

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

DATE: July 14, 2015

SUBJECT: APPROVAL OF AN AMENDMENT TO THE MASTER SERVICES AGREEMENT WITH ALH URBAN & REGIONAL ECONOMICS (ALH ECONOMICS) FOR PROFESSIONAL SERVICES ASSOCIATED WITH DISPOSITION AND LAND TRANSFER PLANNING AT THE CONCORD NAVAL WEAPONS STATION (CNWS) IN AN AMOUNT NOT TO EXCEED \$20,000. (FUNDING WILL BE PROVIDED BY A LOAN TO THE LOCAL REUSE AUTHORITY (LRA) FROM THE GENERAL FUND)

Report in Brief

Staff is recommending that the Local Reuse Authority (LRA) amend a Master Agreement for Professional Services with ALH Economics for preparation of specialized economic studies for transfer of the former Concord Naval Weapons Station (CNWS). The analyses will support refinement of phasing and disposition strategies for the business plan, a component of the application for Economic Development Conveyance. Work will include fiscal and financial modeling and proforma development to determine value propositions for negotiations with the Department of the Navy (DON). This agreement will cover a performance period of July 1, 2015 to June 30, 2016. Funding will be provided through a loan to the LRA from the General Fund that was approved and appropriated as part of the adoption of the FY 2015/2016 budget. The loan will be repaid with interest, from land sales or leases within the former Concord Naval Weapons Station (CNWS). Total contract value since 2012, including this amendment is \$136,460, of which \$65,460 has been funded by the Department of Defense, Office of Economic Adjustment (OEA); the remaining funding has come from General Fund loans to the Local Reuse Authority that will be repaid.

Background

ALH has been providing specialized financial and fiscal studies and advice to City staff during the development and adoption of the Reuse Plan and development of the Area Plan and its amendment into the General Plan. Their work has laid the foundation of the disposition strategies for the Economic Development Conveyance (EDC) of the property to the LRA. Staff requires those services to continue in support of negotiations with the Department of the Navy (DON) and preparation of a formal EDC application. The principals of ALH Economics were selected for this work as part of the competitive selection for preparation of the Reuse Plan.

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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 – Financial and Fiscal Analysis

Task 2 – Update Financial Fiscal Model Costs

Task 3 – Economic Impact Models for Job Loss/Job Creation

Task 4 – Negotiations with DON

Fiscal Impact

Funding will be provided through a loan to the LRA from the General Fund that was approved and appropriated as part of the adoption of the FY 2015/2016 budget. The loan will be repaid, with interest, from land sales or leases within the former Concord Naval Weapons Station (CNWS). The loan was approved and appropriated by the City Council on July 23, 2013. Total funding since 2012, is \$136,460 of which the Department of Defense, Office of Economic Adjustment (OEA) has provided grants of \$65,460; the remainder of the total funding comes from General Fund loans to the LRA which will be repaid.

Public Contact

Agenda has been posted in accordance with legal requirements.

Recommendation for Action

The Executive Director is recommending the City Council, sitting as the Local Reuse Authority, authorize the execution by the Executive Director of an amendment to the existing Master Services Agreement with ALH for an amount not to exceed \$20,000.



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Executive Director
Local Reuse Authority
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**EIGHTH AMENDMENT TO
AGREEMENT FOR PROFESSIONAL SERVICES**

This Eighth Amendment to Agreement is entered into on July 1, 2015 (“EFFECTIVE DATE”) by and between the CITY OF CONCORD, a municipal corporation, (“CITY”) and ALH Urban & Regional Economics (“CONSULTANT”) and is the eighth amendment to an Administrative Agreement dated February 20, 2012 referenced as the City’s document No. AA-2315.

WHEREAS, the CITY and CONSULTANT entered into an agreement dated February 20, 2012 for services to support the preparation of a reuse plan for the Concord Naval Weapons Station in the amount of \$8,460; and

WHEREAS, the Agreement has been amended on May 1, 2012, and was approved by Council as CCA-5207, for an additional amount of \$50,000 and extending the term ending date to May 1, 2013; and on August 15, 2012, the amendment amount was reduced to \$15,000; and

WHEREAS, the Agreement has been amended on February 15, 2013, and was approved by Council as CCA-5207-A, for an additional amount of \$12,000 and extending the term ending date to June 30, 2013; and

WHEREAS, the Agreement has been amended on July 24, 2013, and was approved by Council as CCA-5207-B, for an additional amount of \$16,000 and extending the term ending date to August 31, 2014; and

WHEREAS, the Agreement has been amended on February 14, 2014, and was approved by Council as CCA-5207-C, for an additional amount of \$5,000; and

WHEREAS, the Agreement has been amended on May 14, 2014, and was approved by Council as CCA-5207-D, for an additional amount of \$15,000 and extending the term ending date to June 30, 2015; and

WHEREAS, the Agreement has been amended on July 1, 2014, and was approved by Council as CCA-5207-E, for an additional amount of \$30,000; and

WHEREAS, the Agreement has been amended on March 1, 2015, and was approved by Council as CCA-5207-F, for an additional amount of \$15,000; and

WHEREAS, the parties hereto desire to amend the agreement to provide additional professional services in connection with the preparation of the reuse plan and provide for additional compensation and to extend the term of the Master Agreement 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 hereby amended to read as follows:

SECTION 5 - COMPENSATION

5. COMPENSATION

With this amendment to the original agreement of February 20, 2012, the CONSULTANT shall be compensated in the additional amount of \$20,000 for a total amount not to exceed **\$136,460** for basic services rendered, as more particularly described in Attachment 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.

Section 2. Section 6, TERM, is amended to read as follows:

SECTION 6 - TERM

6. TERM

The term of this Agreement, as amended, shall be from July 1, 2015 through June 30, 2016 unless earlier terminated in accordance with the terms of the Agreement.

Except as expressly amended herein all terms and conditions of the Agreement dated February 20, 2012 shall remain in full force and effect.

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

CONSULTANT

Dated

By: _____
Amy L. Herman
Principal

CITY OF CONCORD

Dated

By: _____
Michael W. Wright
Executive Director
Local Reuse Authority

APPROVED AS TO FORM:

ATTEST:

City Attorney

City Clerk