

# Summary of the Tejon Ranch Conservation and Land Use Agreement

## EXECUTIVE SUMMARY

The Tejon Ranch Company (TRC) and Audubon California, the Endangered Habitats League, Natural Resources Defense Council, Planning and Conservation League and Sierra Club (the Resource Groups) reached agreement on June 17, 2008 to preserve permanently up to 240,000 acres of the 270,000-acre Tejon Ranch – approximately 90% of the entire Ranch. Without regard to the timing of any development on the remainder of the Ranch, the conserved lands were to be managed to preserve natural resource values by the newly formed, independent Tejon Ranch Conservancy. The key provisions of the Agreement are as follows:

- The Resource Groups are assured, as of the date of execution of the Agreement, and at no cost to taxpayers, of the permanent preservation of approximately 178,000 acres of the Ranch through the phased recordation of conservation easements.
- The Resource Groups were granted options, which have been exercised, to acquire the development rights over five parcels comprising an additional 62,000 acres of the Ranch. Once these options were exercised, the total amount of conserved lands became approximately 240,000 acres.
- The Agreement did not authorize development. For any development project TRC wishes to pursue on the approximately 30,000 acres not subject to conservation under the Agreement, TRC is required to seek applicable approvals, including the completion of all environmental review and permitting processes to develop the Centennial, Tejon Mountain Village and Grapevine projects in compliance with all laws, regulations and standards. The entitlement process consists of extensive public review and public hearing processes, including Environmental Impact Reports and numerous agency approvals for each project. Frequent opportunities for public involvement, review, comment and testimony on the three planned projects will be available.
- The Agreement requires that TRC propose a suite of environmental protection and sustainability requirements as part of each project to address traffic, air quality, climate change and other important issues.
- The protection and stewardship of the conserved lands was assured, from the date of execution of the Agreement, by the creation and funding of the independent Tejon Ranch Conservancy, a nonprofit public benefit corporation that has been qualified as tax-exempt under Section 501(c)(3) of the Internal Revenue Code.
- To ensure that the public will be able to use and enjoy the conserved lands, the Agreement guarantees significant public access to Tejon Ranch, to be defined in a public access plan (Volume 3 of the RWMP) developed and implemented by the Conservancy. Public access also includes realignment of approximately 37 miles of the Pacific Crest Trail within an approximately 10,000 acre viewshed through the heart of the Ranch and docent-led tours to Bear Trap Canyon.
- The Agreement was reached after two years of careful scientific analysis and intense negotiations between TRC, its partners and the Resource Groups. All parties believe that the Agreement provides for a far better conservation outcome than the typical project-specific permitting and protracted litigation methods most often used in development and conservation disputes.

A more detailed description of the key provisions of the Agreement follows:

### Conserved Lands

- **Management Plan.** Under the Agreement, all conserved lands will be managed pursuant to a Ranch-Wide Management Plan that will be developed by TRC (the Interim RWMP, adopted in September of 2009) and the Conservancy (the Initial RWMP, due for adoption June 21, 2013).
- **Dedicated Conservation Areas.** TRC will permanently protect approximately 178,000 acres through a combination of dedicated conservation easements and designated project open spaces.
  - ~ A conservation easement of up to 10,000 acres will be dedicated to allow for realignment of 37 miles of the Pacific Crest Trail through the Ranch.
  - ~ An additional 33,000 acres of open space areas within the permitted project areas will be designated as part of the project development process.
  - ~ Conservation easements over the remaining 135,000 acres will be dedicated in six phases as TRC receives development approvals, with all dedications to occur within 30 years from final approval of the first project.
  - ~ Prior to these dedications, no unauthorized development is permitted in the conservation areas. Grazing, game management and other existing ranch activities continue in accordance with the Ranch-Wide Management Plan.
- **Acquired Conservation Areas.** TRC provided separate options for the Resource Groups to purchase development rights, through acquisition of conservation easements, for five separate Acquisition Areas, totaling an additional 62,000 acres. The Conservancy exercised these options with the support of the California Wildlife Conservation Board and recorded conservation easements March 2011.
- **Public Access.** The parties are committed to providing opportunities for significant public access and community education programs on the conserved lands. To date, the Conservancy, in close collaboration with the Tejon Ranch Company, has introduced about 4,000 visitors to Tejon Ranch through its access programs.
  - ~ **State Park.** The Resource Groups and TRC will work with the Conservancy and the California State Parks Department towards creation of a State Park within the conserved lands.
  - ~ **Pacific Crest Trail.** TRC will work with the Conservancy, the US Forest Service and the Pacific Crest Trail Association to provide an easement on conserved lands to realign a 37-mile segment of the Pacific Crest Trail through the Ranch.
  - ~ **University of California Natural Reserve.** The Conservancy will work with the University of California Natural Reserve System to determine whether certain conserved lands may be viable for a future UC Natural Reserve.

## TEJON RANCH CONSERVANCY

- The Conservancy was created as an independent nonprofit public benefit corporation and was qualified as tax-exempt under Section 501(c)(3) of the Internal Revenue Code.
- The Conservancy is governed by a twelve member board consisting of four members appointed by the Resource Groups, four members appointed by TRC and four independent members appointed by the Conservancy Board.
  - ~ Four independent directors: Emmy Cattani, Cattani Farming; Al Wright, Retired Wildlife Conservation Board; Frank Davis, UCSB, Bren School; Soapy Mulholland, Sequoia Riverlands Trust;
  - ~ Four appointed by the Resource Groups: Joel Reynolds, NRDC; Dan Silver, Endangered Habitats League; Dan Taylor, Audubon CA; Jim Dodson, Sierra Club; and,
  - ~ Four by TRC: Brian Grant, TRC; Roberta Marshall, DMB Pacific Ventures; Gary Hunt, California Strategies; Randall Lewis, Lewis Operating Corp.
- The Conservancy has an experienced staff with expertise in land trust administration, conservation biology, environmental education, outdoor recreation and open space land management.
- The Conservancy is in the 2013 round for Accreditation under the Land Trust Alliance Standards and Practices.
- **Ranch-Wide Stewardship.** The Conservancy has brought together the expertise of leading experts in conservation, natural resource management and business interests to develop the framework for stewardship of the conserved lands.
  - ~ The Conservancy's mission is to preserve, enhance and restore the native biodiversity and ecosystem values of the Tejon Ranch and Tehachapi Range for the benefit of California's future generations. The Conservancy will work collaboratively with TRC to promote long-term, science-based stewardship of this historic 270,000-acre property to provide for public enjoyment through educational programs and public access.
  - ~ The Conservancy will adopt, update, monitor and enforce implementation of the Ranch-Wide Management Plan, which will be applicable to all conserved lands.
  - ~ As necessary the Conservancy will manage and monitor natural resource mitigation activities on conserved lands and will hold conservation easements, subject to regulatory agency approval.
  - ~ The Conservancy will receive and allocate conservation fees and other sources of funding.
  - ~ The Conservancy, in close collaboration with the Tejon Ranch Company, manages public access to conserved lands and provides interpretive and environmental education programs for the local communities, focusing in particular on underserved populations.
- **Conservancy Funding.** Funding for the Conservancy is assured through a combination of advances from TRC and payment of conservation fees collected at the time of initial sales and resales of residential units within current development areas.

