



Memorandum

File #: 17-00530

City Council

9/14/2017

LEGISLATIVE ACTION ITEM

SPONSOR: City Council Member Jewel Cannada-Wynn

SUBJECT:

AWARD OF CONTRACT FOR SALE OF PROPERTY LOCATED AT 120 WEST GOVERNMENT STREET

RECOMMENDATION:

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

HEARING REQUIRED: No Hearing Required

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. Halford has secured a contract for sale of the surplus property at 120 West Government Street with Steven P. Grimes and Norma Moreno Grimes as Co-Trustees of the Steven P. Grimes and Norma Moreno Grimes Family Trust and Paul A. Grimes, in the amount of \$720,000.00. The property was posted to the numerous multiple listing services subscribed to by NAI/Halford. Pursuant the CRA's contract with 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 market appraisal, conducted in September 2016, determined the property's value to be \$765,000. An update of the appraisal was recently conducted and the fair market value of the property came in at \$720,000.

Although the title to the property is held by the CRA and not the City of Pensacola, City Council action is required for the disposition, pursuant to City Council Resolution 55-80 and the CRA's Bylaws.

PRIOR ACTION:

December 5, 2016 - 120 West Government Street declared Surplus by the CRA

FUNDING:

N/A

FINANCIAL IMPACT:

The CRA will benefit from tax revenue generated as a result of returning parcels to the tax roll. The CRA will receive \$720,000 in initial revenue from sale proceeds for the property, less the five percent (5%) realtor's commission fee. The cost of realtor services will be paid from proceeds of the property sale. Additionally, the CRA will receive future revenue from increased ad valorem property values.

STAFF CONTACT:

Don Kraher, Council Executive
M. Helen Gibson, AICP, CRE Administrator

ATTACHMENTS:

- 1) Purchase and Sale Agreement - 120 West Government 9-1-17
- 2) 120 West Government Street Development Brief
- 3) Appraisal - 120 West Government Street
- 4) Updated Appraisal-120 West Government Street

PRESENTATION: No