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THE RACE FOR CITY COUNCIL

Thalheimer Goes from Foe to Friend for Developers

By [DAVID WASHBURN](#)

Tuesday, May 13, 2008 | Four years ago, developers -- and anyone having anything to do with them -- were personas non grata in Phil Thalheimer's campaign for San Diego's District 1 City Council seat.

Over and over again, Thalheimer accused incumbent Scott Peters of being in the back pocket of developers whose projects "violate neighborhood plans and increase traffic" in a district that includes La Jolla, Rancho Penasquitos, University City and Carmel Valley.

He went so far as to hold a strident press conference on the front lawn of the Building Industry Association's local headquarters, during which he lambasted Peters for accepting as much as \$137,000 from the development industry.

Peters is now termed out, and Thalheimer is again on the ballot for the District 1 seat in the June 3 primary. This time, however, developers are no longer blacklisted -- in fact, they are welcome campaign contributors.

To date, developers, and others related to the building industry, have contributed at least \$5,710 to his campaign -- about 10 percent of his total outside contributions, according to a [voiceofsandiego.org](#) analysis of his campaign finance reports. And the tone of his rhetoric toward developers has softened considerably in his race against Democrat Sherri Lightner and Republican Marshall Merrifield.

"What I have learned in the last four years is that [developers are] an important constituent, important to community," said Thalheimer, who himself has become a developer of sorts since the 2004 election. He has invested between \$100,000 and \$1,000,000 in R.B. Haley, a San Diego-based real estate company, according to his statement of economic interest on file with the city clerk.

This lesson-learned has helped Thalheimer beyond his campaign ledgers. He has been readily endorsed by the business establishment's Lincoln Club this time around. This is a switch from 2004 when the conservative club would not endorse the Republican Thalheimer in the District 1 race even though he was facing a Democrat in Peters. Typically, when a race is between a Democrat and a Republican, the Lincoln Club goes for the Republican.

An endorsement from the Lincoln Club is arguably more valuable to Thalheimer, a flight school owner, this year than it was in 2004 when he had nothing to lose against a popular incumbent. The Lincoln Club spends money on the campaigns it endorses, and he received the endorsement over Merrifield, who is also well-funded and Republican.

Scott Barnett, Thalheimer's campaign manager in 2004, and a former Lincoln Club executive director, insists that then-Mayor Dick Murphy's support of Peters forced the club to withhold an endorsement of Thalheimer that year.

Other political insiders say the snub from the Lincoln Club was evidence of the business community's anger at Thalheimer's tactics. And there is a perception that he's had to spend the past four years patching things up.

"The very people he was attacking were on the Lincoln Club board of directors," said John Kern, Mayor Dick Murphy's former chief of staff and a political consultant not involved in the District 1 race. "Here is a guy who says, 'Hi I'm a Republican, I'm a business guy -- you guys are all dirty people.'"

T.J. Zane, now the Lincoln Club's executive director, was a consultant for Thalheimer during the early stages of his 2004 run, but quit the campaign over differences with Barnett.

"When Barnett came in and made some poor strategic decisions for the campaign, I left," Zane said. "It was perceived that he was anti-development and anti-business.

"Over the last four years he has had the opportunity to meet with a lot of folks and tell them how he feels about issues, which is different from what was perceived or conveyed during his last time around."

Thalheimer acknowledged that the news conference at the BIA headquarters was "a bad idea," but insists that "I didn't have to make amends with anybody."

However, he said he has met with BIA leaders both publicly and privately "and said yes, 'that was too aggressive.'"

Thalheimer's opponents are characterizing his change of heart as blatant political opportunism.

"The public is already pretty skeptical about politicians," said Tom Shepard, Merrifield's campaign consultant. "And it doesn't help that they take one position during one election and then turn 180 degrees in the next one."

His supporters portray it as the result of his maturation as a candidate for public office.

"My own view on Phil is that he is a much better candidate this time," said Duane Roth, former chairman of the Lincoln Club. "He is smart enough to know that one strategy is not going to work. These are people you have to live with after you are elected."

Barnett said the strategy he and Thalheimer employed in 2004 was decided on after it was clear that the Lincoln Club would not cross Murphy, who wanted to keep Peters as an ally on City Council.

"Murphy told [the Lincoln club's executive committee] 'Not to go against my friend Scott Peters,'" said Barnett, who was the club's executive director in 2002 and for the first half of 2003. "That helped dictate the strategy."

So, Barnett said, when he joined Thalheimer's campaign at the end of 2003 the choice was made to focus on growth issues and attack Peters' support from developers, the one issue where he seemed vulnerable.

Problems surrounding growth -- from the widening of Interstate 5 to building height limits in Bird Rock -- are paramount in a district comprised of voters who hold title to some of the most valuable real estate in California. And it was the one issue where Peters seemed vulnerable, Barnett said.

"For good or bad, fair or not, people blamed the people who build houses for problems with growth," Barnett said. "And because Phil had the means, he did not have to rely on fundraising. So that became a major tenant of the campaign. And to highlight it, he made a point of not taking any developer contributions."

Barnett added: "As always, it is the consultant's job to suggest how to win. The candidate then has to decide if his or her philosophy, ethics, and in this case, finances is consistent with what is needed to win."

Thalheimer, who self-funded his 2004 campaign with a loan of \$1.1 million, hit the anti-growth drum hard.

"I have pledged not to take one penny of developer campaign contributions before and after my election to the City Council," Thalheimer told the *Union-Tribune*. Barnett added that the pledge extended to money from contractors, real estate brokers, architects and engineers.

Thalheimer insists his 2004 stance was more than just a campaign strategy, and it was against all special interests, not just developers.

"I wasn't against development to begin with and wasn't against developers to begin with," Thalheimer said. "I wanted to come in with a great deal of independence."

He says he still values independence, and argues that he can maintain it while accepting contributions as long as he accepts money from "anyone," and his coffers don't tilt too heavily toward a few special interests.

Thalheimer has accepted nearly twice as much in development-related contributions as Lightner and Merrifield, who have accepted \$2,830 and \$2,760 respectively, according to the [voiceofsandiego.org](http://www.voiceofsandiego.org) analysis.

As of the latest campaign filings in mid-March, Thalheimer had raised a total of \$102,000, with \$43,000 coming out of his own pocket. Merrifield had raised \$189,000, with \$152,000 coming from his own contributions. Lightner has raised \$75,000, including a \$1,000 loan she made to her campaign.

Please contact [David Washburn](mailto:David.Washburn@voiceofsandiego.org) directly with your thoughts, ideas, personal stories or tips. Or [send a letter to the editor](mailto:David.Washburn@voiceofsandiego.org).



Phil Thalheimer railed against developers while running for City Council in 2004. Now, he's accepting campaign cash from them.
Photo: [Sam Hodgson](#)

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