

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date	June 8, 2009
	Agenda Item No. 18 Roll Call No. <u>09-</u> Communication No. <u>09-357</u> Submitted by: Jeb E. Brewer, P.E., City Engineer and Matt Anderson, Economic Development Administrator	

AGENDA HEADING:

Accepting proposal from Terrus Real Estate Group for the provision of commercial real estate listing services for the lease or sale of City-owned property located at 801 University Avenue; authorizing the Office of Economic Development to negotiate; and the City Manager to execute a contract for the provision of same.

SYNOPSIS:

Recommend acceptance of a proposal from Terrus Real Estate Group, Randy Minear, President & CEO, 616 10th Street, Des Moines, Iowa 50309 for the provision of commercial real estate listing services for the lease or sale of City-owned property located at 801 University Avenue (former Top Value Foods store); authorizing the Office of Economic Development to negotiate a listing agreement with Terrus Real Estate Group; and upon approval as to form by the Legal Department, authorizing the City Manager to execute the listing agreement. Any future proposed sale of the property will be subject to City Council approval.

FISCAL IMPACT:

Amount: Estimated range of real estate commission to be paid is between \$100,000 – \$125,000.

Funding Source: The real estate commission will be paid out of the eventual sales price obtained for the property.

ADDITIONAL INFORMATION:

On May 7, 2009, a Request for Proposal was sent to thirteen (13) commercial real estate brokerage firms. Three (3) submittals were received on May 20, 2009:

1. Ferguson Commercial Real Estate Services (Clive)
2. Grubb & Ellis Mid-America Commercial (West Des Moines)
3. Terrus Real Estate Group (Des Moines)

On May 22, 2009, an evaluation and selection committee was convened consisting of staff from the Office of Economic Development and the Engineering Department - Real Estate Division. Each member of the evaluation and selection committee individually reviewed and rated the proposals. The proposals were reviewed and evaluated based on the following criteria: Experience, Qualifications, and Expertise

(45 points); Quality of market Analysis (25 points); Cost of Service (25 points); and References (5 points). Based on the scoring criteria, the committee recommends hiring Terrus Real Estate Group for commercial real estate listing services for the lease or sale of City-owned property located at 801 University Avenue. The duration of the contract will be for an initial period of six months with an option for the City of Des Moines to renew for two additional six-month periods. Although the procurement of real estate listing services is exempt from the competitive procurement process under the Procurement Ordinance, the Request for Proposal process was substantially followed to find the most suitable and competitive brokerage firm to conduct the services requested.

Any future proposed sale of the property will be subject to City Council approval.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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