



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: SEPT 16, 2025

FROM: CITY ATTORNEY'S OFFICE WARDS: ALL

SUBJECT: INCREASE BUDGET FOR REDWOOD PUBLIC LAW FROM \$250,000 TO \$661,750 FOR REDWOOD PUBLIC LAW TO CONTINUE TO WORK ON PUBLIC/PRIVATE PARTNERSHIP PROJECTS – SUPPLEMENTAL APPROPRIATION

ISSUE:

To consider an increase to the budget for Redwood Public Law's work on public/private partnership projects from \$250,000 to \$661,750 and to approve supplemental appropriation for legal costs that are reimbursable from the developers.

RECOMMENDATIONS:

That the City Council:

1. Approve an increase to the budget for Redwood Public Law's work on public/private partnership projects from \$250,000 to \$661,750; and
2. With at least five affirmative votes, authorize the Chief Financial Officer, or designee, to record an increase in revenue and corresponding appropriation in applicable General Fund departmental accounts for all expenditures reimbursable by the related developer deposits, not to exceed the amounts actually held on deposit in the Interest-Bearing Special Deposits Fund.

BACKGROUND:

City Charter section 702, "Eligibility, powers and duties of City Attorney," provides, in part, that "the City Council shall have control of all legal business and proceedings and may employ other attorneys to take charge of any litigation or matter or to assist the City Attorney therein."

Public/private partnerships are contractual agreements between a public agency and a private entity that allow for greater private participation in the delivery of projects. These partnerships typically involve collaboration on infrastructure or public service projects, such as building, renovating, operating, or maintaining facilities or systems. The private partner often invests its own capital, and both parties share in the risks and rewards of the project. Public/private

partnerships can be used at the federal, state, and local levels for various types of projects, including transportation, utilities, and more. Public/private partnerships can be a component of major land development projects.

On August 20, 2024, the City Attorney's Office, with the concurrence of the City Manager's Office, added Redwood Public Law to the panel of attorneys for the City and engaged Steve Mattas of the law firm of Redwood Public Law to provide specialized legal assistance on public/private partnerships issues, and executed a three-year Legal Services agreement with this law firm.

The engagement was limited to legal advice for public/private partnerships. Here are some representative projects that Mr. Mattas has worked on:

- DisneylandForward project for Anaheim, a forty-year plan for development of the Disney properties in Anaheim
- ocV!BE Project: Assisted the City of Anaheim with negotiations and preparations of development agreement and revised facility management agreements for the ocV!BE Mixed Use Entertainment and Commercial District and the Honda Center and the Anaheim Regional Transportation Intermodal Center ("ARTIC").
- Oyster Point project in South San Francisco which included a biotech and technology office/research and development campus, a hotel, a new public park area and significant public infrastructure improvements.

Mr. Mattas has extensive experience in representing public agencies in negotiating and preparing development agreements, facility management agreements and public property leases.

DISCUSSION:

Mr. Mattas is advising the City on two projects:

(1) Exclusive Negotiating Agreement ("ENA") with Adrenaline Sports Collaborative for acquisition and development of 126 acres of City-owned property, Assessor Parcel Numbers 246-060-011, 206-070-002 and 206-070-003 for development of Riverside Adventure Center and Mixed-Use Town Center Development within Northside Specific Plan; and

(2) Exclusive Negotiating Agreement with GCS Development for acquisition and development of 56-acre City-owned parcel with Assessor's Parcel Number 246-060-001, for Riverside Sports Complex and Entertainment District within Northside Specific Plan.

Mr. Mattas had an initial budget of \$250,000 and has provided a budget of an additional \$411,750 for legal services for both projects through June 30, 2026.

For both projects, the developer is required to provide a \$75,000 deposit for use by the City for specified costs incurred, including outside counsel expenses incurred after each of the ENAs were signed. For ASR, the ENA was signed on March 3, 2025. For AB Brown, the ENA was signed on August 19, 2025. Outside counsel fees incurred after those dates for each of the projects respectively must be paid for by the developer per the terms of the ENA. Specifically, the ENA requires that the deposit amount be replenished through subsequent deposits in the amount of \$50,000 whenever the amount on deposit with the City falls below \$25,000 due to

payment of authorized expenses. Per the ENA, the City shall deposit such funds in an interest-bearing account. The City Manager is responsible for seeking such replenishment.

Purchasing Resolution No. 24101, Article Seven: Acquisition of Services, Section 702 Exceptions states, "Competitive Procurement through the Informal Procurement and Formal Procurement process shall not be required in any of the following circumstances...(p) When the Procurement is for the retention of outside legal counsel and services."

The Purchasing Manager concurs that the recommended action is in accordance with Purchasing Resolution 24101, Section 702.

FISCAL IMPACT:

The total fiscal impact of this action is net zero, as all legal costs are borne by the developer. The Exclusive Negotiating Agreements with Adrenaline Sports Collaborative and GCS Development both require a \$75,000 deposit from the developer team to be placed in a special deposit account identified by the City's Finance Department. The deposit will be used to offset any costs incurred by the City, and each deposit will be replenished by the developer through subsequent deposits in the amount of \$50,000 whenever the amount on deposit with the City falls below \$25,000 due to payment of authorized expenses.

The developer deposits are tracked in the following interest-bearing accounts:

- 0000721-225152 Adrenaline Sports Collaborative
- 0000721-225153 GCS Development

With Council approval of the report recommendation, a supplemental appropriation equal to the initial deposits of \$75,000 each will be recorded in applicable General Fund departmental accounts. As each deposit is replenished by the developer, supplemental appropriations equal to the replenishment amounts will be recorded in the General Fund. On a monthly basis, an amount equal to reimbursable expenditures incurred for the period will be transferred from the interest-bearing deposit accounts to the applicable General Fund revenue account.

Prepared by: Susan Wilson, Assistant City Attorney
Certified as to
availability of funds: Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved as to form: Rebecca McKee-Reinbold, Interim City Attorney