



# City of Santa Barbara California

## STAFF HEARING OFFICER STAFF REPORT

**REPORT DATE:** March 9, 2016  
**AGENDA DATE:** March 16, 2016  
**PROJECT ADDRESS:** 6100 Hollister Avenue (MST2015-00600)

**TO:** Susan Reardon, Senior Planner, Staff Hearing Officer  
**FROM:** Planning Division, (805) 564-5470  
 Beatriz Gularte, Senior Planner *BEG*  
 Kathleen Kennedy, Associate Planner *Kth*

### I. PROJECT DESCRIPTION

The proposed project involves a three-lot subdivision of a 14.47 acre parcel located at 6100 Hollister Avenue in Sub-Areas 2 and 3 of the Airport Industrial Area Specific Plan (SP-6). The project is located in the Airport A-I-1 and A-I-2 Airport Industrial Zones and surrounded by four public roads. A 54-foot wide easement for public road purposes would be dedicated to the City of Santa Barbara. The new road (Wallace Becknell Road) would eventually serve all the parcels created by the map. There is no development proposal included as part of the subdivision application. The lot is currently developed with eight buildings with general commercial, research and development, and light industrial uses (See Exhibits B, Tentative Subdivision Map and C, Applicant's Letter).

Pursuant to the terms and conditions of the Purchase and Sale Agreement dated October 9, 2014, between the City of Santa Barbara and Direct Relief, a non-profit organization, proposed Parcel 1 would be purchased by Direct Relief. Direct Relief would construct the road in accordance with City Standards. Proposed Parcels 2 and 3 would be retained by the City of Santa Barbara Airport.

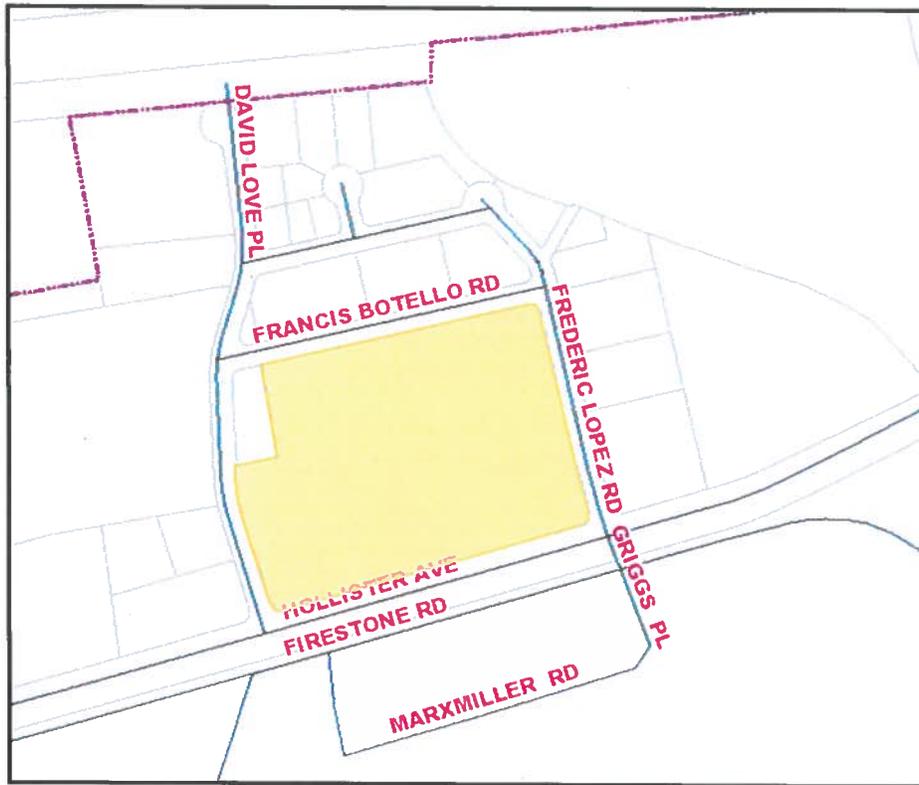
### II. REQUIRED APPLICATION

The discretionary application required for this project is a Tentative Subdivision Map to allow a three-lot subdivision (SBMC Chapter 27.07).

**APPLICATION DEEMED COMPLETE:** January 12, 2016  
**DATE ACTION REQUIRED PER MAP ACT:** April 1, 2016

### III. RECOMMENDATION

If approved as proposed, the project would conform to the City's Zoning Ordinance, Subdivision Ordinance and policies of the General Plan. There is no development associated with the subdivision application. Therefore, Staff recommends that the Staff Hearing Officer approve the project, making the findings outlined in Section VIII of this report, and subject to the conditions of approval in Exhibit A.



Vicinity Map for 6100 Hollister Avenue

#### IV. **BACKGROUND**

In 1949, 88 acres of land north of Hollister Avenue were transferred from the Federal Government to the City of Santa Barbara to be used for the operation, maintenance and capital improvement of the Santa Barbara Airport.

In 1983, the City requested that this land be released from the Federal Aviation Administration (FAA) requirement and that the land be used for aviation purposes. The FAA approved the release but maintained the requirement that the revenue generated from the land must be at “fair market value” and be used for the operation, maintenance and capital improvement of the Airport.

