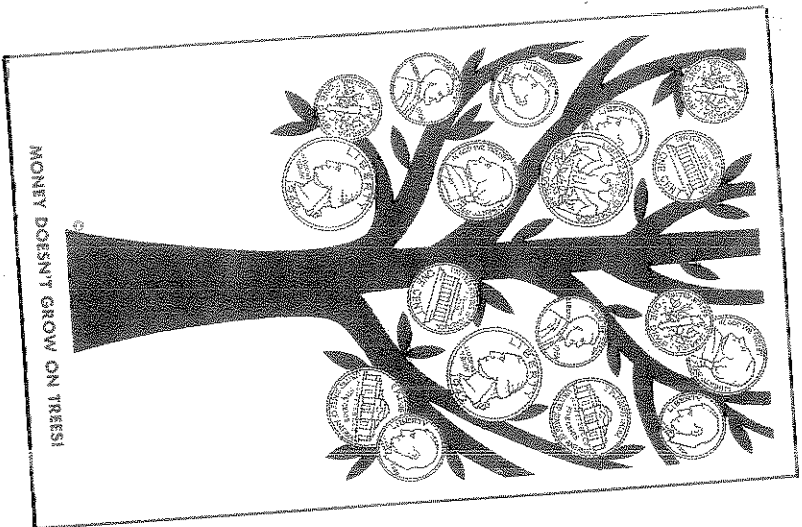


# California HOMIEOWNIER

June, 1973

twenty-five cents



**SOME ELECTED  
OFFICIALS THINK  
MONEY GROWS  
ON TREES,  
but it doesn't, this  
picture is a fake**

## Contents

Why the High Cost of Education? .....	Page 3
A Giant Step for Open Space.....	Page 9
Assessment Discrepancies.....	Page 15
The Elmore Family.....	Page 18
Let's ELECT Supreme Court Justices.....	Page 21

6959

# CALIFORNIA HOMEOWNER MAGAZINE

Volume 12

June, 1973

Number 2

## Editorial Board

Jack E. Addington

Lloyd W. Maxwell

Editor

John Nagy

*Santa Clara County Representative*

Raymond Bergman

*Los Angeles County Representative*

Wilber E. Pereira

*Marin County Representative*

William J. Filante, M.D.

*Orange County Representative*

Donald Kucera

*San Diego County Representative*

Frank Hughes

*Sacramento County Representative*

Mal Morey

*Art Director*

Jackie Breen

## Table of Contents

Why the High Cost of Education? by Robert R. Sammon	3
A Giant Step for Open Space An Editorial	9
Assessment Discrepancies by John Nagy	15
The Elmore Family by Dr. Ben Yellen	18
Let's Elect Supreme Court Justices	21

*California Homeowner Magazine is published by Statewide Homeowners Assn.*

## Mailed Quarterly

Statewide Homeowners is an educational and research organization. It is supported by contributions from individuals and organizations who believe in the work we are doing.

More funds are needed to enlarge the scope of CALIFORNIA HOMEOWNER Magazine and to continue property assessment surveys in California.

Contributions should be mailed to the address below.

## Business and Editorial Office

953 8th Avenue, Room 212  
San Diego, California 92101  
(714) 233-6977

*Consent to republish any article, with credit, is hereby given.*

# Why the High Cost of Education?

**This article is the first of a series which will discuss the business operations of 127 school districts of California, generally, and the San Diego Unified School District specifically.**



*Robert R. Sammon  
Management Consultant*

*by Bob Sammon*

The subject of school taxes is of vital importance to all taxpayers of the State of California, as well as to taxpayers in all of the states. With that in mind, Governor Ronald Reagan ordered an investigation of the public school systems of the state, and appointed his top executive in the Finance Department to head the investigation.

## TWO SEPARATE TEAMS OF EXECUTIVES

During the past three years, at least two separate and independent teams of business executives have made such investigations.

Fourteen corporations loaned executives. Governor Reagan asked Mr. Verne Orr, California Director of Finance, to conduct an investigation and evaluate the efficiency of the public school system. Shortly before that,

*Robert R. Sammon has BA and MA degrees, attended Fordham University, Harvard Business School, St. Francis College, New York University, and City College, N.Y., and is a Commander in the U.S. Navy (Reserve).*

another team of 25 businessmen under the direction of Maj. Gen. Lowell E. English, USMC, Ret., donated their time and services to investigate the business operations of the San Diego City Unified School District at the request of the Board of Education and the School Superintendent.

## CORPORATIONS LOAN EXECUTIVES

Orr assigned Mr. Richard Soderberg, Chief Auditor for the Director of Finance, to assemble a team of executives to do likewise in school districts throughout the state. Major companies and corporations loaned executives to work with Soderberg and his staff. That investigation lasted almost a year, and concentrated on accounting, budgets, material control, maintenance, computer operations, etc.

These executives had absolutely no affiliations with the public school systems and were strictly objective in their investigation. Many were from billion-dollar corporations, and held titles as president, executive vice-president and chairman of the board. They

were civic minded and anxious to help the taxpayers as well as to improve the schools. They were in a position to call a "spade a spade," thereby providing Governor Reagan and the taxpayers with an honest evaluation.

## 127 SCHOOL DISTRICTS INVESTIGATED

These businessmen audited and investigated 127 school districts in California. They prepared business reports on what they discovered, showing how the taxpayers' dollars are spent by administrators.

The first major goal of the Governor's task force was to provide the Governor with information to help resolve uncertainties about education and with options, alternatives and recommendations. These are being used to formulate educational policy and budgetary approaches in an all-out statewide improvement effort in cooperation with the Legislature, the Superintendent of Public Instruction, and other educational leaders.

Its second major goal was to gather information and generate suggestions for use by those persons with authority and opportunity to make operational changes in California's schools, i.e., the board member, the trustee, the educational administrator, and the professional educator. The most critical changes must be at the local level. It is only at the local level that hard questions can be asked and answered.

A major target of the overall examination was K-12 business management, for there were strong indications that costs here could be controlled without reducing educational effectiveness.

In choosing the 127 districts to be studied, care was taken to achieve a valid sample. The

4

sample included elementary, high school and unified districts, with at least one district in 80% of the counties. Districts chosen had characteristics that ranged from large to small, wealthy to poor, urban to rural, predominantly white to predominantly minority. Districts were not selected for reputations of being particularly "good" or "bad", nor for existence of special problems.

## A FEW EXAMPLES

Any organization, no matter how well managed, will evidence opportunities for cost improvement when examined by an outside source. For example, it was observed that:

*A district stores broken and scarred furniture to repair during the summer months "to keep staff busy." Repair costs exceed the cost of new furniture.*

.....

*A district does not know its custodial costs per square foot or by any other standard. It is not aware of its textbook loss ratio nor how its insurance premiums compare to losses and reimbursements.*

.....

*An architect specifies expensive birch cabinetry which is more costly and difficult to maintain than standard cabinets. Another specifies solid brass hardware -- attractive but exceedingly expensive.*

.....

*A new warehouse is built when unused facilities could be inexpensively converted to additional warehouse space.*

*One district makes no attempt to*

Robert R. Sammon, management consultant, shared the office with Major General Lowell E. English, USMC, retired, during the study of the business operations of the San Diego Unified School District. He has 25 separate reports by consultants who were brought in for that study.

Future articles in this series by Bob will make use of those reports. Taxpayers will be amazed by the amount of waste in the administration of our schools.

*sell a large number of surplus buses while neighboring districts buy new ones.*

.....

*A district hires bus drivers on a full-time, year round basis because "it is too inconvenient to recruit and train part-time drivers."*

.....

*A district buys gasoline from the local service station at retail prices.*

.....

*A district provides a telephone as well as a typewriter and calculator for each clerk.*

.....

