



| <b>STAFF REPORT</b>   |                                   |
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| <b>SUBJECT:</b> Authorization of Additional Expenditures Under Existing Professional Services Contract with Downey Brand for Legal Services from \$250,000 to \$500,000 | <b>MEETING DATE:</b> Oct. 6, 2023 |
| <b>SUBMITTED BY:</b> Alan Flora, City Manager   |                                   |
| <b>PURPOSE OF REPORT:</b> <input type="checkbox"/> Information only <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> Action Item                 |                                   |

**WHAT IS BEING ASKED OF THE CITY COUNCIL/BOARD:**

Approve contract for legal services for representation.

**BACKGROUND/DISCUSSION:**

In 2023 the City Manager executed a contract with Downey Brand to provide legal services, primarily related to the recent onslaught by the Koi Nation to challenge all economic development projects in the City of Clearlake. On March 3, 2023 the Koi filed a lawsuit against the City, challenging the CEQA determination for the 18<sup>th</sup> Avenue Road Improvement Project. In July the Koi Nation filed a second lawsuit against the City, this time regarding the Burns Valley Sports Complex and Recreation Center Project. The 18<sup>th</sup> Avenue project is scheduled for trial on October 20<sup>th</sup>, with no trial date set yet for the Burns Valley lawsuit.

In March the Council authorized \$250,000 to be spent in defense of these projects, some additional funds will be required. Staff are requesting an additional \$250,000 be authorized, for a total of \$500,000. While the City continues to believe these lawsuits and the tribe’s actions to be an overreach and frivolous, significant taxpayer funds will nonetheless be required to defend these projects.

**FISCAL IMPACT**

Staff request approval of an additional \$250,000 for contract legal services.

**OPTIONS:**

1. Authorize an additional \$250,000 in expenditures under the Downey Brand contract for a new total of \$500,000
2. Other direction

**FISCAL IMPACT:**

None  \$250,000 Budgeted Item?  Yes  No

Budget Adjustment Needed?  Yes  No If yes, amount of appropriation increase: \$

Affected fund(s):  General Fund  Measure P Fund  Measure V Fund  Other: 240 Capital Project Funds

Comments: Legal fees are being paid from City funds allocated to each project.

**STRATEGIC PLAN IMPACT:**

- Goal #1: Make Clearlake a Visibly Cleaner City
- Goal #2: Make Clearlake a Statistically Safer City
- Goal #3: Improve the Quality of Life in Clearlake with Improved Public Facilities
- Goal #4: Improve the Image of Clearlake
- Goal #5: Ensure Fiscal Sustainability of City
- Goal #6: Update Policies and Procedures to Current Government Standards
- Goal #7: Support Economic Development

**Attachments:**