

MEMORANDUM

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**DATE:** NOVEMBER 3, 2011 VM2040  
100227

**TO:** CRA/LA BOARD OF COMMISSIONERS

**FROM:** CHRISTINE ESSEL, CHIEF EXECUTIVE OFFICER

**STAFF:** CAROLYN HULL, REGIONAL ADMINISTRATOR  
JENNIFER JONES BARRERA, ASSISTANT PROJECT MANAGER  
CURT HOLGUIN, DEPUTY CITY ATTORNEY

**SUBJECT:** **Vermont Manchester Shopping Center.** Additional Purchase Order of \$348,904 (prior purchase order was \$854,930 for new total purchase orders of \$1,203,834) for Lewis, Brisbois, Bisgaard & Smith for legal services related to trial in the matter entitled "Community Redevelopment Agency of the City of Los Angeles v. Eli Sasson, et. al." (LASC No. BC388499) in the Vermont Manchester Recovery Redevelopment Project Area  
SOUTH LOS ANGELES REGION (CD8)

**RECOMMENDATIONS**

The CRA/LA Board of Commissioners acknowledges and understands that the Supreme Court in the case entitled California Redevelopment Association v. Matosantos stayed certain portions of Assembly Bill x1-26 and Assembly Bill x1-27. Given the Court's stay and the uncertain status of such legislation, although the CRA/LA is, and the City Council may be, approving certain actions as described herein, to the extent that such actions are stayed then the CRA/LA shall not execute agreements or take such actions, notwithstanding their approval hereof, until the Supreme Court has decided the case on the merits or the action is no longer stayed.

That the CRA/LA Board of Commissioners, subject to City Council review and approval:

1. Authorize the Chief Executive Officer, or designee, to issue an additional purchase order for Lewis, Brisbois, Bisgaard & Smith ("Lewis Brisbois") in an amount not to exceed \$348,904 (the prior purchase order was \$854,930 for total purchase orders of \$1,203,834) for legal services necessary in connection with the scheduled trial in the matter entitled *Community Redevelopment Agency of the City of Los Angeles v. Eli Sasson, et. al.* (LASC No. BC 388499); and
2. Amend the FY2011-12 Budget and Work Program to recognize unspent prior year General Revenue resources in the amount of \$150,000 to be budgeted in line item Community Facilities and Programs (Objective VM2040) for Lewis, Brisbois, Bisgaard & Smith for legal services related to trial in the matter entitled "Community Redevelopment Agency of the City of Los Angeles v. Eli Sasson, et. al." (LASC No. BC388499).

## **SUMMARY**

The recommended additional purchase order of \$348,904 will fund legal services of Lewis Brisbois in connection with the trial scheduled to begin January 9, 2012 in the matter entitled *Community Redevelopment Agency of the City of Los Angeles v. Eli Sasson, et. al.* (LASC No. BC 388499). This matter was commenced by CRA/LA in April 2008 to acquire by eminent domain the 13 parcels of land owned by Eli Sasson ("Mr. Sasson") for the Vermont Manchester Shopping Center Project ("Project"). These services include the trial and post-trial phases of the litigation. The budget increase is necessary due to exhaustion of the prior litigation budget by unanticipated pre-trial tactics of Mr. Sasson's attorneys. These tactics required that the prior budget be used for: (i) defense of pre-condemnation claims alleging \$10 million in damages against CRA/LA; (ii) defense of a Sasson motion to roll back the valuation date of his 13 parcels to a date of higher real estate values; (iii) defense of a Sasson motion to use at trial privileged CRA/LA records inadvertently released by staff during discovery; (iv) opposition to Sasson's efforts to re-open discovery after the cut-off date; and (v) review and recommendations on Sasson's multiple settlement proposals for both the pre-condemnation damage and eminent domain lawsuits.

The issue at trial is the amount of compensation owed to Mr. Sasson. Mr. Sasson is seeking an award of compensation for his property of \$25.5 million, which is a significantly higher value than CRA/LA's current appraised value of about \$9.1 million.

The recommended purchase order increase will fund Lewis Brisbois': (i) preparation for the valuation trial, including taking and defending expert witness depositions, preparing trial exhibits and witnesses, preparing pre-trial motions and trial briefs, and attending mandatory settlement conferences, (ii) jury selection; (iii) prosecution of an up to two week trial; and (iv) certain post-trial work. The Lewis Brisbois' budget for these services has been reviewed and approved by the City Attorney's Office.

## **SOURCE OF FUNDS**

CRA/LA General Revenue

## **PROGRAM AND BUDGET IMPACT**

The recommended actions will amend the FY2011-12 Budget and Work Program relating to the Vermont Manchester Recovery Redevelopment Project Area to recognize unspent prior year General Revenue resources in the amount of \$150,000 to be budgeted in line item Community Facilities and Programs (Objective VM2040) for Lewis, Brisbois, Bisgaard & Smith for legal services related to trial in the matter entitled "Community Redevelopment Agency of the City of Los Angeles v. Eli Sasson, et. al." (LASC No. BC388499). Following the recommended actions sufficient funds will remain in this Project Area to pay their identified share of required Voluntary Alternative Redevelopment Program (VARP) transfers to the City for remittance to the County Auditor-Controller. There is no fiscal impact on the City's General Fund.

## **ENVIRONMENTAL REVIEW**

The proposed action to fund legal counsel services does not constitute a "project" as defined by the California Environmental Quality Act ("CEQA"). As the Project components are finalized, appropriate CEQA review will be conducted and the appropriate CEQA document prepared for the Project.

Christine Essel  
Chief Executive Officer

By:

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Dalila Sotelo  
Deputy Chief Executive Officer

There is no conflict of interest known to me which exists with regard to any CRA/LA officer or employee concerning this action.