May 16, 2005

Senator James M. Inhofe  Senator James M. Jeffords
Chairman  Ranking Member
Committee on Environment and  Committee on Environment and
Public Works  Public Works
United States Senate  United States Senate
Washington, DC 20510-6175  Washington, DC 20510-6175

Re:  U.S. Senate Hearing: May 18, 2005
Garden Communities
Our File No.: 02017.58560

Chairman Inhofe, Ranking Member Jeffords, and Members of the United States Senate Committee on Environment and Public Works:

My name is Monty McIntyre, and it is my privilege and honor to testify before you today on behalf of my client, Garden Communities.

President Abraham Lincoln, in his Gettysburg Address, said these immortal words:

That we here highly resolve that these dead shall not have died in vain, that this nation under God shall have a new birth of freedom, and that government of the people, by the people, and for the people shall not perish from the earth.

I’ve come here to tell you about the devastating consequences of violent acts by groups like the Earth Liberation Front ("ELF"). They certainly don’t believe in government of the people, by the people, and for the people. On August 1, 2003 ELF torched an apartment building that Garden Communities was building in San Diego, totally destroying the building and causing millions of dollars of damage.

Garden Communities is a company that builds and operates apartment buildings in California and Arizona, providing homes for thousands of people. It creates jobs, not only for its employees, but also for the many subcontractors and construction professionals that it works with.
Garden Communities properly follows the environmental laws applicable to its projects. California has one of the toughest environmental laws in the country, known as the California Environmental Quality Act (“CEQA”). Under CEQA the Garden Community project, known as La Jolla Crossroads, was required to undergo the most intensive environmental study which is called an Environmental Impact Report (“EIR”). When an EIR is being prepared, the public is notified and given the opportunity to provide input. The EIR considers the potential environmental impacts of the project, how those impacts might be eliminated or mitigated, and also considers alternative uses of the property. The La Jolla Crossroads project went through the extensive EIR process and was approved.

When completed, La Jolla Crossroads will include nine apartment buildings and one scientific research building. Before the ELF attack, the first building was expected to be completed by April of 2004, and the project completion date was scheduled for August of 2009. Approximately 50 to 60 companies and approximately 150 people were working on the project.

On August 1, 2003, ELF started a fire that completely destroyed the first building under construction. Why do we think that ELF is responsible? On the ground next to the burned building was a white bed sheet with spray painted letters that said “You make us mad. You build it. We burn it. ELF.”

All framing and the foundation for the building were completely destroyed. All construction work stopped immediately. Many of the companies who were working on the project struggled financially after the fire, and at least two companies either went bankrupt or stopped functioning all together. The fire loss also interrupted good working relationships that Garden Communities had developed with several of its subcontractors. After the fire, Garden Communities was forced to spend time and resources figuring out its fire loss, removing the damage and debris, renegotiating numerous contracts with subcontractors, and working to get the construction going again.

This fire loss will delay the total project completion by at least one year. Garden Communities has suffered approximately $22 million in damages from this terrorist act. The damages include overhead and general conditions, hard costs for the reconstruction of the building that was destroyed, and other damages related to the entire project including loss of rental income, increased carrying costs, and increased construction costs.

Garden Communities has further suffered because its fire loss claim has been wrongfully denied by Illinois Union Insurance Company, the second excess carrier. Illinois Union denied this fire loss claim, even though the primary carrier and the first excess carrier have paid their policy limits. Illinois Union’s bad faith acts mean that
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Garden Communities has been victimized twice, first by ELF and later by Illinois Union Insurance Company.

Garden Communities is a good company. It provides jobs for our citizens and builds much needed housing for folks in California and Arizona.

Garden Communities followed the environmental rules and was properly building this project.

By violently taking matters into their own hands, terrorist groups like ELF threaten our nation’s fundamental values including the idea that our government should be of the people, by the people, and for the people.

We hope that the United States Senate will do everything in its power to stop future unlawful acts by terrorist groups like ELF.

Respectfully submitted,

Monty A. McIntyre
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MAM:tags
cc: Stuart Posnonck
Steven Jacobson, Esq.