



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



DATE: May 27, 2013
BOARD MEETING DATE: June 4, 2013
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 191 Lemoore
Assessor's Parcel No.051-161-100 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 191 Lemoore.

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 191 Lemoore, 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 Lemoore parcel. 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 073025 are summarized in the following chart.

From	To	Incremental Factor
County Fire	City of San Carlos	0.07308207
County of San Mateo	City of San Carlos	0.05236812

The total increment transferred to the City of San Carlos is 0.125450201. The remaining tax share for the County is 0.217282850.

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 \$450. The Town of San Carlos will receive approximately \$165.00, which includes both the County and the County Fire tax share exchange.