




# LACityClerk Connect

Council File Management System

**Council File: 18-0555-S1**   

**Title**  
Nossaman LLP / Bureau of Sanitation (LASAN) / Clean Water Campus Building and Parking Project / Agreement

**Date Received / Introduced**  
05/21/2019

**Last Changed Date**  
01/12/2022






**Expiration Date**  
01/07/2024

**Reference Numbers**  
City Attorney Report: R19-0150; R21-0344  
Contract: C-133519

**Council District**  
1

**Initiated by**  
City Attorney

**File Activities**

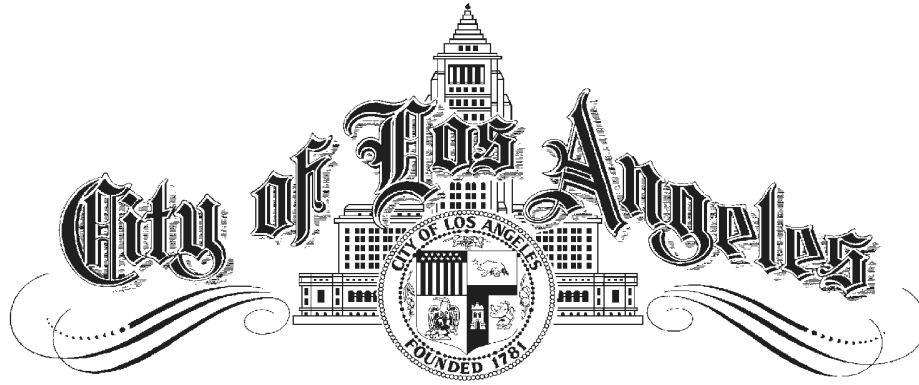
Date	Activity
01/12/2022	Council adopted item forthwith. 
01/07/2022	City Clerk scheduled item for Council on January 12, 2022. 
01/05/2022	Information, Technology, and General Services Committee waived consideration of item. 
11/22/2021	City Attorney document(s) referred to Information, Technology, and General Services Committee. 
11/18/2021	Document(s) submitted by City Attorney, as follows: 
	City Attorney report R21-0344, dated November 17, 2021, relative to the First Amendment to Contract No. C-133519 with Nossaman LLP for legal services related

Online Documents (Doc)	
Title	Doc Date
Speaker Card(s)	06/28/2019
Report from Information, Technology, and General Services Committee	06/12/2019
Speaker Card(s)	06/12/2019

Council Vote Information (2 Votes)		
Meeting Date:	01/12/2022	
Meeting Type:	Regular	
Vote Action:	Adopted Forthwith	
Vote Given:	(13 - 0 - 2)	
Member Name	CD	Vote
(VACANT) (VACANT)	10	ABSENT
BOB BLUMENFIELD	3	YES
MIKE BONIN	11	YES
JOE BUSCAINO	15	YES
GILBERT A. CEDILLO	1	YES
KEVIN DELEON	14	YES
MARQUEECE HARRIS-DAWSON	8	YES
PAUL KORETZ	5	YES
PAUL KREKORIAN	2	YES
JOHN LEE	12	YES
NURY MARTINEZ	6	YES
MITCH O'FARRELL	13	YES
CURREN D. PRICE	9	ABSENT
NITHYA RAMAN	4	YES
MONICA RODRIGUEZ	7	YES

## LHNC General Board Meeting 1/20/22

Agenda Item 10b. Council File: 18-0555-S1



**MICHAEL N. FEUER**  
CITY ATTORNEY

REPORT NO. R21-0344  
**NOV 17, 2021**

**REPORT RE:**

**FIRST AMENDMENT TO LEGAL SERVICES AGREEMENT FOR  
THE CLEAN WATER CAMPUS BUILDING AND PARKING PROJECT**

The Honorable City Council  
of the City of Los Angeles  
Room 395, City Hall  
200 North Spring Street  
Los Angeles, California 90012

Honorable Members:

This report summarizes the status of current legal work performed to date and the need for continued assistance by the law firm of Nossaman LLP relating to contracting associated with the Department of Public Works, Bureau of Sanitation's (LASAN) Clean Water Campus building (CWC building) and parking project (CWC Project).

Background

The law firm of Nossaman LLP is presently retained by the City of Los Angeles (City) under Contract No. C-133539 for a three-year term that began on May 21, 2019, and ends May 20, 2022. The contract is for legal services related to LASAN's CWC Project. The CWC Project is intended to be a public-private partnership with either a Design-Build-Operate-Maintain or Design-Build-Finance-Operate-Maintain project delivery. The contract budget is \$850,000. LASAN funds this contract through a special fund. As explained below, we are seeking to extend the term of the contract for two years and seek to increase the budget of the contract by an additional \$550,000 for a total contract not-to-exceed amount of \$1,400,000.

