section 15317 (Open Space Contracts or Easements) of the CEQA Guidelines.

Attachments:

Attachment A: Williamson Act Property Data 2018 (PDF)

Attachment B: Williamson Act Parcels Map 2018 (PDF)

List of Parcels Under Williamson Act Contract to Renew on January 1, 2019

Number	APN	Street Name	Full Address	Owner Name	Williamson Act Land Ownership	Zoning	Acreage after Deducting Homesite Exclusion	Homesite Exclusion	Land Class	Contract Start Date	Contract Status	Assessed Land Value 2018 ¹	Assessed Land Value 2017 ¹	Assessed Land Value 2016 ¹
1	120-31-001 ²	El Camino Real	103 El Camino Real	Leland Stanford Jr., Univ. Board of Trustees	Stanford University Land	PF	0.72	No acreage deducted	Prime	Unknown	Unchanged; contract will continue for at least another 10 years.	\$11,040	\$11,040	\$10,514
2	120-31-009 ²	El Camino Real	103 El Camino Real	Leland Stanford Jr., Univ. Board of Trustees	Stanford University Land	PF	10.00	No acreage deducted	Prime	Unknown	Unchanged; contract will continue for at least another 10 years.	\$153,600	\$153,600	\$146,285
3	142-16-052	Coyote Hill Road	No Street Number	Leland Stanford Jr., Univ. Board of Trustees	Stanford University Land	AC (D)	36.02	One acre deducted for homesite	Non Prime	Unknown	Unchanged; contract will continue for at least another 10 years.	\$14,808	\$14,808	\$14,102
4	142-16-057	Coyote Hill Road	No Street Number	Leland Stanford Jr., Univ. Board of Trustees	Stanford University Land	AC (D)	15.33	One acre deducted for homesite	Non Prime	Unknown	Unchanged; contract will continue for at least another 10 years.	\$8,165	\$8,165	\$7,776
5	142-16-064	Deer Creek Road	No Street Number	Leland Stanford Jr., Univ. Board of Trustees	Stanford University Land	AC (D)	4.04	One acre deducted for homesite	Non Prime	Unknown	Unchanged; contract will continue for at least another 10 years.	\$2,520	\$2,520	\$2,399
6	142-16-065	Deer Creek Road	No Street Number	Leland Stanford Jr., Univ. Board of Trustees	Stanford University Land	AC (D)	16.70	One acre deducted for homesite	Non Prime	Unknown	Unchanged; contract will continue for at least another 10 years.	\$8,850	\$8,850	\$8,428
7	142-16-069	Coyote Hill Road	No Street Number	Leland Stanford Jr., Univ. Board of Trustees	Stanford University Land	AC (D)	12.48	One acre deducted for homesite	Non Prime	Unknown	Unchanged; contract will continue for at least another 10 years.	\$6,740	\$6,740	\$6,419
8	182-33-014 ³	Arastradero Rd	1525 Arastradero Rd	City of Palo Alto	City of Palo Alto Land	PF	11.42	No acreage deducted	Prime	Unknown	Unchanged; contract will continue for at least another 10 years.	\$0	\$0	\$0

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9	182-35-008	Alexis Dr	Alexis Dr	Palo Alto Hills Golf and Country Club, Inc.	Private Ownership	OS	5.52	No acreage deducted	Prime	5/1/1973	Unchanged; contract will continue for at least another 10 years.	\$53,846	\$52,791	\$51,756
10	182-35-035	Alexis Dr	3000 Alexis Dr	Palo Alto Hills Golf and Country Club, Inc.	Private Ownership	OS	119.92	No acreage deducted	Prime	5/1/1973	Unchanged; contract will continue for at least another 10 years.	\$1,484,039	\$1,454,941	\$1,426,413
11	351-05-024	Page Mill Rd	3845 Page Mill Rd	Judith A. Block Trustee	Private Ownership	OS	7.72	One acre deducted for homesite	Non Prime	2/16/1976	Unchanged; contract will continue for at least another 10 years.	\$54,309	\$53,254	\$52,196
12	351-05-042	Page Mill Rd	3837 Page Mill Rd	David P. and Cynthia Lautzenheiser Trustee	Private Ownership	OS	9.00	One acre deducted for homesite	Non Prime	Unknown	Unchanged; contract will continue for at least another 10 years.	\$412,854	\$404,770	\$396,818
13	351-05-043	Page Mill Rd	No Street Number	Richard D. Guhse Trustee	Private Ownership	OS	19.01	No acreage deducted	Non Prime	Unknown	Unchanged; contract will continue for at least another 10 years.	\$1,200	\$1,200	\$1,142
14	351-05-044	Page Mill Rd	3905 Page Mill Rd	Michael R. Lowry	Private Ownership	OS	5.43	One acre deducted for homesite	Non Prime	Unknown	Unchanged; contract will continue for at least another 10 years.	\$189,173	\$185,464	\$181,828
15	351-05-045	Page Mill Rd	3895 Page Mill Rd	Marc and Lesley Wilkinson	Private Ownership	OS	9.00	One acre deducted for homesite	Non Prime	Unknown	Unchanged; contract will continue for at least another 10 years.	\$1,082,259	\$1,061,039	\$1,040,235
16	351-05-046	Page Mill Rd	3885 Page Mill Rd	William W. and Sharon T. Luciw Trustee	Private Ownership	OS	7.45	One acre deducted for homesite	Non Prime	Unknown	Unchanged; contract will continue for at least another 10 years.	\$1,081,089	\$1,059,900	\$1,039,105
17	351-05-047	Page Mill Rd	3875 Page Mill Rd	Richard D. Kniss Trustee & Et Al	Private Ownership	OS	10.00	No acreage deducted	Non Prime	Unknown	Unchanged; contract will continue for at least another 10 years.	\$600	\$600	\$571

