

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

(1) DEPARTMENT Administrative Office	(2) MEETING DATE April 25, 2006	(3) CONTACT/PHONE Dan Buckshi 781-5011	
(4) SUBJECT Submittal of a resolution accepting the exchange of property tax revenue and annual tax increment of Annexation No. 27 to the Nipomo Community Services District (Holloway).			
(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. This resolution is being presented for adoption within the 60-day time frame which commenced on April 11, 2006. The County Administrative Office and the Nipomo Community Services District staff negotiated on behalf of their respective agencies.			
(6) RECOMMENDED ACTION The Board approve the resolution accepting the exchange of property tax revenue and annual tax increment 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 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 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, <u>4th</u>, 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 OK - Jim Grant			

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5-25-06**

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 III

DATE: April 25, 2006

DAVID EDGE
COUNTY ADMINISTRATOR

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

Recommendation

That the Board approve the resolution accepting 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 and sewer 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. This resolution is being presented for adoption within the 60-day time frame, which commenced on April 11, 2006. The County Administrative Office and the Nipomo Community Services District 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 Nipomo Community Services District, therefore, as one of the affected agencies, the Nipomo Community Services District participated in the tax exchange negotiations. The Auditor's Office provided the financial analysis.

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Financial Considerations

The County's portion of the property tax, after the Educational Revenue Augmentation Fund (ERAF) calculation, is 27.17584%. The Nipomo CSD average receipt of property taxes from Tax Rate Areas (TRA) in the district is 6.31927%. As such, the County will retain all of the base property taxes and will transfer 6.31927% of the property tax increment to the Nipomo Community Services District.

Results

The fair and equitable exchange of property tax revenue as a result of an annexation of property.

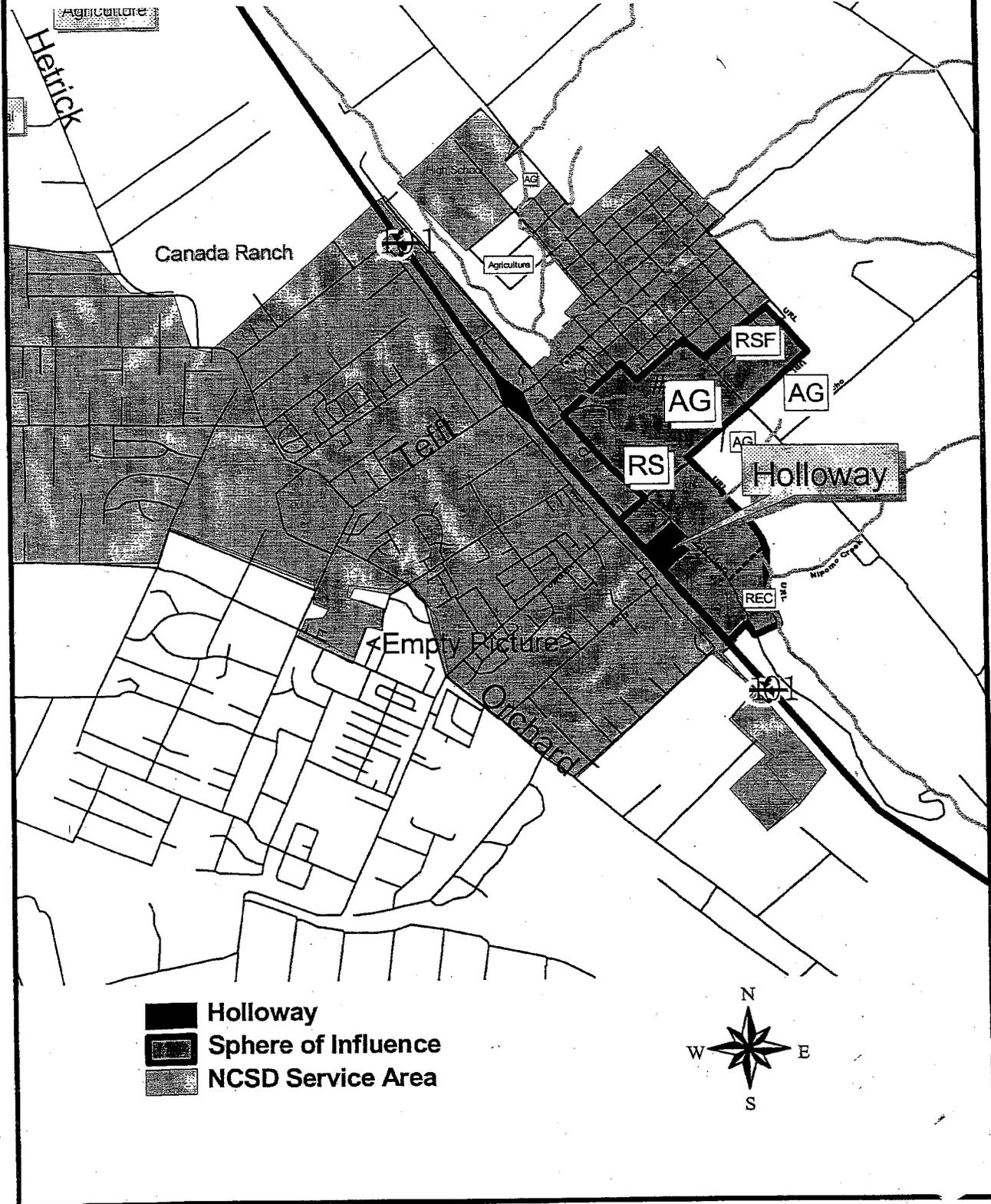
Attachments

Map of proposed annexation

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

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Holloway Annexation Nipomo Community Services District



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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 NIPOMO COMMUNITY SERVICES DISTRICT**

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 negotiations have taken place concerning the transfer of property tax revenues and annual tax increments between the County of San Luis Obispo and the Nipomo Community Services District pursuant to Section 99(a)(1) for the jurisdictional change designated as Annexation No. 27 to the Nipomo Community Services District (Holloway); and

WHEREAS, the negotiating party, to wit: Dan Buckshi, Administrative Analyst, County of San Luis Obispo, on behalf of the County and Michael LeBrun, General Manager, on behalf of the Nipomo Community Services District have negotiated the exchange of property tax revenue and annual tax increments between such entities as hereinafter set forth; and

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

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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 increments.
 - (a) No base property tax revenue shall be transferred from the County of San Luis Obispo to the Nipomo Community Services District.
 - (b) Annual tax increments shall be transferred from the County of San Luis Obispo to the Nipomo Community Services District in the fiscal year 2007-2008 and each fiscal year thereafter in the amount of 6.31927 percent after ERAF.
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.

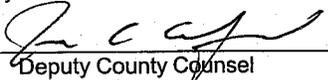
Chairperson of the Board of Supervisors

ATTEST

Clerk of the Board of Supervisors

By: _____
Deputy Clerk

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

By: 
Deputy County Counsel
4/12/06

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