



AGENDA MEMORANDUM

Future Item for the Council Meeting of November 13, 2018
Action Item for the Council Meeting of November 27, 2018

DATE: November 13, 2018

TO: Keith Selman, Interim City Manager

FROM: Becky Perrin, Interim Director, Parks and Recreation Department
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<p style="text-align: center;">Amendment to Service Agreement No. 596 Real Estate Brokerage Service for Surplus Properties</p>

CAPTION:

Motion to authorize extension and amendment of agreement No. 596 for real estate broker services with The Clower Company at a commission rate of 4.5 percent for an estimated amount of \$44,375.00, for a total estimated revised amount of \$221,877.50.

PURPOSE:

The amendment will allow the City to continue real estate broker services for sale of unsold park properties and amend to add 3 additional City lots: 7101 Edgebrook Drive; 5205 Edinburg Circle; and 6099 Ennis Joslin. This agenda item will allow a 25% contract value increase.

BACKGROUND AND FINDINGS:

The Texas Local Government Code provides for sale of property through a real estate broker. The City is authorized to list property with a broker and City may sell the property to the buyer who submits the highest cash offer. If a contract is made with a broker to list the tract of real property for sale for at least 30 days with a multiple-listing service, the

governing body on or after the 30th day after the date the property is listed may sell the tract of real property to the buyer who submits the highest cash offer. Offers are presented to City Council for approval by ordinance.

On December 15, 2015, City Council authorized a Real Estate Brokerage Service Agreement with The Clower Company regarding sale of park properties at commission rate of 4.5%. The Parks Department is requesting extension of the agreement regarding the remaining unsold park properties including: Cabra at 1323 W. Broadway; San Carlos at 12650 Figueroa Street; and Penn Place at 4302 Aaron.

In addition, the City has received inquiries from interested buyers regarding 3 lots (7101 Edgebrook Drive, 5205 Edinburg Circle and 6099 Ennis Joslin). It is requested that these lots be added to the list of properties to be sold under the Real Estate Broker Services Agreement.

ALTERNATIVES:

Utilize other methods for sale such as by sealed bid (previously authorized by Ordinance 030570 for the Edgebrook and Edinburg Circle lots) or by public auction.

OTHER CONSIDERATIONS:

Not Applicable

CONFORMITY TO CITY POLICY:

This conforms to the City’s purchasing policies and procedures and State statues regulating procurement.

EMERGENCY / NON-EMERGENCY:

Non-emergency

DEPARTMENTAL CLEARANCES:

Parks and Recreation
Water Utilities

FINANCIAL IMPACT:

Operating X Revenue Capital Not applicable

Fiscal Year: 2018-2019	Current Year	Future Years	TOTALS
Line Item Budget	\$0.00	\$0.00	\$0.00
Encumbered / Expended Amount	\$0.00	\$0.00	\$0.00
This item	\$0.00	\$0.00	\$0.00
BALANCE	\$0.00	\$0.00	\$0.00

Fund(s): N/A

Comments: The broker fee will be deducted from the sales proceeds.

RECOMMENDATION:

Staff recommends approval of the motion as presented.

LIST OF SUPPORTING DOCUMENTS:

Service Agreement for Real Estate Brokerage Service Agreement No. 596
Agreement to Extend and Amend Service Agreement