### Brief Description and Status of the CWC Project

Currently, five of LASAN's 22 divisions are located at 2714 Media Center Drive (Media Center Building). This building is leased by LASAN and no longer meets the current or future needs of LASAN. Therefore, in December 2015, LASAN evaluated replacing the Media Center Building and concluded that it should construct a new facility to accommodate the staff and functions of LASAN. The new CWC building would be located at a LASAN-owned parcel (Humboldt Site) in the Lincoln Heights neighborhood. Although the Humboldt Site could accommodate the CWC Project, the site did not appear to fully satisfy LASAN's anticipated parking needs. Because of the expiration of the Media Center Building lease, LASAN needs to have its CWC building constructed by 2023, which is an important factor driving the construction completion schedule.

Goodwill Southern California (Goodwill), a 501(c)(3) organization, owns the property adjacent to the Humboldt Site. On March 12, 2018, the City received an unsolicited offer from Goodwill to deliver a turnkey project using P3 delivery for the CWC building and Goodwill facility on combined LASAN and Goodwill parcels. On June 13, 2018, the City Council approved a motion that directed LASAN to explore a partnership with Goodwill to deliver a joint project. On April 17, 2019, the Municipal Facilities Committee authorized LASAN to continue to engage with Goodwill regarding the Project and requested the City Attorney to assist with negotiating agreements and other relevant project documents.

During negotiations with Goodwill, LASAN performed extensive analysis of different alternatives and determined that the only method to achieve the full facility and parking needs for LASAN on a cost-effective basis, retain optionality to provide additional parking, and to deliver a comprehensive community development plan is by utilizing both the City site and Goodwill site. No longer would Goodwill build a facility on the Humboldt Site, but instead, the City's CWC building and associated parking facilities would occupy both sites.

In June 2021, the City Council authorized LASAN and other City departments to negotiate and execute a purchase and sale agreement for the land acquisition with Goodwill for the Goodwill site, execute a license agreement with Goodwill for 148 parking spaces, and to enter into an exclusive negotiation with the Goodwill proposed development team as a condition of the purchase and sale agreement for a period of up to 12 months, to determine if mutually agreeable terms can be reached on the design, construction, potential financing, operations and maintenance of the proposed CWC Project under a performance-based contract.

Changes to project contract documentation resulted from the change in direction of the project. Further, the schedule of the project has changed for the CWC Project transaction due to a temporary suspension of the project with a delay in closing on the land acquisition, further requested reporting and analysis by the City, revised California Environmental Quality Act (CEQA) review timelines, and significant modifications of the

The Honorable City Council  
of the City of Los Angeles  
Page 3

deal structure based on input from the City and negotiations with Goodwill.

Scope of Work

Within the existing budget, Nossaman LLP has substantially drafted the land acquisition agreement, exclusive negotiating agreement (ENA), and draft contract documents, including applicable revisions to the City's General Conditions and General Requirements for this P3 project. However, substantial contractual work remains even before the ENA and proposal package can be completed. Additional contract work and changes depend upon decisions, including the financing decision, that the City has not yet made, and may depend on further negotiations with Goodwill and its developer team on the contract documents in development.

Under this proposed amendment, Nossaman LLP will perform work under the existing contract rates (blended attorney rate of \$495/hour) through the end of the current contract period (through May 20, 2022). Throughout the initial contract term, there have been no rate adjustments. Effective May 21, 2022, Nossaman LLP will charge a blended attorney rate of \$550/hour.


Recommendation

Based on the foregoing, this Office respectfully requests that the City Council approve a contract amendment that extends the term of the Nossaman LLP Contract (Contract No. C-133539) by two-years and increases the contract ceiling amount by \$550,000, for an amount not to exceed \$1,400,000, which will be paid for by LASAN special funds. LASAN supports this recommendation.

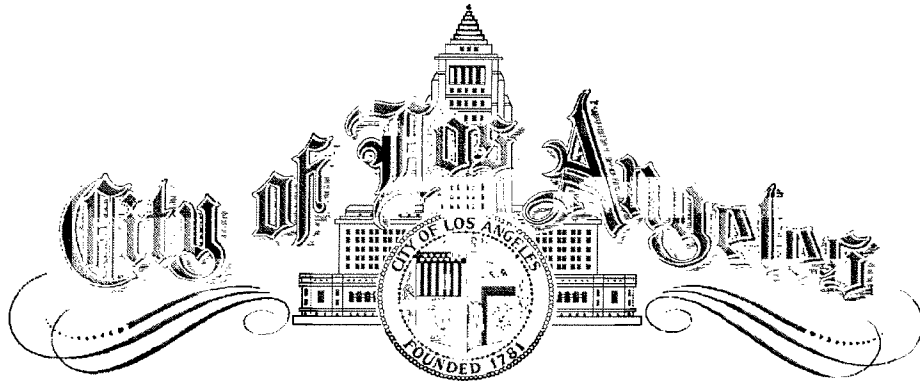
If you have any questions regarding this matter, please contact Deputy City Attorney Adena M. Hopenstand at (213) 978-8156. She or another member of this Office will be available when you consider this matter to answer questions you may have.

