

STAFF REPORT

DATE: October 24, 2022

TO: Sacramento Regional Transit Board of Directors

FROM: Jamie Adelman, Acting VP, Procurement, Real Estate and Special Projects

SUBJ: APPROVING THE FIRST AMENDMENT TO THE CONTRACT FOR COMMERCIAL REAL ESTATE BROKER SERVICES AND OWNER/TENANT REPRESENTATIVE SERVICES FOR INDUSTRIAL PROPERTIES WITH CBRE, INC. AND THE FIRST AMENDMENT TO THE CONTRACT FOR COMMERCIAL REAL ESTATE BROKER SERVICES AND OWNER/TENANT REPRESENTATIVE SERVICES FOR COMMERCIAL PROPERTIES WITH CORNISH & CAREY COMMERCIAL, INC., A CALIFORNIA CORPORATION DBA NEWMARK KNIGHT FRANK

RECOMMENDATION

Adopt the Attached Resolutions.

RESULT OF RECOMMENDED ACTION

Approving extensions of these contracts will provide continuity of broker services as SacRT continues to pursue options for operational facilities.

FISCAL IMPACT

There is no direct fiscal impact associated with amending the broker contracts to exercise the two option years. SacRT has structured the contracts so that the fees the brokerages receive for assisting a property acquisition are paid by the seller or property owner and only extra services would trigger a fiscal impact. After negotiation for a particular property lease or purchase, there may be additional costs associated with a property to build out tenant improvements or secure assistance for design, space consulting, or other services. If these items are not covered by the fee paid to the broker by the seller or property owner, the General Manager/CEO or his designee will approve Work Orders up to a total amount of \$150,000.

DISCUSSION

On December 30, 2020, SacRT entered into a contract with Newmark to represent SacRT as its commercial brokerage/tenant representative for office space procurement needs

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for a term of two years, with the option to renew for three additional one-year periods. On January 8, 2021, SacRT entered into a contract with CBRE to represent SacRT as its commercial/industrial brokerage/tenant representative for industrial space procurement needs for a term of two years, with a SacRT option to renew for three additional one-year periods. Both firms have provided staff excellent service and are currently in the middle of researching and negotiating potential property acquisitions on behalf of SacRT. To ensure continuity of services, Staff is recommending that the Board approve exercise of all three option years for both contracts at this time.

RESOLUTION NO. 2022-10-116

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

October 24, 2022

APPROVING THE FIRST AMENDMENT TO THE CONTRACT FOR COMMERCIAL REAL ESTATE BROKER SERVICES AND OWNER/TENANT REPRESENTATIVE SERVICES FOR INDUSTRIAL PROPERTIES WITH CBRE, INC.

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

THAT, the First Amendment to the Contract for Commercial Real Estate Broker Services and Owner/Tenant Representative Services for Industrial Properties by and between the Sacramento Regional Transit District (therein "SacRT") and CBRE, Inc. (therein "Contractor") whereby SacRT exercises its options to extend the Contract term by three years, to January 7, 2026, is hereby approved.

THAT, the Board Chair and General Manager/CEO are hereby authorized and directed to execute the First Amendment.

STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

RESOLUTION NO. 2022-10-117

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

October 24, 2022

APPROVING THE FIRST AMENDMENT TO THE CONTRACT FOR COMMERCIAL REAL ESTATE BROKER SERVICES AND OWNER/TENANT REPRESENTATIVE SERVICES FOR COMMERCIAL PROPERTIES WITH CORNISH & CAREY COMMERCIAL, INC., A CALIFORNIA CORPORATION DBA NEWMARK KNIGHT FRANK

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

THAT, the First Amendment to the Contract for Commercial Real Estate Broker Services and Owner/Tenant Representative Services for Commercial Properties by and between the Sacramento Regional Transit District (therein "SacRT") and Cornish & Carey Commercial, Inc., a California Corporation dba Newmark Knight Frank (therein "Contractor") whereby SacRT exercises its options to extend the Contract term by three years, to December 29, 2025, is hereby approved.

THAT, the Board Chair and General Manager/CEO are hereby authorized and directed to execute the First Amendment.

STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary