

# 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:** 10/11/05  
**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 Hagerman Reorganization, an Annexation to the City of Santa Maria and detachment from the Santa Barbara County Fire Protection District - Fourth Supervisorial District

---

## **Recommendation(s):**

That the Board of Supervisors adopts the attached resolution providing for the negotiated exchange of property tax revenue pertaining to the Hagerman Reorganization, an annexation to the City of Santa Maria (Attachment 3).

## **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 Santa Maria proposes annexation of one parcel (approximately 20.6 acres) which has the existing use as a public park. The Hagerman softball complex is a developed park owned and operated by the City of Santa Maria located at the western side of Waller Park. The City of Santa Maria abuts the property on the west.

The purpose of the annexation is to provide City police enforcement at this City park facility. The City of Santa Maria owns, operates and maintains the park, however, the County of Santa Barbara provides other services such as police and fire coverage. The subject parcel is located within the City's existing sphere of influence.

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 Santa Maria City Council is scheduled to consider a complementary resolution at its October 18, 2005 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 Santa Maria.

**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 Santa Maria. 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. Tim Ness, City Manager, City of Santa Maria, 110 E. Cook St. Santa Maria, CA 93454

**Concurrence:**

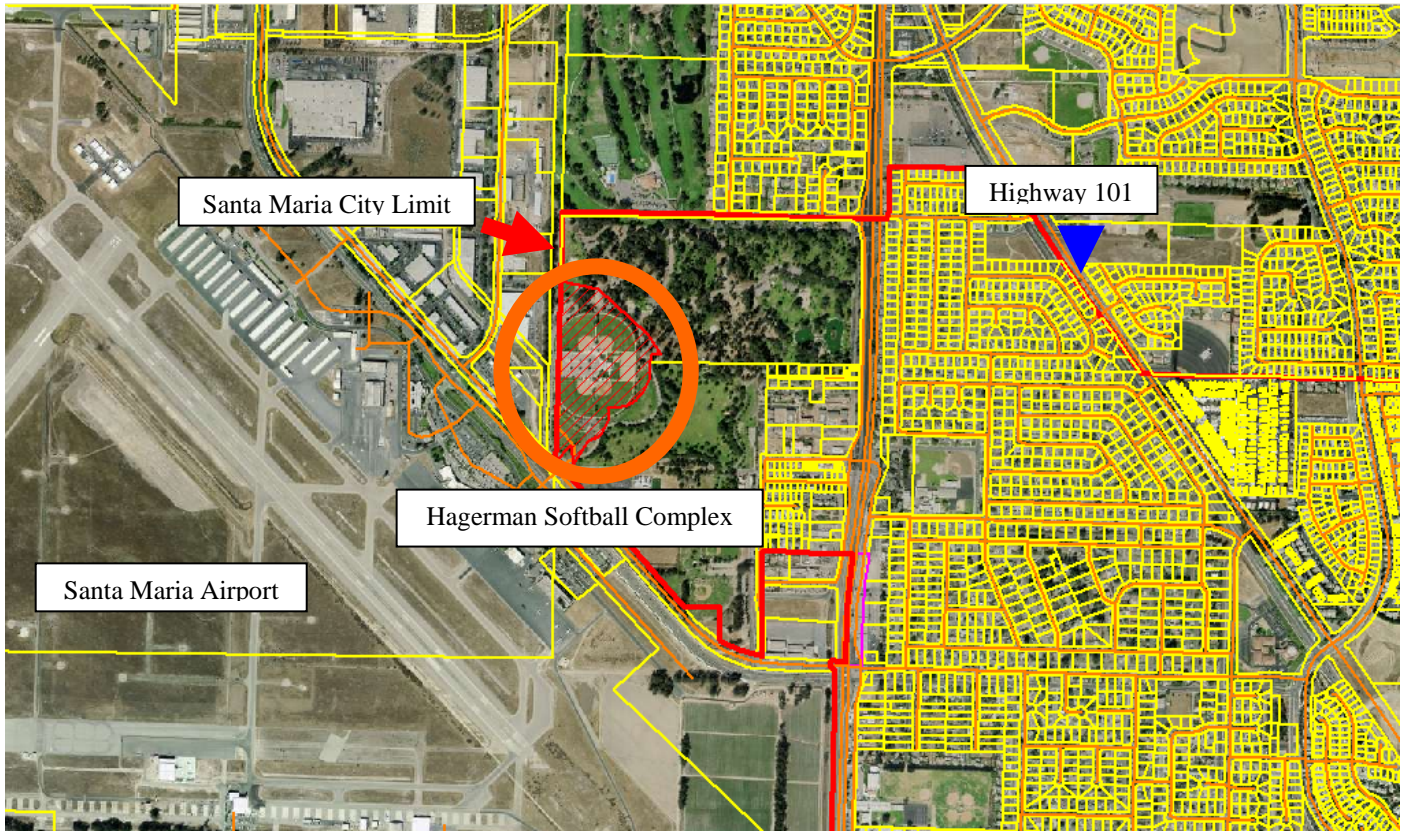
County Counsel  
Auditor-Controller  
County Fire District

