



DATE: August 20, 2008

TO: Chairman and Members, Community Development Commission

FROM: Economic and Community Development Department

SUBJECT: **PROFESSIONAL SERVICES AGREEMENT BETWEEN BEST BEST & KRIEGER, LLP, AND THE COMMUNITY DEVELOPMENT COMMISSION, AND BUDGET APPROPRIATION FOR CONSULTING SERVICES ON THE DOWNTOWN BEACH RESORT HOTEL PROJECT**

SYNOPSIS

Staff recommends that the Community Development Commission (Commission) approve a Professional Services Agreement with Best Best & Krieger, LLP, in an amount not to exceed \$150,000 for consulting services on the Downtown Beach Hotel Project; approve an appropriation of \$150,000 from the unallocated fund balance in the Redevelopment Debt Service Fund account to be transferred to the project account; and authorize the Executive Director to execute the agreement.

BACKGROUND

The Commission has retained the services of Best Best & Krieger, LLP, since 2005 for legal issues and documents relating to the Downtown Beach Hotel Project. The \$150,000 requested is for additional work for preparation of legal documents that are necessary to continue the analysis of the project and for work that was performed in the latter part of FY 2007/08 that needs to be paid. A new agreement is necessary because the previous agreement purchase order is at a zero balance.

ANALYSIS

Best Best & Krieger, LLP, has assisted the City in the preparation of the Exclusive Negotiating Agreement with S.D. Malkin. In the next fiscal year the Disposition and Development Agreement and the Ground Lease will need to be prepared. These documents require a great deal of legal assistance from an attorney with a vast knowledge of Redevelopment Law and transactions.

FISCAL IMPACT

Staff is requesting an appropriation in the amount of \$150,000 from the unallocated fund balance in the Redevelopment Debt Service Fund account (489.1022.22241) to be transferred to the project account (591.879594.5241).

INSURANCE REQUIREMENTS

Through the term of the agreement, Best Best & Krieger will maintain the City's normal insurance coverage requirements.

COMMISSION OR COMMITTEE REPORT

The Redevelopment Advisory Committee will review this staff report at its August 13, 2008, meeting and supports the proposed professional services agreement.

CITY ATTORNEY'S ANALYSIS

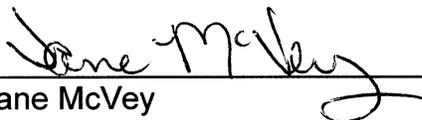
The referenced documents have been reviewed by the City Attorney and approved as to form.

RECOMMENDATION

Staff recommends that the Community Development Commission (Commission) approve a Professional Services Agreement with Best Best & Krieger, LLP, in an amount not to exceed \$150,000 for consulting services on the Downtown Beach Hotel Project; approve an appropriation of \$150,000 from the unallocated fund balance in the Redevelopment Debt Service Fund account to be transferred to the project account; and authorize the Executive Director to execute the agreement.

PREPARED BY:

SUBMITTED BY:



Jane McVey
Economic and Community
Development Director



Peter A. Weiss
Executive Director

REVIEWED BY:

Michelle Skaggs Lawrence, Deputy City Manager
Teri Ferro, Financial Services Director





CITY OF OCEANSIDE

PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT is made and entered into this 20th day of August, 2008, by and between the CITY OF OCEANSIDE, COMMUNITY DEVELOPMENT COMMISSION, hereinafter designated as the "COMMISSION," and BEST BEST & KRIEGER LLP, Law Corporation, authorized to practice law in California, hereinafter designated as "CONSULTANT."

RECITALS

A. The COMMISSION desires to obtain professional services from an Independent contractor for assistance with legal advice and consultation specifically related to redevelopment activities with regard to the Downtown Beach Hotel Project, not to exceed \$150,000.

B. The COMMISSION desires to contract with CONSULTANT as an independent contractor and CONSULTANT desires to provide services on an as-needed basis to the COMMISSION when required by the Economic and Community Development Director and/or the COMMISSION General Counsel.

