



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY MANAGER

File #: 16-450

Board Meeting Date: 8/8/2017

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 Menlo Park for the proposed annexation of 2111-2121 Sand Hill Road to the City of Menlo Park pursuant to Revenue & Taxation Code §99

RECOMMENDATION:

Adopt a resolution authorizing and agreeing to an exchange of property tax between the County of San Mateo and the City of Menlo Park for the proposed annexation of 2111-2121 Sand Hill Road (074-450-030, 074-450-040, 074-450-050) to the City of Menlo Park, pursuant to revenue and taxation code §99.

BACKGROUND:

As a condition of the Local Agency Formation Commission (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 2111-2121 Sand Hill Road to Menlo Park, the Controller has notified the County of the required 60 day property tax negotiation period. County staff recommends a tax exchange that approximates the county and city shares elsewhere in the city. Since the City of Menlo Park is not a member of the Library Joint Powers Authority, staff recommends transferring 100% of the tax share from the Library Fund to the City of Menlo Park. The recommended tax share transfers in tax rate area 061-016 are summarized in the following chart.

From	To	Incremental Factor
County Library Fund	City of Menlo Park	0.0365963896
County of San Mateo	City of Menlo Park	0.0684036104

The total increment transferred to the City of Menlo Park is 0.010500000. The remaining tax share to the County is 0.1826467824.

The resolution agreeing to this exchange has been reviewed and approved by County Counsel.

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

FISCAL IMPACT:

The current total amount of property tax revenue attributable to the incremental factors before the ERAF shift is approximately \$17,076. The City of Menlo Park will receive approximately \$6,233, which includes both Library Fund and the County tax share exchange. Property tax revenue will increase for the County, city and other taxing entities upon development of Assessor's Parcel 074-450-030.