

**CALIFORNIA COASTAL COMMISSION**

SOUTH CENTRAL COAST AREA  
SOUTH CALIFORNIA ST., SUITE 200  
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May 19, 1999

TO: **Commissioners and Interested Parties**

FROM: Charles Damm, Senior Deputy Director  
Gary Timm, District Manager  
James Johnson, Coastal Program Analyst

RE: **CITY OF CARPINTERIA LOCAL COASTAL PROGRAM MAJOR  
AMENDMENT NO. 2-98: Land Use Plan and Map, Zoning Ordinance and Map,  
Urban-Rural Boundary (Convert Agricultural Land to Creekwood Residential Land  
Use) Public Hearing and Action at California Coastal Commission Hearing on  
June 7 - 11, 1999 in Santa Barbara.**

**AMENDMENT SYNOPSIS**

The City of Carpinteria ("City") proposes to revise the certified Local Coastal Program through the following actions: 1) revise Coastal Land Use Policy 8-2 to address converting or annexing agricultural land located outside the City; 2) add Coastal Land Use Policy 8-3 to address converting agricultural land located within the City; 3) revise the land use designation and plan map from agriculture to residential on five parcels totaling 32 acres; 4) revise the zoning ordinance designation and map from Agriculture A-10 to Residential PUD 3.81; and 5) relocate the Urban-Rural boundary to allow the conversion of Norman's Nursery to proposed Creekwood residential land use consisting of five parcels and 32 acres located at 5800 Via Real, Carpinteria.

**STAFF NOTE**

This Amendment was originally scheduled for action at the Commission's November 1998 meeting. In order to adequately address the issue of converting agricultural land to a residential land use, Staff requested an extension of time for Commission review of this Amendment. At the November 4, 1998 meeting, the Commission extended the time to act on this Amendment until September 4, 1999. This Amendment was then scheduled for the January 12 - 15, 1999 Commission meeting. At the January 15, 1999 meeting, the Commission continued the Amendment to a later date due to conflicting information regarding the City's request for a Commission hearing or a continuance. Staff rescheduled this Amendment for the June 1999 Commission meeting in Santa Barbara, a location in close proximity to the City of Carpinteria.

Although the City of Carpinteria has approved this LCP Amendment and the proposed Creekwood residential development project on the Norman's Nursery site contingent upon Commission approval of this proposed Amendment, the proposed Creekwood residential project is not before the Commission. The majority of this site is located outside the Commission's appealable area. Thus, Commission will address the proposed LCP Amendment only.

## **SUMMARY OF STAFF RECOMMENDATION**

Staff recommends that the Commission, after a public hearing, deny the amendment to the City's Local Coastal Program Land Use Plan, and Land Use Maps as submitted, as they are not consistent with Chapter 3 policies of the Coastal Act protecting agricultural land. In addition, the Zoning Ordinance and Maps, as submitted, are not adequate to carry out the Land Use Plan. The recommended Motions and Resolutions are provided on pages two (2) and three (3) of this report. In effect, the existing certified City of Carpinteria Local Coastal Program is consistent with the Coastal Act which designates the subject site for continued agricultural use with a ten (10) acre minimum lot size, locates the site within the Rural Area relative to the Urban-Rural Boundary, and retains the protections provided by existing LCP Policy 8-2 for maintaining the maximum amount of agricultural land in agricultural production.

## **ADDITIONAL INFORMATION**

For further information about this report or the amendment process, contact James Johnson at the Coastal Commission, 89 South California Street, Second Floor, Ventura, CA 93001, or 805-641-0142.

## **PROCEDURAL REQUIREMENTS**

Pursuant to Section 13551 (b) of the California Code of Regulations, the City resolution for submittal must indicate whether the Local Coastal Program Amendment will require formal local government adoption after the Commission approval, or is an amendment that will take effect automatically upon the Commission's approval pursuant to Public Resources Code Sections 30512, 30513, and 30519. If the Commission approves this amendment proposal, as submitted, the City of Carpinteria must act to accept the Commission's action before the Amendment will be effective. Further, consistent with the requirements of Section 13544, the Executive Director's determination that the City's action is legally adequate must also be fulfilled. If the Commission denies the LCP Amendment, as submitted, no further action is required by either the Commission or the City.

### **I. STAFF RECOMMENDATION**

#### **A. RESOLUTION I (Deny Certification of the Land Use Plan Amendment No. 2-98, as submitted)**

##### **Motion I.**

**"I move that the Commission certify the Land Use Plan Amendment No. 2-98 to the City of Carpinteria LCP as submitted."**

Staff recommends a **NO** vote on Motion I and the adoption of the following resolution of certification and related findings. An affirmative vote by a majority of the appointed Commissioners is needed to pass the motion.

**Resolution I**

The Commission hereby Denies Certification of the Land Use Plan Amendment No. 2-98 to the City of Carpinteria Local Coastal Program as submitted and finds for the reasons discussed below that the Land Use Plan Amendment does not meet the requirements of and is not in conformity with the policies of Chapter 3 (commencing with Section 30200) of the California Coastal Act to the extent necessary to achieve the basic state goals specified in Section 30001.5 of the Coastal Act, and that the certification of the amendment does not meet the requirements of Sections 21080.5(d)(2)(A) of the California Environmental Quality Act, as there are further feasible mitigation measures or feasible alternatives which could substantially lessen significant adverse effects to the environment.

**B. RESOLUTION II** (Deny certification of the LCP Implementation Plan Amendment No. 2-98, as submitted.)

**Motion II**

"I move that the Commission Reject the Implementation Plan Amendment No. 2-98 to the City of Carpinteria LCP as submitted."

**Staff Recommendation**

Staff recommends a YES vote, on Motion II and the adoption of the following resolution to reject certification and related findings. An affirmative vote by a majority of the Commissioners present is needed to pass the motion.

**Resolution II**

The Commission hereby Rejects Amendment No. 2-98 to the Implementation Plan of the City of Carpinteria LCP as submitted on the grounds that the amendment to the Local Coastal Program Zoning Ordinance does not conform to and is not adequate to carry out the provisions of the LCP Land Use Plan as certified. There are feasible alternatives or mitigation measures available which would substantially lessen any significant effects which the approval of the Implementation Plan amendment as submitted will have on the environment.

**II. RECOMMENDED FINDINGS**

**A. STANDARD OF REVIEW AND PUBLIC PARTICIPATION**

The following findings support the Commission's denial of the LCP Amendment as submitted. The standard of review for the proposed amendment to the certified Land Use Plan (LUP), pursuant to Section 30512(c) of the Coastal Act, is that the proposed amendment is in conformance with the Chapter 3 policies of the Coastal Act. The standard of review for the

proposed amendment to the Implementation Plan, pursuant to Section 30513 and 30514 of the Coastal Act, is that the proposed amendment is in conformance with, and adequate to carry out, the provisions of the LUP portion of the certified City of Carpinteria Local Coastal Program.

Coastal Act Section 30503 requires public input in preparing, approving, certifying and amending any Local Coastal Program. On September 22, 1997, the City Council held a public hearing and adopted changes to the City's certified LCP submitted as Amendment No. 2-98. As a result of the City's action at the hearing on the Amendment, the local hearings were duly noticed to the public consistent with Sections 13551 and 13552 of the California Code of Regulations which require that notice of availability of the draft LCP amendment be made available six (6) weeks prior to final local action. Notice of the subject amendment has been distributed to all known interested parties.

The Commission hereby finds and declares as follows:

## **B. AMENDMENT BACKGROUND AND DESCRIPTION**

### **1. Background and Site Location**

The City of Carpinteria Local Coastal Program (LCP) has been fully certified since January 6, 1982; the City assumed coastal permit authority on January 27, 1982.

The City of Carpinteria ("City") is located at the southwest corner of the Santa Barbara County coastline and is surrounded by the County of Santa Barbara. The subject site is located within the Carpinteria Valley, a coastal terrace located between the Santa Ynez Mountains and the Santa Barbara Channel. The topography of the Carpinteria Valley ranges from rugged exposed rock formations on mountains slopes and rolling hilltops to coastal mesas, slopes, bluffs, wetlands, and sandy beaches. This dramatic topography serves to define the local climate. Carpinteria enjoys a Mediterranean climate, with mild winters, moderate to hot summers, and limited rainfall, ideal for coastal agricultural uses.

The City is comprised of about 2.4 square miles; it is close to built-out as a predominantly residential community of about 14,500 residents. Although only a limited amount of developable land, vacant or partially vacant, remains in the City as of 1998, there are opportunities for development of vacant land and further intensification of underdeveloped land. The City's oceanfront includes Carpinteria City Beach and Carpinteria State Beach Park (Exhibits 1 and 2). The City is entirely located within the coastal zone.

The agricultural property proposed for conversion is currently occupied by a commercial ornamental plant nursery, Norman's Nursery on five parcels consisting of 32 acres. The Nursery sells landscaping plant material to the landscape trades people. The site is not operated as a retail facility. The site is generally unimproved with the exception of about ten greenhouse structures, about 60 lightweight tented growing structures, and an office/equipment maintenance structure. The majority of the site growing area is covered with a gravel/cobble material underla

with plastic sheeting to control weed growth. A small area adjacent to the office and equipment maintenance structure is paved with concrete. All plants are grown in container pots.

The site is generally flat, with a steeply sloped bank at the northern edge that forms the channel of Carpinteria Creek. The northern one third of the site drains northward into Carpinteria Creek and the southern two thirds of the site drains to the curb/gutter surface drainage system along the frontage road, Via Real. Access to the property from Via Real is from a driveway and gravel road that bisects the property in a north-south direction.

Immediate surrounding land uses include residential (Rancho Granada Mobile Home Park and San Roque Mobile Home Park) located to the west, public transportation corridors (Via Real, Highway 101, and Carpinteria Avenue) to the south, agricultural uses, greenhouses, row crops and a single family residence (Kono and Sons Nursery) to the east, and Carpinteria Creek and avocado orchards to the north (Exhibit 4).

In 1991, the City approved a Temporary Use Permit to erect 21 frost protection houses to be covered with visqueen plastic during the winter months. In 1992, the City approved a Conditional Use Permit to construct 'as built' frost protection houses on three acres, a 3,100 square foot warehouse, roads, parking, and ancillary improvements (Exhibit 3).

The City's Local Coastal Program Coastal Plan designates land uses for the City. The land use designation for the subject site (five parcels) is Agricultural I (Exhibit 5). The Land Use Map and Zoning District Map further designates the site as A-10, which indicates that ten acres is the minimum parcel size. Since the parcel sizes range from 2.11 to 14.09 acres (2.11, 3.11, 4.54, 8.24, and 14.09 acres), most parcels are non-conforming as to parcel size with the exception of one parcel which is conforming to the ten acre minimum parcel size. The subject parcels are located in the Rural Area outside the current Urban-Rural Boundary now located along the western and southern boundaries of the site. The subject parcels are located within the City of Carpinteria municipal limits which are located along the northern and eastern boundaries of the subject site.

The City submitted Local Coastal Program ("LCP") Amendment No. 2-98 in part on October 21, 1997, February 25, 1998, April 15, 1998, and August 25, 1998. The submittal was deemed complete and filed on September 4, 1998. The City submitted Resolution No. 4410 (Exhibit 6) indicating the approval of the proposed LCP Amendment and Ordinance No. 540 (Exhibit 7) indicating the approval of the Zoning Map and change of the Zone District Boundary.

## **2. Amendment Description Summary**

The changes the City proposes to the LCP include: revise Coastal Plan Policy 8-2 to address converting or annexing agricultural land located outside the City (Exhibit 8); add proposed Policy 8-3, to address converting agricultural land located within the City (Exhibit 8); revise the land use designation and plan map from Agriculture to Single Family Residential on five parcels totaling 32 acres (Exhibit 9); revise the zoning ordinance designation and map from Agriculture A-10 to

Residential PUD 3.81 (Exhibit 10); and relocate the Urban-Rural boundary (Exhibits 11 and 12). All of these changes allow the conversion of Norman's Nursery to the proposed Creekwood residential land use at 5800 Via Real, Carpinteria.

Specifically, the City's proposed changes are listed as follows; language deleted by the proposed Amendment is ~~struck through~~ and language added is underlined.

Revise Coastal Plan Policy 8-2 to apply to the conversion or annexation of agricultural land uses outside the City limits. The City proposes to revise Policy 8-2 as follows:

Agriculture – If a parcel(s) is designated for agricultural land use outside the City limits and is located in either (a) a rural area contiguous with the urban/rural boundary or (b) an urban area, conversion or annexation shall not occur unless:

- a. the agricultural use of the land is severely impaired because of non-prime soils, topographic constraints, or urban conflicts (e.g., surrounded by urban uses which inhibit production or make it impossible to quantify for agricultural preserve status), and
- b. Conversion would contribute to the logical completion of an existing urban neighborhood, and
- c. There are no alternative areas appropriate for infilling within the urban area or there are no other parcels along the urban periphery where the agricultural potential is more severely restricted, and
- d. The parcels could not be maintained in productive use through the use of ~~greenhouses~~ or alternative agricultural uses, and
- e. Conversion would result in a well-defined demarcation between urban and agricultural uses and would not create a precedent for conversion of adjacent agricultural lands.

Coastal Plan Policy 8-3 is proposed to apply to conversion of agricultural land uses within the City limits. Coastal Plan Policy 8-3 states as follows:

Agricultural Within City Limits – If a parcel(s) is designated for agricultural use and is located within the city limits, conversion shall not occur unless:

- a. Conversion would contribute to the logical completion of an existing urban neighborhood, and
- b. There are no alternative areas appropriate for infill development within the urban area or there are no other parcels along the urban periphery where the agricultural potential is more severely restricted, and
- c. Conversion would result in a well-defined demarcation between urban and agricultural uses and would not create a precedent for conversion of adjacent agricultural lands.

In effect, the proposed amendment establishes different standards for conversion of agricultural lands depending on whether the site is located within or outside the City's municipal limits. T

City's proposed revision of Policy 8-2 provides for the review of agriculturally designated land located outside the City Limits relative to five tests for the conversions or annexation. Revised Policy 8-2 also proposes to delete the specific reference to greenhouses in test 'd'. A new Policy 8-3 provides for a less stringent standard for the review of Agricultural lands within the City Limits with three tests for conversion. Proposed Policy 8-3 deletes two of the tests required in Policy 8-2. These tests proposed to be deleted include test 'a' which prohibits conversion unless the agricultural use of the land is severely impaired because of non-prime soils, topographic constraints, or urban conflicts (e.g., surrounded by urban uses which inhibit production or make it impossible to qualify for agricultural preserve status, and test 'd' which also prohibits conversion unless the parcel could not be maintained in productive use through the use of greenhouses or alternative agricultural uses.

The City also proposes to amend the Urban-Rural Boundary to include the Nursery's five parcels comprising the subject site within the Urban Area (Assessor Parcel Numbers 001-080-02, 30, 35, 40, 45, totaling about 32 acres of land). (Exhibit 11)

### **C. CONSISTENCY WITH COASTAL ACT – LAND USE PLAN AMENDMENT**

The proposed amendment to the City's certified Land Use Plan raises the issue whether the conversion of agricultural lands to a residential land use is consistent with Chapter 3 policies of the Coastal Act. The relevant Coastal Act issues are discussed below as findings for Resolution I.

The standard of review for an amendment to a certified Land Use Plan is that the amendment meets the requirements of, and is in conformity with the policies of Chapter 3 of the Coastal Act, to the extent necessary to achieve the basic goals specified in Section 30625(c) of the Coastal Act.

#### **1. Protection of Agricultural Lands**

A fundamental policy of the Coastal Act is the protection of agricultural lands. The Act sets a *high standard for the conversion of any agricultural lands to other land uses*. The Coastal Act does not make exceptions based on the location of property within City limits. Coastal Act Section 30241 requires the maintenance of the maximum amount of prime agricultural land in agricultural production to assure the protection of agricultural economies. Section 30241 also requires minimizing conflicts between agricultural and urban land uses through six tests.

Coastal Act Section 30241 states that:

The maximum amount of prime agricultural land shall be maintained in agricultural production to assure the protection of the areas agricultural economy, and conflicts shall be minimized between agricultural and urban land uses through all of the following:

- (a) By establishing stable boundaries separating urban and rural areas, including, where necessary, clearly defined buffer areas to minimize conflicts between agricultural and urban land uses.
- (b) By limiting conversions of agricultural lands around the periphery of urban areas to the lands where the viability of existing agricultural use is already severely limited by conflicts with urban uses or where the conversion of the lands would complete a logical and viable neighborhood and contribute to the establishment of a stable limit to urban development.
- (c) By permitting the conversion of agricultural land surrounded by urban uses where the conversion of the land would be consistent with Section 30250.
- (d) By developing available lands not suited for agriculture prior to the conversion of agricultural lands.
- (e) By assuring that public service and facility expansions and nonagricultural development do not impair agricultural viability, either through increased assessment costs or degraded air and water quality.
- (f) By assuring that all divisions of prime agricultural lands, except those conversions approved pursuant to subdivision (b), and all development adjacent to prime agricultural lands shall not diminish the productivity of such prime agricultural lands.

