

ANews

President's Message

What Have You Been Acreling?

I very much look forward to *Acreling* with you in Austin next month during our Mid-Year Meeting. Austin may turn out to be our most attended Mid-Year Meeting ever. We have many great programs, tours, and events planned for everyone. The popularity of this meeting did create a bit of a *first world problem* for us, in that the Four Seasons Hotel no longer has rooms available at the ACREL rate, but rooms currently remain available at the nearby Westin or Radisson hotel. Please see details below on discounts for spouses/guests, as well as on airline discounts, for the Austin Meeting. If you have not registered for Austin and reserved your hotel, please do so soon. Should you encounter any problems with online registration or booking a hotel room, contact Caitlin in the ACREL office.

So what is *Acreling* you may ask? Recently the Merriam-Webster dictionary announced the addition of over 1,000 new words to its publication for 2017. Among the new words now contained in the Merriam-Webster dictionary are: *snollygoster* (*a shrewd unprincipled person*), *Seussian* (*of, relating to, or*

suggestive of the works of Dr. Seuss), *humblebrag* (*to make a seemingly modest, self-critical, or casual statement or reference that is meant to draw attention to one's admirable or impressive quality or achievements*), *FLOTUS* (the First Lady), *weak sauce* (*something inferior, ineffective, or unimpressive*), and *first world problems* (*a usually minor or trivial problem or annoyance experienced by people in relatively affluent circumstances*). Other than possibly the new word listicle

continued on p. 2

IN THIS ISSUE

2	Meetings Calendar
7	Notes from the Programs Committee
8	Proposed Amendment of the Bylaws
10	Antitrust Laws May Apply to Student Housing Projects
14	The Risks of a Full Credit Bid
18	Bloomberg BNA Invites Tax Articles
19	La Plaza Cultura Village: A Multiple Public/Private Partnership

President's Message

continued from p. 1

*(an article consisting of a series of items presented as a list), my cursory review of the new words for 2017 did not reveal any legal or real estate terms; thus, I am contemplating asking the Merriam-Webster editors to consider adding the term *Acreling* to their next edition. The definition of *Acreling* would be "of, or relating to, any act by an ACREL Fellow, in furtherance of the goals and objectives of the American College of Real Estate Lawyers, without any expectation of reward or recognition."*

In my ACREL Notes blog last month, I noted that there were at least 201 ACREL Fellows engaged on our Standing and Substantive committees...*Acreling* at its very best. Since I know that none of these dedicated individuals who contribute their time to ACREL so generously would humblebrag about their efforts, I will summarize some of their efforts, in listicle format, to illustrate some of the many good things happening within the College, due to these substantial and important efforts.

1. ACREL Charitable Foundation – What do you know about the ACREL Charitable Foundation? If you are like most ACREL Fellows, not very much. For many years, the College has had a separate qualified charitable foundation. As President of the College, I also serve as President of the Foundation. Likewise, the other officers of ACREL serve as officers of the Foundation. Traditionally, the Foundation has supported things such as the ACREL Cares projects, but has no other specific stated goals or objectives. We have now formed an ACREL Charitable Foundation Task Force, co-chaired by Treasurer Marilyn Maloney and Vice President Steve Waters, with ACREL Fellows Barry Hines, Greg Stein, and Tina Makouljian, as additional Task Force members. The Task Force will evaluate the current role and activities of the Foundation and

continued on p. 3

Meetings Calendar

2017 Mid-Year Meeting
March 30-April 2, 2017
The Four Seasons Hotel
Austin, TX

2017 Annual Meeting
October 19-22, 2017
InterContinental Hotel
Los Angeles, CA

2018 Mid-Year Meeting
March 22-25, 2018
Waldorf Astoria
Orlando, FL

2018 Annual Meeting
October 18-21, 2018
The Roosevelt Waldorf Astoria
New Orleans, Louisiana

2019 Annual Meeting
October 17-20, 2019
Le Westin Hotel
Montreal, Canada

STAFF BOX

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Executive Director

President's Message

continued from p. 2

submit a report and recommendation to the Board of Governors. Should you wish to offer any suggestions to the Task Force, please contact Marilyn or Steve.

2. ACREL Cares – As noted above, one of the regular functions of the ACREL Charitable Foundation has been to support projects undertaken by ACREL Cares and the Foundation will be doing so again in Austin. Thanks to the efforts of Brian Rider and Jay DeVaney, a group of ACREL Fellows and their guests will be volunteering their time and labor at Community First Village. This is a 27-acre master planned community that provides affordable, permanent housing in a supportive community for the disabled and chronically homeless in Central Texas. A development of Mobile Loaves & Fishes, this transformative residential program exists to love and serve its residents who have been living on the streets, while also empowering the surrounding community into a lifestyle of service with the homeless. If you would like to join this ACREL Cares project in Austin, please contact Caitlin McIntire in the ACREL office.

3. RPTE-ACREL Scholars Program– Another new initiative is the RPTE-ACREL Scholars Program. As part of our collaborative efforts with the Real Property, Probate and Trust Law Section (“RPTE”) of the American Bar Association (ABA Leverage and our joint eCLE programs are existing collaborative efforts), ACREL has provided \$1,000 grants to five real estate lawyers who have successfully completed a two-year RPTE Fellows Program. The goal of the RPTE-ACREL Scholars Program is to facilitate the continued development of these lawyers as leaders within the real estate legal community. President-Elect Jay Epstien, with the support of Ira Meislik, our RPTE liaison, is overseeing the RPTE-ACREL Scholars Program. Jay and Ira,

working with the Gang of Four (more on them below), have been already successful in getting each RPTE-ACREL Scholar engaged in one of the ACREL Substantive Committees.

4. Gang of Four – President-Elect Jay Epstien, Vice President Steve Waters, At-Large Member Nancy Little and Board of Governors Member Rick Mallory oversee and guide our 15 ACREL Substantive Committees and the 45 leaders of these Substantive Committees. The Gang of Four has just completed a series of calls with all of the Substantive Committee leaders and they will be meeting with all Substantive Committee chairs in Austin.

5. Orientation and Integration Committee – Utilizing its vast mentoring network of ACREL Fellows, the Orientation and Integration Committee, led by Jo Anne Stubblefield, with members Becky Dow, Sarah Biser, Danna Kozerski, and Steve Romine, have contacted all recent admittees to ACREL to invite them to Austin and to otherwise insure meaningful interactions between each recent admittee and her/his mentor. Please make a special effort to introduce yourself and otherwise welcome our new Fellows when you see them in Austin. If you would like to volunteer to mentor a new Fellow, please contact Jo Anne.

6. ACREL Amicus Committee – The ACREL Amicus Committee, chaired by David Kuney, with members Tom Kaufman, Barry Nekritz, Joe Forte and Mike Rubin, recently received requests to consider preparing amicus briefs for two separate matters. The first request came from a non-ACREL Fellow in connection with an unauthorized practice of law action against a real estate lawyer who had allegedly prepared a deed for an existing client in a state where that lawyer was not licensed to practice

continued on p. 4

President's Message

continued from p. 3

law. The Amicus Committee reviewed the facts surrounding this matter, but before they could make a determination on whether to proceed, they were advised that the effort to appeal had been denied. The second matter came from an ACREL Fellow involving an interpretation of partnership law and the ability of a minority partner to unilaterally dissolve a partnership, not otherwise authorized by the partnership agreement. This matter is currently being evaluated by the Amicus Committee. We expect the Amicus Committee to make a recommendation to the Board of Governors in the near future.

7. Senior Counselors – The recently formed Senior Counselors Task Force, led by Bob Wright, has been very busy. They recently sent a survey to those members of the College who have retired from the practice of law, as well as those who might be contemplating retirement within the next few years. The Task Force received over 200 responses to their survey. Based upon input received from existing ACREL Senior Fellows, the Committee submitted a recommendation to the Executive Committee to allow those who have qualified and obtained ACREL Senior Fellow status, to attend ACREL meetings at the same reduced rate afforded to Academic Fellows and Fellows who are employed by non-profits or the government. This recommendation will be presented to the Board of Governors in Austin.