In 1997, the City adopted the Santa Barbara Airport Industrial Area Specific Plan (SP-6) to guide development of the Airport's commercial and industrial zoned properties. The Specific Plan encompasses a total of 225.2 acres and includes land both north and south of Hollister Avenue. The Specific Plan was divided into four Sub-areas in an effort to simplify the discussions regarding development potential, future uses, and infrastructure needs.

The 14.47 acre project site is bounded by Hollister Avenue, Frederic Lopez Road, Francis Botello Road and David Love Place and is located in both Sub-area 2 and 3 of the Specific Plan. Sub-area 2, located closest to Hollister Avenue, allows new commercial uses, as well as light industrial, research and development and small incubator businesses. Sub-area 3, setback from Hollister Avenue, allows the expansion of light industrial, research and development, small incubator businesses, and open yard uses.

Since 1997 the Airport has received numerous unsolicited proposals for development of portions of the area north of Hollister Avenue. All development efforts have been unsuccessful for a variety of issues, but primarily due to the Santa Barbara City Charter restriction that limits leases to 50 year terms. The Airport also investigated developing the property independently.

More recently, Direct Relief submitted a proposal to purchase Airport land at “fair market value” in order to construct a new warehouse and office. In 2014, the City Council authorized the execution of a Purchase and Sale Agreement between the City and Direct Relief (see Exhibit D-Council Agenda Report). The agreement states that the project site would be subdivided and the northern portion (now identified as Parcel 1 on the map) would be purchased by Direct Relief. All discretionary permits for the proposed Direct Relief project are required to be obtained by April 9, 2016, which is 18 months from the effective date of the agreement; however, a six month extension to October 9, 2016 is allowed. Direct Relief filed a Development Plan application that will be considered by the Planning Commission on March 17, 2016.

The sale of Parcel 1 would provide the Airport with funds necessary to construct debt-free industrial buildings on the other parcels (Parcels 2 and 3), thereby strengthening the Airport’s revenue base consistent with the Specific Plan. The Airport recently submitted a development proposal for Parcels 2 and 3 to the Planning Division for review.

The proposal to subdivide the existing parcel and subsequently sell Parcel 1 to Direct Relief, has been reviewed by the Planning Commission (Concept Review, October 8, 2015), Airport Commission (November 18, 2015), and City of Goleta, Airport Ad-hoc Committee (December 16, 2015). No concerns were raised regarding the proposed subdivision.

**V. SITE INFORMATION AND PROJECT STATISTICS**

**A. SITE INFORMATION**

<b>Applicant:</b>	City of Santa Barbara Airport	
<b>Property Owner:</b>	City of Santa Barbara Airport	
<b>Site Information</b>		
<b>Parcel Number:</b> 073-080-065	<b>Lot Area:</b> Total Lot: 14.47 acres Proposed : See table below	
<b>General Plan:</b> Airport	<b>Zoning:</b> A-I-1 and A-I-2 (Airport Industrial) & SP-6 (Airport Industrial Area Specific Plan)	
<b>Existing Use:</b> General Commercial, Research & Development, Light Industrial	<b>Topography:</b> Relatively Flat	
<b>Adjacent Land Uses</b>		
<b>North</b> – Light Industrial <b>South</b> – Commercial	<b>East</b> – Light Industrial <b>West</b> – Park, Southern California Edison	

**B. PROJECT STATISTICS**

	<b>Proposed Lot Size</b>
<b>Proposed Parcel 1</b>	348,160 SF (7.99 acres)
<b>Proposed Parcel 2</b>	194,437 SF (4.46 acres)
<b>Proposed Parcel 3</b>	34,701 SF (.79 acres)
<b>Proposed Road Easement Area</b>	53,024 SF (1.22 acres)

**VI. POLICY AND ZONING CONSISTENCY ANALYSIS**

**A. ZONING ORDINANCE CONSISTENCY**

The project site is located in the A-I-1 and A-I-2 (Airport Industrial) Zones and Sub-Area 2 and 3 of the Airport Industrial Area Specific Plan (SP-6) Zone. No development or public improvements are proposed as part of the subdivision; however, an easement for public road purposes is included. The public road easement location is consistent with the potential east/west road identified in the Specific Plan. The public road would be constructed as part of the future Direct Relief project, as noted above. Other public improvements along Hollister Avenue would be constructed along with the future development of Parcels 2 and 3 by the City Airport. The proposed sizes of the parcels are adequate to accommodate future allowed uses. The three-lot subdivision itself would not result in any inconsistencies with the Zoning Ordinance or the Specific Plan.

In addition, the proposal supports the following goal of the Specific Plan: “Ensure that the airport continues to be a vital economic contributor to the community by maintaining the Airport’s economic self-sufficiency through effective use of its existing resources.”

**B. GENERAL PLAN CONSISTENCY**

The project site has a General Plan Land Use Designation of Airport. As stated previously, all revenue generated from Airport land must be used for the operation, maintenance and capital improvement of the Airport; therefore, the subsequent sale of the parcel would benefit the Airport in that it will facilitate the development of uses consistent with those allowed in the General Plan and the Airport Industrial Area Specific Plan. No development is proposed as part of the three-lot subdivision; however, the size and layout of the proposed parcels is adequate to accommodate future allowed uses and as such would be consistent with the policies of the General Plan.

