

TO:	CHAIR AND MEMBERS FINANCE AND ADMINISTRATION COMMITTEE MEETING ON AUGUST 17, 2011
FROM:	TOM JOHNSON MANAGING DIRECTOR - CORPORATE ASSETS
SUBJECT:	UPDATE ON REALTY SERVICES AGENCY OF RECORD

RECOMMENDATION

That on the recommendation of the Managing Director – Corporate Assets, this report **BE RECEIVED** for information.

PREVIOUS REPORTS PERTINENT TO THIS MATTER

- Municipal Council Resolution October 5, 2010 appointing C B Richard Ellis as Agency of Record for Realty Services

BACKGROUND

In August 2010, we issued an RFP for an Agency of Record to support Realty Services in the following activities:

- Evaluation and negotiation of leasing or property acquisition opportunities for the City, including future locations for City staff and resources;
- Research and analysis with respect to the possible redevelopment opportunities in downtown, including the potential acquisition of properties in the downtown area;
- Coordination of strategic partnerships between the City and external parties;
- Analysis of offers to purchase or lease received by the City; and
- Regular reporting on progress to Council and senior management.

In October, 2010, the proposal of CB Richard Ellis (CBRE) was accepted for a term of 3 years expiring on December 31, 2013. The RFP contemplated annual fees in a range of \$75,000 to \$90,000. Any fees incurred were to be accommodated within existing budgets.

Since their appointment, we have been utilizing the expertise of CBRE to assist in the development of options for the renovation or relocation of City Hall. CBRE presented their report to Finance and Administration Committee in February of 2011.

Following that report, CBRE have continued to provide assistance in responding to Council's direction to undertake the development of a strategic master plan for the City's space needs. The scope of the work for this project is greater than what was originally anticipated at the time of the RFP and has included, for example, significant consultation with community leaders to determine if opportunities for partnerships existed in the redevelopment of space needs, as well as, assisting with the planning and delivery of the Downtown Core Summit.

In 2011, we have incurred fees for this work to June 30 of approximately \$90,000 with a further \$80,000 estimated to be required for the completion of this phase of the work. Any further fees in 2011 will depend on what further actions Council takes following the tabling of the report which is planned for September, 2011.

All fees incurred to date and projected to be incurred for the remainder of this phase of the study will be accommodated within existing budgets.

RECOMMENDED BY:
TOM JOHNSON - MANAGING DIRECTOR CORPORATE ASSETS

Copy to: Jeff Fielding, Chief Administrative Officer
Bill Warner, Manager, Realty Services
Judy Amoils, CB Richard Ellis