

# San Diego Business Journal

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## Business Opposes Eminent Domain Extension

By MICHELLE MOWAD - 7/2/2007

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National City has extended the timeline to adopt a controversial update to a redevelopment plan that would extend the power of eminent domain 12 years due to the numerous comments received from area businesses and residents.

The local Chamber of Commerce and a boxing club are fiercely fighting the proposed updated plan. The Community Athletic Center, a nonprofit boxing club that offers coaching, tutoring and mentoring to area youth, has stepped up to protect its business.

Victor Nunez, vice president of the center, said he fears the upcoming re-declaration of blight is a prelude to the inevitable condemnation of his business. He said the city already began discussions with a developer to turn an entire block where the gym is located into high-rise condominiums.

"They (the city) have a predetermined conclusion of what they wanted to do and it is basically to take property from small entrepreneurs and give it to big business," said Nunez, who also is an attorney.

He said the city has declared nearly two-thirds of the city as blighted and fears the city will use its power to seize property in these redevelopment project areas, too.

"We are going to fight the city's outrageous plan to take away our gym so a developer can build condos for rich people," said Nunez. "We are doing what we teach our kids to do; we are standing up for what is right."

The City Council is scheduled to consider a second and final reading of the proposed redevelopment plan changes July 17.

National City Redevelopment Manager Patricia Beard said she is mystified by the athletic center's reaction. She said the city has been working with the athletic center for two years to find an alternative and larger facility for the nonprofit.

"Eminent domain has ever been contemplated for that project," she said.

Nunez said the club is not looking to move, sell or get pushed out of its current prime location.

Despite opposition from Nunez and other businesses, Beard said eminent domain is a tool that facilitates redevelopment.

"Extending our eminent domain authority is a tool that the state law allows us to have and use," said Beard. "We have been able to use it in very rare occasions to really improve National City."

Recently, the city used eminent domain to redevelop one of its busiest intersections. Education Village, bound by Eighth Street, Plaza Boulevard, Roosevelt Avenue and National City Boulevard, is used by Southwest College and serves as an excellent example of how eminent domain can be used to improve the city, said Beard.

She outlined the two major changes proposed in the amendment. She said the changes extend eminent domain limitations, which expire in August, for 12 years, and expand eminent domain exemptions to all residences, not just single-family homes.

Beard added that the city has taken into account public concerns about amending the plan and has worked with businesses throughout all redevelopment projects.

"Further restricting our ability to use eminent domain on housing is in response to public desire," said Beard.

If the changes are approved, the city would retain rights to seize property within an area consisting of land one

block to the east and west of National City Boulevard, one block north and south of Civic Center Drive from National City Boulevard to Interstate 5, one block north and south of Eighth Street from I-5 to B Street, everything west of I-5 that is not in the port tidelands domain and the entire southwest block of Highland Avenue and Plaza Boulevard.

The National City Chamber of Commerce also has expressed strong opposition to the amendments. President Paul Robinson said the proposed amendment presented at a public hearing June 19 was too broad and lasts too long.

"The amendment would, in effect, perpetuate a cloud of uncertainty over our business community that already is hesitant to invest," he said. "Businesses in National City provide the jobs and subsequent revenue stream that is vital for the prosperity of our community."

He added that the amendment discourages new business and investments in existing establishments. While the chamber supports redevelopment and economic development, it says the amendment should be reduced in scope and term to focus on neighborhoods that have specific plans.

Marko Mlikotin, president of the California Alliance to Protect Private Property Rights, which is dedicated to curbing eminent domain abuse, is opposed to the power to profit by seizing properties through eminent domain.

"Current law allowing government to seize homes, businesses and places of worship to benefit politically connected developers must be changed," said Mlikotin. "If the Legislature fails to act soon, voters will take the matter into their own hands by passing a ballot measure that protects their private property."

The controversy in National City is part of a nationwide trend, said Mlikotin. His institute reports in a recent study that eminent domain is largely used on the poor, less-educated and minorities.

National City's proposed changes are being followed nationwide as well as statewide. The national Institute for Justice, a public interest law firm, has jumped in on the action as well. The Arlington, Va.-based firm is providing pro bono legal services for the athletic center.

The firm said kicking out the poor and bringing in the rich are the unstated goals of blight declarations by the city.

"In renewing a declaration that two-thirds of National City is blighted, the city government's goal is not to remove blight, but rather to remove the poor and minorities who have managed to purchase property and replace them with the rich and politically powerful," said the firm in a statement against the amendment.

Jeff Rowes, an attorney with the Institute for Justice, said the blight designation lays the groundwork to destroy small businesses like the athletic center.

"Each of these pieces of property may not be put to its so-called highest economic use, but each provides the owner with the opportunity for a better life," he said.

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