



THE CITY OF SAN DIEGO
Redevelopment Agency's Report

DATE ISSUED: July 5, 2006

REPORT NO.: RA-06-34

ATTENTION: Honorable Chair and Members of the Redevelopment Agency
Docket of July 11, 2006

SUBJECT: Sixth Amendment to Agreement for Legal Services with Kane, Ballmer &
Berkman

REQUESTED ACTION: Approve the Sixth Amendment to Agreement for Legal Services
between the Redevelopment Agency and Kane, Ballmer & Berkman.

STAFF RECOMMENDATION: Approve the requested action.

SUMMARY:

The City Attorney's Office has issued a Request for Qualifications (RFQ) for special legal counsel services; however, the process has not been completed and the matter has been postponed by the City Attorney's Office. In order to ensure that the Agency has the services of special legal counsel, it is necessary to further amend the Agreement with Kane, Ballmer & Berkman. The special counsel scope of services requires thorough knowledge of, and expertise in, California Community Redevelopment Law (Health and Safety Code Sec. 33000, et. seq.) and includes legal assistance in the negotiation and preparation of development agreements, assistance with redevelopment plan adoptions and amendments, consultation on significant redevelopment matters and coordination with the City Attorney's office.

The proposed Sixth Amendment to the Agreement will extend the term of the Agreement through October 31, 2006 and increase the total compensation by \$200,000, for a total amount of \$3,172,860. The proposed Amendment includes \$100,000 to continue the implementation of ongoing projects in Southeastern Economic Development Corporation's (SEDC) four adopted redevelopment project areas of Mount Hope, Gateway Center West, Southcrest and Central Imperial. Kane, Ballmer & Berkman's legal assistance is currently being utilized for the preparation of the Fifth Amendment to the Central Imperial Redevelopment Plan, and the associated negotiations for development agreements necessary to implement the development as contemplated in the Fifth Amendment, all of which is necessary to implement the Imperial Avenue Corridor Master Plan. In addition, SEDC requires legal assistance for services associated with the proposed expansion of the SEDC Area of Influence and the establishment and/or expansion of certain redevelopment areas including but not limited to the Dells Imperial Study Area, pursuant to the work program identified in the approved FY 2006-07 budget.

The proposed Amendment also includes \$100,000 to continue work on the City Redevelopment

Division's projects including ongoing litigation in the Grantville and College Community Project Areas, as well as ongoing projects in the Barrio Logan, Crossroads, City Heights, College Community, Naval Training Center, North Bay, North Park and San Ysidro Project Areas.

The following table presents the allocation among the Agency's three implementing entities of the original Agreement and amendments.

	CCDC	SEDC	Redevelopment	Total
Original Agreement	\$750,000	\$525,000	\$225,000	\$1,500,000
First Amendment		\$452,860		\$452,860
Second Amendment		\$160,000		\$160,000
Third Amendment	\$150,000	\$60,000		\$210,000
Fourth Amendment			\$200,000	\$200,000
Fifth Amendment	\$250,000	\$200,000		\$450,000
Sixth Amendment		\$100,000	\$100,000	\$200,000
Total	\$1,150,000	\$1,497,860	\$525,000	\$3,172,860

FISCAL CONSIDERATIONS: Funds are available in the FY 2006-07 Project Area budgets.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

On December 3, 2001, the Agency authorized the Executive Director to execute a three-year Agreement with Kane, Ballmer & Berkman (Agreement) for the provision of legal services to the Agency, including CCDC, SEDC and the City Redevelopment Division, for a total compensation of \$1,500,000. On September 2, 2003, the First Amendment to the Agreement was approved to increase the total compensation by \$452,860. On September 14, 2004, the Second Amendment was approved to increase the total compensation by \$160,000. On June 21, 2005, the Third Amendment was approved to increase the total compensation by \$60,000. On August 30, 2005, the Fourth Amendment was approved to increase to total compensation by \$210,000 and to extend the term of the Agreement through September 30, 2005. On November 15, 2005, the Fifth Amendment was approved to increase the total compensation by \$450,000 and to extend the term of the Agreement through June 30, 2006.

COMMUNITY PARTICIPATION & PUBLIC OUTREACH EFFORTS: None with this action.

KEY STAKEHOLDERS: Kane, Ballmer & Berkman A Private Law Firm: Murray Kane, Partner; Glenn Wasserman, Partner; Royce K. Jones, Partner; Joseph W. Pannone, Partner; Stephanie R. Scher, Partner; June S. Ailin, Partner; and Susan Apy, Partner.

Respectfully submitted,

Carolyn Smith
President, SEDC

William Anderson
Agency Assistant Executive Director