



## **Concord City Council Declines to Extend Agreement with Lennar**

*Concord, Calif. (March 25, 2020)* -- The Concord City Council on Tuesday met via video conference to discuss its response to a letter it received in January from Lennar Concord, LLC, the master developer of the former Concord Naval Weapons Station.

Lennar posed four questions to the Council, including whether the City intends to extend its current exclusive negotiating agreement (ENA) with Lennar, which expires on March 31, 2020. The Council majority, on a 3 (Aliano, Birsan, Obringer)-2 (McGallian, Hoffmeister) vote, decided not to extend the agreement. The agreement is set to expire on March 31.

“Split decisions are always difficult,” said Guy Bjerke, director of the Community Reuse Planning. “Concord will comply with the terms of our existing agreements with Lennar, and we will look ahead to how we can get this project moving again once our community gets through the COVID-19 public health crisis and the City better understands the pandemic’s impact to the regional economy and the City’s finances.”

As part of its agreement with Lennar, the City will return unspent funds advanced by Lennar for the project.

“Despite this setback, our vision for the redevelopment of the former Concord Naval Weapons Stations remains clear,” said Mayor Tim McGallian. “This future community will feature thousands of new homes, successful businesses, parks, open space, a tournament sports complex, and a campus for higher education. It just looks like our path forward will be different than we expected.”

In addition to declining to extend the ENA, the Council also voted to respond to Lennar’s letter by indicating the following:

1. Council unanimously determined that given the City was not a party to the negotiations they were not in a position to determine whether Lennar satisfied the “good faith” clause of its agreement, requiring Lennar to negotiate in good faith with the labor unions.
2. A Council majority expressed their desire that labor agreement negotiations be held exclusively with the Building Construction Trades Council and not with individual trades

or unions. Vote: 3 (Aliano, Birsan, Obringer) -2 (McGallian, Hoffmeister). The two opposed cited the wording of the adopted ENA for their position.

3. Council unanimously confirmed that the Term Sheet with Lennar establishes the sole expectation for prevailing wages in any future Disposition and Development Agreement between the City and Lennar.

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