

October 2008

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In front of her home in Long Branch, N.J., IJ client **Lori Vendetti** celebrates the appeals court victory after the court dealt a fatal blow to the city and developer's case.

### By Scott Bullock

The brave homeowners of Long Branch, N.J., who have fought so long and so hard to keep their cherished homes along the Jersey Shore, are finally getting justice. This past August, a three-judge panel of the New Jersey Appellate Court unanimously reversed the June 2006 decision of the trial court, which would have allowed the city to condemn a charming seaside neighborhood to make way for a luxury condominium development.

This ruling builds on and reinforces last summer's landmark New Jersey Supreme Court decision in *Gallenthin Realty Development, Inc. v. Borough of Paulsboro*, in which the state's high court held that the government cannot declare an area "blighted" and seize property simply because the government wants to engage in economic development.

The unanimous three-judge panel wrote in the Long Branch case, "We agree with appellants that, in light of the principles laid down in *Gallenthin*, the City did not find actual blight under any subsection of [New Jersey's blight law], that the record lacked substantial evidence that could have supported the New Jersey Constitution's standard for finding blight, and that the absence of substantial evidence of blight compels reversal."

For years, New Jersey cities have been on an eminent domain spree, making the state perhaps the most aggressive abuser of eminent domain in the nation. And while more than 40 states reformed their eminent domain laws in the wake of the Supreme Court's infamous *Kelo* decision in 2005, New Jersey has done absolutely nothing. The state's redevelopment indus-

Long Branch continued on page 8



# Fighting for

# FREEDOM

In the Constitution's Birthplace

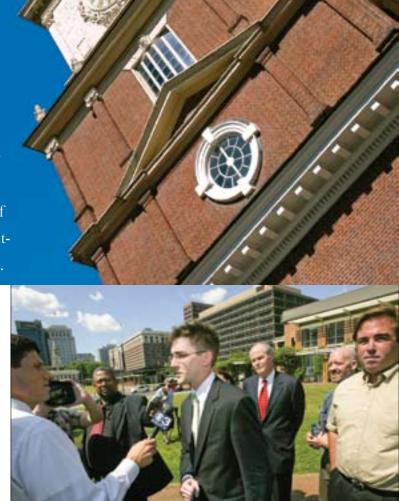
By Bob McNamara

s the birthplace of our Constitution and the city where the Declaration of Independence was signed, Philadelphia may be more central to the story of American liberty than any other place. There are countless stories to be told about the city's history and culture.

And starting this fall, if the city government has its way, it will be illegal for anyone to tell any of those stories without first passing a government-administered test and obtaining a government-issued license. Under a new law, anyone caught giving an unlicensed tour of the city for compensation—telling people about, for example, the Liberty Bell—will be subject to a \$300 fine.

It is a basic principle of American constitutional law that we rely on people to decide who they want to listen to, rather than rely on the government to decide who is allowed to speak. The city has decided to turn that principle on its head. Citing its own dissatisfaction with the current city tours—whose problems include, in the words of one city councilman, "making fun of some of our artwork"—the city has taken into its own hands the decision of who should (and should not) be allowed to talk to their fellow citizens about their shared history.

The irony of fining people for unauthorized speech in the very city where Congress sat when the First Amendment was ratified is not lost on Mike Tait, Ann Boulais and Josh Silver, three Philadelphia tour guides who joined forces with IJ this past July 4th week to file a federal lawsuit challenging the new tour-guide licensing scheme.



IJ Staff Attorney **Bob McNamara**, IJ President **Chip Mellor** and our clients speak with reporters the morning the case was filed.

Mike, Josh and Ann are like a lot of the city's guides. They are not in the business to get rich—tour guides do not earn very much money—but because they have a shared love of history and the story of the American founding. They are appalled that the city seems intent on trashing the very Constitution that makes Philadelphia's his-



Using strategies learned from the fight against eminent domain abuse, like the one in East Harlem, N.Y., above, IJ's Director of Community Organization **Christina Walsh** will map out a grassroots plan for each of IJ's pillars of litigation.

