

**BOARD OF ALDERMEN**

**ITEM NO. C(5)**

**AGENDA ITEM ABSTRACT**

**MEETING DATE: November 20, 2007**

**TITLE: A Request to Sell Property Located at Piney Mountain Road by Upset Bid**

<b>DEPARTMENT: Management Services</b>	<b>PUBLIC HEARING: No</b>
<b>ATTACHMENTS:</b> <b>A. Resolution</b> <b>B. June 25, 2002 Resolution Declaring the Property Surplus and Authorizing the Manager to Dispose of the Property</b>	<b>FOR INFORMATION CONTACT:</b> <b>Sandra Svoboda, Purchasing Officer/Budget Analyst, 918-7301</b> <b>James Harris, Economic and Community Development Director, 918-7319</b>

**PURPOSE**

The purpose of this agenda item is for the Board to approve the sale of the property located at the South Side of Eastwood Road 110' east of Piney Mountain Road/Eastwood Road Intersection, Chapel Hill, NC 27514, PIN# 9789-69-0049, Tax Map 7.28..5A by upset bid according to G.S. 160A-269.

**INFORMATION**

The Town of Carrboro acquired this property as collateral for the Ashley Day Care Revolving Loan upon foreclosure of the loan for failure to repay a debt to the Revolving Loan Fund. The staff also requested and received permission from the Carrboro Board of Aldermen on June 25, 2002 to dispose of the property to recover the money owed by Ashley's Day Care. The proceeds from the sale of this property will be placed in the Carrboro Revolving Loan Fund. However, since it has been over five years since this discussion, town staff is returning this item to the Board for consideration.

In 2002, through the court system, the land satisfied the \$50,000 debt owed from Ashley's Day Care loan. At the time of the foreclosure in 2002, an appraisal was done showing the property having a value ranging from \$55,000 to \$68,000. In 2003-04, the Town, in response to accounting regulations (GASB34), added land to the Town's fixed asset records. At that time, the Orange County tax records showed the assessed value of the land to be worth \$33,976. As of last week, the Orange County records showed the assessed land valued at \$40,792.

Dr. Benjamin Brodey has submitted a bid for property owned by the Town of Carrboro described as PIN number 978-969-0049. He has made an offer to purchase the property for \$53,000 and has made a deposit in the amount of \$2,650 which is required by general statues and is not less than 5% of the bid.

The upset bid process is such that if the Board of Aldermen proposes to accept the bid, the Purchasing Officer will publish the notice of the proposed sale in the Chapel Hill Herald. Individuals will have 10 days following the published notice to submit a sealed bid with their offer to the office of the Purchasing Officer. If no offer is received, Dr. Brodey's offer may be accepted. If a qualifying (i.e., meeting the statutory requirements) higher offer is received and the appropriate deposit paid to the Clerk (5% of the bid amount), another notice will be published and individuals will have 10 days to submit a sealed bid. This process will continue until there are no offers received during the 10 day period following the published notice.

**FISCAL IMPACT**

The money received from this sale will be deposited in the Revolving Loan Fund.

**STAFF RECOMMENDATION**

If the Board considers the offer acceptable, the Board of Aldermen is then requested to approve the attached resolution requesting the sale of the Piney Mountain Road property by upset bid. Otherwise, the Board may choose to decline the offer made by Dr. Brodey.