



**SPECIAL BOARD MEETING AGENDA
TRABUCO CANYON WATER DISTRICT
32003 DOVE CANYON DRIVE, TRABUCO CANYON, CALIFORNIA
ADMINISTRATIVE FACILITY
OCTOBER 21, 2025 AT 5:00 P.M.**

NOTICE OF SPECIAL BOARD MEETING

NOTICE IS HEREBY GIVEN PURSUANT TO GOVERNMENT CODE SECTION 54956 THAT A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE TRABUCO CANYON WATER DISTRICT WILL BE HELD ON TUESDAY, OCTOBER 21, 2025, AT 5:00 P.M. AND WILL BE CONDUCTED IN PERSON BUT WILL BE AVAILABLE FOR PUBLIC MONITORING BY TELEPHONE AUDIO AS DESCRIBED BELOW.

BOARD OF DIRECTORS

Edward Mandich, President
Glenn Acosta, Vice President
Mark Anderson, Director
John Horst, Director
Michael Safranski, Director

DISTRICT STAFF

Fernando Paludi, General Manager
Michael Perea, District Secretary
Hanson Bridgett LLP, District General Legal Counsel

AGENDA NOTE:

Trabuco Canyon Water District (District) will make this Special Board Meeting available by telephone audio as follows:

Telephone Audio: 1 (669) 900-6833 (Toll Free) **Access Code:** 913-8681-1652

Persons desiring to monitor the Board meeting agenda items may download the Board meeting agenda and documents on the internet at www.tcwd.ca.gov. You may submit public comments by email to the Board at mperea@tcwd.ca.gov. In order to be part of the record, emailed comments on meeting agenda items must be received by the District, at the referenced e-mail address, not later than 4:00 p.m. (PDT) on the day of the meeting.

CALL MEETING TO ORDER & PLEDGE OF ALLEGIANCE

VISITOR PARTICIPATION

Members of the public wishing to address the Board regarding a particular item on the agenda are requested to submit public comments at the time of the meeting or by email to the Board at mperea@tcwd.ca.gov. Public comments may also be submitted by teleconference during the meeting. The Board President will call on the visitor following the Board's discussion about the matter. Members of the public will be given the opportunity to speak prior to the Board taking action on that item. For persons desiring to make verbal comments and utilizing a translator to present their comments into English reasonable time accommodations, consistent with State law, shall be provided. Please limit comments to three minutes.

ORAL COMMUNICATION

Members of the public who wish to comment on matters not appearing on the agenda are requested to submit oral communication at the time of the meeting or by email to the Board at mperea@tcwd.ca.gov. Public comments may also be submitted by teleconference during the meeting. Under the requirements of State Law, Directors cannot act on items not identified on the agenda and will not make decisions on such matters. The Board President may direct District Staff to follow up on issues as may be deemed appropriate. For persons desiring to make verbal comments and utilizing a translator to present their comments into English reasonable time accommodations, consistent with State law, shall be provided. Please limit comments to three minutes.

DIRECTORS' COMMENTS AND MEETING REPORTS

REPORT FROM THE GENERAL MANAGER

ACTION CALENDAR

All matters under the Action Calendar have been reviewed by the General Manager and Staff prior to the Board's consideration.

DISCUSSION MATTERS

ITEM 1: DISCUSSION AND POSSIBLE ACTION(S) REGARDING POTENTIAL USES OF DISTRICT'S PORTER PROPERTY

RECOMMENDED ACTION:

Receive presentations at the time of the meeting and take action(s) as deemed appropriate.

CLOSED SESSION(S):

1. CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Gov. Code § 54956.8)

Property: Assessor's Parcel Numbers 842-061-05, 06, 07

Agency Negotiators: Fernando Paludi, Michael Perea, Brent Scharnberg (Stadia Realty)

Negotiating Parties: Wildlands

Under Negotiation: Price and Terms of Payment

2. PERSONNEL MATTERS PURSUANT TO GOVERNMENT CODE § 54957

Public Employee Appointment

Title: General Manager

ITEM 2: REPORT OF ACTION(S) TAKEN IN CLOSED SESSION

RECOMMENDED ACTION:

Provide announcement(s) of any action(s) taken in Closed Session(s), if any.

END ACTION CALENDAR & ADJOURNMENT

AVAILABILITY OF AGENDA MATERIALS

Agenda exhibits and other writings that are disclosable public records distributed to all or a majority of the members of the Trabuco Canyon Water District Board of Directors in connection with a matter subject to discussion or consideration at an open meeting of the Board of Directors are available for public inspection at the Trabuco Canyon Water District Administrative Facility, 32003 Dove Canyon Drive, Trabuco Canyon, California (District Administrative Facility) and will be posted online on the District's website located at www.tcwd.ca.gov. If such writings are distributed to members of the Board less than 72 hours prior to the meeting, they will be available online at www.tcwd.ca.gov at the same time as they are distributed to the Board Members, except that, if such writings are distributed immediately prior to or during the meeting, they will be posted online on the District's website located at www.tcwd.ca.gov.

COMPLIANCE WITH THE REQUIREMENTS OF CALIFORNIA GOVERNMENT CODE SECTION 54954.2

In compliance with California law and the Americans with Disabilities Act, if you need special disability-related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, or if you need the agenda provided in an alternative format, please contact the District Secretary at (949) 858-0277, at least 48 hours in advance of the scheduled Board meeting. Notification at least 48 hours prior to the meeting will assist the District in making reasonable arrangements to accommodate your request. The Board Meeting Room is wheelchair accessible.



**TRABUCO CANYON WATER DISTRICT
SPECIAL BOARD MEETING | OCTOBER 21, 2025**

DISCUSSION MATTERS

ITEM 1: DISCUSSION AND POSSIBLE ACTION(S) REGARDING POTENTIAL USES OF DISTRICT'S PORTER PROPERTY

Trabuco Canyon Water District (District) owns 120 acres of real property in Trabuco Canyon commonly referred to as the 'Porter Property'. In February 2024, the District's Board of Directors (Board) adopted a resolution declaring the Porter Property as surplus land in accordance with the Surplus Land Act, the California law which establishes requirements for public agencies intending to sell or lease surplus property.

In July 2025, the District Properties Committee commissioned a study of the potential uses of the Porter Property that could derive benefits for the District and its ratepayers. Stadia Realty Inc. (Stadia) was retained to perform the study. At the September 3, 2025 meeting, Stadia presented their preliminary findings and recommendations to the Committee which is included as Exhibit 2.

On September 18, 2025, a special meeting of the Board of Directors included a presentation from Stadia on the preliminary findings and recommendations. The Board of Directors requested a follow-up meeting with Stadia and Wildlands to discuss potential land mitigation opportunities as outlined in the final report. Included as Exhibit 1 for the Board's consideration is a draft brokerage agreement with Stadia.

District staff may provide additional information to the Board on this matter at the time of the meeting.

RECOMMENDED ACTION:

Receive presentation at the time of the meeting and take action(s) as deemed appropriate.

EXHIBIT(S):

1. DRAFT Stadia Exclusive Authorization to Sell Agreement
2. Stadia Realty, Inc. – Trabuco Canyon Water District Final Report

CONTACTS (staff responsible): PALUDI/PEREA/COLLINS



EXCLUSIVE AUTHORIZATION TO SELL

TRABUCO CANYON WATER DISTRICT ("Owner") hereby grants to Stadia Realty Inc. ("Broker") the Exclusive Authorization to Sell, for a period of 24 Months, the Vacant Land property situated in the County of Orange, and further described as:

APN's 842-061-05, 842-061-06, and 842-061-07

Approximately 120 acres of land located in Trabuco Canyon, California.

The price shall be **TBD Dollars**, to be paid as follows:

Upon signing of a purchase option agreement or purchase and sale agreement between Owner and Buyer, Buyer and Seller shall establish an escrow with a mutually agreed-upon escrow holder.

Owner agrees to pay Broker a sales commission in accordance with the appropriate provisions of the SCHEDULE OF COMMISSIONS attached hereto, upon execution of the purchase option agreement or purchase and sale agreement, the commission is earned when the broker produces a "ready, willing, and able buyer".

Alternative Transactions: If the transaction changes to any other transaction with a listed buyer or lessee, including, but not limited to, a sale, exchange, option to buy, right of first refusal, ground lease, lease, sublease, conservation easement, or assignment (collectively "Alternative Transaction"), then Broker shall automatically be Owner's sole and exclusive Broker for such Alternative Transactions and represent Owner in such Alternative Transactions under the terms and conditions of this agreement. If, during the term hereof, an Alternative Transaction is entered into, then Owner shall pay Broker a commission in accordance with the appropriate provisions set forth in the attached SCHEDULE OF COMMISSIONS.

Owner agrees to cooperate with Broker in effecting the sale or alternative transaction of the property. All negotiations are to be through Broker for any offer procured by Broker. Broker is authorized to open escrow to accept a deposit from any prospective purchaser. Broker is further authorized to



advertise the property and shall have the non-exclusive right to place a sign or signs on the property.

It is understood that it is illegal for either Owner or Broker to refuse to display, lease or sell to any person because of race, color, religion, national origin, sex, marital status, or physical disability.

Owner warrants that he has full legal authority to execute this Authorization. Owner agrees to indemnify and hold Broker harmless from any liabilities, costs, damages and/or expenses, including without limitation attorney's fees, arising from or connected with any incorrect information supplied by Owner to Broker or to the purchaser or to prospective purchasers, any information which Owner fails to supply to Broker or to the purchaser or to prospective purchasers, or any incorrect representation of Owner related to this Authorization or to the subject property. Owner acknowledges receipt of a copy of this Authorization and the attached SCHEDULE OF COMMISSIONS, each of which Owner has read, fully understands, and has executed.

In the event of any controversy related to, concerning or arising out of this AUTHORIZATION and/or the attached SCHEDULE OF COMMISSIONS, or any facts based upon or involving the same, the prevailing party, whether in court or by way of out-of-court settlements, shall be entitled to recover from the non-prevailing party or parties such prevailing party's attorney's fees, court costs, expert witness fees and/or other expenses relating to such controversy, including attorney's fees, court costs, and/or other expenses on appeal, if any.

[SIGNATURE PAGE FOLLOWS]



IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

OWNER:

TRABUCO CANYON WATER DISTRICT

By: _____
Name: Fernando Paludi
Title: General Manager
Phone: 949-858-0277
Email: fpaludi@tcwd.ca.gov

Date _____

BROKER:

STADIA REALTY INC.

By: **BRENT J. SCHARNBERG**

Date _____

OWNER/BROKER
CA DRE 01477070 | CO DRE 100097130



BRENT@STADIAREALTY.COM
714-469-9348
540 NORTH GOLDEN CIRCLE DRIVE, SUITE 211
SANTA ANA, CALIFORNIA 92705
STADIAREALTY.COM



SCHEDULE OF COMMISSIONS

SALES, EXCHANGES:

- 1. Unimproved Property:** (acreage substantially lacking amenities necessary for urban development such as roads, utilities and zoning): 3% of the gross sales price
- 2. Improved Property:** 3% of the gross sales price.
- 3. Exchange:** Each party to the exchange shall pay a full commission in accordance with this Schedule, based upon the fair market values of the respective properties.
- 4. Joint Venture:** If a joint venture is effected in lieu of a sale, a commission shall be paid based upon the fair market value of the property contributed 6% of market value
- 5. Business Opportunity:** 3% of the total consideration.
- 6. Conservation Easement:** 3% of total consideration.

LEASES:

- 1. Ground Lease** 3% of the total base rental for the term of the lease.



Trabuco Canyon Water District

FINAL REPORT



Stadia Realty Inc.
540 N. Golden Circle Drive, STE 211
Santa Ana, California 92705
DRE#01988694
CA Small Business Micro #200362

stadiarealty.com

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About Us

Stadia Realty, Inc. is a privately-held, national real estate advisory firm established in 2012 focused on land acquisition and project management for infrastructure projects. We're a relationship-driven business committed to offering practical solutions to our clients. We proudly serve municipalities, land owners, infrastructure & energy developers, public utilities, and agencies.



We also provide geospatial analysis and mapping services through Stadia GIS to support informed decision-making for infrastructure projects.

MISSION STATEMENT

Brokering land, building relationships.

VISION STATEMENT

Create a legacy of meaningful work, build relationships, and contribute to resilient communities and a sustainable future.

Our Services

Land Acquisition Services

Land Owner Search • Land Owner Outreach Purchase & Lease Negotiation • Eminent Domain Support
Easement Acquisition • Land Aggregation
Project Management

GIS Services

Project Mapping • Custom Online Apps Geospatial
Data Management • Property Exhibits • Project Siting
Analysis

Due Diligence Services

Skip Tracing • Title Abstracting • City, County, State
Research • Permitting Research Document
Preparation • Mailing Campaigns Rights Checks
Project Support • Transaction Support
Advisory Services

Land Valuation Services

Broker Opinions of Value • Comparable Research
(MLS + CoStar) • Valuation Modeling
Advisory Services

Stadia Team



BRENT J. SCHARNBERG

Co-Founder, President/CEO

brent@stadiarealty.com

714-469-9348

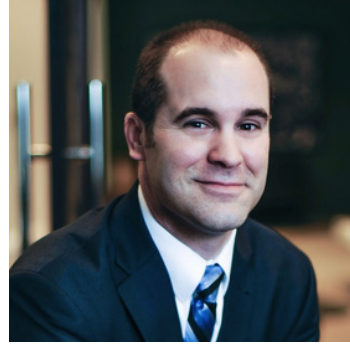
Experience

Brent is a seasoned real estate broker with 30 years' experience in the industry. He's licensed in California, Colorado, and Texas and has managed some of the largest and most complex infrastructure projects in California. With certifications as a Registered Landman and Accredited Land Consultant as well as years of internal public utility experience, Brent is positioned well to lead and partner on projects across a diverse array of specialty areas, including:

- **Real Estate Acquisition, Disposition & Development**
Eminent Domain Expert
- **Water** Transmission & Storage
- **Sanitation**
- **Electric** Transmission, Generation, Distribution, Storage & Substations
- **Transportation** Roads, Highways, Railroads & Airports
Oil & Gas | Mineral Rights Analysis
- **Mitigation Land** Land Bank Negotiations with Landowners & Conservation Entities

CERTIFICATIONS

California Real Estate Broker's License DRE #01477070
Colorado Real Estate Broker's License DRE #100097130
Texas Real Estate License TREC #33754
Registered Landman #00202479
RLI Accredited Land Consultant #1625
California Land Surveyors Association Affiliate Member
American Land and Title Association Member
Appraisal Institute Affiliate Member



BRIAN J. SCHARNBERG

Co-Founder, Vice President

brian@stadiarealty.com

949-554-4832

Experience

Brian is a seasoned real estate broker with 29 years' experience in the industry. He's licensed in California and has performed a wide range of services for both public and private sector clients. With certifications from the American Land & Title Association and memberships in recognized industry groups like the International Right of Way Association, Brian leads and partners on projects across a diverse array of specialty areas, including:

- **Real Estate Acquisition, Disposition & Development**
Renewable Energy Expert
- **Water** Transmission & Storage
- **Sanitation**
- Electric Transmission, Generation, Distribution, Storage & Substations
- **Transportation** Roads, Highways, Railroads & Airports
Oil & Gas | Mineral Rights Analysis
- **Mitigation Land** Land Bank Negotiations with Landowners & Conservation Entities

CERTIFICATIONS

California Real Estate Broker's License DRE #01490840
International Right of Way Association Chapter 57 Member
American Land and Title Association Member
California Land Surveyors Association Affiliate Member
ARGUS Software Certification
American Association of Professional Landmen 00218314

Kit Cole Consulting Team



KATHERINE "KIT" COLE
Founder of Kit Cole Consulting, LLC

kit@kitcoleconsulting.com
818-822-6378

Experience

Katherine is a nationally recognized expert in stakeholder engagement and community relations, specializing in working with high-impact industries and infrastructure projects. With a career spanning Fortune 200 companies, state government, and environmental policy, she brings a unique ability to navigate high-stakes, emotionally charged public discourse.

As the founder of Kit Cole Consulting, Katherine has led initiatives that bridge the gap between industry and communities, ensuring collaborative solutions that balance development with public concerns. She has served on the IAP2USA Board of Directors, shaping national standards for public participation, and has been a Governor's appointee to the California Environmental Protection Agency. In addition to her consulting work, she teaches at the University of Southern California (USC) Price School of Public Policy and lectures at Pepperdine University.

She has developed more than 15 third-party coalitions, managed teams delivering 30 major electricity transmission projects and hundreds of distribution projects, and played a key role in negotiating the first-ever Community Benefits Agreement between the City of Los Angeles and a local community for a waste facility.

Katherine has successfully led and influenced projects across a range of critical infrastructure sectors, including:

- **Stakeholder Engagement & Community Relations**
- **Infrastructure Development & Policy**
- **Environmental Justice and AB 617 Compliance**
- **Public Participation & Coalition Building**
- **Major Utility & Energy Projects**
- **Negotiated Agreements Between Industry & Local Communities**

Areas of Expertise:

- **Hostile Community Engagement**
- **Communicating About Utility-Related Infrastructure**
- **AB 617 Mandates** Including Working with Community Steering Committees
- **Risk Scenario Planning**
- **Intersection of Climate Change & Waste Management**

EDUCATION

BA in Public Administration, UC Davis
MA in Public Administration, USC
EdD/PhD in Public Policy & Community Development, USC

Michelle Holiday & Associates Team



MICHELLE HOLIDAY

Founder of Michelle Holiday & Associates

mholiday@michelleholiday.biz

405-747-9769

Experience

Michelle is a trusted expert in energy policy, infrastructure development, and governmental affairs, with a strong focus on Tribal consultation and stakeholder engagement. As a member of the Iowa Tribe of Oklahoma, she brings a deep understanding of Tribal governance and regulatory processes.

In 2013, Michelle founded Michelle Holiday & Associates, a consulting firm specializing in energy projects, permitting, and public involvement. She has worked nationally with Tribes, corporations, and industry associations, providing strategic guidance on complex infrastructure and energy initiatives.

Her professional experience includes serving as an energy lobbyist and Manager of Legislative and Native American Affairs at Edison International, as well as representing her Tribe in government affairs and economic development. She has successfully navigated NEPA and CEQA siting and regulatory requirements, working closely with Tribal governments, federal agencies, and state and local stakeholders.

Michelle has served on multiple national boards and is a recognized subject matter expert in Tribal energy, the permitting process, and Section 106 compliance for renewable energy projects.

Impact:

- **Successful lease negotiations** between Tribal governments and energy companies
- **Complex Tribal consultations** for Section 106 in extractive mining and renewable energy industries
- **Strategic stakeholder engagement** and public involvement initiatives

Areas of Expertise:

- **Permitting & Siting of Infrastructure Projects**
- **Governmental Affairs**
- **Stakeholder Engagement**
- **Tribal Consultation**
- **Tribal Liaison**

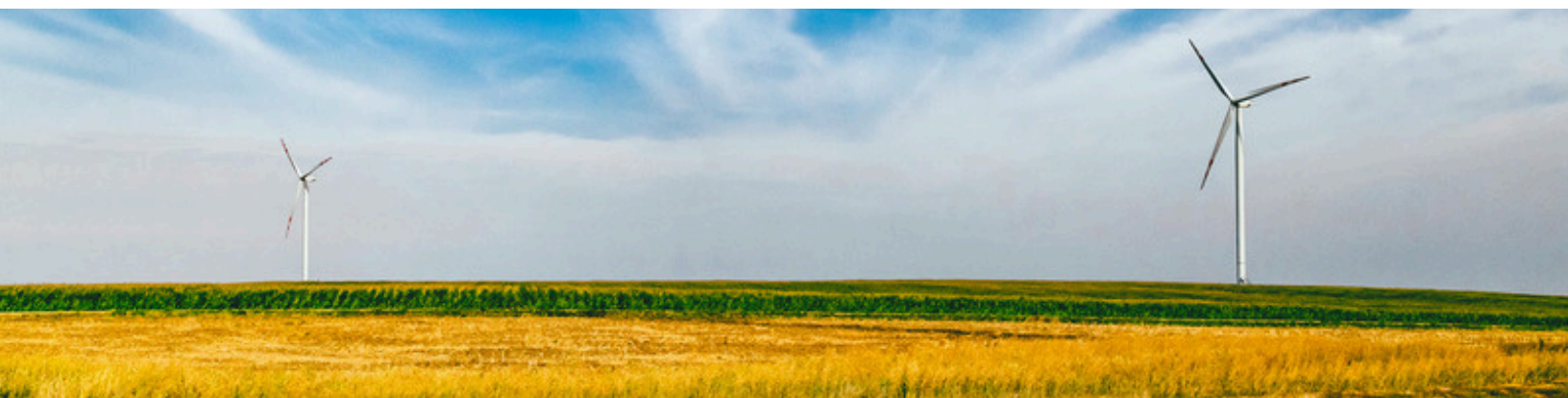
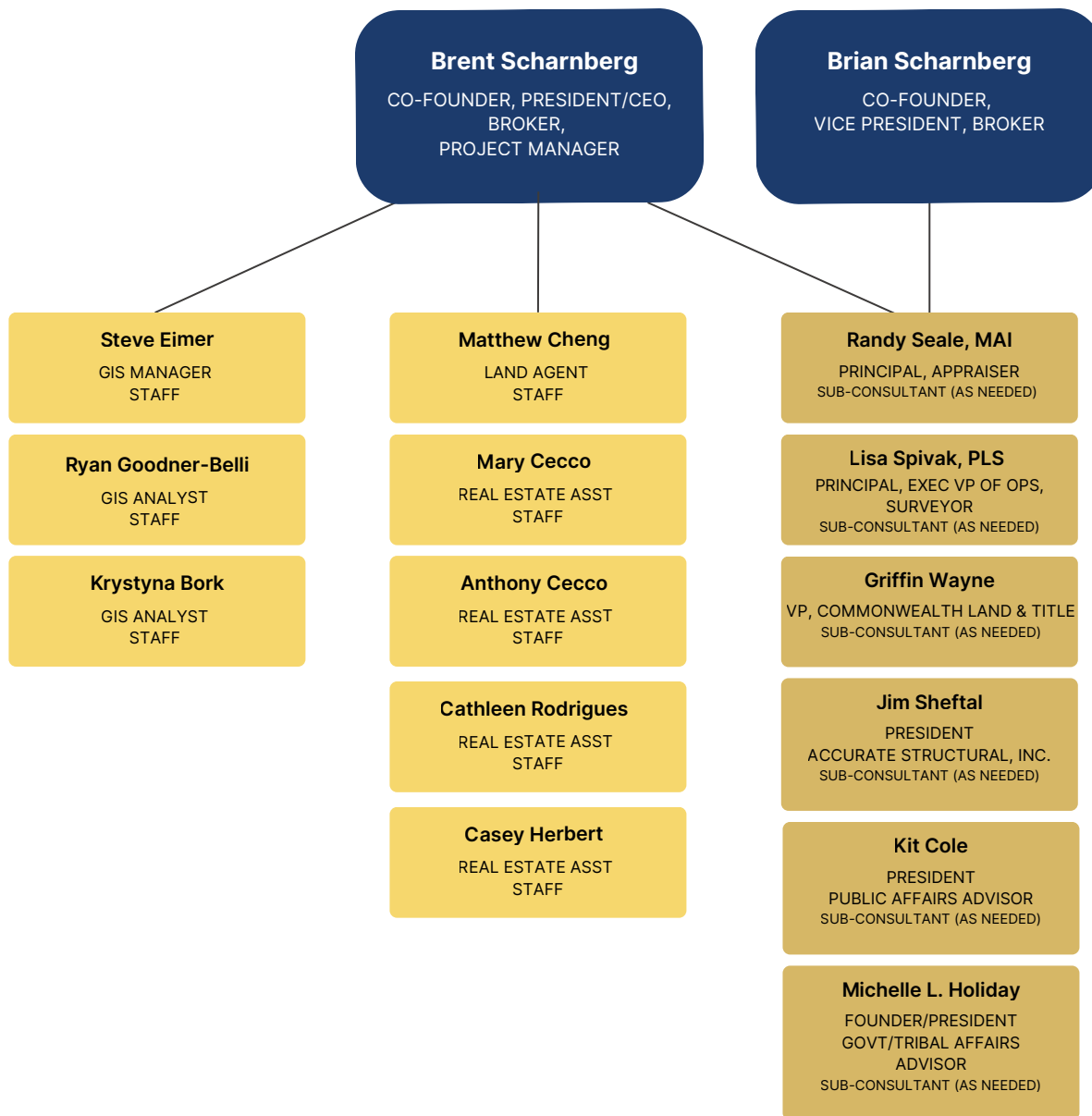
EDUCATION

BA in Political Science & Public Administration/Minor in American Indian Studies, Cal State Long Beach

Organizational Chart

****CONFIDENTIAL****

We are a small but mighty team. Being subject-matter-experts is what sets us apart and ensures our business remains a partner of choice in a competitive industry.





