



CITY OF SACRAMENTO

DEPARTMENT OF PARKS AND COMMUNITY SERVICES

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MUSEUM AND HISTORY DIVISION
RECREATION DIVISION
PARKS DIVISION
ZOO DIVISION

June 25, 1985

Law and Legislative Committee
Sacramento, California

Honorable Members in Session:

SUBJECT: Oppose - AB 2198 (Felando) Surplus School Property

SUMMARY

Legislation has been introduced by Assembly Member Felando which would repeal provisions requiring school districts to first offer surplus property to other specified public entities prior to sale. Opposition to this legislation is recommended.

BACKGROUND INFORMATION

School districts are able to sell surplus property. Existing law limits the selling price of specified surplus school property to cost of acquisition, as adjusted. Assembly Member Felando's bill would change sale price limit to be the fair market value of the property.

The City of Sacramento has obtained several surplus school sites for recreation purposes. Coloma Community Center and Park is an excellent example of an existing facility which would not be a community use facility had it not been for the state law limiting the selling price of specified surplus school sites. A copy of AB 2198 is attached.

RECOMMENDATION

It is recommended that the Law and Legislative Committee indicate the City of Sacramento's opposition to AB 2198 relating to surplus school property.

Respectfully submitted,

fn- D. Eiling Luzzi
ROBERT P. THOMAS, Director
Parks and Community Services

Recommendation Approved:

WALTER J. SLIPE
City Manager

RPT:sl

Attachment

ASSEMBLY BILL

No. 2198

Introduced by Assembly Member Felando

March 8, 1985

OPPOSE

An act to amend Section 39396 of, and to repeal Section 39403 of, the Education Code, relating to schools.

LEGISLATIVE COUNSEL'S DIGEST

AB 2198, as introduced, Felando. Schools: surplus property.

Existing law limits the selling price of specified surplus school property to the cost of acquisition, as adjusted.

This bill would revise that limit to be the fair market value of the property, as defined.

Existing law limits the right of a public agency to acquire surplus school property within its jurisdictional boundaries to an amount not in excess of 30% of the surplus school acreage, as defined, within those boundaries.

This bill would remove that limitation.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 39396 of the Education Code is
2 amended to read:
3 39396. (a) Except as otherwise provided in
4 subdivision ~~(b)~~ or ~~(c)~~ (d), the price at which land
5 described in Section 39391, excluding that portion of a
6 school site retained by the governing board pursuant to
7 Section 39395, is sold pursuant to this article shall not
8 exceed the ~~school district's cost of acquisition, calculated~~
9 as a pro rata cost of acquiring the entire parcel

1 comprising the school site, adjusted by a factor equivalent
 2 to the percentage increase or decrease in the cost of
 3 living from the date of purchase to the year in which the
 4 offer of sale is made, plus the cost of any improvement to
 5 the recreational and open/space portion of the land
 6 which the school district has made since its acquisition
 7 fair market value of the land. For purposes of this article,
 8 fair market value of the land means the price a willing
 9 buyer and a willing seller would negotiate in an arm's
 10 length transaction for the land, as if the land were zoned
 11 at its highest and best use. In no event, shall the price be
 12 less than 25 percent of the fair market value of the land
 13 described in Section 39391 or less than the amount
 14 necessary to retire the share of local bonded
 15 indebtedness plus the amount of the original cost of the
 16 approved state aid applications on the property,
 17 excluding that portion of a school site retained by the
 18 governing board pursuant to Section 39394, at the time of
 19 the offer.

20 These provisions shall apply to land that the school
 21 district acquired by gift or for consideration.

22 (b) A school district that offers a portion of a school
 23 site for sale may offer such portion of property for sale at
 24 its fair market value, provided the school district offers an
 25 equivalent size alternative portion of that school site for
 26 school playground, playing field, or other recreational
 27 and open/space purposes.

28 (c)

29 (b) Land which is leased pursuant to this article shall
 30 be leased at an annual rate of not more than 1/20th of the
 31 maximum sales price determined pursuant to subdivision
 32 (a) of this section, adjusted annually by a factor
 33 equivalent to the percentage increase or decrease in the
 34 cost of living for the immediately preceding year.

35 (d)

36 (c) The percentage of annual increase or decrease in
 37 the cost of living shall be the amount shown for January
 38 1st of the appropriate year by the then current Bureau of
 39 Labor Statistics Consumers Price Index for the area in
 40 which the school site is located.

1 (e)

2 (d) Whenever a school district closes a school site and
 3 sells any land described in Section 39391 pursuant to this
 4 article to help pay only for capital outlay costs incurred
 5 directly as a result of the transfer of pupils from the closed
 6 school to another school or other schools of the district,
 7 the sale price of the property determined pursuant to
 8 subdivision (a) shall be increased by an amount equal to
 9 the additional costs incurred due to the school closure.

10 SEC. 2. Section 39403 of the Education code is
 11 repealed.

12 39403. (a) No more than 30 percent of the total
 13 surplus school acreage owned by a school district may be
 14 purchased or leased by public agencies pursuant to this
 15 article.

16 (b) The right of any public agency to purchase or lease
 17 surplus school property pursuant to this article shall exist
 18 only with respect to an amount of surplus school acreage
 19 within its jurisdictional boundaries which, when added to
 20 the surplus school acreage within its jurisdictional
 21 boundaries already purchased or leased pursuant to this
 22 article, will not exceed 30 percent of the surplus school
 23 acreage owned by the school district which is within the
 24 jurisdictional boundaries of that agency.

25 (c) For purposes of this section, "surplus school
 26 acreage" of a school district means property which is
 27 owned by a district and not used for school purposes,
 28 including, but not limited to, undeveloped property and
 29 property which contains school buildings that are not in
 30 use as a result of a school closure and which is not subject
 31 to any lease or agreement executed on or before July 1,
 32 1974, for a term in excess of six years, in which any city
 33 containing a population of less than 100,000 had use of the
 34 property for park purposes on January 1, 1981, and had
 35 improved the property.

36 (d) Nothing in this section shall be construed to deny
 37 local agencies the opportunity to purchase at full market
 38 value all or part of the 70 percent of the total surplus
 39 school acreage which is not affected by this article.