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8
 9 UNITED STATES DISTRICT COURT
 10 EASTERN DISTRICT OF WASHINGTON

11 ROBERT HEITMAN, JR., individually
 12 and on behalf of the marital community,
 13 and CONKLIN DEVELOPMENT, a
 14 Washington general partnership,

Case No. CV-09-70-FVS

NOTICE OF APPEAL

15 Petitioner/Plaintiff,

16 v.

17 CITY OF SPOKANE VALLEY, a
 18 political subdivision of the State of
 19 Washington,

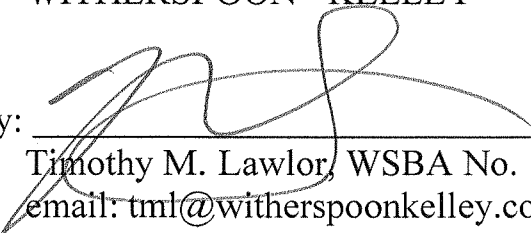
20 Respondent/Defendant.

21
 22 Notice is hereby given that the above-named Plaintiffs, Robert Heitman, Jr.
 23 and Conklin Development, hereby appeals to the United States Court of Appeals
 24 for the Ninth Circuit, the Order Denying Plaintiffs' Motion for Summary Judgment
 25
 26
 27
 28

1 and Granting Defendant's Motion for Summary Judgment (Ct. Rec. 78), entered in
2 this action on March 5, 2010, and all prior interlocutory orders.
3

4 DATED this 1st day of April, 2010.

5 WITHERSPOON • KELLEY

6
7 By: 
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CERTIFICATE OF SERVICE

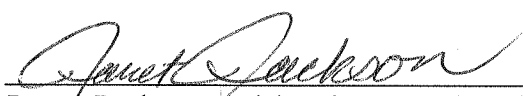
I hereby certify that on the 2nd day of April, 2010,

1. I electronically filed the foregoing NOTICE OF APPEAL with the Clerk of the Court using the CM/ECF System which will send notification of such filing to the following: **Kenneth W. Harper, Cary P. Driskell and Michael F. Connelly**

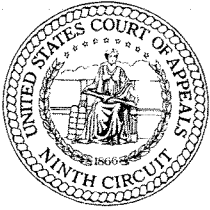
2. I hereby certify that I have mailed by United States Postal Service the document to the following non-CM/ECF participants at the address listed below: **None.**

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4. I hereby certify that I have hand-delivered the document to the following participants at the addresses listed below: **None.**



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Form 6. Civil Appeals Docketing Statement

USCA DOCKET # (IF KNOWN)

**UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT
CIVIL APPEALS DOCKETING STATEMENT**

PLEASE ATTACH ADDITIONAL PAGES IF NECESSARY.

TITLE IN FULL: ROBERT HEITMAN, JR., individually and on behalf of the martial community, and CONKLIN DEVELOPMENT, a Washington general partnership, Plaintiffs v. CITY OF SPOKANE VALLEY, a political subdivision of the State of Washington	DISTRICT: EDWA JUDGE: Fred Van Sickle	
	DISTRICT COURT NUMBER: CV-09-0070-FVS	
	DATE NOTICE OF APPEAL FILED: 4/2/10	IS THIS A CROSS-APPEAL? <input type="checkbox"/> YES
	IF THIS MATTER HAS BEEN BEFORE THIS COURT PREVIOUSLY, PLEASE PROVIDE THE DOCKET NUMBER AND CITATION (IF ANY):	
BRIEF DESCRIPTION OF NATURE OF ACTION AND RESULT BELOW: See Attachment		
PRINCIPAL ISSUES PROPOSED TO BE RAISED ON APPEAL: See Attachment		
DOES THIS APPEAL INVOLVE ANY OF THE FOLLOWING:		
<input type="checkbox"/> Possibility of settlement		
<input type="checkbox"/> Likelihood that intervening precedent will control outcome of appeal		
<input type="checkbox"/> Likelihood of a motion to expedite or to stay the appeal, or other procedural matters (Specify) _____		
<input type="checkbox"/> Any other information relevant to the inclusion of this case in the Mediation Program _____		
<input type="checkbox"/> Possibility parties would stipulate to binding award by Appellate Commissioner in lieu of submission to judges		

