

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

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| (1) DEPARTMENT Administrative Office | | (2) MEETING DATE 6/3/2014 | | (3) CONTACT/PHONE Emily Jackson 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. 31 to the City of Arroyo Grande (Heights at Vista Del Mar). District 4. | | | | | |
| (5) RECOMMENDED ACTION It is recommended that the Board approve commencement of negotiations for the exchange of property tax revenue for Annexation No. 31 to the City of Arroyo Grande (Heights at Vista Del Mar). | | | | | |
| (6) FUNDING SOURCE(S) n/a | | (7) CURRENT YEAR FINANCIAL IMPACT n/a | | (8) ANNUAL FINANCIAL IMPACT n/a | |
| (9) BUDGETED? n/a | | | | | |
| (10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ___) <input type="checkbox"/> Board Business (Time Est. ___) | | | | | |
| (11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A | | | | | |
| (12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A | | | | (13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A | |
| (14) LOCATION MAP Attached | | (15) BUSINESS IMPACT STATEMENT? No | | (16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date: _____ | |
| (17) ADMINISTRATIVE OFFICE REVIEW Guy Savage | | | | | |
| (18) SUPERVISOR DISTRICT(S) District 4 | | | | | |

County of San Luis Obispo



TO: Board of Supervisors

FROM: Emily Jackson, Administrative Analyst

DATE: 6/3/2014

SUBJECT: Submittal of a notice to commence negotiations for the exchange of property tax revenue and annual tax increment for Annexation No. 31 to the City of Arroyo Grande (Heights at Vista Del Mar). District 4.

RECOMMENDATION

It is recommended that the Board approve commencement of negotiations for the exchange of property tax revenue for Annexation No. 31 to the City of Arroyo Grande (Heights at Vista Del Mar).

DISCUSSION

This request relates to the annexation of 48.74 acres of property zoned residential suburban to the City of Arroyo Grande. The property is located in the south County at the north end of Coast View Drive, approximately 700 feet northwest of Falcon Crest Drive, southwest of Highway 101. The proposed land use is for the development of a residential subdivision of 22 single-family lots and two open space parcels. The purpose of the annexation into the City limits of Arroyo Grande will result in access improvements that will help relieve congestion related to high school traffic and enable the City to better manage use of groundwater within the basin. Annexation will also provide the City with additional impact fee revenue.

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 approval of the proposed change. The notice contains information concerning the amount of revenue generated in the annexation area. 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 time frame.

OTHER AGENCY INVOLVEMENT/IMPACT

The Local Agency Formation Commission (LAFCO) has the authority to oversee the annexation of property. The property is proposed to be annexed into 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-Controller-Treasurer-Tax Collector's Office provided the financial analysis.

FINANCIAL CONSIDERATIONS

If negotiations are successful, the County will transfer an agreed upon percent of property tax increment, after the Educational Revenue Augmentation Fund (ERAF) calculation to the City of Arroyo Grande. 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 property tax agreement as a result of annexations of property.

ATTACHMENTS

1. Notice to Commence
 2. Vicinity Map
- c- Steve Adams, City of Arroyo Grande
Barbara Godwin, Auditor-Controller-Treasurer-Tax Collector's Office
David Church, LAFCO