



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Nora Frimann
City Attorney

SUBJECT: SEE BELOW

DATE: April 28, 2022

SUBJECT: AMENDMENT TO AGREEMENT WITH RICHARDS, WATSON & GERSHON FOR LEGAL SERVICES RELATED TO COMPLEX REAL ESTATE DEVELOPMENT AND PLANNING

RECOMMENDATION

Adopt a resolution authorizing the City Attorney to negotiate and execute a Seventh Amendment to the Agreement with Richards, Watson & Gershon for legal services related to complex real estate development and planning, extending the term of the Agreement from June 30, 2022 to June 30, 2023, with no increase in the maximum amount of compensation.

OUTCOME

Execution of the amendment with Richards, Watson & Gershon ("RWG") to extend the term through June 30, 2023 will allow the firm to continue to provide legal services related to complex real estate and planning projects in the City of San José ("City").

BACKGROUND

On July 21, 2017, the City Attorney's Office issued a Request for Qualifications ("RFQ") for Real Estate Development Counsel, seeking one or more firms with expertise in complex real estate development to assist the City Attorney's Office with the negotiation and drafting of an agreement for the sale or ground lease of City-owned property for the potential construction of a mixed-use, transit-oriented development, including office and research and development space in the Diridon Station Area. Three responses to the RFQ were received.

On December 4, 2017, the City entered into an agreement with RWG for legal services related to complex real estate development in the Diridon Station Area for a 36-month term expiring on December 3, 2020 in an amount not to exceed \$50,000 ("Agreement"). On December 3, 2018, the City and RWG entered into a First Amendment to the

Agreement, increasing the maximum amount of compensation to \$125,000. On March 25, 2019, the City and RWG entered into a Second Amendment to the Agreement, increasing the maximum amount of compensation to \$175,000 and amending the scope of services to include legal services related to the negotiation, review, and drafting of real estate and planning related documents for City projects. On September 27, 2019, the City and RWG entered into a Third Amendment to the Agreement, increasing the maximum amount of compensation to \$320,000 and amending the scope of services to include legal services related to the City's purchase of real property in Coyote Valley. On December 15, 2020, the City Council authorized the City Attorney to negotiate and execute a Fourth Amendment to the Agreement, increasing the maximum amount of compensation to \$420,000 and extending the term through December 31, 2021. On May 25, 2021, the City Council authorized the City Attorney to negotiate and execute a Fifth Amendment to the Agreement increasing the maximum amount of compensation to \$670,000. On November 10, 2021, the City and RWG entered into a Sixth Amendment to the Agreement, extending the term through June 30, 2022 with no increase in the maximum amount of compensation, in accordance with the City Attorney's contract amendment authority under San José Municipal Code Section 4.04.055.

ANALYSIS

RWG was chosen to provide specialized legal services based on the firm's expertise in complex real estate and planning laws. There is approximately \$129,216 in unexpended funds under the Sixth Amendment of the Agreement. The purpose of the Seventh Amendment is to extend the term through June 30, 2023 to allow the firm to continue to provide legal services related to complex real estate and planning projects in the City. No additional funding will be added to the Agreement as the unexpended funds will roll over for next fiscal year.

CONCLUSION

To ensure the continued delivery of legal services in support of ongoing real estate and planning projects, staff recommends extending the term through June 30, 2023 with no increase in the maximum amount of compensation.

CLIMATE SMART SAN JOSE

The recommendation in this memorandum has no effect on Climate Smart San José energy, water, or mobility goals.

PUBLIC OUTREACH

This memorandum will be posted on the City's website as part of the May 10, 2022 City Council Agenda.

COORDINATION

This item has been coordinated with the Office of Economic Development and the City Manager's Budget Office.

COST SUMMARY/IMPLICATIONS

No additional funding is required for approval of the amendment.

CEQA

Not a Project; File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.

NORA FRIMANN
City Attorney

By /s/ Johnny V. Phan
Johnny V. Phan
Chief Deputy City Attorney

For questions, please contact JOHNNY PHAN, CHIEF DEPUTY CITY ATTORNEY, at (408) 535-1900.