

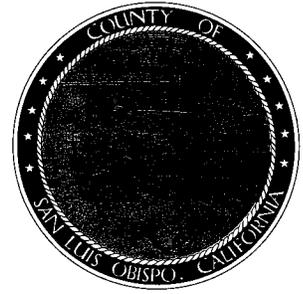
**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Administrative Office	(2) MEETING DATE August 8, 2006	(3) CONTACT/PHONE Dan Buckshi, (805) 781-5011	
(4) SUBJECT Submittal of a notice to commence negotiations for the exchange of property tax revenue and annual tax increment for the detachment of property from the City of Arroyo Grande (Milne property)			
(5) SUMMARY OF REQUEST This request relates to the detachment of 3,696 square feet from the City of Arroyo Grande. The property is located at 379 Corbett Canyon Road, Arroyo Grande, CA 93420, which is North of Corbett Canyon Road and West of Royal Oak Rd (see attached map). The reason for the request to detach the property from the City of Arroyo Grande is to change the City/County boundary because it currently runs through a portion of the property. The request is to change the City/County boundary in order to follow the lot line (the majority of the property is within the County boundary, hence the request to move the small, remaining portion of the property into the County boundary).			
(6) RECOMMENDED ACTION Commence negotiations for the exchange of property tax revenue and annual tax increment for the detachment of property from the City of Arroyo Grande to the County of San Luis Obispo.			
(7) FUNDING SOURCE(S) N/A	(8) CURRENT YEAR COST N/A	(9) ANNUAL COST N/A	(10) BUDGETED? <input type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> N/A
(11) OTHER AGENCY/ADVISORY GROUP INVOLVEMENT (LIST): The Local Agency Formation Commission has the authority to oversee annexation of property. This property is proposed to be detached from the City of Arroyo Grande, therefore, as one of the affected agencies; the City of Arroyo Grande 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) <input type="checkbox"/> 1st, <input type="checkbox"/> 2nd, <input type="checkbox"/> 3rd, <input checked="" type="checkbox"/> 4th, <input type="checkbox"/> 5th, <input type="checkbox"/> All	(14) LOCATION MAP <input checked="" type="checkbox"/> Attached <input type="checkbox"/> N/A	(15) Maddy Act Appointments Signed-off by Clerk of the Board <input checked="" type="checkbox"/> N/A	
(16) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Presentation <input type="checkbox"/> Board Business (Time Est. _____)	(17) 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		
(18) NEED EXTRA EXECUTED COPIES? <input type="checkbox"/> Number: _____ <input type="checkbox"/> Attached <input checked="" type="checkbox"/> N/A	(19) BUDGET ADJUSTMENT REQUIRED? <input type="checkbox"/> Submitted <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A		
(20) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) _____	(21) W-9 <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	(22) Agenda Item History <input checked="" type="checkbox"/> N/A Date _____	
(23) ADMINISTRATIVE OFFICE REVIEW: The Administrative Office prepared this item.			

8-8-06
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County of San Luis Obispo

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



DAVID EDGE
COUNTY ADMINISTRATOR

TO: BOARD OF SUPERVISORS

FROM: DAN BUCKSHI, ADMINISTRATIVE ANALYST

DATE: August 8, 2006

SUBJECT: Submittal of a notice to commence negotiations for the exchange of property tax revenue and annual tax increment for the detachment of property from the City of Arroyo Grande (Milne property)

Recommendation

Commence negotiations for the exchange of property tax revenue and annual tax increment for the detachment of property from the City of Arroyo Grande to the County of San Luis Obispo.

Discussion

This request relates to the detachment of 3,696 square feet from the City of Arroyo Grande. The property is located at 379 Corbett Canyon Road, Arroyo Grande, CA 93420, which is North of Corbett Canyon Road and West of Royal Oak Rd (see attached map). The reason for the request to detach the property from the City of Arroyo Grande is to change the City/County boundary because it currently runs through a portion of the property. The request is to change the City/County boundary in order to follow the lot line (the majority of the property is within the County boundary, hence the request to move the small, remaining portion of the property into the County boundary).

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 Arroyo Grande) to negotiate an exchange of property tax revenue prior to the Local Agency Formation Commission's (LAFCO) approval of the proposed change. A 60-day negotiation period will commence upon approval of this notice. This notice contains information concerning the amount of revenue generated in the annexation area. Staff from the County Administrative Office and the City of Arroyo Grande will negotiate on behalf of their respective agencies and present a resolution for adoption within the 60-day timeframe.

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Other Agency Involvement/Impact

The Local Agency Formation Commission has the authority to oversee annexation of property. This property is proposed to be detached from the City of Arroyo Grande, therefore, as one of the affected agencies; the City of Arroyo Grande will participate in the tax exchange negotiations. The Auditor's Office provided the financial analysis.

Financial Considerations

The notice to commence negotiation contains information concerning the amount of revenue generated in the detachment area (see attachment).

Results

To initiate the 60-day negotiation period, which will result in a fair and equitable exchange of property tax revenue as a result of the property detachment.

- C: Steve Adams, City of Arroyo Grande
- Marsha Stillman, County 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: Detachment No. 1 from the City of Arroyo Grande (Milne)

LAFCO File No: 4-R-06

Purpose of proposal: To detach land from the City of Arroyo Grande.