*A district prides itself on a self-supporting cafeteria but doesn't include all costs, e.g. space, utilities, maintenance, employee fringe benefits, etc.*

.....

*One district builds a model cafeteria suitable for preparing gourmet meals. Its main product is hamburgers.*

## BOTH TEAMS SAY COSTS CAN BE REDUCED

Due to spiraling costs, the taxpayers will

continue to reject many more school bonds. What is the answer? Is there a practical solution to the rising costs of operating the schools? Both teams of investigators say yes, but, the school boards and administrators must insist on fiscal accountability from school administrators.

Tax relief is the chief reason companies and corporations are moving out of the big cities.

In California the cost of operating the public schools exceed 50% of all taxes, statewide and locally. This situation discourages all business, large and small, as well as farmers, homeowners, renters and all other taxpayers.

## A STEP FORWARD

One step toward solving some of the fiscal problems is for taxpayers to adopt the following plan:

1. Taxpayers in huge numbers should attend budget sessions of school boards. (Time and place of meetings must be publicized by individuals or a group.)
2. Communities should request the support of business to analyze school budgets. (This too must be organized, and letters

# Mrs. Dyer Sole Board Member To Favor Economies On Staff

By MICHAEL SCOTT-BLAIR

Education Writer, The San Diego Union

After a rare public clash between members of the city Board of Education, an attempt to cut back the staff of the school district's central administration appears to have failed, according to board president Mrs. Louise S. Dyer.

"I just don't see what else I can do, but I am still convinced some economies can be made in this district's central administration," Mrs. Dyer said yesterday.

She was speaking after being a lone voice among board members calling on schools Supt. Thomas L. Goodman to look for further staff economies within his administration.

It was a request that made the usually imperturbable Goodman say, "Some people want everything."

He said he had saved more than \$1 million by not hiring needed administrators and is now being chastised for not saving more money.

## OPPOSITION FORCES

Mrs. Dyer was joined by the San Diego Taxpayers Association and representatives of the teachers associations in calling for cuts, while the Administrators Association joined other board members in accepting tentative budget that would keep the administration staff at

Asked for specific areas in which cuts could be made, Mrs. Dyer said she felt cuts could be made in the personnel division, program division and the administrative and business services departments.

## UNCUT AREAS

She said she would not support any cuts in departments which had "direct impact on the children in the classrooms" such as administrators on the school sites.

"I don't understand you when you keep referring to the dichotomy of the classroom and something else that does not relate to the classroom," board member Richard F. Kreille said to Mrs. Dyer.

"I am rather puzzled by your continued reference to actual students in the classroom. If we were to withdraw the support of the administrative specialists from the classroom teachers, the teachers would be the first to complain," he said.

Kreille said the district had to maintain good curriculum people and administrative services, saying the payroll people were also tied to the classroom because if the checks did not go out on time, the teachers would be demoralized.

## DOES HIS BEST

For the San Diego Teachers Association, executive director Lou Bollano said, "If we have been able to arrive at a decision not to fire any more administrators but not decided to hire more teachers, then the priorities are reversed."

## PRIORITIES REVERSED

soon as my other responsibilities allow me," Harris said. "I expect to be doing that as

employees and a \$128 million budget," said Goodman.

what goes on in a district of 16,000 full and part-time employees and a \$128 million budget," said Goodman.

This is the same School Board which was told that Millions of Dollars could be saved by adopting better business practices. But, how does the School Board and the Superintendent know that the taxpayers want to save those millions? Only two people testified in favor of the administrative cuts to support the Board Chairman.

Future articles in this series will go into detail about the wasted money. In the meantime, people must attend the meetings. ☞

should be sent to large taxpaying businesses.)

3. School boards should establish a team of business people to survey and make reports on the business operations of the district. (Individuals and groups must urge the school boards to make these requests.)

After establishing these teams, have them scrutinize each business department. Even if certain jobs can be eliminated, nobody need lose his or her job. Statistics show that many people are retiring, returning to their former states, getting married, pregnancy, etc. Transfer people around so hiring of new people could be limited.

Of prime importance is the hiring of experienced professional business managers to administer the business operations of school districts. It's really not fair to the superintendent to put that tremendous responsibility on his shoulders. After all, most of them were never trained in business operations or finance. Let the superintendent concentrate on his primary responsibility, supervising education.

#### HIRING TEMPORARY HELP

Temporary help agencies have become successful "big business," nationwide. The reason is that in recent years business management has decided that it was too costly to keep enough help for peak needs on a year round basis. Also, business has found out years ago that subcontracting work to small businesses was very profitable. Maybe schools should do likewise?

Recently, the Chairman of the Board of one of the largest corporations in the United

States was asked to state the corporation's policies on contracting work to small companies in the community. He replied, "If we had not subcontracted most of this work to local companies we would be bankrupt today."

Studies proved conclusively that there are peak periods and low periods in most businesses. The same is true in the business of operating schools.

#### PRIVATE SCHOOLS USE BANKS

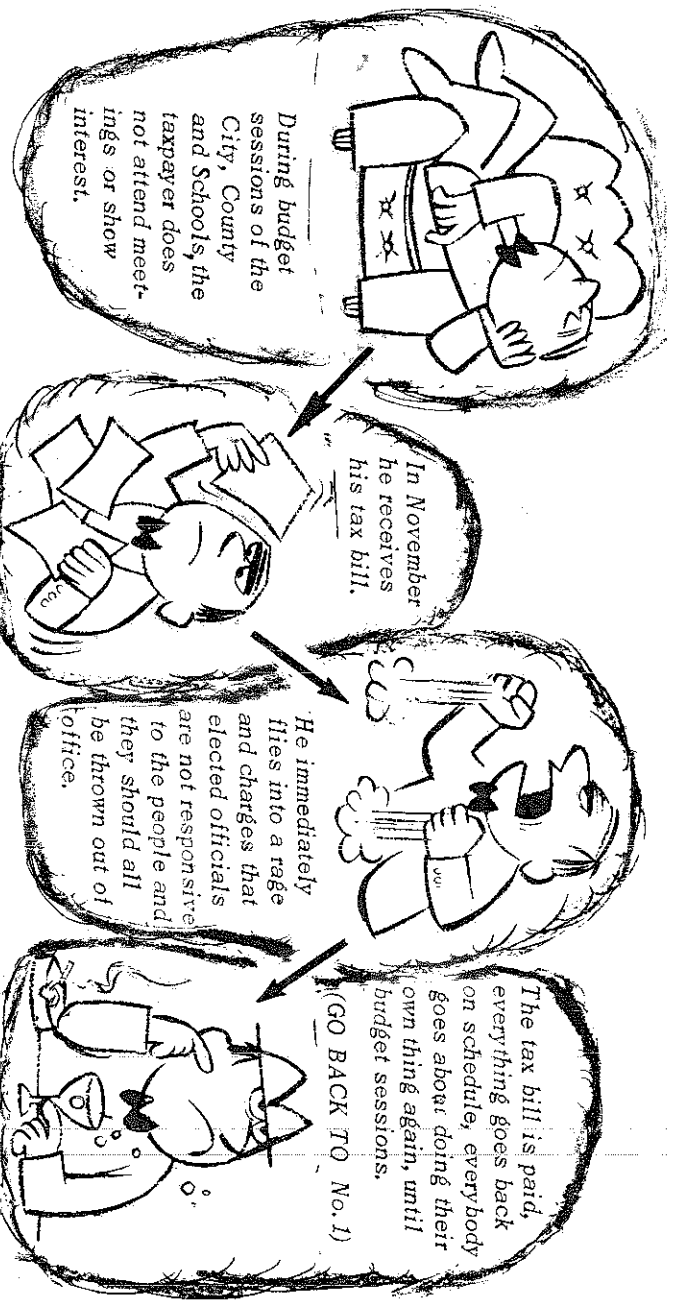
Many private schools in California have their payroll and tax accounting work done by banks, as do many business firms. Usually the costs for such services are only a fraction of what it costs the schools and businesses to do the work themselves. Others contract with computer service organizations. Rarely does it pay for school districts to have computers.

