

**TOWN OF SAN ANSELMO
STAFF REPORT
October 6, 2008**

For the meeting of October 14, 2008

TO: Town Council
FROM: Debra Stutsman, Town Manager
SUBJECT: Town Property

RECOMMENDATION

That Council appoint of subcommittee of two Councilmembers to work with the community to explore fundraising and other options for keeping the bulk of the 11 acre Lombard property as public open space.

BACKGROUND

In connection with the settlement of landslide litigation against the Town approximately six years ago, the Town received title to the Lombard property, which is an unimproved 11 acres. The lower end of the property is located off Idlewood Drive and Carlson Avenue. The upper portion of the property is accessed from Oak Springs Drive. Mid-way access is obtained via Cherne Lane.

The Town's insurance pool, the Bay Cities Joint Powers Insurance Authority (BCJPIA), provided a defense to the Town in the landslide litigation and the Town was required to pay \$500,000 into the global settlement and to repair the landslide.

Following the settlement, the Town conducted a substantial repair of the Lombard property at a cost of approximately \$750,000.

BCJPIA and the Town had a dispute regarding insurance coverage in the matter. The Town argued that the slide was covered by insurance and that it did not have the funds to repair the slide. The Town and BCJPIA settled their dispute via agreement made in August 2003. BCJPIA would front the Town \$500,000 to fix the landslide, as required by the litigation.

The agreement further requires that the Town will pay the money back to BCJPIA, either outright or by marketing and selling the Lombard property and distribute the sales proceeds as follows:

- The first \$500,000 in net sales proceeds to BCJPIA to repay the \$500,000 fronted for the slide repair;
- The second \$500,000 to the Town;
- Then, reimbursement to the Town for expenses for slide repair over the \$500,000; and, finally,
- Equal sharing of the remaining available net sales proceeds between the Town and BCJPIA until BCJPIA is reimbursed its defense costs of \$137,000, with any remaining amount to the Town.

After the hillside repair was completed, action in pursuit of some type of sale was stalled by the Town's focus and attention on the December 31, 2005 flood and its aftermath.

DESCRIPTION OF PROPERTY

The 11 acre Lombard property is located in the middle of a residential area. The terrain is very steep for most of the upper part of the property, becoming nearly level at the lower end near Idlewood Drive. The property can be accessed at the end of Idlewood Drive, Carlson Avenue, Cherne Lane and Oak Springs Drive. The property is linked to the Hawthorne Canyon open space property at the top of the hill near the end of Oak Springs Drive by another Town-owned lot.

DISCUSSION

At the meetings of July 8 and September 23, the Council heard testimony from the public regarding this 11 acre property. Comments centered on the instability of the property and the neighborhood's desire to retain the bulk of the property for open space, perhaps considering selling one or two lots for development. There was also discussion about doing community fundraising to raise the money needed to pay back the insurance pool, perhaps in conjunction with the sale of one or two lots. Council directed staff to come back with a proposal to appoint a Council subcommittee to work on these issues.

FISCAL IMPACT

The Town has \$1.25 million invested in the Lombard property at this point, \$500,000 of which must be paid back to BCJPIA. The remaining \$750,000 is money that the Town has already spent settling the slide litigation and repairing the slide over the last six years.

Respectfully submitted,



Debra Stutsman
Town Manager