

SULTAN CITY COUNCIL

AGENDA ITEM COVER SHEET

ITEM NO: Action A-1

DATE: January 11, 2007

SUBJECT: Acceptance of Bid – for 516 Date Street Property.

CONTACT PERSON: Rick Cisar, Director of Community Development

SUMMARY: The City received one bid for the 516 Date Street property after advertising the sale of the lot on October 29, 2006 through November 9, 2006 and again on November 21, 2006 to December 13, 2006. The City did not receive any bids from the first advertisement and therefore readvertised the property.

Notice of the property sale was advertised in the Everett Herald, Seattle Daily Journal of Commerce, Monroe Monitor, and the Sky Valley Review. Information packets on the property were also sent to prospective purchasers/contractors. In addition “For Sale Signs” were placed on the property and notices posted at City Hall.

One bid was received for the property on December 12, 2006 from TRI-GEN CONSTRUCTION in the amount of \$125,000.00. The bid was also accompanied by a Bid Bond in the amount of 5% or \$6,250.00.

The TRI-GEN CONSTRUCTION bid meets the minimum bid amount of \$125,000.00. The preliminary bid amount of value of the property was determined by recent sales in the area and contact with real estate agents and developers working in the City.

The subject property, as previously discussed with City Council, is designated as “Park Property” and therefore all monies received from the sale of the property can only be used for park acquisition and development purposes.

ALTERNATIVE ACTIONS:

1. Acceptance of the bid from Tri-Gen Construction will allow the City to immediately acquire additional Park land and thereafter develop facilities not currently available on the subject property.
2. Accept bid from Tri-Gen Construction and defer use of funds until next year (2008) in order to apply for a 50% matching fund grant through the Washington State Interagency for Outdoor Recreation Committee (IAC). Approval of a grant could increase the available funding for acquisition to \$250,000. However, the funds would not be available until 2009 when the State Legislature approves the IAC Funding Recommendation.
3. Reject the bid from TRI-GEN CONSTRUCTION and rebid sale of property at a later date in order to increase bid amount.

ANALYSIS OF ALTERNATIVES:

1. Alternative One will provide immediate funds for the acquisition of new parks lands.
2. Alternative Two, if the City is successful in obtaining a matching grant, it could increase the funds available to \$250,000. Sultan has been successful in previous grant opportunities with the IAC. However, if we are successful with our grant request, funding will not be available until 2009.
3. Alternative Three offers no assurance that additional bids will be received over and above the minimum bid amount. This is supported by our bidding history with the property.

FISCAL IMPACT:

Advertising and legal costs related to the sale of the subject property and expending approximately \$10,000 for the removal of the siren and pole on the property.

RECOMMENDED ACTION:

Motion to Accept the bid from TRI-GEN CONSTRUCTION in the amount of \$125,000.00 for the 516 Date Street Property and authorize the Mayor to sign all required sale documents.

COUNCIL ACTION:

DATE: