



BOARD OF SUPERVISORS  
AGENDA LETTER

Agenda Number:

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

Submitted on:  
(COB Stamp)

Department Name: County Executive Office  
Department No.: 012  
For Agenda Of: 9/12/06  
Placement: Administrative  
Estimate Time:  
Continued Item: YES  
If Yes, date from: 1/11/05  
Vote Required: 4/5

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**TO:** Board of Supervisors  
**FROM:** Department Director: Michael F. Brown, County Executive Officer  
Contact Info: Sharon Friedrichsen, 568-3107

**SUBJECT:** LeBard Reorganization: Tax Exchange Agreement, Orcutt Fire and County Fire, 4<sup>th</sup> District

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**County Counsel Concurrence:**

As to form/legality:  Yes  No  N/A

**Auditor-Controller Concurrence:**

As to form:  Yes  No  N/A

**Recommended Action(s):**

That the Board of Supervisors adopt the attached resolution providing for a negotiated tax exchange agreement between the Orcutt Fire Protection District and the Santa Barbara County Fire Protection District ("SBCFPD") regarding the LeBard reorganization.

**Summary:**

The Local Agency Formation Commission (LAFCO) has received an application for the LeBard reorganization (LAFCO Proposal 06-13) and wishes to consider this item at its October 2006 meeting. The LeBard reorganization proposes to detach 1.92 acres (APN 105-020-041) located at the Northwest Corner of Clark Avenue and Foxenwood Lane from the Santa Barbara County Fire Protection District and concurrently annex the property to the Orcutt Fire Protection District.

Although the parcel proposed for annexation into the Orcutt Fire Protection District is currently vacant, commercial development is proposed and under review by the County. The annexation proposal is intended to provide local fire protection services to the future commercial development of the project site, which is part of Old Town Orcutt Planning Area.

As per Section 99 of the Revenue and Tax Code, an exchange of property tax revenues for this parcel must be negotiated and approved by the Board of Supervisors before the proposal may be considered by LAFCO. The County, on behalf of the SBCFPD, and the Orcutt Fire Protection District, via its Board of Directors, have reached a property tax exchange agreement that allocates 7.74% of the property tax revenue associated with the Lebard parcel to the Orcutt Fire Protection District.

**Background:**

On January 11, 2005, the Board of Supervisors adopted a resolution (No. 05-10) initiating the annexation of the LeBard property (APN 105-020-041) to the Orcutt Fire Protection District and the concurrent detachment from the County Fire Protection District and directed the CEO and the Auditor-Controller to return with a resolution to transfer property tax apportionment factor for this property.

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The Orcutt Fire Protection District's Board of Directors approved the annexation in May 2006 (Resolution No. 051006-3). Upon receiving a request for reportback from LAFCO on July 28, 2006, County staff commenced with calculating information needed to negotiate an exchange of property tax revenue and proposed a tax exchange agreement with the Orcutt Fire Protection District, which is before the Board today.

**Fiscal and Facilities Impacts:**

Budgeted:  Yes  No

**Fiscal Analysis:**

The parcel is assessed at \$183,772 for 2006-2007 and pays \$1,837.72 in property tax, of which \$162.60, or 8.84%, is allocated to the County Fire Protection District. Other similar parcels within the Orcutt Fire Protection District pay 7.74% to the District. Therefore, the negotiated property tax exchange directs the Auditor-Controller to allocate and directly pay the Orcutt Fire Protection District an allocation of 7.74%, with any shortfall or overage being allocated from/to the County General Fund.

**Staffing Impact(s):**

**Legal Positions:**  
0

**FTEs:**  
0

**Special Instructions:**

Direct the Clerk of the Board to send a copy of the resolution and minute order to Sharon Friedrichsen, County Executive Office; Claudia Ornelas, Auditor-Controller's Office and Bob Braitman, LAFCO.

**Attachments: (list all)**

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 Lebard Reorganization: Annexation to the Orcutt Fire Protection District and Detachment from the Santa Barbara County Fire Protection District (LAFCO 06-13)

**Authored by:**

Sharon Friedrichsen, 568-3107

**cc:** Bob Braitman, Executive Officer, Santa Barbara LAFCO

Chief Ron Bennett, Orcutt Fire Protection District

Chief John Scherrei, County Fire Protection District

Michael Ghizzoni, Counsel

Claudia Ornelas, Auditor-Controller

Toni Damiano, Assessor

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 LEBARD REORGANIZATION: ANNEXATION TO THE ORCUTT FIRE PROTECTION DISTRICT AND DETACHMENT FROM THE SANTA BARBARA COUNTY FIRE PROTECTION DISTRICT (LAFCO 06-13)

WHEREAS, the Board of Supervisors of the County of Santa Barbara adopted Resolution No. 05-010 on January 11, 2005, initiating proceedings to annex land (APN 105-020-041) to the Orcutt Fire Protection District and concurrently detach it from the Santa Barbara County Fire Protection District; and

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 district 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; and

WHEREAS, the Orcutt Fire Protection District (DISTRICT) and the County of Santa Barbara (COUNTY) have negotiated and reached a mutually acceptable agreement for an exchange of property tax revenue for the proposed reorganization, which is commonly referred to as the LeBard 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 a statement of boundary change pursuant to Government Code Section 54900 et seq., annexing the area to the Orcutt Fire Protection District and detaching it from the Santa Barbara County Fire Protection District.

b. "Property tax revenue" shall include the base property tax revenue and the property tax increment.

2. The Auditor-Controller of Santa Barbara County shall allocate and pay directly to the DISTRICT and the COUNTY General Fund portions of the property tax revenue from the LeBard Reorganization area, LAFCO Proposal 06-13, which otherwise would be allocated to the Santa Barbara County Fire Protection District. The allocated portion to the DISTRICT shall be equal to 7.74390918 percent with any shortfall or overage being allocated from/to the COUNTY General Fund.

3. Payment to DISTRICT and COUNTY General Fund will commence the first full fiscal year for which the change in property tax allocation specified by this resolution and the corresponding adjustments to affected tax rate allocation system becomes effective as specified by the State Board of Equalization in accordance with Government Code Section 54902. At the time of adoption of this resolution, that is anticipated to be fiscal year 2007-2008.

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Barbara, State of California, this 12<sup>TH</sup> day of SEPTEMBER 2006, by the following vote:

AYES:

NOS:

ABSTAIN:

ABSENT:

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Joni Gray, 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: \_\_\_\_\_