

Saggio Hills OK'd, though more legal action may await

By [CLARK MASON](#)
THE PRESS DEMOCRAT

Published: Monday, January 31, 2011 at 3:00 a.m.

More than two years after being hobbled by a lawsuit, Healdsburg's Saggio Hills was re-approved Monday night by the City Council, clearing a significant hurdle for the luxury resort and residential project.

"It's a little bit anti-climactic after so much we've gone through," Mayor Tom Chambers said prior to casting a unanimous vote with his colleagues in favor of the of the \$310 million project, initially proposed more than five years ago.

Chambers said there is a long list of concessions developers made to the city. "I'm looking forward to moving ahead with this," he said.

"I feel very confident we're on the right track," said Councilman Gary Plass.

Developer Robert Green would not predict when work will begin on the project because, he said, the hotel and housing market will have to recover first.

"We don't know when we will start, or how quickly we will move sales," he said, adding that once construction starts it could take six years or more to complete.

Saggio Hills, however could be subject to additional legal challenge.

Warren Watkins, who heads the group that brought the lawsuit against the project, said Monday, prior to the meeting, that if the city approved the project as is, his group would argue again in court that the city did not address the deficiencies in the environmental study.

"It's outrageous how visible it is," Watkins, who has spearheaded opposition to Saggio Hills, said of the area where 150 affordable housing units could be built as part of the project.

Plus, he said the city and developers are relying on 2008 economic data to say what revenues and costs will be for the project.

"We all know the economy in the real estate market was vastly different then it is now," he said, adding that his group will argue in court that the environmental study still is faulty.

But developers said that when Saggio is built, the market should have recovered enough so that bed taxes, sales and property taxes to the city will not be different than originally projected.

City officials said the affordable housing site could have a reduced number of units and will require further study before anything is built.

Les Perry, the attorney for the developers, said whatever lingering legal issues Watkins might bring would be confined to the limited issues previously raised, and be resolved much faster.

Councilman Jim Wood said there are those who would like to see the site at the north end of town never developed. But he said that isn't practical and also noted that previous owners of the site had proposed much higher density — as many as 500 homes.

"The owner has gone through a process that allows for development and worked with the city every step of the way," Wood said.

In addition to unanimously certifying a revised environmental impact report for Saggio Hills, the council also approved a tentative subdivision map, zoning and a development agreement to allow the 130 room hotel and 70 luxury homes to go forward.

Supporters of Saggio Hills urged the council to approve it.

Mel Amato, who represents Healdsburg Cares, a group of 125 residents that includes Realtors and chambers of commerce interests urged the council to approve Saggio Hills "so benefits to the greater Healdsburg community will not be delayed."

"We believe our viewpoint represents the vast majority of the Healdsburg community," he said.

The Saggio Hills site, part of the former Passalacqua Ranch, was first eyed for development more than a dozen years ago by Denver developer Don Beauregard, who proposed a spa resort and more than 200 homes.

In 2006, the current developers acquired the 259-acre site and unveiled the latest project. They agreed to donate 14 acres for affordable housing, 38 acres for a community park, a site for a fire substation and almost \$6 million to help pay for the various amenities.

After a couple dozen hearings before the Planning Commission and City Council, Saggio Hills was approved in late 2008, but immediately became the subject of a lawsuit filed by Healdsburg Citizens for Sustainable Solutions, headed by Watkins, a retired math teacher.

Sonoma County Judge Robert Boyd upheld key parts of the project's environmental impact report but agreed there were deficiencies.

Those included weighing the water demand from replanted trees, assessing visual impacts to adjacent Healdsburg Ridge Preserve and identifying environmentally superior alternatives.