

## City Council – Action Request Form

**Date:** October 9, 2017

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**To:** The City Manager

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**From:** S. Kirk Bjorling, Real Estate Administrator

**Council Action Requested:**

Consideration of a Resolution Authorizing the Sale of Certain City-owned Property at 4900 Rumley Circle Under the Upset Bid Procedure (N.C.G.S. 160A-269) (North Ward)

**Strategic Focus Area:** Livable Neighborhoods  
**Strategic Objective:** Improve Character and Condition of Neighborhoods  
**Strategic Plan Action Item:** No  
**Key Work Item:** No



**Summary of Information:**

The City owns a single-family lot and a house situated thereon identified as Tax PIN 6827-49-4385 located at 4900 Rumley Circle. The lot is zoned residential, contains approximately 10,454 sq. ft., and the seven room house contains 1,449 sq. ft. (living room, kitchen, den, four bedrooms, and two baths). The property was acquired through mortgage foreclosure. The tax value is \$58,000. Palis, LLC; Salvatore Looz, President, 612 South Main Street, King, NC 27021 has submitted an offer along with the required deposit to purchase the property. The offer is \$62,500.

The house was acquired in November, 2016 by foreclosure on a loan. The property was originally advertised for sale at \$64,900 in December, 2016. The City loan and first lien holder buyout total approximately \$79,500; however, this is not a realistic sale price. A professional real estate broker was consulted who, after doing a market analysis, advised that the City could expect to receive approximately \$60,000 for the house, which would net the City approximately \$20,000, or ½ of its original \$39,000 loan. If the City had not bid at the foreclosure, it would have lost the entire \$39,000. If this vacant property is not disposed of, the City will continue pay

**Committee Action:**

<b>Committee</b>	Finance 10/9/2017	<b>Action</b>	Forwarded to Council without Recommendation
<b>For</b>	Unanimous	<b>Against</b>	
<b>Remarks:</b>			

for the future upkeep. The offer of \$62,500 from Palis, LLC would put the City in position to receive approximately ½ of its original loan investment, which was the goal.

The property is being purchased “As Is/Where Is and With All Faults”. The Buyer has agreed to the following provision in the purchase contract: “The Buyer agrees that no noxious or offensive activity shall be carried on upon the property, nor shall anything be done thereon which may be or may become an annoyance or nuisance to adjacent owners. The lot and any improvements thereon must be maintained in accordance with any and all applicable Housing, Sanitation, Environmental codes and other applicable codes of the City of Winston-Salem.”

Under the provisions of N.C.G.S. 160A-269, the City Secretary shall cause a notice of proposed sale, containing a general description of the property, the amount and terms of the offer, and a notice that within ten days any person may raise the bid by not less than ten percent of the first \$1,000 and five percent of the remainder, to be published, and without further authorization of the City Council, shall re-advertise the offer at the increased bid; and this procedure shall be repeated until no further qualifying bids are received, at which time the City Council may accept the offer and sell the property to the highest bidder or reject any and all offers. In the event that no upset bid is received, the property will be sold to Palis, LLC; Salvatore Looz, President without further City Council action. If raised bids are received, City Council confirmation is required.

The attached resolution authorizes the sale of Tax PIN 6827-49-4385, known as 4900 Rumley Circle under the upset bid procedure to Palis, LLC; Salvatore Looz, President or their assigns as herein stated.