

RESOLUTION NO. 1238

A RESOLUTION ESTABLISHING A PROCEDURE FOR SALE OF CERTAIN CITY REAL PROPERTIES

A. The City of Prineville ("City") owns the following real properties (the "Properties"):

<u>Project No.</u>	<u>Tax Map & Lot No.</u>	<u>Apprx. Acreage</u>
1b	1415-36 TL 4700 (portion)	2
2	1415-36 TL 4800	2.03
3/4	1415-36 TL 4100 and 4200	3.98
5	1415-26 TL 505 (portion)	3.72
6	1515-12B TL 1700	2.03

B. City desires to sell the Properties. Pursuant to ORS 221.727 the City is authorized to establish a procedure for the sale of such Properties;

C. City has published notice of public hearings regarding the proposed procedure for the sale of the Properties and has held two public hearings;

NOW, THEREFORE, the City of Prineville resolves as follows:

1. The City adopts the procedure attached as Exhibit A to this Resolution as the method to be used for sale of the Properties.
2. This Resolution shall be effective immediately.

Passed by the City Council this 8th day of July, 2014.


Betty J. Roppe, Mayor

ATTEST:


Lisa Morgan, City Recorder

EXHIBIT A

Part 1

Step 1. Verify that each City owned property is a legal unit of land that can be sold.

Prior to Part 2:

- A) Sign contract with realtor of record to advertise including creating brochure.
- B) Have properties inspected and provide inspection report to realtor of record.
- C) Identify wells and do required testing.
- D) Create any needed easements for access and/or water.
- E) Determine/establish water rights.
- F) Create new parcels via land use process.
- G) Have the realtor of record draft sales contracts without the specified price for the sale of the properties. The sales contracts are to be reviewed and approved by the City Manager and the Planning Director.

Part 2

Step 1. Notice to be published in the newspaper for two consecutive weeks identifying the properties and a time and place where the properties will be sold to the highest bidder using a sealed bid process. The sealed bids will be opened at a meeting open to the public. This notice process will make the City's process consistent with ORS 221.725.

Step 2. Send notice to tenants and Viking Property Management, LLC by certified mail for each City owned property so the tenants are aware of the proposed sale. Notice is to be mailed at least two weeks before the designated sale time.

Step 3. Sell the City owned properties by sealed bid to the highest bidder with the following exceptions and requirements:

- A) The minimum bid price is the listing price established by the City Council.
- B) The sale of the properties with dwellings will include a domestic water source (well) and may include water rights.
- C) The current tenant in any of the properties has the "first right" to buy the property at the highest bid price. If they choose not to pay the highest bid price, the highest bidder is then the winner. If the tenant chooses to pay the highest price bid, they must begin escrow as a pre-qualified buyer within 5 working days. If they do not begin escrow as mentioned or choose not to purchase property, the bid winner must begin escrow as a pre-qualified buyer within 10 working days.
- D) All bidders must submit proof of being pre-qualified with their bid. Pre-qualification proof is a letter from a lending institution indicating the maximum amount the lending institution will loan the bidder. All bidders may use a realtor or other real estate professional to represent them in the bidding and escrow process. Use of a realtor or real estate professional is solely at the buyer's expense. The City will not pay the buyers realtor fee.
- E) The sealed bids are to be submitted to Phil Stenbeck, Planning Director, no later than 5:00 p.m. on the day before the meeting open to the public, where the bids are to be reviewed. Upon winning the bid, a check for \$1,000.00 or 1% of the winning bid price, whichever is lowest, shall be required to begin escrow.
- F) If the sealed auction results in a tie, an open verbal bid will occur at the meeting between the bid winners who are in a tie when the bids are opened. Bidders or a bidder's legal representative must be present at the meeting in order to verbally bid. Verbal bids in excess of the written pre-qualification amount will not be accepted.
- G) The bid winner has 14 days to have inspections of the property done at their

- expense. The City will not pay for any inspection work identified in the inspection reports.
- H) The properties are to be sold "as is".
 - I) The escrow is to be 45 days for a tenant/buyer and 60 days for a non-tenant buyer.
 - J) The sealed bid is to be reported to the Mayor and City Council at the next City Council meeting.
 - K) Real estate contracts opening escrow are to be signed by the City Manager within 5 working days, with a 3% of sales price real estate agent fee being paid to the realtor of record by the City when the property is sold.
 - L) If there are no bids equal to or over the minimum price for a property, the realtor of record is to list the property in the MLS at the price identified by the City Council. The traditional real estate agent fees are to be paid by the City, not to exceed 6% - 3% for listing agent and 3% for selling agent.
 - M) Contracts for listing the properties with the realtor of record shall be signed by the City Manager.
 - N) The City is to receive full payment for the properties.