## IJ Expands Its Grassroots Activism

### By Christina Walsh

At the Institute for Justice, our efforts to vindicate individuals' most basic rights don't stop at the courtroom doors. For the past six years, the Castle Coalition has empowered and mobilized local groups to accomplish a critical goal: breaking up the unholy alliance between tax-hungry governments and land-hungry developers. As you have read in *Liberty & Law*, we have helped defeat eminent domain abuse nationwide by organizing communities and turning ordinary citizens into extraordinary activists through our training and publications.

Based on that success, IJ has now strategically expanded our grassroots activism to support each of our four pillars of litigation. The Castle Coalition's six years of grassroots experience in the trenches of the property rights debate have taught us important lessons that we are excited to apply to IJ's battles for economic liberty, free speech and school choice. Looking back on the Castle Coalition's successes, early organization and public demonstrations have proven instrumental in beating back government abuses of power.

Community meetings serve as a way to organize local groups and teach them how to win, and also perhaps just as importantly, that they *can* win. Nothing shows that better than

IJ's recent experiences in community organizing. This summer we traveled the coast of California, meeting with threatened property owners in Seaside, Baldwin Park and San Diego. Each city provided different opportunities for activism, and we were able to map out a grassroots strategy in each. Just over a month after IJ launched its new Texas chapter, we hit the road to San Antonio and Houston to give property owners media and organizational training. In Asbury Park, N.J., we spoke at a community meeting of Main Street business owners who were threatened by the city's development plan. We educated them about what they could do to fight, and more importantly, what others have done successfully to win. Sure enough, they packed the next city council meeting, and the plan was droppedand nobody had to go to court.

It was at meetings like these that IJ first became involved with two of our current cases in Long Branch, N.J., (pg. 1) and Clarksville, Tenn. (pg. 6). The Castle Coalition attended MTOTSA's (Marine Terrace, Ocean Terrace, Seaview Avenue) first organizational meeting in Long Branch, after which the group's grassroots battle to save their beloved oceanfront homes began. In Clarksville, we spoke at and helped plan the Clarksville Property Rights Coalition's first rally. Subsequently, the

city sued Coalition members for an ad they ran in the local paper opposing the development plan, and we agreed to defend them against this ridiculous lawsuit.

Rallies are very effective at raising awareness in the court of public opinion and demonstrating mass outrage. We have already held two rallies this year opposing government-imposed taxicab monopolies. In June, IJ Staff Attorney Bob McNamara led a rally of nearly 100 drivers at the Connecticut state Capitol; two months later we were in Denver, where IJ Staff Attorney Valerie Bayham organized a rally of scores of drivers who have been barred from starting their own taxi companies.

Our activism and community outreach efforts raise public awareness and thereby open new battlegrounds for IJ independent of our litigation to help more people who suffer under government's overreaching arm. And we will continue to stand on the front lines of those battles, shoulder-to-shoulder with the courageous activists who refuse to forfeit their rights to own property, speak, go to the school of their choice or earn

an honest living. ◆

Christina Walsh is the Institute's director of community organization.





# LIBERTY

strategic research, various constitutional law theories, and an IJ case workshop where they put their newly learned skills to use in a moot court and press conference. As in past conferences, the IJ client roundtable was a favorite among attendees and IJ staff, reminding us all of the human story at the heart of the cases we pursue.

IJ was honored to have Judge Janice Rogers Brown of the U.S. Court of Appeals for the D.C. Circuit deliver the conference's keynote address in which she shared her thoughts on the appropriate role of the judiciary.

After participating in the Institute for Justice's law student conference, attendees become members of our Human Action Network, which comprises past IJ clerks and interns as well as alumni of IJ's training conferences. HAN members assist IJ and further the cause of liberty throughout the country by identifying and researching potential cases, authoring amicus briefs and even litigating cases IJ is unable to take.

