

MEMO

September 28, 2023

TO: Concord City Council
FROM: Guy Bjerke, Director of Economic Development & Base Reuse
RE: Status of City Loans to the Local Reuse Authority

The purpose of this memo is to provide a status report on the approximately \$14.6 million in loans the City has made to the Local Reuse Authority between 2013 and Fiscal Year 2023/2024.

The City Loans are currently one of two funding sources for the Reuse Project; the other funding source has been the deposits made by each Master Developer to reimburse the LRA for staff and consulting work related to their efforts.

The City loans have been used for work necessary for sitewide project permitting that is not tied to either Master Developer selection, drafting of the Specific Plan or any phases of development. Rather it is work that impacts all 2,350 acres of the City's Economic Development Transfer (EDC) and makes future development and property transfer possible. The only exception is the special project work done in support of two Council priorities: (1) the Council's Campus District's Blue Ribbon Committee and (2) the Tournament Sports Complex Conceptual Plan.

All City Loans to the LRA are secured with an Interfund Loan Agreement that defines the term of the loan and requires their repayment with interest upon the sale and transfer of property.

BACKGROUND

From 2006 to 2013 the Reuse Project was funded entirely from grants from the Department of Defense Office of Economic Adjustment (OEA), Regional/State Grants, and from the City's Redevelopment Agency. These funding sources are what paid for consultants and experts as the City took public input and worked with the first Community Advisory Committee to fashion the original Reuse Plan (2010) and, then incorporate the Reuse Plan into the City's General Plan as the Reuse Area Plan (2012).

Once OEA stopped making grants and after the State of California dissolved local Redevelopment Agencies in 2012 it became necessary to find a new funding source for Reuse Project tasks. City Loans and eventually the chosen Master Developer partners, Lennar Concord, LLC, Concord First Partners, LLC, and currently BCUS Acquisitions LLC (Brookfield) became the new funding sources. The City loans were granted by the City to the LRA with the requirement that the Local Reuse Authority repay the loans, with interest, from the sale or lease of project property. All City Loans have been subject to a Council-approved Interfund Loan Agreement between the City and Local Reuse Authority detailing the terms of each loan.

Since 2013 there have been nine City Loans to the Local Reuse Authority for a total of

approximately \$14.6 million through June 30, 2024.

Year	Amount
<i>FY 2012-13</i>	\$117,000
<i>FY 2013-14</i>	\$1,100,000
<i>FY 2014-15</i>	\$2,113,983
<i>FY 2015-16</i>	\$2,350,000
<i>FY 2016-17</i>	\$1,800,000
<i>FY 2017-18</i>	\$1,350,000
<i>FY 2018-19</i>	\$1,900,000
<i>FY 2019-20</i>	\$3,350,000
<i>FY 2023-24</i>	\$530,000
Total:	\$14,610,983

The latest City Loan for \$530,000 was approved by the City Council in June 2023. All project expenses have, or will be, paid for from the either the City Loan reserve (also referred to as the LRA Loan Reserve) or the Master Developer’s Exclusive Negotiating Agreement deposits. These project expenses are tracked in the Reuse Project Program Reports and released to the City Council and public in the Document Library of the Reuse Project website found at www.concordreuseproject.org.

USE OF CITY LOANS – TRANSFER TASK CATEGORIES

The use of City Loans paid for staff and consultants work related to transfer tasks or sitewide efforts in project permitting that impact all 2,350 acres of our EDC and make future development possible. They include:

1. Navy Economic Development Conveyance Discussions
2. Sitewide Resource Permitting
3. Resource Management Plans
4. Monitoring Clean-up and Risk Management
5. Base Management/Special Projects

Special project tasks have, in the past, included the Campus District’s Blue Ribbon Committee and Tournament Sports Complex conceptual planning efforts.

USE OF CITY LOANS - TABLE

The attached table documents the expenditure of City Loans historically and in estimate through FY 2023-2024. The current fiscal year estimates may change as work is reassigned and paid for by Master Developer deposits rather than City Loans. The table details current consultants and previous consultants and vendors. The color and number in the first column relates to the Task Categories performed by that consultant. The year by the consultant’s name is the year they began work on the Reuse Project. Some of their work may have started before City loans were made. Other consultants have changed firms during their association with the Reuse Project. Under the consultant’s name is a brief description of their scopes of work.