If the viability of existing agricultural uses is an issue in the economic feasibility study required under Section 30241 (b) of the Coastal Act for conversion of prime lands around the periphery of urban areas, the Commission must make specific findings identified in Coastal Act Section 30241.5 in order to address the agricultural "viability" of such land. These findings must address an assessment of gross revenues from agricultural products grown in the area and an analysis of operational expenses associated with such production. Subsection (b) specifically requires that such economic feasibility studies be submitted with any LCP Amendment request.

Coastal Act Section 30241.5 states that:

- (a) If the viability of existing agricultural uses is an issue pursuant to subdivision (b) of Section 30241 as to any local coastal program or amendment to any certified local coastal program submitted for review and approval under this division, the determination of "viability" shall include, but not be limited to, consideration of an economic feasibility evaluation containing at least both of the following elements:
  - (1) An analysis of the gross revenue from the agricultural products grown in the area for the five years immediately preceding the date of the filing of a proposed local coastal program or an amendment to any local coastal program.



(2) An analysis of the operational expenses, excluding the cost of land, associated with the production of the agricultural products grown in the area for the five years immediately preceding the date of the filing of a proposed local coastal program or an amendment to any local coastal program.

For purposes of this subdivision, "area" means a geographic area of sufficient size to provide an accurate evaluation of the economic feasibility of agricultural uses for those lands included in the local coastal program or in the proposed amendment to a certified local coastal program.

(b) The economic feasibility evaluation required by subdivision (a) shall be submitted to the commission, by the local government, as part of its submittal of a local coastal program or an amendment to any local coastal program. If the local government determines that it does not have the staff with the necessary expertise to conduct the economic feasibility evaluation, the evaluation may be conducted under agreement with the local government by a consultant selected jointly by local government and the executive director of the commission.

Coastal Act Section 30113 defines Prime Agricultural Land as those lands defined in paragraph (1), (2), (3), or (4) of subdivision (c) of Section 51201 of the Government Code.

These provisions of Section 51201 (c) of the Public Resources Code state:

**Definition of Prime Agricultural Lands:**

- (1) All land which qualifies for rating as class I or class II in the Soil Conservation Service land use capability classifications.
- (2) Land which qualifies for a rating 80 through 100 in the Storie Index Rating.
- (3) Land which supports livestock used for the production of food and fiber and which has an annual carrying capacity equivalent to at least one animal unit per acre as defined by the United States Department of Agriculture.
- (4) Land planted with fruit- or nut-bearing trees, vines, bushes, or crops which have a nonbearing period of less than five years and which normally return during the commercial bearing period on an annual basis from the production of unprocessed agricultural plant production not less than two hundred dollars (\$200) per acre.

The City's LCP provides guidance for the Commission to consider in this proposed LCP Amendment. LCP Policy 8-1 requires that any parcel in the rural area that meets one or more of four (4) criteria be given an Agricultural land use designation. Policy 8-1 states:

An agricultural land use designation shall be given to any parcel in rural areas that meet one or more of the following criteria:

1. prime agricultural soils (Capability Classes I and II as determined by the U. S. Soil Conservation Service)
2. prime agricultural land as defined in Section 51201 of the Public Resources Code
3. lands in existing agricultural use
4. lands with agricultural potential (e.g., soil, topography, and location that will support long-term agricultural use).

These criteria shall also be used for designating agricultural land use in urban areas, except where agricultural viability is already severely impaired by conflicts with urban uses.

As discussed further, Coastal Act Sections 30241 and 30241.5 are the most important policies for evaluating the proposed LCP Amendment because the subject site is considered prime agricultural land as further discussed below.

In the Carpinteria Valley, agriculture is the dominant rural land use surrounding the urban development of the City of Carpinteria. The south coast of Santa Barbara County has a relatively mild year-round climate supporting the production of frost-sensitive and some subtropical crops such as avocados, lemons, strawberries, and cherimoyas. The Santa Barbara County Coastal Plan adopted by the Commission in 1982 describes the Carpinteria Valley as follows:

... From Toro Canyon to the Ventura County line, orchards, fields of flowers, and greenhouses are the prevailing landscape. The City of Carpinteria is literally encircled by agriculture which extends into the Carpinteria foothills. (Staff note; Toro Canyon is about four miles west of the subject site and is considered the western boundary of the Carpinteria Valley.)

As an agricultural resource, Carpinteria Valley is among the finest in the State of California for the production of specialty crops, which include avocados, cut flowers, and foliage plants. The local climate, prime soils, and relatively clean air make the area highly desirable to growers ... mild temperatures, combined with a relatively wind-free setting and excellent solar exposure (due to the north-south orientation), help to produce exceptionally fine quality, high yield crops which can be harvested when other agricultural areas are out of production. Carpinteria Valley growers thereby enjoy a market advantage over their counterparts elsewhere.

According to the Proposed Final Environmental Impact Report, New Toro Canyon Elementary School and Summerland School Closure, dated September 1998, more than half of the County's cut flower and nursery products, chrysanthemums, orchids, roses and potted plants, are produced in greenhouses surrounding the City of Carpinteria. Tropical fruits, such as cherimoyas, passion fruit, sapote and feijoas, have been established for commercial production in areas where avocado root rot has made avocado production unsuccessful. The FEIR also notes that:

The Carpinteria area of the County is unique in that many of the farms in this region are viable even on relatively small acreages. This is particularly true for level areas containin

prime soils in the Carpinteria Valley where, combined with the relatively frost-free climate, good southern exposure, and availability of agricultural support services, a wide variety of high value cash crops can be economically grown.

Coastal Act Section 30241 establishes six (6) tests for the review of any Local Coastal Program Amendment to convert prime agricultural land to non-agricultural use. All of these tests, when applicable, must be met in order for the conversion of agricultural land to another land use to be approved. The purpose of these tests is to minimize conflicts between agricultural and urban land uses so that the maximum amount of prime agricultural land will be maintained in agricultural production to assure the protection of the areas agricultural economy. The conversion of prime agricultural land around the periphery of an urban area, as in this proposal, is effectively prohibited unless agricultural viability is already "severely limited" by conflicts with existing urban uses, (or the land is completely surrounded by urban land uses and the conversion is consistent with Section 30250 of the Coastal Act and the conversion is otherwise consistent with Section 30241.)

The majority of the soil on the subject site consists of Goleta fine sandy loam rated as Capability Class I by the Soil Conservation Service, United States Department of Agriculture. Therefore, per Section 30113 of the Coastal Act, the subject site meets the definition of "prime agricultural land" and Section 30241 is applicable in this case. In addition, the subject site meets the guidance provided in City LCP Policy 8-1 which requires that the parcels be given an agricultural land use designation. This designation is appropriate because the site includes prime agricultural soil, lands in existing agricultural use, and land with agricultural potential and location that will support long-term agricultural use.

Each of these six tests required by Section 30241 will be reviewed separately.

a.     Establish Stable Boundaries Separating Rural and Urban  
Land Uses

The initial question under Section 30241 (a) of the Coastal Act is whether or not the conflicts between agricultural and urban land uses are minimized by establishing stable boundaries separating urban and rural areas, including, where necessary, clearly defined buffer areas to minimize conflicts between agricultural and urban uses. First the existing situation is examined and then compared # to the proposed situation as a result of the City's proposed LCP Amendment.

The subject site consists of 5 parcels, totaling 32 acres, surrounded by a variety of land uses (Exhibits 4 and 5). These uses include residential (Rancho Granada Mobile Home Park, San Roque Mobile Home Park, a detached single family residential neighborhood in the vicinity of Cameo Road between Carpinteria Creek and Casitas Pass Road) and agricultural (an avocado orchard and a single family residence located between Carpinteria Creek, Highway 101, and Casitas Pass Road) located to the west; public transportation corridors (Via Real, Highway 101, and Carpinteria Avenue), government offices (Carpinteria City Hall), recreational uses (roller

skating rink and a golf driving range) located to the south; greenhouses, row crops (Kono and Sons Nursery) and a single family residence, and residential condominiums (McKeon Condominiums) located to the east; and Carpinteria Creek and avocado orchards located to the north.

A stable boundary now exists between the agricultural land use of the site and adjacent urban land uses (Exhibit 11). This boundary, the Urban-Rural Boundary, is located along the west and south boundaries of the site. This Urban-Rural Boundary separates the urban land uses to the west (residential uses including the two mobile home parks and Cameo Road residential subdivision) and to the south (transportation corridors, City Hall, rollerskating rink, and the golf driving range) from the agricultural uses on the subject site.

Of these urban land uses the one with the greatest potential for conflict with the subject agricultural land use is the adjoining Rancho Granada Mobile Home Park to the west. According to Tom McBride, the manager, the Mobile Home Park was constructed between 1970 and 1972 to include 116 residential unit spaces with a current population of about 160 senior citizens. Separating the Mobil Home Park from the subject Nursery is a 6.5 foot high fence. The Nursery's rows of potted and boxed plants are setback about 12 feet from this fence while the mobile home structures are setback about six (6) feet from the same fence (Exhibit 3). There is one area on the northern portion of the property where a row of frost protection houses 100 feet long are setback about 36 feet from this fence. This fence and the two setback areas on each side are the apparent buffer between the subject agricultural land use and the adjacent Mobil Home Park. The urban land uses to the south (office and recreational land uses) are separated from the site by a significant distance, about 250 feet wide, by the transportation corridor, thereby avoiding any significant conflict between these urban uses and the subject agricultural land uses. The transportation corridor is the buffer between the subject agricultural land use and the office and recreational land uses to the south. Thus, the existing Urban-Rural Boundary is logical and provides a buffer to minimize conflicts between agricultural and urban land uses.

The City provided some information on the issue of conflicts between agricultural uses on the subject site with surrounding urban land uses in the Amendment submittal. The Final Environmental Impact Report for the "Creekwood Residential Project" reviews the criteria listed in existing LCP Policy 8-2 (Exhibit 13). Existing LCP Policy 8-2 states in part that:

If a parcel(s) is designated for agricultural land use and is located in either (a) a rural area contiguous with the urban/rural boundary or (b) an urban area, conversion or annexation shall not occur unless:

1. The agricultural use of the land is severely impaired because of non-prime soils, topographical constraints, or urban conflicts (e.g. surrounded by urban uses which inhibit production or make it impossible to qualify for agricultural preserve status), and
2. Conversion would contribute to the logical completion of an existing neighborhood, and ...

4. The parcel could not be maintained in productive use through the use of greenhouses or alternative agricultural uses, and ...

The FEIR concludes that:

**The site does not appear to meet the criteria of 1, 2, and 4 listed above. The site is not severely impaired for agricultural uses; the site is not part of a specific neighborhood and is thus not an extension of a defined neighborhood; and the project site is a viable agricultural unit. (emphasis added)**

Therefore, the City's FEIR concluded that the continued agricultural use of the parcels do not appear to be severely impaired because of urban conflicts or other reasons.

The City submitted a "Report on Agricultural Feasibility in the Carpinteria Valley, Re: Creekwood Residential Project on Norman's Nursery Site", dated July 26, 1998, and prepared by George Goodall analyzing the viability of existing agricultural use pursuant to Section 30241.5 of the Coastal Act (Exhibit 14). The Report states that there are serious non-economic conflicts that occur on this property and other agricultural properties in close proximity to urban land uses:

Many serious non-economic conflicts occur on this Norman Nursery parcel and other properties that are in close proximity to urban land uses. Trespassing, thievery, malicious mischief, vandalism, and curiosity seekers all diminish the income, increases costs, and take time from productive work. These are not problems for the more remotely located farmer.

Only generalized information on these conflicts is provided in the Report. No specific information is provided indicating that these conflicts directly affect the actual rate of return, gross revenue, and the operational expenses at Norman's Nursery.

Thus, no significant documented conflicts were identified between the urban use of the adjoining Mobile Home Park (residential) and the existing agricultural use of the operation of Norman's Nursery.

A stable boundary separating urban and rural areas already exists. The proposal to revise Policy 8-2 to apply to agricultural land use outside the City limits, add Policy 8-3 for agricultural use located within the City limits, relocate the Urban-Rural Boundary to include this site within the Urban Area, and change the land use and zoning designations from agricultural to residential is inconsistent with the first test. A stable boundary separating urban and rural areas has existed for about 26 years since the mobile home park was constructed in about 1972. Further, the fence and setback areas separating the agricultural land use and the mobile home park, and the transportation corridor are already the clearly defined buffer areas that now minimize conflicts between agricultural and urban land uses.

In addition, if the City's LCP Policies were adopted and implemented, land with a land use and zone designation of agriculture within the City limits could be more easily converted to urban use while agricultural lands outside the City would be held to a higher standard for conversion which would have the effect of making the boundary less stable. Moving the Urban-Rural Boundary to the east, as proposed by the City, creates the potential for an unstable boundary, by creating a precedent to move the Boundary further eastward to include between two (2) and seven (7) or more parcels until it reaches and encompasses the McKeon Condominium Complex located north of Via Real along Birch and Hickory Streets (Exhibits 4, 11, and 12). As a result, the proposed Amendment has the potential to create an unstable Boundary, a precedent to move the Boundary eastward, and minimize and create potentially unclear buffer areas between agricultural and new urban land uses.

The City's Coastal Plan identifies the subject site, formerly known as the Reeder parcels, for continued long-term agricultural use. The City's Coastal Plan, as certified by the Commission on January 6, 1982, states that:

Within the City limits, agricultural land is limited to an avocado orchard on the Bernard property at Casitas Pass Road and Highway 101, an abandoned lemon orchard on Sawyer Avenue, the recently planted gypsophila fields north of Eugenia Place and on the Reeder property, ... Only the Barnard and Reeder parcels are planned for continued long-term agricultural use.

In certifying the City's Coastal Plan, the Commission established and located the Urban-Rural Boundary along the west and south sides of the subject site, locating the subject site within the Rural area. The City's Coastal Plan specifically identifies this Boundary and the reason for placing these subject parcels (formerly known as the Reeder parcels) outside the Urban area (Exhibit 12). The Coastal Plan states:

The urban/rural boundary then follows the City's existing limits in a southerly direction along Casitas Pass Road and southeast to Carpinteria Creek. At this point, the boundary conforms to the existing mobile home park, proceeds south to North Via Real, and continues eastward along Via Real to the McKeon development. The Reeder parcels (Area 10) and two small parcels in Area 11 are, therefore, excluded from the urban area. The Reeder parcels are located on prime soils and are partially planted to gypsophila at this time. While the western parcel in Area 11 is composed of prime soils, soils on the eastern parcel are non-prime (Class III); both of these parcels are designated for agricultural use because of their agricultural potential.

The reason the Commission's certified City Coastal Plan designated the site as a rural area for continued agricultural land use is because of the prime soils and agricultural use at that time. The majority of the site still has prime soils, qualifies as prime agricultural land as noted above, and is in agricultural production as an ornamental container grown plant nursery, therefore, the reason for this designation has not changed. The subject site as designated for 'prime agricultural land' meets the guidance provided in LCP Policy 8-1, and meets the definition in Coastal Act Section

30113 and California Government Code Section 51201, because its soil qualifies as Class I by the Soil Conservation Service and the site is in agricultural use.

In conclusion, the current Urban-Rural Boundary has minimized conflicts between agricultural and urban land uses over the past 26 years. These urban uses, located to the west of the subject site (the residential Rancho Granada Mobile Home Park), and to the south, (the office and recreational land uses) have adequate buffers. Therefore, the location of the Urban-Rural Boundary minimizes conflicts between agricultural land uses on the site and surrounding land uses.

Further, the proposed Policy 8-2 as revised and proposed Policy 8-3 make the standards for agricultural land dependent on whether the land is located within the City limits. The location of a City limit line, however, does not by itself determine the location of an appropriate or stable boundary between agricultural and urban land uses. The City limit line in this area was created before the Coastal Act became effective in 1977 and before the Urban-Rural Boundary was established in the City's Local Coastal Program certified in 1982. As noted above, the stable boundary in this area is the existing fence and setback areas separating the subject agricultural land use and the adjacent residential land use. Therefore, proposed Policy 8-2 as revised and Policy 8-3 are not consistent with the first test of Section 30241 of the Coastal Act. Therefore, the proposed Amendment does not minimize conflicts between agricultural and urban land uses, will not establish stable boundaries separating urban and rural areas, and will not establish clearly defined buffer areas to minimize conflicts between agricultural and urban land uses, as compared to the existing Urban-Rural Boundary, the existing agricultural land use and current LCP Policy 8-2. Thus, the proposed LCP Amendment is inconsistent with the first test of Section 30241 of the Coastal Act.

**b. Agricultural Viability and Neighborhood Completion**

In order to meet the test for conversion of land around the periphery of urban areas under Section 30241 (b) of the Coastal Act, the amendment must meet one of two tests to minimize conflicts between agricultural and urban land uses. This test is applicable since the subject property is adjacent to an urban area located to the west and south.

To satisfy this test, the viability of agricultural use must already be "severely limited by conflicts with urban uses". The second situation when conversion of land on the periphery of an urban area may be appropriate when the "conversion of lands would complete a logical and viable neighborhood and contribute to the establishment of a stable limit to urban development".

The first test is whether or not the viability of agricultural use is already severely limited by conflicts with urban uses. As noted above, in connection with Section 30241(a), no significant conflicts between the subject agricultural land use and the surrounding urban land uses on two sides have been documented. Nevertheless, assuming the existence of some degree of conflict, the degree of limitation on the viability of existing agricultural use is not "severely limited".

