

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Administrative Office		(2) MEETING DATE January 24, 2006		(3) CONTACT/PHONE Dan Buckshi, Administrative Analyst (805) 781-5018	
(4) SUBJECT Submittal of a resolution accepting the exchange of property tax revenue and annual tax increment for Annexation No. 70 to the City of San Luis Obispo (Bishop Knoll Estates).					
(5) SUMMARY OF REQUEST This request relates to the annexation of approximately 9.77 acres to the City of San Luis Obispo currently zoned Residential Single Family. If annexation is successful, the property is proposed to remain zoned as Residential Single Family. The property is located on Foothill Road, adjacent to the San Luis Obispo city limits. The purpose of the annexation is to obtain City services in order to facilitate the subdivision of the property from two (2) lots into 11 lots. Jurisdictional changes such as this can change service area responsibilities and/or impact operating expenses and revenues. The law requires affected jurisdictions (in this case, the County and the City of San Luis Obispo) to negotiate an exchange of property tax revenue prior to the Local Agency Formation Commission's approval of the proposed change. This resolution is being presented for adoption within the 60-day time frame which commenced on December 6, 2005. The County Administrative Office and the City of San Luis Obispo staff negotiated on behalf of their respective agencies.					
(6) RECOMMENDED ACTION Approve the resolution accepting the exchange of property tax revenue and annual tax increment for Annexation No. 70 to the City of San Luis Obispo (Bishop Knoll Ranch).					
(7) FUNDING SOURCE(S) N/A		(8) CURRENT YEAR COST N/A		(9) ANNUAL COST N/A	
(10) BUDGETED? <input type="checkbox"/> YES <input checked="" type="checkbox"/> N/A <input type="checkbox"/> NO					
(11) OTHER AGENCY/ADVISORY GROUP INVOLVEMENT (LIST): The Local Agency Formation Commission has the authority to oversee annexation of property. The property is proposed to be annexed into the City of San Luis Obispo, therefore, as one of the affected agencies, the City of San Luis Obispo participated in the tax exchange negotiations. The Auditor's Office provided the financial analysis.					
(12) WILL REQUEST REQUIRE ADDITIONAL STAFF? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, How Many? _____ <input type="checkbox"/> Permanent _____ <input type="checkbox"/> Limited Term _____ <input type="checkbox"/> Contract _____ <input type="checkbox"/> Temporary Help _____					
(13) SUPERVISOR DISTRICT(S) 1st, 2nd, 3rd, 4th, 5th, All			(14) LOCATION MAP <input checked="" type="checkbox"/> Attached <input type="checkbox"/> N/A		
(15) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Presentation <input type="checkbox"/> Board Business (Time Est. _____)			(16) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions (Orig + 4 copies) <input type="checkbox"/> Contracts (Orig + 4 copies) <input type="checkbox"/> Ordinances (Orig + 4 copies) <input type="checkbox"/> N/A		
(17) NEED EXTRA EXECUTED COPIES? <input type="checkbox"/> Number: _____ <input type="checkbox"/> Attached <input checked="" type="checkbox"/> N/A			(18) APPROPRIATION TRANSFER REQUIRED? <input type="checkbox"/> Submitted <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A		

(19) ADMINISTRATIVE OFFICE REVIEW <div style="text-align: center; font-size: 2em; font-family: cursive;">012</div> <div style="text-align: right; font-size: 2em; font-family: cursive;">B-3 (1.24.06)</div>

County of San Luis Obispo

COUNTY GOVERNMENT CENTER, RM. 370 • SAN LUIS OBISPO, CALIFORNIA 93408 • (805) 781-5011



TO: BOARD OF SUPERVISORS
FROM: DAN BUCKSHI, ADMINISTRATIVE ANALYST
DATE: JANUARY 24, 2006

DAVID EDGE
COUNTY ADMINISTRATOR

SUBJECT: SUBMITTAL OF A RESOLUTION ACCEPTING THE EXCHANGE OF PROPERTY TAX REVENUE AND ANNUAL TAX INCREMENT FOR ANNEXATION NO. 70 TO THE CITY OF SAN LUIS OBISPO (BISHOP KNOLL ESTATES)

Recommendation

Approve the resolution accepting the exchange of property tax revenue and annual tax increment for Annexation No. 70 to the City of San Luis Obispo (Bishop Knoll Ranch).

