



Office of Executive Officer

CONSENT CALENDAR
February 5, 2013

To: Honorable Mayor and Members of the Successor Agency to the
Redevelopment Agency

From:  Christine Daniel, Executive Officer

Submitted by: Eric Angstadt, Director, Planning and Development

Subject: Contract: Goldfarb & Lipman LLP for Legal Services

RECOMMENDATION

Adopt a Resolution authorizing the Executive Officer to approve a contract and any amendments with Goldfarb & Lipman, LLP for legal services in an amount not to exceed \$100,000 for a total contract period of three years.

FISCAL IMPACTS OF RECOMMENDATION

Funding is available in Successor Agency Account Number 935-8303-463-3038. Funding will come from two Agency sources: administrative expenses and specific allocation from the Redevelopment Property Tax Trust Fund (RPTTF). Each is further described below.

The Contract Management System number is CMS No. DJLET.

CURRENT SITUATION AND ITS EFFECTS

The former Redevelopment Agency had previously contracted with the law firm of Goldfarb & Lipman to provide it with legal services. Outside counsel has always been utilized by the Agency based upon the specialized nature of redevelopment law. Upon dissolution of the Berkeley Redevelopment Agency on February 1, 2012 pursuant to AB X1 26, the Successor Agency to the Berkeley Redevelopment Agency was constituted. Outside counsel is needed to assist the Successor Agency comply with the highly complex and constantly evolving Dissolution Act. Therefore, a new contract between the Successor Agency and Goldfarb & Lipman is proposed.

Contract approval for an amount not-to-exceed \$100,000 is requested for the three-year period. Successor Agency expenditures must be approved as part of a Recognized Obligation Payment Schedules (ROPS) by the Department of Finance for each six-month fiscal period. The approved ROPS III (January 1, 2013 – June 30, 2013) included \$5,000 for legal services from Goldfarb & Lipman. As presented for Agency approval, ROPS IV (July 1 – December 31, 2013) includes maximum funding during this time period for Goldfarb & Lipman as follows:

- \$10,000 for general legal assistance, included in Administrative Expenses¹, and
- \$40,000 for potential litigation with the Department of Finance, which is an allowable RPTTF expense paid through tax increment.

BACKGROUND

Budgeting and expenditures for the Successor Agency must comply with the Dissolution Act as last amended in June 2012. The Agency cannot make any payments that are not included in an approved ROPS for each six-month fiscal period.

RATIONALE FOR RECOMMENDATION

Supplemental legal resources are needed due to the complexity of the dissolution of redevelopment agencies and the accompanying legal requirements. A sole source contract is recommended because Goldfarb & Lipman has provided valued expertise to the former Redevelopment Agency and the Successor Agency; the firm is a recognized leader in the redevelopment field.

ALTERNATIVE ACTIONS CONSIDERED

None

CONTACT PERSON

Wendy Cosin, Deputy Planning Director, Planning and Development, 981-7402

Attachments:

1: Resolution

¹ The state allows a maximum of \$250,000/year as the Administrative Cost Allowance. This must cover all administrative expenses and is provided from the Agency's share of tax increment held by the county in the Redevelopment Property Tax Trust Fund (RPTTF). After paying staff costs, \$10,000/year is available as part of the administrative cost allowance for legal services.

RESOLUTION NO.

CONTRACT: GOLDFARB & LIPMAN LLP FOR LEGAL SERVICES

WHEREAS, the City, the former Redevelopment Agency, and the Successor Agency have received legal services from Goldfarb & Lipman, LLP for many years; and

WHEREAS, supplemental legal resources continue to be needed due to the complexity of the dissolution of redevelopment agencies and the accompanying legal requirements; and

WHEREAS, approval of a sole source contract will allow the Successor Agency to continue to receive legal services from a firm with an extensive knowledge of the former Redevelopment Agency and the Successor Agency's structure and finances as well as redevelopment law; and

WHEREAS, the contract has been entered into the contract database and assigned CMS No. DJLET.

NOW THEREFORE, BE IT RESOLVED by the Successor Agency for the Berkeley Redevelopment Agency that the Executive Officer is authorized to execute a contract and any amendments thereto with Goldfarb & Lipman, LLP for legal services for a total contract period of three years in an amount not to exceed \$100,000. A record signature copy of said contract and any amendments will be on file in the City Clerks Department.

