

TO: James L. App, City Manager
FROM: Meg Williamson, Assistant City Manager
SUBJECT: **Salinas River Parkway Grant – Supplemental Purchase**
DATE: December 1, 2009

Needs: For the City Council to authorize a change to the Purchase Agreement with Triple P, LLC to acquire additional acreage within the Salinas River corridor.

- Facts:**
1. The City has been awarded a \$4 million Grant by the State Water Resources Board for the acquisition of up to 260 acres of land within the river corridor.
 2. On November 17, 2009 the City Council authorized the City Manager to enter into a Purchase and Sale Agreement to purchase between 102 and 112 acres. The precise boundary (and therefore acreage) of the sale was to be determined during escrow.
 3. Boundary discussions have continued with the property owners. The owners now indicate a willingness to sell additional riparian areas that would increase the total purchase beyond the 112 acres identified.
 4. An increase in size of the purchase area of riparian lands is consistent with the originally stated goals for the State Grant (to purchase up to 260 acres).
 5. Any supplemental acreage negotiated for purchase would be contingent on State funding availability.
 6. The total additional purchase is up to 45 acres. Therefore, the total purchase could be as much as 157 acres.
 7. The extent of any supplemental purchase will be determined through a boundary survey and confirmation in the field with the property owners.
 8. The estimated total purchase price could go as high \$2 million. The State should fund the cost of the acquisition provided the City contributes twenty-five percent (25%) matching value to the project cost.

**Analysis &
Conclusion:**

An increase in the amount of river corridor area purchased with Grant funds would be beneficial to both City and State goals under the Grant Contract. Authorizing the City Manager to enter into a supplemental agreement to purchase acreage up to 157 acres will provide the flexibility needed to negotiate with the property owners beyond the current 112 acres cited in the signed Purchase and Sale Agreement (PSA).

Authorization for a supplement to the PSA will allow the City to exercise this Grant opportunity to its fullest, representing up to \$2.4 million in State funding.

Policy

Reference:

General Plan and City Council Adopted Goals
June 6, 2006 Council Authorization to file State Water Resources Grant
March 6, 2007 Council appropriation of "Phase I" funds of \$420,000
November 18, 2008 Council appropriation of "Phase II" funds of \$49,000
California Water Board Grant Agreement 06-163-553-1
City Council Resolution 09-151 authorizing Purchase and Sale Agreement

Fiscal Impact:

The cost of the purchase will be determined once the land survey is complete and total acreage of the purchase site is negotiated and verified in the field with the seller. Under the proposed modified maximum purchase scenario of 157 acres, the total cost of land acquisition and restoration is \$2.4 million. The City's required match would be approximately \$600,000; approximately \$444,000 in match has been accumulated as of this date.

On November 17, 2009, the City Council authorized up to \$450,000 in contingency funding from the Park Development Fund in the event it became appropriate/necessary for the City to finalize the sale. No additional appropriation is necessary or being requested for the additional acreage.

Options:

1. For the City Council to adopt the attached resolution 09-XXX:
 - a) Authorizing the City Manager to enter into a Supplemental Purchase and Sale Agreement with Triple P, LLC for the acquisition of up to 157 acres of Salinas River corridor property consistent with the City's General Plan and State Water Resource Agency Grant contract goals; and
2. Amend, modify, or reject the forgoing option.

Attachments:

1. Resolution 09-XXX authorizing the City Manager to execute a Supplemental Purchase and Sale Agreement for river corridor land acquisition and appropriate Park Development funds if needed
2. Triple P LLC Property – potential supplemental acquisition exhibit (Exhibit A to Resolution)

RESOLUTION NO. 09-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
TO AUTHORIZE CHANGE TO THE PURCHASE AND SALE AGREEMENT WITH
TRIPLE P, LLC TO ACQUIRE ADDITIONAL ACREAGE WITHIN THE SALINAS
RIVER CORRIDOR IN CONJUNCTION WITH THE RIVER PARKWAY GRANT

WHEREAS, the City was awarded a \$4 million Grant by the State Water Resources Board for the acquisition of up to 260 acres of land within the river corridor; and

WHEREAS, the goal of the Grant is to protect and improve the water quality of the Salinas River through property acquisitions and storm water channel restoration efforts; and

WHEREAS, on November 17, 2009 the City Council authorized the City Manager to enter into a Purchase and Sale Agreement for up to 112 acres of river corridor property; and

WHEREAS, the owners now indicate a willingness to sell approximately 45 acres of additional riparian area that would increase the total purchase beyond the 112 acres identified in the signed Purchase and Sale Agreement to as much as 157 acres; and

WHEREAS, purchasing additional riparian lands is consistent with the originally stated goals for the State Grant of acquiring up to 260 acres; and

WHEREAS, any additional acreage negotiated for purchase would be contingent on State funding availability, with the State funding directly to an escrow account; and

WHEREAS, the extent of any supplemental purchase will be determined through a boundary survey and confirmation in the field with the property owners; and

WHEREAS, it is estimated that the modified potential total purchase price could reach approximately \$2 million, covered by State funding, provided the City contributes twenty-five percent (25%) matching value to the project cost; and

WHEREAS, authorizing the City Manager to enter into a supplemental agreement to purchase acreage up to 157 acres will provide the flexibility needed to negotiate with the property owners beyond the current 112 acres cited in the signed Purchase and Sale Agreement (PSA); and

WHEREAS, the grant represents a significant and generous “return on the dollar” for a project that promotes multiple community and state wide goals; and

WHEREAS, at this time, no additional appropriation of funds are anticipated in order to finalize the purchase.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of El Paso de Robles to authorize the City Manager to enter into a Supplemental Purchase and Sale Agreement with Triple P, LLC for the acquisition of up to 157 acres of Salinas River corridor property consistent with the City's General Plan and State Water Resource Agency Grant contract goals, and any other documents necessary to effectuate the purchase of the property; and

ADOPTED by the City Council of the City of El Paso de Robles at a regular meeting of said Council held on the 1st day of December 2009 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Duane Picanco, Mayor

ATTEST:

Lonnie Dolan, Deputy City Clerk

