City of Hollywood

Hollywood City Hall
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Hollywood, FL 33020
http://www.hollywoodfl.org

Legislation Text

File #: R-2018-142, **Version:** 1

A Resolution Of The City Commission Of The City Of Hollywood, Florida, Approving And Authorizing The Sale Of City-Owned Property, Located At 7508 Grant Court, To Sunrise Lake Homes, LLC In The Amount Of $269,900.00; Authorizing The Appropriate City Officials To Execute The Attached Residential Contract For Sale And Purchase Along With A Warranty Deed.

Staff Recommends Approval of Attached Resolution.

Explanation:
On April 3, 2015, the City acquired the real property located at 7508 Grant Court consisting of a single family residence from Sean Cononie by Special Warranty Deed.

On November 15, 2017, the City Commission passed and adopted Resolution No. R-2017-330 which approved and authorized the issuance of Blanket Purchase Order No. B003071 with Real Estate Asset Disposition Corp. ("READ") to provide real estate services to the City.
City staff determined that READ would market the Grant Court property for sale and it would be sold "As Is" with all closing costs to be paid by the buyer.

READ's efforts have resulted in receipt of an offer to purchase the property "As Is" from Sunrise Lake Homes, LLC of Fort Lauderdale, Florida, in the amount of $269,900.00, along with an initial deposit in the amount of $10,000.00 from the Buyer. A copy of the "As Is" Residential Contract for Sale and Purchase is attached as Exhibit 1.

Pursuant to Section 13.01(a), of the City Charter, entitled Sale of City-Owned Real Property, any property which the city proposes to sell or otherwise dispose of must be appraised by one (1) independent, qualified appraiser. If the appraiser values the property in excess of two hundred fifty thousand dollars ($250,000.00), a second independent appraisal is required. If the two appraisals differ by more than twenty-five present (25%), a third independent appraisal is required.

An independent appraisal of the property was conducted on July 28, 2017 by The Urban Group, Inc., and the appraised valued of the property in its "As Is" condition was determined to be $275,000.00. A second independent appraisal of the property was conducted on April 18, 2018 by Hartman Appraisal Service, Inc., and the appraised value in its "As Is" condition was determined to be $279,000.00. Because the first and second independent appraisals of the Property differ by only approximately 1.5%, a third independent appraisal is not required prior to conveying the Property.

The property needs a fair amount of rehabilitation and the pool needs extensive repairs. The initial offer was $205,000.00 and it was negotiated up the current offer of $269,900. The offer is slightly below the lowest appraised value, but the Broker believes it's the best possible. Accepting the offer

will enable sale of the property to be concluded prior to hurricane season getting well underway.

Pursuant to Section 13.01(b) of the City Charter, Sale of City-Owned Real Property, a five-sevenths (5/7) vote of the total commission membership shall be necessary for the sale or disposition of any property valued by any of the appraisers in excess of two hundred fifty thousand dollars ($250,000.00).

Upon sale of the property, the property will be placed on the tax rolls and the City's ongoing maintenance costs shall be eliminated. Staff recommends that the City Commission approve and authorize the execution of the attached "As Is" Residential Contract for Sale and Purchase along with a Warranty Deed for the sale of the property to Sunrise Lake Homes, LLC in the amount of $269,900.00. Closing on the transaction is currently scheduled for June 24, 2018, pending approval of the proposed sale by the City Commission. Sales proceeds shall be deposited in General Revenue Account Number 34.1200.00000.364.00220.

Recommended for inclusion on the agenda by:
Dr. Wazir Ishmael, City Manager
Gus Zambrano, Assistant City Manager
Shiv Newaldass, Chief Development Officer/Interim Director of the Department of Development Services
Clay Milan, Community Development Division Manager