



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY EXECUTIVE

File #: 24-009

Board Meeting Date: 1/9/2024

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Michael P. Callagy, County Executive

Subject: Purchase and Sale Agreement for the Acquisition of approximately fifty acres of Agricultural Land with Improvements, 2265 & 2275 Cabrillo Highway South within the County of San Mateo & City of Half Moon Bay.

RECOMMENDATION:

Adopt a resolution:

- A) Declaring the Board of Supervisors' intent to purchase the real property described as Agricultural Land with Improvements, located at the northeast corner of Cabrillo Highway South and Miramontes Point Road, approximately fifty acres, identified as San Mateo County Assessor's Parcel Numbers 066-093-080, 066-093-090, 066-093-100, 066-093-160, 066-093-170, 066-093-250, 066-093-260, ("Property"), located within the unincorporated County of San Mateo and the City of Half Moon Bay, for a total purchase price of \$9,000,000; and
- B) Authorizing the County Executive to execute a Real Estate Purchase and Sale Agreement and Escrow Instructions ("Agreement") with the owners of the Property, Rabo Agrifinance LLC ("Sellers"), for the County's acquisition of the Property; and
- C) Authorizing the County Executive, or designee, to execute a Certificate of Acceptance upon satisfaction of certain conditions in escrow, to be recorded with the Grant Deed transferring title to the Property to County, as well as any and all notices, escrow instructions, and documents required to facilitate the purposes of the Agreement and directing the filing of a Notice of Exemption for the adoption of the resolution as categorically exempt from the California Environmental Quality Act.

BACKGROUND:

The Property is agricultural land with improvements, comprising seven parcels totaling approximately fifty acres, located at the northeast corner of Cabrillo Highway South and Miramontes Point Road, lying within the unincorporated area of County of San Mateo with a portion of the property lying within the City of Half Moon Bay. The Property was formerly used as an agricultural greenhouse facility.

DISCUSSION:

The County has determined the Property is an opportunity site for a number of pressing County needs, particularly for the potential future development of high-quality housing for agricultural workers whose housing needs are unique within the housing market and which are not adequately met by private sector alternatives. The expectation is that the County would analyze a future development project on this property that is consistent with current land use regulations applicable to the parcel, or to propose the annexation of the parcel to the City of Half Moon Bay in order to work cooperatively among various jurisdictions, agencies and non-profits to ensure the adequacy of services and to minimize the impact to surrounding land uses and agricultural operations on adjacent lands. No public project or change to current land uses is proposed by this acquisition. The feasibility of any such project or change is subject to further approvals and any necessary environmental analysis.

The Sellers have executed a Letter of Intent proposed by the County Executive for the purchase price of \$9,000,000 which is consistent with the appraised value of the property. Upon completion of the County's investigation of the Property, and satisfaction of all conditions or the expiration of the Due Diligence Period, transaction will close on July 15, 2024.

Sea Level Rise Impact evaluation has been conducted in accordance with the 2019 San Mateo County Sea Level Rise Policy for County-Owned Assets that requires evaluation of sea level rise risk at least 50 years beyond the date of acquisition. Based on a review of inundation and erosion maps, this property is not vulnerable to 3.3 feet of sea level rise or to 6.6 feet of sea level rise and a 100-year storm event.

Notices pursuant to California Government Code section 25350 of the intention of the Board of Supervisors to make this purchase was published in compliance with Government Code section 6063, including a description of the property to be purchased, the price, the vendor, and a statement of the time this Board would meet to adopt this Resolution and consummate the purchase, and inviting interested persons to attend and be heard on the subject.

Staff further recommends that this Board direct the filing of a Notice of Exemption of the adoption of the Resolution as categorically exempt from the requirements of the California Environmental Quality Act under Class 25 as a transfer of ownership of interests in land in order to allow continued agricultural use of the areas under Section 15325(b) of Title 14 of the California Code of Regulations and also on the basis that the resolution authorizes solely the acquisition of the property in its present condition and subject to present regulations and it can be seen with certainty under Section 15061 of Title 14 of the California Code of Regulations that there is no possibility that this may have a significant effect on the environment until an actual development project is proposed.

FISCAL IMPACT:

The purchase price including closing costs has been appropriated within the FY 2024-2025 budget and will be paid with the General Fund.