

**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 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 \$90,000 (FUNDING WILL BE PROVIDED FROM A LOAN TO THE LOCAL REUSE AUTHORITY (LRA) FROM THE GENERAL FUND)

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 specialized real estate advice in support of Master Developer selection and negotiations, EDC business plan/ application and developer selection process for the CNWS. The funding of \$90,000 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 agreement will cover a performance period of July 1, 2015 to June 30, 2016. HR&A was previously a subcontractor to Arup with \$20,000 of funding from an OEA grant. Total funding since 2012, including this amendment, is \$335,000, of which \$95,000 was supported by an OEA grant and the remainder was funded through a loan from the General Fund to the LRA which will be repaid.

Background

HR&A has been providing specialized real estate and business planning advice to City staff during the development of the Area Plan and its amendment into the General Plan, the Master Developer selection and negotiation process, 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) and Master Developer selection/negotiation. 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. HR&A entered into a contract directly with the LRA in 2013.

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:

**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 \$90,000**

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

Task 2 – Update Financial Model Costs/Revenues to support EDC application/proforma

Task 3 – Support development of a Term Sheet with the Master Developer candidates and Value Sharing Negotiations with DON

Task 4 – Support the LRA in completing a master developer selection process that will be acceptable to the DON and the City Council; and negotiation of a Development Agreement with the selected Master Developer

Fiscal Impact

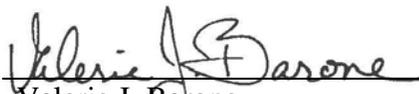
The funding will come from a loan to the LRA from the General Fund. The loan was approved and appropriated as part of the adoption of the FY 2015/2016 budget. The loan will be repaid, with interest, from land sales and leases within the former CNWS. Total funding since 2012 is \$335,000, of which \$95,000 was supported by an OEA grant and the remaining funding came from a loan from the General Fund to the LRA which will be repaid.

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 \$90,000 with a performance period of July 1, 2015 to June 30, 2016; and authorize the Executive Director of the LRA to execute the agreement.



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Executive Director,
Local Reuse Authority
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**FOURTH AMENDMENT TO
MASTER AGREEMENT FOR PROFESSIONAL SERVICES**

This Fourth Amendment to Agreement is entered into on July 1, 2015 (“EFFECTIVE DATE”) by and between the CITY OF CONCORD, a municipal corporation, (“CITY”) and HR&A Advisors, Inc. (“CONSULTANT”) and is the fourth 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 Agreement was amended on February 26, 2014, for an additional \$70,000; and

WHEREAS, the Agreement was amended on July 1, 2014, for an additional \$70,000 and to extend the term to June 30, 2015; and

WHEREAS, the Agreement was amended on April 1, 2015, for an additional \$35,000; and

WHEREAS, the parties hereto desire to amend the agreement to extend the term and provide for additional compensation; and

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 \$90,000, for a total amount of the General Fund loan not to exceed **\$335,000** 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.

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 extending the term ending date to 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 July 24, 2013 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: _____
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