

Policy Type: Florin Resource Conservation District Board of Directors
Policy Title: Disposal of Surplus District Property Policy
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I. PURPOSE

The purpose of this policy is to determine if a parcel of real property, easement, vehicles and large equipment, or other personal property owned by the Florin Resource Conservation District (District) is no longer needed for daily, emergency and/or future operations. This policy is also intended to determine how such property should be relinquished or disposed and how revenue derived should be handled.

II. POLICY

This policy prescribes that staff shall review and follow Government Code Sections 54220 through 54232, otherwise known as the Surplus Land Act, as these sections may be amended from time to time. If there are any conflicts between this policy and the Government Code, the Government Code shall prevail.

III. DEFINITIONS

Real Property - Any parcel of land owned by the District.

Easement – An interest in another’s real property that permits the District to make limited use of that real property for a District purpose.

Vehicles and Large Equipment – Utility trucks, dump trucks, tractors, backhoes, forklifts, and other significant self-propelled equipment used in District operations.

Personal Property – Small equipment (cut-off saws, drills, etc.), computer equipment (monitors, printers, etc.), office furniture, etc.

IV. DISPOSAL OF REAL PROPERTY

A. The District shall comply with the Surplus Land Act to:

1. Establish the means by which property is surplus or not,
2. Prescribe the procedures on how property is disposed.

B. Staff shall identify any parcel of real property that no longer meets the needs of daily, emergency and/or future operations. A staff report will then be prepared, to document why the parcel should not be retained, and provided to the Board for their consideration.

- C. Staff shall verify if a parcel meets the conditions established in the notice and offer procedures provided in Government Code Sections 54220 through 54232. If the statutory notice and offer procedures must be followed, the District will be required to obtain a qualified appraisal of the parcel and submit written notice of availability to specified public agencies, within whose jurisdiction the property is located, before the property can be sold to other public agencies or a private party. The specified public agencies are as follows:

1. Housing Agencies; Housing Sponsors;
2. Local City, County, Regional and State Park and Recreation Agencies;
3. Local School Districts;
4. Neighborhood Enterprise Entities;
5. Successor agencies to former Redevelopment Agencies, Public Transportation Authorities, and Housing Authorities.

In the event that more than one agency is competing for the same property, the agency that proposes to build the greatest number of low- or moderate-income housing on the property shall have priority to purchase the property.

- D. In accordance with Government Code Sections 54220 through 54232, a parcel of real property is exempt from statutory notice and offer procedures, in part, if it:

1. Is less than 5,000 square feet in area; or
2. Is less than the minimum legal residential building lot size for the jurisdiction in which the parcel is located, or 5,000 square feet in area, whichever is less; or
3. Has no recorded access and is less than 10,000 square feet in area; and
4. Is not contiguous to land owned by a state or local agency that is used for open-space, low- or moderate-income housing; and
5. Is sold to the owner of the contiguous land.

- E. The Board shall declare if real property is surplus and is subject to the statutory notice and offer procedures prescribed by the Government Code or is exempt. If the property is not exempt, the General Manager shall give qualifying agencies notice of the parcel's availability for purchase. If none of the qualifying agencies provide written interest in buying the surplus property to the District within 60 days after receiving notice or make an offer meeting the appraised value, the District may then sell the parcel by advertised public sale.

- F. When the statutory notice and offer procedures have not resulted in disposal of a parcel, the District shall sell surplus real property by public sale. The General Manager shall notice the parcel's sale at the appraised value unless the Board authorizes a different price. The notice of sale shall contain a description of the property and a statement of time and place for opening bids. Bids for the purchase of real property shall be accepted or rejected by a resolution of the Board. Alternatively, the District may list the surplus parcel for public sale with a licensed

real estate broker in good standing, who advertises the parcel through multiple listing service or similar listing system at a fair market value determined by the broker using comparable sales data. Documents for the conveyance of title to surplus real property shall be executed by the Chair, upon authorization by the Board.

- G. If staff identifies that a surplus parcel is exempt from the Government Code's notice and offer procedures, it will not be necessary to obtain a formal appraisal of the property. If circumstances warrant, the surplus parcel may be sold for less than fair market value. In such cases, the General Manager, or his/her designee, will prepare a staff report documenting why the parcel was not appraised, why it may be sold for less than fair market value, the fiscal impact of selling the parcel and why it is exempt from the Government Code notice and offer procedures. After review, the Board may approve the sale of the surplus parcel by resolution, authorizing the General Manager to make the sale.

