



June 30, 2020

Council Meeting of July 7, 2020
Subject: Commercial Real Estate Broker

The Honorable Mayor
and
Members of the City Council

Ladies and Gentlemen:

The City has received three proposals following the City Council’s directive to pursue proposals from qualified Commercial Real Estate Brokers. The proposals received are from Core Realty Partners, CBRE, and Medendorp Real Estate Group.

Staff has reviewed the proposals and is recommending the proposal from CBRE. The proposal from CBRE offers the most comprehensive scope of services and also provides the lowest commission rate.

Attached is a resolution for City Council’s consideration to approve the proposal from CBRE to represent the City as the Commercial Real Estate Broker in marketing and negotiating the sale of the seven lots in the Eastowne Development.

Respectfully Submitted,

Mark C. Meyers
City Administrator

MCM/adc
Attachment

Administration/City Clerk (231) 798-4391	Assessing Division (231) 799-6806	Building Division (231) 799-6801	Finance/Treasurer (231) 799-6805	Fire Prevention (231) 799-6809	Fire Department (231) 798-2255
Parks/Recreation (231) 799-6802	Planning/Zoning (231) 799-6800	Police Department (231) 733-2691	Public Works (231) 799-6803	Streets Division (231) 798-2156	Water/Sewer (231) 799-6804

RESOLUTION

WHEREAS, the City sought competitive proposals for commercial real estate broker services; and

WHEREAS, the City received three proposals from qualified firms and the proposal from CBRE provides the highest level of service at the lowest cost;

NOW, THEREFORE, BE IT RESOLVED that the Norton Shores City Council hereby accepts the proposal from CBRE to market and negotiate the sale of the seven city-owned lots in the Eastowne Development site and serve as the Commercial Real Estate Broker in the best interests of the City.

At a regular meeting of the City Council of the City of Norton Shores, held remotely, on the 7th day of July 2020, the foregoing resolution was moved for adoption by Council Member _____.

The motion was supported by Council Member _____.

Ayes:

Nays:

Shelly Stibitz, City Clerk



Internal Memo

June 30, 2020

TO: Mark C. Meyers, City Administrator

FROM: Anthony Chandler, Director of Administrative Services *AC*

SUBJECT: Commercial Real Estate Broker - Proposals

The City solicited proposals from qualified firms to provide commercial real estate broker services to market for sale the seven city-owned Eastowne lots at Seminole and Seaway. The City received three proposals from (1) Core Realty Partners, (2) CBRE, and (3) Medendorp Real Estate group. Staff has reviewed the three proposals and is recommending the proposal from CBRE.

Staff interviewed CBRE and was very impressed with their presentation. Staff also interviewed Core Realty. The CBRE proposal provides the greatest scope of services at the lowest cost. The scope of services includes a comprehensive marketing process that will expose the listing to over 8,000 investors globally and to more than 500 CBRE investment brokers around the country. Additionally, their proposal provides the lowest commission rate of 5% if the sale is conducted through the local marketing team of Anne Rahm, Ross Bono, and Cameron Tiller of their Grand Rapids office. Most importantly, the local CBRE team that I referenced earlier actually reached out and contacted the other two owners of vacant property in the Eastowne site condo to gain insight on the status of the properties and to discuss the potential of marketing the Eastowne properties as a unified site. The CBRE team took the initiative and made the connection after discovering that the lack of cooperation amongst the three parties was a deal breaker for the Redstone Development project.

I am requesting this item be included on the Council agenda for the July 7, 2020 council meeting. Attached is a breakdown of the proposals received and a resolution for Council's consideration.

Please let me know if you have any questions or concerns with this memo.

Broker Name	CBRE	CORE REALTY	MEDENDORP GROUP
Comission Rate	<p>6% - if sold through co-op broker 5% - if sold through direct broker</p>	<p>7% standard agreement</p>	<p>10% - if lots are sold individually 7% - if sold as batch sale of 3 or more</p>
Familiarity with Site	<p>Worked with RD Management on former Kmart site. Made contact with the two other owners of Eastowne Condo Association to discuss the potential of marketing as a combined site.</p>	<p>Local firm that has listings for un-occupied space in Eastowne currently. 20 years of commercial real estate with local professional references.</p>	<p>CCIM Realtor that resides in Muskegon County. Office is one mile from the Eastowne Development.</p>
Marketing Strategy	<p>Phase 1 - Underwriting and Analysis Phase 2 - Marketing, listed to 8,000 investors globally and launched through CBRE deal flow and e-marketing tool created as part of a package to include brochures and prominent signage.</p>	<p>Web-based marketing approach listing on sites that include CPIX and Commercial Alliance listing service.</p>	<p>Listings on LoopNet and direct mail marketing. Sophisticated contact management system with over 8,000 contacts.</p>