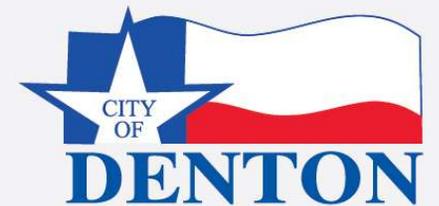


City Real Property Inventory Management and Potential Surplus Property Sale Program

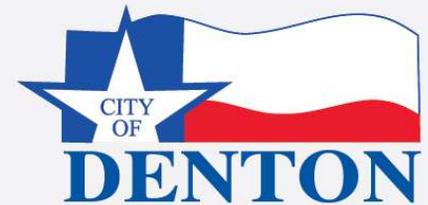
Real Estate Division



Purpose

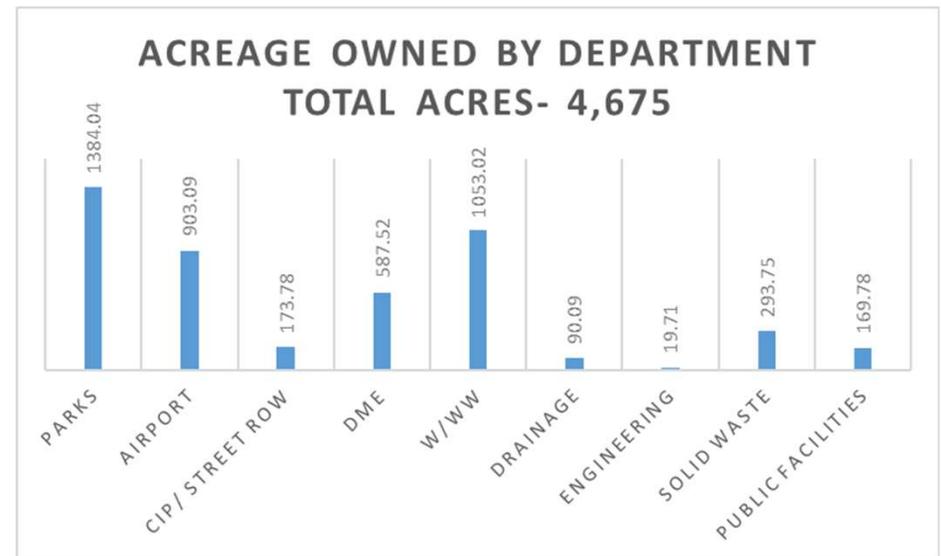
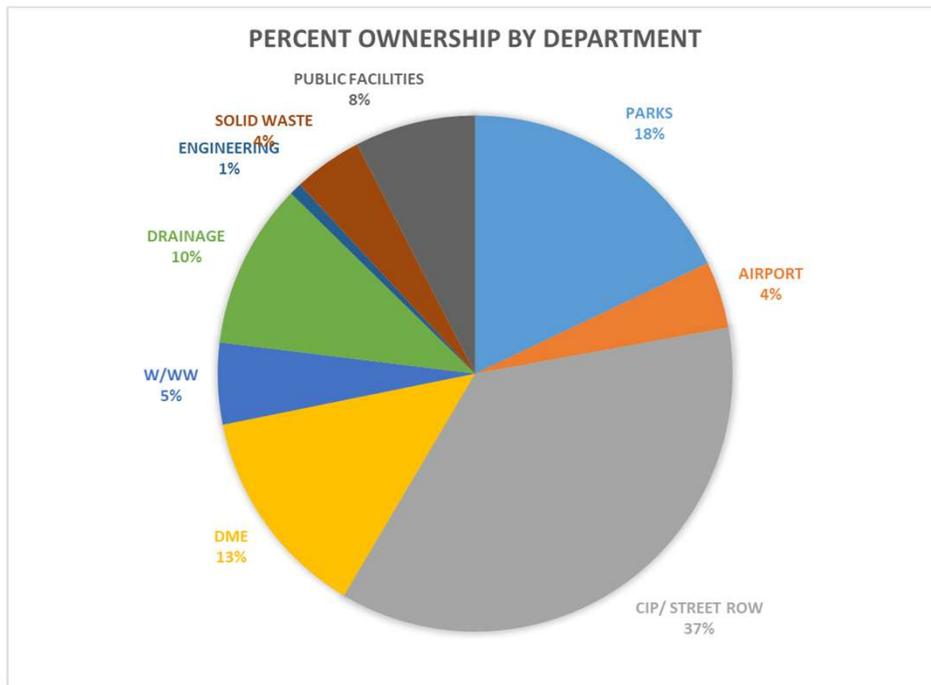
The purposes of this Work Session are to:

