

**Property Tax Transfer Resolutions  
adopted by the County of San Bernardino  
and Town of Apple Valley**

**Attachment 4**

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS  
OF SAN BERNARDINO COUNTY, CALIFORNIA  
AND RECORD OF ACTION**

July 27, 2010

**FROM: GREGORY C. DEVEREAUX, County Administrative Officer  
County Administrative Office**

**SUBJECT: LAFCO NO. 3156 – DISSOLUTION OF COUNTY SERVICE AREA 17 (APPLE  
VALLEY STREET LIGHTS)**

**RECOMMENDATION(S)**

Adopt **Resolution No. 2010-184** determining the property tax revenue amounts to be transferred to the Town of Apple Valley as the successor agency to the streetlighting functions and services of County Service Area 17 as a result of the pending dissolution LAFCO No. 3156.

(Affected Districts: First)

(Presenter: Dean Arabatzis, Chief Financial Officer, 387-5412)

**BACKGROUND INFORMATION**

Local Agency Formation Commission (LAFCO) No. 3156 pertains to the dissolution of the County Service Area (CSA) 17 that was originally formed in order to provide street lighting services to the community of Apple Valley. The Town of Apple Valley (Town) is proposed to be the successor agency to provide street lighting services to this area after the dissolution of CSA 17. The current service area of CSA 17 is within four non-contiguous areas with 49 street lights within its boundaries. The financial impact of the dissolution of CSA 17 will transfer property tax attributable to CSA 17 to the Town in conjunction with the transfer of its residual cash balances.

On March 16, 2010 (Item 62), the Board of Supervisors (Board) approved an Out-of-Agency service agreement between the County of San Bernardino (County) and the Town with regards to the dissolution of CSA 17. The agreement includes, but is not limited to, the terms regarding the property tax and fund balance transfers, the transfer of billing for street lights, and the assumption of the duties and responsibilities for coordination of future streetlights by both the Town and the County. Furthermore, a companion item was brought before the Board, for action as the governing board of CSA 17, on the same date (Item 65) to adopt a resolution for the initiation of proceedings requesting LAFCO to dissolve CSA 17, and approval of the Out-of-Agency service agreement (on behalf of CSA 17).

The Out-of-Agency service agreement will allow for the Town to be responsible for the functions and services that CSA 17 has provided outside its existing boundaries but within its LAFCO designated sphere of influence. Additionally, the Out-of-Agency agreement also ensures that the County will transfer the residual cash balance of CSA 17 to the Town, provide consultation assistance per the agreement, and require new development within the Town's unincorporated

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LAFCO  
San Bernardino County

cc: w/resolution & attachment:  
CAO-Devereaux & Arabatzis  
Special Districts-Rigney & Moran  
CAO-Rocha  
LAFCO-Rollings-McDonald  
File - Administrative Office-Property  
Tax Transfer & Distribution  
w/resolution & attachment  
ml 08/09/10

**ITEM 25**

Record of Action of the Board of Supervisors  
**APPROVED (CONSENT CALENDAR)**  
COUNTY OF SAN BERNARDINO  
Board of Supervisors

MOTION	<u>ABSENT</u>	<u>AYE</u>	<u>SECOND</u>	<u>AYE</u>	<u>MOVE</u>
		3		4	5

LAURA H. WELCH, CLERK OF THE BOARD

BY \_\_\_\_\_

DATED: July 27, 2010

**BOARD OF SUPERVISORS  
 LAFCO NO. 3156 – DISSOLUTION OF COUNTY SERVICE  
 AREA 17 (APPLE VALLEY STREET LIGHTS)  
 JULY 27, 2010  
 PAGE 2 OF 2**

sphere of influence to annex into an assessment district or other funding mechanism to fund the provision of street lighting services. Upon dissolution of CSA 17, the Town will immediately assume responsibility for ensuring that all existing street lights are continued to be maintained and operated at the same or higher service level to the areas formerly served by CSA 17, and provide administration for all aspects of the street light program. The County will transfer residual cash balance, less costs for services and administrative costs through the dissolution of CSA 17, to the Town. The County and County Special Districts (District) have been anticipating for the dissolution of CSA 17 and the District will facilitate the transfer of residual balances.

