

**Caroline County
Board of Supervisors Agenda
Executive Summary**

Meeting Date: **June 8, 2021**

Title: **Consent Agenda – Selection of Auctioneer for Sale of Former
Frog Level Volunteer Rescue Squad Property**

(Check Mark)

<input checked="" type="checkbox"/> Consent	<input type="checkbox"/> Closed Meeting
<input checked="" type="checkbox"/> Action	<input type="checkbox"/> Public Hearing
<input type="checkbox"/> No Action (Information Only)	<input type="checkbox"/> Ordinance
<input type="checkbox"/> Resolution	<input type="checkbox"/> PowerPoint Presentation

Summary: Staff has obtained proposals from For Sale at Auction, SVN Motleys and Nicholls Auction Marketing Group to sell the former Frog Level Volunteer Rescue Squad Property at auction. All three vendors are experienced and submitted excellent proposals. After evaluating the proposals, staff recommends the selection of For Sale at Auction to perform the required services.

Highlights of For Sale at Auction Proposal

- Will use print newspaper and social media to advertise auction for property
 - Online digital ad in Fredericksburg and Richmond newspapers
 - Social media marketing for several weeks (Facebook and Google Ads covering approximately 50 mile radius)
 - List on Bid.ForSaleatAuction.Biz
 - Multiple email blasts to opt in real estate email list consisting of over 7,600 past real estate auction attendees, investors and purchasers
 - Professional signage on property approximately 30 days before auction
 - Schedule open house previews
- No marketing costs to County
- Recommend online-only auction method as best way to attract the greatest number of bids

- Prefer 5-6 weeks from contract date to auction day
- Property sold as is, where is with no guarantees or warranties; sale not subject to financing or contingent on inspections or any other matters
- Auctioneer is paid through 10% buyer's premium added to highest bid to determine total sales price.
- County will not be responsible for paying the purchaser's closing expenses, loan points, etc. County will only pay typical seller's settlement fees (deed preparation, title company seller fee, etc.) at estimated cost of \$400-800.
- If buyer is represented by a registered agent prior to the auction, company will pay buyer's agent out of their buyer's premium fee. It is not charged to the County.
- 10% down payment due following auction with balance due within 30 days of sale
- Transfer of property made by Special Warranty Deed

Budget Impact: Cost of auctioneer's services will be paid through 10% buyer's premium added to highest bid to determine total sales price. No cost to County beyond typical seller's settlement fees (deed preparation, title company seller fee, etc.) at estimated cost of \$400-800.

Action(s) Requested of Board: Approve selection of For Sale at Auction and authorize County Administrator to enter into agreement to sell former Frog Level Volunteer Rescue Squad property at auction



For Sale At Auction



Life Member

4039 Jeb Stuart Hwy, Meadows of Dan VA 24120

Phone: (540) 899-1776

May 13, 2021

Ms. Chelsea Jewett
Purchasing Agent, VCA
Caroline County, Virginia
P. O. Box 447
121 N. Main Street
Bowling Green, VA 22427

Re: 29416 Richmond Turnpike, Ruther Glen, VA 22546 (Former Frog Level Rescue Squad, Inc. Property)

Dear Ms. Jewett:

Thank you for your email and for considering our auction marketing firm for the potential sale of the above referenced property via public auction. Per your request, I am including within this letter our marketing proposal with your requested, and our recommended, terms and method of sale for the subject property. We very much appreciate the opportunity to be of service to you and to Caroline County and are always available for any questions you may have.

Unique properties such as this, being offered at public auction, will typically generate significant interest from potential purchasers. Our widespread marketing efforts utilized for online and simulcast public auctions, which includes signage, print display ads, social media marketing, email blast notifications, and more (As opposed to only a local, print-advertised sale), will most certainly increase the bidder pool for your auction, and the sales results obtained. In the current strong real estate market, with frequent escalation clauses being utilized in traditional real estate sales, we are obtaining incredible registration numbers and sales results! By utilizing the competitive bidding process offered by the auction method, and getting all interested parties "together" at the same time, we are able to maximize selling prices.