Sincerely,

MICHAEL N. FEUER, City Attorney

By   
ADENA M. HOPENSTAND  
Deputy City Attorney

AH:cl



**MICHAEL N. FEUER**  
CITY ATTORNEY

REPORT NO. R 19 - 0 1 5 0

**MAY 2 1 2019**

REPORT RE:

**LEGAL SERVICES AGREEMENT FOR  
THE CLEAN WATER CAMPUS BUILDING AND PARKING PROJECT**

The Honorable City Council  
of the City of Los Angeles  
Room 395, City Hall  
200 North Spring Street  
Los Angeles, California 90012

Honorable Members:

This Office recommends that Nossaman LLP be approved to assist the City Attorney's Office in providing legal services related to the Department of Public Works, Bureau of Sanitation's (LASAN) Clean Water Campus Building and Parking Project (Project). The Project is a public-private partnership/Design-Build-Finance-Operate-Maintain (P3/DBFOM) project.

The recommended contract with Nossaman would be for three years with a contract ceiling amount of \$850,000 to be paid from LASAN special funds.

Background

Currently, five of LASAN's twenty-two divisions are located at 2714 Media Center Drive (the Media Center Building). This building is leased by LASAN and no longer meets the current or future needs of LASAN. Therefore, in December 2015, LASAN evaluated replacing the Media Center Building and concluded that it should construct a new facility to accommodate the staff and functions of LASAN. The new "Clean Water Campus" building would be located at a LASAN-owned parcel (the "Humboldt Site") in the Lincoln Heights neighborhood. Although the Humboldt Site could accommodate the Clean Water Campus, the site did not appear to fully satisfy LASAN's anticipated parking needs. Because of the expiration of the Media Center Building lease, LASAN

needs to have its Clean Water Campus constructed by 2022, which is an important factor driving the construction completion schedule.

Goodwill owns the property adjacent to the Humboldt Site. On March 12, 2018, the City received an unsolicited offer from Goodwill, as the next-door property owner, to deliver a turnkey project for the Clean Water Campus Building and a Goodwill facility (the Goodwill Facility) on combined LASAN and Goodwill parcels. The Goodwill Facility is intended to include Goodwill retail space, Goodwill office space, café, and a parking garage with approximately 750 spaces, of which 600 spaces would be for LASAN's exclusive use. The combined project would enable LASAN to achieve 100% of its parking needs for the Clean Water Campus building, compared to a stand-alone project. The combined project would also enable LASAN to partner with a local stakeholder to develop a unified community plan, and potentially expedite delivery of the Clean Water Campus building, using a DBFOM project delivery methodology. On June 13, 2018, the City Council approved a motion that directed LASAN to explore a partnership with Goodwill to deliver a joint project. On April 17, 2019, the Municipal Facilities Committee authorized LASAN to continue to engage with Goodwill regarding the Clean Water Campus and Parking Project and also requested the City Attorney to assist with negotiating agreements and other relevant project documents.

#### Outside Counsel Selection

Due to the complex nature of P3/DBFOM contracts and the sophistication and experience they require, we believe assistance from outside counsel is appropriate and necessary. The City Attorney's Office has no attorney with the level of expertise needed to handle this matter. In making this recommended outside counsel selection, this Office piggybacked on the Request for Proposals previously issued related to the Parker Center Project and solicited proposals from top ranked proposers from that selection process. This Office, with participation of LASAN, conducted a comprehensive interview process. Considering various factors such as experience, budget, team composition, and geographic location, we have identified Nossaman as the most appropriate counsel to assist the City on the Project.

#### Scope of Services

If approved as joint outside counsel for the Project, Nossaman will work with the City team (including the City's P3/DBFOM financial advisor and technical advisor) to provide necessary legal services for the Project, at the direction and under the supervision of our Office. One of the main components of the scope of legal work will involve drafting and negotiating the P3/DBFOM project agreement and related documents.

Recommendation

Based on the foregoing, this Office respectfully requests that the City Council approve a contract with Nossaman LLP for three years, not to exceed \$850,000, which will be paid for by LASAN special funds. LASAN supports this recommendation.

If you have any questions regarding this matter, please contact Deputy City Attorney Adena M. Hopenstand at (213) 978-8156. She or another member of this Office will be present when you consider this matter to answer questions you may have.

Sincerely,

MICHAEL N. FEUER, City Attorney

By   
ANNE HALEY  
Assistant City Attorney

AH:ac:ev