

**Central Valley Flood Protection Board
Meeting of June 22, 2012**

**Agenda Item 7K
Staff Report**

By: Alejandra Lopez, Real Estate Branch and
Michael C. Wright, Board Staff

SUBJECT:

Seeking Board's approval to finalize the removal of a Sacramento and San Joaquin Drainage District (SSJDD) deed restriction from the property owned in fee by the City of Rio Vista identified as Solano County Assessor's Parcel Numbers 178-200-010, 178-200-020, 178-200-030, and 178-200-040 (hereinafter "Property") and approve Resolution No. 2012-28 removing the deed restriction provided all terms and conditions are met by the City of Rio Vista.

LOCATION:

The Property is located in the City of Rio Vista in Solano County at the corner of Airport Road and Saint Francis Way, consisting of 108.75 acres, more or less (see Exhibit A).

BACKGROUND:

The request to remove a deed restriction came before the Central Valley Flood Protection Board's (Board) Agenda on May 15, 2009. The City of Rio Vista (City) requested that the Board consider removing the restriction so that the City could sell the Property and generate revenue for the City. The deed restriction in question, created by the SSJDD for the Property owned in fee by the City, establishes a condition that "the land must be used for any of its lawful governmental functions" which, in 1989, the Legislature clarified in Chapter 195 of Statutes of 1989 to mean any and all functions which may be carried out by a municipality, *other than the sale of the real property described therein.* (1989 Stat. Chat. 195, italics added)(see Exhibit B).

At the May 15, 2009 meeting, the Board indicated its willingness to remove the deed restriction provided four conditions were met, a motion was voted on and approved capturing the four conditions. First, the Board directed staff to review the area to ensure that there are no flood control issues associated with the parcels. Second, the Board asked Staff to confirm that the United States Army Corps of Engineers (USACE) has no flood control issue associated with the Property. Third, Board asked Staff to confirm that there are no legal impediments to removing the deed restriction and research whether there are financial benefits to the State for engaging in this process. Lastly, Board made their approval of the deed restriction removal conditional upon funding for staff time associated with the removal of the deed restriction be reimbursed by the city of Rio Vista.

HISTORY

SSJDD, acting by and through the Reclamation Board (now known as the Central Valley Flood Protection Board) acquired certain property consisting of approximately 254.83 acres in 1926. Although not explicitly stated in the original acquisition document, it appears from other subsequent documents that the property was acquired for spoiling purposes. Portions of the initial acquisition property were deemed excess lands and recommended for sale.

The Board sold the Property to the City on July 31, 1952 for a total amount of \$2,175. The Board, at the time, made the finding that the Property was no longer needed for flood control purposes. The Grant Deed for the Property included a restriction limiting the use to “a municipal airport, as a site for garbage disposal and as a site for recreational uses.” (see Exhibit C -1952 Grant Deed) In 1970, the City requested a modification to the original 1952 Deed to change the purposes for which the Property could be used. At the time, the City was contemplating using the site as a veteran’s memorial. On June 26, 1970, a “Corrected Deed” was recorded against the Property, deleting the original restriction and superseding it with a restriction that the Property “be used solely and exclusively for any of its [the City’s] lawful governmental functions.” (see Exhibit D – 1970 Corrected Deed).

By the late 1980s, the Property was still underutilized and the City had no plans to develop the previously contemplated veteran’s memorial. In order to generate revenue and place the Property into productive use, the City wanted to sell the Property for development into a business/industrial park. At that time, the City entered into preliminary discussions with the then Reclamation Board to remove the restriction contained in the Corrected Deed and thereby allow the sale of the Property. However, a dispute arose as to whether the restriction had to be removed prior to sale of the Property and whether the Board should be compensated in exchange for the removal of the restriction.

Since 1989, the City has attempted, with limited success, to develop the Property as a business/industrial park by leasing portions of the Property to different business. Many of the businesses that have expressed interest in moving to the city of Rio Vista would prefer to acquire the Property in fee for their operations. The businesses that City officials have spoken with have been unable to obtain financing based on a ground lease terms.