**C. TENTATIVE SUBDIVISION MAP**

The proposal includes a tentative subdivision map as required by Title 27 (Subdivisions) of the Municipal Code and the Subdivision Map Act. The tentative subdivision map includes the information necessary to process the proposal to subdivide the parcel with no development proposed. All new parcels will have access to public streets and utilities. A 54-foot wide easement for public road purposes would be dedicated to the City as part of the subdivision.

**VII. ENVIRONMENTAL REVIEW**

The Environmental Analyst has determined that the project is exempt from further environmental review pursuant to the California Environmental Quality Act Guidelines Section 15315 (Minor

Land Divisions). Section 15315 allows for the division of property into four or fewer parcels if certain conditions are met. The project meets these conditions because it is located within an urbanized area zoned for residential, commercial or industrial use; it conforms with the General Plan and zoning designations; all services and access to the proposed parcels are available to City standards; the parcel was not involved in a division of a larger parcel within the previous two years; and the parcel does not have an average slope greater than 20 percent.

## **VIII. FINDINGS**

The Staff Hearing Officer finds the following:

### **A. THE TENTATIVE MAP (SBMC §27.07.100)**

#### **1. Compliance with State and Local Requirements and Conditions**

*As described in Section VI of the staff report, the Tentative Subdivision Map is consistent Title 27 (Subdivisions) of the Municipal Code and the Subdivision Map Act.*

#### **2. Consistency with General and Specific Plans**

*As described in Section VI of the staff report, the Tentative Subdivision Map is consistent with the General Plan and Airport Industrial Area Specific Plan. The subdivision will result in three appropriately sized parcels served by all utilities and public access. The three-lots and easement for public road purposes will benefit the Airport in that it will facilitate the development of future uses consistent with the uses allowed in the General Plan and the Airport Industrial Area Specific Plan and strengthen the Airport's revenue base.*

#### **3. The proposed map is consistent with applicable General and specific plans.**

*See #2 above.*

#### **4. The design or improvement of the proposed development is consistent with applicable general and specific plans.**

*As described in Section VI of the staff report, no development is proposed, however, the design of the subdivision is consistent with the General Plan and Specific Plan. The lots to be created will all be served by public roads and served by all utilities.*

#### **5. The site is physically suitable for the type of development.**

*As described in Section VI of the staff report, no development is proposed; however, the size and layout of the proposed parcels is adequate to accommodate future allowed uses. A 54-foot wide easement for public road purposes will be dedicated to the City and would serve all the parcels created by the subdivision.*

#### **6. The site is physically suitable for the proposed density of development.**

*As described in Section VI of the staff report, no development is proposed; however, the size and layout of the proposed parcels is adequate to accommodate future allowed uses. Future amount of development is controlled by the nonresidential development allowed by the City's Growth Management Ordinance, the Airport Industrial Area Specific Plans (SP-6) Zone regulations, and the Specific Plan.*

7. The design of the development or the proposed improvements are not likely to cause substantial environmental damage or to substantially and avoidably injure fish or wildlife or their habitat.

*As described in Section VII of the staff report, no significant environmental impacts are expected to occur as a result of the subdivision.*

8. The design of the development or the type of improvement is not likely to cause serious public health problems.

*The proposal is a three-lot subdivision, which would not cause public health problems.*

9. The design of the development or the type of improvement will not conflict with easements, acquired by the public at large, for access through or use of property within the proposed development; provided however, approval may be granted if it is found that alternative easements, for access of or use, will be provided, and that these will be substantially equivalent to the ones previously acquired by the public.

*The three-lot subdivision would not conflict with any existing public easements. A 54-foot wide easement for public road purposes would be dedicated to the City and would serve all the parcels created by the subdivision.*

Exhibits:

- A. Conditions of Approval
- B. Tentative Subdivision Map
- C. Applicant's letter, dated December 3, 2015
- D. Council Agenda Report, dated August 5, 2014 (Purchase and Sale Agreement)

**STAFF HEARING OFFICER CONDITIONS OF APPROVAL**

6100 HOLLISTER AVENUE  
TENTATIVE SUBDIVISION MAP  
MARCH 16, 2016

- I. In consideration of the project approval granted by the Staff Hearing Officer and for the benefit of the owner(s) and occupant(s) of the Real Property, the owners and occupants of adjacent real property and the public generally, the following terms and conditions are imposed on the use, possession, and enjoyment of the Real Property:
- A. **Approval.** The approval by the Staff Hearing Officer on March 16, 2016 is limited to a three-lot subdivision of a 14.47 acre parcel located at 6100 Hollister Avenue (APN 073-080-065) as shown on the Tentative Subdivision Map signed by the Staff Hearing Officer on said date and on file at the City of Santa Barbara.
- B. **Public Works Submittal Prior to Parcel Map Approval.** The Owner shall submit the following, or evidence of completion of the following, to the Public Works Department for review and approval, prior to approval of the Parcel Map by the City Council.
1. **Parcel Map.** The Owner shall submit to the Public Works Department for approval, a Parcel Map prepared by a licensed land surveyor or registered Civil Engineer. The Parcel Map shall conform to the requirements of the City Survey Control Ordinance.
  2. **Dedication.** Easement, as shown on the approved Tentative Subdivision Map and described as follows, subject to approval of the easement scope and location by the Public Works Department and/or the Building and Safety Division:  
  
A 54-foot wide easement for public road purposes (Wallace Becknell Road) to be dedicated to the City of Santa Barbara.
- C. **General Conditions.**
1. **Compliance with Requirements.** All requirements of the city of Santa Barbara and any other applicable requirements of any law or agency of the State and/or any government entity or District shall be met.
  2. **Approval Limitations.**
    - a. The conditions of this approval supersede all conflicting notations, specifications, dimensions, and the like which may be shown on submitted plans.
    - b. Any deviations from the project description, approved plans or conditions must be reviewed and approved by the City, in accordance with the Planning Commission Guidelines. Deviations may require changes to the permit and/or further environmental review. Deviations without the above-described approval will constitute a violation of permit approval.