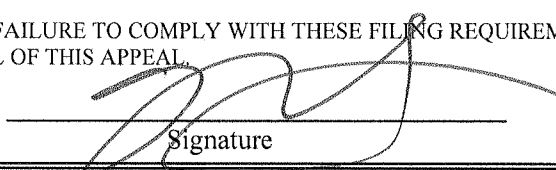
LOWER COURT INFORMATION

JURISDICTION		DISTRICT COURT DISPOSITION	
FEDERAL	APPELLATE	TYPE OF JUDGMENT/ORDER APPEALED	RELIEF
<input checked="" type="checkbox"/> FEDERAL QUESTION <input type="checkbox"/> DIVERSITY <input type="checkbox"/> OTHER (SPECIFY):	<input checked="" type="checkbox"/> FINAL DECISION OF DISTRICT COURT <input type="checkbox"/> INTERLOCUTORY DECISION APPEALABLE AS OF RIGHT <input type="checkbox"/> INTERLOCUTORY ORDER CERTIFIED BY DISTRICT JUDGE (SPECIFY): <input type="checkbox"/> OTHER (SPECIFY):	<input type="checkbox"/> DEFAULT JUDGMENT <input type="checkbox"/> DISMISSAL/JURISDICTION <input type="checkbox"/> DISMISSAL/MERITS <input checked="" type="checkbox"/> SUMMARY JUDGMENT <input type="checkbox"/> JUDGMENT/COURT DECISION <input type="checkbox"/> JUDGMENT/JURY VERDICT <input type="checkbox"/> DECLARATORY JUDGMENT <input type="checkbox"/> JUDGMENT AS A MATTER OF LAW <input type="checkbox"/> OTHER (SPECIFY):	<input type="checkbox"/> DAMAGES: SOUGHT \$ _____ AWARDED \$ _____ <input type="checkbox"/> INJUNCTIONS: <input type="checkbox"/> PRELIMINARY <input type="checkbox"/> PERMANENT <input type="checkbox"/> GRANTED <input type="checkbox"/> DENIED <input type="checkbox"/> ATTORNEY FEES: SOUGHT \$ _____ AWARDED \$ _____ <input type="checkbox"/> PENDING <input type="checkbox"/> COSTS: \$ _____

CERTIFICATION OF COUNSEL

I CERTIFY THAT:

- COPIES OF ORDER/JUDGMENT APPEALED FROM ARE ATTACHED.
- A CURRENT SERVICE LIST OR REPRESENTATION STATEMENT WITH TELEPHONE AND FAX NUMBERS IS ATTACHED (SEE 9TH CIR. RULE 3-2).
- A COPY OF THIS CIVIL APPEALS DOCKETING STATEMENT WAS SERVED IN COMPLIANCE WITH FRAP 25.
- I UNDERSTAND THAT FAILURE TO COMPLY WITH THESE FILING REQUIREMENTS MAY RESULT IN SANCTIONS, INCLUDING DISMISSAL OF THIS APPEAL.


4/2/10

 Signature Date

COUNSEL WHO COMPLETED THIS FORM

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UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT
CIVIL APPEALS DOCKETING STATEMENT

ATTACHMENT

Brief Description of Nature of Action and Result Below:

Plaintiffs/Appellants brought forth an action to recover the payment of just compensation from the City of Spokane Valley pursuant to the United States and Washington State Constitutions after it required the recordation of a Title Notice against the Plaintiffs/Appellants property for the purpose of extending Appleway Avenue within its municipal limits. The City of Spokane Valley admitted that it is required to pay just compensation for the property encumbered by the Title Notice but asserts that it could delay the payment of just compensation until that indefinite point in the future when the property was actually required. The Plaintiff/Appellants and the Defendant/Respondent both filed motions for summary judgment. The City of Spokane Valley prevailed on its summary judgment on the basis that the entire parcel of property owned by the Plaintiffs/Appellants was not deprived of all of its economically viable use. The Plaintiff/Appellants were denied summary judgment on the same basis.

Principal Issues Proposed to be Raised on Appeal:

Did the District Court erred in granting summary judgment to the City of Spokane Valley and finding that no payment of just compensation is required for the appropriation of property?

