



# TOWN OF APPLE VALLEY

## TOWN COUNCIL STAFF REPORT

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**To:** Honorable Mayor and Town Council      **Date:** September 25, 2018

**From:** Orlando Acevedo, Assistant Director      **Item No:** 7  
Economic Development

**Subject:** A RESOLUTION OF THE TOWN OF APPLE VALLEY, CALIFORNIA, DETERMINING THE AMOUNT OF PROPERTY TAX REVENUES TO BE TRANSFERRED AS A RESULT OF THE PENDING REORGANIZATION TO INCLUDE THE ANNEXATION TO THE TOWN OF APPLE VALLEY FROM COUNTY SERVICE AREA 70 AS DESCRIBED IN LAFCO NO. 3229

**Town Manager Approval:** \_\_\_\_\_      **Budgeted Item:**  Yes  No  N/A

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### RECOMMENDED ACTION:

Approve Resolution No. 2018-44 of the Town of Apple Valley determining the amount of property tax revenues to be transferred as a result of the pending reorganization to include the annexation to the Town of Apple Valley from County Service Area 70 as described in LAFCO No. 3229.

### SUMMARY:

On May 8, 2018, Council directed staff to initiate proceedings for Annexation No. 2018-001. Annexation No. 2008-001 consists of 1,304 acres located in the Town's Sphere of Influence, that lie west of Dale Evans Parkway and Stoddard Wells Road, north of Johnson Road, east of Interstate 15, and south of Morro Road (Exhibit B: Annexation Map). The Council adopted Resolution No. 2018-017, requesting the Local Agency Formation Commission (LAFCO) process the application for annexation of this area into the Town of Apple Valley. At the same meeting, the Town Council adopted Resolution No. 2018-16, adopting an Addendum to the Final Environmental Impact Report (SCH #200891077) for General Plan Amendment No. 2008-001, and approving Annexation No. 2018-001.

The Town submitted the Annexation application to LAFCO on May 31, 2018.

As a prerequisite to LAFCO consideration, both the County and the Town must adopt property tax transfer resolutions. Resolution 2018-44, attached herein, is presented for

Council consideration. The County Board of Supervisors is expected to adopt a similar resolution also at its September 25, 2018 meeting.

In summary, the attached Resolution will provide a \$22,374 annual transfer from the County General Fund to the Town of Apple Valley as a result of the reorganization. This is approximately 5.6% of the annual property tax revenue collected from the annexed areas. Based upon the foregoing, staff recommends adoption of the attached Resolution.

**FISCAL IMPACT:**

While there are no additional direct fiscal impacts, as outlined in Exhibit A: Estimated Property Tax Revenues Summary, the Town is expected to receive \$22,374 beginning in the base year of the annexation.

**ATTACHMENTS:**

Resolution No. 2018-44 Determining the Property Tax Revenues Transfer as part Annexation No. 2018-001/LAFCO No. 3229, including:

- Exhibit A: Estimated Property Tax Revenues Summary
- Exhibit B: Annexation Map

**RESOLUTION NO. 2018-44**

**A RESOLUTION OF THE TOWN OF APPLE VALLEY, CALIFORNIA, DETERMINING THE AMOUNT OF PROPERTY TAX REVENUES TO BE EXCHANGED BETWEEN AND AMONG COUNTY SERVICE AREA NO. 70 AND THE TOWN OF APPLE VALLEY, RESULTING FROM THE JURISDICTIONAL CHANGE DESCRIBED BY LAFCO NO. 3229.**

**SECTION 1.** The Town of Apple Valley (“TOWN”) and the Board of Supervisors of the County of San Bernardino agree and the Town Council of the Town of Apple Valley hereby finds and determines that:

A. Pursuant to Section 99 of the Revenue and Taxation Code, prior to the issuance of a Certificate of Filing by the Local Agency Formation Commission Executive Officer, the governing bodies of all local agencies whose service area or service responsibilities will be altered by a proposed jurisdictional change shall negotiate and determine by resolution of the amount of property tax revenues to be exchanged between and among such local agencies.

