

AMENDMENT NO. 1 TO AGREEMENT NO. C2018-331
Negotiation Services related to the Napa Civic Center Project No. FC15PW02

City Budget Code: FC15PW02

This Amendment No. 1 ("**Amendment**") to City Agreement No. C2018-311, entitled Negotiation Services related to the Napa Civic Center Project No. FC15PW02 ("**Agreement**"), by and between the City of Napa, a California charter city ("**City**"), and Jones Lang LaSalle Americas, Inc., a Maryland Corporation ("**Consultant**"), is effective on the Effective Date identified on the signature page.

RECITALS

A. City and Consultant entered into the Agreement, effective February 23, 2018, for an amount not to exceed \$124,500, pursuant to which Consultant agreed to perform certain services described in the Agreement ("**Services**"), generally including architectural services related to the Civic Center Project

B. City has determined that additional Services ("**Additional Services**") are required to continue, modify, or expand the Services performed under the Agreement, as set forth in the *Scope of Additional Services and Schedule of Performance*, attached hereto as **Exhibit "A"** and incorporated herein by reference.

NOW, THEREFORE, the City and the Consultant, for the mutual consideration described herein, agree as follows:

1. **INCORPORATION BY REFERENCE.** Unless otherwise specified, all subsequent references to the Agreement are deemed to mean the original Agreement as modified by any amendments preceding this Amendment, if any. This Amendment incorporates the Agreement by reference, except and only to the extent that any terms or conditions of the Agreement are specifically modified by this Amendment. All terms and conditions in the Agreement that are not specifically modified by this Amendment remain in full force and effect.

2. **SCOPE OF ADDITIONAL SERVICES.** Consultant will perform the Additional Services described in Exhibit "A" in accordance with the terms and conditions of this Amendment.

3. **PAYMENT.** City will compensate Consultant for satisfactory performance of the Additional Services in an amount not to exceed \$625,000. The cumulative total compensation payable to the Consultant will not exceed \$749,500 without prior written authorization from the City (based on \$124,500 for the original Agreement and any prior amendments thereto, plus \$625,000 for this Amendment).

4. **ENTIRE AGREEMENT.** The Agreement, as modified by this Amendment, constitutes the entire integrated understanding between the parties concerning the Additional Services. This Amendment supersedes all prior negotiations, agreements and understandings regarding the Additional Services, whether written or oral. The documents incorporated by reference into this Amendment are complementary; what is called for in one is binding as if called for in all, except and only to the extent otherwise specified. If any provision in an exhibit to this Amendment conflicts with or is inconsistent with a provision in the body of this Amendment, the provisions in the body of this Amendment will control over any such conflicting or inconsistent provisions.

5. **SIGNATURES.** The individuals executing this Amendment represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Amendment on behalf of the respective legal entities of Consultant and City. This Amendment shall inure to the benefit of and be binding upon the parties hereto and their respective successors and authorized assigns.

ATTACHMENT 2

IN WITNESS WHEREOF, the Parties have executed this Amendment to be effective on the Effective Date set forth below.

CITY:
CITY OF NAPA, a California charter city

CONSULTANT:
Jones Lang LaSalle Americas, Inc.
A Maryland Corporation

By: _____
Steve Potter, City Manager

By: _____
Robert Hunt, Managing Director

ATTEST:

Tiffany Carranza, City Clerk

Date: _____
("Effective Date")

COUNTERSIGNED:

Desiree Brun, City Auditor

APPROVED AS TO FORM:

Michael W. Barrett, City Attorney

EXHIBIT "A"

SCOPE OF ADDITIONAL SERVICES AND SCHEDULE OF PERFORMANCE

The Consultant will perform the Additional Services described below, within the specified times:

See attached proposal.

City of Napa
Civic Center Project Alternatives Analysis
Scope of Services

Project Understanding

The City of Napa wishes to study various alternatives for the development of a new building, or buildings, to house the City's general government administrative and public safety functions. The baseline by which other alternatives will be analyzed will be the "Civic Center Project" as described in the Exclusive Negotiation Agreement ("ENA") for Civic Center and Downtown West End Gateway Project between the City and Plenary Partners, LLC, dated September 5, 2017. The intent of this study is to identify the missional, functional and economic benefits and challenges of each alternative in order to guide the City in determining next steps for the Civic Center Project (hereinafter "Project"). JLL will work with City representatives, as described in this scope of services, to discuss and align on the other alternatives that should be considered in the analysis.