In order for this dissolution to be considered, LAFCO must issue a Certificate of Filing (COF). In accordance with Section 99 of the State's Revenue and Taxation Code, the Board (on behalf of CSA 17) is required to approve the property tax revenue exchange prior to issuance of the COF. LAFCO practice requires the Town, as successor agency, to agree to the acceptance of the property tax transfer and service responsibilities. The transfer amounts in the above recommendation were determined by identifying the amount of property taxes currently allocated to the CSA 17, which would then be transferred to the Town. Additionally, it has been agreed upon by both the County and the Town that upon dissolution of CSA 17, a percentage of the residual cash balance will be transferred to the Town within 60-90 days of the effective date of the dissolution. The portion of the residual cash balance not transferred will be used to pay for any liabilities or obligations (including, but not limited to, audit exception) which may arise prior to the dissolution of prior to the dissolution of CSA 17. Furthermore, the balance of the residual cash balance will be accounted for and itemized for the Town and then transferred no later than June 30, 2011.

The Town concurs with this property tax transfer and is expected to adopt a similar resolution at its next scheduled council meeting.

**FINANCIAL IMPACT**

This property tax transfer shall only be effective upon the satisfactory completion of the annexation proceedings. Once this annexation has been finalized, the property tax revenue transfer will occur.

The property tax revenue amounts to be transferred as a result of the pending dissolution related to LAFCO No. 3156 are as follows:

<b>AGENCY</b>	<b>TRANSFER TO</b>	<b>TRANSFER FROM</b>
CSA 17		(\$146,900)
Town of Apple Valley	\$146,900	

**REVIEW BY OTHERS**

This item has been reviewed by Special Districts (Jeff Rigney, Director, 387-54940) on July, 12, 2010; the County Administrative Office (Arnold Rocha, Administrative Analyst, 386-8392) on July 8, 2010; and by LAFCO (Kathleen Rollings-McDonald, Executive Officer, 383-9900) on July 9, 2010. This item has also been coordinated with the agencies impacted by the pending dissolution.

**RESOLUTION NO. 2010-184**

**DISSOLUTION OF COUNTY SERVICE AREA 17 (APPLE VALLEY STREET LIGHTS) AND THE DETERMINATION BY THE COUNTY OF SAN BERNARDINO BOARD OF SUPERVISORS TO TRANSFER ALL PROPERTY TAX REVENUES OF COUNTY SERVICE AREA 17 BE TRANSFERRED TO THE TOWN OF APPLE VALLEY FROM THE JURISDICTIONAL CHANGE DESCRIBED BY LAFCO 3156**

On Tuesday, July 27, 2010, on motion of Supervisor Gonzales, duly seconded by Supervisor Derry and carried, the following resolution is adopted by the Board of Supervisors of San Bernardino County, State of California.

**SECTION 1.** The Board of Supervisors of the County of San Bernardino hereby finds and determines that:

A. Pursuant to Section 99 of the Revenue and Taxation Code, prior to the issuance of a Certificate of Filing by the Local Agency Formation Commission Executive Officer, the governing bodies of all local agencies whose service responsibilities will be altered by change of organization shall negotiate and determine by resolution the amount of property tax revenues to be exchanged between and among such local agencies.

B. Except as provided in Section 99.1 of the Revenue and Taxation Code, the Board of Supervisors shall, on behalf of all special districts, negotiate any exchange of property tax revenues.

C. The Board of Supervisors of the County of San Bernardino acting on behalf of CSA 17 and the Town of Apple Valley has determined that all property tax revenues of CSA 17 shall be transferred to the Town of Apple Valley as a result of the following jurisdictional:

**LAFCO NO. 3156 – DISSOLUTION OF COUNTY SERVICE AREA 17  
(APPLE VALLEY STREET LIGHTS)**

**SECTION 2.** The Board of Supervisors of the County of San Bernardino and Town of Apple Valley agree and the Board of Supervisors of the County of San Bernardino hereby resolves and orders that:

A. The negotiated exchange of property tax revenue, as shown on Exhibit A, between CSA 17 and the Town of Apple Valley, successor agency, resulting from the above described jurisdictional change(s), is approved and accepted.

B. The annual tax increment generated in the area subject to the jurisdictional change and attributable to the local agencies whose service area or service responsibilities will be altered by the proposed jurisdictional change shall be allocated in future years pursuant to the provisions of Section 98 of the Revenue and Taxation Code.

