

Erika Warfield

From: Nancy Graham
Sent: Wednesday, April 09, 2008 11:06 AM
To: 'Kim Kilkenny'
Subject: RE: Confidential

Who is she?

Nancy

Nancy C. Graham
President and COO
Centre City Development Corporation
225 Broadway, Suite 1100
San Diego, CA 92101-5074
Tel: 619.533.7168
Fax: 619.236.9148

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-----Original Message-----

From: Kim Kilkenny [mailto:kkilkenny@otayranch.com]
Sent: Wednesday, April 09, 2008 11:05 AM
To: Nancy Graham
Subject: RE: Confidential

Let me know if you hear the name Nancy Fay associated with any of this. If that occurs we should talk. KJK

-----Original Message-----

From: Nancy Graham [mailto:graham@ccdc.com]
Sent: Wednesday, April 09, 2008 10:57 AM
To: Kim Kilkenny
Subject: RE: Confidential

I believe it was through an e-mail that was sent by someone to the Metropolitan Magazine, but was brought to my attention through word getting to William Jones, who passed the e-mail along to me.

Just frustrating because someone is trying to create something where there is nothing and most particularly having to do with sour grapes from the sound of it. And factually incorrect.

Thanks,

Nancy

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President and COO
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-----Original Message-----

From: Kim Kilkenny [mailto:kkilkenny@otayranch.com]
Sent: Wednesday, April 09, 2008 10:53 AM
To: Nancy Graham
Subject: RE: Confidential

How was the suggestion of a conflict brought to your attention? In other words who said something? KIM

-----Original Message-----

From: Nancy Graham [mailto:graham@ccdc.com]
Sent: Wednesday, April 09, 2008 10:46 AM
To: maas@blackmountainranch.com; 'Jennifer LeSar'; Kim Kilkenny
Cc: 'Helen Peak'

-----Original Message-----

From: John Collum
Sent: Wednesday, April 09, 2008 9:42 AM
To: Nancy Graham
Subject: FW:

This is the email that I mentioned yesterday from William Jones.

-----Original Message-----

From: Debbie Brown [mailto:Debbie.Brown@citylinkinc.com]
Sent: Tuesday, April 08, 2008 6:29 PM
To: John Collum
Subject:

Hello John,

William asked that I forward this e-mail to you for your information.

Debbie

If the executive director of one of the largest government agencies in San Diego had a 25-year personal and business relationship with a private developer who had a \$100 million contract in front of that agency, would that be a conflict of interest?

And would you expect that person to recuse themselves from deciding on that contract?

Or at least disclose the conflict?

Yes. That is exactly why these laws are written.

But that is the exact situation of what happened (is happening) at the Centre City Development Corporation right now.

And it was never disclosed. Nor did CCDC executive director Nancy Graham recuse herself.

And this relationship may explain some weird things that happened to this project. Here are some details of the project and news clips about the conflict of interest between CCDC executive director Graham and the Related Companies from when she was a mayor and a consultant in Florida.

Something smelled fishy last year when CCDC voted to award an out of town developer a big contract to develop an entire city block at Seventh and Market in downtown San Diego.

The numbers just didn't make sense. But there was something else even stranger which no one knew. Which was even worse than bait and switch: A conflict of interest so large that newspapers in Florida wrote about it. (attached)

Clips attached.

But first the deal.

At the CCDC meeting last year, smelling a bait and switch, several folks stood up in public comment and said if that company - Related along with William Jones City/Link - could build that project than that would be a great deal for CCDC.

But they all agreed - everyone except Related and CCDC staff - that the project's numbers were so ridiculously out of whack for building costs and resulting revenues that it would never be built.

And the developer would revise its numbers. Just the way it had done in Los Angeles and Las Vegas. (clips attached)

Bait and Switch.

And then CCDC board would either kick them out for their bait and switch tactics - which is what happened in Las Vegas. Or say fine - we'll pay more. Even though we chose you because of your original numbers. Which is what happened in LA.

And that is what happened at CCDC. Here are some numbers:

Related and Jones revised their numbers: They revised the number of affordable units from 84 to 66.

They reduced the number of units from 418 to 333.

They asked for more money for affordable units.

They asked for 5.8 million more dollars for the parking garage.

They reduced the number of rooms in their hotel from 220 to

183.

Which all have the same effect: Reducing money to the City - and increasing money to the developer.

But here is another piece of bait:

The increased the projected sale price of the residential units from \$708/ per square foot to \$1250 per sq. ft.

Which is supposed to bring in more money for CCDC.

Which no one believes can happen because the prices is way too high.

Real estate prices are lower. Not higher. (News flash!)

HERE'S WHAT IT GETS REALLY STRANGE:

When this deal came to CCDC last year, two CCDC Board members recused themselves because they had current or former business relationships with people connected to one of the (soon to be losing) proponents.

It was probably an abundance of caution since the relationships were so small or not even current.

But the person with the biggest conflict did not disclose it - nor did she disqualify herself.

I'm talking about executive director Nancy Graham.

When Graham was the mayor of a town in West Palm Beach, Florida, Graham worked closely with Related on a big project there.

Fair enough. Grounds for a recusal? Maybe. Maybe not.

But after leaving her job as Mayor, Graham went to work for/with Related.

A company where she has known for the owners really well for more than 20 years.

Is that a conflict?

Oh yes.

And it may explain some of the following:

1) Related did the bait and switch and CCDC staff went along with it.

2) Staff recommended and the CCDC board approved an extension of the exclusive negotiating agreement with Related. A bit unusual. But not that much. Then staff gave Related another extension on its negotiating time - without board approval.

No one has ever seen that before.

Bottom line: This is a deal that is now far inferior to the other deals CCDC rejected last year. Including an offer from one of the property

owners
at the site.

I don't know much more about it than this. But here are the
clips I
was
telling you about.

Joe

Here are some Nancy Graham clips from Florida.

Followed by clips about the developer from LA and Vegas.

Palm Beach Post, The (FL) October 16, 2005
Edition: FINAL Section: LOCAL Page: 1C

Topics:

Index Terms:

POLITICS CITY OFFICIAL WPB ISSUE WOMAN AGE

POLITICAL ALLIANCE DEVOLVES INTO RIVALRY

Author: THOMAS R. COLLINS, Palm Beach Post Staff Writer

Dateline: WEST PALM BEACH

Article Text:

It was a beautiful political love story.

Lois Frankel, a master campaigner, was term-limited out of her state
representative

seat and looking for a new political home. Nancy Graham, enjoying the
legacy

of her time as the city's first strong mayor, was frustrated by the
performance

of Mayor Joel Daves.

Together, they set out for Daves' head and got it, with Graham giving
Frankel

a kiss when they heard the results at a 2003 election night victory
party.

With Graham as the head of the Downtown Development Authority, they
embarked

on ambitious projects.

But the two powerful women realized that political love can be all too
fragile. Little more than a year later, Graham resigned from her post.

And on Oct. 6 in front of TV cameras, Graham announced her opposition to

one of Frankel's centerpieces: the City Center complex, with the city
hall

and library - two projects they once confidently assumed they would
usher

into the downtown as a team one day.

The renewed public status of Graham has led many to wonder whether the
Lois Frankel-Nancy Graham story, now one of divorce, will end with

Graham

attempting to take the house from Frankel with a run for mayor in 2007.

With two captains trying to steer the ship, many observers said, the
split

was almost preordained.

"Their personalities were so volatile, I did believe there would come a
time when they saw issues differently," former city Commissioner Al

Zucaro

said. "And I think that was the common belief on the streets throughout