



DATE: December 5, 2017

CATEGORY: Consent

DEPT.: Community Development Department
and City Attorney's Office

TITLE: **Authorization for Outside Legal
Services**

RECOMMENDATION

Authorize an increase of \$50,000 for a total of \$150,000 in the contract amount with Thomas Whitelaw for outside legal services related to the Hope Street (Lots 4 and 8) Development project.

BACKGROUND

On March 31, 2015, Council approved a midyear capital improvement project (CIP) titled "Marketing of Hope Street Lots" and appropriated \$525,000 in a new midyear CIP, and transferred \$375,000 from the Strategic Property Acquisition Reserve to fund the marketing, evaluation of qualification statements and proposals, and engineering studies to develop the project. The balance was funded from the Exclusive Right to Negotiate funds received by The Robert Green Company (TRGC) for a sum of \$150,000.

ANALYSIS

Preparing the Hope Street Lots property for marketing, developing final evaluation criteria for the Request for Qualifications (RFQ) and Request for Proposals (RFP), and evaluating proposals required the expertise and capacity of subject matter experts in marketing, evaluation of financial statements and pro formas, and evaluation of project features such as the hotel, parking, and infrastructure requirements for the project. In addition, the City utilized the legal services of Thomas Whitelaw to assist in negotiating and drafting the Disposition and Development Agreement (DDA) and ground leases for the Hope Street Lots project.

Thomas Whitelaw invoices total approximately \$129,000 to date. Approximately \$29,000 remains outstanding for legal services rendered for negotiating and drafting the DDAs and ground leases that have been executed. Based on staff's recent experience on

the Moffett Gateway project, staff anticipates additional legal services could be needed as the project goes through the development process, which requires constant monitoring of business terms and conditions, permits and entitlements, and documents related to the ground leases and DDAs. The funds have already been budgeted and any remaining funds would be returned to the Strategic Property Acquisition Reserve. Staff recommends the contract for outside legal services with Thomas Whitelaw be increased to \$150,000.

FISCAL IMPACT

There are sufficient funds available in the Marketing Hope Street Lots (4 and 8) CIP 15-53 for the requested increase in legal services of \$50,000. The total authorized amount for outside legal services with Thomas Whitelaw would increase to \$150,000 if Council approves staff recommendation.

ALTERNATIVE

Provide other direction to staff.

PUBLIC NOTICING – Agenda posting.

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AA/TC/3/CAM
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