STAFF HEARING OFFICER CONDITIONS OF APPROVAL  
6100 HOLLISTER AVENUE  
MARCH 16, 2016  
PAGE 2 OF 2

II.

**NOTICE OF TENTATIVE SUBDIVISION MAP TIME LIMITS:**

The Staff Hearing Officer action approving the Tentative Map shall expire two (2) years from the date of approval. The subdivider may request an extension of this time period in accordance with Santa Barbara Municipal Code §27.07.110.

**NOTES:**

1. PRESENT PROPERTY ADDRESS:  
6100 HOLLISTER AVENUE  
GOLETA, CA 93117
2. ASSESSOR'S PARCEL NO.: 073-060-065
3. EXISTING PARCEL AREA: 14.47 AC (630,324 SF)
4. PROPOSED PARCEL AREA:  
PARCEL 1: 348,180 SQ. FT.  
PARCEL 2: 164,437 SQ. FT.  
PARCEL 3: 34,701 SQ. FT.  
PROPOSED ROAD: 53,024 SQ. FT.
5. GENERAL PLAN DESIGNATION:  
AIRPORT PROPERTY
6. ZONING DESIGNATION:  
EXISTING & PROPOSED: ZONE A - 1 AND A - 1-2, LIGHT INDUSTRIAL COMMERCIAL
7. UTILITY SERVICES:  
WATER SUPPLY: CITY OF SANTA BARBARA AIRPORT  
SEWAGE DISPOSAL: CITY OF SANTA BARBARA AIRPORT  
ELECTRICITY: SOUTHERN CALIFORNIA EDISON  
TELEPHONE: VERIZON  
GAS: SOUTHERN CALIFORNIA GAS COMPANY  
CABLE TV: COX CABLE OF SANTA BARBARA
8. ACCESS:  
ALL LOTS WILL EITHER BE DIRECTLY ACCESSIBLE FROM FREDRICK LOPEZ RD, FRANCIS BOTELLO ROAD, DAVID LOVE PLACE AND THE NEW PROPOSED ROAD.
9. BOUNDARY:  
BOUNDARY DATA PER PARCEL MAP RECORDED AT BOOK 64, PAGES 64-69 AS FILED AT THE COUNTY RECORDER'S OFFICE, COUNTY OF SANTA BARBARA, CALIFORNIA, ON MARCH 03, 2002 PER RECORD OF SURVEY BOOK 170, PAGES 47-48, ROTATED CLOCKWISE (00°00'25").
10. TOPOGRAPHY:  
TOPOGRAPHY PROVIDED BY FLOWERS & ASSOCIATES. DATE OF AERIAL MAP IS APRIL 12, 2011.
11. BASIS OF BEARINGS:  
SOUTHERLY RIGHT OF WAY OF FRANCIS BOTELLO ROAD (87°06'45"W).
12. BENCHMARK:  
STA 2002 PER RECORD OF SURVEY BOOK 170, PAGES 47-49, VERTICAL DATUM IS NAVD 89.  
ELEVATION = 12.83 FEET

**OWNER AND SUBDIVIDER'S CERTIFICATE:**

WE HEREBY APPLY FOR THE APPROVAL OF THE DIVISION OF REAL PROPERTY AS THIS MAP AND CERTIFY THAT WE ARE THE OWNERS OF RECORD OR THE AUTHORIZED AGENTS AND THAT THE INFORMATION SHOWN HEREON IS TRUE AND CORRECT TO THE BEST OF OUR KNOWLEDGE AND BELIEF. THIS MAP HEREBY DECLARES AN EASEMENT, WALLACE BECKNELL ROAD, FOR PUBLIC STREET PURPOSES AS SHOWN HEREIN.

CITY OF SANTA BARBARA  
110 WEST WASHINGTON ROAD  
SANTA BARBARA, CA 93117  
(805) 867-7111

BY: *Wallace Jones*  
WALLACE JONES, AIRPORT DIRECTOR

DATE: 3/7/16

**RECORD EASEMENTS:**

FROM PROPERTY NATIONAL TITLE CO. PRELIMINARY TITLE REPORT OPEN # 14-20113813 DATED DECEMBER 28TH, 2014

1. EASEMENTS FOR PUBLIC UTILITIES AND DRAINAGE, FROM GRANT (P. 0062), AND PUBLIC EASEMENT AS SHOWN IN PARCEL MAP 20, BOOK 64, PAGES 64-69
2. 10' WIDE LICENSE TO SOUTHERN CALIFORNIA Edison PER OFFICIAL RECORD 1800 2286

**PROPOSED ROAD:**

1. 54.00 FOOT ROAD RIGHT OF WAY EASEMENT, WALLACE BECKNELL ROAD, TO BE DEDICATED TO THE CITY OF SANTA BARBARA.



