

## Clippings From Past Newsletters

### HLF Wins Landmark Court Decision!

*From Summer 2004 Newsletter*

As virtually every local newspaper reported on their front page, HLF Partner Ted Hannig and HLF Associate David Woolfe scored a major court victory in representing a local family that was sued by the City of Redwood City to take their property and use it for the new downtown cinemplex.

The family never officially opposed the project nor did they try and stop the project. However, they disputed the amount the City offered (less than \$100 per square foot) and that the City had the legal right to take their property by force and turn it over to a private developer. When the City's Redevelopment Agency faced a legal challenge, the City decided to take over the condemnation, asserting it was for a public underground parking garage and not to serve the needs of the new private project. Ted Hannig represented the owners before the City Council and urged the City to correct its proceedings, warning them that if the City acted, it would be unlawful.

Despite the warning, the City acted before a court awarded the City ownership or declared their actions lawful. Acting under a special law that allows government entities to obtain early possession of private property during pending litigation, the City took possession and bulldozed the family's 1937 2-story retail/office/residential building located in downtown Redwood City. The family was left without the rental income from their property and forced to incur legal expenses.

The family, who had a deep affection for the City, objected to the manner in which they and their counsel were treated by the City during the litigation. The City had initially offered the family \$612,000 for the building, but the family thought the value was almost double that amount.

Following a trial before Superior Court Judge Quentin Kopp, the Court issued a 17 page decision that agreed with Ted Hannig's analysis that the City's actions were unlawful because, in substance rather than form, the City was forcefully taking private property for a private purpose—a clear violation of the property owners' constitutional rights. The Court ordered the property returned to the family. This raised a pragmatic problem in that there was now a 40 foot hole where the building used to be because the City's developer had excavated the land as a precursor to building the underground parking structure.

The family agreed to the City's request for a settlement meeting because the family did not intend for others who work and live downtown to endure the suffering of an incomplete project. After extensive settlement negotiations, the City agreed to (1) issue an apology letter to the family and their legal counsel; (2) pay \$3 million in cash; and (3) create a memorial plaque in the area of where the family's property was located.

While some observers were surprised that the City would pay nearly five times the original offer price, Ted Hannig stated it was understandable. "The family needed to be compensated for all that they went through and the fact that the City bulldozed down their property without lawfully owning it; they took away something unlawfully in violation of our clients' constitutional rights that prohibit a city from forcefully taking private property for a private use."

The family has expressed their gratitude to the firm for its dedication to their case and the firm's willingness to take an unpopular position against the City. "Our job is to be of service to our clients" Ted Hannig explained; "popularity is not the issue—advocacy is." Citizens very rarely win challenges against the government's use of its taking powers, making the decision a landmark ruling. Given the importance of the ruling, the firm has received numerous congratulatory messages, ranging from ordinary citizens to a retired U.S. Congressman.

