

TO: James L. App, City Manager

FROM: Joe Deakin, Director of Public Works
Bob Lata, Director of Community Development

SUBJECT: Offer of Dedication (River Parcel, Tract 2457, (OAK KNOLL RANCH, LLC) and Easements to OAK KNOLL RANCH, LLC for Well and Water Line

DATE: MAY 6, 2003

Needs: That the City Council authorize the recordation of an Irrevocable and Perpetual Offer to Dedicate a parcel of land in and adjacent to the Salinas River, and approve an agreement to accept a Quitclaim to the City for any interest in said parcel by Oak Knoll Ranch, LLC and consider grant of easements to Oak Knoll Ranch, LLC for an existing well and water line.

- Facts:**
1. The property owners (Oak Knoll Ranch, LLC) provided the City with an Irrevocable and Perpetual Offer to Dedicate a parcel of land within and adjacent to the Salinas River (included in Exhibit "A" attached) dated April 30, 1998.
 2. At their meeting of May 19, 1998, the City Council passed Resolution 98-88 accepting said Offer to Dedicate. Subsequently, Resolution 98-88 was recorded as Document No. 1998-034512 on June 9, 1998. However, the documents containing the Offer to Dedicate were not recorded with the Resolution.
 3. Subsequent subdivision maps (Tract 1895-2 and Tract 2376) were recorded with their boundary shown including the area within the Offer to Dedicate. These maps did not reference the Offer nor did they reference the City as having ownership interest in the area of the Offer to Dedicate.
 4. Oak Knoll Ranch, LLC intended to retain their rights to the well and water line with the Offer to Dedicate in 1998, however, failed to include language to that effect within the Offer to Dedicate document that they provided to the City. Oak Knoll Ranch, LLC desires to clear this omission with the attached agreement in which the City may offer the right to use the well and water line in easements to Oak Knoll Ranch, LLC. Oak Knoll Ranch, LLC, proposes to use the well and water lines for the purposes of irrigation and maintenance of landscaping for those certain private streets, common areas, open space, parks and storage lot located on the real property described in the attached Exhibit "E".
 5. On September 24, 2002, the Planning Commission approved Tentative Tract 2457 (Estrella Associates). The area of the Offer to Dedicate is shown within the boundary of Tract 2457. Condition No. 31 of the tentative approval requires the dedication of that area to the City.

**Analysis
and
Conclusion**

The attached Offer to Dedicate will correct a "cloud" of title to the area known as the "River Parcel" which was referenced in Resolution 98-88 and subsequently recorded without the Offer to Dedicate attached. Further, the attached Offer to Dedicate will satisfy Condition No. 31 of the tentative approval of Tract 2457.

With regard to the existing well, the attached Agreement would allow Oak Knoll Ranch, LLC the right to use the well and water line located in the area of the Offer to Dedicate. The well and water line will be used to irrigate landscaping in Tract 2457 and the golf course currently under construction and permitted under PD 01-018.

The City Municipal Code prohibits construction of wells to serve private property except under permit and generally for continued agricultural use. Additionally, the City's practice has been to deny use of existing wells for non-agricultural use if City water service is available. This is a unique situation where an existing well has been serving the irrigation needs of the property for many years and the owner had originally intended to continue the use for irrigation of landscape of certain private streets, common areas, open space, golf course, etc.

It has been determined that the Council may consider the property owner's request for continued use of the well but that consideration should be weighed against three municipal concerns:

1. The City is a purveyor of a reliable source of treated potable water. Allowing use of an existing well is not consistent with the City's purvey interests.
2. The City is obligated to protect and preserve water supplies for all residents and businesses in the City, and therefore allowing use of an agricultural well for irrigation of a golf course may be a prudent conservation decision.
3. Reclaimed water may someday prove a viable method to mitigate the City's discharge of Total Dissolved Solids (TDS) into the Salinas River. Although reclaimed water is not available to the golf course at this time, it may be prudent to allow use of the existing agricultural well until such time that reclaimed water is available.

In light of the foregoing factors, a series of options are presented for Council consideration. Please note that no one option provides an ideal resolution to all issues. It is important to note that this case is unique, and is not precedent to other requests.

Policy

Reference: Government Code Section 7050

Fiscal

Impact: None.