#### FIRST OF A SERIES

The investigators showed that millions of dollars are wasted by school administrators. California Homeowner is planning a series of articles on these surveys to show how taxpayers can call attention to the waste in school budgets and how to reduce the cost of education. The series will quote from the above mentioned reports on business management by the various departments.

California Homeowner welcomes documented information about waste in schools from our readers. **END OF PART I**

**The next issue of CALIFORNIA HOMEOWNER will have a report, in detail, by a Civil Engineering Consultant, of how the San Diego Unified School District can save a minimum of \$500,000 per year. Watch for it!!!!!!**



**Free  
copies  
of one of the  
world's most  
quoted  
newspapers**

Judged the most fair newspaper in the U.S. by professional journalists themselves. A leading international daily. One of the top three newspapers in the world according to journalistic polls. Winner of over 79 major awards in the last five years, including three Pulitzer Prizes. Over 3000 newspaper editors read the Monitor.

**SILENCE TV COMMERCIALS**

"Do-it-yourself" instructions. 25¢ Complete kit - \$2.00. **THE SILENCER**. P.O. Box 106, Berkeley, CA 94701

**Just send us your name and address and we'll mail you a few free copies of the Monitor without obligation.**

Please Print

Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_ Zip \_\_\_\_\_

**THE CHRISTIAN SCIENCE  
MONITOR**

Box 125, Astor Station  
Boston, Massachusetts 02123

ZISEA

**CLASSIFIED ADVERTISEMENTS**

accepted subject to approval of business manager. Rate for single insertion \$3.00, at \$1.00 per line, 3 lines minimum (about 20 words). For 50 lines used in 12 months, 75¢ per line. Special educational rates on request. Full payment with order required if credit has not been established. We forward mail received in answer to box numbers. **CLASSIFIED DEPT.**, California Homeowner, 953 Eighth Ave., Room 212, San Diego, Calif. 92101.

**"WILL" FORMS**

Four "WILL" Forms & 64 page book on WILLS. Plus "Guide to WILLS, Duties of the Executor & Family Assets Records," by California Att. Cyrus A. Davis. Complete Wills Kit, only \$2.00. **NATIONAL FORMS**  
P.O. Box 48313-CH  
Los Angeles, CA 90048





*Here is a 1969 view of the Southern portion of Tecolote Canyon looking toward Coronado.*

# A Giant Step for Open Space

## An Editorial

After four years, the City of San Diego has taken that first GIANT STEP to acquire "Open Space" land since passage of the San Diego Park District Ordinance on February 27, 1969.

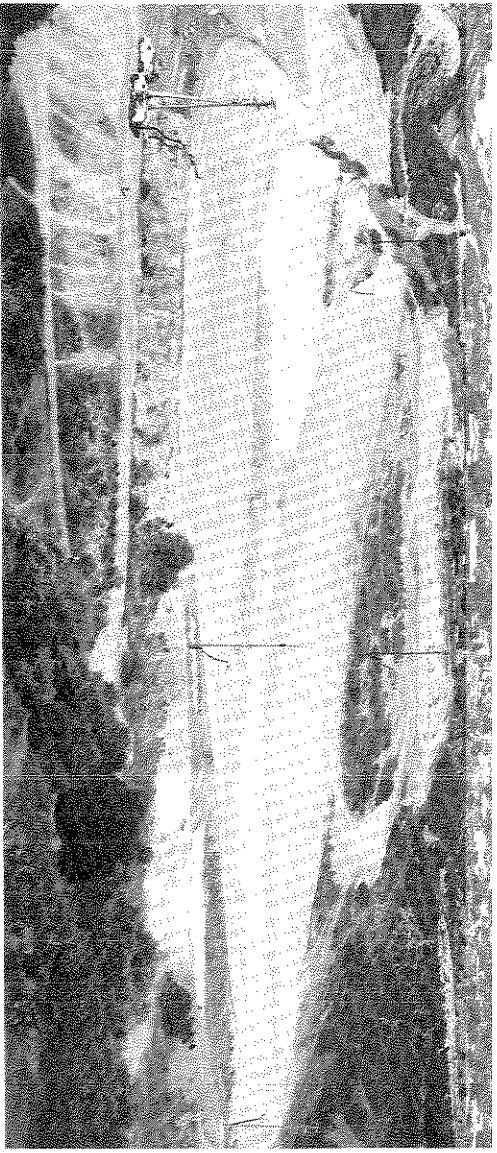
### GIANT STEP

That giant step is the filing for condemnation of 129.27 acres of Tecolote Canyon property owned by Pacific View Construction

### THE CITY OF SAN DIEGO MOVES TO BUY TECOLOTE CANYON

Company. It has been a long haul for the City and the people living in the areas surrounding the canyon. This first parcel is a small portion of the 990 acres of Tecolote Canyon, and Tecolote Canyon is just a small part of the total proposed PARK RESERVE SYSTEM consisting of 11,660 acres.

Although this first purchase is unique in that it is the only site in the Canyon being



*This is a view of a portion of the Pacific View property which the city is planning to buy. These land cuts were made to fill the canyon which Pacific View leveled and sold.*

considered for the PARK RESERVE DISTRICT upon which a tentative subdivision map has been filed, it will set the tone of future purchases.

#### PAYING THE RIGHT PRICE

It is very important that the City pay a fair market value price for the property, but, not one penny more.

For example, the City was entertaining the thought of paying \$1.25 million for the 129,27 acres when Councilman Floyd Morrow, whose Councilmanic District the property is in, questioned that price after pointing out that one of the fee appraisers placed a \$655,000 value on the property and the assessor's opinion of "fair market value" for tax purposes was only \$228,000.

At this time it is not known what price the City will pay to Pacific View Construction, but, if that high price would have been established by a "don't give a damn how high the price" Council, it may not only have been the first purchase, but also the last.

Taxpayers are sick and tired of the "big spenders" in public offices spending tax dollars as though there is no tomorrow. That

applies to local, state and federal "big spenders."

#### SEE THE ASSESSOR

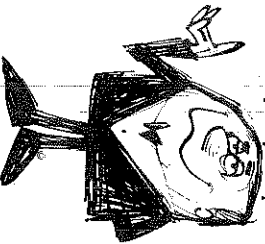
When it was obvious that the Assessor's market value of \$228,000 was "out of the question" as a fair offer by the City, Councilman Morrow requested that the City consider filing a suit against the Assessor. However, another report requested by Morrow indicated that the fair market value may only be \$518,000 and it was also suggested that through condemnation the property may be purchased for less than that.

#### MORROW'S REPORT

The report requested by Morrow did not consider sales outside of the subject property since the present owners, in two purchases, acquired the total property less than 4 years ago.

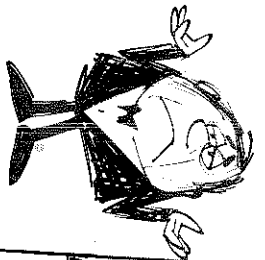
With a recording date of June 10, 1969, Pacific View purchased 145.70 acres at \$2,827 per acre for \$412,000. The other portion, with a recording date of June 3, 1970, indicates the purchase of 75.32 acres at \$1,825 per acre for \$145,000. Therefore, Pacific View acquired 221.02 acres for \$557,000.

