

**CITY OF SAN ANTONIO
CITY ATTORNEY'S OFFICE
INTERDEPARTMENTAL CORRESPONDENCE**

TO: Mayor and City Council

FROM: Andrew Martin, City Attorney

THROUGH: Terry M. Brechtel, City Manager

COPIES TO: Christopher J. Brady, Assistant City Manager; Bill Wood, Acting Deputy City Attorney; Celia Murphy, Legal Administrator

SUBJECT: Authorization to Pay Fees for Outside Counsel Legal Services in Connection with the Toyota Agreement

DATE: May 20, 2003

SUMMARY AND RECOMMENDATION

This ordinance authorizes payments to the law firms of Cox & Smith, Incorporated, and Loeffler, Jonas & Tuggey, L.L.P., for legal services and associated expenses incurred in connection with the Project Starbright Agreement between the City, Toyota Motor Manufacturing North America, Inc., and others in an amount not to exceed \$590,000.00. This ordinance also ratifies a professional services agreement with Loeffler, Jonas & Tuggey, L.L.P., for legal services provided as a member of the team assembled to respond to Toyota's interest in building an automobile manufacturing plant in San Antonio.

Staff recommends approval of this ordinance.

BACKGROUND

Ordinance No. 96939, approved December 19, 2002, authorized payment of up to \$135,000.00 to Cox & Smith for services provided in connection with Project Starbright. That amount is included within the overall total of \$590,000.00 authorized by this proposed ordinance. Cox & Smith has been the primary source and coordinator of legal services to the team assembled by the City to respond to Toyota's interest in San Antonio as the site for its next North American automobile manufacturing plant. Loeffler, Jonas & Tuggey, L.L.P., has been an active and valuable member of the team from the beginning of negotiations with Toyota's representatives. The attorneys at these firms have reviewed, drafted, and responded on the City's behalf to multiple drafts of the Project Starbright Agreement and the related contracts and documents executed by Toyota, the City, the State of Texas, Bexar County, and other parties. The firms provided timely and thorough analysis of complex legal issues addressed and resolved through negotiations that

culminated in Toyota's decision to pick San Antonio for its automobile manufacturing plant. Since Toyota's public announcement of its decision, the firms have continued drafting and reviewing of the final version of the Project Starbright Agreement and associated agreements.

POLICY ANALYSIS

The legal services and resources provided by the firms of Cox & Smith and Loeffler, Jonas & Tuggey helped the City provide timely, thoughtful, and thorough responses to the complicated legal issues inherent in a proposal of the size, complexity, and importance of Project Starbright.

FISCAL IMPACT

Funds to pay legal fees and associated expenses in the amounts authorized by this ordinance will be reimbursed to the City from proceeds of the bond sale by the City of San Antonio, Texas Starbright Industrial Development Corporation, authorized by separate corporate resolution.

SUPPLEMENTARY COMMENTS

The required ethics disclosure forms are attached.

COORDINATION

This Council action has been coordinated with the City Manager's Office and the Finance Department.



ANDREW MARTIN
City Attorney

APPROVED:



TERRY M. BRECHTEL
City Manager

City of San Antonio
Discretionary Contracts Disclosure*

For use of this form, see City of San Antonio Ethics Code, Part D, Sections 1&2

Attach additional sheets if space provided is not sufficient.

State "Not Applicable" for questions that do not apply.

** This form is required to be supplemented in the event there is any change in the information under (1), (2), or (3) below, before the discretionary contract is the subject of council action, and no later than five (5) business days after any change about which information is required to be filed.*

Disclosure of Parties, Owners, and Closely Related Persons

For the purpose of assisting the City in the enforcement of provisions contained in the City Charter and the Code of Ethics, an individual or business entity seeking a discretionary contract from the City is required to disclose in connection with a proposal for a discretionary contract:

(1) the identity of any **individual** who would be a party to the discretionary contract:

N/A

(2) the identity of any **business entity**¹ that would be a party to the discretionary contract:

Loeffler Jonas & Tuggey LLP

and the name of:

(A) any individual or business entity that would be a **subcontractor** on the discretionary contract;

N/A

and the name of:

(B) any individual or business entity that is known to be a **partner**, or a **parent** or **subsidiary** business entity, of any individual or business entity who would be a party to the discretionary contract;

Tom Loeffler
W. James Jonas III
Timothy N. Tuggey
Robert Rosenthal
J.D. Pauerstein

¹ A *business entity* means a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, unincorporated association, or any other entity recognized by law.

- (3) the identity of any *lobbyist* or *public relations firm* employed for purposes relating to the discretionary contract being sought by any individual or business entity who would be a party to the discretionary contract.

N/A

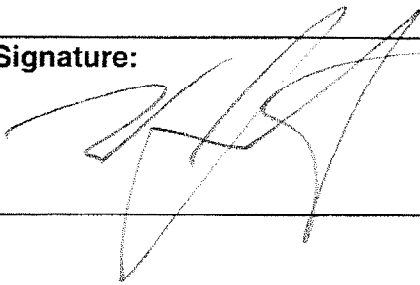
Political Contributions

Any individual or business entity seeking a discretionary contract from the city must disclose in connection with a proposal for a discretionary contract all political contributions totaling one hundred dollars (\$100) or more within the past twenty-four (24) months made directly or indirectly to any *current* or *former member* of City Council, any *candidate* for City Council, or to any *political action committee* that contributes to City Council elections, by any individual or business entity whose identity must be disclosed under (1), (2) or (3) above. Indirect contributions by an individual include, but are not limited to, contributions made by the individual's spouse, whether statutory or common-law. Indirect contributions by an entity include, but are not limited to, contributions made through the officers, owners, attorneys, or registered lobbyists of the entity.

