

Editor's Note

By Susan Dyer Reynolds

Stow Lake lawsuit continues to shine light on San Francisco's embarrassing, sleazy politics

My May Editor's Note ["Cozy ties between Tourk, Ginsburg and Ortega in bid for Stow Lake boathouse don't pass judge's 'smell test'"] unleashed a hornet's nest that buzzed through two political campaigns as other publications, which had been largely silent on the Stow Lake boathouse or had produced curt articles with a decidedly favorable bent toward S.F. Recreation and Park and lobbyist Alex Tourk, suddenly jumped on the bandwagon.

More than a week after my article came out, publications including the *San Francisco Chronicle* and *San Francisco Examiner* suddenly woke up, climbing all over the conflict of interest and lobbying infractions caused by the relationship between Tourk and San Francisco City Attorney Dennis Herrera. (As a journalist, I don't

Ortega, son of Armand Ortega of the New Mexico concessions chain Ortega Family Enterprises. At a hearing last month, Judge Loretta Giorgi seemed to be leaning the same way, chastising Recreation and Park officials for not turning over e-mail correspondence, and awarding a temporary restraining order allowing current leaseholder Bruce McLellan to stay put, stating that the awarding of the contract to the Ortegas "didn't pass the smell test."

But at a hearing held May 17, Giorgi did a 180, saying there "is no evidence of favoritism, fraud or corruption." The fact park officials told Ortega to hire the politically connected Tourk, Giorgi said, "is not evidence of any impropriety involving the evaluation process," and the selection was "conducted

At trial, of course, McLellan's attorneys will be able to obtain evidence through discovery that Recreation and Park is not willing to release voluntarily, as well as to conduct sworn depositions. But even after reading the same e-mails Judge Giorgi read, I can't understand how she didn't see favoritism, fraud and corruption, or how she found the process impartial and fair to all bidders. And if it truly is OK for a city official to ask a bidder to hire a politically connected pal to ensure they get the contract, it's no wonder San Francisco government is such an embarrassing, sleazy mess.

PAYING SUPPORTERS AND BACK CHANNELING COMMISSIONERS

In a sworn declaration filed by Herrera on May 6, 2011, Ginsburg says he believed that McLellan supporters had blocked a competitive solicitation process and worried that the Ortegas would not be able to turn out well-organized local residents to testify on their behalf. He was concerned, he says, that the Ortegas wouldn't get equal opportunity to communicate the merits of their proposal. He then says he suggested that Nick Kinsey, assistant director of property and concession management, "recommend" Tourk's Ground Floor Public Affairs firm because they were effective at "galvanizing community and grassroots support at public hearings." So the manager of Recreation and Park decided to take a personal interest in one particular bidder and help that bidder garner support. Last time I checked, that would be called favoritism.

And how did Tourk garner that local support? He called in personal favors and paid people to show up. In an e-mail dated Nov. 11, 2010, from Szabo to Frank Klein (the San Francisco restaurant consultant picked to run the food concessions for Ortega at Stow Lake), Szabo says:

Tourk ... is not convinced these people will come out to the hearing again as many did it as a personal favor.

On Dec. 3, 2010, Tourk says to the Ortegas:

... I think we will have additional needs to recruit and organize the 50 people necessary to show the Board of Supervisors that this project

has genuine community, grass roots support.

In a Dec. 22, 2010 e-mail from Szabo to Ortega and Tourk, the subject of hiring someone to get people to the hearings arises:

You talked about incentivizing the organizer. My feeling is that \$3,000 is proving to be enough to get some decent candidates to apply, but that \$3,500 is more attractive. So if we want to pay \$3,000 + \$500 to \$1,000 as part of a bonus for turning out a certain number of people to the hearing, I think it would help.

Even more disturbing are the e-mails in which Tourk touts his political clout to the Ortegas as the reason they won the lease. In a Dec. 3, 2010 e-mail, he says:

For the second hearing in a row we won with a 6-to-1 vote ... We won because of our back channeling with Commissioners. But that works for the Recreation and Park Commission, not necessarily the Board of Supervisors.