Did the District Court err in denying summary judgment to Plaintiffs/Appellants on the basis that the City of Spokane Valley is required to pay just compensation before it appropriated private property for public use?

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WASHINGTON

ROBERT HEITMAN, J.R.,
individually and on behalf of the
marital community, and CONKLIN
DEVELOPMENT, a Washington general
partnership,

Plaintiffs,

v.

CITY OF SPOKANE VALLEY, a
political subdivision of the
State of Washington,

Defendant.

No. CV-09-0070-FVS

ORDER DENYING PLAINTIFFS'
MOTION FOR SUMMARY JUDGMENT
AND GRANTING DEFENDANT'S
MOTION FOR SUMMARY JUDGMENT

THIS MATTER comes before the Court on the parties' cross-motions for summary judgment. Plaintiffs are represented by Timothy Lawlor, Stacy A. Bjordahl, and Nathan G. Smith. Kenneth W. Harper, Cary P. Driskell and Michael F. Connelly represent Defendant.

BACKGROUND

Plaintiff Conklin Development was the record owner of the property at issue in this lawsuit. Plaintiff Robert Heitman manages Conklin Development and is a 50% owner. Mr. Heitman is a real estate developer, general contractor, and home builder.

On October 23, 2007, Defendant City of Spokane Valley ("the City") recorded a Title Notice concerning Plaintiffs' property affecting a 25 foot wide strip running along the southern boundary of Plaintiffs' parcel. The Title Notice indicates that the 25 foot wide Future Acquisition Area ("FAA") is necessary for a right-of-way to

1 extend Appleway Avenue.¹ The City has indicated it will pay fair
2 market value for the FAA at the time it is needed for the construction
3 of Appleway Avenue.

4
5 ¹The Title Notice provides as follows:

6 [~~T~~]he City of Spokane Valley . . . is imposing a future
7 acquisition area necessary for right-of-way required to
8 extend Appleway Avenue . . . and to implement provisions set
9 forth in the Comprehensive Plan. The future acquisition
area and restrictions placed thereon shall consist of the
following:

- 10 a. A 25 foot wide strip of property running along the
11 southern boundary of the parcel and abutting the
12 current right of way is reserved for a future
acquisition area.
- 13 b. Future building and other setbacks required by the City
14 of Spokane Valley Zoning Code shall be measured from
15 the future acquisition area boundary. Exceptions to
the full setback may be administratively granted
pursuant to Section 14.710.300.
- 16 c. No required parking or stormwater facilities shall be
17 located within the future acquisition area unless an
18 administrative exception has been granted pursuant to
19 SVMC 14.710. All physical structures placed within the
future acquisition area shall require approval pursuant
to SVMC 14.710.100.
- 20 d. The future acquisition area, until acquired, shall be
21 private property and may be used as allowed in the
22 zone, except that any improvements (such as
landscaping, surface drainage, signs or others) shall
be considered interim uses.
- 23 e. The responsibility for relocating any improvements
24 placed with the future acquisition area, which have
25 been approved by the City of Spokane Valley pursuant to
SVMC 14.710.300, shall be as set forth in the approval
document.

26 (Ct. Rec. 39, Affidavit of Robert Heitman, Exh. E).

1 Plaintiffs allege that the City's actions were an arbitrary and
2 unlawful interference with property rights and violated Plaintiffs'
3 rights to the due process of law. (Complaint ¶ 6.3). Plaintiffs
4 additionally allege a claim based on RCW 64.40.020 arising out of the
5 same circumstances. (Complaint § 6.9). Plaintiffs previously
6 stipulated to a dismissal of all claims arising out of Washington's
7 Land Use Petition Act, RCW 36.70C. Plaintiffs have thus withdrawn
8 their previous contention that the City Hearing Examiner engaged in an
9 unlawful procedure with respect to the hearings held on the FAA and
10 their previous request to reverse the decision of the Hearing
11 Examiner.