Executive Summary

History of Trabuco Canyon

The name “Trabuco Canyon” in Orange County, California, has its roots in a historical event dating back to the Gaspar de Portolá Expedition of 1769. According to local lore, while the expedition was camped in the area on July 24–25, one of the soldiers lost his “trabuco” (Spanish for a type of musket or blunderbuss), a short-barreled firearm with a flared muzzle, commonly used in the 17th and 18th centuries. The trabuco was a valuable weapon and in memory of this loss, the nearby stream was named Trabuco, and the name eventually extended to the canyon and surrounding region. Over time, the name became associated not just with the stream but also with the mesa, canyon, and broader area, embedding this small historical mishap into the region’s identity.

Trabuco Canyon has a rich and layered history, and while it is often known for its scenic horse trails, it wasn't always designated as such.

- **Early Use:** The area was originally inhabited by the Acjachemen people, and later became part of Rancho Trabuco, a Mexican land grant given in 1846 to John (Don Juan) Forster.
- **Mission-Era Trails:** Though a mission was planned for the canyon, it was ultimately built in San Juan Capistrano. However, the trails used by missionaries and ranchers likely laid the groundwork for future equestrian paths.
- **Forest and Recreation:** In 1907, the Trabuco Canyon National Forest was established and later merged into the Cleveland National Forest, which helped preserve the area and promote recreational uses like hiking and horseback riding.



Trabuco Canyon Water District

Established in 1962, Trabuco Canyon Water District (also referred to as “TCWD” or the “District” throughout) is a county water district organized and operating pursuant to Section 30000, and following, of the Water Code of the State of California, responsible for providing retail potable water service, groundwater filtration and treatment, wastewater collection and treatment, water recycling, and urban runoff collection and treatment services to approximately 13,500 residents through approximately 4,300 connections. TCWD’s mission is to provide high-quality water, sewer, and recycled water services to its customers.

Project Goals & Scope of Work

In May of 2025, TCWD posted a Request for Qualifications (RFQ) seeking experienced and qualified consultants to evaluate potential uses for its 120-acre undeveloped rural property in Trabuco Canyon, north of Robinson Ranch. The stated SCOPE OF WORK was to assist TCWD in determining the best and highest potential uses for the development, conservation, or sale of the property to a public or private buyer. Potential uses considered by TCWD prior to the RFQ process included mitigation lands, renewable energy, commercial or residential development, agriculture, or public facilities.

Why Stadia

RFQs were screened by the District and qualified firms were invited to interview. Stadia Co-Owners, Brent & Brian Scharnberg, interviewed and provided a brief presentation to District officials on June 17th, 2025, and were later selected as the partner of choice. With three decades of experience in the Real Estate industry and specializing in land acquisition, due diligence, land valuation, and GIS services, Stadia was poised to support TCWD in identifying the best and highest use for the Trabuco Canyon Property.

This final report documents the project timeline, challenges, investment, and Broker Recommendations for the property and includes our methodology for decision-making, supporting evidence, data, and documentation. We’ve also included next steps and potential future partnership opportunities should TCWD decide to move forward with the proposed best & highest use cases.

Project Timeline



Challenges

When collaborating with developers, agencies, or other municipalities, the Stadia team is typically allocated a timeframe of six to twelve months to conduct comprehensive research and due diligence on properties of interest—particularly those involving complex development scenarios. Due to the accelerated timeline of a one-month turnaround, this report provides a high-level overview of the research that informed our Broker Recommendations. We are confident that, even with additional time for analysis, our recommendations would remain consistent given the development constraints and the distinctive characteristics of the Trabuco Canyon property.

Investment

TCWD invested \$10,000 (not to exceed) in a partnership with Stadia, which included the following resources in service of the Trabuco Canyon project:

43.5 HOURS	= BROKER
11.5 HOURS	= REAL ESTATE ASSISTANTS
28 HOURS	= GIS ANALYSTS
4 HOURS	= PUBLIC AFFAIRS CONSULTANT
4 HOURS	= GOVERNMENTAL/ NATIVE AMERICAN AFFAIRS CONSULTANT
1 HOUR	= ENGINEERING & GRADING CONTRACTOR
1 HOUR	= RESIDENTIAL DEVELOPER
20 HOURS	= WILDLANDS MITIGATION REVIEW

TOTAL WORK HOURS = 113

Broker Recommendations

Based on a detailed analysis of research and due diligence conducted by Stadia Realty and our trusted partners, the best and highest use cases for the Trabuco Canyon property are:

1 Conservation Land Sale

The Trabuco Canyon property is ecologically sensitive and includes critical habitats and high-value biological resources such as oak woodlands, coastal sage scrub, riparian habitat, designated wildlife corridors, and other habitats for federally listed species. The property is subject to the Foothill Trabuco Specific Plan (FTSP), which imposes strict development and conservation requirements. These features make the site an ideal candidate for mitigation banking or conservation acquisition. Potential for participation in mitigation credits is another opportunity for TCWD under this approach.

A conservation sale offers the most substantial monetary benefit. A mitigation land buyer may offer approximately \$50,000 - \$75,000 per acre purchase price. This opportunity equates to \$6,000,000 - \$9,000,000 in purchase money and would receive broad support from agencies and environmental organizations.

For these reasons, we recommend dedicating the entire property (120-acre parcel), or a large portion of the property (113-acre parcel) to conservation. Our partner of choice is **Wildlands**, a local leader in habitat mitigation solutions. A Wildlands proposal is included for TCWD's review in the Appendix. A deep-dive analysis of this use case and all others that were reviewed is included in the "Trabuco Canyon Development Opportunities" section of the report.

2 CAL FIRE Land Lease

Option 2 is a carve out from the primary conservation recommendation listed above. We recommend dedicating a 7-acre parcel (of 120 acres total) to this potential use. A CAL FIRE Land Lease provides highly stable, long-term revenue (estimated at \$168,000 - \$336,000 annually) that supports public safety infrastructure with minimal entitlement risk.

If long-term, stable cash flow is prioritized above a one-time windfall (Option 1- Conservation Land Sale), a CAL FIRE Land Lease is considered the most beneficial recurring revenue option. In addition, this option supports community resilience, public safety objectives, and aligns with the District's stewardship role. A deep-dive analysis of this use case and all others that were reviewed is included in the "Trabuco Canyon Development Opportunities" section of the report.

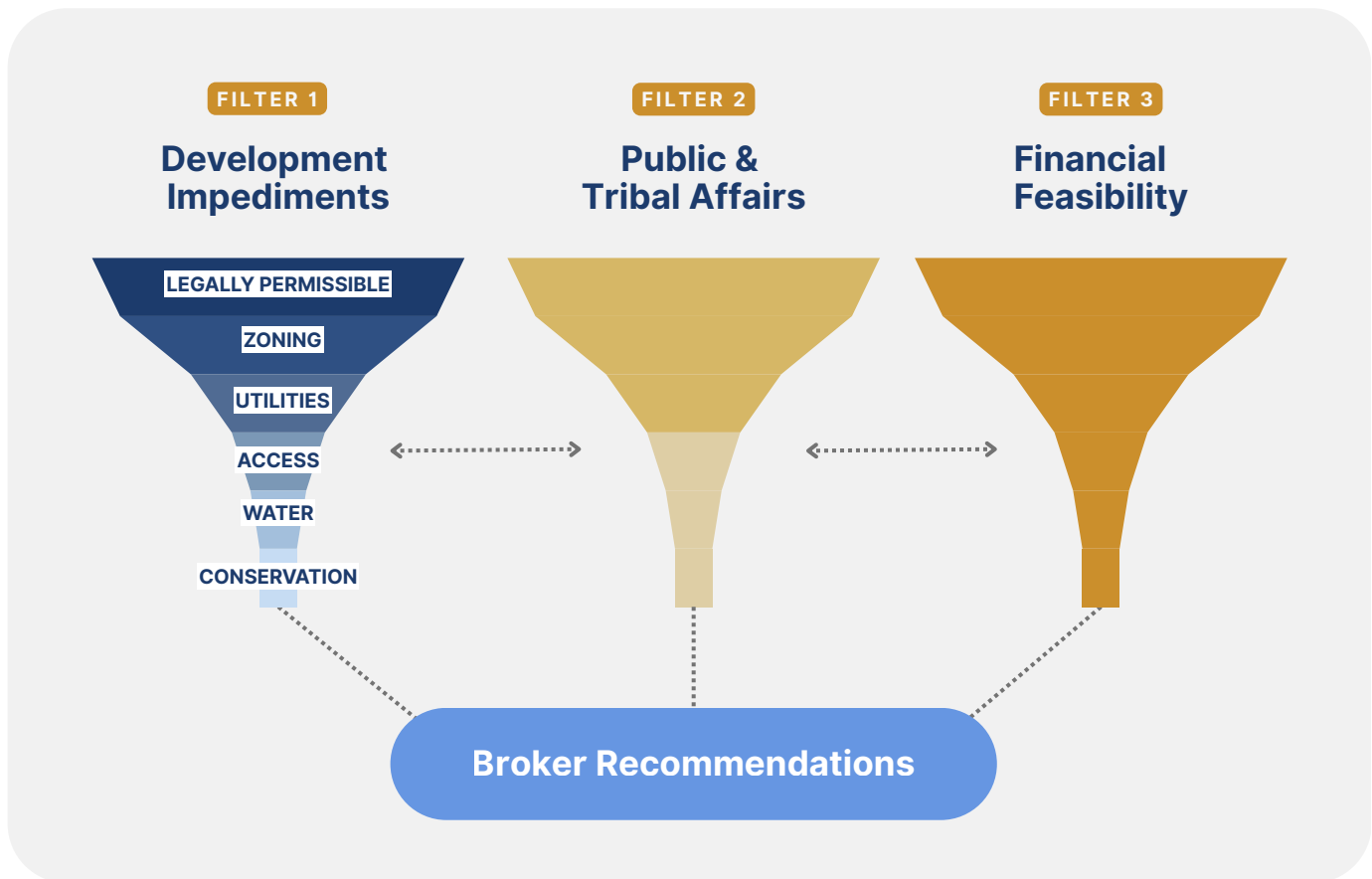
Broker's Note:

Stadia recommends a deeper analysis to determine the boundaries of the "wildlife corridor" within the Trabuco Canyon parcels to understand potential impacts on the 7-acre carve out.

Methodology

To determine the best and highest use of any property, we apply a structured methodology designed to inform Broker Recommendations and guide sound decision-making. Property characteristics are evaluated through a series of filters, each highlighting opportunities and constraints that shape development potential.

This step-by-step analysis produces the foundation for identifying feasible use cases. The process map below illustrates our methodology, followed by detailed explanations of each critical filter.



FILTER 1

Development Impediments

All development opportunities are shaped by a set of core impediments that determine whether a project can move forward. These include whether the property is legally permissible for the intended use, whether zoning regulations support the proposed development, and whether utility infrastructure can be secured to serve the site. Beyond these regulatory and infrastructure considerations, projects must also account for physical and environmental factors such as access, water, and conservation. Each impediment can independently limit feasibility, and together they form the first and most critical filter in evaluating potential use cases. A project that appears promising on market or financial grounds may ultimately be unviable if it cannot overcome one or more of these constraints.

LEGALLY PERMISSIBLE

Legally permissible refers to whether the property can be developed in compliance with existing laws, regulations, and entitlements. This includes deed restrictions, easements, land use covenants, and any applicable federal, state, or local requirements that may limit development rights. A property may appear physically suitable for a project but remain infeasible if it cannot be lawfully entitled for the intended use.

ZONING

Zoning defines the specific types of uses, densities, and building standards that are permitted on the property. Local zoning ordinances regulate factors such as land use categories, building heights, lot coverage, and allowable density, all of which directly shape development options. If current zoning does not align with the intended use, rezoning or variances may be required - processes that can add complexity, cost, and uncertainty to project feasibility.

Beyond legal compliance, zoning directly impacts infrastructure planning, permitting timelines, and access to streamlined entitlement pathways. For example, California legislation like SB 684 and SB 1123 offers expedited review for projects that conform to zoning standards, reducing the need for discretionary approvals and environmental assessments. In energy and infrastructure siting - such as battery storage or fire mitigation projects - zoning helps identify parcels near substations or critical facilities that meet both technical and regulatory criteria. Ultimately, zoning is not just an impediment but a strategic tool that guides responsible, efficient, and sustainable development.

UTILITIES

Utilities are a foundational consideration in land development, as the availability and capacity of water, sewer, electricity, and gas services directly influence feasibility. Utility easements and infrastructure requirements can affect site layout, limit certain land uses, and add complexity to permitting and construction. Ensuring reliable service delivery while maintaining compliance with local and state regulations is critical to long-term project viability.

ACCESS

Access refers to whether the property can be physically and legally reached in a manner that supports the intended use. This includes existing roadways, easements, rights-of-way, and compliance with local transportation standards. A property without adequate access may face restrictions on construction equipment entry, resident or customer circulation, emergency vehicle reach, or compliance with county and state code requirements. In some cases, lack of access can make a property completely undevelopable until significant infrastructure or entitlement solutions are secured.

WATER

Equally essential is the availability and reliability of water service, as no development can proceed without a secured and sustainable supply. Water encompasses both the availability and reliability of water resources required for development. This includes potable water for residential or commercial use, irrigation supply for landscaping or agriculture, and fire flow requirements for safety. Developers must evaluate whether the water district can provide sufficient service capacity and infrastructure to meet projected demand. Without secured water rights, pipeline connections, or service agreements, even highly attractive sites may be deemed infeasible.

CONSERVATION

Finally, conservation refers to environmental and regulatory constraints that protect natural resources and limit development potential. This may include habitat preservation for protected species, floodplain restrictions, wetlands or riparian zones, and open space designations under state or federal law. Conservation considerations may reduce the buildable footprint, impose costly mitigation requirements, or eliminate certain use cases entirely. In essence, conservation ensures compliance with environmental stewardship obligations but simultaneously constrains development flexibility.

While legally permissible, zoning, utilities, access, water, and conservation determine whether a project is physically and environmentally feasible, development must also navigate the social, political, and cultural dimensions captured in FILTER 2: Public & Tribal Affairs.

FILTER 2

Public & Tribal Affairs

Beyond physical and environmental constraints, development feasibility is also shaped by social, cultural, and political considerations. Public and Tribal Affairs form the second critical filter, as they influence whether a project can earn the approvals, support, and legitimacy needed to move forward. Public affairs address the role of community sentiment and local government priorities in shaping entitlement pathways, while tribal affairs recognize the sovereign rights and cultural resources of Native American tribes. Together, these factors can significantly affect timelines, costs, and overall viability, making proactive engagement and collaboration essential.

PUBLIC AFFAIRS

Public affairs considerations encompass the influence of local communities and government bodies on development outcomes. Neighborhood sentiment, city or county priorities, and the political climate can all affect entitlement approvals, permitting timelines, and overall project support. Early engagement, clear communication, and alignment with public priorities are often essential to reducing risk and building momentum for a project.

TRIBAL AFFAIRS

Tribal affairs considerations recognize the sovereign rights and cultural heritage of Native American tribes, which may directly impact a property's development potential. This includes consultation requirements, the protection of cultural or sacred sites, and adherence to state and federal regulations governing tribal lands and resources. Meaningful collaboration with tribal representatives is not only a legal necessity but also a critical component of building trust and advancing projects in a responsible and respectful way.

Once a project demonstrates social, cultural, and political viability, the next critical consideration is whether it can succeed financially - assessing costs, revenue potential, and overall economic feasibility under FILTER 3: Financial Feasibility.

FILTER 3

Financial Feasibility

Financial feasibility evaluates whether a development opportunity can generate sufficient return to justify the investment and risks involved. This filter considers factors such as land acquisition costs, construction and infrastructure expenses, potential revenue streams, and market demand. Even a site that meets physical, environmental, social, and cultural requirements may be impractical if the numbers do not support a viable business case. By assessing financial feasibility, we ensure that recommended use cases are not only possible but also economically sustainable.

Broker Recommendations

Insights derived from the three filters (*Development Impediments, Public & Tribal Affairs, Financial Feasibility*) form the foundation for Broker Recommendations, guiding our clients toward the most feasible and strategically advantageous development options. Broker Recommendations integrate the findings from each filter to determine the property's best and highest use. This analysis balances physical, social, and economic factors, providing our clients with informed, strategic guidance on feasible and high-value development opportunities.

In the next section of the report, you'll find a detailed analysis of the Trabuco Canyon property using this methodology.

Trabuco Canyon Development Impediments

LEGALLY PERMISSIBLE

As mentioned in Methodology, the determination of a property's best & highest use must begin with an evaluation of what is legally permissible. For the Trabuco Canyon parcel, this involved a detailed review of the Foothill/Trabuco Specific Plan (FTSP), which governs land use within the area and imposes strict conservation and development constraints. The FTSP outlines permitted uses within designated wildlife corridors, ridgeline setbacks, grading limits, and vegetation buffers—all of which directly impact the feasibility of proposed development types. These constraints mean that any proposed use must be carefully vetted against zoning ordinances, environmental overlays, and conservation easements to ensure legal compliance.

Stadia considered six (6) potential development types for the Trabuco Canyon property, and the following table demonstrates which opportunities are considered legally permissible:

DEVELOPMENT TYPES	LEGALLY PERMISSIBLE	NOTES
Conservation Land Sale	Yes	Permissible under FTSP
CAL FIRE Land Lease	Yes	Permissible under FTSP
Residential Development	Yes	Permissible under FTSP with restrictions
Equestrian Development	Yes	Permissible under FTSP with restrictions
Battery Energy Storage System (BESS)	Maybe	FTSP doesn't contemplate battery storage use. This development type would require county approval and a conditional use permit
Cemetery Development	Maybe	FTSP doesn't contemplate cemetery use. This development type would require county approval and a conditional use permit

ZONING

The 120-acre Trabuco Canyon parcel is governed by Orange County's "P" zoning designation, interpreted as the Planned Development (PD) District under Section 16.209 of the Orange County Zoning Code. This designation allows for flexible land use planning, particularly for public benefit projects such as emergency infrastructure and environmental conservation. This analysis considers the suitability of the site for use as mitigation land, a CAL FIRE station, or a combination of both, and references applicable sections of the Orange County Zoning Code.

The site's location within the Foothill/Trabuco Specific Plan (FTSP) area imposes conservation-oriented development standards, including wildlife corridor setbacks, ridgeline protections, and grading limits. The Plan Development zoning supports a dual-use strategy: approximately **113-acres are proposed for mitigation land** due to its ecological value and proximity to preserved areas like the Cleveland National Forest and Trabuco Rose Preserve. **7-acres are proposed for a CAL FIRE station**, leveraging the site's wildfire history and strategic terrain. This combined use strategy aligns with both the General Plan and FTSP goals to preserve rural character and enhance public safety and environmental stewardship.

Mitigation Land Compatibility

The property's proximity to preserved lands and its ecological value make it suitable for use as mitigation land. PD zoning allows for open space and conservation overlays, supporting this use. Section 16.102 establishes the zoning districts and confirms that such uses are consistent with the General Plan.

CAL FIRE Station Compatibility

The Trabuco Canyon property has been identified as a strategic location for a CAL FIRE station due to its history of wildfires and high-risk terrain. Section 16.209 supports such public safety uses within PD zoning, provided they align with the General Plan and are approved through the procedures outlined in Sections 16.601–16.610.

Zoning Code Citations

The following sections of the Orange County Zoning Code are referenced in this analysis:

- Section 16.102: Establishment of Zoning Districts
- Section 16.209: Planned Development District
- Sections 16.601–16.610: Planning Authorities and Procedures

UTILITIES, ACCESS, WATER

In the following analysis, we've included a review of the development impediments: utilities, access, water rights, and easement provisions for parcels APNs 842-061-05, 842-061-06, and 842-061-07, based on recorded documents, including Specific Document_2000.445000. TCWD retains access and utility easements that support water infrastructure and domestic supply, though several key water rights remain with other parties.

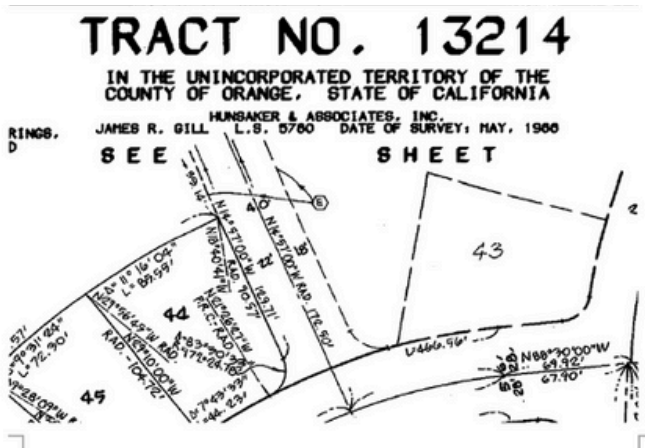
Utility & Access Easements Retained

TCWD retains meaningful infrastructure rights:

- 2" Pipeline Access: Authorized via a 1981 Special Use Permit from Cleveland National Forest, allowing use of Trabuco Creek Road for pipeline maintenance
- Utility Infrastructure: Easements permit installation and maintenance of underground utilities (potable water, sewer, gas, electrical, communications) for up to six single-family homes

Easement "E" Reference (Tract Map No. 13214)

- Easement "E" is a 40-foot-wide private easement for access purposes
- It is reserved in Tract Map No. 13214 and referenced in the WLC Deed
- It supplements the other easements by providing mapped and recorded right-of-way access across the Porter Properties to public roads



Public Easements

Three perpetual easements granted to The Trust for Public Land:

- Ridgeline Access Road (20 ft wide): Vehicular/pedestrian use; public access restricted unless grantee is a public agency
- Connector Easement: Links to a public road, governed by a 1992 WLC deed
- Trabuco Creek Access (40 ft wide): Allows public use and maintenance if grantee is a public agency

Riparian Rights Exception

The deed excepts an undivided 5/6th interest in riparian rights to Trabuco Creek and appurtenant water sources. These rights were originally conveyed in a 1929 deed to Anne Robinson and apply to:

- Section 6, Township 6 South, Range 6 West
- Sections 12, 13, and 14, Township 6 South, Range 7 West

Legal & Operational Implications

- TCWD cannot divert or extract water directly from Trabuco Creek without acquiring the retained riparian rights
- Wells tapping hydrologically connected surface water are subject to California riparian law
- Infrastructure maintenance and utility use are permitted only if sourced from non-riparian sources

Summary Table of Retained Rights

PROVISION	STATUS
2" Pipeline Access	Retained (1981 Special Use Permit)
Riparian Rights	Not Retained (5/6th interest excepted)
Utility Easements	Retained
Public Easement Use	Conditional (agency status required)
Development Rights	Limited (residential use only)

Broker Recommendations:

- Confirm TCWD’s ownership of any remaining riparian interest.
- Negotiate acquisition of the retained 5/6th riparian rights if surface water use is intended.
- Consult legal counsel before initiating new well drilling or water storage projects affecting Trabuco Creek.
- Explore alternative water sources such as imported water, recycled water, or non-connected groundwater.

Broker’s Note:

For Stadia to complete a full water rights study, we need title with abstracting back to patent and will request a final legal opinion based on the findings.

CONSERVATION

The Trabuco Canyon parcels (APN 842-061-07 Purchased on April 12, 2002; APN 842-061-06 Purchased on April 12, 2002; APN 842-061-05 Purchased on April 12, 2002) are situated in the cismontane foothills of the Santa Ana Mountains, bordered by O’Neill Regional Park and Cleveland National Forest. The parcels include steep ridges, moderate hillsides, and an alluvial valley bottom traversed by Trabuco Creek.

The site is part of a 31-mile “wildlife corridor” and lies within a flood zone and critical habitat for the coastal California gnatcatcher and arroyo toad. Wildlife corridors are designated to ensure the future viability and movement of wildlife by preserving necessary habitat and movement areas. They provide linkages among major habitat areas such as the Cleveland National Forest, Arroyo Trabuco, and O’Neill Regional Park.



