



# City of Chula Vista

## Staff Report

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**File#:** 14-0002, **Item#:** 10.

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- A. RESOLUTION NO. 2014-002 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING A LEGAL SERVICES AGREEMENT BETWEEN THE CITY OF CHULA VISTA AND STRADLING YOCCA CARLSON AND RAUTH PC FOR ATTORNEY SERVICES RELATED TO TRANSACTIONAL WORK FOR THE IMPLEMENTATION OF THE UNIVERSITY PARK AND INNOVATION DISTRICT
- B. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING A LEGAL SERVICES AGREEMENT BETWEEN THE CITY OF CHULA VISTA AND NORTON MOORE AND ADAMS FOR ATTORNEY SERVICES RELATED TO THE PREPARATION OF LAND USE IMPLEMENTATION AND ENVIRONMENTAL DOCUMENTS FOR THE UNIVERSITY PARK AND INNOVATION DISTRICT

### **RECOMMENDED ACTION**

Council adopt the resolutions.

### **SUMMARY**

In 2008, the City entered into Land Offer Agreements that will provide approximately 375 acres of land to the City for a University Campus and Innovation District (UCID). With the City expecting to receive much of the land within the next year, staff is working on several activities that are foundational to continued planning and ultimate development of the UCID. This report presents the additional legal assistance that will be required to implement the UCID, and includes the following items: 1) approval of a Legal Services Agreement between Stradling, Yocca, Carlson & Rauth, PC and the City to provide outside counsel services for the required transactional work to implement the UCID; and 2) a second Legal Services Agreement between Norton, Moore and Adams, LLP and the City to provide attorney services with regard to land use implementation documents (i.e., preparation of a Sectional Planning Area (SPA) Plan and a programmatic Environmental Impact Report (EIR)) for the UCID.

### **ENVIRONMENTAL REVIEW**

The Development Services Director has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a "Project" as defined under Section 15378 of the State CEQA Guidelines; therefore, pursuant to Section 15060(c) (3) of the State CEQA Guidelines the activity is not subject to CEQA. Thus, no environmental review is required.

### **BOARD/COMMISSION RECOMMENDATION**

Not applicable.

### **DISCUSSION**

Since the adoption of the Otay Ranch General Development Plan in 1993, the City of Chula Vista has

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**File#: 14-0002, Item#: 10.**

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maintained a vision of locating a university within the Otay Ranch. This vision is also reflected in the General Plan. While the properties have been designated “University” with a secondary residential land use should the University not become a reality, they have been held in private, rather than public, ownership. In 2001, progress in assembling the land necessary to locate the University was made with the acquisition of approximately 140 acres of developable land for university purposes. It was understood that additional acreage was required to realize the land mass envisioned for the University by the General Plan and Otay Ranch General Development Plan (ORGDP). In 2007, the City began negotiating with the landowners to facilitate the acquisition of land necessary for the future development of a University and a Regional Technology Park while also providing equitable benefit to the landowners.

In 2008, and as subsequently amended in 2010, the City of Chula Vista entered into two separate Land Offer Agreements (LOAs) with the Otay Land Company (OLC), a subsidiary of HomeFed, and JPB Development. Through a combination of land exchanges and agreements for expedited entitlement processing, the City of Chula Vista has reached agreement on how it would assemble approximately 375 acres of land for the UCID. These applications are currently being processed (e.g., OLCs Village 8 West was recently approved by City Council) with the remaining entitlements expected to be before City Council over the next year.

Since the City is expecting to receive much of this land within the coming year, planning for the UCID is timely. The City has entered into an Exclusive Negotiating Agreement with HomeFed to serve in the role of Master Developer. Staff has been meeting with representatives from HomeFed regularly and has developed a conceptual framework for project implementation (including both transactional and land use entitlement elements) that has been agreed to by both parties. In addition, Development Services City staff has contracted with a number of consultants over the past year to provide professional services related to the preparation of land use entitlement documents (i.e., the SPA Plan and Programmatic EIR). Due to limited resources and the focused specialized effort required it will take to final negotiations and to fully document the transactional arrangements and entitlement work necessary to implement the UCID, the City Attorney’s Office, also requires additional legal resources. As such, the City Attorney’s Office placed advertisements in the San Diego Daily Transcript and Los Angeles Daily Journal for a Request for Qualifications/Proposal (RFQP) from attorneys and law firms to submit their qualifications and proposal to assist the City Attorney’s Office in implementing the UCID.