12 DISCUSSION

13 I. LEGAL STANDARD

14 Summary judgment is appropriate only if "there is no genuine
15 issue as to any material fact and . . . the moving party is entitled
16 to a judgment as a matter of law." Fed. R. Civ. P. 56(c); see *Celotex*
17 *Corp. v. Catrett*, 477 U.S. 317, 325, 106 S.Ct. 2548, 2554, 91 L.Ed.2d
18 265 (1986) (A motion for summary judgment must be granted "if the
19 pleadings, depositions, answers to interrogatories, and admissions on
20 file, together with the affidavits, if any, show that there is no
21 genuine issue as to any material fact and the moving party is entitled
22 to a judgment as a matter of law."). A material fact is one "that
23 might affect the outcome of the suit under the governing law."
24 *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248, 106 S.Ct. 2505,
25 2510, 91 L.Ed.2d 202 (1986). A dispute regarding a material fact
26 raises a genuine issue for trial only "if the evidence is such that a

1 reasonable jury could return a verdict for the nonmoving party." *Id.*
2 "Where the record taken as a whole could not lead a rational trier of
3 fact to find for the non-moving party, there is no 'genuine issue for
4 trial.'" *Matsushita Elec. Indus. Co. v. Zenith Radio Corp.*, 475 U.S.
5 574, 587-588, 106 S.Ct. 1348, 1356, 89 L.Ed.2d 538 (1986) (quoting
6 *First National Bank of Arizona v. Cities Service Co.*, 391 U.S. 253,
7 289, 88 S.Ct. 1575, 1592, 20 L.Ed.2d 569 (1968)). "[A]ll that is
8 required is that sufficient evidence supporting the claimed factual
9 dispute be shown to require a jury . . . to resolve the parties'
10 differing versions of the truth." *First National Bank of Arizona*, 391
11 U.S. at 288-289, 88 S.Ct. at 1592.

12 Here, the facts upon which the Court relies are either undisputed
13 or established by evidence that permits but one conclusion concerning
14 the fact's existence.

15 II. CONSTITUTIONAL TAKINGS CLAIM

16 Plaintiffs' motion asserts that the sole issue for the Court to
17 decide is whether under the Washington state constitution the
18 government is required to pay just compensation before it takes
19 private property for a future right-of-way. (Ct. Rec. 34 at 1).
20 Plaintiffs argue that the FAA deprived them of all economically viable
21 use of the property; therefore, they are entitled to just compensation
22 for the imposition of the FAA on the property they owned.

23 The Washington state constitution provides that "[n]o private
24 property shall be taken or damaged for public or private use without
25 just compensation having been first made." Wash. const. art. I, § 16.
26 The Takings Clause of the Fifth Amendment, made applicable to the

1 states through the Fourteenth Amendment, provides that private
2 property shall not "be taken for public use, without just
3 compensation." U.S. Const. amend. V. Therefore, the Washington state
4 constitution and the Takings Clause of the Fifth Amendment provide the
5 same rights. See *Sintra, Inc. v. City of Seattle*, 119 Wash.2d 1, 13
6 (1992). Plaintiffs assert that based on the undisputed facts of
7 record, they should be awarded summary judgment on this takings claim.

8 The City responds that the takings claim should be dismissed
9 because (1) Plaintiffs failed to specifically plead the claim, (2)
10 Plaintiffs do not own the real property affected by the FAA, and (3)
11 the anti-piecemealing rule defeats Plaintiffs' motion for summary
12 judgment on the takings claim.

13 **A. Failure to Plead**

14 Plaintiffs' complaint alleges (1) a claim under 42 U.S.C. § 1983
15 for the deprivation of due process pursuant to the Fourteenth
16 Amendment (Complaint ¶ 6.3), (2) a damages claim pursuant to RCW 64.40
17 (Complaint ¶¶ 6.8-6.9), and (3) claims arising out of Washington's
18 Land Use Petition Act, RCW 36.70C.² Plaintiffs' complaint does not
19 assert a specific takings claim.

20 Although Plaintiffs fail to explicitly allege a takings cause of
21 action in the complaint, the complaint mentions that Plaintiffs'
22 private property was improperly taken "for public use without the
23

24 ²Plaintiffs have stipulated to a dismissal of all claims
25 arising out of Washington's Land Use Petition Act, RCW 36.70C
26 (Ct. Rec. 24); therefore, Plaintiffs' only remaining causes of
action specifically asserted in the complaint arise out of
Section 1983 and RCW 64.40.