Use of City Loans by Local Reuse Authority

Use of City Loans by Local Reuse Authority				
	Current Consultants	LRA Loan		
	Consultant/Vendor	Previous FY's	FY23-24	Grand Total from Inception with FY23/24
1	ALH Economics (2012)	\$242,776	\$35,000	\$277,776
	Provides financial modeling analysis and fiscal impact analysis in support of property transfer from Navy.			
1	Burke Wms Sorensen (2013)	\$966,976	\$60,000	\$1,026,976
	Provides legal counsel regarding transactions and agreements between the LRA, Master Developer and collaborating agencies.			
4	ERS (2012)	\$935,060	\$21,000	\$956,060
	Provides analysis and review of property remediation conducted by the Navy and LRA, and of post-transfer remediation-related insurance requirements.			
2	ESA (2008)	\$1,414,055	\$5,000	\$1,419,055
	Provides analysis and hydrology design for creek restoration, storm water and flood water detention.			
1 / 4	Garrity & Knisely (2007)	\$646,745	\$5,000	\$651,745
	Provides legal counsel regarding BRAC related property transfer and property remediation issues.			
5	Guardian Security (2017)	\$259,728	\$30,000	\$289,728
	Provides gate and base access security on behalf of the LRA.			
1	HR&A Advisors (2012)	\$453,550	\$21,000	\$474,550
	Provides financial and real estate transaction advice regarding the negotiation of deal structure and terms between the LRA & Navy and LRA & Master Developer.			
2 / 3	HT Harvey (2009)	\$1,321,320	\$21,000	\$1,342,320
	Provides analysis, review and advice regarding biological resources and site wide permitting.			
2	Integral Consulting (Previously Johnson Marigot Consulting)		\$5,000	\$5,000
	Provides analysis, review and advice regarding site wide permitting under Section 404 of the Clean Water Act.			
1	Jarvis Fay	\$105,912	\$21,000	\$126,912
	Provides CEQA and land use advice related to Concord Naval Weapon Station matters.			
All	Placeworks		\$100,000	\$100,000
	Provides planning, project management and budgeting support for the Reuse Project.			
2 / 3	Troutman Pepper Hamilton Sanders (Previously Lubin Olson)		\$21,000	\$21,000
	Provides legal counsel regarding site wide resource permitting.			
	Subtotal	\$6,346,122	\$345,000	\$6,691,122
Task Categories - Transfer Tasks				
1 - Navy EDC Transfer				
2 - Site-wide Resource Permitting				
3 - Resource Management Plans				
4 - Clean-up Monitoring & Risk Management				
5 - (Interim) Base Management/Special Projects				

	Consultant/Vendor	Previous FY's	FY23-24	Grand Total from Inception with FY23/24
	Previous Consultants			
5	Accela (2016)	\$3,667		\$3,667
	Two Accela land management licenses.			
All	Arup (2006)	\$2,420,762		\$2,420,762
	Provides planning, engineering, and project management support for all facets of the Reuse Project.			
2	California State	\$5,445		\$5,445
	Incidental Take Permit Application Fee			
5	Civic Plus (2017)	\$15,140		\$15,140
	Provides content management platform for the project's website and document library.			
1	Craig Labadie (2012)	\$73,880		\$73,880
	Provided legal advice on Navy transfer and master developer selection.			
2 / 3	Ebbin Moser (2006)	\$461,000		\$461,000
	Provided legal counsel regarding site wide resource permitting. This account was transferred to Lubin Olson.			
4	EKI (2010)	\$53,560		\$53,560
	Provided review and comment on Navy remediation documents and assessed impacts to reuse alternatives. Served as City representative to the Navy's Restoration Advisory Board.			
1	Fieldman & Rolapp (2016)	\$24,741		\$24,741
	Provides analysis, review and advice regarding the use of public financing for infrastructure, services and public facilities.			
5	Folger Graphics (2016)	\$5,930		\$5,930
	Printing costs for mailer - From Vision to Reality, August 2016. Mailed to all Concord residents.			
5	Gilpin Geosciences Inc	\$1,865		\$1,865
	Engineering geological services			
5	Hallmark (2017)	\$261,741		\$261,741
	Provided advice and implementation assistance with project management, oversight and control systems.			
5	Jenkins & Hogin (2016)	\$63,154		\$63,154
	Provided independent investigation into allegations surrounding the Master Developer selection process.			
2	Johnson Marigot (2014)	\$318,466		\$318,466
	Provides analysis, review and advice regarding site wide permitting under Section 404 of the Clean Water Act.			
5	KRPA (2017)	\$6,000		\$6,000
	Provided marketing and communications strategy for ensuring maximum exposure and visibility for CNWS as a world-class destination for investment.			
5	LPA (2018)	\$167,300		\$167,300
	Provided sports and recreation planning and feasibility assessment.			
2 / 3	Lubin Olson (2006)	\$617,707		\$617,707
	Provides legal counsel regarding site wide resource permitting.			
5	MIG (2018)	\$128,913		\$128,913
	Prepared Visioning document (based on multiple workshops) reflecting City Council and community desires for reuse of the CNWS. Provided professional facilitation services for the Campus District Visioning			

	Consultant/Vendor	Previous FY's	FY23-24	Grand Total from Inception with FY23/24
	Previous Consultants			
All	Mike Wright (2015)	\$112,272		\$112,272
	Provided oversight of Master Developer selection, strategic advice and coordination of the Navy transfer negotiations and site wide permitting efforts.			
5	PG&E Non-Utility	\$9,220.38		\$9,220.38
	Payment to PG&E for Guard Shack Power			
5	Peak Democracy/Open Gov (2017)	\$12,160		\$12,160
	Provided a cloud-based online citizen engagement platform			
5	Peckham & McKenney (2015)	\$12,861		\$12,861
	Recruiter for Director of Community Reuse Planning position.			
5	Salas O'Brien (2013)	\$36,000		\$36,000
	Prepared a specialized engineering report assessing the potential for the City of Concord to have control of utilities and use of solar power.			
1	Towill (2016)	\$309,646		\$309,646
	Provides surveying and lot line mapping to create identifiable parcels supporting property transfer from Navy to LRA, East Bay Regional Park District, and Contra Costa County.			
5	Vlaming & Associates	\$6,132		\$6,132
	Provided labor related advice to the LRA.			
5	Victoria Walker (2018)	\$26,955		\$26,955
	Provides tournament sports complex special project administrative services and support.			
	Subtotal	\$5,154,517		
	SUMMARY			
	Staff Salaries	\$2,520,065		
	Office Supplies	\$194,594		
	Unencumbered Funds	\$50,685		
	Subtotal (Previous Consultants)	\$5,154,517		
	Subtotal (Current Consultants)	\$6,691,122		
	Total	\$14,610,983		
	Interfund Loans \$14,610,983			