



**REPORT TO THE
REDEVELOPMENT AGENCY
of the City of Sacramento**

915 I Street, Sacramento, CA 95814-2671
www.CityofSacramento.org

**Consent
July 15, 2008**

Honorable Chair and Members of the Board

Title: Amendment of Contract for Legal Services with Stoel Rives, LLP associated with the Railyards Redevelopment Project

Location/Council District: Railyards Redevelopment Project Area, Council District 1

Recommendation:

Adopt a Resolution which authorizes the Interim Executive Director or her designee to execute the first amendment to the existing contract with Stoel Rives, LLP from \$100,000 to \$200,000 for legal services related to the Railyards Redevelopment Project

Contact: Dave Harzoff, Economic Development Manager, 808-5385
Michael W. Voss, Agency Counsel, 440-1330

Department: Economic Development

Division: Downtown

Organization No: 4451

Summary: The existing contract for legal services with Stoel Rives, LLP has a limit of \$100,000. Stoel Rives was hired primarily to assist with various Railyards Redevelopment Project Area issues including the environmental review process under the California Environmental Quality Act (CEQA). Legal challenges have been filed related to the Railyards Project Area and the approval of the Railyards Owner Participation Agreements. It is in the Agency's best interests to continue to retain Stoel Rives through settlement or trial and to increase the contract limit.

Background: The Agency, with governing board approval, has retained multiple law firms with differing expertise to both assist and represent the Agency on a wide variety of issues from the issuance of bonds to eminent domain matters, environmental matters, construction matters, landlord-tenant matters and government tort matters. The Agency assigns legal matters as required to firms pre-qualified and authorized, on a rotating basis to the greatest extent possible. Stoel Rives has been handling several matters related to the Railyards Redevelopment Project Area that have a greater level of complexity than is

typically encountered. Therefore, the legal fees are and will be more than usual.

Policy Considerations: The Agency Board and City Council took a number of actions to support the adoption of the Railyards Redevelopment Project Area and the Sacramento Railyards Development Project, including approving Owner Participation Agreements. Employing specialized legal services to support those actions further implements the approved projects and agreements. The proposed adjustment to the contract of this law firm will not change the Agency's policy of rotation amongst the law firms on the Agency's qualified list. The Agency shall continue to assign legal work to outside firms that have been prequalified and approved, on a rotational basis, taking into account the legal issue presented and the expertise of the respective firms.

Environmental Considerations: The proposed action does not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA) per Guidelines Section 15378 (b) (4), which exempts government fiscal activities that do not involve a commitment to any specific project from environmental review. NEPA does not apply. No environmental review is required.

Rationale for Recommendation: The recommended action in this report is necessary to advance the redevelopment of the Sacramento Railyards and implement the larger Railyards Redevelopment Project Area Plan.

Financial Considerations: The recommended action will utilize \$100,000 in funds previously allocated by the Agency Board for activities within the Railyards Redevelopment Project Area. These loaned funds will be repaid through tax increment revenues generated from the Project Area.

Emerging Small Business Development (ESBD): None; the recommended actions involve the extension of specialized legal services from a law firm already under contract to work on the project.

Respectfully Submitted by: DAVE HARZOFF
Dave Harzoff
Economic Development Division Manager
on behalf of the Redevelopment Agency
of the City of Sacramento

Recommendation Approved:

Cassandra H.B. Jennings
for Ray Kerridge
City Manager

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RESOLUTION NO. 2008 – _____

Adopted by the Redevelopment Agency of the City of Sacramento

on date of

AMENDMENT OF CONTRACT FOR LEGAL SERVICES WITH STOEL RIVES RELATED TO THE RAILYARDS REDEVELOPMENT PROJECT

BACKGROUND

- A. Costs to the Railyards Redevelopment Project Area related to legal challenges that have been filed against the approval of the Project Area and Redevelopment Plan, and the approval of the Railyards Owner Participation Agreements, have exceeded the original contract amount with the law firm of Stoel Rives, LLP.
- B. The proposed action does not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA) per Guidelines Section 15378 (b) (4), which exempts government fiscal activities that do not involve a commitment to any specific project from environmental review.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO RESOLVES AS FOLLOWS:

- Section 1. The forgoing findings, including without limitation the CEQA findings, are true and correct and are hereby approved and adopted.
- Section 2. The Interim Executive Director or her designee is hereby authorized to increase the existing contract for legal services with Stoel Rives, LLP by \$100,000.00; contract is not to exceed \$200,000.00.