Specific areas that need to be evaluated include:

1. **Prioritization of Improvements or, or Additions to, Existing Buildings** - The City has requested an assessment of the need to improve and/or replace existing buildings that house the City's general government administrative and public safety functions.
2. **Program and workplace standards** - With the goal of finding the appropriate balance of all Project Goals, including the balancing of an affordable space allocation and a quality work environment that supports and functional requirements of City workers, the City would like to further evaluate and refine the program and associated workplace standards. This will involve the following actions:
 - a. Conducting several focus groups with representatives from administration and public safety to review and discuss the current program and how effectively it supports the work requirements of staff.
 - b. Evaluating the mission-serving, functional, community and economic costs and benefits of consolidating all program functions into one building, as compared to the possibility of separating functions into two proximately located separate buildings.
 - c. Benchmarking the proposed square foot (SF) utilization per employee against the SF utilization of other cities that have recently built new space for public safety and administration.
 - d. Organizing site tours for City staff of other organizations that are currently utilizing modern workplace standards like those proposed for the City.

- 3. Site Location** – As described in the ENA, the Civic Center Project is located on the Community Services Building Site (“CSB Site”), Housing Authority Building Site (“HACN Site”), and the Clay Street Garage Expansion Site and the neighboring parcel at 1042 Clay Street (“Parking Site”). Based on direction provided by City Council at its meeting of December 11, 2018, the City now would like to investigate the feasibility, benefit and costs of developing the Project on alternative sites.

Proposed Scope of Services

JLL will provide the City with real estate consulting and project management services designed to assist the City in evaluating the benefits, feasibility and economics associated with up to seven (7) development alternatives for the Civic Center Project. Although development costs are an important factor in the evaluation, it is not the only factor to be considered. Weighing the monetary cost against each alternatives ability to align with the City’s overall Project goals, engagement of citizens and support for City workers will also be important evaluation factors.

We anticipate the major tasks will be required to perform this evaluation are the following:

- 1) Review and Update Program of Requirements for Public Safety and Administration, Site, and & Financial Analysis:** JLL will work with the City and Laura Blake Architect to review and potentially update the current program for the Project. Key tasks to be addressed in this phase will likely include:
 - a) Internal City project team review of current program and its evolution. Discuss areas of concern for the program that have been received by City Staff
 - b) Reconfirm the overall SF utilization/staff parameters for the Project
 - i) Benchmark these utilization factors against other municipalities who have built new facilities in the past decade.
 - c) Develop and internal process and communication for the development of project design concepts and space program
 - d) Focus group sessions on the program with representatives from each major City department.
 - e) Organize field trips to organizations utilizing standards similar to those proposed for Napa and make use of other visualization tools to help the City representatives understand options and determine workspace solutions that will optimize the functionality of City space in the new facilities
 - f) Identify change management issues associated with the move to new facilities and provide a high-level outline for a change management program to work in parallel with the design and construction of the new facilities.
 - g) Provide updates to the program as informed by this analysis and decisions by City leadership.
 - h) Aid the City in identifying potential alternative sites for the Civic Center program that will be used in the ‘Analysis of Alternatives’ phase
 - i) Analyze a shortlist of potential alternative sites as it relates to site capacity, location, key constraints, and ability to address Civic Center project goals as defined by the City. These will form objective filters and criteria to evaluate alternatives and present to the City’s Project team
 - j) Working with City to finalize a specific development program for the uses to be built
 - k) JLL will work with the City to identify and analyze existing and potential new sites to house City facilities. Working with the City and third-party consultants, JLL will assess the sites suitability for development, which will involve an evaluation of the site’s characteristics and use restrictions and how well the program for each alternative’s fit on the site. It is assumed that the City will provide JLL with all site information, including but not limited to ALTA surveys, environmental studies and any information on existing infrastructure, easements and geotechnical. JLL will also identify any

further site due diligence that may be required to understand site conditions that impact the economics of desired development

- l) Work with City staff to define its financial capacity to pay for potential new facilities, as well as options related to achieving affordability

