

RESOLUTION NUMBER R- 314265DATE OF FINAL PASSAGE AUG 09 2022

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO APPROVING THE FIRST AMENDMENT TO THE LEGAL SERVICES AGREEMENT WITH QUINN EMANUEL URQUHART & SULLIVAN AS OUTSIDE COUNSEL TO PROVIDE ONGOING LEGAL SERVICES RELATED TO LITIGATION MATTERS INVOLVING THE 101 ASH STREET AND CIVIC CENTER PLAZA PROPERTY TRANSACTIONS.

WHEREAS, the City of San Diego (City) entered into two separate lease purchase agreements involving two high rise buildings in downtown San Diego, one at 101 Ash Street (101 Ash Building) and the other at Civic Center Plaza at 1200 Third Avenue (CCP Building); and

WHEREAS, the City is currently embroiled in three different lawsuits involving these properties against various parties including the current owner and lessor of the 101 Ash Building, the current owner and lessor of the CCP Building, the lender, the "volunteer" broker, contractors, and a taxpayer; and

WHEREAS, among other things, the City is seeking to invalidate the transactions involving the 101 Ash Building and CCP Building under various causes of action, including California Government Code section 1090 as a result of a conflict of interest involving the broker who alleged that he represented the City on a volunteer pro bono basis and failed to properly disclose that he was in reality being compensated by the parties negotiating against the City on these transactions; and

WHEREAS, on December 14, 2021, the Council of the City of San Diego (City Council) approved the retention of Quinn Emanuel Urquhart & Sullivan (Quinn Emanuel) as outside counsel to represent the City in these three litigation matters because of the complexity of the legal issues and because hundreds of millions of dollars are at stake in these cases; and

WHEREAS, Quinn Emanuel has considerable experience in the subject matters at issue with the litigation matters involving the 101 Ash Building and CCP Building as well as gaining experience particular to these litigation matters during their representation of the City to date; and

WHEREAS, Quinn Emanuel is able to continue performing the requested services at an hourly rate substantially lower than the rates typically billed by the law firm; and

WHEREAS, an increase of \$500,000 to the Legal Services Agreement, which would raise the total not-to-exceed amount from \$500,000 to \$1 million, is necessary to allow Quinn Emanuel to continue to represent the City on the litigation matters involving the 101 Ash Building and CCP Building; and

WHEREAS, the continuing legal services of Quinn Emanuel are necessary even if the proposed settlement to be presented by the Mayor is approved by the City Council because the proposed settlement only involves two of the parties, Cisterra (and its named limited liability companies) and Wilmington Trust National Association, and does not involve other parties who are in litigation with the City on these cases involving the 101 Ash Building and CCP Building; and

WHEREAS, the amount of the First Amendment to the Legal Services Agreement with Quinn Emanuel would increase the contract by \$500,000 for a total contract amount not to

exceed \$1 million, which requires City Council approval of the contract itself pursuant to San Diego Municipal Code section 22.3207(a); NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, as follows:

1. That the First Amendment to the Legal Services Agreement with Quinn Emanuel is approved, and the Mayor or his designee is authorized to execute this First Amendment for and on behalf of the City of San Diego in a total amount not to exceed \$1 million (reflecting the \$500,000 increase, above the current \$500,000 contract amount).

2. That the Chief Financial Officer or his designee is authorized to appropriate and expend an amount not to exceed \$1 million from the Public Liability Fund for the purpose of executing the First Amendment to the Legal Services Agreement with Quinn Emanuel, contingent upon the adoption of the Annual Appropriation Ordinance for the applicable Fiscal Year, and contingent upon the Chief Financial Officer first furnishing one or more certificates that the funds necessary are, or will be, on deposit in the City Treasury.

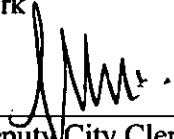
APPROVED: MARA W. ELLIOTT, City Attorney

By /s/ Ken So
Ken So
Chief Deputy City Attorney

KRS:cc
07/08/2022
Or.Dept:City Attorney
Doc. No.: 3022453

I certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of AUG 01 2022.

ELIZABETH S. MALAND
City Clerk

By  _____
Deputy City Clerk

Approved: 8/8/22
(date)


TODD GLORIA, Mayor

Vetoed: _____
(date)

TODD GLORIA, Mayor

Passed by the Council of The City of San Diego on August 1, 2022, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Joe LaCava	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jennifer Campbell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stephen Whitburn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Monica Montgomery Steppe	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marni von Wilpert	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Cate	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Raul A. Campillo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vivian Moreno	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sean Elo-Rivera	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage AUG 09 2022.

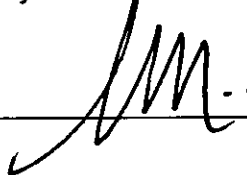
(Please note: When a resolution is approved by the Mayor, the date of final passage is the date the approved resolution was returned to the Office of the City Clerk.)

AUTHENTICATED BY:

TODD GLORIA
Mayor of The City of San Diego, California.

(Seal)

ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

By , Deputy

Office of the City Clerk, San Diego, California

Resolution Number R- 314265