WHO OWNS SOUTHERN CALIFORNIA?

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Notes on concentration of landholdings, 1988
(Revised, March 1990; rev. May 10, 1991)

Several million persons, perhaps half the resident adult population, hold titles to land in southern California. With so many holders, the median holding is perforce small, although well above the national median. But the mean holding is well above the median, indicating a skewed distribution.

All wealth distributions are skewed; so, to a lesser degree, are income distributions. Landholding, however, is more skewed than other distributions. In 1985 the Internal Revenue Service released a Report based on a study of 1983 estate-tax returns. According to the Report, "More than one-half of his (the top wealthholder's) wealth was held as real estate and corporate stock, with real estate surpassing corporate stock as the most prominent asset in the top wealthholder's portfolio." (AP dispatch by Jim Luther, Riverside Press-Enterprise, 8 March 1985, p. A-3.) This Report warrants careful study.

A 19th century California editor turned economist had observed the same: "The great cause of inequality in the distribution of wealth is inequality in the ownership of land ..." (Henry George, 1879).

It was a recurring theme: a century before, Th. Jefferson, Tom Paine, Adam Smith and others were of the same opinion. A century later Robert Fellmeth et al. redocumented the point for California (The Nader Report: Politics of Land, 1973). Between George and Fellmeth, scholars like Walter Goldschmidt, Paul Taylor, Paul Gates, Adon Poli and many others had documented the same point. Publicist Carey McWilliams (Factories in the Field), and novelists like Frank Norris (The Octopus) and John Steinbeck (The Grapes of Wrath) found popular success with the theme.

The Fellmeth-Nader study was too ambitious for its resources, and flawed by haste. Critics seized on the flaws to discredit or dismiss the substance. Nevertheless its main theme, the concentration of landownership, may be tested by reference to more conventional sources today. That is our method here.

HOLDINGS BY ALIENS

Several studies have shown the largest holders of land in any region are likely to be diversified large holders from outside the region. This seems to hold here as well.

Non-resident aliens own about 75% of the "major" properties in the L.A. CBD west of Broadway [L.A. Times 21 Sept 86].

One of these is Charles Grosvenor, an Englishman aka The Duke of Westminster. Grosvenor owns half the Wells Fargo Building on a valuable site in downtown L.A. Grosvenor also holds 17 acres in Silicon Valley. He also holds Annacis Island, 1200 acres near Vancouver, B.C. These are parts of his overseas holdings, valued (but not for sale) in 1985 at $1.3B.

The core of Grosvenor's holdings is 300 acres in central London, including half the Mayfair District, most of Belgravia, and Grosvenor Square where the U.S. Embassy is one of his many lessees. His country estate is 4500 acres. Grosvenor, along with Earl Cadogan, the Duke of Bedford, Viscount Portman, and Lord Howard de Walden, pretty well control London land. [L.A. Times, 9-85]

Westmec is the American subsidiary of Mitsubishi Estate Co. It recently bought into Sunrise Co. of Palm Desert, a developer of country club communities. Sunrise has developed 7 private golf communities and is developing Sunterra resort near Indian Wells, which includes two golf courses and one 80-acre lake. Westmec also holds Pacwest Center, Portland.

The core asset is the Marunouchi District, the business and financial center of Tokyo, where land prices rise over $10,000 psf. Mitsubishi holds 85% of that land, an asset valued at $50B. On such collateral they can borrow easily, at low Japanese interest rates, to acquire or develop land anywhere.

The Shuwa Co. Ltd. of Tokyo is a recent entrant. It recently bought Arco Plaza and Chase Plaza, where the Bank of America and the Chase Manhattan Bank remain as their tenants. [L.A. Times, 9-86]

The Canadian Daon Co. in the early '80s had 13,000 ac in s. Calif., 6,000 of them in Riverside Cty, 3,744 ac of these in Temescal Valley, including the Wild Rose project of 220 ac. [Riverside Press-Enterprise, 4-84, 9-82]. One of its projects, the Riverside Centre Bldg., has been taken by its foreign bank, The Bank of Montreal [Riverside Press-Enterprise, 5-88]. The Riverside City Council had provided the site and imprudently subordinated it for the loan, so the Montreal bank now holds the site, too.