C. CONSULTANT has demonstrated its competence and professional qualifications necessary for the satisfactory performance of the services designated herein by virtue of its experience, training, education and expertise, and performance of work for the COMMISSION, including that performed under previous contracts.

NOW THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. PROFESSIONAL SERVICES PROVIDED BY CONSULTANT. The professional services to be performed by CONSULTANT shall consist of but not be limited to the following:

1.1. CONSULTANT agrees to work closely with the Economic and Community Development Director in performing work in accordance with this Agreement in order to receive clarification as to the result, which the COMMISSION expects to be accomplished by CONSULTANT. The Economic and Community Development Director shall be the COMMISSION'S authorized representative in the interpretation and enforcement of all work performed in connection with this Agreement. The Economic and Community Development Director may delegate authority in connection with this Agreement to the Economic and Community Development Director's designees.

1.2. The specific scope of work to be performed by CONSULTANT under this Agreement shall include, but not be limited to, consult assist and advise the COMMISSION with respect to legal and disposition problems, including negotiation and preparation of a disposition and development agreement, lease, purchase and sale and/or financing agreements for the Downtown Beach Hotel Project; assess, advise and assist with CEQA, tax and other legal and regulatory compliance in connection with the

Downtown Beach Hotel Project; participate in formal and informal discussions and presentations with potential developers and community officials.

1.3. The specific scope of work for a specific job shall be as defined by subsequent written proposals signed by the CONSULTANT and the Economic and Community Development Director. The written proposal shall include only the work to be performed by CONSULTANT, timing requirements for submittals, and the total compensation (not to exceed amount) to be received by CONSULTANT for the work.

1.4. All terms of this Agreement shall apply to all work performed by CONSULTANT within the scope of work for the COMMISSION during the term of this Agreement.

2. **TIMING REQUIREMENTS:** Time is of the essence in the performance of work under this Agreement. CONSULTANT shall respond in the most expedient and appropriate manner under the circumstances, by telephone, fax, hand delivery, or mail.

CONSULTANT shall be required to submit all requests for extensions of time for performance in writing to the Economic and Community Development Director no later than ten calendar days after the start of the condition which purportedly causes the delay, and no later than the date on which performance is due. The Economic and Community Development Director shall review all such requests and may recommend granting reasonable time extensions for delays that are beyond CONSULTANT'S control.

3. **CRITERIA AND STANDARDS.** All work shall be performed in accordance with applicable COMMISSION, State and Federal Codes and criteria. In the performance of professional services, CONSULTANT shall use the degree of care and skill ordinarily exercised by CONSULTANTS under similar conditions.

4. **INDEPENDENT CONTRACTOR:** CONSULTANT'S relationship to the COMMISSION shall be that of an independent contractor. CONSULTANT shall have no authority, express or implied, to act on behalf of the COMMISSION as an agent, or to bind the COMMISSION to any obligation whatsoever, unless specifically authorized in writing by the Economic and Community Development Director. CONSULTANT shall be solely responsible for the performance of any of its employees or agents under this Agreement.

CONSULTANT shall report to the COMMISSION any and all employees, agents, and consultants performing work in connection with this project, and all shall be subject to the approval of the COMMISSION.

5. **COMMISSION BUSINESS LICENSE.** Prior to the commencement of any work under this Agreement, the CONSULTANT shall obtain and present a copy of a City of Oceanside Business License to the Economic and Community Development Director.

6. **WORKERS' COMPENSATION.** Pursuant to Labor Code Section 1861, the COMMISSION hereby certifies that the CONSULTANT is aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and the CONSULTANT will comply with such provisions, and provide certification of such compliance as a part of these Award Documents. The

certification shall be in accordance with Subsections 7.3 through 7.8 of this Agreement.