*Property Dept.*



*It's worth \$1.25 Mil.*

*Pacific View*



*They said it, not us.*

*Morrow*



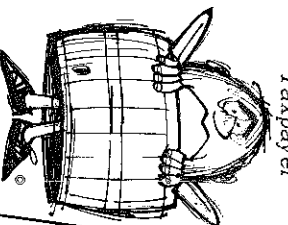
*Assessor  
says \$228,000.*

*Council*



*\$726,000*

*Taxpayer*



*Think of me.*

Since these purchases, 91.75 acres have been subdivided and sold off by the owners, leaving the 129.27 acres the City wishes to buy. In doing so, they used thousands of square yards of dirt from the remaining 129.27 acres to fill the finger canyons in order to create the pads for the subdivided lots which they sold.

### COST TO PACIFIC VIEW

Morrow's report showed that of the remaining 129.27 acres, 118.01 acres are from purchase No. 1 in 1969, at \$2,827 per acre for an original cost of \$333,614 and 11.26 acres remain from purchase No. 2 at \$1,925 per acre for an original cost of \$21,676. Therefore, the total cost to the owners of the remaining 129.27 acres which the City wishes to buy is \$335,290. That is not taking into consideration the thousands of square yards of dirt that has been removed and the fact that because the Canyon floor is what is left, there would be costs nearing \$9,000 per lot to prepare as acceptable lots. No such costs were required for the previously subdivided lots.

### FAIR VALUE

One fair and accepted approach to value is: cost plus appreciation. On that basis, with an allowance for a generous 10% appreciation compounded, the 118.01 acres remaining from the first purchase would be worth \$488,445. The 11.26 acres remaining from the No. 2 purchase would be worth \$28,850 for a total of \$517,295.

If the matter should go to a jury trial, it

is the opinion of most qualified appraisers that it could be proved that the portions already developed and sold were of a much greater value than the acres remaining. Thus, the net cost base would be far lower than the average cost base applied in the Morrow report, and if the same cost plus appreciation formula were used to determine value, a much lower value would be determined.

### FINAL OFFER BY THE COUNCIL

According to Larry Marshall, Deputy City Attorney, the final offer to Pacific View Construction was \$726,000, which they rejected. He also said the City will probably use all three of the appraisers used by the City in trying to arrive at the fair market value. It is hoped that a price far below \$726,000 will be established. Marshall, who is in charge of all condemnations by the City and the Redevelopment Agency, said that in buying the property for the City College, only one case of the twelve condemnations filed have gone to court. Eight of the twelve have already settled out of court, leaving only three more to be set for trial. There were 75 properties in the total project, so very few end up with a court decision.

Pacific View may settle out of court. Marshall said the City was going for the lowest possible price, suggesting that one lower than the final offer of \$726,000 may be sought. In that case, Pacific View may change their mind. It is the opinion of this writer that a counter offer by Pacific View for the \$726,000 should be rejected.

## PEOPLE WILLING TO PAY A FAIR PRICE

On August 6, 1969 petitions with 8,500 signatures of registered voters were filed with the City Clerk. Those petitions asked the City to preserve Tecolote Canyon as open space. It was an overwhelming display of the desire by the residents to save the Canyon. Even though at that point in time it looked as though the residents of the area would have to pay for it themselves.

To relieve that burden, Robert H. Fowble, chairman of the Kearney Vista-Clairmont Mesa Open Space District Advisory Board and George Scott, prominent San Diego businessman and honorary board member, in a letter, requested that an application be made for federal funds. The present breakdown for source of revenue to purchase the land is: Bond Funds, (to be voted on in September) 75%, and Assessment District plus Revenue Sharing, 25 percent, according to a staff report.

## BOND ISSUE IS VITAL

The success of the whole PARK RE-SERVE SYSTEM as outlined in a staff report dated April 24, 1973 is dependent upon the passage of the \$22.5 million bond issue scheduled for the ballot in September.

Should the voters take the attitude that the City is not going to spend such funds with the utmost care, they just may vote the bonds down. For example, if Councilman Morrow had not brought up the question of the true market value, it is possible that as much as \$500,000 may have been squandered away by the Council. With that kind of negligence, the voters may take the attitude that they will only get \$7 million worth of parks for \$22.5 million. (Actually, by the time \$22.5 million is paid back it will cost more like \$45 million with the interest added on.)

The action to condemn is considered by most of the people as the correct decision, and many consider the offer of \$725,000 to be too

high. It was a surprise to many to see some members of the Council bound and determined to pay the full asking price in the offer by the owners.

## OWNERS PLEAD NOT GUILTY

At the hearing on May 1, 1973 when the purchase was being considered, the attorney for the owners stated that they didn't set the price. He said the City Property Department came to them with the \$1.25 million figure. That statement may very well be true, since, on the printed Docket for that day the following appeared for consideration by the Council and the public in attendance:

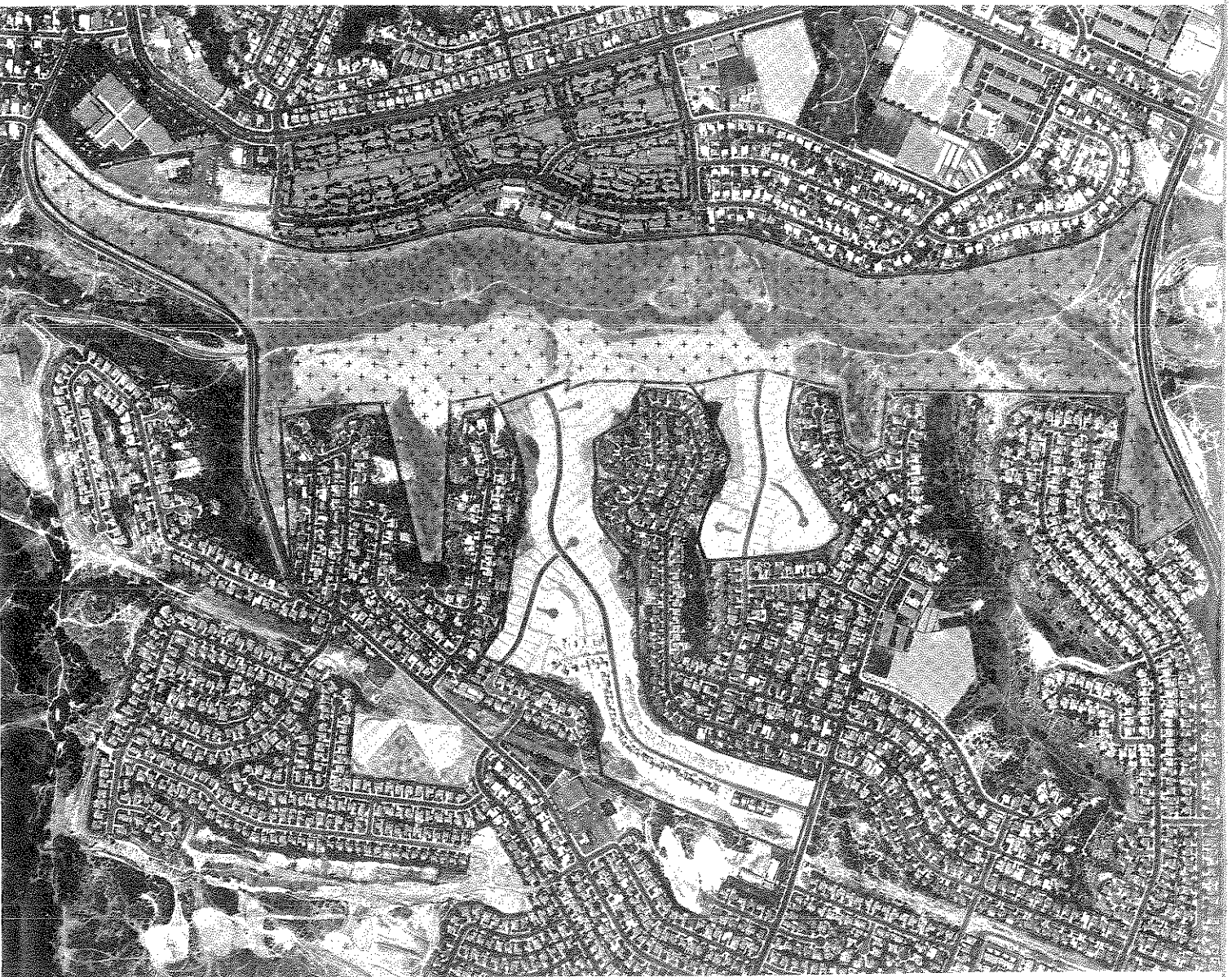
*"The Property Department has had this property appraised by two independent fee appraisers in connection with the appraisal of 1,191.28 acres lying within the proposed Tecolote Open Space District. The Property Department has determined that the figure of \$1,250,000 represents the fair market value of said property and reflects the correlated value of the two independent fee appraisals."*

