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# 3-way legal snarl stalls redevelopment on Folsom Boulevard

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Published Monday, Oct. 25, 2010

The blight along Folsom Boulevard in Rancho Cordova isn't pretty. But neither is the legal battle unfolding in Sacramento Superior Court.

At La Loma Drive, the Los Rios Community College District had proposed a satellite campus. These days, that effort appears to be stalled. A chain-link fence now surrounds the land.

This week, attorneys for landowner-developer Lily Co. are fighting to block the Rancho Cordova Redevelopment Agency from taking 9.5 acres through eminent domain.

And in a companion case, Lily is suing the Los Rios Community College District for what it says was breach of a 2007 contract to buy the site for \$8.6 million.

"At the time they backed out of the contract, they had no Plan B," Lily General Partner Samuel Fong said in an interview. "They had it in their back pocket. They were going to get this (land) through eminent domain."

Representatives for both the Rancho Cordova Redevelopment Agency and the Los Rios Community College District say the Lily allegations are wrong.

The college district let the deal lapse because the two sides couldn't agree on how to clean up contamination left by a former dry cleaning business at the site, Los Rios attorney Gregory E. Stubbs of Walnut Creek told The Bee last week.

City officials say the blight along Folsom Boulevard is not new, and the condemnation proceeding was a long time in coming.

"That was one of the top reasons we became a city," said Curt Haven, Rancho Cordova's director of economic development and neighborhood services. "People wanted to see changes on Folsom Boulevard."

Either way, the Lily cross-complaint naming the college district will proceed on a track separate from that of the current trial.

For now, and through the end of this month, Superior Court Judge Raymond Cadei is presiding over the eminent domain case and is expected to decide whether Rancho Cordova's Redevelopment Agency had the right to take the Lily Co. land.

Attorneys for the Lily Co., Norman Matteoni and Gerald Houlihan, state in a court filing that their client spent nearly \$1 million to meet "increased design review demands" of the city after incorporation in 2003.

The Lily plan was for the Cordova City Center, a transit-oriented development near Regional Transit's light-rail station at the former Mather Air Force Base. The project would include a combination of 207 multi-family units, 10,000 square feet of retail space and 30,000 square feet of office space.

Los Rios signed a purchase agreement on Dec. 19, 2007, in the amount of \$8.4 million, court filings show.

"We were working through the process," Lily General Partner Samuel Fong said in an interview. "Unbeknownst to me, the college and the city were meeting regularly during the course of the contract."

In the summer of 2008, he said, the college district backed out of the deal. Court documents filed in opposition to the condemnation say the district sought "to obtain the exact same property at about half the price via eminent domain proceedings initiated by the agency."

Much of the eminent domain case, however, is focused on whether the Redevelopment Agency properly followed the law in seeking to acquire the Lily property.

Attorneys for Lily say the process was flawed, and was "slapped together" with haste.

In their own response, attorneys David Skinner and Neli Palma for the agency counter that their client did follow the law and that Lily's arguments challenging the eminent domain process are "baseless."

If the judge rules in the agency's favor, a jury trial would occur next year to determine fair market value owed to the Lily Co.

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