



## Legislation Text

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File #: 25-0099, Version: 1

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Resolution to Approve a Professional Services Agreement with CBRE for Brokerage Services for the Sale of City-owned Real Estate (the property commonly referred to as the Kline's Lot and 415 W. Washington) and Appropriate \$700,000.00 **(8 Votes Required)**

Attached for your review and consideration is a resolution approving a Professional Services Agreement with CBRE in the amount of \$700,000.00 for real estate brokerage services for the sale and development of the Kline's lot and the 415 W. Washington parcel.

Subsequent to Council action in R-24-279 and R-24-347, the City issued RFP#24-50 and RFP#24-55 on October 10, 2024 and November 13, 2024 respectively. The City conducted two separate processes with two separate teams that reviewed five responses for Kline's lot solicitation and three responses for the 415 Washington solicitation. At the conclusion of each process, CBRE was the recommended vendor. Although #R-24-347(415 W. Washington) authorized the execution of a contract with the successful firm, packaging the projects together allowed the City to negotiate pricing; therefore, staff is seeking approval of the package deal.

CBRE will develop a custom strategic plan for each property that includes a vision that reflects the community's values without overburdening the scope resulting in an infeasible development. A marketing package will be prepared highlighting the attributes of the properties. The properties will be actively marketed in a public process open to multiple developers. In consultation with City staff, CBRE will select two or three best offers for each property to present to City Council for consideration.

Budget/Fiscal Impact: These services were not contemplated or included in the approved FY 2025 Budget process; therefore, a budget appropriation in the amount of \$700,000.00 is required to pay for the requested services, which will be reimbursed by the proceeds of the sale of properties.

Prepared by: Marti Praschan, Interim Deputy City Administrator  
Derek Delacourt, Community Services Area Administrator

Reviewed by: Michelle Landis, Senior Assistant City Attorney

Approved by: Milton Dohoney Jr., City Administrator

Whereas, The City Council directed the City Administrator to contract for Real Estate Brokerage Services for the Sale and Development of the Kline's Lot (R-24-279) and 415 W. Washington (R-24-347);

Whereas, City Council Resolution R-24-347 has already authorized the City Administrator to execute a contract for brokerage services for 415 W. Washington;

Whereas, Staff recommends combining the brokerage contract for 415 W. Washington and the Kline's Lot;

Whereas, In response to RFP#24-50 and RFP#24-55, proposals were received and evaluated by staff on the basis of professional qualifications, past performance, proposed work plan, and fee

proposals;

Whereas, CBRE submitted to the City proposals for the necessary services, setting forth the services to be performed, and CBRE is the recommended vendor; and

Whereas, CBRE is in compliance with the requirements of the City's Non-Discrimination and Living Wage ordinances;

RESOLVED, That City Council approve a Professional Services Agreement between CRBE, Inc. and the City of Ann Arbor for Brokerage Services for Kline's Lot and 415 W. Washington in the amount of \$700,000.00 (\$500,000 for the Kline's Lot and \$200,000 for 415 W. Washington)(the "Agreement");

RESOLVED, That City Council appropriates \$700,000.00 from the General Fund fund balance to the FY 25 Administrator General Fund expenditure budget;

RESOLVED, That all amounts herein are without regard to fiscal year;

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute the Agreement after approval as to substance by the City Administrator and as to form by the City Attorney; and

RESOLVED, That the City Administrator be authorized to take any necessary action to implement this resolution, including: execution of related additional agreements necessary to effectuate the terms of this Agreement; execution of authorized amendments not exceeding the approved expenditure amount; and termination of this Agreement as needed.