

sgvtribune.com

Squeezing small stores

Eminent domain could spur city's redevelopment

By **Bethania Palma Staff Writer**

AZUSA - Small-business owners said they will bear the brunt of redevelopment if the city moves forward with plans to buy their properties for projects, including larger national retail stores.

In September 2006, the City Council gave its redevelopment agency authority to use eminent domain to acquire businesses in redevelopment zones.

Although business owners say they are being pushed out unfairly, city officials defend the process as a way to generate tax revenues to pay for services.

"They've just taken a slice of the American dream away from generations to come," said Bill Cortez, partial owner of Johnny's Tow and Storage.

He said his father, Johnny Cortez, built the towing company 50 years ago and in 1966 bought the land at 812 N. Azusa Ave. Johnny's has been there since.

This and other businesses could be displaced as plans to bring mixed-use condominiums, a Target, a Metro Gold Line station and other retail chains move forward.

"This has been emotionally trying for him," Jim Cortez said of his father. "The family has always

called this his sixth child."

Now, business owners on their block feel uncertain and immobilized.

Eminent domain is a last resort, said Assistant City Manager Robert Person, but "it is a tool we have in our tool box and are going to use until it's taken away from us in the form of a vote by the people."

He said Azusa is in dire need of a broader tax base. Its main revenue generator is Costco, and with new residents moving into Rosedale, a corresponding demand for services will need to be met.

That will cost the city.

"We're very, very dependent on Costco," Person said. "That is very scary. We need to diversify our tax base and not have all our eggs in one basket."

City officials said their plans call for the redevelopment agency to use eminent domain sparingly.

"It's a very, very limited authority area," said Bruce Coleman, economic and community development director.

So far, he added, the city has been able to negotiate settlements with almost all businesses affected by the proposal, rather than use the full force of eminent domain.

Jon Coupal, president of the Sacramento-based Howard Jarvis Taxpayer Association, said taking private property away from one owner to give it to another private owner is "totally un-American."

He said his organization is sponsoring an initiative

Advertisement



A bright idea in online advertising.

PrinterStitial® ads by Format Dynamics.



FormatDynamics®

Print Powered By  FormatDynamics™



that will be appearing on California ballots next June to counteract the effects of *Kelo v. City of New London*, a 2005 Supreme Court decision that allowed a Connecticut woman's home to be taken through eminent domain.

The decision set a precedent allowing cities to use eminent domain for redevelopment purposes, experts said.

The Fifth Amendment to the Constitution stipulates private property can be taken for public use with "just compensation."

The 5-4 *Kelo* decision essentially determined the economic benefits of development constitutes public use, he said.

"Public use means public use," and should be limited to roads, rails and other public infrastructure, Coupal said.

The president of Melco Steel Inc. in the Costco East redevelopment area agreed.

Michel Kashou's property in 1100 block of West Foothill Boulevard has been visited by an eminent domain appraiser.

He and his neighboring business owners said they've been told a Lowe's will be moving there. City officials said it could be a Lowe's or Home Depot, and Costco might expand.

Kashou said he is trying to cooperate with the city's plans, but doesn't like the prospect of having his well-established business removed from its longtime site by the city to make way for another business.

"That's not fair," he said. "If Lowe's wants this property, why don't they come here and

negotiate with us?"

While some residents welcome anticipated improvements in aesthetics and shopping, they recognize the fallout.

"I think it's tragic," said Ralph Lloyd, 73, of Azusa. "As smart as we are, we haven't figured out what to do about the mom-and-pop shops."

Dr. Martin Habern, whose chiropractic clinic neighbors Johnny's, said his life has been turned upside down.

"All of a sudden, you realize the government can take what's yours," he said.

Habern said he's been living out a "nightmare" since learning his business, which treats about 100 patients a week, was in a redevelopment zone.

"For me, the timing couldn't have been worse," the 53-year-old father of two said. "It's been very disruptive. I own this place free and clear. I owe nothing, and I've been able to keep my fees low and take good care of people because of where I am."

He said his goal was to retire some day and lease the building to another chiropractor. But now, he said, he's just "waiting for the axe to drop."

Jim Cortez similarly summarized his family's situation.

"We don't want to stop progress, but just don't let progress run us over," he said.

bethania.palma@sgvn.com

(626) 962-8811, Ext. 2236

Advertisement



A bright idea in online advertising.

PrinterStitial® ads by Format Dynamics.



FormatDynamics®

Print Powered By  FormatDynamics™