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LOCAL ECONOMIC DEVELOPMENT AND THE ENVIRONMENT

Finding Common Ground



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Eminent Domain, Economic Development, and Environmental Remediation

The intersection of eminent domain, economic development, and environmental remediation is common in America's urban areas (Levine and Synk, 2005, 37). America's industrial graveyards are replete with brownfields and its suburban landscape is dotted with grayfields (see Chapter 2 for more information on brownfields and grayfields). Whether gray or brown, these properties are going underused or completely unused and are not generating the revenue they could (Carpenter and Ross, 2010). In many of these cases, properties have been "mothballed" (or left inactive and not for sale) because owners do not want to pay for remediation or risk exposure to potential legal liability. Thus, a locality may need to use eminent domain to begin the process of revitalizing an area by addressing the most significant issue holding the area back in terms of developer interest: contamination and the cost and liability associated with cleanup.

In some of these areas, only specific parcels may be contaminated rather than all of the properties. In these instances, the presence and proximity of the contaminated properties can inhibit an area's development. This can occur for two main reasons. First, the contaminated property may be of sufficient size to decrease the amount of available land needed for a project where a developer is not interested in taking on the process of remediation. Second, developers may not want to take on the cost associated with cleanup. Many developers do not want to purchase contaminated properties, even when the price of the property reflects the presence of pollutants.

As discussed in the Chapter 2, one option may be to engage in land assembly. Land assembly is a process whereby a locality combines a number of parcels to minimize the remediation cost as a percentage of a project's overall cost (International Economic Development Council, 2006). This process may or may not involve eminent domain, but it has proved useful for some municipalities. For example, the City of Sandusky, Ohio, assembled land in its Paper District. The combination of five parcels of land created a site that was attractive to developers and minimized the costs of remediation as a percentage of total project costs (Opp and Osgood, 2011, 7). Whether or not the properties assembled were acquired voluntarily, the assembly of contaminated and noncontaminated properties helps to decrease the percentage of a project that is devoted to remediation.

Local governments can play an important role in addressing contaminated and mothballed areas, but administrators should be aware of several challenges (Paull, 2008, 5). First, many localities are concerned about the liability associated with assuming possession of contaminated properties. In some states, such as like Connecticut, Illinois, Maryland, California, and Virginia, public agencies have adopted liability protections that defend them against legal action related to their ownership of contaminated properties (Paull, 2008, 5).

Another issue is the complex process of attempting to value contaminated properties. There are two pieces to this particular problem. The first is that in some states, localities do not have clear authority to gain access to sites to perform analysis of the extent of the contamination before taking possession. For localities in these states, the costs associated with the needed remediation may add so much uncertainty to the project that they simply choose not to exercise eminent domain for fear of that the costs may outweigh the benefits. Some localities, in states like Connecticut, Illinois, and California, do have the authority to access the property before taking on ownership (Paull, 2008, 5).

The second piece of this problem is deduction of remediation costs from the fair-market value of the property. Two possibilities exist for localities when addressing the issue of contamination and valuation. Some localities, given both local ordinances and case law, may be able to consider the degraded state of the property when setting a fair-market value. In other places, however, localities are required to separate the issues of determining a property's value and the cost of remediation. In the latter instance, localities may be required to place the fair-market value of a property in escrow and draw down from that account the costs associated with cleanup (Opper, 2005, 25).

Last are issues of enforcement and cost recovery, which localities rarely have the authority to pursue. Illinois has, for example, provided enforcement powers to localities via tax lien and foreclosure processes; Wisconsin allows localities to seek cost recovery in eminent domain proceedings. In regard to cost recovery, little in the way of case law has developed around the issue of the value of the property exceeding the recovery costs. Thus, localities in states without cost-recovery mechanisms need to ensure that there are plans for seeking federal and state grants or they have the funds in their budgets for covering costs in excess of the value of the property.

Conclusions and Concepts in Action: San Diego, California

Eminent domain continues to be a volatile issue, but public administrators and nonprofit managers may find themselves in situations where its use is dictated. Given the finality and seriousness of the act of taking an owner's property without consent, eminent domain should be a tool of last resort (Barton and Proakis, 2005). Local government officials also should be sensitive to the Supreme Court's decision regarding *Kelo v. City of New London*. The Court's opinion referenced a comprehensive and thorough deliberation that occurred in the planning related to the process used to exercise eminent domain in this area. In this regard, any process using eminent domain must include community input and participation in the decision-making process.

