



Monterey County

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Salinas, CA 93901
831.755.5066

Board Order

Resolution No.: 15-314

Upon motion of Supervisor Parker, seconded by Supervisor Armenta and carried by those members present, the Board of Supervisors hereby:

- a. Rescinded Board of Supervisors Resolution No. 15-072 regarding a Property Tax Transfer for South County Fire Protection District Annexation; and
- b. Approved Revised Property Tax Transfer pursuant to an amended South County Fire Protection District annexation.
- c. Adopted Resolution No. 15-314.

PASSED AND ADOPTED on this 8th day of December 2015, by the following vote, to wit:

AYES: Supervisors Armenta, Phillips, Salinas, Parker and Potter

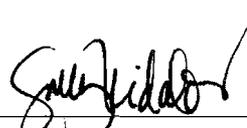
NOES: None

ABSENT: None

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 78 for the meeting on December 8, 2015

Dated: January 14, 2016
File ID: 15-1301

Gail T. Borkowski, Clerk of the Board of Supervisors
County of Monterey, State of California

By  Deputy

*Before the Board of Supervisors in and for the
County of Monterey, State of California*

Resolution No.: 15-314

Approve Property Tax Transfer Agreement between the)
 County of Monterey and the South Monterey County Fire)
 Protection District for the proposed "South Monterey)
 County Annexations".....)

WHEREAS, the County of Monterey and the South Monterey County Fire Protection District have been engaged in discussions regarding the appropriate tax transfer between the entities: and

WHEREAS, Revenue and Taxation Code Section 99 provides for the Monterey County Board of Supervisors to determine an appropriate tax transfer for all jurisdictional changes of organization occurring within Monterey County and for the Fire District Board of Directors of any affected Fire District to concur on the transfer prior to the proposal being considered by the Local Agency Formation Commission (LAFCO); and

WHEREAS, the current distribution of property taxes with the affected tax rate areas (TRA) are as follows:

TRA	Monterey County's Share	Non-affected District's Share	Total
58-000	43.1182%	56.8818%	100%
58-002	43.0133%	56.9867%	100%
58-009	43.1182%	56.8818%	100%
120-001	45.7955%	54.2045%	100%
120-003	45.2493%	54.7507%	100%
120-005	45.2493%	54.7507%	100%
120-007	45.4042%	54.5958%	100%
120-008	45.2493%	54.7507%	100%
120-009	45.6773%	54.3227%	100%
120-011	45.8350%	54.1650%	100%
120-018	45.7955%	54.2045%	100%
121-001	39.9548	60.0452%	100%
121-002	39.5383%	60.4617%	100%
121-003	39.5383%	60.4617%	100%
121-005	39.8649%	60.1351%	100%
121-006	39.8649%	60.1351%	100%
121-010	39.9548%	60.0452%	100%
119-002	35.2824%	64.7176%	100%
119-003	35.2824%	64.7176%	100%
119-005	34.8528%	65.1472%	100%

119-007	34.8528%	65.1472%	100%
119-008	34.8528%	65.1472%	100%
119-011	34.8528%	65.1472%	100%

WHEREAS, Revenue and Taxation section 99 requires that non-affected local agencies percentage shares will remain constant; and

WHEREAS, the County of Monterey and the South Monterey County Fire Protection District (SoMoCoFPD) wish to agree to a fair share distribution of the remaining property tax increment revenues, excluding tax revenue generated from energy production sources; and

WHEREAS, due to the implementation of various state level budget actions including the requirements of the Education Revenue Augmentation Fund, the County of Monterey has been subject to at least a 40% reduction in property tax since 1992; and

WHEREAS, on March 24, 2015, the Board of Supervisors approved Resolution No. 15-072 for a property tax transfer related to the South County Fire Protection District Annexation; and

WHEREAS, On September 21, 2015, LAFCO approved a revised annexation proposal, subject to various conditions, including amending a prior property tax transfer agreement if deemed necessary by the County; and

WHEREAS, the County wishes to rescind Resolution No. 15-072 and replace it with this Resolution, in order to better state the agreement between the County and the SoMoCoFPD with respect to annexation.

