REQUEST FOR CITY COUNCIL ACTION

MEETING DATE: FEBRUARY 22, 2011

TITLE: MEMORANDUM FROM CITY ATTORNEY DISCLOSING LANDLORD-TENANT RELATIONSHIP BETWEEN THE IRVINE COMPANY AND THE CITY ATTORNEY'S LAW FIRM

Sean Joyce
City Manager

RECOMMENDED ACTION

Receive and file the attached memorandum from the City Attorney.

EXECUTIVE SUMMARY

The City Attorney has prepared a memorandum disclosing the fact that the Irvine Company recently has acquired the building in which the City Attorney's law firm is a tenant.

COMMISSION/BOARD/COMMITTEE RECOMMENDATION

Not applicable.

ANALYSIS

The City Attorney's law firm (Rutan & Tucker, LLP) has been a tenant of the office building located at 611 Anton Boulevard, Costa Mesa, since 1981. The Irvine Company purchased the building near the end of last year. The Irvine Company owns, processes entitlements for, develops, leases, and operates numerous properties within the City of Irvine.

At the request of a member of the City Council, the City Manager retained special legal counsel to analyze the matter as to potential conflicts of interest. The analysis concluded that under the circumstances presented, the landlord-tenant relationship does not create any disqualifying conflicts of interest for the City Attorney pursuant to the Political Reform Act, the contractual conflict laws (Government Code section 1090 *et seq.*), or the City of Irvine's Code of Ethics. The analysis further concluded that the City Attorney is obligated by the California State Bar Rules of Professional Conduct to notify the City, in writing, of the landlord-tenant relationship. Finally, special legal

counsel recommended that although not legally required, the City Attorney's written disclosure be received and filed by the City Council at a public meeting.

ALTERNATIVES CONSIDERED

Not applicable.

FINANCIAL IMPACT

Not applicable.

REPORT PREPARED BY Sean Joyce, City Manager

ATTACHMENTS

1. City Attorney Memorandum

RUTAN
ATTORNEYS AT LAW

Rutan & Tucker, LLP
611 Anton Blvd., Suite 1400
PO Box 1950
Costa Mesa, CA 92628-1950
(714) 641-5100 Fax (714) 546-9035
www.rutan.com

ORANGE COUNTY

PALO ALTO
(650) 320-1500

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

MEMORANDUM

TO: CITY COUNCIL

FROM: CITY ATTORNEY PDK

DATE: February 14, 2011

FILE NO.: 048170-0307

RE: DISCLOSURE OF LANDLORD-TENANT RELATIONSHIP BETWEEN THE IRVINE COMPANY AND RUTAN & TUCKER, LLP

Rutan & Tucker, LLP has provided City Attorney legal services to the City of Irvine since the time of incorporation in 1971. Since 1981, Rutan & Tucker has been a tenant of the office building located at 611 Anton Boulevard, Costa Mesa. Near the end of last year, the office building was acquired by the Irvine Company, who then became the landlord with respect to Rutan & Tucker's lease of building space.

Rutan & Tucker's current lease is pursuant to a 12th amendment that was executed in November of 2006. The current lease commenced on December 1, 2009 and expires on August 31, 2021. The base rent and any adjustments are fixed by the lease, with no ability of the Irvine Company to change them unilaterally. There are options to renew the lease for extended terms, subject to pre-established rental adjustments.

Rutan & Tucker does not represent and has not represented the Irvine Company. Rutan & Tucker attorneys do not have client or business interests with the Irvine Company and are not on boards or bodies of the Irvine Company. In addition to the City of Irvine, Rutan & Tucker has represented and continues to represent many clients whose interests are adverse to those of the Irvine Company.

As a member of the State Bar of California, the City Attorney is bound by the California Rules of Professional Conduct. Those rules require the disclosure of any business, financial, professional or legal relationship the City Attorney or his law firm has with the Irvine Company when any matter involving the Irvine Company comes before the City of Irvine and the City Attorney is advising the City on the matter. Such notification is also required if the Irvine Company would be substantially impacted by the resolution of any matter being considered by the City of Irvine.

The City Manager and some members of the City Council are already aware of the Irvine Company's acquisition of the building in which Rutan & Tucker leases office space. Special legal counsel retained by the City has advised that the required disclosure must be in writing, which is hereby accomplished by this Memorandum.

cc: City Manager