



**REPORT TO THE
REDEVELOPMENT AGENCY
AND CITY COUNCIL
of the City of Sacramento**

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

Consent
January 27, 2009

**Honorable Mayor and Members of the City Council
Honorable Chair and Members of the Board**

Title: Contract Amendment: Legislative Advisory and Advocacy Services

Location/Council District: Citywide

Recommendation: Adopt a **1) City Resolution:** authorizing the City Manager to execute the second amendment to City Agreement no. 2008-0627 with Manatt Phelps Phillips extending the contract for one year and increasing the contract amount by \$79,000 to provide legislative advisory and advocacy services through 2009 for economic development and redevelopment issues; utilizing Economic Development professional services funds for the departments operating budget to fund the first \$64,000, and utilizing City Manager professional services funds for \$15,000 of the contract.

Contact: Beth Tincher, Senior Project Manager, 808-7730

Presenters: Not Applicable

Department: Economic Development

Division: Downtown Development Group

Organization No: 18000

Description/Analysis

Issue: Over the past several years, an inability to advance the City's legislative agenda with the State legislative and executive branches on a number of legislative issues has hindered the Economic Development Department's ability to make progress on specific projects. In 2008, the Economic Development Department hired Manatt Phelps Phillips (Manatt) to complement the City's legislative consultant services and to work on issues related to economic growth.

The current contract with Manatt expired on December 31, 2008. Continued communication between the City and the State's decision makers related to the City's economic development and redevelopment initiatives is necessary to further the City's policy and project positions at the State level. The proposed amendment to Manatt's existing contract would extend the contract for one year.

Policy Considerations: The Manatt Phelps Phillips contract amendment is consistent with the goals of the 2005 Downtown Sacramento Redevelopment Strategy and the City's Economic Development Strategy which include:

1. The elimination of barriers to accommodate the expansion of business opportunities and activities to retain businesses;
2. The assistance to obtain additional state resources to leverage local resources to support and implement economic development strategies;
3. The support of policies that strengthen the Agency's ability to execute the Merged Downtown Redevelopment Project Area Implementation Plan which would result in an enhancement of the economic base of the Project Area and of Sacramento; and
4. The establishment of additional businesses and jobs in Sacramento will increase opportunities for all Sacramentans.

Environmental Considerations: The proposed action to fund state legislative advisory and advocacy services is exempt from environmental review under CEQA Guidelines Section 15262.

Sustainability Considerations: The recommendation in this report meets the objectives of the Sustainability Master Plan by obtaining assistance from our legislative consultants to support legislation that promotes sustainability and provides for the implementation of mixed-use infill projects and transit-oriented development projects resulting in a decreased urban footprint and a reduction in pollution and materials.

Commission/Committee Action: None

Rationale for Recommendation: There are currently two state legislative consultants employed with the City of Sacramento to assist with economic development related issues. Each of these Sacramento-based consultants, Emanuels Jones and Associates, and Manatt have different areas of expertise, which, combined with staff resources, allow for a cohesive response to legislative issues.

Mr. David Jones from Emanuels Jones and Associates is the City of Sacramento's lead lobbyist. Mr. Jones and his firm covers all the City's state legislative priorities including flood control; transportation; parks, recreation, trails and open space; community development; public safety; and sustainability. Mr.

Jones is known as a policy expert specializing in local government issues. He has worked closely with members of the state legislature and commission/boards. Emanuels Jones and Associates has monitored an unrepresented number of bills that are of interest to the City.

Manatt has strong relationships in the Governor's office and the ears for the Governor's administration. Manatt also brings additional relationships with the state legislators, State departments, and intergovernmental programs to the table. The lead Manatt interface for the City of Sacramento is Richard Costigan. Mr. Costigan's practice focuses on legislative and government relations. He has substantial experience in state boards and commissions, legislative affairs and public policy. Mr. Costigan worked as the Deputy Chief of Staff and Legislative Affairs for California Governor Arnold Schwarzenegger and was involved in all aspects of policy development and legislative strategy for the Governor. Manatt's contacts in Sacramento and expertise in handling legislative issues, and familiarity with the Governor, has been particularly useful in the current administration.