The facts are that one appraisal was \$1.25 million, (this figure was reduced in a letter from the appraiser dated May 18, 1973, to \$892,000) and the other appraisal was \$655,000. How the Property Department correlated those two values into \$1.25 million is beyond the comprehension of most of those in attendance. A letter to the Mayor by a group of concerned taxpayers in the area dated May 28, 1973, expresses the thought of many. That letter is reprinted here:

*Dear Mayor Wilson:*

*Before the Tecolote Canyon issue is put to rest there are several questions that require answering:*

*1. In Mr. Gerald S. Kibbey's letter of May 18, 1973, to Mr. MacFarlane regarding his reappraisal of Tecolote parcels AP-710, F12 and 13A, Mr. Kibbey pointed out that the Tecolote land consid-*



The Tecolote Canyon scheduled for purchase by the 129 acres owned by Pacific View is shown from the bottom to the top just left of center. The portion without plus marks, also outlined by a black line are the subdivided lots which were filled from the main body of the Canyon.



ered for purchase was only 129,273 acres. It greatly concerns us that all correspondence called for the purchase of 133,47 acres. The original letter of Mr. I. Feurzeig of February 12, 1973, offering to sell the land refers to 133,47 acres. All the City Council Dockets and numerous correspondence of the City Staff refers to 133,47 acres. This type of error, if it was, would be most costly to the taxpayers of San Diego when you consider the original price was \$9,365 per acre. Would you please clarify if the acreage being purchased is 129,273 or 133,47 acres?

2. According to the North Shores Sentinel of May 16, 1973, Mr. Feurzeig stated in an interview that he has restored the Tecolote land to its natural state. He further stated that he was in possession of a letter from City Staff confirming that the property has been restored. As of the writing of this letter we have inspected this canyon and cannot determine any restoration. In a City Memorandum dated April 20, 1973, from the City Manager, it was stated "that the City is in possession of a \$16,000 bond which is to guarantee the restoration of the existing borrow areas created by development of Units 1 and 2. This work involves slope planting and the installation of a temporary irrigation system. Attempts have been made by the developer to establish a hydroseed growth without an irrigation system, but this has not been successful. The developer has been advised that neither this bond nor the bonds on Units 1 and 2 will be released until this work has been satisfactorily completed." Would you please clarify the status of the restoration of this land. If Mr. Feurzeig possesses a letter from City Staff, who authorized it and who signed it? If no such letter exists, the bonds should be forfeited immediately, before condemnation proceedings begin.

3. Our final concern, and the concern of all taxpayers of San Diego, is the politics and practices of the Property Department. From the very beginning, facts were either not revealed or certainly not made clear to the Council and the public. Examples of this would be the failure to determine and reveal all the information on the fair market price of this land. Another example would be the failure to openly inform and acknowledge the full extent of the bulldozing of the land. Does the Property Department know whether the purchase is for 133,47 acres or 129,273 acres? If the land had been purchased as originally recommended by the Property Department, the error to the taxpayers could have been as costly as half a million dollars.

Beyond our concern for this proposed purchase, will the purchases of all future Open Space land be handled in this manner? If so, it will cost the taxpayers of San Diego many millions of dollars above

*the true market value of the land.*

*Your prompt attention to these questions would be greatly appreciated.*

Yours truly,

John E. Clancy, Jr.  
4910 Mt. Ashmun Drive  
San Diego, California 92111

Ms. Ann Valerio  
4932 Mt. Ashmun Drive  
San Diego, California

#### COUNCIL ASSISTANT

It is interesting to note that Councilman Morrow is one of the few Council members who have hired an assistant, even though all are entitled to one. None of the Council members without assistants even knew about the low assessment, or the \$655,000 until Councilman Morrow called it to their attention.

The reason given for not hiring assistants by those members who do not have them is, "they are not needed." If the assistant had anything to do with the uncovering of the operations of the Property Department in the purchase of this property, the costs are well worth it.

This writer rarely recommends additional expenditures by government, but, "many a fool pinches his pennies and throws his dollars away." (Author unknown to this writer.)

#### PARK RESERVE SYSTEM AT STAKE

The Council almost made a very costly mistake. If the proposed 11,660 acre PARK RESERVE is going to become a reality the Mayor, and his aides; the Council, and their aides; the Property Department Head, and his staff; the Assessor, and his staff, and the City Manager and his staff will all have to get on the ball. There is only so much spending the voters will stand for, so those who do the spending will have to get all they can for every dollar.

If this Council, or any other public body, wants the voters to pass bonds, they must straighten up and fly right.

END

# Assessment Discrepancies

California Homeowner has repeatedly complained about the underassessment of land by Assessors in California. Now the City of San Diego is complaining about it too. Homeowners taxes could go down considerably if land were properly assessed.



*John Nagy, member  
San Diego County  
Assessment Appeals Board*

*by John Nagy*

The City of San Diego, in a letter to the San Diego County Assessor, asked that he raise vacant land assessments to more closely correspond with the fair market values. The city has been checking the assessments of property purchased by the city against the fair market value paid by the city. Much to their surprise, the city is discovering that the assessor is not treating all property alike, as is required by law. The city is finding that on vacant land the assessment is based on values far below the fair market value.

## HOMEOWNERS PAY MORE THAN THEIR

### FAIR SHARE

That means that homeowners, apartment owners, businesses and other "improved" property owners are paying more than their fair share of local property taxes to the city, county, schools and special districts. The city manager, Kimball Moore, said that the complaint was based on 103 purchases during the last three years. It is a city "policy" to

check the assessment on every piece of property the city plans to purchase.

### CITY POLICY

That city policy recently brought to light an assessment of \$57,000 on vacant Tecolote Canyon property for which the city was planning to pay \$1.25 million. (That story is elsewhere in this issue.) It would be wise for every City, every County, every School District as well as the State to have a policy of checking assessments on all their purchases of property. After all, there is no reason for public agencies, who spend tax money, to pay high prices for land if the land owner sits there twiddling his titles and enjoying low assessments.

Underassessment of vacant land isn't something new in California. For example, when the state purchased "Rancho Montana de Oro" in San Luis Obispo County for a state park for \$2.6 million, it was assessed at \$118,150 (4.5%) for taxing purposes. Again,

when the "Salt Point Ranch" in Sonoma County was purchased for \$2,193,000.00, it was assessed at only \$32,340.00 (1.5%) for tax purposes. And, when the City of San Diego paid \$2,300,000.00 for the land under the San Diego Stadium the assessment was only \$156,400.00 (6.8%). When Grossmont College purchased their site for \$584,520.00, it was assessed at only \$14,285.00 (2.4%) for tax purposes. Another report on 24 vacant parcels purchased by the San Diego Unified School District during a three year period showed the average assessment was 8.7%, with a low of 3.6% of true market value.

