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Yolo backs off seizure, strikes Conaway deal

**By Mary Lynne Vellinga and Pamela Martineau -
Published 12:00 am PDT Friday, September 8, 2006**

After insisting for two years that it would use eminent domain to wrest the vast Conaway Ranch from its private owners, the Yolo County Board of Supervisors announced Thursday it would drop its court case in return for greater assurance that the property's rich water supply won't be sold to outside interests.

The settlement between the board and owners of the 17,300-acre ranch just a few miles from downtown Sacramento represents an about-face by the supervisors, who had said the county needed to control the ranch to prevent its development and the loss of its water.

A spokesman for Conaway's owners, who had all along insisted they intended to keep the ranch in farming, said they were "thrilled" with the county's decision to settle.

"Now we can get busy and preserve the ranch," said Tovey Giezentanner, spokesman for the Conaway Preservation Group, the coalition of developers that bought the property in 2004.

Giezentanner said the group will seek to make a profit by selling conservation easements on the land.

The county's use of eminent domain to try to take over such a large stretch of farmland from a private owner was unusual because condemnation actions stir up public controversy and most open space programs operate on a "willing seller" basis.

The supervisors -- most notably Mike McGowan and Helen Thomson -- had repeatedly raised the specter of large-scale building on the ranch. Conaway Ranch is one of the region's richest habitats for migrating waterfowl.

The settlement contains no prohibitions on development. Instead, it gives Yolo County the right of first refusal to negotiate to buy parcels of land larger than 250 acres if the ownership group seeks to sell.

Conaway's owners also agreed to pay the county's \$2.4 million in legal fees and expenses.

In the future, water from the ranch can't be sold unless the needs of farming, recreation and habitat are met first. After that, the county will have the first right to negotiate for water offered for long-term sale.

"I'm actually very pleased with this," McGowan said. "We're getting a lot, and it didn't cost us anything, or very little."

The supervisors' eminent domain action had attracted attention from foes of condemnation all over the state, particularly after a court ruling in Connecticut stoked anti-eminent domain sentiment nationwide.

Yolo voters were split.

And one supervisor, board Chairman Frank Sieferman Jr., suffered political fallout.

He received 31 percent of the vote in the June primary and faces a runoff in November against former Woodland Mayor Matt Rexroad, a political consultant who received 42 percent of the vote.

Rexroad opposed the county's eminent domain action.

On Thursday, Rexroad accused the board of playing politics with the Conway settlement. "This is about saving Frank Sieferman," he said.

Sieferman said he agreed to the settlement because it keeps the ranch in farming and preserves its water, not because it could help him keep his seat.

"He's playing politics, and that's not what this is about," Sieferman said of Rexroad.

McGowan said financial considerations, not political ones, caused the county to seek a resolution outside the courtroom.

The settlement came as an October trial date to set the value of the property approached. In June, Yolo Superior Court Judge Timothy Fall ruled that the jury could consider the market value of Conway's water when setting a purchase price for the land.

That ruling left county officials worried that the price would be far more than the \$60 million the Conaway Preservation Group paid for the property.

Conaway's owners argued that the water alone was worth \$75 million, boosting the land's total value to \$173 million.

"We had come to the conclusion that the jury would come back with a valuation greater than the property's worth," McGowan said in an interview Thursday. "In a sense, we really couldn't afford to win."

The Rumsey Band of Wintun Indians, operators of Cache Creek Casino Resort, had agreed to lend the county the money it needed to consummate the purchase, but Yolo still would have had to pay it back.

Rumsey spokesman Doug Elmets declined to comment Thursday on the settlement.

While the tribe had not backed away from the deal, sources said its enthusiasm had diminished notably since longtime Chairwoman Paula Lorenzo was unseated earlier this year.

She and the tribe's lawyer, Howard Dickstein, who no longer represents Rumsey, had long pushed the tribe toward greater involvement in the community and engagement with other governments.

While the supervisors tried to cast the settlement as a victory, one county supervisor who didn't attend their press conference issued a statement calling it "personally distasteful."

"This agreement represents the best the county could achieve at this time," wrote Supervisor Mariko Yamada. "While I find the settlement personally distasteful, there are times when the pragmatic trumps principle."

Rexroad, who has long pushed for a settlement, said the county should have made a deal earlier, when it was in a position of greater legal strength. On his Web site, Rexroad posted a settlement offer made in December by the Conaway Preservation Group.

It offered to give the county a 50 percent interest in the ranch and to split the proceeds of any water sales.

A committee made up of two county representatives and two representatives for Conaway Preservation Group would have made decisions for the land.

If the owners group had sold water rights permanently over the county's objections, it would have been required to allocate an equal amount of water rights to the county.

Rexroad said the deal released Thursday was inferior. "This is not negotiation success," he said.

McGowan called Rexroad a "Monday morning quarterback" and said he thinks the current deal is better than the one the county rejected.

"There was no fundamental restriction on them transferring water," he said of the earlier offer. "They were going to give us input, but absolutely no authority or control."

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- [Read settlement agreement \(pdf\)](#)

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