



## Monterey County Board of Supervisors

168 West Alisal Street,  
1st Floor  
Salinas, CA 93901  
831.755.5066

### Board Order

#### Resolution No.: 16-197

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

Adopt Resolution No.: 16-197 approving a Fair Share Distribution Property Tax Transfer for the proposed "South end Annexation" involving annexation of 290± acres to the City of Greenfield.

PASSED AND ADOPTED on this 12<sup>th</sup> day of July 2016, 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 79 for the meeting on July 12, 2016.

Dated: July 18, 2016

File ID: 16-805

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. 16-805**

Involving property tax transfers between the County )  
of Monterey and the city of Greenfield for the )  
proposed "South end Annexation" involving )  
annexation of 290± acres to the city of Greenfield )  
for Assessor's parcel numbers 221-011-17, 18, 70 )  
and 71; and 221-011-41, 45 and 68..... )

**WHEREAS**, the Revenue and Taxation Code Section 99 (Assembly Bill 8 (Chapter 282) Statutes 1979, as amended by Senate Bill 180 (Chapter 801)), 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 city council of any affected City 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 within tax rate area 8-000 is as follows:

21.04%	- Monterey County's Share
<u>78.96%</u>	- Non-affected District's Share
100.00%	total; and

**WHEREAS**, the Revenue and Taxation Code Section 99 (Senate Bill 180 (Chapter 801)) requires that non-affected local agencies percentage share will remain constant; and

**WHEREAS**, the County of Monterey and the City of Greenfield wish to agree to a fair share distribution of remaining property tax revenues; and

**WHEREAS**, the County of Monterey has realized a 40% reduction and the City has realized a 29% reduction in property tax revenue imposed by the State under Senate Bill 617 (Chapter 699) Statutes 1992; and whereas each year thereafter both the County and the City continue to shift revenues to the Education Revenue Augmentation Fund;

**NOW, THEREFORE, BE IT RESOLVED** that the Monterey County Board of Supervisors, DOES HEREBY AGREE to the following formulas for property tax base and increment distribution within Tax Rate Area 8-000 after change of organization annexation.

**A. DISTRIBUTION OF PROPERTY TAX BASE:**

The County's property tax revenues have realized a 40 percent reduction imposed by the State under Senate Bill 617 (Chapter 699) Statutes 1992.

Reduction of Property Tax due to ERAF

Monterey County's Share -	21.04%
ERAF Reduction -	-40.00%
Monterey County Adjusted Share -	12.62%

Share Available for Distribution      12.62%

Property tax base is the property tax revenue that is available prior to change of organization/reorganization.

Prior to Change of Organization/Reorganization:

(City of Greenfield,  
Tax Rate Area 8-000)

	<u>Current Ratio</u>
City of Greenfield - 19.63%	48.27%
Monterey County - 21.04%	51.73%

After Change of Organization/Reorganization:

(New Tax Rate Area  
- To Be Assigned)

12.62% - Property Tax Available for Distribution

1. City of Greenfield's Share of Total Property Taxes Collected:

	12.62%	-	Property Tax Available for Distribution
X	48.27%	-	City of Greenfield's Current Ratio
=	6.10%		

2. Monterey County's Share of Total Property Taxes Collected:

	12.62%	-	Property Tax Available for Distribution
X	51.73%	-	Monterey County's Current Ratio
=	6.52%		

**plus**

	8.42%	-	The Adjustment for State Tax Shift
=	14.94%		

Formula for property tax base allocation to the City of Greenfield from tax rate area 8-000 after change of organization/reorganization.

City of Greenfield's Property Tax Revenue =

Total Property Taxes Collected    X    6.10%    X  
Full Months Remaining in Tax year divided by 12.

**B. DISTRIBUTION OF PROPERTY TAX INCREMENT:**

Property tax increment is the increase in property tax revenue above the base resulting from the increase in assessed value of property after the change in organization/reorganization.

The formula recognizes that all future growth will be subject to a shift to Education Revenue Augmentation Fund (ERAF) in the amount of 40% for the County and 29% for the City. After the shift, the County and the City will be in the same relative position as before dividing the remainder.

Prior to Change of Organization/Reorganization:

(City of Greenfield,  
Tax Rate Area 8-000)

	<b>Current Rate</b>	<b>-:- ERAF Adjustment</b>	<b>= Resulting Rate</b>	<b>Resulting Ratio</b>
City of Greenfield	19.63%	71%	27.80%	44.2%
Monterey County	21.04%	60%	35.07%	55.8%

Based on existing Tax Rate Area 8-000, Monterey County's share of property tax is 21.04%. The total property tax available for distribution in the proposal area is 21.04%. The new Resulting Ratios calculated above are applied to the increment.

