



Department: Administration
Cost Center: 1005
For Agenda of: 4/2/2024
Placement: Consent
Estimated Time: N/A

FROM: Greg Hermann, Deputy City Manager
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SUBJECT: PURCHASE OFFER FOR PERMANENT EASEMENT AND TEMPORARY CONSTRUCTION EASEMENT FROM COUNTY OF SAN LUIS OBISPO FOR BOB JONES PATHWAY PROJECT

RECOMMENDATION

Pursuant to an offer package received from the County of San Luis Obispo for its Bob Jones Pathway Project:

1. Adopt a Draft Resolution entitled, "A Resolution of the City Council of the City of San Luis Obispo, California, authorizing the sale of a Perpetual Easement and a Temporary Construction Easement for the County of San Luis Obispo's Bob Jones Pathway Project that will encumber portions of property owned by the City of San Luis Obispo identified as Assessor's Parcel Numbers 076-061-075, 076-061-078, and 076-121-018 commonly known as the Filipponi Ecological Reserve"; and
2. Authorize the Mayor to sign the document entitled, "Perpetual Easement Agreement (And Temporary Construction Easement) Bob Jones Pathway"; and
3. Direct staff to receive and reserve the funds for future open space uses in accordance with General Plan policy.

POLICY CONTEXT

There are three areas of pertinent City policy applicable to evaluating the offer from the County of San Luis for the requested easements necessary for them to complete their Bob Jones Pathway Project.

1. Support for the County's Bob Jones Pathway Project can be found in a suite of City policy documents:
 - a) The Land Use Element of the General Plan (2014), with Goal # 10 (Environment), "Support statewide and regional efforts to create more sustainable communities, reduce greenhouse gas emissions, and develop transportation systems that support all modes of circulation."

- b) The Circulation Element of the General Plan (2014) calls for achieving a transportation mode split objective of 20% of all trips being made by bicycle, which is echoed by the Climate Action Plan for Community Recovery (2020) that also places a strong emphasis on addressing emissions from regional trips.
 - c) The Active Transportation Plan (2021) addresses the need for regional collaboration and specifically names the subject project with Goal 1.9 Collaborate with Regional Partners. “Cooperate with the County, State, San Luis Obispo Council of Governments, Cuesta College and Cal Poly in the planning and design of regional bicycle and pedestrian facilities (e.g. Bob Jones City-to-Sea Bike Trail, Chorro Valley Trail, Edna-Price Canyon Trail) to expand regional active transportation and recreation opportunities.”
2. The City of San Luis Obispo’s policies and procedures for real property acquisition and disposal are found at Section 475 of the Financial Management Manual, which further incorporates City Charter Article IX, Section 906 and City Council Resolution No. 10052 (2009 Series). Policy guidance pertinent to granting the proposed permanent and temporary construction easements to another public agency can be found in the sub-section regarding long-term use of real property intended for specific City-approved purposes by others (475-11): “The proposed use must further the Council’s intended goals or policies for the specific property, and shall not conflict or preclude any existing or planned City use” and “The proposed use should be consistent with the goals and objectives of the City’s General Plan for land use.”
3. Staff’s recommendation to receive the offered payment funds and reserve them for future open space uses is supported by policy found in the Conservation and Open Space Element of the General Plan (2006), Appendix C: Management of Open Space Lands, paragraph 13: “When compatible with the primary purpose of the open space, the City should use revenue from open space lands ... to fund open space maintenance. Such revenues may also be used to acquire open space.”

DISCUSSION

Background

The Bob Jones Pathway (sometimes also referred to as the Bob Jones Trail and the City-to-Sea Trail) was envisioned over 25 years ago as a pedestrian and bicycle facility to join the communities of San Luis Obispo and Avila Beach with a trail along San Luis Obispo Creek. Bob Jones was a passionate conservationist, co-founder of the pioneering environmental consulting firm, Jones & Stokes, and also served on the Board of Trustees of The Land Conservancy of San Luis Obispo County.

At present, there are two existing sections of the Bob Jones Pathway, a 2.5-mile segment between Ontario Road and Avila Beach operated by the County of San Luis Obispo and a 1.1-mile segment operated by the City of San Luis Obispo between Prado Road and Los Osos Valley Road.

The next new segment of the Bob Jones Pathway is being undertaken by the County of San Luis Obispo's Parks and Recreation Department and Public Works Department and is a 4.4-mile segment stretching from the Octagon Barn Center located off of South Higuera Street and the existing Ontario Road staging area¹. At this time, the County has completed and certified an Environmental Impact Report for the project and has been awarded \$18.25 million in funding through a State of California Active Transportation Program (ATP) grant facility. Project engineering and design is nearing completion, and the right-of-way acquisition process is now underway.

Filipponi Ecological Reserve

One such property that will require right-of-way acquisition is owned by the City of San Luis Obispo, commonly known as the "Filipponi Ecological Reserve". The City acquired approximately 70 acres of land from the Filipponi family in April 2000 that had once been part of the larger Filipponi Ranch; however, the property was bifurcated by the construction of the US 101 freeway. The remaining, subject land on the east side of US 101 was farmed over the years, but in wet winters the land would flood from time-to-time resulting in loss of crops and overall utility given that it is part of the historic floodplain along the East Fork of San Luis Obispo Creek. Following acquisition of the land, the City partnered with The Land Conservancy of San Luis Obispo County to implement a series of wetland and floodplain restoration projects. Due to the site characteristics and poor access from South Higuera, the City has historically only allowed for docent-led and educational outings at the property.