"Viable" is defined in the Merriam Webster Dictionary dated 1998 to include "capable of growing or developing", or "capable of working, functioning, or developing adequately", or "financially sustainable, a viable enterprise". The means to determine viability is provided in Section 30241.5 of the Coastal Act. To address the issue of viability of agricultural land uses consistent with Section 30241.5, an economic feasibility evaluation was provided by the City. The question here is to determine if agricultural use is economically feasible or financially sustainable.

The evaluation titled: "Report on Agricultural Feasibility in the Carpinteria Valley Re: Creekwood Residential Project on Norman's Nursery Site" was prepared by George Goodall, Agricultural Consultant, Santa Barbara, CA (Exhibit 14). The Report describes the site and surrounding area. The site is identified as including prime soils as identified in the Williamson Act Land Classification System and "Super Prime" in the Santa Barbara County Agricultural Preserve regulations because it produces over \$ 1,000 per acre per year of agricultural income. Most of the site includes Goleta fine sandy loam, with a 0-2% slope and the site is stated to be "one of the finest agricultural soils in the area". The Report goes on to state that the site is USDA Land Capability Class I. The Report states that:

It is physically suitable for growing a wide variety of crops without special problems or limitations. It is ironical that the present agricultural operations are growing everything in containers and have put down gravel, plastic, and herbicides to facilitate their operations. They are not using this deep, well drained, excellent, fine textured, nearly level soil, except as a level area to support their containers and to provide drainage away from them.

The Report indicates that although the land is physically capable of producing a very wide variety of agricultural commodities without significant limiting problems, economic viability is quite a different matter.

To address the agricultural "viability" of prime lands around the periphery of urban areas, these findings must address an assessment of gross revenues from agricultural products grown in the area and an analysis of operational expenses associated with such production to determine economic feasibility.

The Report provides an analysis of gross revenue and operation expenses for three crop types, including avocados, lemons, and general ornamental container-grown plants. The Report indicates that the rates of return on invested capital are currently very low, even for high-income specialty crops grown in the Carpinteria Valley. The Report concludes that rates of return on invested capital need to be at least 10% and preferably greater than 12%. For long range orchard crops, the rates of return have to be 12 – 15% per year. For container-grown plants, the expected minimum rate of return is 10%. Based upon the cost and income tables presented in (Exhibit 14, Tables 2, 3, and 4) the Report states that:

... the following rates of return on invested equity can be suggested as representative for the area:



Avocados	2.1 %
Lemons	4.0 %
General Ornamental Container-Grown	3.0%

These rates are well below expected and necessary returns for favorable economic feasibility.

It is important to point out that these figures, however, are calculated contrary to the analysis required in Section 30241.5 (a) (2) which requires that debt for land costs be excluded when analyzing operational expenses. Excluding debt for land costs, the figures provided in the Report (Exhibit 14, Tables 2, 3, and 4) for rates of return on gross revenue are actually as follows:

Avocados	12.17 %
Lemons	14.85 %
General Ornamental Container-Grown	5.1%

Under Coastal Act Section 30241.5, an economic feasibility analysis for agriculture requires subtraction of operational expenses from gross revenue, excluding the cost of land. The result appears to be the rates of return on gross revenue provided in the Report ranging from 5.1% to 14.86%.

In addition, it is important to note that the figures identified for the General Ornamental Container-Grown products do not reflect the actual rates of return for the subject site, Norman's Nursery. No independently audited figures on actual rates of return (based on an analysis of gross revenue and operational expenses) over the past five years specifically for Norman's Nursery were provided by the City or the property owner.

The report concludes that the Norman's Nursery property is not economically feasible for agriculture by stating:

A very wide range of agricultural crops could be physically grown on this excellent prime soil parcel. But due to its high land values, high production costs, and numerous conflicts and limitations, only several crops were considered possibly viable – avocados, lemons, and container-grown ornamentals – and their rates of returns are too low for the risks involved. For these reasons, I would judge that this Norman's Nursery parcel is not economically feasible for agriculture.

In an effort to review the above Report, staff contacted a number of individuals and companies familiar with agricultural issues to request an independent review and comment regarding the above Report. First, staff contacted the Santa Barbara County Agricultural Commissioner's Office. William Gillette, Agricultural Commissioner reviewed the Report and responded in a letter dated December 7, 1998 that the methodology used by the author appears to be correct and the limitations on the use of the data is accurately described by the author (Exhibit 15). However, Mr.

Gillette does correct one of the important statements made in the report on page 6 regarding the expansion of agricultural plantings or facilities by stating:

On page 6, the author states that "current growers in the Valley are not expanding their plantings or facilities". We know of several greenhouse/cut flower growers who have expanded their operations in the last few years.

On December 14, 1998, Mr. Gillette further clarified in an email message that Brand Flowers and Ocean Breeze International have or are in the process of expanding agricultural operations in the Carpinteria Area. One of these businesses purchased KM Nursery property which the submitted Report indicated had gone out of business and closed (Exhibit 14, page 5) according to Mr. Gillette.

Mr. Gillette declines to make any judgements on the issue of agricultural viability. However, the important issue noted by Mr. Gillette is that agricultural operations consisting of greenhouse/cut flowers growers are expanding. It appears that some agricultural operations must be somewhat profitable to finance expansion of operations in the Carpinteria Valley.

Staff contacted Jay Tabor, of the Carpinteria office of the Central Coast Farm Credit Agency, a National Cooperative for Farm Financing and requested any comments on the Agricultural Feasibility Report. After reviewing the Report, Mr. Tabor was unable to comment because "Norm's Nursery is one of his clients".

Staff contacted Paul Forrest, Vice President and Agricultural Loan Officer for Santa Barbara Bank and Trust in Santa Maria and requested any comments on the Agricultural Feasibility Report (Exhibit 16). Mr. Forrest stated that he believed that additional agricultural crops should be considered (Exhibit 17). These crops include strawberries due to the superb soils which could be marketed through direct farm-to-consumer sales due to the site's location on a highway frontage road (Via Real parallels Highway 101, see Exhibit 2). A second crop could be vine-ripened hydroponic tomatoes grown in a 25 acre greenhouse.

Mr. Forrest also noted that the production costs provided in the Agricultural Feasibility Report are from low yield, high cost producers by stating that:

I would add some different production costs for Sections IV and V: Our surveys indicate that for profitable enterprises in the Santa Barbara area Avocado yields range from 2.0 to 5.5 tons/acre with total costs (preharvest, plus harvest plus overhead) ranging from \$2,200 to \$2,920/acre, for a breakeven position of \$530 to \$1,100/ton. The figures cited in the Goodall study are from low yield, high cost producers. Our Lemon figures are for yields ranging from 12 to 19 tons/acre, with total costs of \$3,400 to \$4,050/acre and a breakeven range of \$215 to \$275/ton. Again, the figures cited in the study are from high-cost producers.

Mr. Forrest concludes that the rates of return cited in the Agricultural Feasibility Report are positive and are acceptable. With the potential for higher yields or lower costs the positive returns could be better by stating that:

I will comment only briefly on the various rates of return cited. These vary widely from one operation to another and have a lot to do with how the "books are cooked", particularly how assets are carried and their declared valuation. Generally, if all costs of production, including overhead (which also includes return to management and debt service), are met by the gross income then the enterprise is profitable and viable. **The rates of return cited are positive, which is the main issue, and are entirely acceptable.** Given the potential for higher yields or lower costs, they could be even better. (emphasis added)

Staff contacted a number of other individuals associated with the agricultural land uses in the Carpinteria Valley requesting comments on the above Report. No further comments were received to date.

A review of the Agricultural Feasibility Report conclusions reveal that the figures provided may understate the potential for crop production yields while overstating the operational costs. Although the rates of return provided in the Report may be low as a result, most importantly the rates are positive as noted in the submitted Agricultural Feasibility Report. Therefore, the three possible agricultural operations (avocado and lemon orchards, and general ornamental container-grown plants) analyzed in the Report indicate that the rate of return on crop revenue (excluding the costs of land consistent with Coastal Act Section 30241.5(a)(2)) are profitable ranging from 5.1 % to 14.85 % per year. Thus, continued agricultural use is viable on the subject site as it is economically feasible to do so.

Lastly, City staff provided a review of existing LCP Policy 8-2 concluding that any conflicts between the nursery operation and the adjacent mobile home park are not significant enough to hinder continuing use of agricultural use. A letter, dated February 23, 1998, from Fred Goodrich, Principal Planner with the City's Community Development Department a review of existing Policy 8-2 (Exhibit 13) is provided:

While it is believed that the conversion of the site to residential use conforms to the standards of number 2, 3, and 5 of Policy 8-2, the conversion may not meet the test of numbers 1 and 4.

Considering number 1, the continued agricultural use is already impaired by existing conflicts due to the dense residential use to the west. This conflict is due to the nature of the nursery operation and the proximity of the mobilehome sites to the property line. However, the coexistence of these two uses, and the lack of formal complaints, implies the conflict is not great enough to hinder continuing the current use of the land. Since the property is currently used for a potted-plant nursery, it would be considered one of the "alternative agricultural uses" described in number 4. Thus, the amendment does not

conform to existing Policy 8-2. Because the City feels a revised Policy 8-2 is appropriate, the City approved an amendment to Policy 8-2 and a new Policy 8-3 as part of its action.

Therefore, the City admits that this Amendment does not meet all of the tests in existing Policy 8-2. The tests that it does not meet include that: "the agricultural use of the land is severely impaired because of non-prime soils, topographical constraints, or urban conflicts"; and that: "the parcel could not be maintained in productive use through the use of greenhouses or alternative agricultural uses" such as the existing nursery.

Therefore, the viability of agricultural use, including the existing general ornamental container-grown nursery and the other agricultural land uses noted above, is not severely limited by conflicts of urban uses. The proposed Amendment does not meet this aspect of Section 30241(b) and Section 30241.5 of the Coastal Act.

Regarding the second part of the second test of Section 30241(b), the issue is limiting conversions of agricultural land around the periphery of urban areas where the conversion of lands would complete a logical and viable neighborhood and contribute to the establishment of a stable limit to urban development. The subject site is located around the periphery of the urban area. The Commission must address the issue of whether or not the conversion of the subject site would complete a logical and viable neighborhood. As noted above, the lands to the west include two Mobile Home Parks (Exhibits 4 and 5). The Parks are separated from additional residential lands to the north-west by Carpinteria Creek and are isolated at the west end of Via Real which deadends at the creek. A small subdivision of about 44 residentially developed lots surrounding Cameo Road is located between Carpinteria Creek and Casitas Park Road. In addition, an existing avocado orchard (about 15 acres) and a single family residence are located between this residential subdivision, Carpinteria Creek, Highway 101, and Casitas Pass Road. Because Carpinteria Creek separates these two residential land uses and no roadway connects the two land uses, these two land uses, the mobile home parks and the residential subdivision, are not considered the same neighborhood. Therefore, the two Mobile Home Parks are considered the only components of the residential land use adjoining the subject agricultural land use and by themselves do not constitute a 'neighborhood'.

The City provided some information on the issue of whether or not the proposed conversion from agricultural land use to a residential land use would complete an existing urban neighborhood in the Amendment submittal. The Final Environmental Impact Report for the "Creekwood Residential Project" reviews the criteria listed in existing LCP Policy 8-2 (Exhibit 13), concluding that:

**The site does not appear to meet the criteria of 1, 2, and 4 listed above. The site is not severely impaired for agricultural uses; the site is not part of a specific neighborhood and is thus not an extension of a defined neighborhood; and the project site is a viable agricultural unit. (emphasis added)**

Therefore, the City's Final Environmental Impact Report for the "Creekwood Residential Project" concluded that the subject site is not part of a specific neighborhood nor is an extension of a defined neighborhood. Therefore, the proposed conversion of the subject site would not complete a logical and viable neighborhood and not contribute to the establishment of a stable limit to urban development. In addition, the City's proposal to revise LCP Policy 8-2 to apply to lands outside the City and add Policy 8-3 to apply to lands within the City is inconsistent with Section 30241(b). Section 30241 (b) establishes a uniform policy for conversion of agricultural lands, regardless of whether such lands are located within or outside municipal boundaries. The City proposes to delete sections (a) and (d) from Policy 8-2 (Exhibit 8) in the proposed Policy 8-3 for conversion of lands within the City limits. There is no distinction in Section 30241(b) that justifies deletion of the agricultural viability test provided in section (a) and the test providing in section (d) for maintaining productive use of the parcel through greenhouses or alternative agricultural uses. Further, conflicts between agricultural and urban land uses are currently minimized and the conversion of the subject agricultural land around the periphery of urban areas is not appropriate as the site's agricultural viability is not severely limited by conflicts with urban uses. Thus, the proposed LCP Amendment is inconsistent with the test of Section 30241(b) of the Coastal Act.

**c. Conversion of Land Surrounded by Urban Uses**

In order to minimize conflicts between agricultural and urban land uses, the conversion of agricultural land surrounded by urban uses is permitted where the conversion of land would be consistent with Section 30250 and otherwise comply with applicable sections of Section 30241 of the Coastal Act (Public Resources Code Section 30241(c)). Section 30250 states in part that:

(a) New residential, commercial, or industrial development, except as otherwise provided in this division, shall be located within, contiguous with, or in close proximity to, existing developed areas able to accommodate it or, where such areas are not able to accommodate it, in other areas with adequate public services and where it will not have significant adverse effects, either individually or cumulatively, on coastal resources.

The subject site proposed for the conversion of agricultural land to a residential land use is not surrounded by urban uses. As noted above, urban uses are located only on two sides (Exhibits 4, 5 and 9). Along the two other sides, the subject site is surrounded by other agricultural lands. Therefore, an analysis for consistency with Section 30250 is not necessary. Thus, the proposed conversion can not be justified under Section 30241(c).

**d. Develop Lands Not Suited for Agriculture Prior to Conversion**

The test of Section 30241(d) requires that available lands not suited for agriculture be developed prior to conversion of agricultural lands to minimize conflicts between agricultural and urban land uses.

Although the City is about 2.4 square miles in size and is nearly built out with various types of development, there are opportunities for development of a few vacant parcels and further intensification and redevelopment of existing developed parcels. The City conducted a land use survey in 1993 and identified about 130 acres of the City's 1,521 acres that can be classified as vacant or undeveloped. However, the majority of this land is identified in the City's Local Coastal Plan for visitor serving uses and is not available for residential development. There are now about 5,000 housing units located on about 37% of the total land within the City.

The City submitted a land use inventory indicating that, based on current land use zoning, a total of 297 residential units could be built on vacant and underdeveloped land within the City as of late 1995. Of these residential units, a total of 156 units could be constructed within residential land use zones. The balance of the residential development potential, 141 units, is located within non-residential land use zones. (These number of units do not include sites where development of housing has been completed since 1995.) Development of residential dwellings within these zones currently requires that the housing units be part of a mixed use project. In addition, as a result of the Commission's approval with Suggested Modifications of the City's LCP Amendment No. 1-98, additional commercially zoned areas located within the northwest portion of the City may be overlain by a Residential Overlay District. As a result, a commercially designated area with a Residential Overlay District may be built out entirely with residential development. The Commission is awaiting the submittal of the City Council's acceptance of the Suggested Modifications for this Amendment; the City has until May 4, 1999 to accept these Suggested Modifications. This area, as reduced in size by the Commission's Suggested Modifications, consists of about eight acres of land which has the potential to provide additional housing units above those allowed in potential mixed use housing/commercial projects within this same area thereby increasing the above number of potential housing units identified in the City's Housing Element. Further, a total of about 70 housing units have been constructed in the City since late 1995 thereby reducing the above figures accordingly. Therefore, there are at least 227 residential units that could be built on vacant and underdeveloped land within the City (not including infill units noted below).

In addition, there is the potential for infill development within underdeveloped areas with a residential land use designation. The greatest potential for infill residential development is within the central city area generally bounded by Highway 101, Franklin Creek, Sandyland Avenue and the railroad tracks, and Carpinteria Creek. In a letter from City Staff, Fred Goodrich, dated February 23, 1998, an analysis of the infill development potential was provided.

The Housing Element saw the greatest potential for infill residential development within Site 10, Central Carpinteria (Exhibit 18). Infill development was recognized as having the potential to develop between 200 and 400 additional affordable housing units, which could be accommodated through the creation of an inclusionary housing plan. Realistically, this type of infill housing occurs at a relatively slow pace.

Therefore, there is currently the potential for development of up to about 727 housing units within the City on lands designated with residential and commercial land use zones. An unknown

number of additional units may be developed if the City's LCP Amendment No. 1-98 is fully certified. Therefore, the proposed LCP Amendment No. 2-98, as submitted, is not consistent with the fourth test of Section 30241, as there are available lands designated for potential residential development not suited for agricultural use.

**e. Assure Non-agricultural Development Does Not Impair Agricultural Viability**

Section 30241(e) imposes a policy assuring that public service and facility expansions and non-agricultural development do not impair agricultural viability, either through increased assessment costs or degraded air and water quality to minimize conflicts between agricultural and urban land uses. Because the proposed LCP Amendment does not propose the development of any public service and facility expansions or non-agricultural development, this test is not applicable.