8. Meetings Committee – The Meetings Committee, co-chaired by Jim Candler and Bob Lane, has an ambitious agenda for 2017. As a reminder, in addition to our upcoming Mid-Year Meeting in Austin, Texas, the 2017 Annual Meeting will be at the brand new Intercontinental Hotel in Los Angeles, California. Our 2018 Mid-Year Meeting will be at the Waldorf Astoria in Orlando, Florida, followed by our 2018 Annual Meeting at the Roosevelt

Waldorf Astoria in New Orleans, Louisiana. The 2019 Mid-Year Meeting is at La Quinta Resort & Club in La Quinta, CA and the 2019 Annual Meeting will be at the Le Westin Montreal Hotel in Montreal, Canada. The Meetings Committee is exploring the possibility of going to Charleston, South Carolina for the 2020 Mid-Year meeting. One of the recent initiatives of the Meetings Committee, based upon over 400 survey results from our Fellows, was to find a means of reducing the spouse/guest registration fee for our meetings. Thanks to the generous support of our sponsors, as well as higher than anticipated eCLE revenues, we were able to lower the spouse/guest registration fee by \$100 for the Austin meeting. We are giving this a try in Austin to see if it influences the number of spouses/guests who attend, as well as the number of spouses/guests who register. The Meetings Committee will evaluate this further after the results of the Austin meeting are in and make a recommendation to the Executive Committee. Also, through our relationship with our sponsor, ABA Leverage, the Meetings Committee has arranged for airfare discounts for registrants for our Austin Meeting. Details are available on the ACREL website.

9. Lane Award Committee – The Frederick S. Lane Award is ACREL's highest honor. The College's Board of Governors periodically bestows the Award in recognition of exceptional service by a Fellow to the public, the profession and the College. Established in 1993 in honor of Frederick S. Lane, a founder of the College and its first President, the Lane Award has been given to the following Fellows to date: Fred Lane (1993), John Gose (1996), Tony Kuklin (1996), Ed Hirschler (1998), John Hastie (2002), Bob Hetlage (2003), Don Siskind (2004), Wayne Hyatt (2013), Jim Cunningham (2015), and John Hollyfield (2015)...clearly no weak sauce among this group!

continued on p. 5

President's Message

continued from p. 4

Although there is neither a requirement nor expectation that a Lane Award recipient will be identified every year, I appointed a 2017 Lane Award Committee to evaluate possible recipients and make nominations, but only if and as the Committee deems appropriate, for consideration by the Board of Governors. The Lane Award Committee is chaired by Past-President and Lane Award recipient, John Hollyfield, with Joe Forte, Shannon Skinner, Linda Striefsky, and Ray Werner as its other members. The fact that the Lane Award Committee has solicited and accepted nominations does not mean that the award will be given in 2017. The Committee will carefully evaluate all nominations received to determine if there is a nominee who meets the criteria for receiving the award. As with past Lane Award recipients, nominees should be highly respected Fellows of the College immediately recognized as selfless mentors and role models for the profession with significant contributions to ACREL, the profession, and the public, spanning several decades; i.e., a sustained record of Acreling at the highest level. While it is expected that a nominee will have demonstrated significant leadership and influence within ACREL, he or she need not have been an ACREL officer.

10. Communications Committee –

You are reading this listicle, thanks to the good and substantial efforts of our Communications Committee, under the leadership of Peggy Rolando. The other members of the Communication Committee are David Gordon, Michael Gelfand, Michael Hamilton, Tim Hassett, Ann Waeger, Mike Pickett, and Jim Witkin. In addition to this bi-monthly Newsletter, the Communications Committee publishes the ACREL Notes on alternating months. If you or another Fellow recently received an award or if you are you aware of any interesting real estate decision that would be of interest to

our Fellows, please contact Peggy Rolando to discuss contributing an article (or listicle!) to the Newsletter or Notes.

11. Member Selection Committee – As you read this, the 15 members of the Member Selection Committee (Toni Wise, Chair, Jonathan Rivin, Vice Chair, Pam Westhoff Secretary, Marianne Ajemian, Janice Carpi, Cheryl Kelly, Rod Clement, Rick Eckhard, John Hagner, Keith Willner, Mark Senn, Ray Truitt, Bill Sklar, Scott Willis, and John Sullivan) are completing their due diligence of the 47 candidates who were nominated to become ACREL Fellows. The Committee is meeting in San Francisco on February 27th to deliberate on all of these candidates and will then make its recommendations to the Board of Governors in Austin.