Wildlife corridors are legally defined both at the state and federal level, and within local land use plans like FTSP. These definitions emphasize:

- Connectivity between habitats
- Movement viability for native species
- Restrictions on development and infrastructure
- Conservation compatibility

The Wildlife Corridors Conservation Act of 2019 defines a wildlife corridor as: *“A feature of the landscape or seascape that provides habitat or ecological connectivity and allows for movement or dispersal of native or noninvasive fish, wildlife, or plants.”* This federal bill, though not enacted, has influenced conservation planning and funding mechanisms across agencies and states. In California, the Wildlife Connectivity and Climate Adaptation Act (AB 2320, 2024) added Section 1346.5 to the Fish & Game Code. It defines wildlife corridors as: *“Habitat linkages that allow animal movement between areas.”* This law directs the Wildlife Conservation Board to prioritize corridor protection, restoration, and expansion.

Wildlife Corridors: Permitted Uses and Restrictions

- Wildlife movement and habitat preservation
- Passive recreation (hiking, bicycling, horseback riding) on designated trails during daylight hours
- Utilities and pipelines only if no alternative exist, with minimal impact
- Single residences on legal building sites existing prior to the plan, only if no alternative location exists
- Roads only if no feasible access exists, with strict design limitations
- 50-foot development setback from corridor boundary with a 25-foot native vegetation buffer
- No exterior lighting or solid fencing within the setback

Stadia reviewed the FTSP, Ridgeline Protections, and Biological Report. The results of that review are included below in the **FTSP Conservation Compliance Checklist**, and a more detailed review is included in the Appendix. This graph represents the key details to be considered for conservation in Trabuco Canyon per FTSP requirements.

FTSP Conservation Compliance Checklist

REQUIREMENT CATEGORY	COMPLIANCE CRITERIA	REFERENCE PAGE(S)
Wildlife Corridors	Minimum 400 ft wide (100 ft near Live Oak Canyon Rd)	FTSP pp. II-10 to II-14
Wildlife Corridors	50 ft minimum setback from corridor edge	FTSP p. II-14
Wildlife Corridors	25 ft native vegetation buffer if required	FTSP Appendix A-7
Ridgeline Protection	200 ft horizontal setback from major ridgelines	FTSP p. II-21
Ridgeline Protection	50 ft vertical setback from ridgelines	FTSP p. II-21
Ridgeline Protection	Preservation easement recorded before grading or final map	FTSP p. II-21
Grading Limits	Max 3,000 cu yd per dwelling unit (avg); up to 9,000 cu yd if fewer units built	FTSP pp. III-16 to III-18
Grading Limits	Slope height: 10 ft (residential), 30 ft (roads/non-residential)	FTSP pp. III-16 to III-18
Grading Limits	Contour grading required unless more harmful	FTSP pp. III-17, III-37

Broker's Note:

Stadia recommends a deeper analysis to determine the boundaries of the "wildlife corridor" within the Tabuco Canyon parcels to understand potential impacts on the 7-acre carve out.

Trabuco Canyon

Development Opportunities

In this section of the report, we've provided deep-dive data and analysis related to six potential development opportunities (*Conservation Land Sale, CAL FIRE Land Lease, Residential Development, Equestrian Development, Battery Energy Storage System, Cemetery Development*) for the Trabuco Canyon parcels. The following data and analysis support our final Broker Recommendations for **Conservation Land Sale** and **CAL FIRE Land Lease** as the best & highest use cases.

Conservation Land Sale Option

The conservation sale approach values the property based on its ecological attributes and potential for generating mitigation credits. Every acre of habitat—riparian, oak woodland, coastal sage scrub, and grassland—yields a specific number of credits, each with a market price as indicated by the 2024 Mitigation Credit Price Report (MCPR).

- Formula: Total Value = Acreage × Credit Yield × Price per Credit
- Example (Riparian): 10 acres × 2.0 credits/acre × \$125,000 = \$2,500,000

Summing across all habitat types, the estimated total mitigation land bank value ranges from \$9.24 million to \$16.45 million, depending on the market price of credits. In our consultation with Wildlands, they suggested they would absorb all risks and biological studies to conserve the land. If Wildlands (or any other conservancy group) were to purchase the parcels, the range of reasonability would be between \$50,000-\$75,000/acre purchase price resulting in \$6 million-\$9 million for 120-acres.

Mitigation Land Conservation

Mitigation land conservation is fully compatible and encouraged within wildlife corridors. Conservation easements, habitat restoration, and passive recreation are consistent with corridor goals.

Roads as Wildlife Corridors

Under the Foothill Trabuco Specific Plan, roads are generally prohibited within designated wildlife corridors. However, exceptions are made only when no other feasible access to a development site exists. In such cases, the following conditions must be met:

- Roads must be limited to local collector roads intended solely for resident access.
- Roads must be designed to minimize habitat disturbance and fragmentation.
- Road alignments must cross wildlife corridors at approximately 90 degrees to reduce the impact on wildlife movement.
- Through traffic must be discouraged to preserve the corridor's function.

These restrictions are intended to maintain the integrity of wildlife corridors and ensure that any necessary infrastructure does not compromise the movement and habitat of native species.

Broker's Note:

Please reference **Wildlands** proposal in the Appendix for conservation land sale interest.

Conclusion

A conservation land sale represents:

- The lowest risk opportunity
- The highest reward
- The most publicly favorable use case

CAL FIRE Land Lease Option

A CAL FIRE Land Lease (5-7 acre parcel of the 120-acre property) could provide long-term, stable revenue for Trabucco Canyon Water District, estimated at \$168,000–\$336,000 per year depending on the scope of facilities and support services included in the lease. This revenue is predictable, aligned with community interests, and does not require the extensive entitlement process associated with residential or energy uses. The information provided details CAL FIRE's statewide infrastructure, Trabucco Canyon's wildfire history, associated mutual benefits, and financial projections for both lease and sale arrangements.

CAL FIRE Facility Overview

- 21 Operational Units
- 6 Contract Counties (including Orange County)
- 356 Fire Stations
- 44 Conservation Camps
- 13 Air Attack Bases
- 10 Helitack Bases
- 14 Demonstration State Forests

CAL FIRE facilities are strategically located to ensure rapid response across high-risk fire zones and varying terrains.

Fire History in Trabucco Canyon

- Over 37 wildfires recorded in the past two decades
- Holy Jim Fire (2018): Originated within Trabucco Canyon, resulting in extensive damage
- Airport Fire (2024): Impacted over 5,400 acres and led to the evacuation of approximately 1,400 homes

The area's complex terrain and dry vegetation contribute significantly to frequent fire hazards. Establishing a local CAL FIRE facility would enhance early detection and coordinated emergency response, particularly in collaboration with Orange County Fire Authority (OCFA).

Benefits of a Local CAL FIRE Facility

- Accelerated wildfire response for Trabucco Canyon and surrounding areas
- Enhanced protection for residential communities and key infrastructure
- Improved coordination with OCFA and regional emergency services
- Expansion of community education and fire prevention outreach
- Advancement of CAL FIRE's mission in high-risk environments

Financial Projections & Transaction Models

- Lease Scenario
 - Projected annual lease revenue:
 - Low: \$25,000/year (based on rangeland lease values)
 - High: \$336,000/year (based on public agency rates)

- Sale Scenario
 - Estimated sale price: \$173,400 per acre
 - Total for 7 acres: \$1,213,800 as a one-time payment

Lease Estimate Basis

- Public agency leases: \$2,000–\$4,000/acre/month (\$336,000/year)
- Rangeland estimate: \$300/month/acre, totaling roughly \$25,000/year
- Land valuation aligns with an approximate 1.4% annual return, consistent with public land lease standards

Sale Estimate Basis

- Comparable sales (CoStar): \$173,400/acre (lowest in a 10-mile radius)
- Regional market listings: \$125,000–\$200,000/acre
- Conservative estimate for 7 acres: \$1,213,800 total

Regional Land & Lease Trends

- Less than 4% of Orange County land is agricultural
- 2023 crop value: \$75.7M (a decrease from \$115M in 2017)
- Nursery products constitute over 50% of crop value, primarily on transitional land
- Rents: Cropland—\$350–\$2,000/acre/year; Public safety infrastructure—\$2,000–\$4,000/month/acre

These lease rates are supported by regional and sector-specific data. Reports and databases consistently indicate that prime Southern California cropland commands \$350 - \$2,000/acre/year. Influencing factors include water access, soil quality, location, and crop selection. Parcels offering reliable irrigation and close market access typically secure higher rents, while less optimal lands fetch lower rates.

For public safety and infrastructure, higher lease rates (\$2,000 to \$4,000/month/acre) reflect the unique operational requirements and strategic importance of such sites. Agencies - including CAL FIRE- are prepared to pay premiums for locations with specialized improvements and accessibility. Lease agreements for comparable facilities frequently align with these figures due to their critical function and the scarcity of appropriate land. These conclusions are validated through public records and regional listings, which show steady agricultural lease rates alongside substantial premiums for public safety infrastructure. The underlying assumptions for this proposal are thereby substantiated by prevailing market practices.

Fire Response & Community Resilience

This section presents a strategic use case for TCWD's 7-acre parcel, encompassing three integrated components:

- A CAL FIRE helicopter pad designed for rapid aerial deployment
- Designated water drop pathways for efficient wildfire suppression
- A fire demonstration garden dedicated to community education and engagement

Combined, these features will reinforce regional resilience, support CAL FIRE and OCFA operations, and align with TCWD's commitment to responsible stewardship.

CAL FIRE Helicopter Pad

The site provides level terrain suitable for establishing a helitack base, enabling CAL FIRE to deploy helicopters for wildfire incidents. Key benefits include:

- Reduced emergency response times for Trabucco Canyon and neighboring areas

- Enhanced coordination with OCFA and emergency response teams
- Functionality as a tactical hub during peak fire seasons
- Proximity to Trabucco Creek and established TCWD reservoirs ensures efficient water access for aerial firefighting.

Water Drop Paths

Situated within the San Juan Hydrologic Unit and adjacent to Trabucco Creek, the parcel enables strategic planning of water drop corridors that:

- Link the helipad to natural and engineered water sources such as Dove Lake and TCWD reservoirs
- Are mapped to safeguard sensitive habitats and meet FTSP conservation requirements
- Facilitate real-time suppression efforts during wildfire events, especially in rugged terrain

Fire Demonstration Garden

A portion of the 7-acre site could feature a fire-wise demonstration garden, inspired by successful models such as Santa Barbara's Firehouse #7. This garden would:

- Exhibit defensible space designs utilizing fire-resistant plants and advanced irrigation techniques
- Educate local residents about wildfire preparedness and best landscaping practices
- Function as a platform for community engagement, including workshops and educational signage

The garden initiative would integrate seamlessly with TCWD's broader conservation objectives, supporting outreach initiatives and school programs.

Community & District Benefits

This multi-use strategy yields several measurable benefits:

- Public Safety: Enhanced speed and effectiveness of fire response capabilities
- Education: Increased community awareness and proactive fire prevention
 - Environmental Stewardship: Adherence to FTSP standards and preservation of wildlife corridors
 - Revenue Generation: Potential to earn \$1.05M–\$1.21M via site sale or \$25K–\$336K annually through leasing arrangements

MOU or Joint Powers Authority Requirement for Trabucco Canyon 7-Acre Use Case

To advance the recommended use scenario - which includes a CAL FIRE helicopter pad, water drop routes, and a demonstration garden - TCWD must enter into a formal agreement with CAL FIRE. This agreement could be structured as either a Memorandum of Understanding (MOU) or a Joint Powers Authority (JPA).

Purpose of MOU or JPA

An MOU or JPA provides a comprehensive framework defining roles, responsibilities, and standard operating protocols between TCWD and CAL FIRE. Such agreements clarify the management, maintenance, and authorized uses of the 7-acre site for emergency response and public safety purposes.

Benefits of Entering into an Agreement

- Defines clear governance and operational procedures for shared assets
- Facilitates coordinated resource planning and deployment
- Strengthens emergency response systems and overall community resilience
- Establishes the legal foundation for funding, liability allocation, and ongoing site management

Facilitating Collaboration and Operational Readiness

Through a formalized agreement, TCWD and CAL FIRE can collaborate on detailed protocols regarding water utilization, helicopter operations, and public education initiatives. This partnership ensures the 5-7-acre site's facilities are effectively mobilized during wildfire incidents and supports continuous community engagement through educational projects like the fire demonstration garden.

Conclusion

A CAL FIRE facility situated on Trabuco Canyon land will:

- Strengthen regional wildfire protection efforts
- Provide new revenue streams
- Support sustainable land stewardship and further CAL FIRE's mission

Residential Development Option

As part of our due diligence, we interviewed a local Orange County custom home residential developer about the possibility of allocating some or all the Trabuco Canyon parcels to residential development. The following are the results and recommendations from the interview.

1. Developer was the fee owner of the property that was sold to Orange County Transportation Authority. He was originally planning an equestrian estate development on over 400 acres northwest of the subject property. Approximately 160 homes specifically for equestrian estates. He ultimately sold this land as mitigation land for the Orange County Transportation Authority. The developer is very familiar with the area and was able to give insights into multiple development approaches.
2. Primary concern with this property is access for residential development.
3. Without 2 sources of access a residential developer cannot develop the property. The county conditions the site development on 2 access points. A developer would not pay the highest price for the land without 2 predetermined access points.
 - The developer referenced a home development currently south of this area that has not been approved for many years because it did not have 2 points of access for fire safety.
4. The developer suggests building 3-4 custom homes with a shared recreational stable, managed by an HOA or related CC&Rs. He believes TCWD could develop a total of 5 parcels.
 - This would be conditioned on the ability of obtaining water for the development, a second access point, sanitation and electricity extended to the site. All of which would be costly. Diminishing the land sale value.
 - An additional problematic issue for home development would be the grading restrictions in the governing Foothill Trabuco Plan.
 - Setback requirements from ridgeline from the border of forest and the definition of animal corridors in California all constrain the residential development approach.
 - Property may sit on the market if no entitlements in place. County may be more kind to the district than a developer in obtaining access and entitlements.
 - Estimated home sales if 3-4 custom homes were built would be \$3M-\$4M per home after the land is developed.
 - The developer uses a land residual value model to determine the purchase price.
 - Equestrian homes would continue the equestrian tradition of the land in the canyon

5. Concern- County requires Clean Water Act participation for all equestrian development sites. It would be harder to get horse properties approved in Orange County because of this ruling.

6. Examples of equestrian properties can be found throughout Orange Park Acres, Rancho Santa Fe

7. Alternatively, instead of housing an equestrian recreational facility performed under a ground lease could bring revenue to Trabucco Canyon Water District. The developer believes the rent per horse would be \$750 per month (HB Equestrian is \$881 per month for a stall, feed and cleaning monthly) and a site this size could hold approximately 75 horses. Equated to \$56,000 a month for that business based on \$750 per month per horse.

- Examples of equestrian facilities are OC Fairground, HB Equestrian facility

The residential development scenario models the construction of four custom homes on a 7-acre parcel, each expected to sell for \$4 million. The developer's land residual value model incorporates all costs, profit, and entitlement risk.

- Total Revenue: \$16,000,000 (4 homes × \$4,000,000 each)
- Construction Cost: \$4,000,000
- Soft Costs (20%): \$800,000
- Developer Profit (20%): \$3,200,000

Residual Land Value Calculations:

- With 10% Entitlement Risk: Max Purchase Price = \$7,200,000
- With 20% Entitlement Risk: Max Purchase Price = \$6,400,000

Housing development is highly restricted within wildlife corridors. Only single residences on pre-existing legal sites may be allowed, and only if no alternative location exists. A 50-foot setback and 25-foot buffer are required. Most housing must be sited outside the corridor. Factors such as access (2 access points required), entitlement risk, regulatory complexity, and Clean Water Act participation requirements make this option less attractive which is why it's not included in our Broker Recommendations as the best & highest use.

Conclusion

A residential development on the Trabucco Canyon land:

- Is possible but highly unlikely due to restrictions
- Faces challenges based on current access and utilities
- Faces potential challenges with wildlife corridors

Equestrian Lease Option

We've outlined the financial and operational feasibility of developing a 7-acre equestrian facility in Trabucco Canyon, CA. It includes comparative analysis of existing Orange County equestrian centers, cost and profit breakdowns, land lease structures, and revenue projections.

Comparative Analysis of OC Equestrian Facilities

2.1 Huntington Central Park Equestrian Center (HCPEC)

Located on 25 acres in Huntington Beach, HCPEC houses over 400 horses with 420 stalls, 9 arenas, 6 turnouts, and access to 150 acres of trails. Monthly rates are \$881 for box stalls and \$651 for pipe corrals. Services include boarding, training, trail rides, and events.

2.2 The Ranch Community Equine Center (OC Fairgrounds)

Rebranded in 2024, The Ranch emphasizes community programming and equine-assisted therapy. It offers boarding and training with a public-facing mission. Standard stall rates are \$979/month. The facility includes lighted arenas and hosts lessons, camps, and therapy programs.

2.3 Peacock Hill Equestrian Center

Located inside Irvine Regional Park, Peacock Hill offers full-service boarding and training with access to scenic trails. It supports multiple disciplines including hunter/jumper and dressage. The facility is known for its rustic atmosphere and community engagement.

3. Cost and Profit Breakdown

Based on the \$881/month rate at HCPEC, estimated monthly costs per horse include:

- Feed: \$90
- Bedding: \$176
- Labor: \$300
- Overhead: \$100

Total estimated cost: \$666

Estimated monthly profit per horse: \$215

Profit margin: 24.4%

4. Land Lease Structure

Suggested lease terms for a 7-acre parcel in Trabuco Canyon:

- Triple Net Lease
- \$800/acre/month = \$5,600/month
- 10–20 year lease with 5-year renewal options
- 3–6 month rent abatement during construction
- Optional revenue sharing: 5–10% of gross revenue over \$25,000/month

5. Revenue Projections

SCENARIO	HORSES	MONTHLY REVENUE	MONTHLY COSTS	MONTHLY PROFIT	ANNUAL REVENUE	ANNUAL PROFIT
Low Capacity	24	\$21,144	\$15,984	\$5,160	\$253,728	\$61,920
Target Capacity	28	\$24,668	\$18,648	\$6,020	\$296,016	\$72,240
High Capacity	32	\$28,192	\$21,312	\$6,880	\$338,304	\$82,560

6. Insurance Considerations

Insurance premiums for equestrian facilities in California fire zones range from \$5,000 to \$12,000 annually. Monthly costs may be \$417–\$1,000. Facilities may use the California FAIR Plan if private coverage is unavailable. Mitigation strategies like fire-resistant materials and defensible space can reduce premiums.

Conclusion

Equestrian facilities on Trabucco Canyon land:

- Would be negatively impacted by the FTSP requirements
- Would be impacted by the Clean Water Act
- Would be impacted by wildlife corridors

Battery Energy Storage System (BESS) Option

Evaluation of the property as a battery storage facility entailed discussions with leading energy developers. However, the site's distance from electric circuits and high interconnection costs, combined with unfavorable local sentiment, significantly reduce feasibility.

- Lease Model: 20-year lease at \$0.50–\$1.40 per square foot per year.
- Sale Model: One-time sale at \$10–\$20 per square foot.
- Example (Lease): 6 acres × 43,560 sq ft/acre × \$1.00 × 20 = \$5,227,200
- Estimated Value: \$2.4M–\$6.72M (lease) or \$1.5M–\$4.2M (sale)

Conclusion

Battery Energy Storage Systems on Trabucco Canyon land:

- Are not a viable option given the combination of regulatory, financial, and community constraints
- Are not a viable option based on the distance to the substation
- Are not a viable option due to the cost of system upgrades

Cemetery Option

TCWD expressed interest during our introductory meeting in potential cemetery development within the Trabucco Canyon parcels. The following evaluation of that potential development option considers environmental regulations, land use compatibility, infrastructure limitations, and community impact.

1. Environmental and Regulatory Constraints

The proposed site lies within the Foothill/Trabucco Specific Plan (FTSP) area, which imposes stringent conservation and development controls. The land includes critical habitats for federally listed species such as the coastal California gnatcatcher and arroyo toad. Additionally, the area contains riparian corridors, oak woodlands, and coastal sage scrub each protected under FTSP guidelines. These ecological sensitivities suggest that the land is more appropriate for conservation or mitigation banking rather than development intensive uses like cemeteries.

2. Land Use Compatibility

The proposed cemetery may conflict with the character and expectations of adjacent high-end residential developments. Luxury homebuyers typically prioritize privacy, unobstructed viewsheds, and control over adjacent land use. A cemetery may be perceived as a visual or emotional deterrent and could introduce ceremonial activity and traffic inconsistent with the quiet, exclusive nature of estate-style living.

3. Infrastructure and Utility Limitations

The site is constrained by limited potable water availability, which currently supports only six single-family residences despite the existence of potential eight legal parcels. Cemetery operations typically require irrigation and maintenance water, which may not be feasible under current utility allocations.

4. Legal and Easement Considerations

Access to the site is governed by Easement 'E' from Tract Map No. 13214. This easement restricts vehicular access to owners, household employees, and up to 25 guests per event. It also limits the number of legal parcels served and the type of development permitted. These constraints may complicate public access and operational logistics for a cemetery.

5. Community Impact and Precedent

While no direct community opposition has been documented, the precedent of El Toro Memorial Park in nearby Lake Forest illustrates the importance of context. That cemetery is well-maintained and serene but is not located adjacent to luxury homes. This suggests that location and surrounding land use are critical to public acceptance and long-term compatibility.

Conclusion

- Given the environmental sensitivities, regulatory constraints, infrastructure limitations, and potential incompatibility with adjacent high end residential use, the proposed cemetery site warrants careful reconsideration
- Trabucco Canyon Water district is encouraged to evaluate alternative land uses that align more closely with the Foothill/Trabucco Specific Plan and community expectations

Final Summary of Trabucco Canyon Development Opportunities

In summary, our comparative analysis demonstrates that while residential, equestrian, battery storage, and cemetery use present theoretical opportunities, each is constrained by access, infrastructure costs, environmental regulations, or community compatibility. By contrast, **Conservation Land Sale** and **CAL FIRE Land Lease** align with both market realities and the District's stewardship priorities, offering strong financial outcomes while supporting ecological preservation and public safety. Together, these two pathways provide TCWD with actionable strategies that balance fiscal responsibility, regulatory compliance, and long-term community benefit.

FILTER 2

Public & Tribal Affairs

As referenced in the Methodology section of the report, while legal, zoning, physical and environmental constraints define what is possible on paper, public and tribal affairs determine whether a project can earn the social and political license to move forward in practice. Community sentiment, local government priorities, and the sovereign rights of Native American tribes all have the power to influence entitlement approvals, project timelines, and long-term success. Projects that overlook these considerations often face delays, opposition, or costly re-designs, while those that engage stakeholders early and respectfully are more likely to secure durable support.

Stadia Realty is fortunate to partner with seasoned and highly respected experts in the fields of public, governmental & tribal affairs to support our work and Broker Recommendations. In this section of the report, we have included supplemental considerations and recommended next steps for the Trabuco Canyon parcels written by Dr. Kit Cole and Ms. Michelle Holiday. You'll find Dr. Cole and Ms. Holiday's credentials and experience listed in the "Resumes" section of the report.





July 23, 2025

TO: Trabuco Canyon Water District
FR: Kit Cole and Michelle Holiday
RE: Surplus Land - Public Affairs Considerations

We have worked extensively in California and Orange County (for a variety of clients, including Southern California Edison) and wanted to provide some additional factors for the District to consider as it makes decisions regarding the surplus land.

County of Orange

The County is publicly committed to open lands conservation. They demonstrate this commitment through programs such as the Open Space Fund, which provides funding for the acquisition of property through fee simple, development rights, or conservation easements, and the Measure M2 Freeway Environmental Mitigation Program, which allocates funds to acquire and restore habitat in exchange for streamlined project approvals.

Orange County also participates in the Natural Community Conservation Plan/Habitat Conservation Plan (NCCP/HCP) to protect natural habitat and wildlife. As a result, natural open space reserves have been set aside in the coastal and central portions of Orange County which, when combined with National Forest lands, total approximately 163,000 acres of conserved habitat.

The Foothill/Trabuco Specific Plan was adopted by the County in 1991 with a goal of preserving the rural character of the area and providing a buffer between urban development and the Cleveland National Forest. The County Board of Supervisors has created the Foothill/Trabuco Specific Plan Review Board (FTSPRB) to review and comment on proposed land development projects within the geographic area of Foothill/Trabuco. The Board consists of property owners or residents in the area.