1. Present the Council with background information on
 - A. City owned real property inventory
 - B. Criteria used to identify potential surplus properties
 - C. Methods of sale of surplus property
2. Receive direction on the sale of properties identified by staff as surplus.
3. There is a Closed Meeting placeholder if desired for further property discussions.



City Real Property Asset Inventory

Approximately 650 parcels & 4,700 acres of real property in City inventory- Public Facilities & Infrastructure- City Hall, Dev Service Center, Parks & Rec., Airports, Libraries, Fire Stations, Streets, Utilities, and Drainage



Background

SUPPORT FOR REVIEW OF THE PROPERTY INVENTORY:

- Recommendation from the Matrix Consulting Group's assessment of the Real Estate operations, practices and procedures
- 2025 Budget Task Force
- ❖ A collaborative, cross-departmental review timed with the budget cycle is essential to manage the City's 650-parcel real property inventory.

ANTICIPATED IMPLEMENTATION OUTCOMES:

Recurring reviews support the Real Estate Division's efforts to collaborate with Planning, Parks, Legal, Finance, Capital Projects and the utility departments to:

- prevent overlooked assets from remaining inactive/unprogrammed;
- support long-range planning efforts;
- ensure alignment with City development priorities; and
- leverage GIS and property data systems to evaluate surplus opportunities, confirm property status, and determine potential reuse or sale.



Surplus Property Process and Selection Criteria and Next Steps

Staff took the following actions to develop a preliminary list of surplus properties based on the criteria below and recommends the following process going forward with the City's budget cycle:

1. Identified potential surplus properties based on the following criteria
 - A. Unsold from prior 2017 Surplus Sale list
 - B. Inquiries from general public
 - C. Cross-Department Reviews
 - D. Physical Conditions – current condition: size, shape, developability, environmental, adjacent property
 - E. Legal & Regulatory Review – clear title, deed restrictions, past retention or reclamation period
 - F. Potential Highest and Best Use: sell vs lease, exchange, hold for future public use
2. Conducted cross-departmental reviews to determine current and/or future use plans for the properties and to identify any proceed restrictions.
 - A. Operating Departments**
 - a. Initial Public Purpose-Overage from prior project that has been completed?
 - b. Operational Assessment – Actively used? Planned programming? Project funding available or anticipated?,
 - c. Overage from prior project that has been completed,
 - d. On a master plan or identified City initiative?,
 - e. Held in inventory over 10 plus years, vacant land, environmental considerations,
 - B. Finance Department-** Revenue restrictions from sale proceeds based on funds used to procure
3. **Next Steps:**
 - A. March 3, 2026-** Work Session seeking Council direction on the disposition of properties identified as surplus, meeting the above criteria
 - B. Ongoing-** Periodic Updates presented to the Council through Informal Staff Reports and/or Legal Status Reports

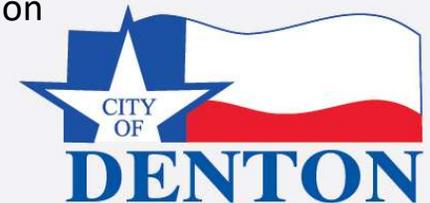


Statutes Governing Disposition of City-Owned Property

State law and the City charter currently identify available methods of sale of City property via

- **Sealed Bid Sale Process - Auction**
 - This option is available for developable tracts of land or at City's discretion.
 - Process- Advertising a list of surplus properties in the local newspaper for 2 consecutive weeks
 - All bidders will be required to submit a completed City Surplus Property Sealed Bid Packet through Purchasing/IONWAVE in order to participate in the sealed bid sale.
 - Bids will be compiled and presented to Council for decision to accept or reject bid offers.

