

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

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

DATE: November 3, 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 \$55,000. TOTAL FUNDING SINCE 2012 INCLUDING THIS AMENDMENT IS \$390,000, OF WHICH \$125,000 WAS SUPPORTED BY AN OEA GRANT. (FUNDING WILL BE PROVIDED FROM A LOAN TO THE LRA FROM THE GENERAL FUND AND BY A GRANT FROM THE OEA)**

**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 to authorize the additional expenditure of up to \$55,000. The term of the agreement, which is July 22, 2013 – June 30, 2016, is not changing.

The HR&A scope of work includes their specialized real estate advice in support of Master Developer selection/negotiations and assistance with the preparation of the Economic Development Conveyance (EDC) business plan/application.

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). 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 \$390,000, of which \$125,000 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.

**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 \$55,000. TOTAL FUNDING SINCE 2012 INCLUDING THIS AMENDMENT IS \$390,000, OF WHICH \$125,000 WAS SUPPORTED BY AN OEA GRANT. (FUNDING WILL BE PROVIDED FROM A LOAN TO THE LRA FROM THE GENERAL FUND AND BY A GRANT FROM THE OEA)**

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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/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, including this amendment, is \$390,000, of which \$125,000 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.

**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 \$55,000. TOTAL FUNDING SINCE 2012 INCLUDING THIS AMENDMENT IS \$390,000, OF WHICH \$125,000 WAS SUPPORTED BY AN OEA GRANT. (FUNDING WILL BE PROVIDED FROM A LOAN TO THE LRA FROM THE GENERAL FUND AND BY A GRANT FROM THE OEA)**

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**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 \$55,000 and authorize the Executive Director of the LRA to execute the agreement.



Valerie J. Barone

City Manager

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Prepared by: Guy S. Bjerke

Executive Director, Local Reuse Authority

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Attachment 1: HR&A Advisors Amendment

**FIFTH AMENDMENT TO  
MASTER AGREEMENT FOR PROFESSIONAL SERVICES**

**This Fifth Amendment to Agreement** is entered into on November 1, 2015 (“EFFECTIVE DATE”) by and between the CITY OF CONCORD, a municipal corporation, (“CITY”) and HR&A Advisors, Inc. (“CONSULTANT”) and is the fifth 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 July 1, 2015, for an additional \$90,000 and to extend the term to June 30, 2016; 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 \$55,000, for a total amount not to exceed **\$390,000** 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.

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: \_\_\_\_\_  
Susanne Meyer Brown  
Senior Assistant City Attorney

APPROVED AS TO FORM:

ATTEST:

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

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

This signature page is part of this fifth amendment to the Master Agreement for Professional Services entered into on November 1, 2015 by and between the City of Concord, a municipal corporation, (hereinafter "City") and HR&A Advisors, Inc. (the "Consultant").