The RFQP process resulted in the submission of qualifications/proposals from eleven (11) attorneys/law firms from around the state. The City Attorney’s Office created an in-house selection committee (the “Selection Committee”), familiar with the UCID, to review the qualifications/proposals. The Selection Committee included: the City Attorney, Assistant City Manager, Deputy City Attorney III and Assistant Development Services Director. Out of the eleven (11) attorneys/law firms that submitted their qualifications/proposals, the following five (5) were invited for an interview by the Selection Committee:

Higgs, Fletcher & Mack, LLP  
Morrison & Foerster, LLP  
Norton, Moore and Adams, LLP  
Stradling, Yocca, Carlson & Rauth, PC  
Thomas Law Group

The Selection Committee reviewed and ranked the proposals based on firm experience, quality of management team, capacity to perform the work, project understanding, proposal quality and clarity, local experience, and billing rates. All five (5) of the above law firms are highly qualified to assist the City Attorney's Office with both the transactional and entitlement work to implement the UCID. After Selection Committee interviews, however, the Selection Committee rated highest and chose Stradling, Yocca, Carlson & Rauth, PC for the transactional work and Norton, Moore and Adams, LLP for the entitlement work. Both firms have performed high quality work for the City in the past.

City Attorney's Office staff have prepared separate Legal Services Agreements (attached) with each of the selected law firms so that they may begin work on the UCID. The costs for retaining these two (2) law firms will be covered by monies deposited with the City in accordance with the LOAs and a federal grant received by the City. Payment to the law firms for work conducted will be on a "time and material basis." Stradling, Yocca, Carlson & Rauth, PC's top billing rate is \$425 per hour. Norton, Moore and Adams, LLP's rate is \$340. These rates are very reasonable in the market given the high level of work being performed and the experience levels of the lawyers. Furthermore, both firms have reduced their rates because the City is a public entity and they have committed to implement measures to manage costs.

Pursuant to Municipal Code section 2.56.110(F), City Council approval is required for these two Legal Services Agreements because each agreement will exceed the \$50,000 threshold authorizing the City Attorney to retain outside council services.

#### **DECISION-MAKER CONFLICT**

Staff has reviewed the property holdings of the City Councilmembers and has found no property holdings within 500 feet of the boundaries of the property which is subject to this action. Staff is not independently aware, nor has staff been informed by any City Councilmember, of any other fact that may constitute a basis for a decision maker conflict of interest in this matter.

#### **LINK TO STRATEGIC GOALS**

The City's Strategic Plan has five major goals: Operational Excellence, Economic Vitality, Healthy Community, Strong and Secure Neighborhoods and a Connected Community. The proposed UCID addresses the Economic Vitality goal in that implementation of the UCID will assist in creating a locally based professional work force within the City.

#### **CURRENT YEAR FISCAL IMPACT**

There is no current year fiscal impact to the General Fund related to these agreements. The costs for retaining these two (2) law firms will be covered by monies held on deposit for the University project which currently has a balance of approximately \$775,000. These funds are also available to reimburse for staff time and consultant costs associated with work on the UCID. .

#### **ONGOING FISCAL IMPACT**

If funds on deposit are exhausted prior to completion of the work associated with the subject Legal Services Agreements, staff will return to the City Council for appropriation requests and alternative funding sources.

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**ATTACHMENTS**

Attachment A - Resolution for Transactional Work

Attachment B - Legal Services Agreement for the Transactional Work

Attachment C - Resolution for Entitlement Work

Attachment D - Legal Services Agreement for the Entitlement Work