



Agenda Report

19-059

Agenda Date: 6/25/2019

REPORT TO COUNCIL

SUBJECT

Action on Award of Grazing Lease with Five Dot Land & Cattle Company for the Benicia Ranch Property

BACKGROUND

Silicon Valley Power, the City's Electric Utility, provides electricity service to approximately 52,000 residential and business customers. The Electric Utility also manages several City-owned parcels of real property throughout the State of California as part of the City's efforts to generate and transmit its own electricity.

In 1982, the City purchased a 2,050-acre parcel of real property in Solano County, California, known as the Benicia Ranch Property. Since 2008, the City has leased the property to Schene Enterprises, Inc., which provides cattle to graze the land. The grazing of the land controls vegetation growth, minimizes fire risks on the Benicia Ranch Property, and provides a stable stream of revenue to the City.

The most recent lease with Schene Enterprises, Inc. paid the City \$26,650 semiannually, and expired on September 16, 2018. The City wants to continue to lease the Benicia Ranch Property to a lessee providing grazing cattle at the Benicia Ranch Property.

DISCUSSION

On February 23, 2019, the City issued a Request for Bid (RFB) to select a qualified lessee at the Benicia Ranch Property. The City published the RFB using BidSync, the City's e-procurement tool. The City received three bids by the March 22, 2019 deadline.

- Five Dot Land & Cattle Company (Standish, CA)
- Schene Enterprises, Inc. (Dixon, CA)
- Clayton Koopmann d.b.a. Walking C Livestock (Sunol, CA)

Staff determined all bids were responsive and met the initial pass/fail review of the stated minimum qualifications. Five Dot Land & Cattle Company was determined to be the highest (pays the most to the City), responsive, and responsible bidder. The final bid results are listed below.

<u>Bid Rank</u>	<u>Bidder</u>	<u>Bid Amount</u> <u>(initial year)</u>
1	Five Dot Land & Cattle Company	\$84,173
2	Schene Enterprises, Inc.	\$69,700

3	Clayton Koopmann d.b.a. Walking C Livestock	\$51,558
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A Notice of Intended Award (NOIA) announcing the City's recommended lessee was issued to each bidder on March 26, 2019. The RFB process included a ten-day protest period which commenced with the issue of the NOIA and ended on April 5, 2019. No protests were received.

Staff recommends entering into a grazing lease with the highest bidder, Five Dot Land and Cattle Company, as pursuant to the terms and conditions of the Bid.

The Grazing Lease shall be for an initial five-year term ending June 30, 2024, with an option to extend the Lease for an additional five-year term, subject to the same terms and conditions.

ENVIRONMENTAL REVIEW

The action being considered exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15301(h) because it involved maintenance of existing landscaping and native growth.

FISCAL IMPACT

Five Dot Land & Cattle Company shall pay the City a semiannual rental payment of \$42,086.50 during the first year of the Grazing Lease. The semiannual rental payment shall increase by 3% per year, starting in the second year of the Lease.

COORDINATION

This report has been coordinated with the Finance Department and City Attorney's Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

1. Approve and authorize the City Manager to execute a Grazing Lease with Five Dot Land & Cattle Company providing grazing cattle at the Benicia Ranch Property, for an initial five-year term ending June 30, 2024 and,
2. Approve and authorize the City Manager to execute five one-year options to extend the term of the Grazing Lease after the initial term, with the final term ending on June 30, 2029 assuming all options are exercised.

Reviewed by: Manuel Pineda, Interim Chief Electric Utility Officer

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Grazing Lease with Five Dot Land & Cattle Company