

**Meeting Date:** 6/20/2016

**Report Type:** Consent

**Report ID:** 2016-00451

**Title:** Approving Second Amendment to Legal Services Contract

**Location:** Citywide

**Recommendation:** Pass a Resolution approving the Second Amendment to Oversight Board Legal Services Agreement with Renne Sloan Holtzman Sakai LLP to extend term by one year.

**Contact:** Sheryl Patterson, Senior Deputy City Attorney, (916) 808-5346, Office of the City Attorney

**Presenter:** None

**Department:** City Attorney

**Division:** City Attorney

**Dept ID:**

**Attachments:**

1-Description/Analysis

2-Resolution

3-Second Amendment

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### **City Attorney Review**

Approved as to Form

Sheryl Patterson

4/13/2016 2:28:22 PM

### **Approvals/Acknowledgements**

Department Director or Designee: Leslie Fritzsche - 4/11/2016 4:50:34 PM

## Description/Analysis

**Issue:** Since 2012, the Oversight Board for the Redevelopment Agency Successor Agency (RASA) has been represented by separate counsel. While the City Attorney's Office provides legal support to RASA, because there could be conflicts between the desires of RASA versus the Oversight Board, the board was advised to hire separate counsel. Miller & Owen LLP was selected as Oversight Board counsel in June of 2013 and its staff, Nancy Miller and Jennifer Gore, have represented the Oversight Board for the last three fiscal years. The contract was amended last year to extend the term, increase the total consideration, and allow for the assignment of the contract to the law firm Renne Sloan Holtzman Sakai LLP if Miller & Owen proceeded with its planned merger with that firm. The merger occurred on October 1, 2015. The proposed action is to extend the term of the contract for an additional year. There is sufficient funding committed under the existing contract to cover the anticipated expenses for FY 2016-17.

**Policy Considerations:** It has been the Oversight Board's policy to hire its own legal counsel, and that decision was very beneficial in resolving the dispute regarding the enforceability of the Agency agreements for the 700 Block of K Street project, which is under construction.

**Environmental Considerations:** The recommendation in this report is for continued administrative activities which do not constitute a "project" and therefore exempt from environmental review under the California Environmental Quality Act (CEQA) according to Section 15378(b)(2) of the CEQA Guidelines.

**Rationale for Recommendation:** The Dissolution Law (AB 1X 26 and AB 1484) and the directives and determinations of the State Department of Finance (DOF) have required gaining certain legal expertise in determining the roles and responsibilities of successor agencies and oversight boards. DOF's recent legislation, SB 107, further refines the role of oversight boards and financial matters related to winding down the affairs of the prior redevelopment agencies. As a result, it is important to retain specialized legal counsel to advise the Oversight Board.

**Financial Considerations:** The Oversight Board's legal counsel's expenses are paid from the Administrative Allowance provided to RASA. The FY 2016-17 Administrative Allowance budget, to be approved by the Oversight Board, set-aside \$100,000 for the board's legal services, and that amount was included in the approved Recognized Obligation Payment Schedule (ROPS) for fiscal year 2016-17. It is not anticipated that the legal services needed for the board over the next fiscal year will require that much funding. Any excess Administrative Allowance funds are applied to pay enforceable obligations on the next ROPS.

Although the work to wind-down the prior Agency's matters has been reduced, there is always the potential for challenges to the board's and DOF's actions regarding payments under outstanding Agency agreements. RASA's work over the next fiscal year will be disposing of Agency properties in accordance with the approved Long Range Property Management Plan, some dispositions may require Oversight Board approval, and there could be disputes related

to the property dispositions that may require advice and representation by the board's counsel. For these reasons, it is recommended to extend the term of the existing Legal Services contract for an additional year.

