

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

DATE: April 28, 2015

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 \$35,000. FUNDING WILL BE PROVIDED BY A LOAN TO THE LOCAL REUSE AUTHORITY (LRA) FROM THE GENERAL FUND. TOTAL FUNDING SINCE 2006 IS \$10.2 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 revisions to site-wide infrastructure concepts and development phasing, disposition planning, in support of initial negotiations with Master Developer candidates. 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 reuse of CNWS. The agreement will cover a performance period of April 1, 2015 to June 30, 2015. Funding will be provided through a loan to the LRA from the General Fund that was approved and appropriated as part of the adopted FY 2014/2015 budget as amended on January 27, 2015. The total funding for Arup since 2006, including this amendment, is \$10.2M. 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) development of the City's preferred real property disposition strategy; 2) analysis of appropriate transactional documentation included revised financial/fiscal modeling, phasing concepts; 3) refinement of infrastructure requirements with a particular focus on utilities, primary/secondary street-system; 4) review and coordination with the Master Developer candidates on remediation.

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Discussion

Task 1 - Disposition Application/Term Sheet

- The LRA will work to finalize a transfer term sheet with the Master Developer candidates that will support the proposed phasing strategy for disposition of real property. The LRA will also require support from Arup in evaluation of grading and infrastructure components of a Master Developer business plans. 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.

Task 2 - 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 infrastructure implementation. They will support LRA negotiations on funding structures issues 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 master developer selection process.

Fiscal Impact

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 2014/2015 budget as amended on January 27, 2015. The loan would be repaid with interest out of the land sales and leases within the former CNWS. The grant performance period is April 1, 2015 to June 30, 2015. Total funding for Arup (and numerous subcontractors) since 2006 is \$10.2M. 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.

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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 Arup in an amount not to exceed \$35,000; and authorize the Executive Director of the LRA to execute the agreement.



Valerie J. Barone

City Manager

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Executive Director,
Local Reuse Authority
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Attachment 1 - Arup Amendment

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

This Sixth Amendment to the Agreement is entered into on April 1, 2015 (“EFFECTIVE DATE”) by and between the CITY OF CONCORD, a municipal corporation, (“CITY”) and Arup North America Ltd. (“CONSULTANT”) and is the sixth 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 Master Agreement has been amended on July 1, 2014, adding an additional \$290,000 for an amount not to exceed \$750,000 and extending the term to June 30, 2015; and

WHEREAS, the Master Agreement has been amended on September 24, 2014, adding an additional \$72,500 for an amount not to exceed \$822,500 and extending the term to August 31, 2015; and

WHEREAS, the Master Agreement has been amended on February 25, 2015, adding an additional \$62,000 for an amount not to exceed \$884,500; and

WHEREAS, the parties hereto desire to amend the agreement to 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 \$35,000, for a total amount not to exceed **\$919,500** 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: _____
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 sixth amendment to the Master Agreement for Professional Services entered into on April 1, 2015 by and between the City of Concord, a municipal corporation, (hereinafter "City") and Arup North America, Ltd. (the "Consultant").