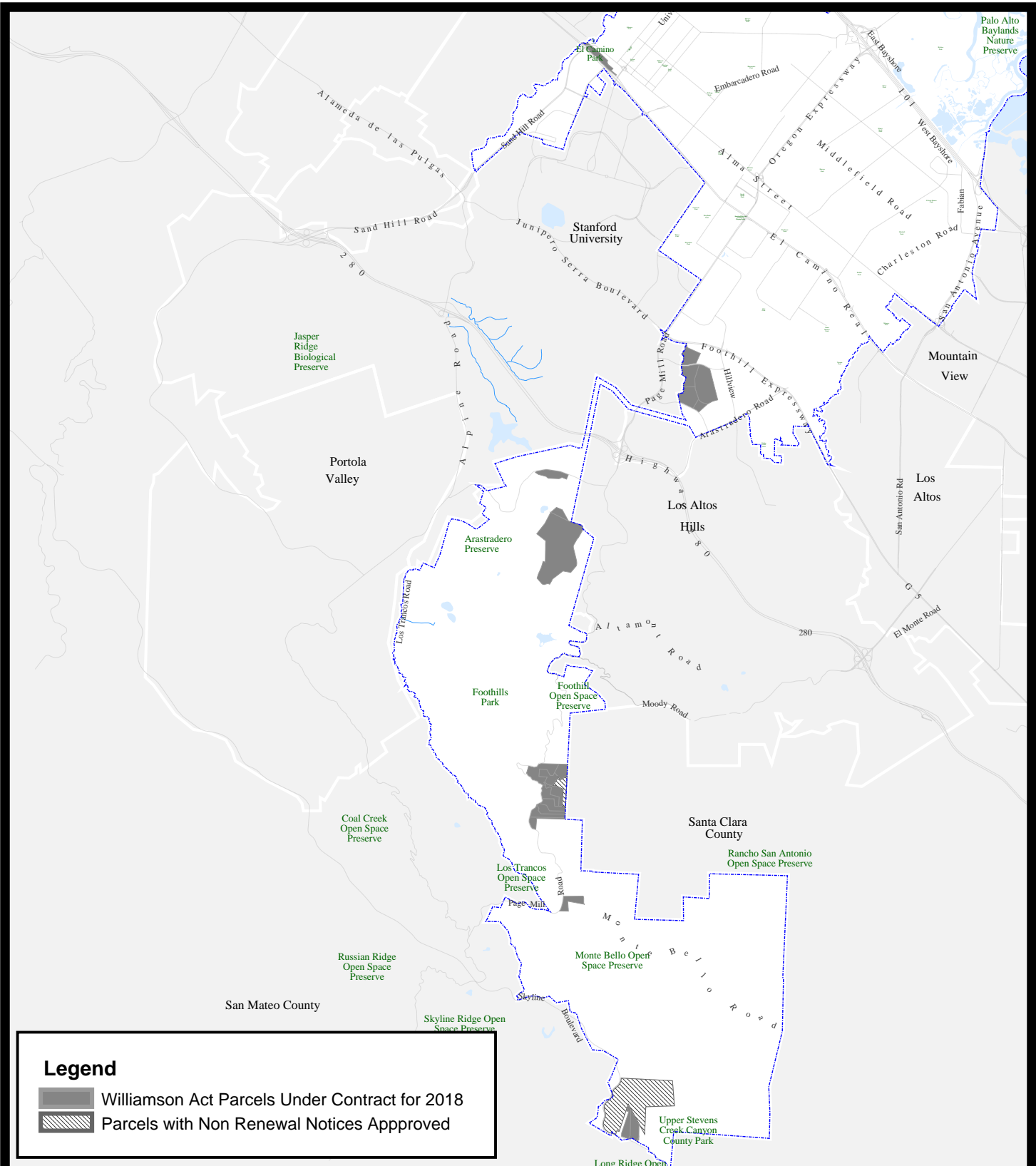
Number	APN	Street Name	Full Address	Owner Name	Williamson Act Land Ownership	Zoning	Acreage after Deducting Homesite Exclusion	Homesite Exclusion	Land Class	Contract Start Date	Contract Status	Assessed Land Value 2018 ¹	Assessed Land Value 2017 ¹	Assessed Land Value 2016 ¹
18	351-05-048	Page Mill Rd	3865 Page Mill Rd	Grace Carland Trustee	Private Ownership	OS	9.00	One acre deducted for homesite	Non Prime	Unknown	Unchanged; contract will continue for at least another 10 years.	\$37,330	\$36,609	\$35,876
19	351-05-049	Page Mill Rd	3855 Page Mill Rd	Patrick K. Suppes	Private Ownership	OS	10.00	No acreage deducted	Non Prime	Unknown	Unchanged; contract will continue for at least another 10 years.	\$538,824	\$528,259	\$517,901
20	351-12-062	Skyline Blvd	5061 Skyline Blvd	Rogers Noah	Private Ownership	OS	10.39	No acreage deducted	Non Prime	Unknown	Unchanged; contract will continue for at least another 10 years.	\$662	\$662	\$630
21	351-12-063	Skyline Blvd	5065 Skyline Blvd	Robert Schulte Trustee Et al	Private Ownership	OS	11.35	One acre deducted for homesite	Non Prime	Unknown	Unchanged; contract will continue for at least another 10 years.	\$497,838	\$488,077	\$478,507
