

AGRICULTURE TECHNICAL ADVISORY COMMITTEE MINUTES  
OF FEBRUARY 25, 2021

The San Joaquin County Agriculture Technical Advisory Committee met in regular session on February 25, 2021 at 10:30 a.m., by phone conference on Microsoft TEAMS from the Community Development Department, 1810 East Hazelton Avenue, Stockton, California.

**I. The meeting was called to order.**

**II. Roll Call:**

(present)

Committee Members

Renee Puig-Hink, Chair  
Joe Petersen, Vice Chair  
John Beckman, Vice Chair  
Matt Arnaiz  
Stanton Lange  
Tom Doucette

San Joaquin County Staff

David Kwong, Director  
John Funderburg, Principal Planner  
Megan Aguirre, Senior Planner  
Zayante (Zoey) P. Merrill, County Counsel  
Allen Asio, Office Assistant Specialist

(absent)

Steve Coldani

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**III. Discussion Items:**

**1. Approval of Minutes from January 28,2021, Meeting**

John Beckman made a motion to adopt the minutes. Seconded by Tom Doucette. Motion passed on a vote of 6-0.

**2. Chair/Vice Chair Selection:**

Renee Puig- Hink announced that she will be moving out-of-state later this year and recommended Matt Arnaiz for the position of Chair. Matt declined. Joe Petersen recommended John Beckman for the position of Chair.

Renee Puig-Hink made a motion to select John Beckman as the new Chair. Seconded by Tom Doucette. Motion passed on a vote of 6-0.

Megan Aguirre informed the Committee members that Steve Coldani is no longer a member of the Committee.

John Beckman asked Stanton Lange if he was interested in the Vice Chair position. Stanton indicated he would be if Joe Petersen also continued to be a Vice Chair.

Renee Puig-Hink made a motion to select Stanton Lange and Joe Petersen as co-Vice Chairs. Seconded by Tom Doucette. Motion passed on a vote of 6-0.

### **3. Ordinance Update – Scheduled for Board of Supervisors (March 23, 2021)**

Megan Aguirre provided an update on the proposed ordinance amendments and stated that the item is scheduled to go to the Board of Supervisors on March 23, 2021. She asked the Chair or Vice Chairs to participate to answer any questions the Board may have.

John Beckman stated that he will put it on his calendar.

Megan Aguirre provided an update as to when “in perpetuity” was removed. She stated there was no discussion found that specifically removed that statement. However, there were changes that happened in July of 2018 that were draft ideas of what the Agricultural Technical Advisory Committee (AgTAC) was thinking they might change in the ordinance. There was a meeting in December where the AgTAC gave more input on the board letter. There was no specific request to remove “in perpetuity”. It came from cleaning up the ordinance to take out some of the qualifying entity language.

John Beckman asked if there were any questions on the ordinance update and no one responded with further questions.

### **4. In-Lieu Fees**

#### **a. Fee History**

Megan Aguirre stated that in October of 2006, the Community Development Department sent a letter to the Board of Supervisors that included the Agricultural Mitigation program and the fee information. The consultant, Economic and Planning Systems (EPS), drafted the fee based on several different factors. The fee has not been updated since, even though there is language in the ordinance stating that there would be an annual review. Therefore, the available history is just the initial establishment of the fee. The analysis for the fee took into account several components, including an easement acquisition cost of \$6900, which was the major component of the fee at 80%. In terms of the overall fee, which is \$8675, the acquisition fee is the vast majority of the fee. Based on the consultant's recommendation, the fee also included a 2% transaction cost of \$200, a 10% monitoring endowment cost of \$880, a 3% legal endowment cost of \$300, a 3%

administrative cost of \$280, and a 1% contingency cost of \$115. Megan noted that if the AgTAC were to re-evaluate the fee, there may not need to be a monitoring portion of the fee if there is no monitoring occurring based on the proposed ordinance amendment. There could also be other changes to the fee based on the decisions that the AgTAC has made regarding new amendments to the ordinance. Megan also noted that the AgTAC needs to determine what to consider when reviewing the current fee for an annual update, since the AgTAC has discussed updating the fee with available data, but members have stated that it may not be applicable to the fee. Megan stated that the non-acquisition related costs for the existing fee were based on the Consumer Price Index (CPI), which is a typical measure of inflation, and one idea was to include the CPI in the update process. Housing price indices were also discussed because they have to do with land. Megan read from the original fee study that “The acquisition costs will use a different index given the tendency for land prices to rise significantly faster than inflation in California, because no accurate land price indices are available, a housing price index will be used. Housing price indices can provide a good proxy for land prices as a speculative value associated with housing development and value often drives increases in land values.” Megan stated that the AgTAC had mentioned previously that they were not sure that the fee should be based off of housing costs, so that is an area of the fee that the AgTAC may want to re-evaluate if changes are considered.