Trabuco Canyon sits partially in Orange County's 3rd Supervisorial District and partly in the 5th Supervisorial District. The 3rd District is led by Don Wagner. A former Mayor of Irvine and State Assemblymember, Wagner has traditionally been a staunch supporter of business and is not as involved in environmental issues. He serves on several Boards and Commissions, among them the Orange County Fire Authority, Orange County Transportation Authority and Transportation Corridor Agencies. The 5th District is led by Katrina Foley. Foley has publicly stated her commitment to "ensuring that Orange County will continue to be a leader in environmental protection." She is also an advocate for renewable energy and reaching the state's net-zero energy goals by 2025 and favors a regional approach to power distribution.

An interesting case study is the recent Banning Ranch/Randall Preserve area of Newport Beach. This area, privately owned, was originally slated for development, but was vehemently opposed by residents and conservationists about a decade ago and was then sold to several conservation groups in 2022. The groups have recently held public meetings related to public access and resource management, which have been attended by hundreds of interested parties, most opposed to any alterations to the land.

Orange County Transportation Agency (OCTA)

As part of the Measure M2 Freeway Environmental Mitigation Program, OCTA purchased the Trabuco Rose Preserve, formerly known as Ferber Ranch, a 396-acre parcel located northwest of the City of Rancho Santa Margarita in Trabuco Canyon. Before OCTA purchased the area, Trabuco Rose had a land use designation that would have allowed the construction of 188 dwelling units, however, OCTA's acquisition of this property enabled this core segment of the Trabuco Canyon area to be preserved as permanent open space.

OCTA has an Environmental Oversight Committee tasked with overseeing the implementation of its environmental mitigation program. This group primarily consists of representatives from various environmental and conservation groups, including the following:

- Chair Jamey Federico – City Councilmember, Dana Point
- Vice Chair Melanie Schlotterbeck - Hills for Everyone
- Jeniffer Aleman-Zometa - US Army Corps of Engineers
- Melanie Burlaza - CA Department of Fish and Wildlife
- Derek McGregor – Public Member
- William Miller - US Fish and Wildlife Service
- Joe Navari – Wildlife Conservation Board
- Michael Neben - Taxpayer Oversight Committee Representative
- Bev Perry – Public Member
- Alben Phung - California Department of Transportation, District 12
- Dan Silver - Endangered Habitats League
- Mark Tettermer - OCTA Board of Directors

National Audubon Society

The National Audubon Society's Starr Ranch Sanctuary is located at 100 Bell Canyon Road in Trabuco Canyon. It is a 4,000-acre preserve protecting diverse ecosystems including coastal sage scrub, grassland, oak woodland, riparian woodland and chaparral. The land was gifted to the Audubon Society in 1973 by the original owner. The Audubon Society uses this preserve mainly for conservation and education, including field trips for students, family nature workshops, a "Junior Biologist" program for teens and various volunteer opportunities.

Private Residents

There are several homeowner’s associations and resident community groups in Trabuco Canyon, including the Trabuco Highlands Community Association, the Portola Hills HOA and the Rancho Cielo HOA. Recently a group of residents attended a Board of Supervisors meeting to protest the Saddleback Meadows project, a 181-unit residential development project. In addition, the Saddleback Canyons Conservancy, a non-profit dedicated to protecting the Foothill-Trabuco area, also spoke out against the plan. While the Board ultimately approved the plan for the project, residents voiced concerns about potential environmental impacts, especially concerns regarding wildlife, wildfires and traffic congestion. (See Board Agenda, Item 14)[SS1]

Recommended Next Steps

1. Facilitated conversation with District Board members and staff to determine:
2. For these parcels of “surplus” land – what’s the “P&O” (purpose and outcomes)?

Questions

1. Is there consensus on the purpose and outcomes desired for this land?
2. Financial benefits to the District
3. Land preservation/habitat preservation

Prepared by:

Dr. Katherine “Kit” Cole
Kit Cole Consulting, LLC
818-822-6378 Cell



Cultural Resources, Research, and Tribal Affairs

This is an overview of the Trabuco Canyon in Orange County, California, which has the Foothill Trabuco Specific Plan (1991) related to the 120-acre parcel of land, including cultural resources considerations, the history of the aboriginal land of the Acjachemen, organizational contacts, and legal resources for cultural resource management laws.

The Cultural Resources in the plan refers to the O’Neill Regional Park for the Foothill Trabuco Specific Plan; however, the aboriginal lands near the park are important to the unrecognized (federal and state recognition) of the Acjachemen tribal descendants, who are actively engaged through local advocacy indigenous nonprofits, participating in tribal consultations with state and local agency about the historical archaeological sites, landscape, ceremonial locations, plants, rock formations and artifacts. The current trails are historic routes from the mountains to the sea for the many mission Indians, and do not have burial grounds in the area.

The indigenous history of Trabuco Canyon is deeply connected to the Acjachemen (Juaneño) people. The Acjachemen occupied the area for thousands of years before European contact. The canyon served as a significant travel corridor between coastal and inland regions. Several village sites were located along Trabuco Creek and its tributaries, with bedrock mortars (grinding holes) that can still be found in the canyon. Their traditional practices include gathering acorns from local oak groves, collecting medicinal plants like white sage and yerba, seasonal hunting grounds for deer and smaller game, and traditional water management systems.

Over time, the region witnessed waves of change, from the era of Spanish exploration through missionization, ranching, and the eventual settlement by American pioneers. Yet, amidst these transitions, the enduring connection of the Acjachemen people to Trabuco Canyon has remained steadfast. Archaeological evidence, including artifacts and landscape features, continues to reveal the longstanding presence and adaptability of these communities. Today, their descendants champion the protection of these ancient sites—balancing heritage stewardship with modern development pressures—while striving to revitalize traditional practices and uphold their cultural legacy in the broader narrative of Orange County’s history. The springs and water sources hold spiritual importance, and traditional stories for specific locations are still acknowledged.

The area has cultural significance to the Juaneño Band of Mission Indians, Acjachemen people, and they continue to maintain the cultural ties. Some sites are protected under cultural resource management laws, and the seasonal ceremonies continue by some tribal members. There are several notable cultural resources, such as the Trabuco Adobe site (late 1800s), old mining settlements from the late 19th century, and the name of the canyon originated from a Spanish soldier's lost trabuco (blunderbuss gun) in 1769.



Recommendation

The current preservation efforts under AB 52 (2014)- CEQA Tribal Cultural Resources require early consultation with tribes for projects affecting tribal cultural resources, and now mandate notification, consultation, and mitigation of impacts. Following the CEQA guidelines to identify and evaluate cultural resources is part of the public engagement process. Early and respectful engagement is essential, and understanding the cultural knowledge is a good starting point in the environmental review process.

Contemporary preservation efforts are tribal monitoring of development projects, documentation of oral histories related to the canyon, educational programs about traditional ecological knowledge, collaboration with park services for site protection, regular ceremonial gatherings at preserved locations, and efforts to protect native plants used in traditional practices.

Preservation and acknowledgment of these resources require collaboration between governmental agencies, tribal representatives, and local organizations. Active involvement from Acjachemen descendants has ensured that their voices are included in land use decisions and environmental reviews. Public education programs, site monitoring, and community events help promote awareness of the canyon's indigenous heritage and support the ongoing stewardship of sacred landscapes.

To facilitate respectful consultation and to coordinate preservation initiatives, it is important to know the primary points of contact among the Acjachemen/Juaneño community. Here are the main points of contact for the active Acjachemen/Juaneño groups working in the Trabuco Canyon area:

Official Organizational Contacts:

- Juaneño Band of Mission Indians, Acjachemen Nation-Belardes
 - Chairwoman Teresa Romero
 - Cultural Resources Office: (949) 488-3484 Based in San Juan Capistrano
 - Email: acjachemenbelardes@gmail.com
- Blas Aguilar Adobe Museum and Acjachemen Cultural Center
 - Located at 31806 El Camino Real, San Juan Capistrano
 - Museum Office: (949) 751-7258
 - Educational Programs Coordinator
 - Cultural Programs Office



Agency Liaison Contacts:

- O'Neill Regional Park
 - Park Office: (949) 923-2260
 - Park Ranger
 - Park Ranger Station
- Cleveland National Forest
 - Heritage Resource Program: (858) 674-2901
 - Tribal Relations Program
 - Forest Supervisor's Office

For Cultural Resource Monitoring:

- Contact through the Native American Heritage Commission (NAHC)
- South Central Coastal Information Center (SCCIC)
- Orange County Planning Department

Note: For specific individual contact information and current tribal representatives, it's best to contact the organizations directly, as positions and contact information may change.

Preservation References

Federal Laws:

- National Historic Preservation Act (NHPA)
 - Section 106 requires federal agencies to consider effects on historic properties
 - Allows for listing significant sites on the National Register of Historic Places
 - Mandates consultation with Native American tribes
- Archaeological Resources Protection Act (ARPA)
 - Protects archaeological sites on federal lands
 - Requires permits for excavation
 - Provides criminal penalties for looting
- Native American Graves Protection and Repatriation Act (NAGPRA)
 - Protects Native American cultural items and human remains
 - Requires consultation for discoveries on federal/tribal lands
 - Establishes ownership and control procedures

California State Laws:

- California Environmental Quality Act (CEQA)
 - Requires assessment of impacts to cultural resources
 - Mandates mitigation measures for significant impacts
 - Includes Native American consultation requirements
- California Public Resources Code
 - Section 5097.9 (Native American historic sites)
 - Section 5097.993 (Penalties for vandalism)
 - Section 5097.98 (Treatment of Native American remains)



Local Protections:

- Orange County Historic Preservation
 - Local ordinances protecting historic sites
 - Cultural resource management requirements
 - Development review procedures

Prepared by:

Michelle L. Holiday, President

Michelle Holiday & Associates

Email: mholiday@michelleholiday.biz

Phone: 405-747-9769

Website: www.michelleholiday.biz

Financial Feasibility

Even when a property clears regulatory, environmental, and social hurdles, its ultimate viability depends on whether it makes financial sense. Financial feasibility is the lens through which development opportunities are tested against market realities, investment thresholds, and long-term sustainability. This filter goes beyond simply measuring costs and revenues - it evaluates risk, timing, capital requirements, and competitive positioning to determine whether a project can attract investors and deliver adequate returns. Without this analysis, a development that appears promising in theory may fail to perform in practice. For this reason, financial feasibility is a cornerstone of Broker Recommendations, ensuring that clients pursue strategies that balance ambition with economic prudence.

Below we've included a refined valuation model for the 113-acre conservation portion of the 120-acre Trabuco Canyon parcel. The model incorporates actual habitat data from biological assessments and recent mitigation credit sales data from the 2024 Mitigation Credit Price Report (MCPR).

Habitat Composition and Credit Yields

The following table summarizes the habitat types, estimated acreage, credit yield per acre, and market price ranges for mitigation credits:

HABITAT TYPE	ACREAGE	CREDIT YIELD	PRICE LOW	PRICE HIGH	TOTAL CREDITS	VALUE LOW	VALUE HIGH
Riparian	10.00	2.00	\$125,000.00	\$250,000.00	20.00	\$2,500,000.00	\$5,000,000.00
Oak Woodland	25.00	1.50	\$90,000.00	\$150,000.00	37.50	\$3,375,000.00	\$5,625,000.00
Coastal Sage Scrub	40.00	1.00	\$65,000.00	\$110,000.00	40.00	\$2,600,000.00	\$4,400,000.00
Grassland	38.00	0.50	\$40,000.00	\$75,000.00	19.00	\$760,000.00	\$1,425,000.00
TOTAL	113.00	4	\$320,000	\$585,000	116.50	\$9,235,000.00	\$16,450,000.00

Total credits are calculated by multiplying the acreage of each habitat type by its respective credit yield. The estimated value range is then derived by multiplying the total credits by the low and high market prices per credit.

Comparative Land Use Valuation Table

The following table compares the six development options we analyzed as potential land use strategies for the Trabuco Canyon parcels. The analysis evaluates the financial return of each strategy using valuation ranges, mathematical logic, and real-world assumptions. The goal is to determine the most economically appealing option for the Trabuco Canyon Water District.

DEVELOPMENT TYPES	LOGIC & ASSUMPTIONS	ESTIMATED VALUE	BROKER NOTES
<p>Conservation Land Sale</p>	<p>Valuation is based on habitat-specific mitigation credit yields and market prices from the 2024 Mitigation Credit Price Report (MCPR)</p> <p>For example, 40 acres of Coastal Sage Scrub habitat at 1 credit/acre and \$65k-\$110k per credit yields \$2.6M-\$4.4M</p>	<p>Total estimated value across all habitat types (riparian, oak woodland, CSS, grassland) is \$9.2M-\$16.45M</p> <p>Potential purchase price at \$50,000/acre or \$75,000/acre = \$6-9M</p>	<p>As referenced throughout the report, conservation land sale (113 acres) is considered one of the best and highest use cases for the Trabuco Canyon parcels because of the biological qualities of the land, the amount of land in Orange County, and the financial feasibility which supports our Broker Recommendation</p>
<p>CAL FIRE Land Lease</p>	<p>Public agency leases: \$2,000-\$4,000/acre/month</p>	<p>Low-end estimated annual income = \$168,000</p> <p>High-end estimated annual income = \$336,000</p>	<p>As referenced throughout the report, CAL FIRE Land Lease (5-7 acres) is considered one of the best and highest use cases for the Trabuco Canyon parcels because of historical fire locations, the strategic position for fighting wildfires in Orange County and the financial feasibility which supports our Broker Recommendation</p>

<p>Residential Development</p>	<p>Residual Land Value (RLV) model used. Assumes \$4M home sale price, variable development cost per lot per scenario, and 20% profit margin</p>	<p>Max land purchase price would reasonably range from \$6.4M to \$7.2M</p> <p>Developers may only pay \$1M-\$2M for this property because of risk</p>	<p>Residential developers will not pay top price for this land because it only has one access point and there are major entitlement challenges which means this property will likely sit on the market or developers will offer much less to offset the risks</p>
<p>Equestrian Development Land Lease</p>	<p>Suggested lease terms for a 7-acre parcel in Trabuco Canyon:</p> <ul style="list-style-type: none"> - Triple Net Lease - \$800/acre/month = \$5,600/month - 10-20 year lease with 5-year renewal options - 3-6 month rent abatement during construction - Optional revenue sharing: 5-10% of gross revenue over \$25,000/month 	<p>Annual Revenue Projection = \$253,728 - \$338,304</p>	<p>The FTSP may not allow a commercial equestrian facility</p>
<p>Battery Energy Storage System (BESS) Lease or Sale</p>	<p>Assumes 5-7 acres leased for 20 years at \$24k-\$48k per acre per year</p>	<p>Total estimated yield is \$2.4M-\$6.72M. Alternatively, a one-time land sale could yield \$1.5M-\$4.2M depending on proximity to infrastructure and entitlement status</p>	<p>Not considered a feasible option because of the distance from the substation and the cost of system upgrades</p>
<p>Cemetery Development</p>	<p>N/A</p>	<p>N/A</p>	<p>Not considered a feasible option because of environmental sensitivities, regulatory constraints, infrastructure limitations, and potential incompatibility with adjacent high-end residential use</p>

Financial Feasibility Summary

Taken together, the financial modeling underscores that while multiple land use pathways are theoretically possible for the Trabuco Canyon parcels, only **Conservation Land Sale** and the **CAL FIRE Land Lease** demonstrate both market-supported value and long-term economic stability. The conservation sale leverages the site's ecological assets into a high-value mitigation credit opportunity, offering the District a clear path to significant near-term revenue. In parallel, a CAL FIRE land lease delivers steady, reliable annual income with strong alignment to public safety priorities, making it a low risk complement to the conservation strategy. By combining these two uses, the District maximizes financial return while minimizing speculative risk - representing the best and highest use of the property and ensuring that our Broker Recommendations are grounded in both prudent economics and sustainable stewardship.

Next Steps & Future Partnership Opportunities

As the Trabuco Canyon Water District considers its path forward, Stadia Realty is prepared to serve as a full-service partner in executing whichever strategy you determine best aligns with your long-term goals. With a proven track record in complex land transactions and conservation-based deals, Stadia brings both the brokerage expertise and the stakeholder facilitation skills needed to help the District achieve outcomes that are financially sound, politically viable, and community-supported.

Should the District elect to pursue a **Conservation Land Sale**, Stadia is ready to broker the transaction, including the specialized process of marketing to and negotiating with qualified conservation banks. This next phase would require a new brokerage agreement tailored to land sale terms, and we encourage you to review the proposal from **Wildlands** included in the Appendix for a direct example of buyer interest.

If the District considers a dual-use option and prioritizes a **CAL FIRE Land Lease**, Stadia is equally prepared to support by structuring and brokering a land lease agreement that maximizes long-term financial benefit while aligning with CAL FIRE's operational needs. Like a sale, this option would also require a new brokerage agreement to move forward.

Beyond transactional support, Stadia can provide critical value in stakeholder management throughout any selected pathway. Our team includes master-trained facilitators experienced in guiding negotiations with counties, cities, agencies, Tribal Nations, and community stakeholders. By managing these conversations effectively, we help ensure that outcomes are not only financially viable but also politically and socially durable.

Potential Timeline for Consideration

Immediate (0–60 Days)

- TCWD officials review the Stadia Final Report, including Broker Recommendations, best & highest use cases, financial feasibility analysis and comparative land use valuations.
- Stadia Principals meet with TCWD officials to answer questions.
- TCWD to determine priority pathway: Conservation Land Sale, CAL FIRE Land Lease, or dual use.
- Review Wildlands proposal in Appendix for conservation sale interest.

Short-Term (60–120 Days)

- Execute a new brokerage agreement with Stadia Realty tailored to the chosen pathway.
- Initiate preliminary discussions with target counterparties (Wildlands and/or CAL FIRE).
- Begin stakeholder engagement planning to align agencies, Tribal Nations, and community partners.

Long-Term (120+ Days)

- Formalize transaction negotiations (sale or lease terms).
- Facilitate stakeholder meetings to resolve outstanding political, cultural, or community considerations.
- Finalize and execute agreements to secure long-term financial, environmental, and community benefit.

Brokering land, building relationships.

We look forward to supporting your project.



714-469-9348
www.stadiarealty.com

Appendix - Table of Contents



Stadia GIS Maps (pages 47-79)



Sanborn Map Report (page 81)



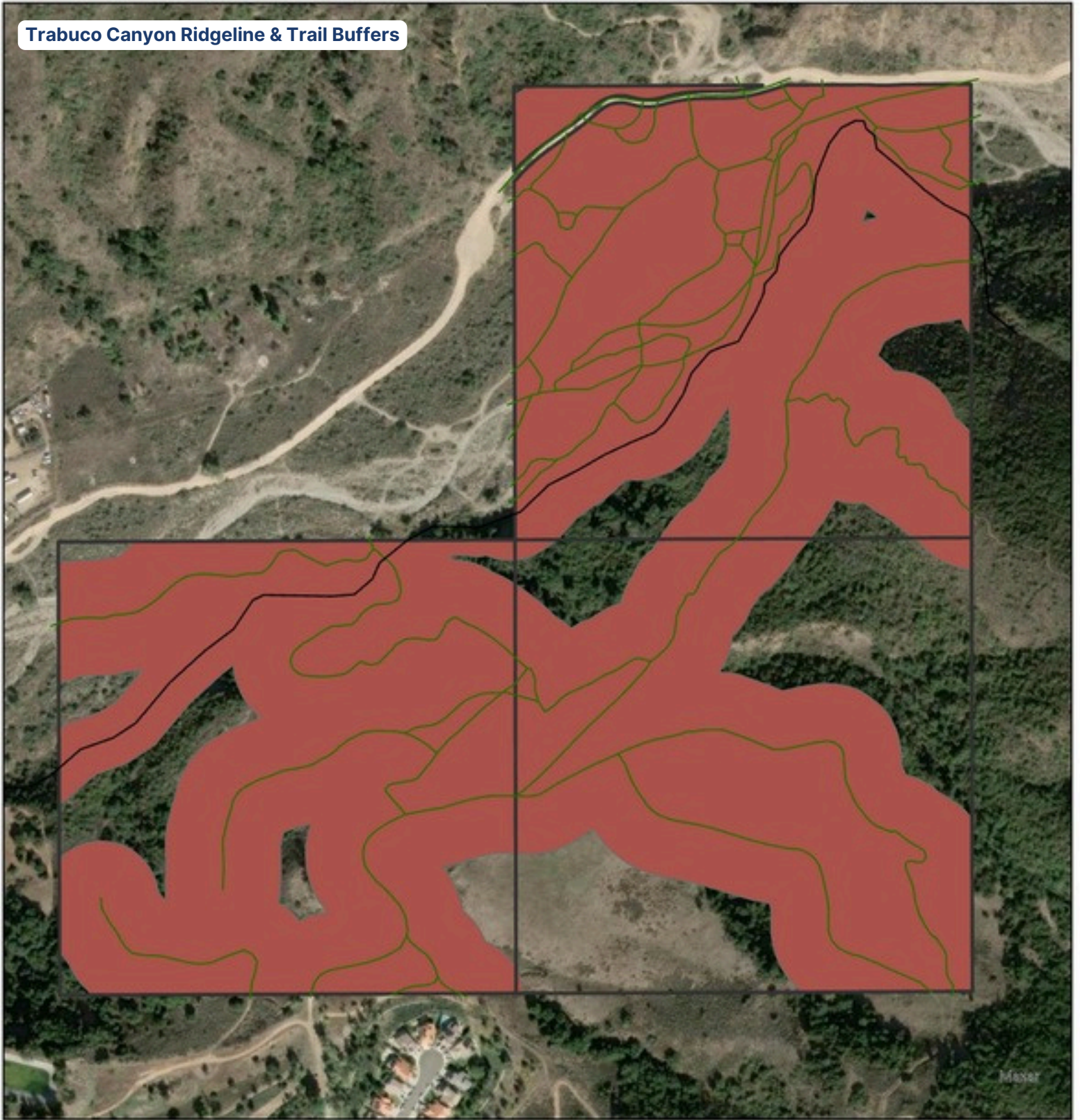
Wildlands Conservation Proposal (pages 83-84)



Wildlands - About Us (pages 85-86)

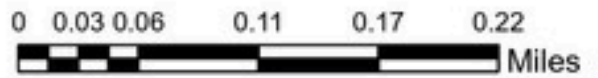
Stadia GIS Maps

Trabuco Canyon Ridgeline & Trail Buffers



Legend

- Buffers
- Trails
- Impacted Parcels
- Ridgeline

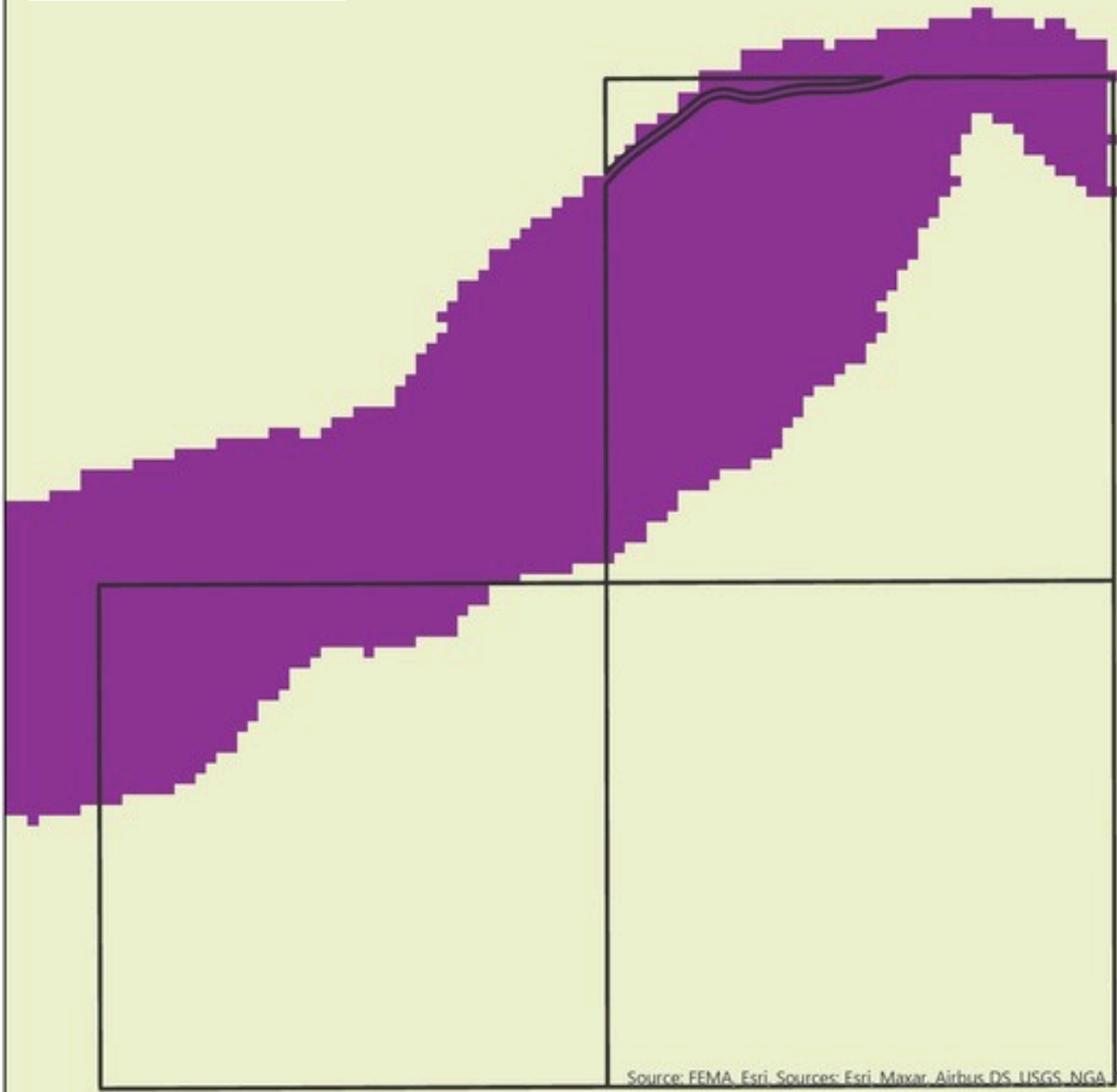


*Features depicted herein are planning level accuracy, and intended for informational purposes only. Distances and locations may be distorted at this scale. Always consult with the proper legal documents or agencies regarding such features.