**f. Division of Agricultural Lands**

To minimize conflicts between agricultural and urban land uses, the issue of a land division is raised. This test requires that all divisions of prime agricultural lands, except those conversions approved pursuant to subdivision (b), and all development adjacent to prime agricultural lands shall not diminish the productivity of such prime agricultural lands (Public Resources Code Section 30241(f)). Because the proposed LCP Amendment does not involve the division of prime agricultural lands, this test is not applicable. Although no residential development is proposed in this LCP Amendment, the proposed Amendment will facilitate future development of residential development. Further, the Commission has previously found that conversion to residential use will diminish the productivity of prime agricultural lands.

**g. Conclusion**

In conclusion, proposed LCP Amendment does not meet four of the six tests of Section 30241, while two of the tests are inapplicable. Further, the subject site is determined to be viable for continued agricultural use as noted above. Therefore, the Commission finds that the City's proposed LCP Amendment No. 2-98, the Land Use Plan Amendment as submitted, is inconsistent with and inadequate to carry out the provisions of Coastal Act Sections 30241 and 30241.5 and does not meet the guidance provided in existing City LCP Policies 8-1 and 8-2.

**D. CONSISTENCY WITH LCP LAND USE PLAN - IMPLEMENTATION MEASURES**

The standard of review of an amendment to the certified LCP Zoning Ordinance is whether the ordinance conforms with and is adequate to carry out the provisions of the certified LCP Land Use Plan (PRC Section 30513 (a)). The Coastal Act provides that the Commission may only reject the proposed zoning ordinance if a majority of the Commissioners present find that it does not conform with or is inadequate to carry out the provisions of the certified Land Use Plan. The relevant City Local Coastal Program Land Use Plan issues are discussed below as findings for Resolution II.

**1. Proposal**

The Proposed Zoning Ordinance Amendment includes an implementation measure to carry out the revised Land Use Plan amendments. The zoning ordinance designation and map for the subject property located at 5800 Via Real (APN 001-080-02, 30, 35, 40, 41) is proposed to be revised from Agriculture A-10 to Residential Planned Unit Development (PUD) 3.81 (Exhibits 7 and 10).

**2. Consistency with City LCP Land Use Plan**

The proposed Zoning Ordinance Amendment is not adequate to carry out the Land Use Plan and ensure consistency with the Local Coastal Plan. The Local Coastal Plan designates the subject property as Agriculture with a Zoning Ordinance designation of Agriculture ten (10) acres minimum lot area (A-10). The proposed Zoning Ordinance Amendment to replace the A-10 designation to Residential PUD 3.81 is not adequate to carry out the Agricultural land use designation as it conflicts with and is inconsistent with the existing Agricultural Land Use designation.

As a result, the Commission finds that the proposed Implementation Measure/Zoning Ordinance Amendment of City LCP Amendment No. 2-98, as submitted, is not consistent with and adequate to carry out the provisions of the City of Carpinteria certified Local Coastal Program Land Use Plan.

**III. LOCAL COASTAL PROGRAM/CALIFORNIA ENVIRONMENTAL QUALITY ACT**

The proposed amendment is to the City of Carpinteria's certified Local Coastal Program. The Commission originally certified the City's Local Coastal Program Land Use Plan and Zoning Ordinance in 1982.

The City prepared a Final Environmental Impact Report (FEIR) and Addendum ("FEIR") dated October 27, 1995 and March 1997, respectively addressing the proposed LCP Amendment and the proposed Creekwood residential project as in compliance with the California Environmental Quality Act (CEQA). The FEIR found that the proposed LCP Amendment and Creekwood residential project would have one significant environmental impact that cannot be fully mitigated and was therefore considered to be unavoidable, the conversion of agricultural land. No mitigation measures were identified to reduce the impact to a level of insignificance. The City adopted a Statement of Overriding Consideration on September 22, 1997 in Resolution No. 4410 (Exhibit 6, page 1) to address this significant impact. The FEIR reviewed alternative development scenarios and found that the No Project – No Development alternative is considered the environmentally superior alternative. However, this alternative was not selected by the City.

The Coastal Commission's Local Coastal Program process has been designated as the functional equivalent of CEQA. CEQA requires the consideration of less environmentally damaging



alternatives and the consideration of mitigation measures to lessen significant environmental effects to a level of insignificance. As discussed in the findings above, the proposed amendment does not adequately address the coastal issues raised by the amendment, and would therefore have significant adverse effects, and thus, is not consistent with the California Environmental Quality Act.

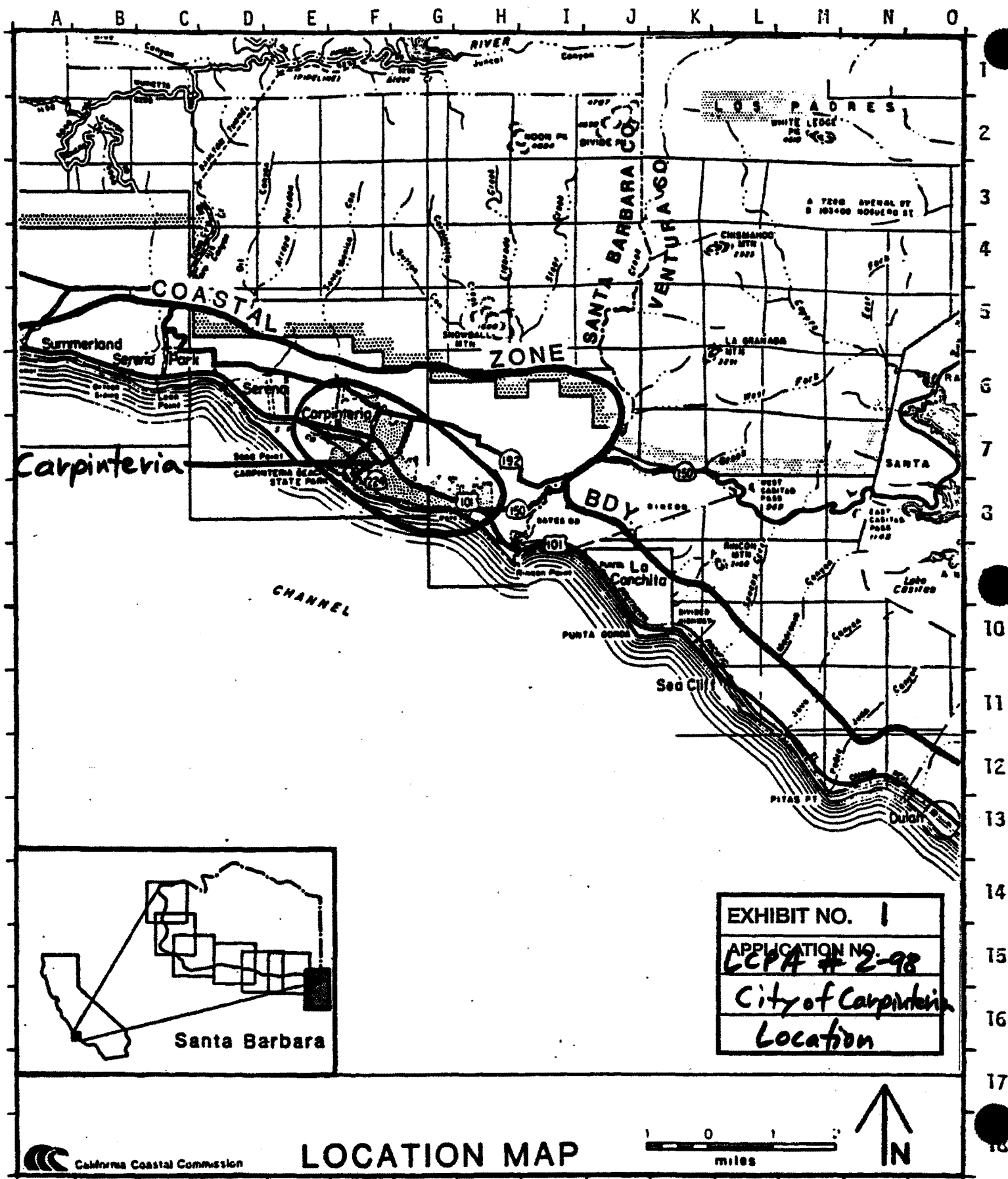
The existing City Local Coastal Program is therefore consistent with the provisions of the California Environmental Quality Act and the California Coastal Act.

#### **IV. SUBSTANTIVE FILE DOCUMENTS**

City of Carpinteria Local Coastal Program; Final Environmental Impact Report and Addendum for Creekwood Residential Project, City of Carpinteria, dated October 27, 1995 and March 1997; Report on Agricultural Feasibility in the Carpinteria Valley, Re: Creekwood Residential Project on Norman's Nursery Site, dated July 26, 1998, by George E. Goodall, Agricultural Consultant, Santa Barbara, CA; City of Carpinteria Housing Element, dated October 30, 1995; Proposed Final EIR New Toro Canyon Elementary School and Summerland School Closure, dated September 1998, Carpinteria Unified School District; Soil Survey of Santa Barbara County South Coast Part, United States Department of Agriculture, received 4/15/98; North Coast Area Plan Update, San Luis Obispo County Local Coastal Program, Major Amendment No. 1-97.

#### **V. EXHIBITS**

1. Coastal Zone Location Map
2. City of Carpinteria Map
3. Norman's Nursery Site Plan
4. Aerial Photograph East Carpinteria
5. City Coastal Plan Land Use Map
6. City Resolution No. 4410
7. City Ordinance No. 540
8. City Proposed Modification to LCP Policy 8-2 and Proposed LCP Policy 8-3
9. City Proposed Land Use Map Change
10. City Proposed Zoning Map Change
11. City Proposed Urban-Rural Boundary Change
12. City Existing Urban-Rural Boundary
13. City Existing LCP Policy 8-2
14. Agricultural Feasibility Report
15. Response Letter from Santa Barbara County Agricultural Commissioner dated December 7, 1998
16. Staff Letter to Santa Barbara Bank & Trust, dated December 1, 1998
17. Response letter from Santa Barbara Bank & Trust to CCC, dated December 7, 1998
18. City Housing Element Housing Sites Map



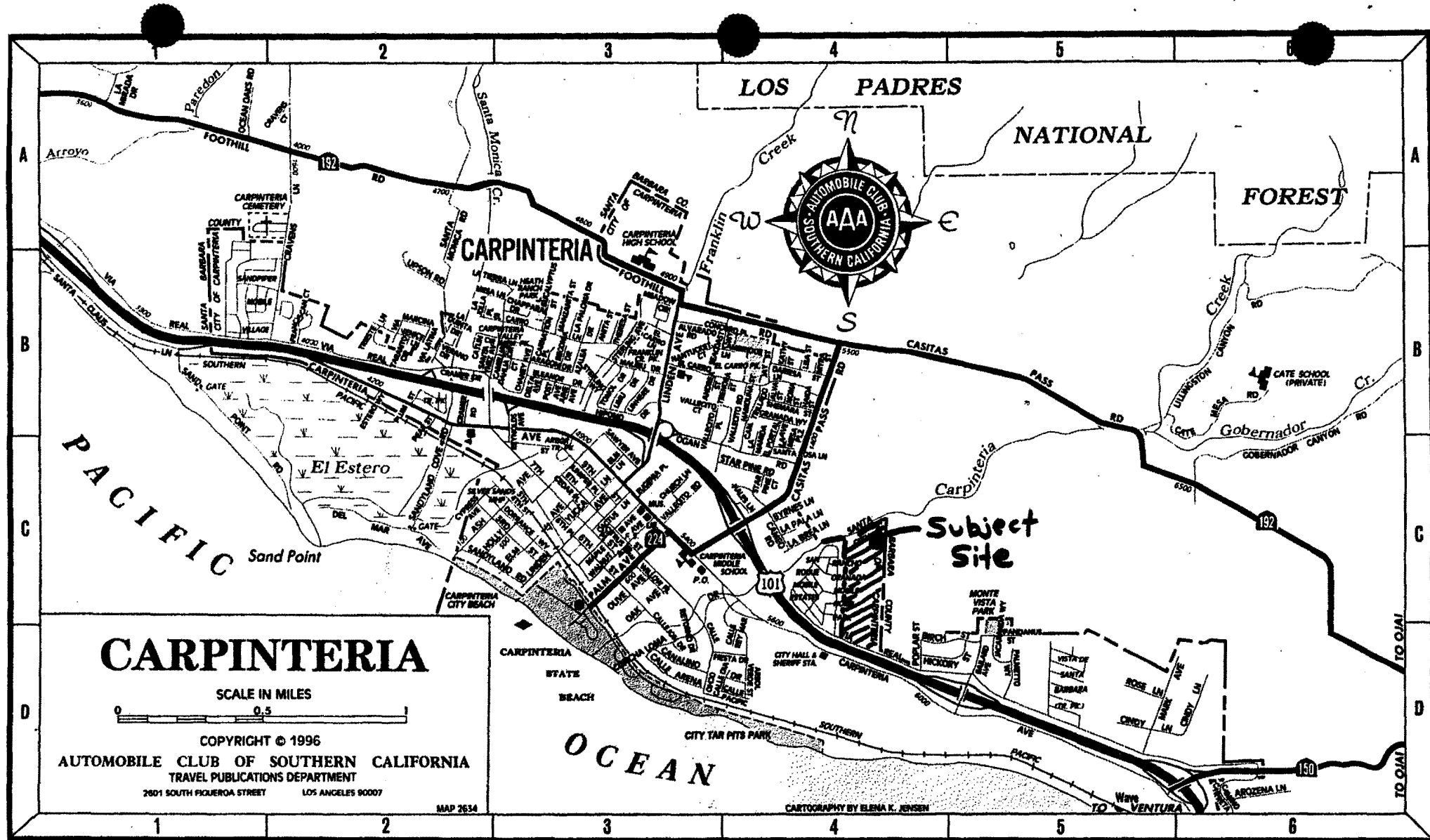
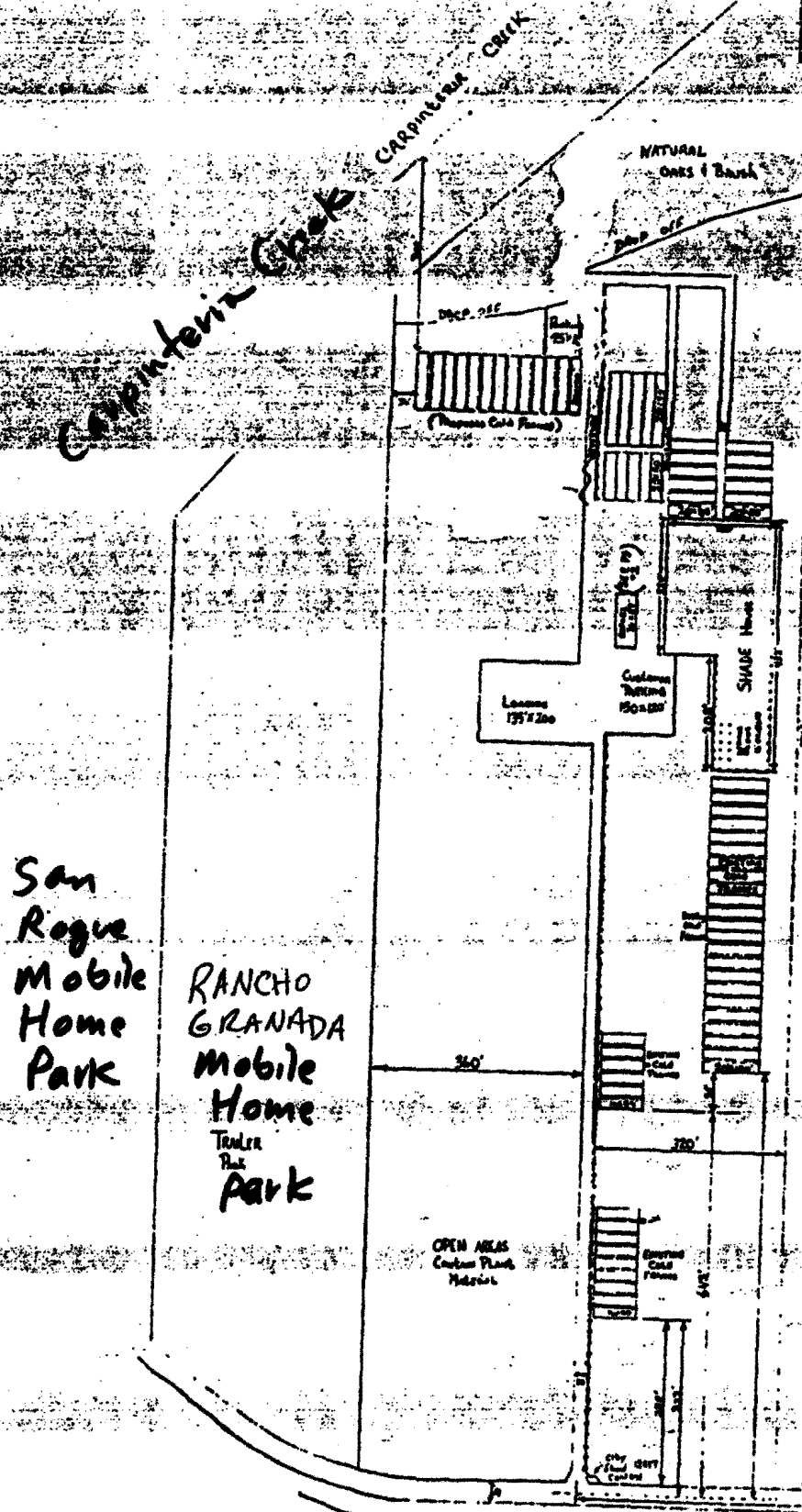