V. RELINQUISHMENT OF DISTRICT INTEREST IN EASEMENTS

- A. Staff shall identify if an easement no longer meets the needs of the daily, emergency and/or future operations of the District. Staff shall then prepare a report documenting the justification for relinquishing the easement and determine whether the easement has any fair market value. If staff identifies that the easement has fair market value and is transferable, a staff report will be presented to the Board at a regular meeting with a recommendation for the Board action on relinquishing the easement in accordance with section IV of this policy, and applicable law.
- B. If staff identifies that an easement has no fair market value, the General Manager shall have the authority to sign and record a quitclaim deed to relinquish and transfer the District's interest in the easement.
- C. If an easement is a Public Utility Easement, the General Manager shall have the authority to sign an easement relinquishment letter.

VI. DISPOSAL OF VEHICLES AND LARGE EQUIPMENT

- A. Periodically, staff will prepare a list of District vehicles and items of large equipment that are deemed surplus. Staff may rely on factors such as vehicle age, mileage, depreciation value, reliability, and cost of maintenance and repairs.
- B. Vehicles or large equipment are to be sold at public auction.
- C. Staff shall establish values and set minimum bid prices for each vehicle and item of large equipment to be sold by public auction. If staff, during the process of establishing value to a vehicle or piece of large equipment, determines that it has diminutive or no value or the costs of preparation and sale are greater than the

value of the vehicle or equipment, then the General Manager is authorized to dispose of the property in accordance with section VI (F) and (G) of this policy.

- D. The General Manager may authorize the sale of surplus vehicles and large equipment with an estimated value of \$25,000 or less. Vehicles and large equipment with an estimated value greater than \$25,000 shall be sold as surplus following authorization by the Board.
- E. Prior to the sale of surplus vehicles and large equipment, staff shall take the following actions:
 - 1. Remove all District equipment from the vehicle or large equipment (radio, decals, etc.).
 - 2. Clean and, if necessary, repair the vehicle or large equipment if it has an immediate safety issue.
 - 3. Establish the vehicle or large equipment value using an appropriate, publicly available valuation tool such as Kelley Blue Book, qualified appraisal, trade publications or classified newspaper advertisements. Staff shall prepare a written report relevant to the valuation of the item and attach appropriate documentation.
 - 4. Arrange for the delivery and consignment of the item to the public auction.
 - 5. When the vehicle or large equipment is sold, the General Manager, or his/her designee, shall sign the "pink slip," bill of sale and any other documents required to complete the sale.
 - 6. After the vehicle or large equipment is sold, the General Manager, or his/her designee, shall complete the paperwork as required by the Department of Motor Vehicles (DMV) to report the sale of the vehicle or large equipment, and return all completed forms and vehicle license plates to the DMV.
- F. For surplus vehicles and large equipment not sold at public auction, the General Manager has the authority to donate such items to another government agency or any non-discriminatory, tax-exempt non-profit organization qualifying under Internal Revenue Code section 501(c)(3).
- G. If a surplus vehicles and large equipment is not sold during public auction and the General Manager is unable to donate the surplus vehicle or large equipment to a qualified government agency or tax-exempt organization, the General Manager may properly dispose of such items at a legal disposal site.

VII. DISPOSAL OF PERSONAL PROPERTY

- A. Periodically, staff shall prepare a list of District personal property, other than vehicles and large equipment, which is deemed surplus.
- B. Surplus personal property is to be sold at public auction.

- C. Staff shall establish values and set minimum bid prices for each item of personal property to be sold by public auction. If staff, during the process of establishing value to an item of personal property, determines it to have diminutive or no value, the General Manager is authorized to dispose of the property in the same manner as section VI (F) and (G) of this policy.
- D. The General Manager may authorize the sale of personal property with an estimated value of \$10,000 or less. Personal property with an estimated value greater than \$10,000 shall be sold as surplus following authorization by the Board.
- E. For surplus personal property not sold at public auction, the General Manager is authorized to dispose of the property in the same manner as section VI (F) and (G) of this policy.

VIII. REVENUE FROM DISPOSAL OF SURPLUS PROPERTY

All revenue received from the disposal of surplus property shall be deposited in the District's general operating fund unless otherwise specified by the Board.

IX. PROHIBITION AGAINST UPGRADES

Unless necessary to ensure the safety, merchantability and/or serviceability of surplus property, staff may not make any repairs or upgrades to any real or personal property recommended or already deemed to be surplus.

X. PROHIBITED DIRECTOR, OFFICER, AND EMPLOYEE TRANSACTIONS

All members of the Board and staff are prohibited from purchasing surplus District property.

XI. GROUP OR LOT SALES

The District reserves the right to place items of surplus property in a group or lot for sale to the highest bidder.