

**TO:** James L. App, City Manager

**FROM:** Meg Williamson, Assistant City Manager

**SUBJECT:** **Salinas River Parkway Grant - Land Acquisition Alternatives  
and Professional Service Contract with Land Conservancy of SLO**

**DATE:** May 6, 2008

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**Needs:** For the City Council to authorize pursuit of alternative land acquisition negotiations along the Salinas River corridor and authorize the City Manager to enter into a contract for portions of that grant work.

**Facts:**

1. The City was awarded a \$4 million Grant by the State Water Resources Board for the acquisition of approximately 260 acres of land within the river corridor and for the restoration of portions of public property adjacent to the River and Larry Moore Park.
2. The overarching goal of the Grant Project is to protect and improve the water quality of the Salinas River through storm water channel restoration efforts and river property acquisitions.
3. For the restoration portion of the Grant Project, the City engaged the services of the Upper Salinas Las Tablas Resource Conservation District (RCD). That work has been steadily progressing and is nearing completion.
4. The Trust for Public Land (TPL) had been spearheading land acquisition negotiations for the 260-acre "Union Asphalt" property since early in the grant process. Because the Union Asphalt property has undergone ownership restructuring during the course of the grant, the original work scope and schedule for acquisition negotiations were unattainable. As a result, the Trust for Public Land (TPL) indicated they will no longer be providing property negotiation oversight.
5. The State has informed the City that it must develop a contingency plan and demonstrate performance on the acquisition portion of the grant agreement in order to retain the grant funding.
6. Recent discussions with the State Grant Manager for this project have resulted in a purposeful action plan. The identified contingency approach includes the following elements:
  - ◆ Evaluate alternative properties along the river corridor that would have similar benefits to the water quality goals of the grant (both within and adjacent to the City limits);
  - ◆ Make application to the State requesting that grant monies be redirected to a set of potential alternative sites along the river corridor (inclusive of, but not exclusively, the Union Asphalt site);
  - ◆ Include in an amended application a request that acquisition may be in the form of either fee title or in overlying easements that achieve the same water quality stewardship objectives;

- ◆ Make formal application to the State for a grant time extension to September 2009 (from September 2008), based on the new acquisition contingency plan;
  - ◆ Engage the services of a new partner to assist in the land acquisition portion of that grant.
7. The Land Conservancy has indicated a willingness to assist the City with acquisition services under a time and materials contract. Their staff is highly experienced locally (an example of recent work was the 150-acre conservation easement acquisition of the Turley Vineyard in Templeton), and they are well positioned to take this forward while understanding the time constraints and performance pressure the City is under.
  8. The Land Conservancy of San Luis Obispo County (Land Conservancy) is a local non-profit whose mission of preserving special places throughout San Luis Obispo County is aligned with the City's goals and vision for the Salinas River corridor.
  9. Discussions are scheduled with new owners of the "Union Asphalt" property to explore partial acquisition of land in fee and/or easement. Additionally, meetings with other property owners along the corridor will determine the feasibility of pursuing multiple river property acquisitions to achieve the full scope of the grant.

**Analysis &  
Conclusion:**

The City entered into a Grant Agreement with the State Water Resources Board in December 2006 to pursue restoration and land acquisition aimed at water quality improvement goals. A good faith effort continues to fulfill the City's obligations under the grant.

The storm water restoration portion of the grant is performing well. However, it has been difficult to perform on the land acquisition portion based on the specificity of the grant contract language and the transition of a specific property's ownership.

A contingency plan to forge a new partnership with the Land Conservancy of San Luis Obispo County for property negotiation services and to broaden the scope of properties to be targeted for potential acquisition strategies is the remaining opportunity to move grant performance forward. To accomplish this, it will be necessary to submit a realistic Grant Amendment application and time extension request. The Land Conservancy will be a key player in assisting the City with this.

**Policy  
Reference:**

General Plan and City Council Adopted Goals  
 Council direction to proceed with preparation of River Corridor Plan (2005)  
 June 6, 2006 Council Authorization to file State Water Resources Grant  
 March 6, 2007 Council appropriation of "Phase I" funds of \$420,000

**Fiscal Impact:**

The grant agreement is structured so that to receive the full \$4 million in allocation, the City's match obligation would be \$1,335,000. The full grant appropriation has not been made at this time, but rather, will be done in "phases."

The Phase I appropriation of \$420,000 was made by Council on March 6, 2007 to allow the restoration portion of the project to proceed. The grant will reimburse \$300,000 of this budget appropriation when the restoration project is completed.

