(R-2010-696 CORRECTED)

RESOLUTION NUMBER R- 305751

DATE OF FINAL PASSAGE APR 1 5 2010

A RESOLUTION OF THE CITY COUNSEL AUTHORIZING THE EXECUTION OF A LEGAL SERVICES AGREEMENT BETWEEN THE CITY OF SAN DIEGO AND MCKOOL SMITH, P.C., BARON & BUDD, P.C. AND KIESEL, BOUCHER & LARSON, LLP IN CONNECTION WITH LITIGATION AND ADMINISTRATIVE HEARINGS RELATED TO THE COLLECTION OF TRANSIENT OCCUPANCY TAXES FROM THE ON-LINE TRAVEL COMPANIES.

WHEREAS, the City of San Diego [City] contends that the online travel companies collect transient occupancy taxes based on the retail rate charged to transients but only remit the transient occupancy tax based on the wholesale rate that the online travel companies pay to the hotels. The City is seeking to collect the differential between the amount remitted based on the wholesale rate versus the amount that should be remitted based on the retail rate plus interest and penalties;

WHEREAS, the City Attorney has determined that this matter involves specialized litigation for which the City Attorney does not have necessary resources; NOW, THEREFORE, BE IT RESOLVED, by the Council of the City of San Diego, as follows:

1. That the Mayor or his designee is authorized to execute, for and on behalf of the City, a legal services agreement between the City of San Diego and McKool Smith, P.C., Baron & Budd, P.C. and Kiesel, Boucher & Larson, LLP in connection with litigation and administrative hearings related to the collection of transient occupancy taxes from the on-line travel companies.

2. The law firms are being retained on a contingency fee and will be paid out of money that is recovered for the City. APPROVED: JAN I. GOLDSMITH, City Attorney JET:bas 03/26/10 04/0910 CORRECTED Or.Dept:City Atty R-2010-696 I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of ______. ELIZABETH S. MALAND City Clerk By <u>Asliverson Cruy</u> Deputy City Clerk

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JERRY SANDERS, Mayor