

ORDINANCE NO. 010-29

AN ORDINANCE AUTHORIZING  
BROKERAGE SERVICES FOR OFFICE  
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 2008, the Authority entered into a contract with Jones Lang LaSalle Americas (Illinois) LP ("JLL") for professional brokerage, concessions management and transit oriented development services, No. B08OP03704 ("Contract"); and

WHEREAS, JLL's leasing services for the 567 West Lake Street ("Building") commercial office space 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 leases; and

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

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

WHEREAS, In the private sector for brokering office 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, The Authority desires to lease the 11<sup>th</sup> and 12<sup>th</sup> floors in the Building; and

ORDINANCE NO. 010-29  
(Continued) -2

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, The tax-exempt bond financing of the Building limits potential tenants to other government agencies or not-for-profit corporations, which limits the tenant pool; and

WHEREAS, Staff recommends that Section 54.2 of the Purchasing Regulations not apply to the leasing of office space on the eleventh and twelfth floors of the Building and that JLL's Contract be amended to allow JLL to apply brokerage methods common in the retail leasing industry to attract viable tenants for the such office space; and

WHEREAS, Any lease negotiated by JLL 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. Exhibit 1 of Contract B08OP03704 between the Authority and Jones Lang LaSalle Americas (Illinois) LP hereby amended to permit JLL to utilize brokerage methods common in the office leasing industry to attract tenants to the office space on the eleventh and twelfth floors 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. JLL'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

March 10, 2010