

1 STACEY FULHORST, Executive Director
2 City of San Diego Ethics Commission
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7 Petitioner

8 **BEFORE THE CITY OF SAN DIEGO**
9 **ETHICS COMMISSION**

10 In re the Matter of:) Case No.: 2004-41
11)
12 HAROLD SADLER,) **STIPULATION, DECISION AND**
13) **ORDER**
14 Respondent.)
15)
16)

17 **STIPULATION**

18 **THE PARTIES STIPULATE AS FOLLOWS:**

19 1. Petitioner Stacey Fulhorst is the Executive Director of the City of San Diego Ethics
20 Commission [Ethics Commission]. The Ethics Commission is charged with a duty to administer,
21 implement, and enforce local governmental ethics laws contained in the San Diego Municipal
22 Code [SDMC] relating to, among other things, the filing of Statements of Economic Interests
23 [SEIs] and the disqualification from municipal decisions that affect a City Official's economic
24 interests, as required by the City's Ethics Ordinance.

25 2. Respondent Harold Sadler [Respondent] is the Chair of the Board of Directors of the
26 Centre City Development Corporation [CCDC]. He became a member of the CCDC Board on
27 March 27, 2001, and was elected Chair on September 18, 2002. In addition, Respondent is the
28 Chairman of the Board of Tucker, Sadler, Noble, Castro [TSNC], an architectural firm located in
the City of San Diego.

3. This Stipulation, Decision and Order [Stipulation] will be submitted for consideration
by the Ethics Commission at its next scheduled meeting, and the agreements contained herein are

1 contingent upon the approval of the Stipulation and the accompanying Decision and Order by the
2 Ethics Commission.

3 4. This Stipulation resolves all factual and legal issues raised in this matter by the Ethics
4 Commission without the necessity of holding an administrative hearing to determine the
5 Respondent's liability.

6 5. Respondent understands and knowingly and voluntarily waives any and all procedural
7 rights under the SDMC, including, but not limited to, a determination of probable cause, the
8 issuance and receipt of an administrative complaint, the right to appear personally in any
9 administrative hearing held in this matter, the right to confront and cross-examine witnesses
10 testifying at the hearing, the right to subpoena witnesses to testify at the hearing, and the right to
11 have the Ethics Commission or an impartial hearing officer hear this matter.

12 6. The Respondent acknowledges that this Stipulation is not binding upon any other law
13 enforcement or government agency and does not preclude the Ethics Commission from referring
14 this matter to, cooperating with, or assisting any other law enforcement or government agency
15 with regard to this or any other related matter.

16 7. The parties agree that in the event the Ethics Commission refuses to accept this
17 Stipulation, it shall become null and void. Respondent further agrees that in the event the Ethics
18 Commission rejects the Stipulation and a full evidentiary hearing before the City Ethics
19 Commission becomes necessary, no member of the Ethics Commission or its staff shall be
20 disqualified because of prior consideration of this Stipulation.

21 **Summary of Law and Facts**

22 *Disclosure of Economic Interests*

23 8. As a member of the CCDC Board, Respondent is a "Local Code Filer" as that term is
24 defined by SDMC section 27.3503, and is required to file SEIs in the time and manner set forth
25 in SDMC section 27.3510.

26 9. SDMC section 27.3510 requires all Local Code Filers to file an annual SEI on or
27 before April 1 of each year, covering the period from January 1 through December 31 of the

28 ///

1 previous calendar year, pursuant to the applicable Conflict of Interest Code adopted by the City
2 Council.

3 10. Respondent filed an SEI for the 2003 calendar year on March 30, 2004. In
4 accordance with the Conflict of Interest Code for CCDC adopted by the City Council on
5 November 18, 2002, Respondent was required to report business positions in, and income from,
6 various types of entities, including architectural firms located or doing business within the Centre
7 City and Horton Plaza Redevelopment Project Areas. Respondent did not report any income
8 received from TSNC during 2003 despite the fact that, as discussed in greater detail below,
9 TSNC conducted business within these redevelopment project areas during the 2003 calendar
10 year.

11 *Disqualification from Municipal Decisions Affecting Economic Interests*

12 11. As a member of the CCDC Board, Respondent is also a City Official as that term is
13 defined by SDMC section 27.3503, and is required to abide by the disqualification requirements
14 set forth in SDMC section 27.3561:

15 It is unlawful for any City Official to knowingly influence a municipal decision if
16 it is reasonably foreseeable that the municipal decision will have a material
financial effect on:

17 (a) the City Official or a member of his or her immediate family, if the material
18 financial effect is distinguishable from its effect on the public generally; or

19 (b) any of the following economic interests:

20 ...

21 (2) any business entity for which the City Official or a member of the City
22 Official's immediate family is a director, officer, partner, trustee,
employee, or holds any position of management; and

23 ...

24 (4) any person from whom a City Official or a member of the City Official's
25 immediate family has received (or by whom you have been promised)
\$500 or more in income within twelve months prior to the municipal
26 decision;

27 ...

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1 million in bonds, the proceeds of which included additional unspecified funding for the Main
2 Library.

3 **Factors in Mitigation**

4 19. Respondent cooperated fully with the Ethics Commission investigation.

5 20. Once the foregoing circumstances were brought to the Respondent's attention, he
6 took immediate action to ensure that the CCDC Board promptly re-voted (without his
7 participation) on the three municipal decisions discussed above. In addition, the Respondent
8 worked with the CCDC Board to initiate new procedures designed to encourage compliance with
9 the disqualification provisions in the Ethics Ordinance.

10 **Conclusion**

11 21. Respondent agrees to file an amended 2003 SEI and properly disclose the income
12 received from TSNC during this time period on or before December 15, 2004.

13 22. Respondent agrees to take necessary and prudent precautions to comply with all
14 provisions of the Ethics Ordinance in the future. In particular, Respondent agrees to fully and
15 completely disclose his economic interests, and to abstain from participating in any municipal
16 decisions that materially affect his economic interests.

17 23. Respondent shall pay a fine in the amount of \$6,000 for violations of SDMC
18 sections 27.3510 and 27.3561. This amount must be paid no later than December 15, 2004.

19 24. This Stipulation shall not become effective until Respondent has provided to the
20 Ethics Commission the amount set forth in paragraph 23, by check or money order made payable
21 to the City Treasurer.

22 DATED: _____

23 _____
24 STACEY FULHORST, Executive Director
ETHICS COMMISSION, Petitioner

25 DATED: _____

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27 HAROLD SADLER, Respondent
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DECISION AND ORDER

The Ethics Commission has considered the above Stipulation at its meeting on December 16, 2004. The Ethics Commission hereby approves the Stipulation and orders that, in accordance with the Stipulation, Respondent pay a fine in the amount of \$6,000.

DATED: _____

DOROTHY L.W. SMITH, Chair
SAN DIEGO ETHICS COMMISSION