



## Legislation Text

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**File #:** 12-0880, **Version:** 1

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Chief Administrative Office recommending the Board adopt Resolution **118-2012** agreeing to the exchange of property tax increment for the annexation of one parcel (APN 109-010-03) to the Cameron Estates Community Services District, Local Agency Formation Commission Project No. 2012-03. (Est. Time: 15 Min.)

### **Fiscal Impact/Change to Net County Cost**

Minor reduction in General Fund property tax revenue. Undetermined property tax revenue impacts if parcel develops.

### **Background**

The Deubel Annexation, LAFCO Project No. 2012-03 will annex one 40-acre parcel (APN 109-010-03) into the Cameron Estates Community Services District. The purpose of the annexation is to provide the property owner access to the parcel via gated District roads. The parcel is located in the Cameron Park area south of U.S. Highway 50, approximately 1 mile south of the Cambridge Road exit and Flying C Road. Access to the parcel is by way of Native Lane. Exhibit F includes a LAFCO map of the annexation project.

The Chief Administrative Office sent a tax increment exchange proposal to the Cameron Estates CSD and affected agencies on July 11 (Exhibit C). The proposal allowed Cameron Estates CSD 4.8074% of the tax increment which is half of the average of the average increment received in their three existing tax rate areas. The proposal also maintains El Dorado County Fire at their requested minimum of 15%. Given that the purpose of this annexation is only to allow the property owner access to his parcel, significant impacts to the CSD road system are unlikely. As indicated in Exhibit B, the total estimated local share of the property tax is a minimal \$1,520.

The CSD Board meeting scheduled for July 19 was cancelled for lack of a quorum and rescheduled for July 26. CAO staff attended the July 26 CSD meeting to discuss the proposal. The CSD did not take action on the annexation and continued the matter to a special meeting on August 16.

At their August 16 meeting, the Cameron Estates CSD adopted a resolution requesting 9.6149% of the tax increment for the Deubel parcel. Although this percentage is higher than the Chief Administrative Office's proposal, staff agreed to bring this request to the Board for its consideration.

Attachments A and B have been amended to reflect the CSD's proposal. If the Board does not agree, the negotiation for the exchange of tax increment will continue with the goal of bringing a new proposal before the Board within 30 days.

The Revenue and Taxation Code places a 60-day limit on negotiations for the exchange of tax increment. The negotiation "clock" begins when the affected agencies receive the Auditor-Controller's Estimate of Property Tax Revenue & Distribution for the affected parcel. (Exhibit D). The negotiation period for this annexation expires on August 25. However, given the timing of the CSD

meeting relative to the deadline, the Chief Administrative Office requested to extend the negotiation period to 90 days per Revenue and Taxation Code 99(b)(4) (Exhibit G).

**Summary of Exhibits:**

Exhibit A: The Resolution for Board consideration formally agreeing to the exchange of tax increment.

Exhibit B: The attachment to the Resolution which details the proposed exchange of tax increment.

Exhibit C: Letters from the Chief Administrative Office to affected taxing entities proposing the exchange of tax increment.

Exhibit D: Auditor-Controller's Estimate of Property Tax Revenue & Distribution provided to affected agencies.

Exhibit E: LAFCO's request to the Auditor-Controller's Office requesting initiation of the tax revenue redistribution process.

Exhibit F: LAFCO's memo to affected agencies inviting review and comment on the annexation project.

Exhibit G: Letter from the Chief Administrative Office requesting a negotiation extension.

**Reason for Recommendation**

In accordance with Revenue and Taxation Code Sections 99 and 99.01, negotiations between the Chief Administrative Office and the Cameron Estates CSD have been conducted regarding the redistribution of property tax increment applicable to this parcel. Details of the proposed exchange are included in Exhibit B. Cameron Estates CSD has adopted a resolution agreeing to the exchange.

**Action(s) to be taken following Board approval**

Board Clerk to send adopted Resolution to affected agencies and LAFCO so the Commission can proceed with processing the application for annexation.

**Contact**

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