The Institute's annual law student conference is often the first introduction for law students to the "IJ Way" of public interest law and the beginning of a lifelong relationship as sup-

porters of the Institute for Justice.◆

Krissy Keys is the Institute's special projects manager.





## **Jack Wenders Scholar Award**

In August the Institute for Justice awarded the first Jack Wenders Scholar Award to litigation intern Max Leeds. The Wenders Award, created last winter as a memorial to IJ donor Jack Wenders, is designed to recognize a student who embodies the "IJ Way" by having a positive, open, resilient, principled and entrepreneurial attitude as well as a commitment to real-world results. Max, who now attends UCLA School of Law, earned the \$1,000 award by demonstrating a sincere enthusiasm for helping IJ attorneys and staff accomplish our mission in any way that he could, no matter how small. As a result, he made a big difference this summer in our efforts to advance individual liberty.





### **IJ Summer Clerks and Interns 2008**

Our 2008 headquarter's summer clerks and interns provided excellent legal research for IJ. They are from left to right, **Ted Holt**, Columbia University Law School; **Teddy Hanson**, Georgetown University; **Yelena Shagall**, Harvard Law School; **Marissa Miller**, Stanford University; **Molly Schindler**, Johns Hopkins University; **Joel Hills**, Grove City College; **Brad Hock**, Colgate University; **Dean Razavi**, University of Virginia Law School; **Anthony Dick**, Stanford Law School; **Benton Keatley**, Washington and Lee University School of Law; **Madison Kitchens**, Harvard Law School; **Quincy Andelin**, Indiana University School of Law–Bloomington; **Sam Gedge**, Harvard Law School; **Doran Arik**, Brooklyn Law School; **Anastasia Lewandoski**, American University's Washington College of Law; **Max Leeds**, UCLA Law School.



## Vindicating the Right to Protest Eminent Domain Abuse

### By Bert Gall

In the wake of the U.S. Supreme Court's infamous *Kelo v. City of New London* decision, which held that local governments may take a person's property for private development, home and business owners nationwide have relied on grassroots activism to defeat eminent domain abuse.

Grasssroots activism is political speech, and, like all political speech, rests on the First Amendment.

In Clarksville, Tenn., two men—Richard Swift, a member of the Clarksville city council, and Wayne Wilkinson, a member of Clarksville's Downtown District Partnership—are staging a direct assault on the right of free speech. When the city council considered a redevelopment plan that allowed the use of eminent domain for private development, a group of home and business owners formed the Clarksville Property Rights Coalition (CPRC). The group took out an advertisement in a local newspaper stating "[t] his Redevelopment Plan is of the developers, by the developers, and for the developers." It identified Swift and Wilkinson as developers who own property in the redevelopment area, and

stated that "[o]ur City government is controlled by developers."

No sooner had the ad speaking out against the project appeared than Swift and Wilkinson filed a frivolous libel lawsuit against the property owners and demanded the group pay them \$500,000.

Political criticism like that which appeared in this ad occurs every day in America—and. indeed, has been a mainstay of debate on public issues since our nation's founding. No doubt every politician and developer involved in controversial redevelopment projects wishes he could silence his critics. But most recognize that it is wrong to try to silence opposition through retaliatory litigation. Some, however, like Swift and Wilkinson, employ litigation as a tool of intimidation. Unable to make their case in the court of public opinion, they drag their critics into court because defending even the most frivolous lawsuit takes lots of time, money and energy. Thus, even though such lawsuits typically fail in court, they often succeed in wearing down and silencing opponents.

To prevent that from happening to the CPRC, the Institute for Justice is defending the

group from Swift and Wilkinson's frivolous lawsuit. In doing so, IJ intends to stop a dangerous and emerging national trend of such lawsuits filed by politicians and developers against opponents of eminent domain for private gain. If politicians could sue anyone who criticized them, everyone in America would need a lawyer. But under the First Amendment, you do not need a lawyer to speak out about public policy, and IJ intends to keep it that way.

