

HARBOR DIVISION

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**DATE: JUNE 24, 2025**

**FROM: OFFICE OF THE CITY ATTORNEY**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - SECOND AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT NO. 22-9911 WITH NOSSAMAN LLP FOR REAL ESTATE MATTERS**

**SUMMARY:**

The Office of the City Attorney (Office) requests approval of the Second Amendment to Agreement No. 22-9911 (Second Amendment) between the City of Los Angeles Harbor Department (Harbor Department) and Nossaman LLP (Nossaman). The proposed Second Amendment increases the Agreement's maximum compensation amount by \$950,000 for a total maximum compensation of \$2,088,625 and extends the term from three years to six years. Under Agreement No. 22-9911, Nossaman performs legal services to assist our Office in advising the Harbor Department on various real estate matters including litigation advice and support. The Harbor Department is financially responsible for payment of costs for legal services rendered under Agreement No. 22-9911.

**RECOMMENDATION:**

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

1. Find that the Director of Environmental Management has determined that the proposed action 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;

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2. Find that in accordance with Charter Section 1022 that the scope of work of the proposed Agreement can be more economically or feasibly provided by an independent contractor than by City employees;
3. Approve the Second Amendment to Legal Services Agreement No. 22-9911 with Nossaman, to increase the maximum compensation amount by \$950,000 for a total authority of \$2,088,625 and extend the term by three years to December 5, 2028;
4. Authorize and Direct the Board Secretary to forward the Second Amendment to the Los Angeles City Council for its approval pursuant to Section 373 of the Los Angeles City Charter and Section 10.5 of the Los Angeles City Administrative Code;
5. Authorize the Executive Director to execute and the Board Secretary to attest to the Second Amendment; and
6. Adopt Resolution No. \_\_\_\_\_.

**DISCUSSION:**

Background – Following a competitive Request for Proposals process, Nossaman was awarded a three-year agreement, Agreement No. 22-9911 (Transmittal 1), to provide legal services for real estate matters. Agreement No. 22-9911 commenced on December 6, 2022, for a three-year term with a maximum compensation not to exceed \$150,000. The initial \$150,000 budget was based on anticipated services for real estate matters including commercial and industrial leasing of real property by a governmental agency landlord, assignment and subleasing, ground leasing and financing, purchase and sale, real estate remedies, and enforcement of leases.

First Amendment – The Board approved the First Amendment on September 7, 2023. The First Amendment increased the existing compensation from \$150,000 to a total of \$1,138,625 with no change in term. The additional compensation was necessary to support ongoing litigation for the case entitled *Harbor Performance Enhancement Center, LLC v. City of Los Angeles Harbor Department, et al.*, Superior Court Case No. 21STCV15500 (HPEC litigation). Additional compensation of \$988,625 continued HPEC litigation support for mediation and preparation for trial set for November 14, 2023, including a summary judgment motion, further discovery motions, depositions, document review, and general case administration. The parties reached a full settlement of the HPEC litigation on September 24, 2023.

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Proposed Second Amendment – On February 24, 2025, a petition for writ of mandate entitled *Union Pacific Railroad Company, Inc. v. City of Long Beach, et al.*, Superior Court Case No. 25STCP00712 (Union Pacific litigation), was filed and served on both the City of Los Angeles and the City of Long Beach seeking a peremptory writ of mandate directing the respondents to issue a Request for Proposals for a terminal operator to manage the Port of Los Angeles' rail operations and other relief. Nossaman has assisted with the Union Pacific litigation and the firm may need to assist our Office with other anticipated litigation.

To date (through April 30, 2025), \$529,419 in spending has been incurred under Agreement No. 22-9911. The current distribution of these expenses is listed below:

HPEC litigation	\$437,174
Union Pacific litigation	\$47,533
China Shipping Permit	\$20,250
San Pedro Public Mkt	\$10,746
General Matters	\$13,716
TOTAL Expenses	\$529,419

Nossaman's continued legal services is requested for the Union Pacific litigation and other anticipated litigation. The remaining \$609,206 of the authority should be sufficient for services until December 30, 2025. Additional compensation of \$950,000 is now necessary for continued Union Pacific litigation and other anticipated litigation support on an uninterrupted basis for an additional three years.

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is the approval of a Second Amendment to Agreement No. 22-9911 to extend the term and increase the compensation authority for ongoing legal services, which is an administrative activity. Therefore, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

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**FINANCIAL IMPACT:**

Approval of the proposed action will increase the compensation authority by \$950,000 from \$1,138,625 to \$2,088,625 and will extend the term by three years from three years to six years. If approved, spending under the amended Agreement is anticipated to occur as follows:

<u>Fiscal Year</u>	<u>\$ Amount</u>
FY 2023-24	\$467,577
FY 2024-25	\$125,000
FY 2025-26	\$420,000
FY 2026-27	\$500,000
FY 2027-28	\$576,048
TOTAL	\$2,088,625

Fiscal Year (FY) 2025-26 funding in the amount of \$420,000 has been budgeted within the Harbor Department's Operating Budget, Account 544120 (Legal Services), Division 10300 (Office of the City Attorney). Funding for future years, if necessary, will be requested as part of the annual budget adoption process, subject to Board approval. A funding out clause is included in the Agreement.

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**CITY ATTORNEY:**

The Office of the City Attorney has reviewed and approved the proposed Second Amended and Restated Agreement as to form and legality.

**TRANSMITTALS:**

1. Agreement No. 22-9911 with Nossaman
2. First Amendment to Agreement No. 22-9911
3. Second Amended and Restated Agreement No. 22-9911

FIS Approval: MM

CA Approval: JMC



JANET KARKANEN  
Deputy City Attorney

APPROVED:

By   
STEVEN OTERA  
General Counsel, Harbor Department

APPROVED:

By Erica M. Calhoun for  
EUGENE D. SEROKA  
Executive Director