APN: 842-061-05, 842-061-06, 842-061-07		OWNER: N/A
SITE ADDRESS: N/A		
CITY: Trabuco Canyon	ACRES: 119	
STATE: CA	COUNTY: Orange	
ZIP: 92679	DATE: 8/13/25	



Trabuco Canyon Flood Zones



Source: FEMA, Esri, Sources: Esri, Maxar, Airbus DS, USGS, NGA, NASA, CGIAR, N Robinson, NCEAS, NLS, OS, NMA, Geodatastyrelsen, Rijkswaterstaat, GSA, Geoland, FEMA, Intermap, and the GIS user community, Esri Community Maps Contributors, County of Riverside, California State Parks, © OpenStreetMap, Microsoft, Esri, TomTom, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, Bureau of Land Management, EPA, NPS, US Census Bureau, USDA, USFWS

Legend

- | | | |
|-------------------------------|-------------------------------------|-----------------------------------|
| USA Flood Hazard Areas | Regulatory Floodway | Area of Undetermined Flood Hazard |
| ClassName | Area with Reduced Risk Due to Levee | Area of Minimal Flood Hazard |
| 1% Annual Chance Flood Hazard | Special Floodway | 0.2% Annual Chance Flood Hazard |
| | Not Mapped | Future Conditions 1% |

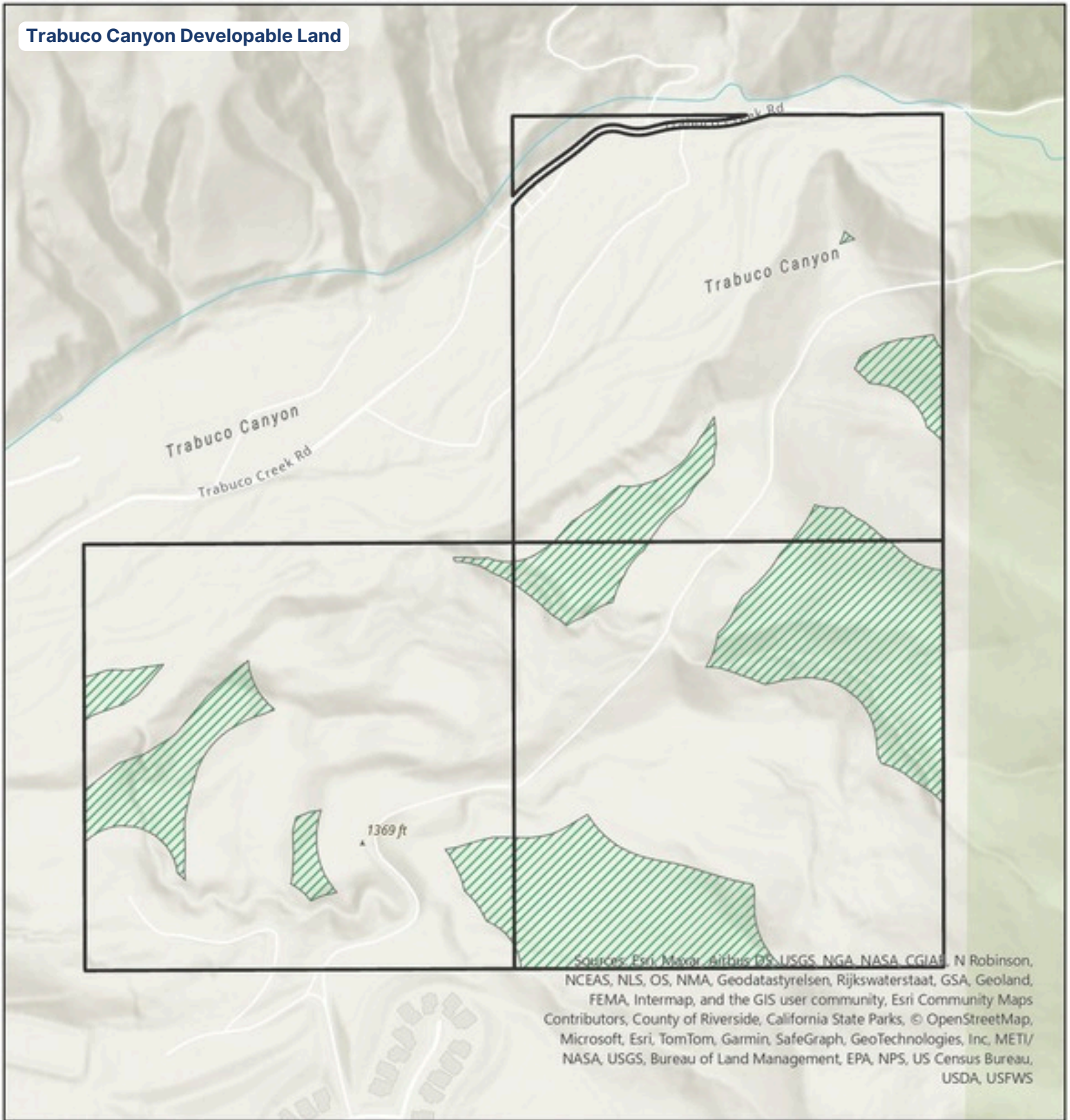


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APN: 842-061-05, 842-061-06, 842-061-07		OWNER: N/A
SITE ADDRESS: N/A		
CITY: Trabuco Canyon	ACRES: 119	
STATE: CA	COUNTY: Orange	
ZIP: 92679	DATE: 8/14/25	



Trabuco Canyon Developable Land



Legend

- Impacted Parcels
- Developable Land
- Developable Land
- Impacted Parcels

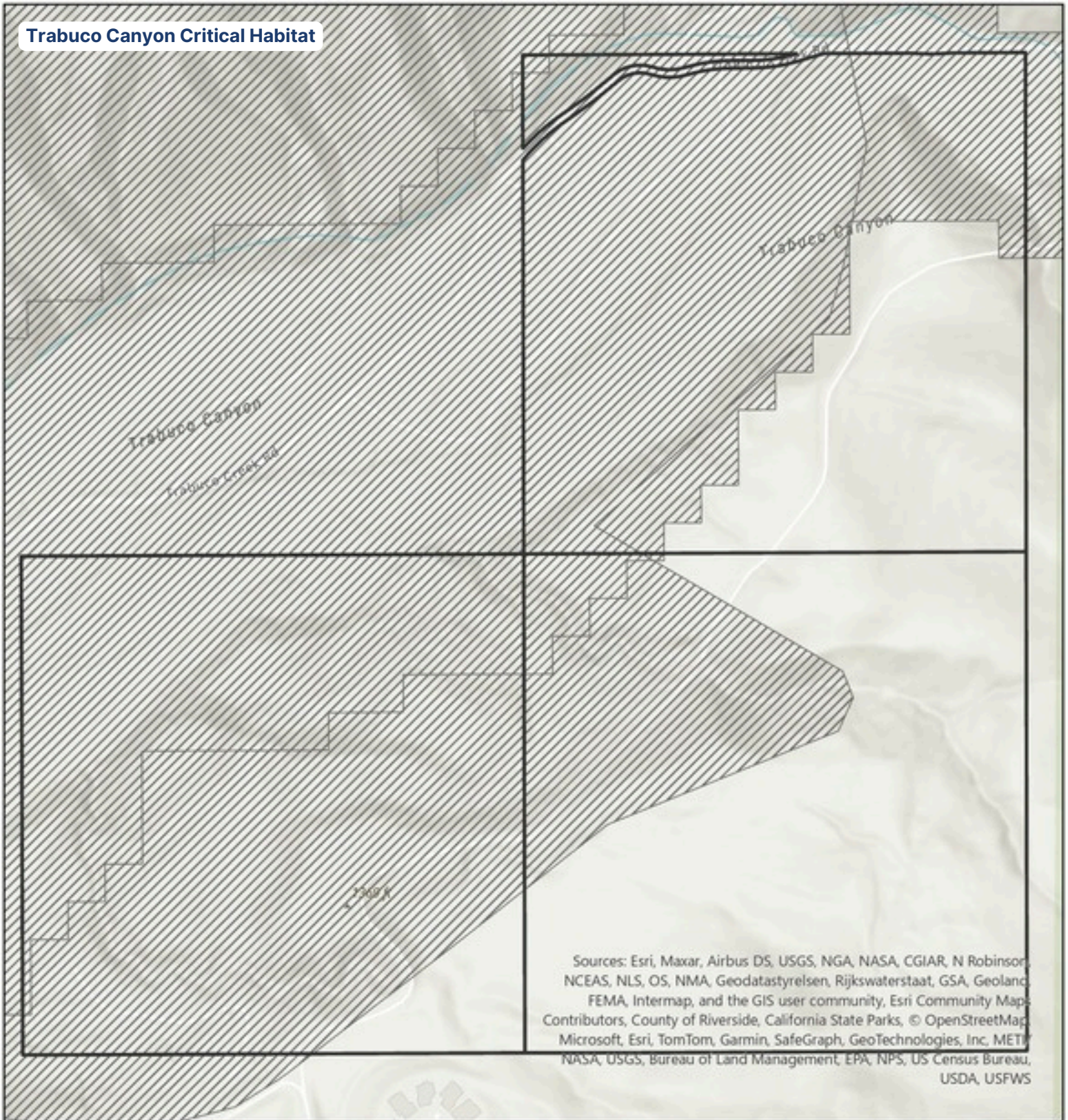


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
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SITE ADDRESS: N/A		
CITY: Trabuco Canyon	ACRES: 23	
STATE: CA	COUNTY: Orange	
ZIP: 92679	DATE: 8/14/25	



Trabuco Canyon Critical Habitat



Legend

-  Impacted Parcels
-  Critical Habitat



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APN: 842-061-05, 842-061-06, 842-061-07		OWNER: N/A
SITE ADDRESS: N/A		
CITY: Trabuco Canyon	ACRES: 119	
STATE: CA	COUNTY: Orange	
ZIP: 92679	DATE: 8/14/25	



Trabuco Canyon Aerial (1946)



INQUIRY #: 8066120.4

YEAR: 1946

— = 500'



Trabuco Canyon Aerial (1967)



INQUIRY #: 8066120.4

YEAR: 1967

— = 500'



Trabuco Canyon Aerial (1953)



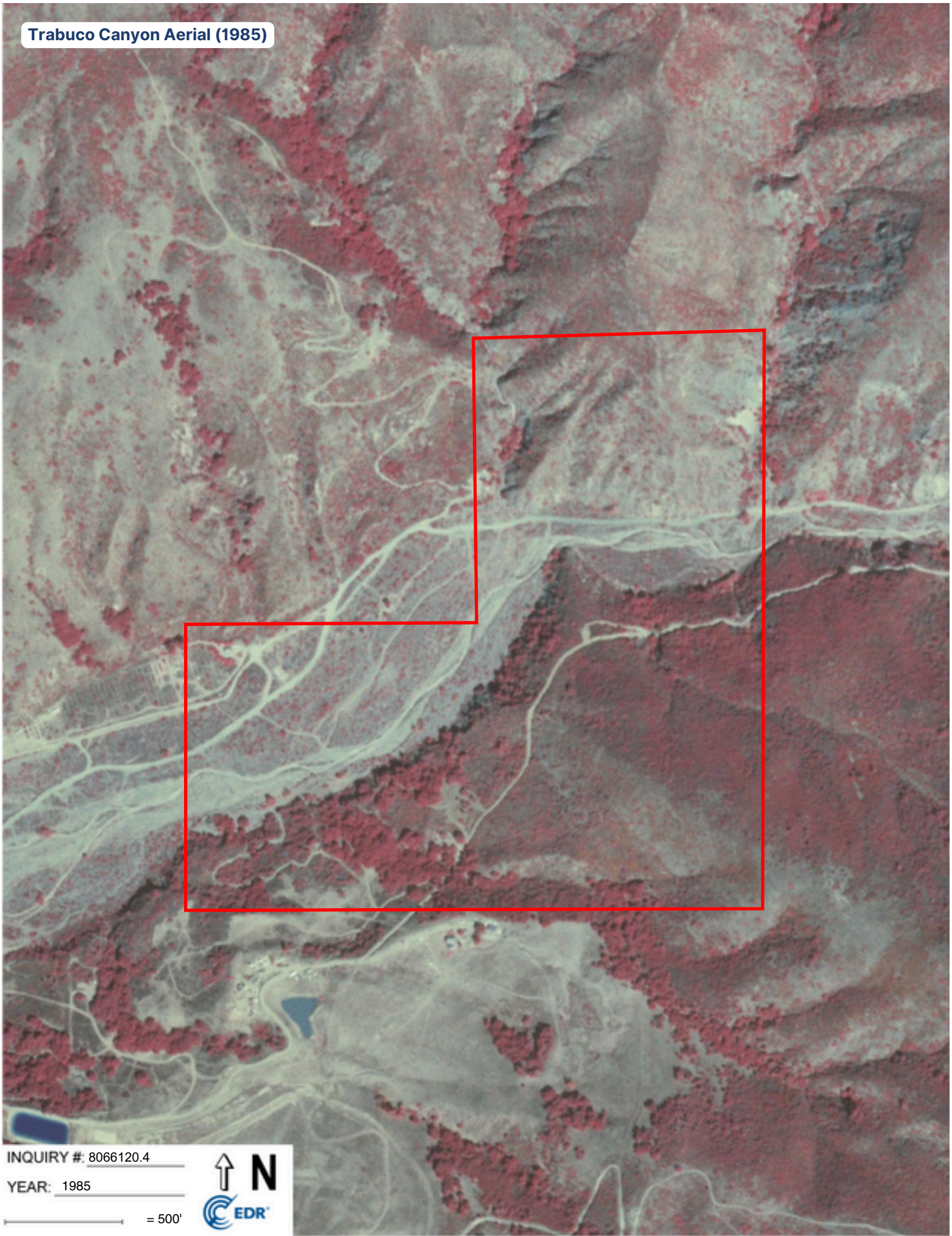
INQUIRY #: 8066120.4

YEAR: 1953

_____ = 500'



Trabuco Canyon Aerial (1985)



INQUIRY #: 8066120.4

YEAR: 1985

— = 500'



Trabuco Canyon Aerial (1974)



INQUIRY #: 8066120.4

YEAR: 1974

— = 500'



Trabuco Canyon Aerial (1989)



INQUIRY #: 8066120.4

YEAR: 1989

— = 500'



Trabuco Canyon Aerial (1990)



INQUIRY #: 8066120.4

YEAR: 1990

— = 500'



EDR

Trabuco Canyon Aerial (1995)



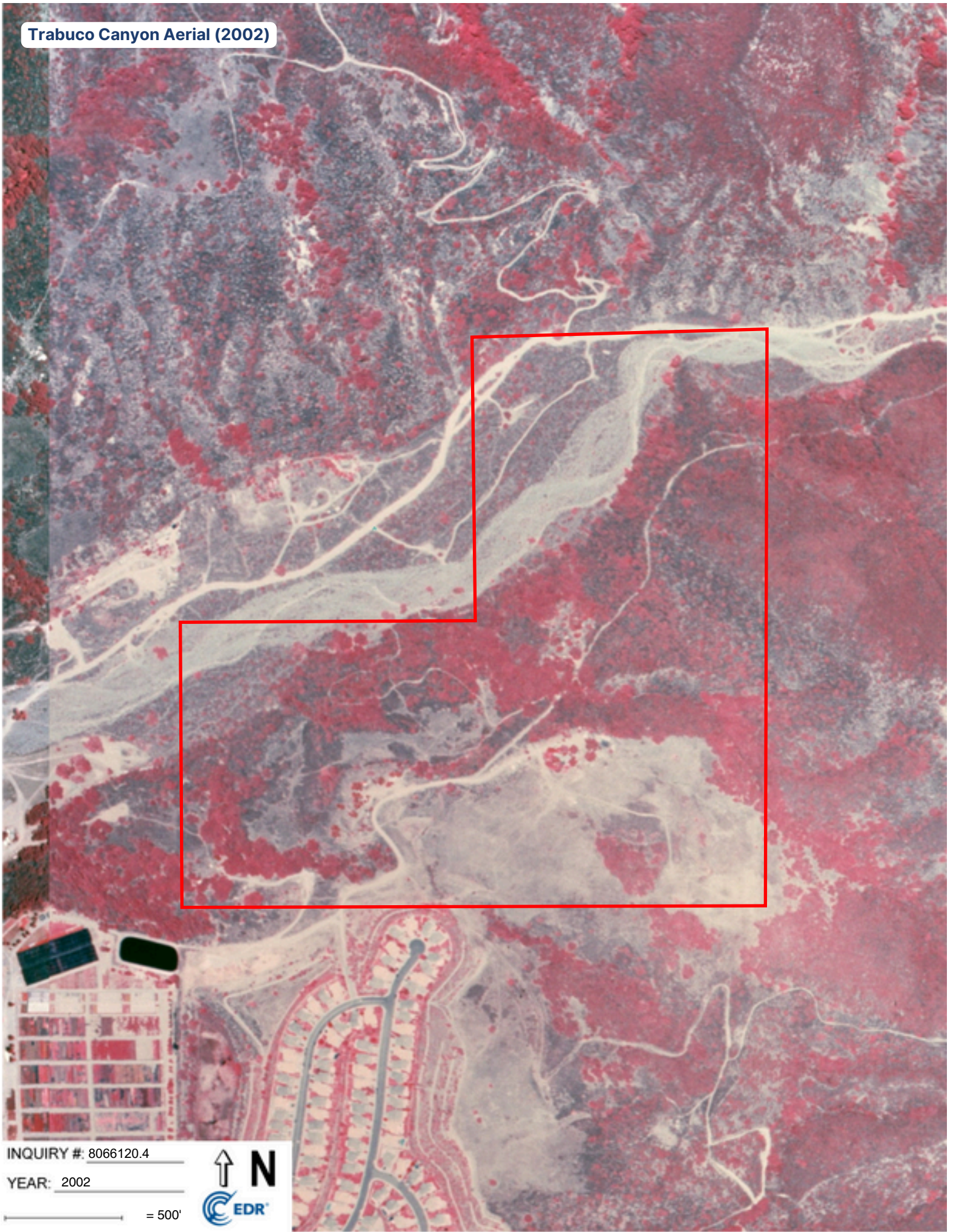
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YEAR: 1995

— = 500'



Trabuco Canyon Aerial (2002)



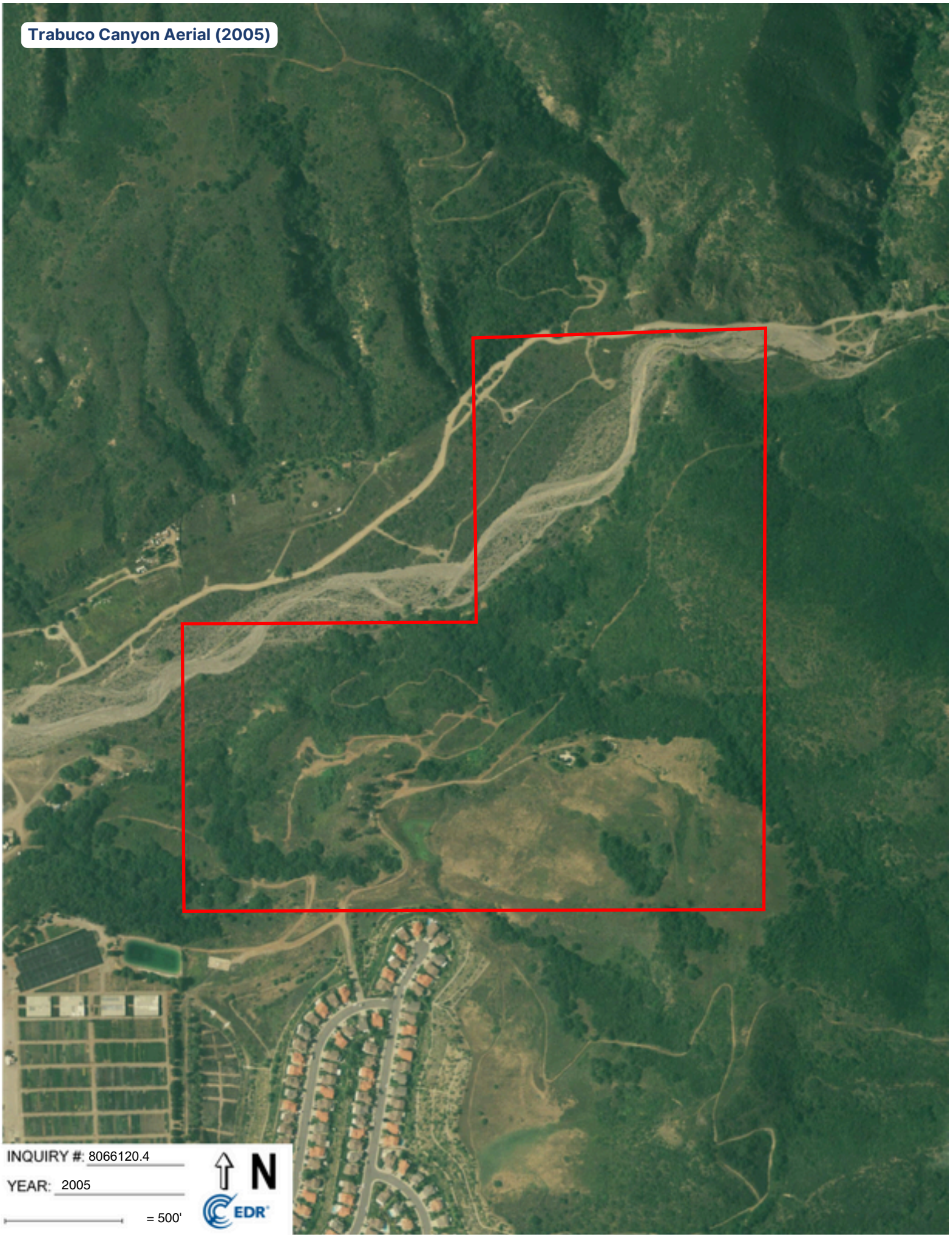
INQUIRY #: 8066120.4

YEAR: 2002

— = 500'



Trabuco Canyon Aerial (2005)



INQUIRY #: 8066120.4

YEAR: 2005

— = 500'



Trabuco Canyon Aerial (2010)

