

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 12/22/08		Item Number: <u>A-7</u>	
AGENDA ITEM: FOUR-FIFTHS VOTE REQUIREMENT - Approval of Budget Amendment to Allocate Funds to the City's Legal Services Account to Cover Unanticipated Costs of Legal Services Provided by the City's Environmental Counsel, Greenberg Glusker, for 1) Review and Comment on the County of Los Angeles Baldwin Hills Community Standards District (CSD) Relating to Oil Drilling Regulations in the Inglewood Oil Field and Related Environmental Impact Report (EIR); and 2) Litigation Filed Against the County of Los Angeles Relating to the County's Approval of the CSD and Certification of the EIR.			
Contact Person/Dept.: Carol Schwab or Heather Baker/City Attorney's Office		Phone Number: (310) 253-5660	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☒ No ☐	
Public Hearing: ☐		Action Item: ☒ Attachments: ☐	
Public Notification: Master E-Mail Notification List (12/17/08).			
Department Approval: Carol Schwab, City Attorney (by H. Baker) (12/17/08)		City Attorney Approval: Carol Schwab (by H. Baker) (12/17/08)	
City Controller Approval: Jeff Muir (by M. Noller) (12/17/08)		City Manager Approval: Jerry Fulwood (12/17/08)	
<u>RECOMMENDATION:</u> Staff recommends the City Council approve a budget amendment to appropriate additional funds to the City's legal services account to cover unanticipated costs of legal services provided by the City's environmental counsel, Greenberg Glusker, for the following: 1) review and comment on the County of Los Angeles Baldwin Hills Community Standards District (CSD) relating to oil drilling regulations in the Inglewood Oil Field and related Environmental Impact Report (EIR); and 2) litigation filed against the County of Los Angeles relating to the CSD and EIR, in the amount of \$277,000. A budget amendment requires a four-fifths vote. *As the City has an existing legal services agreement with Greenberg Glusker, which covers the scope and type of services described herein, this item does not require the approval of a contract amendment. <u>BACKGROUND/DISCUSSION:</u>			

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On June 19, 2008, the County of Los Angeles released a Draft EIR that assessed the potential environmental impacts associated with the establishment of the CSD and future oil and gas production activities over the next 10 to 20 years, in the oil field immediately adjacent to Culver City. Because of the technical nature and the expected large volume of information that needed to be reviewed within a relatively short time frame, the City Council authorized staff to utilize technical and legal consultants with expertise in analyzing the complex environmental issues that arise with oil and gas production. The legal consultant, Greenberg Glusker, is an experienced and knowledgeable firm with an expertise in land use, environmental law, and oil and gas production. Greenberg Glusker successfully assisted the City in the past with other environmental issues, including the clean-up of abandoned oil wells in Culver City Park, which led to the City's ability to reclaim and use valuable park space for City recreational amenities such as the skateboard park and dog park. In addition, they have advised the City on environmental compliance issues, including NPDES permits and waste disposal.

The County held several hearings on the Draft EIR and CSD, at which numerous Culver City residents and City staff members commented on the adequacy of the EIR and the impacts on Culver City. On August 19th, 2008, with the assistance of its consultants, the City submitted to the County its written comments on the Draft EIR. Subsequently, the County released four additional versions of the proposed CSD (versions dated August 14th, September 4th, September 25th and October 4th), as well as substantial revisions to the Final EIR. As a result, the amount of time and work by staff and the City consultants, including Greenberg Glusker, was substantially increased, which led to unanticipated costs, which were not previously budgeted. In addition, on November 26, 2008, the City filed a lawsuit against the County challenging its approval of the CSD and certification of the Final EIR, citing inadequacies and legal defects. The costs of litigation were also not previously budgeted.

The City Council allocated \$50,000 in the 2008-2009 budget for legal services for the review of the EIR and CSD documents. The significant issues raised, voluminous County data which needed to be analyzed, and multiple versions of the CSD and substantial changes to the Final EIR, all required review and evaluation by Greenberg Glusker, as well as staff, which resulted in an increase in the legal costs incurred exceeding those originally contemplated during the budget process. To date, the City has incurred legal costs in this matter in the amount of approximately \$177,000. Any amount in excess of the originally budgeted \$50,000 has been paid out of the City Attorney's legal services account for fiscal year 2008-2009, using funds previously earmarked for other necessary and important legal services. The additional funding that is being requested at this time includes monies to reimburse the legal services account for the amount already expended in excess of \$50,000

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(approximately \$127,000). In addition, this request is necessary to fund the cost of the pending litigation against the County. In this regard, we are requesting an additional \$150,000 at this time. While the City Attorney's Office is overseeing and participating in the litigation, the expertise of Greenberg Glusker will be extremely valuable to achieve a successful outcome.

FISCAL ANALYSIS:

The City Attorney requests a budget amendment appropriating \$277,000 from the General Fund Unappropriated Reserve into the City Attorney's professional legal services budget, Account No. 10113100.611300, to pay for legal services provided by Greenberg Glusker. Because this amends the adopted fiscal year 2008-09 adopted budget, this action requires a fourth-fifths vote of the City Council.

ATTACHMENT:

None.

MOTION:

That the City Council:

Approve a budget amendment appropriating \$277,000 from the General Fund Unappropriated Reserve into the City Attorney's Legal Services Account No. 10113100.611300 for legal services provided by Greenberg Glusker.

This motion requires four-fifths vote of the City Council.