



MOUNTAINS RECREATION & CONSERVATION AUTHORITY

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MEMORANDUM

TO: The Governing Board

FROM:  Joseph T. Edmiston, FAICP, Hon. ASLA, Executive Officer

DATE: September 10, 2014

SUBJECT: **Agenda Item VI(e): Consideration of resolution authorizing the creation of an Auction Trust Account with the Los Angeles County Treasurer and Tax Collectors office to purchase parcels at the 2014A public auction.**

Staff Recommendation: That the Governing Board adopt the attached resolution authorizing the creation of an Auction Trust Account with the Los Angeles County Treasurer and Tax Collectors office in an amount not to exceed \$500,000 to purchase parcels at the 2014A public auction.

Background: The Mountains Recreation and Conservation Authority (MRCA) has had great success purchasing parcels through the Los Angeles County public auction process. Participation in the previous four auctions has resulted in the acquisition of high quality open space purchased at low cost to the MRCA.

Item VI(d) on this September 10, 2014 agenda addresses registering as a bidder at the October 2014A public auction. Once a bidder has been registered with the County Treasurer and Tax Collectors Office, there are two options for the bidder to purchase parcels at the auction. The first option is to provide the bidder with multiple cashiers checks in \$1,000 and \$5,000 denominations. These would be used in combination to provide the auction cashiers with the mandatory deposit (described below) immediately after the item bidding closes on each parcel.

The second option is for the MRCA to open an Auction Trust Account with the Los Angeles County Treasurer and Tax Collectors office. This account would be opened with a cashiers check in the full amount which the MRCA will provide for auction purchases. This method allows staff to concentrate on the auction rather than repeatedly going to the cashier.

Each open auction parcel purchase requires the full payment for parcels under \$5,000; a \$5,000 deposit on all parcels between \$5,001 and \$50,000; or a 10 percent down payment on all parcels above \$50,000. An Auction Trust Account

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allows the flexibility to provide the cashiers with the minimum deposit amounts immediately after the bidding ends, without having to deal with multiple cashiers checks.

Any funds in the Account which are not used for parcel purchase will be 100 percent refunded to the MRCA within 30 days after the sale.