EXHIBIT NO. 2
APPLICATION NO. 2298
Subject Site

91-642-EUP

NORMAN'S NURSERY

EXHIBIT A



San  
Rogue  
Mobile  
Home  
Park

RANCHO  
GRANADA  
mobile  
Home  
Trailer  
Park

KONO  
NURSERY

EXHIBIT NO. 3  
APPLICATION NO.  
LEPA # 2-98  
Norman's Nursery  
Site Plan



LEGEND  
Shaded Area  
Shed  
Trailer

NOV 14, 1991

U.S. Highway 101



EXHIBIT NO. 4
APPLICATION NO. LCPA # 2-98
Aerial Photo
East Carpinteria

# CITY OF CARPINTERIA

## COASTAL PLAN

### OPEN LAND USES

- A-1 AGRICULTURAL (1/8 TO 40 ACRES MIN. PARCEL SIZE)
- P/OB EXISTING PUBLIC OR PRIVATE RECREATION AND/OR OPEN SPACE
- OPEN LAND

### RESIDENTIAL

- | SINGLE FAMILY (MIN. LOT SIZE)         |                          | MAXIMUM DWELLING UNIT |
|---------------------------------------|--------------------------|-----------------------|
| SFR 1/2                               | 3 OR MORE ACRES          | 0.3/ACRE              |
| SFR 1/4                               | 1 ACRE OR MORE           | 1.0/ACRE              |
| SFR 1/8                               | 20,000 SQ. FT. OR MORE   | 1.0/ACRE              |
| SFR 1/16                              | 10,000 SQ. FT. OR MORE   | 3.3/ACRE              |
| SFR 1/32                              | 7,000 SQ. FT. OR MORE    | 4.8/ACRE              |
| SFR 1/64                              | 6,000 SQ. FT. OR MORE    | 7.3/ACRE              |
| SFR 1/128                             | 4,000 SQ. FT. OR MORE    | 10.8/ACRE             |
| MULTIPLE (MINIMUM LAND AREA PER UNIT) |                          |                       |
| MULTI 1/2                             | 3,000 SQ. FT.            | 10.3/ACRE             |
| MULTI 1/4                             | 2,500 SQ. FT.            | 20.6/ACRE             |
| PUD                                   | PLANNED UNIT DEVELOPMENT |                       |

### COMMUNITY FACILITIES

- ED EDUCATIONAL FACILITY (PUBLIC OR PRIVATE)
- IG INSTITUTIONAL/GOVERNMENT FACILITY
- UT PUBLIC UTILITY
- CC CIVIC CENTER

### INDUSTRIAL

- CD COASTAL DEPENDENT INDUSTRY
- IP INDUSTRIAL PARK
- GI GENERAL INDUSTRY

### COMMERCIAL

- GC GENERAL COMMERCIAL
- HC HIGHWAY COMMERCIAL
- RSC RESORT/RECTOR SERVING COMMERCIAL
- OP OFFICE AND PROFESSIONAL

### OTHER

- CITY BOUNDARY
- COASTAL PLAN DESIGNATION LEGEND FOR SPECIFIC DESIGNATION

EXHIBIT NO. 5

APPLICATION NO.  
LCPA #2-98

City LCP  
Coastal Plan Map

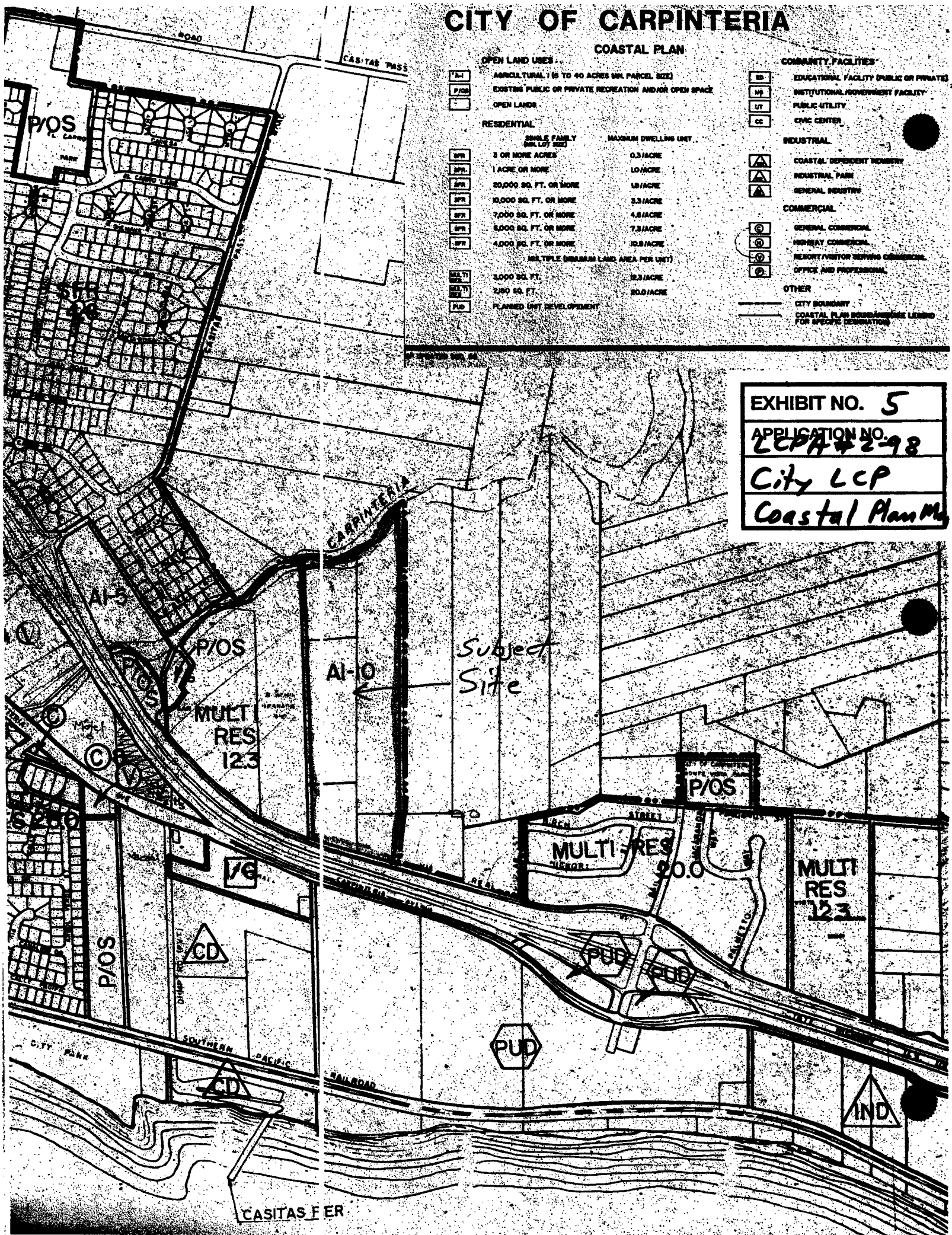




EXHIBIT NO. 6
APPLICATION NO. LCPA # 2-98
City Resolution
No. 4410 pg 1-4

**RESOLUTION NO. 4410**

**A RESOLUTION OF THE CARPINTERIA CITY COUNCIL GRANTING APPROVAL TO SUBMIT PROPOSED AMENDMENTS TO THE CARPINTERIA LOCAL COASTAL PROGRAM AND CONSIDERING THE FINAL ENVIRONMENTAL IMPACT REPORT AND ADDENDUM, FOR SUBMISSION TO THE CALIFORNIA COASTAL COMMISSION**

WHEREAS, the Carpinteria City Council has recommended the following revisions to the Local Coastal Program:

- 1) Amendment of Local Coastal Program – Policy 8-2 (Agriculture Conversion Standards) described and attached as Exhibit 1 and incorporated by reference.
- 2) Amendment of Local Coastal Program – Adding Policy 8-3 (Agriculture Conversion Standards within City Limits) described and attached as Exhibit 2 and incorporated by reference.
- 3) Amendment of Local Coastal Program Land Use Map designation for 32.09 acres from Agriculture (A1-10) to Single Family Residential (SFR 3.81) described and attached as Exhibit 3.
- 4) Amendment of Local Coastal Program Urban/Rural Boundary to place the entire 32.09-acre project site within said Urban Boundary described and attached as Exhibit 4.
- 5) Final Environmental Impact Report (dated October 27, 1995) and Addendum (dated March 1997) as it pertains to the Local Coastal Program Amendments including mitigation measures, statement of overriding considerations, and mitigation monitoring program.

WHEREAS, published notice of this hearing and notice of availability of the pertinent documents have been made available to the public for a six week period in accordance with the California Coastal Commission administrative guidelines; and,

WHEREAS, the proposed Local Coastal Program Amendments were considered by the City Planning Commission and forwarded to the City Council with a recommendation to

certify the Final Environmental Impact Report and Addendum and approve the Creekwood Residential Project.

WHEREAS, the LCPA submitted includes:

- 1) A summary attached as Exhibit 5 of the measures taken to provide the public and official agencies and districts maximum opportunity to participate in the LCPA amendment process pursuant to Section 13515 and Public Resources Code section 30503; a listing of members of the public, organizations, and agencies appearing at any hearing, or contacted for comment on the LCPA, copies or summaries of significant comments received, and the City's response to comments.
- 2) The policies and supplementary data related to the amendment in sufficient detail to allow review for conformity with the requirements of the Coastal Act.
- 3) A discussion of the amendment's relationship to and effect on the other sections of the certified LCP.
- 4) An analysis that meets the requirements of Section 13511 and that demonstrates conformity with the requirements of Chapter 6 of the Coastal Act.
- 5) The final Environmental Impact Report and Addendum as it relates to the LCPA.
- 6) A description of the zoning measures that will be used to carry out the amendment to the land use plan.

WHEREAS, the Carpinteria City Council has found the proposed Local Coastal Program Amendments to be consistent with the adopted City of Carpinteria Local Coastal Plan and with the relevant Coastal Act policies, in that, the project would be in-filling vacant land, would not represent leap-frog development, would be within the city limit, would not require annexation, and would provide affordable housing opportunities; and,

WHEREAS, the City's and County's Local Coastal Plan contains an agreement to generally allocate 70% of the identified 1979 water supply to the county and 30% to the City and that in 1993 the City adopted the Water Resources Management Program which recognized that the groundwater basin has a total storage capacity of 50,000 acre feet of water and that the Carpinteria water basin is not in overdraft, that the Carpinteria County Water District is the public water purveyor for the City and has indicated that adequate water is available to serve this project, and, therefore, no change to the City/County water allocation is required by this project.

WHEREAS, the Coastal Land Use Map is part of the Local Coastal Plan adopted by the California Coastal Commission; and,

WHEREAS, California Coastal Commission retains final review of such amendments.



NOW, THEREFORE, THE CARPINTERIA CITY COUNCIL HEREBY RESOLVES:

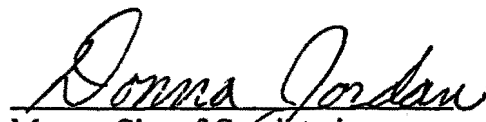
1. The proposed amendments are found to be consistent with the California Coastal Act and Local Coastal Plan.
2. The City's Local Coastal Program Amendments are intended to be carried out in a manner fully in conformity with the California Coastal Act.
3. The proposed Local Coastal Program Amendments is a program that will require formal local government adoption and certification of the Environmental Impact Report and Addendum after Coastal Commission approval.
4. The formal and final adoption of the proposed amendments to the Local Coastal Program will serve the public interest by providing agricultural conversion policies/development standards that will allow for increased housing opportunities within the City limits.
5. The Community Development Director is hereby authorized to transmit the proposed amendments to the California Coastal Commission for approval and certification.
6. Any Coastal Commission modifications to the amendments as conceptually approved by the City Council shall be grounds for further review by the Council.

PASSED, APPROVED, AND ADOPTED this 22<sup>nd</sup> day of September, 1997, by the following called vote:


AYES: COUNCILMEMBERS: LEDBETTER, STEIN, NIELSEN, WEINBERG,  
JORDAN

NOES: COUNCILMEMBERS: NONE

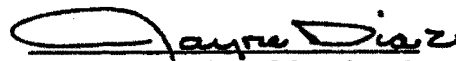
ABSENT: COUNCILMEMBERS: NONE

  
Mayor, City of Carpinteria

ATTEST:

  
City Clerk, City of Carpinteria

I hereby certify that the foregoing resolution was duly and regularly introduced and adopted at a regular meeting of the City Council of the City of Carpinteria held the 22<sup>nd</sup> day of September 1997.

  
City Clerk, City of Carpinteria

APPROVED AS TO FORM:

  
City Attorney

ORDINANCE NO. 540

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CARPINTERIA,  
CALIFORNIA, AMENDING SECTION 14.04.070 OF THE CARPINTERIA  
MUNICIPAL CODE PERTAINING TO THE ZONING MAP AND CHANGE OF  
ZONE DISTRICT BOUNDARY

THE CITY COUNCIL OF THE CITY OF CARPINTERIA DOES ORDAIN AS  
FOLLOWS:

SECTION 1:

SECTION 14.04.070 OF THE CARPINTERIA MUNICIPAL CODE IS AMENDED  
AS FOLLOWS:

The zone district for property located at 5800 Via Real (APN 001-080-02, 30, 35, 40, 41) is hereby changed from A-10 (Agriculture) to PUD - 3.81 (Planned Unit Development - 3.81 dwelling Units per Acre) as shown and described on the attached Exhibit.

SECTION 2:

Ordinance No.540 shall not take force and effect until thirty (30) days after the City Council has taken final action. Final action by the City Council shall be taken after adoption by the California Coastal Commission of the Local Coastal Plan Amendment. In the event said Local Coastal Plan Amendment is not approved by the California Coastal Commission, this Ordinance shall become null and void. After its passage by the California Coastal Commission and before expiration of fifteen (15) days from its passage shall be published once with the names of the City Council voting for and against the same in the Coastal View, a newspaper of general circulation, published in the City of Carpinteria.

PASSED, APPROVED, AND ADOPTED this 22<sup>nd</sup> day of September, 1997, by the following called vote:

AYES: COUNCILMEMBERS: LEDBETTER, STEIN, NIELSEN, WEINBERG,  
JORDAN

NOES: COUNCILMEMBERS: NONE

ABSENT: COUNCILMEMBERS: NONE

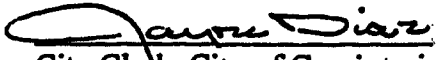
  
Mayor, City of Carpinteria

EXHIBIT NO. 7
APPLICATION NO. LEPA # 2-98
City Ordinance
No. 540 Pg 1-2

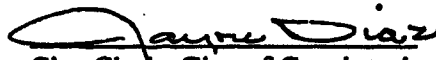
Ordinance No. 540

Page 2

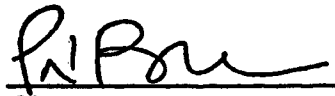
ATTEST:

  
City Clerk, City of Carpinteria

I hereby certify that the foregoing resolution was duly and regularly introduced and adopted at a regular meeting of the City Council of the City of Carpinteria held the 22<sup>nd</sup> day of September, 1997.

