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# City looks to Open Space District to settle lawsuit

by Marsha Trent

Sebastopol's City Council is scratching around for money to buy a portion of the rejected Palm Terrace housing project site in hopes of settling a lawsuit centering on the eight-acre parcel bordering the Laguna de Santa Rosa.

City Attorney Larry McLaughlin said the council's decision last week to apply for

a \$400,000 matching grant from the County's Agricultural Preservation and Open Space District is an effort to "make sure they have a foot in the door," toward settling a \$2 million lawsuit brought against the city by Yolanda Ghilotti, George Young and other members of the Ghilotti family.

The Ghilottis and Young are suing the city because the council rejected a proposed 19 home

subdivision on the site. The project has been downsized and redesigned several times since it was first proposed in 1987.

According to McLaughlin, any settlement of the lawsuit will likely include another reduction in the size of the proposed residential development and the purchase of a portion of the property as open space.

The city has already spent (Please see City page A12)

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about \$2,000 in an effort to settle the suit, which could cost hundreds of thousands if it goes to court.

McLaughlin said if there is to be a settlement in the case, it should come within the next "couple of months."

The city is proposing settlement terms that would prohibit development of about 50 percent of the property, McLaughlin said, and in order to back up that proposal the city or some other buyer has to be willing to purchase the land for its appraised value.

City Planner Richard Spitler, who is writing the grant

application, has also been instructed to seek matching funds to buy some portion of the adjoining Saddleburr housing project which sits outside city limits.

In June of 1991, the City Planning Commission rejected Young's plan for 71 homes and a medical office building on 41.5 acres bordering the Laguna. At that time, Saddleburr encompassed a portion of what became the site for Palm Terrace.

In 1992, after the Palm Terrace site was purchased by the Ghilottis, a development plan for about 19 homes and four granny units on 7.2 acres was also rejected by the city.

Spitler said the City Council decided to include the approximately 32 acres left as Saddle-

burr in the grant application to present the Open Space District with a cohesive package.

If the city were to receive the grant, Spitler said, matching funds would have to be raised from state grants.

Agricultural Preservation and Open Space District Planner Maria Ciprani said the settlement of the Palm Terrace lawsuit would "probably not be a factor" in any decision by the District Board.

The purpose of the District, Ciprani said, is to preserve land in and around cities either for agriculture or open space. Cities throughout Sonoma County compete for the grant money. Last year there were nine applications for grants, Ciprani said.

To acquire property for open space that is within the city limits and that is designated for residential development, Ciprani said, the city would have to "make a finding that it is within the public benefit and within their plans," to designate the land for open space.

The Open Space District "looks at the land," and not the legal issues surrounding it, in deciding whether to award a grant, Ciprani said.