



# 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:

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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.