



# County of San Mateo

## Inter-Departmental Correspondence

**Department:** COUNTY MANAGER

**File #:** 19-1088

Board Meeting Date: 11/12/2019

**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors  
**From:** Michael P. Callagy, 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 252 Club Drive

### **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 252 Club Drive (049-050-050).

### **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 252 Club Drive by the City of San Carlos, 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 053-010 are summarized in the following chart.

From	To	Incremental Factor
County Fire	City of San Carlos	0.078037767
County of San Mateo	City of San Carlos	0.054962233

The total increment transferred to the City of San Carlos is 0.1330000000. The remaining tax share for the County is 0.2329735117.

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

**FISCAL IMPACT:**

The total amount of property tax revenue subject to negotiation is approximately \$301.73, prior to the shift of property taxes to the ERAF. The City of San Carlos will receive approximately \$109.65 of this amount, which comes from a combination of County Fire and the General County tax. Property tax revenue will increase for the County and the City upon development of the parcels.