



# City of Palo Alto

## City Council Staff Report

(ID # 10546)

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**Report Type: Consent Calendar**

**Meeting Date: 9/23/2019**

**Summary Title: Williamson Act Contract Renewal (2019)**

**Title: Review and Approval of the Annual Williamson Act Contract Renewals Within Palo Alto City Limits; and Find This Action Exempt From Review Under the California Environmental Quality Act (CEQA) Pursuant to Section 15317 (Open Space Contracts or Easements) of the CEQA Guidelines**

**From: City Manager**

**Lead Department: Planning and Development**

### **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 ten-year rolling term contracts administered by the jurisdictions. In return, the State assesses the restricted parcels for property taxes 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 institute 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 ten-year term with a renewal date of January 1 each year, at which time one year is added to the contract term. The term would remain a total of ten 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 the ten-year term each January 1.

### **Discussion**

The Williamson Act Property Report for the calendar year 2019 (Attachment A) includes information on the 23 existing parcels in Palo Alto currently under contract, as well as parcels undergoing the process of non-renewal. Attachment A lists the parcels' 2019 assessed land values, acreages, and the land class (prime and non-prime land). A map showing the locations 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 ten-year term starting from January 1, 2020. 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 are 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 rating. Class I or II lands are considered to have the features to sustain long-term agricultural production. Private individuals own about 70 percent of the land under contract. Stanford University Board of Trustee owns

another 27 percent while the City of Palo Alto owns the remainder. The 2016 California Land Conservation Act Status Report (Link: [2016 California Land Conservation Act Status Report](#)) published in December 2016 provides the detail of the land enrollment under the California Land Conservation Act throughout the state of California.

#### Properties under Contract Non-Renewal

No applications for Williamson Act contract non-renewal were filed with the City between October 2018 and August 2019. At present, there are two parcels, previously approved for non-renewal by the City Council in 2014 and 2016, that are within 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).

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. The code 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 State of California bases property tax assessment for Williamson Act parcels 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 approximately \$15,425 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 ten percent (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:**

**Williamson Act Property Data 2019\_Attachment A (PDF)**

**Williamson Act Parcels Map 2019\_Attachment B (PDF)**

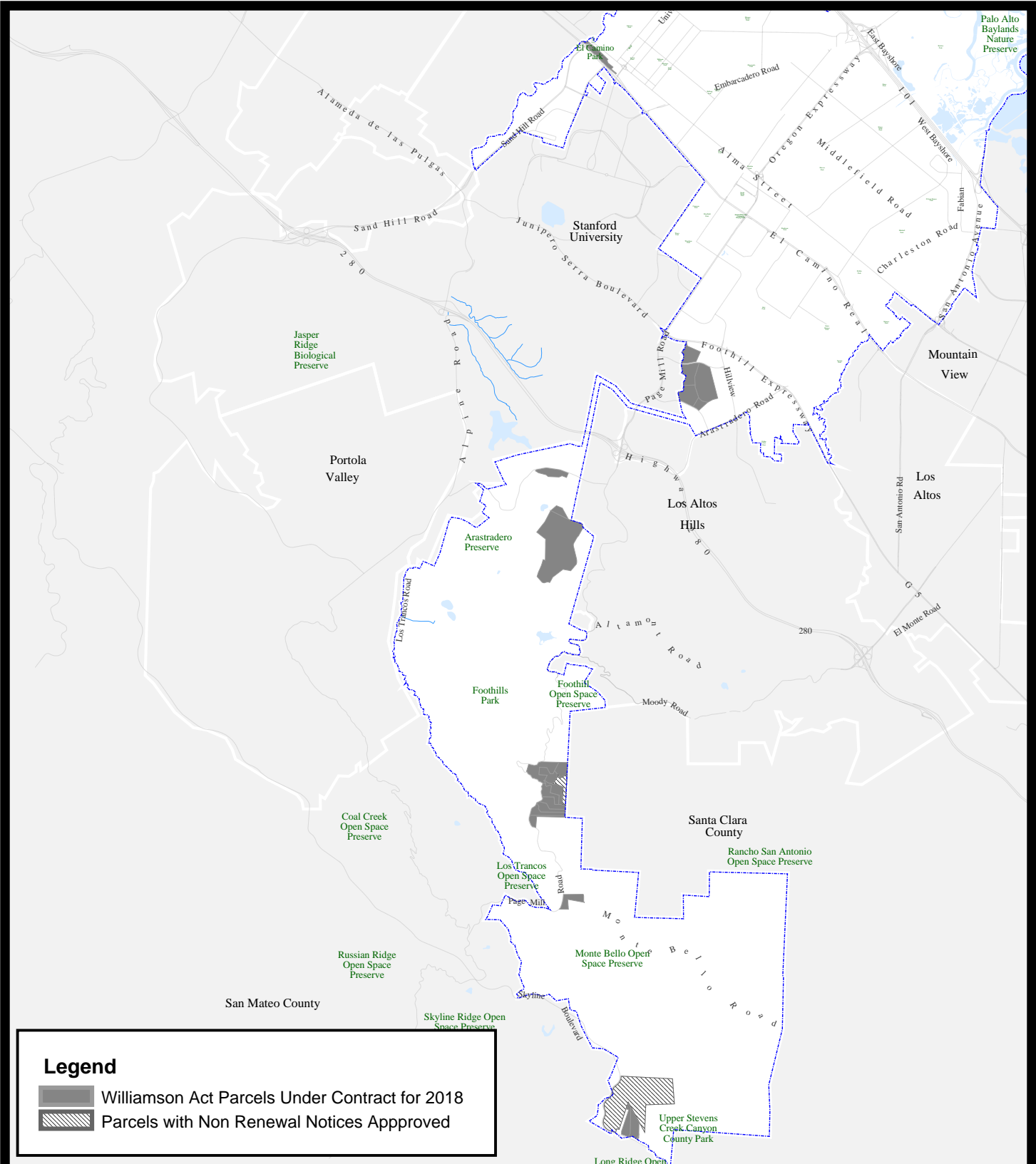
List of Parcels Under Williamson Act Contract to Renew on January 1, 2020