In times where the needs of the community and the environment dictate that municipalities seek the acquisition of property via eminent domain, two questions should be considered (Oppen, 2005, 28):

1. What are the applicable federal, state, and local laws, including federal and state constitutions and municipal charters, that dictate the use of eminent domain?
2. What does current state and local law, including relevant case law, say on the issue of valuing the property with regard to including or excluding the expected costs of cleanup or the impact of the contamination on that value?

In the case study that follows, these questions are considered in the context of the redevelopment of a contaminated property in San Diego, California. Perhaps most instructive for public administrators and nonprofit managers is the paradigm shift or change in perspective that the regulators in this case experienced. Instead of viewing themselves as enforcers, the regulators shifted their roles to one of individuals with the necessary expertise to provide the project with assistance. Thus, while localities often find themselves with enforcement responsibilities, they can leverage those areas of responsibility to assist in finding common ground between environmental protection and economic development.

SAN DIEGO'S MAJOR LEAGUE BALLPARK DISTRICT

Successful redevelopment is difficult; it is not enough to adopt an "if you build it, they will come" attitude when it comes to achieving true community revitalization. The logistics and legal issues can be complex. Timing of multiple calendars is often a critical and thorny component. Of course, it stands to reason that the more ambitious the project's goals, the more complicated it is to bring it to fruition.

The most sought-after type of redevelopment is the catalyst project, which is designed so that some degree of public investment spurs a great deal more in private investment. The most successful catalyst projects are radical game changers, paving the way for private investment many times over. Such projects are pursued in the hopes they can cause rebirth of entire blocks or even communities—a goal worthy of pursuit, but one that is difficult to achieve. There are many practical challenges involved: coordinating a project's construction calendar and entry into the marketplace while attempting to synchronize the multifaceted processes of land acquisition, environmental assessment, and remediation of environmental conditions. This tightrope act requires coordinating political calendars and public meetings with court calendars, filing deadlines, regulatory agencies' schedules, and unexpected setbacks.

This case study presents the story of a catalyst project in San Diego that overcame those challenges and transformed a neighborhood. The project survived due to the political will of leaders who exercised eminent domain and identified public financing to encourage private investment. It involved acquisition of more than 100 property parcels, ranging from abstract interests in public rights-of-way to those belonging to powerful conglomerates. Despite those challenges, San Diego's Ballpark District came to be the lynchpin of one of the most successful redevelopment undertakings in the city's history. The reader should be cautioned that since the writing of this case study, the redevelopment law of California has been dramatically changed, but the circumstances that made this project work still provide valuable lessons for the successful redevelopment of contaminated property.

Acquisition of Contaminated Land

The exercise of eminent domain is complicated enough without the complexity of dealing with contaminated properties. Even cities that are bold about using their takings power find that it is only the first challenge to a successful project. Even when executed cautiously and properly, eminent domain does not always spark property or community revitalization, and it cannot instantly solve the problem of what to do with environmentally contaminated properties.

When revitalization of contaminated properties is the goal, governments must take creative steps to complement eminent domain efforts. One option is to leverage a state's redevelopment power. While states' laws vary on this front, many have redevelopment laws for the purpose of combating community blight. These laws can offer governments an opportunity to make significant change.

One example of how this opportunity can be successfully harnessed is San Diego's Ballpark District. Through careful exercise of its eminent domain and redevelopment powers, the City of San Diego was able to transform a neighborhood from an obsolete downtown industrial waterfront to a bustling, multiuse hub of local and tourist activity.

If the lone implement in San Diego's toolbox had been the power of eminent domain, it could not have completed a project of this scale and vision. Similarly, if San Diego had only its redevelopment laws on which to rely, the project would have languished. Only by using these two powers in concert was the government able to facilitate such a wholesale neighborhood reinvigoration.

Project Scope and Challenges

Creation of the San Diego Padres' Petco Park Ballpark District was a massive undertaking. Previously, the Padres had been playing in a facility they shared with the Chargers, San Diego's National Football League team. However, the Padres were seeking a new home due to the deteriorating condition of the stadium and a lease structure that favored the Chargers as the primary tenant. At the same time, the city was saddled with a tract of underperforming industrial land adjacent to a prime downtown location. Facing the possibility that the team would relocate, the city found the idea of a new stadium downtown to be attractive. Still, the proposal teemed with challenges that seemed insurmountable.

