



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