

**SUBMITTED FOR THE RECORD by JON GOLINGER**  
**Informational Hearing on Sunlight on Dark Money Initiative**  
**7/15/19**

Concern that developers exert undue influence undoubtedly exists, as evidenced in media reports focused on City Hall in recent years, a 2014 Civil Grand Jury report ([http://civilgrandjury.sfgov.org/2013 2014/2014 SF CGJ Report Ethics in the City.pdf](http://civilgrandjury.sfgov.org/2013%202014/2014%20SF%20CGJ%20Report%20Ethics%20in%20the%20City.pdf)), and in extensive public comment received by the Ethics Commission at numerous Ethics Commission meetings (See, San Francisco Ethics Commission Meeting Minutes, <https://sfethics.org/ethics/category/minutes>)

There is no question that the widespread perception is that there is a pay-to-play culture in San Francisco, in which developers give money to elected officials and their favorite organizations in an attempt to influence decisions about development projects and public policy.

See, e.g., "San Francisco must end its pay to play practices", 3/21/17, <https://www.sfchronicle.com/opinion/openforum/article/San-Francisco-must-end-its-pay-to-play-practices-11015569.php#>; "City contracts followed campaign gifts for Mayor", 1/21/16, <https://www.sfexaminer.com/news/city-contract-followed-campaign-gifts-for-mayor-lee/>; "Figures Scrutinized by FBI Loom Large in Hunters Point Shipyard Project", 6/22/16, <https://www.kqed.org/news/11019150/figures-scrutinized-by-fbi-loom-large-in-hunters-point-shipyard-project>; "SF Corruption a game that's too easy to play", 3/23/17, <https://www.sfchronicle.com/opinion/editorials/article/SF-corruption-a-game-that-s-too-easy-to-play-11024070.php>; "SF court hears recorded phone calls in City Hall corruption case", 3/21/17, <https://www.sfchronicle.com/bayarea/article/SF-court-hears-recorded-phone-calls-in-City-Hall-11018178.php>; "'Shrimp Boy' case leads S.F. mayor's campaign to purge donations," 8/8/15 <https://www.sfchronicle.com/bayarea/matier-ross/article/Shrimp-Boy-case-leads-S-F-mayor-s-6432444.php?t=6bf99db050&cmpid=twitter-premium>

These media reports and the allegations they contain, whatever the ultimate result, significantly erode public confidence in City government.

Actual corruption and widespread ethics violations are specifically associated with developers.

In 2016, the District Attorney charged two former SF City officials with felony counts of campaign money laundering and bribery and obtained guilty or no contest pleas in both cases.

See, e.g., "Former City Commissioner, City Employee & Political Consultant Facing Corruption Charges," 1/22/16, <https://sfdistrictattorney.org/former-city-commissioner-city-employee-political-consultant-facing-corruption-charges>; and "SF City Hall 'pay to play' bribery case ends in plea agreements by city insiders," 4/13/19, <https://www.sfchronicle.com/bayarea/article/SF-City-Hall-pay-to-play-bribery-case-ends-13739572.php>

Prohibiting campaign contributions from developers seeking a particular result in a City decision to San Francisco city officials while that decision is under consideration and for a reasonable period thereafter supports the vitally important government interests in reducing both actual and perceived corruption and in restoring public trust in government institutions.



# SAN FRANCISCO / Port developer Mills' donations questioned / Firm legally skirted city law in giving to Newsom, Sandoval

Charlie Goodyear, San Francisco Chronicle Staff Writer

Thursday, November 11, 2004

Top executives of a company pursuing a controversial development agreement with the Port of San Francisco donated a combined \$4,000 to the campaigns of San Francisco Mayor [Gavin Newsom](#) and Supervisor [Gerardo Sandoval](#), despite a city law barring contributions from firms seeking such business deals.

The campaign contributions by the Virginia-based [Mills Corp.](#), which won a key [Port Commission](#) vote on Tuesday for a development project at Piers 27-31, legally skirt the city prohibition on campaign donations because they were given by people who work for the company rather than by the company itself.

The prohibition -- part of 1995 voter-approved campaign finance law -- is designed to prevent would-be developers and city contractors from using contributions to curry favor with elected officials and to avoid the appearance of conflicts of interest on the part of contribution recipients.

"This law has been interpreted to apply to the corporation rather than the individual executive," said [John St. Croix](#), executive director of the city's [Ethics Commission](#), which enforces local campaign finance laws.

Campaign finance records filed with Ethics Commission show that four Mills executives each gave the maximum-allowed amount of \$500 to Supervisor Gerardo Sandoval's 2004 re-election campaign on May 4.

"The Mills has been doing business in the city of San Francisco since the mid '90s and as a member of the San Francisco community we are proud to participate as community members," said Mills spokesman [David D'Onofrio](#). "We are often asked to contribute to campaigns, and in many cases we do so."

Sandoval did not return phone calls seeking comment.

The records also show four Mills executives gave \$500 apiece to Newsom's mayoral campaign on Sept. 19, 2003.

Asked about the contributions, the mayor's spokesman, [Peter Ragone](#), said: "Anyone who knows Gavin Newsom understands that his decisions are made on principle and in the best interests of the city of San Francisco."

Jon Golinger of Citizens to Save the Waterfront, a group of businesses, residents and activists which opposes Mills' development plan for the piers, said he believes the contributions are part of an effort to build political support for Mills among officials who have to vote or sign off on its project.

"They certainly want to secure them," Golinger said. "Who gives you money doesn't always define your decisions but it does raise questions."

Mills has been in talks with the Port of San Francisco since 2001 over its proposed office, retail and recreation development on 23 acres of waterfront property at the foot of Telegraph Hill. Opponents say the development includes too many business uses and would draw more cars and trucks than the Embarcadero could handle.

After months of negotiations with port officials and public meetings, the Port Commission voted unanimously on Tuesday to approve a deal with Mills, sending the \$200 million project to the next stage of review by the city Planning Commission and other government bodies.

Among the other beneficiaries of campaign-giving by Mills executives was former Mayor Willie Brown -- credited with helping Mills secure an exclusive right to negotiate with the port by lobbying a port commissioner to vote for the company in 2001. Two years earlier, Brown's re-election campaign received a total of \$5,000 from six Mills executives.

Andrew Lee, a candidate for supervisor in 2002, also received a \$500 contribution from Mills executive vice president Steven Jacobsen, who repeatedly has given testimony before the Port Commission this year. Jacobsen also was one of the donors to the campaigns of Brown, Newsom and Sandoval.

Mills spokesman D'Onofrio noted that business owners along the waterfront and other opponents of the project also have made donations to candidates.

Golinger, the Mills project foe, said it is a virtual certainty that the project's design eventually will be appealed to the Board of Supervisors, where Sandoval sits. A final development lease would go before the board and the mayor.

"We have some hope that while this was a Willie Brown deal, it doesn't have to become a Gavin Newsom deal," Golinger said. "I think the good news is that the mayor has been willing to listen to all sides. Mills, as well as us, knew this was going to be all about the Board of Supervisors as well as the mayor. Mills' donations bear this out."

<https://www.sfgate.com/bayarea/article/SAN-FRANCISCO-Port-developer-Mills-donations-2673012.php>