



Legislation Details (With Text)

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Title: Request for Proposals for Commercial Real Estate Broker Services (NB)

Staff recommends establishing a contract for commercial real estate broker services to assist GRU with the sale of properties on an as-needed basis.

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9/5/2013	1	City Commission	Approved as Recommended	Pass

Request for Proposals for Commercial Real Estate Broker Services (NB)

Staff recommends establishing a contract for commercial real estate broker services to assist GRU with the sale of properties on an as-needed basis.

On December 15, 2011, the City Commission declared the System Control Center (SCC) property surplus and authorized staff to issue Invitations to Bid for the sale of the vacant SCC property, located at 4322 NW 53rd Avenue. In addition, the General Manager was authorized to negotiate a purchase and sale agreement and execute documents to complete a closing for the sale to the highest bidder. Unfortunately, GRU did not receive any offers as a result of that solicitation. GRU received two bids for the property after the bid window closed. Both offers were significantly lower than the appraised value and were declined.

Due to the complexity of selling large or unique commercial properties, staff believes that the use of a commercial real estate broker can help GRU market certain properties to generate the highest sales price. A qualified commercial broker has the expertise and resources needed to develop a marketing plan and create exposure of the property on a national level. In addition, the broker has the advantage of utilizing their membership associations to advertise properties on multiple listing services and specialty real estate websites in an effort to locate specific types of buyers.

The Request for Proposals (RFP) will require commercial real estate brokerage firms to meet pre-established minimum qualifications and other criteria. GRU will reserve the right to award a contract to more than one commercial real estate brokerage firm based on the specific type of experience offered. Also, in the event a broker is unsuccessful in the sale of a property after an allotted time period, another broker could be engaged to assist in the sale. The RFP and award process will be issued by GRU Purchasing following City policy and procedures.

The negotiated broker's fee will be funded from the sale of the property.

The City Commission: 1) authorize the General Manager, or his designee, to issue a Request for Proposals for commercial real estate brokerage services to establish a three-year contract with a commercial real estate brokerage firm to market GRU surplus property on an as-needed basis; and 2) authorize the General Manager, or his designee, to use the real estate brokerage contract to enter into and negotiate purchase and sale agreements for the sale of surplus properties as authorized, reserving appropriate utility easements, and to execute all documents necessary to complete closings, subject to the approval of the City Attorney as to form and legality.