

## MEMORANDUM

MAY 16, 2013

**TO:** ECONOMIC DEVELOPMENT AND INDUSTRIAL CORPORATION  
AND PETER MEADE, DIRECTOR

**FROM:** LARRY MAMMOLI, DIRECTOR OF ENGINEERING AND FACILITIES  
MANAGEMENT  
DENNIS DAVIS, DEPUTY DIRECTOR INDUSTRIAL DEVELOPMENT  
AND COMMERCIAL LEASING

**SUBJECT:** AUTHORIZATION TO ESTABLISH A SHORT LIST OF CONSULTANTS  
AND TO ENTER INTO CONTRACTS FOR REAL ESTATE APPRAISAL,  
BROKERAGE AND CONSULTING SERVICES IN CONFORMANCE  
WITH A REQUEST FOR PROPOSALS ISSUED IN MARCH 2013

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**SUMMARY:** This Memorandum requests authorization to establish a short list of consultants and for the Director to enter into contracts for real estate appraisal, brokerage, and consulting services to support staff disciplines in conformance with a Request for Proposals issued in March 2013.

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### **BACKGROUND**

In November 2012, the Economic Development and Industrial Corporation of Boston ("EDIC") Board authorized the issuance of a Request for Proposals to solicit expertise in three disciplines: (1) real estate appraisal, (2) real estate commercial brokerage, and (3) real estate consulting.

It is anticipated that as the economy continues to recover and market demand for hotels and other real estate specialties increases, EDIC will issue RFPs for the development of additional parcels of land and continue to lease improved real estate to commercial tenants.

The EDIC has a fiduciary responsibility to garner fair market value for the highest and best use of its real property assets. "Highest and Best Use" is defined in the dictionary of Real Estate Appraisal, 4<sup>th</sup> Edition as "the reasonable, probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and results in the highest value".

Consistent with MGL Chapter 30B, EDIC issued the RFP in March 2013 and all responses were due on or before May 6, 2013.

Staff is recommending the following consultants be short listed and utilized at the discretion of the Director and on an as-needed basis only for fees consistent with the ranges expressed in this memorandum to support staff disciplines and to assist the EDIC in making optimum real estate decisions based on current and future market conditions.

Potential services include but are not limited to the following:

**Appraisal**

Disposition pricing of agency land and buildings, air rights acquisitions for development projects, land assemblage valuations, lease appraisal, and easement valuation.

Recommended Firms:

- Richard Mario A. Leslie, MAI
- Boston Property Advisors
- James J. Czupryna, ASA
- CB Richard Ellis – N.E. Partners
- Leggat McCall & Werner Appraisal and Consulting Co., Inc
- Colliers International
- Cushman & Wakefield of Massachusetts, Inc.

**Brokerage**

Assist in identifying new tenants for agency properties, negotiating competitive leases, creating optimal disposition strategies, marketing select high profile properties, establishing competitive real estate commission policies.

Recommended Firms:

- CB Richard Ellis – N.E. Partners
- Colliers International
- Boston Realty Advisors

**Consulting**

Analyze, benchmark, and supply market data to support real estate transactions. Prepare economic analysis of alternative options.

Recommended Firms:

- CB Richard Ellis – N.E. Partners
- Colliers International
- Real Estate Fiduciary Services

## **FEE RANGE**

Fees will vary based on the complexity of the assignment but will fall within the following ranges:

Appraisal: \$2,500 to \$19,999 per assignment.

Brokerage: No higher than 6% of the proposed transaction value or \$1.50 per square foot per year leased.

Consulting: Principal: \$225 to \$425 per hour  
Associate: \$135 to \$275 per hour  
Administrative: \$ 85 to \$100 per hour

An appropriate vote follows:

**VOTED:** That the Director be, and hereby is, authorized on behalf of the Economic Development and Industrial Corporation of Boston ("EDIC") to execute with recommended firms, consistent with the fees set forth in the Board Memorandum of this date, all appropriate documents to procure on an as-needed basis real estate appraisal, brokerage, and consulting services to provide economic analysis of proposed development projects and to assist in the analysis, appraisal, marketing, disposition or leasing of EDIC owned real estate.