

Daily Journal

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TOP VERDICTS OF 2015

The Largest and most significant verdicts and appellate reversals handed down in California in 2015

TOP DEFENSE RESULTS

Gonzalez v. Johnson

CASE INFO

Petition for Writ of Mandate and Complaint to Restrain Fraudulent, Wasteful and Illegal Expenditure of Public Funds, and Reverse Validation Action

Sacramento County Superior Court

Superior Court Judge Timothy M. Frawley

Defense attorneys: Meyers Nave Riback Silver & Wilson PLC, Dawn A. McIntosh, Brenda Aguilar-Guerrero; Office of the Sacramento City Attorney, James C. Sanchez

Plaintiffs' attorneys: Cohen Durrett LLP, Jeffrey L. Anderson

Proponents of Sacramento's new \$477 million downtown arena, designed to showcase its Sacramento Kings pro basketball team, called it "the most transformational economic development effort underway in the greater Sacramento area."

The arena was key to the city's effort at blocking the Kings' planned relocation to

Seattle. With similar potential pro sports franchise churning ongoing in Oakland, San Diego and Los Angeles, the case could help clarify legal rules for future deals.

Foes termed it a boondoggle involving a "secret subsidy" by the city as part of a public-private partnership deal. The city's contribution was said to be \$255 million.

A citizen activist suit to halt construction foundered following an 11-day trial, however, when Sacramento County Superior Court Judge Timothy M. Frawley in July rejected the plaintiffs' challenge to the city's finding that "significant public benefits" will result from issuing bonds to build the facility. *Gonzalez v. Johnson*, 34-2013-80001489 (filed May 14, 2013).

The lead defendant was Sacramento Mayor Kevin Johnson.

Lawyers at municipal government firm Meyers Nave Riback Silver & Wilson PLC, representing the city, called the defense win significant.

Prior to the decision, "there were no legal precedents guiding cities in their issuance of bonds under the [Marks-Roos Local Bond Pooling Act of 1985], so this case provides some much-needed guidance in this murky area of law," the firm crowed in a media statement.

The ruling capped a Meyers Nave unbeaten streak in defeating all legal challenges against the arena, including two published appellate decisions denying a CEQA-based attack on the project itself and a constitu-

tional challenge to a special statute passed by the state to streamline review of the arena.

The win "helped to establish a roadmap for all parties involved in similar controversies throughout California regarding proposed arena projects associated with the retention or relocation of professional sports teams," the firm said.

— John Roemer