- **Direct Sale Process - to a foundation, government agency, or an abutting owner***
 - This option is available for property interests obtained for streets, rights-of-way or easements; land the City wants to have developed, land in a reinvestment zone
 - Process-
 - Determine if an RFP is appropriate to accomplish the City's initiative or mission
 - Negotiate an agreement or contract terms for approval by the Council;
 - Market values will be determined by an independent appraisal or at auction
- Restrictions for each method of sale largely depend on the property condition and sale price (market value).

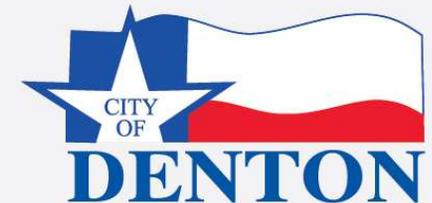


Identified Surplus Properties-

7 Properties – ~6 Acres

ORDER OF SALE	ADDRESS	ACERAGE	DEED DATE	MANAGING DEPARTMENT	ORIGINAL USE	POTENTIAL DEVELOPMENT USES	% In Floodplain	FUNDING TYPE	USE PROCEEDS FOR ORIGINAL ISSUANCE PURPOSE
1	S. Mayhill & E. McKinney St.	4.02	2011-82091	Capital Projects	Staging	Corporate Office/Multifamily/Rental for staging	0%	Go Bonds	No known restrictions
2	602 Rose St.	0.27	2011-12535	Drainage	Drainage	Residential Development	100%	CO Debt	Use proceeds for original issuance purpose
3	Riney Rd. & N. Elm St.	0.32	2000-11923	Streets	Riney Rd realignment	Residential Development	0%	98-99 CIP - Riney Rd Paving	No known restrictions
4	100 Block - Maple St.	0.0494	2010-151	Drainage	Eagle Dr drainage	Incorporate w/adjacent property	0%	Revenue Bonds	Use proceeds for original issuance purpose
5	702 S. Locust St.	0.3766	2010-71488	Drainage	Eagle Dr drainage	Small commercial development/Downtown Park	0%	Revenue Bonds	No known restrictions
6	709 S. Locust St.	0.46	2002-105335	Drainage	Bell/Wainwright drainage	Potential Downtown Park/ adjacent property parking	0%	Operating Funds (primarily from 640700 transfers)	No known restrictions
7	Paisley St. & Audra Ln.	0.601	1980-35016	Streets	Paisley realignment	Residential Development	0%	Drainage Project Fund	No known restrictions