Szabo also lays down a strategy for meeting with every supervisor individually to promote Ortega's bid. He enlists the help of Sarah Ballard (Recreation and Park policy and public affairs director), Kinsey, and Ginsburg to set up and also attend those meetings ("Eric Mar - Nick to brief; David Chiu - Recreation and Park to schedule a meeting; Scott Wiener - I/2I with Sarah and Phil ...").

Members of the Recreation and Park Commission, who ultimately voted unanimously in favor of Ortega, were also involved behind the scenes. Tourk sends Meagan Levitan (who also served on the supposedly "independent" panel that recommended the Ortega bid to the commission) a pitch about Ortega including bullet points about why his is the better bid (McLellan never had that advantage). He also enlists Levitan to help put together a letter-writing campaign aimed at parents. In an e-mail dated Jan. 19, 2011, Tourk solicits help from controversial political consultant Tom Hsieh:

I spoke with Meagan the other week and she said you might be able to help us out with the whole Stow Lake debacle ... I've

attached a letter that people are welcome to sign and submit. I believe she mentioned that it would generally be parents who would be submitting it, so that's the angle we took with the letter.

Tourk also crafts questions and statements to plant with the paid supporters who will be in attendance, scripts of what the Ortegas will say at the hearings, and comes up with softball questions for members of the commission. In an e-mail to Ortega dated Aug. 17, 2010, Szabo says:

Tourk is working on the questions that we're hoping to have the commissioners ask you guys ... to allay the fears of any opponents in attendance.

STOW IS A STEPPING STONE THAT WON'T MAKE MONEY

One of the most prevalent pitches from Tourk to commissioners and supervisors is that Ortega's plan will increase revenue at the boathouse by 30 to 40 percent. But in several e-mails, Ortega expresses major concern about the numbers and tells Tourk bluntly that he doesn't see Stow Lake as a moneymaker at all, but rather as a steppingstone to bigger and better things - and they don't want to spend much of their own money on that loser of a steppingstone, either. In an Aug. 7, 2010 e-mail to Tourk, Ortega warns:

There is not much profit in this deal for us ... please just keep being careful about the position that we're putting the City in when we throw numbers and percentages out like that.

And on Aug. 27, 2010, Ortega tells Tourk:

I think the City thinks this is a huge moneymaker, and it's not. At most for us, it's a foot in the door for contracts that will pay better. It's a steppingstone, and not one that we can spend a lot of money on.

Considering that Tourk continued to pitch commissioners and supervisors on the 30 to 40 percent revenue increase and the big bucks Ortega would contribute to renovate the boathouse as the reason to select their bid - even after Ortega told him not to - I would

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know whether to be proud or sad about the fact a monthly scooped the dailies and weeklies.) The sudden avalanche of press coverage caused Tourk to step down from Herrera's mayoral campaign (though Tourk's recent employee, Max Szabo, who figures prominently in the Stow Lake case, remains Herrera's field manager), and shortly thereafter from District Attorney George Gascón's campaign. While I'm glad the other local press is finally awake, I'm flabbergasted by how quickly they got off topic. Yes, the Herrera-Tourk story is important to the mayoral election this fall. But right now, the bigger story is what appears to be rampant, unchecked corruption rattling through this city's government - and there's no better evidence of it than the Stow Lake boathouse case.

As I read through the mountain of e-mails obtained from the lawsuit filings, I was struck by just how arrogant, morally bankrupt, greedy, deceitful, and politically motivated everyone involved on the Ortega side comes across - and those were just the e-mails turned over voluntarily by Shane

impartially and with fairness to all bidders."

Of course, in San Francisco's incestuous political world, I didn't have to look far to find a close connection: in 2006, then Gov. Arnold Schwarzenegger announced Giorgi's appointment to a Superior Court judgeship. Prior to that, she served as a deputy city attorney for Herrera and was part of his executive team responsible for overseeing "the investigation and prosecution of public corruption cases."

