

AI-54828

Purchasing Department 20. B. 1.

CC - REGULAR

Meeting Date: 06/07/2016

Submitted For: Valde Guerra, EXECUTIVE OFFICE

Submitted By: Marty Salazar, PURCHASING DEPT.

Department: EXECUTIVE OFFICE

Information

CAPTION

Pursuant to executed Real Estate Broker Services-Notice to Proceed document dated 10-27-15 to CBRE, Inc., requesting approval to terminate said order inasmuch it is not in the best interest of Hidalgo County to dispose of these two properties with authority to send termination notice to CBRE.

BACKGROUND

See Intent to Terminate Notice to Proceed e-mail sent to CBRE on behalf of Executive Officer.

Fiscal Impact

FISCAL YEAR:

ACCT. #:

FUNDS AVAILABLE Y/N?:

MATCHING FUNDS Y/N?:

BUDGETARY IMPACT:

With this action, no fiscal impact is anticipated.

Attachments

backup

backup

Form Review

Inbox	Reviewed By	Date
Purchasing - Internal	Marty Salazar	06/02/2016 03:29 PM
Budget & Management	Veronica Ortiz	06/02/2016 04:19 PM
Glinda Pacheco	Glinda Pacheco	06/03/2016 01:54 PM
Final Approval	Monica Salinas	06/03/2016 05:59 PM
Form Started By: Marty Salazar		Started On: 05/30/2016 09:50 AM
Final Approval Date: 06/03/2016		

**06HIDALGO COUNTY
REAL ESTATE BROKER SERVICES
NOTICE TO PROCEED
RFP Nº 2014-132
C-14-132-07-08**

Date: Oct. 27, 2015

ASSET DISPOSITION- **207 E. Loeb St., Edinburg, TX
& 219 E. Loeb St., Edinburg, TX**

DESCRIPTION OF WORK TO BE PERFORMED:

Broker to provide disposition and consulting services, as enumerated in the **CBRE** proposal to Hidalgo County, dated **October 27, 2015**, with respect to the real property with a physical address stated on "Attachment A" (attached hereto) and as further enumerated in the following pages.

GENERAL PROVISIONS: Terms and conditions of the contract between Hidalgo County and **CBRE, Inc.** approved by Commissioners' Court of Hidalgo County on **July 08, 2014**, remain in effect.

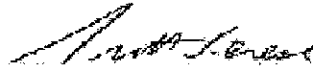
With the issuance of this **Notice to Proceed** Broker certifies that there has been no material change in the qualifications of the broker and Broker remains as fully qualified to perform the services as the date on which the County considered the response of Broker to the Request for Proposals.

This **Notice to Proceed** incorporates, by reference, **CBRE** proposal to Hidalgo County dated, **October 27, 2015** Proposal for Real Estate Broker Services,

This **Notice to Proceed** as authorized by Hidalgo County Commissioners Court or County administrator, and executed on behalf of Hidalgo County by Valde Guerra, CC Executive Officer shall serve as Notice to Proceed.



Valde Guerra, CC Executive Officer
Hidalgo County



Scott Sense, Managing Director
CBRE, Inc

APPROVED BY
COMMISSIONERS' COURT
ON: 10/27/15

APPENDIX A – SCOPE OF SERVICES SPECIFIC TO ASSET

Understanding of Project

Hidalgo County wishes to dispose of a surplus assets located at 207 and 219 E. Loeb Street (inclusive), Edinburg, Texas including the land and improvements, for the maximum price possible to a private sector party, thus capturing an immediate revenue opportunity and placing the asset back on the tax rolls for ongoing revenue. The County is engaging CBRE to provide guidance on the disposition process and represents the County in the marketplace. CBRE believes the potential users of the site include retail or office.

Listing Price: \$ 180,000.00(Fair Market Value Appraised) (dollars only) 207 & 219 E. Loeb, Street, Edinburg, Texas

Listing Expiration: 06 / 30 /2016

CBRE Scope of Services

CBRE will deploy senior local market specialists and our Public institutions team to generate offers for the asset and will generally assist Hidalgo County throughout the disposition process. We propose the following process in order to maximize market participation, subject to statutory and policy constrains.

Month 1 – Pre-Market Engagement – Prepare marketing materials and Asset Due Diligence

CBRE will prepare marketing materials, including locating a sign on the property, the development of an email flyer and website, and other offering data that may be required. CBRE will review any existing due diligence material such as offers received, surveys, old appraisals, environmental reports, etc.

CBRE will prepare a select list of potential buyers based on our database of brokers, developers, and investors, and our knowledge of activity in the market.

