

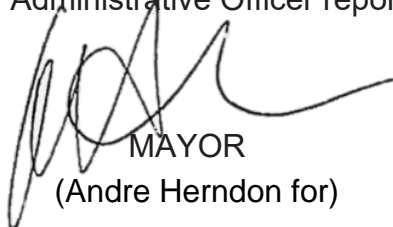
0150-11625-0002

**TRANSMITTAL**

TO Eugene D. Seroka, Executive Director Harbor Department	DATE 03/14/2022	COUNCIL FILE NO. --
FROM The Mayor	COUNCIL DISTRICT 15	

**PROPOSED FIRST AMENDMENT TO AGREEMENT NO. 19-3668 WITH NOSSAMAN LLP  
FOR REAL ESTATE LEGAL SUPPORT SERVICES**

Transmitted for further processing and Council consideration.  
See the City Administrative Officer report attached.

  
MAYOR  
(Andre Herndon for)

MWS:JCY:10220036t

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: February 24, 2022

CAO File No. 0150-11625-0002

Council File No. --

Council District: 15

To: The Mayor

From: Matthew W. Szabo, City Administrative Officer

Reference: Correspondence from the Harbor Department dated September 2, 2021; referred by the Mayor for report September 15, 2021

Subject: **PROPOSED THIRD AMENDMENT TO AGREEMENT NO. 19-3668 WITH NOSSAMAN LLP FOR REAL ESTATE LEGAL SUPPORT SERVICES**

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### RECOMMENDATIONS

Approve Harbor Department (Port) Resolution No. 21-9892 authorizing a Third Amendment to Agreement No. 19-3668 with Nossaman LLP to continue real estate legal support services for two additional years with no change in compensation; and, return the Resolution documents to the Port for further processing, including Council consideration.

### SUMMARY

The Harbor Department (Port) Board of Harbor Commissioners (Board) and the City Attorney request approval of Resolution No. 21-9892 authorizing a proposed Third Amendment (Amendment) to Agreement No. 19-3668 (Agreement) with Nossaman LLP (Nossaman) to continue real estate legal support services for a pair of lawsuits with Harbor Performance Enhancement Center, LLC (HPEC) related to a terminated development agreement of the former Los Angeles Export Terminals (LAXT) facility at the Port of Los Angeles (POLA). The proposed Amendment extends the Agreement with Nossaman for two additional years, from July 20, 2022 through July 19, 2024, for a total of five years with no change in the compensation limit of \$1,773,650. The Port is financially responsible for payment of expenses under the proposed Amendment.

Nossaman currently serves as outside legal counsel to the City Attorney in accordance with Charter Section 275, providing real estate legal services support to the City Attorney on behalf of the City and the Port related to 10 acres of land on Terminal Island at POLA generally known as the former LAXT site. Nossaman currently provides ongoing litigation support related to the appeal of United States District Case (USDC) No. 2:20-cv-03251-PSG-MAA and a subsequently filed Superior Court case (No. 21STCV15500) involving HPEC. The proposed Amendment extends the Agreement with Nossaman in consideration of this litigation. If approved, the Amendment would extend the

Agreement to five years. The proposed extension represents only the estimated time needed to support these existing cases. The City Attorney and Port continue to target issuing new requests for proposals (RFPs) to retain outside counsel every three years.

Nossaman is a Los Angeles-based law corporation with offices around the country. The Port reports that it selected Nossaman for the current Agreement, along with two other firms, in 2019 following a competitive selection process conducted by the Department of Water and Power for outside counsel with experience in eminent domain and real estate matters. The Board approved the original Agreement with Nossaman at its meeting on July 25, 2019 for a term of three years at a cost not to exceed \$200,000. The First Amendment to the Agreement, approved by the Board on February 20, 2020, increased the expenditure authority limit by \$1,573,650 to \$1,773,650 in consideration of active litigation related to the HPEC. The Second Amendment to the Agreement, approved by the Board on November 19, 2020, updated insurance provisions on the Agreement. The Port also reports that Nossaman has provided legal services on real estate matters and intergovernmental and environmental advocacy under several agreements since 2016, including representing the Port in the Ports O' Call bankruptcy matter.

The Port reports that funding of \$500,000 is budgeted and available for the Agreement in 2021-22. The Port will request any required future funding as part of the annual budget process. The City Attorney has reviewed the proposed Amendment and Agreement as to form and legality. In accordance with Charter Section 373 and Administrative Code Section 10.5(b)(2), the Amendment and Agreement require Council approval because the total term of the Agreement exceeds three years and the estimated annual payment under the proposed Amendment exceeds the 2021-22 exemption limit of \$169,418. The Port reports that the proposed action is an administrative activity and has therefore determined that it is administratively exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II, Section 2(f) of the Los Angeles City CEQA Guidelines.

## **FISCAL IMPACT STATEMENT**

The proposed Third Amendment to Harbor Department (Port) Agreement No. 19-3668 authorizes continued real estate legal support services from Nossaman LLP for two years, through July 19, 2024, with no compensation increase. The result is a total five-year Agreement at a cost not to exceed \$1,773,650, with an average annual expenditure of \$354,730. Funding of \$500,000 is included in the Port 2021-22 Budget from the Harbor Revenue Fund. Future funding is subject to the Port annual budget process. The recommendations in this report comply with Port Financial Policies. There is no impact on the City General Fund.