



TOWN OF APPLE VALLEY

TOWN COUNCIL STAFF REPORT

To: Honorable Mayor and Town Council **Date:** June 12, 2012

From: Dennis Cron, Assistant Town Manager **Item No:** 11
Municipal Operations and Contract Services

Subject: LIST FOR SALE THE TOWN'S FORMER ANIMAL SHELTER, PUBLIC WORKS FACILITY AND ADJACENT VACANT PARCELS FOR SALE/LEASE/LEASE PURCHASE

T.M. Approval: _____

Budgeted Item: Yes No N/A

RECOMMENDED ACTION:

Authorize and direct staff to negotiate a real estate marketing and sales contract with Lee and Associates to list the Town's former Public Works, Animal Shelter and adjoining vacant parcels for sale/lease/lease purchase with a maximum combined commission of 4%.

SUMMARY:

Staff solicited and received proposals from five (5) local real estate brokers: Agio Real Estate, Century 21 Fairway, Coldwell Banker Commercial, Lee and Associates Commercial and Shear Commercial Group. Proposals were reviewed and ranked by Town Staff. Results of submittal reviews were provided to Council at the May 8, 2012 Council meeting. Council consensus was to direct staff to bring back a staff report with a recommendation to award a sale/lease/lease purchase contract to Lee & Associates.

Staff recommends that the Town Council authorize and direct staff to negotiate a sales/lease/lease purchase contract with Lee & Associates specifying that the maximum commission for both seller and buyer shall not exceed 4% combined. If Lee and Associates is unable or unwilling to enter a contract for the sale/lease/lease purchase of the property, staff recommends negotiating with the next brokerage firm.

BACKGROUND:

The Town constructed new, purpose-built, Animal Shelter and Public Works Facilities within the last several years. The move of these two operations into the new facilities has left the former buildings vacant. At the Council meeting on February 28, 2012, the

Town Council directed staff to solicit proposals from local real estate brokers to list and market the former public facility buildings and vacant parcels adjoining the improved properties.

On Tuesday, March 13, 2012 staff notified twenty-seven (27) local real estate brokers, local Chambers of Commerce and the local Board of Realtors of the Town's solicitation for proposals. In addition, the request was posted on the Town's website. The deadline to submit a proposal was March 21, 2012 and five (5) proposals were received prior to the submittal deadline.

FISCAL IMPACT:

Anticipated estimated sales revenues - unknown at this time. Elimination of minor ongoing property maintenance expenses. No budget expense impacts are anticipated as a result of listing or the ultimate sale or lease of these properties. Sale or lease of these properties will place them back on the annual property tax rolls and the Town will again receive property tax increment on these properties.