Our firm has an in-house, opt-in email list of over 7,600 past real estate auction attendees, investors, and purchasers. This list is strongly utilized in the promotion of our real estate auctions, and is typically what generates the highest number of registrations for our auctions. We place professionally printed signage on the subject property approximately 30 days prior to the auction close. We utilize local/regional print newspapers for promotional display ads, and social media (mainly FaceBook and Google Ads) for online promotion of our sales.

Our preliminary estimate of the total amount of "hard costs" for marketing this auction is approximately \$2,500.00 - \$3,000.00. We typically expect payment for marketing from our Sellers in advance. However, in this case, we are willing to pay the expenses for marketing this property. There will be no cost to the county for marketing and sale of the property. The following methods will be utilized for marketing and conducting this auction:

1. Local/regional newsprint advertising, including Bowling Green, Fredericksburg, & Richmond, with online digital ad exposure through those newspapers.
2. Social Media Marketing for several weeks leading up to the close of the auction. Facebook and Google Ads would be our main sources and would cover approximately a 50 mile radius of the property.
3. Bid.ForSaleAtAuction.Biz: (Posting of all pertinent information pertaining to the property, along with the online auction itself, whether online-only or live/online simulcast sale, being posted to and conducted on our company website).
4. Multiple email blast notifications to our in-house, opt-in real estate email list.
5. Professional signage placed on the property.
6. Scheduled open-house previews to show the property to interested bidders.

It is my professional opinion and recommendation that the online-only auction method be utilized for this property. I simply believe this method will deliver the best results. However, we are able, and willing, to conduct a live/online simulcast sale if that is your preference. Online-only does afford everyone a chance to participate in the auction. Even those who have work commitments, travel plans, or are unable/unwilling to travel or be in a group setting due to Covid-19 concerns, are able to bid. We are finding this method of sale is generating the highest bidder participation and sales prices... far surpassing live, in-person auctions. In the very unlikely event we have an interested bidder who is not able to participate online (due to no internet service, computer, smart phone, etc.), we are able to make other arrangements for them that will allow them to participate in the auction. In short, there's no reason anyone who wishes to bid cannot participate. With that said, we are equipped and able to handle live/online simulcast auctions provided adequate LTE service is available at the property location for the broadcast.

Regarding our company fees/commissions for marketing and conducting this auction... Put simply, there is no commission charge to the county, "The Seller". We utilize a 10% Buyer's Premium, added to the highest bid to determine the total sales price, as our payment. If the property fails to meet your reserve price at auction, we will not be paid. (By the way, we do not disclose this reserve to ANYONE, and prefer the county keeps it "confidential" as well. Disclosing a reserve will often lead to lower selling prices.)

Our recommended Terms of Sale would be: Property is being sold "As-IS, Where-Is" without any guarantees or warranties whatsoever. A 10% downpayment is required following the auction, with the balance due within 30 days following the sale. The sale

would be not be subject to financing or contingent upon inspections or any other matters. Purchasers will accept the property strictly "As-Is" and are to rely solely upon their own due diligence done prior to the sale. Transfer of the property will be made by Special Warranty Deed. *These terms would be expanded and amended as necessary when the auction is posted to our website.*

We have decades of experience selling real estate for local government entities, are flexible in accommodating our client's needs, and used to adjusting to "unique situations". The line of communication is always open and we'll do our best to meet your end goals! Should you elect to retain our services, all of the above, &/or any agreed upon changes, would be included in an auction listing agreement we would get to you soon after notification that our services are being engaged. As far as an auction date, we would prefer 5-6 weeks from contract date to auction day (which, if done in the near future, would mean a late June auction close). We are happy to do whatever possible to accommodate any preferred auction date you may have.

I thank you for the opportunity to be of service, and your patience with our email exchanges. I look forward to hearing back from you at your earliest convenience.

Best regards,



Dan Pegelow, Auctioneer/President
At Auction, Inc. t/a "For Sale At Auction"

DP/mpr



3600 Deepwater Terminal Road, Richmond, VA 23234

Office: 804-232-3300 VAAF 16

Executive Summary Proposal

Subject Properties **29415 Richmond Turnpike, Ruther Glen, VA 22546**

Sale Format: Online and Onsite

Proposed Sale Date: Auction - Sale date to be determined.

