



TITLE: Consider/Discuss/Act on a Resolution Authorizing the City Manager to Enter into a Real Estate Purchase Agreement for Property Located at 1620 W. Virginia St., McKinney, Texas

MEETING DATE: July 16, 2013

DEPARTMENT: Purchasing

CONTACT: Debbie Nye, Purchasing Manager

RECOMMENDED CITY COUNCIL ACTION:

- Approval of Resolution

ITEM SUMMARY:

- Purchasing held an online auction for the sale of real property located at 1620 W. Virginia St., McKinney, Texas (formerly Westwood Apartments tract)
- Online auction closed on July 9, 2013
- Highest bid was received from Asa Heidarian in the amount of \$479,100.00 and bidder has tendered \$50,000 cash earnest money, pending City Council authorization of a purchase agreement

BACKGROUND INFORMATION:

- The property was obtained in a tax foreclosure sale in 2012. The City has also expended \$496,820.60 in demolition and related costs on the property. A contract was negotiated with Rene' Bates Auctioneer, Inc. to perform an online auction for 5% of the gross sales price as the agreed compensation.

FINANCIAL SUMMARY:

- Proceeds from the auction will be applied to the following outstanding taxes/fees/costs in the order listed below:

Taxes - \$195,630.30 (includes City's portion: approx. \$44,000)

Court Costs - \$1,314.00

Constable fees - \$34,053.13

Publication fees - \$538.65

Auctioneer Services - \$23,955.00

Approximate Closing costs - \$1,000.00

- Estimated remaining proceeds to be paid to City of McKinney on or after Closing are as listed below:

At Closing (General Fund) – approx. \$222,600.00

After Closing from tax assessor/collector as ad valorem taxes (General Fund) – approx. \$44,000.00

BOARD OR COMMISSION RECOMMENDATION: N/A