### SAN DIEGO IS ON THE RIGHT TRACK

In his complaint to the assessor, Moore said, "If this has been the experience with the city, I wonder how many tax dollars were lost on a citywide basis?"

Actually, no tax dollars are lost since the city budget is determined independently of the assessments. What does happen though is that homeowners, businesses and farmers whose assessments are at the higher 25% ratio are paying more than their share of the taxes. The San Diego County Assessor has repeatedly bragged about the State Board of Equalization's commendation for the "excellent" job he is doing on the assessment of homes at 25% of their market value, too bad he is doing so poorly on vacant land. Maybe he should not do such a good job on homes until he does a better job on the vacant land.

### MOORE'S LETTER

The May 29, 1973 letter was as follows:

*"At a recent City Council meeting the Council directed me to write you concerning the apparent underassessment of vacant land within the City of San Diego. It is of urgent concern to the Council that the assessed value of such property be as close to the real*

*market value of that property as possible.*

*"The Council has asked that they be provided with a list of all public purchases of land within the City of San Diego for the last three years. A list of 24 fee title acquisitions which have taken place during the past three years is attached. The total number of acquisitions by the City during the period is 103, but we have not included partial takings in this list. The list includes the purchase price, and your assessed and market values.*

*"I would appreciate your review of the attached, together with an indication of reasons for the discrepancy between the purchase price and your indicated market value. If it would be useful, we will provide information on the partial taking sales that occurred during the same period.*

*"Additionally, two recent purchases indicated similar discrepancies between our purchase price (fair market value established by independent fee appraisal) and your indicated value.*

*"The City's purchase price covering lots 22, 23, and 24, Block 24 of Middletown Addition was \$4,700. Your indicated value was \$1,044. The City's purchase price covering Lots 1 and 2, Block 37 of Middletown Addition was \$4,000. The Assessor's indicated value for this property was \$500. In both cases it appears to us that the areas require appraisal review.*

*"If you have any suggestions to make as to how the City of San Diego might be able to assist in insuring that all vacant land is assessed at true market value, your comments would be greatly appreciated."*

In the list of parcels attached to the letter were two parcels with assessments below one percent. In fact one was .1 percent and the other was .2 percent. California Homeowner readers may recall a survey of San Diego



County sales several years ago which showed assessments below one percent at which time the Assessor said the survey was "replete with errors".

This time the Assessor responded with similar criticism.

"It appears that you have ignored the vast difference between the market value approach for assessment purposes and the price which the City pays", said the Assessor in his letter to the city manager.

"After many years of experience with Jury decisions in favor of the property owner's position, it is easy to see that condemnation appraisals do not typify fair market value, but rather, fair market value plus the inconvenience of the property owner, plus damages, plus severance losses and legal fees."

#### ASSESSOR WEARS BLINDS

The Assessor seems to be in the dark about city purchases. Even though the city manager's letter told him the appraisals are fair market value by fee appraisers, he ignores it. If he will check he will find that most purchases are not settled in court. He should also read in the manager's letter that the complaint is mostly about vacant land, therefore there is no inconvenience to the property owners in such cases.

The Assessor states, "after many years of experience with jury decisions ...", when in fact he has no experience with jury decisions, because he has never appeared before a jury in a condemnation case. In the first place, assessor's values are not allowed as evidence in the State of California. The land owner's took care of that long ago. Secondly, he is not qualified, when he was appointed for his present position as assessor he had just finished 23 years as an F.B.I. agent, with no previous experience whatsoever in appraising property. It was only after his appointment

that he took a "crash course" in appraising.

#### CHIEF DEPUTY A LAND SPECULATOR

The truth is that the Assessor has always had to rely on his help to make the real decisions about appraisals.

His present Chief Deputy appraiser has been a very active land speculator in San Diego County.

The Assessor "white-washed" a survey by the San Diego Union of the assessor's staff who were active in land speculation. He insists that they are doing a good job.

#### LAND SPECULATION

Underassessment of vacant land may be the very cause of land speculation. Maybe that's why we must build to high density in rural areas while valuable lots in the center city sit vacant or grossly underdeveloped with 100 year old slums. If slums are assessed like vacant land is assessed, that may explain why we not only have valuable vacant land in the center city but slums as well. Maybe that's why neither vacant land nor slums are for sale, which forces developers out of town to the countryside. It has always been puzzling why taxes on homes are so high that homeowners seriously consider selling their homes and moving into an apartment, yet, owners of valuable vacant land and slums, in the very centers of metropolitan areas, where the land values are the highest of all, can sit there year in and year out without even offering their land or slums for sale.

What's more, when they are threatened by urban renewal, owners come from hundreds of miles away to scream bloody murder, and charge that you are unAmerican and that you are taking their golden goose and giving them a pigeon. Is it possible that assessors, with their under-assessments, make land speculation the best investment in California?      **END**

# The Mimeograph Politics of Dr. Ben Yellen



*Dr. Ben Yellen  
Former Brawley Councilman*

## the SLIMOPS FAMILY

NEWSLETTER FROM DR. BEN YELLEN

Brawley, California

February 25, 1973

On December 31, 1972 and January 14, 1973, the Mike Wallace program entitled "60 MINUTES" was shown by the Columbia Broadcasting System coast to coast. About 20 minutes of this program was about the fight for the land and water in Imperial Valley, California. The battle by the little people is for the enforcement of the U.S. RECLAMATION LAW OF 1902 which if enforced here will be the signal for enforcement in the 17 Western States which includes all of Texas.

The U.S. Reclamation Law says that only persons living on the land or close by can get water from Federal irrigation projects and that one person can get only enough water to farm 160 acres. If this law was enforced, it would mean that big absentee corporations like the Irvine Company, United Fruit Company, Purex Company, Southern Pacific Land Company, Kaiser Aluminum & Chemical Company, Ten-

neco, Inc., and many other smaller absentee corporations would not be able to farm here.

President Theodore Roosevelt when signing this law said, "The money is being spent to build up the little man of the West so that no big man from the East or West can come in and monopolize the land and water." But a New York Congressman made a speech against this law when it was being considered by saying, "Yes, we are told that the little people are going to get farms but it is going to end up with big, rich outsiders getting everything." Unfortunately, this prophecy came true for the rich and powerful were able to influence the U.S. Department of Interior not only to fail to enforce the law here but also in the other 16 states. Irrigation farming gives big profits and here in the Imperial County of California, the profit is \$50 millions yearly.

On the "60 MINUTES" program I was

By 1915, land holdings by Americans across the Border from Imperial County were:

Colorado River Land Co.	800,000 acres
Southern Pacific Land Co.	28,500 acres
Globe Mills Co.	12,000 acres
Imperial Development Co.	16,000 acres
Daugherty Estates	10,000 acres
W.H. Harris and Son	2,999 acres
Weed & Laing	4,262 acres
H. De Nancy & Co.	1,657 acres
P.E. Williams	2,666 acres
Shintani Co	8,000 acres
Andrade Estate	50,000 acres

featured as the one asking for enforcement and Steven Elmore, a big farmer, advocated non-enforcement. Elmore claimed that a person could not make a living on 160 acres. Secretary of the Interior, Rogers C. B. Morton also asserted that a person could not make a living on 160 acres. But both of them failed to tell that a husband and wife and 3 children are entitled to farm 5 x 160 acres for a total of 800 acres. When it is realized that one acre here is equal in production to 5 acres in the Midwest, one knows this family is really farming the equivalent of 4,000 acres in the Midwest. Even a single man who farms 160 acres is really farming the equivalent of 800 acres in the Midwest. Secretary Morton is a big land-owner in Maryland.

