

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

April 8, 2025

FROM

TERRY W. THOMPSON, Director, Real Estate Services Department
BRETT GODOWN, Director, Department of Airports

SUBJECT

Consultant Agreement with Jones Lang LaSalle Brokerage, Inc. for Marketing and Commercial Brokerage Services at Chino Airport

RECOMMENDATION(S)

1. Approve **Consultant Agreement No. 25-204** with Jones Lang LaSalle Brokerage, Inc., to continue representing the County in negotiating and securing potential ground leases at designated portions of Chino Airport, consisting of approximately 307 acres of land in Chino, for the period of December 5, 2024, through December 4, 2025, with three one-year extension options, with real estate commissions for such leases executed during the term and within six months thereafter, with eligible tenants confirmed by the County, will continue to be payable as follows: (a) for a single executed lease for the entire 307 acres, a flat fee of \$3,750,000, or (b) for separate executed leases for portions of the 307 acres, 2.5% commission from the rent payments for years one through five of the initial term plus 1.25% commission from the rent payments for years six through 10 of the initial term, provided that the commissions payable for all executed leases for portions of the 307 acres of land not exceed a total of \$6,000,000.
2. Authorize the Director of the Real Estate Services Department to execute amendments to the Consultant Agreement with Jones Lang LaSalle Brokerage, Inc., upon consultation with the Chief Executive Officer and the Director of the Department of Airports, and upon review and approval by County Counsel, solely for the purposes of exercising the County's three, one-year extension options, for a total term not to exceed December 4, 2028.
3. Direct the Director of the Real Estate Services Department to transmit any subsequent amendments in relation to the Consultant Agreement with Jones Lang LaSalle Brokerage, Inc., to the Clerk of the Board of Supervisors within 30 days of execution.

(Presenter: Terry W. Thompson, Director, 387-5000)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Implement the Countywide Vision.

Operate in a Fiscally Responsible and Business-Like Manner.

Ensure the Development of a Well-Planned, Balanced, and Sustainable County.

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). The compensation to Jones Lang LaSalle Brokerage, Inc. (JLL) for professional consulting services will remain as a flat commission fee of \$3,750,000 for one lease of the entire premises or percentage-based commission fees not-to-exceed \$6,000,000 for multiple leases for portions of the premises, dependent on the transaction negotiated. All fees and commissions will be paid from the Department of Airports (Airports) budget (6315001000) to JLL.

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and will require the approval of the Board of Supervisors (Board) at the rate of 25% of the total commission due upon Board approval of an executed lease agreement, and the remaining 75% through an invoice from JLL to the County for 100% of monthly rent received until the total commission due is paid. Preliminary commission estimates for multiple leases for portions of the premises are unknown as the rent amount will be based on the amount of premises leased in the ground lease; however, the current projection for the anticipated revenue is \$78,573,528, and the capped cost to the County of percentage-based commissions is \$6,000,000.

JLL will submit invoices for any commission payments after the approval of the executed lease. All invoices are subject to the County's review and approval at its sole discretion. Any necessary budget adjustments will be presented to the Board for approval at a later date.

BACKGROUND INFORMATION

The recommendations will approve the Consultant Agreement (Agreement) with JLL, to continue to provide professional real estate expertise and experience in marketing and commercial brokerage services, and to secure executed leases with quality, high-performing national, regional, and local tenants for aeronautical and nonaeronautical uses within possible development areas, totaling approximately 307 acres, at Chino Airport (CNO).

In order to continue the financial growth of CNO, and support the increasing demand for general aviation services in the region, the County is seeking to continue its relationship with JLL's professional real estate firm to continue to provide marketing and commercial brokerage services to secure executed leases with quality, high-performing tenants that are national, regional and local for aeronautical, non-aeronautical, and recommended related uses on land located at CNO, within the areas currently identified herein for possible development comprising of approximately 307 acres.

On February 10, 2023, following a Request For Proposals (RFP), JLL was awarded the recommendation to represent Airports as the professional real estate firm to provide marketing and commercial brokerage services at CNO.