## RESOLUTION NO. 2016-\_\_\_\_

Adopted by

Oversight Board for  
Redevelopment Agency Successor Agency

### **APPROVING SECOND AMENDMENT TO OVERSIGHT BOARD LEGAL SERVICES AGREEMENT WITH RENNE SLOAN HOLTZMAN SAKAI LLP**

#### **BACKGROUND:**

- A. The Oversight Board approved the Legal Services Agreement for FY 2014-15 with Miller & Owen, a Professional Corporation, in the amount of \$100,000 to serve as independent counsel to the Oversight Board (OBRASA Agreement No. 2014-0001).
- B. On June 15, 2015, the Oversight Board approved the First Amendment to extend the term for fiscal year 2015-16, increase the total consideration by \$100,000, and authorized the assignment of the Legal Services Agreement to Renne Sloan Holtzman Sakai LLP if Miller & Owen merged with that firm. On October 1, 2015, the two firms merged under the name of Renne Sloan Holtzman Sakai LLP.
- C. The Oversight Board desires to continue the services of Renne Sloan Holtzman Sakai LLP for the next fiscal year 2016-17.
- D. RASA has included in the fiscal year 2016-17 Administrative Allowance budget and on the Recognized Obligation Payment Schedule for 2016-17 the amount of \$100,000 for Oversight Board legal services for the next fiscal year. However, because the remaining consideration under the existing contract exceeds that amount, there is no need to increase the total consideration.

#### **BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE OVERSIGHT BOARD FOR REDEVELOPMENT AGENCY SUCCESSOR AGENCY RESOLVES AS FOLLOWS:**

- Section 1. The Second Amendment to the 2014 Legal Services Agreement with Renne Sloan Holtzman Sakai LLP, as set forth in Exhibit A, which extends the term for the next fiscal year, is hereby approved.

#### Table of Contents

Exhibit A – Second Amendment to RASA Oversight Board Legal Services Agreement

Adopted by the Oversight Board for Redevelopment Agency Successor Agency on April 18, 2016, by the following vote:

Yes:

Noes:

Abstain:

Absent:

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Chair, Jay Schenirer

Attest:

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Shirley Concolino,  
Redevelopment Agency Successor Agency Clerk

**SECOND AMENDMENT TO  
RASA OVERSIGHT BOARD  
LEGAL SERVICES AGREEMENT**

THIS SECOND AMENDMENT (the "Amendment") is made as of \_\_\_\_\_, 2016 ("Execution Date"), by and between the City of Sacramento ("City") in its capacity as the REDEVELOPMENT AGENCY SUCCESSOR AGENCY (the "RASA"), on behalf of its Oversight Board (the "BOARD"), and RENNE SLOAN HOLTZMAN SAKAI LLP, a California limited liability partnership, (the "ATTORNEY").

**Background**

- A. The predecessor firm serving as legal counsel to the Oversight Board for the Redevelopment Agency Successor Agency, Miller & Owen, a professional law corporation, merged with ATTORNEY firm as of October 1, 2015. The BOARD authorized the assignment of the prior Legal Services Agreement (OBRASA Agreement No. 2014-0001), to ATTORNEY under the First Amendment. The parties desire to continue ATTORNEY's legal services for the BOARD for fiscal year 2016-17.
- B. In accordance with Health and Safety Code Section 34179(n), an oversight board may direct the successor agency to provide advisory legal services for the board and the costs of such services are to be paid by the successor agency with its administrative cost allowance.
- C. RASA has included in the fiscal year 2016-17 Administrative Allowance budget and on the Recognized Obligation Payment Schedule for fiscal year 2016-17, the amount of \$100,000 for BOARD legal services for the next fiscal year. However, the total compensation remaining under existing Legal Services Agreement is more than \$100,000; therefore, no additional compensation is needed.
- D. At its meeting of April 18, 2016, the BOARD approved extending the Legal Services Agreement with ATTORNEY through the next fiscal year.

**Agreement**

**NOW, THEREFORE**, RASA and ATTORNEY agree as follows:

- 1. **Term.** Section 3 of Exhibit A of the Principal Agreement is hereby amended to extend the term of the contract to June 30, 2017. All other terms and provisions in Section 3 of Exhibit A shall remain unchanged.
- 2. **Entire Agreement.** All other terms and conditions of the Principal Agreement not modified by this Amendment shall remain in full force and effect.

The Parties have entered into this Amendment as of the Execution Date.

**RENNE SLOAN HOLTZMAN SAKAI LLP**

**REDEVELOPMENT AGENCY  
SUCCESSOR AGENCY**

By:

By:

\_\_\_\_\_  
Nancy Miller, Partner

\_\_\_\_\_  
James Sanchez, City Attorney

Approved as to Form:

\_\_\_\_\_  
Senior Deputy City Attorney

Attest:

\_\_\_\_\_  
Assistant City Clerk