CONDITIONS ADDRESSED

The Board staff and California Department of Water Resources (DWR) staff acting on behalf of the Board addressed the Board’s conditions as follows:

1. The Board staff researched the Property as it relates to flood control as well as reviewed information provided by the City of Rio Vista, and have determined that the Property is no longer required for flood control or flood fighting purposes. (see Exhibit E – Board staff Memorandum)

2. The Board staff has made the finding that when the Property was originally conveyed in fee to the City in 1952, the United States Army Corps of Engineers offered no objection to the sale of the land and did not identify any flood control issues with the Property.
3. Jeremy Goldberg from DWR Office of the Chief Counsel determined that there are no legal impediments for the Board to remove the deed restriction. In addition, the Real Estate Branch (REB) staff researched whether the State was entitled to any financial benefit. The REB reviewed the offer, deeds, and the appraisal provided by the City and concurred with the City's determination that the deed restriction cannot be appraised since it's not a marketable interest in land, this is because there is no market for properties subject to deed restrictions such as this. They are simply too rare. Instead, the restriction is a very specific condition of sale or a term, which cannot be quantified (See Exhibit F). REB also confirmed with its overseeing State agency, Department of General Services (DGS) that this appraisal does not require transaction review from DGS because the compensation for this transactions, if accepted, will be under \$150,000 limit. DGS also concurred with REB that the value couldn't be quantified and they would thus defer to our project needs to "act in the State's best interest". Thus, any financial implications of the removal of the deed restriction are a matter left to the Board's discretion. If the Board so chooses it may accept the offer made by the City on February 2, 2012 for the consideration amount of \$59,812.50 (see Exhibit G).
4. The REB staff has run a report of the staff time incurred and provided to the City for approval and the City has agreed to reimburse the State for the costs. The City understands that the report provided is not the final costs and additional cost is still pending for the finalization of the removal of the deed restriction. The full reimbursement of staff time is a condition in the Resolution No. 2012-28.

STAFF RECOMMENDATION:

Board staff recommends approval of Resolution No. 2012-28.

ATTACHMENTS:

1. Resolution No. 2012-28
2. Corrective Deed
3. Exhibit A – Location map
4. Exhibit B – 1989 Stat. Chat. 195
5. Exhibit C – 1952 Grant Deed
6. Exhibit D – 1970 Corrected Deed
7. Exhibit E – Board staff Memorandum
8. Exhibit F – DWR staff memorandum
9. Exhibit G – City's offer

**STATE OF CALIFORNIA
CALIFORNIA NATURAL RESOURCES AGENCY**

CENTRAL VALLEY FLOOD PROTECTION BOARD

RESOLUTION NO. 2012-28

WHEREAS, the City of Rio Vista (City), California, has made a request to the Sacramento and San Joaquin Drainage District acting by and through the Central Valley Flood Protection Board (Board) to remove a deed restriction on property owned in fee by the City of Rio Vista; and

WHEREAS, the City's property is located in the City of Rio Vista in Solano County at the corner of Airport Road and Saint Francis Way, consisting of 108.75 acres, more or less, identified as Solano County Assessor's Parcel Numbers 178-200-010, 178-200-020, 178-200-030, and 178-200-040.

WHEREAS, the Board wishes to assist the City in their attempt to generate revenue by lifting the existing deed restriction in favor of SSJDD so that City may explore selling the property; and

WHEREAS, the Board has agreed to execute a corrective deed removing an express condition that said property shall be used solely and exclusively by City for any of its lawful governmental functions; and

WHEREAS, the Board intends to maintain its existing reservation of all gas, oil and mineral deposits as described in said Grant Deed dated July 31, 1952, and recorded on November 7, 1952 at Book 642 at page 373; and

WHEREAS, the Board at its regular meeting on May 15, 2009, indicated its willingness to remove the deed restriction subject to four conditions precedent being met to its satisfaction; and

WHEREAS, pursuant to condition one, the Board staff has made a finding under Section 8598(d) of the Water Code of California that the 108.75 acres, more or less of land which are subject to the deed restriction are no longer needed for the purposes of flood control works or other necessary or convenient purposes; and

WHEREAS, pursuant to condition two, the Board staff has made the finding, that when the property was originally conveyed in fee to the City in 1952, the United States Army Corps of Engineers offered no objection to the sale of the land and did not identify any flood control issues with the property; and

WHEREAS, pursuant to condition three, the California Department of Water Resources (DWR) staff acting on behalf of the Board through DWR's Office of the Chief Counsel determined that there are no legal impediments to the Board removing the deed restriction; and

WHEREAS, pursuant to condition three, DWR's Real Estate Branch reviewed and consulted with the Department of General Services on the offer, deed, and appraisal provided by the City and concurred that the deed restriction cannot be appraised because it's not a marketable interest in land; and

WHEREAS, because the deed restriction cannot be appraised as a marketable interest in land, the sufficiency of the City's offer of compensation for the removal of the deed restriction is a matter left to the Board's discretion; and

WHEREAS, pursuant to condition four, the City has agreed to reimburse the State for the costs and staff time incurred in removing the deed restriction.

