

## Introduction

The site the County Board of Supervisors directed staff to pursue for a potential New County Jail is located on a portion of the Laguna County Sanitation District (LCSD) property. The proposed jail site is designed to be located on 50 acres of a 232 acre LCSD parcel of land.

The LCSD is a dependant Special District of the County of Santa Barbara. The County Board of Supervisors acts as the LCSD Board of Directors. Because the parties believe opportunities exist that may benefit the jail facility and LCSD, the County and LCSD have agreed through a Letter of Intent to set forth some preliminary conceptual terms and conditions which may apply to the County's offer to purchase a portion of LCSD property known as Assessor Parcel No. 113-210-015 (232 acres).

Currently, the subject property is being appraised in accordance with Federal Guidelines. The appraisal assignment is to estimate the current Fair Market Value (FMV) of the larger parcel, and then the current FMV of the 50 acre portion of the property proposed for the new jail facility. During this time additional studies are also being performed for the purpose of due diligence.

## Laguna County Sanitation District Impacts

Wastewater services provided by LCSD generally consist of collection, treatment, and disposal. LCSD treats the water and then the treated water is discharged on site via spray irrigation or sold to off site parties as recycled water. During the winter months, when spray irrigation demand (evapo-transpiration) is low, it is necessary to store the treated water in ponds until the following spring. During the winter, therefore, storage is a key component of the overall system.

The proposed New County Jail could affect all three components. The expansion of the LCSD plant occurs as development occurs. Building the jail facility at the LCSD site would entail the facility occupying the 50 acres currently used for irrigation. Some portion of this loss of available land may need to be replaced based upon the District's operating permit with the Regional Water Quality Control Board. The need for the full 50 acres for irrigation replacement is highly unlikely, and the project team will consider other cost effective alternatives during project development. For example, instead of replacing the land, the District might create additional on-site storage capacity (used in winter months) or identify additional offsite users of recycled water, or a combination of both.

## Set-Aside for Environmental Mitigation

As discussed in the Environmental Overview section of the study, wildlife agencies will likely require the project to preserve roughly 40 acres of land for mitigation of habitat loss. This land will have to be purchased, or a preserve easement could potentially be purchased from



## Land Acquisition

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another land owner. It is possible that a portion of the replacement land LCSD may need to acquire could be used for this mitigation. The United States Fish and Wildlife Service feels the quantity of irrigation performed currently may not provide suitable habitat, so a lighter application would likely be required. In any event, additional purchase of land or land easement will be required for mitigation.

### Access to the Subject Property

The subject property does not have adequate primary or secondary access suitable for a public facility. Therefore, more substantial primary and secondary access would need to be acquired through a road easement from adjacent property owners. Acquiring the easement would help to resolve any public health and safety access concerns which may relate to the public facility.

A review of the neighboring properties reveals the best primary access may be through the adjacent property to the south of the subject property. The primary access would be acquired by a road easement. The road would require a 3,000 foot improvement. The primary access roadway would be in a north and south direction, and connect to the State Highway Route 1. To connect to the State Highway Route 1, a small bridge would need to be constructed to cross Orcutt Creek.

The best secondary access may be through the adjacent property to the east of the subject property. The secondary access could be constructed on an existing traveled dirt roadway which connects to Black Road.



The primary and secondary access roads would not be considered public roadways and therefore would not be placed into the County road maintenance system. The nature of the roadways would be to serve the jail facility and may require some security, fencing, and gates. At this time the primary and secondary access roads have not been valued for acquisition.

### Utilities for the Subject Property

Utilities include water, electricity, natural gas, sewer, telephone, and potentially cable. As previously mentioned, LCSD currently provides wastewater collection, treatment, and disposal services to the Orcutt community in the Santa Maria Valley. In addition to wastewater services, the District could provide refuse collection and disposal, street cleaning and sweeping, as well as provide domestic water supply. Because these additional services are not proposed by LCSD at this time, the County can determine at a later date if off-site utility easements are required for the jail facility.

### Acquisition Options

In acquiring land the Board has several options to consider, all of which would include an appraisal to ensure a fair rate to the buyer (the County). The following information is provided as a foundation for understanding these options.

Usually, a real estate property interest is transferred by a conveyance. The most common type of conveyance is a deed, a written instrument that conveys the property interest in real property. A deed would be used for this real estate transaction. In addition to the deed, a real estate contract would be executed by both parties, and each party incurs obligations to perform.

Contracts take various forms. Until formal direction is received from the Board, the contract options to be considered are as follows:

- **A Purchase Contract** for the sale of real estate generally includes a statement as to the amount of the deposit, an accurate legal description of the property, financial provisions, further terms and conditions, type of deed to be conveyed, and a closing date and place.
- **A Lease/Option Agreement** is similar to an option agreement; however, the owner allows the buyer to lease the subject property (with consideration) until the option is exercised sometime in the future. Under the terms of the lease, the buyer would obtain possession of the property at a later date. If the option is not exercised, the amount of consideration is retained by Seller as satisfaction in full for holding the property for the Buyer. Such documents, when properly drawn, contain all the basic essentials to be found in the detailed contract.



## Land Acquisition

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- **An Option Agreement** for the sale of real estate is a right or privilege given by an owner to another person to purchase the property at some time in the future for a stated price and terms. Generally, a nominal monetary consideration accompanies the option agreement which may be forfeited if the option is not exercised. In this arrangement, the County would have the ability to release itself from any obligation to purchase.

## Summary

The Purchase Contract and Lease/Option Agreement options may not be practical based on various circumstances. First, the Purchase Contract would require immediate funding for a project that currently does not have full funding allocated. Additionally, if the environmental review process has not been completed, then the Purchase Contract would require a contingency for the completion of the environmental review before the acquisition of the subject property is completed.

The Lease/Option requires a lease payment be paid to the seller until the time the property is actually purchased. Therefore, the County would be paying an annual payment before it is needed. This is not a practical approach for the County because possession of the subject property is not contemplated until the construction of the jail facility is complete.

Of the three acquisition approaches described above, the Option Agreement is recommended as the most practical and sound financial strategy for the County to consider as it does not require any significant outlay of funds until such a time as the land is purchased, and allows the flexibility needed for a complex, long term project of this nature. Also, securing an appropriate site and acquiring a qualified, acceptable location for the jail is something the County should continue to do as the long-term need for the facility has been clearly illustrated.

