

CLEAR TAKEOVER

IT TOOK ONLY THREE YEARS FOR SCIENTOLOGY TO DOUBLE ITS DOWNTOWN CLEARWATER FOOTPRINT.

BY TRACEY McMANUS
Times Staff Writer

The Church of Scientology and companies run by its members spent \$103 million over the past three years buying up vast sections of downtown Clearwater.

They now own most commercial property on every block within walking distance of the waterfront, putting the secretive church firmly in control of the area's future.

Only government buildings and a smattering of holdouts are left.

To see the impact, go down Cleveland Street, downtown's main artery. Twenty-two of the first 33 buildings are now owned by the church or the parishioners' companies.

Most of the sales have not previously been reported. The *Tampa Bay Times* discovered them by reviewing more than 1,000 deeds and business records, then interviewed more than 90 people to reconstruct the circumstances surrounding the transactions.

Even city leaders said they didn't know the full extent of the purchases until they were shown maps created by the *Times*.

The church, its members and companies they control now own 185 properties that cover 101 acres in the center of downtown.

Half the properties were bought since January 2017.

The land grab started as tensions grew between the church and the Clearwater City Council. Each had proposed major redevelopment projects, designed to lure new business into the empty storefronts that surround the city-owned waterfront and the church's spiritual headquarters. Then the council interfered with a land deal that Scientology demanded for its plan. The church stopped communicating with the city.

Almost immediately, a decades-long trickle of purchases by church members turned into a flood.

Nearly all of the properties were bought through limited liability companies, which are required to disclose their operators but not their owners. Although that arrangement is standard in real estate, it makes it impossible to know whether the properties are owned by the Scientologists who manage the companies, the wealthy church or another hidden party.

But companies controlled by different parishioners bought neighboring properties that create clear assemblages of land.

Scientology's extraordinary influence over its members has been documented in government investigations and testimony from former parishioners throughout its 65-year history. That has led defectors from the church and city leaders to believe there is little chance parishioners are making significant real estate deals around Scientology's mecca without the church's involvement.

The church has shed no light on its plans. Local Scientology spokesman Ben Shaw and international spokeswoman Karin Pouw did not respond to repeated requests by the *Times* for an interview with Scientology leader David Miscavige.

In response to detailed memos summarizing the reporting, the church criticized the *Times* for portraying its members as "mindless robots" and for having a "preconceived agenda to present every Scientology story in a false and unfavorable light."

"There is nothing unnatural about Scientologists wanting to live in the same city that houses the international spiritual headquarters of their church," said a letter signed by Scientology attorney Gary Soter.

"The Church was unaware of the significant number of properties owned by Scientologists in the Clearwater area and are delighted you pro-



LUIS SANTANA | Times

In 2017, Scientology leader David Miscavige and the City Council were both trying to buy a vacant lot, center, owned by the Clearwater Marine Aquarium. It is adjacent to Scientology's 13-story Oak Cove religious retreat and across the street from City Hall. The aquarium sold to the city.

vided the information," the letter continued.

Asked directly whether Scientology orchestrated or paid for any of the sales, the church did not answer.

The *Times* also contacted representatives of all 32 companies it identified that bought downtown real estate over the past three years. Most did not respond or declined to comment.

The few willing to answer questions said Scientology has no influence on their real estate dealings.

"I don't mix my personal business with other areas in my life," said Terri Novitsky, a Scientologist who manages a company that bought two office buildings on Chestnut Street in 2017.

In interviews, sellers said most of the transactions unfolded the same way. A broker who was a Scientologist approached a downtown property owner. Made an offer. Paid in cash.

Many of the properties weren't on the market. And half the sales were for more than double what the properties were valued by the county property appraiser, the *Times* found. In six cases, buyers paid quadruple the property's value.

Most of the new owners have done little with their acquisitions. Block after block, vacant lots sit untouched, and storefronts remain empty: A former jewelry store. An empty Walgreens. A deserted coin laundry.

All five City Council members said they doubted the rash of purchases were unrelated.

"The logical conclusion is Scientology must have some sort of a game plan in mind, but they're not public with what it is," City Council member Hoyt Hamilton said as he looked at a map of downtown's new ownership. "Typically, when people buy commercial real estate, they move forward with construction or redevelopment. That's not happening with almost any of these properties."

The city wants to turn downtown into a regional destination for food, drink and entertainment. Longtime City Manager Bill Horne said he can't tell whether the church wants the same thing.

"Ever since I've been here, and ever since I've dealt with Scientology officials, I have heard the leaders articulate that they want to see a vibrant downtown," Horne said. "However, it hasn't always been clear to me as to just what does that actually mean."

Tom De Vocht, a former Scientology executive who oversaw the church's property in Clearwater from 1996 to 2001, said he believes Scientology is responding to the city's efforts by creating a buffer to keep the public away.

"They've got one intention, and one intention only," De Vocht said. "Buy up as much property as they can for

Church raised offer to \$15M

That's nearly four times Clearwater's bid to the aquarium for a 1.4-acre lot.

