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April 23, 2013

Barbara J. Parker  
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Re: *Hazzard v. City of Oakland*  
Alameda County Superior Court Action No. RG 12642082  
First Court of Appeals, District One, Case No. A138354

Dear Ms. Parker:

This letter is offered in response to our recent conversation regarding the notice of appeal I recently filed in the above-referenced matter. While you stated that the law is not in my favor, I respectfully disagree. There were a number of errors made by the Court, which the Court of Appeals will now address, including the dismissal of this case with prejudice after I had voluntarily dismissed the case without prejudice.

Secondly, I recently provided you with a packet containing evidence that Prologis CCIG Oakland Global LLC was not in existence at the time City Council passed Ordinance 13131 on July 3, 2012. It should be of utmost concern to the City that this entity (Prologis CCIG Oakland Global LLC) was never named in any of the documents prior to June of 2012, and, in fact, it was not in existence until September 17, 2012 – three months after publishing notice of the ordinance – when it applied as an LLC with the Secretary of State.

As you know, there was no resolution authorizing the name change of the Master Developer, which had, between September 28, 2011 and June of 2012, been a **joint venture** consisting of Prologis Property, L.P. and CCIG Oakland Global LLC; but the LDDA names **one entity**: Prologis CCIG Oakland Global LLC – a limited liability company. The partnership which would have been accountable for any overruns on the project is mysteriously gone. This “smoke and mirrors” name change was the basis of for the causes of action for Fraudulent Conveyance and Conspiracy to Commit Fraud, which the Court declined to allow me to add to the complaint – **after it had tentatively ruled in my favor**. The abrupt change in ruling by the Court -- after no viable legal argument was offered at the hearing on the motion to amend -- clearly points to errors made by the Court.

As you are aware, requirements from the City of Oakland Request for Qualifications (RFQ) states "The successful proposer selected for this services SHALL obtain or provide proof of having a *current* City of Oakland Business tax certificate. Prologis CCIG Oakland Global, LLC did not have a business license at any time during 2012. This renders the LDDA executed on October 23, 2012 null and void, as well as the Property Management Agreement. It is no coincidence that Prologis CCIG Oakland Global LLC did not apply for a city business license until March 18, 2013 which coincided with the date that the Court struck the orders dismissing this action without prejudice. This highly unusual behavior only adds to the dozens of other questionable transactions with regard to Phil Tagami taking possession of the Oakland Army Base.

I would also like to remind you that the trial court never decided this case on the merits; it was arbitrarily dismissed on a *presumed* lack of standing and an argument by defense argued that "this has gone on long enough." The authorities cited in my opposition defeat defendants' lack of standing argument. Further, the argument of separation of powers was never decided by the Court; and the issue of fraud was never addressed. The City retained outside counsel to oppose this lawsuit when **that money could have been spent investigating the allegations in the complaint and renegotiating with a different developer** -- all to the benefit of the City. Your office has done the City a great disservice in opposing this case so vigorously and wasting taxpayer funds to dispose of this case "at all costs." Certainly the City, which promotes the ideal of *Just Pro Publico* ("Justice for the Public") has violated its own mission statement.

The citizens of Oakland are becoming increasingly aware of the incredibly reckless choice that the City made in selecting Phil Tagami as Master Developer of the Oakland Army Base, buying into his self-serving "One Vision, One Team, One Project" philosophy. **The execution of the LDDA is a fraudulent transfer; thus, the contract is null and void.** The absence of a legal entity at the time of execution will be challenged when this matter is remanded back to superior court.

This City continues to make the same people wealthy at the expense of the citizens and taxpayers. The intent of this lawsuit was to force the developer to show proof of his ability to finance this enormous project so that the City would not again be stuck with one of Mr. Tagami's multi-million dollar projects – this one being by far the largest and most expensive. The City has been front-loading all of the pre-development expenses and has allowed Phil Tagami to serve as the Master Developer of the Oakland Army Base without requiring him to bring any money to the table. The conflict of interest in Tagami serving as the project manager and developer has never been rectified by the City. Further, City staff is well aware that Mr. Tagami has previously cost the City hundreds of millions of dollars. He made hundreds of thousands of dollars on the Rotunda Building and the Rotunda Garage, while the City lost hundreds of thousands of dollars in revenue. Mr. Tagami made millions of dollars on the Fox Theater Project while the City of Oakland lost millions of dollars in overruns. Despite all of the above, the City is stubbornly moving forward with Phil Tagami just to "push a deal through" – which is what Fred Blackwell, Assistant City Administrator, said to me on August 3, 2012, the day this lawsuit was filed.

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The City's actions are a breach of fiduciary duty to the citizens. The execution of contracts with Phil Tagami constitutes fraud. This situation has all the elements necessary for any taxpayer to file a lawsuit under C.C.P. § 526(a). I would hope that you, as the City Attorney, would take whatever steps necessary to remediate this problem before the City is bled dry of all its financial resources by continuing to move forward with Phil Tagami. After all, even your job is at stake if the City is forced to file bankruptcy.

Clearly it is in the best interests of the City to immediately revoke the LDDA with Phil Tagami and Prologis CCIG Oakland Global LLC and select another master developer for the Oakland Army Base. Short of this revocation, however, I am left with no alternative but to pursue the appeal and to seek justice through the higher court of equity.

Very truly yours,



GENE HAZZARD

GH/he