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CITY ATTORNEY

REPORT NO. R 15 - 0 2 9 6
NOV 23 2015

REPORT RE:

THE RETENTION OF BOND, SPECIAL TAX, AND DISCLOSURE COUNSEL

The Honorable City Council
of the City of Los Angeles
Room 340, City Hall
200 North Spring Street
Los Angeles, CA 90012

Honorable Members:

The City Attorney requests approval of the following qualified list of seven firms to provide bond, special tax, disclosure and related legal counsel services for various City debt programs over a three-year period, beginning November 1, 2015:

1. Hawkins, Delafield & Wood LLP
2. Katten Muchin Rosenman LLP
3. Kutak Rock LLP
4. Nixon Peabody LLP
5. Norton Rose Fulbright US LLP
6. Orrick, Herrington & Sutcliffe LLP
7. Squire Patton Boggs US LLP

As bond transactions arise, the City Attorney and the City Administrative Officer (CAO) will jointly select firms from the above qualified list and a contract will be negotiated and executed with the CAO and approved by the City Attorney. The aggregate amount of these contracts over the next three years will not exceed \$6 million, and will be primarily paid from bond proceeds. If legal services are required after the completion of a bond

issuance, the firm will be paid from available funds within the General Fund or Special Funds, as appropriate, at a negotiated rate.

In July 2015, the City Attorney released a Request for Qualifications (RFQ) to form a qualified list of law firms to provide legal advice, draft bond and disclosure documents, and render legal and tax opinions in connection with the following City financing programs: General Fund Lease Financing Program which includes Municipal Improvement Corporation of Los Angeles (MICLA) Lease Revenue Bonds and the Los Angeles Convention Center Lease Revenue Bonds; General Obligation Bond Program; Judgment Obligation Bond Program; Land-Secured Assessment Financing Program such as Mello-Roos Bonds; Special Tax or Assessment District Financing Program; Parking System Revenue Bond Program; Solid Waste Resources Revenue Bond Program; Wastewater System Revenue Bond Program; Tax & Revenue Anticipation Notes; and other programs that may occur during the next three years.

Seven law firms submitted proposals. The firms were evaluated based on their written proposals, the types of bond transactions in which the legal team were involved, their qualifications and work experience both in public finance and in California, and their fees. All seven firms are recommended for the proposed qualified list to perform the bond-related legal services.

A qualified list is necessary at this time because the current qualified list expires in November, 2015.

As bond transactions arise, the City Attorney and the CAO will identify several firms on the qualified list with the experience and expertise necessary to perform the work based on the unique features of the particular bond issue. The City Attorney and the CAO will solicit qualifications as well as price quotes from the identified firms. Under certain circumstances, justification may exist to select a firm without receiving price quotes from more than one firm. The City Attorney and CAO will review the responses and jointly select the firm to perform the work. A contract will be executed by the CAO and approved by the City Attorney with the firm for that particular bond issuance matter. At the time bond documents are brought to the Mayor and Council for approval, the CAO report will identify the financing team, as it has done in the past. There is no guarantee that every firm on the list will be awarded a contract for a bond transaction during the three-year life of the list.

This report is in compliance with the City's Financial Policies.

RECOMMENDATION

That the Council, subject to the approval of the Mayor:

Authorize the City Attorney and the CAO to jointly select from the list of firms identified below for the provision of bond, disclosure and special tax counsel services and authorize the CAO to execute contracts, as needed, in an aggregate amount not to exceed \$6 million for a term of three years for various City debt programs, subject to the approval of the City Attorney as to form:

1. Hawkins, Delafield & Wood LLP
2. Katten Muchin Rosenman LLP
3. Kutak Rock LLP
4. Nixon Peabody LLP
5. Norton Rose Fulbright US LLP
6. Orrick, Herrington & Sutcliffe LLP
7. Squire Patton Boggs US LLP

FISCAL IMPACT STATEMENT

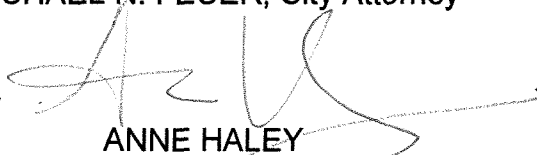
Each fiscal year the CAO typically undertakes eight to ten bond transactions, plus a few special projects, such as responding to an audit request from the IRS. Aggregate counsel fees for a bond transaction typically range between \$65,000 and \$150,000. Therefore, the aggregate amount to be expended on bond-related legal services over the next three years should not exceed \$6 million. Counsel services provided in connection to a bond issuance will be paid from bond proceeds. If counsel services are required after the completion of the bond issuance, services will be paid from available funds within the General Fund or Special Funds, as appropriate, at a negotiated rate.

If you have any questions regarding this matter, please contact Assistant City Attorney Noreen Vincent at (213) 978-8100. She, or another member of this Office, will be present when you consider this matter to answer any questions you may have.

Very truly yours,

MICHAEL N. FEUER, City Attorney

By



ANNE HALEY
Assistant City Attorney