1 payment of just compensation" (Complaint ¶ 3.2) and that the Hearing
2 Examiner's decision amounted to "a taking of the property without the
3 payment of just compensation" (Complaint ¶ 5.5). As noted by
4 Plaintiffs, the basis for each of the claims asserted in the complaint
5 is a governmental taking without the payment of just compensation.
6 (Ct. Rec. 48 at 6).

7 While Plaintiffs indicate they are willing to amend the complaint
8 (Ct. Rec. 48 at 7), it appears that the City has been fully apprised
9 of Plaintiffs' takings claim and has sufficiently addressed the claim
10 in its briefing on the cross-motions for summary judgment. The Court
11 determines that amendment is unnecessary, and Plaintiffs' takings
12 claim shall not be dismissed for the failure to plead the claim.

13 **B. Ownership of Property at Issue**

14 The City contends that Plaintiffs do not own the real property
15 affected by the regulations of which they complain. (Ct. Rec. 29 at
16 3). The City claims that the property at issue is owned by the
17 Spokane County Library District ("SCLD") pursuant to a purchase and
18 sale agreement executed on July 23, 2007, and closed on October 30,
19 2007.³ Plaintiffs respond that they seek compensation for the taking
20 of all land as a result of the FAA on October 23, 2007. They argue
21 that whether the parcel was divided and sold at a later date is not
22

23 ³In July 2007, negotiations began between Conklin
24 Development and the SCLD for land suitable for a new branch
25 library. A purchase and sale agreement was executed on July 23,
26 2007. Mr. Heitman later expanded the width of the property
conveyed to SCLD by an additional 25 feet in order to accommodate
the FAA. The sale between Conklin Development and SCLD closed on
October 30, 2007.

1 relevant to their takings claim. (Ct. Rec. 48 at 3, 7-8, 11). The
2 Court finds that the issue pertains to all of Plaintiffs' relevant
3 property as of October 23, 2007, not merely the portion conveyed to
4 SCLD at a later date.

5 **C. Anti-Piecemealing Rule**

6 The City argues that Plaintiffs have presented no evidence
7 regarding the effect of the FAA on the property as a whole, and the
8 FAA's impact on only the 25-foot strip of land is irrelevant to a
9 takings claim. (Ct. Rec. 43 at 3-6; Ct. Rec. 54 at 3-6).

10 The anti-piecemealing rule holds that a regulatory scheme's
11 economic impact is to be determined by viewing the full bundle of
12 property rights in its entirety. See *Presbytery of Seattle v. King*
13 *County*, 114 Wash.2d 320, 333-334, 787 P.2d 907, 915 (1990) ("neither
14 state nor federal law has divided property into smaller segments of an
15 undivided parcel of regulated property to inquire whether a **piece** of
16 it has been taken or whether a due process violation has occurred with
17 regard to a **piece** of regulated property. Rather, we have consistently
18 viewed property in its **entirety**." (emphasis in original). Federal
19 case law has also applied the anti-piecemealing rule. See *Penn*
20 *Central Transp. Co. v. City of New York*, 438 U.S. 104, 130-131, 98
21 S.Ct. 2646, 2662, 57 L.Ed.2d 631 (1978) ("'Taking' jurisprudence does
22 not divide a single parcel into discrete segments and attempt to
23 determine whether rights in a particular segment have been entirely
24 abrogated. In deciding whether a particular governmental action has
25 effected a taking, this Court focuses rather both on the character of
26 the action and on the nature and extent of the interference with the

1 rights in the parcel as a whole[.]"); see also *Keystone Bituminous*
2 *Coal Ass'n v. DeBenedictis*, 480 U.S. 470, 498, 107 S.Ct. 1252, 94
3 L.Ed.2d 472 (1987) (rejecting piecemealing theory based on "separate
4 segment" of property for takings law purposes: "[m]any zoning
5 ordinances place limits on the property owner's right to make
6 profitable use of some segments of his property.").