To Whom Made:	Amount:	Date of Contribution:
Ed Garza	\$ 5,000	5/23/2001
Tim Bannwolf	\$ 1,000	5/31/2001
John Sanders	\$ 1,000	1/09/2002
Toni Moorhouse	\$ 1,000	1/16/2002
Bobby Perez	\$ 500	2/20/2002
Ed Garza	\$ 5,000	5/14/2002
David A. Garcia	\$ 1,000	6/12/2002
Toni Moorhouse	\$ 500	6/20/2002
Carroll Schubert	\$ 2,000	8/07/2002
Julian Castro	\$ 500	3/12/2003
Toni Moorhouse	\$ 500	3/19/2003

Disclosures in Proposals

Any individual or business entity seeking a discretionary contract with the city shall disclose any known facts which, reasonably understood, raise a question² as to whether any city official or employee would violate Section 1 of Part B, Improper Economic Benefit, by participating in official action relating to the discretionary contract.

N/A		
Signature: 	Title: Partner Company: Loeffler Jonas & Tuggey LLP	Date: 5/21/2003

² For purposes of this rule, facts are "reasonably understood" to "raise a question" about the appropriateness of official action if a disinterested person would conclude that the facts, if true, require recusal or require careful consideration of whether or not recusal is required.

City of San Antonio
Discretionary Contracts Disclosure*

*For use of this form, see City of San Antonio Ethics Code, Part D, Sections 182
Attach additional sheets if space provided is not sufficient.*

State Not Applicable for questions that do not apply.

** This form is required to be supplemented in the event there is any change in the information under (1), (2), or (3) below, before the discretionary contract is the subject of council action, and no later than five (5) business days after any change about which information is required to be filed.*

Disclosure of Parties, Owners, and Closely Related Persons

For the purpose of assisting the city in the enforcement of provisions contained in the City Charter and the code of ethics, an individual or business entity seeking a discretionary contract from the city is required to disclose in connection with a proposal for a discretionary contract:

- (1) the identity of any **individual** who would be a party to the discretionary contract;

- (2) the identity of any **business entity** that would be a party to the discretionary contract:
Cox & Smith Incorporated an
d the name of:

- (A) any individual or business entity that would be a *subcontractor* on the discretionary contract;

- (B) any individual or business entity that is known to be a *partner*, or a *parent* or *subsidiary business entity*, of any individual or business entity who would be a party to the discretionary contract;

- (3) the identity of any *lobbyist* or *public relations firm* employed for purposes relating to the discretionary contract being sought by any individual or business entity who would be a party to the discretionary contract.

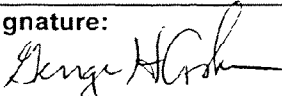
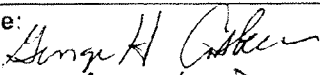
Political Contributions

Any individual or business entity seeking a discretionary contract from the city must disclose in connection with a proposal for a discretionary contract all political contributions totaling one hundred dollars (\$100) or more within the past twenty-four (24) months made directly or indirectly to any current or former member of City Council, any candidate for City Council, or to any political action committee that contributes to City Council elections, by any individual or business entity whose identity must be disclosed under (1), (2) or (3) above. Indirect contributions by an individual include, but are not limited to, contributions made by the individual's spouse, whether statutory or common-law. Indirect contributions by an entity include, but are not limited to, contributions made through the officers, owners, attorneys, or registered lobbyists of the entity.

To Whom Made:	Amount:	Date of Contribution:
Please see attached.		

Disclosures in Proposals

Any individual or business entity seeking a discretionary contract with the city shall disclose any known facts which, reasonably understood, raise a question¹ as to whether any city official or employee would violate Section 1 of Part B, Improper Economic Benefit, by participating in official action relating to the discretionary contract.

Signature:  George H. Casbeer	Title:  Company: Executive Director Cox & Smith Incorporated	Date: 12-10-02

¹ For purposes of this rule, facts are "reasonably understood" to "raise a question" about the appropriateness of official action if a disinterested person would conclude that the facts, if true, require recusal or require careful consideration of whether or not recusal is required.

POLITICAL CONTRIBUTIONS

<u>To Whom Made:</u>	<u>Amount:</u>	<u>Date of Contribution:</u>
Tim Bannwolf Campaign	\$1,500	November 2000
Tim Bannwolf Campaign	\$500	March 2001
Tim Bannwolf Campaign	\$500	November 2000
Tim Bannwolf Campaign	\$300	April 2001
Tim Bannwolf Campaign	\$250	December 2000
Tim Bannwolf Campaign	\$250	November 2000
Tim Bannwolf Campaign	\$250	April 2001
Tim Bannwolf Campaign	\$100	Spring 2001
Tim Bannwolf Campaign	\$100	Fall 2000
Tim Bannwolf Campaign	\$250	November 2000
Tim Bannwolf Campaign	\$250	January 2001
Tim Bannwolf Campaign	\$200	Fall 2000
Ed Garza Campaign	\$500	April 2001
Ed Garza Campaign	\$500	April 2001
Ed Garza Campaign	\$500	April 2001
Ed Garza Campaign	\$500	March 2001
Ed Garza Campaign	\$150	May 2001
Ed Garza Campaign	\$100	April 2001
Ed Garza Campaign	\$100	May 2002
Carroll Schubert Campaign	\$500	March 2001
Robert Perez Campaign	\$200	Spring 2000
Robert Perez Campaign	\$100	Spring 2001
Texas SBC EmPAC	\$10.00/month (payroll deduction) Contribution to Texas SBC EmPac	Unknow if and when contribution made to any City Council member