



AGENDA REPORT

Meeting Date: April 6, 2010
Item Number: G-12
To: Honorable Mayor & City Council
From: Brenda Lavender, Real Estate & Property Manager 
Subject: Real Estate & Property Management Leasing Incentive Program
Attachments: None

RECOMMENDATION

It is recommended that City Council approve the leasing incentive program as outlined in this Agenda Report.

INTRODUCTION

The purpose of this program is to incentivize brokers to work with the City on City owned space which has proven to be difficult to lease.

DISCUSSION

The incentive program will use the following process:

- I. Properties would be identified by the Administrative Services Department that have not been leased for at least four (4) months or that are “under” leased based on prevailing market rate, and the property has shown in the past to be difficult to lease.
- II. A Broker Commission (BC) range would be set, based on recommendation from the Real Estate & Property Manager and CFO, and upon approval of the City Council.
- III. All advertisements regarding these designated properties would include the statement “City will cooperate with broker to pay a broker commission”.
- IV. Incentive commission would be negotiated within the final lease terms. Commissions would be tiered and limited to maximum of 1-6% excluding all renewals and/or extension periods.

- V. All terms to be approved by City Council as a part of the lease agreement.

FISCAL IMPACT

The fiscal impact of the leasing incentive program is difficult to determine in advance because it is 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 lost revenue resulting from the vacant space.


Scott G. Miller, Director of
Administrative Services, CFO

Approved By