



THE CITY OF SAN DIEGO  
**REPORT TO THE CITY COUNCIL**

DATE REPORTED ISSUED: August 31, 2006

REPORT NO: 06-120

ATTENTION: Council President and City Council  
Docket of September 12, 2006

SUBJECT: Lease Agreement - William Brammer, d.b.a. Brammer Farms,  
San Pasqual Valley

REFERENCE: Appraisal Report, April 14, 2006, Anderson & Brabant, Inc.;  
MHPA Boundary Line Adjustment Letter, Dated 10/14/05  
Cultural Resources Survey, Mooney and Associates  
Conservation Plan, USDA Natural Resources Conservation Service  
Well Water Analysis Report, Petrik Laboratories, Inc.

REQUESTED ACTION:

Council authorization to grant a lease with Brammer Farms.

STAFF RECOMMENDATION:

Authorize the execution of the proposed lease.

SUMMARY:

Brammer Farms has been farming organically in north San Diego County since 1977. In 1995, due to urbanization and loss of farm land in the Black Mountain Ranch area, Brammer Farms leased approximately 130 acres from the City in San Pasqual Valley for an organic vegetable row crop farming site. After the documented three-year process, Brammer Farms obtained organic certification in San Pasqual Valley. Brammer Farms currently has a Right of Entry Permit for the farming operation and is requesting to enter into a 10-year lease agreement with the City of San Diego.

The proposed Brammer Farms lease is a 10-year flat rate lease which contains the City's updated lease provisions including the requirement for a Resource Management Plan and Best Management Practices. These provisions establish approved standards that require the lessee to set water irrigation standards and address storm water runoff from the leasehold to protect environmental concerns such as groundwater quality.

The initial annual minimum rent of \$54,560 is \$400 per acre per year, the appraised value as of April 14, 2006. The proposed new lease contains adjustments for rent via periodic Consumer Price Index (CPI) Adjustments offset by Market Value Adjustments. The CPI Adjustments will be made every two years, commencing January 1, 2009, and the Market Value Adjustment will be completed at the commencement of every five-year period.

The lessee will improve the farming operation by adding a packing facility and operations office encompassing approximately 0.2 acre. The lessee will comply with all current building codes and obtain all necessary permits. The lease area of 136.4 acres is outside the sensitive land area

for Santa Ysabel Creek. The improvements on the leasehold are a conforming use allowed in the Agricultural Preserve per the San Pasqual Vision Plan adopted as Council Policy 600-45.

Brammer Farms has put San Diego on the national map as a premier market for the production of high-quality, flavorful organic produce. After 28 years, the Brammer Farms label is nationally renowned and respected in the organic industry. Brammer Farms is involved in a variety of programs supplying fresh organic produce to cancer patients, heart patients and a variety of health-oriented subscribers through their Community Supported Agricultural (CSA) Project which delivers weekly produce throughout San Diego County.

The alternative to this action is not approve the lease and direct City staff to issue a Request for Proposals. This is not recommended as exclusive negotiations were approved by the Natural Resources and Culture Committee, April 12, 2000. The lessee has been organically farming at this location since 1995, a use that takes time to establish. This is a desired use adjoining Santa Ysabel Creek in the rural setting of the San Pasqual Agricultural Preserve.

FISCAL CONSIDERATIONS:

Initial quarterly rent of \$13,640 or \$54,560 annually, will be deposited into the Water Department Fund 41500.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

The Committee on Natural Resources and Culture approved exclusive negotiations with Brammer Farms, April 12, 2000. The City Council approved Council Policy 600-45, June 27, 2005, to preserve the agricultural significance and rural character of the San Pasqual Valley and implement the San Pasqual Vision Plan.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS

On April 7, 2005, the San Pasqual/Lake Hodges Planning Group voted in unanimous support of the continuation of the organic farming and the location of the packaging facility. On April 14, 2005, the Rancho Bernardo Planning Group voted to unanimously recommend approval of the lease and packaging facility.

The U.S. Fish and Wildlife Service and the California Department of Fish and Game collectively referred to as the Wildlife Agencies@ approved, 10/14/05, the 7.47 acre Multi Habitat Planning Area (MHPA) boundary line adjustment for the Brammer Lease. The MHPA will be increased by 6.67 acres of lands adjacent to the MHPA. The 2.26 acres of the lease area that is not currently farmed and is in the MHPA will be removed from the lease area. The Wildlife Agencies do not object to the City lease with Brammer Farms for the continued use of organic farming on the 7.47 acres within the MHPA.

KEY STAKEHOLDERS & PROJECTED IMPACTS:

William Brammer, doing business as Brammer Farms.

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James F. Barwick, Director  
Real Estate Assets Department

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James T. Waring, Deputy Chief  
Land Use and Economic Development