12. Membership Development

Committee – Much of the pipeline of candidates for the Member Selection Committee to consider each year is the result of efforts of the Membership Development Committee. (Pete Ezell, Chair, Andy Lance, Vice Chair, John Nolan, Secretary, David Miller, Doug Selph, Steve Carey, Terri Simard, Monica Labe, Gail Mills, Mike Barrett, Josh Kamin, Bruce Smiley, and Bill Sklar). Sometimes the task of identifying and determining the qualifications of potential ACREL candidate can be a bit daunting. There are situations where someone in a Fellows own firm might be a great ACREL Fellow, but the ACREL Bylaws preclude that Fellow from nominating this person. This is where the Membership Development Committee can be of great assistance. If there is someone you think might have good potential to be considered for nomination to ACREL, contact Pete Ezell and the Membership Development Committee will undertake vetting of the potential candidate and

continued on p. 6

President's Message

continued from p. 5

if appropriate, seek to find a nominator for the potential candidate (but of course, snollygosters need not apply).

13. Nominating Committee – The role of the Nominating Committee is to select the future leaders of the College. While the President-Elect selects the leaders of the Governance and Administrative Committees, as well as the Substantive Committees, the Nominating Committee nominates the Officers of the College, as well as the members of the Board of Governors. For 2017, the Nominating Committee consists of Kathy Murphy, Chair, Ken Jacobson, Bob Fishman, Beverly Quail, Rick Mallory, Steven Cowan, and Kevin Shepherd.

14. Programs Committee – By far the largest and certainly one of the most critical committees for the College is the Programs Committee. Under the guidance of Beth Mitchell, Chair, Art Menor, Chair-Designate & Co-Vice Chair-Fall, Sheila Nolan Gartland, Co-Vice Chair-Fall, Deb Chun, Co-Vice Chair-Spring, Suzanne Bessette-Smith, Co-Vice Chair -Spring, Larry Bensignor, Vice-Chair-Support, Jack Fersko, Vice Chair-eCLE, David Gordon Vice Chair-Evaluations, and Nancy Little, Secretary, and with the assistance of many more Programs Committee members, the Programs Committee, plans, oversees and implements all of the ACREL educational programs, both our live as well as our distance learning eCLE and ACREL Live programs. An incredible amount of time and effort goes into ensuring that all ACREL programs are consistently the very best they can be.

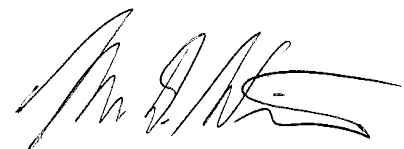
15. Publications Committee – Under the leadership of Deb Chun and working with the Programs Committee, the Publications Committee is responsible for making sure that

the ACREL Papers, produced in connection with our live programs, are completed in a timely manner and continuously exemplify the high standards of ACREL. The other members of the Publications Committee are Angela Christy, Vice Chair, Orlando Lucero, Secretary, Jim Lobb, Rod Clement, Brent Shaffer, Michael Buckley, Jim Candler, Stephen Dawson, Stephen Dyer, DeArmond Sharp, and Michael Vincenti.

As you can see, there is an extraordinary amount of Acreling going on in the College. All of this Acreling requires a vast amount of ongoing support and coordination that is provided on a consistent and exemplary basis by our incredible Executive Staff, under the direction FOR 30 YEARS of Jill Pace as Executive Director, as well as Member Services Director Julie Burgess, and Programs Manager, Caitlin McIntire.

Let me close this listicle with my most sincere and heartfelt expression of gratitude to everyone who, through their extraordinary Acreling efforts, make ACREL so very special and vibrant. These Acreling efforts by so many make the honor to serve as your President even that much more exceptional. And to all of you who clearly care so much about the well-being and excellence of ACREL, I offer this original Seussian:

Unless someone like you cares a whole awful lot, nothing is going to get better. It's not.



ACREL Fellows Display Disdain of Technology: Notes from the Programs Committee

The ACREL Programs Committee evaluations of the Annual Meeting in New York City were very strong in ratings but very sparse in number.

