

**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 8, 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 FROM A LOAN TO THE LOCAL REUSE AUTHORITY (LRA) FROM THE GENERAL FUND. TOTAL FUNDING SINCE 2012 IS \$210,000.**

**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 provided through a loan to the LRA from the General Fund that was approved and appropriated as part of the adoption of the FY 20145/2015 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, 2014 to June 30, 2015. 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 \$210,000, of which \$35,000 was supported by an OEA grant.

**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) and Master Developer selection. 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.

**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 \$70,000; FUNDING WILL BE PROVIDED FROM A LOAN TO THE LOCAL REUSE AUTHORITY (LRA) FROM THE GENERAL FUND. TOTAL FUNDING SINCE 2012 IS \$210,000.**

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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/pro forma*

*Task 3 – Support Negotiations with DON*

*Task 4 – Support the LRA in defining and implementing a master developer selection process that will be acceptable to the DON and the City Council*

**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 2014/2015 budget. The loan will be repaid, with interest, from land sales and leases within the former CNWS. Total funding since 2012 is \$210,000, of which \$35,000 was supported by an OEA grant.

**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 a performance period of July 1, 2014 to June 30, 2015; 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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**SECOND AMENDMENT TO  
MASTER AGREEMENT FOR PROFESSIONAL SERVICES**

**This Second Amendment to Agreement** is entered into on July 1, 2014 (“EFFECTIVE DATE”) by and between the CITY OF CONCORD, a municipal corporation, (“CITY”) and HR&A Advisors, Inc. (“CONSULTANT”) and is the second 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 parties hereto desire to amend the agreement to extend the term of the contract 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 \$70,000, for a total amount of the General Fund loan not to exceed **\$210,000** 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 6 - TERM**

6. TERM

The term of this Agreement, as amended, shall be from July 1, 2014 to June 30, 2015 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

This signature page is part of this second amendment to the Master Agreement for Professional Services entered into on July 1, 2014 by and between the City of Concord, a municipal corporation, (hereinafter "City") and HR&A Advisors, Inc. (the "Consultant").