B. Except as provided in Section 99.1 of the Revenue and Taxation Code, in the event that a jurisdictional change would affect the service area or service responsibility of one or more special districts, the Board of Supervisors shall, on behalf of the district or districts, negotiate an exchange of property tax revenues.

C. The Board of Supervisors of the County of San Bernardino, acting on behalf of CSA 70 and the Town of Apple Valley, have determined that an annual transfer from the County General Fund to the Town of Apple Valley occur as a result of the following jurisdictional change(s):

**LAFCO NO. 3229 – REORGANIZATION TO INCLUDE ANNEXATION TO THE TOWN OF APPLE VALLEY AND DETACHMENT FROM COUNTY SERVICE AREA 70- (ANNEXATION NO. 2018-001)**

**SECTION 2.** The Town of Apple Valley and the Board of Supervisors of the County of San Bernardino agree, and the Town Council of the Town of Apple Valley hereby resolves and orders that:

A. The negotiated exchange of property tax revenue between the County of San Bernardino and the Town of Apple Valley attached hereto as Exhibit “A” and incorporated herein by reference, resulting from the above described jurisdictional change(s), is approved and accepted.

B. The annual tax increment generated in the area subject to the jurisdictional change and attributable to the local agencies whose service area or service responsibilities will be altered by the proposed jurisdictional change shall be allocated in future years pursuant to the provisions of Section 98 of the Revenue and Taxation Code

**SECTION 3.** The Clerk of the Town of Apple Valley is hereby directed to certify passage of this Resolution and to cause a certified copy to be sent to the Executive Officer of the Local Agency Formation Commission of the County of San Bernardino.

**PASSED, APPROVED AND ADOPTED** this 25<sup>th</sup> day of September 2018.

\_\_\_\_\_  
Art Bishop, Mayor

ATTEST

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LaVonda Pearson, Town Clerk

Attachments: Exhibit A: Estimated Property Tax Revenues Summary  
Exhibit B: Annexation Map

**Exhibit A**

## Estimated Property Tax Revenues Summary

LAFCO 3229: TOWN OF APPLE VALLEY - Annexation  
 Estimated Revenue  
 Rev % in Major TRA: .09437668  
 FY 2017-18

Agency-Acct	54111	54118	54167	TRA
P739DYL	N/A	N/A	R897-RG01	
RDA Project				
Assessed Value	753,157		665,300	
RDA Increment	-	129,568	400,460	
Net Value After RDA / TRA Frozen Base	753,157	129,568	264,840	
Tax Revenue	7,532	1,296	2,648	
1% of Assessed Value				
<b>Agency-Acct</b>	<b>Tax Distribution %</b>	<b>Tax Distribution %</b>	<b>Tax Distribution %</b>	<b>Tax Revenue</b>
	P739DYL	P739DYL	P739DYL	(Tax Dist) x (Tax Rev)
AB01-GA01	18.69841600%	18.70198200%	18.69093800%	242
BF04-GA01	2.50513200%	2.50483100%	2.50667200%	32
BF08-GA01	0.09588500%	0.09582500%	0.09569600%	7
BL01-GA01	1.53603200%	1.53537700%	1.53609500%	116
<b>County Agencies</b>	<b>22.83546500%</b>	<b>22.83801500%</b>	<b>22.82940100%</b>	<b>296</b>
UD44-GA01	1.09923800%	1.09913700%	1.10009700%	83
UD50-GA01	0.00000000%	0.00000000%	0.00000000%	-
WF01-GA01	9.93989400%	9.93823300%	9.94377800%	749
WR03-GI01	0.00000000%	0.00000000%	0.00000000%	-
WY20-GI01	0.56518300%	0.56518300%	0.56551700%	43
<b>Other Agencies</b>	<b>11.60431500%</b>	<b>11.60255500%</b>	<b>11.60939200%</b>	<b>874</b>
<b>Total Revenue Subject to Transfer</b>	<b>34.43978000%</b>	<b>34.44056800%</b>	<b>34.43879300%</b>	<b>2,594</b>
				<b>307</b>
				<b>446</b>
				<b>605</b>

Note:

(A) TRA 54169 has negative RDA Increment

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8/2/2018











**Exhibit B**  
**Annexation Map**