Steven Elmore insinuates that the Elmore family struggled for a living in the 1930's when he says in referring to my statements, "How can he know the conditions that existed in the 1930's?" Steven Elmore was a young boy in the 1930's. It was tough for everyone, city people and farmers then, but the Elmore family was having a life of ease at that time. That is why a history of the Elmore family is needed to show what occurred. But it is also necessary to give some history of Imperial Valley to show how farmers were ruined by lack of water.

The Colorado River is an interstate river and also a navigable river. As such, nothing can be done to it without permission of the

Federal Government. A private company without the permission of the Government cut a notch in the West bank of the Colorado River about 1900. This watergate was just 1/4 mile North of the Mexican border. There was a natural ravine which went into Mexico and ran parallel to the border and 20 miles South of it. Near Calexico, the ravine with the Colorado River water (the ravine with the water was now called the Alamo River) turned North and entered the United States. From Calexico, canals were built to distribute the water to Imperial Valley.

The Federal Government learned what had been done and trouble was brewing. So the private company got permission from the Mexican Government to make a new watergate below the border in Mexico. Mexico gave this permission with the understanding that 1/2 of the water was to be used for farming in Mexico. In this way, the private company and the Imperial County farmers escaped the control of the U.S.

A Mexican General by the name of Andrade got all the Mexican land from the Colorado River all the way to the mountains in the West by a grant from the President of Mexico who was a dictator and was in office for 25 years. He died and his family sold big pieces of the land to various foreigners. By 1915, here is how the landholdings were: Colorado River Land Company (the Los Angeles Times interests) 800,000 acres; Southern Pacific

Land Company, 28,500 acres; Globe Mills Co., 12,000 acres; Imperial Development Co. (Cud-dly Meat) 16,000 acres; Daugherty Estate, 10,000 acres; W.H. Harris & Son, 2,999 acres; Weed & Laing, 4,262 acres; H. De Nancy & Co., 1,657 acres; P. E. Williams, 2,666 acres; Mount Signal Land & Cattle Co., 10,000 acres; Shintani Co., 8,000 acres; and the Andrade Estate 50,000 acres. There were no little landowners.

I want you to carefully read the above acreages for you are now bombarded with propaganda that because of farm machinery at present, that for profitable farming one needs big farms now. But this was 60 years ago. You can go back 200 to 300 years in England and France, etc. and you will see the same big acreages held by Dukes, Counts and Earls. It is the same old story through the centuries, the rich and powerful monopolize all the land. Before it was nobility and now corporations.

The flood waters of the Colorado River come in the months of June, July and August. So most farmers in Mexico and Imperial County would try to grow a crop in those months only. In December, January, February and March, the Colorado River was very low. If it happened that there were rains in the mountains of Southeast Arizona, this water would come down the Gila River to the Colorado River in these months. But these waters from the Gila River were greatly reduced as the farmers got dams put up on the Arizona Rivers and used the water for their own farming.

So farming in Imperial Valley consisted of one crop a year and there was not the continuous farming as it is now since the Boulder Dam and the All-American Canal were built by the Federal Government after a 15 year campaign by the Imperial Valley farmers to get the Government to build them. The truth about the situation was that the foreign farms in Mexico took all the water they needed and if there was a surplus, then the water would enter the U.S. for the Imperial Valley farmers. Water supply was so erratic that in July 1934, the Southern Pacific R.R. had to bring in tank cars of water

for the people and livestock to drink.

Steven Elmore's grandfather came here in 1908. But he gave up farming and moved to the vicinity of Los Angeles. Steven Elmore's uncle, Robert Graham Elmore was farming here, but gave up farming and worked for the Imperial County Road Department. The uncle had 3 sons and none became farmers. Many farmers quit because of lack of water.

Steven Elmore's father John Elmore, in the 1920's married a rich heiress of the Jameson family of Riverside, California. She came here to live and with her money, land was bought. The ranch was called the Jameson-Elmore ranch. As various children were born, the name of the ranch was changed to Elmore ranch. In the late 1930's, the Imperial Irrigation District illegally sold 6,000 acres to the Jameson-Elmores.

So you can readily see that the present rich Elmores, lived a life of ease in the depression of the 1930's. Their big ranch holdings came from what is really absentee money. At present, the father of Steven Elmore is an absentee landowner who lives at San Clemente, California and his estate there is next to that of President of the United States, Richard Nixon. The father actually sold the President \$100,000 worth of land to help the President round out his estate.

It was only after the All-American Canal was built that the Imperial Irrigation District would supply water to virgin desert land. So the Elmores got water to the 6,000 acres they bought from the I.I.D. because of the All-American Canal. Before those who had land in cultivation could not get sufficient water but now virgin desert land could get it. The Federal Government is very kind to the Elmores for it gives them \$1 million yearly in handouts of various sorts. By contrast, Mexico kicked out in 1938 all the foreign corporation farms and did not pay them one cent. The All-American Canal increased production in Imperial County from \$54 millions in 1930 to \$350 millions in 1972 in agriculture!

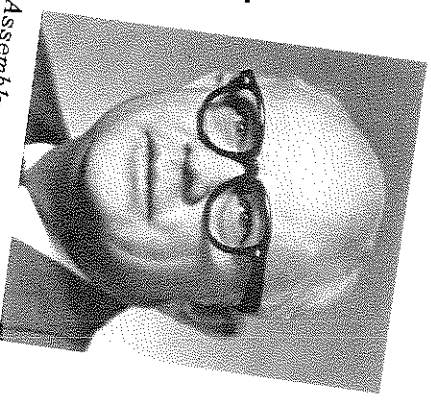
END

# Committee to Restore Justice

Assemblyman Floyd Wakefield  
Chairman

## THIS INITIATIVE DOES NOT CHANGE THE PRESENT QUALIFICATIONS FOR A SUPREME COURT JUSTICE

**THE LATE SUPREME COURT JUSTICE FRANKFURTER** said, "no matter how deeply I cherish my private opinions, (of social justice) it is not for me to write them into the Constitution."



Assemblyman Floyd Wakefield  
Chairman

The Committee to Restore Justice has just finished an unsuccessful drive to gather enough signatures to qualify their initiative which would give the people of California more control over judges of the State Supreme Court and the Courts of Appeal.

It is most unfortunate that the campaign had very little publicity to help it along. However, for those who want to help, there is still time. The final date for filing SUPPLEMENTAL petitions is August 27, 1973.

### WHAT THE INITIATIVE DOES

The Attorney General of California has prepared the following title and summary of the chief purpose and points of the proposed

*measure: JUDGES -- SUPREME COURT AND COURTS OF APPEAL INITIATIVE -- CONSTITUTIONAL AMENDMENT.*

*Amends Constitution to reduce terms of office for judges of Supreme Court and Courts of Appeal from twelve years to six. All Supreme Court judges to be elected for staggered terms at first statewide election following adoption of this initiative. Incumbent Supreme Court judges' terms terminated following that election. Repeals provision allowing incumbent judges' terms terminated following that election. Repeals provision allowing incumbent Supreme Court judges to run subject only to election or non-election. Any number of qualified persons may run for Supreme Court judge. Adds residency requirement for Supreme Court judges.*

## WHY THE INITIATIVE?

The reason for the initiative can best be explained by the following EDITORIAL in the Sacramento Union dated January 11, 1973:

# State High Court Is Too Activist

Gov. Reagan's appointment of William P. Clark Jr., State Court of Appeal justice in Los Angeles, to become associate justice of the California State Supreme Court (filling the vacancy created by the death of Justice Raymond E. Peters last week) stimulates provocative thought on the future of the state's high tribunal.

