Legal Separation Leads to a Happy Marriage: A Story of Green Acres

David Harris and John Thompson

Two California cities striving to maintain separate identities is not a particularly new endeavor. When Dixon and Vacaville recently bought and resold 1,003 acres of open space, however, a promise of longtime permanent separation brought the neighboring cities together in a marriage consummated in a conservation easement.

Within a span of nine months between June 1995 and March 1996, the two cities courted the greenbelt concept, sold the idea politically, acquired the property, and resold 100 percent of it without losing money. The freeway-frontage property in Solano County, one of California's fastest-growing counties, now is destined to remain forever free of urban development. Furthermore, no citizen's property was zoned into open space against his or her will.

The factors setting the stage for the successful union were as follows:

- Dixon (population 13,000) and Vacaville (population 85,000) city limits are two and one-half miles apart on the heavily traveled I-80 corridor between Sacramento and San Francisco.
- Pressures to urbanize the region along Interstate 80 had been constant and would inevitably become a strong development temptation for one or the other agency or for the county.
- Dixon and Vacaville had previously adopted a "prenuptial agreement" of sorts, in the form of mutual policy statements declaring an intention to preserve a buffer between the communities for quality-of-life reasons.
- A large development firm, which had purchased several thousand acres of prime agricultural land in hopes of obtaining development entitlements from the cities abandoned their speculative plans and offered the land for sale at agricultural prices ($2,500 per acre).

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Commitment to Conservation

Initially the cities considered acquiring the property, holding title in perpetuity, and leasing it out to farmers as a means of recapturing a portion of the purchase price. Reselling land to willing buyers is rather uncommon when a permanent conservation easement has been recorded with the property deed. A strong commitment to conservation principles and a stroke of good fortune rendered the Dixon/ Vacaville deal feasible. The walk down the aisle together led to the formation of the Vacaville-Dixon Greenbelt Authority (VDGA), which is a joint-powers authority (JPA) governed by two councilmembers appointed from each city.

When the two city councils held concurrent public meetings to explain the pioneering proposal and to seek citizen input, not surprisingly, there were both supporters (the Solano County Farmlands and Open Space Foundation) and objectors (a taxpayer association). Some of the issues raised were:

- How will the cities afford such a project during an economic slump?
- Are the cities proposing to pay too much for the land?
- Will the cities be able to lease or resell the property on terms that would allow the agencies to recapture the price being paid for the land, especially if the land has been stripped of any speculative value?
- Should cities be engaged in the real estate business?
- Is there a value to open space that transcends dollars and cents?
- Will there ever again be such an opportunity (i.e., a vast amount of freeway-frontage agricultural land at affordable prices between the

two city boundaries)?

- Should the cities consider something other than a 50-50 split of costs and ownership in view of the disparate sizes of the two communities?

Tying the Knot

On June 27, 1995, the two municipalities agreed to deposit $40,500 each for a 90-day engagement period of soul searching and feasibility analysis. A land appraisal became instrumental in substantiating the $2,500-per-acre purchase price. Giving the JPA members further confidence was the fact that existing lessees expressed a desire to continue their farm leases with the prospective new landlord, the JPA.

A few prospective buyers began to surface, with offers, to purchase the land from the JPA at full price if in fact JPA ownership became a reality. Two potential buyers even went so far as to sign agreements of purchase and sale before JPA ownership became official.

Three months later, on September 26, three days before the cities' earnest money on the purchase of the 1,003 acres was to "go hard," the cities took decisive action in independent but concurrent meetings by determining that the benefits to be derived from a permanent urban separator were too valuable to forgo. The two city councils voted enthusiastically in favor of officially tying the knot. It also was agreed that ultimately the two city partners would be more committed to the new relationship, as well as more equal beneficiaries, if all costs and responsibilities were shared on a 50-50 basis.

Dixon paid its $1,253.753 share of the $2,507,500 acquisition price through internal borrowing. Vacaville contributed its 50 percent share from the proceeds of a short-time, variable-interest note, which has since been converted into an internal borrowing mechanism. The JPA installed the "For Sale" signs and developed an informational brochure about the land to mail to prospective buyers. All prospects were notified of the required conservation easement, which would have to accompany any resales so as to protect in perpetuity the agricultural, open space, and scenic values of the property.

Easement Model

Gregg Werner, community development director of Vacaville; Jim Louie, Dixon's community development director; and the attorneys for both communities developed a practical and legal model of a conservation easement that would stand the test of time.

The conservation easement adopted is detailed in restricting future uses of the property to agriculture. The JPA is the holder of the easement in perpetuity. Easement provisions describe the types of uses and practices that are expressly allowed, as well as those that are expressly prohibited, on the property. The entire 1,003 acres is in the unincorporated area and subject to the land use regulations of the county of Solano. Both communities considered annexing the area to each city but were concerned that this action alone could be misinterpreted as growth-inducing.

Should cities be engaged in the real estate business?

The conservation easement became the vehicle by which the two cities, through the JPA, could ensure the preservation of the land with stronger enforcement mechanisms than would have been allowed under standard county agricultural zoning. The easement can only be lifted or significantly altered with both cities' concurrence.

To further ensure that this will not happen, the cities invited the county of Solano, the Solano Irrigation District, and the Solano Farmlands and Open Space Foundation to be cosignatories on the easement. Eventually, the VDGA resold 229 acres at full price to a company that grows sprouts and extracts seeds from radishes, soy beans, and meung beans. This transaction was a cash deal, and escrow closed on December 29, 1995, only 60 days after the cities—acting through the newly formed VDGA—had become owners of the 1,003 acres.