In 1985 Daon was acquired by BCE, the American landholding arm of Bell Canada. BCE in turn is now seeking buyers for part of its holdings, retaining mainly commercial-industrial (C&I) investments for permanent holding. BCE is now offering 4,400 ac en bloc. This bloc includes 2200 ac in Carlsbad, by the La Costa Resort.[Riverside Press-Enterprise, 5-88].

BCE is separately offering the Temescal Water Co. TWC was a Mutual Water Company (owned by its customer-landowners) for 100 years, but was sold to Daon in 1981. TWC owns Railroad Canyon Dam and Canyon Lake and the water rights of the San Jacinto River, plus rights to 4,250 acre-feet/yr of Sta. Ana River water from the Bunker Hill and Colton basins.

The price of Metro water in the area is $238/af this year, and rising. Water rights are generally exempt from the property tax, so a cap rate of 3-4% (the real interest rate) might be appropriate. 4250 x 238 / .04 = $25 millions for the Sta. Ana water rights alone, not including the main right which is to the San Jacinto River.

BCE is retaining C&I holdings including MacArthur Place, a commercial complex by Wayne Airpt; and the 58-ac Corona Shopping Centre, McKinley at Fwy 91, jointly owned with Sol Price of the Price Clubs. Price, of La Jolla, is the 253d richest American in Forbes' 1987 ranking. Price also controls the wealthy Ben Weingart Foundation.

AMERICANS FROM OTHER STATES

A second kind of holder is the out-of-state American, individual or corporate.

The Union Pacific R.R. Co. is headquartered in New York. Upland (U.P. Land) Industries is its real estate management division. Oil is its major asset, but here we look at its local surface holdings. These include:

-- 420 ac Vintage Indl Pk, betw Etiwanda Av & Wineville Av [Riverside <u>Press-Enterprise</u>, 6-86].
-- 570 ac in Mira Loma nr Space Center.
-- 30 ac undeveloped land nr Riverside Airpt
-- 156 ac in Fontana [Riverside <u>Press-Enterprise</u>, 9-86].
-- 300 more acres south of Van Buren, and south of San Sevaine Industrial Center [Riverside <u>Press-Enterprise</u>, 4-88].

Gulf+Western Corp has acquired Mann Theatres of Calif, a chain of 360 screens, including the Chinese Theatre in Hollywood, and 2/3 of those in Westwood Village, for $220M, 1986; it already owned Paramount [L.A. <u>Times</u>, 10-86].

20th Century Fox is owned by Marvin Davis, Denver oil man, 19th richest American on Forbes' list. Holdings include 63 ac by Century City; 40 ac Studio City in San Fernando Valley (with CBS). [L.A. <u>Times</u>, 2-82].

McCulloch Oil Co., having prospered in chain saws, went into land development, stumbled, and in 1978 was acquired by Charles Hurwitz of Houston. He renamed it MCO Holdings Inc. In 1986 he added Pacific Lumber Co. of northern California (where he has come into well-publicized conflict with environmentalists for speedy clear-cutting, allegedly to meet debt service on junk bonds).

Now Hurwitz is poised to acquire Kaiser Aluminum & Chemical Corp of Oakland. Kaiser, along with Aetna Insurance of Connecticut, at one time held 120,000 acres called Rancho California (now Temecula), and still retains much of it through Kacor, a subsidiary. Federated Development Company, Hurwitz' private development company, just opened the Ritz-Carlton Rancho Mirage on 105 ac. It was able to donate 350 ac to the city to placate environmentalists [L.A. Times, 30 May 88].

ALCOA of Pittsburgh was the developer of Century City. ALCOA poured in hundreds of millions of its "patient money" on what was then a marginal site. It absorbed early operating losses, fully deductible from ordinary income, to build up an asset later sold for a capital gain.