**VICINITY MAP**  
NOT TO SCALE

# TENTATIVE SUBDIVISION MAP PARCEL MAP NO. \_\_\_\_\_

6100 HOLLISTER AVENUE  
GOLETA, CALIFORNIA 93117  
073-060-065

LOT 22 OF PARCEL MAP NO. 20,008 IN THE CITY OF SANTA BARBARA, COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AS SHOWN ON THE MAP FILED IN BOOK 164, PAGES 63-69 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PREPARED BY: 

By: \_\_\_\_\_ Date: \_\_\_\_\_

Checked By: \_\_\_\_\_ Date: 10/02/2010

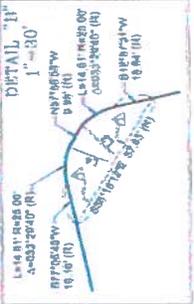
Job No. 15-0634 Sheet 1 of 2

**SHEET INDEX**

SHEET No.	GENERAL DESCRIPTION
1	NOTES AND PARCEL INFORMATION
2	PARCEL INFORMATION AND TOPOGRAPHIC SURVEY

**CARDENAS AND ASSOCIATES SURVEYING INC.**  
211 N. CALLE SEANAYAZ, P.O. BOX 100  
SANTA BARBARA, CALIFORNIA  
Phone: (805) 965-1111  
Fax: (805) 965-1111





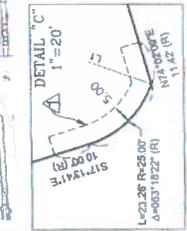
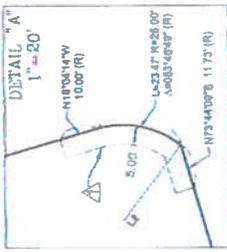
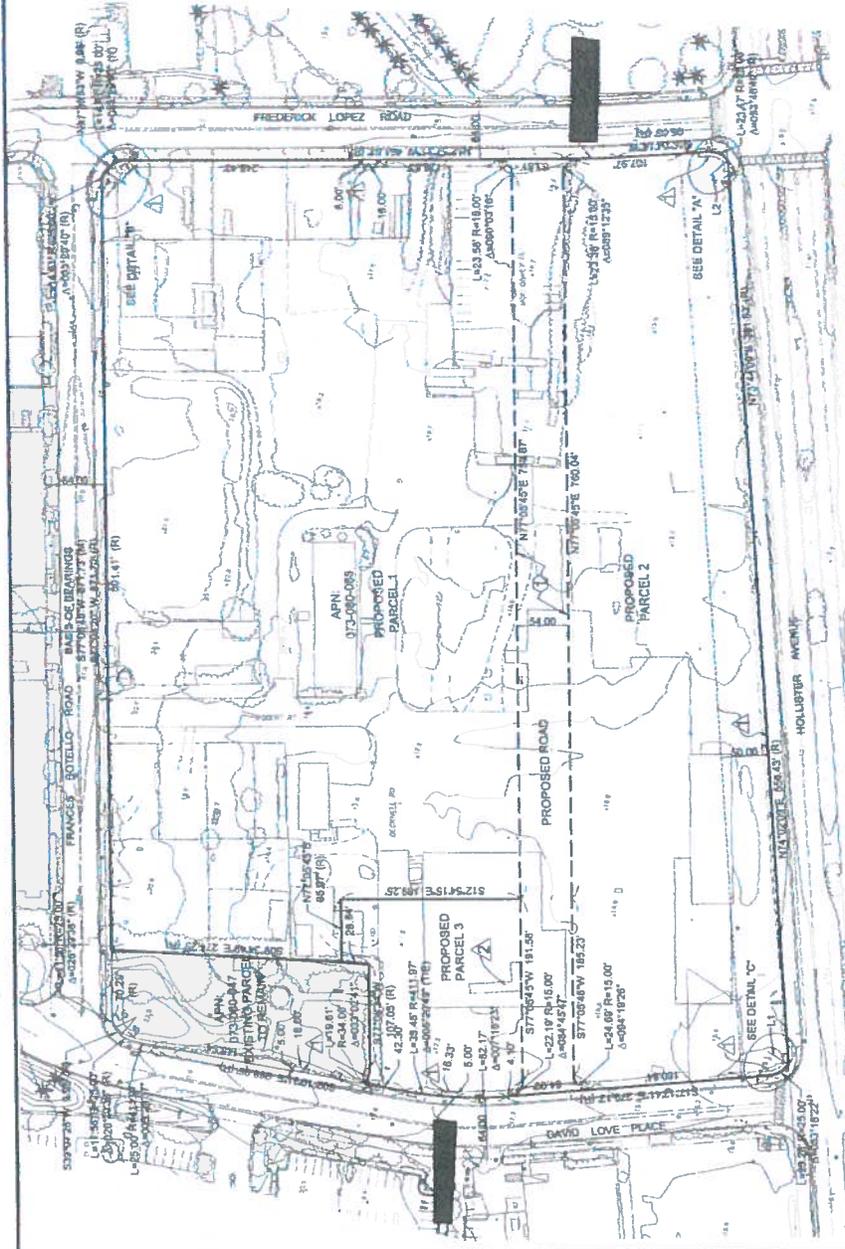
Line #	Length	Direction
L1	25.00	S19°26'00\"/>
L2	25.00	N43°17'25.05\"/>
L3	29.00	N43°32'49.15\"/>
L4	35.00	S20°30'25.10\"/>
L5	29.00	N39°21'52.05\"/>
L6	25.00	N02°21'17.84\"/>
L7	34.00	N70°09'18.15\"/>



# TENTATIVE SUBDIVISION MAP PARCEL MAP NO. \_\_\_\_\_

8100 HOLLISTER AVENUE  
GOLETA, CALIFORNIA 93117  
073-080-089

LOT 22 OF PARCEL MAP NO. 20,008 IN THE CITY OF SANTA BARBARA, COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AS SHOWN ON THE MAP FILED IN BOOK 64, PAGE 63 OF THE PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.



