

Daily Journal

APRIL 27, 2011

REAL ESTATE

Playing Litigation Protection to Bring Football Back to L.A.

Boutique firm quarterbacking environmental review and approval process for \$1.4 billion stadium.

By Anna Scott
Daily Journal Staff Writer

The Anschutz Entertainment Group's plan to build a National Football League stadium in Los Angeles, though still in the earliest planning stages, is generating buzz and controversy with each incremental step it takes toward becoming a reality.

One largely overlooked aspect of the proposal, however, is the painstaking legal work that must be done before the first shovel breaks ground.

AEG's Los Angeles land-use team at the boutique law firm Armbruster Goldsmith & Delvac, LLP is working on the proposed stadium's environmental impact report, a document analyzing the project's potential effects on the surrounding area. The report must be certified by various state and local agencies before receiving key city approvals. Lawyers William F. Delvac and Dale Goldsmith, while still in the groundwork phase of preparing the report, face major challenges, such as coming up with a minimally impactful traffic and parking plan and litigation-proofing the environmental analysis for the massive project to try to avoid costly delays.

"On a scale of one to 10 difficulty, this is about a 14.5," said Goldsmith, who estimated he has overseen at least 50 environmental impact reports during his 20-year-plus career. "It's almost like handling 100 projects in a single project."

AEG's proposed \$1.4 billion stadium would rise next to the company's 27-acre LA Live entertainment campus and the Staples Center in downtown Los Angeles, replacing part of the city's Convention Center. Because of the scope of the effort and AEG's unique clout with the city, the stadium received a notable level of public scrutiny and criticism for a development project in such early stages. Most recently, a proposal to give AEG valuable development rights in exchange for building the stadium has provoked questions. While city officials, including Mayor Antonio Villaraigosa and downtown Los Angeles Councilwoman Jan Perry, have supported the project, others, including Westside Councilman Bill Rosenthal, questioned its financing and other aspects of the deal.

The last time Los Angeles boasted a football team was in 1994 before the Raiders left for Oakland, and AEG is not the only player seeking to bring the sport back. In a competing proposal, real estate industry mogul Ed Roski reportedly secured permits to build a 75,000-seat stadium in the City of Industry after developers won legislation to speed it through the approval process and faced legal challenges from neighboring cities. The lawyer working on that project's environmental analysis, George J. Muhlsten at Latham & Watkins LLP, declined to comment.

Aside from the land-use team, other lawyers working on AEG's project include transactional real estate lawyer Andrew Friedman and public finance lawyer Lewis G. Feldman of Goodwin Procter LLP.

AEG President and Chief Operating Officer Timothy J. Leiweke said he plans to complete the stadium in time to host the 50th Anniver-



Robert Levins

Attorneys Dale J. Goldsmith, left, and William F. Delvac stand 41 floors above the proposed football stadium site in downtown L.A.

sary 2016 Super Bowl there, an ambitious goal and timeline, by any measure. To meet that deadline, Goldsmith and Delvac must by the end of the year finalize their environmental impact report, a huge document that they said could easily weigh in at more than five pounds of highly technical pages. Then, after a series of public hearings, they would seek entitlements from the city — a relatively straightforward process compared to the environmental analysis, they said, although there has been recent speculation that the stadium could also require county approval, which could potentially prolong the process.

For now, they are still in the groundwork phase, gathering public input and working with scientific consultants, including Matrix Environmental on air quality issues and The Mobility Group on transportation issues, one of the biggest challenges they face.

To come up with an environmentally sensitive parking and traffic plan to include in their report, Goldsmith and Delvac must strike a balance between the potential demand of major football games and the danger of overbuilding parking, which would negate the goal of encouraging public transportation use. That balance becomes even harder to find with a project expected to serve as not only a sports arena but also as a host to smaller events, like concerts and convention center spillover gatherings.

"We have to consider all of the uses and make sure we encompass all the impacts,"

Goldsmith said.

Other vehicle-related challenges include plotting out widely distributed parking and multiple routes in and out of the area to avoid the kind of post-game traffic jams Dodger fans are familiar with.

"The most important thing to realize is there's a lot of parking already available," Goldsmith said.

In conjunction with their consultants, the lawyers are in the process of surveying the existing traffic, parking and public transportation conditions near the stadium site to help guide their plan. They estimate that nearby parking lots and meters already account for 30,000 to 40,000 parking spaces that could serve the stadium, and the downtown DASH bus and other systems make the area a public transit hub, reducing the need for parking. Additionally, said Delvac, they will consider the fact that "people are accustomed to taking public transit for football games" due in part to the strong association between football spectating and beer consumption.

Signage presents another especially challenging and sensitive piece of the environmental impact report.

Billboards have become a major source of litigation in Los Angeles, especially the large-scale ads known as supergraphics. Developers, particularly AEG, have not been above the fray. Last year, City Attorney Carmen Trutanich touched off a controversy when he threatened legal action against other city officials for issuing sign permits at LA Live.

Community groups, like the Coalition to Ban Billboard Blight, also are regulars at City Hall. Goldsmith and Delvac must tread carefully in designing their signage plan, both on the technical and legal fronts.

"We anticipate being very technical" said Delvac, in assessing issues such as traffic safety and glare from proposed outdoor advertising.

He and Goldsmith also are poring over signage-related case law and recent environmental impact reports for similar projects, looking for strategies to incorporate into their own work. When reviewing his own draft environmental impact reports, said Goldsmith, especially ones with so much scrutiny, "I read it as if I were trying to destroy the document."

Another big aspect of the stadium analysis that requires special care is the section addressing greenhouse gas emissions, a tricky area because it is a relatively new requirement of environmental impact reports and is the subject of ever-changing case law.

"The trouble is it's a very complex science," Goldsmith said. "We do not have the tools to analyze a project's impact on global warming," so the team must rely heavily on precedent and cover all its bases in examining potential loopholes that could invite litigation.

If the project moves forward on its set schedule, said Goldsmith, the final report should be "certifiable" roughly by the end of the year. "That doesn't mean nuts," Goldsmith added, "though I probably will be by then."