7 Here, the valuation opinion of Plaintiffs' expert, Mr. Sherwood,
8 relates solely to the FAA strip standing alone. (Ct. Rec. 38).
9 Moreover, deposition testimony of the City's expert, Mr. Jolicoeur,
10 which Plaintiffs rely upon extensively in their briefing, also
11 addresses only the value of the FAA area. (Ct. Rec. 34 at 13-15).
12 Consequently, Plaintiffs' motion for summary judgment does not present
13 evidence about the value of the entire bundle of property affected by
14 the regulated 25-foot strip. Plaintiffs have not satisfied their
15 burden of proving that they have been denied the economically viable
16 use of their property. A disputed issue of material fact thus exists
17 with regard to the economic impact of the FAA on the property. This
18 disputed issue of material fact defeats Plaintiffs' motion for summary
19 judgment on their takings claim.

20 However, even if the Court were to conclude that the anti-
21 piecemealing rule does not establish a disputed issue of material
22 fact, the Court determines that Plaintiffs' takings claim should be
23 dismissed on its merits in any event. See *infra*.

24 **D. Merits of Takings Claim**

25 Plaintiffs contend that the FAA deprived the property at issue of
26 all of its economic value which resulted in a taking without the

1 payment of just compensation. In addition to the problems associated
2 with the anti-piecemealing rule discussed above, Plaintiffs' argument
3 lacks support.

4 As indicated by the City, Plaintiffs' have not discussed the
5 *Gunwall* factors⁴ for state constitutional review. (Ct. Rec. 43 at 6).
6 If a party does not provide constitutional analysis based upon the
7 factors set out in *Gunwall*, the court will not analyze the state
8 constitutional grounds in a case. *First Covenant Church of Seattle v.*
9 *City of Seattle*, 120 Wash.2d 203, 223-224 (1992).

10 In any event, Washington state courts have expressed an intent
11 for a regulatory takings analysis to be consistent with the federal
12 constitution. See *Orion Corp. v. State*, 109 Wash.2d 621, 657-658
13 (1987) ("[I]n order to avoid exacerbating the confusion surrounding
14 the regulatory takings doctrine, and because the federal approach may
15 in some instance provide broader protection, we will apply the federal
16 analysis to review all regulatory takings claims."). Based on the
17 foregoing, the Court shall confine its regulatory takings analysis to
18 the federal constitution.

19 Regulatory takings claims require some governmental regulation
20 that compels the owner to sacrifice all economically viable use of his
21 or her property. *Lucas v. South Carolina Coastal Council*, 505 U.S.
22 1003, 1019 (1992). "When the owner of real property has been called
23 upon to sacrifice *all* economically beneficial uses in the name of the
24

25 ⁴Six nonexclusive factors, set forth in *State v. Gunwall*,
26 106 Wash.2d 54, 59 (1986), are relevant in determining whether
the Washington state constitution extends broader rights to
citizens than the federal constitution.

1 common good, that is, to leave his property economically idle, he has
2 suffered a taking." *Lucas*, 505 U.S. at 1019 (emphasis in original).
3 A regulatory takings plaintiff must be able to demonstrate economic
4 burdens on property that are so severe that they are the functional
5 equivalent of physical dispossession. See *Lingle v. Chevron U.S.A.*
6 *Inc.*, 544 U.S. 538, 532-547 (2005).

7 Regulatory takings challenges are governed by the standards set
8 forth in *Penn Central Transp. Co. v. New York City*, 438 U.S. 104
9 (1978). *Lingle*, 544 U.S. at 538. The *Penn Central* Court identified
10 several factors that have particular significance in evaluating
11 regulatory takings claims. *Id.* Primary among those factors are the
12 economic impact of the regulation on the claimant and the extent to
13 which the regulation has interfered with distinct investment-backed
14 expectations. In addition, the character of the governmental action
15 may be relevant in discerning whether a taking has occurred. *Id.* at
16 538-539.

17 1. Economic Impact

18 Plaintiffs argue that the experts retained by both parties agree
19 that the property affected by the FAA is deprived of all economic
20 value. (Ct. Rec. 34 at 12-15). Plaintiffs thus contend that there is
21 no genuine issue of material fact that the FAA deprived them of all
22 economically viable use of the land. (Ct. Rec. 34 at 12). This is
23 not the case.

24 Plaintiffs' expert, Mr. Dewitt Sherwood, assigned no value to the
25 FAA strip. However, as noted above, Mr. Sherwood's appraisal opinion
26 did not take into consideration the property as a whole. Mr.