**RECORD EASEMENTS:**  
FROM FIDELITY NATIONAL TITLE CO. PRELIMINARY TITLE REPORT ORDER # 14-201134 DATED OCTOBER 29TH, 2014.  
EASEMENTS FOR PUBLIC UTILITIES AND DRAINAGE, STORM DRAIN IMPROVEMENTS AND PUBLIC STREET AS SHOWN IN PARCEL MAP 22,000, BOOK 54, PAGES 64-69.  
17 YEAR LICENSE TO SOUTHERN CALIFORNIA Edison PER OFFICIAL RECORD 1992-2280

**PROPOSED ROAD:**  
54.00 FOOT ROAD RIGHT OF WAY EASEMENT, WALLACE BECKNELL ROAD, TO BE DEDICATED TO THE CITY OF SANTA BARBARA.

PREPARED BY: NO. 6491, Exp. 6-30-17

Drawn by: GJK  
Checked by: JCS  
Scale: AS SHOWN  
Date: 10/02/2015  
Job No.: 16-0034  
Sheet: 1 of 2

CARDENAS AND ASSOCIATES SURVEYING, INC.  
1825 N. DUNBAR AVE., SUITE 100  
P.O. BOX 2003, SANTA BARBARA, CA 93103  
K.ART@CARDENASURVING.COM

NOTES:  
1. (R) = PARCEL MAP BOOK 54, PAGES 63-69 ROTATED CLOCKWISE (00°00'25")



# City of Santa Barbara

## Santa Barbara Airport



December 3, 2015

Airport Administration  
601 Firestone Rd  
Santa Barbara, CA 93117  
805 967 7111  
805 964 1380 FAX

Staff Hearing Officer  
Community Development Department  
City of Santa Barbara  
630 Garden Street  
Santa Barbara, CA 93103

Airport Operations/Patrol  
805 681 4803

**SUBJECT: APPLICATION FOR TENTATIVE SUBDIVISION MAP FOR APN 073-080-065 AT THE SANTA BARBARA AIRPORT**

Engineering  
805 692 6018

Dear Staff Hearing Officer:

Maintenance  
805 692 6060

We are requesting approval of a Tentative Subdivision Map for a three lot subdivision of APN 073-080-065 at 6100 Hollister Avenue. The project is located in the Airport A-I-1 and A-I-2 Airport Industrial zones. A Master Application, Tentative Subdivision Map, and other relevant materials are being submitted as part of this transmittal. There is no development proposal included as part of this application, we are seeking only divide the existing parcel into three parcels, and create an easement for a new road right of way.

Marketing  
805 692 6024

### BACKGROUND

Noise Abatement  
805 683 4011

The parcel, located on the north side of Hollister Road is included in the Airport's Specific Plan area. In October 2014 City Council approved the sale of a portion of this parcel to Direct Relief Inc. (DR). As part of the Purchase and Sale Agreement (PSA) approved by Council, the City agreed to subdivide the Airport parcel to accommodate the sale to DR. According to the terms of the PSA DR was to identify the land area needed for their development, and upon notice to the City, the City is to facilitate creation of a new legal parcel for DR.

Planning  
805 692 6032

DR has given the City notice and a new parcel needs to be created. Airport staff has worked with Public Works Engineering staff to determine the best way to create the new parcel and the new Public Road Right of Way which is also required by the PSA. Staff has determined that a Subdivision Map is the best way to meet the terms of the PSA and create the new parcel and road right of way.

Property Management  
805 692 6022

### PROJECT DESCRIPTION AND SCOPE OF WORK

Visitors' Center  
805 964 7622

The Tentative Subdivision Map would be a three lot subdivision of the main parcel (APN 073-080-065). Parcel 1 (348,160 square feet) would be the parcel to be sold to DR, and Parcel 2 (194,000 square feet) and Parcel 3 (34,701 square feet) would remain as City Airport owned land. A 54 feet wide Public Road Easement (54,024 square feet) will be dedicated for public road purposes and would serve all the parcels created by the map. Upon approval by the Staff Hearing Officer, the Tentative Map would be approved and finalized by Council in the form of a Parcel Map.

[FlySBA.com](http://FlySBA.com)

Staff Hearing Officer  
December 3, 2015

This is proposed to be a "dry lot" subdivision with no development proposals or entitlements. The existing site use is a combination of small commercial/industrial building space along with open yard uses. There will be no grading, demolition, removal of trees, or any physical changes in connection with this Tentative Subdivision Map. The existing uses include general commercial, research and development, and light industrial. The site contains seven main buildings with five outbuildings. The total building floor area is approximately 20,437 square feet.

