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Palm Terrace backers file suit

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Sebastopol officials, already fighting a lawsuit from a developer whose project was rejected, are being sued by proponents of yet another spurned housing project.

The property owners and developers of Palm Terrace, a 25-unit housing proposal next to the environmentally sensitive Laguna de Santa Rosa, are asking the Sonoma County Superior Court to set aside the City Council's rejection of the project and award up to \$2 million in damages.

Sebastopol officials are involved in a separate trial in which developers Richard and Nancy Gardner are suing the city for rejecting their proposed Orchard Park subdivision off Gravenstein Highway North. The project would have provided some homes priced below the going rate in Sebastopol, but it also would have required an annexation of land outside city boundaries.

The Palm Terrace lawsuit was filed Friday by property owner Yolanda Ghilotti of San Rafael. She is joined in the lawsuit by her children, Richard and Linda Ghilotti and Diane Ongaro. The Ghilottis are partners in Palm Terrace with Sebastopol contractor George Young and his wife Marlene, who are also plaintiffs.

The Palm Terrace property is already in the city limits and zoned for housing. While the 19 homes were expected to sell in the \$300,000 range, proponents also proposed six "granny" units to help provide inexpensive housing.

The Palm Terrace property has a lengthy and complex history, but essentially the City Council turned it down because of the visual and ecological impacts it would have.

The seven-acre parcel is considered the last piece of "upland" grassland inside city limits where Laguna wildlife can seek refuge during flooding.

The project has been on the drawing board for 13 years and been through half a dozen revisions. Since 1981, the Ghilottis have had approvals for various housing projects on the site, but never built any of them, causing the permits to expire.

In 1988, the last time approval was granted by the city, it was for 29 homes and some offices. But that was blocked by environmentalists who convinced a judge to halt it

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until detailed environmental studies could be made.

City Attorney Larry McLaughlin said the detailed studies, in addition to a master plan for the Laguna, helped identify cumulative impacts of development — including Palm Terrace — on the wetlands.

The city could have made findings saying the visual and ecological impacts of Palm Terrace were outweighed by its benefits. But McLaughlin said those overriding considerations were not justified in the opinion of City Council members.

During deliberations in March, City Councilwoman Lynn Hamilton

suggested the land not be developed at all and some source of funding be sought to buy the land and keep it open space.

And Mayor Anne Magnie said the developer's idea to dedicate a public path that would be part of almost two acres of open space in the project was analogous to clear-cutting a forest, then putting in a path to have people come and view the stumps.

The majority of citizens at the council meeting spoke against allowing development.

McLaughlin on Tuesday said it was a "damned if you do, damned if you don't" situation for the city that likely would have faced another citizen's lawsuit if the council had approved the project.