The CPRC's members understand that all citizens have a First Amendment right to speak out against government abuse without getting sued for their speech by the very people whose actions they are protesting. As CPRC member Debbie Hunt put it, "Politicians and developers have to learn that they cannot bully us and other activists into submission by filing frivolous lawsuits. We're fighting not just for us, but for home and business owners everywhere who find themselves in a similar

situation."♦

**Bert Gall** is an Institute senior attorney.





## Fighting Eminent Domain Abuse in Music City

### By Chip Mellor

Nashville proudly showcases itself as the home of country music. Hank Williams, Dolly Parton, George Jones and so many others came to the city's Music Row to launch their careers. But now, Nashville is using eminent domain to eradicate a unique piece of that proud history to make way for a generic 12-story office building that will house an architectural and real estate firm.

Joy Ford and her late husband, Sherman Ford, founded Country International Records in 1974 and, in the early 1980s, bought the building on Music Row that houses the business—the building that is now threatened with eminent domain abuse. In her youth, Joy was a country singer and performed with Loretta Lynn in small country festivals throughout the South. In addition to forming Country International, Joy and Sherman built the Bell Cove Club in Hendersonville, Tenn., just outside of Nashville. Many

country music legends performed at the club, including bluegrass founder Bill Monroe.

While never a big player on the country music scene, Country International has had a steady and nurturing influence on many country singers and songwriters. The label has recorded and published songs that have made the Billboard Country Top 100, and several country songwriters such as David Allan Coe and Otis Blackwell—the author of such legendary hits as Great Balls of Fire, All Shook Up and Return to Sender-have worked with Country International and wrote songs at its headquarters. Pictures of these stars, along with others, line the walls of the small but lovingly maintained building.

Nashville's Metropolitan
Development and Housing Agency
(MDHA) is the redevelopment agency
for the city of Nashville and surrounding Davidson County. MDHA has now
entered into a development agreement

with the Lionstone Group, a Houston-based developer. The development agreement calls on MDHA to obtain Ford's property, which is bordered on three sides by Lionstone-owned land, and resell it to the firm at cost. MDHA is essentially renting out its eminent domain authority. Lionstone will pay for all costs of the condemnation, even paying MDHA's attorney's fees.

Incredibly, by its own admission, the developer does not need the headquarters of Country International in order to build the office tower.

Nevertheless, on June 20, MDHA filed a condemnation action against Joy, and the Institute for Justice joined with her to protect her property. We will stand with her until the final chorus proclaims victory.

**Chip Mellor** is IJ's president and general counsel.





Long Branch continued from page 1 try—made up of city officials, planners, developers and the law firms who represent them—has an iron grip on the New Jersey Legislature. Even modest attempts at reform have been squelched.

But since the Kelo decision, New Jersey courts have stepped up and are starting to protect the rights of home and small business owners faced with eminent domain abuse. The Long Branch decision is the latest in a series of major decisions from New Jersey courts, including the state Supreme Court, recognizing that state law and the New Jersey Constitution place real limits on the power of government to condemn property for private development. The eminent domain fight in New Jersey underscores the vital role that courts play in the protection of individual rights, serving, in the words of James Madison, as "impenetrable bulwark[s]" against encroachments on liberty by the executive and legislative branches of government.

New Jersey citizens are also fortunate to have Ron Chen as the state's Public Advocate, an appointee of the governor who serves as the citizens' advocate within New Jersey government. Although it is exceedingly rare to find a government official who actually sides with the individual in disputes over the proper role of government, Mr. Chen and his office have made challenging eminent domain abuse a signature issue.

The Public Advocate filed an *amicus* brief in the Long Branch case, as it has in several other eminent domain disputes, and even appeared alongside me in the oral argument in this case, asking the appellate court to rule in favor of the homeowners. Although Chen has been excoriated by Long Branch and other city officials in New Jersey for his championing of home

and small business owners in eminent domain cases, he has courageously stood his ground.

