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14-098

AUTHORIZE AN INCREASE TO KIDDER MATTHEWS
LLC'S CONTRACT TO PROVIDE RETAIL
DEVELOPMENT ADVISORY AND MANAGEMENT
SERVICES

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FINANCIAL
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REPORT: On April 19, 2012 (BA 12-092), the Board of Directors approved a contract with Kidder Matthews and Segner Inc (now known as Kidder Matthews LLC) for an initial amount of \$50,000. Kidder Matthews was hired on a competitive basis to develop retail environments complementing both the College's auxiliary services enterprises (bookstore and campus food service) and businesses near the Cascade Campus and Southeast Center. The services also included recommending appropriate retail site and infrastructure; advising on tenants' space lease terms and requirements; soliciting and evaluating potential retail site occupants; negotiating lease terms with selected tenants in coordination with College staff and legal counsel; and managing ongoing retail presence and tenants' lease agreements.

The College has developed lease spaces as part of the bond construction for several reasons, including providing amenities to students in areas that College-run food services were not deemed viable, City planning encouragement to activate campus borders, safety considerations to promote active use, and sensitivity to integrate the College into its surrounding neighborhoods. This is a new venture for the College, however, and much consideration has been necessary to achieve the College's desired results. Subsequent to the issuing of the contract, the College had the need to complete a lease with a retail tenant for the Willow Creek Center.

Kidder Matthews reviewed and made recommendations on the College's tenant improvements to the space, and provided assistance to develop terms and negotiate the lease with the tenant. Kidder Matthews played a significant role in the development of the Paragon property (near Cascade), which had significant structural issues, to ensure that the remodel would result in a space that could be leased and subdivided depending on the tenant. Currently, the Paragon and Kanjaya (also near Cascade) are being used in lieu of trailers at the Cascade construction job site, due to site constraints. After the completion of Cascade bond construction, the College will require assistance if the Paragon and Kanjaya properties are to be leased. The retail spaces at SE Center have also required more consulting time than anticipated, to coordinate with the architect and contractor to identify issues and develop spaces that will be commercially viable. Using Kidder Matthews, the College is beginning negotiations with the first tenant at the SE Library, and will have two to three tenant spaces to fill for the Student Commons. After careful review, the Bond Program would like to request up to an additional \$100,000 for the completion of scope for Cascade Campus and Southeast Center.

RECOMMENDATION: That the Board of Directors authorize an increase to Kidder Matthews LLC's contract to provide retail advisory development and management services for the College. The contract is valid through April, 2017 with a revised total of \$150,000. Funding is from the 2008 Bond Fund.