

MEMO

September 27, 2023

TO: Concord City Council

FROM: Guy Bjerke, Director of Economic Development & Base Reuse

RE: Summary of Use of Concord First Partners LLC (CFP) Exclusive Negotiating Agreement Deposits

The purpose of this memo is to provide a report on the use of the \$550,000 Concord First Partners LLC (CFP) deposited with the Local Reuse Authority to cover city costs associated with the negotiation of both the Exclusive Negotiating Agreement (ENA) and Term Sheet as provided for in the ENA agreed to by both parties in October 2021.

CFP provided the LRA with an initial deposit of \$250,000 to cover city costs related to the negotiation of the ENA and Term Sheet in October 2021 – known as the Preliminary Stage in the ENA.

From October 2021 through May 2022 the LRA and CFP negotiated over the conceptual land-use and financial plans for the project as the basis for the Term Sheet and arrived at an impasse on several issues. During this period the following consultants were paid the amounts shown for their services.

CFP Deposit #1		\$250,000.00	
HR&A Advisors	Deal Terms/Pro forma Review		\$28,055.50
Jarvis Fay	Entitlements/CEQA		\$44,746.60
ARUP	Land-use/Infrastructure/Pro forma Review		\$45,323.11
Burke Williams & Sorenson	Drafting ENA and Term Sheet		\$69,243.20
Garrity & Knisely	EDC/Remediation Terms		\$2,205.00
ALH Economics	Deal Terms/Pro forma Review		\$21,206.25
		Sub-total	\$210,779.16
FY 2022 Balance			\$39,220.84

In late May 2022, the City Council provided direction to both parties in a public meeting, extending the Preliminary Stage to January 2023 and negotiations resumed. The LRA asked for an additional deposit from CFP and they provided \$300,000 to cover city costs.

From July 2022 through January 2023 when the City Council, sitting as the Local Reuse Authority, considered the CFP Term Sheet – the following consultants were paid the amounts shown for their services

CFP Deposit #2		\$300,000.00	
HR&A Advisors	Deal Terms/Pro forma Review		\$32,545.00
Jarvis Fay	Entitlements/CEQA		\$11,004.00
Burke Williams & Sorenson	Drafting ENA and Term Sheet		\$122,367.45
Garrity & Knisely	EDC/Remediation Terms		\$1,575.00
ALH Economics	Deal Terms/Pro forma Review		\$33,351.00
Lubin Olson	Resource Permitting Terms		\$2,587.50
Outreach/Meetings & Translations	Printing, postage, meeting space rental, Spanish translation services		\$17,329.70
		Sub-total	\$220,759.65
FY 2023 Balance			\$79,240.35
FY 2022 Balance	(from previous table)		\$39,220.84
	Refunded to CFP		\$118,461.19

Upon the expiration of the ENA between the LRA and CFP on January 31, 2023 and, under the terms of the ENA, a deposit balance of \$118,461.19 was refunded to CFP.

**Please note: The amounts identified as paid to consultants in this memo only reflects their billings related to these negotiations. They may have undertaken other work on the project during this same timeframe that was paid for from Project Reserves (City Loans to the LRA). The total expenditures for the project in any time period is reflected in the Program Report as most recently updated and found in the Program Report folder in the Document Library on the ConcordReuseProject.org website.*