  
City Clerk, City of Carpinteria

APPROVED AS TO FORM:

  
City Attorney

**PROPOSED MODIFICATION OF POLICY 8-2  
LOCAL COASTAL PLAN  
CREEKWOOD RESIDENTIAL PROJECT (94-699-DP)**

**LCP Policy 8-2: Agriculture - If a parcel(s) is designated for agricultural land use outside the City limits and is located in either (a) a rural area contiguous with the urban/rural boundary or (b) an urban area, conversion or annexation shall not occur less:**

- a. The agricultural use of the land is severely impaired because of non-prime soils, topographical constraints, or urban conflicts (e.g., surrounded by urban uses which inhibit production or make it impossible to qualify for agricultural preserve status), and**
- b. Conversion would contribute to the logical completion of an existing urban neighborhood, and**
- c. There are no alternative areas appropriate for infilling within the urban area or there are no other parcels along the urban periphery where the agricultural potential is more severely restricted, and**
- d. The parcel could not be maintained in productive use through the use of greenhouses or alternative agricultural uses, and**
- e. Conversion would result in a well-defined demarcation between urban and agricultural uses and would not create a precedent for conversion of adjacent agricultural lands.**

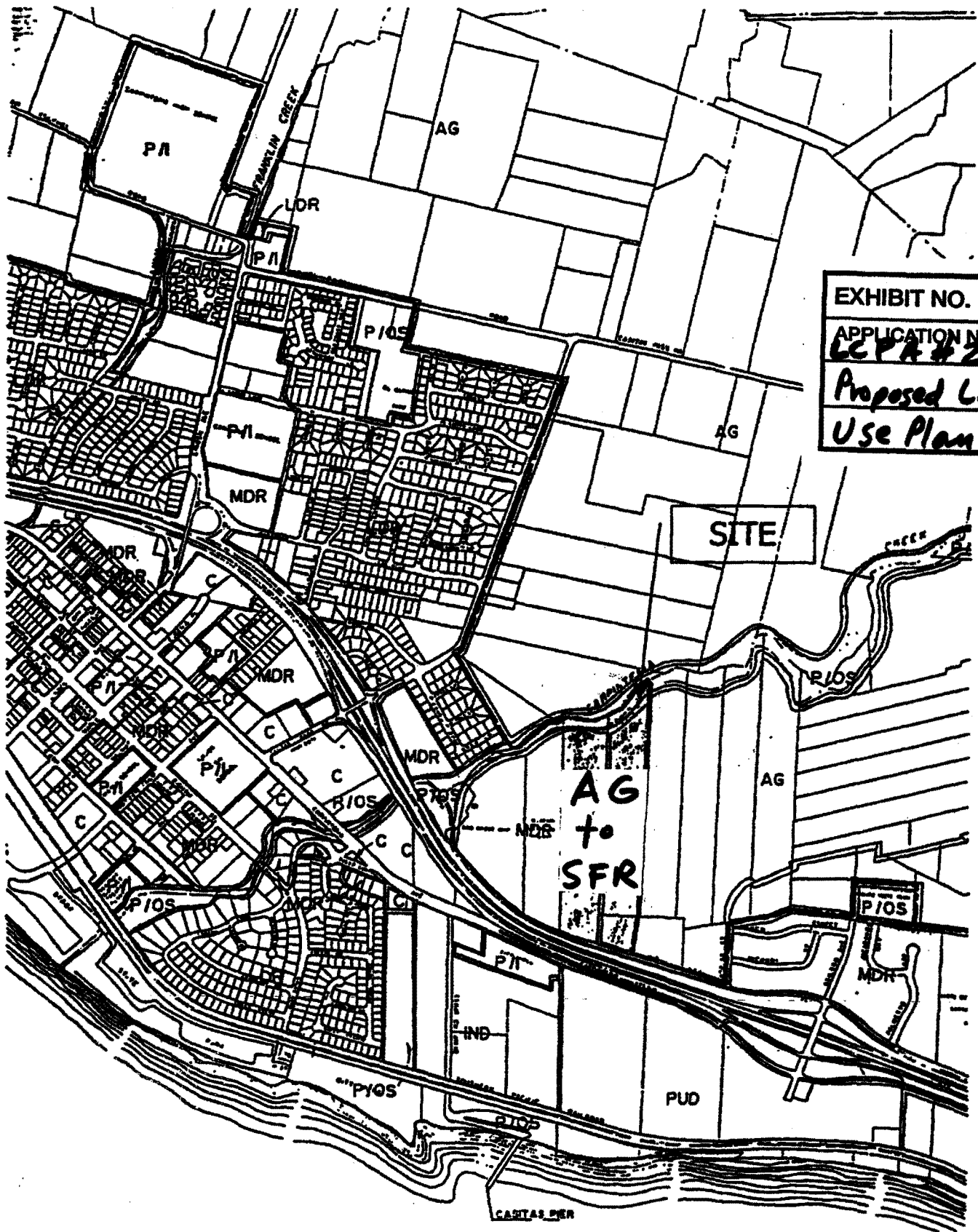
**PROPOSED MODIFICATION OF POLICY 8-3  
LOCAL COASTAL PLAN  
CREEKWOOD RESIDENTIAL PROJECT (94-699-DP)**

**Added Policy 8-3: Agricultural Within City Limits - If a parcel(s) is designated for agricultural use and is located within the city limits, conversion shall not occur unless:**

- a. Conversion would contribute to the logical completion of an existing urban neighborhood, and**
- b. There are no alternative areas appropriate for infill development within the urban area or there are no other parcels along the urban periphery where the agricultural potential is more severely restricted, and**
- c. Conversion would result in a well-defined demarcation between urban and agricultural uses and would not create a precedent for conversion of adjacent agricultural lands.**

EXHIBIT NO. 8
APPLICATION NO. LCPA 298
City Proposed
Policies 8-2 & 8-3

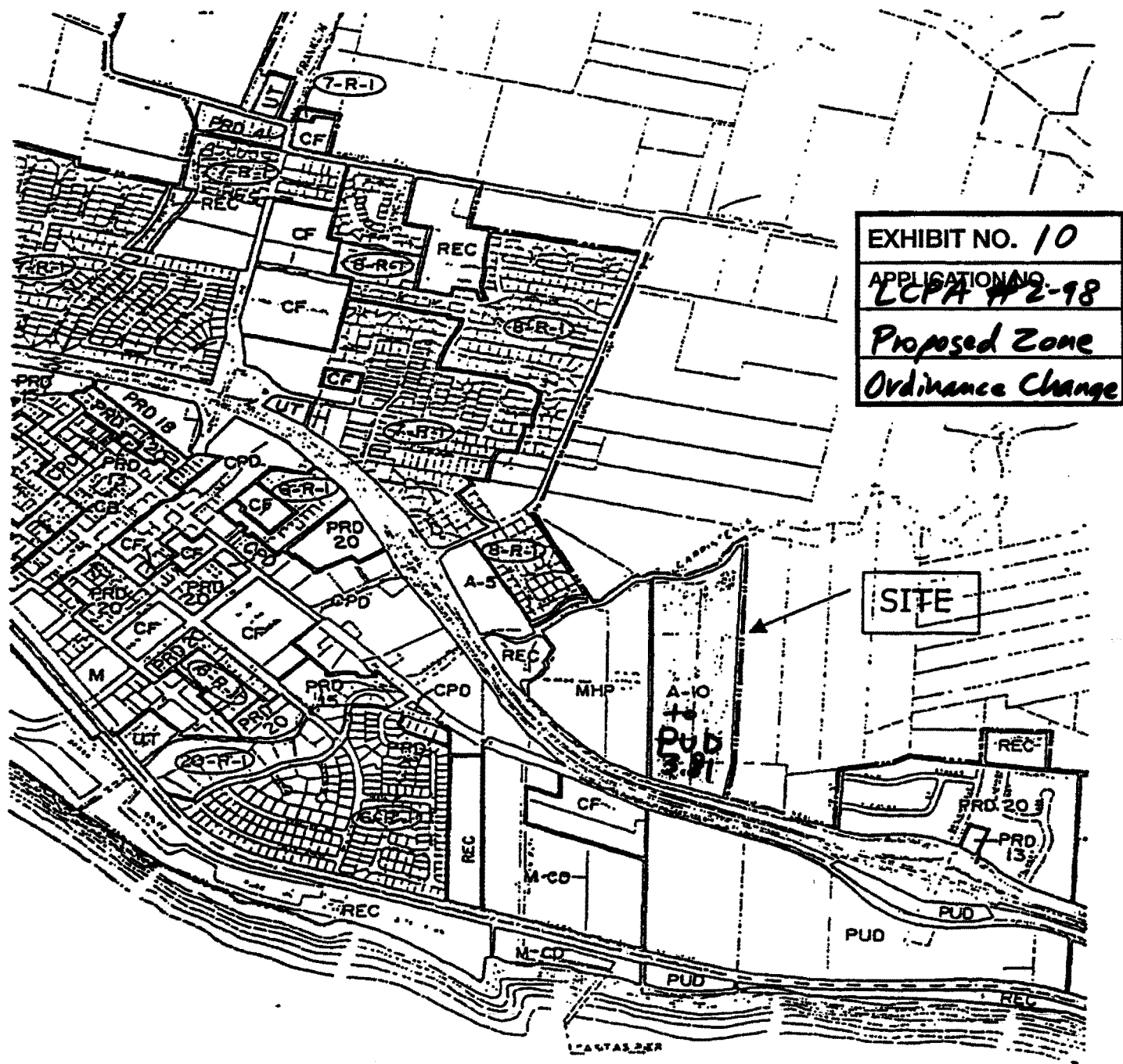
EXHIBIT NO.	9
APPLICATION NO.	CCPA # 2-98
Proposed Land	
Use Plan Change	



SITE	EXISTING LAND USE	COASTAL PLAN	GENERAL PLAN	ZONING	STAFF RECOMMENDATIONS
5800 Via Real APN 001-080-02,03,40 & 41 Total: 32.09 Acres	Agricultural	A1-10	Western 1/2 - MDR Eastern 1/2 - AG	Western 1/2 - MHP Eastern 1/2 - A10	Change A10 to SFR 3.81 <i>Change Agriculture</i>

Change Agriculture  
to Single Family  
Residential

# PROPOSED ZONE CHANGE – CREEKWOOD PROJECT (94-699)



SITE	EXISTING LAND USE	COASTAL PLAN	GENERAL PLAN	ZONING	STAFF RECOMMENDATIONS
5800 Via Real PN 001-080-02,03,40 & 41 Total: 32.09 Acres	Agricultural	A1-10	Western ½ - MDR Eastern ½ - AG	Western ½ - MHP Eastern ½ - A10	Change A10 to PUD 3.81

# PROPOSED URBAN BOUNDARY CHANGE – CREEKWOOD PROJECT (94-699)

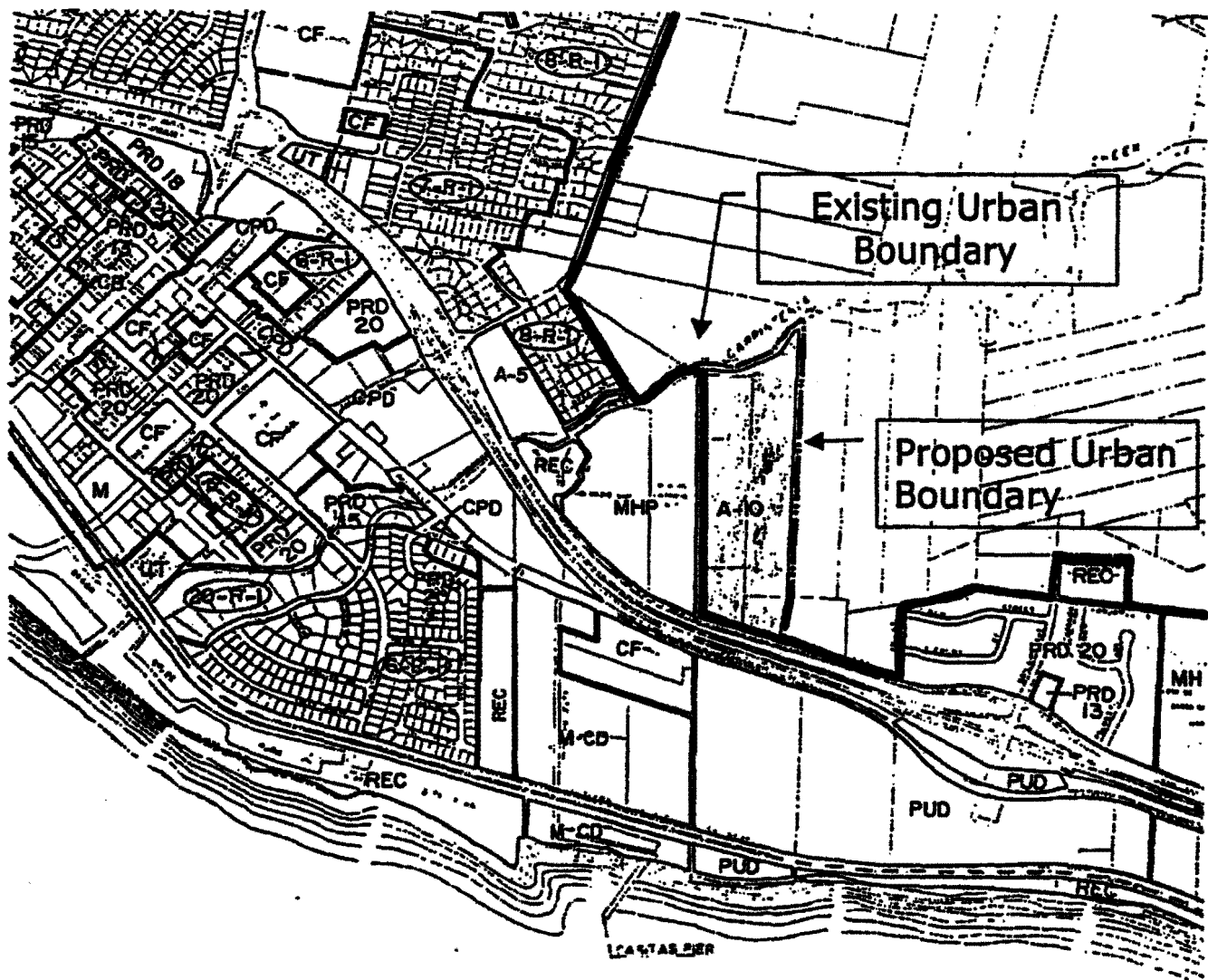


EXHIBIT NO. 11

APPLICATION NO.  
LCPA # 2-98

Proposed Urban-  
Rural Boundary Chg

SITE	EXISTING LAND USE	COASTAL PLAN	GENERAL PLAN	ZONING	STAFF RECOMMENDATIONS
5800 Via Real 001-080-02,03,40 & 41 A: 32.09 Acres	Agricultural	A1-10	Western ½ - MDR Eastern ½ - AG	Western ½ - MHP Eastern ½ - A10	Expand Urban Boundary





Figure 2

EXHIBIT NO. 12
APPLICATION NO. 2-98
Existing Urban - Rural Boundary

Policy 8-2: If a parcel(s) is designated for agricultural use and is located in either (a) a rural area contiguous with the urban/rural boundary or (b) an urban area, conversion or annexation shall not occur unless:

1. the agricultural use of the land is severely impaired because of non-prime soils, topographical constraints, or urban conflicts (e.g., surrounded by urban uses which inhibit production or make it impossible to qualify for agricultural preserve status), and
2. conversion would contribute to the logical completion of an existing urban neighborhood, and
3. there are no alternative areas appropriated for infilling within the urban area or there are no other parcels along the urban periphery where the agricultural potential is more severely restricted, and
4. the parcel could not be maintained in productive use through the use of greenhouses or alternative agricultural uses, and
5. conversion would result in a well-defined demarcation between urban and agricultural uses and would not create a precedent for conversion of adjacent agricultural lands.

EXHIBIT NO. 13
APPLICATION NO. LCRA # 2-98
Existing LCP
Policy 8-2

Report on  
Agricultural Feasibility in the Carpinteria Valley

Re: Creekwood Residential Project on Norman's Nursery Site

Prepared by George E. Goodall, Agricultural Consultant, Santa Barbara, CA

July 26, 1998

AUG 25 1998

CALIFORNIA  
COASTAL COMMISSION  
SOUTH CENTRAL COAST DISTRICT

I. Introduction and Description

The following report intends to present information on both the physical and economic feasibility of agricultural operations in the Carpinteria Valley. Particular attention will be paid to the 32-acre parcel at 5800 Calle Real, currently used to produce general ornamental plants in containers by Norman's Nursery. The parcel is within the city limits of Carpinteria. It is surrounded by a trailer park on the west side, Carpinteria Creek on the north, greenhouses and field grown ornamentals on the east (with apartments not far beyond), and Calle Real (a frontage road) and Highway 101 on the south. In the Santa Barbara County Comprehensive Plan the Rural-Urban Line is along the west and south boundaries of the property. This parcel has been considered for urban conversion by the California Coastal Commission before and denied mainly on the grounds that it was prime agricultural soil. Comparisons will be made to other farming areas, other crops, and other operations.

In addition to other information, this report provides the economic viability analysis as required by Section 30241.5 of the California Coastal Act. The report will also provide information for use in considering the six test paragraphs of Section 30241. The Coastal Act regulations in Section 30241.5 (a) (2) suggest that the analysis be done by excluding the cost of land. This is impossible since high land values are so critical to the rate of return analysis presented. I've used very conservative land values for the past five years, not those beginning to be paid currently.

The current agricultural uses are to produce field-grown container plants of general ornamentals. Most of the plants are set out to grow in the field for at least one season, with the average time about 18 months. The set plants come from hothouses operated by Normans on other sites, two of which are in the Carpinteria Valley and 12 are elsewhere in California. The field operations are conducted mostly in 5, 15, and 24-gallon containers.

No permanent growing structures are used on this site. They do need to use portable, temporary covers to provide frost protection and shade. Nothing is planted into the soil; all growing takes place in containers.

II. Prime Soil

Most of the soil on the subject parcel is mapped as *Goleta fine sandy loam, 0-2% slope* (1), and is one of the finest agricultural soils in the area. It's USDA Land Capability Class is I. It is physically suitable for growing a wide range of crops without any special problems or limitations. It is ironical that the present agricultural operations are growing everything in containers and have put down gravel, plastic, and herbicides to facilitate their operations. They are not using this deep, well drained, excellent, fine

textured, nearly level soil, except as a level area to support their containers and to provide drainage away from them.

There is a small area of Capability Class III soil at the very southeast corner of the parcel; it is mapped as *Milpitas-Positas fine sandy loam, 2-9% slope*. It comprises less than an acre and has been graded to match the level of the rest of the parcel. Since this is irrigated and produces a high valued crop, it would be judged as "Prime" land also.

In the Williamson Act Land Classification System, this parcel would be designated as "Prime" soil because of its Capability Class I; the dollar value of crops is unimportant because of the high soil class. In the Santa Barbara County Agricultural Preserve regulations it would be classed as "Super Prime" land because it produces over \$1,000 per acre per year of agricultural income. There is little doubt but what this is a "Prime" soil and land parcel.

### III. Crops Considered

This land is physically capable of producing a very wide variety of agricultural commodities without significant limiting problems. However, economic viability is quite a different matter.

