



**COUNTY OF SAN MATEO**  
Inter-Departmental Correspondence  
County Manager



**Date:** October 16, 2014  
**Board Meeting Date:** November 4, 2014  
**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** John L. Maltbie, County Manager

**Subject:** Resolution authorizing and agreeing to an exchange of property tax between the County of San Mateo and the City of San Carlos for the proposed annexation of 12 Cranfield Avenue

**RECOMMENDATION:**

Adopt a resolution authorizing and agreeing to an exchange of property tax between the County of San Mateo and the City of San Carlos for the proposed annexation of 12 Cranfield Avenue (049-072-020, 049-072-030, 049-072-120 and 049-072-320).

**BACKGROUND:**

As a condition of the 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 of the annexation.

**DISCUSSION:**

In response to an application to LAFCo for annexation of 12 Cranfield Avenue, 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 the incorporated area adjacent to the Cranfield Avenue parcels. Since San Carlos will take over fire response for the annexed property, 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 053010 are summarized in the following chart.

From	To	Incremental Factor
County Fire	City of San Carlos	0.0780377667
County of San Mateo	City of San Carlos	0.0549600000

The total increment transferred to the City of San Carlos is 0.1329977667. The remaining tax share for the County is 0.2329757450.

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 services to a city.

**FISCAL IMPACT:**

The total amount of property tax revenue attributable to the incremental factors before the ERAF shift is approximately \$1,509. The City of San Carlos will receive approximately \$450.00, which includes both the County Fire and the County tax share exchange. Property tax revenue will increase for the County and the City upon development of the parcels.