Month 2 –Market Engagement

CBRE will engage the market initially with phone calls and distributing the marketing materials electronically, CBRE will represent the County in a “call for offers”, bringing speed and certainty to the transaction. Currently, we believe that the “call for offers” should be a six-week window and we recommend a final due date at the end of_____.

CBRE will schedule and conduct tours of the property on an as-needed basis. To the extent that Hidalgo County has received letters of interest or offers on the property. CBRE will engage the interested party and notify them of the County’s intent to sell and CBRE’s engagement to assist the County in this endeavor. We will inform them of the County process and advise them as to how to make an offer for the property.

At the end of the month, CBRE will provide the County team with a summary report on market activity and feedback.

Month 3– 6: Ongoing Representation and Closing

CBRE will advise the County on any necessary strategy changes in positioning the asset for sale if initial market feedback is sub-optimal.

CBRE will forward all offers, whether in the form of a Letter of Intent or TREC forms, to Hidalgo County upon receipt and advise the County accordingly. CBRE will represent the County throughout the disposition process (closing).

Timing and Compensation

CBRE will be compensated fixed fees for initial consulting and a supplemental success fee (commission) in the event of a transaction, the latter of which is paid out of the proceeds of sale upon closing.

Success Fee:

COMMISSION RATE SCHEDULE	
Consideration (Sale Price)	CBRE Fee
\$0 to \$2,000,000.00	6.00 %

Commissions shall be calculated on a cumulative basis. Any co-broker will be responsible to arrange their compensation by their principal.

Disclosures & Acknowledgements

1. Hidalgo County agrees that Hidalgo County shall pay CBRE a commission in accordance with the Schedule, if, within one hundred twenty (120) calendar days after the expiration or termination of the Term the Property is sold to, or Hidalgo County enters into a contract of sale of the Property with, or negotiations continue, resume or commence and thereafter continue leading to a sale of the Property with, or negotiations continue, resume or commence and thereafter continue leading to a sale of the Property to any person or entity (including his/her/its successors, assigns or affiliates) with whom CBRE or Hidalgo County has negotiated (either directly or through another broker or agent) or to whom the Property has been submitted prior to the expiration or termination of the Term. CBRE is authorized to continue negotiations with such persons entities. CBRE agrees to submit a list of such persons or entities to Hidalgo County no later than fifteen (15) calendar days following the expiration or termination of the Term, provided, however, that if a written offer has been submitted it shall not be necessary to include the offeror's name on the list.
2. Hidalgo County further agrees that (a) if a lease of the Property is entered into during the Term to anyone, or (b) if, within one hundred twenty (120) calendar days after the expiration or termination of the Term, the Property is leased to, or

Hidalgo County enters into a contract to lease the Property with, or negotiations continue, resumes or commence and thereafter continue leading to the lease of the Property to any person or entity (including his/her/its successors, assigns or affiliates) with whom CBRE or Hidalgo County has negotiated (either directly or through another broker or agent) or to whom the Property has been submitted prior to the expiration or termination of the Term, Hidalgo County shall pay CBRE a leasing commissioner in accordance with the schedule.

3. Hidalgo County acknowledges the CBRE is a national brokerage firm and that, in some cases, it may represent prospective purchasers. Hidalgo County desires the Property to be presented to such purchasers and Hidalgo County hereby consents and authorizes to CBRE acting as an intermediary between Hidalgo County and any such prospective purchasers.
4. CBRE is licensed and regulated by the Texas Real Estate Commission (TREC). TREC administers two recovery funds which may be used to satisfy judgments against inspectors and real estate licensees involving a violation of the law. Complaints or inquiries should be directed to the Texas Real Estate Commission, P.O. Box 12188, Austin, Texas 78711-2188, (512) 465-3630.
5. Hidalgo County acknowledges having received, prior to the execution of this Agreement, a copy of TREC Form No. OP-K, "Information About Brokerage Services" from CBRE.
6. CBRE is not an environmental, property title, or property survey expert and makes no representations, regarding the accuracy or completeness of reports or data provided to the County by independent third parties.

"Attachment A"

207 E. Loeb Street, Edinburg-Lots Nine, Ten, Eleven and Twelve (9, 10, 11 & 12) in **Block One Hundred Sixty-four (164)**, of **EDINBURG**, Hidalgo County, Texas, according to the map and plat thereof recorded in **Volume 1, Page 23, Map Records**, Hidalgo County, Texas

219 E. Loeb Street, Edinburg-Lot, parcel and piece of land situated in Hidalgo County, Texas, known as **Lots Nos. Seven (7) and Eight (8) in Block No. One Hundred Sixty-four (164)**, according to the map and plat of the **TOWNSITE OF EDINBURG**, which map and plat is duly recorded in **Volume 1, Page 23, Map Records**, Hidalgo County, Texas