First, the land considered for the ballpark consisted of more than 100 individual parcels. The parcels' owners each possessed a different level of knowledge regarding property transactions and a different degree of enthusiasm for the project. Owners ranged from utility giant San Diego Gas & Electric (with a corporate agenda and its own bureaucratic structure) to mom-and-pop small business operators to whom the city would need to offer a great degree of education on the process. Without the power of eminent domain, one holdout owner could have demanded astronomical prices once it caught wind of the city's intentions for the land. Even with the use of eminent domain, the process of negotiating with each owner and carrying out eminent domain proceedings required a coordinated effort.

To compound the problem, many of the parcels were environmentally contaminated. Some properties required full-scale testing and excavation of heavily contaminated soil. This excavation had the potential for delays and costs high enough such that discovery of contamination could have derailed the project had it proceeded in a traditional parcel-by-parcel manner, even assuming that all the land acquisition issues had been resolved.

Environmental contamination also complicated property valuation in the eminent domain actions. Although there were some prior court decisions from disputes discussing valuation in eminent domain proceedings for contaminated land, neither statutes nor case law provided much direction as to how such valuation should be considered in California in the context of actions involving brownfields. Nothing like it had ever been done in California, and there was limited precedent elsewhere in the country. Wading into these murky waters was risky, especially to city leaders under public scrutiny for their role in this high-profile project.

Committed to exploring all options to keep the Major League Baseball franchise in town, the city entered into an unprecedented arrangement. It called for coordination among the Padres, the city, the county's environmental

regulators, the city's local redevelopment agency, and a private developer. A key to the city's success was its decision to exercise its eminent domain and redevelopment powers in concert to assemble the parcels and remediate the contamination.

Eminent domain, while a powerful mechanism, would not have been sufficient on its own. To that end, public agencies in California are fortunate to have special legislation to address blighted properties: the Polanco Redevelopment Act. Polanco is a state statute that empowers California's public redevelopment agencies to address contaminated properties in a way that can enhance the redevelopment process. Polanco allows agencies to perform cleanup actions and obtain reimbursement from responsible parties, and its use was integral to the ballpark project's success.

Contamination, Redevelopment, and CERCLA

Because many urban areas contain land formerly used for industrial purposes, it is common to encounter contaminated properties in these areas. Most urban infill redevelopment is impacted by chemicals that are part of the modern world. Sometimes properties are contaminated because they have leaking underground gasoline storage tanks (USTs) or because a former use on the site (e.g., by a metal works, plating business, dry cleaner, or automotive shop) caused seepage of chemicals into the soil or groundwater. These issues must be addressed before the property can be developed and improved, and the impact on just compensation in eminent domain proceedings can be complex.

Environmental cleanup is no small task. It often includes assessment costs, soil and groundwater sampling, lab analysis, excavation, treatment, removal of soil, and ongoing monitoring obligations. Cleanup can be so expensive that private developers cannot afford to take on these projects once they factor in the cost. For these reasons, responsibility for environmental issues can be a legal liability that developers are often not willing to assume.

Environmental contamination can expose property developers to liability for the effects of the contamination—both with respect to the property and offsite—in the event that it is found that the contamination has migrated. This is an issue in part because Congress passed the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA, also known as the Superfund program) in 1980, with the goal of protecting the environment from hazardous substances. Among a host of other provisions, CERCLA offers guidance as to how to determine who is legally responsible for contamination. Being an owner of such a site is often all that is needed.

CERCLA is widely considered to be effective with respect to galvanizing parties into action to perform removal and remediation of contamination. Nevertheless, the law of unintended consequences was powerful with the Superfund. CERCLA's liability scheme (and the manner in which courts have interpreted it) is very strict. Judges have determined that CERCLA's liability is "joint and several." If a party is deemed responsible for even a small portion of the contamination, it can be responsible for the cleanup of the entire mess. Furthermore, when one party contends that there is someone else who should bear greater responsibility, the first party is often left to pursue the other party at its own expense and risk.

CERCLA's liability provisions are so strict that, in practice, it caused corporations to hold on to property because purchasers were not willing to take on the risks associated with contaminated properties, and the government could ignore risk-transfer agreements if it chose to. Even when a corporation tried to negotiate with a buyer for a risk transfer, CERCLA allowed the government to proceed against the entity that allowed the original "release" to occur. This discouraged corporate sellers and potential buyers and developers. As a result, some properties were mothballed. This land often sat vacant or dilapidated, becoming an eyesore in the community. Although this could not be the result Congress intended, it was and is a pervasive problem.

