

Developer buys up Conaway

By Jonathan Edwards | Enterprise staff writer | October 13, 2010 09:09

The Sacramento skyline is in the background as floodwaters cover part of the 59,000-acre Yolo Bypass between Davis and West Sacramento in January. Although the bypass serves as important habitat for wildlife, it is also home to lucrative rice farming operations.

WOODLAND - One of California's largest developers is buying a controlling share in Conaway Ranch, a 17,300-acre Yolo County farming operation and crucial player in regional flood protection, agriculture, water and environmental conservation.

Angelo Tsakopoulos, a Sacramento developer who owns AKT Properties, is the lead buyer in a group of businessmen who will own majority interest in the ranch, Tim Taron, a Sacramento land use lawyer representing Tsakopoulos, told the Yolo County Board of Supervisors at its Tuesday meeting.

The ranch, which was put up for sale in the summer of 2009, is nestled in the center of a triangle formed by Davis, Woodland and West Sacramento.

Tsakopoulos and company signed a contract but have yet to close the deal. Taron did not know when the deal would be complete or how much Tsakopoulos agreed to pay. The Conaway Preservation Group bought the land in 2004 for \$64 million.

Tsakopoulos could not be reached through repeated phone calls.

Purchases like Tsakopoulos' led the supervisors on Tuesday to unanimously impose a 45-day moratorium on all habitat restoration projects, like rebuilding wetlands.

County officials plan to ask supervisors for an extension at their Nov. 9 meeting, enough time for Phil Pogledich, senior deputy county counsel, to draft an ordinance that would permanently bar outside interests from buying up Yolo land, taking it out of farming and turning it into a floodplain for endangered fish, or wetlands for threatened waterfowl.

Outsiders see turning Yolo County farmland into habitat as a perfect way of satisfying their legal duty to offset the harm they inflict by developing elsewhere, said Supervisor Jim Provenza of Davis. Already a floodway, the 59,000-acre Yolo Bypass, 52,000 acres of which is farmland, is particularly attractive.

So, let's say, Tsakopoulos builds a housing development in Sacramento County and fills in and paves over wetlands used by threatened species to do so. By creating the same type of environment at the same scale in Yolo County, he can show the state he's met his legal obligation to the environment.

Since Tsakopoulos could not be reached for comment, it is unclear if he intends to use Conaway as a so-called 'mitigation bank.'

Yolo County isn't opposed to helping the environment. However, supervisors don't want to see farmland taken out of productive agriculture, particularly when it puts property tax dollars in city and county coffers.

'Habitat development in Yolo County is not a matter of religion,' said Supervisor Mike McGowan of West Sacramento. 'We're OK with it under the right set of circumstances. We're OK with it if it doesn't unnecessarily and inappropriately undermine other values.'

That value is agriculture, the county's No. 1 industry, with \$441 million banked by the top 20 crops last year, according to a report from Agricultural Commissioner John Young's office.

About half of the Conaway Ranch falls in the bypass, and 87 percent, or 15,000 acres, is farmable, according to the ranch's website.

A big chunk of that is planted in rice, a \$53.5 million industry in Yolo County and of particular concern to supervisors. If developers like Tsakopoulos take land out of rice production or make farming it impossible by flooding the land, Young fears that could take away the critical mass required for infrastructure, forcing area rice processors to close.

Habitat projects 'really need to strike a balance between our farming interests, our environmental concerns and the needs of both terrestrial and aquatic species,' Young said. 'We need a balanced approach.'

Bay Delta plan

The need for a moratorium and eventually an ordinance is not just due to the Conaway deal, Pogledich said. In fact, the main force driving the effort is the Bay Delta Conservation Plan, a state-level project that, among other things, would lower the Fremont Weir, flooding as many as 21,000 acres of the Yolo Bypass every spring. (It could be as little as 13,000 acres. Yolo County is conducting a study expected by the end of the year.)

The project would create 80,000 acres of fish habitat throughout the Sacramento-San Joaquin Delta, which would allow water contractors to pump water to Southern California fields and faucets.

Supervisors worry that flooding the bypass each year - from Dec. 1 to March 31, and even to May 15 - could bankrupt rice farming, weaken levees and reduce the area's flood protection.

Water in the bypass until mid-May would push rice planting back to mid-June after the fields had a chance to dry out. That's well past the window farmers are comfortable with, or insurance companies for that matter, which means farmers would be planting without

the safety net of crop insurance.

More risk triggers a tipping point for farmers, who could no longer justify growing rice.

'All these factors weigh upon those growers,' Young said. 'At some point, they decide the game's changed, the equation's changed, the risks are high, the revenues are decreased, and it's no longer feasible. And we no longer grow rice in the bypass.'

The economic impact of losing the county's rice industry could be as much as \$100 million, Provenza said.

'That's going to affect the entire economy,' Young said. 'Those are jobs.'

But Provenza isn't sure of that dollar figure, because no one is. The county is studying the agricultural effects of flooding the bypass and expects answers in five to six months.

McGowan thinks state officials and water contractors who are pushing the plan are flying high, looking at the big picture, but should be aware of the possible harm they could be doing on the ground.

'We're the only ones who are asking these questions,' he said. The officials behind the BDCP have 'done nothing to support us in these inquiries.

'Everybody else has their ideas and is telling us how it's going to work.'

The county received money to conduct the ag impact study from state and federal contractors, who are pushing the BDCP forward.

But the issue is even bigger than the Bay Delta Conservation Plan. Already, the nation's largest mitigation bank, Wildlands, is working on converting 185 acres into wetlands in the southern Yolo Bypass with an eye toward converting another 700 or so.

'It seems we are ground zero for habitat projects,' Young said.

Yolo wants to be ready

The BDCP is scheduled to release a full draft of the plan late this year, although that's in doubt, Pogledich said. Some sort of document will be released, but it's unclear if that will be the full draft as promised or some sort of transition document to segue between governors.

Backers want to get full approval from the state and federal governments by the end of 2012, and Yolo County wants to be ready, so it can put its two cents in the mix.

'We're burning daylight, and things are happening all over the place,' McGowan said at

the board's Sept. 28 meeting before voting for the moratorium Tuesday.

Also on Sept. 28, County Administrator Patrick Blacklock pushed supervisors to do something, because 'absent some sort of a habitat ordinance or some sort of community oversight and ability to regulate a project, it enables out-of-site interests to come in and develop their mitigation projects at the expense of Yolo County and Yolo County agriculture.'

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