



**Outside Counsel  
CITY OF AUSTIN  
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.:** 16  
**AGENDA DATE:** Thu 01/26/2006  
**PAGE:** 1 of 1

**SUBJECT:** Authorize negotiation and execution of an amendment to the legal service contract with THOMPSON & KNIGHT, L.L.P., Austin, TX regarding various real estate matters, including but not limited to transactions related to Computer Service Corporation (CSC), the Second Street Retail Project, in an amount not to exceed \$50,000, for a total contract amount not to exceed \$665,000.

**AMOUNT & SOURCE OF FUNDING:** Funding in the amount of \$50,000 is available in the Fiscal Year 2005-2006 Approved Operating Budget of the Economic Development Fund.

**FISCAL NOTE:** There is no unanticipated fiscal impact. A fiscal note is not required.

**REQUESTING Law  
DEPARTMENT:**

**DIRECTOR'S  
AUTHORIZATION:** Marty Terry

**FOR MORE INFORMATION CONTACT:** Alison Gallaway, Assistant City Attorney, 974-2671

**PRIOR COUNCIL ACTION:** Council authorized \$211,000 on July 22, 1999; \$250,000 on February 17, 2000; \$40,000 on July 28, 2000; and \$75,000 on May 3, 2001.

**BOARD AND COMMISSION ACTION:** N/A

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This request increases the authorization to pay Thompson & Knight, L.L.P., for legal services provided to the City on various real estate matters, primarily concerning negotiations with Computer Services Corporation (CSC) on the sale of its Ground Lease of Block 2 to Silicon Labs, continuing transactions under the Ground Lease with CSC of Block 4, and 2nd Street Retail District matters.

The original legal service contract was in the amount of \$39,000. The Law Department contracted with this firm on March 11, 1999 in an amount not to exceed \$211,000. A contract extension was authorized by Council on February 17, 2000 for an additional \$250,000, for a total contract amount not to exceed \$500,000. Another extension was added to the contract in the amount of \$40,000 on July 28, 2000. Council authorized on May 3, 2001 an additional \$75,000, for a total contract amount not to exceed \$615,000. The original contract amount plus all amendments is nearly expended, but there will be additional costs during the remainder of the 99 year lease term. Accordingly, another contract extension of \$50,000 is being sought, for a new total contract amount not to exceed \$665,000.