

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

**December 5, 2023**

**FROM**

**TERRY W. THOMPSON, Director, Real Estate Services Department**

**JAMES E. JENKINS, 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. 23-1305** with Jones Lang LaSalle Brokerage, Inc., to represent San Bernardino County in negotiating and securing potential ground leases at designated portions of Chino Airport, consisting of approximately 307 acres of land in Chino, for approximately a one-year term commencing on December 5, 2023 through December 4, 2024, with four 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 San Bernardino County, 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 do 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 Director of the Department of Airports, and subject to review and approval by County Counsel, solely for the purposes of exercising San Bernardino County's four, 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 is 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

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of the premises, dependent on the transaction negotiated. All fees and commissions will be paid from the Department of Airports (Airports) budget (6315001000) by San Bernardino County (County) to JLL and will require the approval of the Board of Supervisors (Board) at the rate of 25% of total commission due upon Board approval of an executed lease agreement, and the remaining 75% through invoice from JLL to the County for 100% of monthly rent received until 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 the commission payment 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 a Consultant Agreement (Agreement) with JLL, 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 the areas currently identified for possible development, comprising of approximately 307 acres, at the County's Chino Airport (CNO).

CNO is located at 7000 Merrill Avenue in the City of Chino and is the largest noncommercial airport within a 20-mile radius. A Chino Airport Economic Benefit Analysis completed in 2010 reported approximately 72,457 itinerating flights a year, which included arrivals and departures. The airport footprint covers approximately 1,097 acres of land with amenities that include three runways, general aviation, and administrative facilities, as well as hangars.

CNO provides economic benefits to the community that includes on-airport, air visitor, and secondary benefits calculated at \$95,000,000 in revenue, and \$32,000,000 in earnings, with the creation of 593 jobs. The area surrounding CNO is experiencing tremendous growth and Airports recognizes the opportunity and need to evaluate and improve the services CNO provides, given the potential to increase the financial base of CNO, as well as address the increasing demand for aviation services in the region.

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 a professional real estate firm with expertise, skills, capabilities, and experience, to provide marketing and commercial brokerage services to secure executed leases with quality, high-performing tenants that are national, regional and local for aeronautical, nonaeronautical, and recommended related uses on land located at CNO, within the areas currently identified 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

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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.

The term of the recommended Agreement is for an approximate one-year period commencing on December 5, 2023, and ending on December 4, 2024, with four one-year extension options. The Agreement also authorizes the Director of Real Estate Services Department (RES D), in consultation with the Chief Executive Officer and the Director of Airports, to exercise the County's four one-year options to extend the term of the Agreement, if necessary.

The real estate commissions shall be 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, 2.5% commission from the rent payments received for years one through five of the initial term plus 1.25% commission from the rent payments received 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 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.

After Board approval of an executed lease 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 be 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.

The departments 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 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). As a result, three responses were received from the following firms: Cushman & Wakefield, CBRE, and JLL. A selected committee comprised of representatives from RESD and the County Administrative Office reviewed three submitted proposals 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.

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**REVIEW BY OTHERS**

This item has been reviewed by County Counsel (John Tubbs II, Deputy County Counsel, and Agnes Cheng, Deputy County Counsel, 387-5455) on June 15, 2023; Airports (James E. Jenkins, Director, and Maureen Snelgrove, Assistant Director, 387-8812) on May 25, 2023; Purchasing (Ariel Gill, Supervising Buyer, 386-8046) on November 20, 2023; Finance (Elias Duenas, 387- 4052, and Garrett Baker, 387-3077, Administrative Analysts) on November 16, 2023; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387-5423) on November 16, 2023.

(LD: 453-5349)

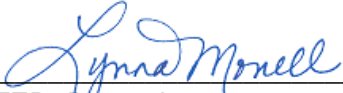
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Record of Action of the Board of Supervisors  
San Bernardino County

**APPROVED (CONSENT CALENDAR)**

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

Lynna Monell, CLERK OF THE BOARD

BY   
DATED: December 5, 2023



cc: RESD - Thompson w/ agree  
Contractor c/o RESD w/ agree  
File w/ agree  
JLL 12/20/2023