ATTACHMENT A

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 2019 <sup>1</sup>	Assessed Land Value 2018 <sup>1</sup>	Assessed Land Value 2017 <sup>1</sup>
1	120-31-001 <sup>2</sup>	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.	\$11,621	\$11,040	\$11,040
2	120-31-009 <sup>2</sup>	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.	\$161,684	\$153,600	\$153,600
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.	\$15,587	\$14,808	\$14,808
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.	\$8,594	\$8,165	\$8,165
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.	\$2,652	\$2,520	\$2,520
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.	\$9,315	\$8,850	\$8,850
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.	\$7,094	\$6,740	\$6,740
8	182-33-014 <sup>3</sup>	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
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.	\$54,992	\$53,846	\$52,791
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.	\$1,513,719	\$1,484,039	\$1,454,941

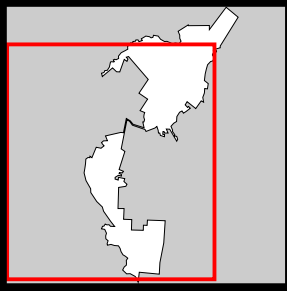
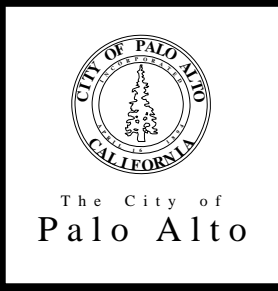
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11	351-05-024	Page Mill Rd	3845 Page Mill Rd	Judith A. Block Trustee	Private Ownership	OS	7.72	One acre deducted for homesite	Non Prime	2/16/1976	Unchanged; contract will continue for at least another 10 years.	\$55,410	\$54,309	\$53,254
12	351-05-042	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.	\$421,128	\$412,854	\$404,770
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.	\$1,263	\$1,200	\$1,200
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.	\$192,956	\$189,173	\$185,464
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.	\$1,103,904	\$1,082,259	\$1,061,039
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.	\$1,102,725	\$1,081,089	\$1,059,900
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.	\$631	\$600	\$600
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.	\$38,094	\$37,330	\$36,609
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.	\$549,600	\$538,824	\$528,259
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.	\$216,175	\$662	\$662

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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.	\$507,794	\$497,838	\$488,077
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.	\$27	\$25	\$25
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.	\$1,688,974	\$1,655,780	\$1,623,362
<b>List of Parcels undergoing Non-Renewal Process</b>														
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	<b>Contract Terminates 12/31/24</b>			
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	<b>Contract Terminates 12/31/26</b>			
Source: City of Palo Alto, Williamson Act Parcel Database 2019.														
Note <sup>1</sup>	Santa Clara County Assessors Office, Website: <a href="https://www.sccassessor.org/index.php/all-situs-search?SFrom=all&amp;SType=all&amp;STab=address&amp;addValue=">https://www.sccassessor.org/index.php/all-situs-search?SFrom=all&amp;SType=all&amp;STab=address&amp;addValue=</a>													
Note <sup>2</sup>	The City of Palo Alto leases this land for public use; however, it is privately owned.													
Note <sup>3</sup>	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 2019

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

This document is a graphic representation only of best available sources. The City of Palo Alto assumes no responsibility for any errors ©1989 to 2016 City of Palo Alto