



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 5/22/2012

Agenda Placement: 7X

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors

FROM: Silva Darbinian for Westmeyer, Robert - County Counsel
County Counsel

REPORT BY: Lawrance Florin, DIR HOUSING AND INTERGOVERNMENTAL AFFAIRS - 253-4621

SUBJECT: Resolution and Agreement re Property Tax Revenue Sharing Agreement - Railroad Property in American Canyon

RECOMMENDATION

County Counsel and Director of Housing and Intergovernmental Affairs request adoption of a resolution approving a property tax revenue sharing agreement with the City of American Canyon and the American Canyon Fire Protection District and authorizes the Chairman to sign the agreement, in connection with the proposed annexation of that certain real property consisting of approximately 1.09 acres of railroad property owned by Pacific Union Railway and bisected by Devlin Road to the City of American Canyon.

ENVIRONMENTAL DETERMINATION: Annexation of the railroad property is categorically exempt from the California Environmental Quality Act (CEQA) under a Categorical Exemption for Annexation of Existing Facilities, per Section 15319 of the CEQA Guidelines.

EXECUTIVE SUMMARY

Section 99 of the Revenue and Taxation Code requires that negotiations be entered into between the County, the City and the American Canyon Fire Protection District ("Fire District") regarding adjustments in the allocation of property taxes whenever a "jurisdictional change" involving annexations is proposed. The statute provides that the Local Agency Formation Commission (LAFCO) Executive Officer cannot issue a certificate for filing until the parties affected by the annexation present resolutions accepting the exchange of property tax revenues. LAFCO certified the annexation of the Headwaters and Panattoni properties. The narrow strip of Union Pacific Railway property that separates the Headwaters and Panattoni properties was not a part of the annexation. The new roadway segment of Devlin Road associated with the Headwaters and Panattoni properties is in the incorporated city limits but the bridge over the railroad remains in the unincorporated area of the County. The City seeks to annex the bridge portion (approximately 1.09 acres) of railroad property.

The proposed resolution and agreement reallocate the property tax increment accordingly. Although the railroad

property is exempt from property taxes, a property tax sharing agreement must be in place for any annexation to be finalized. The reallocation formula is the same as the one adopted by the parties for the Headwaters and Panattoni parcels. The City and Fire District are expected to adopt the agreement and resolution at a special meeting on May 29, 2012.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: Annexation of the railroad property is categorically exempt from the California Environmental Quality Act (CEQA) under a Categorical Exemption for Annexation of Existing Facilities, per Section 15319 of the CEQA Guidelines.

BACKGROUND AND DISCUSSION

On July 3, 2008, the City of American Canyon and the County of Napa entered into County Agreement No. 7070 relating to the City of American Canyon's urban growth boundary and other matters of mutual interest in the South County area. The Agreement contemplated inclusion of the Panattoni, Headwaters, and Atkins parcels in the City's Sphere of Influence and within the City's Urban Limit Line. The parties entered into a property tax sharing agreement concerning the above referenced parcels. The Napa County Local Agency Formation Commission (LAFCO) thereafter certified the annexation of the Headwaters and Panattoni properties. The narrow strip of Union Pacific Railway property that separates the Headwaters and Panattoni properties was not a part of the annexation. The new roadway segment of Devlin Road associated with the Headwaters and Panattoni properties is in the incorporated city limits but the bridge over the railroad remains in the unincorporated area of the County. The City seeks to annex the bridge portion (approximately 1.09 acres) of railroad property.

Section 99 of the Revenue and Taxation Code requires that negotiations be entered into between the County, the City and the American Canyon Fire Protection District ("Fire District") regarding adjustments in the allocation of property taxes whenever a "jurisdictional change" involving annexations is proposed. The statute provides that the LAFCO Executive Officer cannot issue a certificate for filing until the parties affected by the annexation present resolutions accepting the exchange of property tax revenues.

The proposed resolution and agreement reallocate the property tax increment accordingly. Although the railroad property is exempt from property taxes, a property tax sharing agreement must be in place for any annexation to be finalized. The reallocation formula is the same as the one adopted by the parties for the Headwaters and Panattoni parcels. The City and Fire District are expected to adopt the agreement and resolution at a special meeting on May 29, 2012.

SUPPORTING DOCUMENTS

- A . Resolution
- B . Agreement

CEO Recommendation: Approve

Reviewed By: Helene Franchi