



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 17-00528

Community Redevelopment Agency 9/11/2017

ACTION ITEM

SPONSOR: Jewel Cannada-Wynn, Chairperson

SUBJECT:

AWARD OF CONTRACT FOR SALE OF 120 WEST GOVERNMENT STREET

RECOMMENDATION:

That the Community Redevelopment Agency (CRA) approve the award of a contract for sale of the surplus property at 120 West Government Street to Steven P. Grimes and Paul A. Grimes, as Co-Trustees of the Steven P. Grimes and Norma Moreno Grimes Family Trust dated January 13, 2011, and Paul A. Grimes or their permitted assigns, in the amount of \$720,000. Further, that the CRA request that City Council approve the award of the contract for sale and authorize the CRA Chairperson to execute all documents necessary for the sale of the property.

SUMMARY:

The Community Redevelopment Agency has stated its desire to comprehensively market available CRA-owned properties in the Urban Core Community Redevelopment Area. To date, the positioning of parcels for redevelopment has been an effective tool in the successful revitalization of Pensacola's Downtown Urban Core.

On August 9, 2016, the CRA approved a contract with NAI/Halford for Realtor Services for disposition of CRA-owned properties. NAI/Halford has secured a contract for sale of the surplus property at 120 West Government Street to Paul A. Grimes (50%) and Steven P. Grimes and Norma Grimes as Trustees for the Grimes Family Trust (50%) in the amount of \$720,000. The property was posted to the numerous multiple listing services subscribed to by NAI/Halford. Pursuant to the CRA's contract with NAI/Halford, five percent (5%) of the gross sales price will be paid for realtor commission fees from the proceeds of the property sale.

In keeping with CRA and City of Pensacola policies, the properties for disposition must be declared surplus and appraised. The W. Government Street property was declared surplus by the CRA on December 5, 2016. The disposition plan included a 30 day Notice of Disposition/RFP published on December 23, 2016 in the Pensacola News Journal, in compliance with the requirements of section 163.380 of the Florida Statutes.

The last market appraisal of the property, conducted in September 2016, determined the property's value to be \$765,000. A recent update of the market appraisal determines the current fair value of the property to be \$720,000.

Although the title to the property is held by the CRA and not the City of Pensacola, additional City Council action is required for the disposition of the property, pursuant to City Council Resolution No. 55-80 and the

CRA's Bylaws.

PRIOR ACTION:

February 9, 2015 - The CRA approved the utilization of professional real estate services to assist with marketing available CRA and/or City-owned properties within the CRA.

May 9, 2016 - The CRA approved issuing a Request For Proposals (RFP) for one realtor from the City's list of Qualified Real Estate Professionals to market CRA-owned property.

August 9, 2016 - The CRA approved a contract with NAI/Halford for Realtor Services for disposition of CRA-owned properties.

December 5, 2016 - The CRA declared the property surplus.

December 23, 2016 - A 30 day Notice of Property Disposition/RFP was published.

FUNDING:

Budget: \$ -0-

Actual:	\$ 720,000	Gross Proceeds from the Sale of Property
	<u>(36,000)</u>	5% Realtor's Commission
	<u>\$ 684,000</u>	Net Proceeds from the Sale of Property

FINANCIAL IMPACT:

The CRA will benefit from additional ad valorem revenue generated as a result of returning parcels to the tax roll. The CRA will receive \$684,000 in revenue from the proceeds from the sale of the property, less the five percent (5%) realtor's commission fee. The cost of realtor services will be paid from proceeds of the sale of property.

CITY ATTORNEY REVIEW: Yes

9/6/2017

STAFF CONTACT:

M. Helen Gibson, AICP, CRA Administrator

ATTACHMENTS:

- 1) Purchase and Sale Agreement - 120 West Government 9-1-17
- 2) 120 West Government Street Development Brief
- 3) Appraisal - 120 W. Government St - 092816
- 4) Appraisal - 120 W. Government St - 090617

PRESENTATION: No