

UPDATE: TAX NEGOTIATION FOR RICHARDS RANCH REORGANIZATION – ANNEXATION TO THE CITY OF SANTA MARIA

Board of Supervisors

July 1, 2025

Presentation by County Executive Office:

- Wade Horton, Assistant CEO
- Brittany Odermann, Deputy CEO
- Clare Tobin, Legislative Analyst



RECOMMENDED ACTIONS

That the Board of Supervisors:

- Receive and file a report on the status of negotiations on a tax exchange agreement between the County and the City of Santa Maria;
- Delegate authority to the County Executive Officer to seek and execute an extension agreement, if needed, to allow the parties additional time to engage in analysis and negotiations;
- Direct staff to continue negotiating and provide further direction as appropriate; and
- Find the proposed actions exempt from CEQA.

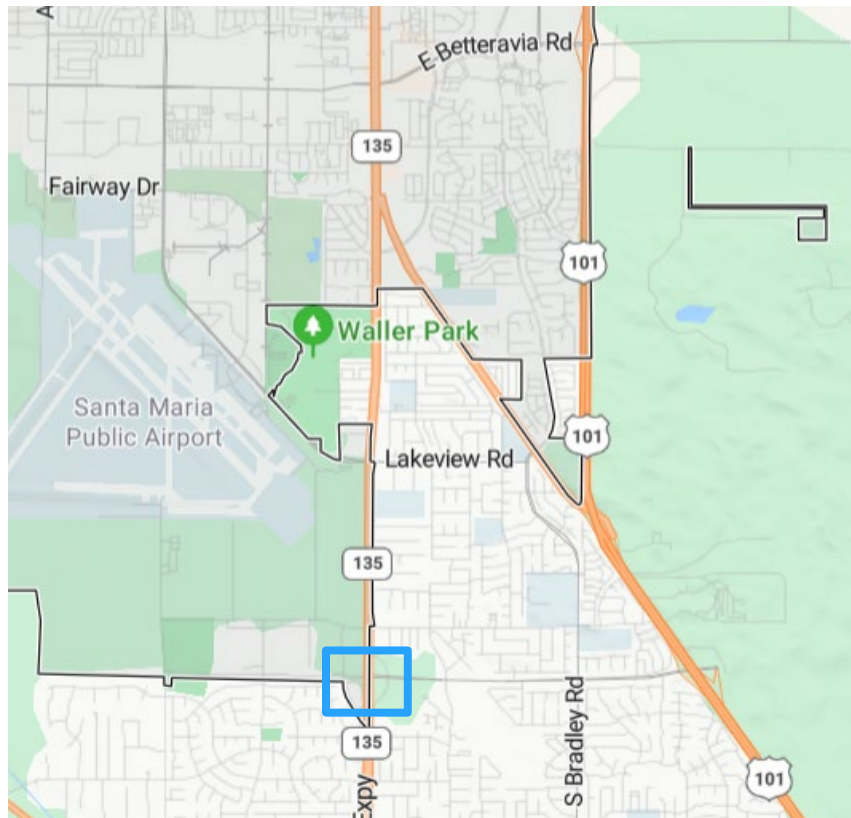


SUMMARY

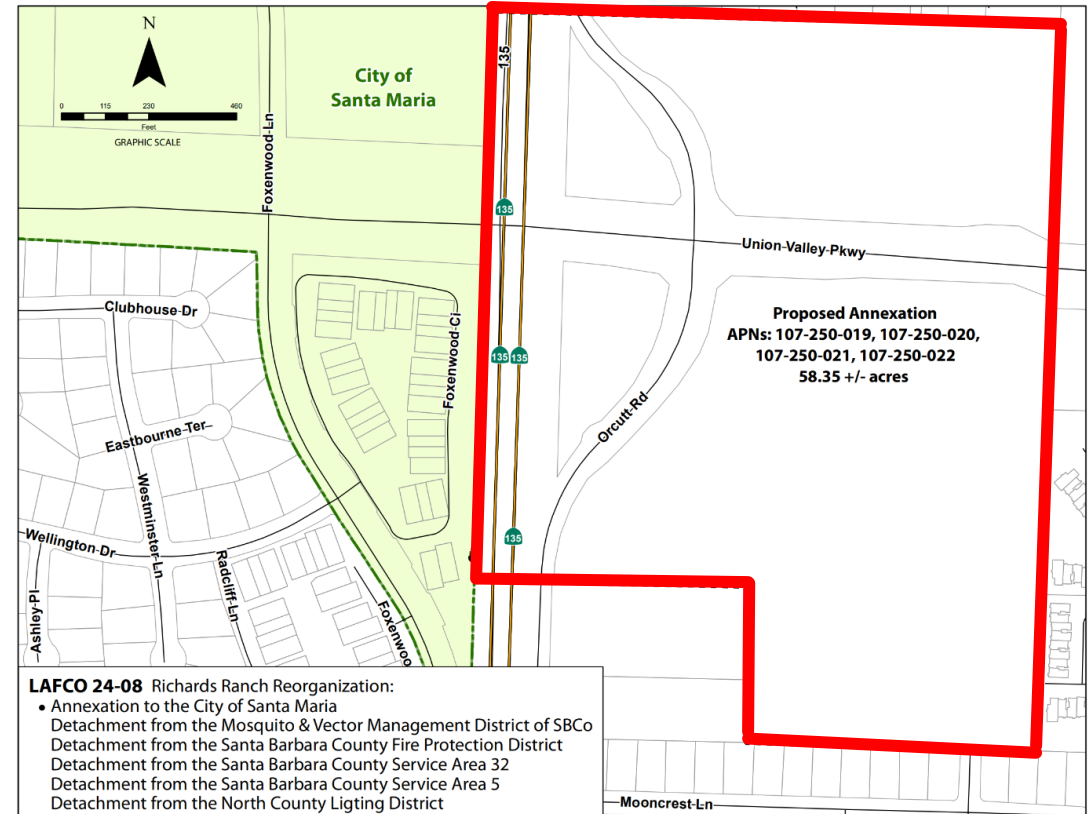
- City of Santa Maria application to the Local Agency Formation Commission (LAFCO) to annex Richards Ranch area
- Negotiated tax exchange agreement required between County and City for how property tax will be allocated, for the annexation to proceed
- Agreement must be approved by the Board and the Santa Maria City Council
- Staff negotiating since April, in accordance with statutory timelines
- *Today:* Negotiations update and Board guidance



