



CITY OF INGLEWOOD

OFFICE OF THE CITY MANAGER



DATE: November 5, 2019

TO: Mayor and Council Members

FROM: Economic and Community Development Department

SUBJECT: Amended And Restated Second Amendment to CEQA Funding Agreement No. 18-055 with Murphy's Bowl LLC, to Fund the Costs of certain Legal Activities and Services Required or Contemplated by that certain Amended and Restated Exclusive Negotiating Agreement (ENA) to be Performed by certain Third Party Legal Consultants at the Request and on the Behalf of the City with Regard to the Proposed Development of a National Basketball Association Arena and Associated Facilities (Project) near the Intersection of Prairie Avenue and Century Boulevard

RECOMMENDATION:

It is recommended that the Mayor and Council Members take the following actions:

- 1) Amend and Restate Second Agreement No. 18-055 with Murphy's Bowl LLC to include an additional \$2,804,240.73 to cover certain additional City costs and activities associated with third party consultants necessary to provide certain environmental legal activities and services on behalf of the City as required and/or contemplated by the ENA based on the following:
 - a. Second Amendment to Agreement No. 18-055 approved on July 23, 2015 in the amount of \$1,570,204.73;
 - b. Third Amendment to Agreement No. 18-056 with ESA (Environmental Science Associates) to include an additional \$832,036, to amend the Phase II scope;
 - c. Second Amendment to Agreement No. 18-058 with RMM (Remy Moose Manley LLP) to include an additional \$352,000 to amend the Phase II scope and cost;
 - d. Approve a Professional Services Agreement in an amount not to exceed \$50,000 with Gordon Anderson to continue to provide project management services;
- 2) Adopt a resolution amending the Fiscal Year 2019-2020 Budget.

BACKGROUND:

On August 15, 2017, the City Council, the City of Inglewood as Successor Agency to the Former Redevelopment Agency, and the Inglewood Parking Authority approved an Exclusive Negotiating Agreement (ENA) with Murphy's Bowl LLC.

On December 19, 2017, the City Council approved CEQA Funding Agreement No. 18-055 (Murphy's Bowl LLC), Professional Services Agreement No. 18-056 (Environmental Science

Associates), and Professional Services Agreement No. 18-058 (Remy Moose Manley) to fund the cost of environmental implementation activities and environmental legal services with regard to the proposed development of a National Basketball Association arena and associated facilities.

On April 10, 2018, the City Council approved a first amendment to CEQA Funding Agreement No. 18-055 and Professional Services Agreement 18-056 to increase the total cost of the agreements in order to include Phase II of the environmental implementation consultant work scopes.

On July 23, 2019, the City Council approved a second amendment to CEQA Funding Agreement No. 18-055 and Professional Services Agreement 18-056 to increase the total cost of the agreements for additional costs related to Phase II of the environmental implementation consultant work scopes.

DISCUSSION:

Pursuant to the terms of the ENA, the City is charged with performing certain implementation activities as part of its negotiations with the Developer and the preparation of a disposition and development agreement providing for the proposed development of the Project. As the City does not have the specific expertise to carry out all its ENA obligations, it hires certain third party consultants to perform or provide such implementing activities.

City staff and the consultant team began preparation of the environmental documentation in December 2017. On February 20, 2018, the City released the Notice of Preparation of an Environmental Impact Report for the Project.

