



MEMORANDUM

TO: Mayor and Council

FROM: Lauraine Rizer, Officer, Office of Real Estate Services

DATE: January 25, 2016

SUBJECT: 4711 Winnebago Lane Sales Review Process

The proposed sale of the City-owned land parcel at 4711 Winnebago Lane, stewarded by Austin Resource Recovery (ARR), is posted on the City Council agenda for this week on January 28th, as well as the Audit & Finance Committee agenda on January 27th. Due to questions from Council members, the Office of Real Estate Services (ORES) wishes to provide an overview of the steps followed for the sale of 4711 Winnebago Lane. This review process is in alignment with the standard disposal process for City of Austin assets. The following steps were taken, in chronological order:

- (1) ARR determined that the property had no current or future use in the department, and notified ORES that the property should be reviewed for a potential sale. (ARR also indicated that the sale of the property was a priority to them due to project funding needs.)
- (2) ORES issued a memo to City Council on August 7, 2015 providing an overview of City-owned properties designated as underutilized and ready to be reviewed for potential sale. The 4711 Winnebago Lane parcel was highlighted as the first parcel to be considered for sale.
- (3) Notification of the potential sale of 4711 Winnebago was provided to Neighborhood Housing & Community Development (NHCD), who per City ordinance on affordable (S.M.A.R.T.) Housing have the right of first refusal on the sale of City-owned properties. NHCD declared no interest in the property for S.M.A.R.T. Housing.
- (4) Notification of the potential sale was provided to all other City departments, to offer each the opportunity to comment on or raise objection to the sale. Possible reasons a department might comment or raise objection to sale of a property would be the presence of easements or infrastructure on the site, or an alternative future use for the site foreseen by that department. No departments, including Parks and Recreation Department (PARD) and Austin Transportation Department (ATD), raised objection to the sale or indicated a potential future use.
- (5) Notification of the potential sale was provided to Travis County, Austin Independent School District (AISD), the State of Texas, and the University of Texas at Austin. ORES received no comment or objection from these entities.
- (6) Notification of the potential sale was sent via postcard (in bright red) to property owners and utility customers located within 1000 feet of the property. ORES received no comment or objection in response to this notification.
- (7) An Invitation For Sealed Bids (IFB) was developed by ORES in conjunction with ARR and the Law Department and with facts about the property provided by other City staff and third-party consultants. A minimum bid of \$1,330,000 was established for this solicitation, based on an

independent third-party appraisal of the property. Upon release of the IFB to the public, the documents were posted on the ORES website, and an informational sale sign was posted on the 4711 Winnebago Lane property.

- (8) The sales solicitation released on October 16, 2015 was advertised in the Real Estate section of the Austin American-Statesman on two Saturdays and two Sundays (October 18th, 19th, 25th, and 26th). A listing of the property was also posted on LoopNet, a website that lists commercial properties for sale or lease.
- (9) The solicitation was originally opened to the public on September 10, 2015, and closed on October 9, 2015. The City received no responsive bids to this solicitation, and an IFB was reissued to the public on October 16, 2015. In response to this solicitation, closed on November 10, 2015, a potential winning bid of \$1,450,001 was received and selected to present to City Council as a Recommendation for Council Action to approve the sale.

ORES and ARR staff are available this week to answer further questions about this particular sales solicitation, or other questions about the City's current real estate sales review process, in advance of discussion and possible action by the Audit & Finance Committee on Wednesday, January 27th and City Council on Thursday, January 28th.

xc: Marc Ott, City Manager
 Sue Edwards, Assistant City Manager
 Robert Goode, Assistant City Manager
 Bob Gedert, Director, Austin Resource Recovery