



Agenda Report

21-1252

Agenda Date: 1/12/2021

REPORT TO COUNCIL

SUBJECT

Action on Amendments to Four Professional Service Agreements for the Related Santa Clara Development Project Extending the Terms with Milstone Geotechnical Consulting Services, Environmental Risk Services, Valbridge Property Advisors and Robert E. Van Heuit

COUNCIL PILLAR

Promote and Enhance Economic, Housing and Transportation Development

BACKGROUND

The Related Santa Clara project (formerly known as City Place) is a 9.1 million square foot development on a former all-purpose landfill site. There are various local and state agencies that are charged with the oversight of a closed landfill. City staff and Related Santa Clara (Developer) have been working closely with these agencies in order to secure necessary approvals and permits to allow for the future construction of the project.

The Related Santa Clara project is a complex, multi-faceted development project that requires significant technical expertise beyond City and other regulatory agencies' staff knowledge on matters related to the landfill as well as disciplines in other areas.

The City has entered into several third-party consulting agreements to assist with the work associated with the Related Santa Clara Development Project. The terms of three (3) separate third-party consulting agreements expired on December 31, 2020 and one expired July 31, 2020. These contracts are funded by Related Santa Clara (Developer), through advances provided to the City as required by the June 2016 Disposition and Development Agreement. The requested action is for an extension of the term, retroactive to the expiration date, only. The not-to-exceed contract amount will not change.

DISCUSSION

Barry Milstone DBA Milstone Geotechnical - Amendment No. 3

On January 23, 2019, the City entered into an Agreement for Services with Barry Milstone DBA Milstone Geotechnical (Milstone Geotechnical) to provide technical advice and assistance to the Santa Clara County Department of Environmental Health (County) for its review of the project on behalf of the City. The agreement was amended by Amendment No. 1, dated November 7, 2019, and further amended by Amendment No. 2, dated December 10, 2019.

Milstone Geotechnical has been providing technical advice and assistance to the County as the Local Enforcement Agency with oversight of the landfill for its review of the Related Santa Clara project. Working closely with Robert Van Heuit, the scope of work includes environmental review of permit

applications, landfill closure plan, site development plans, and other information as necessary to evaluate and prepare plan review documents for submission to the County.

The contract is set to expire on December 31, 2020. The scope of work is not yet complete and additional services are needed. Approval of Amendment No. 3 to the Agreement would allow the City to continue to access the Contractor's services for the scope by extending the term through December 31, 2021.

Environmental Risk Services (ERS) - Amendment No. 4

In July 2018, the City entered into an agreement with Environmental Risk Services (ERS) to provide consulting services to assist the City in the evaluation of environmental risk for the Related Santa Clara project. The agreement was amended on February 12, 2019 to update the scope of work and increase the contract amount. The agreement was further amended on July 25, 2019 to increase the contract amount.

ERS has been providing the City with highly specialized technical services related to the City's current and ongoing obligations associated with its ownership of the all-purpose landfill. ERS is a multidisciplinary environmental science, engineering, and land-use planning company. The company provides expert technical and strategic services to assess, manage, reduce, and/or leverage environmental risks and liabilities associated with hydrogeology, geochemistry, geophysics, remediation engineering, and risk assessment.

The work with the State regulatory agencies is not complete and ERS' technical expertise continues to be required to secure approvals. Approval of Amendment No. 4 would allow the City to continue to access ERS' services for this scope through December 31, 2021.

Hulberg and Associates, Inc., DBA Valbridge Property Advisors - Amendment No. 3

Valbridge is one of the largest independent commercial property valuation and advisory services firms in the United States. Norm Hulberg, principal in Valbridge's San Jose office, has been providing commercial appraisal services in Northern California since 1976.

In April 2018, the City entered into an agreement with Hulberg and Associates, Inc., DBA Valbridge Property Advisors (Valbridge) to provide appraisal services to support the ongoing eminent domain actions. The agreement was amended in July 2019 to extend the term of the contract to July 31, 2020. The agreement was further amended on October 21, 2019 to increase compensation by \$70,000 for a revised not to exceed compensation amount of \$169,000. The scope of work includes preparation of appraisals, providing property and lease comparable and valuation consulting, and expert testimony.

The eminent domain actions are not complete and additional services are needed. Approval of Amendment No. 3 would allow the City to continue to access Valbridge's services for this scope through July 31, 2021.

Robert E. Van Heuit - Amendment No. 2 to the Amended and Restated Agreement

Robert Van Heuit provides technical expertise to the County Department of Environmental Health in coordination with Milstone Geotechnical as necessary to review the Related Santa Clara project. On June 2, 2015, the City entered into an Agreement for Services with Robert E. Van Heuit (Van Heuit) to assist the County with its review of the project. The scope of work includes environmental review

of permit applications, landfill closure plan, site development plans, and other information as necessary to evaluate and prepare plan review documents for submission to the County.

Over the years, several amendments to the Agreement have been executed extending the term and increasing the total contract amount. The various amendments necessitated the current Amended and Restated Agreement, approved by City Council on September 18, 2018, which restated the agreement to capture the previous amendments, extended the term through December 31, 2019 and increased the maximum not-to-exceed amount from \$90,000 to \$170,000. Amendment No. 1 to the Amended and Restated Agreement was executed on October 31, 2019, which extended the term through December 31, 2020 and increased the contract amount by \$80,000.

The contract is set to expire on December 31, 2020. The scope of work is not yet complete and additional services are needed. Approval of Amendment No. 2 to the Amended and Restated Agreement would allow the City to continue to access the Contractor's services for the scope by extending the term through December 31, 2021.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of a California Environmental Quality Act ("CEQA") pursuant to the CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

FISCAL IMPACT

There is no fiscal impact associated with the approval of this item other than Staff time.

COORDINATION

This report has been coordinated with the City Attorney's Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>>.

RECOMMENDATION

Approve and authorize the City Manager to execute:

1. Amendment No. 3 with Barry Milstone DBA Milstone Geotechnical Consulting Services for the Related Santa Clara Development Project to extend the term through December 31, 2021;
2. Amendment No. 4 to the Amended and Restated Agreement with Environmental Risk Services for Consulting Services for the Related Santa Clara Development Project to extend the term through December 31, 2021;
3. Amendment No. 3 with Hulberg and Associates, Inc., DBA Valbridge Property Advisors for Consulting Services for the Related Santa Clara Development Project to extend the term through July 31, 2021; and
4. Amendment No. 2 to Amended and Restated Agreement with Robert E. Van Heuit for Consulting Services for the Related Santa Clara Development Project to extend the term through December 31, 2021.

Reviewed by: Ruth Mizobe Shikada, Assistant City Manager
Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Amendment No. 3 with Barry Milstone DBA Milstone Geotechnical Consulting Services
2. Amendment No. 4 to Amended and Restated Agreement with Environmental Risk Services
3. Amendment No. 3 with Hulberg and Associates, Inc., DBA Valbridge Property Advisors
4. Amendment No. 2 to Amended and Restated Agreement with Robert E. Van Heuit