



Legislation Text

File #: 17-0243, **Version:** 1

Chief Administrative Office recommending the Board adopt and authorize the Chair to sign Resolution **050-2017** accepting the exchange of property tax increments for the annexation of one parcel (APN 325-160-39; 0.4 acre) into the City of Placerville and concurrent detachment from County Service Area #9 and County Service Area #9 Motherlode Recreation Tax Zone, Local Agency Formation Commission Project 2017-02.

FUNDING: Exchange of Property Tax Increment, primarily for General Fund, El Dorado County Fire, City of Placerville.

DEPARTMENT RECOMMENDATION

Chief Administrative Office recommending the Board adopt and authorize the Chair to sign Resolution 050-2017 accepting the exchange of property tax increments for the annexation of one parcel (APN 325-160-39; 0.4 acre) into the City of Placerville and concurrent detachment from County Service Area #9 and County Service Area #9 Motherlode Recreation Tax Zone, Local Agency Formation Commission Project No. 2017-02.

DISCUSSION / BACKGROUND

The Holland Annexation to the City of Placerville, LAFCO Project No. 2008-03 will annex one 0.4 acre parcel (APN 325-160-39) into the City of Placerville and concurrently detach from County Service Area (CSA) 9, Local Agency Formation Commission Project No. 2017-02. The annexation triggers the requirement under the law to redistribute property tax increments applicable to the property being annexed. The negotiation is specific to the exchange of property tax revenues from the annual tax increment generated in the area subject to the jurisdictional change and attributable to the local agencies whose service area or service responsibilities will be altered by the proposed jurisdictional change. Each individual annexation of El Dorado County unincorporated territory to a city currently requires negotiation because there is no master property tax exchange agreement between the local agencies.

In accordance with Revenue and Taxation Code Sections 99 and 99.01, negotiations have been conducted regarding the redistribution of the property tax increments applicable to this parcel. As presented, the City of Placerville would gain 4.1088% of the property tax increment. The El Dorado Irrigation District would accept a 6.9097% share. The County Water Agency share of the property tax increment would decrease from 1.0682% to 0.9788%. El Dorado County Fire Protection District's share of the property tax increment will increase from 8.4605% to 15%. CSA 9 boundaries include the entire west slope of the County, excepting the City of Placerville. Since no Zone of Benefit applies to the subject parcel, and because CSA 9 is not of itself funded, there is no financial impact to the County associated with the proposed CSA 9 detachment or CSA #9 Motherlode Recreation Tax Zone detachment. There would also be no impact to CSA 7 (EMS/Ambulance) or CSA 10 (Waste Management and Libraries), since charges associated with those agencies apply only when a property is developed, and the parcel is currently vacant. Other details of the proposed exchange of tax increment are included in Attachment B.

ALTERNATIVES

N/A

OTHER DEPARTMENT / AGENCY INVOLVEMENT

N/A

CAO RECOMMENDATION

It is recommended that the Board approve this item.

FINANCIAL IMPACT

The County General Fund would relinquish 6.6249% of the property tax increment, estimated at \$45 given the current use and assessed value of the parcel. The County would retain 26% of the property tax increment. Per the application filed with LAFCO, the purpose of the annexation is for the development of a commercial office building.

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.

STRATEGIC PLAN COMPONENT

N/A

CONTACT

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