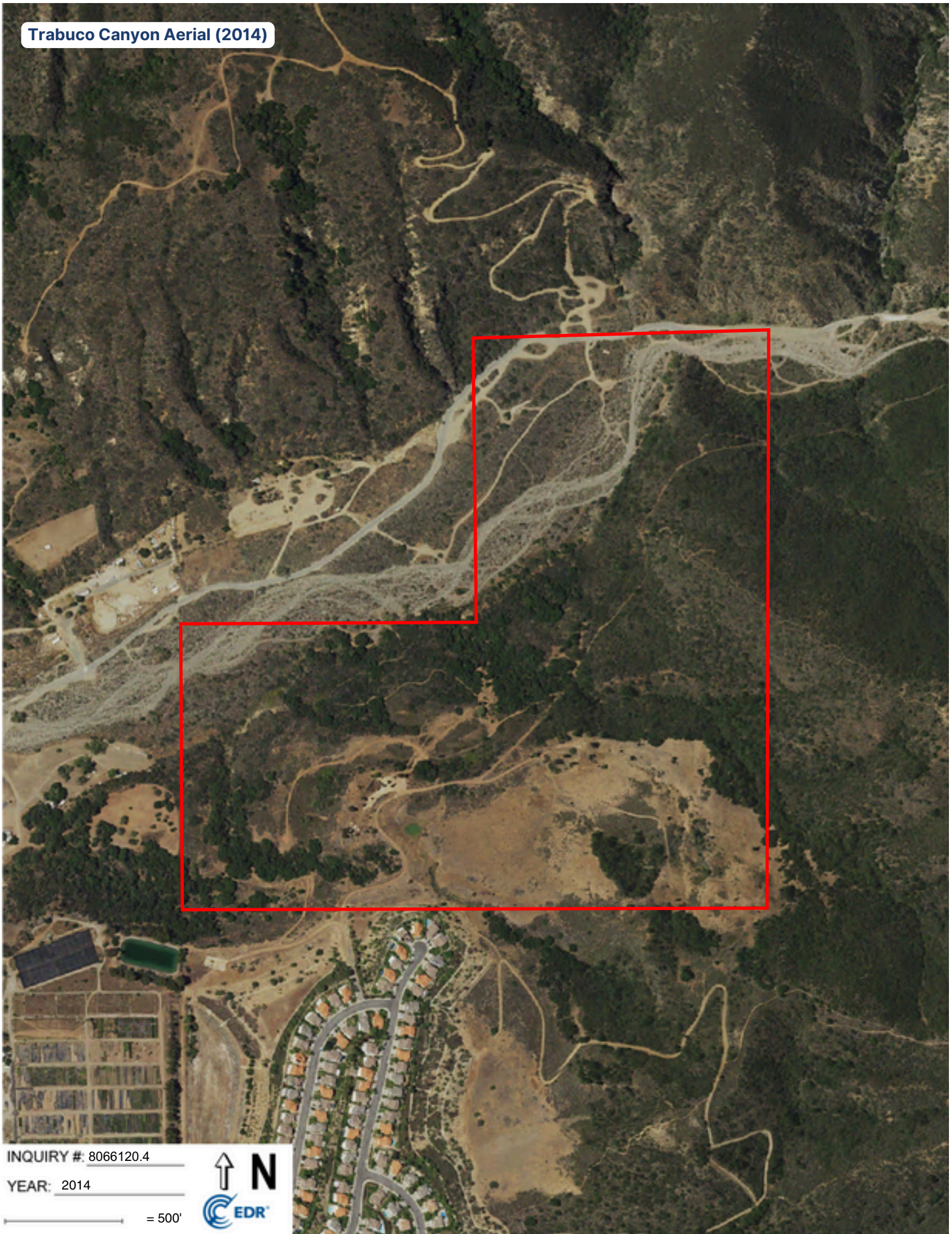


INQUIRY #: 8066120.4
YEAR: 2010



— = 500'

Trabuco Canyon Aerial (2014)

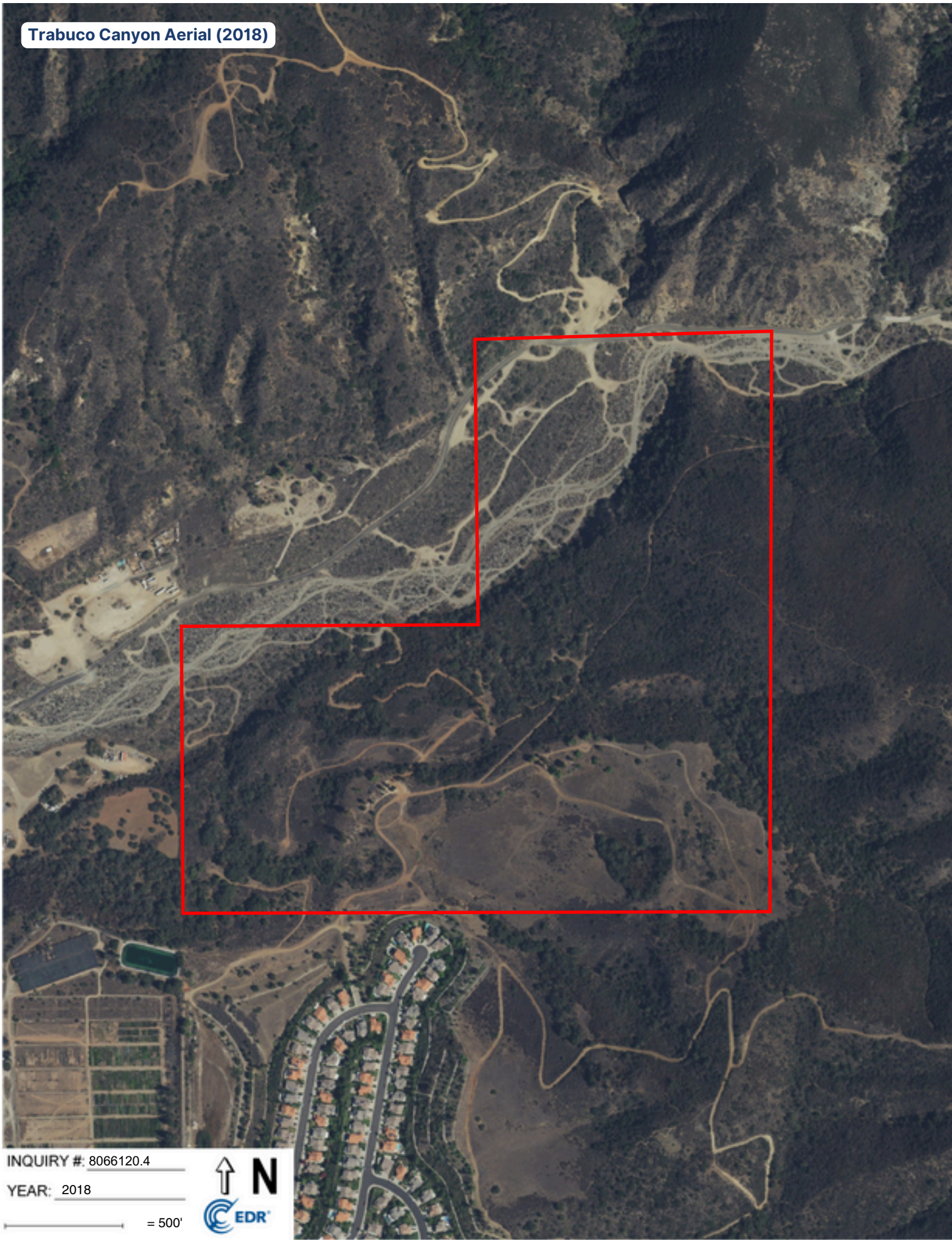


INQUIRY #: 8066120.4

YEAR: 2014

— = 500'





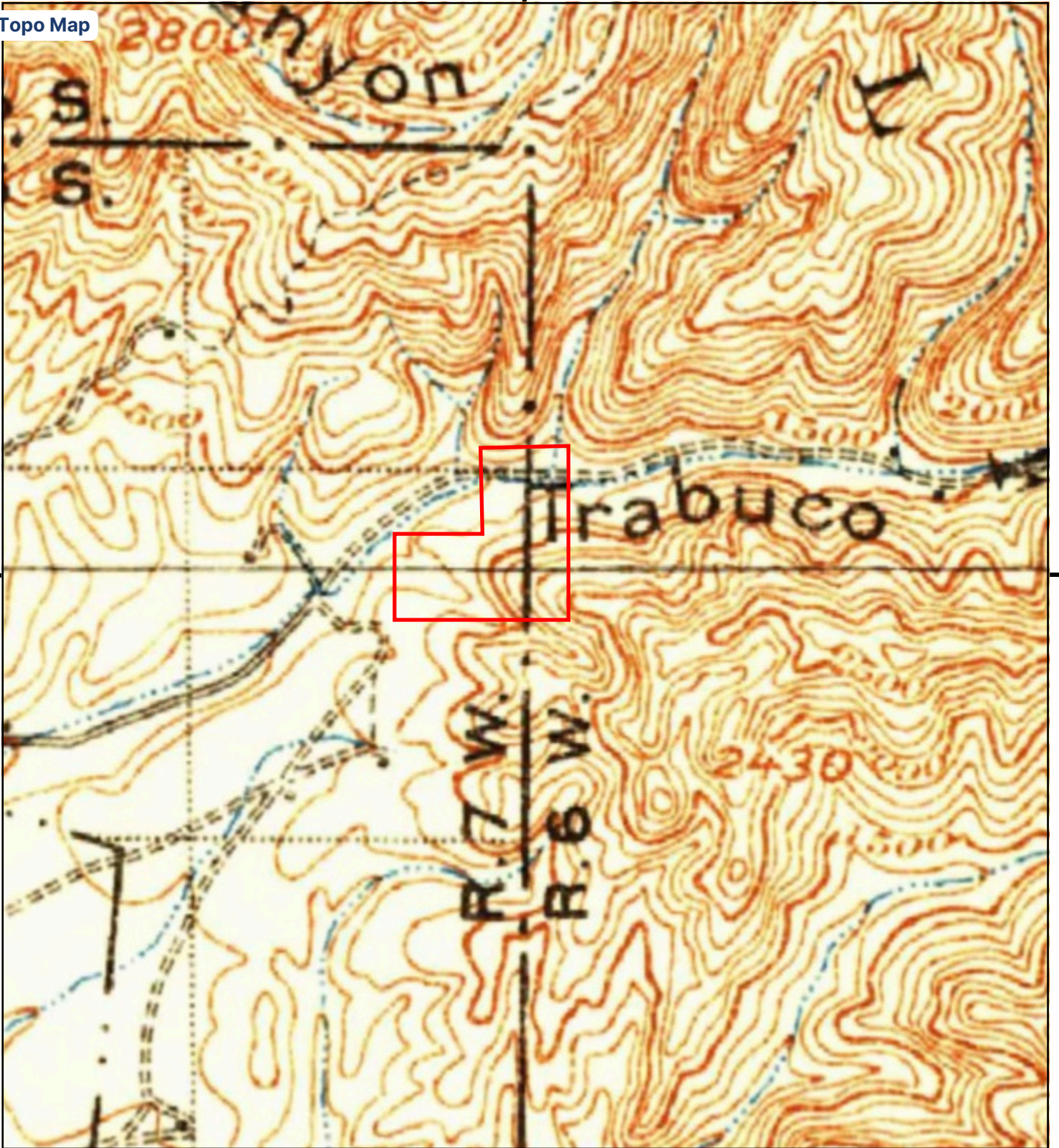
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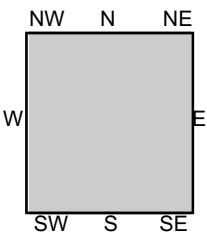
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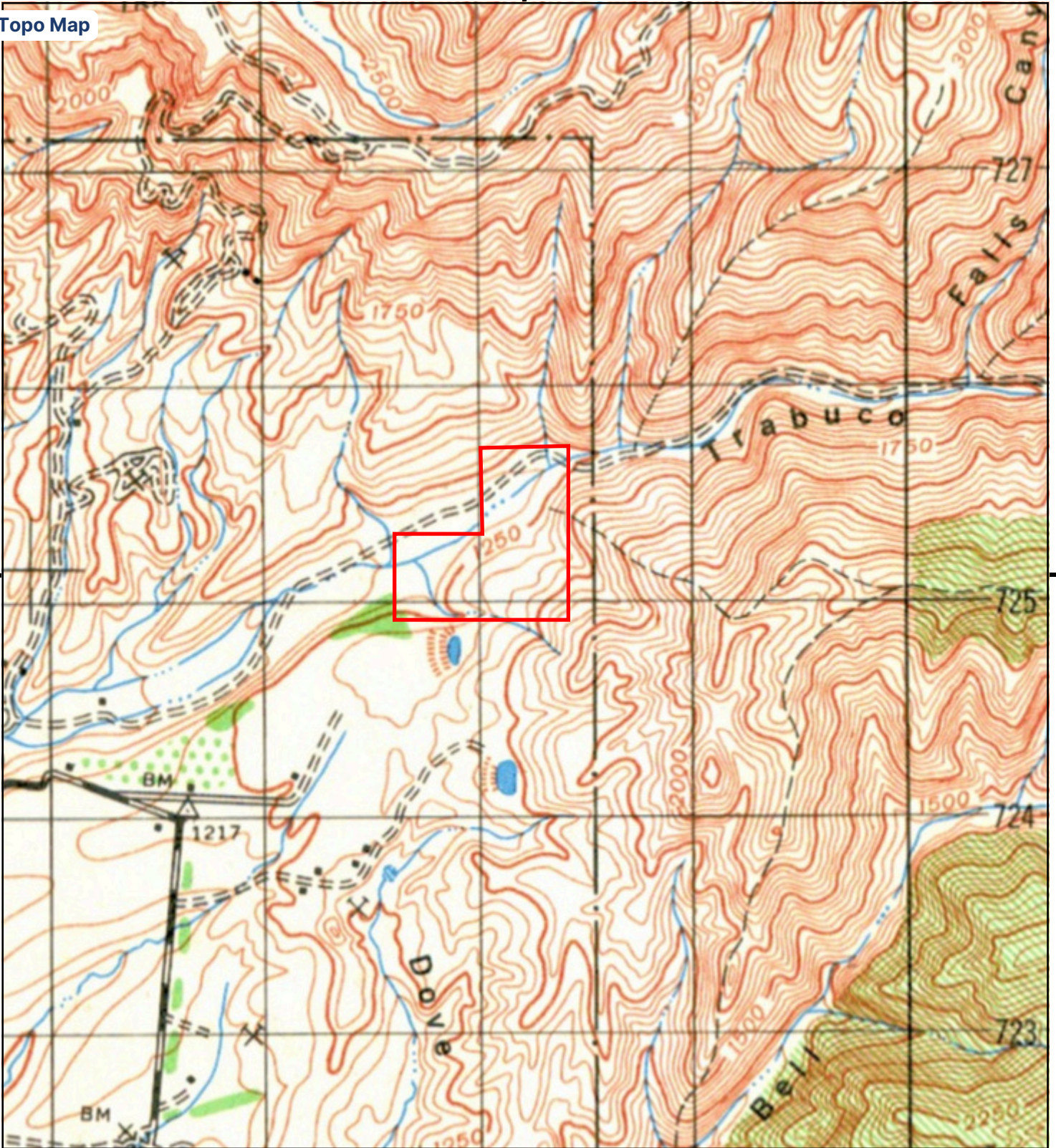


TP, Corona, 1902, 30-minute

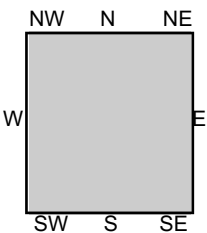
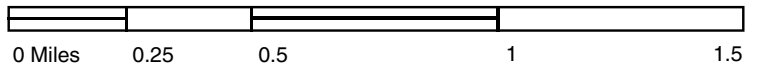
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 ADDRESS: Not Reported
 TRABUCO CANYON, CA 92679
 CLIENT: Stadia Realty Inc.



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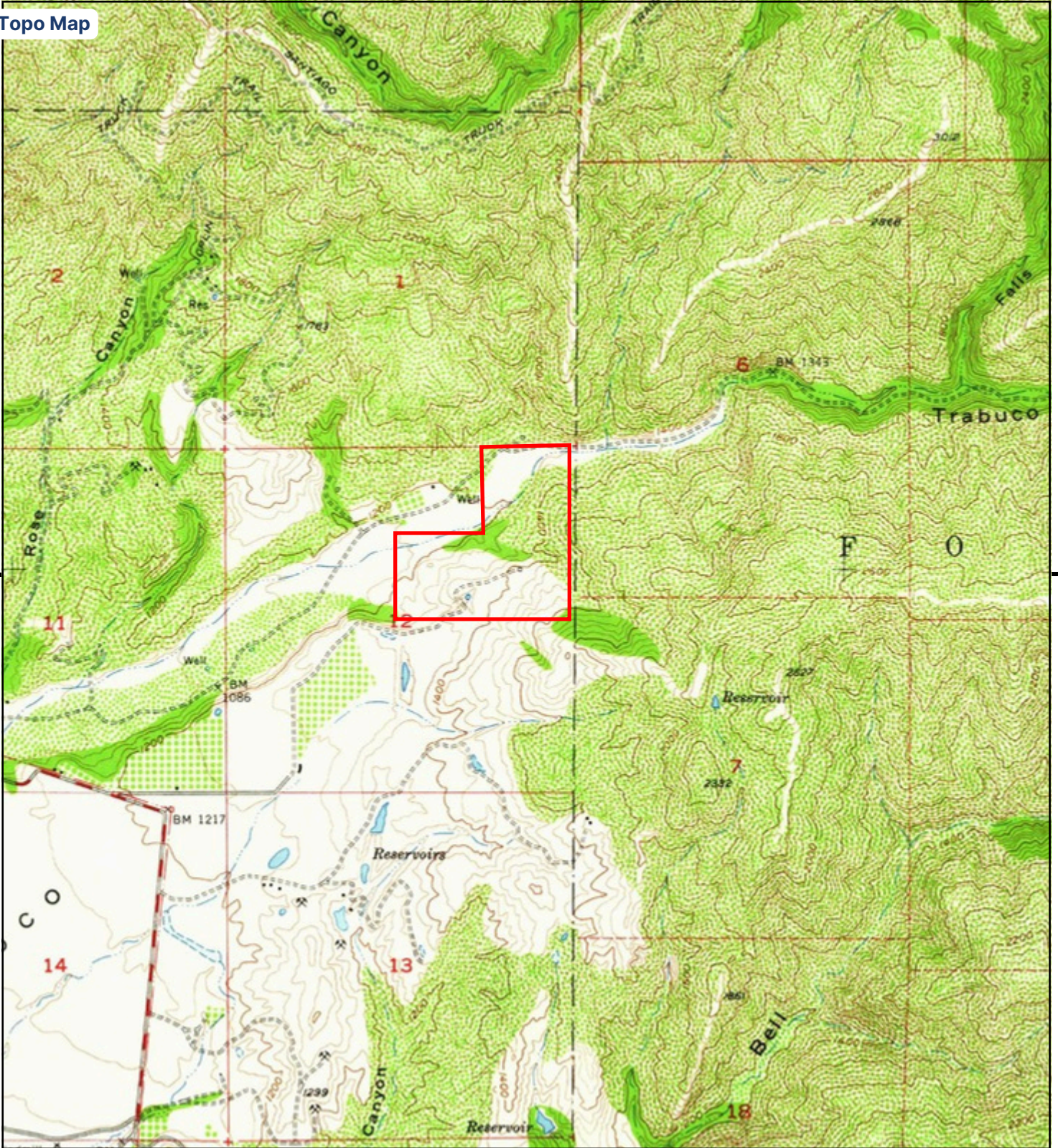


TP, SANTIAGO PEAK, 1942, 15-minute

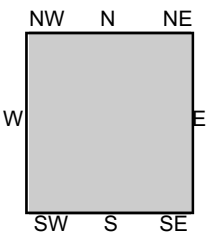
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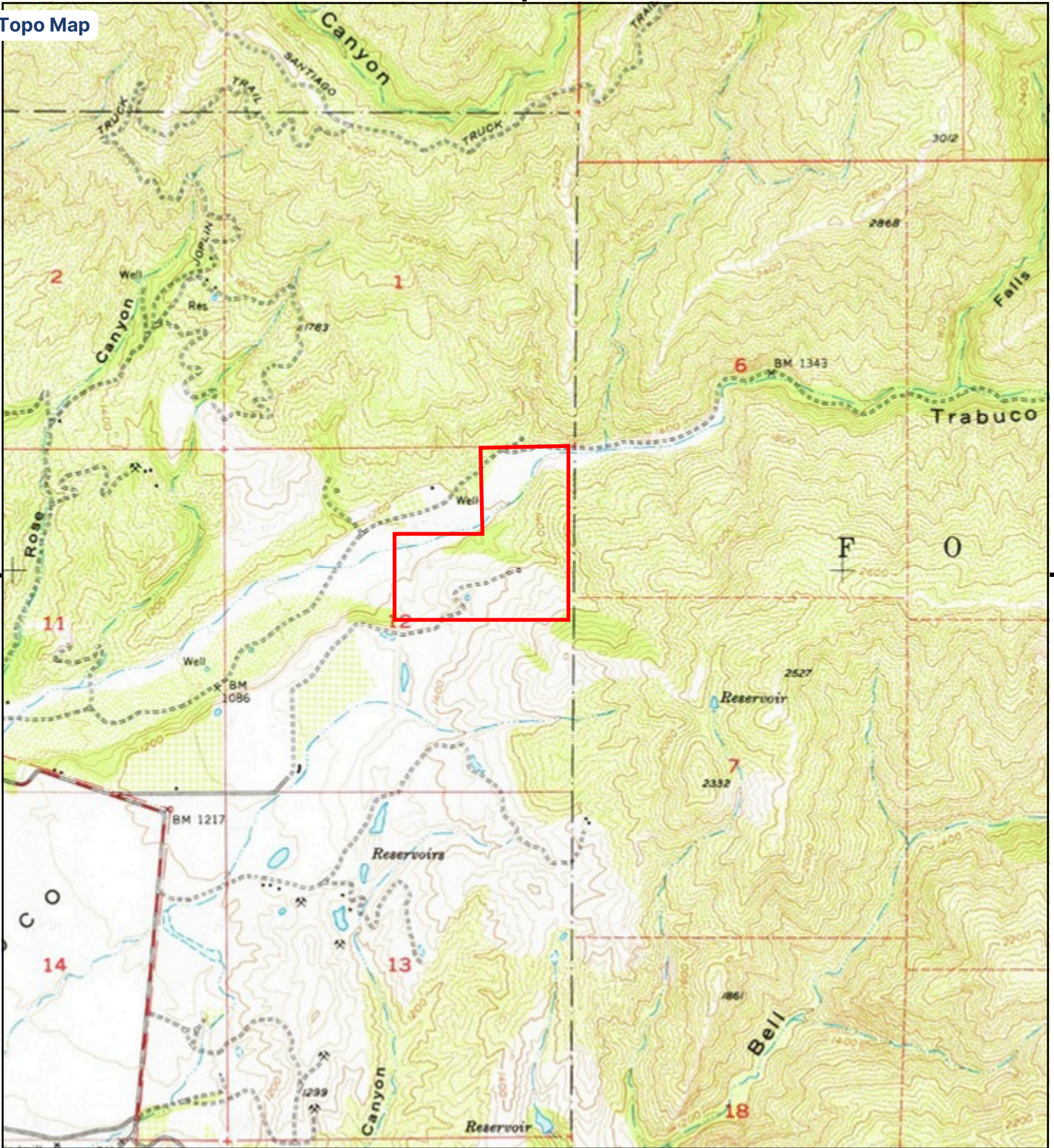


