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THE STATE

Land Seized for Animal Shelter May Be Sold to Developer-Donor

By Patrick McGreevy
Times Staff Writer

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A year after Los Angeles seized three acres from a private company to construct a public building, a city councilman wants to sell the land to another private firm for a commercial development.

Both companies are furniture manufacturers. But executives with the company that would buy the land have political connections and have made \$17,600 in campaign contributions to key city leaders.

Critics of the proposal say it's wrong for the city to use its power of eminent domain to take property from one business for a public purpose and then sell it to another business.

"It strikes me as an extraordinarily blatant abuse of eminent domain," said Jon Coupal, president of the Howard Jarvis Taxpayers Assn.

The city's initial plan was to use the site for a new South Los Angeles animal shelter. The city paid \$5.8 million to buy the property with money raised by a bond issue that voters approved to expand animal services.

The switch has delayed construction of the needed shelter by at least a year and could add \$5 million to the construction cost. The price tag could hit \$17 million, because the new site requires a more expensive design, and the cost for materials and labor has skyrocketed.

Councilman Bernard C. Parks, who is spearheading the plan and represents the area, says the public would benefit more if the land were used for a business.

"It's one of the last inner-city industrial areas, and so we are trying to ensure that it continues to develop," he said. "The original proposal impairs the growth of a major economic development."

The previous owners of the property, which includes three warehouse buildings, said the city has betrayed them.

Their furniture-manufacturing firm had 20 years of success in South Los Angeles, said Scott

Vaughan, a partner in Vaughan Benz, which has moved to near Chinatown. "It was thriving."

"If they are not going to do what they claimed they were doing and put an animal shelter there," he said, "it was unnecessary to take our property."

Vaughan Benz fought the city's decision to seize its property in court, and the partners said the time and money spent on that battle hurt their business.

"It was three years of torture," said Vaughan, who added that the legal costs would have been in the "six figures" if the case had gone to trial.

Under the deal proposed by Parks, Cisco Bros., a furniture design and manufacturing firm, would acquire the site in the 5900 block of South Western Avenue to expand the adjacent L.A. Design Center. The animal shelter would be built a block away on city-owned land at 6000 S. St. Andrews Place.

On Jan. 24, a City Council committee will take up a motion submitted by Parks that would start the complicated process to make the switch.

David Benz, a partner with Vaughan, said the city's delay in replacing the cramped, 57-year-old South L.A. animal shelter on 11th Avenue is hurting the community. He said packs of dogs run wild through the area because there are not adequate shelter services and facilities, even though a small annex shelter has been built on West 36th Street. "It's a public health issue," he said.

Ed Boks, the new interim general manager of the Animal Services Department, confirmed that a replacement shelter is desperately needed. "It's our highest-volume center, and it serves a community with the greatest need for service," he said.

Among some city officials, the proposal to sell the seized land has raised some eyebrows.

"I really do feel uncomfortable about it," said James W. Odom, a member of an oversight committee set up by the city to make sure it properly spends the money from its animal shelter bond issue

If the city decides to change the property's use, Odom said, he will fight to make sure the animal shelter bond money is paid back.

"That's my taxpayer money," he said.

Parks said any money from the sale would be used to reimburse the animal bond account to the extent possible.

Carrying out his proposal for the land would require some fancy legal footwork.

The City Council would have to suspend plans to build the shelter at the Western Avenue site. Then, before the parcel could be sold, the council would have to take steps to declare it surplus property.

The new site for the shelter was bought with money from bonds that voters approved for police facilities. The property was used temporarily to house officers from the 77th Street Division police station while that building was replaced.

One source said the city attorney's office has determined that because the site was used as intended as a temporary police facility, it can now legally be used for an animal shelter.

Jonathan Diamond, a spokesman for City Atty. Rocky Delgadillo, declined to provide details of the legal analysis. "The evaluation is still in process," he said.

Francisco Pinedo, president of Cisco Bros., said Delgadillo is sympathetic to the proposal.

The firm and its executives have donated to the campaigns of several politicians whose support is essential to the deal.

