

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: TERESA STRICKER, CITY ATTORNEY
SUBJECT: FIRST AMENDMENT TO PROFESSIONAL SERVICES
AGREEMENT NUMBER F003153 WITH BEST BEST & KRIEGER
LLP FOR CONTINUED LEGAL REPRESENTATION

AGENDA ACTION: MOTION

RECOMMENDATION

The City Attorney recommends that the Council, by motion: 1) approve the First Amendment to Professional Services Agreement Number F003153 with Best Best & Krieger LLP increasing compensation by \$45,000, for a total contract amount not to exceed \$145,000, for continued legal representation in the matter of *Cornerstone Communities II, LLC v. City of Santa Rosa, et. al.*, Sonoma County Superior Court Case 25CV06089; 2) authorize the City Attorney to execute the agreement; and 3) appropriate \$145,000 from unassigned General Funds to the City Manager's professional services budget to fund the legal services in *Cornerstone* through trial.

EXECUTIVE SUMMARY

The City entered into Professional Services Agreement Number F003153 with Best Best & Krieger LLP (BB&K) effective October 28, 2025 for representation in the matter of *Cornerstone Communities II, LLC v. City of Santa Rosa, et. al.*, Sonoma County Superior Court Case 25CV06089, (*Cornerstone*) in an amount not to exceed \$100,000.

GOAL

This item relates to Council Goal #2 - Invest in the Development and Maintenance of the City's Infrastructure.

BACKGROUND/PRIOR COUNCIL REVIEW

On July 8, 2025, Council held a [Public Hearing](#) to review evidence of default by Cornerstone Communities II, LLC under the purchase and sale agreement for the property located at 410 B Street (APN 010-045-025). After the duly noticed Public Hearing was held and considered all testimony and evidence provided, Council adopted Resolution No. RES-2025-117 electing to repurchase the property location at 410 B Street and directing the City Manager to deliver to Cornerstone a Call Exercise Notice.

ANALYSIS

On September 17, 2025, Cornerstone Properties II, LLC filed a Writ of Mandate and/or Complaint for Declaratory and Injunctive Relief requesting the Court set aside Council's actions taken on July 08, 2025, in exercising the City's Call Notice Rights pursuant to the Purchase and Sale for Future Infill Development Agreement for 410 B Street.

On October 28, 2025, Best Best & Krieger LLC was retained to provide legal advice and representation related to the City's dispute with Cornerstone Communities II, LLC over the real property located at 410 B Street, Santa Rosa, California.

The City Attorney's Office estimates \$145,000 will be needed through the trial for representation of the City. The City Attorney and City Manager request an appropriation of funds from reserves in that amount to fund the litigation.

FISCAL IMPACT

Funding for the \$100,000 in compensation under the Professional Services Agreement in addition to the \$45,000 in compensation to be added by the proposed First Amendment to the Agreement is requested to be appropriated from unassigned General Fund reserves in a total amount of \$145,000, as it was not included in previously adopted budgets. The updated budgeted FY 2025-26 surplus/deficit of the unassigned General Fund is \$8,655,201.

ENVIRONMENTAL IMPACT

Pursuant to CEQA Guidelines Section 15378, the recommended action is not a "project" subject to the California Environmental Quality Act (CEQA) because it does not have a potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. In the alternative, the recommended action is exempt from CEQA pursuant to CEQA Guidelines section 15061(b)(3) because it can be seen with certainty that there is no possibility that the recommended action may have a significant effect on the environment.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Attachment 1 – First Amendment to Professional Services Agreement F003153

FIRST AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT NUMBER
F003153 WITH BEST BEST & KRIEGER LLC FOR LEGAL REPRESENTATION
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PRESENTER(S)

Teresa Stricker, City Attorney