**SECTION 3.** The Board of Supervisors of the County of San Bernardino on behalf of CSA 17 agrees to conduct a financial compliance audit of CSA 17 from CSA 17 resources for the period ended June 30, 2010. Upon dissolution of CSA 17, 80% of all current cash balances will be transferred to the Town of Apple Valley within 60 or 90 days of the effective date of the dissolution. The remaining 20% or balance thereof will be transferred no later than June 30, 2011. This 20% holdback will be used to pay for any liabilities or obligations (including, but not limited to, audit exceptions) which may arise prior to the dissolution of CSA 17. Any expenditure from the held balance between the time of dissolution and June 30, 2011 will be accounted for and itemized for the Tow of Apple Valley.

**SECTION 4.** The Clerk of the Board of Supervisors is hereby directed to certify the passage of this resolution and to cause a certified copy to be sent to the Executive Officer of the Local Agency Formation Commission of the County of San Bernardino.

PASSED AND ADOPTED by the Board of Supervisors of the County of San Bernardino, State of California, by the following vote:

AYES: SUPERVISORS: Biane, Derry, Ovitt, Gonzales

NOES: SUPERVISORS: None

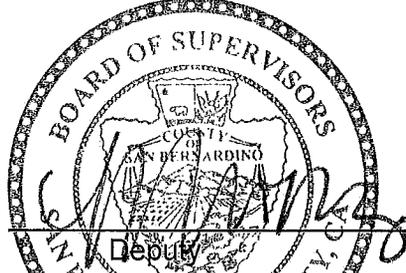
ABSENT: SUPERVISORS: Mitzelfelt

\* \* \* \* \*

STATE OF CALIFORNIA            )  
  )  
COUNTY OF SAN BERNARDINO    )        ss.

I, **LAURA H. WELCH**, Clerk of the Board of Supervisors of the County of San Bernardino, State of California, hereby certify the foregoing to be a full, true and correct copy of the record of the action taken by the Board of Supervisors, by vote of the members present, as the same appears in the Official Minutes of said Board at its meeting of July 27, 2010. Item 25, ml.

LAURA H. WELCH  
Clerk of the Board of Supervisors

By  \_\_\_\_\_  


LAFCO No. 3156  
Dissolution of CSA 17 (Apple Valley Street Lights)

EXHIBIT A

Town of Apple Valley Percent of TRA 15.407932%

TRA	54005	54020	54052	54055	54058	54057	54061	54061	54021	54061	Total
ASSESSED VALUE	\$ 24,292,935	\$ -	\$ -	\$ 3,334,210	\$ -	\$ 10,166,349	\$ 3,498,022	\$ 6,739,095	\$ 39,332,292	\$ 8,065,924	\$ 95,428,827
TAX REVENUE	\$ 242,929	\$ -	\$ -	\$ 33,342	\$ -	\$ 101,663	\$ 34,980	\$ 67,391	\$ 393,323	\$ 80,659	\$ 954,287

| CHANGE IN<br>BASE YEAR<br>2009-10 |
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**TRANSFER FROM**

**County:**

County General Fund											\$ -
Flood Control Zone 4											\$ -
Flood Control Admin 3-6											\$ -
County Free Library											\$ -
<b>Total County</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Other Affected Agencies:**

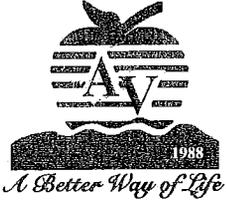
CSA 17 - Apple Valley	37,324			5,111		15,664	5,389	10,382	60,603	12,427	\$ 146,900
CSA 60 - Victorville											\$ -
County Fire Protection Dist											\$ -
Apple Vly Fire Protection Dist											\$ -
Mojave Desert Res Cons Dist											\$ -
Mariana Ranchos Wtr Dist											\$ -
Mojave Water Agency											\$ -
<b>Total Other Affected Agencies</b>	\$ 37,324	\$ -	\$ -	\$ 5,111	\$ -	\$ 15,664	\$ 5,389	\$ 10,382	\$ 60,603	\$ 12,427	\$ 146,900

**TOTAL TRANSFER FROM**

\$ 37,324	\$ -	\$ -	\$ 5,111	\$ -	\$ 15,664	\$ 5,389	\$ 10,382	\$ 60,603	\$ 12,427	\$ 146,900
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**TRANSFER TO**

Town of Apple Valley	37,324			5,111		15,664	5,389	10,382	60,603	12,427	\$ 146,900
<b>TOTAL TRANSFER TO</b>	\$ 37,324	\$ -	\$ -	\$ 5,111	\$ -	\$ 15,664	\$ 5,389	\$ 10,382	\$ 60,603	\$ 12,427	\$ 146,900



# Town of Apple Valley

14955 Dale Evans Parkway • Apple Valley, California 92307

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July 28, 2010

**LAFCO**  
San Bernardino County

Kathy Rollings-McDonald, Executive Officer  
County of San Bernardino Local Agency Formation  
215 N. D Street #204  
San Bernardino, CA 92415

Kathy,

Last night at the regular meeting the Council unanimously adopted Resolution 2010-38 in connection with the dissolution of County Service Area #17 and the transfer of related responsibilities and revenues to the Town of Apple Valley.