NOW, THEREFORE, BE IT RESOLVED that the Board, hereby accepts the offer of the City of Rio Vista at \$550 per acre for the total amount \$59, 812.50 in consideration for the removal of the deed restriction on the aforesaid 108.75 acres, more or less of land; and

BE IT FURTHER RESOLVED, the Board, hereby authorizes and directs its President and its Secretary to execute the corrective deed in favor of the City of Rio Vista removing the deed restriction on the aforesaid 108.75 acres, more or less of land, subject to its reservation of all gas, oil and mineral deposits as described in said Grant Deed dated July 31, 1952, and recorded on November 7, 1952 at Book 642 at page 373, provided that Real Estate Branch shall not process the corrective deed until the City of Rio Vista has reimbursed the State for the final costs and staff time incurred for the removal of the deed restriction.

DATED:

THE CENTRAL VALLEY FLOOD PROTECTION
BOARD OF THE STATE OF CALIFORNIA

By: _____
William Edgar, President

By: _____
Jane Dolan, Secretary

Approved as to Legal Form
and Sufficiency

Jeremy Goldberg, Staff Counsel

RECORDING REQUESTED BY

WHEN RECORDED MAIL TO:

DEPARTMENT OF WATER RESOURCES

Division of Engineering
Real Estate Branch
1416 9th Street, Room 425
Sacramento, CA 95814

SPACE ABOVE THE LINE FOR RECORDER'S USE

178-200-010, -020, -030, -040

CITY OF RIO VISTA
Project BUSINESS PARK

Parcel No. 162-B

CORRECTION DEED

WHEREAS, the SACRAMENTO AND SAN JOAQUIN DRAINAGE DISTRICT, acting by and through THE CENTRAL VALLEY FLOOD PROTECTION BOARD of the STATE OF CALIFORNIA (Grantor), granted to **THE CITY OF RIO VISTA** (Grantee) all that real property in the County of SOLANO, State of California, as described in the Grant Deed dated July 31, 1952, and recorded on November 7, 1952 at Book 642 at Page 373 ("Grant Deed"); and

WHEREAS, a CORRECTED DEED dated June 26, 1970 and recorded August 1, 1970 at Book 1638, Page 686, was subsequently recorded which provides an express condition that said property shall be used solely and exclusively by the Grantee for any of its lawful governmental functions; and

WHEREAS, Grantor has authorized that said use restriction shall be deleted; and

WHEREAS, Grantor intends to maintain its reservation of all gas, oil and mineral deposits as described in said Grant Deed.

NOW THEREFORE, subject to Grantor's reservation of all gas, oil and mineral deposits as described in said Grant Deed, Grantor removes and deletes said express condition requiring that said property shall be used solely and exclusively by the Grantee for any of its lawful governmental functions.

JUN 13 2012

State of California
The Resources Agency
Department of Water Resources
THE CENTRAL VALLEY FLOOD
PROTECTION BOARD

Parcel No. 162-B

Executed this ____ day _____, of 20 ____

SACRAMENTO AND SAN JOAQUIN DRAINAGE
DISTRICT, acting by and through The Central Valley
Flood Protection Board of the State of California.

By _____
President

By _____
Secretary

Approved as to Legal Form

Signed and delivered in the presence of:

Counsel, The Central Valley Flood Protection Board

STATE OF CALIFORNIA }

SS

County of _____

On _____, 20 ____, before me, _____

personally appeared _____ who proved to me on the basis of
satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and
acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that
by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s)
acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal

[SEAL]

NOTARY PUBLIC IN AND FOR THE STATE OF CALIFORNIA

Exhibit A - Location Map



Google earth



EXHIBIT B

Volume 1

STATUTES OF CALIFORNIA

AND DIGESTS OF MEASURES

1989

Constitution of 1879 as Amended

**General Laws, Amendments to the Codes, Resolutions,
and Constitutional Amendments passed by the
California Legislature**

1989-90 Regular Session



Compiled by
BION M. GREGORY
Legislative Counsel

→ CHAPTER 195

An act relating to public property.

