

**STAFF REPORT  
87**

A Statewide

06/28/19

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S Statewide

C. Wong

C2019006

**CONSIDER AUTHORIZING THE EXECUTIVE OFFICER TO EXECUTE AN  
AGREEMENT TO RENEW THE COMMISSION'S SUBSCRIPTION  
TO AN ONLINE REAL ESTATE DATABASE**

**PARTIES:**

CoStar Realty Information, Inc.

State Lands Commission

**PROPOSED ACTIVITY:**

The Executive Officer requests authority to execute an agreement for Budget Fiscal Years 2019-2022 with CoStar Realty Information, Inc., (Agreement) is to procure the service of an online subscription for Commission staff to access CoStar's online real estate database for research and reports.

Contract No.: C2019006

Contractor: CoStar Realty Information, Inc.

Agreement Maximum per STD 213: \$64,800

Term: July 1, 2019 to June 30, 2022

Multi-Year Justification: Per Department of General Services (DGS), service contracts should not exceed 3 years, SCM Vol. 1, section 7.80. This agreement is for a total of 3 years.

**STAFF ANALYSIS AND RECOMMENDATION:**

**Statutory Authority and Other References:**

DGS Categorical Exemptions, Public Contract Code section 10348; historical references: SAM § 1233(2)(k), MM 03-10 (Exemption from Competitive Bidding and Advertising); Public Resources Code section 6503.

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### **State's Best Interests Analysis:**

The recommended action is to authorize the Executive Officer or her designee to execute the Agreement to obtain a subscription to an online real estate database to assist Commission staff in researching land values and setting market rents for the use and occupation of the State-owned lands under the Commission's jurisdiction. CoStar provides detailed information on a wide variety of real estate transactions, including comparable sales and leases of vacant and improved retail, commercial, industrial, residential, and special use properties. The Commission's appraisal staff uses CoStar's database, and other sources of market data, to appraise properties under the Commission's jurisdiction and set market rents for the use of those properties.

The recommended action is in the State's best interests because it allows staff appraisers to obtain the information needed to complete an appraisal which can be relied upon during lease negotiations as it pertains to appraised value of the leased land. Staff have contracted with CoStar Realty Information, Inc. in the past for this subscription and have found it to be a valuable resource for conducting the Commission's business.

The California Constitution, article XVI, section 6, expressly prohibits the Legislature from making or authorizing any gift of public money or thing of value to any individual, municipality, or corporation. A "thing of value" includes the use of State-owned land, and to allow its use for private benefit with no rent or consideration would constitute an impermissible gift. Further, per Public Resources Code Section 6503, the Commission is mandated to "*...appraise the lands and fix the annual rent or other consideration thereof.*" Accordingly, it is in the State's best interests to consider every available resource to set the appropriate annual rent for the use of State-owned land.

### **OTHER PERTINENT INFORMATION:**

1. The State Administrative Manual allows the Commission to enter into contracts for proprietary subscriptions for up to \$250,000 without engaging in competitive bidding.
2. This action is consistent with Strategy 2.1 of the Commission's Strategic Plan to optimize returns for the responsible development and use of State Lands and resources, both onshore and offshore; and Strategy 2.2 to ensure timely receipt of revenues and royalties from the use and development of State lands and minerals.

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3. Authorization to execute an agreement with the CoStar Realty Information, Inc., is not considered a project as defined by the California Environmental Quality Act (CEQA) because it is an administrative action that will not result in direct or indirect physical changes in the environment.

CEQA Reference Authority: Public Resources Code section 21065 and California Code of Regulations, title 14, section 15378, subdivision (b)(5).

**RECOMMENDED ACTION:**

It is recommended that the Commission:

**STATE'S BEST INTERESTS:**

Find that the recommended action is in the best interests of the State.

**AUTHORIZATION:**

Authorize the Executive Officer or her designee to execute an Agreement with CoStar Realty, Inc., in accordance with current State policies and procedures.