



SD pays \$500K settlement over school expansion

By [Craig Gustafson](#) 5:41 P.M.FEB. 19, 2013



A planned expansion of the Academy of Our Lady of Peace, a Catholic private school, has some residents of North Park upset.

NORTH PARK — A long-running legal battle over a Catholic school's expansion plans has ended following City Council approval of a \$500,000 settlement with the Academy of Our Lady of Peace.

A federal jury awarded the North Park academy \$1.1 million in damages in December after it determined that the city infringed on the school's religious rights

by denying it permits to build a new classroom building and parking structure. The city was considering an appeal, but the council voted 6-2 in closed session last week to settle the case.

The council agreed to pay the smaller settlement, allow the construction project to move forward and handle the relocation of two historic homes from the property. In return, the school will drop its claim for \$4.5 million in legal fees.

Mayor Bob Filner, who credited Deputy Chief of Staff Allen Jones with sitting in on settlement negotiations and lowering the city's exposure, said he was ecstatic with the final result which decreased the city's potential liability from \$5.6 million to \$500,000. The price tag could increase for the city, depending on what steps it takes to move the homes.

"That's a pretty good deal," Filner said. Expenditure of settlement funds are subject to a mayoral veto, which Filner said he won't invoke in this case.

Daniel Dalton, the school's lead attorney, said the academy wanted to reach agreement with the city rather than continue the court fight despite its recent victory.

"First and foremost, we want to be as good as a neighbor as we can to the city," he said. "This is a case that the school never really wanted to file, but it was pushed to the brink and they had no other option."

The school submitted a plan in 2007 to demolish three homes it owned on the property to make way for new facilities and allow for expanded enrollment. Neighbors complained, saying the homes were historic and removing them would damage the neighborhood's character.

The Planning Commission approved the project in 2008, but the council reversed that decision in 2009. The school sued under the federal Religious Land-Use and

Institutionalized Persons Act and a jury found the city's decision to deny permits imposed a "substantial burden" on the academy's right to religious exercise.

City Council President Todd Gloria, whose district includes North Park, has long sided with neighbors in opposing the project. He and Councilwoman Sherri Lightner voted against the settlement which Gloria described as "a business decision" to not risk losing millions more by continuing the litigation.

"The efforts of OLP will forever change the character of the neighborhood and has soured the relationship between the school and its neighbors," Gloria said in a statement. "I wish the outcome had been different but am proud to stand with my constituents and oppose this project from beginning to end."

The 130-year-old school is the oldest high school in the city and the only all-girls high school in the county, according to court documents. The school has operated at its current location on Oregon Street since 1925 and has not built any new educational facilities since 1965. Its plans call for the construction of state-of-the-art science laboratories, an enhanced library/media center and a two-story parking garage.

<http://www.utsandiego.com/news/2013/feb/19/sd-pays-500k-settlement-over-school-expansion/>