[Approved by Governor July 21, 1989. Filed with
Secretary of State July 21, 1989.]

The people of the State of California do enact as follows:

SECTION 1. The phrase "lawful governmental functions" as used in that certain deed from the Sacramento and San Joaquin Drainage District to the City of Rio Vista dated June 26, 1970, and recorded on August 17, 1970, in Book 1638 at Pages 686 to 688, inclusive, as Instrument No. 14530, shall mean any and all functions which may be carried out by a municipality, other than the sale of the real property described therein.

CHAPTER 196

An act to amend Section 26349 of the Government Code, relating to bonds, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 24, 1989. Filed with
Secretary of State July 25, 1989.]

The people of the State of California do enact as follows:

SECTION 1. Section 26349 of the Government Code is amended to read:

26349. The bonds issued under this chapter, except for those revenue bonds issued pursuant to Article 9 (commencing with Section 26400.50), shall be subject to investigation and certification by the Treasurer under the Districts Securities Law (Chapter 1 (commencing with Section 20000) of Division 10 of the Water Code). If the Treasurer determines that the bonds are adequately secured and the revenues of the authority applicable to the payment thereof are or will be sufficient to pay the principal and interest of the bonds, and if the Treasurer certifies to that effect, the bonds shall be eligible as legal investments for both public and private funds in the same manner as provided in the Districts Securities Law (Chapter 1 (commencing with Section 20000) of Division 10 of the Water Code).

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that bonds may be issued during 1989 to finance the improvements needed by county airports, it is necessary for this act

4

3
No Change
for Recording

1-2 JSH:PK 7/23/52
RECORDED AT REQUEST OF
15676 *[Signature]*
at *[Signature]* min. past 2 P.M.

REC'D 642 REC 373

DEED

NOV 7 1952
Official Records 313
Solano County, California
M. E. B. INGHAM, Recorder
By *[Signature]* Deputy

For and in consideration of the payment of the sum of Two Thousand One Hundred Seventy-five and no/100 Dollars (\$2175.00), the SACRAMENTO AND SAN JOAQUIN DRAINAGE DISTRICT, a public agency, hereinafter designated "GRANTOR", acting by and through The Reclamation Board of the State of California, pursuant to Section 8598(d) of the Water Code, State of California, does hereby grant to the CITY OF RIO VISTA, California, hereinafter designated "GRANTEE", all that certain real property situated in the County of Solano, State of California, described as follows:

All that certain parcel or tract of real property situate, lying in and being a portion of Tracts 3, 4 and 5 of Rancho Los Ulpinos or Bidwell Grant, Solano County, California; as said tract is shown and delineated upon that certain map or plat entitled, "Map or plan of a portion of the Rancho Ulpinos or Bidwell Grant belonging to Chapman and Torode", as the same was filed for record in the office of the County Recorder of the County of Solano, State of California, on May 30, 1861, and more particularly described as follows:

Beginning at an iron pipe on the southwesterly line of Suisun Avenue said pipe being the most easterly corner of that certain 9.52 acre tract conveyed to the Sacramento and San Joaquin Drainage District by M. Avila et ux, by deed dated January 23, 1926, and recorded February 5, 1926, in Book 280 of Deeds at page 13; Solano County Records; THENCE FROM SAID POINT OF BEGINNING, along said southwesterly line, the following three courses:

- (1) North 44° 36' 00" West 1135.35 feet;
- (2) North 44° 42' 00" West 181.00 feet; and
- (3) North 44° 46' 00" West 484.11 feet to a point;

thence leaving said southwesterly line, South 44° 54' 41" West 2,395.21 feet to a point; thence South 45° 06' 30" East 2,165.50 feet, more or less, to the southeasterly line of said Tract 3; thence along said southeasterly line the following three courses:

- (1) North 36° 19' 00" East 1081.70 feet;
- (2) North 35° 51' 00" East 346.00 feet; and
- (3) North 36° 10' 51" East 981.29 feet, more or less,

to said southwesterly line of Suisun Avenue and the point of beginning, containing 108.75 acres, more or less.

The North Meridian used in this survey is identical with that adopted by the Department of the Army, Corps of Engineers, for this area.