The U.S. Council of Mayors pushed this issue with Congress, leading the charge for amendments to CERCLA, but proposals seeking changes were held up given serious disagreements among the parties on how best to address issue. Despite having been originally scheduled for a September 11, 2001 vote, Congress passed the bill later that year to demonstrate a renewed sense of bipartisanship, which resulted in the 2011 brownfield amendments to CERCLA.

California's Polanco Redevelopment Act

California legislators had noticed the problem of mothballed properties years earlier, and the state legislature adopted a different approach to trying to free these captive lands. In 1991, a decade before the CERCLA amendments, the state legislature provided that redevelopment agencies could acquire lands, but maintain immunity from liability under state law. Redevelopment agencies were provided a clear legal path to recover the costs of cleanup. This law is called the Polanco Redevelopment Act.

Polanco helps redevelopment agencies in California address the issue of contamination by allowing them to assure that properties are cleaned up by the responsible parties. Thus, it frees those properties for new uses. Polanco allows an agency to organize a cleanup suitable for a redeveloped use and

provides that the responsible persons must reimburse the agency for its efforts. Before Polanco, project proponents would have had to rely on common law theories in untested waters, all the while losing time, money, and likely interest in the project. Polanco allows an agency to do all this at a streamlined pace and, thus, to create properties that are more suitable for development and more attractive to private developers.

Specifically, Polanco provides that "responsible parties" and "dischargers" (as defined by state and federal law) are responsible to agencies for certain costs. They are responsible for costs related to environmental contamination of properties by releases of hazardous substances if those properties are located in redevelopment project areas. Alternatively, agencies can compel the responsible parties to perform the cleanup by seeking a court order, but there are practical limitations to this approach. The main drawback is that leaving the responsible party in charge of cleanup cedes control to a third party in circumstances where time and coordination may be critical. There is the further risk that the party may have neither the expertise nor the desire to lead such an effort. The agency, which is sometimes better versed in hazardous substance investigation and remediation and better equipped to address such issues, may be more effective at implementing a plan, even if it has to incur the up-front costs.

Ironically, the new CERCLA amendments have created more challenges for a redevelopment agency using Polanco. In examining whether the defendant meets Polanco's definition of a responsible party, the agency must consider whether there are any ways in which the current owner may take advantage of CERCLA's new exceptions to liability. Polanco adopts the same rules as CERCLA, and this means that an otherwise responsible party may nevertheless be deemed not liable if it can prove it is subject to one of the following CERCLA defenses: the third party defense, the innocent landowner defense, the bona fide prospective purchaser defense, or the contiguous property owner defense. Experience with these defenses and Polanco actions is limited, and there is a dearth of case law on the issues. In what is now viewed as the tumultuous world of California redevelopment law, only time and judicial decisions will sort out how liability is ultimately resolved when contaminated property is needed for a public project.

Acquisition and Remediation for San Diego's Ballpark Project

There is no better example of how the Polanco Redevelopment Act works as a complement to eminent domain than the San Diego Ballpark Project. The city and the local redevelopment agency used Polanco to assemble a tract of land to accommodate the project and to remediate the contamination

on each individual parcel. Using Polanco expedited this process and helped make the project possible.

With the permission of the California Environmental Protection Agency (Cal EPA), the County of San Diego Department of Environmental Health (DEH) served as the lead regulatory agency for the project. The selection of the DEH—a local oversight agency, as contrasted with a state agency—was practical, because the location of its offices was right next door to the project. Local control of the project was crucial, as DEH enjoyed the greatest familiarity with the site, ensured its staff was accessible, and was vested in the project due to its importance to the community. Some of the regulators were also baseball fans. This shared vision and purpose was valuable to the success of the enterprise.

DEH, which was encouraged by Cal EPA to be creative and flexible, worked closely with the project's environmental team. Under a meticulously negotiated and unique arrangement with DEH, an environmental consultant working with the redevelopment agency prepared a master work plan for the entire parcel area. The work plan provided risk-based cleanup levels based on the planned use of the property so that work could be prioritized.

As part of that plan, the consultant identified known and suspected releases of hazardous substances in a Phase I Environmental Site Assessment that covered a 35-block area. The assessment evaluated regional issues and honed in on specifics where concerns were indicated (e.g., in the historic Western Metal Supply Building, where blacksmith operations were conducted 150 years ago). The agency provided individual property owners with the initial cleanup plans. Of all the parcels, only one property owner opted to implement cleanup, the rest was handled by the public agency.

