

City of San José, California

COUNCIL POLICY

TITLE	SEE BELOW	PAGE	1 of 2	POLICY NUMBER	7-6
EFFECTIVE DATE	May 21, 1973	REVISED DATE	April 30, 2013		
APPROVED BY COUNCIL ACTION	May 21, 1973; April 30, 2013, Item 4.1, Resolution No. 76617				

TITLE

SALES COMMISSIONS, REAL ESTATE

BACKGROUND

In the past, little effort has been made by real estate brokers to sell surplus real property owned by the City since the City does not pay sales commissions. More property could be sold if brokers were encouraged to direct their clients to the City.

PURPOSE

To encourage licensed real estate brokers to aid the City in selling its surplus real property.

POLICY

1. Subject to Council approval, the City Manager shall be authorized to grant real estate commissions up to 6% to licensed real estate brokers whenever, in their opinion, it would facilitate the sale of surplus real property owned by the City.
2. Approval shall be granted only subsequent to a formal request to the Council. Each request must contain the following information: (a) description of surplus real estate to be sold, (b) amount of sales commission, and (c) name of prospective real estate broker(s) and their client(s), if known.
3. The payment of any real estate commission shall be absolutely contingent upon the acceptance of the bid or of the negotiated agreement and the complete consummation of the sale, including receipt by the City of the full purchase price. The City shall pay the commission out of the money received as the purchase price of the property sold.

TITLE SALES COMMISSIONS, REAL ESTATE	PAGE	POLICY NUMBER
	2 of 2	7-6

4. A broker who is a principal in the sale transaction shall not be entitled to a commission.
5. Notwithstanding the foregoing, in connection with sales transactions authority for execution of which has been delegated to the City Manager, the City Manager is authorized to grant real estate commissions without Council approval but subject to other limitations set forth in this Policy.