

Lenzi, Chelsea

Subject: FW: ID1 Ad Velorem Tax Argument
Attachments: ID1 Ad Velorem Tax Argument.pdf

From: jrnjim <jrnjim@verizon.net>
Sent: Monday, August 29, 2016 9:47 AM
To: Adam, Peter; Farr, Doreen; Salud Carbajal; Wolf, Janet; Lavagnino, Steve
Subject: ID1 Ad Velorem Tax Argument

Dear Board Member,

During your August 30th Board Meeting Agenda Item A3 will ask you to approve various taxing rates. I'm concerned about Special District 5810.

The attachment contains arguments regarding the unfair proposed tax assessment by the Santa Ynez Water Conservation District, Improvement District Number 1 (ID1), The ID1 Board suspended the tax assessment in 2010 and is now requesting reassessment 6 years later. In my arguments you'll note that Solvang water users use less than 1% of ID1's annual production, yet we'll be paying 36% of the assessment.

It seems to me that beside paying for more than 1/3 of the assessment, that after more than 5 years, this self taxing measure should be brought back to the voter.

I'm asking you to strip Special Taxing District 5810 out of your motion to approve Item A3 of your agenda, and return it to ID1 for a more fair assessment to the people of Solvang.

Thank you for your consideration,

Jim Richardson
Solvang

Re: Special District 5810; Santa Ynez River Water Conservation District,
Improvement District Number 1. (ID1)

The city of Solvang is within the service boundaries of ID1

Solvang was 36% of ID1's Ad Valorem Tax Assessment value (2010)

Solvang Property owners are represented by two ID1 Board Members and one At-large Member

Solvang is connected to ID1 via 3 meters. Solvang City has 3 Proposition 218 votes, more than 2000 users have no votes.

ID1's average production is 5491 acre feet/year (10 years)

Solvang's average impact is 45.7 acre feet/year (10 years)

Solvang's impact is less than 1/10 % of ID1's production

Solvang's water rate is 59.5% more than ID1's domestic rate (\$5.79 vs \$3.63)

ID1 is proposing a \$750,000 Ad Valorem Tax Assessment on all the property in its district. Actual amount is \$772,224.

Solvang property owners will be paying 36% of the tax for having an impact of less than 1/10% of their production. That's a \$270,000 hit on Solvang's economy.

Prop 218 – rates must reflect actual costs of production. Solvang's water rate includes its impact on production.

Solvang's Ad Valorem Tax Assessment is to cover Solvang's impact on production. Solvang is already paying for impact on production thru its water rate.

Solvang's ID1 board representatives were absent during the vote to impose the Ad Valorem Tax Assessment.

Three solutions:

1. No Tax upon the residents of Solvang
2. Prorate the tax @ 1/10%
3. Solvang's water rate goes to ID1's domestic rate until Solvang's water demands meet 36% of ID1's production.

Supervisors, do not approve this tax, but send it back to ID1 for reconsideration.

Jim Richardson