The Programs Committee works very diligently planning for the CLE content of three meetings at any one time. By the time you attend a meeting, the programs for the next meeting are well underway, the topics for the meeting a year in the future are set and the team managing the programs for the meeting 18 months away has been selected and is working on topic selection and staffing the Program Sessions with first rate Presenters (ACREL Fellows) and Speakers (non-ACREL speakers).

We appreciate and value the input received from our Fellows in attendance at our meetings, **but we need your evaluations of our programs and your suggestions for topics and presenters/speakers to be able to continue to provide the high quality CLE programming that you have come to expect from ACREL meeting programs.**

The decline in response rate since the inclusion of the evaluations in the Meeting App at the Baltimore meeting in 2015 has been a problem and a surprise. For those of you attending the Mid-Year Meeting in Austin next month, we are using a new format in an effort to streamline the process and make it more user-friendly. You can log on and off the app to complete the evaluations, and you will continue to have paper “cheat sheets” to make contemporaneous notes so that you can log on once at the end of the meeting and complete the evaluations in one visit. We have worked hard to shorten the evaluation format and to make it user-friendly. Please take the time to log on to the meeting app and complete the evaluation questionnaire. Your investment of less than 10 minutes will reap dividends for Fellows at future meetings.

David Gordon
Vice Chair for Evaluations
Programs Committee

ACRELades

chirp chirp

Those are crickets. Because no ACRELades were submitted for publication for this issue!
We know you have accomplishments to share.

Things that qualify for ACRELades: awards, publications, remembering to un-select “reply-all”
Things that do not qualify for ACRELades: successfully completing your 14th conference call in a week

Now, come on...

Send us your news for future issues!

La Plaza Cultura Village: A Multiple Public/Private Partnership

by Ira J. Waldman, Cox, Castle & Nicholson, LLP, Los Angeles, CA

The \$150 Million La Plaza Cultura Village project currently under construction in the downtown Los Angeles Historic Core is designed to provide a bridge and a link between Chinatown, the historic El Pueblo area and the Civic Center, but also is designed to incorporate an “historic paseo” linking the project, the La Plaza de Cultura y Artes Foundation (the “Foundation”) Museum (the “Museum”), Olvera Street, Union Station and the Fort Moore Pioneer Memorial with lighting and signage telling the history of the area. Other exterior public amenities include a pocket park, courtyard with water features and improved pedestrian linkages with Chinatown. The project itself will consist of approximately 355 residential units (20% of which will be affordable to low and moderate income residents), 40,000 square feet of neighborhood and visitor serving uses, including retail designed to promote the area’s cultural and historic attractions (including a ground floor restaurant, café, and a shared commercial kitchen space for use by small businesses), a rooftop restaurant including garden space to grow fresh produce and herbs for “farm to table” dining service, a bicycle plan (with a “bicycle repair kitchen”) and dedicated flexible use space for the Foundation, and parking for 700 + vehicles. That is the project one will see, but it took quite a melding of public and private interests to bring it to fruition.

The project had its pre-birth with the long term (66 years with 33 year option) lease in 2004 by the County of Los Angeles for land along with the historic but dilapidated Plaza House and Vickrey-Brunswig building to the Foundation for the purpose of developing a cultural, educational, museum and performing arts facility. The museum was completed in 2009. The lease from the County provided for rent for \$1 per year with the obligation to develop the Museum as “additional rent.” The lease contained an option to lease additional adjacent land (two County-

owned public parking lots) “to operate programs to meet the social needs of the County which the Board of Supervisors determines will serve public purposes.” This was the brainchild of former County Supervisor Gloria Molina who sat of the Board of the Foundation and who funded a portion of the museum development with her discretionary spending funds.

One of the goals of the Foundation was to keep the Museum operating without admission cost to the public. In order to do that and to shore up its operating budget, the Foundation required additional funding sources. As it could lease the adjacent land for \$1, the Foundation in cooperation with the County, determined to put out a Request for Proposals for a sublease of the adjacent land for the development of what was called “La Plaza Village”, which would be required to incorporate the social needs/public use requirement of the Foundation lease. As stated in the certification of the Environmental Impact Report and transaction approval by the Los Angeles County Board of Supervisors, the Board issued a determination that “in accordance with Section 26277 of the Government Code, the proposed actions will fund programs necessary to meet the social needs of the population of the County that will serve public purposes, and that in furtherance of those programs the County is making available real property to carry out and finance the programs, which real property is not, and during the term of the lease with the non-profit Foundation, will not be need for County purposes.”