7. **LIABILITY INSURANCE.**

7.1. CONSULTANT shall, throughout the duration of this Agreement maintain comprehensive general liability and property damage insurance, or commercial general liability insurance, covering all operations of CONSULTANT, its agents and employees, performed in connection with this Agreement including but not limited to premises and automobile.

7.2. CONSULTANT shall maintain the following minimum limits:

General Liability	
Combined Single Limit Per Occurrence	\$1,000,000
General Aggregate	\$2,000,000
Automobile Liability Insurance	
Combined Single Limit Per Occurrence	\$1,000,000

7.3. All insurance companies affording coverage to the CONSULTANT shall be required to add the City of Oceanside Economic and Community Development Department as "additional insured" under the insurance policy for all work performed in accordance with this Agreement. Insurance coverage provided to the City of Oceanside Economic and Community Development Department as additional insured shall be primary insurance and other insurance maintained by the City of Oceanside, its officers, agents, and employees shall be excess only and not contributing with insurance provided pursuant to this Section.

7.4 All insurance companies affording coverage to the CONSULTANT pursuant to this agreement shall be insurance organizations authorized by the Insurance Commissioner of the State of California to transact business of insurance in the state or be rated as A-X or higher by A.M. Best.

7.5. All insurance companies affording coverage shall provide thirty (30) day written notice to the City of Oceanside Economic and Community Development Department should the policy be canceled before the expiration date. For the purposes of this notice requirement, any material change in the policy prior to the expiration shall be considered a cancellation.

7.6. CONSULTANT shall provide evidence of compliance with the insurance requirements listed above by providing a certificate of insurance, in a form satisfactory to the COMMISSION General Counsel, concurrently with the submittal of this Agreement.

7.7. CONSULTANT shall make best efforts to provide a substitute certificate of insurance no later than thirty (30) days prior to the policy expiration date. Failure by the CONSULTANT to provide such a substitution and extend the policy expiration date may be considered a default by CONSULTANT and may subject the CONSULTANT to a suspension or termination of work under the Agreement.

7.8. Maintenance of insurance by the CONSULTANT as specified in this Agreement shall in no way be interpreted as relieving the CONSULTANT of any responsibility whatever and the CONSULTANT may carry, at its own expense, such additional insurance as it deems necessary.

8. PROFESSIONAL ERRORS AND OMISSIONS INSURANCE.

CONSULTANT shall, throughout the duration of this Agreement, maintain professional errors and omissions insurance for work performed in connection with this Agreement in the minimum amount of One Million Dollars (\$1,000,000).

CONSULTANT shall provide evidence of compliance with these insurance requirements by providing a Certificate of Insurance.

9. CONSULTANT'S INDEMNIFICATION OF CITY. CONSULTANT

shall indemnify and hold harmless the COMMISSION and its officers, agents and employees against all claims for damages to persons or property arising out of the negligent conduct of the CONSULTANT or its employees, agents, subcontractors, or others in connection with the execution of the work covered by this Agreement, except only for those claims arising from the sole negligence or sole willful conduct of the COMMISSION its officers, agents, or employees. CONSULTANT'S indemnification shall include any and all costs, expenses, attorneys' fees and liability incurred by the COMMISSION, its officers, agents, or employees in defending against such claims, whether the same proceed to judgment or not. Further, CONSULTANT at its own expense shall, upon written request by the COMMISSION, defend any such suit or action brought against the COMMISSION, its officers, agents, or employees as a result of acts of CONSULTANT.

CONSULTANT'S indemnification of the COMMISSION shall not be limited by any prior or subsequent declaration by the CONSULTANT.

10. ERRORS AND OMISSIONS. In the event that the Economic and Community Development Director determines that the CONSULTANT'S negligence, errors, or omissions in the performance of work under this Agreement has resulted in expense to the COMMISSION greater than would have resulted if there were no such negligence, errors, or omissions in the plans or contract specifications, CONSULTANT shall reimburse the COMMISSION for the additional expenses incurred by the COMMISSION. Nothing herein is intended to limit the COMMISSION'S rights under Sections 7, 8, or 9.