TP, Santiago Peak, 1954, 7.5-minute

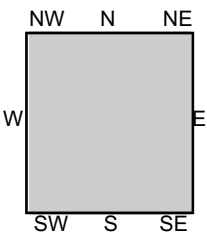
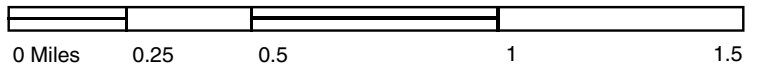
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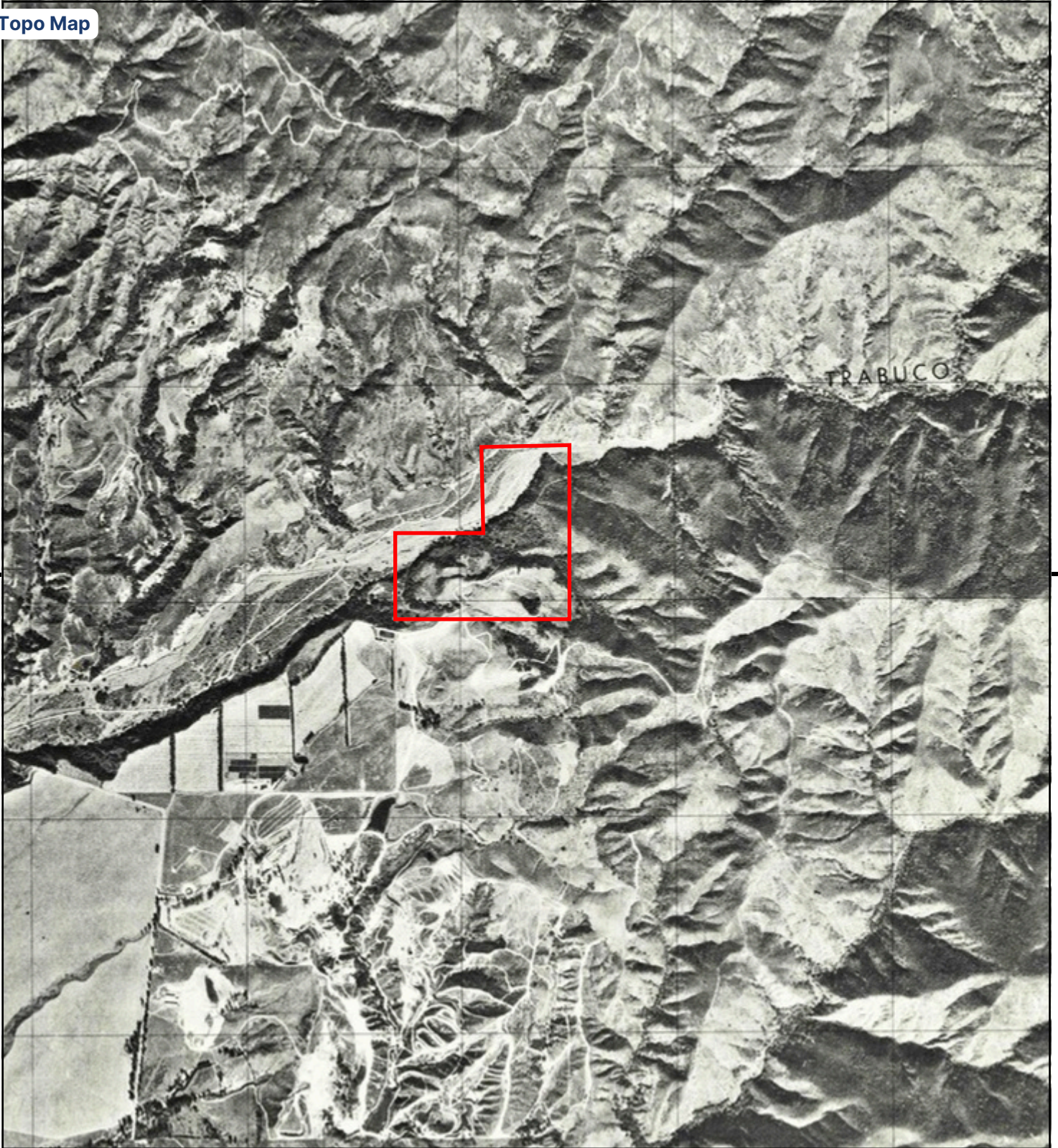


TP, Santiago Peak, 1973, 7.5-minute

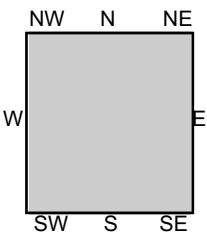
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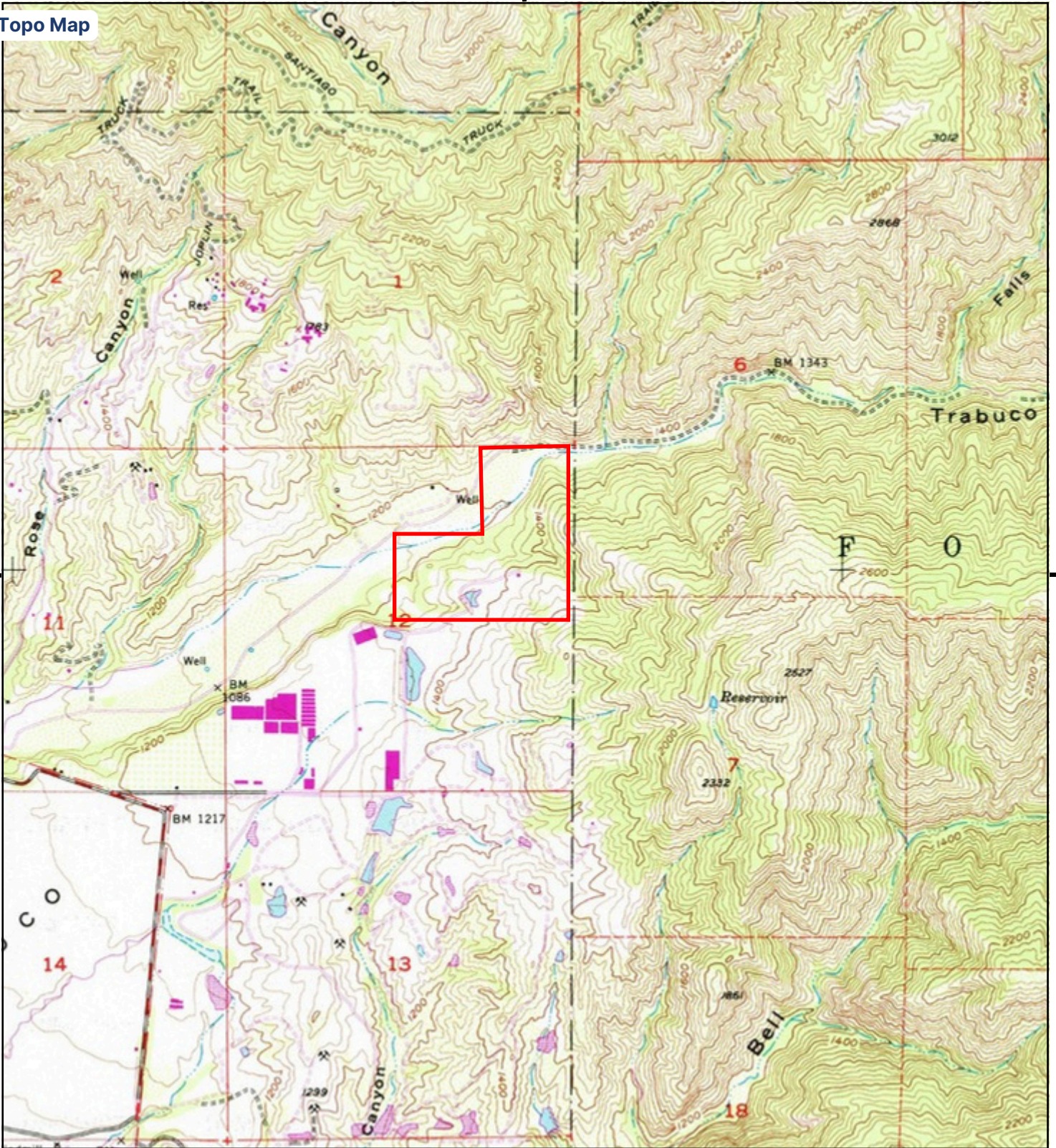


TP, Santiago Peak, 1974, 7.5-minute

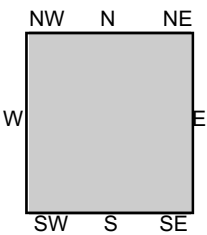
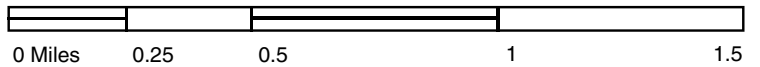
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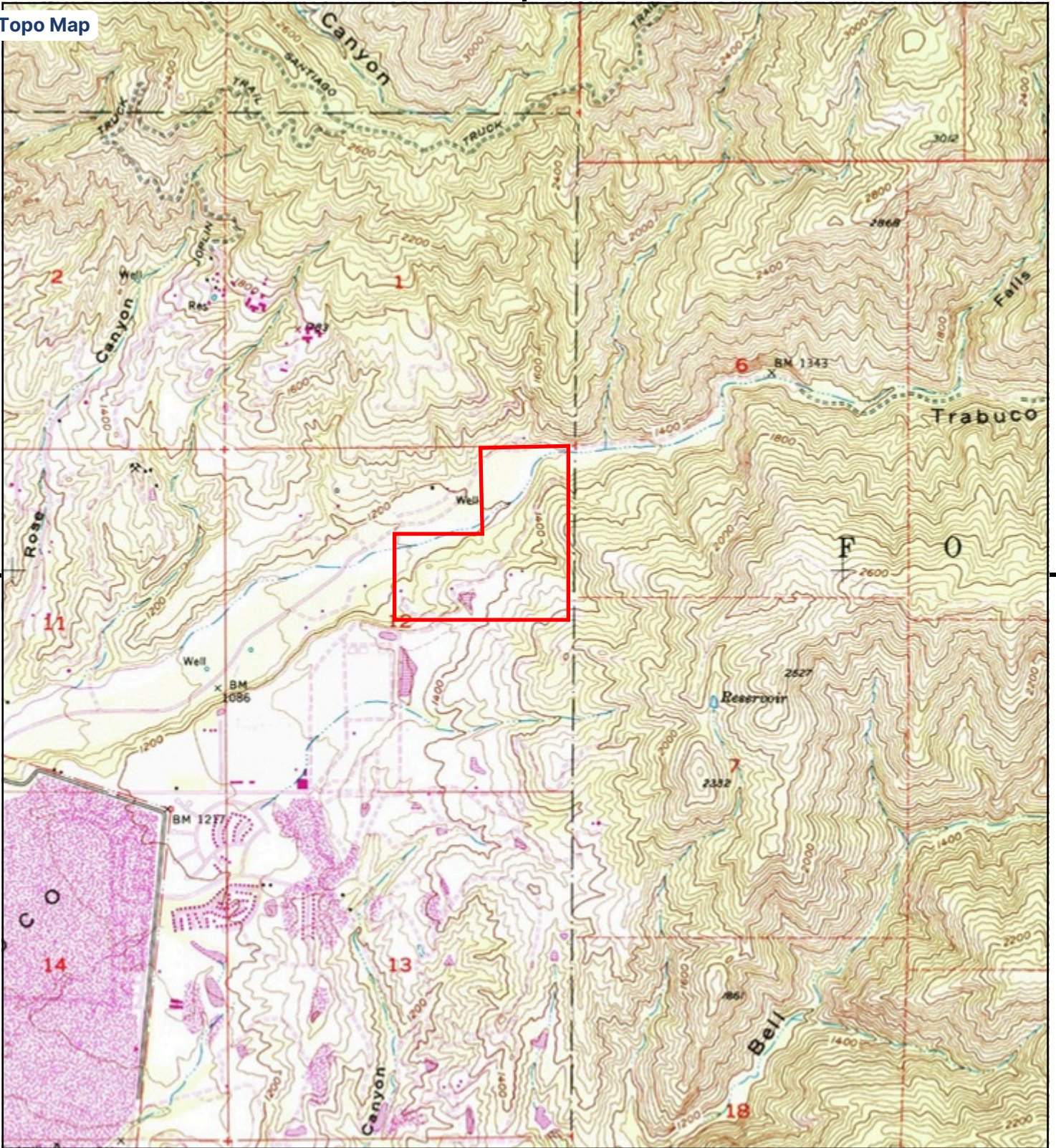


TP, Santiago Peak, 1982, 7.5-minute

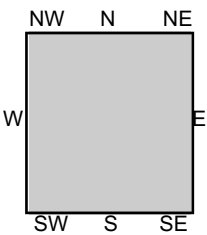
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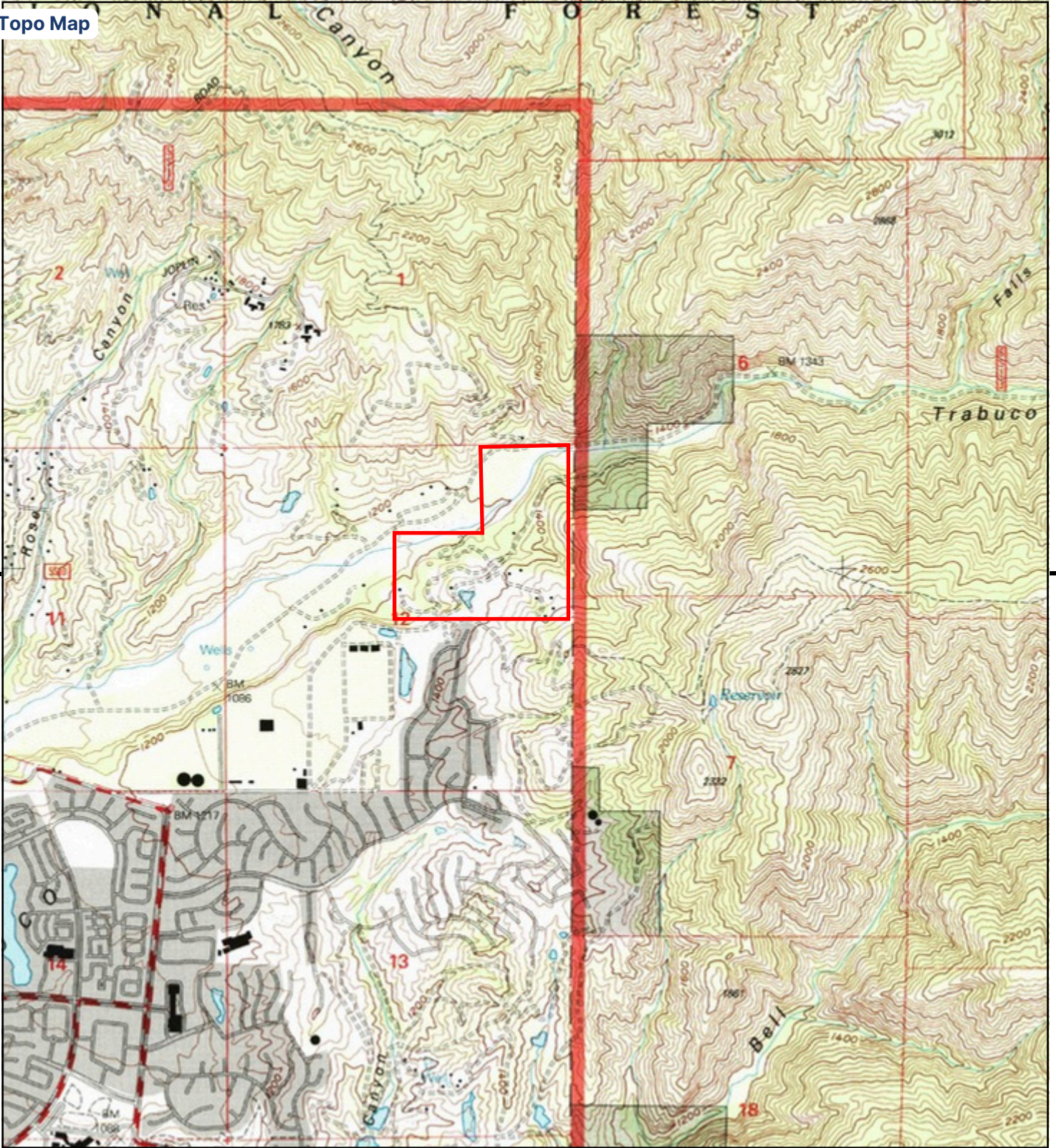


TP, Santiago Peak, 1988, 7.5-minute

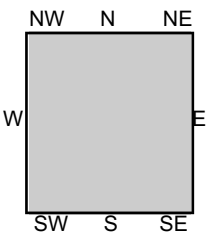
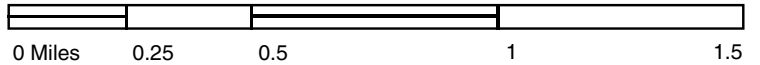
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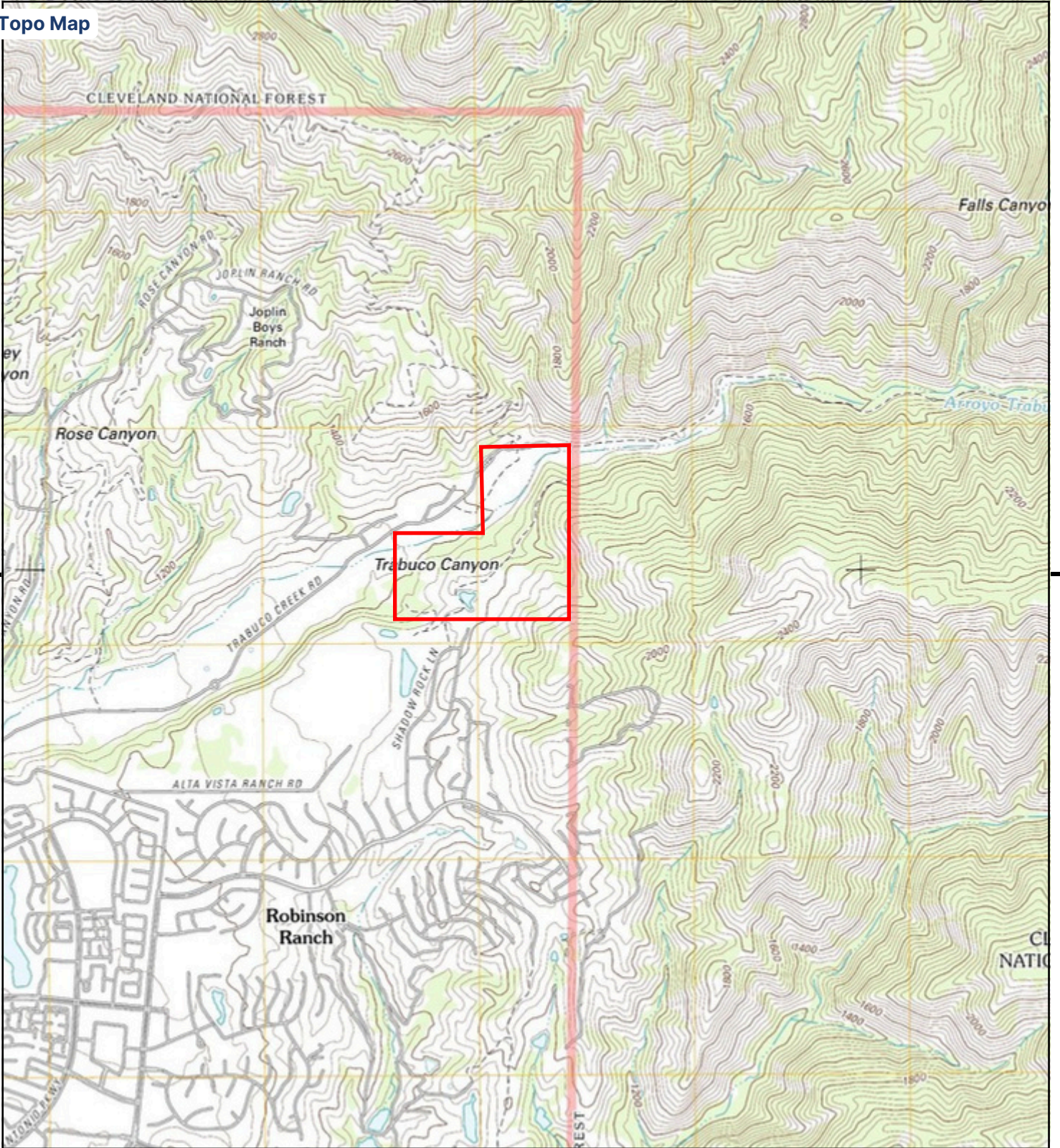


TP, Santiago Peak, 1997, 7.5-minute

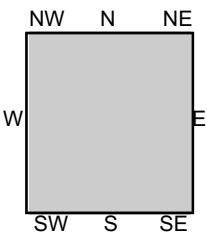
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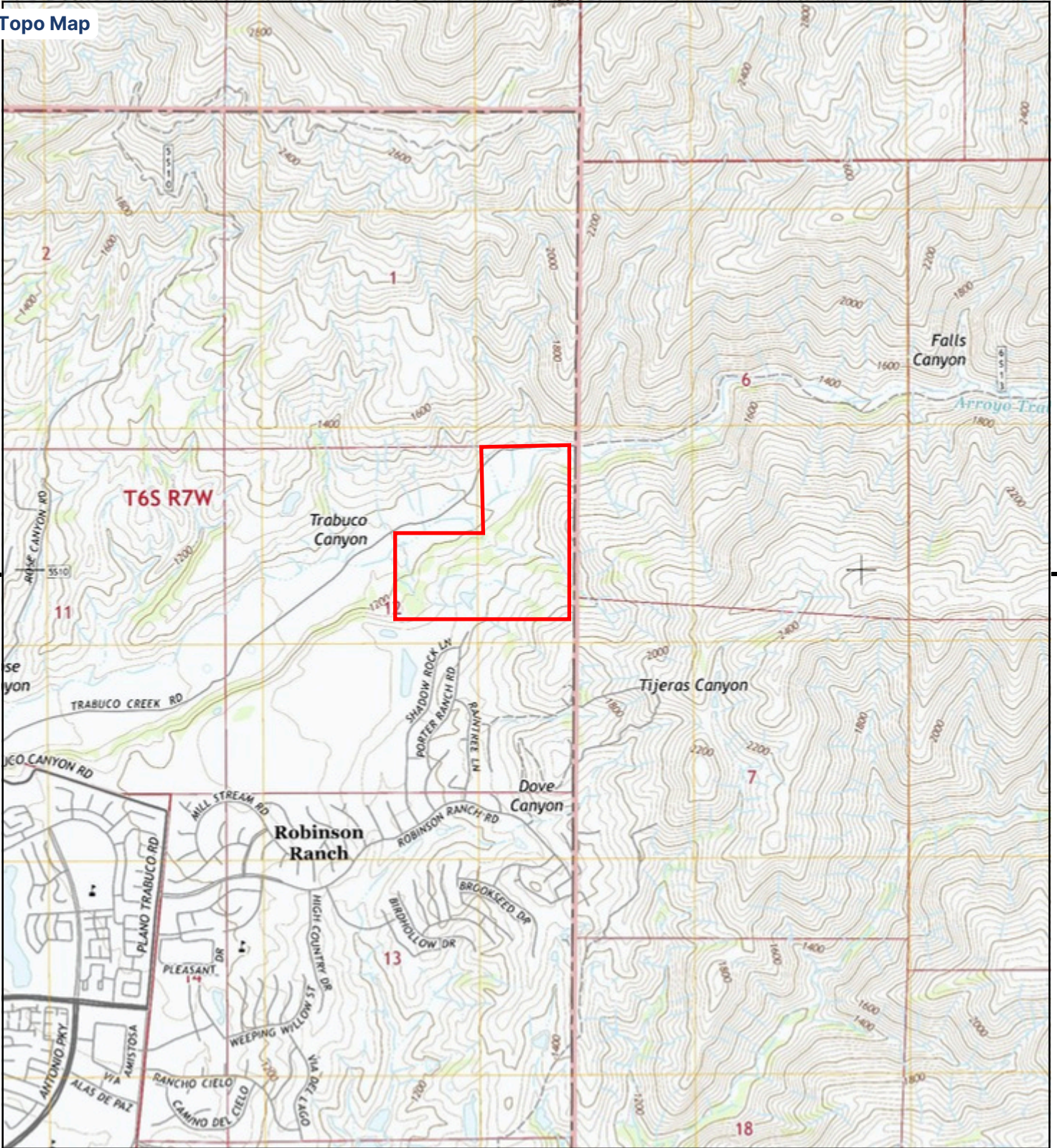


