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Judge: Yolo can buy Conaway

Decision allows county to use eminent domain to acquire the ranch

By Hudson Sangree -- Bee Staff Writer

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Yolo County can use its power of eminent domain to force a group of developers to sell it the vast Conaway Ranch, a judge ruled Wednesday.

Yolo Superior Court Judge Timothy Fall issued his ruling from the bench after closing arguments by lawyers in the eminent-domain trial.

Fall stressed that he was saying only that the county had the legal right to force the sale of the ranch, not that he approved of the county's course of action.

"Whether this is something the county should do is a political question," said Fall.

The ruling was a victory for the county's supervisors, who for months have waged a legal and public relations battle with a group of investors led by Sacramento developer Steve Gidaro over the future of the ranch.

The 17,300-acre property, an immense parcel of farmland and wetlands, most of it stretching south from Interstate 5, is ripe for development and holds a valuable 50,000 acre-feet of water rights.

Gidaro's group has insisted it will preserve the ranch as farmland and open space. The county has claimed Gidaro intends to develop the land and sell the water rights outside of the county.

"This will prevent the land from being squandered by the runaway growth and development we have seen throughout the Sacramento Valley," said Supervisor Mike McGowan, reacting to Fall's decision. "We're saving this land from the grasp of Sacramento developers."

How much the county should pay for the land must still be decided by a jury in a second phase of the case. That trial could start in May and last several weeks, said Stuart Somach, a lawyer for the county.

There is also the possibility that the parties could reach an agreement on price and avoid the risks for both sides of a jury trial, he said.

Jurors may not like the idea of a government seizing private land, while the price they could hand down might be less than Gidaro and his fellow landowners would want.

"Our preference is and was to sit down with the landowners and come to an agreement," said Somach.

"A negotiated settlement is always less risky."

Gidaro's group bought the property last year for \$60 million from National Gas and Energy Transmission, a successor to PG&E Properties.

Somach said the county had previously valued the land at \$50 million but would continue to update its estimates of the property's worth.

The Rumsey Band of Wintun Indians, which operates the Cache Creek Casino Resort in Yolo County, has said it would finance the purchase of the ranch.

However, the county and tribe lost a round in the political fight this fall when Gov. Arnold Schwarzenegger vetoed a bill that would have allowed the tribe to serve on a joint powers authority with the county's four cities and other public entities to manage Conaway Ranch.

Gidaro's group lobbied against the bill.

On Wednesday, Gary Livaich, a lawyer for the owners of the ranch, tried to argue the judge out of making a ruling that many had expected.

Eminent domain is "enormous, staggering, a dangerous power," meant solely to further the public good, Livaich said.

In this case, however, the supervisors were trying to take the land merely because they wanted it, he argued.

"This is the government taking a private business to operate it themselves," he

said.

The idea that the county should acquire the land merely to continue its current use as open space and farmland was wrong, said Livaich.

"The county is saying, I want to take your property and do the same thing with it you're doing now," he said.

"There's something wrong with that."

Livaich did not say in court whether he intended to appeal the ruling and could not be reached afterward.

Somach, however, said an appeal was unlikely until the valuation portion of the case was complete.

Environmental advocates applauded Fall's ruling Wednesday, saying it would maintain valuable wildlife habitat.

Private-property rights groups decried it and said it could prompt lawmakers to limit the power of local governments to take property.

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