



CITY OF HAYWARD
AGENDA REPORT

AGENDA DATE 07/06/04
AGENDA ITEM 4
WORK SESSION ITEM _____

TO: Redevelopment Agency Board
FROM: Director of Community and Economic Development
SUBJECT: Execution of Marketing Agreement for B Street Marketplace

RECOMMENDATION:

It is recommended that the Redevelopment Agency Board adopt the attached resolution, authorizing the Executive Director to execute a contract with BT Commercial/Shelter Bay Retail Group to market the sale of the B Street Marketplace.

BACKGROUND:

The Agency recently solicited proposals to provide real estate marketing services and to represent the Agency in its efforts to sell the "B Street Marketplace" retail center, located at 805-895 B Street. Three (3) proposals were received from the following firms: Gateway Commercial; BT Commercial; and Michael Tanzillo & Company.

Based on the proposal materials submitted and additional information provided, it is staff's evaluation that BT Commercial is the most experienced at this particular type of sale and possesses the most firm resources to serve as the Agency's representative on this transaction. In terms of compensation there is no difference between the three proposals, as all three have proposed a broker commission of 5% of the sales price.

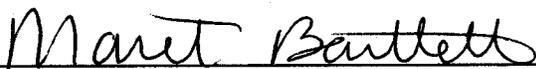
BT Commercial has proposed a unique team approach, in which they have joined forces with our current property management firm, Shelter Bay Retail Group. This approach provides a number of advantages in terms of leveraging Shelter Bay's existing tenant relationships and their knowledge of the property, such as operations, leasing history and trends, and the economic environment of downtown Hayward. The BT Commercial proposal also stands out among the proposals received in terms of demonstrating capacity to maximize the sales price and complete the sale within a fairly aggressive timeframe of 3-4 months from the date of awarding the listing to the closing date.

Current market conditions bode well for the sale, as interest rates remain relatively low and there is substantial pent-up investor demand for commercial assets in the \$2 - \$5 million price range, particularly multi-tenant "main street" retail properties such as B Street Marketplace. However, due to the potential for increases in interest rates, it is in the Agency's best interest to move ahead with the sale process as quickly as possible.

The Agency will need to work with the selected broker to undertake certain activities to prepare the property for sale. These activities include preparing and executing a condominium map to legally separate this property from the city parking garage, and obtaining an inspection report for this property.

Staff recommends that the Agency Board adopt the attached resolution authorizing the Executive Director to execute a contract for real estate marketing services with BT Commercial / Shelter Bay Retail Group for the Agency-owned B Street Marketplace.

Prepared by:



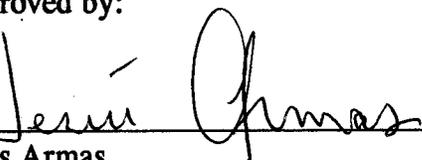
Maret Bartlett
Redevelopment Director

Recommended by:



Sylvia Ehrental
Director of Community and
Economic Development

Approved by:



Jesús Armas
City Manager

Attachment: Resolution

DRAFT

REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD

RESOLUTION NO. RA-_____

Introduced by Agency Member _____

RESOLUTION AUTHORIZING THE EXECUTIVE
DIRECTOR TO ENTER INTO A CONTRACT WITH BT
COMMERCIAL/SHELTER BAY RETAIL GROUP TO
MARKET THE AGENCY OWNED RETAIL CENTER,
THE B STREET MARKETPLACE, FOR SALE

BE IT RESOLVED by the Redevelopment Agency of the City of Hayward
("Agency") that the Executive Director is hereby authorized and directed to negotiate and
execute on behalf of the Agency a contract by and between BT Commercial/Shelter Bay
Retail Group and the Agency for the marketing of the property at B Street Marketplace,
for sale, in a form approved by General Counsel.

HAYWARD, CALIFORNIA _____, 2004

ADOPTED BY THE FOLLOWING VOTE:

AYES: AGENCY MEMBERS:

CHAIR:

NOES: AGENCY MEMBERS:

ABSTAIN: AGENCY MEMBERS:

ABSENT: AGENCY MEMBERS:

ATTEST: _____

Secretary of the Redevelopment Agency
of the City of Hayward

APPROVED AS TO FORM:

General Counsel