



The Web Site of The Sacramento Bee

This story is taken from [Metro/Regional News](#) at sacbee.com.

A legal twist in sale of land

Ruling lets Yolo County buy Conaway Ranch, but water dispute could increase price.

By Mary Lynne Vellinga -- Bee Staff Writer

Published 12:01 am PDT Tuesday, June 6, 2006

Yolo County has the legal right to buy Conaway Ranch, but a Monday court ruling may mean it has to pay tens of millions of dollars more than officials say it is worth.

In a verbal decision that county lawyers called confusing, Superior Court Judge Timothy Fall ruled that jurors deciding the ranch's price tag can consider evidence of how much its water is worth on the open market.

This evidence will be used in an upcoming trial to determine how much the county must pay the Conaway Preservation Group, the collection of developers that paid \$60 million in 2004 for the 17,244-acre ranch between Woodland and Davis.

At the request of the preservation group, Fall also agreed to postpone the trial until Oct. 31. It had been scheduled to start June 13.

The delay frustrated county officials who have been preparing for months for the "valuation" portion of the Conaway trial. They say the rancorous, county-wide debate over the condemnation of the ranch is consuming too much time and energy, and they want to get it resolved.

"Nothing changes here about our belief in what we're doing, but I'm disappointed that we'll have to wait for resolution," said Yolo County Supervisor Mike McGowan.

Conaway Ranch, located just a few miles from downtown Sacramento, is a swath of open farmland bigger than the cities of Davis and Woodland combined. Part of the Yolo Bypass, it plays a key role in the region's flood control system, and it

provides habitat for thousands of waterfowl in winter.

Perhaps its most valuable asset, however, is its rights to 50,000 acre-feet of river water a year. An acre-foot is enough for an average family of five for a year. County officials say it's crucial that this water remain in Yolo County.

Stuart Somach, a lawyer for the county, said he was baffled by Fall's complicated Monday ruling on the water issue.

"I don't think it was good, but I don't understand it," he said.

County counsel Robyn Truitt Drivon said the ruling could lead jurors to approve "a value we think is legally excessive."

She said the Board of Supervisors will have to decide how to proceed and whether the county will appeal the ruling.

Conaway's owners argue that the ranch's salable water is worth \$75 million. With those water rights factored in, they value the entire property at \$173 million -- nearly three times what they paid for it.

Yolo County argues that under state law, Conaway's water rights can't be broken out this way. The rights can legally be valued at about \$100 -- the amount paid for Conaway water licenses starting nearly a century ago, said county spokeswoman Beth Gabor.

County appraisers put the value of Conaway Ranch at \$57.2 million. That number is somewhat less than what the Conaway Preservation Group paid because about 1,100 acres of the property was earlier removed by the judge from the county's eminent domain action.

Somach said Fall appeared to uphold the county's position on the license issue, but then said profits from water sales could be considered anyway.

"As I sit here now, I don't understand what he ruled, which would have been of great concern if we were going to trial on Tuesday," Somach said.

Tovey Giezentanner, a spokesman for developer Steve Gidaro and others in the Conaway Preservation Group, declined to comment on Monday's court action.

"Out of respect for the legal process, and in a response to a request by the judge, we've decided not to comment on the legal proceedings," Giezentanner said.

In court documents, the Conaway Preservation Group argues that the ranch should

be viewed as a collection of assets: water rights, farmland, wildlife habitat, and about 3,000 acres suitable for residential development.

The county, meanwhile, argues that the court should value the ranch only for agriculture, its current zoning.

Yolo leaders point to the owners' piecemeal method of valuing the ranch as proof that they will seek approvals for development on the land.

"Their approach is clearly based on having to do a number of things to the ranch that we've been worried about," said Supervisor Helen Thomson.

About the writer:

- The Bee's Mary Lynne Vellinga can be reached at (916) 321-1094 or mlvellinga@sacbee.com.

Go to: [Sacbee](#) / [Back to story](#)

This article is protected by copyright and should not be printed or distributed for anything except personal use.
The Sacramento Bee, 2100 Q St., P.O. Box 15779, Sacramento, CA 95852
Phone: (916) 321-1000

[Copyright](#) © [The Sacramento Bee](#), (916) 321-1000