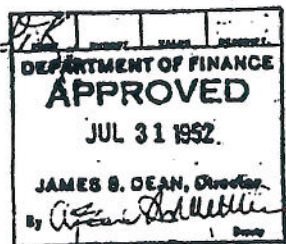
DWYK 642 JUNE 374

Reserving, however, to GRANTOR, its successors and assigns, all oil, gas, oil shale, coal, phosphate, sodium, gold, silver and all other mineral deposits, whether similar to those specified herein or not, in, on or under the surface of the said land granted herein, or any part of said land, including all rights of ownership therein, and reserving the right of exploring and prospecting for, mining, developing and operating for any or all of said products upon the said land together with all incidents necessary thereto which an owner of real property may or might exercise upon his own land, having fee title thereto.

1 *o* This grant is made upon the express condition that the said property shall be used solely and exclusively by the said GRANTEE for any one or more of the following purposes, to-wit:- As a site for a municipal airport, as a site for garbage disposal and as a site for recreational uses.

This grant is made subject to those certain grants of easement made by GRANTOR to the Pacific Gas and Electric Company dated July 9, 1946, and November 21, 1950, and to all other valid and existing contracts, leases, licenses, encumbrances or claims of title which may affect said premises, and the word "grant" as used herein shall not be construed as a covenant against the existence of any thereof.

IN WITNESS WHEREOF, this deed, on the 31st day of July, 1952, has been executed by the duly authorized officers of GRANTOR.



SACRAMENTO AND SAN JOAQUIN TRAILHEAD
DISTRICT
Acting by and through The Reclamation Board

By *R.P. Gallaway* President.

By *George H. Holmes* Secretary.

Solano County

RECORDING REQUESTED BY

CITY OF RIO VISTA

WHEN RECORDED MAIL TO:

CITY OF RIO VISTACITY HALLRIO VISTA, Ca

14530

[Signature]
 AUG 1 7 1970

— OFFICIAL RECORDS P. —
 SOLANO COUNTY, CALIF.
[Signature]
 Recorder

Space above this line for recorder's use

CORRECTED DEED

WHEREAS, the Sacramento and San Joaquin Drainage District, acting by and through The Reclamation Board of the State of California, granted to the City of Rio Vista, California, all of that certain real property situated in the County of Solano, State of California, described as follows:

All that certain parcel or tract of real property situate, lying in and being a portion of Tracts 3, 4 and 5 of Rancho Los Ulpinos or Bidwell Grant, Solano County, California; as said tract is shown and delineated upon that certain map or plat entitled "Map or plan of a portion of the Rancho Ulpinos or Bidwell Grant belonging to Chapman and Torode", as the same was filed for record in the office of the County Recorder of the County of Solano, State of California, on May 30, 1961, and more particularly described as follows:

Beginning at an iron pipe on the southwesterly line of Suisun Avenue said pipe being the most easterly corner of that certain 9.52 acre tract conveyed to the Sacramento and San Joaquin Drainage District by M. Avila et ux., by deed dated January 23, 1926, and recorded February 5, 1926, in Book 280 of Deeds at page 13, Solano County Records; THENCE FROM SAID POINT OF BEGINNING, along said southwesterly line, the following three courses:

- (1) North 44° 36' 00" West 1135.35 feet;
- (2) North 44° 42' 00" West 181.00 feet; and
- (3) North 44° 46' 00" West 484.11 feet to a point;

thence leaving said southwesterly line, South 44° 54' 41" West 2,395.21 feet to a point; thence South 45° 06' 00" East 2,145.30 feet, more or less, to the southeasterly line of said Tract 3; thence along said southeasterly line the following three courses:

BOOK 1638 PAGE 686,

- (1) North 36° 19' 00" East 1081.70 feet;
- (2) North 35° 51' 00" East 346.00 feet; and
- (3) North 36° 10' 54" East 981.29 feet, more

or less, to said southwesterly line of Suisun Avenue and the point of beginning, containing 108.75 acres, more or less.

The north meridian used in this survey is identical with that adopted by the Department of the Army, Corps of Engineers, for this area.

WHEREAS, within the context of the deed conveying the above property there is an express condition that the said property shall be used solely and exclusively by the City of Rio Vista for any one or more of the following purposes: As a site for a municipal airport, as a site for garbage disposal and as a site for recreational uses;

WHEREAS, the Reclamation Board has authorized that said use restrictions be deleted and superseded;

NOW, THEREFORE, the use restrictions contained in that certain deed dated July 31, 1952, and recorded November 7, 1952, Book 642, page 373, Official Records of Solano County are hereby deleted and are superseded by the restriction that the hereinabove described property be used solely and exclusively for any of its lawful governmental functions.

