



MEMORANDUM

TO: Mayor and Council

FROM: Lauraine Rizer, Officer
Office of Real Estate Services

DATE: August 7, 2015

SUBJECT: Sale of City of Austin -Owned Assets

The Office of Real Estate Services (ORES), in conjunction with other City Departments, has compiled the attached list of City-owned surplus real property. Before beginning the process of disposing of any surplus property, ORES is hereby providing City Council with information on the standard COA sales procedure. Several proposed sales have been deemed time-sensitive by Departments due to urgent funding needs.

Background

The current ORES process for the sale of City-owned surplus real property is aligned with Texas Local Government Code Chapter 272 (see attachment). Current City procedure requires the approval by City Council of any sales of a fee simple parcel after ORES has successfully identified a willing and able purchaser. Under standard procedure, ORES does not notify City Council at the beginning of the sales process prior to the development of a Request For Proposals (RFP) or Invitation For Sealed Bids (IFB), nor is City Council involved in the development of bid criteria for proposers.

Property Sales Process

Once a Department has identified a parcel as surplus, ORES initiates the sales process by notifying the Neighborhood Housing and Community Development Department (NHCD) and offering to convey the property for Safe, Mixed-income, Accessible, Reasonably priced, Transit-oriented (S.M.A.R.T.) Housing development at the current appraised value. If NHCD does not choose to purchase the property, then all other City Departments are offered the opportunity to comment on the possible sale, whether due to a departmental interest in purchasing the property, or a need to reserve easements on the property.

If no City Department desires to purchase the property, then a solicitation (RFP or IFB) for that property is launched and opened to the public for at least six weeks, during which the property is advertised at least twice in local publications (per Texas Local Government Code).

The State of Texas and the appropriate County and School District are notified during this solicitation period. Additionally, signage is placed on the property and all owners and renters within 1000 feet of the property are notified in writing of the potential sale. Once a viable buyer has been identified, ORES brings a Recommendation for Council Action to City Council.

Direction Moving Forward

ORES proposes the categorization of potential sales into the following tiers:

- Parcels that must be sold in order to repay bonds and/or reduce debt;
- Parcels that would be sold to provide funding support for designated City programs and goals
- Parcels that would be sold with proceeds retained by the original purchasing department

A list of parcels currently determined as surplus by City Departments is enclosed with this memo. By early 4th quarter 2015, ORES will have released IFBs for each of the parcels at 4711 Winnebago Lane and 408 North IH-35 Frontage Road. It is expected that a viable bidder for each of these respective parcels will be brought forward to Mayor and Council by the end of 2015. ORES will begin sequencing sales of the remaining parcels throughout 2016-2017.

There are three parcels currently under review by NHCD for appropriateness for S.M.A.R.T. Housing development: 3000 Funston Street, 1611 W. 10th Street and 2100 Thornton Street. As a next step, ORES is ordering appraisals on these parcels.

Please contact me at (512) 974-7078 if you have any questions.

Xc: Marc Ott, City Manager
 Sue Edwards, Assistant City Manager

Attachments (2):

- Texas Local Government Code Chapter 272
- City of Austin Surplus Real Property (List & Map)