Negotiating Agencies:

City of Arroyo Grande
County of San Luis Obispo

Agenda Date for
Start of Negotiations

8/8/2006

Subject Property:

<u>Tax Code Area</u>	<u>Parcel Nos.</u>	<u>Valuation</u>
001-000	007-791-013	-0- Low value exemption

Estimated property tax revenue generated within subject property: \$-0- in fiscal year 2005-2006

GENERAL FUND	29.279740
AIR POLLUTION CONTROL	0.098420
COUNTY LIBRARY	1.912370
ARROYO GRANDE	20.753830
PORT SL HARBOR	1.574320
SLO CO FLOOD CONTROL	0.372010
NACIMIENTO WATER CONS	0.301150
FLOOD CONTROL ZONE 3	0.348710
ARROYO GRANDE CEMETERY	0.177660
LUCIA MAR UNIFIED	35.306320
SLO COMMUNITY COLLEGE	6.200830
CO SCHOOL SERVICE	3.674640
TOTALS	100.0000

Percentage of annual tax increment to be exchanged: 0% (before ERAF)

Negotiation Period: 8/8/2006 through 10/6/2006

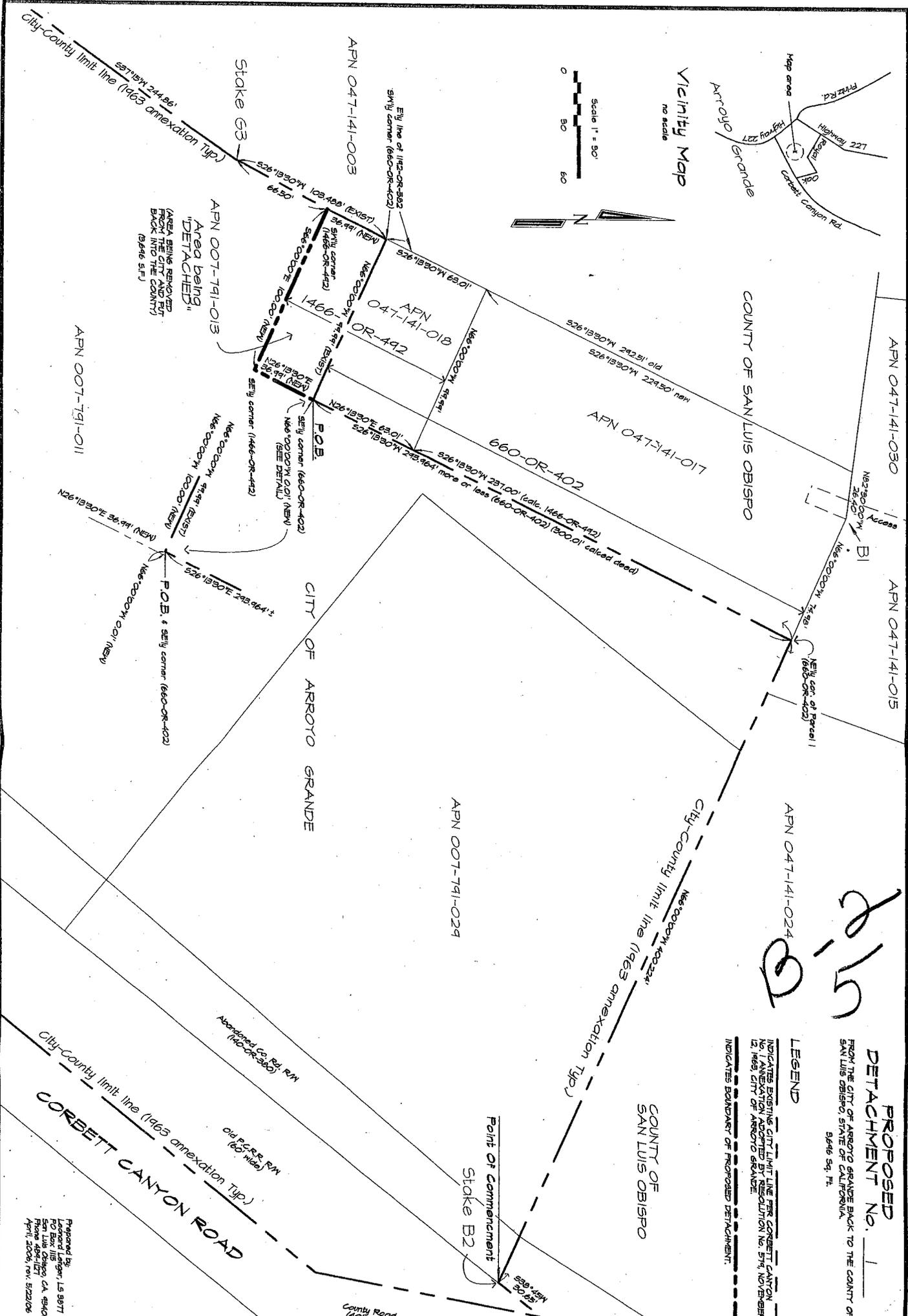
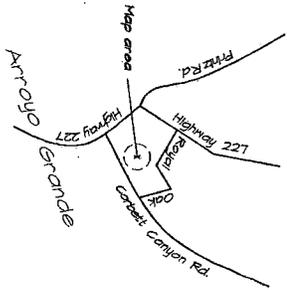
Property Tax Exchange effective fiscal year: 2007-2008

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

Date: 6/5/06

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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PROPOSED
DETACHMENT NO. 1
FROM THE CITY OF ARROYO GRANDE BACK TO THE COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA
9446 sq. ft.

LEGEND
INDICATES EXISTING CITY LIMIT LINE PER CORBETT CANYON NO. 1 ANNEXATION ADOPTED BY RESOLUTION NO. 574, NOVEMBER 12, 1963, CITY OF ARROYO GRANDE
INDICATES BOUNDARY OF PROPOSED DETACHMENT.

Prepared by:
Leonard Longen, LS 9877
P.O. Box 115
San Luis Obispo, CA 95406
April, 2006, rev. 5/22/06