cc: Stephen Shane Stark, County Counsel  
Bob Geis, Auditor-Controller  
John Scherrei, County Fire  
Rick Wheeler, County Parks  
Tim Ness, City of Santa Maria  
Bob Braitman, LAFCO

**Attachments:**

1. Photo description
2. Planning and Development "Reportback" to LAFCO
3. Proposed tax exchange agreement resolution

**ATTACHMENT 1**



**COUNTY OF SANTA BARBARA**

**Comprehensive Planning**

DATE: September 7, 2005

TO: Bob Braitman  
Santa Barbara LAFCO

FROM: Lisa Plowman, Deputy Director, Comprehensive Planning  
County Executive's Office

SUBJECT: LAFCO No. 05-17 Hagerman Reorganization: Annexation to the City of Santa Maria/Detachment  
from the Santa Barbara County Fire Protection District

This is in response to your August 24, 2005 Request for Reportback regarding the above referenced proposal. Based on our review of the application materials:

General Information

- The property **is** unincorporated.
- The property **is** within the Orcutt Community Plan Area.

General Plan and Zoning Designations

- The information in the Proposal Questionnaire **is** accurate.
- The County General Plan designates the proposal area as Recreation/Open Space.
- The County has zoned the property REC.

Prime Agricultural Land & Open Space Land

- The property **is not** Prime Agricultural Land as defined by G.C. § 56064.
- The property **is** Open Space as defined by G.C. § 65560.
- The property **is not** within a Land Conservation Act (Williamson Act) contract.
- The property **is not** within a Farmland Security Zone.

General Plan Consistency and Other Comments

Comprehensive Planning has the following concerns and comments about this proposal:  
*Provide any additional comments here or attach additional pages.*

No comments.

Cc: Jason Stillwell, CEO office  
Chron  
Comp Chron

**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 HAGERMAN REORGANIZATION: AN ANNEXATION TO THE CITY OF SANTA MARIA 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; and

WHEREAS, the County is exempt from paying property taxes on this parcel, therefore, no property tax revenue is generated for purposes of transfer; and

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

WHEREAS, the City shall be the owner of all the property to be annexed, and the City is exempt from paying property taxes as well; and

**WHEREAS**, the City of Santa Maria 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 Hagerman 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 Santa Maria.
  - 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 Santa Maria:
  - a. It is not anticipated that any property tax revenues will be generated by the subject parcel since the City shall be the owner of all of the property annexed, and the City is exempt from paying property taxes.
  - b. The Auditor-Controller of Santa Barbara County shall allocate to the City a portion of the share of the property tax revenue from the Hagerman Reorganization area (Assessor's Parcel Number 111-100-016) 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.

c. 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 2008-2009.

d. 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 use as a public park. In the event the City should develop the subject property 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 11th day of October 2005, by the following vote:

AYES:

NOS:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
SUSAN ROSE, 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: \_\_\_\_\_