



# REQUEST FOR ECONOMIC DEVELOPMENT AUTHORITY ACTION

Date: 11/08/2021  
Item No.: 5.e

Department Approval

Executive Director Approval

Item Description: Consider a three-year contract extension with Kennedy & Graven for legal services

## BACKGROUND

The Roseville Housing and Redevelopment Authority (RHRA) conducted a Request for Proposals (RFP) and an interview process for legal services in 2009 which specifically identified legal services that specialized in Housing and Redevelopment Authority (HRA) expertise. From that process, Kennedy & Graven was identified as a firm with a high level of HRA legal experience and also offered a reasonable hourly billing rate. In 2012, the RHRA again solicited RFPs for legal services and based on the information submitted, the RHRA determined the legal services received from Kennedy & Graven were below market price for the specialized services provided. In 2015, the RHRA was merged into the Roseville Economic Development Authority (REDA), which continued to use the law firm of Kennedy & Graven, as it is one of the only remaining law firms in the Twin Cities that has attorneys practicing specifically in the areas of HRA, EDA, public finance and economic development and redevelopment. Most recently, in October of 2018 the REDA did go out for RFP for legal services and again decided to stay with Kennedy & Graven as they guaranteed their hourly billing rate for the duration of the 3 year contract.

Since combining the RHRA into the REDA, the REDA has taken over the Public Finance Assistance Program for the City of Roseville and manages all projects seeking public finance assistance (namely TIF). As a result, projects seeking TIF, or any other public finance assistance mechanism, require legal services from an attorney regularly practicing in this area of law. Such legal services differ from the services provided by general municipal law practitioners, a specialization Kennedy & Graven offers.

The City's updated Purchasing Policy states that contracts for professional services shall be for terms of not more than three years with a one-time extension of not more than three years, based on satisfactory performance. Since the last RFP occurred three years ago, and staff is satisfied with the performance of Kennedy & Graven, staff is recommending the REDA exercise the option to extend an additional three years before undergoing a new RFP. Because the original contract didn't include extension language, a new contract is provided (Attachment A).

Kennedy and Graven's current billing rate of \$200/hour for the lead attorney representing the REDA and will increase to \$210/hour. The hourly fee for paralegal services will remain unchanged at \$135.

Each year the REDA budgets \$15,000 per year for attorney services. The three-year break down of costs under this contract are as follows:

| 2021 to date | 2020       | 2019        |
|--------------|------------|-------------|
| \$5,070.00   | \$4,420.50 | \$11,376.34 |

As illustrated above, actual costs under this contract have been below budget. Even when factoring in the 5% increase to the hourly rate for the lead attorney, staff expects actual costs to remain at or below historically budgeted amounts.

Staff recommends the REDA authorize the three year contract with Kennedy & Graven, based on the following:

- The Purchasing Policy allows a three year extension without undergoing an RFP,
- Kennedy & Graven offers specialization in all matters related to public finance assistance,
- Legal services offered under the current contract have been satisfactory.

**BUDGET IMPLICATIONS**

The REDA budgets \$15,000 a year for professional legal services. Projects requesting any form of public finance assistance pay for the REDA’s legal services via escrow, which is not included in the REDA’s \$15,000 budget for legal services.

**STAFF RECOMMENDATION**

Staff recommends the REDA enter into a three year contract for professional legal services with Kennedy & Graven.

**REQUESTED REDA BOARD ACTION**

By motion, adopt a resolution authorizing the REDA to enter into a three year contract for professional legal services with Kennedy & Graven.

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Attachment A: Contract for legal services with Kennedy and Graven.  
B: Resolution approving services agreement with Kennedy and Graven