Type of Property: Commercial

Marketing Timeframe: 3-4 weeks of consecutive digital marketing, direct mail, and social media

Marketing Strategy: Traditional Accelerated Sale Methods of Marketing to include Direct Mail, Internet, Social Media, and an extensive E-marketing campaign to market the property to bring full market value on Accelerated Sale day.

Inspections: Inspection times will be conducted to allow for potential buyers to inspect the property with an agent onsite to answer any questions and provide property information. "Info Boxes" with property flyers / information will be at the property.

Compensation: A 10% Buyers Premium to the Buyer will be added to the highest offer of the property and will become part of the purchase price.
The 10% Buyers Premium will belong to Motleys as earned commission.

Broker's Participation: Motleys will offer up to a 3% Broker Participation Commission to the Buyer's Agent paid by the Motleys from the Buyer's Premium.

Marketing Budget: **Option 1: \$1750.00 Option 2: \$2,250 Option 3: \$2750**

Terms of the Accelerated Sale: 1. A 10% Buyer's Premium to the Buyer will be added to the high offer to become part of the total purchase price. The Buyer's Premium will become part of the contract price. The 10% Buyer's Premium will belong to Motleys as earned commission.
2. **A \$5,000 deposit will be required from the Buyer at the conclusion of the Accelerated Sale.**
A total of a 10% deposit will be required within three business days after the Accelerated Sale.
3. Settlement to occur within 60 days of the Accelerated Sale
4. Title to convey via Warranty Deed (General or Special)
5. The property will be sold "As Is – Where Is – With All Faults"

Exhibit A
Advertising and Marketing Budget for
29415 Richmond Turnpike, Ruther Glen, VA 22546
Option 1

EXPENSES			DATE	DATE	TOTALS
			Week 2	Week 1	
Newspaper Advertisements: either print or digital					
					\$ -
Local Newsprint in Caroline County	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 225.00
				\$0.00	\$ -
MAILINGS					
Postcard Printing & Mailing - propriety list of Buyers	\$ 195.00				\$ 195.00
local Investors, and nearby adjacent owners, selected lists					
MISCELLANEOUS					
Signage and banners at the property, road pointers	\$ 120.00				\$ 120.00
Title Search	\$ 175.00				\$ 175.00
Social Media & Digital Marketing Campaign/photos	\$ 985.00				\$ 985.00
Misc./ Flier distribution to local businesses, eBlasts, etc.	\$ 50.00				\$ 50.00
Appraisal, Home Inspection, Photos/VR tour, Title Search	\$ -				\$ -
Listing on BizBuySell	INCLUDED				
Listing on www.LandandFarm	INCLUDED				
Listing on local MLS, Zillow, Trulia, Lands of America	INCLUDED				
Listing on LoopNet.com, NationalAuctionList.com,	INCLUDED				
Virtual Tour on website	INCLUDED				
Motleys Billboard	INCLUDED				
Motleys Website	INCLUDED				
SVN Motleys	INCLUDED				
CoStar/Loopnet	INCLUDED				
CoStar Premium	INCLUDED				
Crexi	INCLUDED				
CVRMLS	INCLUDED				
SVN Eblast	INCLUDED				
Motley's Corporate Email Blast	INCLUDED				
Motleys Real Estate Eblast	INCLUDED				
PropertyLine Email Blast	INCLUDED				
Richmond Bizsense	INCLUDED				
Land.com	INCLUDED				
Google AdWords/Target Ads	INCLUDED				
Facebook Ads	INCLUDED				
Virginia Business Eblast	INCLUDED				
Big Boy Property Blasts	INCLUDED				
LinkedIn	INCLUDED				
Craigslist	INCLUDED				
Press Release	INCLUDED				
Va Business	INCLUDED				
Instagram	INCLUDED				
Real Capital Markets	INCLUDED				
TOTAL					\$ 1,750.00

Exhibit A
Advertising and Marketing Budget for
29415 Richmond Turnpike, Ruther Glen, VA 22546
Option 2