Dated June 26, 1970

SACRAMENTO AND SAN JOAQUIN DRAINAGE
DISTRICT, acting by and through The
Reclamation Board of the State of
California

By William M. Kinnel
President

By Ronald R. Hanning
Secretary

Approved as to Legal Form

Allen L. W. W. W.
Counsel

STATE OF CALIFORNIA }
COUNTY OF SACRAMENTO }

On this 26th day of June

A.D. 1970, before me,

Sylvia A. Blake

, a Notary Public in and for the said county and State,

daily commissioned and qualified, personally appeared *Wallace M. Cormack*

and *Ronald R. Harrington*, known to me to be the President and Secretary, respectively, of The Reclamation Board of the State of California, and acknowledged to me that they executed the foregoing instrument for and on behalf of The Reclamation Board of the State of California.

In Witness Whereof, I have hereunto set my hand and affixed my official seal, this day and year in this certificate first above written.



Sylvia A. Blake
Notary Public in and for the County of Sacramento,
State of California

BOOK 1638 PAGE 688

CENTRAL VALLEY FLOOD PROTECTION BOARD

3310 El Camino Ave., Rm. 151
SACRAMENTO, CA 95821
(916) 574-0609 FAX: (916) 574-0682
PERMITS: (916) 574-2380 FAX: (916) 574-0682



June 13, 2012

Ms. Allie López
Associate Land Agent
California Department of Water Resources
Division of Engineering
Real Estate Branch
1416 Ninth Street, Room 425
Sacramento, California 95814

Subject: Deed Restriction for the Rio Vista Business Park as it Relates to Flood Control

Ms. López:

Upon receipt of information provided by the City of Rio Vista, the Central Valley Flood Protection Board (Board) staff has evaluated the Rio Vista Business Park (Property) as it relates to flood control. Upon completion of this assessment, Board staff has determined that the Property is no longer required for flood control or flood fighting purposes.

The Property may have once been used as a Sacramento - San Joaquin Drainage District dredge spoils site prior to the sale of the Property to the City of Rio Vista in 1952. Since the sale of the Property, it does not appear that it was used in any way by the State of California. An adjacent parcel north-east is owned by the State and is used to stock pile flood fighting materials, but the property in question has not been utilized for flood control by the State for over 50 years.

Documentation provided by the City of Rio Vista also contains a resolution approved by the Reclamation Board in 1952 that states:

"Whereas, The Sacramento and San Joaquin Drainage District, acting by and through The Reclamation Board, has made a finding, pursuant to Section 8598(d) of the Water Code of California, that the said 108.9 acres of land is no longer needed for the purposes of flood control works or other necessary or convenient purposes, and..."

Board Staff has also consulted with the Central Valley Flood Planning Office and the property is not located within any areas of interest of the Central Valley Flood Protection Plan.

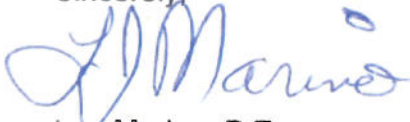
After thorough review of all of the available information, Board staff does not believe the Property is necessary for flood control purposes, and supports lifting the Deed Restriction for the Rio Vista Business Park.

Exhibit E

Ms. Allie López
June 13, 2012
Page 2

Should you have any questions, please contact Michael C. Wright by e-mail at mcwright@water.ca.gov.

Sincerely,

A handwritten signature in blue ink that reads "Len Marino". The signature is stylized with a large, looping "L" and a cursive "Marino".

Len Marino, P.E.
Chief Engineer

Exhibits:

- Exhibit A – Location Map
- Exhibit B – Best Available Maps (BAM) Information
- Exhibit C – Floodplain Information