As indicated above, on July 23, 2019, City Council approved a second amendment to the CEQA Funding Agreement to cover additional costs associated with various consultants' Phase II scopes of work. Following that approval, staff determined that there was a typographic error in the Funding Agreement, thus requiring the proposed Amended and Restated Second Amendment to the Funding Agreement to include the full amount on July 23, 2019 of \$1,570,204.73. Additional costs have been determined to be needed to complete Phase II scopes as follows: ESA and its subconsultants (\$832,036); Remy Moose Manley (\$352,000); and by Gordon Anderson (\$50,000), related to preparation of the environmental document. The proposed Amended and Restated Second Amendment to CEQA Funding Agreement No. 18-055 shall provide for the advance of funds to cover the additional cost of the Phase II work. The total Increase to the CEQA Funding Agreement (18-055) is \$2,804,240.73 (see Funding Analysis)

CONSULTANT	MB Agreement (No. 18-055) December 19, 2017	First Amendment MB Agreement (No. 18-055) April 10, 2018	Second Amendment MB Agreement (18-055) July 23, 2019	Proposed Phase II Augmentations	Proposed Amended and Restated Second Amendment to MB Agreement (No. 18-055) November XX, 2019
ESA*	\$188,418.00	\$2,228,032.00	\$1,229,430.00	\$832,036.00	\$2,061,466.00
RMM*	\$325,000.00		\$225,000.00	\$352,000.00	\$577,000.00
Trifiletti*	\$75,000.00	\$354,701.10			\$0.00
Anderson*			\$50,000.00	\$50,000.00	\$100,000.00
ALH*			\$18,700.00		\$18,700.00
Stone*			\$47,074.73		\$47,074.73
TOTAL	\$588,418.00	\$2,582,733.10	\$1,570,204.73	\$1,234,036.00	\$2,804,240.73

*Includes out of pocket expenses

Following July 23, 2019, when the City Council approved the second amendment to the funding agreement, staff determined that there was a typographic error in the Budget Amendment Resolution. As such, the proposed budget amendment includes the currently requested Phase II Funds as well as the balance of funds that were not reflected in the Budget Amendment Resolution on July 23, 2019 (\$340,774.73).

FINANCIAL/FUNDING ISSUES AND SOURCES:

Based upon approval on July 23, 2019, of the Second Amendment to CEQA Funding Agreement and adoption of the resolution amending the Fiscal Year 2018-2019 budget, Murphy's Bowl LLC will deliver funds in the amount of \$1,570,204.73 to be deposited into Fund Account Code No. 300.100.A002. However, this Second Amendment was not fully executed and funds were not delivered. These funds are now included in the Amended And Restated Second Amendment to the CEQA Fund Agreement indicated below.

Upon approval of the Amended And Restated Second Amendment to CEQA Funding Agreement and adoption of the resolution amending the Fiscal Year 2019-2020 budget, Murphy's Bowl LLC will deliver funds in the amount of \$2,804,240.73 to be deposited into Fund Account Code No. 300.100.A002. Consultant invoices will continue to be paid from Account No. 300.100.A002.4486 (CONTRACT SERVICES).

LEGAL REVIEW VERIFICATION: _____

Administrative staff has verified that the legal documents accompanying this report have been submitted to, reviewed and approved by the Office of the City Attorney.

BUDGET REVIEW VERIFICATION: _____

Administrative staff has verified that this report, in its entirety, has been submitted to, reviewed and approved by the Budget Division.

FINANCE REVIEW VERIFICATION: _____

Administrative staff has verified that this report, in its entirety, has been submitted to, reviewed and approved by the Finance Department.

DESCRIPTION OF ANY ATTACHMENTS

- Attachment 1: Amend and Restated Second Amendment to Funding Agreement No. 18-055, Murphy's Bowl LLC (3rd)
- Attachment 2: Third Amendment to Agreement No. 18-056, ESA
- Attachment 3: Second Amendment to Agreement No. 18-058, RMM
- Attachment 4: Professional Services Agreement, Gordon Anderson
- Attachment 5: Resolution for Budget Amendment, FY 2019-2020

APPROVAL VERIFICATION SHEET

PREPARED BY:

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Mindy Wilcox, AICP, Planning Manager

COUNCIL PRESENTER:

Mindy Wilcox, AICP, Planning Manager

DEPARTMENT HEAD APPROVAL:

Christopher E. Jackson, Sr., ECD Director

CITY MANAGER APPROVAL:

Artie Fields, City Manager