As a result of this multi-pronged approach, the Economic Development Department has gained momentum far more this year than previous years on critical issues and has advanced the City's economic development's and the redevelopment agency's mission. The varying backgrounds of the City's consultants in these consulting firms ensures a wide ranging response to the City's economic development and redevelopment concerns on the legislative agenda.

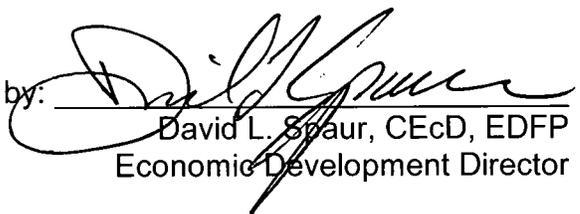
This year, our consultants, strategically advocated positions on key legislation that allowed the City to swap properties for or purchase properties within the Docks development area (AB 2265, Jones). While this bill was vetoed by the Governor, due to Manatt's and Emanuels Jones' collaborative efforts, similar language was included in a budget trailer bill, AB 2026 (Villines), which was signed by the Governor. Due to this success, the City can move forward with the Docks development project once the City Council considers the environmental impact report, the Specific Plan early summer, 2009. It is important that this momentum be maintained in the coming year, to increase the chances of successful economic development and redevelopment-related legislation and to secure additional funding for the City's priority projects.

Financial Considerations: The initial contract was \$40,000. An amendment to the original contract was awarded for services from July through December 2008 for \$55,000. This action would increase the total contract amount with Manatt Phelps and Phillips by \$79,000 increasing the total contract amount to \$174,000. Funding for this professional services contract is currently budgeted in the Economic Development Department Downtown (18001021) General Fund operating budget (\$32,000), Citywide (18001031) General Fund operating budget (\$32,000) and the City Manager's Office (02001021) General Fund operating budget (\$15,000).

Emerging Small Business Development (ESBD): The complementary skill

sets between Emanuels Jones and Associates and Manatt Phelps Phillips were developed in 2008 and specific discussion regarding key economic initiatives with legislators commenced. Staff recommends that the City Council allow for a continuation of this team effort for an additional year, in view of the legislative priorities being set for 2009 and the City's Economic Development and Redevelopment Initiatives.

Respectfully Submitted by: 
James R. Rinehart
Citywide Division Manager

Approved by: 
David L. Spaur, CEcD, EDFP
Economic Development Director

Recommendation Approved:


Ray Kerridge
City Manager

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Attachment 1

RESOLUTION NO. 2009-

Adopted by the Sacramento City Council

**EXECUTING A CONTRACT AMENDMENT
WITH MANATT PHELPS AND PHILLIPS**

BACKGROUND

- A. Manatt Phelps and Phillips was awarded a contract in February 2008 to assist the City of Sacramento Redevelopment Agency and Economic Development Department with specific issues at the State legislature.
- B. The City extended the contract in July 2008 to the end of December 2009 to further the City's policy and project initiatives at the State level.
- C. Emanuels Jones and Associates and Manatt have different areas of expertise, which, combined with staff resources, allows for a cohesive response to legislative issues.
- D. The City of Sacramento and its redevelopment agency would like to continue the momentum in the coming year, to increase the chances of successful economic development and redevelopment-related legislation and to secure additional funding for the City's priority projects.
- E. A contract amendment is needed to authorize Manatt Phelps Phillips to conduct additional legislative advisory and advocacy services.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL
RESOLVES AS FOLLOWS:**

- Section 1. After due consideration of the evidence presented, the findings, including the environmental findings regarding this action, as stated in the staff report that accompanies this resolution, are approved.
- Section 2. The City Manager is authorized to execute a contract amendment to City Agreement No. 2006-0627 with Manatt Phelps Phillips increasing the total contract amount by \$79,000.
- Section 3. The City Manager or his designee is authorized to utilize Economic Development professional services funds for the departments operating budget to fund the first \$32,000 (18001021) and \$32,0000 (18001031) of

the 2009 Manatt Phelps Phillips contract and utilize City Manager professional services funds for \$15,000 (02001021) of the contract.

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Exhibit A – Contract Amendment (on-file w/City Clerk)

Attachment 2

Contract Amendment

ON FILE IN THE OFFICE OF THE CITY CLERK