After Change of Organization/Reorganization:

(New Tax Rate  
Area to be Assigned)

21.04% = Property Tax Available for Distribution

1. City of Greenfield's Share of Property Tax Increment:

$$\begin{array}{rcl} & 21.04\% & - \text{Property Tax Available for Distribution} \\ \text{X} & 44.20\% & - \text{City of Greenfield's New Resulting Ratio} \\ = & 9.30\% & \end{array}$$

2. Monterey County's Share of Property Tax Increment:

$$\begin{array}{rcl} & 21.04\% & - \text{Property Tax Available for Distribution} \\ \text{X} & 55.80\% & - \text{Monterey County's New Resulting Ratio} \\ = & 11.74\% & \end{array}$$

Formula for property tax increment to the City of Greenfield from Tax Rate Area 8-000 after change of organization/reorganization:

$$\begin{array}{l} \text{City of Greenfield's Property Tax Increment} = \\ \text{Total Property Tax Increment Collected} \times 9.30\% \times \\ \text{Full Months Remaining in Tax year divided by 12.} \end{array}$$

**PASSED AND ADOPTED** upon motion of Supervisor Armenta, seconded by Supervisor Salinas carried this 12th day of July 2016, 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 79 for the meeting on July 12, 2016.

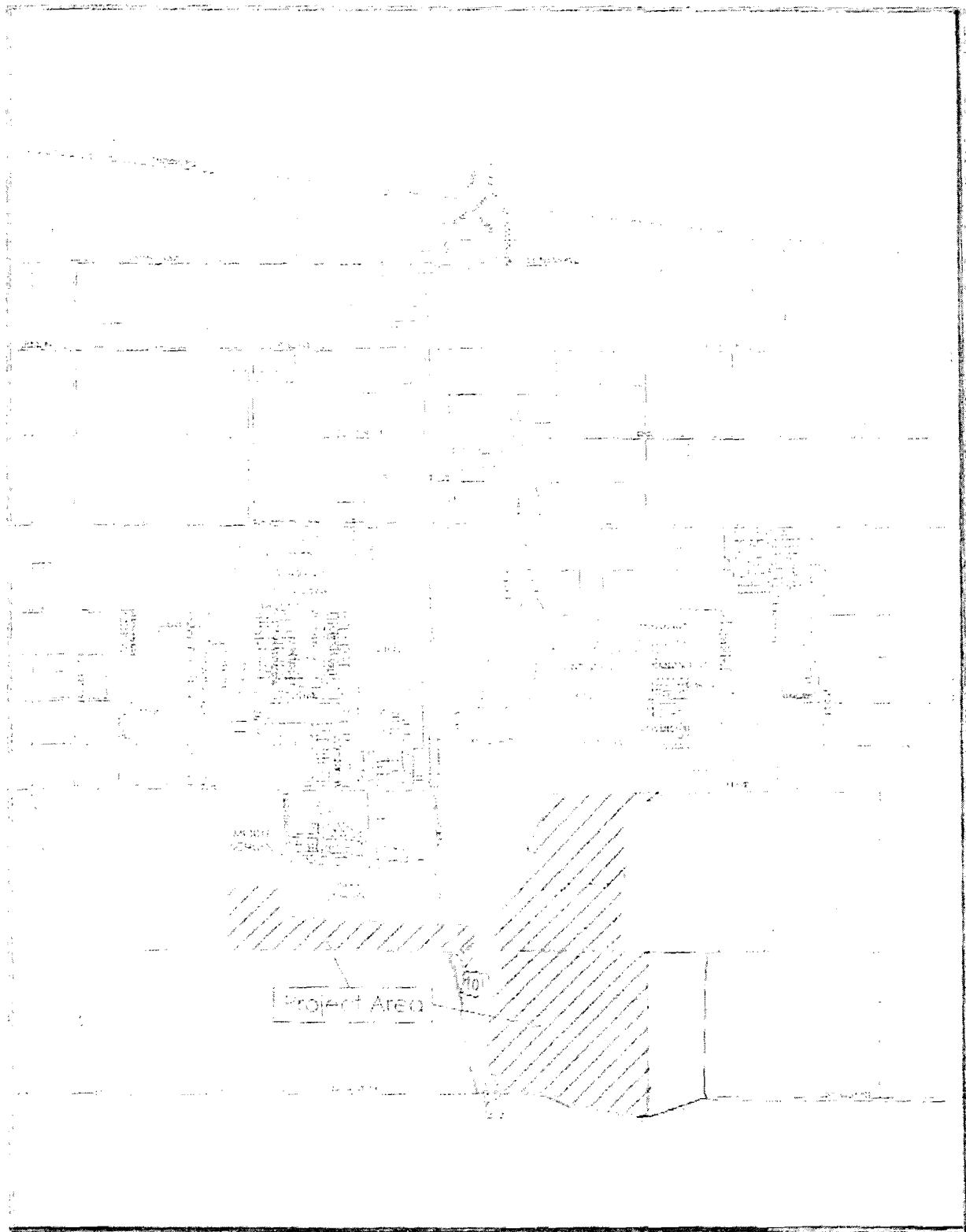
Dated: July 22, 2016  
File Number: 16-805

