



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** October 16, 2012

**TO:** Mayor and Councilmembers

**FROM:** Administration Division, Finance Department

**SUBJECT:** Property Tax Exchange Agreement For Cieneguitas (Foothill Center) Reorganization

### RECOMMENDATION:

That Council Adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara in the Matter of Providing for a Negotiated Exchange of Property Tax Revenues Pertaining to the Cieneguitas (Foothill Center) Reorganization, an Annexation of Properties Located at 4151 Foothill Road (Assessor's Parcel Number 059-160-017), 675 Cieneguitas Road (Assessor's Parcel Number 059-160-021), and 681 Cieneguitas Road (Assessor's Parcel Number 059-160-023) to the City of Santa Barbara, Detachment from the Santa Barbara County Fire Protection District, Goleta Sanitary District, Goleta Water District, County Service Area 3 and County Service Area 32.

### DISCUSSION:

On July 24, 2012, the City Council adopted a Resolution requesting initiation of proceedings for a reorganization of boundaries and annexation to the City of Santa Barbara of properties located at 4151 Foothill Road, 675 Cieneguitas Road and 681 Cieneguitas Road. The project site includes three parcels, comprised of a vacant parcel addressed as 681 Cieneguitas Road, a parcel developed with an abandoned gas station addressed as 4151 Foothill Road, and a parcel developed with a veterinary hospital addressed as 675 Cieneguitas Road. The three parcels are proposed to be annexed to the City with a commercial land use designation.

Prior to approval of the annexation by the Local Agency Formation Organization, the City and County must negotiate a tax exchange agreement and adopt resolutions for the allocation of property taxes assessed on the properties. The resolution, which is needed to complete annexations of the three parcels, reflects the agreement for the exchange of property taxes between the City and County.

The resolution accompanying this report approves a property tax exchange agreement for the affected parcels, which have an assessed value currently of \$3,075,532, with assessed property taxes of \$30,755 (1%). The resolution provides that the City will receive a total of 12.848708% of the total assessment, equating to \$3,952 per year for the portion previously allocated to the Fire Protection District. The City will also receive 0.26939376% of the total assessment, equating to \$83, previously allocated to Goleta Sanitation District. The allocation rates were based on the allocation of property taxes of an adjacent parcel.

**PREPARED BY:** Robert Samario, Finance Director

**APPROVED BY:** City Administrator's Office