TP, Santiago Peak, 2012, 7.5-minute

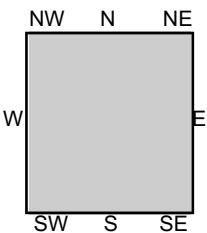
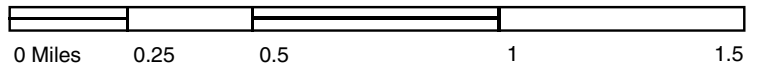
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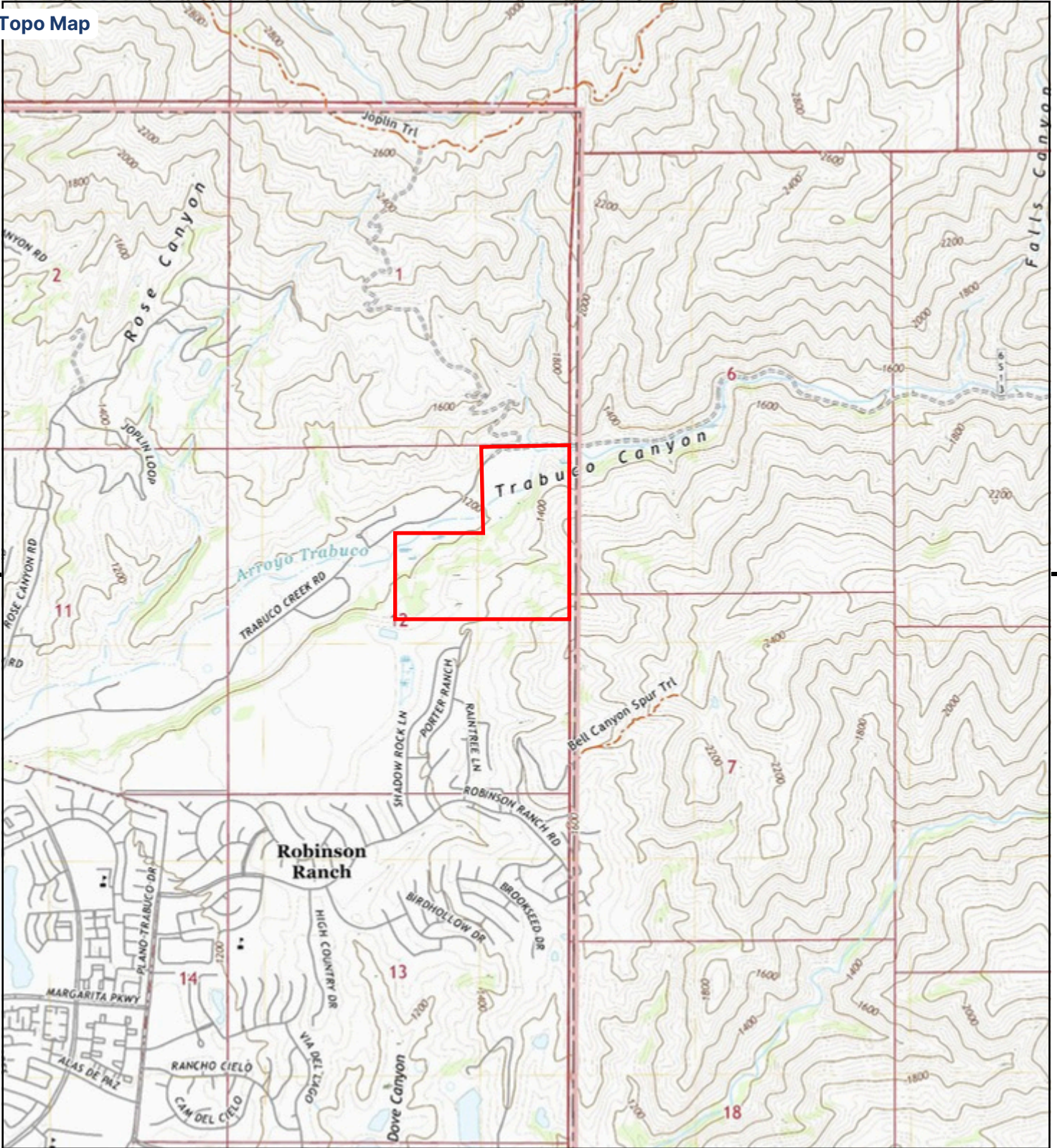


TP, Santiago Peak, 2015, 7.5-minute

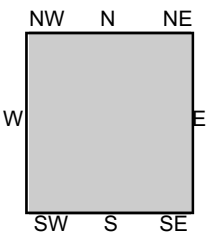
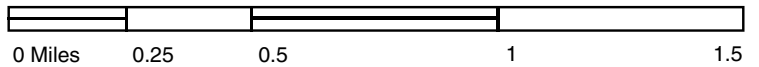
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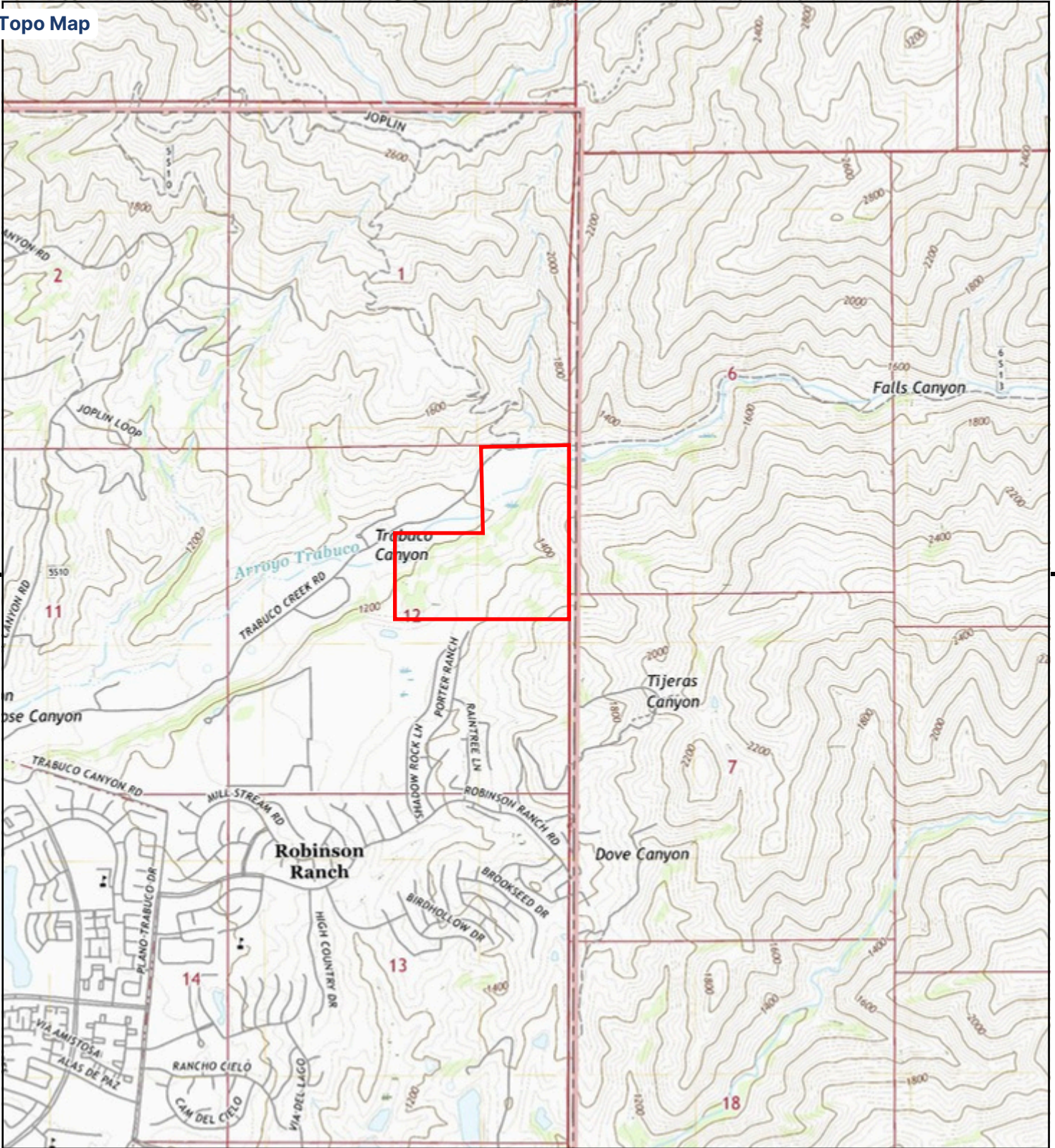


TP, Santiago Peak, 2022, 7.5-minute

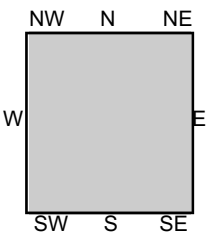
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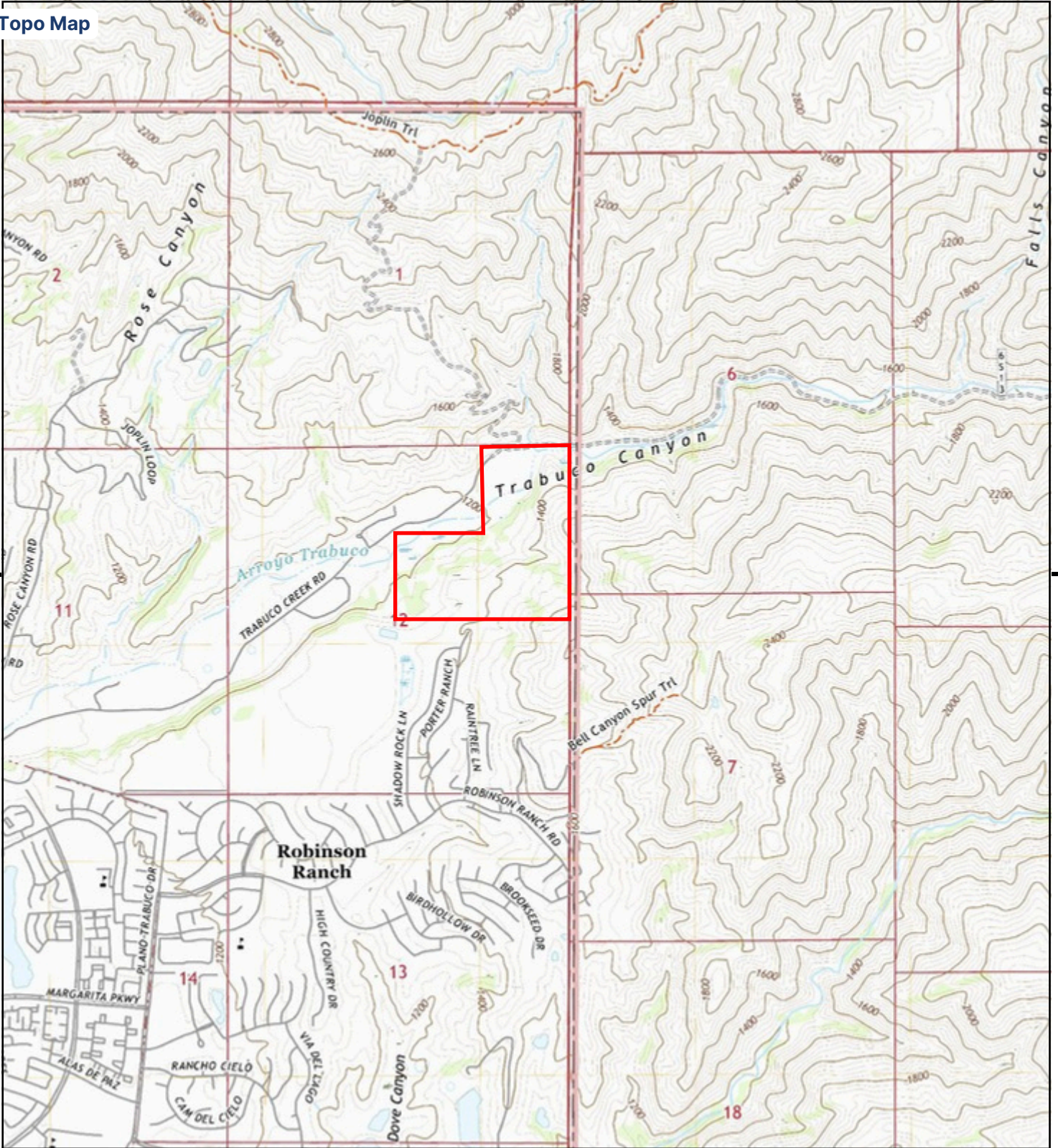


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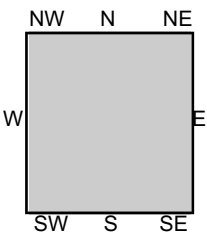
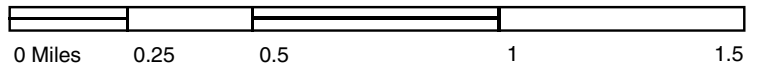
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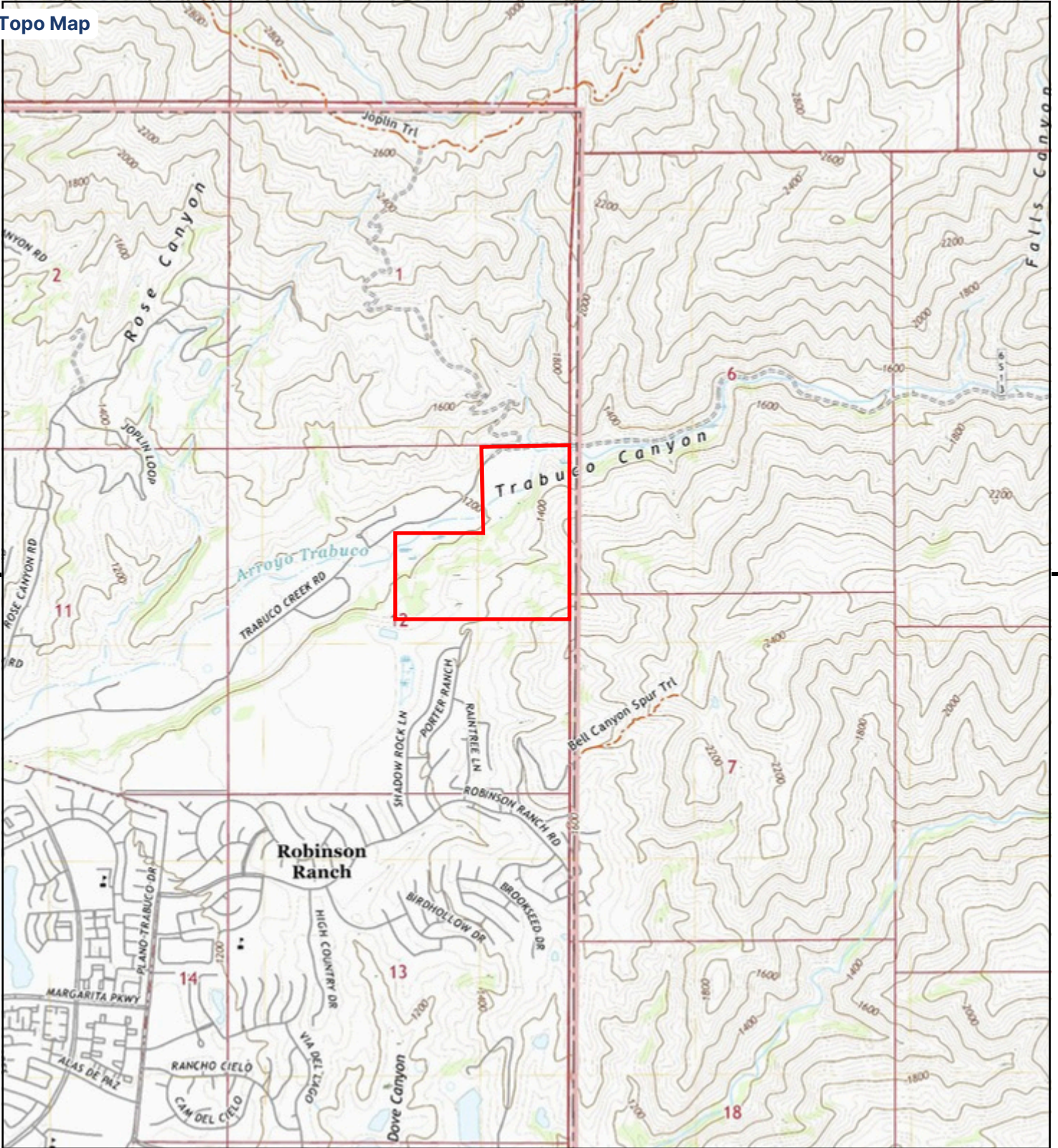


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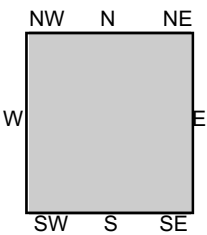
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TP, Santiago Peak, 2022, 7.5-minute

SITE NAME: Trabuco Canyon
 ADDRESS: Not Reported
 TRABUCO CANYON, CA 92679
 CLIENT: Stadia Realty Inc.



Sanborn Map Report

Certified Sanborn® Map Report

08/01/25

Site Name:

Trabuco Canyon
Not Reported
TRABUCO CANYON, CA 9267
EDR Inquiry # 8066120.2

Client Name:

Stadia Realty Inc.
540 NORTH GOLDEN CIRCLE DRIVE, S
Santa Ana, CA 92705
Contact: Brent Scharnberg



The Sanborn Library has been searched by EDR and maps covering the target property location as provided by Stadia Realty Inc. were identified for the years listed below. The Sanborn Library is the largest, most complete collection of fire insurance maps. The collection includes maps from Sanborn, Bromley, Perris & Browne, Hopkins, Barlow, and others. Only Environmental Data Resources Inc. (EDR) is authorized to grant rights for commercial reproduction of maps by the Sanborn Library LLC, the copyright holder for the collection. Results can be authenticated by visiting www.edrnet.com/sanborn.

The Sanborn Library is continually enhanced with newly identified map archives. This report accesses all maps in the collection as of the day this report was generated.

Certified Sanborn Results:

Certification # B9E1-4555-8E84
PO # NA
Project Trabuco Canyon Water District

UNMAPPED PROPERTY

This report certifies that the complete holdings of the Sanborn Library, LLC collection have been searched based on client supplied target property information, and fire insurance maps covering the target property were not found.



Sanborn® Library search results

Certification #: B9E1-4555-8E84

The Sanborn Library includes more than 1.2 million fire insurance maps from Sanborn, Bromley, Perris & Browne, Hopkins, Barlow and others which track historical property usage in approximately 12,000 American cities and towns. Collections searched:

- Library of Congress
- University Publications of America
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Wildlands Conservation Proposal



Overview

Wildlands has been asked by Stadia Realty to investigate the potential for creating mitigation values at the 120-acre Trabuco Canyon Water District (District) property located in southern Orange County, California. Wildlands has an extensive track record in providing mitigation solutions to developers throughout California. Our qualifications are attached to the report.

Wildlands visited the District property on August 4, 2025 to investigate its potential mitigation suitability. Based on the brief two-hour site tour and internal mapping evaluation, Wildlands determined the property presents high conservation value and would be looked upon favorably by the U.S. Fish and Wildlife Service (FWS) and California Department of Fish and Wildlife (CDFW) as suitable for mitigation.

The site is very unique simply based on its size and proximity to other protected lands in the region. It is Wildlands' assessment that the Property presents high mitigation value and there are several exit strategies to extract value from the District property.

Mitigation and Conservation Options

Conservation Bank

A conservation bank is a pre-established agency approved preserve authorized to sell mitigation credits to permittees who are required offset to their permitted development impacts. The establishment of "credits" at the Property would allow public and private development projects to seamlessly address impacts on a piecemeal basis. This could potentially include impacts from the District for capital improvement projects or operations and maintenance projects which may require mitigation.

The conservation bank entitlement process is timely but would yield a high return to the District through the sale of individual credits to permit applicants. The benefit of a conservation bank is that the land is permanently protected, and management would be funded through a non-wasting management endowment to ensure protection, all funded by the credit purchasers.

Credits such as gnatcatcher would command a price estimated at \$125,000 per credit-acre. Other credits types could include state waters, oak trees and chapparal impacts which could command similar pricing.

Permittee Responsible Mitigation (PRM)

The Property also presents a unique opportunity to mitigate one or two large projects that require mitigation in south Orange County. Several residential, commercial, industrial and public projects may have needs sufficient to absorb all the mitigation values on the property.

Similar to a conservation bank, the property would be protected with a permanent conservation easement and management would be funded through a non-wasting endowment to ensure habitat integrity.

The estimated value to a PRM user would be between \$50,000-\$70,000 per acre in a singular transaction.

REPI program

Another alternative to bank or PRM mitigation is participating in the Readiness and Environmental Protection Integration Program (REPI) with Marine Corps Base, Camp Pendleton. Wildlands is one of two private entities in California contracted to work with the REPI program.

Established in 2002, the Department of Defense's (DOD) REPI Program preserves military missions by supporting cost-sharing agreements between the Military Services, other Federal agencies, state and local governments, and private organizations to avoid land use conflicts near military installations, address environmental restrictions that limit military activities, and increase military installation resilience.

The REPI program would use their funding dollars to protect the property and perhaps mitigate impacts at Marine Corps Base, Camp Pendleton. REPI would require an appraisal and funding would be based on appraised value of the property. The District could maintain ownership or convey to third-party for permanent protection and management of the property.

Conclusion

The site overall should be considered highly favorable for conservation by FWS and CDFW.

Additional focused species and habitat survey are recommended. If involved, Wildlands would be responsible for funding studies and entitling mitigation upon agreement with the District. Further, Wildlands would take the lead on negotiating with third-party end users for the property.

In the conservation bank option, the District could benefit by retaining mitigation for its own use and have the flexibility to sell to third parties. In the PRM option, the District could realize faster returns by selling to a singular party for its specific needs.





Wildlands Qualifications & Experience

Wildlands is a habitat conservation and land management company dedicated to the restoration and preservation of wetlands and special-status species habitats. The company has completed 100 large-scale projects throughout California, Oregon and Washington. In business since 1991, Wildlands is a national leader in establishing wetland mitigation banks, special status species conservation banks, and project-specific habitat mitigation preserves that protect wetland and wildlife habitat in perpetuity. The result of our focus on providing mitigation solutions is the permanent protection and management of over 65,000 acres of sensitive habitat mitigation landscapes.

Our mission is to help create a legacy of thriving and protected natural habitat through ecological and economic cooperation.

Wildlands has a substantial track record providing habitat mitigation solutions for public and private development project impacts to special-status species and sensitive native communities in California. Wildlands owns and manages over 50 agency-approved habitat preserves comprising nearly 50,000 acres in Southern California. Our vertically integrated team of land use experts, land managers and biologists not only ensure we are selecting superior habitat to meet mitigation requirements, but they are managed in perpetuity for the benefit of the species and their habitat. As a result, Wildlands has developed exceptional relationships with the natural resource permitting agencies and land trusts. We work closely with California Department of Fish and Wildlife ("CDFW"), Regional Water Quality Control Board ("RWQCB"), Bureau of Land Management ("BLM"), U.S. Fish and Wildlife Service ("USFWS") and non-profits which can lead to an expedited review and approval process.

Full-Delivery Private Lands Mitigation Solutions

Wildlands has the full service capabilities to provide habitat mitigation solutions by developing project specific preserves, or through use of our mitigation and conservation banks throughout California.

For large projects, Wildlands develops project specific habitat mitigation solutions where we undertake all aspects of developing mitigation for our clients, including purchasing and owning the land, entitling the mitigation with the multiple permitting agencies and taking on the responsibility of ensuring the mitigation properties remain as suitable habitat in



perpetuity. Wildlands has the financial capability to acquire lands in advance and on behalf of our project proponent clients. Our approach allows our clients projects to fully comply with their permits, stay on schedule, on budget, cap liability, avoid lawsuits and create value for the project.

We offer a mitigation solution for a fixed price per acre with zero trailing costs or obligations to the applicant. All costs associated with the land, agency approvals, easement and endowment are included in the fixed total price.

The Wildlands full-delivery private lands mitigation solution includes the following:

- Acquire, own and manage suitable private lands sufficient to meet project mitigation requirements.
- Develop a detailed biological resource report justifying the suitability of the private lands to meet project mitigation requirements.
- Coordinate Phase I Environmental Site Assessment and mineral rights assessments.
- Perform required Property Title Assessments.
- Develop required Interim and Long-term Habitat Management Plans.
- Coordinate with third party conservation easement holders.
- Draft and record conservation easement over mitigation property.
- Fund endowment with certified third-party non-profit endowment holder.
- Conduct Property Analysis Record (PAR) for endowment funding calculation.
- Fund endowment based on the PAR.
- Implement Habitat Management Plans
- Manage mitigation lands in accordance with conservation easement
- Relieve applicant from any future obligations or costs associated with owning or maintaining mitigation lands.

**TRABUCO CANYON WATER DISTRICT
SPECIAL BOARD MEETING | OCTOBER 21, 2025**

DISCUSSION MATTERS

ITEM 2: REPORT OF ACTION(S) TAKEN IN CLOSED SESSION

RECOMMENDED ACTION:

Provide announcement of action(s) taken in Closed Session, if any.

CONTACTS (staff responsible): PALUDI/COLLINS