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

By

A handwritten signature in black ink, appearing to read "Gail T. Borkowski", written over a horizontal line.

Deputy

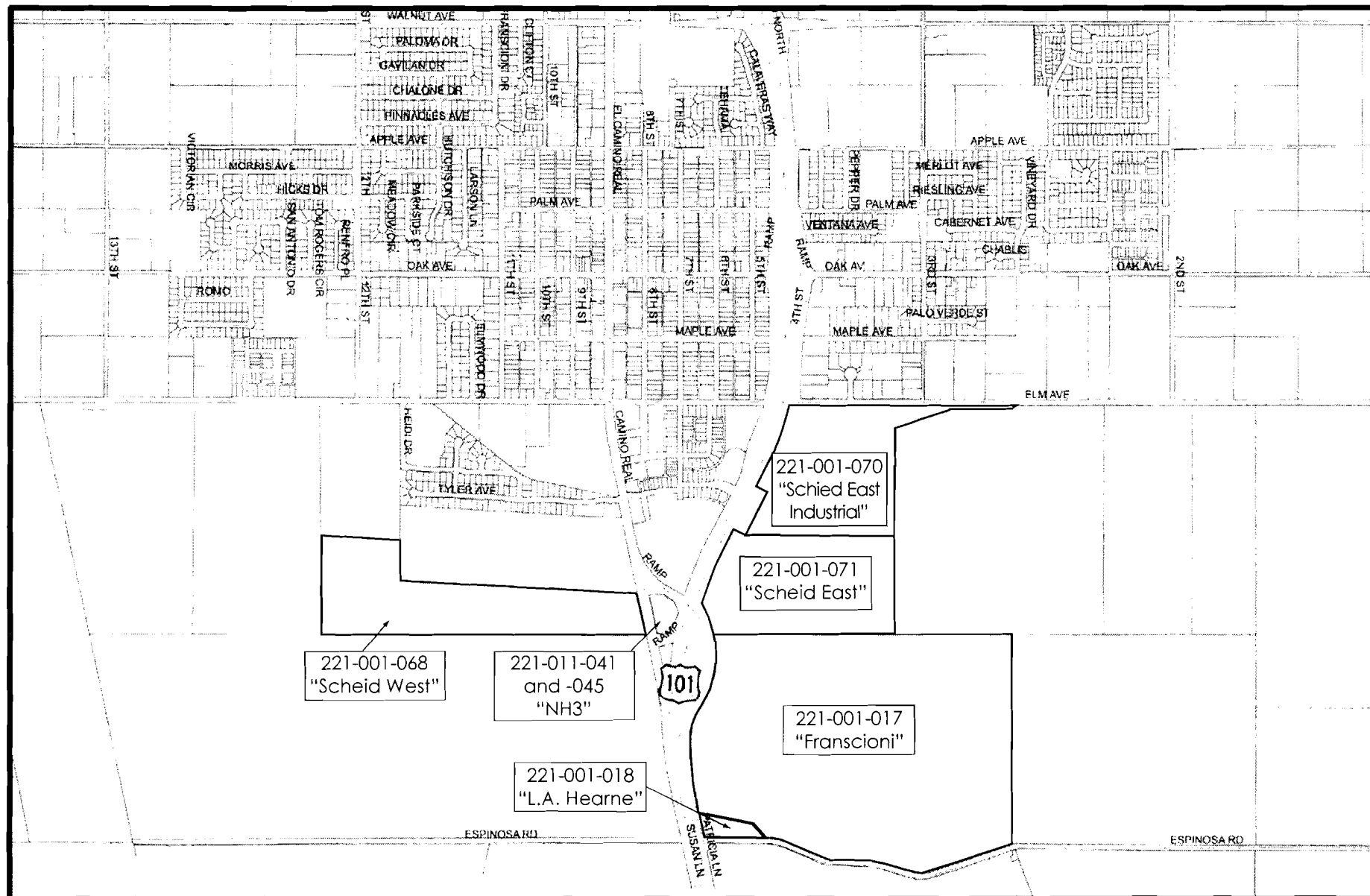


Map to Scale

# SOUTH END ANNEXATION

PROJECT VICINITY





