

Surplus Property

Board Meeting Presentation

10/2/2019

Objectives for Tonight

- Provide historical information on the District's acquisition of surplus property.
- Provide an update on current State Allocation Board fees.
- Review procedural requirements for the District to sell real property.
- Review procedural requirements for the District to lease real property.
- Provide an overview of next steps.

Historical Information on District's Surplus Property

- Hart District Facilities Foundation
 - Incorporated on 2/6/98 for the purpose of acquiring property for possible future school sites for the District
 - Properties Acquired in 2011
 - Acquired Sierra Estates, Sierra Estates II, The Ranch, Vasquez Canyon (Catterall), and Vasquez Canyon (Coulson)
 - Fees from State Allocation Board levied in 2019-20 fiscal year
 - At the 11-7-18 Board meeting, the Board passed a resolution declaring these properties as surplus.
 - Properties Acquired in 2014
 - Acquired Hasley Canyon/Sloan Canyon Roads, South Summit (2.84 acres), South Summit (21 acres), and South Summit (7.67 acres)
 - Fees from State Allocation Board to be levied in 2022-23 fiscal year

Properties, Valuation, Assessable Fees

- Properties: Sierra Estates, Sierra Estates II, The Ranch, Vasquez Canyon (Catterall, Coulson)
- Prior Assessed Valuation: \$24,233,284
- **Potential Prior Fees** (1% of Valuation): \$ **242,333**
- New Assessed Valuation Based on Appraisals: \$ 3,557,000
- **Actual Fees Levied** (1% of Valuation): \$ **35,570**
- **Savings** Based on New Valuation \$ **206,763**

General Surplus Property Sales Statutes

- The District must first offer to sell the surplus property to, or at a minimum solicit offers from, the appropriate city and county parks and recreation departments, any regional park authority with jurisdiction, the State Resources Agency, and any other school districts with jurisdiction.
- Second, the District should offer to sell the surplus property to, or solicit offers from, the Director of General Services, the Regents of the University of California, the Trustees of the California State University, the county or city, and to any public housing authority operating within the area of the property.

General Surplus Property Sales Time Frame

- Once these agencies have been notified of the District's intent to either sell or solicit offers to purchase the surplus property, the District must allow the agencies 60 days to respond.
- Once that time period expires and none of the agencies can arrive at a mutually agreeable price or lease payment, the District may proceed to sell the surplus property by public bid.
- In order to proceed to public bid, the District must pass a Resolution, solicit bids, set a minimum price, and award the bid to the highest responsible bidder.

The Option to Lease Real Property

- The Board also has the option to lease one or more of these properties.
 - The Board can adopt a resolution of intention to lease land. The resolution must:
 - Describe the property.
 - Specify the minimum rental price.
 - Specify the contract terms.
 - Specify the commission, if any, the Board will pay to a licensed real estate broker.
 - Also schedule a second public meeting at least three weeks thereafter to receive and consider sealed proposals.
 - Hold a public meeting where sealed proposals will be opened and where oral bids will be allowed.

Discussion