Economic feasibility studies, called for in the Coastal Act Section 30241.5, among other things require good revenue and expense data on the possible commodities in the area. There are real problems in obtaining this information on the very specialized, intensely grown, highly valued crops produced in the Carpinteria Valley.

The main source of generally accepted gross incomes are those published annually by the Santa Barbara County Agricultural Commissioner (2), and referred to as Crop Reports. Remember these are total and average figures for the county as a whole and not necessarily applicable to the Carpinteria Valley. Also, the figures reported are F.O.B. (Free On Board) or Farm Gate values and include all the production, harvesting, and overhead expenses as well as the value added by washing, cleaning, sorting, packing, processing, cooling, storing, aging, hauling, and all other activities to prepare the commodity for markets. It is the gross value of agricultural production as it leaves the County.

The main source of cost of production data are the studies published by the University of California Cooperative Extension and done by the County Farm Advisors in cooperation with the Farm Management Specialists (3,4). They interview an appropriate number of growers and collect their cost records before completing the analysis and summary. These studies are usually labeled as "Typical", "Sample", or "Suggested" costs of production for the crop for the area. The reports are to be used as teaching references on recommended, improved production practices and are usually not averages of what is. Also, the studies usually do not include all the added values as in the Crop Reports. Often the costs are shown up to harvesting or in field and are designed to be helpful to the growers only. Another, weakness is that these studies often do not include adequate consideration of ownership costs, actual taxes, adequate return on investment, and long range investment considerations. This is especially true in the close-in urban situations.

For this analysis, the specific relevant "area" is the Carpinteria Valley. But, for available, useful data we are drawing from the rest of the South Coast of Santa Barbara County and Ventura County.

In a letter from the California Coastal Commission staff (5) the following list of crops was proposed for consideration. I have listed these crops as they presented them and then added comments as to why each should or should not be considered as relevant:

"Vegetables" - Only very specialized vegetables are grown in the Carpinteria Valley. They are either local farmers' market operations or hothouse production of seedling vegetables to be sold as set plants for other areas. The Crop Report and Cost Study data reflect the large-scale vegetable crops as grown in the Santa Maria or Lompoc Valleys and are not applicable here.

"Row Crops" - None are grown in Carpinteria Valley because the high land and water costs make them non-economic.

"Field Crops" - None are grown in Carpinteria Valley, again, because production costs are too high.

"Berries" - No strawberries are grown here because other area can produce them more inexpensively. There is one specialized raspberry and boysenberry operation that is mainly a "pick your own". None of the available figures are applicable.

"Citrus" - The only citrus crops grown currently are several lemon orchards. Lemons continue to provide reasonable returns and will be discussed in detail later in this report.

"Avocado and Walnut Orchards" - Walnuts were a historically important crop but no orchards remain because of low yields, poor nut quality, and high costs of production. Avocados are the major commodity produced in the Valley; details will be presented later.

"Chrysanthemums" - Both cut flowers and potted plants are produced in large numbers in hothouses in the Valley. There are no cost of production figures available to match those in the Crop Reports. Also this is not reviewed further in this report, because the subject property does not have any hothouses nor is it likely that any would be approved for it in the future.

"Orchids" - Both cut flowers and potted plants are produced in large numbers in hothouses and shadehouses. Again, there are no good cost figures available and production requires structures.

"Other Cut Flowers and Bedding Plants Grown in Greenhouses" - This is too general to be handled in a cost and income analysis. They are also grown in structures.

"Continued Nursery and Potted Plant Production" - It is assumed that the Coastal Commission staff mean "Container Grown General Ornamentals". This is the type of agriculture on the subject property and will be discussed in detail later.

#### IV. Income and Cost Analysis Study

This report will discuss two orchard crops - avocados and lemons - for which reasonably appropriated data is available. The figures on costs were based on the Farm Advisor's studies which were worked over in detail for an unpublished special study that the author did for the Goleta Water District and US Bureau of Reclamation in 1997. In addition the figures were reviewed by a number of growers.

For characterizing the general ornamental production operations, no published cost figures are available. So, the author has put together an "estimated" sheet based on an interview with Charles Norman of Norman's Nursery, interviews with several other flower growers, and proprietary figures that the author has collected on other consulting work. It is not presented as a statistically sampled study as are the Farm Advisors publications. It is an estimated set of figures that present a rough picture of the container plant growing business.

The gross income data presented in Table 1 was copied and adapted from the Santa Barbara County Agricultural Commissioners annual "Crop Reports" for the past five seasons. During this period typical weather occurred and no drastic shifts took place in production requirements and market opportunities.

For the avocado situation, Table 2 shows typical cost and income figures in considerable detail. The five year period was reasonably stable, although yields were low and prices were moderate. Two new serious insect pests entered the Valley during this period – Persea Mites and Avocado Thrips – which reduced yields and increased costs. The original Farm Advisors' reports were based on the 1992-year and only operating costs that had changed significantly were adjusted to 1997 figures for the Goleta Water study. Thus, the figures presented here represent the five-year period of the analysis. The economic outlook is not as bright as it was a few years ago. The Avocado Root Rot disease problem that has devastated many orchards in the past is less of a worry now with the development of several new partially resistant rootstocks that can be used in replanting. Growers in the Valley are replanting in the Root Rot spots, trying to reduce costs and improve yields where they can, and continuing to use avocados as the principal hillside produced commodity.

Table 3 presents the lemon situation and paints a slightly brighter economic outlook than a few years ago. This major agricultural commodity from the past is making a comeback. A few new orchards have been planted. But without a local packinghouse and the production requirements preventing the trees from being planted on steep hillsides, limited expansion is forecast.

The flower and ornamental production industries of the Valley present a mixed picture economically. These many commodities are marketed all over the world and are subject to many competitors and changing demands. Many of the operators are highly integrated – handling the product all the way from propagation to the retail market. They are highly specialized – using unique production techniques of patented or closely guarded cultivars. Nearly all rely on hothouses that can modify the environment so they can consistently produce the highest quality plants and blooms to bring premium returns. The container-growing plant producer handles literally hundreds of different types and sizes of plants destined for landscaping uses in urban areas. The outlook often rises and falls on the demands of the housing market. For the past several years the returns have been low and many producers have gone out of business. An example is the closing of the K M Nursery in Carpinteria. Only four or five large nurseries are producing most of the plants for California. Each is relatively large with numerous growing grounds. This container-grown plant industry is partly characterized in Table 4; it portrays the field growing portion and not the hothouse or initial plant propagation portions, nor retailing segment. It is as applicable to the subject property as I can make it and yet not divulge proprietary information.

## V. Agricultural Rates of Return

The unique conditions of agriculture in the south coastal part of Santa Barbara County make it such that cost, income and outlook data for the South Coastal part of Santa Barbara County and Ventura County are the only applicable sources. The relatively mild climate allows for the production of a very special list of high cost, high income crops that have very specialized and elastic markets, worldwide. Land, water, and labor costs are usually significantly more expensive than most other competing areas. And these higher costs are increasing more rapidly than general costs of living indexes, especially in recent years. This is especially true of water costs.

Many serious non-economic conflicts occur on this Norman Nursery parcel and other properties that are in close proximity to urban land uses. Trespassing, thievery, malicious mischief, vandalism, and curiosity seekers all diminish the income, increase costs, and take time from productive work. These are not

problems for the more remotely located farmer. Often dedicated long time farmers finally become fed up and chose to move elsewhere to farm; more on these conflicts later in this report.

Agricultural rates of return on invested capital are currently very low, even for the high-income specialty crops grown here. If you look around the valley you see farmers continuing to farm existing parcels, trying one crop after another, in hopes of finding one that will improve income. Almost no expansion onto previously uncultivated land is occurring. Most are "fine tuning" their operations, hoping for improved markets in the future.

Due to rising costs for everything, weak markets due to increased foreign competition, extreme weather conditions, and the high stakes in local farming, risks are considered very high. To compensate, rates of return on invested capital need to be at least 10 % and preferably greater than 12%. Such rates allow for mortgages in the 8-9% range.

For long range orchard crops where a non-bearing period of 4 or 5 years occurs and the expected length of life is only 20 -25 years, rates of returns have to be raised to 12-15%. For container-grown plants, the average age at the time of sale is about 2 years, with at least one year in open field growing. Here the expected minimum rate of return is 10%; more when one adds hothouse production of set plants and unfavorable business climate.

In the cost and income tables presented above, the following rates of return on invested equity can be suggested as representative for the area:

Avocados	2.1%
Lemons	4.0%
General Ornamental Container-Grown	3.0%

These rates are well below expected and necessary returns for favorable economic feasibility.

#### VI. On the Norman Nursery Parcel

Because of the many urban conflicts, the inability to build hothouses on the parcel to improve gross incomes, and the relative small size of the parcel, the average production costs experienced by the Norman's Nursery operations make this a relatively high cost of production parcel. For these reasons they they are moving to a new operating site near Fillmore. In Ventura County water costs are 1/5<sup>th</sup> here, labor is significantly lower and more plentiful, plant growth is faster due to the warmer climate, and the new 200-acre parcel is more adequate for their needs.

#### VII. Discussion

The obvious next question is - could another general ornamental grower make it on this parcel? General ornamental container-grown nurseries have been in tough times in recent years. Many have gone out of business - as cited above, KM Nursery closed in Carpinteria. Others have been bought by one of the 4 or 5 large operators left in California. It is a highly specialized, narrow margin business with heavy labor and major capital costs. I do not know of any other container-plant operator that could use the land.

Could the land be planted again to lemons or avocados? Yes, it is technically and physically possible. The earlier avocado orchard died out with an infection of the Avocado Root Rot disease. This fungus persists for many years in the soil and there are no fumigation or chemical treatments available to

eliminate it. There are newly available, partially resistant rootstocks that could be used to replant, but they are expensive, the risk is high, and results would be marginal. Lemons, with their resurgent economics, could be planted and are the most likely possibility on this deep, nearly flat land. Both orchard crops would require windmachines for frost protection and helicopters to be used for pest control; the nearby residents would object to these operations. The high costs of long-range, new orchard development in the current economic climate on so expensive land make it very unlikely that a willing grower could be found.

At several points above, I have mentioned the many conflicts that Norman's Nursery has experienced. These are typical of any grower in a similar close-in location. The concept of a rural-urban boundary used to minimize these conflicts is cited in the Coastal Act section 30241 (a). Moving the boundary to the north along the south side of Carpinteria Creek would provide a buffer to reduce conflicts for the growers on the north side of the Creek. The existing greenhouses on the eastern side provide probably the fewest conflicts of any agricultural use, especially if the urban development is designed to minimize the problems.

### VIII. Conclusions

Current growers in the Valley are not expanding their plantings or facilities. They are trying to make their existing operations more efficient by eliminating low profit crops, expensive operations, and those with more conflicts or problems. They are hoping for better times in the future. They are not willing to risk capital in new expensive developments with marginal prospects.

In this report I have discussed most of the topics that are listed in the Coastal Act Section 30241. Special attention has been paid to presenting an economic feasibility analysis as called for in Section 30241.5. A very wide range of agricultural crops could be physically grown on this excellent prime soil parcel. But due to its high land values, high production costs, and numerous conflicts and limitations, only several crops were considered possibly viable - avocados, lemons, and container-grown ornamentals - and their rates of returns are too low for the risks involved. For these reasons, I would judge that this Norman's Nursery parcel is not economically feasible for agriculture.

### Cited Sources and References

- (1) Shipman, G E, "Soil Survey of Santa Barbara County, California, South Coastal Part", USDA, Soil Cons Serv & Forest Serv in coop Univ of CA, 1981.
- (2) Gillette, W D, "Santa Barbara County Agricultural Production Report", Santa Barbara County, Reports issued for 1993, 1994, 1995, 1996, and 1997.
- (3) Bender, G et al, "Sample Costs to Establish and Produce Avocados in the Southern Coast Region - 1992", UC Coop Ext.
- (4) Sakovich, N J, "Citrus Costs, Ventura County, 1993", UC Coop Ext, Ventura Co, in "Citrus Facts".
- (5) Letter from James Johnson, Analyst, CA Coastal Comm, to Fred Goodrich, Planner, Carpinteria, dated April 28, 1998.



Table 1  
**Lemon, Avocado, and Ornamental Income Data**  
**Santa Barbara County**  
**from Agricultural Commissioner's Agricultural Production Reports**  
**1993 to 1997 and 5-year Average**

Item	1993	1994	1995	1996	1997	Average
<b>AVOCADOS</b>						
Yield Tons/acre	2.41	2.26	2.42	2.26	1.79	2.23
" pounds/acre	4,820	4,520	4,840	4,520	3,580	4460
Price \$/Ton*	\$623	\$2,113	\$1,667	\$1,657	\$2,217	\$1,655
" \$/pound*	\$0.311	\$1.056	\$0.834	\$0.828	\$1.109	\$0.828
Income \$/acre	\$1,501	\$4,774	\$4,035	\$3,744	\$3,968	\$3,690
<b>LEMONS</b>						
Yield Tons/acre	15.9	12.9	14.97	16.57	19.33	15.95
Price \$/Ton*	\$305	\$384	\$334	\$389	\$378	\$358
Income \$/acre	\$4,845	\$4,951	\$5,002	\$6,451	\$7,297	\$5,710
<b>GENERAL ORNAMENTALS - Container-Grown Plants</b>						
Hothouse - sq. ft.	91,125	89,000	96,900	26,000	13,000	
" - acres	2.09	2.04	2.22	0.60	0.30	
Field - acres	160.25	128.50	132.75	147.00	145.25	
Total Acres	162.34	130.54	134.97	147.60	145.55	144.20
Gross Value**	\$6,393,560	\$7,286,700	\$7,149,628	\$7,218,678	\$6,642,366	\$6,938,186
Gross Value / acre	\$39,384	\$55,820	\$52,972	\$48,907	\$45,636	\$48,544

\* Prices reported are F. O. B. Packing House door.

\*\* Gross income reported as it leaves the farm gate on way to market.

Sources: Santa Barbara County Agricultural Commissioner's Agricultural Production Reports, 1993-1997

Summarized by G E Goodall, Agricultural Consultant, 7/10/98

**Table 2**  
**AVOCADO Costs of Production Per Acre**

<u>Item</u>	<u>Cost per Acre</u>	<u>% of Production Costs</u>
<b>Production Expenses:</b>		
Irrigation Water, 2 AF/A purchased, under-tree sprinklers	\$ 800.	25%
Booster Pump, electricity	40.	
Fertilizer, minor elements, leaf analysis	101.	
Weed Control, materials & equipment	37.	
Beehive Rental	26.	
Pest Control, biological control	190.	
Labor, all operations	308.	10%
Tree Thinning, prorated annual cost, custom	203.	
Erosion Control, maintenance of roads & drainage	20.	
Management, fee or allowance	120.	
Miscellaneous	40.	
Production Expense Subtotal	\$ 1,885.	58%
<b>Harvesting Expenses:</b>		
Picking and hauling, 4,460 lbs @ \$0.075/lb	335.	10%
CAC Assessment, 3.75% of F.O.B. value	138.	
Harvesting Subtotal	\$ 473.	15%
<b>Overhead Expenses:</b>		
Repairs, fuel, equipment	15.	
Repairs, irrigation system	26.	
Taxes, land and other	292.	9%
Insurance, all types	154.	
Workmans Comprehensive	25.	
Social Security	45.	
Interest on Production Expenses	27.	
Interest on Debt, 6.2% on \$3,200	198.	
Depreciation, on equipment	33.	
Depreciation on irrigation system	39.	
Telephone & Electricity	10.	
Miscellaneous	19.	
Overhead Expense Subtotal	\$ 883.	27%
<b>Total Expenses per Acre:</b>	<b>\$ 3,241.</b>	<b>100%</b>
<b>Crop Revenue per Acre: 4,460 lbs @ \$0.828/lb</b>	<b>\$ 3,690.</b>	
<b>Return on Equity per Acre:</b>	<b>\$ 449.</b>	
<b>Rate of Return on Crop Revenue</b>	<b>12.17%</b>	
<b>Rate of Return on \$21,800 equity (land &amp; trees)</b>	<b>2.06%</b>	

Based on Bender, et al, "UC Coop Ext Sample Costs to Establish & Produce Avocados in So. Coast Region - 1992", UC Coop Ext, (adjusted for inflation); and unpublished data from US Bureau of Reclamation Water Payment Capacity Study, 1997; and interviews with selected avocado growers by G E Goodall.

