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10 July 2017

Chairwoman Shirlee Zane  
Supervisor James Gore  
Supervisor Susan Gorin  
Supervisor Lynda Hopkins  
Supervisor David Rabbitt  
Sonoma County Board of Supervisors

Caroline Judy, Director  
Department of General Services  
County of Sonoma

Via email

Re: Chanate Complex, Approval of the Disposition and Development Agreement  
Item 9 - 6/20/17 Board of Supervisors Consent Calendar

Dear Chairwoman Zane, Supervisors Gore, Gorin, Hopkins, Rabbitt and Ms. Judy:

Chairwoman Zane: I respectfully request that you declare a 90 day suspension of the Second Reading vote or call for a Third Reading before adoption of the pending Disposition and Development Agreement (“DDA”)

Chairwoman Zane, Supervisors Gore, Gorin, Hopkins, Rabbitt: I respectfully request that you open public review and discussion to address and respond to following issues in advance of any decision to transfer the entire Chanate property to a private developer/investor.

1. Fidelity of Negotiation with Developer Gallaher. Please explain why, in violation of State law, you are gifting the Chanate property to a private party, the developer Gallaher. The citizens and taxpayers that you represent have every right to expect hard bargaining for a fair deal. Your record to date suggests quite the opposite:
  - a. Your declaration of the Chanate property being “surplus” was disingenuous because, in light of subsequent events, it has become clear that your intent was to transfer the entirety of this publically owned land to a private developer:
    - i. Without conducting any public discussion regarding alternative buyers and uses, and,
    - ii. Without conducting any customary review and approval responsibilities required of a public agency
  - b. Your nationwide search for a developer was disingenuous. Only local developers would be willing and able to invest in responding to your RFP. Developers outside of the North Bay would recognize this offering as a sham to let the County choose a favored local developer.
  - c. The scoring of your two RFP respondents was disingenuous because only Gallaher was willing to propose up to 800 units without providing, and your requiring, tangible evidence of the validity of his assumptions and declarations.
  - d. The deal negotiated with Gallaher, as revealed in your Chanate Complex DDA posted on 6 June, 2017 is disingenuous because is structured to:
    - i. Close the sale absent any County-level public review and discussion of alternative uses,
    - ii. Leave the required studies, public review and approval burden to the City of Santa Rosa,
    - iii. Exclude the City of Santa Rosa from having any leverage as a representative of the County owned of public land with regard to project use, design and mitigations, and,



- b. Balancing income and expenditure cash flows year-by-year within each impacted public agency in the County will necessitate some combination of tax increases, public acceptance of new bond proposals and reductions in public services.
- c. None of these outcomes will be popular with countywide tax payers, residents and businesses who expect and demand better roads, quality schools and a comprehensive and proactive investment in providing adequate public shelter, nourishment and medical services that make Sonoma a great place to live, work and visit.
- d. Your development partner appears to have negotiated a deal in which he has little or no obligation to make up any part of such a difference. It appears that the developer can exit this deal if he does not get what he wants. You, however, will have sold him 82 acres of irredeemable public land with no claw back provision should the developer fail to meet his obligations.
- e. Development of affordable housing is a worthy investment for the County and county-wide taxpayers but who knows at what cost? You don't know because you don't appear to have or applied an adequate cash plan. No one else knows because you have chosen to pre-maturely end public presentations and feedback.
- f. The last public meeting regarding this site was held in October, 2015 and attended by some 200 people showing substantial public interest. In the 17-month interim you appear to have done everything possible to promote potential project benefits while failing to adequately project and present the related costs.
- g. In my opinion, dumping 191 pages of complex material in a remote section of the County website without mailing notices and adequate projections of tax impacts to every impacted property owner constitutes a major violation of public trust. Emailing notice of the availability of these 191 pages primarily to those who requested such notification just 14 days before voting to sell this very large and unique public property also constitutes a major violation of public trust.
- h. It appears from the posted plans and terms of agreement that you will have sold the property cheap with no affordable option for returning that property to public ownership while simultaneously foisting most of the burdens difficult public hearings and annual budget shortfalls on other public agencies.

C. Alternative Development Options:

- a. It may well be substantially less expensive for the County to retain public ownership of this site and narrow project scope to 160 affordable housing units and relevant amenities. I see no evidence that you seriously studied or priced this option.
- b. From the evidence at hand it appears that you disqualified competing development proposals based on the number of units their developments would provide without evaluating their rationale. In particular you did not seek or apply independent third party professional evaluations for the differing rationales, including statements related to traffic and on-site seismic restriction.
- c. You also appear to have opted for the developer promising the highest number of housing without any qualified and independent assessment of public infrastructure design and unrecoverable expense would be required.
- d. From the evidence at hand it appears that your selected development partner helped you establish your priorities the writing of the RFP. Such help is not unusual or illegal and may indeed reduce public expense at the onset. However, such help from a highly experience has a very high potential of unduly influencing your understanding of the technical and financial issues inherent in this large and complex project.
- e. What is unusual and totally unacceptable is your apparently willful blindness to exposing yourself or the public to the fact that the resulting RFP would most certainly admit only the Gallaher proposal and would unduly subsidize his private profit at unknown and undue public expense.
- f. An 80% smaller project with ample public visibility and discussion qualified structural, CEQA and financial projections would have laid the proper foundation for contracting with well-qualified developers and rental managers. That choice would be consistent with the Chanate site's 143-year long historical purpose and use.

- g. That choice would also minimize the risk of exposure to potentially enormous unfunded public infrastructure expenditures associated with putting an additional 640 market-rate units on this site.
- h. It is my contention that these 640 additional units will most assuredly overburden the current 2-lane Chanate and Parker Hill Road corridors now heavily used as a short cut for cross town commuters.
- i. The proposition that a traffic circle and on-site amenities will mitigate this problem is astonishingly bold, unsupported and enormously enriching of a private party.
- j. Widening the Chanate Road and Parker Hill Road major portals to this development to 4-lanes will require eminent domain proceedings on the many adjacent residential properties along the narrowest stretches. Such widenings will require the purchase and destruction of these homes as well as extensive grading and construction of high concrete walls, concrete revetments, new storm water systems and accommodation of all existing public and private utilities. The Parker Hill portal reconstruction would likely require putting that stretch of Paulin Creek in a concrete culvert and the reduction of the existing and popular pedestrian and bike passage to a much narrower passage immediately adjacent to a busy 4-lane road.

Your attention is very much appreciated.

Please contact me regarding any questions you may have.

Tom Brown

Cc: Santa Rosa City Council