STAFF REPORT

AGENDA NO: 9q

MEETING DATE: August 17, 2026

To: Honorable Mayor and City Council

Date: August 17, 2026

From: Jeremy Kirshner, Deputy City Manager – (650) 558-7229
Lisa Goldman, City Manager – (650) 558-7243

Subject: Adoption of a Resolution Authorizing the City Manager to Negotiate and Execute an Agreement with CBRE for Commercial Real Estate Broker Services for the Sale of Parking Lot H

RECOMMENDATION

Staff recommends that the City Council adopt the attached Resolution authorizing the City Manager to negotiate and execute an agreement with CBRE for commercial real estate broker services for the sale of Parking Lot H.

BACKGROUND

CBRE's Previous Work for the City

On May 6, 2024, the City Council adopted Resolution No. 061-2024, which authorized the City Manager to execute an Agreement with CBRE for commercial real estate broker services in connection with the City's search for a new City Hall. CBRE was selected following a competitive Request for Proposals process based on its experience in the local real estate market and its experience working with public agencies.

CBRE analyzed properties for sale and for lease across Burlingame, ultimately identifying 24 properties, which staff narrowed down to five. The City Council subsequently identified 1440 Chapin Avenue as its preferred site for a new City Hall. CBRE advised staff on negotiations for the lease and purchase of 1440 Chapin Avenue. On February 18, 2025, the City Council authorized the City Manager to negotiate and execute a Lease Agreement, Purchase and Sale Agreement, and Tenant Improvement Agreement for 1440 Chapin Avenue.

Parking Lot H

Parking Lot H is located across El Camino Real from Downtown Burlingame and is composed of two parcels totaling 32,922 square feet: APN No. 028-285-250 (8,500 square feet, zoned R-1 Low Density Residential) and APN No. 028-285-290 (24,422 square feet, zoned R-3 Medium/High Density Residential).

Pursuant to the Surplus Land Act, the City is required to follow a complex process in order to dispose of any City owned land. The Surplus Land Act requires cities to declare property surplus, draft a Notice of Availability, submit the Notice of Availability to the California Department of Housing and Community Development for review, and distribute the Notice of Availability to affordable housing developers, school districts, and open space districts. If any of the aforementioned entities indicate an interest in purchasing the property, cities are required to negotiate with the entities in good faith; however, cities are not required to sell surplus land for below market value. If no agreement is reached, cities can then sell the surplus land on the open market.

On July 7, 2025, the City Council adopted Resolution No. 081-2025 declaring both parcels composing Parking Lot H as surplus land under the Surplus Land Act. The City Council directed the City Manager to prepare, publish, and distribute a Notice of Availability for the sale of both parcels of Parking Lot H. The City distributed the Notice of Availability on November 3, 2025. One entity provided the City with a notice of interest, but after a period of good faith negotiations, no deal was reached.

DISCUSSION

With the Surplus Land Act process now complete, the City is prepared to market Parking Lot H for sale on the open market. Staff recommends retaining CBRE, which served as the City's commercial real estate broker for the lease and purchase of 1440 Chapin Avenue, to serve as the City's commercial real estate broker for the disposition of Parking Lot H. Staff is satisfied with the work performed by CBRE to date.

Pursuant to the terms of the agreement, CBRE would be paid a commission of 3.00% of the sale price, whether or not the buyer of the parcel(s) is represented by a broker. If the buyer is represented by a broker, the City would be required to pay 6.00% of the sale price in commission, with a 3.00% commission to CBRE and a 3.00% commission to the buyer's broker.

FISCAL IMPACT

There is no direct cost to the City associated with the execution of this agreement. CBRE's commission is contingent upon the value of the completed sale of Parking Lot H. The funds received from the sale of one or both parcels would help defray the purchase cost of the new City Hall.

Exhibit:

- Resolution