



THE CITY OF SAN DIEGO  
Redevelopment Agency's Report

DATE ISSUED: March 21, 2007

REPORT NO.: RA-07-10

ATTENTION: Honorable Chair and Members of the Redevelopment Agency  
Docket of March 27, 2007

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

REQUESTED ACTION: 1) Approve the Agreement for Legal Services between the Redevelopment Agency and Kane, Ballmer & Berkman; 2) Authorize the expenditure not to exceed \$1,890,000 on an as-needed basis for legal services, with \$500,000 committed for the first year and funds for the remaining years contingent on the City Auditor first furnishing a certificate that funds are, or will be, available.

STAFF RECOMMENDATION: Approve the requested actions.

SUMMARY:

Since 1972 the Redevelopment Agency of the City of San Diego has engaged highly experienced Special Legal Counsel to assist the City Attorney's office in handling the complex transactions associated with California Redevelopment Law (Health & Safety Code 33000, et. seq.). Currently these services are provided by the law firm of Kane, Ballmer & Berkman.

In March 2005 a Request for Qualifications for Legal Services for the Redevelopment Agency (RFQ) was issued. Five firms were selected for interviews; however, before the interviews took place, the process was postponed. When the process was resumed in May 2006, an RFQ was sent to each of the five firms that had been selected for interviews in 2005. Four firms responded to the RFQ, and interviews were conducted on October 18-19, 2006. The selection panel was composed of representatives of the Southeastern Economic Development Corporation (SEDC), Centre City Development Corporation (CCDC), the City Redevelopment Division and the Office of the City Attorney. Criteria used in ranking the firms included cost, redevelopment expertise, responsiveness and commitment to equal employment opportunity.

Based on the stated criteria, Kane, Ballmer & Berkman was the unanimous choice of the selection panel. Although ranked as one of the preeminent Redevelopment firms in California, Kane, Ballmer & Berkman proposed the lowest hourly rates of all the firms that were interviewed. They have extensive, specific experience in the issues that face the Redevelopment Agency and can draw from their knowledge and involvement in redevelopment projects throughout the state to provide expert, up to date legal services to the Agency. The quality of the

legal services as well as their ability to respond quickly and effectively to the needs of the unique structure of the Redevelopment Agency further strengthens their selection. Kane, Ballmer & Berkman, of all the responding firms, has the most diverse professional workforce and has a demonstrated commitment to increasing diversity in the legal profession.

The total cost of the Agreement is estimated to be \$1,890,000 over the three-year period, allocated as follows: \$615,000 for SEDC, \$600,000 for CCDC, and \$675,000 for City Redevelopment projects. The following table summarizes the estimated costs for the duration of the three-year agreement.

Year	First	Second	Third	Total
SEDC	\$155,000	\$250,000	\$210,000	\$615,000
CCDC	\$120,000	\$240,000	\$240,000	\$600,000
City	\$225,000	\$225,000	\$225,000	\$675,000
<b>Total</b>	\$500,000	\$715,000	\$675,000	\$1,890,000

Continuing and upcoming projects for SEDC requiring the use of special counsel include numerous projects including the Fifth Amendment to the Central Imperial Redevelopment Plan, various Development Agreements which implement the redevelopment plans and other redevelopment activities as required.

CCDC’s continuing and upcoming projects requiring the use of special counsel include but are not limited to Centre City Affordable Housing, 9th & Broadway Project, Parkside Terrace Project, Centre City East Village Square, General Gaslamp legal issues, Southern Hotel, and Hotel Metro projects.

The City’s Redevelopment Division anticipates the use of special counsel to continue work on projects including ongoing litigation in the Grantville Project Area, ongoing projects in the College Community, Barrio Logan, Crossroads, City Heights, College Community, Naval Training Center, North Bay, North Park and San Ysidro Project Areas and affordable housing activities/programs.

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.

**FISCAL CONSIDERATIONS:** Funds for the first year in the amount of \$500,000 are available in the FY 2006-07 Project Area budgets. Subsequent years funding will be appropriated for this purpose in future annual budgets and encumbered on an as-needed basis.

PREVIOUS COUNCIL and/or COMMITTEE ACTION: On November 8, 2006, the CCDC Budget/Finance/Administration Committee recommended approval of the Agreement, and on November 29, 2006 the CCDC Board of Directors approved the action. Also on November 29, 2006, the SEDC Board of Directors recommended approval of the agreement with Kane Ballmer and Berkman.

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

KEY STAKEHOLDERS: Kane, Ballmer & Berkman A Private Law Firm: Murray Kane, Senior Principal; Royce K. Jones, Senior Principal; Susan Apy, Principal, David Johnson, Senior Counsel, Bruce Gridly, Senior Counsel, Deborah Rhodes, Senior Associate, Gustavo Lamanna, Associate, Jhaila Brown, Associate, Thaddeus Culpepper, Associate, and Davey Kim, Associate.

Respectfully submitted,

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Janice L. Weinrick  
Deputy Executive Director  
Redevelopment Agency

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William Anderson  
Agency Assistant Executive Director  
Redevelopment Agency

Attachments:

1. Agreement by and between the Redevelopment Agency and Kane Ballmer Berkman to provide Special Legal Counsel