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Developer suing city over impact fees

Owner of south Petaluma property calls increased fees ‘disproportionately high’

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A company looking to develop the former Royal Tallow property in south Petaluma is in the midst of a legal battle with the city, claiming that impact fees charged to new development are too high.

Baywood LLC, run by Sonoma County developer Larry Wasem, owns 22 acres of land at the end of Casa Grande Road, between Rocky Memorial Dog Park and the Alexan Park Central townhomes.

The land is designated for “high density” housing in the city’s General Plan.

Last year, Wasem’s firm filed a lawsuit against the city, taking issue with 10 development impact fees that were raised by the City Council as part of adopting a new growth blueprint and infrastructure plan.

The fees are supposed to represent new development’s “fair share” cost of adding more people to Petaluma’s roads, parks and community facilities. Fees are collected for parks, traffic improvements, fire stations and other public facilities.

But Baywood LLC claims Petaluma is charging developers for “existing

deficiencies" in the city's infrastructure.

"These development impact fee increases do not bear a reasonable relationship to the cost of the public facilities necessitated by future planned development within the city," the lawsuit states.

The suit notes that some fees tripled or quadrupled after the council adopted the higher amounts in 2008, and says the combined increases total \$38,994 for each single-family home proposed for development.

"These fees vastly exceed the reasonable cost of facilities needed to serve new development," Baywood wrote in its most recent court filing, dated July 2.

Neither the city nor Wasem would comment on the case, but court records indicate the parties are trying to reach a settlement agreement. An update on their talks is scheduled for late September.

In its response to the suit, the city denied Baywood's allegations and said the case should be dismissed for a variety of legal reasons.

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