

# M E M O

## *Alameda Corridor Transportation Authority*

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Meeting Date: October 10, 2024  
From: Kevin Scott, Chief Financial Officer   
Subject: Approve Agreement No. C0924 with DavCo Properties, LLC doing business as DavCo Realty Advisors to Provide Real Estate Brokerage Services for ACTA's Office Lease

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### **Recommendation:**

Approve Agreement No. C0924 with DavCo Properties, LLC doing business as DavCo Realty Advisors (DavCo) for Real Estate Brokerage Services for a one-year term and no compensation; and authorize the Chief Executive Officer or his designee to execute said agreement.

At its meeting held on August 15, 2024, the Governing Board requested staff to determine whether certain new rules established by the National Association of Realtors (NAR) regarding the use of Multiple Listing Services and NAR member sales commissions had any impact on the proposed agreement. The new rules are the result of certain settlement terms in a class action lawsuit against NAR and impact only residential home sales. Commercial real estate sales and leases were not part of the class action lawsuit and they are not included in the new NAR rules (see <https://www.nar.realtor/the-facts/nar-settlement-faqs>, accessed September 6, 2024).

### **Discussion:**

In August of 2014, ACTA moved into its current offices at 3760 Kilroy Airport Way, Suite 200, through an approximately 5-year office lease with Kilroy Realty, L.P. This lease has a one-time 5-year renewal option which ACTA exercised in 2019. The amended lease expires July 31, 2025.

With the lease expiring in about a year, ACTA staff recommends hiring an independent firm to provide real estate brokerage services. These services will include conducting a search for potential commercial office space within a ten (10) mile radius of ACTA's current office (said search to include consideration of space in the current office complex); identifying potential cost savings or other real estate opportunities that may benefit ACTA; and negotiating lease terms for suitable commercial office space to meet ACTA's present needs.

In May 2024, ACTA published a Request for Proposals (RFP) for real estate brokerage services. ACTA advertised the RFP on social media via LinkedIn, posted the RFP on its website, and sent the RFP announcement directly to several firms. The Ports of Long Beach and Los Angeles also posted the RFP information on their respective contracting opportunity websites. Several firms registered to receive the RFP on the ACTA website, and five responses were received on or before the due date of June 11, 2024.

A three-member review panel consisting of ACTA's Chief Executive Officer, Chief Financial Officer and Chief Operating Officer reviewed and evaluated the responses. No firms were interviewed because the written proposals provided adequate information to evaluate the proposers. Each firm was evaluated on firm



qualifications; experience of proposed personnel and proposed compensation and fees. All three evaluators ranked DavCo first. As a result, the review panel recommends the Board approve the proposed agreement with DavCo to provide real estate brokerage services.

The agreement with DavCo will be for one year. DavCo will not receive compensation from ACTA for the proposed services. Commissions or fees offered for or negotiated by owners of suitable commercial office spaces for lease to procure a tenancy for ACTA shall be agreed to separately between DavCo and the owners. All such commissions shall be fully disclosed to ACTA.

**Budget Impact:**

There is no budget impact as there is no compensation from ACTA to DavCo.

**Co-General Counsel Review:**

ACTA's Co-General Counsel has reviewed and approved the proposed Agreement as to form.

**Transmittals:**

Transmittal 1 – Scoring and Ranking Matrix

Transmittal 2 – Real Estate Brokerage Services Agreement No. C0924