Because a portion of the \$420,000 budget is charged as “in-kind” contributions (i.e. City staff time), there is money remaining in the grant budget under the current Phase I appropriation that can be allocated to acquisition task needs. It is anticipated that the remaining “Phase I” allocation will be adequate to support the time and materials contract with the Land Conservancy of San Luis Obispo County for services associated with the initial exploration of additional property negotiations.

If the City is successful in securing the grant amendment and time extension request for the grant, and as there is progress with the land acquisition negotiations, a framework for funding the remaining portion of the anticipated match (phase II) will be brought forward.

**Options:**

1. **For the City Council to adopt the attached resolution 08-XXX:**
  - a) **Authorizing staff to implement a contingency action plan for the land acquisition work scope of the Salinas River Parkway Grant including the filing of a formal amendment and time extension application with the State; and**
  - b) **Authorizing the City Manager to enter into a contract with the Land Conservancy of the San Luis Obispo County to partner with the City to accomplish the work scope related to the land negotiations and acquisition under the Grant agreement.**
2. **Amend, modify, or reject the forgoing option.**

**Attachments:**

1. Draft Resolution 08-XXX authorizing a land acquisition contingency plan & contract

RESOLUTION 08-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES  
TO AUTHORIZE ALTERNATIVE LAND ACQUISITION NEGOTIATIONS ASSOCIATED  
WITH A STATE WATER RESOURCES BOARD GRANT AND AUTHORIZE THE CITY  
MANAGER TO ENTER INTO CONTRACT SERVICES  
FOR PORTIONS OF THE GRANT WORK

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WHEREAS, the City entered into a Grant Agreement with the State Water Resources Board in December 2006 to pursue restoration and land acquisition along the Salinas River corridor aimed at water quality improvement goals; and

WHEREAS, the City wishes to continue its good faith efforts to fulfill the City's obligations under the grant; and

WHEREAS, the Trust for Public Land (TPL) had been spearheading land acquisition negotiations for the 260-acre "Union Asphalt" property since early in the grant process, but has since indicated they will no longer be providing property negotiation oversight as previously expected; and

WHEREAS, the 260-acre "Union Asphalt" property has recently undergone ownership restructuring; and

WHEREAS, the land acquisition portion of the grant has fallen short of anticipated performance milestones based on the transition of ownership and service assistance associated with the targeted property; and

WHEREAS, it is imperative to forge ahead with a contingency plan that can demonstrate performance on the acquisition portion of the grant agreement in order to retain the grant funding; and

WHEREAS the following actions comprise the contingency approach identified for the grant:

- ◆ Evaluate alternative properties along the river corridor that would have similar benefits to the water quality goals of the grant (both within and adjacent to the City limits);
- ◆ Make application to the State requesting that grant monies be redirected to a set of potential alternative sites along the river corridor (inclusive of, but not exclusively, the Union Asphalt site);
- ◆ Include in an amended application a request that acquisition may be in the form of either fee title or in overlying easements that achieve the same water quality stewardship objectives;

- ◆ Make formal application to the State for a grant time extension to September 2009 (from September 2008), based on the new acquisition contingency plan;
- ◆ Engage the services of a new partner to assist in the land acquisition portion of that grant; and

WHEREAS to accomplish the specialized land negotiations portion of this work it will be necessary to retain contract service assistance; and

WHEREAS, the Land Conservancy of San Luis Obispo (Land Conservancy) has indicated a willingness to assist the City with acquisition services under a time and materials contract; and

WHEREAS, the Land Conservancy is a local non-profit whose mission of preserving special places throughout San Luis Obispo County is aligned with the City's goals and vision for the Salinas River corridor.

THEREFORE BE IT HEREBY RESOLVED by the City Council of the City of El Paso de Robles authorizing staff to implement a contingency action plan for the land acquisition work scope of the Salinas River Parkway Grant including the filing of a formal amendment and time extension application with the State Water Resources Board as outlined above; and

BE IT FURTHER RESOLVED by the City Council of the City of El Paso de Robles, that the City Manager is authorized to enter into a contract with the Land Conservancy of San Luis Obispo County to partner with the City to accomplish the work scope contained in the above described contingency plan for the Salinas River Parkway Project Grant with the State Water Resources Board.

ADOPTED by the City Council of the City of El Paso de Robles at a regular meeting of said Council held on the 6<sup>th</sup> day of May 2008 by the following vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

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Frank R. Mecham, Mayor

ATTEST:

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Deborah Robinson, Deputy City Clerk