

ORDINANCE NO.: 68 -2020  
INTRODUCED BY: Council President Henry and Mayor Roche

**AN ORDINANCE ENGAGING THE LAW FIRM OF WALTER | HAVERFIELD LLP AS SPECIAL LEGAL COUNSEL FOR THE BELLE OAKS PROJECT DEVELOPMENT TAX INCENTIVE AND FINANCING MATTERS.**

WHEREAS, although pursuant to Resolution No. -2019 of this Council the City's Director of Law, R. Todd Hunt, and the law firm at which he is a partner, Walter | Haverfield LLP, have been authorized to perform special legal services for the City on an hourly rate basis, the current multi-million dollar development project known as Belle Oaks, Phases 1 and 2, (the "Project") will require more specialized legal services related to the tax incentives requested by the developer of the Project and the overall financing of the Project, including financing through the recently-formed Belle Oaks New Community Authority and at higher hourly rates than as set forth in Resolution No. -2019;

WHEREAS, it is of critical importance that the City, its officials, receive legal advice and other legal services related to this important project and have attorneys who can immediately interface and work with the City's consultant on the Project, Gateway Consultants Group, Inc., and do so on an uninterrupted, ongoing basis due to the multitude of legal issues that are confronting the City on a daily basis related to the Project;

WHEREAS, the law firm of Walter | Haverfield LLP has served as legal counsel to the City for special legal services since 1995 and has Public Law, Economic Development, and Real Estate Practice Groups that are very familiar with the legal issues which arise in large development projects, involving tax incentives, public financing and land development;

NOW, THEREFORE, Be It Resolved by the Council of the City of Richmond Heights, State of Ohio, that:

Section 1: The law firm of Walter | Haverfield LLP is hereby engaged to provide special legal counsel to the City of Richmond Heights under the terms and conditions set forth in the engagement letter agreement attached hereto and incorporated herein as Exhibit A and the Mayor and Director of Finance are authorized to execute the engagement letter agreement.

Section 2: It is found and determined that all formal actions of this Council concerning and relating to the adoption of this Resolution were adopted in an open meeting of this Council, and that all deliberations of this Council and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

Section 3: This Resolution shall take effect and be in force at the earliest time permitted by law.

PASSED: July 14, 2020



David H. Roche

David H. Roche, Mayor

APPROVED: July 14, 2020



Eloise Cotton-Henry

Eloise Cotton-Henry  
President of Council

ATTEST: Betsy Traben

Betsy Traben  
Clerk of Council

## **“EXHIBIT A” to Council Resolution**

**R. Todd Hunt | rthunt@walterhav.com**  
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1301 E. Ninth St. | Suite 3500 | Cleveland, OH 44114

July 10, 2020

### **VIA E-MAIL**

City Councilmembers  
David H. Roche, Mayor  
Brian S. Gleisser, Economic Development Director  
City of Richmond Heights  
26789 Highland Road  
Richmond Heights, OH 44143

Re: Proposed Engagement Letter to Provide Legal Services to the City  
Relative to Tax Incentives and Development Agreement for Belle Oaks  
Phases 1 and 2 (the “Matter”)

Dear City Councilmembers, Mayor Roche and Director Gleisser:

Pursuant to Mayor Roche’s request, this letter constitutes our firm’s proposed engagement letter agreement to provide legal services outside of our current ordinance and agreement with the City of Richmond Heights to provide special legal services. This proposal is for the above-referenced Matter to assist the City related to the drafting, negotiating, and finalizing of tax increment financing (“TIF”) legislation and comprehensive tax incentive and development agreements with the developer of the proposed Belle Oaks mixed use development and the two school districts involved – Richmond Heights Local Schools and South Euclid Lyndhurst Schools. I propose this separate engagement with the City in order to take advantage of the specialized experience of many of my partners at Walter | Haverfield who do real estate development work, including tax incentives and complicated financing structures, for projects of the size of or larger than the proposed Belle Oaks project.

As a general matter, our firm requires a written engagement letter as to the scope of services to be provided and the financial arrangements related thereto for all new matters for existing clients.

Fundamental to an attorney-client relationship is an understanding of the terms and conditions upon which our firm will provide legal services. Accordingly, the purpose of this letter proposal is to clarify and to confirm these terms and conditions. As the City’s long-time Director of Law and based on my experience with tax-incentivized development projects,

particularly mixed use projects, I will have primary responsibility for the City's representation in this matter. However, I propose to use the unique skills of my law partner, Irene MacDougall, and other attorneys and legal assistants in our office in the best exercise of my professional judgment. If at any time you have questions or concerns, please contact me at once.

