

**CITY OF SAN ANTONIO  
CITY ATTORNEY'S OFFICE  
CITY COUNCIL AGENDA MEMORANDUM**

**TO:** Mayor and City Council

**FROM:** Andrew Martin, City Attorney

**SUBJECT:** Selection of Legal Consultant for HUD Section 108 Loan for use by the Friedrich Building Project

**DATE:** December 16, 2004

**SUMMARY AND RECOMMENDATIONS**

This ordinance will ratify staff's actions in the selection of Barton, Schneider & Russell, L.L.P., to provide legal services in connection with the U.S. Department of Housing & Urban Development (HUD) Section 108 Loan for the purpose of assisting in the funding of the rehabilitation of the Friedrich Building, located at 1617 E. Commerce, Council District 2 (the "Project"). This ordinance will also ratify the execution of an engagement letter agreement with Barton, Schneider & Russell, L.L.P., for the performance of these services and authorize payment to Barton, Schneider & Russell, L.L.P., for such services in an amount not to exceed \$157,375.00. It is the City's intention to reimburse itself from HUD 108 Loan proceeds for any City funds expended prior to the receipt of the HUD 108 Loan proceeds.

Staff recommends approval of this ordinance.

**BACKGROUND INFORMATION**

On or about July 1, 2004 the law firm of Barton, Schneider & Russell, L.L.P. was engaged to provide legal services on behalf of the City in connection with the Project. The legal assistance pertains to expertise in the legal documents required for the proposed HUD 108 Loan, and various other legal documents that are applicable to the financing structure that is being contemplated. The proposed HUD 108 Loan is an amount to not exceed \$9,000,000. Principal and interest payments are to be paid by revenues generated by the Friedrich Building. In the event of any shortfalls, there is a potential that the City's annual HUD allocation could be reduced by the shortfall amount. It is expected that if HUD approves the loan, funding could be available by the summer of 2005.

**POLICY ANALYSIS**

The City Attorney recommends the selection of Barton, Schneider & Russell, L.L.P. based on the firm's experience in real estate law and commercial loan transaction work. The firm's lead attorney on this matter

is Ms. Martha A. Hardy. Ms. Hardy has been practicing with the law firm since October 1, 1994, and is board certified in Commercial Real Estate Law by the Texas Board of Legal Specialization.

### **FISCAL IMPACT**

The sum of \$39,500.00 for Phase 1 of this professional services contract will be partially funded from Community Development Block Grant (CDBG) funds in the amount of \$19,000.00. The remaining \$20,500.00 will be paid from money in the Third Party Review Fund. It is the City's intention to utilize the HUD 108 Loan proceeds to pay the City's legal fees related to the Project and to reimburse itself from HUD 108 Loan proceeds for any City funds expended prior to the receipt of the HUD 108 Loan proceeds

### **COORDINATION**

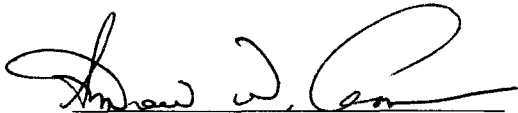
This Council action has been coordinated with the Department of Housing and Community Development and the Finance Department.

### **SUPPLEMENTARY COMMENTS**

The required ethics disclosure form is attached.



Andrew Martin  
City Attorney



Andrew W. Cameron  
Director, Department of Housing and Community Development



J. Rolando Bono  
Interim 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:

Martha Hardy

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

Barton Schneider Russell & East, L.L.P.

and the name of:

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

None.

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:

J. Cary Barton	Robert J. Birnbaum	Douglas V. McNeel
Raymond J. Schneider	Martha A. Hardy	Valerie Van Courtlandt
M. Frank Russell	C. Dawson Bremer	
Myron E. East, Jr.	Robert W. Negley	

<sup>1</sup> 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.

None.

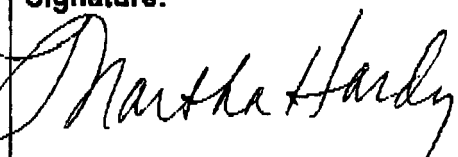
### Political Contributions

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:
None.		

### 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 question<sup>2</sup> 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: 	Title: Partner Company: Barton Schneider Russell & East, L.L.P.	Date: Dec. 10, 2004

<sup>2</sup> 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 warranted.