- 2) **Analysis of Potential Project Alternatives:** JLL’s proposed fee anticipates analyzing up to seven (7) development alternatives. JLL will lead in the development of up to seven real estate alternatives for the Civic Center Project, and provide a detailed analysis of the financial implications associated with developing the alternative on a given site, or sites. Key tasks to be addressed in this phase will include:
 - a) Working with 3rd party architects to perform site massing and capacity studies for each alternative
 - b) Each alternative developed, JLL will evaluate its net costs to the City on a NPV and cash flow basis. The results of the analysis will determine the likely economic requirements and outcomes of each alternative. Inputs from this analysis will include, at a minimum, the following factors:
 - i) Costs associated with site work
 - ii) All in cost associated with construction, to include shell and core, tenant improvements, technology and furniture, fixtures and equipment. Estimates to include hard and soft costs.
 - iii) Costs associated with leasing temporary space and associated move costs
 - iv) Costs associated with parking
 - v) Any offsetting revenues from the sale of property.
 - c) For each alternative, JLL will provide a high-level schedule for implementation that summarize the actions the City would have to take to implement the alternative and the time anticipated to do so.
 - d) For each alternative, JLL will work with City staff to evaluate its qualitative benefits and concerns; and, at the request of City staff, make presentations to the City Council or the City Council Ad Hoc Advisory Committee.

2) Project Management and Communications

Throughout the course of this assignment, JLL will be responsible for providing project management services. This will include the following tasks, with which JLL will interface heavily with the City:

- 1) For internal communications JLL will
 - a. Put together a high-level “roadmap” of necessary processes to proceed with this scope and result in a successful selection of a project alternative.
 - b. Create and coordinate a master schedule and track performance to schedule, updating as necessary
 - c. Coordinate the activities of all consultants and develop a staffing plan to support the project once a final direction has been determined.
 - d. Provide an “action register” that logs all key deliverable, their due date and who is accountable for them
 - e. Facilitate in the creation of necessary working groups and help guide meetings related to their work
 - f. Investigate any causes for schedule slippage and provide a recovery plan

- g. Provide agendas and minutes for every formal meeting
 - h. Conduct one (1) weekly project team meeting with City and Consultants
 - i. Provide a monthly status report that addresses each major workstream
 - j. Support the City in all meetings of the Council Ad Hoc committee
 - k. At the City's request, JLL will support the drafting of staff reports related to this project.
- 2) For external communications JLL will:
- a. Support the City in developing and implementing an external communications and outreach strategy
 - b. Support the City in planning agenda and content for any meetings with
 - i. The City Council
 - ii. The public
 - iii. The press
 - c. Support the City in all meetings of the Council Ad Hoc committee.
- 3) JLL will evaluate the project activity reports provided by PPN, compared to the work received by the City, and provide written reports to the City.

Project Work Plan (Estimated duration 25 – 35 weeks)

To accomplish these objectives JLL will perform the following tasks:

- I. Project Mobilization
 - a. JLL will meet with City representatives to clearly define and understand the project’s goals and objectives, identify key priorities, and issues and challenges in order to better inform our next steps.
 - b. JLL will collect and review background information for the Civic Center Project, as defined in the ENA, to include, at a minimum:
 - i. Review of existing site due diligence materials for each development site under consideration. It is assumed this information will be provided to JLL by City (infrastructure, geotechnical, environmental, circulation, easements and encumbrances, ownership, etc.).
 - ii. Meeting with individuals, as directed by City staff, to clearly understand status of all project workstreams as of the ENA Milestone letters from the City dated December 7, 2018, and December 20, 2018.
 - c. Kick-off session(s) with key City stakeholders to address:
 - i. Establish desired project vision, outcomes, objectives, near-term and longer-term needs, implementation schedule, etc.
 - ii. Identify opportunities and constraints;
 - iii. Align on an overall project schedule
- II. Definition of Program, Site, and Financial Capacity
 - a. JLL will perform an assessment and analysis of the current and potential programmatic needs and uses identified by the City for the Project. For each component function of the Project, JLL will work with the City to determine the impact the program has on the general size and configuration of facilities to support the Project Goals.
 - b. JLL will develop a workplace change management strategy to address the concerns and opportunities from deploying new workplace standards for the Project. At a minimum, this work will include meetings with the City staff representing all departments to discuss the impact of a new design for the work environment on the organization’s culture, work enablement and cost; benchmarking of the proposed City SF space allocation to other governmental organizations; and tours of existing workplaces with standards similar to those proposed for the City.
 - c. Based upon the results of a) and b) above, JLL will update the program as deemed appropriate by the City
 - d. JLL will aid in the identification of site evaluation criteria to objectively narrow the list of potential alternative sites for the Civic Center project, utilizing information provided by the City.
 - e. Based upon the alternative site shortlist, JLL will work with the City to identify alternative program configurations on the identified sites.
 - f. JLL will coordinate with City staff to understand and analyze the financial capacity for the City to support a potential Civic Center project; outlining a gradation of options (“levers”) the City might consider if need be.

