



Date: July 5, 2011

To: Thomas J. Bonfield, City Manager
Through: Theodore L. Voorhees, Deputy City Manager
From: Joel V. Reitzer, Jr., Director, General Services Department
 Shelia A. Huggins, Real Estate Manager, General Services Department
 Donna E. Lunsford, Senior Real Estate Officer, General Services Department
Subject: Proposed Sale of Surplus Real Estate Located at 612 N. Mangum Street, Parcel 110418

Executive Summary

Consistent with the marketing strategy presented to City Council in January 2007 for the disposition of surplus real estate, the Real Estate Division advertised to the general public for 60 days, 612 N. Mangum Street. This property was advertised for sale under the authority of G. S. 143-129 and G.S. 160A-268, Sealed Bids. The following bid was received before the June 20, 2011 deadline:

612 N. Mangum Street – Sales Price \$28,000.00

Bidder	Bid Amount	Earnest Money	Qualified Bid
William Durham and Rochelle Sparko	\$27,500.00	\$1,375.00	Yes

Recommendation

The General Services Department recommends that the City Council: (1) declare City Tract # 1605, 612 N. Mangum Street as surplus property; (2) accept the bid of \$27,500.00 from William Durham and Rochelle Sparko to purchase 612 N. Mangum Street; and (3) authorize the City Manager to sell and the City Manager or the Mayor to convey the property by a non-warranty deed.

Background

The Real Estate Division advertised the sale of 612 N. Mangum Street in the Triangle Multiple Listing Service (TMLS), on the City's website, in an all users e-mail sent to City employees, and at the property with a for sale sign. Real Estate also contacted people who had previously expressed interest in the property.

On May 25, 1990 the City purchased the property at 612 N. Mangum Street for \$10,500.00 to extend Dowd Street, which was part of the Old Five Points Redevelopment Project. The 0.121 acre lot is vacant and zoned DD-S2, Downtown Design–Support 2. On June 28, 2010, a certified appraiser valued the property for \$28,000.00.

Real Estate received one bid for the sale of 612 N. Mangum Street after the advertising period. The bid from William Durham and Rochelle Sparko is valid, includes verification of funding, and they are not represented by a licensed broker.

Issues/Analysis

- Sale Conditions and Disclosures: There are no contingencies. There are no reservations or easements to be retained by the City. This property is sold "AS IS," where is, with all faults, no implied warranties, no guarantees, and no seller representation.
- The sale of this parcel will meet the City Council's objective to dispose of surplus real estate.
- The City offers a three percent commission to brokers representing bidders purchasing surplus properties.
- The bidders are responsible for a recordable plat that meets City/County Planning and Engineering approval. The bidders are also responsible for all development and acquisition costs which may include, but not be limited to, review and recording fees.

Alternatives

The City Council has the discretion to reject the bid. This alternative is not recommended because the Administration feels that the bid is representative of the market.

Financial Impact

If Mr. Durham and Ms. Sparko's bid of \$27,500.00 is accepted, the City will receive approximate gross revenue at closing in the amount of \$27,000.00 minus \$500.00 for the cost of the appraisal. There are no outstanding property taxes owed on the property.

With the 2011 assessed tax value of \$26,353, the sale of this property will increase the annual tax base by a minimum of \$342.00 based on the current tax rate of \$1.2978. It will release the City from incurring future maintenance costs

SDBE Summary

This item does not require review by the Equal Opportunity/Equity Assurance Department.

Attachments: 612 N. Mangum Street Map
Street View of 612 N. Mangum Street