Escrow closed on the resale of the remaining 774 acres in the greenbelt on March 29, 1996. These acres were purchased by another company, for growing walnut and fruit trees. This company too paid full price, with terms requiring a significant down payment and an eight-year loan payable to the VDGA, with interest rates slightly higher than the yields on city-invested funds.

It was never the cities' intention to make a profit on the resale. The goal from the beginning was pure and simple: open space preservation. Being able to resell the deed-restricted land at no net cost to the cities was merely a dream that has since become a reality. Now that the resales have closed escrow, the VDGA and its member cities are no longer responsible for selling or managing the land, except to the extent that enforcing the provisions of the conservation easement restrictions becomes necessary.

Two beautiful 8-by-12-foot signs bearing a pastoral mural soon will adorn the greenbelt property, to draw attention to the cooperative conservation efforts of the two cities and the new landowners. The VDGA is keeping the door open for greenbelt enlargement, assuming that there are landowners wishing to sell properly situated land or development rights at a reasonable price.

As Dixon Mayor Don Erickson, who currently serves as VDGA chairman, states, "The benefits of the greenbelt are not obvious to some people at present because the open space already exists. The benefits will be much more obvious in 30 years, when the greenbelt is the only virgin flat land on the I-80 corridor between Sacramento and San Francisco."

Vacaville Mayor David Fleming agrees, adding: "The greenbelt effort clearly demonstrates that cities can collaborate for the common good. The greenbelt is a winner for the entire region." It would appear that the only thing that could come between the two greenbelt partners is more open space. If this is the case, both cities believe that further separation will only strengthen the marriage. PM

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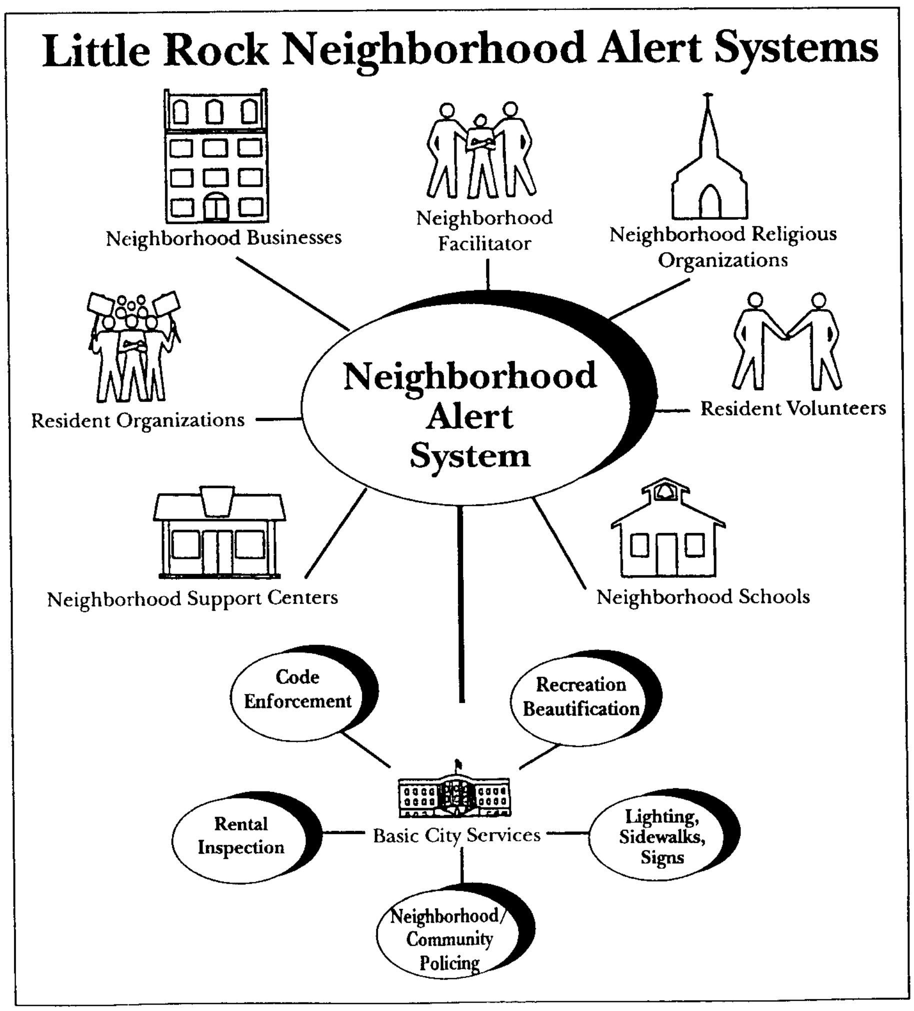
Little Rock's Alert Center Experiment

Holly Felix

In the broadest sense, total quality management can be defined as a greater responsiveness to the needs and expectations of an organization's customers. Although the city of Little Rock, Arkansas, might not have called its Neighborhood Alert Centers a total quality management experiment four years ago, the experiment has proven to deliver just that: a rise in responsiveness to the needs and expectations of the city's customers, its residents.



Dealing with the Problems

Before the development of these centers, many Little Rock neighborhoods felt abandoned by traditional public systems. City services, often understaffed and underfunded, were spread too thin, resulting in less intensive and nonsustaining responses in some neighborhoods. That feeling of abandonment coupled with dramatic increases in alcohol and drug abuse, crime, and violence, created an environment of hopelessness, distrust, and inertia in many of the city's older neighborhoods.

Inspired by the chance of a five-