11. NO CONFLICT OF INTEREST. The CONSULTANT shall not be financially interested in any other COMMISSION contract for this project. For the limited purposes of interpreting this section, the CONSULTANT shall be deemed a "COMMISSION officer or employee", and this section shall be interpreted in accordance with Government Code section 1090. In the event that the CONSULTANT becomes financially interested in any other COMMISSION contract for this project, that other contract shall be void. The CONSULTANT shall indemnify and hold harmless the COMMISSION, under Section 11 above, for any claims for damages resulting from the CONSULTANT'S violation of this Section.

12. **OWNERSHIP OF DOCUMENTS**. All documents prepared or provided by the CONSULTANT under this Agreement shall be the property of the COMMISSION. The COMMISSION agrees to hold the CONSULTANT free and harmless from any claim arising from any use, other than the purpose intended, of the documents prepared or provided by the CONSULTANT. CONSULTANT may retain a copy of all material produced under this Agreement for the purpose of documenting participation.

13. **COMPENSATION**.

13.1 For work performed by CONSULTANT in accordance with this Agreement, the COMMISSION shall pay CONSULTANT in accordance with the schedule of billing rates set forth below. No rate changes shall be made during the term of this Agreement without prior written approval of the Economic and Community Development Director.

CONSULTANT shall be compensated for services rendered under this Agreement at the following rates:

Partners/Of counsel:	\$250.00 per hour; and
Associates:	\$205.00 per hour; and
Paralegals:	\$150.00 pre hour.

Total compensation for all services and expenses under this Agreement shall not exceed \$150,000.

13.2. CONSULTANT'S accounting records shall be made available to the Economic and Community Development Director, for verification of billings, within a reasonable time of the Economic and Community Development Director's request for inspection.

13.3. CONSULTANT shall submit monthly invoices to the COMMISSION. The COMMISSION shall make payments to CONSULTANT within thirty (30) days of receipt of invoices, subject to approval of the Economic and Community Development Director.

13.4. COMMISSION shall reimburse BEST BEST & KRIEGER LLP for:

a. All travel expenses, subsistence, and other out-of pocket expenses authorized by the COMMISSION in connection with the performance of duties under this AGREEMENT. Travel expenses to or from the COMMISSION of Oceanside will not be reimbursable;

b. All travel expenses for attendance at conferences when the Economic and Community Development Director request attendance at such conferences;

c. Incidental expenses incurred in the course of conducting COMMISSION business, subject to Economic and Community Development Director's approval;

d. Long distance telephone expenses, taxi fares incurred in the course of conducting COMMISSION business, subject to the Economic and Community Development Director's approval;

e. Cost of document production required by the COMMISSION, subject to the Economic Development and Redevelopment Director's approval; and subsistence expenses, supported by detailed records in the amount of actual cost.

14. **DURATION OF AGREEMENT:** The time period covered by this Agreement shall be from July 1, 2008 to June 30, 2009.

15. **TERMINATION OF AGREEMENT.** Either party may terminate this agreement upon thirty (30) day written notice to the other party.

If any portion of the work is terminated or abandoned by the COMMISSION then the COMMISSION shall pay CONSULTANT for any work completed up to and including the date of termination or abandonment of this Agreement, in accordance with Section 13. The COMMISSION shall be required to compensate CONSULTANT only for work performed in accordance with the Agreement up to and including the date of termination.

16. **ASSIGNMENT AND DELEGATION.** This Agreement and any Portion thereof shall not be assigned or transferred, nor shall any of the CONSULTANT'S duties be delegated, without the express written consent of the COMMISSION. Any attempt to assign or delegate this Agreement without the express written consent of the COMMISSION shall be void and of no force or effect. A consent by the COMMISSION to one assignment shall not be deemed to be a consent to any subsequent assignment. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

17. **ENTIRE AGREEMENT:** This Agreement comprises the entire integrated understanding between the COMMISSION and CONSULTANT concerning the work to be performed under this Agreement and supersedes all prior negotiations, representations, or agreements.