Prepared by G E Goodall, Agricultural Consultant, 7/10/98

**Table 3**  
**LEMON Costs of Production Per Acre**

<u>Item</u>	<u>Cost per Acre</u>	<u>% of Production Costs</u>
<b>Production Expenses:</b>		
Irrigation Water, 2 AF/A purchased, drag-line sprinklers	\$ 800.	16%
Irrigation Labor	114.	
Fertilizer, minor elements, leaf analysis	195.	
Pest Control, contract spraying	328.	7%
Snail Control, labor & bait materials	62.	
Disease Control, contract spraying	57.	
Weed Control, labor, equipment, & materials, spraying	85.	
Frost Protection, electric power & maintenance	85.	
Pruning, all types, contract	633.	13%
Tree Replacement	26.	
Erosion Control	11.	
Management, fee or allowance	120.	
Miscellaneous	132.	
Production Expense Subtotal	\$ 2,648.	54%
<b>Harvesting Expenses:</b>		
Picking & Hauling, 15.95 Tons @ \$90.60 / Ton	\$ 1,445.	30%
<b>Overhead Expenses:</b>		
Repairs, fuel, equipment	8.	
Repairs, irrigation system	17.	
Taxes, land & other	247.	
Insurance, all types	134.	
Interest on Production Expenses	42.	
Interest on Debt, 6.2% on \$3,750	232.	
Depreciation, on equipment	20.	
Depreciation, on irrigation system	26.	
Telephone & Electricity	10.	
Miscellaneous	33.	
Overhead Expense Subtotal	\$ 769.	16%
<b>Total Expenses per Acre:</b>	<b>\$ 4,862.</b>	<b>100%</b>
<b>Crop Revenue per Acre: 15.95 Tons @ \$358/T</b>	<b>\$ 5,710.</b>	
<b>Return on Equity per Acre:</b>	<b>\$ 848.</b>	
<b>Rate of Return on Crop Revenue</b>	<b>14.85%</b>	
<b>Rate of Return on \$21,250 equity (land &amp; trees)</b>	<b>4.00%</b>	

Based on Sakovich, N J, "Citrus Costs, 1993", UC Coop Ext, Ventura Co. (adjusted for inflation); and unpublished data from US Bureau of Reclamation Water Payment Capacity Study, 1997; and interviews with selected lemon growers by G E Goodall.

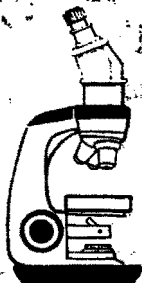
Prepared by G E Goodall, Agricultural Consultant, 7/10/98.

**Table 4**  
**GENERAL ORNAMENTAL CONTAINER-GROWN PLANTS**  
**Estimated Costs of Production per Acre**  
(based on 20,000 containers per acre)

<u>Item</u>	<u>Cost per Acre</u>	<u>% of Production Costs</u>
<b>Production Expenses:</b>		
Irrigation Water, 3.3 AF/A/Yr purchased	\$ 1,500.	3.5%
Irrigation Labor, hand watering	9,000.	21.1%
Fertilizer, liquid with water	600.	
Weed Control, labor, equipment, & materials	100.	
Pest Control, labor, equipment, & materials	800.	
Tree Care Labor, planting, training, moving	6,000.	14.1%
Containers, stakes, soil mixes, set plants	20,000.	46.8%
Management	900.	
Miscellaneous labor, equipment, & materials	800.	
Production Expense Subtotal	\$ 39,700.	93.0%
<b>Overhead Expenses:</b>		
Repairs & Maintenance	500.	
Taxes, Property	1,000.	
Interest on production expenses	600.	
Depreciation on irrigation system & equipment	200.	
Office, insurance, payroll taxes, etc.	700.	
Overhead Expense Subtotal	\$ 3,000.	7.0%
<b>Total Expenses per Acre:</b>	<b>\$ 42,700.</b>	<b>100.0%</b>
<b>Gross Crop Revenue per Acre:</b>	<b>\$ 45,000.</b>	
<b>Return on Equity Per Acre:</b>	<b>\$ 2,300.</b>	
<b>Rate of Return on Gross Revenue:</b>	<b>5.1%</b>	
<b>Rate of Return on Equity: (land &amp; improvements @ \$75,000/acre)</b>	<b>3.0%</b>	

Prepared by G. E. Goodall, Agricultural Consultant, based on interviews with Charles Norman and other general ornamental container growers and proprietary information, 7/10/98.

# SANTA BARBARA COUNTY



## AGRICULTURAL COMMISSIONER WEIGHTS AND MEASURES

William D. Gillette  
Commissioner/Director

December 7, 1998

James Johnson  
California Coastal Commission  
89 S California St Ste 200  
Ventura CA 93001

RECEIVED  
DEC 11 1998  
CALIFORNIA COASTAL COMMISSION  
SOUTH CENTRAL COAST DISTRICT

Dear Mr. Johnson:

At your request, we reviewed the "Report on Agricultural Feasibility in the Carpinteria Valley" prepared by George E. Goodall. As you and I discussed, this Office does not have expertise and cannot make any judgments regarding agricultural viability. We do have several comments regarding the report.

The methodology used by the author appears to be correct. We do not know of any public sources of financial information other than the Agricultural Commissioner's Crop Production Reports and the Cooperative Extension production data. The limitations on the use of this data is described accurately by the author.

On pages 4 and 5 of the report, the author states that KM Nursery is no longer in business. This is not accurate. KM Nursery is no longer in business at their original site. They have relocated to a smaller site. We do not know the reason for this change in location.

On page 6, the author states that "current growers in the Valley are not expanding their plantings or facilities". We know of several greenhouse/cut flower growers who have expanded their operations in the last few years.

Again, these comments are for clarification only, and do not attempt to determine the agricultural viability of the Norman's Nursery parcel.

If you need additional information, please let me know.

Sincerely,

*William D. Gillette*

William D. Gillette  
Agricultural Commissioner

EXHIBIT NO. 15
APPLICATION NO. 26PA #2-98
Agricultural
Commissioner Letter

## CALIFORNIA COASTAL COMMISSION

SOUTH CENTRAL COAST AREA  
89 SOUTH CALIFORNIA ST., SUITE 200  
VENTURA, CA 93001  
(805) 641-0142



Sent by FAX 925-1301  
December 1, 1998

Paul Forrest, Loan Officer  
Santa Barbara Bank and Trust  
335 East Betteravia Road  
Santa Maria, CA 93454

EXHIBIT NO. 16
APPLICATION NO. LCPA #2-98
Staff Letter
Requesting Comments

RE: Agricultural Feasibility in Carpinteria Valley

Dear Mr. Forrest;

This letter requests information on the economic feasibility of agricultural operations in the Carpinteria Valley and any comments you may have on the attached report titled; "Agricultural Feasibility in the Carpinteria Valley". Chris Colbert of your Santa Barbara office suggested I contact your office. This letter was also mailed to you on November 30, 1998.

Commission Staff are reviewing a proposed Local Coastal Program Amendment from the City of Carpinteria to convert 32 acres of land currently designated as Agricultural Land to a Residential land use. This property is located within the City of Carpinteria but outside the Urban-Rural Boundary within the Rural portion of the Carpinteria Valley. This proposed LCP Amendment raises the issue of agricultural viability pursuant to Coastal Act Sections 30241.5 and 30241 as noted below. These Coastal Act Sections are intended to provide a framework for evaluating the consistency of converting agricultural lands to non-agricultural uses with the Coastal Act agricultural protection policies.

Coastal Act Section 30241.5 specifically provides that:

- (a) If the viability of existing agricultural uses is an issue pursuant to subdivision (b) of Section 30241 as to any local coastal program or amendment to any certified local coastal program submitted for review and approval under this division, the determination of "viability" shall include, but not be limited to, consideration of an economic feasibility evaluation containing at least both of the following elements:
- (1) An analysis of the gross revenue from the agricultural products grown in the area for the five years immediately preceding the date of the filing of a proposed local coastal program or an amendment to any local coastal program.
  - (2) An analysis of the operational expenses, excluding the cost of land, associated with the production of the agricultural products grown in the area for the five years immediately preceding the date of the filing of a proposed local coastal program or an amendment to any local coastal program.

For purposes of this subdivision, "area" means a geographic area of sufficient size to provide an accurate evaluation of the economic feasibility of agricultural uses for those lands included in the local coastal program or in the proposed amendment to a certified local coastal program.

- (b) The economic feasibility evaluation required by subdivision (a) shall be submitted to the commission, by the local government, as part of its submittal of a local coastal program or an amendment to any local coastal program. If the local government determines that it does not have the staff with the necessary expertise to conduct the economic feasibility evaluation, the evaluation may be conducted under agreement with the local government by a consultant selected jointly by local government and the executive director of the commission.

Coastal Act Section 30241 specifically provides that:

The maximum amount of prime agricultural land shall be maintained in agricultural production to assure the protection of the areas agricultural economy, and conflicts shall be minimized between agricultural and urban land uses through all of the following:

By establishing stable boundaries separating urban and rural areas, including, where necessary, clearly defined buffer areas to minimize conflicts between agricultural and urban land uses.

(b) By limiting conversions of agricultural lands around the periphery of urban areas to the lands where the viability of existing agricultural use is already severely limited by conflicts with urban uses or where the conversion of the lands would complete a logical and viable neighborhood and contribute to the establishment of a stable limit to urban development.

(c) By permitting the conversion of agricultural land surrounded by urban uses where the conversion of the land would be consistent with Section 30250.

(d) By developing available lands not suited for agriculture prior to the conversion of agricultural lands.

(e) By assuring that public service and facility expansions and nonagricultural development do not impair agricultural viability, either through increased assessment costs or degraded air and water quality.

(f) By assuring that all divisions of prime agricultural lands, except those conversions approved pursuant to subdivision (b), and all development adjacent to prime agricultural lands shall not diminish the productivity of such prime agricultural lands.

December 1, 1998

Page 3

Staff would appreciate any comments you have regarding the information presented in the attached Agricultural Feasibility Report, particularly the conclusion that the subject site is not economically feasible for agriculture (page 6). Any comments on Tables 1 – 4, particularly the rates of return on gross revenue, rate of return on equity, rate on equity per acre, gross crop revenue, and total expenses per acre for general ornamental container-grown plants, avocados, and lemons, would also most be appreciated. What is the range of the rate of return on gross revenue and on equity for avocado, lemon, ornamental container-grown plants, greenhouse grown plants, and other crops (flower crops?) that may be suitable for this site? Are the rates of returns for these crops within the range, or are they too high or low. In other words, are these types of agricultural operations economically feasible?

Because we are preparing a Staff report on this proposed Amendment with a deadline of December 11, 1998 for the January 1999 Commission meeting, it would be most helpful to receive your comments by December 7, 1998. Should you have any questions, please call me at 805-641-0142. Thank you for your time and consideration of this request.

Sincerely,



James Johnson

Coastal Program Analyst

Attachment

Carplcpa2-98agricfeasiblelettersbbt



## SANTA BARBARA BANK & TRUST

Paul E. Forrest, VP  
Agribusiness Loan Officer  
Santa Barbara Bank & Trust  
335 E. Betteravia Rd.  
Santa Maria, CA 93454  
Phone: 805-739-2694 ext. 219  
December 7, 1998

James Johnson  
California Coastal Commission  
89 S. California St., Suite 200  
Ventura, CA 93001  
Phone (805) 641-0142  
Fax (805) 641-1732

RECEIVED

DEC 11 1998

CALIFORNIA  
COASTAL COMMISSION  
SOUTH CENTRAL COAST DISTRICT

EXHIBIT NO. 17
APPLICATION NO. LCPA #2-98
S.B. Bank & Trust
Response Letter

Dear Mr. Johnson,

I am writing in response to your request for feedback on the Ag Feasibility report prepared for you by George Goodall, dated 7/26/98, concerning a 32-acre parcel on Calle Real in Carpinteria.

Sections I and II are fine. Section III contains some rather broad statements concerning the inclusion and exclusion of crops from consideration. First, given the superb soils, strawberries could surely be grown. They were dismissed because of cost, but they are not grown inexpensively anywhere in coastal California, with an annual cost of production around \$10,000/acre. In fact, because no one else in the area is growing them and the plot is on a highway frontage road, a roadside stand for direct farm-to-consumer sales might be a very effective way to market the crop. Second, consideration is dismissed for greenhouse crop/nursery production because it is "too general." While I am ignorant of the feelings of the city fathers in Carpinteria toward new greenhouses, and this may be a closed subject, given the proliferation of them in the area they must surely be viable. For example, I think a single, 25-acre greenhouse for vine-ripened, hydroponic tomatoes might do just fine. Last, while the current enterprise is potted plant production, they would do just as well on a paved parking lot, which is of no real merit to the discussion, but continuation of this type of agriculture is given serious attention in the report.

I would add some different production costs for Sections IV and V: Our surveys indicate that for profitable enterprises in the Santa Barbara area Avocado yields range from 2.0 to 5.5 tons/acre with total costs (preharvest, plus harvest plus overhead) ranging from \$2,200 to \$2,920/acre, for a breakeven position of \$530 to \$1,100/ton. The figures cited in the Goodall study are from low yield, high cost producers. Our Lemon figures are for yields ranging from 12 to 19 tons/acre, with total costs of \$3,400 to \$4,050/acre

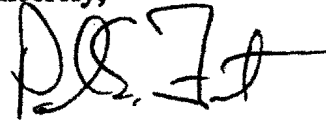
page 1 of 2

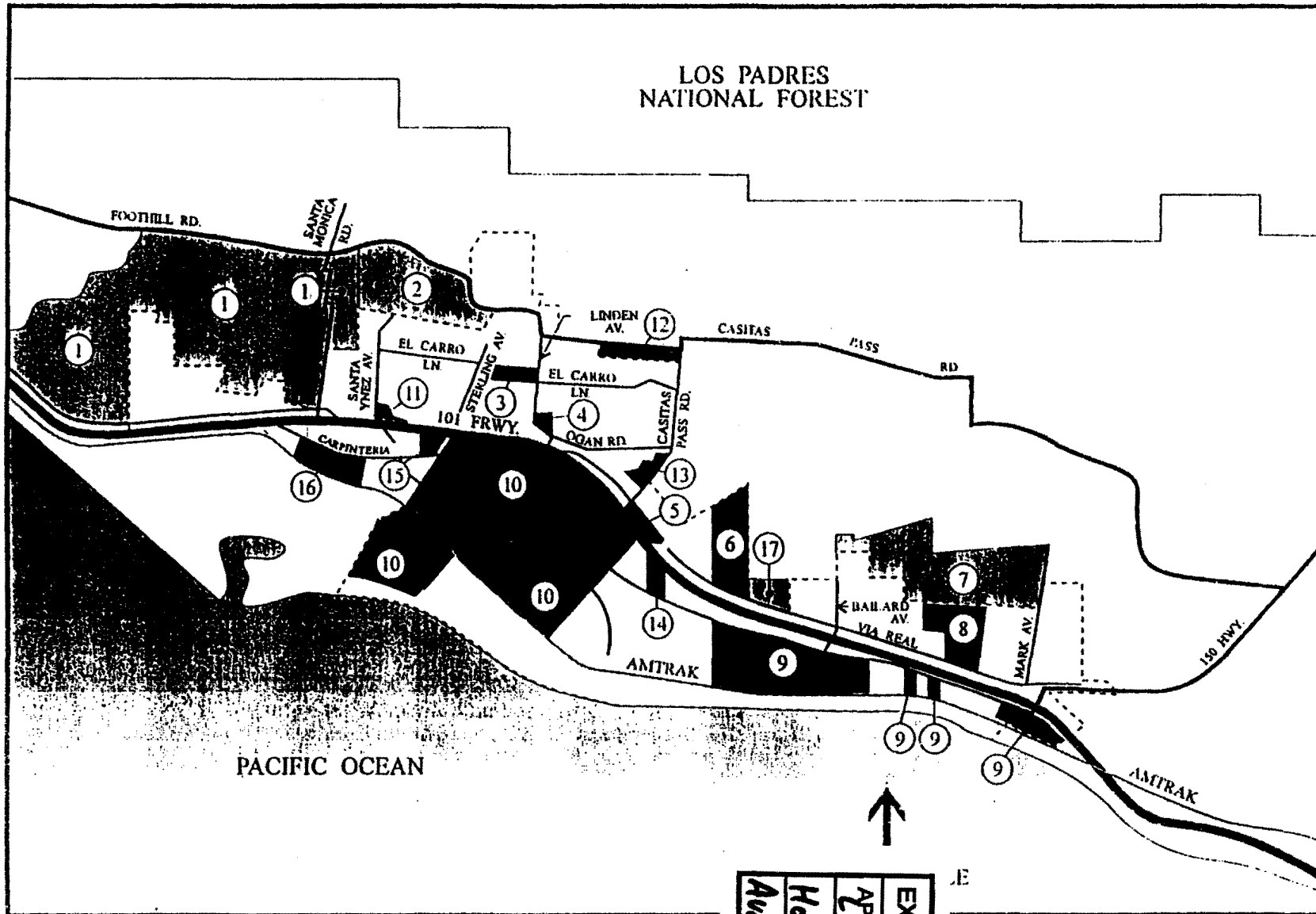
and a breakeven range of \$215 to \$275/ton. Again, the figures cited in the study are from high-cost producers.

I will only comment briefly on the various rates of return cited. These vary widely from one operation to another and have a lot to do with how the "books are cooked", particularly how assets are carried and their declared valuation. Generally, if all costs of production, including overhead (which also includes return to management and debt service), are met by the gross income then the enterprise is profitable and viable. The rates of return cited are positive, which is the main issue, and are entirely acceptable. Given the potential for higher yields or lower costs, they could be even better.

I hope these comments are of some use to you. Please call me if you have any questions.

Sincerely,

A handwritten signature in dark ink, appearing to read "D.S. Felt", with a long horizontal stroke extending to the right.



- Carpinteria City Limits  
 Represents locations within city limits  
 See identification of available housing sites for description of properties.  
 Represents locations in unincorporated area

SOURCE: CITY OF CARPINTERIA, 1994

LSA

EXHIBIT NO. 18  
 APPLICATION NO. 2-98  
 Housing Element  
 Available Housing Sites

- CITY OF CARPINTERIA HOUSING ELEMENT  
 FIGURE III-1  
 AVAILABLE HOUSING SITES

