



San Diego City Attorney Jan I. Goldsmith

NEWS RELEASE

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Court Clears Way for Infrastructure Projects

Today, a court confirmed the dismissal of a lawsuit filed by lawyer Cory Briggs and San Diegans For Open Government and cleared the way for the City of San Diego to finally issue \$120 million in bonds to pay for badly needed infrastructure and public-safety projects.

San Diego, like many other cities, uses lease revenue bonds to finance capital improvement projects prioritized by the Mayor and City Council, including libraries, fire stations, life guard stations and accessibility projects, and to replace crumbling sidewalks and aging storm drains.

Among the projects that were endangered or delayed by the lawsuit were replacement of the Hillcrest fire station, reconstruction of the City Heights fire station, the completed construction of the Skyline Branch Library, construction of the new Mission Hills/Hillcrest Branch Library, and the completed construction of the South Mission Beach Lifeguard Station.

Other funds had been designated for the La Jolla Cove lifeguard station, San Ysidro Branch Library, the San Carlos Branch Library, the University Village tot lot, Tierrasanta athletic field lighting, upgrades to the SDPD pistol range and the Mission Beach Boardwalk sea wall, and accessibility projects under the Americans with Disabilities Act.

Had no lawsuits been filed, the first bonds would have been issued in April 2014.

Initially the City planned to issue the bonds in two groups. This allowed Briggs to sue twice, and so to lose twice.

In the first case, the City won on the merits. After a three-day trial last year, Superior Court Judge John S. Meyers issued a resounding affirmation of San Diego's method for funding neighborhood improvements. Myers said the bonds were clearly legal under the long-settled California Supreme Court case, *Rider v. San Diego*, which was a similar assault on the lease-revenue bonds that built the San Diego Convention Center.

The second lawsuit never got to trial.

This morning, Superior Court Judge Ronald L. Styn declined to reverse his earlier ruling dismissing the case for failure to serve notice as required by law. The dismissal is "with prejudice", a legal term meaning that it cannot be refiled. There remains a right to appeal, but an appeal is unlikely to affect issuance of the bonds.

“As we said before these lawsuits were filed, this sort of financing has been upheld by the Supreme Court and is used by cities throughout California,” San Diego City Attorney Jan Goldsmith said. “These lawsuits caused unnecessary delay and expense to taxpayers, but the law does not allow the City to recover attorney fees when we win.”

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