Discussion

This request relates to the annexation of approximately 9.77 acres to the City of San Luis Obispo currently zoned Residential Single Family. If annexation is successful, the property is proposed to remain zoned as Residential Single Family. The property is located on Foothill Road, adjacent to the San Luis Obispo city limits. The purpose of the annexation is to obtain City services in order to facilitate the subdivision of the property from two (2) lots into 11 lots. Jurisdictional changes such as this can change service area responsibilities and/or impact operating expenses and revenues. The law requires affected jurisdictions (in this case, the County and the City of San Luis Obispo) to negotiate an exchange of property tax revenue prior to the Local Agency Formation Commission's approval of the proposed change. This resolution is being presented for adoption within the 60-day time frame which commenced on December 6, 2005. The County Administrative Office and the City of San Luis Obispo staff negotiated on behalf of their respective agencies.

Other Agency Involvement/Impact

The Local Agency Formation Commission has the authority to oversee annexation of property. The property is proposed to be annexed into the City of San Luis Obispo, therefore, as one of the affected agencies, the City of San Luis Obispo participated in the tax exchange negotiations. The Auditor's Office provided the financial analysis.

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January 24, 2006

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Financial Considerations

Per the Master Tax Exchange Agreement between several of the cities and the County, the County will retain all of the base property tax and 2/3 of the incremental property tax. The County's portion of the property tax, prior to the Educational Revenue Augmentation Fund (ERAF) calculation, is 37.62108%. As such, the County will transfer 1/3, or 12.54287%, of the property tax increment to the City of San Luis Obispo.

Results

To agree to a fair and equitable exchange of property tax revenue as a result of an annexation of property.

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IN THE BOARD OF SUPERVISORS
COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA

_____ day _____, 2006

PRESENT:

ABSENT:

RESOLUTION NO. _____

**RESOLUTION ACCEPTING NEGOTIATED EXCHANGE OF
PROPERTY TAX REVENUE AND ANNUAL TAX INCREMENT
BETWEEN THE COUNTY OF SAN LUIS OBISPO AND
THE CITY OF SAN LUIS OBISPO**

The following resolution is hereby offered and read:

WHEREAS, in the case of a jurisdictional change other than a city incorporation or district formation which will alter the service area or responsibility of a local agency, Revenue and Taxation Code Section 99(a)(1) requires that the amount of property tax revenue to be exchanged, if any, and the amount of annual tax increment to be exchanged among the affected local agencies shall be determined by negotiation; and

WHEREAS, when a city is involved, the negotiations are conducted between the City Council and the Board of Supervisors of the County; and

WHEREAS, when a special district is involved, the negotiations are conducted by the Board of Supervisors of the County on behalf of the district or districts, unless otherwise requested by said district or districts pursuant to Revenue and Taxation Code Section 99(b)(5); and

WHEREAS, Revenue and Taxation Code Section 99(b)(6) requires that each local agency, upon completion of negotiations, adopt resolutions whereby said local agencies agree to accept the negotiated exchange of property tax revenues, if any, and annual tax increment and requires that each local agency transmit a copy of each such resolution to the Executive Officer of the Local Agency Formation Commission; and

WHEREAS, no later than the date on which the certificate of completion of the jurisdictional change is recorded with the County Recorder, the Executive Officer shall notify the County Auditor of the exchange of property tax revenues by transmitting a copy of said resolutions to him and the County Auditor shall thereafter make the appropriate adjustments as required by law; and

WHEREAS, the City of San Luis Obispo (City) and the County of San Luis Obispo (County) have previously agreed to a property tax exchange methodology pursuant to Joint Resolution No. 01-96 which provides that in the case of undeveloped property, all of the "base" property tax revenues will be retained by the County, with incremental property tax revenues to be apportioned between the County and City as follows: in the case of land pre-zoned for non-residential uses (such as retail, offices or manufacturing), the County will receive all of the incremental property tax revenues; and in the case of land pre-zoned for residential uses, the County will receive 66% of the incremental property tax revenues it would otherwise have received from the Tax Rate Area, and the City will receive the remaining 34%.