This scale of cleanup was unprecedented in San Diego. The environmental consultant used new technology to assess soils using a mobile laboratory and employed other cost- and time-saving measures. The consultant assessed more than 100 underground storage tank sites and removed at least 27 of them. More than 38 releases of gasoline, diesel, waste oil, and fuel oil were identified. Recycled battery plants, ammonia-fueled refrigeration plants, ancient redwood oil pipelines, and blacksmith forges were all in the footprint.

Aside from the technical and legal efficiencies that were employed to make this effort successful, there was another important factor at play: the cooperative spirit shared by participants. It was clear that elected officials, city and agency decision makers, and governmental regulators had embarked on the pursuit of a common goal. With that shared vision, it was easier to identify and execute opportunities for collaboration and efficiency. The existence of strong political leadership and community support for the project made it possible to view the normal regulatory and technical processes through a

different lens, resulting in a novel and more effective approach. This reflected a “paradigm shift” that was beginning in California around this time. Regulators were starting to consider how they could help and assist a project, rather than view them all as “enforcement matters.” When the lens is one of “enforcement,” the considerations about cost and efficiency are often overlooked even though the endpoint—a protective cleanup—is the shared goal.

In addition, it took a creative and coordinated approach to address the challenges of handling multiple lawsuits. Coordination of court calendars related to the eminent domain and cost recovery actions was essential. Although not every state allows eminent domain proceedings to be carried out alongside cost-recovery actions, and some states even require them to be filed in different courts, the city was able file its eminent domain and Polanco cost recovery actions together. Doing so created judicial and practical efficiencies and helped ensure fairness by having the same judge be knowledgeable about all related issues.

Having the claims heard together was important for another reason. The city was successful in convincing the court to allow the withholding of a conservative amount of funds to account for the cost of cleanup, which at that time had not been ascertained. If this had not been allowed, the city would have had to wait for payment until the costs could be determined with certainty, which would have translated into a significant delay. Instead, the city used the Polanco Act as justification to allow it to keep the funds withheld from the eminent domain deposits in an escrow account under the city’s control, which was subject to an agreement that the city would disburse only the funds necessary to complete the work required by the regulators and that it would refund any unspent funds to the landowners.

The parties agreed to this arrangement because it was negotiated in the spirit of arriving at a resolution rather than continuing to rack up litigation costs. In that respect, Polanco’s provision, which allows the agency to recover attorneys’ fees, also helped the parties reach settlements that avoided significant litigation cost and risk. This factor motivated the property owners to negotiate rather than endlessly litigate the issues.

Sustainability at Petco Park

This project incorporated many principles of sustainable development. The ballpark facility recycles 44% of its waste stream. It enacted stringent stormwater management controls; trash and debris from the parking lot are diverted from the storm drain system. Also, the park is outfitted with a first-flush system that captures the first rain of a storm (which tends to pick up most of the oils, debris, and contaminants from the ground) and diverts it

to the sewer system for treatment. Furthermore, developers built a cooling plant as part of the project. The cooling plant provides energy-efficient cooling using chilled water, with nearly no greenhouse gas emissions. The Padres organization has committed to using only nontoxic products in the maintenance of the park and its grounds.

The siting of the project was itself a reflection of sustainable planning principles. It is located in an urban core and is served by all major forms of transit. Three bus lines stop directly at the park entrance, four more have stops two blocks away, and several others serve the surrounding neighborhood. There are two trolley and light rail line stations within two blocks, and ferry and water taxi services are available for those traveling from nearby Coronado Island. Visitors from North San Diego County can take a train into downtown's main station and either walk to the park or connect to a trolley line. Amtrak trains also serve that station and are useful for fans traveling from points farther north.

The development surrounding the project incorporates mixed-use planning concepts, with many buildings offering office or residential space above street-level retail. This mix is designed to give residents more viable local options so that they might be able to live, work, and find entertainment without having to drive their cars. This setup has created a vibrant retail and restaurant scene in the neighborhood that is popular year-round and is especially lively on game days.

Effects on the Neighborhood: The Ballpark District Concept

The neighborhood in which Petco Park site is located—San Diego's East Village—formerly included many blighted properties. It was considered to be an unsafe area, was economically depressed, and was chronically underutilized. Despite its location near the waterfront and the downtown core, it was largely a warehouse district, with more than 70% of the land vacant or used for surface parking or storage.

