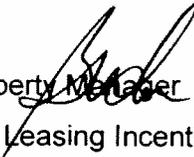




CITY OF BEVERLY HILLS STAFF REPORT

Meeting Date: February 2, 2010
To: Honorable Mayor & City Council
From: Brenda Lavender, Real Estate & Property Manager 
Subject: Real Estate & Property Management Leasing Incentive Program
Attachments: None

INTRODUCTION

City Council approval is requested for a new leasing incentive program. This program would provide a financial incentive to lease City owned space which has proven to be difficult to lease.

DISCUSSION

Staff is requesting City Council approval to offer a leasing incentive program. The leasing incentive would consist of an above market commission for any licensed individual who presented the City with a lease transaction that resulted in a signed lease agreement. The incentive would be offered on the City's locations that have proven to be difficult to lease and the City's CFO would monitor the program.

Staff is proposing a commission of between 1% - 10% of the lease base rent net of any free rent and operating expenses as broker incentive to lease space that has been identified on the City's predetermined list to be eligible for the incentive commission. The City's Chief Financial Officer would determine the exact amount of any incentive to be paid.

With Council's approval, staff will promote the incentive program to the broker community in an effort to lease all available space. The broker commission would extend to both retail and office space.

FISCAL IMPACT

The fiscal impact of the leasing incentive program is difficult to determine in advance because it will be based on each individual space and the specific lease transaction. The revenue generated by the lease transaction would have to exceed the cost of the incentive, taking into account the cost of the vacant space.

RECOMMENDATION

Staff recommends Council's approval of the leasing incentive program.



Scott Miller, Director of
Administrative Services/CFO

Approved By