- III. Project Alternatives Analysis
 - a. Development of Project Alternatives
 - i. For each alternative program configuration (each located on one or more sites), JLL will perform rough order of magnitude cost estimates to build the facilities on the site(s).
 - ii. JLL will develop a high level proforma financial model with sensitivity analysis in order to understand the likely financial performance of proposed development using current market data.
 - b. Analysis of Project Alternatives
 - i. JLL will provide a preliminary evaluation of various opportunities to finance any identified real estate needs/goals of the City, including information about the range of possible public-private partnership structures available and other potential debt structures that would work at the City. JLL's deliverable will clearly define each alternative considered with an evaluation to its various benefits and risks that allows for an easy comparison between alternatives.
 - ii. Once a draft of the alternatives has been completed, JLL will meet with the City Project Delivery team to review and discuss each alternative. The goal will be to ensure that the analysis is accurate, and all the variables have been considered. We will also work with the City team to create a preliminary outline of the benefits, challenges, financial implications and risks associated with each alternative, with the goal to present up to three most viable project alternatives to City Council.
 - iii. JLL will incorporate any changes to alternatives from the internal meeting with City staff and finalize the alternatives evaluation into a presentation and written report.
 - iv. JLL will work with the City team to prepare an Project Alternative Analysis Report, which will review each alternative and its related benefits, challenges, financial implications and risks.
- IV. Presentation of Project Alternatives & Public Engagement
 - a. *Presentation of Alternatives to the full Council.* JLL will help City staff prepare materials for presentation to the full council and will be available at the meeting to either present materials or field questions.
 - b. *Public Engagement* will participate in up to three (3) presentations to community groups as needed to present the development alternatives, answer questions and document any concerns. The proceeds from these meetings will become an appendix to the Project Alternative Analysis Report. It is anticipated that the
 - c. *Final Presentation.* JLL will aid in the preparation of the final presentation to the City Council to ensure that public input has been considered in the finalization of the Project Alternatives analysis.

Schedule

JLL anticipates this scope of work will be completed on or before August 31th, 2019. JLL acknowledges that the final schedule is subject to City discretion.

JLL Team

JLL has assigned the following key staff to this project:

JLL			
Name	Position	Key Project Role	Billing rate
Bob Hunt	Managing Director	Executive Leadership and Oversight. Presentations	\$350
James Birkey	Vice President	Project Lead	\$300
Krista Shirley	Associate	Financial analysis and project management	\$250
Michelle Sulahian	Sr. Analyst	Project Coordination	\$225
Katie Rodrigues	Vice President	Workplace Change Management	\$300
Nathan Wasilewski	Sr. Associate	Workplace Change Management	\$275
AECOM (JLL sub-contractor)			
Peter Morris	Director – Cost Consultancy	Cost Estimation and construction risk analysis	\$300
MIG (JLL sub-contractor)			
Kate Joncas	Director of Urban Strategy & Development	Stakeholder interface, community outreach & consensus building	\$300

In addition to the proposed key staff identified above, JLL anticipates using one or more in-house resources for market and cost data, utilizing the same rate schedule above on an hourly basis by title. This may include:

- Retail/Office/Hotel brokers for market data
 - Associate - \$250/hour
- Project and Development Service personnel for development cost data
 - Senior Analyst - \$225/hour

For any specialty uses outside of those listed above (e.g. architectural design concepts, massing studies, etc.) JLL may need to rely on other sub consultants or third-party providers in order to complete its analysis. Any cost associated with sub-consultant may require an amendment to the proposed scope of service as well as proposed fee.