Santa Fe-Southern Pacific, headquartered in Chicago in its own building, was a near-merger of two of California's largest landholders. SP alone was already the largest before the attempted merger, and had been from the age of railroad "robber barons" Stanford, Crocker, Huntington and Flood, beneficiaries of vast federal land grants in California. In 1988 SP, (or some part of it, along with the name) was sold to Philip Anschutz, Denver oil man, who is liquidating some lands. Holdings now include:

-- ROWs, including the right to preempt intersections on demand. These are key assets that might be used for mass transit, but have long been withheld from such use. (In January, 1991, SP did agree to sell 85 miles, including the Peninsula commuter line, to Santa Clara, San Francisco and San Mateo Counties, for $290 millions. SF, on the other hand, is holding out for over $1 billion for some mileage in L.A. and Riverside Counties.)

-- The ROWs give their owners preferential access to our great ports, built and improved at public expense. Growing Pacific Basin trade, and evolving container-shipping techiques, keep the tracks busy night and day.

-- Railyards. Wherever there are stations there are railyards, usually just off the CBD. Riverside yards are small; Bloomington and San Bern yds cover 100s of acres.

-- Union Station, L.A., with yards, covers about 70 ac. east of Sunset/Olvera, and is about to be redeveloped, and made the focus of mass transit in Los Angeles. Just n.e. of downtown, this land has the potential of rising to downtown value levels.

-- The L.A. Produce Market

-- Mission Bay Development, San Francisco, is 208 ac of old yards just s. of SF's CBD, where land sells for over $1,000/sf.

-- 158,000 acres of farmland, west side of SJValley, watered by Calif. Water Project under heavy subsidy.

-- Timberland, 520,000 ac, largest timberland owner in Calif. This land is as good as tax exempt under California's Timber Preserve Zone Act, which SP itself lobbied through.

-- 20 ac San Diego CBD, nr old Sta Fe depot

-- Pac Design Ctr, W. Hollywd, 17 ac

-- 350 ac shoreline, E Bay, off Berkeley, Emeryville, Alameda

-- 716 ac, Fremont

-- 450 ac, Chula Vista, wtrfront

-- 85 ac, San Jose, railyard nr downtown

-- Torrance, Park del Amo

-- 1 Market St., SF, old SP hq, 264,000 sf bldg, prime site surrounded by higher, newer bldgs.

-- San Jose, office complex, 440,000 sf

By comparison its local holdings seem petty, yet they are locally important and even overwhelming. They include:

-- Perris, 88 ac business park, + another 100 ac

-- Corona, prime land for business, range of $8psf (recently sold)

-- Fontana, 400 ac

-- Ontario, 500 ac

-- Cucamonga, 280 ac

-- Redlands, 300 ac

The value of SF & SP lands is hard for Wall St. to know because so much of it is undeveloped or underdeveloped. Traditionally, SF & SP devoted major effort to holding down assessed values below market. Assessors tend anyway to undervalue vacant acreage, perhaps because of such pressure. In 1988 SFSP was in courts all over California opposing reassessments which county assessors claimed were triggered by the attempted merger of 1983.

Local real estate people know local values, but Wall St. looks more at current earnings -- except when corporate raiders go to work on "asset plays." SP has long been noted for having latent values yielding no current earnings. They have now bid up the stock to 30 times earnings. For perhaps the first time in its history SFSP is now a "motivated seller", to fend off the raid. It recently sold off much of its Corona holdings.

Overall, SFSP lands are est to be 2.4m ac in Calif, or 4.8% of the privately held land area. Nationwide holdings are 5.2m ac. 28,500 ac of this are developed C&I land. (Riverside Press-Enterprise, 9-87; L.A. Times, 11-87; Alanna Hartzok, Oakland.)

The California Commerce Center, 1,350 acres east of Ontario Airpt, is now augmented by purchase of 505 acre Hunt tract to s. Joint holders are Cadillac Fairview, a Canadian real estate firm with vast holdings elsewhere in s. Calif; John D. Lusk & Son, Newport Beach (Lusk is the 375th richest American on Forbes' list); Hillman Co. of Pittsburgh (Henry Hillman of Pittsburgh is the 18th richest American on Forbes' list); Shaw and Talbot Assocs. II; and a Dutch pension fund. The CCC has been accorded the valuable special privilege of being a "free trade zone", meaning anyone buying or leasing land from CCC in the zone can import foreign materials duty-free for process and reexport. This benefit is shifted to landholders through higher rents, higher sale prices, and earlier sales of land.

