



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: AUGUST 23, 2016**

FROM: COMMUNITY & ECONOMIC DEVELOPMENT WARD: 6
DEPARTMENT

**SUBJECT: ATTESTATION OF AGREEMENT TO PURCHASE TAX-DEFAULTED
PROPERTY LOCATED AT 5975 RUTLAND AVENUE, BEARING ASSESSOR
PARCEL NUMBER 151-090-002, BETWEEN THE COUNTY OF RIVERSIDE AND
ALVORD UNIFIED SCHOOL DISTRICT FOR \$78,106.33**

ISSUE:

Attest to an Agreement to Purchase Tax-Defaulted Property located at 5975 Rutland Avenue, bearing Assessor Parcel Number 151-090-002, between the County of Riverside and Alvord Unified School District for \$78,106.33.

RECOMMENDATIONS:

That the City Council:

1. Attest to the attached Agreement to Purchase Tax-Defaulted Property between the County of Riverside and Alvord Unified School District for \$78,106.33; and
2. Authorize the City Manager, or his designee, to execute the Agreement including making minor and non-substantive changes.

LEGISLATIVE HISTORY:

Section 3775 of the California Revenue and Taxation code requires that whenever the County or the State is the purchaser the price shall be agreed upon between the County Board of Supervisors and the State Controller and the governing body of any city in which such property may be located and such price shall be paid to the county tax collector for distribution.

Alvord Unified School District has self-identified as a sub-entity of the State of California.

The City of Riverside is asked to consent to this transaction because sale to a public agency limits the City's ability to collect property tax revenue.

DISCUSSION:

In March 2009, the County of Riverside (County) received an Application to Purchase Tax-Defaulted Property from Alvord Unified School District (AUSD) for a parcel located at 5975 Rutland Avenue, bearing Assessor Parcel Number 151-090-002 (Property). In the application, AUSD states the Property is located between two lots owned by the AUSD and is adjacent to an existing school site. By purchasing the Property, AUSD would be able to expand their educational

services to the community.

The County agreed to the sell the tax-defaulted property to AUSD and began routing the Agreement to Purchase Tax-Defaulted Property for execution, which required City consent to comply with Revenue and Taxation Code 3775.

FISCAL IMPACT:

There is no current fiscal impact to the General Fund since the City is not a party to the sale which is between the County and AUSD. However, the transaction produces an undefined opportunity loss of potential future property tax revenue.

Prepared by:	Rafael Guzman, Community & Economic Development Director
Certified as to availability of funds:	Scott G. Miller, Interim Finance Director/Treasurer
Approved by:	Al Zelinka, FAICP, Assistant City Manager
Approved as to form:	Gary G. Geuss, City Attorney

Attachment:	Agreement to Purchase Tax-Defaulted Property
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