EXPENSES			DATE	DATE	TOTALS
			Week 2	Week 1	
Newspaper Advertisements: either print or digital					
					\$ -
Local Newsprint in Caroline County	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 225.00
				\$0.00	\$ -
MAILINGS					
Postcard Printing & Mailing - propriety list of Buyers	\$ 195.00				\$ 195.00
local Investors, and nearby adjacent owners, selected lists					
MISCELLANEOUS					
Signage and banners at the property, road pointers	\$ 120.00				\$ 120.00
Title Search	\$ 175.00				\$ 175.00
Social Media & Digital Marketing Campaign/photos	\$ 1,485.00				\$ 1,485.00
Misc./ Flier distribution to local businesses, eBlasts, etc.	\$ 50.00				\$ 50.00
Appraisal, Home Inspection, Photos/VR tour, Title Search	\$ -				\$ -
Listing on BizBuySell	INCLUDED				
Listing on www.LandandFarm	INCLUDED				
Listing on local MLS, Zillow, Trulia, Lands of America	INCLUDED				
Listing on LoopNet.com, NationalAuctionList.com,	INCLUDED				
Virtual Tour on website	INCLUDED				
Motleys Billboard	INCLUDED				
Motleys Website	INCLUDED				
SVN Motleys	INCLUDED				
CoStar/Loopnet	INCLUDED				
CoStar Premium	INCLUDED				
Crexi	INCLUDED				
CVRMLS	INCLUDED				
SVN Eblast	INCLUDED				
Motley's Corporate Email Blast	INCLUDED				
Motleys Real Estate Eblast	INCLUDED				
PropertyLine Email Blast	INCLUDED				
Richmond Bizsense	INCLUDED				
Land.com	INCLUDED				
Google AdWords/Target Ads	INCLUDED				
Facebook Ads	INCLUDED				
Virginia Business Eblast	INCLUDED				
Big Boy Property Blasts	INCLUDED				
LinkedIn	INCLUDED				
Craigslist	INCLUDED				
Press Release	INCLUDED				
Va Business	INCLUDED				
Instagram	INCLUDED				
Real Capital Markets	INCLUDED				
TOTAL					\$ 2,250.00

Exhibit A
Advertising and Marketing Budget for
29415 Richmond Turnpike, Ruther Glen, VA 22546
Option 3

EXPENSES			DATE	DATE	TOTALS
			Week 2	Week 1	
Newspaper Advertisements: either print or digital					
					\$ -
Local Newsprint in Caroline County	\$ 75.00	\$ 75.00	\$ 75.00	\$ 225.00	\$ 225.00
			\$0.00		\$ -
MAILINGS					
Postcard Printing & Mailing - propriety list of Buyers	\$ 195.00				\$ 195.00
local Investors, and nearby adjacent owners, selected lists					
MISCELLANEOUS					
Signage and banners at the property, road pointers	\$ 120.00				\$ 120.00
Title Search	\$ 175.00				\$ 175.00
Social Media & Digital Marketing Campaign/photos	\$ 1,985.00				\$ 1,985.00
Misc./ Flier distribution to local businesses, eBlasts, etc.	\$ 50.00				\$ 50.00
Appraisal, Home Inspection, Photos/VR tour, Title Search	\$ -				\$ -
Listing on BizBuySell	INCLUDED				
Listing on www.LandandFarm	INCLUDED				
Listing on local MLS, Zillow, Trulia, Lands of America	INCLUDED				
Listing on LoopNet.com, NationalAuctionList.com,	INCLUDED				
Virtual Tour on website	INCLUDED				
Motleys Billboard	INCLUDED				
Motleys Website	INCLUDED				
SVN Motleys	INCLUDED				
CoStar/Loopnet	INCLUDED				
CoStar Premium	INCLUDED				
Crexi	INCLUDED				
CVRMLS	INCLUDED				
SVN Eblast	INCLUDED				
Motley's Corporate Email Blast	INCLUDED				
Motleys Real Estate Eblast	INCLUDED				
PropertyLine Email Blast	INCLUDED				
Richmond Bizsense	INCLUDED				
Land.com	INCLUDED				
Google AdWords/Target Ads	INCLUDED				
Facebook Ads	INCLUDED				
Virginia Business Eblast	INCLUDED				
Big Boy Property Blasts	INCLUDED				
LinkedIn	INCLUDED				
Craigslist	INCLUDED				
Press Release	INCLUDED				
Va Business	INCLUDED				
Instagram	INCLUDED				
Real Capital Markets	INCLUDED				
TOTAL					\$ 2,750.00

May 26, 2021

To Whom it May Concern:

Thank you for giving our firm the opportunity to submit a proposal for the marketing and sale of 29415 Richmond Turnpike, Rather Glen, VA 22546 (Tax Map: 102-2-2). As lifelong residents of the area, we are very familiar with the property, and I have attached two photos. Enclosed you will find a detailed auction proposal that displays our knowledge of the property and a plan to make a successful sale and closing.

