



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY MANAGER

File #: 18-324

Board Meeting Date: 4/24/2018

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: John L. Maltbie, County Manager

Subject: Resolutions authorizing and agreeing to an exchange of property tax between the County of San Mateo and the City of Belmont for the proposed annexation of 1304 Elmer Street and detachment from the Harbor Industrial Sewer Maintenance and Belmont Highway Lighting Districts and the annexation of a portion of Old County Road to the City of Belmont

RECOMMENDATION:

Adopt resolutions authorizing and agreeing to:

- A) An exchange of property tax between the County of San Mateo and the City of Belmont for the proposed annexation of 1304 Elmer Street and detachment from the Harbor Industrial Sewer Maintenance (HISMD) and the Belmont Highway Lighting (BHL) Districts; and
- B) Zero exchange of property tax revenues pursuant to the provisions of Chapter 282, Section 59, Part 0.5, implementation of Article XIII A of the California Constitution, commencing with Section 95, Division I, of the Revenue and Taxation Code.

BACKGROUND:

Before the Local Agency Formation Commission (LAFCo) can schedule an annexation application for hearing, 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 1304 Elmer Street and a portion of Old County Road to the City of Belmont and detachment from HISMD and BHL, 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. Because 1304 Elmer Street is being detached from the HISMD and BHL, staff recommends transferring 100% of the tax share from these districts to the City of Belmont. The recommended tax share transfers in tax rate area 053-011 are summarized in the following chart.

From	To	Incremental Factor
HISMD	City of Belmont	0.0094812614
BHLD	City of Belmont	0.0077590724
County of San Mateo	City of Belmont	0.0793891566

The total incremental factor transferred to the City of Belmont is 0.0966294904. The remaining incremental factor for the County is 0.1627855374.

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

In the case of the portion of Old County Road fronting 1325 Old County Road, public right away is not assessed. Therefore it is appropriate to adopt a resolution of zero property tax exchange.

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:

Prior to the annexation, the total amount of property tax revenue on this parcel for the County, HISMS, and BHLD is \$396, \$16, and \$13, respectively, a total of \$425. Based on the proposed transfers of incremental factors, after the annexation is complete the City of Belmont will receive \$158 and the County will receive \$267.

While this does not appear to have a large fiscal impact based on the amounts noted above, once 1304 Elmer is developed property taxes will increase substantially and the incremental tax revenues will be distributed based on the proposed incremental factors.