Joe Petersen stated that the audio connection was breaking up and asked if there is something they can read.

Megan Aguirre said she can send the 2006 Board letter with the attached fee information in an email once the meeting has concluded.

John Beckman and Stanton Lange both agreed that they wanted to see this information.

#### **b. California Farmland Trust Fees**

Joe Petersen asked to hear from Charlotte Mitchell of the California Farmland Trust (CFT) regarding the CFT’s history and what their fee structure looks like.

Charlotte Mitchell stated that the Central Valley Farmland Trust merged with the Brentwood Agricultural Land Trust of Contra Costa County which resulted in CFT with a primary focus in the Central Valley and into Brentwood area, as well. Charlotte explained that if a developer comes to CFT because a local jurisdiction is requiring farmland mitigation, she would go to a spreadsheet of easement values. For each specific project, they appraise the land for the highest and best agricultural use, and then appraises the land as if it was encumbered by an agricultural conservation easement. Easement restrictions essentially don't permit property owners to subdivide or develop the land, but it can change hands, and must remain in agriculture. The land can be

followed. The difference between the two values is what CFT pays for purchasing a landowner's development right. On top of that, CFT also charges the developer a 20% fee that is divvied up so that 5% goes to monitoring and stewarding the easement, which Charlotte stated is very important and is really very critical to ensuring that easements are upheld annually. The remainder of the 20% includes 10% for the transactional cost and a 5% administrative fee to cover other costs, such as overhead. Those percentages are all based upon the easement value per acre, as determined by the appraisal. Charlotte further explained that the calculations for San Joaquin County were specifically developed by looking at projects since 2018, and taking the average of those appraisals. The current value of an agricultural easement in San Joaquin County is \$10,850 an acre. After adding 20% to the in-lieu fee, it would be \$13,020 per acre. This information is shown to the developers so that they know this number is derived from factually-based appraisal reports. It can change over time with additional appraisals.

Stanton Lange asked for clarification on the overall fee.

Joe Petersen stated that the overall fee is \$13,020 per acres. Joe then asked if there are other additional annual costs or transactional costs, and if an easement has a transfer fee associated with it.

Charlotte Mitchell stated that the transfer fee is only triggered when that property is sold to a non-family member and the seller pays 1% of that sales price. This fee is put towards the stewardship and monitoring fund for that property, and allows CFT to work with the new land owner to make sure they fully understand the conservation easement. It also provides for the documentation required. Charlotte clarified that the transfer fee is only triggered when the property is sold to a non-family member. If it is sold within the family, the understanding of the conservation easement should be transferred from one generation to the next or to family members.

Matt Arnaiz asked if the transfer fee is 1% of the purchase price or sales price.

Charlotte Mitchell said yes.

Joe Petersen stated it is similar to the current County transfer tax of a tenth of a percent.

Matt Arnaiz said the 1% fee seems like a pretty hefty dollar amount.

Charlotte Mitchell stated that it can be a large amount, but it is pretty standard for land trusts. The fee is used to fund stewardship and monitoring, a legal defense fund, inflation, underwriting costs, etc. Terra Firma insurance provides some insurance coverage when CFT needs to legally defend a conservation easement, but the fee is there to make sure that the easement is stewarded properly. Charlotte asked if there were more questions or if

Megan Aguirre wanted her to explain anything else.

Megan Aguirre stated that she was not expecting Charlotte to discuss anything else unless there were further questions from the AgTAC.

John Beckman asked if there are any other questions.

Joe Petersen restated the CFT's fee information that Charlotte had presented, which is that the average sale price is \$10,850 for the transaction and then an additional 20% is charged for a total of \$13,020. Then there's also an additional 1% transfer tax. Joe asked how many sales CFT's fee spreadsheet represented since 2018.

Charlotte Mitchell stated that there were six sales and then clarified that it is a transfer fee, not a tax, as the CFT cannot charge taxes.

John Beckman thanked Charlotte for the information and for participating. He asked if there are any additional discussion comments.

Stanton Lange requested to receive information well in advance for the next meeting.

Megan Aguirre agreed and stated that she can also send the board letter and attachments right away, and to let her know if there was anything else the AgTAC would like to see.

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#### **IV. Public Comment Period**

None.

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#### **V. Adjournment**

Meeting adjourned 11:10 a.m.

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#### **VI. Next meeting:** March 25, 2021

Renee Puig-Hink/John Beckman  
Chairperson

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David W. Kwong,  
Secretary