



THE PORT
OF LOS ANGELES
Executive Director's
Report to the

Board of Harbor Commissioners

DATE: JUNE 19, 2013

FROM: REAL ESTATE

SUBJECT: RESOLUTION NO. _____ - PROPOSED SECOND AMENDMENT TO EXECUTIVE DIRECTOR AGREEMENT NO. E6626 WITH PATRICIA V. TUBERT DBA TUBERT CONSULTING

SUMMARY:

Agreement No. E6626 (Agreement) with Patricia V. Tubert dba Tubert Consulting (Tubert) provides for real estate consulting services and terminates on June 30, 2013. The proposed Second Amendment (Amendment) to the Agreement, effective July 1, 2013, is for an extension of the term through November 13, 2014, with an additional \$175,000 added to the compensation total. From July 1, 2013 through November 13, 2014 (16.5 months), the estimated expenditure is approximately \$10,610 per month. A separate report is being submitted by Planning and Economic Development Division to request additional time and funding for their consultant, The Maxima Group (Maxima). Both Tubert and Maxima are critical to the completion of the Ports O' Call redevelopment project. Due to Tubert's unique experience and background in this area, she will be assisting the Director of the Real Estate Division and the Director of the Business Development Bureau with the Ports O' Call and Altasea development projects. All other terms and conditions of the Agreement will remain the same. Tubert is based in Los Angeles, California.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that in accordance with the Los Angeles City Charter Section 1022, it is more feasible for an outside contractor to perform real estate consulting services than City employees;
2. Approve the Second Amendment to Executive Director Agreement No. E6626 with Patricia V. Tubert dba Tubert Consulting;
3. Authorize the Executive Director to execute and the Board Secretary to attest to the Second Amendment to Executive Director Agreement No. E6626; and
4. Adopt Resolution No. _____.

DISCUSSION:

Background and Context – In 2011, the City of Los Angeles Harbor Department (Harbor Department) released a Request for Proposals (RFP) to provide various professional, expert, and technical real estate and strategic planning advisory services. Tubert was selected to provide services that include, creating various permit templates, assisting in

SUBJECT: SECOND AMENDMENT TO AGREEMENT NO. E6626 WITH TUBERT CONSULTING

negotiating real estate permits, acquisition transactions, and development of real estate project proposals, as well as development of training competencies to improve real estate operations. The initial Agreement was a one-year Executive Director Agreement which began on November 14, 2011. Tubert is a qualified small business enterprise (SBE), as well as a women-owned business enterprise (WBE). A City Charter Section 1022 evaluation was completed for the original contract term and again for this proposed Second Amendment. No issues or concerns were raised during this process.

The First Amendment to the Agreement was executed on October 18, 2012, which allowed additional time through June 30, 2013, and additional funding to complete several of the deliverables required under her contract. Tubert also continued mentoring and assisting staff on several transactions.

To date, Tubert has assisted in negotiations and worked with staff to bring closure to several outstanding projects. Completion of these assignments resulted in collection of over \$300,000 in additional annual revenue for the Harbor Department.

While Tubert has provided invaluable assistance thus far, her assistance is required on two critical and highly visible development projects: Ports O' Call and City Dock No. 1. She is uniquely qualified to assist the Director of the Real Estate Division and the Director of the Business Development Bureau on negotiating the various aspects of these two projects, which involves mixed-use retail development, large scale development projects, and includes working with non-profit organizations. Existing staff deals mainly in industrial property transactions and does not have the expertise in these other areas. Tubert was instrumental to the successful completion of large development projects representing the City of Los Angeles (City). These development projects include LA Live, the Staples Center, and Los Angeles World Airport terminals. She is currently working with the City on Farmer's Field, which is the proposed football stadium in downtown Los Angeles.

The proposed Second Amendment (Transmittal 1) will allow Tubert to assist the Director of the Real Estate Division and the Director of Business Development Bureau to complete work that has begun in negotiating with developers for the Altasea project and the Ports O' Call redevelopment project. Tasks include preparing critical path dates for negotiations; identifying key business terms for the term sheets; working with Real Estate Division staff and City Attorney to prepare various documents, including the ground leases and possible option agreements; and various other related documents as needed.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of a Second Amendment to the Agreement with Tubert for real estate consulting services to extend the agreement term through November 13, 2014. As an administrative activity, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with Article II Section 2 (f) of the Los Angeles City CEQA Guidelines.

SUBJECT: SECOND AMENDMENT TO AGREEMENT NO. E6626 WITH TUBERT CONSULTING

ECONOMIC BENEFITS:

Approval of the proposed Amendment will support one direct full-time equivalent for the five-county region.

FINANCIAL IMPACT:

The proposed Second Amendment provides services for work that is to be completed for two critical, high-visibility projects. Hourly rates negotiated under the original Agreement will apply to the Second Amendment. Since execution of the Agreement in November 2011 (over the last 16 months), the Harbor Department has remitted to Tubert a total of \$222,000 for services rendered to date. The full current contract amount of \$300,000, which goes through June 30, 2013, is not expected to be remitted as Tubert had some non-billed weeks during the initial Agreement and First Amendment periods in order to attend to outside commitments. In Fiscal Year 2014, \$127,000 has been budgeted for real estate consulting services in Account 54290, Center 0424, Project 000. Funding of the additional \$48,000 will be requested in the following fiscal year, upon Board approval as part of the annual budget adoption process. A funding out clause is included in the original Agreement.

CITY ATTORNEY:

The Second Amendment has been approved as to form and legality by the Office of the City Attorney.

TRANSMITTAL:

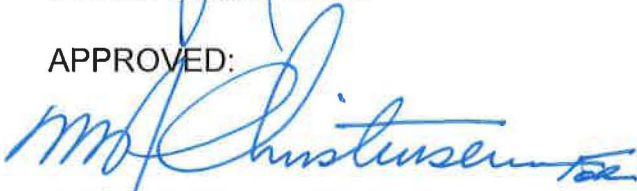
- 1. Second Amendment


JACK C. HEDGE
Director of Real Estate

FIS Approval:  (initials)
CA Approval:  (initials)


KATHRYN McDERMOTT
Deputy Executive Director

APPROVED:


GERALDINE KNATZ, Ph.D.
Executive Director