BY TRACEY McMANUS
Times Staff Writer

CLEARWATER — The Church of Scientology has offered the Clearwater Marine Aquarium nearly four times what the city is preparing to pay for a vacant downtown property.

Clearwater votes to buy coveted lot

The decision foils Scientology's designs for the 1.4-acre parcel, for which it bid nearly three times the city's \$4.25 million offer.



Mayor George Cortez speaks at a Thursday City Council meeting to give his support for the city's purchase of a 1.4-acre vacant lot at Ponce Street and Osceola Avenue from the Clearwater Marine Aquarium.

BY TRACY McMANUS
Times Staff Writer

CLEARWATER — The City Council on Thursday voted nearly 4-1 to buy a vacant lot with high-profile views from the Clearwater Marine Aquarium, interpreting a crucial piece of land the Church of Scientology said it needed for its temple.

A packed audience at City Hall greeted the 5-0 decision with applause. Scientology leader David Miscavige had offered to build a \$15-million-dollar revitalization of downtown if the city stepped aside and allowed the church to buy the lot, which borders the city's main religious campus. He pitched the idea last week at a sales meeting of downtown stakeholders with help from Scientology volunteers like Alan Tranter, and was willing to pay more than three times what the city was offering.

But council members said the 1.4-acre property at the corner of Ponce Street and Osceola Avenue is needed for the city's \$10-year, \$50-million overhaul of the waterfront and downtown park. The city staff said it could be acquired with the City Hall \$4.25 million offer.

the church — whether they use it or not, whether they let it sit there and rot — so no one else can be there."

'THE FIRST SCIENTOLOGY CITY'

Scientology's survival depends on the preservation of its headquarters in Clearwater.

Scientology has said it has 10 million followers, but surveys and accounts from former members suggest there are no more than 30,000 worldwide. The church's influence comes from the estimated \$3 billion in cash and assets it has collected from its followers.

Clearwater is the center of that revenue stream. Scientologists from across the globe make pilgrimages to the campus, called Flag. It's designed not for recruiting new members but for hosting established followers. The

campus collects millions each week through fundraising and payments for expensive courses and high-level religious counseling not offered anywhere else. Visitors are expected to stay in Scientology's hotels and eat at private church restaurants.

Flag is run by the church's full-time workforce, the Sea Org, whose members sign billion-year contracts and work around the clock. Defectors have said they were paid less than \$50 a week.

Flag is supposed to be an insulated oasis. Non-Scientologists who get too close are a threat to the operation, said Mat Pesch, who spent 27 years in the Sea Org and worked as Flag's treasury secretary before defecting in 2005.

"It's a business," Pesch said. "The more it's isolated and doesn't have people who are non-Scientologists around the area, the better."

The church's hostility toward the public became clear from its first days in the city in fall 1975.

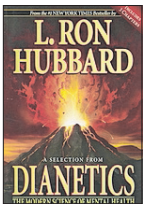
Scientology founder L. Ron Hubbard had written about doing away with governments and replacing them with a Scientology-run society. He was overseeing the religion from aboard a ship to avoid investigations into tax evasion and fraud when he selected Clearwater as a spiritual headquarters. It met his criteria: It was located in a warm climate near an international airport and had a hotel the Sea Org could turn into a base.

Church officials used a straw corporation to buy the historic Fort Harrison Hotel and moved in under a fake

» See TAKEOVER, 10A

A HISTORY OF THE CHURCH AND THE CITY

May 1950
Science fiction writer L. Ron Hubbard publishes *Dianetics: The Modern Science of Mental Health*, which theorizes that a so-called reactive mind is the source of all ills, from anxiety to arthritis. It teaches a person can erase the reactive mind and achieve a superhuman state called "clear." The book becomes a bestseller but is seen as a pseudoscience by health professionals.



1954
Hubbard turns his teachings into the Church of Scientology of California. The federal government recognizes the church as a tax-exempt religious organization three years later. It revokes the exemption in 1967, saying the group was a for-profit business enriching Hubbard.



Late 1975
The Southern Land Development and Leasing Corp. buys downtown Clearwater's Fort Harrison Hotel and leases it to a group called United Churches of Florida. It marks the end of its history as a hub for weddings, events and dining. Then-mayor Gabe Cazares raises the alarm, asking why the group was posting guards with billy clubs and mace.

January 1976
Scientology is revealed as the true buyer of the Fort Harrison amid intense scrutiny by the press and the mayor. Hubbard flees the city. Residents grow wary of the religion, already embroiled in legal battles with the federal government and defectors.



February 1976
Scientology files a \$1 million lawsuit against Cazares alleging he violated its constitutional rights with his public

criticism. Cazares responds with an \$8 million libel suit against the church.

1976
Scientologists follow Cazares to Washington, D.C. and stage a hit-and-run crash with a car in which he was a passenger. During Cazares' campaign for Congress, a woman named "Sharon T." mails letters to Tampa Bay leaders detailing the crash and making false allegations of an extramarital affair.

» See HISTORY, 8A