



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 9/24/2013

Agenda Placement: 7S

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors

FROM: Florin, Lawrance - Director
Housing and Intergovernmental Affairs

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

SUBJECT: Property Tax Exchange - City of Napa Annexation of Materials Diversion Facility Property

RECOMMENDATION

Director of Housing and Intergovernmental Affairs requests adoption of a resolution regarding property tax exchange for the City of Napa's annexation of six unincorporated parcels in South Napa County totaling 18.60 acres used by the City's Materials Diversion Facility at 820 Levitin Way.

(CONTINUED FROM SEPTEMBER 10, 2013 AND SEPTEMBER 17, 2013)

EXECUTIVE SUMMARY

The City of Napa has submitted an application to the Local Agency Formation Commission (LAFCO) proposing annexation of approximately 18.60 acres of noncontiguous unincorporated territory in South Napa County at 820 Levitin Way on the southwest corner of Levitin Way and Tower Road, per Government Code section 56742. Under provisions of Revenue and Taxation Code Section 99, the City and the County must complete negotiations of a property tax exchange agreement prior to LAFCO acting on this application. The resolution before the Board today represents that agreement.

Director of Housing and Intergovernmental Affairs requests adoption of a resolution regarding property tax exchange negotiations with the City of Napa that grants ownership of the aforementioned six parcels at 820 Levitin Way to the City. And, upon annexation, the City's obligation to pay the 11 Tax Rate Areas (TRAs) \$41,190 in annual property taxes for the six parcels will be eliminated. The County's annual revenue loss will be approximately \$15,161, which includes revenue loss for the following County TRAs: Napa County - \$12,179; Fire Nonstructural - \$430; Library County - \$1,170; Fire Protection - \$1,382. The CSA #3 annual assessment of \$105 will also be eliminated.

The 18.60 acres comprise six unincorporated parcels at 820 Levitin Way that are used by the City of Napa's Materials Diversion Facility. The Assessor Parcel Numbers of the six parcels are: 057-110-049; 057-110-052; 057-

110-065; 057-110-066; 057-110-067; 057-110-068. The resolution states that in the event that the City of Napa sells any or all of the property, the remaining parcels will cease to be part of the City, as provided in Government Code section 56742. Additionally, if the City ceases to own and operate this parcel for municipal purposes, the County reserves the right to renegotiate the tax sharing agreement.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
What is the revenue source?	The County General Fund will receive \$15,161 less in property taxes with the City's annexation of six unincorporated parcels totaling 18.60 acres in South Napa County.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	The County is exhibiting goodwill in allowing the City of Napa to annex six unincorporated parcels that are now used by the City's Materials Diversion Facility.
Is the general fund affected?	Yes
Future fiscal impact:	The \$15,161 in property tax the County has received for the six parcels in past years will be eliminated permanently.
Consequences if not approved:	There will be no annexation.
Additional Information:	

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

The City of Napa has submitted an application to the Local Agency Formation Commission (LAFCO) proposing annexation of approximately 18.60 acres of noncontiguous unincorporated territory in South Napa County at 820 Levitin Way on the southwest corner of Levitin Way and Tower Road under Government Code section 56742. Government Code section 56742 allows a city to annex up to 300 acres of noncontiguous land under conditions specified in the statute. One of those conditions is that the territory is being used for municipal purposes at the time LAFCO proceedings are initiated. The statute also provides that if any or all of the territory annexed under section 56742 is no longer owned by the City, the territory shall cease to be part of the City.

Under provisions of Revenue and Taxation Code Section 99, the City and the County must complete negotiations of a property tax exchange agreement prior to LAFCO acting on this application. The resolution before the Board today represents that agreement. This agreement is consistent with past Board actions to allow property owned by the City of Napa and utilized for municipal purposes to be annexed to the city. Most recently the Board adopted a similar resolution in August 2009 allowing the Trancas Crossing Park property to annex to the City of Napa.

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SUPPORTING DOCUMENTS

A . LAFCO Resolution

CEO Recommendation: Approve

Reviewed By: Molly Rattigan