

ORDINANCE NO. 010-28

AN ORDINANCE AUTHORIZING
BROKERAGE SERVICES FOR RETAIL
LEASING AT 567 WEST LAKE STREET,
CHICAGO, ILLINOIS

WHEREAS, Section 54 of the Regulations Governing Purchase and Sales Transactions ("Purchasing Regulations") governs how the Authority awards real estate contracts, including leases; and

WHEREAS, Under the Purchasing Regulations, requests for proposal and invitations for bid are published in a newspaper of general circulation where the property and the bid opening date are described; and

WHEREAS, Where price only is involved, award will be to the highest bidder; and

WHEREAS, In 2010, the Authority entered into an contract with Transwestern Commercial Services Illinois, LLC ("Transwestern") for professional management and real estate consultation and leasing services ,for 567 West Lake Street (Building") and 120 North Racine, No. B09OP01947 ("Contract"); and

WHEREAS, Transwestern's leasing services include conducting a market analysis, preparing leasing and marketing materials, preparing leasing requests for proposals, providing technical assistance during proposal evaluation, and acting as the Authority's agent for the lease; and

WHEREAS, Per the Contract, Transwestern's services must be performed in accordance with the Authority's Purchasing Regulations; and

WHEREAS, Transwestern receives a commission for its services once a lease is consummated; and

WHEREAS, In the private sector for brokering retail lease spaces, a process other than the one set for the Purchasing Regulations applies; and

WHEREAS, In the private sector, a broker conducts a survey to define lease parameters for the space, develops a market plan, creates marketing materials, advertises the space and assists in lease negotiations; and

WHEREAS, There are four retail locations at the 567 West Lake building, one of which has been vacant for the past year; and

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WHEREAS, Staff suggests that one of the difficulties in leasing these spaces is that private, commercial businesses are either unaccustomed to or do not like the process required by the Authority's Purchasing Regulations as they are not common in the industry; and

WHEREAS, Pursuant to Ordinance No. 006-34, dated March 16, 2006, the prior contract with Transwestern was amended to allow Transwestern to apply brokerage methods common in the retail leasing industry to attract viable tenants for the retail space on the ground floor of the Building for a one year period; and

WHEREAS, Staff recommends that Section 54.2 of the Purchasing Regulations not apply to the leasing of retail space on the ground floor of the Building and that Transwestern's Contract be amended to allow Transwestern to apply brokerage methods common in the retail leasing industry to attract viable tenants for the such retail space, as it becomes available; and

WHEREAS, Any lease negotiated by Transwestern will be brought to the Transit Board for approval prior to entry into it; now, therefore:

BE IT ORDAINED BY THE CHICAGO TRANSIT BOARD
OF THE CHICAGO TRANSIT AUTHORITY:

SECTION 1. Section 3.4 of Contract B09OP01947 between the Authority and Transwestern Commercial Services, Illinois LLC is hereby amended to permit Transwestern to utilize brokerage methods common in the retail leasing industry to attract tenants to the ground floor retail space of 567 West Lake Street, Chicago, IL. The amendment shall be substantially in conformance with Exhibit A, attached hereto. Said brokerage authority shall remain in effect for the term of the Contract. Transwestern's commission for its brokerage service, as set forth in the Contract, and all other sections of the Contract shall remain unchanged.

SECTION 2. Section 54.2 of the Authority's Regulations Governing Purchase and Sale Transactions shall not apply to the brokerage services described in Section 1, above.

SECTION 3. This ordinance shall be in full force and effect from and after its passage.

APPROVED:

PASSED

Chairman

Assistant Secretary

March 10, 2010

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