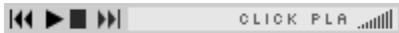




Inland News

Aggressive use of eminent domain at issue in Riverside City Council races



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By **DOUG HABERMAN**
The Press-Enterprise

RIVERSIDE - Since 2004, when Dom Betro, Art Gage and Steve Adams took seats on the City Council, the Riverside Redevelopment Agency has filed 18 eminent domain lawsuits to help spark revitalization downtown and in other parts of the city.

The council acts as a board of directors for the agency, whose mission is to eliminate blight and boost the city's economy.

Betro, Gage and Adams are all seeking reelection Nov. 6. Their opponents and voters have raised eminent domain as an issue in the races.

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Kurt Miller / The Press-Enterprise

Developer Mark Rubin, who is building a 275-unit condo complex in Riverside, believes eminent domain serves a useful purpose. "If there weren't eminent domain, this thing would be in disrepair for another 50 years," he says of the land where he is building.

From 1990 through 2003, Riverside city councils voted 12 times to authorize the Redevelopment Agency's use of eminent domain, though the city was unable to say how many lawsuits the agency filed as a result of these votes.

Since 2004, the council has voted 13 times to authorize the agency's use of eminent domain. Sometimes an authorization involved several parcels and multiple owners, and the agency filed more than one lawsuit as a result.

The 18 eminent domain lawsuits filed since 2004 were to acquire a total of 13.33 acres. The city comprises almost 52,000 acres.

Nine of the cases have settled, often for more than the agency appraisal on the property. For example, the agency appraised 2.7 acres at the California Square shopping center at \$1.8 million but settled its lawsuit by buying the land for \$2.9 million.

The other nine cases are heading to trial on the amount the agency will have to pay the owners.

None of the parcels in the 18 cases held owner-occupied homes. The agency has never used eminent domain to acquire an owner-occupied house. City law makes it difficult to do so.

Council members who vote to use eminent domain on an owner-occupied house to sell the land to a developer would be committing political suicide, Adams said.

Public agencies use eminent domain to acquire private property from owners unwilling to sell. They typically employ it to buy land for public uses, such as parks, libraries and street-widening projects, but they can also use eminent domain for redevelopment projects.

Council members and city staff said the Redevelopment Agency uses eminent domain almost exclusively after commercial properties have been problems -- such as motels and liquor stores on University Avenue -- or have been rundown or sat unused for years.

And it is used as a last resort after negotiations with property owners have failed, they said.

Without it, they said, important projects meant to improve life in Riverside, such as the renovation of the historic Fox Theater for use as a regional performing arts center, would never come to fruition.

"We only do it when we really feel there's a public benefit at the end of the road," Betro said.

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Mark Zaleski / The Press-Enterprise

This project at Market and Third streets was acquired by the developer without the use of eminent domain, the developer said.

Property-Rights Concerns

Property owners involved in the lawsuits and opponents of eminent domain for economic development said the city is taking away property rights and should work with landowners.

"It's just absurd to me, this idea we have to have eminent domain to make development happen," said downtown commercial property owner Rob Freeman.

He grew especially concerned about eminent domain when the agency threatened in 2005 to use it on Adams Plaza, which is not blighted, Freeman said.

City Manager Brad Hudson said relying on the private sector alone hasn't worked in Riverside.

"There's a reason why downtown sat there like it did for 20 or 30 years," Hudson said.

Developers on their own will do little in an aging city such as Riverside with historic buildings that are expensive to retrofit and restore, ground contamination issues, scarce land for parking, and small parcels held by many different owners, Hudson said.

The Redevelopment Agency can tackle these issues to make properties usable by developers, he said.

Under previous councils, the agency used eminent domain to assemble land for Riverside Plaza, University Village and the Riverside Marketplace.

Basis for Eminent Domain

Los Angeles-based developer Mark Rubin is building a 275-unit condominium complex bounded by Market, First, Main and Third streets, where used-auto dealers, mechanics' garages and a few rental houses used to sit.

He bought portions of the land himself. But some property owners set such high prices for their parcels that it made no economic sense for him to buy, Rubin said Tuesday as he walked around the property. That's when he asked for the agency's help.

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EMINENT DOMAIN: Since 2004, the city of Riverside's Redevelopment Agency has filed 18 eminent domain lawsuits to spark revitalization downtown and elsewhere.

DOWNTOWN: Eleven eminent domain lawsuits for redevelopment projects:

1. Used auto lots, rented houses, etc.: Four cases settled for a combined \$4 million; two cases, no settlement with owners.
2. Fox Theater: Settled for \$2.97 million.
3. Greyhound bus station: No settlement.
4. Garner family tenant parking lot: No settlement.
5. Brown's Automotive Garage: No settlement.
6. Former produce warehouse and adjacent lot: Settled for \$565,000.

ELSEWHERE: The city has also filed seven eminent domain cases for properties outside downtown. They are:

- Merrill Avenue parcels in Magnolia Center. No settlement.
- The Sierra Six Motel in La Sierra. No settlement.
- Western Liquor in the Eastside. No settlement.
- Welcome Inn in the Eastside. No settlement.
- Part of California Square in the Ramona neighborhood. Settled for \$2.9 million.
- A separate, smaller part of California Square. Settled for \$339,000.
- Parcels on University Avenue from Park Avenue to Victoria Avenue. Settled for \$635,000.

BECKY HAGEN/INLAND PRESS-INTERFAX

"If there weren't eminent domain, this thing would be in disrepair for another 50 years," he said.

Across Market Street from Rubin's project, at Market and Third streets, another Los Angeles developer, Alan Mruvka, is building 10 live-work units on land he bought without the aid of eminent domain. He plans to build 109 condominiums on the block bordered by Fairmount Boulevard, First, Market and Second streets, which he purchased.

Because many of the properties were owner-occupied houses, Betro and the Redevelopment Agency insisted he buy them himself, Mruvka said.

But he said the agency's use of eminent domain to acquire commercial property is necessary at times if Riverside is to progress.

"Some people are unreasonable," Mruvka said. "They won't take a reasonable price."

Changes Sought

Freeman, the eminent domain foe, said the city never seems to pick local property owners to do major redevelopment projects. It gives the impression the council favors certain developers and cuts secret deals for them, he said.

For that reason, he favors changing the law to make the Redevelopment Agency wait 10 years after it acquires property through eminent domain before it can transfer it to a developer.

"That takes away the whole idea of the backroom deal," Freeman said.

Betro said the agency uses an open, competitive process to find developers for projects. It chooses them based on how closely their proposals fit the agency's guidelines, and it favors developers who ask for little or no agency subsidy, he said.

One of the agency's main eminent domain targets in the past three years has been property owned for dozens of years by the Garner family, including the former Ab Brown garage downtown and three parcels on Merrill Avenue across from Riverside Plaza that held boarded-up buildings, including an old blood bank.

Sarah Garner, a Carlsbad resident who helps manage her family's properties, said she has felt frustrated by the

agency's move to acquire the property.

"We wanted to do projects on all those parcels ourselves," Garner said.

Gage said the Garner parcels and some of the motels on University were a clear example of blight. Eminent domain became necessary, he said, when the agency and the Garner family couldn't reach a deal.

"When you've got something really nasty, it's got to go," Gage said.

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