



THE CITY OF SAN DIEGO
Redevelopment Agency's Report

DATE ISSUED: September 1, 2004

REPORT NO. RA-04-31

ATTENTION: Honorable Chair and Members of the Redevelopment Agency
Docket of September 7, 2004

SUBJECT: Tenth Amendment to Agreement with Daley & Heft – Special Legal Counsel

SUMMARY

Issue - Should the Redevelopment Agency approve the Tenth Amendment to Agreement with Daley & Heft – Special Legal Counsel, for Condemnation Services in the amount of \$920,000 for projects within the North Park Redevelopment project area?

Executive Director's Recommendation – That the Redevelopment Agency should approve the Tenth Amendment to Agreement with Daley & Heft – Special Legal Counsel, for Condemnation Services in the amount of \$920,000 for projects within the North Park Redevelopment project area.

Other Recommendations – None

Fiscal Impact – Funds in the amount of \$920,000 are available within the authorized project budgets for the North Park Parking Structure, the North Park Parking Lot, and the Western Pacific Housing Project for this purpose.

BACKGROUND

In 2000, the City Attorney's Office issued a Request for Qualifications for condemnation legal counsel services for a three year period. Three firms were selected to provide services through the RFQ process; Daley & Heft, Best Best & Krieger, and the Law Offices of Donald Detisch. The City Attorney's Office intends to issue an RFQ for the next three-year period in 2004.

Daley & Heft was assigned all of the Ballpark-related condemnation cases in 1998, and to ensure legal continuity, it was deemed critical by the City Attorney's Office that Daley & Heft continue to handle all of the Ballpark case work through completion of the condemnation process. The Redevelopment Agency's agreement with Daley & Heft has been amended nine times reflecting the phased acquisition of the Ballpark Project, resulting in a maximum compensation of \$5,641,100.

DISCUSSION

With the initiation of several projects within the North Park Redevelopment project area, the Redevelopment Agency has begun the property acquisition process for several parcels, and requires the services of outside condemnation counsel. The City Attorney’s Office recommended the use of Daley & Heft for this purpose. Based on the expected work related to each project, it is recommended that a tenth amendment to the agreement in the amount of \$920,000 be authorized for this work for the North Park projects, as shown below.

Project	Estimated Attorney Fees	Estimated Expert Fees	Estimated Total
North Park Parking Structure	\$300,000	\$200,000	\$500,000
North Park Parking Lot	\$20,000	\$0	\$20,000
Western Pacific Housing	\$250,000	\$150,000	\$400,000
TOTAL	\$570,000	\$350,000	\$920,000

Of the \$920,000, approximately \$350,000 is estimated for the services of expert witnesses and consultants, should they be required. Funds in the amount of \$920,000 are available within the authorized project budgets, with the sources of funding including North Park bond proceeds for the Parking Structure and Parking Lot projects, and funding to be provided from the developer, Western Pacific, for the La Boheme project.

CONCLUSION

It is recommended that the tenth amendment to the agreement with Daley & Heft for special legal counsel services in the amount of \$920,000 be approved for outside condemnation counsel services for projects within the North Park Redevelopment project area. This amendment will bring the total maximum compensation to \$6,561,100 for this agreement.

Respectfully submitted,

 Debra Fischle-Faulk
 Deputy Executive Director

 Approved: Hank Cunningham
 Assistant Executive Director