

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

423



FROM: Executive Office

SUBMITTAL DATE:
August 27, 2014

SUBJECT: Adoption Of Resolution No. 2014-184, a Master Property Tax Transfer Agreement Determining the Amount of Property Tax Revenue to be Exchanged Between the County of Riverside and the City of Cathedral City Relating to Annexations to the City of Cathedral City.

RECOMMENDED MOTION: That the Board of Supervisors:

1. Adopt Resolution No. 2014-184, a Master Property Tax Transfer Agreement Determining the Amount of Property Tax Revenue to be Exchanged Between the County of Riverside and the City of Cathedral City Relating to Annexations to the City of Cathedral City; and
2. Direct the Clerk of the Board to provide the Resolution along with the Minute Order to the Local Area Formation Commission (LAFCO).

BACKGROUND:

Summary

The Local Area Formation Commission (LAFCO) is scheduled to consider Annexation No. 2014-08-4 on September 25, 2014. Annexation No. 2014-08-04 is a property owner initiated annexation from the unincorporated county area into the City of Cathedral City.

Continued on next page

Tina Grande
Principal Management Analyst

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ N/A	N/A	N/A	N/A	Consent ☐ Policy ☒
NET COUNTY COST	\$ N/A	N/A	N/A	N/A	
SOURCE OF FUNDS: N/A				Budget Adjustment: N/A	
				For Fiscal Year: N/A	

C.E.O. RECOMMENDATION:

APPROVE

BY: Tina Grande

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

- ☐ A-30
☐ 4/5 Vote
☐ Positions Added
☐ Change Order

Prev. Agn. Ref.:

District: 4/4

Agenda Number:

3-11

SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
FORM 11: Adoption of Resolution No. 2014-184, A Master Property Tax Transfer Agreement Determining the Amount of Property Tax Revenue to be Exchanged Between the County of Riverside and the City of Cathedral City Relating to Annexations to the City of Cathedral City
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BACKGROUND:
Summary (continued)

The subject area is defined as approximately 678 acres generally located north of Interstate Highway 10 along Varner Road corridor, west of Rio Del Sol Road, and south of Varner Road, and east of Da Vall Drive. The site is located within lower alluvial areas of the Indio Hills to the north and contains primarily Sonoran Creosote bush scrub habitat. The community of Thousand Palms is located immediately to the east of the proposed subject area.

Revenue and Taxation Code §99(d) allows for the county and any local agency or agencies to enter into a Master Property Tax Agreement, which specifies the amount of property tax to be exchanged when an annexation occurs. Without a Master Property Tax Agreement, the county and the local agency meet and negotiate on each annexation proposal. The County of Riverside has master property tax agreements with all cities in Riverside County except for Canyon Lake, Palm Desert (rescinded), Rancho Mirage, Riverside, and the four newest cities. Most of the property tax agreements were entered into between 1981 and 1995, with the majority entered into in the 1980s.

The County of Riverside and the City of Cathedral City have Master Property Tax Agreements that date from 1983 and 1989 respectively. Due to the varying dates of the agreements, the age of the agreements, and the city's assumption of fire protection service in their boundaries, since approximately 1989, the need to update the agreement is prudent. The terms in the agreement provide for 100% of the structural fire tax to be given to the city along with 25% of the county's portion of general property tax revenue. The county will retain 75% of the general property tax and 100% of the library portion of the property tax. Under the previous terms, the county received 100% of the structural fire tax. The only other change unequivocally states that the entire property tax portion for providing library services belongs to the county. This was always the case; however, it is now memorialized in writing. All other terms of the agreement remain the same. This agreement will apply to Annexation No. 2014-08-04 and all future annexations unless superseded or rescinded.

As the parties have met and negotiated the terms of the agreement, staff recommends that the Board of Supervisors approve Resolution No. 2014-184. The city will have to adopt a resolution with the same terms. The city's next meeting is on September 10, 2014.

Impact on Citizens and Businesses

The Board's action today will have no immediate impact on citizens or businesses.

SUPPLEMENTAL:
Additional Fiscal Information
N/A

RESOLUTION NO. 2014-184

MASTER PROPERTY TAX TRANSFER AGREEMENT DETERMINING THE AMOUNT OF
PROPERTY TAX REVENUE TO BE EXCHANGED BETWEEN THE COUNTY OF RIVERSIDE
AND THE CITY OF CATHEDRAL CITY RELATING TO ANNEXATIONS TO THE CITY OF
CATHEDRAL CITY

WHEREAS, the Riverside County Board of Supervisors previously adopted its Resolution No. 83-157 establishing a Master Property Tax Transfer Agreement between the County of Riverside and the City of Cathedral City which prescribed the amount of property tax revenue to be exchanged upon incorporation of previously unincorporated territory into the City of Cathedral City;

WHEREAS, the County of Riverside and the City of Cathedral City wish to amend the Master Property Tax Transfer Agreement established by Resolution No. 83-157;

WHEREAS, the County Board of Supervisors intends that this resolution shall supersede Resolution No. 83-157;

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Riverside, in regular session assembled on _____, 2014, that:

1. The County of Riverside and the City of Cathedral City are the agencies whose areas of responsibilities for service would be affected by annexations to the City of Cathedral City.

2. Representatives of each of the affected agencies have met and negotiated an exchange of property tax revenue to become effective for tax purposes beginning, and continuing until such time as the resolution is rescinded or superseded, as follows:

(a) The City of Cathedral City shall assume the service responsibility for the suppression and prevention of structural fires in the area to be annexed, for which purpose it maintains a fire department, and for such service assumption shall receive 100% of that portion of the property tax revenue generated within the

FORM APPROVED COUNTY COUNSEL
BY SALEA GARDNER
DATE 8/27/14

1 territory to be annexed that is presently collected by the County of Riverside as a
2 structural fire protection tax.

3 (b) The City of Cathedral City shall not assume the service responsibility for
4 the provision of library services, and shall receive 0% of that portion of the
5 property tax revenue generated within the territory to be annexed that is presently
6 collected by the County of Riverside for provision of library services.

7 (c) The City of Cathedral City shall assume the responsibility for all other
8 general municipal services to the area to be annexed as are required by law or presently
9 provided throughout the City, and for such service assumption shall receive 25% of that
10 portion of the general property tax revenue generated within the territory to be annexed
11 under the ad valorem tax rate established by Article XIII A of the Constitution of the State
12 of California, that represents the County of Riverside's share of such tax revenue. This
13 resolution shall constitute a master property tax transfer agreement with respect to
14 adjustments in the allocation of property taxes between the City of Cathedral City and the
15 County of Riverside as provided by Revenue and Taxation Code Section 99(d).

16 (d) The County Auditor shall convert the above-established percentage figures
17 into actual dollar figures and thereafter allocate such property tax revenue in accord
18 with the provisions of Section 95 et seq. of the Revenue and Taxation Code.

19 3. The Board of Supervisors of the County of Riverside hereby agrees to the above-
20 recited exchange of property tax revenue.

21 4. The Clerk of this Board shall transmit a certified copy of this resolution to each
22 affected agency, to the Executive Office of the Local Agency Formation Commission, and to the Auditor
23 of the County of Riverside pursuant to Section 99 of the Revenue and Taxation Code.

24 ADOPTED and APPROVED this __ day of _____, 2014
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