Proposed Fee

JLL proposes the following fee for the analysis and deliverables described in this proposal:

We will provide all of the tasks and deliverable outlined in this proposal for a not to exceed price of \$560,000, which will be billed hourly based upon the actual hours used in accordance to the rates provided in this proposal. The total fee is based upon the assumption of approximately 1,972 total man hours.

By task category, the above estimate is based upon the following anticipated breakdown:

○ Project Mobilization	\$109,638
○ Definition of Program, Site, and Financial Capacity	\$247,313
○ Project Alternatives Analysis	\$142,650
○ Presentation of Alternatives & Public Engagement	\$60,400

The Pricing provided above is conditioned on the following assumptions:

- Assumes that this scope will be completed by August 31st, 2019
- Attendance at six (6) on-site meetings with the council sub-committee
- Participate in weekly project team status calls
- Participate in weekly executive committee calls
- Twelve (12) in person meetings with City programming team
- One (1) full day field trip to visit similar work environments
- Three (3) community outreach meetings
- Analyze up to seven (7) development alternatives. Assumes up to two (2) revisions for each alternative presented
- Two (2) revisions to current program for administration and public safety
- Development of a final report in written narrative and PowerPoint format. Assumes two (2) revisions of the report from the initial draft
- Attendance at City Council meeting to review and discuss alternatives
- Project will be completed within 30 weeks

All expenses will be billed to the City at cost, not to exceed a total of \$45,000. Expenses will include travel and lodging, employee meals, and any printing or materials expenses in excess of \$50.

Optional On-Call Specialty Services:

Upon written request from the City's authorized representative (City Manager or Executive Project Manager), JLL will provide as needed specialty uses outside of those listed above (e.g. architectural design concepts, massing studies, etc.) not to exceed \$20,000. Work scope, proposed staff/sub-consults/third-party providers, and rates shall be agreed upon by JLL and the City, and authorized in writing by the City's authorized representative prior JLL to commencing any optional on-call specialty service. In addition, it is anticipated that the City may request JLL to perform services similar to those described in this Scope of Services, for subsequent phases of the proposed Project; and, any such requested services, shall be the subject of a separately negotiated and executed agreement between the parties. Until after any such agreement for subsequent phases is signed by the City and JLL, JLL shall not participate in any decision by the City to pursue subsequent phases of the proposed Project.

EXHIBIT “B”

COMPENSATION RATES AND CHARGES

1. AUTHORIZED HOURLY RATES:

Consultant will be compensated for time reasonably necessary to provide the Services based on the following hourly rate schedule, subject to the not-to-exceed limit in Section 2.1 of the Agreement:

Name	Position	Key Project Role	Billing rate
JLL			
Bob Hunt	Managing Director	Executive Leadership and Oversight. Presentations	\$350
James Birkey	Vice President	Project Lead	\$300
Krista Shirley	Associate	Financial analysis and project management	\$250
Michelle Sulahian	Sr. Analyst	Project Coordination	\$225
Katie Rodrigues	Vice President	Workplace Change Management	\$300
Nathan Wasilewski	Sr. Associate	Workplace Change Management	\$275
AECOM (JLL sub-contractor)			
Peter Morris	Director – Cost Consultancy	Cost Estimation and construction risk analysis	\$300
MIG (JLL sub-contractor)			
Kate Joncas	Director of Urban Strategy & Development	Stakeholder interface, community outreach & consensus building	\$300

Market & Costs Data - In addition to the proposed key staff identified above, JLL anticipates using one or more in-house resources for market and cost data, including (Staff assignments and billing rates for the tasks will be provided in writing and will be agreed upon by the City and JLL in advance of task commencement):

- Retail/Office/Hotel brokers for market data
- Project and Development Service personnel for development cost data

2. AUTHORIZED EXPENSES AND RATES:

Consultant will be reimbursed for costs incurred to provide the Services only as follows and subject to the not-to-exceed limit in Section 3 of this Amendment No. 1 to the Agreement:

<u>Expense:</u>	<u>Reimbursement Rate:</u>	<u>Maximum Total:</u>
travel and lodging, employee meals, printing or materials expenses in excess of \$50	at cost	not to exceed a total of \$45,000