The Hunt bros of Texas held 505 ac at Archibald and Mission Blvd (sold to CCC). In 1986 they still held 1,000 ac for a resort nr Carlsbad, on n. shore of Batiquitos Lagoon. [Riverside Press-Enterprise, 9-86]. In 1988, pursued by creditors, they sold this, according to their liquidating trustees, for $72 millions. Then they are alleged to have transferred much of this to their children by overpaying them for raw land in Texas and Arizona (BW, May 13 1991, p.42). Thus it is possible that parts of this once-mighty empire will remain in the family.

Major oil cos. loom large in Calif land. Their chains of gas stations on "hot" corners are their essential means for dominating the retail market. Exxon, Shell, Mobil and Chevron are the dominant sellers. Of these, only Chevron is a California Company, and all that means is its headquarters are here -- Directors and major stockholders may live anywhere.

All oil firms overbought retail outlets in the gas station land rush of the 1960s, but closed stations are now profitably converted to other uses like mini-malls, drive-ins, etc. More important, these closed sites are preempted from competing sellers of gasoline. With such market power it has been possible for the majors to reduce the number of stations and convert to the now-standard non-service "service" station. For a look at what "service" really meant until about 1970, see the service station episode in Back to the Future with Michael J. Fox: it is of course exaggerated, but not as much as one might assume.

Acreages held or leased for oil and gas exploration and drilling are in the millions of acres per company. No attempt is made here to list the Calif holdings, but in oil-prone areas like Kern County some major holders are Texaco, Shell, Arco, Chevron, and Tenneco. Often other valuable assets like water and farmland and townsites are acquired as incidents. Thus Tenneco, in acquiring Kern Cty Land Co., also gained nearly total control of the Kern River, including Isabella Dam and Reservoir, wholly financed by U.S. taxpayers.

The Bass family of Ft. Worth holds 25% of the Disney stock. (Roy Disney is the 103d richest American on Forbes' list; the Basses are too secretive to be there.) Disney of course holds the original Disneyland in Anaheim, about 80 acres in use plus 300-400 surrounding acres either acquired or being acquired for planned expansion (L.A. Times, 9 May 91). This land is worth about $1m/acre.

Disney also owns the Disney filming lot in Burbank; Disney World in Fla., 28,000 acres; Euro Disneyland near Paris, 5,000 acres; and is now bidding for the Wrather Corp, operator of the Queen Mary and Spruce Goose, with 47 ac for retail and parking nearby, and a valuable option to lease 236 ac of fillable land in Long Beach Harbor.

Disney in Long Beach exemplifies the market power inherent in large holdings. "In a not-too-subtle bid to gain regulatory concessions in each location (Long Beach vs. Anaheim), company officials have said their decision (where to expand) will depend, in part, on 'governmental approval and support ...'" This refers to such matters as city financing of freeway offramps, street improvements, parking, etc. (L.A. Times, 9 May 91).

The core Bass holdings are most of downtown Ft. Worth: 15 full blocks and parts of 8 more. They also hold 9.9% of Texaco, which acquired all the Getty holdings in Calif; and much more around the world [L.A. Times, 10-84].

Walter Annenberg, whose primary residence is Wynnewood, Pa., maintains another residence in Rancho Mirage that includes a private golf course [Riverside Press-Enterprise, 12-85]. Water for this course is subsidized by U.S. taxpayers, and probably City of Los Angeles taxpayers, through a water-swapping arrangement with MWDSC. Annenberg is the 84th richest American on Forbes' list. He is famous for entertaining U.S. Presidents in Rancho Mirage, not just socially but at official functions like the visit of Japanese Prime Minister Kaifu in March, 1990. Just what advice the host gives the guests on these occasions is not public.

The Mobil Land Development Corp., a subsidiary of Mobil Oil, holds 1765 ac n. of Redlands, e. of Church St., straddling Baseline Road. The tract, known as E. Highlands Ranch, is held for slow buildout over many years [Riverside Press-Enterprise, 1-85].

