

CITY OF OAKLAND



ONE FRANK H. OGAWA PLAZA • 6TH FLOOR • OAKLAND, CALIFORNIA 94612

Office of the City Attorney
Barbara J. Parker
City Attorney

(510) 238-3601
FAX: (510) 238-6500
TTY/TDD: (510) 238-3254

October 5, 2021

HONORABLE CITY COUNCIL
Oakland, California

Subject: Segula Investments, Inc., a California Corporation v. City of Oakland, a California municipal corporation, Oakland Department of Planning and Building, William Gilchrist in his official capacity, and DOES 1-10, inclusive
Alameda County Superior Court Case No. RG19005344
City Attorney File No. 34281
(Planning and Building Department – Permitting Fees Dispute)

President Fortunato Bas and Members of the City Council:

Pursuant to Section 401 of the Charter, the City Attorney has prepared and requests your approval of a resolution authorizing compromise and settlement of the above-entitled claims for the sum of Four Hundred Sixty-Five Thousand Dollars and Zero Cents (\$465,000.00), payable to Zacks, Freedman & Patterson, a Prof Corp Interest on Lawyers Trust Acct/IOLTA.

This action arises from a dispute about the refund of permitting fees Plaintiff paid with a building permit application, which Plaintiff filed on June 13, 2018 for the 2305 Webster Street Project. Plaintiff paid \$624,307.75 in total fees and, after it withdrew its application and filed its refund request, the City determined that the City would retain and not refund \$446,326.49 of the fees. Plaintiff filed a lawsuit against the City, its Planning and Building Department, and Planning and Building Director William Gilchrist in his official capacity, alleging conversion, unjust enrichment, and violations of the United States and California constitutions, and petitioning for a writ of mandate. Specifically, Plaintiffs allege the City did not perform a level of work and incur costs sufficient to justify the \$446,326.49 in fees the City sought to retain. The City denies any wrongdoing or liability and does not admit any of Plaintiff's allegations.

The Council authorized settlement and dismissal of this case in Closed Session on Thursday, September 23, 2021 (moved by Councilmember Carroll Fife and seconded by Councilmember Loren Taylor - 8 Ayes, 0 Noes).

Respectfully submitted,

A handwritten signature in blue ink that reads "Ryan G. Richardson".

Ryan G. Richardson for
BARBARA J. PARKER
City Attorney

Assigned Attorneys:
Andrew S. Huang
Brian Mulry