WHEREAS, the negotiations have taken place concerning the transfer of property tax revenues and annual tax increment between the County of San Luis Obispo and the City of San Luis Obispo pursuant to Section 99(a)(1) for the jurisdictional change designated as Annexation No. 70 to the City of San Luis Obispo (Bishop Knoll Ranch); and

WHEREAS, the negotiating party, to wit: Dan Buckshi, Administrative Analyst, County of San Luis Obispo, on behalf of the County and Shelly Stanwyck, on behalf of the City of San Luis Obispo have negotiated the exchange of property tax revenue and annual tax increment between such entities as hereinafter set forth; and

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WHEREAS, it is in the public interest that such negotiated exchange of property tax revenues and annual tax increment be consummated.

NOW, THEREFORE BE IT RESOLVED AND ORDERED by the Board of Supervisors of the County of San Luis Obispo, State of California, as follows:

1. That the recitals set forth above are true, correct and valid.
2. That the County of San Luis Obispo agrees to accept the following negotiated exchange of base property tax revenues and annual tax increment.
 - (a) No base property tax revenue shall be transferred from the County of San Luis Obispo to the City of San Luis Obispo.
 - (b) Annual tax increments shall be transferred from the County of San Luis Obispo to the City of San Luis Obispo in the fiscal year 2006-2007 and each fiscal year thereafter in the amount of 12.54287 percent before ERAF.
 - (c) All annual tax increment for the County Road Fund shall be transferred to the County General Fund.
 - (d) The annexed property will be responsible for any current or future City bonds.
3. Upon receipt of a certified copy of this resolution and a copy of the recorded certificate of completion, the County Auditor shall make the appropriate adjustments to property tax revenues and annual tax increments as set forth above.
4. That the County Clerk is authorized and directed to transmit a certified copy of the resolution to the Executive Officer of the San Luis Obispo Local Agency Formation Commission, who shall then distribute copies in the manner prescribed by law.

Upon motion of Supervisor _____, seconded by Supervisor _____, and on the following roll call, to wit:

AYES:

NOES:

ABSENT:

ABSTAINING:

the foregoing resolution is hereby adopted.

