CITY OF SAN ANTONIO CITY ATTORNEY'S OFFICE ITEM NO. CITY COUNCIL AGENDA MEMORANDUM

TO:

Mayor and City Council

FROM:

Martha G. Sepeda, Acting City Attorney

SUBJECT:

Additional funds for Bracewell & Guiliani, LLP, outside counsel for the

Convention Center Hotel Project

DATE:

September 29, 2005

SUMMARY AND RECOMMENDATION

This ordinance authorizes payment in the amount of \$95,572.24 to Bracewell & Giuliani, L.L.P. for legal services performed through July 31, 2005 in connection with the residential condominiums to be constructed above the new Convention Center Hotel, as well as future payments for services needed to finalize all documents related to the condominiums; and provides for payment from funds advanced to the City by FaulknerUSA.

Staff recommends approval of this ordinance.

BACKGROUND INFORMATION

In April 2005, City Council approved the terms of various agreements with Hotel Investments, L.P. (the "Developer") to design, develop, construct and operate the Convention Center Hotel (the "Project") on City property adjacent to the Henry B. Gonzalez Convention Center. These Project documents were drafted and negotiated on behalf of the City by Bracewell & Giuliani, L.L.P.

As a result of the Developer's proposal to design, build, and offer for sale residential condominiums above the Convention Center Hotel, the City Council subsequently authorized a Purchase and Sale Agreement with the Developer in June 2005, which Agreement was prepared and negotiated by the Bracewell firm and in which the Developer agreed to pay numerous costs associated with this aspect of the Project, including the City's legal fees.

POLICY ANALYSIS

The City Council previously selected Bracewell & Giuliani, L.L.P. to work on the Project because of the firm's history with representing the City during prior efforts to develop a

convention headquarters hotel and the experience of the attorneys Thomas O. Moore, who is board certified in Commercial Real Estate Law, and Ron Erlichman, who together with Mr. Moore, is experienced in negotiating and drafting complex real estate development and lease agreements.

In addition to preparing and negotiating the primary legal documents for the Project, outside counsel at City Council's direction, also drafted multiple legal documents related to the residential condominiums and required for the conveyance and use of airspace immediately above the Convention Hotel.

FISCAL IMPACT

Payment of the City's legal fees for the Convention Center Hotel Project is the obligation of the Developer, who previously advanced the City \$100,000 towards costs to be incurred in connection with the residential condominiums. The balance of funds needed for legal services required to complete the documents for this aspect of the Project will likewise be paid by the Developer, therefore the pending action will have no fiscal impact to any City funds.

COORDINATION

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

SUPPLEMENTARY COMMENTS

The required ethics disclosure form is attached.

Martha G. Sepeda

Acting City Attorney

City Manager

City of San Antonio

Discretionary Contracts Disclosure

For use of this form, see Section 2-59 through 2-61 of the City Code (Ethics Code)

Attach additional sheets if space provided is not sufficient.

(1) Identify any individual or business entity that is a party to the discretionary contract:
Bracewell & Giuliani LLP is the business entity that is the party to the discretionary contract.
(2) Identify any individual or business entity which is a <i>partner</i> , <i>parent</i> or <i>subsidiary</i> business entity, of any individual or business entity identified above in Box (1):
No partner, parent or subsidiary; <i>or</i>
List partner, parent or subsidiary of each party to the contract and identify the corresponding party:
See attached list of Bracewell & Giuliani LLP partners at Exhibit A.
(3) Identify any individual or business entity that would be a <i>subcontractor</i> on the discretionary contract.
No subcontractor(s); or
List subcontractors:
(4) Identify any <i>lobbyist</i> or <i>public relations firm</i> employed by any party to the discretionary contract for purposes related to seeking the discretionary contract.
No lobbyist or public relations firm employed; <i>or</i>
List lobbyists or public relations firms:

CITY ATTORNEY'S OFFICE

A business entity means a sole proprietorship, partnership, firm, corporation, holding company pint-stock | V E D company, receivership, trust, unincorporated association, or any other entity recognized by law. A sole proprietor should list the name of the individual and the d/b/a, if any.

SEP 1 5 2005

four (24) months made to any Council, or to any political act individual or business entity w	taling one hundred dollars (\$10 current or former member of Cion committee that contributes those identity must be disclosers of any business entity listed	ity Council, any to City Council ed under Box (candidate for City elections, by any 1), (2), (3) or (4)
No contributions made; If	contributions made, list below:		
By Whom Made:	To Whom Made:	Amount:	Date of Contribution:
See attached list at Exhibit B.			
known facts which, reasonably employee would violate Section participating in official action re	ty seeking a discretionary contry understood, raise a question on 2-43 of the City Code (Ethics elating to the discretionary contribich would raise a "conflicts-of	² as to whether <u>s Code),</u> ("confl act.	any city official or icts of interest") by
This form is required to be suppleme contract is the subject of council a information is required to be filed, which	nted in the event there is any change ction, and no later than five (5) busi chever occurs first.	in the information I ness days after an	pefore the discretionary y change about which
Signature:	Title: Partner in Charge San Antonio Office	- Date: 9/15/05	
1. Tullatelle	Company or D/B/A: Bracewell & Giuliani LLP		

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.

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Date: 9/15/05

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Washington	Bethune, Edwin R.

Bracewell & Giuliani LLP Partners

Date: 9/15/05

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POLITICAL CONTRIBUTIONS

By Whom Made:	To Whom Made:	Amount:	Date of Contribution:
Various contributors*	Art Hall	\$600.00	As reported in October 31, 2003 report
Various contributors*	Carroll Schubert	\$2,900.00	As reported in October 31, 2003 report
Various contributors*	Roger Perez	\$500.00	As reported in October 31, 2003 report
Various contributors*	Patti Radle	\$1,200.00	As reported in October 31, 2003 report
Various contributors*	Roger Flores, Jr.	\$250.00	As reported in October 31, 2003 report
George P. Parker, Jr.	Phil Hardberger	\$500.00	May 24, 2004
Various contributors*	Art Hall	\$100.00	As reported in June 10, 2004 report
Various contributors*	Patti Radle	\$1,200.00	As reported in June 10, 2004 report
Various contributors*	Roger Perez	\$500.00	As reported in June 10, 2004 report
Various contributors*	Roger Flores, Jr.	\$250.00	As reported in June 10, 2004 report
James H. Kizziar, Jr.	Carroll Schubert	\$500.00	July 19, 2004
J. Tullos Wells	Carroll Schubert	\$2,500.00	July 28, 2004
J. Tullos Wells	Carroll Schubert	\$5,079.72	October 7, 2004
Various contributors*	Phil Hardberger	\$750.00	As reported in December 15, 2004 report
Various contributors*	Carroll Schubert	\$7,351.93	As reported in December 15, 2004 report
George P. Parker, Jr.	Phil Hardberger	\$500.00	January 24, 2005
J. Tullos Wells	Joel Williams	\$250.00	March 7, 2005
Mario A. Barrera	Roger Flores	\$100.00	March 14, 2005
George P. Parker, Jr.	Phil Hardberger	\$500.00	April 14, 2005
J. Tullos Wells	Phil Hardberger	\$2,000.00	May 9, 2005
J. Tullos Wells	Julian Castro	\$1,000.00	May 9, 2005
J. Tullos Wells	Richard Perez	\$500.00	May 26, 2005
Frank Z. Ruttenberg	Phil Hardberger	\$1,000.00	Within the last 24 months
Russell S. Johnson	Phil Hardberger	\$500.00	Within the last 24 months

^{*}Data on individual contributor no longer available.