



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
County Manager's Office



DATE: July 24, 2012
BOARD MEETING DATE: August 14, 2012
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority

TO: Honorable Board of Supervisors

FROM: John L. Maltbie, County Manager

SUBJECT: Property tax exchange for proposed annexation of Lands of Sonmez – to the Atherton Channel Drainage District and Detachment from the County Governed University Heights Drainage Maintenance District

RECOMMENDATION:

Adopt a Resolution authorizing and agreeing to exchange of property tax between the County of San Mateo governed University Heights Drainage Maintenance District and the Town of Atherton governed Atherton Channel Drainage for the proposed annexation of the Lands of Sonmez - Assessor's parcel number 070-302- 300 to the Atherton Channel Drainage District and detaching this parcel from University Heights Drainage Maintenance District.

BACKGROUND:

In May LAFCo approved an annexation of the lands of Sonmez (AP 070-302-300) to the Town of Atherton conditioned upon detachment from the University Heights Drainage Maintenance District (UHDMD) and annexation to the Atherton Channel Drainage District (ACDD). The annexation application was submitted to merge this small unincorporated parcel with a residential parcel under the same ownership located at 70 Camino por los Arboles in the Town of Atherton.

To complete the LAFCo approved annexation to the Town and the subsequent lot merger, it is necessary to detach the parcel from the UHDMD and annex it to the ACDD. This process is governed by ACDD enabling legislation which requires that the Town adopt a resolution requesting detachment of the parcel from the UHDMD and annexation to the ACCD pursuant to the Health & Safety Code Section 4641-4648 and Streets and Highways Code Section 5853.

However, prior to the Town taking this action, because the parcel is in a tax rate area that currently directs 0.11840171 of tax increment to the UHDMD, the County and the Town must agree to transfer of this increment from the UHDMD to the ACDD. Once resolutions are adopted by the Town Council and Board of Supervisors, the Town can

take action to adopt the resolution transferring the parcel from UHDMD to ACDD, record the boundary change and file it with the State Board of Equalization. When these actions have been taken, the Town can complete the merger process.

It is therefore recommended that the County consider the tax increment transfer of 0.11840171 from the UHDMD to the ACDD and adopt a resolution agreeing to the exchange.

This resolution has been reviewed and approved by County Counsel.

This action contributes to the Shared Vision 2025 of a Collaborative Community by formalizing annexation of lands requiring an urban level of municipal services to a city.

FISCAL IMPACT:

The total amount of property tax revenue attributable to incremental factors (before the ERAF shift) is approximately \$60. The ACCD will receive approximately \$7.