

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
2	06/27/16	Open	Action	06/02/16

Subject: Awarding a Contract for Real Estate Broker Services to Turton Commercial Real Estate

ISSUE

Whether or not to award a Contract for Real Estate Broker Services to Turton Commercial Real Estate.

RECOMMENDED ACTION

Adopt Resolution No. 16-06-____, Awarding a Contract for Real Estate Broker Services to Turton Commercial Real Estate.

FISCAL IMPACT

This action does not involve the expenditure of funds. The Broker is paid only in the event of a successful transaction, typically at close of escrow.

DISCUSSION

On December 14, 2015, the Board delegated authority to the General Manager/CEO to release a Request for Proposals (RFP) for Real Estate Broker Services. The RFP was released on February 9, 2016. On March 10, 2016, Staff received 2 proposals, from Colliers International and CBRE.

Staff was asked to contact some of the other plan holders to ask why they did not submit a proposal in response to RT's RFP. Most firms stated that RT did not provide the broker community with sufficient time to prepare a fully responsive and well thought out proposal and that if they had been granted more time, they would have submitted a proposal.

Because the scope of work in this RFP involves the disposition of parcels acquired with federal funds, this procurement is subject to the Federal Transportation Administration's (FTA) third party contracting circular (see FTA Circular 4220.1F). Consequently, RT needed to ensure that competition was not unduly limited or restricted by the process or the conditions set forth in the RFP. Based on the feedback RT received, RT was concerned that it may have impermissibly limited competition by not providing sufficient time to all prospective bidders to prepare and submit a responsive proposal. Therefore, RT issued an addendum, extending the proposal due date to May 2, 2016. The firms that submitted a proposal by March 10, 2016 were offered the opportunity to amend their proposal or submit a new proposal. On May 2, 2016, RT received a proposal from one additional proposer, Turton Commercial Real Estate.

After evaluating the written proposals, the evaluation committee scored the proposals as follows:

Approved:

Presented:

Final 06/20/16

General Manager/CEO

Director, Project Management

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<u>CBRE</u>	<u>Colliers</u>	<u>Turton</u>
354	384.75	431.5

RT invited all 3 of the proposers to participate in oral presentations. After the oral presentations, the evaluation committee scored the firms as follows:

<u>CBRE</u>	<u>Colliers</u>	<u>Turton</u>
338.5	362.5	411

The proposals (both written and oral) were scored based on the following criteria:

1. Contract Understanding (25%) - understanding of the Consultant's role and marketing proposed for the properties.
2. Contract Staffing and Experience (40%) - experience marketing and selling prominent, high-profile urban sites, joint development and TOD.
3. Contract Work Plan and Approach to the Work (25%) - performance methodology.
4. Price (10%) - proposed cost structure.

The selection committee was comprised of: Ed Scofield, Director, Project Management; Sharon Fultz, Real Estate Administrator - Asset Management; Olga Sanchez-Ochoa, Deputy Chief Counsel; Jeffrey Damon, Director, Long Range Planning; Traci Canfield, Long Range Planner.

The selection committee felt that Turton's written proposal presented a well developed and succinct approach. They demonstrated a strong downtown, Midtown and R Street presence brokering and developing Joint Development projects. Turton also has experience working with both private developers and public agency clients throughout Sacramento County, including the City of Sacramento.

Turton's oral presentation demonstrated extensive knowledge and experience in joint development projects. They have completed many high profile, urban and joint development agreements. Turton has completed a number of projects with The Capitol Area Development Authority (CADA) and demonstrated a strong knowledge of affordable housing. They also have extensive connections in the Sacramento development community that they can leverage in marketing RT's property. Lastly, their proposed plans for RT's real property parcels were well thought out.

If approved by the Board, Turton will assist RT during negotiations and work with RT staff through completion of the property sale, granting of easement, right of entry and/or or any other transaction leading to the disposition and/or development of a property. Specific tasks might include:

1. Assessing the market potential for each property, including site conditions, appraisal, and environmental assessment.

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2. Recommending any site improvements necessary to increase potential for sale.
3. Prioritizing properties for sale or development.
4. Assessing the current TOD potential for RT's properties (both those declared surplus by the Board and those identified in the TOD list).
5. Soliciting developers.
6. Developing a marketing plan for each property.
7. Executing the marketing plan, including advertising, web site development, discussions with potential buyers, and/or any other tasks as identified in the marketing plan.
8. Working with potential buyers to establish an agreed upon price/revenue stream or sharing agreement.
9. Working with RT staff to present recommendations to RT Board of Directors for approval.
10. Coordinating Purchase and Sale Agreements, easements, disposition and development agreements, etc.
11. For TOD properties, assisting in the development plan.
12. Providing support to the developer in obtaining financing, necessary entitlements and community acceptance for TOD properties.

Payment for these services will be derived from the proceeds of the property transaction or through developer/purchaser deposits or payments to RT for exclusive negotiation rights/options. It is anticipated that the payment terms will be negotiated for each property.

Because Turton Commercial Real Estate was the top scoring firm, staff recommends that the Board award a contract for Real Estate Broker Services to Turton Commercial Real Estate. The contract will be a 2-year contract with 3 one-year options.

RESOLUTION NO. 16-06-_____

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

June 27, 2016

**AWARDING A CONTRACT FOR REAL ESTATE BROKER SERVICES TO TURTON
COMMERCIAL REAL ESTATE**

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE
SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Contract between Sacramento Regional Transit District, therein referred to as "RT," and Turton Commercial Real Estate, therein referred to as "Contractor," whereby Contractor agrees to provide Real Estate Broker Services, as specified, is hereby approved.

THAT, the Chair and General Manager/CEO are hereby authorized and directed to execute said Contract.

JAY SCHENIRER, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary