

October 1, 2002

Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**JOINT RESOLUTION BETWEEN THE COUNTY OF LOS ANGELES AND THE CITY
COUNCIL OF THE CITY OF SANTA CLARITA ACCEPTING THE NEGOTIATED
EXCHANGE OF PROPERTY TAX REVENUE AS A RESULT OF THE PROPOSED
ANNEXATION OF UNINCORPORATED LOS ANGELES COUNTY TERRITORY TO
THE CITY OF SANTA CLARITA
[GOLDEN VALLEY RANCH - ANNEXATION NO. 2002-05(97-01)]
(SUPERVISORIAL DISTRICT 5) (3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve the attached Joint Resolution between your Board and the City Council of the City of Santa Clarita (City) based on the negotiated exchange of property tax revenue, as a result of the proposed annexation of approximately 1,311 acres in unincorporated Los Angeles County into the City's boundaries.
2. Authorize the Chief Administrative Officer to provide the Los Angeles Local Agency Formation Commission (LAFCO) written consent to waive the protest proceedings for the proposed annexation, pursuant to Section 56663(c)(2) of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On August 27, 2002, the City Council of the City of Santa Clarita adopted the attached Joint Resolution based on the negotiated exchange of property tax revenue resulting from the proposed annexation of unincorporated Los Angeles County territory into the

City's legal boundaries. In order for LAFCO to proceed with the required hearings on the proposed annexation, your Board, as the governing body of the County, must also adopt the attached Joint Resolution, which transfers base revenue and a portion of the annual property tax increment ratio from the County to the City and adjusts the County and the City's share of the annual property tax increment ratio accordingly.

The purpose of the waiver is to expedite the LAFCO process to consider the annexation for final approval. If all of the public agencies and the landowners involved in the process consent to the waiver, the need for a LAFCO protest hearing is eliminated and LAFCO may order the annexation at its first meeting.

FISCAL IMPACT/FINANCING

The adopted resolution will transfer Seven Hundred Eight dollars (\$708) in base property tax revenue from the County to the City and will allocate a share (5.6340677 percent) of the Annual Tax Increment (ATI) attributable to the annexation from the County to the City commencing in Fiscal Year 2003-04. The share of the ATI transferred to the City is based on the City's 2001-02 share of the 1 percent property tax levy. The information below shows the City and County's share of the ATI before and after the adjustments:

Tax Rate Area	Percent of County Share Before ATI Transfer	Percent of ATI Transfer Rate to City	Adjusted County Share After ATI Transfer to City
02482	29.6700088	5.6340677	24.0359411
12518	29.7719003	5.6340677	24.1378326
12519	29.8982091	5.6340677	24.2641414
10682	29.8207789	5.6340677	24.1867112

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FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Pursuant to Part 3, Division 3, Title 5 of the California Government Code, commencing with Section 56000, the City filed its application with LAFCO on February 20, 2002 to initiate proceedings for annexation of approximately 1,311 acres of uninhabited territory. The proposed annexation area is generally located east of State Route 14 (Antelope Valley Freeway), north of Placerita Canyon Road and west and north of the Angeles National Forest. The proposed annexation area will require LAFCO to concurrently approve an amendment to the City's Sphere of Influence.

Section 99 of the Revenue and Taxation Code requires that prior to the effective date of any jurisdictional change, the governing bodies of all agencies whose service area or service responsibilities will be altered by such change must negotiate a reallocation of property tax revenue between the affected agencies, and approve and accept such reallocation by resolution.

Adoption of the Resolution by your Board will allow LAFCO to schedule the required public hearing to consider testimony on the proposed annexation. LAFCO will subsequently take action to approve, approve with changes or disapprove the proposal.

Pursuant to Section 56663(c), LAFCO may waive protest proceedings if (1) the proposed territory is uninhabited, (2) the affected agencies that will gain or lose territory as a result of the change of organization or reorganization have consented in writing to a waiver of protest proceedings, and (3) the affected owners of land have also agreed to the waiver. The territory proposed for annexation to the City is uninhabited. The City and the respective landowners, California Department of Transportation and PacSun, LLC, have provided LAFCO with consent to waive the protest proceedings. Upon your Board's authorization, the Chief Administrative Officer will provide LAFCO with a similar waiver.

The Joint Resolution has been approved as to form by County Counsel.

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CONCLUSION

At such time as the recommendation is approved by your Board, please return one copy of this letter and five signed originals of the Resolution to LAFCO, two copies of this letter and one original of the Resolution to the Chief Administrative Office, Office of Unincorporated Area Services and Special Projects, and one copy of the letter and Resolution to the Auditor-Controller, Tax Division.

Respectfully submitted,

DAVID E. JANSSEN
Chief Administrative Officer

DEJ:LS
DD:MJS:os

Attachment

c: Auditor-Controller
County Counsel