22	351-12-066	Skyline Blvd	2287 Skyline Blvd	Robert Schulte Trustee Et al	Private Ownership	OS	-0.76	No acreage deducted	Non Prime	Unknown	Unchanged; contract will continue for at least another 10 years.	\$25	\$25	\$24
23	351-25-015	Page Mill Rd	4201 Page Mill Rd	Bruce A Leak	Private Ownership	OS	10.31	One acre deducted for homesite	Non Prime	Unknown	Unchanged; contract will continue for at least another 10 years.	\$1,655,780	\$1,623,362	\$1,591,464
24	351-12-006	Skyline Blvd	1405 Skyline Blvd	Midpeninsula Regional Open Space District	Midpeninsula Regional Open Space District	OS	138.59		Non Prime	2/26/1973	Contract Terminates 12/31/24			
25	351-05-050	Page Mill Rd	3849 Page Mill Rd	Jeffrey A. and Mary L. Thomas	Private Ownership	OS	10		Non Prime	2/7/1977	Contract Terminates 12/31/26			

Source: City of Palo Alto, Williamson Act Parcel Database 2018.

Note ¹ Santa Clara County Assessors Office, Website: <https://www.sccassessor.org/index.php/online-services/property-search/real-property>

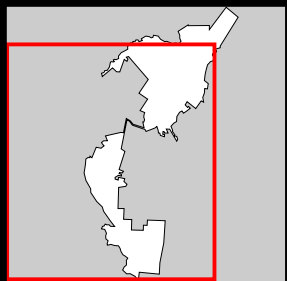
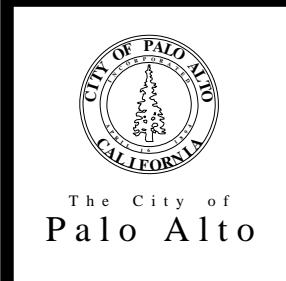
Note ² The City of Palo Alto leases this land for public use; however, it is privately owned.

Note ³ Value not assessed because land is owned by public agency.



Legend

- Williamson Act Parcels Under Contract for 2018
- Parcels with Non Renewal Notices Approved



Williamson Act Parcels 2018

This map is a product of the
City of Palo Alto GIS

