

**REPORT TO MAYOR AND COUNCIL  
SITTING AS THE LOCAL REUSE AUTHORITY**

**TO THE HONORABLE MAYOR AND COUNCIL  
SITTING AS THE LOCAL REUSE AUTHORITY:**

DATE: February 25, 2014

**SUBJECT: APPROVAL OF AN AMENDMENT TO THE MASTER SERVICES AGREEMENT WITH HR&A ADVISORS, INC. (HR&A) FOR PROFESSIONAL SERVICES ASSOCIATED WITH THE ECONOMIC DEVELOPMENT CONVEYANCE (EDC) APPLICATION AND BUSINESS PLAN AND DEVELOPER SELECTION PROCESS AT THE CONCORD NAVAL WEAPONS STATION (CNWS) IN AN AMOUNT NOT TO EXCEED \$70,000; FUNDING WILL BE PROVIDED THROUGH A LOAN TO THE LOCAL REUSE AUTHORITY (LRA) FROM THE GENERAL FUND APPROVED ON DECEMBER 10, 2013. WITH THIS AMENDMENT, TOTAL FUNDING TO HR&A SINCE 2013 IS \$105,000.**

**Report in Brief**

Staff is recommending that the Local Reuse Authority (LRA) approve an amendment to the Master Agreement for Professional Services with HR&A for preparation of specialized real estate studies, EDC business plan/application and developer selection process for the CNWS. The funding of \$70,000 will be a loan to the LRA from the General Fund. The loan to the LRA was approved and appropriated as part of an amendment of the FY 2013/2014 budget approved by the City Council on December 10, 2013. The loan will be repaid with interest, from land sales and leases within the former CNWS.

**Background**

HR&A has been providing specialized real estate business plan advice to City staff during the development of the Area Plan and its amendment into the General Plan and initial Navy negotiating phases. Their work has laid the foundation of the disposition strategies for the Economic Development Conveyance of the property to the LRA and has helped frame options for developer selection processes. Staff requires those services to continue in support of negotiations with the Department of the Navy (DON), review of statements of qualifications from the Master Developer Request for Qualifications process and development of a request for proposal (RFP) for a Master Developer. The principals of HR&A were selected for this work because of their unique and recent experience with U.S. Navy EDC transfers. HR&A has been involved with the project as a sub-contractor to Arup since 2012.

**APPROVAL OF AN AMENDMENT TO THE MASTER SERVICES AGREEMENT WITH HR&A ADVISORS, INC. (HR&A) FOR PROFESSIONAL SERVICES ASSOCIATED WITH THE ECONOMIC DEVELOPMENT CONVEYANCE (EDC) APPLICATION AND BUSINESS PLAN AND DEVELOPER SELECTION PROCESS AT THE CONCORD NAVAL WEAPONS STATION (CNWS) IN AN AMOUNT NOT TO EXCEED \$70,000; FUNDING WILL BE PROVIDED THROUGH A LOAN TO THE LOCAL REUSE AUTHORITY (LRA) FROM THE GENERAL FUND APPROVED ON DECEMBER 10, 2013. WITH THIS AMENDMENT TOTAL FUNDING SINCE 2013 IS \$105,000.**

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**Discussion**

The City will continue to require specialized expertise in review of disposition and development phasing options in support of implementation of the Concord Reuse Project Area Plan. Specialized expertise will focus on the following activities:

*Task 1 – Preparation of a proforma/business plan to support EDC Application*

*Task 2 – Update Financial Model Costs/Revenues to support EDC application/pro forma*

*Task 3 – Support Negotiations with DON*

*Task 4 – Help LRA define and implement a master developer selection process that will be acceptable to the DON and the City Council*

**Fiscal Impact**

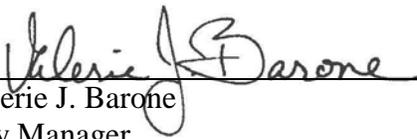
The funding (\$70,000) will come from a loan to the LRA from the General Fund. The loan was approved and appropriated on December 10, 2013, as an amendment to the FY 2013/2014 budget. The loan will be repaid with interest from land sales and leases within the former CNWS. Total funding since 2013 of \$105,000 includes this amendment.

**Public Contact**

Agenda has been posted in accordance with legal requirements.

**Recommendation for Action**

Staff recommends the Local Reuse Authority approve an amendment to the Master Services Agreement for Professional Services with HR&A in an amount not to exceed \$70,000, with no change in the performance period of July 24, 2013 to August 31, 2014; and authorize the Executive Director of the LRA to execute the agreement.



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City Manager

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Executive Director  
Local Reuse Authority  
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Attachment: HR&A Amendment

**AMENDMENT TO  
MASTER AGREEMENT FOR PROFESSIONAL SERVICES**

**This Amendment to Agreement** is entered into on February 26, 2014 (“EFFECTIVE DATE”) by and between the CITY OF CONCORD, a municipal corporation, (“CITY”) and HR&A Advisors, Inc. (“CONSULTANT”) and is the amendment to a Master Agreement dated July 24, 2013, referenced as the City’s document No. 5291.

**WHEREAS**, the CITY and CONSULTANT entered into an agreement dated July 24, 2013 for services in connection with EDC application and business plan and developer selection process for the Concord Naval Weapons Station; and

**WHEREAS**, the parties hereto desire to amend the agreement to provide for additional compensation; therefore.

**NOW, THEREFORE**, in consideration of the promises and conditions set forth herein, the parties mutually agree as follows:

**Section 1.** Section 5, COMPENSATION, is amended to read as follows:

**SECTION 5 - COMPENSATION**

5. **COMPENSATION**

With this amendment to the original agreement of July 24, 2013, the CONSULTANT shall be compensated in the additional amount of \$70,000, for a total amount of the General Fund loan not to exceed **\$105,000** for basic services rendered, as more particularly described in Exhibit A of the original agreement, in accordance with the terms and conditions included therein.

CONSULTANT may submit monthly statements for services rendered. It is intended that payments to CONSULTANT will be made by CITY within thirty (30) days of receipt of invoice.

**IN WITNESS WHEREOF**, the parties have executed this Amendment to Agreement the day and year written above.

**CONSULTANT**

\_\_\_\_\_  
Dated

By: \_\_\_\_\_  
Paul J. Silvern  
Vice President

**CITY OF CONCORD**

\_\_\_\_\_  
Dated

By: \_\_\_\_\_  
Michael W. Wright  
Executive Director  
Local Reuse Authority

APPROVED AS TO FORM:

ATTEST:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
City Clerk

This signature page is part of this amendment to the Master Agreement for Professional Services entered into on February 26, 2014 by and between the City of Concord, a municipal corporation, (hereinafter "City") and HR&A Advisors, Inc. (the "Consultant").