Options:

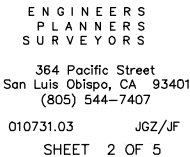
- a. Select and adopt one of the following Resolutions, which reflect each of the issues outlined above.
 - i. Resolution No. 03-xx accepting and authorizing recordation of the Irrevocable and Perpetual Offer to Dedicate provided by Oak Knoll Ranch, LLC, and modify the Agreement to accept a quit claim deed relieving Oak Knoll Ranch, LLC of any interest in said Offer and deny the request to grant appurtenant well and water line easements for the benefit of Oak Knoll Ranch, LLC.
 - ii. Resolution No. 03-xx accepting and authorizing recordation of the Irrevocable and Perpetual Offer to Dedicate provided by Oak Knoll Ranch, LLC, and approve the Agreement to accept a quit claim deed relieving Oak Knoll Ranch, LLC of any interest in said Offer and to grant appurtenant well and water line easements for the benefit of Oak Knoll Ranch, LLC.

- iii. Resolution No. 03-xx accepting and authorizing recordation of the Irrevocable and Perpetual Offer to Dedicate provided by Oak Knoll Ranch, LLC, and modify the Agreement to accept a quit claim deed relieving Oak Knoll Ranch, LLC of any interest in said Offer and to grant appurtenant well and water line easements for the benefit of Oak Knoll Ranch, LLC with language added to the Agreement that Oak Knoll Ranch, LLC, or successors in interest, connect to City provided reclaimed water at such time said reclaimed water is available.
- iv. Resolution No. 03-xx accepting and authorizing recordation of the Irrevocable and Perpetual Offer to Dedicate provided by Oak Knoll Ranch, LLC, and modify the Agreement to accept a quit claim deed relieving Oak Knoll Ranch, LLC of any interest in said Offer and to grant appurtenant well and water line easements for the benefit of Oak Knoll Ranch, LLC via a separate agreement to be drafted and reviewed at a later date.

b. Amend, modify or reject the above option.

Attachments: (6)

- 1. Vicinity Map
- 2. Resolution (Option i.)
- 3. Resolution (Option ii.)
- 4. Resolution (Option iii.)
- 5. Resolution (Option iv.)
- 6. Agreement with easements including Exhibits "A", "B", "C", "D" and "E"



**ALL ATTACHMENTS TO THIS STAFF REPORT MAY NOT BE AVAILABLE
IN DIGITAL FORMAT FOR VIEWING ON-LINE.**

A hard-copy of the complete agenda packet, along with all staff reports, exhibits and attachments, is available for review in the City Clerk's Office.

**Packets are also available for loan from the City Library,
beginning on the Friday before each Council meeting.**

RESOLUTION NO. 03- (Option i)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
ACCEPTING OFFER OF DEDICATION OF THE "RIVER PARCEL" OF TRACT 2457
AND ACCEPTING AND APPROVING AN AGREEMENT TO GRANT EASEMENTS TO
OAK KNOLL RANCH, LLC FOR WELL AND WATER LINE

WHEREAS, at their meeting of May 19, 1998, the City Council adopted Resolution 98-88 accepting from Oak Knoll Ranch, LLC an Irrevocable and Perpetual Offer of Dedication of a parcel of land in and adjacent to the Salinas River; and

WHEREAS, said Resolution was recorded on June 9, 1998 as Document No. 1998-034512 without said Offer of Dedication attached; and

WHEREAS, subsequent Tracts 1895-2 and 2376 were recorded with the area of the Offer of Dedication included within their boundaries without reference to said Offer; and

WHEREAS, Oak Knoll Ranch, LLC originally intended to, and desires to, retain an easement in the area of said Offer to Dedicate for use of a well and appurtenant water line for the purposes of irrigation in Tract 2376 and for irrigation of the River Oaks golf course; and

WHEREAS, As a purveyor of water it is not in the best interests of the City to offer Oak Knoll Ranch, LLC, the opportunity of use of the existing well within the area of the Offer of Dedication; and

WHEREAS, the Planning Commission, at their meeting of September 24, 2002, adopted Resolution No. 02-061 approving Tentative Tract 2457 with Condition of Approval No. 31 requiring the offer of dedication of Lot 213 (the "River Parcel") to the City.

THEREFORE, BE IT RESOLVED AS FOLLOWS:

SECTION 1. That the City of Paso Robles does hereby accept the Irrevocable and Perpetual Offer of Dedication as described and shown in Exhibit "A".

SECTION 2. That the City Council approve the modified Agreement to accept a Quitclaim deed from Oak Knoll Ranch, LLC and authorize the Mayor and City Clerk to execute said Agreement.

