



## Agenda Report

21-934

Agenda Date: 7/13/2021

### REPORT TO COUNCIL

#### **SUBJECT**

Action on Amendment No. 5 to the Agreement with Hulberg and Associates, Inc., DBA Valbridge Property Advisors for consulting services associated with the Related Santa Clara Development Project

#### **COUNCIL PILLAR**

Promote and Enhance Economic, Housing and Transportation Development

#### **BACKGROUND**

In April 2018, the City entered into an agreement with Hulberg and Associates, Inc., DBA Valbridge Property Advisors (Valbridge) to provide appraisal services and trial support for potentially two separate eminent domain actions associated with the relocation of Stars and Stripes Drive as necessary to facilitate the construction of the Related Santa Clara project. Valbridge was selected in coordination with outside legal counsel because of their vast trial and expert witness experience on valuation and with eminent domain cases.

Since that time several amendments have been executed as follows:

- Amendment No.1 was executed October 29, 2018 to increase the total contract amount by \$9,000 for a total not to exceed contract amount of \$99,000.
- Amendment No. 2 was executed on July 30, 2019 to extend the contract term to July 31, 2020.
- Amendment No. 3 was executed on October 21, 2019 to increase the total contract amount by \$70,000 for a total not to exceed contract amount of \$169,000.
- Amendment No. 4 was executed on January 20, 2021 to extend the term of the agreement from July 31, 2020 to July 31, 2021.

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.

#### **DISCUSSION**

The City's Purchasing Manager reviewed this recommendation and concurs that a competitive solicitation is not required at this time because the original scope of services has not changed, and external factors are resulting in an extended timeline for the completion of services.

Valbridge has been providing the City with appraisal/valuation services to support its ongoing eminent domain actions to allow for the construction of public improvements associated with the Related Santa Clara project. 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 continued services are still required. Discussions for a negotiated settlement are ongoing for one case. A trial for the second is currently scheduled for September, but the City's outside counsel anticipates that the trial will be delayed due to court scheduling.

Approval of Amendment No. 5 would allow the City to continue to utilize Valbridge to perform services consistent with the original scope of the Agreement through July 31, 2022. These delays will only impact the timing of the work; therefore, an increase in maximum compensation will not be necessary.

### **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 this action other than administrative staff time. All costs associated with this contract are reimbursed to the City by Related Santa Clara under the terms of the June 2016 Disposition and Development Agreement.

### **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) <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

### **RECOMMENDATION**

1. Approve and authorize the City Manager to execute Amendment No. 5 to the Agreement with Hulberg and Associates, Inc., DBA Valbridge Property Advisors to extend the term to July 31, 2022.
2. Approve and authorize the City Manager to execute subsequent amendments to extend the term of the agreement, without increasing the maximum compensation.

Reviewed by: Ruth Mizobe Shikada, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

### **ATTACHMENTS**

1. Amendment No. 5 to Agreement with Hulberg and Associates, Inc., DBA Valbridge Property Advisors