



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 3/23/2021

Agenda Placement: 7B

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors

FROM: Steven Lederer - Director of Public Works
Airport

REPORT BY: Kathy Wagenknecht, Staff Services Analyst II - 259-8683

SUBJECT: Amendment No. 3 to Napa County Agreement No. 200210B with Renne Public Law Group, LLP

RECOMMENDATION

Director of Public Works requests the following action related to Agreement No. 200210B with the law firm Renne Public Law Group, LLP:

1. Approval of and authorization for the Chair to sign Amendment No. 3 to Agreement No. 200210B effective March 23, 2021 for specialized legal services to advise and represent the County on lease and contract issues and litigation relating to Napa County Airport, increasing the maximum compensation payable from \$475,000 to \$825,000 and extending the term of the agreement from June 30, 2021 to June 30, 2024; and
2. Approval of Budget Transfer AIR005 increasing appropriations by \$350,000 in the legal services account in the Airport Operations budget (Fund 5010, Sub-Division 5010000) with the use of its available fund balance for the outside legal counsel agreement and internal legal counsel cost (4/5 vote required).

EXECUTIVE SUMMARY

On December 12, 2019, the County entered into a Professional Services Agreement ("Agreement") with Renne Public Law Group, LLP ("Renne") for specialized legal services in representing the County in litigation in connection with leases at the Napa County Airport, specifically two lawsuits pending between the County and 3030 Airport Road, LLC ("3030").

On January 14, 2020, Amendment No. 1 was approved increasing the contract maximum for services from \$33,000 to \$200,000 after Renne provided a budget estimate of up to \$182,000 for legal services prior to trial in the pending litigation. The 3030 litigation required Renne to conduct and participate in significant written discovery and depositions, to engage in potentially significant law and motion activities, and to perform significant other pre-trial and trial preparation work.

On October 20, 2020, Amendment No. 2 to the Renne contract was approved to increase the contract maximum for services from \$200,000 to \$475,000 to cover services for litigation to include trial time in the 3030 litigation and to cover legal assistance on other lease issues. This amendment did not include Renne's efforts to assist in responding to 3030's Part 13 Complaint it filed with the FAA that was received by the airport on October 16, 2020.

Staff recommends that the County enter into Amendment No. 3 to the Renne contract to increase the contract maximum for services from \$475,000 to \$825,000 to cover post-trial and appellate matters, Part 13 Complaint response, and to extend the term from June 30, 2021 to June 30, 2024.

FISCAL & STRATEGIC PLAN IMPACT

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| Is there a Fiscal Impact? | Yes |
| Is it currently budgeted? | No |
| What is the revenue source? | Airport Fund Available Fund Balance (Approximately \$3,446,000 - Fund 5010, Sub-Division 5010000) |
| Is it Mandatory or Discretionary? | Discretionary |
| Discretionary Justification: | The Renne Public Law Group, LLP specializes in representing public entities. Geoff Spellberg, counsel with the firm, has extensive experience and expertise in handling lease disputes and unlawful detainer matters. |
| Is the general fund affected? | No |
| Future fiscal impact: | Funds will be appropriated in future years if needed. |
| Consequences if not approved: | Upon exhausting the law firm's present maximum compensation level under the Agreement, then legal services would have to be provided solely by County Counsel staff which may not provide the Airport with adequate specialized expertise in these matters. |
| County Strategic Plan pillar addressed: | Effective and Open Government |
| Additional Information: | |

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

The County is engaged in two lawsuits with a tenant at the Napa County Airport known as 3030 Airport Road, LLC ("3030"). In March 2018, the County declared a default by 3030 under its lease and under a related self-fueling agreement due to 3030's practice of allowing aircraft owned by third parties to use 3030's hangar space and to refuel using 3030's self-fueling facilities. On August 28, 2018, the Board of Supervisors authorized County staff to give notice of termination of 3030's lease based on 3030's failure to cure its defaults. Staff issued notice of termination of the lease, which was effective on February 15, 2019.

On December 12, 2019, the County engaged the services of the Renne Public Law Group ("Renne") to take over handling of the 3030 lawsuits from Burke Williams & Sorensen, whose contract with the County had been terminated. The Agreement with Renne was approved by the County Executive Officer as purchasing agent, with an initial contract maximum of \$33,000.

On January 14, 2020, Amendment No. 1 was approved based on Renne's projections of litigation costs in the two actions up to but not including trial. The amendment increased the contract amount to \$200,000, which was intended to also cover any miscellaneous legal assistance Renne may provide to the Airport on other lease issues. Based on Renne's projections of litigation costs through trial, staff requested an increase to the maximum contract amount to \$475,000.

Staff is now requesting an increase to the maximum contract amount to \$825,000 to cover post-trial and appellate costs, Part 13 Complaint response, and to extend the term from June 30, 2021 to June 30, 2024. In order to budget for this amended contract, the Airport will need to draw \$350,000 from its available fund balance.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Susan Kuss