

**TOWN OF
APPLE VALLEY, CALIFORNIA**

AGENDA MATTER

Subject Item:

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. 17 AND THE TOWN OF APPLE VALLEY, RESULTING FROM THE JURISDICTIONAL CHANGE DESCRIBED IN LAFCO NO. 33156

Summary Statement:

The County of San Bernardino has formally applied to the County Local Agency Formation Commission "LAFCo" to dissolve County Service Area No. 17 ("CSA 17") for the purpose of turning over to the Town of Apple Valley the responsibility for the administration of the existing street lighting and maintenance district (map attached). The County application to LAFCo has been formally designated as LAFCo No. 3156 and is scheduled to be considered by the commissioners (LAFCo) on or about September 15, 2010. As a prerequisite to LAFCo consideration, both the County and the Town must adopt property tax transfer resolutions. The resolution required of the Town is attached to this staff report and is submitted for Council consideration.

The Town Council has previously considered this matter on April 28th, May 12th and July 14th in 2009. Based upon previous Council direction, and related staff work, the July 14, 2009 action resulted in the Town Council approving and adopting an Out of Agency service agreement (which was also adopted by the County Board of Supervisors "BOS"). This agreement provided the legal and programmatic framework for dissolution activities to be carried out by both the Town and the County. This process has culminated in the development of the subject property tax transfer resolution and the submittal of same to the Town Council and BOS.

In summary, the attached resolution will provide approximately \$146,900 in annual property tax revenues for the maintenance of 49 street lights in the unincorporated County that is also a part of the Town's adopted Sphere of Influence. In addition to the annual property tax revenues to be received by the Town, the previously referenced Out of Agency service agreement, adopted by both the Town and the County, provides for the Town's continuing ability to levy the assessments necessary to maintain the street lights located within CSA 17.

Recommended Action:

That the Mayor and Town Council approve and adopt Resolution No. 2010-38 providing for the transfer of property tax revenues from the County of San Bernardino to the Town of Apple Valley relating to the dissolution of County Service Area No. 17.

Proposed by: Assistant Town Manager, ED & Comm Dev. **Item Number** _____

T. M. Approval: _____ Budgeted Item Yes No N/A

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The Out of Agency service agreement also provides for the exchange of the current CSA 17 fund balance to the Town, currently estimated at \$1.5 million. The County will, as a standard Condition of Approval, require all affected developments to agree to annex into the existing street lighting and maintenance district.

Based upon the foregoing, staff recommends adoption of the form motion.

RESOLUTION NO. 2010-38

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. 17 AND THE TOWN OF APPLE VALLEY, RESULTING FROM THE JURISDICTIONAL CHANGE DESCRIBED BY LAFCO NO. 3156.

WHEREAS, the Board of Supervisors of the County of San Bernardino (“COUNTY”) has made application to the Local Agency Formation Commission to consider dissolution of County Service Area No. 17 (“CSA 17”)

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 17 and the Town of Apple Valley have determined that all property tax revenues of CSA 17 shall be transferred to the Town of Apple Valley as a result of the following jurisdictional change(s):

LAFCO NO. 3156 – Dissolution of County Service Area No. 17

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, which is currently estimated at approximately \$146,900 per year, between CSA 17 and the Town of Apple Valley 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. COUNTY for CSA 17 agrees to conduct a financial compliance audit of CSA 17 from CSA 17 resources for the period ended June 30, 2010. COUNTY further agrees that upon dissolution of CSA 17, 80% of all current cash balances will be transferred to the Town of Apple Valley within sixty (60) days of the effective date of the dissolution. The remaining 20%, or balance thereof, will be transferred no later than June 30, 2011. This 20% holdback will be used to pay for any liabilities or obligations (including, but not limited to, audit exceptions) which arose prior to the [dissolution] of CSA 17. Any expenditure from the held balance between the time of dissolution and June 30, 2010 will be accounted for and itemized for the Town of Apple Valley.

SECTION 4. 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 27th day of July, 2010.

Mayor

ATTEST:

I, LaVonda Pearson, Town Clerk of the Town of Apple Valley, California, do hereby certify that the foregoing resolution was duly and regularly adopted by the Town of Apple Valley Town Council at a regular meeting thereof, held on the 27th day of July, 2010 by the following vote, to-wit:

AYES:
NOES:
ABSENT:
ABSTAIN:

Ms. LaVonda Pearson, Town Clerk