

MEMO



Date: May 16, 2012

To: CCCERA Board of Retirement

From: Marilyn Leedom, Retirement Chief Executive officer

Subject: Property Management Contract and Lease Brokerage Contract, Willows Office Park

Recommendation: Authorize staff to transition the Property Management Contract and Lease Brokerage Contract to Transwestern, subject to successful due diligence and legal review of contracts.

Background: CCCERA owns the Willows Office Park, and engages a property management company, Grubb & Ellis (G&E) to handle day to day building management issues as well as lease brokerage services. G&E filed a bankruptcy petition, and advised CCCERA that they no longer have the resources to manage the building. CCCERA terminated the agreement with G&E. The key person handling the day to day management of the building on behalf of G&E, Dennis Henry, has transitioned to Transwestern, as did many other G&E employees, including, Matt Hurd and Scott Ellis, who have been responsible for ongoing leasing activity at the Willows Office Park. Transwestern has agreed to assume the building management and leasing duties over the Willows Office Park. CCCERA has a comfort level with Dennis Henry's, Matt Hurd's and Scott Ellis' services and has determined it is in CCCERA's best interest to continue to utilize these professionals and transition to Transwestern on an interim basis until successful due diligence can be completed.

Recommendations:

I respectfully request the Board's authorization to execute the Property Management Contract and Lease Brokerage Contract with Transwestern, subject to successful due diligence and legal review of the contracts. We anticipate the same terms and costs as negotiated in the original contract with G&E.