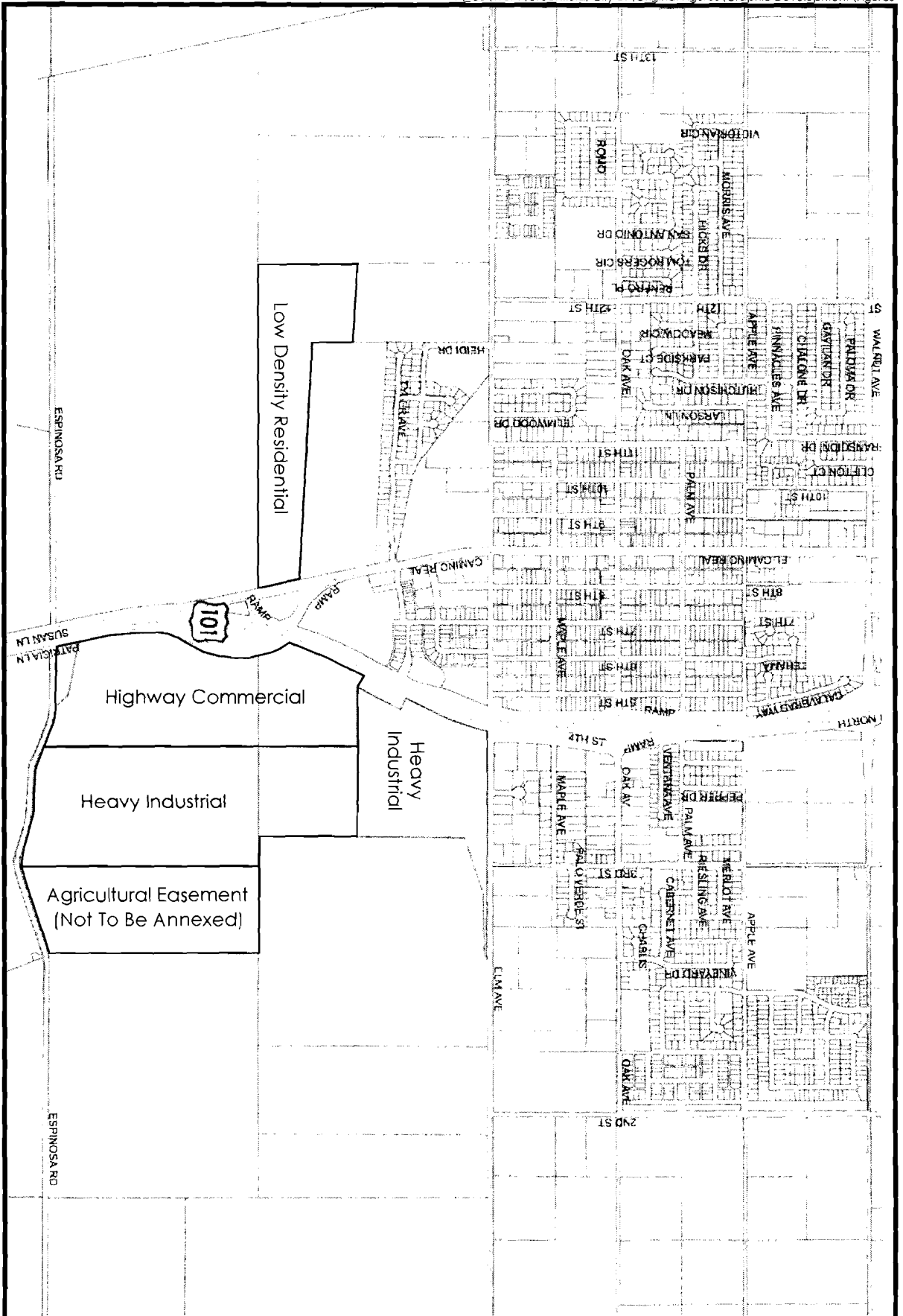
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**Figure 2-3**  
Subject Parcels

**Michael Baker**  
INTERNATIONAL





Not To Scale



**Figure 2-4**

Proposed Land Use

**Michael Baker**  
INTERNATIONAL