Chairperson of the Board of Supervisors

ATTEST

Clerk of the Board of Supervisors

By: _____
Deputy Clerk

APPROVED AS TO FORM AND LEGAL EFFECT
JAMES B. LINDHOLM, JR.
County Counsel

By: 
Assistant County Counsel

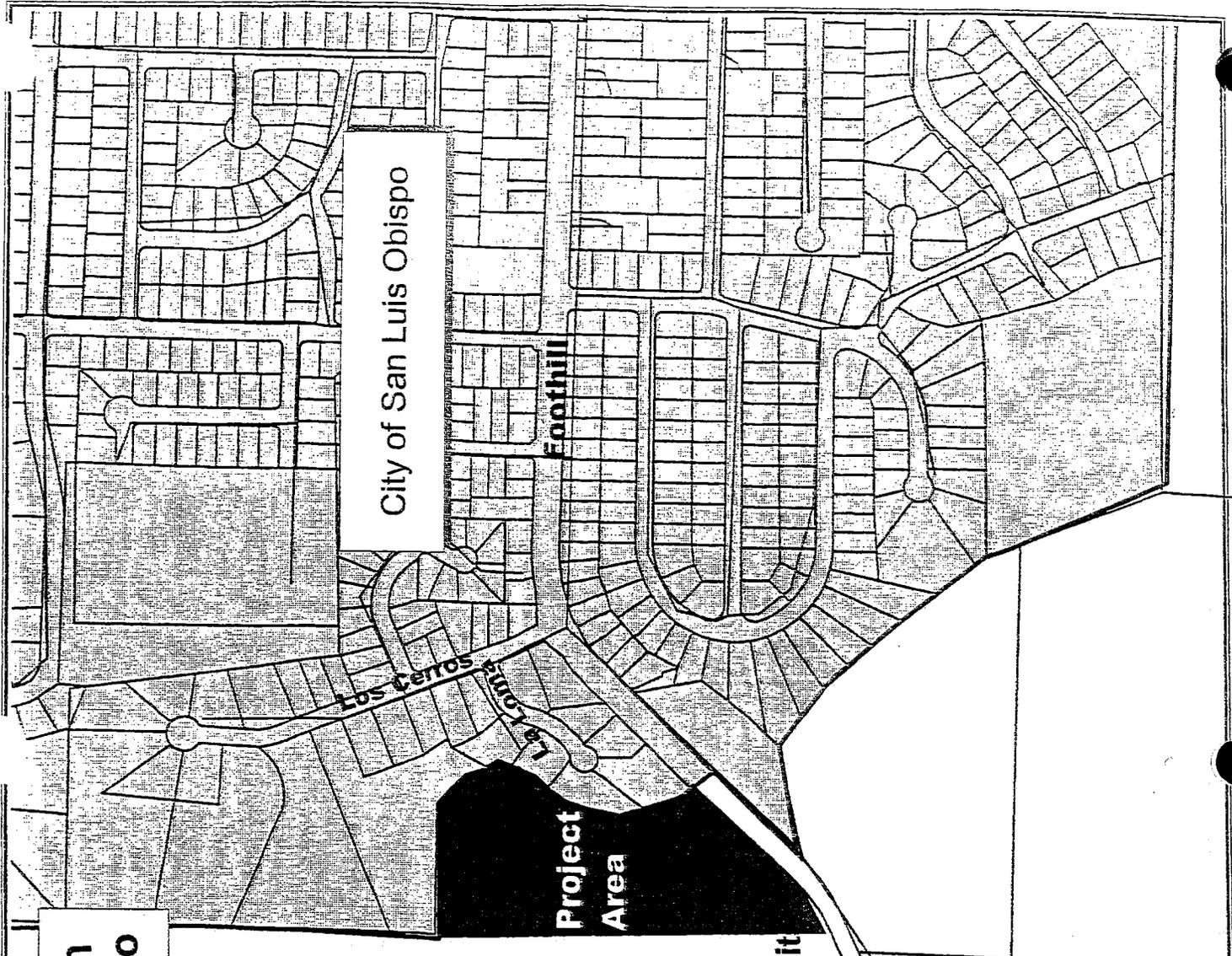
Date: 12/19/05

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**Bishop Knoll Annexation
No. 70 to San Luis Obispo**

**COUNTY OF
SAN LUIS OBISPO**

-  Bishop Knoll
-  County
-  San Luis Obispo City Limit



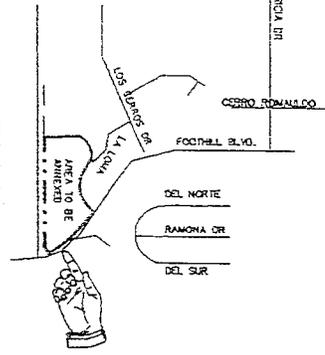
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EXHIBIT B

CITY OF SAN LUIS OBISPO
 COUNTY OF SAN LUIS OBISPO

CITY BOUNDARY PER RESOLUTION NO. 3021 (1978 SERIES) RECORDED IN BOOK 2104, PAGE 965 OF OFFICIAL RECORDS

VICINITY MAP



- LEGEND**
- EXISTING CITY UNIT LINE
 - - - - PROPOSED ANNEXATION AREA
 - R RECORD DATA
 - GM CALCULATED FROM RECORD
 - POINT OF BEGINNING



PARCEL B
 RESOLUTION NO. 3021
 RECORDED IN BOOK 2104, PAGE 965 OF OFFICIAL RECORDS

PM CO-74-50
77 PM 7

TOTAL ANNEXATION AREA - 8.81 ACRES

PARCEL C
 RESOLUTION NO. 3021
 RECORDED IN BOOK 2104, PAGE 965 OF OFFICIAL RECORDS

TRACT 76 B
5 MB 50

TRACT 76
5 MB B4
 1952

FOOTHILL BOULEVARD
 CITY OF SAN LUIS OBISPO
 COUNTY OF SAN LUIS OBISPO

CALVARY BAPTIST CHURCH
 CITY OF SAN LUIS OBISPO

ANNEXATION NO. _____

CITY OF SAN LUIS OBISPO

IN THE

PARCELS B AND C OF PARCEL MAP NO. CO-74-30 AS SHOWN IN BOOK 17 OF PARCEL MAPS AT PAGE 7, RECORDS OF SAN LUIS OBISPO COUNTY, COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA

MICHAEL R. STANTON, PLS 8702
 1775 S. AVENUE
 SAN LUIS OBISPO, CALIFORNIA 93401
 435-2381

Handwritten signature or initials