The sublease rent (upon completion, the greater of \$400,000 per year or the sum of certain percentages of Gross Receipts derived from the residential and commercial components of the Project) would be payable to the Foundation for use in the operation of the Museum and other activities.

continued on p. 20

La Plaza...

continued from p. 19

The “winner” of the RFP process was Trammell Crow Company in partnership with an affiliate entity of Principal Life Insurance Company (the provider of equity capital) and the Cesar Chavez Foundation, one of whose goals is the provision of affordable housing, along with, as they say it, “inspiring people by sharing Cesar’s life and values as well as improving the lives of hundreds of thousands of poor people.” So far a somewhat classic public/private partnership with the County providing the land through the Foundation for development of a mixed use project by a private developer who would pay ground rent to support public services, in this case, the operation of the Foundation and its museum. But that is only part of the story because in order to actually develop the site as proposed from a physical point of view, there were many issues to resolve – and additional public/private partnership relationships to manage.

The site was not big enough to accommodate the proposed development. So Trammell Crow through La Plaza Partners, LLC (“La Plaza Partners”) the entity created with the Cesar Chavez Foundation) contracted to purchase an adjacent property to integrate into the site (the “La Colima Site”). The County of Los Angeles then had to contract with La Plaza Partners to acquire the site, incorporate it into its lease with the Foundation, who would then include it within the sublease to La Plaza Partners. In order to lock up this piece of the puzzle, La Plaza Partners was required to enter into a binding contract to acquire the site and bear the risk that the transaction with the Foundation would not close. Adding to the complexity of this aspect of the transaction were the existence of several tenants of the older buildings on the La Colima Site who had to vacate or be evicted, which impacted the ultimate timing.

A review of title indicated a number of interesting issues, since the site had never been developed and the title insurance company was essentially taking an initial look at title for the site (which encompassed several legally described lots)

– ease of reliance on a starter from the title plant was not possible. Establishing the boundaries of the land was not easy task as there were competing boundary maps of the site which needed to be resolved, but most importantly the title analysis revealed another more significant and time consuming issue. A very small sliver of land within the project boundaries actually belonged to the City of Los Angeles (the “City Sliver”), not the County. In order for the project to move forward the County needed to acquire the City Sliver and include it in the lease to the Foundation and therefore the sublease to the developer. Following extensive negotiations, the City was determined to treat the City Sliver as a parcel to be transferred for economic development purposes, rather than as surplus property which would have required a request for proposal process, but this meant that the City transfer would come with conditions.

The County offer to acquire the City Sliver came in the form of a proposed exchange – a parcel that the County owned would be exchanged for the City Sliver. The City commissioned appraisals of the County parcel and the City Sliver, which valued the City Sliver at \$280,000 more than the County parcel. Ultimately the parties, including La Plaza Partners, since it would be funding the differential, agreed on a “price” of \$150,000 in addition to the City required economic development conditions (including the existing anticipated public benefits), which would be contained in a recorded covenant binding the entire development site. One of the primary development conditions required by the City was an obligation by La Plaza Partners, upon project completion and stabilization, to pay “living wages” (the greater of “living wages” in accordance with the City Administrative Code, or the applicable City minimum wage) for no less than 163 project related jobs, which came with a monitoring and reporting requirement. Making matters more difficult was the City requirement for a separate recorded covenant, rather than incorporating its requirements into the County required covenant (for affordable housing and other matters), but ultimately the recorded covenants were

continued on p. 21

La Plaza...

continued from p. 20

consistent. And, of course, the County acquisition of the City Sliver required coordination with the closing of the La Colima Site acquisition, and incorporating the City Sliver into the lease between the County and the Foundation, and ultimately the sublease to La Plaza Partners.

But there were other riddles to solve in the context of this particular public/private partnership. The first involved the existing County use of the parcels to be sublet to La Plaza Partners for public parking, or more to the point, the County's own use of upwards of 150 parking spaces for its employees. The County required that the parking spaces "lost" be covenanted to be provided in the new project at preferential pricing, and also that temporary offsite parking be provided, which ultimately involved parking at a remote County parking lot with La Plaza Partners picking up the cost of DASH trip booklets for the employees to travel from the parking lot to work.

