



County of Monterey

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

Board Report

File #: 18-914, **Version:** 1

Adopt a Resolution approving a Property Tax Transfer for the proposed “Travel Center Annexation” to the City of Salinas.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

Adopt a Resolution approving a Property Tax Transfer for the proposed “Travel Center Annexation” to the City of Salinas.

SUMMARY:

The recommended action is necessary for the proposed Travel Center Annexation to proceed in the Local Agency Formation Commission process as set forth under State law which requires that, before an annexation may be approved, the affected jurisdictions must agree on a distribution of available property taxes; in addition, the LAFCO of Monterey County policy is that an application may not be deemed complete without a property tax transfer agreement.

DISCUSSION:

State law authorizes counties and cities to enter into property tax transfer agreements for the exchange of property tax revenues in the event of the annexation of territory to a city.

The proposed Travel Center Annexation involves the annexation of 64 acres to the City of Salinas. The annexation area is included within the city’s LAFCO approved sphere of influence and is located south of the Salinas Airport, adjacent to and east of Highway 101 as shown on the attached maps.

The proposed Property Tax Transfer provides for a proportional sharing of property taxes, as well as adjustments based on the State tax shift under ERAF. Within Tax Rate Area 057-030, the City shall receive 7.71% and the County shall receive 9.89% of the property tax base. After adding in the adjustment for the State ERAF shift, the County will receive 21.62%. The City shall receive 11.74% and the County shall receive 20.30% of the property tax increment.

Pursuant to the attached resolution, Monterey County Regional Fire Protection District will retain its base property tax for the annexation parcel. The District will not, however, share in any property tax increment after the parcel is annexed.

OTHER AGENCY INVOLVEMENT:

This report has been coordinated with the Auditor-Controller’s Office and County Counsel.

On September 5, 2018, a meeting was held with representatives of the City of Salinas, Monterey Regional Fire Protection District and the County of Monterey. The purpose of the meeting was to discuss the annexation and property tax transfer in light of the Greater Salinas Area Memorandum of Understanding. At the conclusion of the meeting, it was agreed that the property tax transfer should proceed forward as described in their report and the accompanying Board resolution. A September 7, 2018 letter from the Fire District is attached to this report.

FINANCING:

Property tax revenues will be apportioned with the City of Salinas as provided in the attached Board Resolution.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Mark a check to the related Board of Supervisors Strategic Initiatives

☐ Economic Development
☒ Administration
☐ Health & Human Services
☐ Infrastructure
☐ Public Safety

Prepared by: Maegan Ruiz-Ignacio, Administrative Assistant Confidential, ext. 5508

Approved by: Nicholas E. Chiulos, Assistant County Administrator, ext. 5145

cc: Matt Pressey, City of Salinas
David Sargenti, Monterey County Regional Fire Protection District
Kate McKenna, LAFCO

Nicholas E. Chiulos, Assistant County Administrative Officer

Date

Attachments are on file with the Clerk of the Board

Attachments:

1. Resolution approving a Property Tax Transfer for the proposed "Travel Center Annexation" to the City of Salinas.
2. Location Maps.
3. September 7, 2018 letter from Monterey County Regional Fire District