1 Sherwood's opinion of valuation relates solely to the FAA strip
2 standing alone. (Ct. Rec. 38).

3 The City's expert, Mr. Bruce C. Jolicoeur, prepared an opinion
4 which demonstrates the diminution in value attributable to the FAA in
5 relationship to the larger parcel as a whole. (Ct. Rec. 45). Mr.
6 Jolicoeur indicated it was **assumed** that the FAA would deprive an owner
7 of all durable use. (Ct. Rec. 45 ¶ 10). However, Mr. Jolicoeur
8 opined that the FAA caused a 12.8% diminution in value to the larger
9 parcel of the SCLD, not a total reduction in value.⁵

10 Many land uses are still permitted in the FAA area. The FAA has
11 not precluded Plaintiffs' rights to exclusively possess any property,
12 Plaintiffs' rights to exclude anyone from any property, and
13 Plaintiffs' ability to dispose of property. In addition, with the
14 exception of certain major capital improvements, improvements such as
15 driveways, travel lanes, parking stalls, utilities, and signs are
16 allowed when a hardship is demonstrated and the use is shown to be
17 reasonably conditioned to meet the intent of the FAA.

18 Plaintiffs have not shown that the FAA deprived them of all
19 economically viable use of the property.

20 2. Investment-Backed Expectations

21 Subsequent to the imposition of the FAA, Plaintiffs sold a
22 section of the property subject to the FAA to the SCLD for \$453,650.

24 ⁵A loss of value, standing alone, does not amount to a
25 taking. *Mayer Built Homes, Inc. v. Town of Steilacoom*, 17
26 Wash.App. 558, 564 (1977) (downzoning that reduced value not a
taking); *Penn Central*, 438 U.S. at 131 ("[Supreme Court
precedent] uniformly reject[s] the proposition that diminution in
property value, standing alone, can establish a 'taking.'").

1 This sale evinces that the FAA did not render the entire parcel
2 valueless, nor did the FAA impede Plaintiffs' ability to dispose of
3 the property subject to the FAA. Plaintiffs fail to show that the
4 governmental regulation interfered with "distinct investment-backed
5 expectations."

6 **3. Character of the Governmental Action**

7 There is no evidence that the City imposed the FAA in a manner
8 calculated to discriminate against Plaintiffs or that Plaintiffs have
9 been singled out for differential treatment in an irrational and
10 wholly arbitrary manner. There is no indication that the City has
11 acted improperly.

12 The issue before the Court is whether there was a taking on
13 October 23, 2009, when the City imposed the FAA, or whether a taking
14 will occur on a future date when the City acquires an interest in the
15 FAA-regulated property to begin construction on Appleway Avenue. As
16 indicated above, Plaintiffs are not able to show that the FAA deprived
17 them of all economically viable use of the land or that the
18 governmental regulation interfered with "distinct investment-backed
19 expectations." Furthermore, there is no evidence that the City
20 imposed the FAA in an inappropriate manner. Therefore, the City has
21 not acquired a property interest as a result of the FAA.

22 It is undisputed that the City will be required to provide just
23 compensation when the City acquires an interest in the FAA-regulated
24 property in order to construct Appleway Avenue. (Ct. Rec. 43 at 17).
25 Based on the undisputed facts before the Court, the Court concludes
26 that no taking will occur until that point in time.

1 "[A] party challenging governmental action as an unconstitutional
2 taking bears a substantial burden." *Eastern Enterprises v. Apfel*, 524
3 U.S. 498, 523 (1998). Plaintiffs have failed to meet that burden.
4 Therefore, summary judgment in favor of the City as to the takings
5 claim will be granted and summary judgment for Plaintiffs will be
6 denied.

7 **III. SUBSTANTIVE DUE PROCESS CLAIM**

8 Defendant's motion for summary judgment asserts that Plaintiffs'
9 substantive due process claim should also be dismissed. (Ct. Rec. 29
10 at 14-19). "To establish a violation of substantive due process . .
11 ., a plaintiff is ordinarily required to prove that a challenged
12 government action was clearly arbitrary and unreasonable, having no
13 substantial relation to the public health, safety, morals, or general
14 welfare." *Patel v. Penman*, 103 F.3d 868, 874 (9th Cir. 1996)
15 (citations and internal quotations omitted).