NOW, THEREFORE, BE IT RESOLVED that the Monterey County Board of Supervisors DOES HEREBY AGREE as follows:

1. That Monterey County Board of Supervisors Resolution No. 15-072 is hereby rescinded.
2. That no base property tax will be transferred for said jurisdictional changes and to the following formula for property tax increment distribution with Tax Rate Areas, 58-000, 58-002, 58-009, 120-001, 120-003, 120-005, 120-007, 120-008, 120-009, 120-011, 120-018, 121-001, 121-002, 121-003, 121-005, 121-006, 121-010, 119-002, 119-003, 119-005, 119-007, 119-008, and 119-011 after change of organization / annexation.
3. That this property tax transfer does not include any portion of the property tax revenue generated from energy production sources. In the event that property tax revenue generated from energy production source tax revenue increases over *150% from the level in effect at the time of approval of this resolution*, the distribution of property tax increment that is the subject of this resolution shall be subject to further negotiations by the parties.
4. DISTRIBUTION OF PROPERTY TAX INCREMENT:

- a. The property tax increment is the property tax that is available after a change of organization / annexation, and it specifically does not include tax revenue from energy production sources.
- b. For purposes of this Agreement only, the County of Monterey and the South Monterey County Fire Protection District agree to use the average tax increment factor of all Tax Rate Areas affected by the annexation areas in particular.
- c. For Annexation Areas 1, 2, & 3, based on the existing Tax Rate Area 121-005, the reduction of the County of Monterey share of property tax by 40% equals to 23.92%, which represents the tax available for distribution in the proposed area.
- d. The proposed 'After Change of Organization / Annexation' new tax rate for the area to be assigned shall be 23.92%.
- i. SoMoCo FPD's share of Total Property Taxes Collected shall be calculated as follows:
 - 23.92% - Property Tax Available for distribution
 - X 37.50% - South Monterey County Fire Protection District's Proposed Ratio
 - = 9.0% total SoMoCoFPD share.
- ii. The County of Monterey share of Total Property taxes collected shall be calculated as follows:
 - 23.92% - Property Tax Available for distribution
 - X 62.50% - Monterey County's Proposed Ratio
 - = 14.95%
 - + 15.95% (The adjustment for State Tax Shift)
 - = 30.9% total County share.
- iii. The Formula for property tax increment allocation to the South Monterey County Fire Protection District from the above listed tax rate areas after change of organization / annexation results in the District's Property Tax Revenue being equal to the Total Property Taxes Collected (excluding energy generating sources) X 9.0% X Full Months Remaining in the Tax Year divided by 12.

PASSED AND ADOPTED upon motion of Supervisor Parker, seconded by Supervisor Armenta carried this 8th day of December 2015, by the following vote, to wit:

AYES: Supervisors Armenta, Phillips, Salinas, Parker and Potter

NOES: None

ABSENT: None

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 78 for the meeting on December 8, 2015.

Dated: January 14, 2016
File Number: 15-1301

Gail T. Borkowski, Clerk of the Board of Supervisors
County of Monterey, State of California

By



Deputy

Before the Board of Supervisors in and for the
County of Monterey, State of California

Resolution No. 15-072

Approve Property Tax Transfer)
 Agreement between the County)
 of Monterey and the South)
 Monterey County Fire Protection)
 District for the proposed "South)
 Monterey County Annexations".....)

WHEREAS, the County of Monterey and the South Monterey County Fire Protection District have been engaged in discussions regarding the appropriate tax transfer between the entities; and

WHEREAS, Revenue and Taxation Code Section 99, provides for the Monterey County Board of Supervisors to determine an appropriate tax transfer for all jurisdictional Changes of organization occurring within Monterey County and for the Fire District Board of Directors of any affected Fire District to concur on the transfer prior to the proposal being considered by the Local Agency Formation Commission (LAFCO); and

WHEREAS, the current distribution of property taxes with the affected tax rate areas (TRA) are as follows:

TRA	Monterey County's Share	Non-affected District's Share	Total
58-000	43.1182%	56.8818%	100%
106-000	38.4087%	61.5913%	100%
109-000	27.9400%	72.0600%	100%
109-001	34.5590%	65.4410%	100%
112-000	40.3341%	59.6659%	100%
119-010	35.2824%	64.7176%	100%
120-001	45.7955%	54.2045%	100%
120-002	45.9541%	54.0459%	100%
120-003	45.2493%	54.7507%	100%
120-004	45.7955%	54.2045%	100%
120-005	45.2493%	54.7507%	100%
120-007	45.4042%	54.5958%	100%
120-008	45.2493%	54.7507%	100%
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121-002	39.5383%	60.46170%	100%
121-003	39.5383%	60.46170%	100%
121-005	39.8649%	60.13510%	100%