Nicholls Auction Marketing Group, with close to 5 decades of auction superiority and over 250 years of combined experience, has been synonymous with excellence and success in the auction marketing and sale of real estate.

Progressive sellers seek us out because Nicholls Auction Marketing Group's auctions WORK!! Why?

- **Unparalleled service, expertise, and care (champion auctioneers and world class bid assistants)**
- **Service with class, dignity, integrity, and professionalism**
- **The award winning marketing prowess of our firm (over 100,000 buyers visit our web site monthly!) ensures completely individualized, highly structured advertising programs that saturate the marketplace (print media, public relations, world wide web, signage, e-mail blasts, etc.). We would craft this marketing plan and budget with your input.**
- **We also offer online bidding during the auction which opens the field to a wide range of potential Buyers.**
- **Tightly crafted contracts that are closing oriented with no contingencies equal a near 100% closing rate.**
- **Our structure allows you, the seller, complete control of the entire transaction.**

Quite simply, Nicholls Auction Marketing Group has impeccable standards and reputation for excellence since 1968. We produce exciting events where bidders competitively bid to buy your property.

Our commission structure is simple: the seller pays no commission!! Our commission is paid by the buyer in the form of a buyer's premium. The marketing would take between 30-45 days, and we would ask for a 30-45 day closing period.

We can custom design a Marketing program that includes far-reaching internet exposure, a laser focused social media and Google campaign, targeted emails to the real estate brokerage community and a variety of other sources including signage on the property as well as targeted press releases. We estimate a cost for this marketing program to be \$3,000 and we will provide a detailed report of the accounting at the conclusion for your records along with copies of the different marketing pieces.

In addition to the live on site auction event, we have the capability to have real time internet bidding, so that anyone can participate from anywhere in the world if they wish.

We look forward to the opportunity to EARN your business, and we promise to put you and your property first throughout the entire process and handle this situation with the best interest of Caroline County always in mind.

All the Best,

**John S. Nicholls
President/Owner**

SELLER'S RESPONSIBILITIES

- Sign all contracts, forms and legal documents prior to the marketing plan being implemented
- Provide check for marketing
- Provide keys and any alarm codes for building
- Maintain all insurances and keep all utilities operational (if feasible and possible)
- Provide a list of any and all prospective buyers/interested parties
- Share all documents and information that would be helpful in the marketing process

AUCTION FIRM RESPONSIBILITIES

- Devise and implement all marketing, advertising and promotion to include signage, press releases, digital advertisements, social media, Google and more
- Conduct all public and private property previews for prospective buyers
- Field and address all inquiries (phone, text, email, etc.)
- Register all potential bidders both live and on-line
- Keep client informed with at least a weekly phone call or email 3-4 weeks before auction event
- Handle all logistics on auction day to include auctioneer, bid assistants, online bidding assistance, etc.
- Collect the earnest money deposit from the buyer and put it in a non-interest bearing real estate escrow account
- Assist in the facilitation of the closing process between buyer and seller

PROPOSED FEES

- The seller pays no commission for the sale of the real property. The auction firm will be paid in the form of an industry standard 10% buyer's premium (Example: "hammer price" of \$100,000 + 10% buyers premium of \$10,000=\$110,000 contract sales price)
- The seller is responsible for the marketing investment for the auction event. We are proposing \$3,000 to be spent in marketing, advertising and promotion. All monies will be accounted for, and the auction firm keeps none of these monies for expenses or time.
- The seller pays no closing cost or any expense for the buyer
- The seller pay no commission to any pre-registered Realtor who represents the successful buyer. The auction firm will compensate the Realtor from the buyer's premium.