SECTION 3. That the City Council deny the request to grant to Oak Knoll Ranch, LLC easements for a well and water line as described and shown in Exhibits "C" and "D" and modify the attached Agreement accordingly.

SECTION 4. That the City Clerk be authorized to cause a certified copy of this Resolution and the accompanying Offer of Dedication and modified Agreement to record in the Office of the County Recorder of the County of San Luis Obispo, State of California.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 6th day of May 2003 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST:

Frank R. Mecham, Mayor

Sharilyn M. Ryan, Deputy City Clerk

RESOLUTION NO. 03- (Option ii)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
ACCEPTING OFFER OF DEDICATION OF THE "RIVER PARCEL" OF TRACT 2457
AND ACCEPTING AND APPROVING AN AGREEMENT TO GRANT EASEMENTS TO
OAK KNOLL RANCH, LLC FOR WELL AND WATER LINE

WHEREAS, at their meeting of May 19, 1998, the City Council adopted Resolution 98-88 accepting from Oak Knoll Ranch, LLC an Irrevocable and Perpetual Offer of Dedication of a parcel of land in and adjacent to the Salinas River; and

WHEREAS, said Resolution was recorded on June 9, 1998 as Document No. 1998-034512 without said Offer of Dedication attached; and

WHEREAS, subsequent Tracts 1895-2 and 2376 were recorded with the area of the Offer of Dedication included within their boundaries without reference to said Offer; and

WHEREAS, Oak Knoll Ranch, LLC originally intended to, and desires to, retain an easement in the area of said Offer to Dedicate for use of a well and appurtenant water line for the purposes of irrigation in Tract 2376 and for irrigation of the River Oaks golf course; and

WHEREAS, The City is obligated to protect and preserve water supplies for all residents and businesses in the City and therefore allowing use of an agricultural well for irrigation of a golf course is a prudent conservation decision; and

WHEREAS, the Planning Commission, at their meeting of September 24, 2002, adopted Resolution No. 02-061 approving Tentative Tract 2457 with Condition of Approval No. 31 requiring the offer of dedication of Lot 213 (the "River Parcel") to the City.

THEREFORE, BE IT RESOLVED AS FOLLOWS:

SECTION 1. That the City of Paso Robles does hereby accept the Irrevocable and Perpetual Offer of Dedication as described and shown in Exhibit "A".

SECTION 2. That the City Council approve the Agreement to accept a Quitclaim deed from Oak Knoll Ranch, LLC and to grant to Oak Knoll Ranch, LLC easements for a well and water line as described and shown in Exhibits "C" and "D" and authorize the Mayor and City Clerk to execute said Agreement.

SECTION 3. That the City Clerk be authorized to cause a certified copy of this Resolution and the accompanying Offer of Dedication and Agreement to record in the Office of the County Recorder of the County of San Luis Obispo, State of California.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 6th day of May 2003 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST:

Frank R. Mecham, Mayor

Sharilyn M. Ryan, Deputy City Clerk

RESOLUTION NO. 03- (Option iii)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
ACCEPTING OFFER OF DEDICATION OF THE "RIVER PARCEL" OF TRACT 2457
AND ACCEPTING AND APPROVING AN AGREEMENT TO GRANT EASEMENTS TO
OAK KNOLL RANCH, LLC FOR WELL AND WATER LINE

WHEREAS, at their meeting of May 19, 1998, the City Council adopted Resolution 98-88 accepting from Oak Knoll Ranch, LLC an Irrevocable and Perpetual Offer of Dedication of a parcel of land in and adjacent to the Salinas River; and

WHEREAS, said Resolution was recorded on June 9, 1998 as Document No. 1998-034512 without said Offer of Dedication attached; and

WHEREAS, subsequent Tracts 1895-2 and 2376 were recorded with the area of the Offer of Dedication included within their boundaries without reference to said Offer; and

WHEREAS, Oak Knoll Ranch, LLC originally intended to, and desires to, retain an easement in the area of said Offer to Dedicate for use of a well and appurtenant water line for the purposes of irrigation in Tract 2376 and for irrigation of the River Oaks golf course; and

WHEREAS, The City is obligated to protect and preserve water supplies for all residents and businesses in the City and therefore allowing use of an agricultural well for irrigation of a golf course is a prudent conservation decision; and

WHEREAS, The City has interest in developing a reclaimed water distribution system in order to mitigate discharge of treated water into the Salinas River; and

WHEREAS, Appurtenant to the development of a reclaimed water system is the need to identify and develop customers for the system; and

WHEREAS, the Planning Commission, at their meeting of September 24, 2002, adopted Resolution No. 02-061 approving Tentative Tract 2457 with Condition of Approval No. 31 requiring the offer of dedication of Lot 213 (the "River Parcel") to the City.

