

PAJARO VALLEY AGRICULTURE



CONTRIBUTED

The Matthews Ranch, planted in strawberries, and the adjoining Murphy Crossing Ranch, in raspberries, are part of the largest agricultural land offering in the Pajaro Valley in years.

Legacy liquidation puts Pajaro Valley farmland on market

By DONNA JONES

djones@santacruzsentinel.com

11.8.13

WATSONVILLE — In what's being described as the largest Pajaro Valley real estate transaction of its kind in years, more than 450 acres of prime farmland have been put on the market.

The land comprises eight ranches protected from development by agricultural conservation easements, and will be sold in one or two lots.

The Borina Foundation owns the ranches, which are being sold as the philanthropic organization winds down its activities and transfers its assets to the Community Foundation Santa Cruz County for future management.

"This is almost 500 acres of prime farmland in the Pajaro Valley, widely recognized as some of the

SEE LAND ON A5

LAND

Continued from A1

best, if not the best farmland in the world," said Reuben Helick, senior vice president at Cassidy Turley Commercial Real Estate Services. "It's the largest single agricultural land offering the Pajaro Valley in many years. It's a generational opportunity."

Helick is handling the sale of the 513 acres — 464 are able to be farmed — east of Watsonville on both sides of the Pajaro River. He said a select group of potential buyers has been notified of the offer. Interested parties must prove they have the ability to make the purchase and submit an offer by 5 p.m. Dec. 16.

WIDER IMPACT?

Helick declined to comment on the asking price, citing the foundation's interest in confidentiality. However, he provided records for four area agricultural properties, totaling 413 acres, sold between April 2010 and April 2012. The price per acre ranged from \$44,375 to \$58,333, and the largest of the properties had fewer than 195 acres.

"We've had interest from local farming groups, local investors and also interest from institutional investors," Helick said. "My hope, frankly, is that the best and final offer we receive is from a local

farmer instead of a national institutional investor. We'll see how it all plays out."

Raspberry grower and past Santa Cruz County Farm Bureau president John Eiskamp said he couldn't think of another offering of this scale in recent years, and the pool of local farmers who could make such a purchase was limited, based on his rough estimate of \$50,000 an acre.

"That's a pretty darned big number," he said. "I don't know a whole lot of people who have that kind of money in their pockets."

Eiskamp said the sale could have wider ramifications in a valley working to solve a long-standing groundwater deficit.

"What I find worrisome about that — institutional buyers or outside-the-area buyers — is that it's going to change the dynamics of landownership, especially with the water issues we're dealing with," he said.

An owner of that much acreages is going to have a lot of clout as decisions are made, Eiskamp said.

Much of Pajaro Valley farmland has been owned by families for generations, and either farm the land themselves or, more often, lease it to growers. Regardless, they have a historical connection to the land, and a strong interest in preserving it for future generations.

"You wonder if an outside investor would fully understand where we are with

water," Eiskamp said.

On the other hand, he said, the restrictions of the conservation easement will provide any buyer with the motivation to protect the property's agricultural viability.

BORINA LEGACY

According to Borina Foundation trustee William Locke-Paddon, the charity was never intended to be a permanent entity. June Borina Schnacke, who established the foundation, specified in her will that when he could no longer serve on its board, assets would be liquidated and turned over to the Community Foundation.

The 71-year-old Locke-Paddon's health is declining, and he said he soon would have to step down.

"Borina Foundation will terminate next year, but its charitable mission and current grant commitments will be fulfilled by (Community Foundation Santa Cruz County)," Locke-Paddon said Tuesday in an email.

Helick said the Community Foundation will retain one of the foundation's nine ranches, the Butier Ranch.

Borina Schnacke, whose parents grew apples and strawberries on the ranches, established the foundation to preserve the land in agricul-

ture and to benefit the community. Her legacy is visible throughout South County. Among the foundation's many beneficiaries were St. Francis Central Coast Catholic High School, Pajaro Valley Historical Association, the Agricultural History Project, the Community Foundation, Second Harvest Food Bank and CASA of Santa Cruz County.

Reuben Helick can be reached at reuben.helick@cassidyurley.com or 831-647-2109.

Follow Sentinel reporter Donna Jones at Twitter.com/DonnaJones