

AGENDA ITEM



TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS

FROM: ASSISTANT TO THE CITY MANAGER

DATE: AUGUST 3, 2004

SUBJECT: REAL ESTATE LISTING AGREEMENT

The city of Rancho Palos Verdes invited 27 brokers to compete for the business to sell a city owned residence.

I won the contract, I listed the property for \$899,000 and sold it for \$899,000.

When it comes time for you to sell or when you know someone who wants to sell, make sure you ...

choose GEORGE FOTION!

RECOMMENDATION

Authorize execution of the real estate listing agreement with Call Realty with the intent to sell the property located at 30678 Palos Verdes Drive East for fair market value.

BACKGROUND

The City purchased the single-family residence at 30678 Palos Verdes Drive East in April of 2001 for the purpose of serving as a staging area for construction equipment used in the San Ramon drainage system project. Since the completion of the project, the residence has been vacant.

In late 2003, an undetected water leak due to the broken hot water supply line in the laundry room resulted in some water damage and mold to the interior of the home. Mold abatement and repairs for the resulting damage were conducted in the hallway, two bathrooms, laundry room, and master bedroom closet. The necessary plumbing repairs and air clearance testing have also been completed.

On June 15th, the City Council unanimously decided to sell the property located at 30678 Palos Verdes Drive East through a real estate broker for fair market value.

DISCUSSION

In search of a realtor, the City distributed a Request for Qualifications (RFQ) to 27 local realtors/real estate offices (referred by the Chamber of Commerce) and the City received seven proposals in response. Staff evaluated all seven written proposals according to the following criteria: professional real estate background, proposed marketing plan, knowledge of the area, list of sales for the past two years, any conflict of interest, fees and references. Staff selected the Call Realty proposal, which scored high in every category, as the most qualified to address the City's needs.

At the time this staff report was prepared, the City extended the first offer of the property sale to the previous property owner. The City anticipates receiving his final decision by or before the date of the City Council meeting. Should there be no sale agreement, the City Council is asked to consider approving the execution of the listing agreement with Call Realty.

The attached listing agreement with amendments is for a term of 60 days. The amendments include clarification that the agent is acting solely upon the City's behalf, the first right of refusal given to the previous property owner, the lot line adjustments to the property, and the anticipated rezoning designation.

FISCAL IMPACT

The listing agreement includes the broker fee of 5% of the property's sale value.

PREPARED BY

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