Edward J. De Bartolo of Youngstown, Ohio, the 28th richest American on Forbes' list, held a major interest in the proposed Canyon Springs shopping center of the Edgemont annexation to Riverside. Riverside City Council endowed them with a $3 million sewer trunk extension, plus free use of the City sewage treatment plant, and priority in sewer hookups, which are rationed to others.

De Bartolo was in partnership there with the Riverside firm of Thompson and Self (T&S), whose extremely rapid recent growth suggests the effect of a major influx of outside funds. De Bartolo and/or his son "Eddie" also own and finance the San Francisco 49ers.

T&S-De Bartolo devoted major but unsuccessful effort to aborting the proposed expansion of competing Tyler Mall, and the move there of Nordstrom's, a valuable anchor. Now, De Bartolo seems to have been replaced by the Rockefeller Bros., and they by James Rouse. It would appear that major financiers control speculative land indirectly by financing local developers, using the latter's local political connections. T&S itself is not wealthy or liquid, narrowly avoiding insolvency in 1989. In May, 1991, it is again threatened with foreclosure for failing to meet payments on some $18m owed one of its several creditors.

Tyler Mall, the main shopping center in Riverside, is owned by the Cigna Corp. of Connecticut, an insurance and finance firm. Riverside is a species of domestic 3d World battleground on which giant alien financial powers, working through surrogates as fronts, wage their "mall wars."

Von's now holds 360 grocery stores in California (after acquiring 172 Safeway stores). Such large chain landholdings tend to lessen competition, it is widely feared [L.A. Times, 28 May 88]. Congressmen who shop in Washington, D.C. know this first-hand. Washington food prices are conspicuously high, where Safeway is one of just two chains (the other is Giant).

Some of the acquired stores are probably on leased sites, which would help account for the low price of the Safeway acquisition, averaging $2.4m per store. Long-term leaseholds often acquire some value of their own when the remaining years' payments are below the market; but not as high as fee simple titles.

Grocery stores in auto-oriented southern California require perhaps a 6/1 ratio of parking to floor space, so these "stores" are mainly landholdings. 360 stores at 5 acres each (estimated) would come to 1800 acres: a large figure when we consider it is all good retail space.

Alpha Beta, acquiring Lucky's, will have 370 stores in southern California alone. Alpha Beta is run from Salt Lake City by J.B. Skaggs.

Ralph's grocery, 129 stores, is held by Federated Dept. Stores, a Cincinnati-based chain acquired by Robert Campeau of

Toronto, who was taking offers in 1988. Bidding was around $1B, or $7.8m per store, much higher than the Safeway price.

CALIFORNIANS

Many of our largest landholders also live in California. This is partly because the lands are here, but moreso because certain places in California are good places to live. One of the advantages of receiving property as opposed to labor income is it lets one choose his residence. California ranks after New York in the number of rich Americans (using Forbes' list) who reside here.

The Newhall Land Partnership holds 123,000 ac, mainly in L.A. and Ventura Cties, from Valencia and Magic Mountain west down the Sta. Clara Valley of the south toward Piru and Fillmore. The ancestral Newhall estate, occupied by Scott Newhall, is in Piru. The holding was originally a Spanish grant to the del Valle family. The Newhall family still controls the public partnership, with 40% of the shares [L.A. Times, 3-86, 8-87].

The Newhalls are developing the city of Valencia, but slowly. 7,000 of its 10,000 acres remain undeveloped.

The Newhalls were early, major financial backers of the political campaigns for the Peripheral Canal bond issue to bring more northern water south. The immediate purpose of this proposed project was to valorize speculative landholdings like theirs on the fringe of the southern megalopolis. They joined in this campaign with other large development interests: the Irvine Co., Southern Cal. Edison, Security Pacific Bank, Rockwell, Mission Viejo (the O'Neills), Bixby Ranch, and Union Oil [L.A. Times, 1-80]. Yeager Construction Co. (highways and landholdings) led the campaign in Riverside County.

These same interests wield special influence on private and public higher education. They stand in well with the press: in fact, the Chandler family of the Times-Mirror Company is one of them, owning the vast Tejon Ranch. They dominate Chambers of Commerce. They generally dominate MWDSC, the regional water supply agency, which has long overtaxed the City of Los Angeles to subsidize expansion to outlying areas.

