



# Monterey County

**Item No.**

## Board Report

Board of Supervisors  
Chambers  
168 W. Alisal St., 1st Floor  
Salinas, CA 93901

**Legistar File Number: 21-923**

**November 16, 2021**

**Introduced:** 10/20/2021

**Current Status:** Draft

**Version:** 1

**Matter Type:** General Agenda Item

Approve Property Tax Transfer for the proposed "Mission Linen Reorganization" involving annexation of 2.99 acres to the City of Pacific Grove and detachment from the Monterey County Resource Conservation District.

### **RECOMMENDATION**

It is recommended that the Board of Supervisors take the following actions:

Approve Property Tax Transfer for the proposed "Mission Linen Reorganization" involving annexation of 2.99 acres to the City of Pacific Grove and detachment from the Monterey County Resource Conservation District.

### **SUMMARY**

The Monterey County Local Agency Formation Commission (LAFCO) is in receipt of a reorganization proposal involving annexation of the 2.99 acre Mission Linen property to the City of Pacific Grove and detachment from the Monterey County Resource Conservation District. The proposal cannot be considered by LAFCO until a property tax transfer has been approved by the City and County.

### **DISCUSSION**

Regarding the property tax transfer, the Board of Supervisors has previously adopted a pro forma "fair share" tax transfer resolution. The resolution provides that the County and affected agencies would transfer a percentage of their "tax base revenue" based on the pro rata share of the City's equivalent tax rate to the combined City/County equivalent tax rates. The formula has been revised to reflect the County's loss of property tax revenue that was imposed by the State during fiscal year 1993-94. Non-affected jurisdictions would retain their percentage share of property taxes collected within an affected tax code area. Of the total amount of property taxes available for distribution, the City of Pacific Grove would receive 45.52% and the County would receive 54.48%. In addition, the City would receive a portion of property tax attributed to the Pebble Beach Community Services District as agreed to in the City/PBCSD MOU.

### **OTHER AGENCY INVOLVEMENT**

The attached resolution was previously approved as to form by County Counsel. The Auditor-Controller has reviewed the property tax allocation proposed in this report

### **FINANCING**

The reorganization proposal territory is within Tax Rate Area 102-003. This Tax Rate Area has the following property tax increment distribution: 23.11% - County of Monterey; 0.21% - affected districts; 76.68% - non-affected districts; 100% - total. Due to property tax revenue reductions imposed by the State on the County of Monterey, the percentage share of existing County property tax available for distribution has been reduced by 41 percent from 23.11% to 13.63%. As recommended, the County would receive 7.43% and the City would receive 6.20% of the amount available for distribution. In addition, the City would receive the 0.18% previously allocated to the Pebble Beach Community Services District, for a total allocation of 6.38%. After adding back in the 41% reduction, the County would receive 16.91% of the total property tax collected within the affected area if the reorganization is approved.

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cc:

Ben Harvey, City Manager Pacific Grove  
Alyson Hunter, Community Development Director, City of Pacific Grove  
Mike Niccum, General Manager, Pebble Beach Community Services District  
Kate Mckenna, LAFCO Executive officer  
Joey Nolasco, MCO Auditor-Controller