

# Onslow County Administrative Policy Manual

## Purchasing & Contracting - Policy and Procedure Guide

Revised May 2021

### 4.8 Surplus – Real Property

#### 4.8.1 Declaring Real Property as Surplus

##### I. Purpose

To establish procedures for declaring real property as surplus. Surplus is “any County-owned property that the continued use of is uneconomical or inefficient; or which serves no useful governmental function or further use to the County.”

##### II. Policy

It is a policy of the County that the County Manager shall review and evaluate all real property owned by the County periodically to determine if it is of use to the County before declaring it surplus.

##### III. Procedure

1. The Purchasing Director will provide the County Manager a list of real property, owned by the County, that generally meets the definition of “surplus.”
2. The following information will be provided to the County Manager to aid in his/her deliberation:
  - Parcel Tax ID #
  - Tax Property Record Card
  - Current Tax Value
  - Costs already incurred in acquiring the property
  - Zoning Classification
  - Photographs/Aerial overview
  - Other applicable available information (if any)
3. The County Manager will review each such parcel, consider all relevant feasible uses of such parcel, and consider whether the property has the capacity to serve a public use.
4. If the County Manager agrees to declare the real property as surplus, the Purchasing Director will advertise the real property electronically (County website).

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### 4.8 Surplus – Real Property

#### 4.8.2 Sale or Disposal of Real Property

##### I. Purpose

To establish a policy and procedure that meets or exceeds the statutory guidelines for the sale or disposition of real property.

##### II. Policy

It is the policy of Onslow County that all real property be declared surplus prior to disposition or sale of real property.

All offers must be in writing. The minimum offer amount for surplus real property acquired through foreclosure must be in an amount that meets or exceeds the County's bid at the foreclosure sale plus costs incurred by the County post-sale related to the property or the current tax value, whichever is less. All offers meeting the minimum offer amount must be presented to the Board of Commissioners for consideration.

After the real property has been declared surplus, and of no further use to the County, the County may sell or dispose of the real property by the approved "Methods of sale; limitations" as described in G.S. 160A-266.

The sale of real property, regardless of the dollar amount, must always be sold using a competitive procedure. The three basic competitive sales procedures are:

- Advertisement for Sealed Bids (G.S. 160A-268)
- Negotiated Offer, Advertisement and Upset Bids (G.S. 160A-269)
- Public or Electronic Auction (G.S. 160A-270)

The Board shall identify and authorize the method of sale or disposal method to be utilized. The Board has the right to withdraw the property from sale at any time, and the right to accept or reject all bids.

When using the Negotiated Offer, Advertisement and Upset Bid process, the bid deposit shall be a minimum of 5% or \$300.00 whichever is greater.

County officials, employees, their spouses, children, grandchildren, and parents are prohibited from bidding on purchasing surplus County real property under this policy.

Federal Grant Funds: Any real property that the County wishes to dispose of that was acquired in whole, or in part, with state or federal grant funds must satisfy any conditions imposed by such grants prior to the sale of the property.

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### 4.8 Surplus – Real Property – Continued

#### 4.8.2 Sale of Disposal of Real Property – Continued

##### III. Procedure

1. All offers received shall be in writing.
2. All offers shall be accompanied by a minimum five percent (5%) bid deposit. Bid deposits must be in the form of cash, cashier's check, or certified check.
3. Bid deposits shall be submitted to the Finance Department.
4. All offers will be presented to the Board of Commissioners with the following information to aid in their deliberations:
  - Resolution
  - Parcel Tax ID #
  - Tax Property Record Card
  - Parcel Map
5. If the Board of Commissioners accepts the offer, the Board shall authorize the Purchasing Director to conduct the sale.
6. Depending on the authorized method sale, one of the following competitive procedures will begin:

##### Advertisement for Sealed Bids (G.S. 160A-268)

- Sale is advertised one time, published in a local newspaper and/or electronically advertised at least 30 days before bid opening;
- Sealed bids are received and opened in public on the official time and date; no offers will be received or considered after the official time and date;
- All offers are reported to the Board of Commissioners;
- The property shall be sold to the highest responsible bidder;
- Board has the right to accept or reject the offer.

##### Negotiated Offer, Advertisement and Upset Bids (G.S. 160A-269)

- Offer is advertised, either in a local newspaper, and/or electronically, and potential bidders are given 10 days to submit a higher bid;
- Upset bids must raise the original bid by an amount at least ten percent (10%) of the first \$1,000 of that bid and five percent (5%) of the remainder;
- All upset bids shall be accompanied by a minimum 5% bid deposit based on the amount of the new upset bid or \$300.00 whichever is greater.
- Payment must be made in cash, cashier's check, money order, or certified bank check. **NO PERSONAL CHECKS WILL BE ACCEPTED.**
- The highest upset bid becomes the new offer, the new offer is published, and the process is repeated;

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### 4.8 Surplus – Real Property – Continued

#### 4.8.2 Sale of Disposal of Real Property – Continued

##### III. Procedure – Continued

- If no upset bids are received, the Purchasing Director will transfer the real property to the new owner.
- If upset bids are received: The Purchasing Director will present the high bid to the Board of Commissioners after the 10-day public notice period has passed without any upset offers.
- Board has the right to accept or reject the offer.

##### Electronic Auction: (Real Property) (G.S. 160A-270)

- The Purchasing Department will prepare a Resolution “Authorizing Electronic Sale” to present to the Board of Commissioners;
- The Resolution shall describe the property being sold, specify date, time, place and terms of sale, and state that any offer or bid must be accepted and confirmed by the Board before the sale will be effective. In addition, the electronic address of where bids can be submitted must be included.
- Notice is published/advertised one time, either published in a local newspaper and/or advertised electronically, at least 30 days before the start of the sale;
- Auction is held electronically;
- After bids have been received and auction closes, the highest bid shall be reported to the Board.
- The Board will accept or reject the bid within 30 days after the bid is reported.

##### Public Auction (Real Property) (G.S. 160A-270)

- The Purchasing Department will prepare a Resolution “Authorizing Public Auction Sale” to present to the Board of Commissioners;
- The Resolution shall describe the property being sold, specify date, time, place and terms of sale, and state that any offer or bid must be accepted and confirmed by the Board before the sale will be effective.
- Notice is published/advertised one time, either published in a local newspaper and/or advertised electronically, at least 30 days before sale;
- Auction is held by a County representative or auctioneer;
- Live auction is held;
- After bids have been received and auction closes, the highest bid shall be reported to the Board
- The Board will accept or reject the bid within 30 days after the bid is reported.

7. All sales for real property must be sent back to the Board of Commissioners for final approval.

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#### 4.8.2 Sale of Disposal of Real Property – Continued

##### III. Procedure – Continued

8. If the successful bidder does not make final payment within 30 days, the County may declare the bid deposit as forfeit, place the deposit into the general fund, and place the property for sale as provided above.
9. All Property shall be sold “AS IS” with no guarantee or warranty as to condition, title or suitability for any purpose.
10. All real property will be transferred to the successful purchaser or bidder by a NC Special Warranty Deed.
11. Bid deposits shall be refunded to all unsuccessful bidders.
12. Property shall be removed from County capital listing upon final payment and title transfer.