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Moraga to receive \$2.25 million Palos Colorados payment

By Vera Kochan

Moraga Town Manager Cynthia Battenberg couldn't contain her excitement before her report to the town council during their Nov. 10 meeting. Just two hours earlier, she was informed by the Palos Colorados developer, Richfield Real Estate Corporation, that they were in the process of wiring the \$2.25 million remaining principal owed to the town for the Palos Colorados Golf Course Operation Municipal Fund. The project itself had been in development for over 30 years involving a 1986 original plan submittal for 146 homes and a golf course in Moraga and bordering Lafayette. In August 1999, after several years of litigation, Moraga, Lafayette and Richfield agreed to a settlement surrounding the original Palos Colorados project reducing the number of homes to 123 with a golf course.

Richfield was unable to obtain state and federal approval with regards to the development and filed an application for a General Development Plan which eliminated the golf course from the plan. Another lawsuit in 2007, clarified the developer's obligations to pay a fee to both Moraga and Lafayette for the fees they would have collected had the golf course remained part of the new plans.

According to Battenberg's update, "The Town has been accruing 5% simple interest on the principal of the remaining funds due since April 2008, and the accrued interest payments now total \$1.5 million. Payment of the principal will stop future interest accrual. The \$1.5 million in outstanding interest owed is due upon issuance of all local, state and federal agency approvals, including grading permits. Also due upon issuance of permits is the remaining second installment payment of General Plan Fees of \$1,250,000."

Battenberg noted that there are no restrictions on the use of the funds which in the past have been used on one-time expenditures such as parks and open space, emergency repairs or to pay off debts.

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