



## Town Council Agenda Report

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Date: December 8, 2020 Item No. 9

To: Honorable Mayor and Town Council

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. 3244

From: Douglas Robertson, Town Manager

Submitted by: Lori Lamson, Assistant Town Manager

Budgeted Item:  Yes  No  N/A

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### RECOMMENDED ACTION:

Approve Resolution No. 2020-59 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. 3244.

### SUMMARY:

On June 23, 2020, Council directed staff to initiate proceedings for Annexation No. 2019-001. Annexation No. 2019-01 consists of  $\pm 1,423$  acres located in the Town's Sphere of Influence, that lie east of the recent 2018 annexation that extends along the east side of the I-15 Freeway. The area is generally bounded by Dale Evans Parkway to the east, north of Johnson Road, west of Fairfield, Choco and Vega Roads and south of Morro Road. (See attached Annexation Map). The Council adopted Resolution No. 2020-26, 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. 2020-25, adopting an Addendum to the Final Environmental Impact Report (SCH #200891077) for General Plan Amendment No.

2008-001, and approving Annexation No. 2018-001. Annexation 2018-001 included the area of this proposed annexation. The Town submitted the Annexation application to LAFCO in July 2020.

As a prerequisite to LAFCO consideration, both the County and the Town must adopt property tax transfer resolutions. Resolution 2020-59, attached herein, is presented for Council consideration. The County Board of Supervisors is expected to adopt a similar resolution also at its December 8, 2020 meeting.

In summary, the attached Resolution will provide a \$4,880 annual transfer from the County General Fund to the Town of Apple Valley as a result of the reorganization. This is approximately 4.7% 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 \$4,880 beginning in the base year of the annexation.

**ATTACHMENTS:**

Resolution No. 2020-59 Determining the Property Tax Revenues Transfer as part Annexation No. 2019-01/LAFCO No. 3244, including:

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

**RESOLUTION NO. 2020-59**

**A RESOLUTION OF THE TOWN COUNCIL 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. 3244.**

**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:

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.

A. 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.

B. 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. 3244 – REORGANIZATION TO INCLUDE ANNEXATION TO THE TOWN OF APPLE VALLEY AND DETACHMENT FROM COUNTY SERVICE AREA 70- (ANNEXATION NO. 2019-001)**

**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 99 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.

**SECTION 4.** The provisions of this Resolution are severable and if any provision of this Resolution is held invalid, that provision shall be severed from the Resolution and the remainder of this Resolution shall continue in full force and effect, and not be affected by such invalidity.

**SECTION 5.** The Mayor shall sign this Resolution and the Town Clerk shall attest and certify to the passage and adoption thereof.

**APPROVED** and **ADOPTED** by the Town Council of the Town of Apple Valley, this 8<sup>th</sup> day of December 2020.

\_\_\_\_\_  
Scott Nassif, Mayor

ATTEST:

\_\_\_\_\_  
La Vonda M. Pearson, Town Clerk

## Exhibit A

LAFCO 3244

Reorganization to Include Annexation to the Town of Apple Valley and Detachment from County Service Area 70 (Annexation No. 2019-001)

### Exhibit A

Percent of TRA: 9.437668

TRA	54109	54111	54114	54118
<b>Assessed Value</b>	\$ 965,282	\$ 2,097,694	\$ -	\$ 2,136,846
<b>RDA Increment</b>	\$ -	\$ -	\$ -	\$ -
<b>Net Value After RDA / TRA Frozen Base</b>	\$ 965,282	\$ 2,097,694	\$ -	\$ 2,136,846
<b>Tax Revenue</b>	\$ 9,653	\$ 20,977	\$ -	\$ 21,368
	<u>Change In Base Year 2020-21</u>	<u>Change In Base Year 2020-21</u>	<u>Change In Base Year 2020-21</u>	<u>Change In Base Year 2020-21</u>
<b><u>TRANSFER FROM</u></b>				
COUNTY GENERAL FUND	\$ (456)	\$ (990)	\$ -	\$ (1,008)
COUNTY SERVICE AREA 70	\$ -	\$ -	\$ -	\$ -
<b>Total Transfers From</b>	<b>\$ (456)</b>	<b>\$ (990)</b>	<b>\$ -</b>	<b>\$ (1,008)</b>
<b><u>TRANSFER TO</u></b>				
TOWN OF APPLE VALLEY	\$ 456	\$ 990	\$ -	\$ 1,008
<b>Total Transfers To</b>	<b>\$ 456</b>	<b>\$ 990</b>	<b>\$ -</b>	<b>\$ 1,008</b>

**LAFCO 3244**  
**Reorganization to Include Annexation to the Town of Apple Valley and Detachment from County Service Area 70 (Annexation No. 2019-001)**

**Exhibit A**

Percent of TRA: 9.437668

TRA	54168	54169	54170	GRAND TOTAL
Assessed Value	\$ -	\$ 3,763,659	\$ 4,788,575	\$ 13,752,056
RDA Increment	\$ (3,076)	\$ 403,757	\$ 3,006,966	\$ 3,407,647
Net Value After RDA / TRA Frozen Base	\$ 3,076	\$ 3,359,902	\$ 1,781,609	\$ 10,344,409
Tax Revenue	\$ -	\$ 33,599	\$ 17,816	\$ 103,413
	Change In Base Year 2020-21	Change In Base Year 2020-21	Change In Base Year 2020-21	Change In Base Year 2020-21
<b><u>TRANSFER FROM</u></b>				
COUNTY GENERAL FUND	\$ -	\$ (1,585)	\$ (841)	\$ (4,880)
COUNTY SERVICE AREA 70	\$ -	\$ -	\$ -	\$ -
<b>Total Transfers From</b>	<b>\$ -</b>	<b>\$ (1,585)</b>	<b>\$ (841)</b>	<b>\$ (4,880)</b>
<b><u>TRANSFER TO</u></b>				
TOWN OF APPLE VALLEY	\$ -	\$ 1,585	\$ 841	\$ 4,880
<b>Total Transfers To</b>	<b>\$ -</b>	<b>\$ 1,585</b>	<b>\$ 841</b>	<b>\$ 4,880</b>

# Exhibit B Annexation Map