### **Scope of Legal Services**

Walter | Haverfield LLP ("W | H") proposes to provide the following legal services to the City in the Matter:

- Collaboration with the City's financial and land development consultant(s) regarding analysis of the project's financing needs and the City's development needs;
- Advice to City officials as to CRA and TIF issues and regarding the New Community Authority petition and, if approved, the NCA's implementation;
- Several meetings with City officials and the City's consultant(s) to outline the desired and proposed terms of the TIF/development agreements;
- Drafting of necessary TIF legislation and TIF-related/development agreements for the City's review before sharing them with the developer and the affected school districts; and
- Negotiating with the developer and its attorneys and the affected school districts and their attorneys, reviewing draft proposals of agreements, meeting with City officials to finalize the TIF legislation and agreements, and finalizing TIF and development agreements with the developer and the school districts for City Council's final approvals.

### **Fees and Other Charges**

I have enclosed "Our Policies" billing brochure. Please review it carefully. The terms of the enclosed billing policies are part of our agreement. We will bill our legal services and expenses incurred on your behalf in accordance with our billing policies. As part of the TIF negotiations, we will be proposing to the developer that any TIF legislation and agreements *must* include the developer's obligation to reimburse the City for its professional fees associated with all required agreements, including all attorney fees and consultants' fees.

Notwithstanding the previous paragraph related to the billing policies, we will cap our charges for our services at the following rates:

- \$300 per hour for my services (My standard hourly rate is \$430 per hour.);
- \$350 per hour for Irene MacDougall (her current standard rate is \$470 per hour);
- \$350 per hour for all W | H partners working on the Matter whose standard hourly rates are equal to or higher than \$350 per hour or the standard hourly rate for partners whose rates are less than \$350 per hour; and
- \$200 per hour for associate attorneys.

Out-of-pocket expenses associated with this matter such as excessive copying costs, overnight mailings and standard mileage charges at the prevailing IRS rate will be billed periodically. I do not anticipate significant out-of-pocket expenses for this matter.

Again, I will have primary responsibility for the Village's representation but I propose to use my partner Irene MacDougall to assist with various tasks in this Matter. Our firm is currently working on several mixed use developments in Northeast Ohio, including but not limited to the Hall of Fame project in Canton, the Bowery Project in Akron, the Church + State Project in Cleveland's Hingetown, Geauga Lake redevelopment, and others. Our firm has done the legal work on several noteworthy mixed use developments such as: Hudson First & Main redevelopment, the 9's in downtown Cleveland, the former Goodyear HQs redevelopment in Akron, Pinecrest in Orange Village, the former Hoover HQ redevelopment in North Canton, etc. – all of which have various levels of financing and local government tax incentives, including TIFs. Irene Mac Dougal has worked on many of these projects and I have worked on the public entities' behalf in some of them.

I have included with this letter biographical information for me, Irene MacDougall, and several other W | H attorneys who handle large development projects on a regular basis for both public and private entities, including the aforementioned projects, and upon whom I can call upon to assist with this Matter.

Although we anticipate the developer will be reimbursing the City for our fees in this Matter if a TIF is approved, we were asked by the City administration to estimate the amount of our fees for this Matter. This is only an estimate and as you can imagine, the final amount of fees will depend on the other parties' willingness to reach agreement on the tax incentive and development issues which are not necessarily within the control of the City or W | H. At this time, I estimate legal fees of up to \$35,000 to \$40,000 for this Matter. (Conservatively, I have estimated 120 hours of work times at a blended rate of \$300 to \$330 per hour.)

If the terms and conditions of this proposed letter agreement are acceptable to the City Council and Mayor Roche, please authorize the Mayor to sign a copy of this letter in the space indicated below and provide an executed Fiscal Officer's certificate below, also. The legal form and correctness of this engagement letter agreement is approved by me in my capacity as the City's Director of Law.

We very much appreciate the opportunity to represent Richmond Heights in this Matter and I look forward to working with Council and City administrators to accomplish the City's goals related to the Belle Oaks project.

Sincerely,



R. Todd Hunt, Partner and Director of Law

Enclosures

*On behalf of the City of Richmond Heights, Ohio, I have read the terms and conditions set forth in this letter, agree to the terms of this letter and have the authority to bind the City to this letter agreement.*

*City of Richmond Heights, Ohio*

*By:*

*David H. Roche, Mayor*

*Date*

*7/17/2020*

**Fiscal Officer's Certificate**

I, as the Fiscal Officer for the City of Richmond Heights, Ohio, certify that the money required for the within letter agreement between Walter | Haverfield LLP and the City of Richmond Heights, Ohio is in the Treasury, to the credit of the Fund for which it is drawn, or in the process of collection, and not appropriated for any other purpose.

*James Teknipp*

*James Teknipp, Director of Finance*

*7/17/2020*

*(Date)*