- ~ A conservation fee covenant will be recorded encumbering the development projects of Centennial, Tejon Mountain Village and Grapevine. The covenant shall provide for a fee, payable in perpetuity, equal to one quarter percent (.25%) of the retail sales price of each covered transaction, which generally includes initial sales and resales of custom lots and single family attached and detached homes and excludes units designated as affordable.
- ~ Prior to the receipt of conservation fees by the Conservancy, TRC will advance amounts necessary to adequately fund the Conservancy, as described below.
- ~ For the 2008 calendar year, TRC advances will total \$820,000 and for 2009 and 2010, TRC annual advances will be \$1,070,000. The advances for these first three years include a total of \$1,100,000 for costs of Conservancy formation and for costs associated with securing funding for acquisition of the conservation easements for the five Acquisition Areas.
- ~ For calendar years 2011 through 2014, which was extended to 2021 since conservation easements for the Acquisition Areas were purchased, TRC annual advances will be \$800,000.
- ~ Three years after Final Approval of a development that requires mitigation in the conserved lands or two years before the Conservancy first takes responsibility to manage and monitor natural resource mitigation activities on the conserved lands, the TRC annual advance will be increased to \$1,500,000.
- ~ In the year the Conservancy first takes responsibility to monitor and maintain natural resource mitigation, the TRC annual advance will be adjusted to \$1,500,000 plus the actual mitigation costs for each year.
- ~ In future years, conservation fees in excess of amounts required to meet the Conservancy's core obligations will be used to repay TRC advances without interest.

#### MANAGEMENT OF CONSERVED LANDS

- **Public Access.** Public enjoyment of the conserved lands is a high priority to Tejon Ranch Company, the Resource Groups and the Conservancy. Tejon Ranch Company works closely with the Conservancy to establish and implement a public access plan to conserved lands that encourages and facilitates public access, including public access opportunities for underserved populations. The public access plan also provides for docent-led tours to Bear Trap Canyon.
- **Ranch-Wide Management Plan (RWMP).** The RWMP identifies and assesses natural resource and conservation attributes of the conserved lands in order to develop sustainable stewardship management strategies that provide for protection and enhancement of natural resource values and appropriately managed existing ranch uses.
  - ~ **Development and Implementation.** TRC worked with the Conservancy to draft and implement an interim RWMP that was adopted by the Conservancy Board in September of 2009. The initial RWMP is targeted for adoption by the Conservancy board on June 21, 2013.
  - ~ **Identification of Conservation Values and Existing Ranch Uses.** The RWMP identifies natural resources and conservation values of the conserved lands as well as

opportunities to protect, enhance and restore identified resources and values. In addition, the RWMP establishes best management practices for existing ranch uses on the conserved lands.

- ~ **Current Stewardship.** During an initial 5-year period, the RWMP focused on preservation of existing conservation values by maintaining baseline conditions.
- **Restoration and Enhancement.** After the 5-year initial period, the RWMP will include Conservation Activities, funded by the Conservancy, for restoring and enhancing the natural values of the conserved lands.
- **Core Activities.** TRC will be permitted to continue certain core activities on conserved lands (e.g. comply with obligations pursuant to existing leases and easements, perform natural resource mitigation, comply with applicable laws) without regard to Conservancy developed BMPs.
- **Existing Ranch Uses.** TRC will be permitted to continue certain existing uses on conserved lands, subject to the stewardship and adaptive management standards in the RWMP.
  - ~ Grazing, game management and filming activities are generally permitted ranch-wide and will be subject to BMPs in the RWMP.
  - ~ Farming, sand and gravel mining and oil and gas extraction activities are permitted within existing areas and defined expansion areas and will be subject to BMPs under the applicable management standard.

#### PERMITTED DEVELOPMENT

- **Permitted Developments.** TRC is proceeding through the process to entitle and develop the three new projects of Centennial, Tejon Mountain Village and Grapevine within designated development envelopes and subject to local, state and federal approvals.
- **Project Design Measures.** Centennial, Tejon Mountain Village and Grapevine will be required to incorporate specific design measures in its entitlement applications to minimize impacts on the environment (e.g. energy reduction requirements in excess of Title 24 standards, construction waste recycling, onsite shuttle bus systems connecting to regional routes, environmental education outreach programs).
- **Non-Opposition.** The Resource Groups will refrain from opposing the entitlements, approvals and agency applications for the proposed development projects and for other permitted uses.