Stung by its loss at the appellate court, Long Branch filed a petition to the New Jersey Supreme Court asking the court to reconsider or clarify its Gallenthin ruling from last year. IJ, too, appealed to the state Supreme Court, but our request goes to the remedy in the case. Because we met our burden and established that the neighborhood is not blighted, the court should have ordered the condemnation actions dismissed outright rather than sending the case back to the trial court. If the court does not take up the appeal, the next step in the case will take place in the trial court. Under the appellate court's ruling, unless the city can produce some type of secret file containing substantial evidence of blight in the neighborhood, its efforts to bulldoze modest homes for a private developer must fail.

IJ Staff Attorney Jeff Rowes, co-counsel in the case, recently attended a victory celebration in the heart of the neighborhood in the home of our clients, the Vendettis. Although



Valiant longtime fighters and now survivors of eminent domain abuse in Long Branch, Lee and Denise Hoagland.

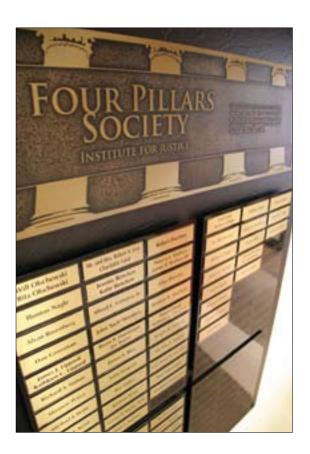
much work on this case remains before victory is final, Jeff related that the homeowners' usual sense of optimism in the face of great adversity had been transformed into a sense of triumph. For the first time in years, the shadow of eminent domain seemed truly to have retreated from the neighborhood, and the clients are once again entertaining concrete plans for the future, to enjoy what is rightfully theirs.

The relief was most evident in the eyes of our elderly clients, for whom the threat of displacement was especially dire, though this was tempered with regret for homeowners like Anna DeFaria and Al Viviano who passed away before the court made its decision. All of the clients expressed tremendous gratitude to IJ for our commitment to them and the liberty they champion. We will not rest until victory is complete for all of the homeowners.

Scott Bullock is an Institute senior attorney.







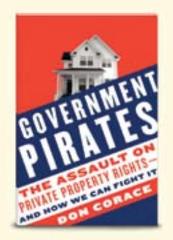
### **Four Pillars Plaque**

The newest addition to IJ's headquarters is a permanent wall plaque honoring those who have included the Institute for Justice in their long-term financial plans. It reads: "To recognize friends and supporters who have made a commitment to ensuring that the Institute for Justice has the resources to continue fighting for liberty as long as it is challenged, IJ established the Four Pillars Society. Each member leaves a legacy of liberty." The Society is named for the four areas of law where IJ litigates, "four pillars" that are crucial to individual freedom and limited government: economic liberty, private property rights, school choice, and free speech. Society members can choose to be listed by name or as anonymous supporters.

You can join the Four Pillars Society by making the Institute for Justice part of your legacy. Just let us know if you have included IJ in your will, or made us the beneficiary of an IRA or life insurance policy. We can also work with you to establish a "life income" plan such as a charitable gift annuity or a charitable remainder trust. All these gifts provide IJ with the financial support essential to achieving our long-term goals of triumphing over tyranny and advancing liberty for all Americans.