In nominating Clark, the Governor stressed that the new justice would assume a more moderate view of the law than the late Justice Peters, reputed as one of the most liberal jurists of the seven-member court.

We hope Governor Reagan is correct in his assessment.

In recent years, the social views of the majority of the high court have become law without regard to the social or public views of the majority of the people in California. Example: The court's 6-to-1 ruling against the death penalty, as compared to the 68 per cent vote in the Nov. 7 election favoring reinstatement of the death penalty.

Alarming to many Californians are the State Supreme Court's decisions which greatly have increased the danger to law-enforcement officers carrying out their duties. Example: The decision making it necessary for lawmen to identify themselves before entering a house to make an arrest or conduct a search on a court-issued warrant.

A majority of State Supreme Court justices ruled that any evidence seized in a search of a house in which an officer possesses a valid search warrant — but failed to identify himself, cannot be used in a criminal trial. Result: Major narcotics peddlers have been released although caught in possession of large quantities of heroin, because police

failed to knock in order to avoid being killed or injured by the peddler (Grevon v. Superior Court, 71 Cal. 2d 287).

Objectionable, too, has been the State Supreme Court's penchant for "legislating": Making new laws and creating new protections for accused persons, resulting in freeing convicted persons convicted under law-enforcement methods and techniques considered proper until the court's rulings.

An example of the high court's jurists going their own way occurred when the United States Supreme Court in 1967 ruled that a defendant was entitled to have his attorney present at a police line-up to ensure that the procedure was conducted fairly. Two years later, the State Supreme Court held that this rule applied immediately upon the arrest of the defendant — and overturned a robbery conviction on these grounds (People v. Fowler, 1 Cal. 3d 335, 342).

Another major concern is the state court's incessant whittling away at the authority given district attorneys by the California State Legislature.

Among other examples of the State Supreme Court's increasing tendency to impede law enforcement and protection of citizens are:

✓ The state high court in a recent case ruled against a police officer who, fearing for his life upon seeing a suspected traffic violator reach under the automobile seat, reached under the same seat and discovered a package of marijuana. A majority of the justices held that the officer had violated the defendant's constitutional rights — and freed the defendant (Gullik v. Supreme Court, 5 Cal. 3d 855).

✓ A 1972 State Supreme Court decision prohibits searching a traffic offender being transported in a police vehicle to the nearest magistrate — despite many examples of police officers being killed or injured in such situations (People v. Supreme Court, 7 Cal. 3d 186).

✓ The ludicrous extent to which the state high court has gone to extend defendants' rights was exemplified when a majority of the jurists ruled that a search warrant was necessary to search a garbage can located on the curb (People v. Krivda, 5 Cal. 3d 357).

✓ One state jurist held the police violated the defendant's constitutional rights by seizing heroin in his possession after officers had witnessed him exchange money for a package — the opinion being that the package might have contained cookies (Romero v. Superior Court, 2 Cal. 3d 659).

Considering the dangerous leaning toward a predominant "activist" State Supreme Court, perhaps Justice Clark's nomination

will swing the pendulum back to a more balanced jurisprudence in which the rights of victims receive equal consideration with the rights of defendants. It's time the state high court got out of the "legislating business" and concerned itself with judicial matters.

### FAITH IN THE PEOPLE

Our whole system of government in these United States has been founded on, and preserved by, FAITH IN THE PEOPLE. By having this initiative on the ballot, the PEOPLE can again make their attitudes known in an area that is vital concern to us all.

### WHO TO CALL FOR MORE INFORMATION

If you are interested in helping with the final drive, you can get information from the many County Chairmen throughout the state. Their names and phone numbers are as follows:

<b>ALAMEDA</b>	Warren Benscholt	357-2116	<b>RIVERSIDE</b>	Ethel White	849-2164
<b>AMADOR</b>	Dennis Rodman	296-4491	<b>SACRAMENTO</b>	Florence Lackey	944-3039
<b>BUTTE</b>	Dorothy Thrasher	846-3319	<b>SN BERNARDINO</b>	Sally Ballard	253-3321
<b>CALAVERAS</b>	Mike Del Orto	286-1486	<b>SAN DIEGO</b>	Ellen Adams	282-1620
<b>CONTRA COSTA</b>	Joan Young	686-5393	<b>SAN FRANCISCO</b>	Bill Korber	664-3537
<b>EL DORADO</b>	Marian Stodick	677-1189	<b>SAN JOAQUIN</b>	L.P. Van Dyken	599-3780
<b>FRESNO</b>	Bob Lung	229-5584	<b>SN LS OBISPO</b>	Lorene Perkins	466-1773
<b>HUMBOLDT</b>	Wanda Hodges	768-3308	<b>SAN MATEO</b>	Vi Gotelli	359-4235
<b>INYO</b>	Mrs. Peggy Noland (Acting Chairman)	876-5561	<b>SANTA BARBARA</b>	Muriel Lippincott	962-0280
<b>KERN</b>	Jean Percival	399-2400	<b>SANTA CLARA</b>	Holmes F. Crouch	867-2628
<b>LAKE</b>	Lean Corners	994-3151	<b>SANTA CRUZ</b>	Barbara White	475-0451
<b>LASSEN</b>	Jerry Fletcher	257-5661	<b>SHASTA</b>	Constance L. Vogt	275-2944
<b>LOS ANGELES</b>	Laurie Turner	693-4461	<b>SISKIYOU</b>	Caraway Weems	397-5251
		773-7350	<b>SOLANO</b>	David School	425-9264
<b>MADERA</b>	Fred Gleason	674-4383	<b>SONOMA</b>	George F. Orr	429-0862
<b>MARIN</b>	Don Van Dyke	897-1300	<b>STANISLAUS</b>	Eleanor Neitzert	542-6211
<b>MENDOCINO</b>	Phyllis Matteis	459-2174	<b>TEHAMA</b>	Ralph Cooper	874-2983
<b>MERCED</b>	Helen Smith	723-3187	<b>TRINITY</b>	William R. Neill	527-2096
<b>MONTEREY</b>	Rodney D. Schrader	422-5393	<b>TULARE</b>	Richard Gerish	623-2031
		449-5719	<b>VENTURA</b>	Gloria Stoll	732-7677
<b>NEVADA</b>	Leona Neff	273-5979	<b>YOLO</b>	Dick Johnson	482-5357
<b>ORANGE</b>	Ruth Spencer	637-1779			371-4751
<b>PLACER</b>	Ralph Greenwell	273-6166			442-4701

END

A Free copy of

*California*

**HOMEOWNER**

is

an invitation to subscribe

California Homeowner is published quarterly by the Statewide Homeowners Association.

The association is basically a tax research organization primarily concerned with where and how taxes are levied against homeowners, apartment owners, renters, business, industry, farmers, slums and land speculators.

It is our intention to publish articles about unemployment, the economy, sprawl, zoning, the poor, education, senior citizens, developers, free enterprise, free trade and how responsive public officials are to the people they represent.

We recognize that our country is broadly based, and the political left and right are very small minorities. Therefore, neither should prevail upon the masses.

It is our opinion that our basic freedoms, free enterprise and representative government should be strongly defended.

We realize our system is not perfect, but, we believe it is the best system in the world.

It is our goal to publish articles which will help our readers see a side to issues which is not generally presented elsewhere.

To subscribe, please send \$3.00 for 3 years to:

Statewide Homeowners Association  
953 Eighth Ave., Room 212  
San Diego, California 92101

Statewide Homeowners Association  
953 Eighth Ave., Room 212  
San Diego, California 92101  
Address correction requested

H. G. INSTITUTE  
55 W 42ND ST  
NEW YORK, NY 10036

BULK RATE  
U.S. POSTAGE  
PAID  
Encinitas, CA  
Permit No. 82