MWDSC is run by a Board of 50 Directors, representing 27 cities and districts that it serves. Those from cities are elected on the basis of "one-person-one-vote." Those from several outlying districts are elected by "one-acre-one-vote." Representatives from landowner-run districts remain the same from election to election, thus gaining seniority to dominate the 50-person Board.

Thus a handful of speculative landowners have as many votes as millions of city residents. Accordingly, MWDSC preaches water conservation in the cities while it keeps annexing new speculations at its fringes. It is probably no accident that its current President represents the Western Municipal Water District of Riverside County, an area dominated by land speculators. Many economists have criticized its persistent refusal to consider any kind of economically rational, cost-justified rate structure.

In Orange Cty the remaining developable land is in a very few "strong, patient" hands. Small holdings were sold and developed early. The largest holder is the Irvine Co. now led by Donald Bren of Newport Beach, the 30th richest American on Forbes' list. The holding is variously listed at 68,000 ac to 80,000 ac, about 1/6 of all the land in Orange Cty. Most of it is still undeveloped.

It was a Spanish land grant that got its Scotch name when James Irvine married into the family. It was tied up for years by the trustees of the Irvine Estate, according to various lawsuits and public statements of heiress Joan Irvine Smith of Middleburg, Va. Control passed to a Michigan group led by Henry Ford II and Wm. Taubman and Max Fisher of Michigan, and more recently to Donald Bren of Newport Beach. Bren is a major contributor to Republican Party campaigns, as O'Neill is to Democratic campaigns. (James Minor, recently deceased potato baron of Riverside County, contributed to both, and showed special interest in electing the County Sheriff.)

All holders have devoted major efforts to contesting their property tax assessments. Property taxes on undeveloped land drain cash from an owner, getting his attention, and are for many owners their primary motive to dispose of surplus land. Until quite recently the Irvine policy was never to sell, only to lease land. Confrontations with lessees over escalating ground rents have been highly visible, and probably contributed to the recent Assessor's decision to upvalue the assessment considerably in excess of Bren's 1983 purchase price [L.A. Times, 1-29-84]. The Assessor has an unlikely ally also in Joan Irvine, who claims her shares have been undervalued in various settlements. Bren took the Assessor to court, but the resulting figure was nearer the Assessor's than Bren's.

Bren is not accelerating development and sales. In 1988 he cut the staff by 20%. The policy is to skim the cream of the market, but very slowly, by limiting development to highest quality. California's Proposition 13 of 1978, capping property taxes at 1% of market value, keeps the burden low and tolerable when prices are rising at 20% a year.

Second in size is Rancho Mission Viejo, 38,000 ac held by Richard O'Neill and his sister, Alice O'Neill Avery, 317th and

318th richest Americans on Forbes' list. Richard O'Neill is prominent in California Democratic Party politics. Irvine and O'Neill representatives are from time to time on various citizens' advisory committees to the NAGS campus at UCR.

Third comes Philip Reilly and the Mission Viejo Co. with 9,100 ac.

U.S. Govt. holds 80,000 ac of National Forest and military land in Orange County [L.A. Times, 1-29-84]. Much of this is of low quality for development, but by no means all. Surplus land is seldom divested by any government agency, at any level. Once acquired it never appears in the budget, and is tax free. Bureaucrats never need justify or account for it; but if sold the proceeds would return to the general fund. They always find many "good" reasons not to sell.

Chevron Land and Development Co. holds the Ontario Ctr., the former Ontario Speedway, 673 ac. It is still 90% vacant. Chevron, like Irvine, hews to a policy of slow sales and development [Riverside Press-Enterprise]. The parent Socal is of course an international major oil co., one of the 7 sisters, one of four partners in Aramco. Its total U.S. holdings, including oil leaseholds, are about 9m acres [Hartzok; Rothschild]. It recently acquired Gulf Oil Co. in the largest merger in history (turning 7 sisters into 6, like the Pleiades).

