



Legislation Text

File #: 17-023, **Version:** 2

Report Prepared by: Kelly C. Fincher - Chief Deputy City Attorney

SUBJECT: Approval of A Legal Services Agreement with the Law Firm Best, Best & Krieger

REPORT IN BRIEF

Consider Approving a First Amended Legal Services Agreement with the law firm Best, Best & Krieger for legal services related to post-Redevelopment dissolution disputes, related Redevelopment dissolution legal work and complex real estate transactions.

RECOMMENDATION

City Council - Adopt a motion:

- A. Approving a First Amendment to Professional Services Agreement with BBK in the amount of \$100,000; and,
- B. Authorizing the Finance Officer to make the necessary budget adjustments; and,
- C. Authorizing the City Manager to execute the First Amendment to Legal Services Agreement with Best, Best & Krieger.

ALTERNATIVES

- 1. Approve, as recommended by staff; or
- 2. Approve, subject to modifications as conditioned by City Council; or,
- 3. Refer to staff for reconsideration of specific items (specific items to be addressed in the motion); or,
- 4. Deny

AUTHORITY

Charter of the City of Merced, Section 200.

CITY COUNCIL PRIORITIES

N/A.

DISCUSSION

In January 2016, the City entered into a Legal Services Agreement with the law firm Best, Best & Krieger ("BBK") for specialized legal work relating to the City's post-Redevelopment dispute with the California Department of Finance. This initial Legal Services Agreement was for an amount not to exceed \$25,000.

On November 15, 2016, the California Department of Finance filed a Petition for Writ of Mandate against the City of Merced and the Merced Designated Local Authority. The City is being represented in this litigation by BBK Partner, Iris Yang, who is an experienced litigator with specific and significant expertise in Redevelopment law. Ms. Yang's expertise also includes complex real estate transactions. In addition to her legal work on Redevelopment related issues, Ms. Yang has provided City staff with legal advice regarding complex real estate matters, including, for example, issues related to property sale and purchases as well as the relocation of the Merced Police Station site.

The City has exhausted the initial \$25,000 approved for the January 2016 Legal Service Agreement with BBK. Due to the filing of legal action against the City by the Department of Finance, additional funds are necessary to pay for the defense of this matter and other legal issues related to the dissolution of the Merced Redevelopment Agency. The First Amended Legal Services Agreement is for an additional \$70,000 to pay to the cost of BBK's post-dissolution Redevelopment matters. In addition, the First Amended Legal Services Agreement includes the not to exceed amount of \$30,000 for legal work related to complex real estate matters.

The contract amendment will be funded from the RDA Residual and Public Facilities Financing Fees.

ATTACHMENTS

1. January 14, 2016 Legal Services Agreement with BBK
2. First Amendment to Agreement for Professional Services with BBK