

# Sect's purchase ousts tenants

By LESLEY COLLINS  
Sun staff writer

CLEARWATER — The Church of Scientology paid \$4.6 million Friday for a 200-unit Skycrest apartment complex to house its growing staff.

The church now owns 11 pieces of property — five of which are used as dormitories.

And while sect staff members are getting new lodgings, residents at Hacienda Gardens Apartments, 551 N. Saturn Ave., are being shown the door. They can stay at the complex until their current leases expire — but no longer.

"We purchased it to provide additional living accommodations for the increased number of church staff," Scientology spokesman Ludwig Alpers said Wednesday. "It's close, it's convenient, it's a beautiful part of town."

Notification of the property sale caught many apartment dwellers off guard Wednesday when church members delivered the notices to residents.

"I didn't know until I got the nice surprise today," said one unemployed resident, who had planned to renew her lease at the end of the month. "I don't know what I'm going to do."

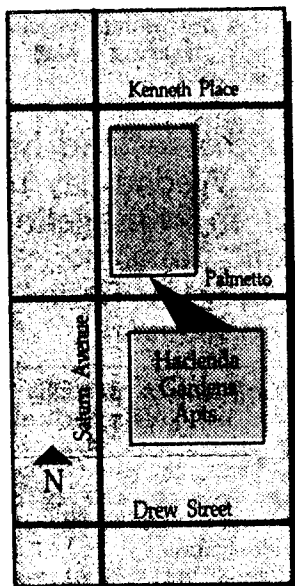
"I don't have any savings. And we had \$10 this past week for food and gas."

"Personally, this is devastating," tenant Beverly Nyberg said. "It's terrible that these people can take over everything in Clearwater."

"They should have been stopped years ago."

Hacienda Gardens has had several owners during the past few years, she said, adding that poor management and less-than-desirable tenants have driven away many of the good ones.

Said another resident who asked not to be identified: "If they (the Scientologists) had tried to evict everybody in 30 days, they would have



Northern Pinellas County's Local Daily

A Hearst newspaper

# Clearwater Sun

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## \* Sect

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had a war on their hands."

Previously, the church has concentrated its purchases in the downtown area. The sale of the commercially unsuccessful apartment complex marks the Scientologists' 11th property purchase in Clearwater — its first in a strictly residential area and its most expensive.

By comparison, the price tag for the sect's most notable Clearwater property — the Fort Harrison Hotel — was \$2.5 million 11 years ago. The total value of the church's holdings in Clearwater is about \$14.8 million, according to 1985 property assessment records.

Hacienda Gardens, owned by DRW HG Associates Inc. of Winter Park, was in the midst of foreclosure proceedings when a Tampa Realtor representing the sect bought several mortgages on the property, Scientology attorney Paul Johnson said Wednesday.

"It's really a straightforward transaction," he said.

The Pinellas County tax collector's office lists the 1985 assessed value of the complex at \$5,727,200 and its 1985 tax bill at \$102,246.56.

"The new owner is responsible for taxes in 1986," said County Property Appraiser Ron Schultz, whose office has been in litigation with the Church of

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Scientology since 1981 on property taxes levied but not received.

According to a property deed filed Monday at the Pinellas County Courthouse, the sect has agreed to pay the complex's tax bill's in 1986 and in subsequent years.

The Church of Scientology of California Inc., former owner of the sect's Clearwater properties, was held by the courts to be a taxable organization, Schultz

## Scientology properties

1. Fort Harrison Hotel (888 units), 210 S. Fort Harrison Ave., bought in 1975, 1985 assessed value: \$7,761,100.
2. Old Bank of Clearwater building, 500 Cleveland St., bought in 1975, 1985 assessed value: \$324,000.
3. 15 N. Fort Harrison Ave., property located behind the bank, bought in 1975, 1985 assessed value: \$232,400.
4. 25 N. Fort Harrison Ave., property located behind bank, bought in 1975, 1985 assessed value: \$103,600.
5. Former Sandcastle Motel (101 units), 200 N. Osceola Ave., bought in 1979, 1985 assessed value: \$2,340,900.
6. Former Heart of Clearwater Motel (54 units), 1024 Cleveland St., bought in 1979, 1985 assessed value: \$915,800.
7. Old West Coast building, 118 N. Fort Harrison Ave., bought in 1979, 1985 assessed value: \$765,200.
8. Old Clearwater Plasma Products Inc. building, 109 and 11 N. Fort Harrison Ave., bought in 1979, 1985 assessed value: \$117,100.
9. Former Quality Inn (60 units), 2056 U.S. 19 S., bought in 1979, 1985 assessed value: \$1,992,600.
10. Elks Lodge, 516 Franklin St., bought in 1983, 1985 assessed value: \$189,400.
11. Hacienda Gardens Apartments (200 units), 551 N. Saturn Ave., bought July 25, 1986, 1985 assessed value: \$5,727,200.

said. In 1981, that corporation transferred its interest to the Flag Service Organization Inc., which then applied for tax exempt status on all its Clearwater properties.

The tax collector's office denied the application for exemption, including its contention the second corporation was "merely an alter ego of the previous corporation," Schultz said.

The Scientologists plan extensive upgrading of the apartment

complex over the next several weeks including painting, landscaping and roof work, Alpers said.

The sect also plans to tighten security by installing a fence around the entire complex, he said. Guards, like those seen outside the Fort Harrison Hotel, will provide 24-hour security to the apartment buildings.

"It's not a big deal, my goodness," Alpers said. "They've already got a security guard there."