

Disposal of Surplus Real Property

When the Board has evaluated alternatives and determined a need to dispose of surplus real property, the following process shall be followed.

1. Surplus Property Declaration

The Board will adopt a resolution with respect to each parcel of surplus property, declaring the District no longer needs the property.

2. Appraisals of Property

The Superintendent or designee will use, where cost effective, the services of professional real property appraisers or consultants in obtaining the most desirable price, terms, or timing for property disposition.

When the estimated value of such property is in excess of \$100,000, at least one independent appraisal by a fee appraiser shall be obtained as a guide to negotiations.

3. Procedures for Disposition

The Superintendent or designee shall be authorized to enter into discussions relating to the disposition of property designated surplus by the Board. Where appropriate, the Superintendent or designee is authorized to obtain advice from the district legal counsel in matters relating to property disposition.

4. Use of Real Estate Agent

Where appropriate, and upon formal Board approval, a real estate agent may be utilized for the disposition of property. Selection should be based upon the experience and qualification of the agent and the nature and location of the property involved.

The selection process may include:

- a. Request for proposals from agents experienced in the nature of property.
- b. Selection from agents that have been selected to provide real estate agent services for other governmental agencies through the "piggyback" bid option, if applicable.
- c. Selection as a sub contractor by the designated non-staff Board representative if a negotiated sale is the method utilized.

5. Sale Through Negotiation

The Board may determine by resolution to sell or lease surplus property through negotiations by designated representatives or staff of the District. The designated representative or staff will bring reasonable offers to the Board. The offer shall be presented to the Board by the Superintendent in executive session. Final action on such sale by the Board shall take place in an open meeting.

6. Sale by Competitive Bidding

As an alternative to disposal of surplus property by negotiations, the Board may elect to sell surplus properties by competitive bidding as follows:

a. Minimum Price

Following receipt of the appraisal(s) of each parcel of surplus property, the Board will establish a minimum acceptable price, which will not be less than the lowest appraisal of the property.

b. Sales Promotion

Concurrently with offering surplus property for sale, the District, or the designated representative, may conduct a sales promotion program to create interest in and demand for the property.

c. Notice of Sale

Notice of each offering for sale of surplus property shall be given by publication in The Statesman Journal, not less than once a week for four consecutive weeks, and in such other publications as the Board deems advisable. The notice shall describe the property to be offered in general, the minimum prices for which it will be sold, and a brief statement of the terms of the sale.

d. Acceptance of Bids

- (1) Bids will be received from qualified bidders on each individual parcel of surplus property. The Board shall reserve the right to reject any and all bids and to waive any informalities or defects in the bidding procedure.
- (2) Each bid shall be accompanied by a certified or cashier's check in favor of the District in the sum not less than 10 percent of the total amount of such bid.
- (3) Bids may be conditioned upon obtaining mortgage financing within 30 days following submission of the bid.
- (4) The Board will review all bids and will sell the property to the highest bidder, provided that the Board may sell the property to a bidder other than the highest bidder if such bidder has agreed to pay not less than the minimum price and if the Board finds that the indirect benefits accruing to the District from such bidder's proposed use of the property will provide a greater total benefit to the District than acceptance of the highest bid.
- (5) The Board shall determine and notify the successful bidder or bidders of the acceptance of bid or bids within 30 days from the date set for the opening of bids, and the successful bidder or bidders shall enter into agreements within 30 days of such notification, unless

such time is extended by the Board or unless the successful bid is conditioned upon obtaining financing which is not obtained within such 30-day period.

Immediately after notifying the successful bidder or bidders of the acceptance of bid or bids, the Board shall notify all unsuccessful bidders of the rejection of their bids and return their bid deposits provided, however, that the Board may permit the unsuccessful bidders to elect to leave their bids and bid deposits with the Board for a period of 90 days from the date set for the opening of bids, during which period the Board may accept such bids in the event the successful bidder or bidders fail to enter into written agreements or otherwise default in their bids. The Board reserves the right to reject any or all the bids.

7. Title Insurance

The District will furnish and pay the premium for title insurance, insuring good and marketable title.

8. Legal Requirements

The disposal of all property shall be in accordance with state and local law and regulations of the District. Property will be conveyed by bargain and sale deed.

9. Requirements for Final Board Approval

Official and final agreement to sell, lease, or otherwise convey such property may only be made by the Board in formal resolution in an official meeting.

Added 5/28/10