On April 11, 2023 (Item No. 40), the Board adopted Resolution No. 2023- 41 declaring that certain County-owned real property, consisting of a total of approximately 511 acres of land located at CNO is no longer necessary for the County's own use and, consistent with County Policy No. 12-17, is surplus and available for disposition for Airports' purposes, and said real property is exempt surplus land pursuant to Government Code Section 54221(f)(1)(G). The adopted Resolution No. 2023-41 was submitted to the State Department of Housing and Community Development Division, and 30 days have elapsed without objection.

On December 5, 2023 (Item No. 56), the Board approved a consulting agreement with JLL for an initial term of one year, commencing on December 5, 2023, and ending on December 4, 2024, with four one-year options to extend. After a review of the services provided by JLL during the initial year, including consideration of other potential opportunities. Airports ultimately requested Real Estate Services Department (RESO) move forward in processing the Agreement to continue JLL's services for one year, as is without any changes, commencing from the end of the prior one-year period. The Agreement provides the authority of the Director of RESO, in consultation with the Chief Executive Officer and the Director of Airports, to exercise the County's three one-year options to extend the term of the Agreement, if necessary. The consulting agreement with JLL approved in December 2023 expired without exercising the options to extend. An extension had to be done before the term expired on December 4,

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2024. In order to protect the County from third party claims arising out of the services JLL provided during the agreement expiration period and the renewal date, the Agreement term is made retroactive to preserve the insurance and indemnity provisions applicable to JLL. The Agreement is being submitted for Board approval at the first available meeting date after completion of the fiscal, legal and operational review.

The real estate commissions shall remain payable as follows: (a) for a single executed and approved lease for the entire 307 acres, a flat fee of \$3,750,000, or (b) for separate executed and approved leases for portions of the 307 acres, a 2.5% commission from the rent payments received for years one through five of the initial lease term plus 1.25% commission from the rent payments received for years six through 10 of the initial lease term, provided that the commissions payable for all executed leases for portions of the 307 acres of land shall not exceed a total of \$6,000,000. Commissions shall not be payable for leases with existing tenants or with potential tenants who are in discussions with the County for a lease for the premises prior to the execution of the Agreement, or for leases executed with existing tenants, potential tenants who have been in negotiations with the County prior to the execution of the Agreement, and tenants outside of the area covered by the Agreement.

After Board approval of the Agreement, 25% of the total commission shall be due and the remaining 75% shall be paid in monthly installments from the monthly rents the County receives from the subject tenant. Commissions shall also remain payable for any leases executed by the County within six months following the termination of the Agreement for eligible tenants introduced by JLL during the term of the Agreement and confirmed by the County.

Airports and RESD will return to the Board for approval of any leases for all or portions of the 307 acres of land, and a resolution for the actual amount of the commission payable for said leases in accordance with the commission structure set forth and continued in this Agreement.

PROCUREMENT

On August 17, 2022, to determine the site's potential and identify uses appropriate for the designated area at CNO, RESD issued RFP No. RESD123-RES-4711 to national real estate brokerage firms with a specialization in aeronautical and non-aeronautical uses. The RFP was posted on the County Electronic Procurement Network (ePro). Three responses were received: Cushman & Wakefield, CBRE, and JLL. A selection committee comprised of representatives from RESD, and the County Administrative Office reviewed all three submissions and interviewed Cushman & Wakefield, CBRE, and JLL. The committee recommended an agreement be negotiated with JLL and presented to the Board for approval based upon JLL's demonstrated readiness and interest in promoting CNO to its regional and national clients, and its competitive cost proposal. No protests were received.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (John Tubbs II, and Agnes Cheng, Deputies County Counsel, 387-5455) on February 26, 2025; Airports (Brett Godown, Director, and Maureen Snelgrove, Assistant Director, 387-8812) on February 27, 2025; Purchasing (Ariel Gill, Supervising Buyer, 386-8046) on February 27, 2025; Finance (Eduardo Mora, 387-4376, Administrative Analyst) on March 5, 2025; and County Finance and Administration (Paloma Hernandez-Barker, Deputy Executive Officer, 387-5423) on March 11, 2025.

(JF: 269-1984)

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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Joe Baca, Jr. Seconded: Curt Hagman

Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: April 8, 2025



cc: RESD - Thompson w/agree
Contractor - c/o RESD w/agree
File - w/agree

CCM 04/9/2025