Our intent is to carry out City Council direction to staff to create the new parcel for DR. The development of any areas within the boundaries of the map would occur under a separate development review type process. DR has submitted an application for a development plan on their proposed parcel, and the Airport is working on a development plan for the remaining parcels. The Airport will likely submit their development plan for approval in early 2016.

If you have any questions regarding this application, please contact me at 692-6018. Thank you for your assistance.

Sincerely,



Owen Thomas  
Supervising Engineer

Attachments:

1. Master Application
2. 10 sets of plans
3. Preliminary Title Report
4. Purchase and Sale Agreement with DR
5. Transfer of Funds form
6. Mailing Labels



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** August 5, 2014

**TO:** Mayor and Councilmembers

**FROM:** Administration, Airport Department

**SUBJECT:** Introduction Of Ordinance For Purchase And Sale Agreement For Sale Of Land Located At 6100 Hollister Avenue

### RECOMMENDATION:

That Council introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Approving and Authorizing the City Administrator to Execute the Purchase and Sale Agreement and Related Agreements Between the City of Santa Barbara and Direct Relief, a California nonprofit public benefit corporation, at a base price of \$25 per square foot of land area.

### EXECUTIVE SUMMARY:

The City adopted the Airport Specific Plan, City Parcel Map No. 20,608, in 1997 which included the land north of Hollister Avenue incorporating a total of 88 acres. Since 1997 the Airport has received numerous unsolicited proposals for development of portions of this area and has issued two Requests for Proposals to develop a 15-acre parcel in the Specific Plan Area. All development efforts have been unsuccessful for a variety of issues, but primarily due to the Santa Barbara City Charter restriction that limits leases to 50 year terms.

The Airport, at Council direction, investigated developing the property independently. Although construction of small flexible buildings over a five-year interval in phases was possible, financing of the development would require outside financing and the debt service requirements did not provide for a realistic return on investment.

Direct Relief International has submitted a proposal to purchase Airport land at a "fair market value" to construct new offices and a warehouse. The sale of Airport land would set a precedent; however, the proceeds would provide the Airport with the funds necessary to construct debt-free industrial buildings, thereby strengthening the Airports revenue base.

## **DISCUSSION:**

### Property Description

The land at 6100 Hollister Avenue, bounded by Hollister Avenue, Frederic Lopez Road, Francis Botello Road and David Love Place, (Parcel 22 of the Airport Specific Plan [City Parcel Map No. 20,608], along with the adjacent 74 acres was transferred to the City by Grant Deed from the War Assets Department in 1949 to be used for the operation, maintenance and capital improvement of the Santa Barbara Airport.

This area has been leased for commercial industrial uses and is separated from the active airfield by Hollister Avenue. In 1983, the City requested that all land north of Hollister Avenue, 88 acres, be released from the FAA requirement that the land be used for aviation purposes. The Federal Aviation Administration approved the release on October 30, 1984 but maintained the requirement that the revenue generated from the land must be at "fair market value" and be used for the operation, maintenance and capital improvement of the Airport.

### Development History

In 1997, Council approved the Airport Specific Plan to guide development of the Airport's commercial/industrial zoned property for light industrial and yard uses, commercial recreation, and economic development.

The Airport's efforts to develop this land in accordance with the Specific Plan via long-term lease included:

- 1997 and 2004 - two unsuccessful single tenant development Requests for Proposals
- 2007 – one industrial condo ownership proposal with up to 19 buildings
- 2009 – one 4-acre parcel for Verizon a maintenance and storage facility
- 2010 – one hotel proposal for a portion of the parcel
- 2004- 2010 – four proposals from Target for a retail facility
- 2010 – one proposal from Deckers Corporation for corporate offices

In all cases the proposals were unsuccessful for a variety of reasons, but one major limiting factor is the Charter requirement that any lease be limited to 50 years.

### Airport Small Parcel Development

Based on the failure of long-term lease development, on June 15, 2010 Council directed staff to pursue the small parcel development for industrial and commercial tenants consistent with the approved Airport Specific Plan. This approach would continue the Airport's niche in small light industrial space and could be phased in over a period of years. Staff undertook a comprehensive feasibility study including a site layout plan,

## Council Agenda Report

Introduction Of Ordinance For Purchase And Sale Agreement For Sale Of Land Located At 6100 Hollister Avenue

August 5, 2014

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stakeholder input on the market as well as political sensitivity, and examination of financial Proforma on leasing and self development for the potential development of this 15 acre parcel.

Local consultants designed a layout plan that fully utilized all available land on Parcel 22 resulting in 13 lots with buildings ranging in size from 6,000 – 15,000 square feet with required parking, landscaping, and on site drainage. Input from stakeholders, including UCSB, Goleta Chamber of Commerce, City of Goleta, local real estate brokers, and others indicated that there had not been any new industrial buildings constructed in the last 25 years and that the size and design would meet the needs for this market with small commercial/industrial units with expansion opportunities.

The financial Proforma was based on outside financing to construct the 13 buildings in four phases, at five-year intervals, assuming pre-leasing and full occupancy upon completion. While possible, this approach to development had a high risk, with a low 50-year return on investment.

### Unsolicited Proposal from Direct Relief International (DRI)

Direct Relief, founded in Santa Barbara in 1948, is a nonprofit, nonpartisan organization that provides medical assistance to people around the world who have been affected by poverty, natural disasters, and civil unrest. DRI is currently located at 27 South La Patera Lane and also leases space in a warehouse across the street from DRI offices. DRI employs 57 staff and has 20-25 volunteers daily.

