



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



**DATE:** March 4, 2013  
**BOARD MEETING DATE:** March 12, 2013  
**SPECIAL NOTICE/HEARING:** None  
**VOTE REQUIRED:** Majority

**TO:** Honorable Board of Supervisors

**FROM:** David G. Holland, Assistant County Manager

**SUBJECT:** Property tax exchange for proposed annexation of 60 and 68 Loma Road, Assessor's Parcels No.051-472-020 and 052-472-040 to the City of San Carlos

**RECOMMENDATION:**

Adopt a resolution authorizing and agreeing to exchange of property tax between the County of San Mateo and the City of San Carlos for the proposed annexation of 60 and 68 Loma Road.

**BACKGROUND:**

As a condition of Local Agency Formation Commission's ("LAFCo") approval of annexation of property from one jurisdiction to another, Revenue and Taxation Code Section 99 requires participating jurisdictions to agree to the amount of property tax to be transferred as a result.

**DISCUSSION**

In response to an application to LAFCo for annexation of 60 and 68 Loma Road, the Controller has notified the County of the required 60 day property tax negotiation period. County staff recommends a tax exchange that keeps the County share at a level equivalent to the County's tax share in incorporated areas adjacent to the Loma Road parcels. Since San Carlos will take over fire response for the annexed properties, staff recommends transferring 100% of the tax share from County Fire to the City of San Carlos. The recommended tax share transfers in tax rate area 073033 are summarized in the following chart.

<b>From</b>	<b>To</b>	<b>Incremental Factor</b>
County Fire	City of San Carlos	0.071022723
County of San Mateo	City of San Carlos	0.054012997

The total increment transferred to the City of San Carlos is 0.12503572. The remaining tax share for the County is 0.24393578.

The resolution agreeing to this exchange 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 \$1,309. The Town of San Carlos will receive approximately \$3,042, which includes both the County and the County Fire tax share exchange.