Another significant issue to resolve was whether or not La Plaza Partners was obligated to pay prevailing wages in connection with the construction of the project. The County (and therefore the Foundation) required prevailing wages to be paid even though it was arguable that the project was not subject to statutory prevailing wage requirements. Yet issues remained regarding which prevailing wage schedule would be applicable – the higher commercial rate schedule or the lower residential rate schedule. To avoid the argument that the public aspects of the project (the Paseo, certain infrastructure improvements and the provision of covenanted parking to the County), separate construction contracts were entered into for those portions of the project that arguably constituted Public Works requiring the statutory application of commercial prevailing wages, and the remainder of the project which would constitute private works requiring the contracted for prevailing wage obligation at residential rates.

The prevailing wage obligation raised the issue of whether or not La Plaza Partners would be

obligated to provide payment and performance bonds applicable to transactions involving a public works contract, with the goal being to protect the project from mechanics' liens. Unless a legal opinion were to be provided to the County and the Foundation concluding that such bonds would not be required, the Sublease required bonding. Despite the fact that some portion of the project involved public works for Labor Code purposes, since the analysis for whether or not the project involved a "public works contract" under the Civil Code was different (importantly, that pursuant to case law interpretation of the Civil Code sections, a public entity be a party to the contract), the necessary opinion was provided to the County and Foundation such that no bonds were required.

An added element to the public/private nature of the transaction involved was an available grant from the Los Angeles County Metropolitan Transportation Authority for the design and construction of the Paseo. The grant was in favor of the Foundation and, since La Plaza Partners was going to construct the Paseo, access to the grant was assigned to La Plaza Partners for reimbursement of fifty percent (50%) of the actual cost of construction of the Paseo within the project. The total available reimbursement is approximately \$4,800,000.

Most public/private partnership transactions result in social and economic benefits to the public. The monetary economic benefits to this project are directed to insure the functioning of the Museum. But there are several other direct and indirect social and economic benefits required, some of which have been noted above – public amenities (the Paseo, pocket park, court yard, kitchen facilities, bicycle shop), prevailing wage obligations in connection with the project construction and living wage obligations in connection with project operations. Other social and economic benefits include (i) a rooftop garden for the destination restaurant that would be made available for periodic educational programming as required by the Foundation, (ii) funding for public art (murals or sculptures) created by local artists whose works

continued on p. 22

La Plaza...

continued from p. 21

highlight Latino influences, (ii) funding for cultural arts programming, (iii) a pet park, (iv) contributions to the Los Angeles Homeless Services Authority for homeless outreach, assistance and relocation to service the homeless population immediately adjacent to the project, (v) additional wage and hiring goals (30% local hire of which 10% is to be targeted for “disadvantaged workers” (homeless, veterans, criminals, etc.) to be included in the leasing and marketing plan for the project and (vi) the usual development related fees – impact, transportation, park and school.

In addition to coordinating the public aspects of the transaction and accommodating the needs and requirements of the County, the City, the Foundation and the Cesar Chavez Foundation, all aspects involved consideration of the interests of Principal Life Insurance Company, whose affiliated entity became the equity partner and Wells Fargo Bank, who is the construction lender. The project was a challenge from start to finish but it is certainly going to be a tremendous addition to the historic center of downtown Los Angeles. Upon reflection of all that it took to bring this project to fruition, Jim Andersen, Senior Vice President of Trammell Crow said, “Trammell Crow Company, along with our partner the Cesar Chavez Foundation, are honored to have been selected as the developer on this transformational and place making opportunity. We are excited, along with the County of Los Angeles and the La Plaza de Cultura Y Artes Foundation and our financial partner Principal Financial Group to see this project come out of the ground.

And ground was broken on August 3, 2016. That’s me with Brad Cox of Trammell Crow (Jim Andersen in the background) making sure I did not do too much damage to the site, and me with Paul Chavez, son of the late, great Cesar Chavez, of the Cesar Chavez Foundation.

During the October ACREL meeting, I would encourage members to tour the La Plaza de Cultura y Artes Foundation Museum, and while there check out the adjacent construction of the La Plaza project. ■