DRI is seeking to build a new state of the art facility consisting of approximately 125,000 square feet in size, of which 100,000 square feet would serve as warehouse and distribution (with 45 foot height) and 25,000 square feet would serve as offices. As is typically required for development in proximity to the Airport, an "Avigation easement" in favor of the City would be required at the time of development to protect the aviation rights at the Airport.

DRI would require 6 to 8.5 acres of land for the new facility which will be determined upon final survey when development plans are more fully prepared. DRI plans to initiate a fundraising campaign for the development project.

DRI and the City explored the option of a long-term 50-year lease on Parcel 22, however, leasing was not an option. DRI subsequently offered to purchase the land at an appraised market value.

### FAA Consultation on Airport Land Sale

Inasmuch as the land north of Hollister Avenue was acquired by the military during WWII and conveyed to the City, staff contacted the Compliance Officer with the Los Angeles

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Airport District Office to inquire if there were any FAA restrictions on the potential sale of Airport property.

FAA responded that with the 1984 Instrument of Release eliminating all airport/aviation obligations, the land could be sold and converted to another use. Proceeds from the sale must, however, be used for airport purposes.

### Purchase and Sale Terms

Following FAA's reply, staff entered into negotiations with DRI regarding the possible sale of between 6 and 8.5 acres of land zoned for commercial industrial development. The following summarizes the key terms and conditions of the Purchase and Sale Agreement:

- **Purchase Price:** Twenty-five dollars (\$25) per square foot (net). This amount reflects the value determined in the City's February 2014 appraisal. Total purchase price will be determined based upon net square footage acquired by DRI but will range from \$6.5 to \$8.5 million. City appraisal may be updated 90-days prior to close of escrow. DRI may either (i) accept City's updated value, or (ii) update DRI's appraisal (\$20/sf) in which case the new purchase price is determined by the average between the two new opinions of value as follows: (i) if the average opinion of value is less than the original base purchase price, the original purchase price remains the purchase price, (ii) if the average is greater than the original purchase price by 10% or less, the average becomes the new purchase price (iii) if the average is more than 10% above the original purchase price, the purchase price is increased by 10%.
- **Deposit:** Within 30 days after execution of Purchase and Sale Agreement, DRI will deposit \$500,000 into escrow which, at the end of an 18-month feasibility period, becomes liquidated damages or returned to DRI if the transaction does not close escrow.
- **Feasibility Period:** 18-month period for DRI to conduct due diligence with regard to the property. Close of escrow 90-days after end of feasibility period. DRI may choose to terminate transaction or extend the 18-month due diligence period for an additional period of 6 months if DRI has not secured approval of all discretionary permits necessary to develop the property with its intended development.
- **Operation of Property:** The Airport shall continue to use property in the usual manner until close of escrow.
- **Right of First Offer:** After close of escrow, if DRI determines to sell the property, it must first offer sale property back to City. City may offer to re-purchase based upon the then appraised value less 10%. Disagreement on the value is to be resolved by the average of three values. After 21 years, and for 10 years thereafter, 10% reduction to repurchase price is decreased by 1%.

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- **Community Support Payment:** 12 months after issuance of the certificate of occupancy, DRI shall begin making annual payments to the City in the amount of 12.5% of 1.03% of the sum of the purchase price plus the construction costs (example:  $\$20,000,000 \times 12.5\% \times 1.03\% = \$25,750$ ) increased annually by 2%. The payment is a personal obligation of DRI and terminates upon sale of the property.
- **Access Road:** DRI shall construct, or pay the City the sum of \$473,000 to construct, an access road in accordance with City standards extending from Frederick Lopez Road along the southern frontage of the purchased property. City shall reimburse DRI 50% of the road construction cost upon construction and occupancy of any structures located between the access road and Hollister Avenue on City-retained property.

**Utilities:** Water service shall be provided to the property by the Airport through a sub-meter connected to the City's meter connection to Goleta Water District. Sewer service shall be provided to the property by the City and connected through the City's facilities to the Goleta Sanitary District.

The Purchase and Sale Agreement and related agreements are available for public review at the City Clerk's Office and at Airport Administration.

### Environmental Review

The City's Environmental Analyst has determined that the sale of this City land is categorically exempt from Environmental Review under California Environmental Quality Act Sec. 15312 (MST2011-00255).

### Impact of Sale on Airport

While the proposed sale of Airport land is unprecedented, it would provide the necessary space for DRI, a long established local non-profit, to construct a state-of-art facility meeting DRI's unique space needs not available in other facilities.

Equally important to the City, the proceeds from the sale will allow the Airport to begin building out of the remaining land with light industrial uses, thereby strengthening the Airport's revenue base with debt-free buildings.

### Escrow

Upon approval of the Purchase Agreement, an escrow account will be opened and administered by Fidelity National Title Company. Title insurance costs will be provided by the City. Upon close of escrow, and the effective date of the approving ordinance, Fidelity National Title Company will be authorized to record the Grant Deed in the Official Records, Santa Barbara County, and transfer of title will be completed.

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**SUBMITTED BY:** Hazel Johns, Airport Director

**APPROVED BY:** City Administrator's Office