

RESOLUTION NO. 27530

WHEREAS, on recommendation of Management, there was presented for approval, Award of seven (7)-year Agreement to Colliers International Real Estate Management Services, Inc., with three (3) one-year extension options, covering property management and leasing services for Skyview Center and Aviation Plaza, both owned by Los Angeles World Airports, for cost of property management fees not to exceed \$2,500,000; and

WHEREAS, in 2013, Los Angeles World Airports (LAWA) purchased Skyview Center, which is comprised of two (2) commercial buildings totaling 407,000 square feet, one parking structure, and an adjacent, flat parking lot. To maintain the value of the property for a possible future sale, LAWA contracted with an outside firm to manage the facility and act as its leasing agent for vacant office space; and

WHEREAS, in 2015, after a competitive process, Colliers International Real Estate Management Services, Inc. (Colliers) was awarded a contract for a five (5)-year term, with a two (2)-year extension option, for property management and leasing services at Skyview Center. To maintain consistent management of the property during the COVID-19 pandemic, LAWA exercised the two-year option to extend the contract through July 31, 2022; and

WHEREAS, in July 2016, LAWA assumed ownership of Aviation Plaza, which is a three (3)-story office building with 55,600 square feet adjacent to the Van Nuys Airport (VNY). When LAWA took ownership, the building had a high vacancy rate and had substantial deferred maintenance issues. Colliers was retained for property management and leasing services for a two (2)-year term to assist during transition of ownership. In 2019, by Resolution 26776, the Board of Airport Commissioners (Board) approved a new contract with Colliers to allow continuation of services at Aviation Plaza until a new Request for Proposals (RFP) process was completed; and

WHEREAS, in April 2022, LAWA released an RFP for property management and leasing services for Skyview Center and Aviation Plaza. LAWA received proposals from two firms – Colliers and Clear Blue; and

WHEREAS, the following evaluation criteria were used to rank the received proposals:

Item	Evaluation Criteria	Points
1	Demonstrated Approach to the Project Scope	25
2	Experience and Qualifications of Key Members of Proposing Team	25
3	Task and Project Development and Management Approach	20
4	Cost (Fee Schedule with All-Inclusive Hourly Rates)	20
5	Inclusivity Commitments	10
	Total Points	100
6	Compliance with Administrative Requirements	Pass/Fail; and

WHEREAS, staff reviewed the proposals from Colliers and Clear Blue. Based on Colliers experience, track record in property management and leasing of buildings of similar size, and responsiveness to the specifics of the RFP, it was chosen to provide the property management and leasing services; and



WHEREAS, the property management services include daily on-site operations, including custodial and engineering services and construction management of any tenant improvement projects. Colliers is required to select, negotiate, engage, and supervise contracts with third parties for such services and other purchases as may be necessary in the normal and ordinary course of managing and operating Skyview Center and Aviation Plaza. In addition, Colliers will provide leasing services, including marketing available spaces and negotiating with potential tenants; and

WHEREAS, all services and capital improvement projects are approved on a case-by-case basis as part of an annual budget submitted as part of the LAWA annual budget process. Construction management, tenant improvements costs and broker commissions are approved and appropriated as part of the Board action approving each individual lease. Following are the terms of the agreement with Colliers:

Term	Effective Date: July 1, 2022 Termination Date: June 30, 2029, unless otherwise extended per the agreement
Property Management Fee	Skyview Center – \$11,890/month = \$142,680/year Aviation Plaza – \$4,760/month = \$57,120/year Total Annual Fee – \$199,800 increased by Consumer Price Index each year, for a not-to-exceed amount of \$2.5 million over the term
Construction Management Fee <i>(approved by the Board through approval of each lease)</i>	Base Building Fee: \$0 – \$40,000 \$1,000 \$40,001 – \$249,999 8% \$250,000 – \$499,999 6% Greater than \$499,999 5% Tenant Improvement Fee: \$0 – \$499,999 10% \$500,000 – \$1 million 5% Greater than \$1 million 3%
Leasing Commission <i>(approved by the Board through approval of each lease)</i>	New Leases: 1 – 5 years 6% of total rental income 6 – 10 years 3% of total rental income Lease Renewals: 1 – 5 years 6% of total rental income 6 – 10 years 3% of total rental income; and

WHEREAS, funds for the agreement are available in the Fiscal Year 2022-2023 LAWA Operating Budget in Cost Center 2001525 – Skyview Center and Cost Center 4001019 – VNY Aviation Plaza; Commitment Item 520 – Contractual Services, 522 – Materials and Supplies, and 523 – Utilities. Funding for subsequent years will be requested as part of the annual budget process; and

WHEREAS, this item, as a continuing administrative, maintenance and personnel-related activity, is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Article II, Section 2.f of the Los Angeles City CEQA Guidelines; and

WHEREAS, Colliers will comply with the provisions of the Living Wage/Worker Retention Ordinances; and

WHEREAS, Procurement Services has reviewed this action (File 9692) and established a mandatory 10% Small Business Enterprise (SBE) participation for the project. Colliers committed to 10% SBE participation; and

WHEREAS, with regard to said SBE participation, the Board approved amendment to the presented staff report – to remove the recommendation for the Board to find that waiving any formality in the contractor's proposed SBE participation is in the City's best interest; and

WHEREAS, Colliers will comply with the provisions of the Affirmative Action Program; and

WHEREAS, Colliers must provide a Business Tax Registration Certificate prior to execution of the agreement; and

WHEREAS, Colliers will comply with the provisions of the Child Support Obligations Ordinance; and

WHEREAS, Colliers must have approved insurance documents, in the terms and amounts required, on file with LAWA prior to execution of the agreement; and

WHEREAS, Colliers has submitted the Contractor Responsibility Program Pledge of Compliance and will comply with the provisions of said program; and

WHEREAS, Colliers must be determined by Public Works, Office of Contract Compliance, to be in full compliance with the provisions of the Equal Benefits Ordinance, prior to execution of the agreement; and

WHEREAS, Colliers will comply with the provisions of the First Source Hiring Program; and

WHEREAS, Colliers has submitted the Bidder Contributions CEC Form 55, and will comply with its provisions; and

WHEREAS, Colliers has submitted the Municipal Lobbying Ordinance CEC Form 50, and will comply with its provisions; and

WHEREAS, Colliers has submitted the Iran Contracting Act of 2010 Affidavit, and will comply with its provisions; and

WHEREAS, actions taken on this item by the Board of Airport Commissioners will become final pursuant to the provisions of Los Angeles City Charter Section 373;

NOW, THEREFORE, BE IT RESOLVED that the Board of Airport Commissioners adopted the Amended Staff Report; determined that this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Article II, Section 2.f of the Los Angeles City CEQA Guidelines; found that the Request for Proposals used in this competitive award process satisfies the requirements of Administrative Code Section 10.17 and is compatible with the City's interests; approved Award of seven (7)-year Agreement to Colliers International Real Estate Management Services, Inc., with three (3) one-year extension options, covering property management and leasing services for Skyview Center and Aviation Plaza, both owned by Los Angeles World Airports, for cost of property management fees not to exceed \$2,500,000; and authorized the Chief Executive Officer, or designee, to execute said Agreement with Colliers International Real Estate

Management Services, Inc. after approval as to form by the City Attorney and approval by the Los Angeles City Council.

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I hereby certify that this Resolution No. 27530 is true and correct, as adopted by the Board of Airport Commissioners at its Special Meeting held on Thursday, July 7, 2022.



Grace Miguel – Secretary
BOARD OF AIRPORT COMMISSIONERS