

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

(1) DEPARTMENT Administrative Office	(2) MEETING DATE 1/13/2015	(3) CONTACT/PHONE Emily Jackson, Principal Administrative Analyst 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. 78 to the City of San Luis Obispo (Farmhouse Lane). District 3.			
(5) RECOMMENDED ACTION It is recommended that the Board approve commencement of negotiations for the exchange of property tax revenue for Annexation No. 78 to the City of San Luis Obispo (Farmhouse Lane).			
(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 checked="" type="checkbox"/> 4/5 Vote Required <input 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 3			

# County of San Luis Obispo



TO: Board of Supervisors

FROM: Emily Jackson, Principal Administrative Analyst

DATE: 1/13/2015

SUBJECT: Submittal of a notice to commence negotiations for the exchange of property tax revenue and annual tax increment for Annexation No. 78 to the City of San Luis Obispo (Farmhouse Lane). District 3.

## **RECOMMENDATION**

It is recommended that the Board approve commencement of negotiations for the exchange of property tax revenue for Annexation No. 78 to the City of San Luis Obispo (Farmhouse Lane).

## **DISCUSSION**

This request relates to the annexation of 0.74 acres of property zoned commercial service to the City of San Luis Obispo. The property is located on Farmhouse Lane and Highway 227, across the highway from the San Luis Obispo County Airport at the south end of the City of San Luis Obispo. The purpose of the annexation of this land into the City limits of San Luis Obispo is to adjust the city parcel to better accommodate site access and move the City/County boundary to the new lot line 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 San Luis Obispo) 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 San Luis Obispo 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 San Luis Obispo therefore, as one of the affected agencies; the City of San Luis Obispo will participate in the tax exchange negotiations. The Auditor-Controller-Treasurer-Tax Collector-Public Administrator's Office will provide 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 San Luis Obispo. 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. Map