



Memorandum

TO: Mayor and City Council

THROUGH: Karolyn Kent, Assistant City Manager

FROM: Kim Fallbeck, Real Estate Administrator
Angelica Guevara, Development Services Project Manager

SUBJECT: Thomas and Recker Land Auction

DATE: January 3, 2019

This memo is intended to provide information on the Thomas and Recker Land Auction. The property is approximately 132.54 acres and is located at the northwest corner of Thomas and Recker roads. The City acquired the property in 1998 with General Obligation Bonds for \$4,026,000 with the intent of using it for future open space needs and public use. The property has a current appraised value of \$15,600,000. It has a sewer lift station accessed on Star Valley Street from Recker Road that will be carved out and retained by the City. Since the property was purchased by the City using General Obligation Bonds, \$4 million of the sales proceeds will be used to pay down outstanding principal or invest in another project for public use within two years after the property transfer.

Based on the current interest in this property, and the surrounding development, residential land use is anticipated by City staff. The final development patterns and densities will be determined as part of the land entitlement process.

Staff has reviewed the process that the Town of Gilbert used for a live auction and combined it with the City policies expressed in Management Policy 208. In addition to the City's notice requirements, staff recommends following the Arizona Revised Statutes requirements for notice, which provide for more notice in the newspaper and additional physical property postings at the property for sale. Staff proposes the following schedule:

January 16, 2019	Post Auction Notice on City Website and Post Site
January 18, 19, and 20, 2019	Advertise in Local Newspaper
February 4, 2019	Pre-Auction Conference
February 19, 2019	Deadline to Receive Questions
February 21, 2019	Deadline for Staff to Post Answers
March 7, 2019	Auction and Review of Bids
March 11, 2019 - tentative	Open Escrow
TBD	Council Reviews Proposed Purchase Contract from Highest Bidder

Bidders will be required to provide a \$250,000 Cashier's Check to participate in the auction which will be held on Thursday, March 7th. Bids will be made in \$50,000 increments and the successful bidder will be required to provide an additional Cashier's Check totaling 5% of the winning bid amount to open escrow upon review and approval by the City. March 11, 2019 is the tentative date for opening escrow.