It is important to note that the City acquired the Filipponi Ecological Reserve, in part, with grants funds from the California Department of Transportation's "Environmental Enhancement and Mitigation Program" (EEMP). As a required condition of that grant facility, an "Agreement Declaring Restrictive Covenants" was recorded on title to the property to ensure that the property is only used in a manner consistent with the purposes of the grant. Staff from the City, County, and local office of Cal Trans have conferred on the matter and agree that the small area of the easements along the frontage of the property, as further described herein, will not significantly impair or interfere with the conservation purposes of the property acquisition and the EEMP grant.

County of San Luis Obispo Offer Package

The County of San Luis Obispo's Public Works Department has delivered to the City an offer package dated as of March 1, 2024 (Attachment B). The key highlights of the package are as follows:

¹ Another future, connecting segment of the Bob Jones Pathway between Los Osos Valley Road and the Octagon Barn Center will be undertaken by the City of San Luis Obispo. This is considered a "Tier 1" project in the City's Active Transportation Plan given the funding that has been acquired by the County for their project (page 147).

Purchase Request

The County is seeking to purchase from the City a perpetual easement for the pathway totalling 0.86 acres and a temporary construction easement for a three-year term totalling 3.32 acres. These easements would encumber three separate parcels owned by the City within the site. Both the permanent easement and the temporary construction easements are shown graphically at Exhibit B of the package. The permanent easement is legally described and depicted at Exhibit B-1.

Valuation and Offer Price

An appraisal was conducted in order to determine the fair market value of the easement interests proposed to be purchased, dated as of March 2, 2023. The valuation process is based on a highest and best use of the land for rural residential / agricultural production and relies on the comparable sales approach to value; the cost approach and income approach to valuation were not applicable because the City's property does not have any improvements and does not produce income.

The value for the perpetual easement was determined to be \$34,830. The value for the temporary construction easement was determined to be \$29,880. A severance damage payment of \$3,015 was also included in the offer. Just compensation and the proposed purchase price is therefore a total of \$67,700.00 (rounded).

Overview of Easement Terms

The full text of the proposed permanent and temporary construction easements is included with the offer package that is Attachment B to this Council Agenda Report. A brief overview of easement terms is below:

- a) The easement for the pathway is perpetual and non-exclusive.
- b) The purpose of the easement for the pathway is for the construction, reconstruction, maintenance, repair, and use (including emergency use) as a public multi-use pathway.
- c) The pathway would be open to the public from one-half hour prior to sunrise until one-half hour after sunset for pedestrian and bicycle use.
- d) The County would post signs and install fencing, as well as conduct patrol, enforcement, and all maintenance activities in accordance with County regulations and standards.
- e) The temporary construction easement is for a three-year term.
- f) The County would restore the temporary construction easement area to the condition that generally existing prior to construction.
- g) The County would implement and is fully responsible for the Habitat Mitigation and Monitoring Program required by the Environmental Impact Report for the Bob Jones Pathway Project.
- h) The easement document includes indemnification by the County, as well as standard terms and conditions for an easement instrument.

Previous Council Action

The City Council approved the purchase of this property by adoption of Resolution No. 8987 (1999 Series) and the acquisition was completed on April 12, 2000. On June 19, 2021, Council approved a “Conceptual Restoration and Enhancement Plan” and since that time has also approved several restoration and mitigation projects conducted by others upon the property.

Public Engagement

An extensive public engagement process was conducted leading up to the adoption of the City’s Active Transportation Plan, wherein the Bob Jones Pathway was specifically discussed. The County of San Luis Obispo has also conducted numerous public meetings regarding the project over the course of the past 20 years. Any member of the public may comment on this item either in writing or in-person at the hearing.

General Plan Conformity

California Government Code Section 65402 requires that the Planning Commission make a finding that an acquisition or disposal of real property for public purposes, such as contemplated herein, is consistent with the General Plan. On December 9, 2020, the Planning Commission reviewed the draft Active Transportation Plan (subsequently adopted by City Council in February 2021), which identified the Bob Jones Pathway Project. The Planning Commission’s action included approval of a General Plan Conformity report that was included as Attachment 4 to the Planning Commission Agenda Report for that hearing.

CONCURRENCE

The Public Works Transportation Engineering Division has participated in the processing of this item and concurs with the recommendation.

ENVIRONMENTAL REVIEW

The County of San Luis Obispo is the lead agency for the environmental determination for its Bob Jones Pathway Project under the California Environmental Quality Act and is also responsible for all applicable regulatory agency permitting and requirements. The re-circulated Draft Environmental Impact Report was certified by the County Board of Supervisors on February 24, 2015 (SCH # 2010031121).

FISCAL IMPACT

Budgeted: No
Funding Identified: N/A

Budget Year: 2023-24

Fiscal Analysis:

Funding Sources	Total Budget Available	Current Funding Request	Remaining Balance	Annual Ongoing Cost
General Fund				
State				
Federal				
Fees				
Other:				
Total	N/A	N/A	N/A	N/A

The County of San Luis Obispo will make a lump sum payment in the amount of \$67,700.00 to the City of San Luis Obispo as “good and valuable consideration” for the subject easements. Per Conservation and Open Space Element policy, as discussed above, this revenue should be reserved for future open space maintenance or acquisition purposes.

ALTERNATIVES

Council may ask questions or request further clarification from staff, may request changes prior to approval, or may decide not to approve the recommendations contained in this Council Agenda Report. A decision not to approve, however, is not recommended by staff because this request is in furtherance of a long-standing community project of regional significance, is consistent with numerous City goals and policies, and may jeopardize the \$18.25 million in grant funding that has been secured by the County of San Luis Obispo.

ATTACHMENTS

- A - Draft Resolution authorizing the sale of a perpetual trail easement and a temporary construction easement for the County of San Luis Obispo’s Bob Jones Pathway Project
- B - Offer Package received from the County of San Luis Obispo