RICHARDS RANCH MAP



City of Santa Maria boundaries in black outline, inset area of interest in blue outline



Inset area detail: Proposed annexation area in red outline

CURRENT PROPERTY TAX ALLOCATION FOR RICHARDS RANCH PARCELS

TRA 080-041:

Fund	Fund Description	TRA Allocated %	1% Allocated Taxes	
0001	Santa Barbara County General	14.41320673%	\$9,372	} Funds under B.O.S.
2140	CSA 5	0.65638060%	\$427	
2230	CSA 32	0.00000000%	\$0	
2280	SB County Fire Protection District	16.89359992%	\$10,985	
2400	SB County Flood Control/Water Conservation	0.26668822%	\$173	
2510	Orcutt Flood Zn 3	0.54661686%	\$355	
2670	North County Lighting District	0.87015107%	\$566	
2870	Laguna County Sanitary	0.00000000%	\$0	
3050	Santa Barbara County Water Agency	0.34308028%	\$223	
3210	Santa Maria Public Airport District	1.11441105%	\$725	} School District
3320	Santa Maria Cemetery District	0.58002512%	\$377	
4160	SB Mosquito/Vector District	0.01849269%	\$12	
4500	Cachuma Resource Conservation District	0.04800198%	\$31	
7401	Orcutt Union Elem District General	23.57662285%	\$15,331	
8301	Santa Maria Jt HS District General	19.53398141%	\$12,702	
9401	Allan Hancock CC District General	5.19663474%	\$3,379	
9801	County School Service Fund	3.59116535%	\$2,335	
9802	Education Revenue Augmentation	12.35094113%	\$8,031	
TOTAL		1.00000000	\$65,025	



SPECIAL DISTRICTS IMPACTED

- **County Fire Protection District**
- **County Service Area 32** – inactivated in 2011, in process of dissolution
- **County Service Area 5** – maintains approximately 104 acres of parks and open space, including portion of Waller Park
- **North County Lighting District** – provides street lighting and energizes 2,816 streetlights in unincorporated Casmalia, Los Alamos, Mission Hills, Orcutt, Santa Maria and Vandenberg Village areas
- **Mosquito and Vector Management District of Santa Barbara County** – protects public's health and safety from disease





NEGOTIATION FACTORS

Base property tax share: Post-development base property tax and future property tax increment distribution between County, City, and special districts

Services: Which entity will provide services, such as road maintenance and fire service

Capital improvements and development: Account for recent or planned infrastructure investments, allocation of development impact fees, allocation for regional housing need assessment (RHNA)

Special districts: Manage revenue loss, which entity will take over services, such as water and sewer

Timing: When agreement components will take effect

Long-term fiscal and community impacts: Funding and implementation of longer-term community plan initiatives, preventing fiscal harm to any agency

Independent fiscal analyses: Neutral, third-party fiscal impact report of anticipated revenues and expenditures after development

COUNTY CONCERNS

■ Fire

- County Fire facilities closer to Richards Ranch
- Once County Fire Station 25 is complete, 3 of 4 engines deployed to scene County Fire
- County Fire provides higher level of medical care (Advanced Life Support)

■ Transportation (Public Works)

- Area part of Orcutt Community Plan for 30 years
- Multiple roadway infrastructure projects underway, paid by County funds
- Commitment needed for future maintenance and improvement projects



STATUS OF NEGOTIATIONS

- County and City staff met seven times since April
 - Staff and Fire Chiefs
- Staff reviewed fiscal analysis commissioned by developer, projecting revenues and expenditures after development
- Staff agreed that independent analysis needed
- Contracted analysis expected mid-July



TIMELINE



- February 14 - Application submitted by City of Santa Maria
- March 28 - Auditor-Controller report (within 45 days from application – start of negotiations)
- May 27 - Initial deadline for completion of negotiations (60 days)
- June 26 - Extended deadline for negotiations (90 days)
- July 26 - Deadline* for negotiations, if County and City jointly enter into a contract for a fiscal analysis (120 days)
- August 25 - Deadline* for completion of fiscal analysis, mediation, and arbitration phases if needed (150 days)
- TBD - LAFCO hearing on application

*The Board of Supervisors and Santa Maria City Council may agree to extend the timelines for the fiscal analysis, mediation, and/or arbitration phases, with no limits set in statute.

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