Delgadillo, whose office must provide legal justification for the change in the project, has received \$13,600 in contributions from two Cisco Bros. executives in the last five years, including a \$5,600 check in June to his campaign for state attorney general.

The two executives contributed \$1,000 to Parks' 2003 campaign for City Council, and gave \$1,500, most of it last year, to Mayor Antonio Villaraigosa, who would have to sign off on the deal.

The contributions came from Francisco Pinedo, the president, and Alba Pinedo, a co-owner of the firm.

Francisco Pinedo envisions his furniture business using some of the space on the site but leasing much of it to other design and architecture-related firms.

"If an animal shelter was not going to be built in the community, I can see where people would have problems," he said. "But they can build the shelter nearby. We can do two projects that will benefit the community."

Vaughan said the neighborhood lost about 50 jobs when he and his tenants had to relocate. Pinedo estimates that his development of the site will result in at least 100 people working there.

Parks said the property would be sold at fair market value.

City sources, however, said the income from the sale is unlikely to fully pay back the \$8 million spent so far from the animal shelter bond, which includes the legal costs of acquiring the property through eminent domain and \$1 million in already completed design work.

When Vaughan Benz initially refused to sell its property, the city attorney's office oversaw the filing of an eminent domain lawsuit.

To justify using condemnation powers, the city attorney and City Council had to make a finding that "the public interest and necessity require" such extraordinary action. The council report justifying the action said the property was needed for "public purposes."

The city negotiated a clause in the eventual settlement with Vaughan Benz that bars the firm from suing if the property is not used as an animal shelter, said one city official familiar with the project.

Parks, who took office after the eminent domain action was initiated, said the city was sincere in acquiring the site for an animal shelter.

"At the time it was condemned, it was condemned for the right reasons," he said. "But as it was evaluated and the city took control over it, we realized it was better suited for something else."

But Parks and others began to talk publicly about their preference that the site be used for the Cisco furniture mart more than a year before the City Council approved a final settlement.

That could raise the question of whether the city knew it intended to use the site for another use at the time it reached the settlement, Coupal said. If so, that might undermine the city's claim that it can legally make the switch.

Christopher Sutton, an attorney specializing in eminent domain law, said a city can legally change its plans for use of the property as long as it genuinely intended to use the site for a public purpose when it began condemnation proceedings.

But he said the city's handling of the shelter project looks bad.

"I think it's terrible," he said.

Parks said the change would be a big boost for a community in need of jobs and business. "We think the furniture marts [in the area] may double over the next 10 years," he said.

Coupal's group hopes to qualify an initiative for the November state ballot that would outlaw the use of eminent domain to benefit private developers.

That move follows a U.S. Supreme Court decision in June that approved the plan of New London, Conn., to force some homeowners to sell their properties for a private development.

"It's not right. It's not fair," Coupal said. "The power of eminent domain should only be used for public purposes, not including economic development to the extent you hand property over to another developer."

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Three acres

The city of Los Angeles may sell property obtained through eminent domain to Cisco Bros., whose owners have donated money to city officials.

Sequence of events

Feb. 26, 2003: Alba Pinedo and Francisco Pinedo of Cisco Bros. contribute \$500 each to Bernard Parks' campaign for Los Angeles City Council.

March 2003: Parks takes office.

August 2003: The city bond oversight committee puts a hold on plans to build an animal shelter on the land acquired by eminent domain.

Dec. 29, 2003: Alba Pinedo contributes \$1,000 to City Atty. Rocky Delgadillo's reelection

campaign.

Feb. 9, 2005: Francisco Pinedo contributes \$1,000 to Delgadillo's reelection campaign.

Feb. 10, 2005: The city attorney refers to the City Council a report on the settlement with the property owners, completing the eminent domain process.

March 2, 2005: The City Council approves the final settlement.

April 30, 2005: Alba Pinedo contributes \$1,000 to the mayoral campaign of Antonio Villaraigosa.

June 29, 2005: Alba Pinedo contributes \$5,600 to Delgadillo's campaign for state attorney general.

Nov. 23, 2005: Parks introduces a motion to evaluate moving the animal shelter project to a nearby alternative site.

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Sources: Times reporting

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