18. **INTERPRETATION OF THE AGREEMENT.** The interpretation, validity and enforcement of the Agreement shall be governed by and construed under the laws of the State of California. The Agreement does not limit any other rights or remedies available to the COMMISSION.

The CONSULTANT shall be responsible for complying with all Local, State, and Federal laws whether or not said laws are expressly stated or referred to herein.

Should any provision herein be found or deemed to be invalid, the Agreement shall be construed as not containing such provision, and all other provisions, which are otherwise lawful, shall remain in full force and effect, and to this end the provisions of this Agreement are severable.

19. **AGREEMENT MODIFICATION.** This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by the parties hereto.

20. **DISPUTE RESOLUTION.**

a. Any controversy or claim arising out of or relating to agreement, or concerning the breach or interpretation thereof, shall be first submitted to mediation, the cost of which shall be borne equally by the parties.

b. No suit shall be brought to this contract unless all statutory claims filing requirements have been met.

21. **NOTICES.** All notices, demands, requests, consents or other communications which this Agreement contemplates or authorizes, or requires or permits either party to give to the other, shall be in writing and shall be personally delivered or mailed to the respective party as follows:

TO COMMISSION

Economic and Community
Development Director
300 N. Coast Highway
Oceanside, CA 92054

TO CONSULTANT

Delmar Williams
BEST BEST & KRIEGER LLP
655 West Broadway, 15th Floor
San Diego, CA 92101

Either party may change its address by notice to the other party as provided herein.

Communications shall be deemed to have been given and received on the first to occur of (i) actual receipt at the offices of the party to whom the communication is to be sent, as designated above, or (ii) three working days following the deposit in the United States Mail of registered or certified mail, postage prepaid, return receipt requested, addressed to the offices of the party to whom the communication is to be sent, as designated above.

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22. **SIGNATURES:** The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Agreement on behalf of the respective legal entities of the CONSULTANT and the COMMISSION.

IN WITNESS WHEREOF the parties hereto for themselves, their heirs, executors, administrators, successors, and assigns do hereby agree to the full performance of the covenants herein contained and have caused this Professional Services Agreement to be executed by setting hereunto their signatures this 20th day of August, 2009.

BEST BEST & KRIEGER LLP

**OCEANSIDE COMMUNITY
DEVELOPMENT COMMISSION**

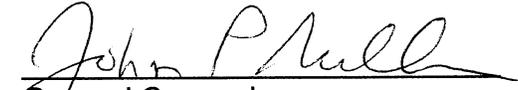
BY 

BY _____
Executive Director

Attest:

Secretary

Approved as to form:


General Counsel

Federal Employer I.D. No. 95-2157337

**Notary acknowledgements and Proof of Authorization for signatories of
CONSULTANT must be attached.**

ALL-PURPOSE ACKNOWLEDGMENT FOR CALIFORNIA

STATE OF CALIFORNIA
COUNTY OF San Diego

On 8.7.08, before me, Renee Geidner, Notary Public,
Date Name And Title Of Officer (e.g. "Jane Doe, Notary Public")

personally appeared Delmar Williams,
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under penalty of perjury under the laws of the State of California that the foregoing paragraph is true and correct.



Place Notary Seal Above

WITNESS my hand and official seal.

Renee Geidner
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

CAPACITY CLAIMED BY SIGNER

- Individual
- Corporate Officer

Title(s)

- Partner(s) Limited
- General

- Attorney-In-Fact
- Trustee(s)
- Guardian/Conservator
- Other: _____

Signer is representing:
Name Of Person(s) Or Entity(ies)

DESCRIPTION OF ATTACHED DOCUMENT

City of Oceanside
Professional Services Agreement

Title or Type of Document

8

Number Of Pages

Date Of Document

Signer(s) Other Than Named Above