

Taxpayer group accuses rival group of too-cozy relationship with developers

By **Gary Warth**

NOVEMBER 2, 2012, 2:30 PM

A taxpayer-watchdog group is accusing the larger San Diego County Taxpayers Association of having a too-cozy relationship with builders, and saying that may have influenced the association's recent endorsement of two North County school bond measures.

"The true stink of the whole thing is the San Diego County Taxpayers Association has people, voting members of their board, who have contributed heavily to these campaigns," said Gary Gonsalves, co-founder of Stop Taxing Us, which formed in 2007.

"If that's not a conflict of interest, I don't know what is," he said about the idea that builders might support bond initiatives because such measures can funnel millions of dollars into the local construction industry.

Chris Cate, vice president of the San Diego County Taxpayers Association, said Gonsalves' accusation is unfounded.

"The Taxpayers Association has been serving taxpayers within the region for 67 years, and our record stands for itself," Cate said. "Any effort to smear our integrity over accusations that our positions can be bought is laughable at best."

Cate said no voting board member had a contract with North County districts for projects that would be funded with bond money, and the number of members who did donate to campaigns was a small fraction of the board.

"We need 60 percent of voting members to take a position on a ballot measure," he said. "Mr. Gonsalves contends that because a couple of board members happen to be in the business of school construction, they can sway the other board members. And that's just not accurate."

Recent financial disclosure forms filed with the County Registrar of Voters reveal that developers have contributed tens of thousands of dollars to campaigns for general obligation bond measures that would fund facility improvements to local schools and college campuses.

The San Diego Taxpayers Association has endorsed MiraCosta Community College District's Proposition EE for \$497 million in bonds and San Dieguito Union High School District's Proposition AA for \$449 million in bonds.

Gonsalves said the recently filed financial disclosure forms, which were due in the County Registrar of Voters office last Friday, also show a connection between the bond campaigns and the taxpayers association.

He noted that Prop. EE treasurer C. April Boling, a certified public accountant, also is on the executive committee of the San Diego Taxpayers Association.

Among the association's 58 voting board members, two are associated with companies that donated money to the committee campaigning for Prop. EE.

The MiraCosta bond campaign received \$2,500 from builder Cumming Corp. and \$16,000 from the construction company Gafcon Inc.

Three of the association's voting members are associated with companies that donated to the San Dieguito campaign.

Balfour Beatty Construction contributed \$11,000 to the Prop. AA campaign, Erickson-Hall Construction contributed \$15,000 and Pardee Homes contributed \$3,000.

Elsewhere in the county, the taxpayers association also endorsed Proposition E, a \$90 million school bond measure in the Chula Vista Elementary School District; Proposition G, a \$30.8 million bond measure in the Mountain Empire Unified School District; Proposition R, a \$66 million bond measure in the Ramona Unified School District; and Proposition V, a \$398 million bond measure in the Grossmont-Cuyamaca Community College District.

In an email Tuesday, Gonsalves said the taxpayers association is a business organization that has many voting members in the construction industry. "Therefore we conclude that when their board supports a bond, they are basically supporting a massive wealth transfer from you to the construction industry," he said.

Cate countered Gonsalves' argument by saying the association is opposing some school bonds on the Nov. 6 ballot.

It opposes San Diego Unified's \$2.8 billion Proposition Z bond initiative and Del Mar Union School District's \$76.8 million Proposition CC bond initiative.

The association and the construction industry have criticized Proposition Z for linking bond work to project labor agreements, which require contractors to hire from union halls and high-poverty ZIP codes.

Cate said Del Mar's bond proposal was not endorsed because some money would be used to pay for iPads and laptop computers, which he said was not a fiscally sound investment for bond money.

The association also opposed Proposition C, a measure to reauthorize \$88.4 million in bonds in the Cajon Valley Union School District and is neutral on Proposition D, a measure to reauthorize \$3 million in bonds in the Dehesa School District, and Proposition Y, a measure to reauthorize \$26 million in bonds in the South Bay Union School District.

“Like any other bonds we endorse or oppose, our main mission is to see if these districts can demonstrate a need and deliver these projects on time,” Cate said. “Our analyses are eight, nine, 10 pages long. We do a thorough investigation.”

Of the three coastal North County school bonds, MiraCosta’s Proposition EE has the most expensive campaign, with \$350,800 raised, including about \$103,800 since Oct. 1. The campaign has spent about \$257,400.

Friends of San Dieguito Schools reported raising about \$204,000 for Proposition AA. About \$192,000 was raised since Oct. 1.

The committee Quality Schools for Del Mar reported raising \$32,400 for Proposition CC. About \$22,000 was raised since Oct. 1.

Contributions to the Proposition EE campaign include \$16,000 from construction company Gafcon Inc. of San Diego, \$15,000 from builder Kitchell of San Diego, \$5,000 from PCL Construction Services of San Diego, \$17,000 from investment bank Piper Jaffray of Minneapolis, \$17,000 from investment bank RBC Capital Markets of Minneapolis, \$17,000 from investment bank De La Rosa & Co. of Los Angeles, \$10,000 from HMC Architects of Ontario, \$10,000 from Lusardi Construction of San Marcos and \$10,000 from San Diego architects Westberg & White.

The largest contribution to the campaign was \$100,000 from the MiraCosta College Foundation.

Contributions to Friends of San Dieguito Schools include \$25,000 from Gilbane Building Co. of Providence, R.I.; \$25,000 from the engineering company Lionakis of Sacramento; \$25,000 from De La Rosa & Co. of Los Angeles; \$7,500 from architects Ruhnau, Ruhnau, Clarke & Associates in Riverside; and \$25,000 from Westberg & White.

Contributions to Del Mar Union School District’s Proposition CC include \$5,000 from Stone & Youngberg of Los Angeles, \$5,000 from Balfour Beatty Construction and \$7,500 from Dolinka Group of Irvine.

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