THEREFORE, BE IT RESOLVED AS FOLLOWS:

SECTION 1. That the City of Paso Robles does hereby accept the Irrevocable and Perpetual Offer of Dedication as described and shown in Exhibit "A".

SECTION 2. That the City Council approve the Agreement (with modifications outlined in SECTION 3) to accept a Quitclaim deed from Oak Knoll Ranch, LLC and to grant to Oak Knoll Ranch, LLC easements for a well and water line as described and shown in Exhibits "C" and "D" and authorize the Mayor and City Clerk to execute said Agreement.

SECTION 3. That the City Council modify the attached Agreement to condition the grant of easements to Oak Knoll Ranch, LLC upon;

1. Oak Knoll Ranch, LLC or its successors in interest must hook up to the City provided reclaimed water when such system becomes available.

2. Oak Knoll Ranch, LLC will pay for the reclaimed water at a rate similar to their costs of pumping water from the subject well. The rate of payment will be subject to increase in accordance with the CIP.
3. Oak Knoll Ranch, LLC and its successors will make the golf course continually available to the public.

SECTION 3. That the City Clerk be authorized to cause a certified copy of this Resolution and the accompanying Offer of Dedication and modified Agreement to record in the Office of the County Recorder of the County of San Luis Obispo, State of California.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 6th day of May 2003 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Frank R. Mecham, Mayor

ATTEST:

Sharilyn M. Ryan, Deputy City Clerk

RESOLUTION NO. 03- (Option iv)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
ACCEPTING OFFER OF DEDICATION OF THE "RIVER PARCEL" OF TRACT 2457
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OAK KNOLL RANCH, LLC FOR WELL AND WATER LINE

WHEREAS, at their meeting of May 19, 1998, the City Council adopted Resolution 98-88 accepting from Oak Knoll Ranch, LLC an Irrevocable and Perpetual Offer of Dedication of a parcel of land in and adjacent to the Salinas River; and

WHEREAS, said Resolution was recorded on June 9, 1998 as Document No. 1998-034512 without said Offer of Dedication attached; and

WHEREAS, subsequent Tracts 1895-2 and 2376 were recorded with the area of the Offer of Dedication included within their boundaries without reference to said Offer; and

WHEREAS, Oak Knoll Ranch, LLC originally intended to, and desires to, retain an easement in the area of said Offer to Dedicate for use of a well and appurtenant water line for the purposes of irrigation in Tract 2376 and for irrigation of the River Oaks golf course; and

WHEREAS, The City is obligated to protect and preserve water supplies for all residents and businesses in the City and therefore allowing use of an agricultural well for irrigation of a golf course is a prudent conservation decision; and

WHEREAS, There will be conditions associated with the use of the well by Oak Knoll, LLC. The terms of those conditions have yet to be specified; and

WHEREAS, the Planning Commission, at their meeting of September 24, 2002, adopted Resolution No. 02-061 approving Tentative Tract 2457 with Condition of Approval No. 31 requiring the offer of dedication of Lot 213 (the "River Parcel") to the City.

THEREFORE, BE IT RESOLVED AS FOLLOWS:

SECTION 1. That the City of Paso Robles does hereby accept the Irrevocable and Perpetual Offer of Dedication as described and shown in Exhibit "A".

SECTION 2. That the City Council approve a modified Agreement to accept a Quitclaim deed from Oak Knoll Ranch, LLC and authorize the Mayor and City Clerk to execute said Agreement.

SECTION 3. That the City Council agree to grant to Oak Knoll Ranch, LLC easements for a well and water line as described and shown in Exhibits "C" and "D" in accordance with terms and conditions to be determined in a subsequent agreement.

SECTION 3. That the City Clerk be authorized to cause a certified copy of this Resolution and the accompanying Offer of Dedication and modified Agreement to record in the Office of the County Recorder of the County of San Luis Obispo, State of California.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 6th day of May 2003 by the following vote:

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Frank R. Mecham, Mayor

ATTEST:

Sharilyn M. Ryan, Deputy City Clerk