The Dominguez heirs represent an old Spanish grant of 75,000 acres, dating from 1784, courtesy of King Carlos III. Unlike most, they have held on to much of it. They own the Watson Land Co. One of its smaller projects is the Watson Industrial Center, 750 ac in Carson [L.A. Times, 9-86]. Dominguez lands are in the South Bay area on both sides of the San Diego Fwy. Dominguez heirs -- there are many -- also hung onto mineral rights in this oil-rich area. Water rights, too: the Dominguez Water Co. supplies Torrance. There are also the Carson Estate Co. and the Dominguez Properties, Inc. [Birmingham, America's Secret Aristocracy.]

Camarillo, Calif., is a town that sprang up around the ranch of the Camarillo family. Dona Carmen Camarillo de Jones (!) is the family dowager, still spurning offers for the remaining 5,000 acres of the original Rancho Calleguas [Birmingham, p. 195].

The L.A. CBD is moving south along Figueroa, and as it moves, speculators anticipating it buy and hold land in the van. In the process they often neglect current uses, letting them go to blight. Among the large holders south along Figueroa are Transamerica Occidental Life, Pacific Lighting, and Calif Hospital Medical Center.

The Agua Caliente band of Cajuilla Indians own much of Palm Springs, checkerboard fashion, through an ancient treaty. This puts them among the richest Indians, and richest Americans of any ethnicity.

INSTITUTIONS

Institutions acquire land for their operations and then it tends to stick to them for various reasons. It is tax free, for one, so long as they retain it (and do not use it commercially). They are not subject to corporate raids. Thus there is no mechanism whereby the current opportunity cost of land is felt by management. It never appears in their budgets; they never need compete for or justify it.

Riverside Community College acquired 120 ac at La Sierra and Freeway 91 about 1958, for expansion. The site is by an interchange. RCC has not expanded there, however, but acquired additional sites in Norco and Moreno Valley, the last as a "gift" from a developer whose surrounding lands would be greatly enhanced by the investment of millions of taxpayer dollars on the gifted land. Only today is there any plan to use the land. In 1991 Mayor Frizzel, supporting a neighborhood protest, vetoed a specific plan that offended the neighbors. President Kane of RCC took it fairly calmly, remarking to the press "we can wait." RCC has already been waiting 33 years.

The plan is not to use most of it for RCC purposes but to generate income from ground leases. The commercial portions will be taxable, but the speculative holding over 33 years was tax free, with no recapture of back taxes. Neither is there to be any capital gains tax, nor would there be even if they sold it outright.

California School for the Deaf acquired a 75 ac campus in 1953. 6 ac on Lincoln Av have never been even grassed over and were declared surplus in 1986 [Riverside Press-Enterprise, 10-86]. Four years later they have not changed.

Sherman Indian School covers about 80 acres at Magnolia and Jackson, serving a very small number of students.

The La Sierra Campus of Loma Linda University (LLU) includes a dairy farm of 300 acres, valued at about $30 millions as is. With the very survival of LLU in question there is talk of selling, but so far it remains just that, talk.

Cal Baptist College on Magnolia near Adams has lands beyond its needs along Magnolia, a prime location for apartments. In dire straights it is finally marketing a small portion thereof, but so far at a price so high the latest deal collapsed in early 1990. Later it was cobbled back together, but to date (May, 1991) there is no action.

UCR holds over 1,000 ac in Riverside, and another large tract in Moreno Valley. The UC system overall holds 58,000 ac in 37 cties outright, plus 4,765 ac in other states, plus 67,000 leased ac. It is allegedly all used for "academic purposes" [Riverside Press-Enterprise, 4-78].

The Mormon Church for years held 1,514 ac in Woodcrest, until 1984 when they sold it to Beverly Hills developer Allen Siegel. The core of the Church's holdings of course is the CBD of Salt Lake City.

L.A. County holds a good deal of land in its own name. It leased out the ground for Marina del Rey in the early 60s. It recently closed the Long Beach Hospital and leased out the 26-ac site to the Long Beach-Signal Hill Business Center, for 66 years. The receipts go into the general fund and are used to serve the public. Actually, that seems not a bad alternative to taxation, provided politicians make no "sweetheart deals." Regrettably, that cannot be assumed.

TO BE CONCLUDED?

Continued, perhaps, but this story never ends!