

SANTA BARBARA COUNTY BOARD AGENDA LETTER



Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Agenda Number:
Prepared on: 11/23/04
Department Name: CAO
Department No.: 012
Agenda Date: 12/14/04
Placement: Administrative
Estimate Time:
Continued Item: NO
If Yes, date from:

TO: Board of Supervisors

FROM: Michael F. Brown
County Administrator

STAFF CONTACT: Jason Stilwell, Project Manager
568-3413

SUBJECT: Exchange of Property Taxes for the Triangle Park Reorganization, an Annexation to the City of Solvang - Third Supervisorial District

Recommendation(s):

That the Board of Supervisors:

1. Adopt the attached resolution providing for the negotiated exchange of property tax revenue pertaining to the Triangle Park Reorganization, an annexation to the City of Solvang, and
2. Authorize the Chair to execute the attached resolution.

Alignment with Board Strategic Plan:

This recommendation is primarily aligned with Goal No. 5, Maintain and Enhance the Quality of Life for all Residents.

Executive Summary and Discussion:

The City of Solvang proposes annexation of one parcel (approximately 6.68 acres) to be used for a public park. This vacant and undeveloped parcel is located at the northeastern edge of the City limits on Alamo Pintado Road approximately ½ mile north of the intersection of Alamo Pintado Road and Highway 246. The City of Solvang abuts the property to the south.

The parcel was created in 1984 as a remainder parcel when the County purchased the land for the purposes of realigning Alamo Pintado Road. The County deeded the property to the City with a deed restriction that

the former road right-of-way be used for a public park. Prior to developing the park the parcel must be annexed into the City.

The subject parcel is not located within the City's existing sphere of influence; LAFCO will have to amend the City's sphere of influence prior to approving the proposed annexation. The proposed annexation is in an unincorporated area north of the City in the County of Santa Barbara and the Santa Barbara County Fire Protection District jurisdictions. The City of Solvang has pre-zoned the parcel to REC (Recreation).

The annexation includes detachment from the County Fire Protection District. Pursuant to state law, the City and County must agree on an exchange of property tax revenue allocated to the Fire District prior to the Local Agency Formation Commission (LAFCO) considering the reorganization. City and County staff have reached a tentative agreement that is now submitted for your approval via this resolution. The Solvang City Council is scheduled to consider a complementary resolution at its December 13, 2004 meeting.

The subject parcel is owned by a public entity and as such has been exempt from property taxes; however, a tax exchange agreement has been prepared as required by law. According to the proposed agreement, beginning Fiscal Year 2006-2007, the recommended distribution of the allocated percentage, if any, of property tax assigned to the Santa Barbara County Fire District would be allocated to the City; the County would retain any property tax revenue assigned to the County General Fund.

Mandates and Service Levels:

The Board of Supervisors and the City Council are required to adopt identical tax exchange agreements before LAFCO can consider the proposed annexation.

Upon completion of the annexation all municipal services will be provided by the City of Solvang.

Fiscal and Facilities Impacts:

For the current year, the subject parcel is tax exempt. The parcel is anticipated to remain tax exempt upon annexation to the City of Solvang. As such there will be no financial impact to the County General Fund or Santa Barbara County Fire District.

Special Instructions:

Please return signed resolutions to:

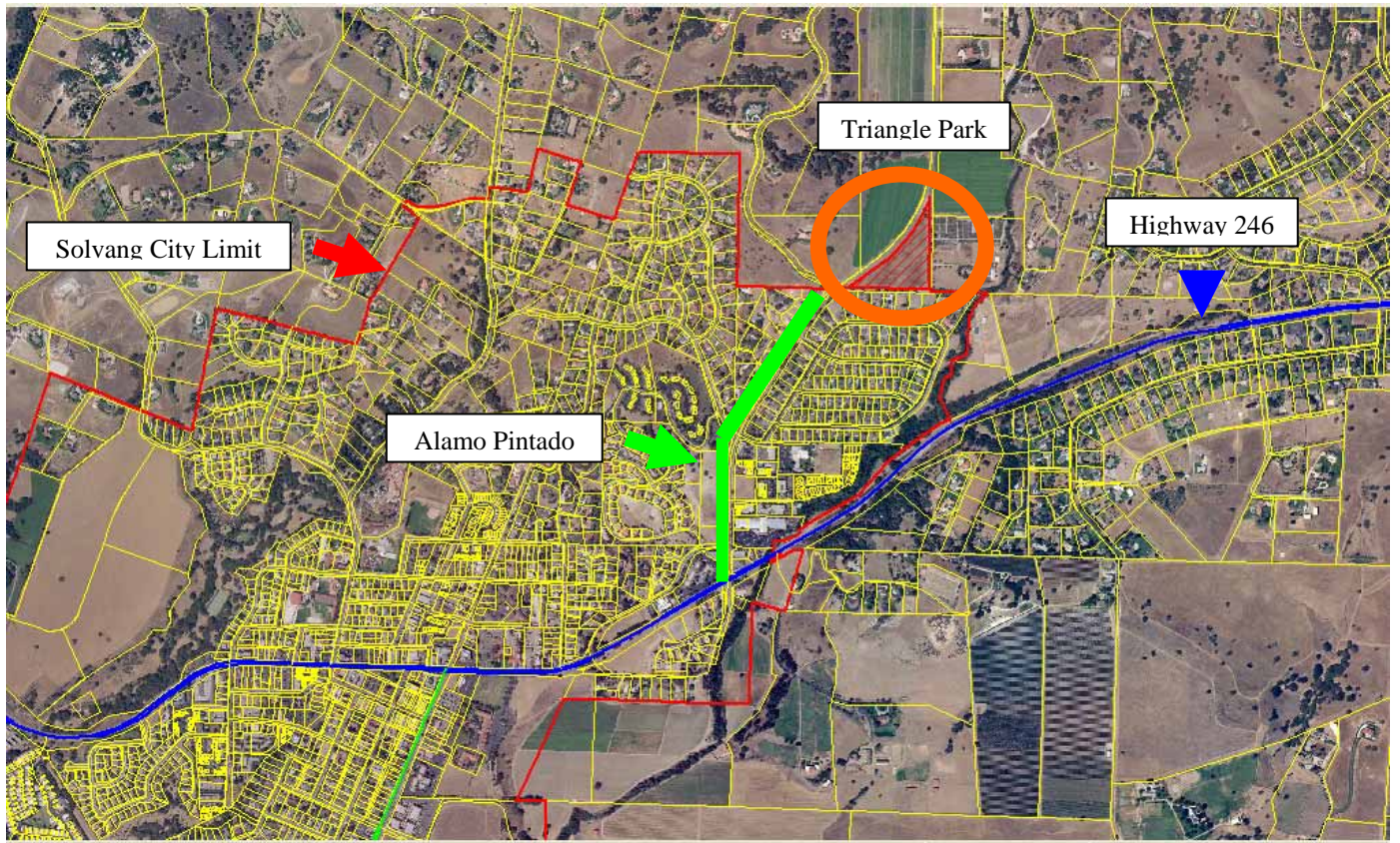
1. Barbara Godwin, Office of the Auditor Controller
2. Bob Braitman, LAFCO
3. Marlene Demery, City Manager, City of Solvang, P.O. Box 107 Solvang, CA 93464