Exhibit A - Location Map



Google earth

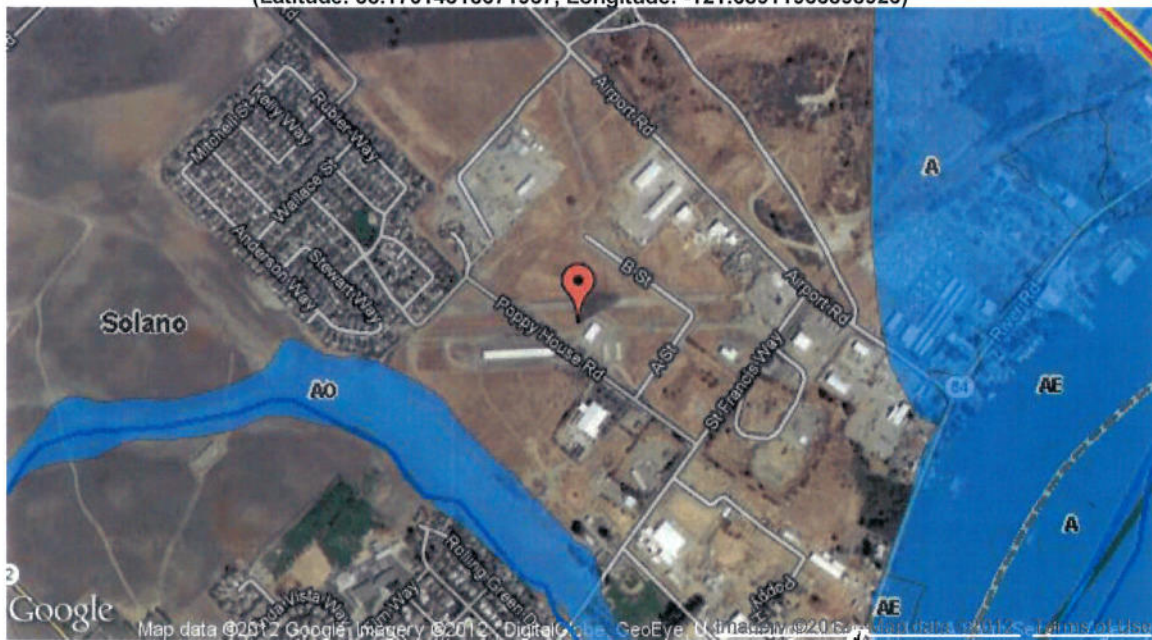
miles
km





Floodplain Information

(Latitude: 38.17014318671957, Longitude: -121.68911933898926)



Floodplains are displayed using semi transparent colors. When viewing overlapping floodplains, the combination of multiple semi transparent colors will not match the legend colors. For accurate color representation, view floodplains individually.

Legend:

County Boundary
 Federal Levee Centerline
 Non-Federal Levee Centerline
 River/Stream Centerline

100-Year Floodplains

FEMA Effective

Floodways

Regulated Streams
 Designated Floodways

Disclaimer:

If your project is inside or 300 feet from the Designated Floodway or regulated streams you will need an encroachment permit from the Central Valley flood Protection Board.

The floodplain map is best viewed and printed in color

OFFICE MEMO

TO: ✓ Angelica Aguilar, Senior Land Agent
Real Estate Branch, DOE

DATE: May 29, 2012

FROM: Marie Buric, Senior Land Agent
Real Estate Branch, DOE

SUBJECT: REB's Review of Outside Appraisal
for City of Rio Vista Properties:
APNs 0178-200-010, -020, -030, and -040,
Solano County

This appraisal concerns the four subject parcels which comprise 108.75± acres of the city of Rio Vista, in Solano County. The appraiser hired to draft the report is Ronald G. Garland MAI and Steven M. Salmon Garland and Associates of Fairfield California. His appraisal report values the vacant unimproved land interest in fee, as of April 27, 2012, as being worth \$1,000,000 if unencumbered, (encumbered meaning there is a competing interest or claim on the land).

But the fact is the property was purchased from the S&SJDD in 1952 along with a reversionary clause in the deed prohibiting the city of Rio Vista from ever selling the property or using it for anything but municipal purposes. This clause is a legitimate encumbrance from which the city is trying to extract itself by buying back this interest, or 'stick' from the fee bundle of rights. The matter in question is how to appraise a reversionary interest.

To date the city has partially improved the site with infrastructure in the form of city streets and some structures with the hope of attracting industrial entrepreneurs to purchase/develop the sites and practice their trades. But the market for industrial activity is nominal in Rio Vista for many reasons. So, the appraiser's Highest and Best Use is to hold over for a stronger market cycle. To develop a FMV of the property in the unencumbered condition he employs two scenarios: 1.) as transitional raw land competing as such and 2.) as aggregate retail sale value. (This second value only tallies the current cost to rebuild and replace the improvements as if in a vacuum. This is not the FMV of the city land and structures when put on the market.)

Scenario #1 yields 4 comparable sales which when adjusted results in a fair market value of approximately \$9,000/acre or \$1,000,000 total and rounded. Scenario #2 yields an aggregate sales value of the current structures/sites at almost \$3 million; but, the cost of completing the infrastructure still is between \$2.5 million to \$3.5 million. It costs more to complete the site than the site itself costs and one still has to complete the infrastructure at the very least, so, no market here. Consequently, the vacant raw land value of \$1,000,000 unencumbered is adequately justified, as Conny confirms. [The city's suggested compensation value of \$59,812 is also deemed acceptable by Mr. Garland, due to consensus of parties involved. We understand the CVFPB is still negotiating the proposed compensation of \$59,812.50 offered by the city to release the land from the deed restriction.]

However, Mr. Garland's appraisal report does not and cannot address the Fair Market Value of this restriction in terms of a specific dollar amount. The encumbrance identified as a '*prohibition of sale*' deed restriction is not a marketable interest in land, because no such market exists. Instead, this restriction is a very specific *condition of sale* or a term, which cannot in itself be quantified. Nor is it transferable to others, but instead it is unique to the two parties S&SJDD and DWR. Being of value to only the parties involved, any agreed upon amount (acting in the best interest of both parties) should be acceptable.

So, I confirmed with DGS that this appraisal need not go to DGS for the following reasons:

1. The compensation of \$59,812.50 is under the \$150,000 limit.
2. DGS couldn't quantify the value of the deed restriction, but would instead defer to our project needs to 'act in the State's best interest'.

Ultimately, this deed clause should be sorted out by the legal counsels who represent the parties involved. If both the state and the city agree to any value proposed by either party, this would be a resolution which would satisfy the original purpose of a FMV standard for any given offer.

February 2, 2012

Angelica Aguilar
Sr. Land Agent
Department of Water Resources
1416 Ninth Street, Room 425
Sacramento, CA 95814

Re: City of Rio Vista Business Park: Removal of Deed Restriction

Dear Ms. Aguilar:

As requested by Lorraine Pendlebury, Staff Analyst for the California Department of Water Resources ("DWR"), this letter is written on behalf of the City of Rio Vista ("City") regarding a current deed restriction on approximately 108.75 acres of real property owned by the City and County of Solano ("County"), commonly known as the Rio Vista Business Park ("Property"). The three parcels comprising the Property were transferred to the City in 1952 subject to a deed restriction. After the sale of the Property to the City, the City transferred two of the parcels to the County. In its current form, the deed restriction provides that the Property may only be used for any "lawful government function." (See Corrected Deed, dated August 17, 1970.) This deed restriction has impaired the City's ability to sell or develop its part of the Property as detailed in the City's previous communication to Nancy Finch of DWR dated March 24, 2010. The City understands that the Central Valley Flood Protection Board ("Board") has the power to remove the deed restriction from the entire Property. The City now asks that this matter be placed upon the March 2012 agenda for consideration of removal of the deed restriction as proposed in this letter.

The City has invested significant capital into the Property with its infrastructure improvements, and should be afforded the opportunity to seek a return on this investment through the sale and development of the Property. The deed restriction operates as a cloud on the title to the Property, and impairs the Property value and the ability to make full productive use of the Property. The City, however, understands that the Board may wish to be compensated for the removal of the deed restriction. In that vein, and in the spirit of cooperation with the Board to reach a resolution of this matter, the City proposes that it pay the Board \$550.00 per acre in exchange for a removal of the deed restriction on the entire Property. This would result in revenues to your agency of \$59,812.50. Payment of this full amount would be made to the Board immediately in exchange for a full release of the deed restriction on the Property.

Exhibit G

Angelica Aguilar
February 2, 2012
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Enclosed for your convenience are drafts of two quitclaim deeds - one from the Board to the City and the other from the Board to the County - which release the deed restrictions on all three parcels of Property. The legal descriptions will need to be confirmed prior to recordation. Also enclosed are a copy of the appraisal for the Property, and a page of pictures showing the elevation of the Business Park.

If you have any questions or concerns, please do not hesitate to contact me.

Sincerely,

KRONICK, MOSKOVITZ, TIEDEMANN & GIRARD
A Law Corporation



Jonathan P. Hobbs
Rio Vista City Attorney

JPH

Enclosures

cc w/o encs.: Jan Vick, Mayor (*via email*)
Hector De La Rosa, City Manager (*via email*)