



Legislation Text

File #: 20-0066, **Version:** 1

Resolution to Approve Amendment No. 2 to the Agreement Between the City of Ann Arbor and Rosati, Schultz, Joppich & Amtsbuechler, P.C. for Legal Services Related to a Michigan Tax Tribunal Real Property Tax Appeal (\$40,000.00)

The City Assessor's office has been trying to resolve a property tax dispute for a large commercial property owner for at least six months. In December 2019 Council approved outside legal support to assist with negotiations; however, the tax appeal appears to be heading towards the Michigan Tax Tribunal for resolution. The taxes in dispute over two years total approximately \$1.159 million for all taxing entities. The City Assessor's Office, in consultation with the City Attorney's Office, believes the existing legal contract needs to be amended from \$25,000 to \$40,000 to reflect the additional costs associated with defending the City's position at the tribunal. These costs include the cost of preparation and defense for a potentially two week trial.

Specifically, staff requests Council approve the attached Amendment Number 2, to the agreement between the City of Ann Arbor, ("City") and Rosati, Schultz, Joppich, & Amtsbuechler, P.C, ("Contractor") for Legal Services, which is dated June 1, 2019, as amended by Amendment Number 1 (collectively referred to as the "Agreement").

Prepared by: Jerry Markey, Assessor

Reviewed by: Tom Crawford, Financial Services Area Administrator & CFO

Approved by: Howard S. Lazarus, City Administrator

Whereas, The City of Ann Arbor entered into an agreement for legal services with Rosati, Schultz, Joppich, & Amtsbuechler, P.C. for Legal Services on June 10, 2019 ("Agreement");

Whereas, On December 10, 2019, the agreement for legal services was amended, through Amendment Number 1 to amend the schedule of fees and costs paid to Rosati, Schultz, Joppich, & Amtsbuechler, P.C. for Legal Services;

Whereas, The schedule of fees and costs paid to Rosati, Schultz, Joppich, & Amtsbuechler, P.C. for Legal Services was not to exceed \$25,000.00;

Whereas, The schedule of fees and costs paid to Rosati, Schultz, Joppich, & Amtsbuechler, P.C. for Legal Services has been determined to exceed \$25,000.00;

Whereas, The attached Amendment No. 2 to the Agreement ("Amendment No. 2") is needed to prepare for and defend against the tax appeal at the Michigan Tax Tribunal, which trial could last up to two weeks;

Whereas, There is funding available in the approved FY20 Assessing Department Fund budget for Amendment No. 2; and

Whereas, Rosati, Schultz, Joppich & Amtsbuechler, P.C. complies with the requirements of the City's Living Wage and Non-Discrimination Ordinances;

RESOLVED, That City Council approves the attached Amendment No. 2 to the Agreement in the amount not to exceed \$40,000.00;

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute said Amendment No. 2 after approval as to substance by the City Administrator and approval as to form by the City Attorney;

RESOLVED, That the City Council approve a ten percent (10%) contingency to be expendable from the FY20 Assessing Department Fund, subject to City Administrator approval; and

RESOLVED, That City Council authorize the City Administrator to take necessary administrative actions to implement this resolution including execution of any amendments that are necessary to use the amounts authorized herein.