16 Plaintiffs' response asserts, without elaboration, that "the City
17 is clearly arbitrary and capricious." (Ct. Rec. 48 at 15). However,
18 Plaintiffs have not adequately explained how the City's conduct is
19 arbitrary and capricious. Plaintiffs response does not provide a
20 sufficient basis to support their substantive due process claim.

21 To maintain a substantive due process claim, Plaintiffs must show
22 that the City's actions lacked a rational relationship to a government
23 interest. *North Pacifica LLC v. City of Pacifica*, 526 F.3d 478, 485
24 (9th Cir. 2008); see also *Christensen v. Yolo County Bd. of*
25 *Supervisors*, 995 F.2d 161, 165 (9th Cir. 1993) ("The rational
26 relationship test . . . applies to substantive due process challenges

1 to property zoning ordinances."). Here, the City indicates that the
2 intent of the FAA is to assure the proper function of roads, arterials
3 and the roadway network of the City. (Ct. Rec. 29 at 18); SVMC §
4 14.710.00. The regulation intends to: (1) improve roadway safety, (2)
5 provide for roadway expansion, (3) establish new roadways, (4) provide
6 developers and property owners with an understanding of the future
7 location and width of roadways, (5) reduce future impacts on property
8 owners, and (6) minimize the cost of such improvements to the
9 taxpayers of this County and State. *Id.* The City asserts that the
10 planning activities are directly related to future investment in
11 public infrastructure for transportation and blight reduction. (Ct.
12 Rec. 43 at 9-10). Plaintiffs do not dispute that the FAA could
13 advance the City's intended purpose as outlined above. Accordingly,
14 Plaintiffs do not assert that the FAA lacked a rational relationship
15 to the stated planning goals.

16 The Court grants Defendant's summary judgment motion with respect
17 to the substantive due process claim because Plaintiffs have not
18 established a sufficient basis for a finding that the City's actions
19 were clearly arbitrary and unreasonable or that the FAA lacked a
20 rational relationship to a government interest. Plaintiffs'
21 substantive due process claim is dismissed.

22 **IV. CLAIM PURSUANT TO RCW 64.40**

23 RCW 64.40 establishes a claim for damages for the conduct of an
24 agency that is considered "arbitrary, capricious, unlawful, or
25 exceed[ing] lawful authority." RCW 64.40.020. With respect to their
26 claim that the City violated RCW 64.40, Plaintiffs have not shown how

1 the City's actions were arbitrary and capricious and have provided
2 insufficient information to challenge Defendant's summary judgment
3 motion with respect to the state law claim. Accordingly, the Court
4 grants Defendant's motion with respect to this claim. Plaintiffs'
5 cause of action under RCW 64.40 is dismissed.

6 **RULING**

7 The Court being fully advised, **IT IS HEREBY ORDERED** as follows:

8 1. Defendants' Motion for Summary Judgment (Ct. Rec. 27) is
9 **GRANTED.**

10 2. Plaintiff's Motion for Summary Judgment (Ct. Rec. 33) is
11 **DENIED.**

12 3. Judgment shall be entered in favor of Defendant. Plaintiffs'
13 action shall be dismissed in its entirety.

14 **IT IS SO ORDERED.** The District Court Executive is hereby
15 directed to enter this order, provide copies to counsel, **enter**
16 **judgment in favor of Defendant** and **close the file.**

17 **DATED** this 5th day of March, 2010.

18
19 S/Fred Van Sickle
Fred Van Sickle
20 Senior United States District Judge
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REPRESENTATION STATEMENT

<p><i>Plaintiffs:</i></p> <p>Robert Heitman, Jr. and Conklin Development</p>	<p><i>Plaintiffs' Counsel:</i></p> <p>Timothy M. Lawlor Nathan G. Smith Witherspoon • Kelley 422 W. Riverside, Suite 1100 Spokane, WA 99201 Phone: (509) 624-5265 Fax: (509) 458-2717</p>
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<p><i>Defendant:</i></p> <p>City of Spokane Valley</p>	<p><i>Defendant's Counsel:</i></p> <p>Kenneth W. Harper Menke Jackson Beyer Ehli & Harper, LLP 807 North 39th Avenue Yakima, WA 98902 Phone: (509) 575-0313 Fax: (509) 575-0351</p>
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