

It's Game Over for Mr. Patel ... But Not for Cal and Redevelopment Law

CARUSO VS. GOLDEN KEY HOTEL

Bob Blue

The results are in for the David and Goliath match between Mr. Ray Patel defending his Golden Key Hotel versus Billionaire Rick Caruso and the Glendale City Council and Mayor acting as the Glendale Redevelopment Agency (GRA)



As reported in CurbedLA, CityWatch, and other sources, Mr. Caruso was seeking to expand under performing Americana development and had his eye on Mr. Patel's Golden Key Hotel. But despite the fact that Mr. Patel followed all the rules and even submitted his own Redevelopment plan, Caruso influenced the City of Glendale to use its Redevelopment Agency power of Kelo-style Eminent Domain to threaten Mr. Patel into selling his hotel to Mr. Caruso ... on Caruso's terms.

But then with the pressure of grass roots groups and the media focus on Glendale as one of the poster children for abolishing redevelopment agencies, Mr. Patel was able to turn the tables on Mr. Caruso. The City Council and Mayor of Glendale and Caruso most surely felt the heat from the Redevelopment Lobby and Special Interest Groups that feed property tax dollars to subsidize "pet projects" of wealthy developers saying to Patel and Glendale - "Cut it out, you're hurting our case to save Redevelopment in California."

So in the end, Mr. Caruso made Mr. Patel an offer that Mr. Patel couldn't refuse. [\[LINK\]](#)

Something that should have been done between two private parties in the first place without any help from the City of Glendale!

But is that the end of the story?

Not quite. Now the properties across the street will be threatened next. And the people of Glendale, and those from other Cities who were moved by Mr. Patel's courage and guts to stand up to Caruso, feel betrayed. Just look in CityWatch for Ziggy Kruse's Story about her efforts on Mr. Patel's behalf ([Link](#)).

And as my friend Ziggy Kruse reminds me, what about the employees of the Golden Key Hotel - Will the media follow up on the employees of the Golden Key Hotel to see if they are happy with the results?

Are there any other losers here?

Yes. Redevelopment in California is a big loser. Because all the lessons mentioned in my article are still true. ([Link](#))

Redevelopment law allows Kelo-style Eminent Domain private-to-private transfers to occur and they are always done against the "little guy" and with the benefit of the "big guy" usually a rich, politically connected developer. And by studying Glendale we still see that there were no protections in California Redevelopment law for Mr. Patel even though he followed all the laws, kept meticulous records, and even submitted his own environmentally-friendly Redevelopment Plan.

And as we saw in Glendale, Redevelopment has nothing to do with clearing blight, it is only a mechanism to siphon off Property taxes and spend it wastefully and inefficiently on large scale projects that fail instead of smaller projects that help small business and society grow in a sustainable way. The money siphoned in the name of Redevelopment should instead be returned to better use for the greater good - Local City services, schools, and other critical services as they

always had prior to Redevelopment law.

And in that sense, the City Council and Mayor of Glendale, and Rick Caruso are poster children for closing the door on Redevelopment in California and throwing away the key.

Until that happens, we will have to depend on the constituents and grass root groups to put the pressure on our political leadership.

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