

**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 ARUP INC. FOR PROFESSIONAL SERVICES ASSOCIATED WITH LAND TRANSFER/DEVELOPMENT PLANNING AT THE CONCORD NAVAL WEAPONS STATION (CNWS) IN AN AMOUNT NOT TO EXCEED \$290,000. FUNDING WILL BE PROVIDED BY A LOAN TO THE LOCAL REUSE AUTHORITY (LRA) FROM THE GENERAL FUND. TOTAL FUNDING SINCE 2006 IS \$10.1 MILLION.

Report in Brief

Staff is recommending that the Local Reuse Authority (LRA) approve an amendment to the Master Agreement for Professional Services with Arup Inc. for specialized studies for the CNWS in support of refinement of the Area Plan, revisions to site-wide infrastructure concepts and development phasing, disposition planning, support of coordination with the Department of the Navy (DON) on National Environmental Protection Act/Endangered Species Act (NEPA/ESA) requirements and civil surveys to delineate key conveyance parcels. Funding will be provided from a General Fund loan to the LRA. The loan will be repaid with interest from land sales or leases associated within the former CNWS. The agreement will cover a performance period of July 1, 2014 to June 30, 2015. The loan from the General Fund to the LRA was approved and appropriated as part of the adoption of the FY 2014/2015 budget. The total funding for Arup since 2006, including this amendment, is \$10.1M. Funding has been provided by the Department of Defense, Office of Economic Adjustment (\$6.0M), the City's former Redevelopment Agency (\$2.14M) and other regional, state and federal grants (\$1.86M).

Background

The work scope for this contract will focus on: 1) refinement of the Concord Reuse Project Area Plan; 2) development of the City's preferred real property disposition strategy; 3) analysis of appropriate transactional documentation included revised financial/fiscal modeling, phasing concepts; 4) refinement of infrastructure requirements with a particular focus on utilities, primary/secondary street-system; 5) review and coordination with the Department of Navy (DON) remediation and environmental compliance documents; and 6) civil surveys to support EDC conveyance application to the DON.

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Discussion

Detailed Consultant Scope

Task 1 - Continued Support of and Coordination with DON on NEPA/ESA Requirements

- Integration of the transfer and development policies and strategies with the consultation process with the U.S. Fish and Wildlife Service under Section 7 of the ESA can significantly impact land use configurations, phasing, and parcel sizes in implementation planning. The LRA Project Management Office (PMO) will need portions of the Arup team to support the DON consultation with technical input on habitat protection and restoration to insure the integrity of the City's Reuse Plan is maintained through the consultation process.
- In a similar vein, the DON will be conducting an outreach program to Native American tribes as required under Section 106 of the National Historic Preservation Act. The LRA PMO will need assistance from Arup's cultural resource specialists to support the outreach.
- Support to the PMO from Arup on monitoring and coordinating with the DON on preparation of NEPA compliance documents to ensure consistency with the now adopted Area Plan and the certified California Environmental Quality Act (CEQA) compliance documents for both the Reuse Plan and the Area Plan. Specific areas of concern have to do with traffic modeling and associated noise and air quality projections.

Task 2 - Disposition Application/Term Sheet

- The LRA will work to finalize a transfer term sheet with the DON that will support the proposed phasing strategy for disposition of real property. The LRA will also require support from Arup in preparation of components of a business plan and application for disposition under the Economic Development Conveyance authority. The business plan will need to reflect constraints noted in the infrastructure and development phasing model outputs, environmental review and consultation process, loss of redevelopment tax increment as a financing tool and policies/standards of the implementation format that will reflect the desires of the community for reuse of the base. Arup will provide civil surveys of primary conveyance parcels and backbone infrastructure.

Task 3 - Infrastructure and Area Plan Refinement Analysis

- Discussions with a wide variety of public and regulatory agencies and utility providers have led to changes in the scale and scope of infrastructure requirements to address the implementation of the Area Plan. However, the loss of redevelopment financing tools may change the scope and timing of

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infrastructure implementation. As part of this new work scope, Arup will provide an updated utilities plan and integrate advanced planning and internal infrastructure development findings from the Association of Bay Area Governments/Metropolitan Transportation Commission (ABAG/MTC) planning grant for the Base Priority Development Area. They will also coordinate studies for various funding structures including required transportation nexus studies and community financing/infrastructure financing district (CFD/IFD) formation studies.

Task 4 – General as needed on-call planning/engineering support

- Support coordination and outreach with regional stakeholders, Planning Commission.
- Support master developer selection process.

Fiscal Impact

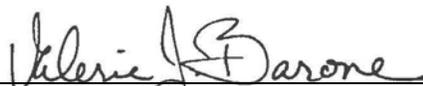
This contract will be funded by a loan from the General Fund to the LRA. The loan was approved and appropriated as part of the adoption of the FY 2014/2015 budget. The loan would be repaid with interest out of the land sales and leases within the former CNWS. The grant performance period is July 1, 2014 to June 30, 2015. Total funding for Arup (and numerous subcontractors) since 2006 is \$10.1M. Funding was provided by grants from OEA (\$6.0M), the City's former Redevelopment Agency (\$2.14M), and grants from other regional, state and federal agencies (\$1.86M).

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 Arup in an amount not to exceed \$290,000; and authorize the Executive Director of the LRA to execute the agreement.



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Local Reuse Authority
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**THIRD AMENDMENT TO
MASTER AGREEMENT FOR PROFESSIONAL SERVICES**

This Third Amendment to the Agreement is entered into on July 1, 2014 (“EFFECTIVE DATE”) by and between the CITY OF CONCORD, a municipal corporation, (“CITY”) and Arup North America Ltd. (“CONSULTANT”) and is the third amendment to a Master Agreement dated July 24, 2013, referenced as the City’s document No. 5287.

WHEREAS, the CITY and CONSULTANT entered into an agreement dated July 24, 2013 for services in connection with land transfer/development/planning for the Concord Naval Weapons Station; and

WHEREAS, the Master Agreement has been amended on October 9, 2013, adding an additional \$80,000 for an amount not to exceed \$350,000; and

WHEREAS, the Master Agreement has been amended on February 26, 2014, adding an additional \$110,000 for an amount not to exceed \$460,000; and

WHEREAS, the parties hereto desire to amend the agreement to extend the term and provide for additional compensation; 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 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 \$290,000, for a total amount of the General Fund loan not to exceed **\$750,000** 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, 2014 extending the term ending date 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: _____
Aidan Hughes
Principal

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 third 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 Arup North America Ltd. (the "Consultant").