

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

(1) DEPARTMENT Administrative Office		(2) MEETING DATE April 11, 2006		(3) CONTACT/PHONE Dan Buckshi 781-5011	
(4) SUBJECT Submittal of a notice to commence negotiations for the exchange of property tax revenue and annual tax increment for Annexation No. 27 to the Nipomo Community Services District.					
(5) SUMMARY OF REQUEST This request relates to the annexation of approximately 20 acres to the Nipomo Community Services District currently zoned Residential Suburban. The property is located in the unincorporated area of San Luis Obispo County, on South Oakglen in Nipomo, on left side of Tefft after 1.2 miles. Jurisdictional changes such as this can change service area responsibilities and/or impact operating expenses and revenues. The law requires affected jurisdictions to negotiate an exchange of property tax revenue prior to the Local Agency Formation Commission's approval of the proposed change.					
(6) RECOMMENDED ACTION Approve commencement of negotiations for the exchange of property tax revenue for Annexation NO. 27 to the Nipomo Community District ( Holloway)					
(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 Nipomo Community Services District, therefore, as one of the affected agencies, the Nipomo Community Services District will participate 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 type="checkbox"/> Resolutions (Orig + 4 copies) <input type="checkbox"/> Contracts (Orig + 4 copies) <input type="checkbox"/> Ordinances (Orig + 4 copies) <input checked="" 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 <b>OK - Jim Grant</b>					

**B-15  
(4-11-06)**

# 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: April 11, 2006**

**SUBJECT: SUBMITTAL OF A NOTICE TO COMMENCE NEGOTIATIONS FOR THE EXCHANGE OF PROPERTY TAX REVENUE AND ANNUAL TAX INCREMENT FOR ANNEXATION NO. 27 TO THE NIPOMO COMMUNITY SERVICES DISTRICT (HOLLOWAY)**

**DAVID EDGE**  
COUNTY ADMINISTRATOR

## Recommendation

Commence negotiations for the exchange of property tax revenue and annual tax increment for Annexation No. 27 to the Nipomo Community Services District (Holloway).

## Discussion

This request relates to the annexation of approximately 20 acres of property zoned Residential Multi-Family to the Nipomo Community Services District. The property is located in the unincorporated area of San Luis Obispo County, on South Oakglen, approximately 1.2 miles South of Tefft, in Nipomo. The purpose of the annexation is to obtain water, sewer and fire protection from the Nipomo CSD. The property is proposed to be developed with 20 single family homes and 20 granny units. 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 Nipomo Community Services District) to negotiate an exchange of property tax revenue prior to the Local Agency Formation Commission's approval of the proposed change. A 60-day negotiation period will commence upon approval of this notice. The notice contains information concerning the amount of revenue generated in the annexation area. The County Administrative Office and the Nipomo Community Services District will negotiate on behalf of their respective agencies and present a resolution for adoption within the 60-day time frame.

## 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 Nipomo Community Services District, therefore, as one of the affected agencies, the Nipomo Community Services District will participate in the tax exchange negotiations. The Auditor's Office provided the financial analysis.

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## **BOARD OF SUPERVISORS**

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### **Financial Considerations**

If negotiations are successful, the County will transfer an agreed upon percentage of property tax increment, before the Educational Revenue Augmentation Fund (ERAF) calculation to the Nipomo Community Services District. There will not be a transfer of base property taxes. The attached notice contains information concerning the amount of revenue generated in the annexation area.

### **Results**

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

#### Attachments

Notice to Commence Negotiations  
Map of proposed annexation

c - Michael LeBrun, General Manager, NCSD  
Marsha Stillman, Auditor-Controller's Office  
Paul Hood, LAFCO

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**LOCAL AGENCY FORMATION COMMISSION  
NOTICE TO COMMENCE NEGOTIATION  
FOR TRANSFER OF PROPERTY TAX REVENUE**

Proposed Jurisdictional Change: Annexation No. 27 to the Nipomo CSD (Holloway)

LAFCO File No: 1-R-06

Purpose of proposal: to receive water & sewer services from the NCSD

<u>Negotiating Agencies:</u>	<u>Agenda Date for Start of Negotiations:</u>
County of San Luis Obispo Nipomo Community Services District	April 11, 2006

Subject Property:

<u>Tax Code Area</u>	<u>Parcel Nos.</u>	<u>Valuation</u>
052-041	090-171-005	391,104
052-041	090-171-027	128,216
052-041	090-171-028	53,534
052-041	090-171-029	45,603
052-096	None	-0-
<b>Total</b>		<b>618,457</b>

Estimated property tax revenue generated within subject property: 2006-2007

GENERAL FUND	1,681	27.175%
AIR POLLUTION CONTROL	41	0.655%
SPECIAL ROADS # 1	5	0.076%
COUNTY LIBRARY	126	2.033%
PORT SAN LUIS HARBOR	90	1.457%
SLO FLOOD CONTROL	18	0.290%
NACIMIENTO WATER CONS	19	0.311%
LUCIA MAR UNIFIED	2,743	44.365%
SAN LUIS OBISPO COMM COLL	482	7.792%
COUNTY SCHOOL SERVICE	286	4.618%
ERAF	694	11.228%
<b>TOTALS</b>	<b>6,185</b>	<b>100.000%</b>

Percentage of annual tax increment to be exchanged: 6.31927%

Negotiation Period: April 11 to June 13, 2006

Property Tax Exchange effective fiscal year: 2007-08

By: Paul L. Hood  
Paul L. Hood, Executive Officer

Date: 3/30/06

Note: At close of negotiations, each agency shall immediately transmit to the LAFCO Executive Officer a certified copy of the resolution setting forth the amount of property tax revenue to be transferred. For dependent districts, the Clerk of the Board of Supervisors shall transmit a certified copy of the Board's resolution adopted on behalf of both parties. This will allow LAFCO to commence processing of the jurisdictional change.

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# Holloway Annexation Nipomo Community Services District