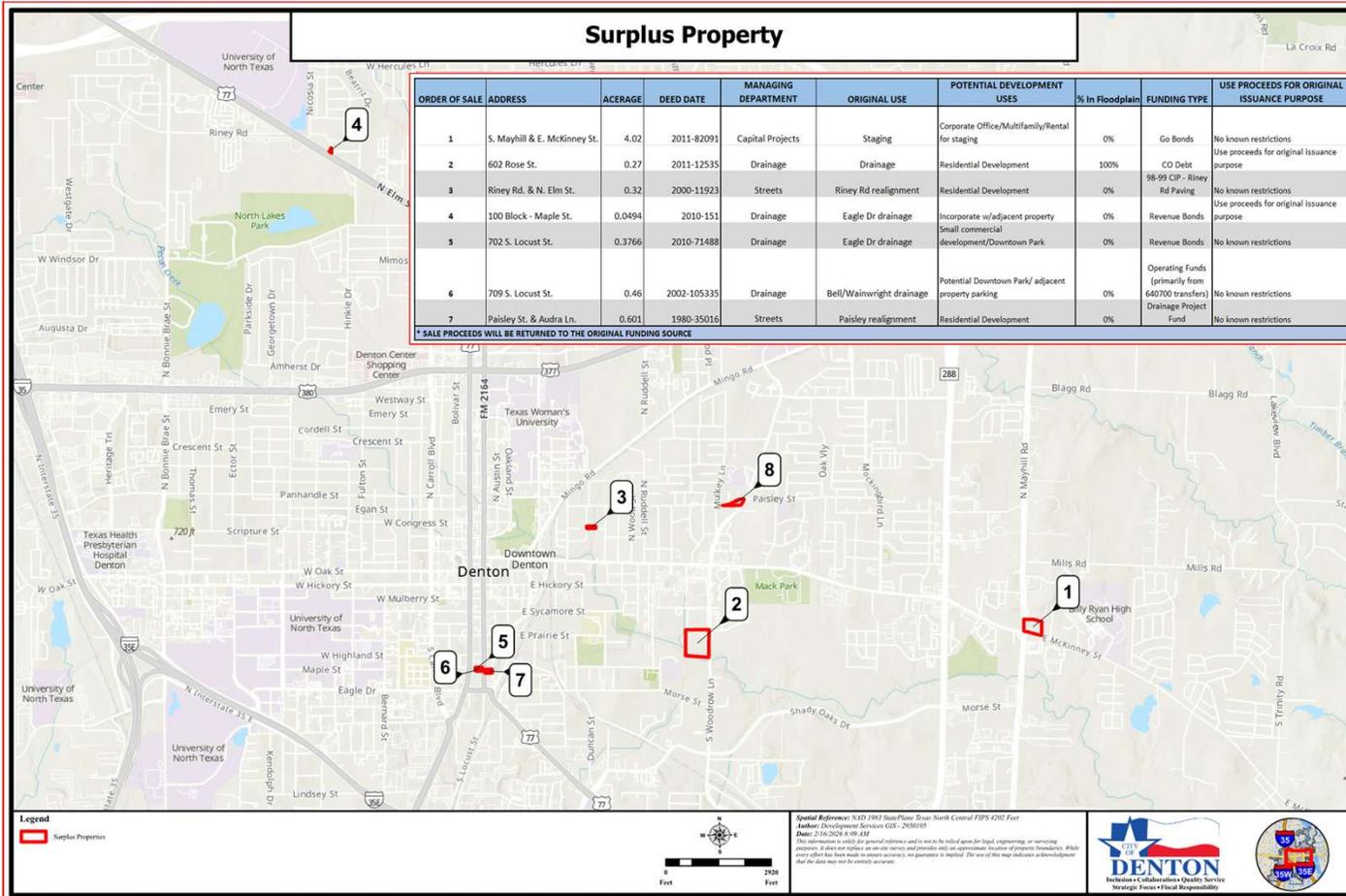
* SALE PROCEEDS WILL BE RETURNED TO THE ORIGINAL FUNDING SOURCE



Surplus Property

ORDER OF SALE	ADDRESS	ACERAGE	DEED DATE	MANAGING DEPARTMENT	ORIGINAL USE	POTENTIAL DEVELOPMENT USES	% In Floodplain	FUNDING TYPE	USE PROCEEDS FOR ORIGINAL ISSUANCE PURPOSE
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* SALE PROCEEDS WILL BE RETURNED TO THE ORIGINAL FUNDING SOURCE



Spatial Reference: NAD 1983 StatePlane Texas North Central FIPS 4202 Feet
 Author: Development Services GIS - 2/26/2026
 Date: 2/16/2026 8:09 AM
 This information is provided for general reference and is not to be relied upon for legal, engineering, or permitting purposes. It does not constitute an official survey and provides only an approximate location of property boundaries. While every effort has been made to ensure accuracy, no guarantee is implied. The use of this map indicates an acknowledgment that the data may not be entirely accurate.





S. Mayhill & E. McKinney St. (~4 acres)



602 Rose St. (0.27 acres)



Riney & N. Elm (0.18 acres)



100 Block Maple (~0.05 acres)



702 S. Locust



709 S. Locust



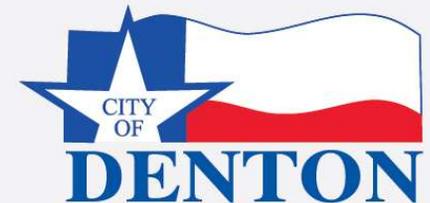
Paisley & Audra

Staff Recommendation:

- Move forward using noted criteria to identify and sell potential surplus real property
- Dispose of currently identified surplus properties by sealed bid auction
- Set a minimum bid or reserve price
- Provide the Council with periodic updates via Informal Staff Reports and/or Legal staff reports
- Bring the result of the bids forward for City Council consideration in approximately 4-6 months

Outcome:

- Based on staff's estimation, if all properties sold, the sealed bid could result in approx. \$1M to \$2M in sales.
- The funds from the sale would be returned to the original source used for purchase.



Request for Direction

1. Direction to accept staff recommendations and proceed with procedures and criteria used to identify surplus property; and
2. Direction to sell the properties identified as surplus by sealed bid

