

SUCCESSOR AGENCY
TO THE REDEVELOPMENT AGENCY
OF THE CITY OF SANTA ROSA

TO: CHAIRMAN AND SUCCESSOR AGENCY MEMBERS
FROM: DEBORAH LAUCHNER, CHIEF FINANCIAL OFFICER, FINANCE
DEPARTMENT
SUBJECT: RESOLUTIONS APPROVING AN AGREEMENT WITH BEST
BEST & KRIEGER FOR LEGAL SERVICES AND DELEGATING
CONTRACT AWARD AND MODIFICATION AUTHORITY TO THE
EXECUTIVE DIRECTOR

AGENDA ACTION: RESOLUTIONS

RECOMMENDATION

It is recommended by the Finance Department that the Successor Agency (the "Agency"), by resolution, approve: 1) an agreement with Best Best & Krieger for an amount not to exceed \$30,000, retroactive to July 1, 2016, to provide general legal advice and by resolution delegate contract award and modification authority to the City Manager as the Executive Director of the Agency, and 2) operational changes within the City by clarifying that the Deputy City Manager of the City of Santa Rosa shall act as the Assistant Executive Director of the Successor Agency.

EXECUTIVE SUMMARY

With the dissolution of the former Redevelopment Agency for the City of Santa Rosa, staff supporting the Successor Agency has a continued need for general legal advice. The law firm of Best Best & Krieger has been providing advice throughout the dissolution process and staff would like to continue their services for an additional two years retroactive to July 1, 2016 requiring approval of an agreement. In addition to the need for these services, staff is requesting the Successor Agency delegate contract award and modification authority for spending up to \$100,000 to the City Manager as the Executive Director of the Agency.

BACKGROUND

AB X1 26 was passed June 27, 2011 causing the dissolution of redevelopment agencies throughout the state. On January 10, 2012, the City of Santa Rosa opted to be the Successor Agency for the dissolution process. On June 27, 2012, Assembly Bill 1484 was enacted amending Health and Safety Code §34173 to explicitly provide that the

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Successor Agency is a separate legal entity from the public agency that provides for its governance and the two entities shall not merge. On November 6, 2012, the Successor Agency passed Resolution No. SA-2012-11 establishing rules and regulations for the operation of the Successor Agency as a separate legal entity.

The resolution designates the Mayor as the Chair of the Agency and delegates signature authority for all contracts, deeds and other instruments to this position. The resolution designates the City Manager as the Executive Director and delegates general supervision of the administration of the Successor Agency's business affairs subject to the discretion of the Successor Agency. The resolution designates the City Attorney as general counsel and specifically allows for the Successor Agency to employ Special Counsel to handle specialized legal work. The legal work regarding dissolution has been done using this provision and the Successor Agency has employed Best Best & Krieger to provide the services.

Operational changes within the City of Santa Rosa also require the Successor Agency to clarify that the Deputy City Manager of the City of Santa Rosa shall act as the Assistant Executive Director of the Successor Agency.

PRIOR SUCCESSOR AGENCY REVIEW

None

ANALYSIS

Review of the rules and regulations has been completed and staff is recommending the Successor Agency delegate contract award and modification authority to the Executive Director of the Agency to provide for more efficient operations of the Agency. The recommendation is that the Successor Agency delegate authority for award and modification on agreements and modifications up to \$100,000 similar to the City Manager's authority for managing the operations of the City of Santa Rosa.

Staff supporting the former Redevelopment Agency and its dissolution process has been working with the law firm of Best Best & Krieger for general legal advice for many years. The firm is considered an expert in Redevelopment and Dissolution Laws and has provided services often saving costs or providing certainty for future revenues to flow to the Agency. There is a need for this service to continue. The last agreement expired on July 1, 2016. Best Best & Krieger has continued to provide services to the Agency causing \$224.23 to be paid without an agreement in place. In addition, services were rendered in January and February 2017 causing \$1,712.88 in invoices to be submitted to the Agency which remain unpaid.

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Staff is requesting approval of an agreement retroactive to July 1, 2016 for a two-year period in an amount not to exceed \$30,000. Approval will also include ratification of the previously made payment in the amount of \$224.23.

FISCAL IMPACT

AB X1 26 was passed June 27, 2011 causing the dissolution of redevelopment agencies throughout the state. Section 34171(b) of the law allows for an administrative cost allowance in an amount “that shall not be less than \$250,000 for any fiscal year...” Clarifying laws passed after AB X1 26 clarified that legal services to be provided to the Agency are to be paid from the administrative cost allowance. There is a sufficient amount available from this allowance to pay for these services.

There is no fiscal impact from delegating signature and approval authority.

ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Resolution - Approving a Contract for General Legal Services with Best Best & Krieger/Exhibit A
- Resolution – Delegating Contract Award and Modification Authority to the Executive Director

CONTACT

Deborah Lauchner, Chief Financial Officer, Finance Department, (707) 543-3089,
dlauchner@srcity.org