Call me cynical, but I don't think defending a case presided over by your former employee in which your former campaign manager is a central figure - a case that you would like to see go away so it doesn't drag on during the height of election season - is impartial or fair. So Judge Giorgi basically copped out and punted - she didn't extend the restraining order, leaving Recreation and Park manager Phil Ginsburg with a huge smile on his face because he can now evict McLellan - but she left the door open for the case to be appealed.

again disagree with Judge Giorgi and say that constitutes fraud.

A 'LEGAL MECHANISM' TO KEEP THE OLD FOLKS FROM LOITERING

While all of the legal wrangling goes on, the biggest losers are the citizens of San Francisco. If Ortega prevails, we will be getting an out-of-state boathouse operator who sees Stow Lake as a meaningless steppingstone to better-paying city projects, doesn't intend to spend much money on the place, and certainly doesn't care about its regular patrons, many of them elderly, who congregate daily on the benches in front of the boathouse. In perhaps the saddest e-mail of all, on Aug. 18, 2010, the day before the commission voted 6-1 to accept Ortega's bid, Shane Ortega laments to Kinsey:

Just wanted to make sure that you got my message about the seating. Dad's pretty concerned about it ... If you absolutely have to make the motion that people can sit indoors or outdoors without making a

purchase, we need some legal mechanism to get people moving along if their [sic] just gathering and loitering ...

Well Shane, there is a legal mechanism – one your P.R. man, Alex Tourk, helped to pass during our last election. It's called the sit/lie law. Last I checked, that law was aimed at thugs causing trouble on Haight Street, but from the tone of your e-mail, it seems you think elderly folks chatting in front of a boathouse they've loved since before you were born is just as bad.

E-mail: susan@northsidesf.com

Correction

The May 2011 Editor's Note ("Cozy ties between Tourk, Ginsburg and Ortega in bid for Stow Lake boathouse don't pass judge's 'smell test'") misidentified Alex Doniach. Ms. Doniach was an unpaid intern with Alex Tourk from May through August 2010. She was hired as a field representative for Senator Leland Yee in November 2010. The Stow Lake controversy has no connection to Senator Yee.

Mailbox

I am the senior vet student who first saw Jasmine Blue at UC Davis. I don't know how or why, but even with the hundreds of patients I've been responsible for, Jazzy has stuck with me like glue. Every month or so I check our database for her record to see how she's doing, then I check for a new article in *Northside San Francisco* to see how both she and Susan Dyer Reynolds are doing. I will carry Jazzy with me throughout my career. I have never met a dog so sweet or an owner so caring. The two define the "human-animal bond," which even after my years in training and animals of my own, still awes me in its power. Keep up the good work with your baby girl, Ms. Reynolds, she is a treasure beyond value.

Jeff Schmidt, Davis

civic boundaries. This problem is increasing at all levels of government, to the detriment of most, and to the gain of few. Shining a light on all this grasping and conniving is the first step. We are fortunate to have quality investigative journalism in our neighborhood newspaper.

Derek Kerr, M.D., Marina

The follow up to the article "Six Degrees of Phil Ginsburg: How a good ole boys network is taking Golden Gate Park to hell in a handbasket" [*Publisher's Note, March 2011*] laid out the details of the Stow Lake issue really well, much better than any other San Francisco publication. It was a really good piece. Thank you.

Jamie Cantwell, Parkmerced

Readers stew over Stow Lake story

Thank you for the information and thoughtful analysis in the article on the Stow Lake boathouse deal [*Editor's Note: "Cozy ties between Tourk, Ginsburg and Ortega in bid for Stow Lake boathouse don't pass judge's 'smell test,'" May 2011*]. Government policies and procedures are in place. Rules of fair play are known. Still, some folks just can't stay within

Nice, nice work on the Stow Lake story, what a bunch of crooked bastards. Keep up the great work on exposing these graft-hungry puppets. My father worked at City Hall and was surrounded by these types. There's a whole crop of them. Thanks for the investigation.

Michael Meehan, Marina

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