



County of El Dorado

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Legislation Text

File #: 11-0779, **Version:** 1

Chief Administrative Office recommending the Board adopt **Resolution 134-2011** agreeing to the division of tax increment due to the dissolution of the Grassy Run Community Services District, Local Agency Formation Commission Project No. 2011-04.

Fiscal Impact/Change to Net County Cost: Minor increase in property tax.

Background: The Grassy Run Community Services District (CSD) Board of Directors has requested dissolution of the CSD (Exhibit C). The CSD encompasses 447.14 acres immediately north of U.S. Highway 50, approximately 1,000 feet west of the Greenstone Road exit and Grassy Run Court (Exhibit D).

Formed in 1982, the CSD is empowered to provide road and road maintenance services, but has not exercised those powers since 1997. In 1997 U.S. District Judge David F. Levi ruled that the Grassy Run road system was private and had not been dedicated, either expressly or impliedly, to public use. The CSD was kept in existence after 1997 because of pending litigation between the CSD and the Shingle Springs Rancheria. However, that litigation has been settled, and the concerns that led to the continued existence of the CSD no longer exist. The Grassy Run road system has been maintained by the Grassy Run Homeowners' Association since 1997 when it was ruled private. There is no reason for the continued existence of the CSD.

Reason for Recommendation: Grassy Run CSD was formed after the passage of Proposition 13. Consequently, other taxing entities in the tax rate area had to surrender a share of the tax increment in order for the CSD to form. The Chief Administrative Office proposes to redistribute the share of the tax levy according to the original distribution in effect prior to the formation of the Grassy Run CSD. Details of the proposed redistribution are included in Exhibit B.

Action to be taken following Board approval: Board Clerk to send adopted Resolution to LAFCO and affected agencies so the Commission can proceed with the application for dissolution.

Contact: Mike Applegarth (5123)

Concurrences: