

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: JASON NUTT, ASSISTANT CITY MANAGER
SUBJECT: THIRD AMENDMENT TO PROFESSIONAL SERVICES
AGREEMENT NUMBER F002062 WITH JONES LANG LASALLE
AMERICAS, INC. FOR REAL ESTATE BROKERAGE SERVICES

AGENDA ACTION: MOTION

RECOMMENDATION

Real Estate Services recommends that the Council, by motion, approve the Third Amendment to Professional Services Agreement Number F002062 with Jones Lang LaSalle Americas, Inc. of Chicago, Illinois, to continue real estate brokerage services, increase compensation by \$200,000 for a total not-to-exceed amount of \$498,000, and extend the term for an additional year through December 31, 2028; authorize the Assistant City Manager to make non-substantive changes to the Amendment, subject to approval by the City Attorney; and authorize the Assistant City Manager to execute the Amendment. This item has no impact on the current fiscal year budget.

EXECUTIVE SUMMARY

The City uses Jones Lang LaSalle Americas, Inc. ("JLL") for Citywide specialized real estate brokerage services, including sale appraisal, market analysis, marketing, economic analysis, Exclusive Negotiation Agreement (ENA) and Disposition and Development Agreement (DDA) negotiation, and specialized advisory services. This amendment will allow for continuation of these services.

GOAL

This item relates to Council Goal #3 - Promote Citywide Economic Development as it allows for the continuation of specialized real estate brokerage services in support of strategic property redevelopment initiatives, housing opportunities, and other economic development activities that advance investment and revitalization throughout the city.

BACKGROUND/PRIOR COUNCIL REVIEW

On November 7, 2019, following a request for proposals process, the City entered into a Professional Services Agreement with JLL ("Agreement") for specialized real estate brokerage services in an amount not to exceed \$99,000.

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On August 9, 2022, the Agreement was amended to increase the compensation by \$100,000, bringing the total not to exceed amount to \$199,000, and extending the time of performance to December 31, 2024.

On May 21, 2024, the Agreement was amended a second time to increase compensation by \$99,000, bringing the total not to exceed amount to \$298,000, and extending the time of performance to December 31, 2027.

On July 17, 2025, the City conducted a formal Request for Qualifications (RFQ) for Real Estate Brokerage services to ensure competitive representation. Out of the eight proposals received, JLL was selected as one of the top three firms, reaffirming their qualifications, and alignment with City Standards.

Given JLL's proven track record under the current Agreement and anticipated ongoing Citywide need for specialized real estate brokerage services, staff is requesting a third contract amendment. This Amendment will extend the current term for an additional year through December 31, 2028, and increase the agreement by \$200,000 for a new total not-to-exceed amount of \$498,000 over the extended term.

The funds associated with this Agreement and the proposed Amendment will come from various projects and charge numbers from Citywide departments and will be used as needed.

ANALYSIS

Given the anticipated continuation of specialized real estate activity, staff recommends amending the Agreement to continue real estate brokerage services by Jones Lang LaSalle Americas, Inc. in support of a variety of City real estate projects, including the sale, acquisition, leasing, and development of City-owned or City-interest real property; surplus property disposition; redevelopment initiatives; affordable and market-rate housing projects on City land; economic development opportunities, and advisory services which may include a range of consulting, planning, design, coordination, management, procurement, and support activities related to real estate, facilities, and workplace environments, including but not limited to space planning, design, construction coordination, budgeting, project and contractor oversight, equipment and technology planning, move and transition services, and post-occupancy support.

FISCAL IMPACT

Real estate brokerage services are paid out of projects on an as-needed basis from various charge numbers throughout City Departments.

ENVIRONMENTAL IMPACT

Pursuant to CEQA Guidelines Section 15378, the recommended action is not a "project" subject to the California Environmental Quality Act ("CEQA") because it does not have a

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potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. In the alternative, the recommended action is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that there is no possibility that the recommended action may have a significant effect on the environment.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Attachment 1 - Third Amendment to Professional Services Agreement

PRESENTER(S)

Jill Scott, Real Estate Manager