Concurrence: County Counsel
Auditor-Controller
County Fire District

Exchange of Property Taxes for the Triangle Park Reorganization

Agenda Date: 12/14/04

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RESOLUTION NO. _____

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SANTA BARBARA IN THE MATTER OF PROVIDING FOR A NEGOTIATED EXCHANGE OF PROPERTY TAX REVENUES PERTAINING TO THE TRIANGLE PARK REORGANIZATION: AN ANNEXATION TO THE CITY OF SOLVANG AND DETACHMENT FROM THE SANTA BARBARA COUNTY FIRE PROTECTION DISTRICT.

WHEREAS, Section 99 of the Revenue and Taxation Code of the State of California provides that no change of jurisdictional boundaries shall become effective until each city and county whose service areas or service responsibilities would be altered by such change agree by resolution to a negotiated exchange of property tax revenue;

WHEREAS, the County transferred title to the subject property to the City for the express purpose of the parcel being developed by the City for a public park; and

WHEREAS, the City of Solvang and the County of Santa Barbara have negotiated and reached a mutually acceptable agreement for exchange of property tax revenue for the proposed reorganization which is commonly referred to as the Triangle Park Reorganization.

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of the County of Santa Barbara approves and adopts the following formula for the exchange of property tax revenue from the subject property:

1. Definitions:
 - a. "Reorganization" shall mean the recordation by LAFCO of a certificate of completion and the filing by LAFCO with the State Board of Equalization and the Santa Barbara County Assessor of a statement of boundary change pursuant to Government Code Section 54900 et seq., annexing the area to the City of Solvang.
 - b. "Property tax revenue" shall include the base property tax revenue and the property tax increment.
2. The Board of Supervisors of the County of Santa Barbara approves and adopts the following formula for the exchange of property tax revenue from the subject property, contingent on mutual agreement by the City of Solvang
 - a. The Auditor-Controller of Santa Barbara County shall allocate to the City a portion of the share of the property tax revenue from the Triangle Park Reorganization area (Assessor's Parcel Number 137-110-066) that otherwise would be allocated to the Santa Barbara County Fire Protection District. The County will retain the property tax revenue that is allocated to the County General Fund.
 - b. Payment to City will commence the first full fiscal year for which the change in property tax allocation as specified by this resolution and the corresponding adjustments to affected tax rate allocation system are made. At the time of adoption of this resolution, that is anticipated to be fiscal year 2006-2007 but must commence before 2007-2008.
 - c. The County is agreeing to a 100% Santa Barbara County Fire Protection District transfer to City because the stated purpose for annexing the subject property to City is for development of a park. In the event the City should fail to develop the park with five (5) years or in the event the City should in the future choose to change the use of the annexed land to some use other than recreation, County will be entitled

to renegotiate the tax allocation.

3. The parcel will be detached from the Santa Barbara County Fire Protection District.

PASSED AND ADOPTED at a regular meeting of the Board of Supervisors of the County of Santa Barbara, State of California held on this 13th day of July 2004, by the following vote:

AYES:

NOS:

ABSTAIN:

ABSENT:

JOE CENTENO, CHAIR
Board of Supervisors
County of Santa Barbara

ATTEST:
CLERK OF THE BOARD

By: _____
Deputy Clerk

APPROVED AS TO FORM:
COUNTY COUNSEL

By: _____

APPROVED AS TO FORM:
AUDITOR-CONTROLLER

By: _____