For more information about the Four Pillars Society or any of the gifts mentioned above, please contact Melanie Hildreth at (703) 682-9320 x. 222 or mhildreth@ij.org. You can also write her at 901 N. Glebe Rd., Arlington, VA 22203.◆

# Government Pirates: Book Defends Notion That Your Home is Your Castle



Real estate developer and property rights expert Don Corace offers a ground-breaking, indepth look at eminent domain abuse and other government regulations that strangle the rights of property owners throughout America. *Government* 

Pirates is filled with shocking stories of corrupt politicians, out-of-control judges, entrenched bureaucrats, greedy developers, NIMBY (Not-In-My-Backyard) activists and environmental extremists who conspire to seize property and extort money and land in return for permits. Much of the book champions cases litigated by the Institute for Justice. Corace provides the hard facts about individual rights and offers invaluable advice for those whose property may be in danger. Neal Boortz said, "Every day on my nationally syndicated radio show I do a segment on the 'government outrage of the day.' Don Corace has just given me enough material to last me until retirement."

# Good news in your inbox!

Don't wait for *Liberty & Law* to read the latest about how IJ has advanced liberty . . . learn about important IJ victories as soon as they happen with an e-mail alert. Sign up today and you will also learn about important developments in our cases in your state, and about any IJ events happening in your neck of the woods.

To sign up, send an e-mail to Melanie Hildreth, IJ's director of donor relations, at mhildreth@ij.org.





# **Empowering D.C. Parents To Fight for Their Children's Futures**

### By Bob Ewing

More than 1,000 parents crowded into a downtown high school gymnasium in Washington, D.C. They came from all over the city, but shared a common purpose: ensuring that their children continue to receive a quality education. The Opportunity Scholarship Program empowers about 2,000 kids to attend quality schools of their parents' choosing. Congress is now debating whether to continue the program.

The Institute for Justice works with these parents, teaching them how to effectively communicate with politicians and members of the media. Forums like these provide a voice for those who matter most: parents.

Consider Joe Kelly, a single father who is an inspiration to his community. Joe is well-known across the city as an engaged father who wants nothing more than to see his four children develop into healthy, responsible adults. His kids currently benefit from Opportunity Scholarships, but may be forced into failing government schools if the program is discontinued.

By understanding how to win in the court of public opinion, parents like Joe are one step closer to securing the bright futures for their children that have been made possible by school choice. Every step of the way, they will have the full support of the Institute for Justice.

**Bob Ewing** is the Institute's assistant director of communications.





(From left) IJ Staff Attorney Robert McNamara, and IJ clients Ann Boulais, Mike Tait and Josh Silver stand with IJ President Chip Mellor.

**Philly Tours** continued from **page 2** tory so important, and they are determined to stand up for their First Amendment rights.

Philadelphia's law is just one more example of the explosion of government licensing that IJ combats (as documented in Lee McGrath's "A Primer On Occupational Licensing" in this past April's Liberty & Law) and a particularly outrageous example of how government increasingly uses the guise of "occupational licensing" as a way of clamping down on free speech. As IJ has documented in representing everything from for-sale-by-owner real estate websites to newsletter publishers, governments increasingly think they can use the words "occupational licensing" as a kind of magical incantation to make the First Amendment disappear. Our challenge to Philadelphia's new law is one more step toward putting a permanent stop to that trend.

With a hearing scheduled in federal court October 6, IJ plans to make Philadelphia's tour-guide licensing scheme history—just one more story to tell in a city that is full of tales about the fight for freedom. And Mike, Ann and Josh will be able to tell you all about it.

**Bob McNamara** is an Institute for Justice staff attorney.

#### Volume 17 Issue 5

### **About the publication**

Liberty & Law is published bimonthly by the Institute for Justice, which, through strategic litigation, training, communication and outreach, advances a rule of law under which individuals can control their destinies as free and responsible members of society. IJ litigates to secure economic liberty, school choice, private property rights, freedom of speech and other vital individual liberties, and to restore constitutional limits on the power of government. In addition, IJ trains law students, lawyers and policy activists in the tactics of public interest litigation.

Through these activities, IJ challenges the ideology of the welfare state and illustrates and extends the benefits of freedom to those whose full enjoyment of liberty is denied by government.

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## Quotable Quotes

## FOX Hannity & Colmes

**IJ Staff Attorney Bob McNamara:** "What we're trying to do is uphold a pretty simple principle, which is that the Constitution protects your right to communicate for a living, and that's true whether you're a journalist or a standup comedian or a tour guide. Traditionally in this country, the way it works is we trust the people to decide who they want to listen to. We



don't trust the government to decide who gets to speak. And Philadelphia has basically just turned that directly on its head."

### Crain's Chicago Business

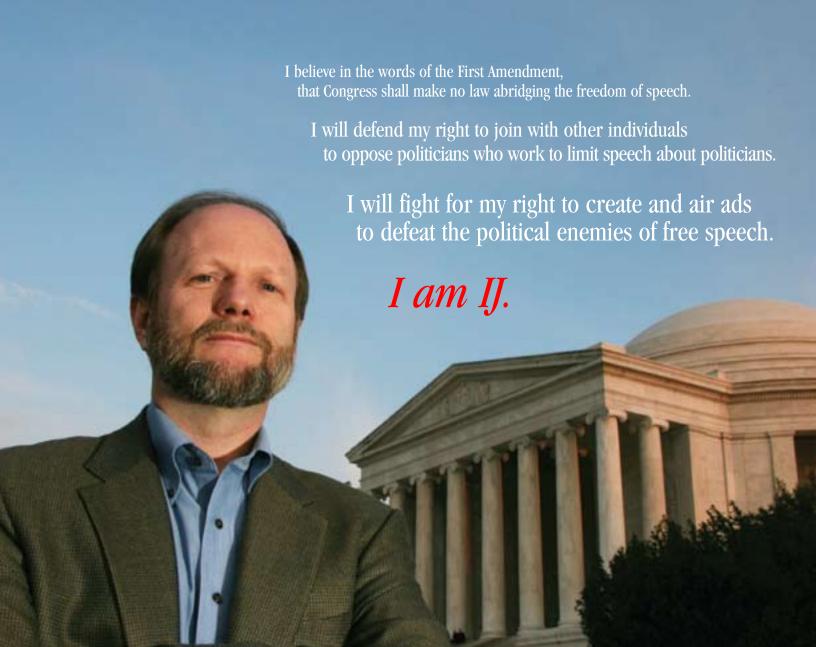
IJ Clinic Executive Director Beth Milnikel: "Sometimes, as with recent proposals to license expediters and event promoters, the city is trying to deflect the responsibility for its own shortcomings onto private citizens who happen to be in the vicinity of bureaucratic bumbling. Other times, local governments invent licensing fees in a bald attempt to raise revenue, or established businesses convince legislators that the public needs protection from competitors, entrepreneurs in other words. Unnecessary regulation like this chokes out entrepreneurship and is especially harmful for lower income entrepreneurs and the inner-city communities they serve."

### **Dallas Morning News**

"If the Texas Legislature proposed a law requiring all computer repairers to obtain a private investigator's license, with stiff fines for customers who used unlicensed repairers, computer users around the state would justifiably go berserk. But exactly such a measure quietly sneaked into law last year without even a raised eyebrow when Gov. Rick Perry signed it. The libertarian Institute for Justice sued the Private Security Board last week to halt enforcement."

### **Hartford Courant**

"Connecticut is one of four states that have 'title acts' banning the use of the 'interior designer' title without a license, according to the Institute for Justice, a libertarian public interest law firm that filed the lawsuit on behalf of [Lynne] Herrmann and designers Susan Roberts of Lyme and Cynthia Hernandez of Farmington. Each of the women had complained separately to the institute. 'Such legislation is driven by an elitist group of interior designers who want to limit competition,' said Clark Neily, a senior attorney for the Arlington, Va.-based institute."



David Keating, SpeechNow.org Washington, D.C.

www.J.org

Institute for Justice First Amendment Litigation

"The Supreme Court has eviscerated constitutional liberty that was intended by the founders."

—IJ President Chip Mellor in The Economist



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