



AGENDA MEMORANDUM

First Reading at the City Council Meeting of June 13, 2017
Second Reading at the City Council Meeting of June 20, 2017

DATE: June 2, 2017

TO: Margie C. Rose, City Manager

THRU: Sylvia Carrillo-Treviño, Assistant City Manger

FROM: Constance P. Sanchez, Director of Financial Services
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Approval for the resale of 26 foreclosed properties

CAPTION:

Ordinance authorizing the resale of 26 properties for \$96,850.00 which were foreclosed upon for failure to pay ad valorem taxes, of which the City shall receive \$8,213.35 plus \$15,790.35 for partial payment of City paving and demolition liens.

PURPOSE:

Nueces County, as trustee for each of the taxing entities, has received offers to purchase properties that have been foreclosed upon for failure to pay ad valorem taxes. The governing body from each of the taxing entities (the City of Corpus Christi, Nueces County, Corpus Christi Independent School District, and Del Mar College) must approve the offers for resale.

BACKGROUND AND FINDINGS:

Properties within the City of Corpus Christi are periodically foreclosed due to non-payment of ad valorem taxes. The City and Nueces County entered into an Interlocal Agreement for the collection of delinquent ad valorem taxes. Nueces County has contracted with the law firm of Linebarger, Goggan, Blair, & Sampson, L.L.P. to pursue collections of delinquent ad valorem taxes. When all avenues for collections are exhausted, foreclosed properties with delinquent ad valorem taxes are offered for sale at a public auction by the Sheriff. The opening bid at the "Sheriff's sale" is set by law

and must be either the aggregate amount of taxes, municipal liens, and court costs due under the judgment or the adjudged value of the property, whichever is lower. (The adjudged value is the value stated on the face of the judgment and is the most recent tax appraisal value certified by the Nueces County Appraisal District.) If nobody is willing to pay the opening bid amount for the property, then the Sheriff strikes it off (sells it) to the taxing entities. The taxing entities then get the property in lieu of their delinquent taxes.

The law firm will then put the property on their tax resale list, will nail a “For Sale” sign on the property, and will solicit purchase offers from the public. When an offer or offers are received, they then bring the highest offer forward for consideration and action by the governing bodies of the involved taxing entities. All the entities must approve the offer, or it is rejected.

The law firm has proposed the resale of 30 properties at the bid prices listed in Exhibit A. Each of the 30 properties was reviewed by Facilities, Engineering, Planning/Environmental and Strategic Initiative (ESI), Housing and Community Development, and Parks and Recreation for potential City use. Planning/ESI identified four properties (#2, #4, #5 and #23 on Exhibit A) located within the Air Installation Compatible Use Zone (AICUZ) to remove from the list – leaving 26 properties. The sale of these properties for development purposes would not be consistent with the recommendations identified within the Joint Land Use Study for land-use compatibility around our naval airfields. The neighborhoods in which these lots are located already exceed the recommended density for single family development.

The monies received from this sale are distributed pursuant to the property tax code. The net proceeds from the sale are first applied to pay off the outstanding court costs and the remaining funds are applied on a pro rata basis to each taxing jurisdiction. Approval of the ordinance will authorize the Nueces County Judge to execute a Resale Deed for the properties listed so they can be returned to the property tax roll for the upcoming year.

ALTERNATIVES:

n/a

OTHER CONSIDERATIONS:

The list of resale properties received from the law firm contained 30 properties. Each of the 30 properties was reviewed by Facilities, Engineering, Planning/Environmental and Strategic Initiative (ESI), Housing and Community Development, and Parks and Recreation for potential City use.

Planning/ESI identified four properties (#2, #4, #5 and #23 on Exhibit A) located within the Air Installation Compatible Use Zone (AICUZ) to remove from the list. Since Nueces County holds title as Trustee for themselves, the City, Flour Bluff Independent School District, and Del Mar College, the City’s next step would be to acquire the interests from each of these entities by making an offer for the property.

CONFORMITY TO CITY POLICY:

This item conforms to City policy.

EMERGENCY / NON-EMERGENCY:

This item is not an emergency and is scheduled for approval in two readings.

DEPARTMENTAL CLEARANCES:

- City Attorney's Office
- Facilities
- Engineering
- Planning/ESI
- Housing and Community Development
- Parks and Recreation

FINANCIAL IMPACT:

☐ Not Applicable ☐ Operating Expense ☒ Revenue ☐ CIP

FISCAL YEAR:	Project to Date Exp. (CIP Only)	Current Year	Future Years	TOTALS
Budget	-	-	-	-
Encumbered/Expended amount of (date)	-	-	-	-
This item	-	\$ 24,003.70	-	\$ 24,003.70
BALANCE	-	\$ 24,003.70	-	\$ 24,003.70
FUND(S): General Fund				

COMMENTS:

n/a

RECOMMENDATION:

Staff recommends approval of the ordinance as presented.

LIST OF SUPPORTING DOCUMENTS:

Exhibit A – Tax Resale Property List
Exhibit B – Letter from Linebarger Goggan Blair & Sampson, LLP
Ordinance