Taking a lesson from Houston and Los Angeles, where new stadium projects failed to produce development in the adjacent areas for years, San Diego wanted development in the vicinity of the stadium to occur concurrent with its construction. Thus, the idea for a new stadium expanded to include the concept of the Ballpark District.

The city entered into an agreement to finance the ballpark with a real estate company founded by the owner of the Padres. The city's ownership share was 70%, and the developer's was 30%. Consistent with that percentage split, the city was responsible for coming up with \$186 million for the park, and the Padres and the private developer were responsible for \$81 million in funding.

The agreement made the city and other local public agencies responsible for approximately 75% of the land acquisition and infrastructure costs, with the team and the developer willing to pick up the rest. The total cost for the park portion of the project was \$411 million.

A significant provision of the agreement was that the developer was responsible for developing a minimum of \$311 million in projects in the neighboring area. This was the first time a stadium project and redevelopment of an area surrounding the project had been contractually tied together. In 1998, San Diego voted by initiative to approve the arrangement.

At the time that the ballot measure was presented to voters, it was projected that the project would inspire \$1 billion in private investments over a 10-year period. In fact, that goal was reached much quicker than any of the earlier estimates. As of 2011, the project had created more than \$2 billion in redevelopment activity in the vicinity of the park, including hotels, condominiums, retail, office space, and parking structures. The development of the East Village gave San Diego a significant source of property, sales, and tourism tax revenue in an area that had previously been a tax drain.

Lessons Learned

In light of the national political backlash after *Kelo*, governments became wary of wielding their eminent domain authority. A worldwide recession followed on the heels of this new and more timid environment for public agency action, slowing ambitious projects to an even greater degree. However, that changed recently in California. The state's budget has been structurally imbalanced for years, and Governor Jerry Brown saw the redevelopment agencies as an area he could use to help close the budget gap. Legislation was passed and survived challenge in the state's Supreme Court in 2011, and as of February 1, 2012, there are no longer redevelopment agencies in the state. All of the funding and assets of the agencies will go to the entities who would have received the tax income had there been no redevelopment. Nonetheless, the Polanco Act continues to be used by those entities that the Legislature substituted for redevelopment agencies, now called *successor agencies*. In addition, there is now consideration of letting municipalities wield these same powers as exercised by the redevelopment agencies.

Is redevelopment a victim of its own success? Perhaps to some degree, but over the half-century that redevelopment agencies have tried to fight blight, not all projects have been successful. Some projects were ill-designed and have failed, and some seemed to be back-room deals between politicians and their well-heeled developer supporters. Given the public's loss of support for

the use of the tools that redevelopment requires, it is not surprising that the agencies became targets to a revenue-deficient state government.

Ambitious, game-changing projects are complex and risky. The Ballpark District project tested the stamina of its owner-developer, who faced litigation as soon as the first structural members were built. For more than a year, the site looked like Stonehenge, with hulking concrete structures holding nothing up. Construction was halted during litigation. Now, however, most San Diegans marvel at how the district has changed the downtown for the better.

It remains to be seen how the elimination of the redevelopment agency will change California's political and built landscape. Regardless, it is possible to draw lessons from the Petco Park experience. One of clearest lessons is that political leadership is essential. Leadership that communicates a vision and garners the needed support for it, and then stays with the vision through the inevitable ups and downs of the process, is critical to success. While unanimity is rewarding, it is seldom achieved. Reaching out to detractors in a transparent way and communicating the options and why decisions are being made is the best strategy for building consensus. Frequently, the teams that assemble to build a major project mistakenly think of the core group as the extent of the team. One lesson to share is that project teams include both proponents and opponents, as well as plenty of people who consider themselves neutral. By reaching out to opponents and bringing them into the project early, localities can be aware of the issues from the beginning.

Redevelopment powers can be very effective when exercised judiciously. In the case of San Diego's Petco Park, the ability to use the Polanco Act was an essential ingredient to the project's success. Other ingredients of that success should not be overlooked, however. The shared vision of a downtown ballpark was enough to bring those who were initially opposed close enough to those who were enthusiastic supporters, and even those who thought themselves neutral were swept into the excitement of the project. This can-do attitude and consensus-based approach to problem solving is hard to imagine in California's volatile political climate, but the project is an example of how a flexible and open-minded approach can foster significant progress. Collaboration, consensus, and creativity can go a long way to effect positive change in a local community.

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