121-006	39.8649%	60.13510%	100%
121-010	39.9548%	60.04520%	100%
58-008	42.5931%	57.4069%	100%
119-003	35.2824%	64.7176%	100%
119-005	34.8528%	65.1472%	100%
119-007	34.8528%	65.1472%	100%
119-008	34.8528%	65.1472%	100%
119-003	35.2824%	64.7176%	100%

WHEREAS, Revenue and Taxation section 99 requires that non-affected local agencies percentage share will remain constant; and;

WHEREAS, the County of Monterey and the South Monterey County Fire Protection District (SoMoCoFPD) wish to agree to a fair share distribution of the remaining property tax increment revenues, excluding tax revenue generated from energy production sources; and

WHEREAS, due to the implementation of various state level budget actions, including but not limited to the 'triple flip' and the requirements of the Education Revenue Augmentation Fund, the County of Monterey has been subject to at least a 40% reduction in property tax since 1992;

NOW, THEREFORE, BE IT RESOLVED that the Monterey County Board of Supervisors DOES HEREBY AGREE as follows:

1. That no base property tax will be transferred for said jurisdictional changes and to the following formula for property tax increment distribution with Tax Rate Areas, 58-000, 106-000, 109-000, 109-001, 112-000, 119-010, 120-001, 120-002, 120-003, 120-004, 120-005, 120-007, 120-008, 120-009, 120-011, 121-002, 121-003, 121-005, 121-006, 121-010, 58-008, 119-003, 119-005, 119-007, 119-008 after change of organization / annexation.
2. That this property tax transfer does not include any portion of the property tax revenue generated from energy production sources. In the event that property tax revenue generated from energy production source tax revenue increase over *150% from the level in effect at the time of approval of this resolution*, the distribution of property tax increment that is the subject of this resolution shall be subject to further negotiations by the parties.
3. DISTRIBUTION OF PROPERTY TAX INCREMENT:
 - a. The property tax increment is the portion of the property tax that is available after a change of organization/annexation, and it specifically does not include tax revenue from energy production sources.
 - b. For purposes of this Agreement only, the County of Monterey and the South Monterey County Fire Protection District agree to use the average tax increment factor of all Tax Rate Areas affected by the annexation areas in particular.

- c. For Annexation Areas 1, 2, & 3, based on the existing Tax Rate Area 121-005, the reduction of the County of Monterey share of property tax by 40% equals 23.92%, which represents the tax available for distribution in the proposed area.
- d. The proposed 'After Change of Organization/Annexation' new tax rate for the area to be assigned shall be 23.92%.
 - i. SoMoCoFPD's share of Total Property Taxes Collected shall be calculated as follows:
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x 37.50% - SoMoCoFPD's Proposed Ratio
= 9.0% total SoMoCoFPD share
 - ii. The County of Monterey share of Total Property Taxes Collected shall be calculates as follows:
23.92% - Property Tax Available for distribution
x 62.50% - Monterey County's Proposed Ratio
= 14.95%
+ 15.95% (The adjustment for State Tax Shift)
= 30.9% total County share
 - iii. The Formula for property tax increment allocation to the South Monterey County Fire Protection District from the above listed tax rate areas after change of organization / annexation results in the District's Property Tax Revenue being equal to the Total Property Taxes Collected (excluding energy generating sources) x 9.0% x Full Months Remaining in the Tax Year divided by 12.

PASSED AND ADOPTED upon motion of Supervisor Parker, seconded by Supervisor Armenta and carried this 24th day of March 2015, by the following vote, to wit:

AYES: Supervisors Armenta, Phillips, Salinas, Parker and Potter
NOES: None
ABSENT: None

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 77 for the meeting on March 24, 2015.

Dated: March 25, 2015
File Number: 15-0286

Gail T. Borkowski, Clerk of the Board of Supervisors
County of Monterey, State of California

By Denise Hancock
Deputy

