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County of El Dorado

Legislation Details (With Text)

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On agenda:	5/19/2020	**Final action:**	5/19/2020
Title:	Chief Administrative Office recommending the Board adopt and authorize the Chair to sign Resolution 086-2020 accepting the exchange of property tax increments for the annexation of 159 parcels into the El Dorado County Fire Protection District service area, Local Agency Formation Commission Project 2020-01. FUNDING: N/A		
Sponsors:			
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Attachments:	1. A - Resolution, 2. B - 2020-01 EDCFPD Resolution of Application & Attachments, 3. C - Counsel Approval, 4. D - EDC Fire Protection District Letter, 5. E - EID Letter, 6. Executed Resolution 086-2020 -		

Date	Ver.	Action By	Action	Result
5/19/2020	1	Board of Supervisors	Approved	Pass

Chief Administrative Office recommending the Board adopt and authorize the Chair to sign Resolution **086-2020** accepting the exchange of property tax increments for the annexation of 159 parcels into the El Dorado County Fire Protection District service area, Local Agency Formation Commission Project 2020-01.

FUNDING: N/A

DISCUSSION / BACKGROUND

The "Island" Annexation, Local Agency Formation Commission Project No. 2020-01, will annex 159 parcels, existing currently as eleven land "islands" within the County, into the El Dorado County Fire Protection District service area. The annexation triggers the requirement under the law to redistribute property tax increments applicable to the property being annexed. The parcels are identified by Assessor's Parcel Number as listed in the Assessor's Report (attached).

The recommended distribution reflects a reduction to agencies that currently receive a portion of property tax revenue, in order to allocate a share of the property tax increment (recommended at 10%) to the El Dorado County Fire Protection District.

In accordance with Revenue and Taxation Code Sections 99 and 99.01, negotiations have been completed regarding the redistribution of the property tax increments applicable to this parcel. El Dorado County Fire Protection District would accept a 10% share of the property tax increment. Due to several "islands" affected by the proposed annexation, the reductions to the agencies vary by Tax Rate Area. For each, 10% was allocated to the Fire Protection District, 2.6667% was allocated to the public water district (El Dorado Irrigation District, Georgetown Divide Public Utility District), if applicable, and each other agency was reduced in proportion to the current allocation. The exception

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to this is Island A, where 10% was allocated to the Fire Protection District and 3.6013% was allocated to Georgetown Divide Public Utility District. Other details of the proposed exchange of tax increment for each island and tax rate area are included in Exhibit A of the attached Resolution.

Pursuant to the application filed with LAFCO, the purpose of the annexation is to bring each of these islands, which are currently not within any fire district service area, into the El Dorado County Fire Protection District in order to receive structural fire protection, emergency medical services, and rescue services. It should be noted that many of the subject properties are large in acreage, designated as agricultural, rural, or open space land, or are undeveloped, and therefore do not generate a significant number of service calls. Should any subject parcel be developed in the future, agencies receiving a share of increment will benefit from the increased value of said parcel.

Letters in support of the proposed exchange of tax increment were received from El Dorado County Fire Protection District and El Dorado Irrigation District and are attached to this item.

ALTERNATIVES
The Board could choose an alternate distribution of property tax increments.

OTHER DEPARTMENT / AGENCY INVOLVEMENT
El Dorado Local Agency Formation Commission

CAO RECOMMENDATION
It is recommended that the Board approve this item. The Chief Administrative Office currently recommends property tax allocation adjustments related to new annexations to a special district based on surrounding Tax Rate Area (TRA) allocations, representing a "fair share" reduction in related recipients of property tax allocation in the affected TRA. In order to simplify the changes for this annexation of a large number of parcels, the methodology used was to allocate 10% to the Fire Protection District, 2.6667% to the public water district (El Dorado Irrigation District, Georgetown Divide Public Utility District), if applicable, and each other agency was reduced in proportion to the current allocation.

FINANCIAL IMPACT
The County would relinquish a portion of the property tax increment currently allocated for each island, as shown in Exhibit A. This represents an estimated decrease of $84,197 annually, based on the current assessed value.

CLERK OF THE BOARD FOLLOW UP ACTIONS
Board Clerk to send adopted resolution to affected agencies and LAFCO so the Commission can proceed with processing the application for annexation.

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CONTACT
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