



Legislation Text

File #: 18-597, **Version:** 1

Report Prepared by: Phaedra Norton, City Attorney

SUBJECT: Approval of Third Amendment to Agreement for Legal Services with Best Best & Krieger LLP., to Provide Additional Funding in the Amount of \$30,000 for Legal Defense Services Related to the City's Post-Redevelopment Dissolution Litigation with the California Department of Finance, Increasing the Not-To-Exceed Amount for these Services to \$225,000

REPORT IN BRIEF

Considers approving a Third Amendment to Agreement for Legal Services with Best Best & Krieger (BBK) to provide additional funding in the amount of \$30,000 for legal services related to the City's defense in the matter entitled *California Department of Finance v. City of Merced*. Approval of the Third Amendment to the Agreement for Legal Services will result in increasing the not-to-exceed amount for post-Redevelopment dispute litigation to \$225,000.

RECOMMENDATION

City Council - Adopt a motion:

- A. Approving the Third Amendment to the Legal Services Agreement with Best, Best & Krieger;
- B. Authorizing the Finance Officer to make the necessary budget adjustments; and,
- C. Authorizing the City Manager or Assistant City Manager to execute the Third Amendment to the Legal Services Agreement with Best, Best & Krieger.

ALTERNATIVES

- 1. Approve, as recommended by staff; or
- 2. Approve, subject to modification as conditioned by the 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 and Krieger ("BBK") for specialized work relating to the City's post- Redevelopment dissolution including the dispute with the California Department of Finance. 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 matter by BBK Partner, Iris Yang, who is an experienced litigator with specific and significant experience with post-Redevelopment dissolution disputes.

The City has filed an Appeal of this matter in the California Court of Appeal for the Third District, which is located in Sacramento, California. As of October 19, 2018, the matter has been fully briefed and is waiting to be set for oral arguments before the Court which could take as long as two years to be scheduled by the Court. The additional funding in the amount of \$30,000 is necessary to pay for post redevelopment dissolution legal services including the appellate proceedings, any requests by the Court of Appeal for additional briefings on issues related to the case as well as Ms. Yang's participation in Oral Arguments before the Court. This amendment will increase the not-to-exceed contracted amount from \$140,000 to \$225,000. The additional \$30,000 in funding will increase the budget allocation from \$195,000 to \$225,000. This action also aligns the contracted amount and the budget allocation.

IMPACT ON CITY RESOURCES

The recommended contract increase will be covered by Redevelopment residual funds.

ATTACHMENTS

1. Third Amendment to Legal Services with Best Best & Krieger