



Legislation Text

File #: 16-037, **Version:** 1

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SUBJECT: Purchase Property for Well Site 21, Project No. 113026

REPORT IN BRIEF

Consider reapproving the Agreement to Purchase Tax-Defaulted Property with the County of Merced for property located at the corner of G Street and Bellevue Road for future Well Site 21.

RECOMMENDATION

City Council - Adopt a motion approving the Agreement to Purchase Tax-Defaulted Property with the County of Merced for the property know as APN 224-020-016; and, authorizing the City Manager to execute the necessary documents.

ALTERNATIVES

1. Approve, as recommended by staff; or,
2. Approve, subject to other than recommended by staff (identify specific findings and/or conditions amended to be addressed in the motion); or,
3. Deny; or,
4. Refer to staff for reconsideration of specific items (specific items to be addressed in the motion); or,
5. Continue to future meeting (date and time to be specified in the motion).

AUTHORITY

Charter of the City of Merced, Section 200.

California Revenue and Tax Code - Part 6. Tax Sales, Chapter 8. Deed to State, County or Public Agencies.

CITY COUNCIL PRIORITIES

As provided for in the 2014-15 Adopted Budget.

DISCUSSION

The City of Merced was notified of a tax-defaulted property located on the southwest corner of G Street and Bellevue Road (APN 224-020-016). The subject property is a 0.47 acre open space lot and is located directly adjacent to future Well Site 21. The property would provide much needed space for storage buildings, materials, and miscellaneous items.

At the September 15, 2014, meeting, Council approved a purchase agreement with the County of

Merced for the subject property in the not to exceed amount of \$6,000. The City was notified of the final purchase price on September 30, 2014 (see attachment 2), and a check for \$4,095.78 was deposited with the County of Merced shortly thereafter.

In order to complete the purchase of the tax-defaulted property, the County needed to get final approval from the California State Controller's Office. At the time, the property purchase was treated as an "objection" since the property was scheduled for public auction and the City of Merced was objecting to its sale. The State Controller's Office denied the County's sale of the tax-defaulted property due to the property's purchase price (\$4,095.78) being lower than the publicized auction minimum bid amount (\$4,882).

The parcel is no longer scheduled for public auction; however, since the County retains the power to sell the tax-defaulted property, the City's purchase is now being treated as a "non-objection". While the purchase price has not changed, procedurally the City of Merced must re-approve the agreement and the County must resubmit the agreement packet to the State Controller's Office for their approval of the non-objection purchase. Staff is requesting Council approve the agreement with the County to finalize the property purchase.

IMPACT ON CITY RESOURCES

The \$6,000 has been encumbered by previous Council action and no additional funds are required for this purchase.

ATTACHMENTS

1. Agreement to Purchase Tax-Defaulted Property
2. Letter from Merced County
3. Letter from State Controller's Office