

TO: James L. App, City Manager
FROM: Mike Compton, Director of Administrative Services
SUBJECT: Real Estate Broker Services
DATE: September 2, 2003

Needs: For the City Council to consider extending real estate broker services with Country Real Estate.

Facts:

1. In February 1999, request for proposals (RFP) for real estate broker services were distributed to all real estate offices in Paso Robles.
2. The City received one response to the RFP from Country Real Estate.
3. In March 1999, the Council awarded the RFP to Country Real Estate.
4. In May 2001, the Council extended the relationship with Country Real Estate for another year, expiring June 30, 2002.
5. In April 2002, the Council extended the relationship with Country Real Estate for another year, expiring June 30, 2003.
6. The City has received a request from Country Real Estate (copy attached) to extend the relationship for an additional year.

Analysis
and
Conclusion:

The City's relationship with Country Real Estate expired June 30, 2003. While Country Real Estate and in particular Mitch Culver has done an excellent job for the City, the Council may desire to re-open the opportunity for other local real estate brokers.

All of the surplus properties listed with Country Real Estate except 801 4th Street have been successfully sold. In the case of 801 4th Street, two offers have been generated through Country Real Estate but have been rejected by the Council. It should also be noted that for a nearly a year after Country Real Estate's designation as the City's official real estate broker, 801 4th Street was not listed with them because the City was actively negotiating directly with a potential buyer. Also, efforts on this location were suspended until such time as the lot line adjustment for the Pine Street crossing was completed. Thus, Country Real Estate has not had a reasonable opportunity to recoup their investment of time and expense in marketing this property.

Staff is looking for direction from the Council as to whether they wish to simply extend the relationship with Country Real Estate for another year, distribute RFPs or cease all official ties with any real estate broker for the time being.

Fiscal
Impact:

The City's General Fund operating budget is balanced based upon the sale of 801 4th Street. Not having an official marketing effort in place; i.e. real estate broker, may diminish the City's ability to successfully sale said property.

Options:

- a. Extend the relationship with Country Real Estate for one year for all City properties;
or
- b. Extend the relationship with Country Real Estate for one year for the 801 4th Street property; or
- c. Direct staff to distribute Request for Proposals for real estate brokerage services; or
- d. Cease all official representation by real estate brokers as of June 30, 2002; or
- b. Amend, modify, or reject the above option.