Enclosed is a certified copy of the resolution adopted by the Town Council and duly executed by the Mayor and Town Clerk of the Town of Apple Valley.

Please call me if you have any questions or require additional information.

Sincerely,

Ken Henderson  
Assistant Town Manager,  
Economic and Community Development

Cc: Frank Robinson, Town Manager  
Brad Miller, Town Engineer



# Town of Apple Valley

14955 Dale Evans Parkway • Apple Valley, California 92307

I HEREBY CERTIFY that the attached copy of Resolution Number 2010-38 to which this certificate is attached, is a full, true, and correct copy of the original record maintained in my office, which was duly adopted by the Town Council of the Town of Apple Valley on July 27, 2010.

Dated this 28th day of July 2010.

LA VONDA M-PEARSON, CMC  
OFFICE OF THE TOWN CLERK  
TOWN OF APPLE VALLEY

By: *Patty Hevle*  
Patty Hevle, Deputy

(SEAL)

**RESOLUTION NO. 2010-38**

**A RESOLUTION OF THE TOWN OF APPLE VALLEY, CALIFORNIA, DETERMINING THE AMOUNT OF PROPERTY TAX REVENUES TO BE EXCHANGED BETWEEN AND AMONG COUNTY SERVICE AREA NO. 17 AND THE TOWN OF APPLE VALLEY, RESULTING FROM THE JURISDICTIONAL CHANGE DESCRIBED BY LAFCO NO. 3156.**

**WHEREAS**, the Board of Supervisors of the County of San Bernardino ("COUNTY") has made application to the Local Agency Formation Commission to consider dissolution of County Service Area No. 17 ("CSA 17")

**SECTION 1.** The Town of Apple Valley ("TOWN") and the Board of Supervisors of the County of San Bernardino agree and the Town Council of the Town of Apple Valley hereby finds and determines that:

A. Pursuant to Section 99 of the Revenue and Taxation Code, prior to the issuance of a Certificate of Filing by the Local Agency Formation Commission Executive Officer, the governing bodies of all local agencies whose service area or service responsibilities will be altered by a proposed jurisdictional change shall negotiate and determine by resolution of the amount of property tax revenues to be exchanged between and among such local agencies.

B. Except as provided in Section 99.1 of the Revenue and Taxation Code, in the event that a jurisdictional change would affect the service area or service responsibility of one or more special districts, the Board of Supervisors shall, on behalf of the district or districts, negotiate an exchange of property tax revenues.

C. The Board of Supervisors of the County of San Bernardino acting on behalf of CSA 17 and the Town of Apple Valley have determined that all property tax revenues of CSA 17 shall be transferred to the Town of Apple Valley as a result of the following jurisdictional change(s):

**LAFCO NO. 3156 – Dissolution of County Service Area No. 17**

**SECTION 2.** The Town of Apple Valley and the Board of Supervisors of the County of San Bernardino agree and the Town Council of the Town of Apple Valley hereby resolves and orders that:

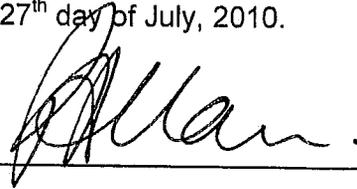
A. The negotiated exchange of property tax revenue, which is currently estimated at approximately \$146,900 per year, between CSA 17 and the Town of Apple Valley resulting from the above described jurisdictional change(s), is approved and accepted.

B. The annual tax increment generated in the area subject to the jurisdictional change and attributable to the local agencies whose service area or service responsibilities will be altered by the proposed jurisdictional change shall be allocated in future years pursuant to the provisions of Section 98 of the Revenue and Taxation Code

**SECTION 3.** COUNTY for CSA 17 agrees to conduct a financial compliance audit of CSA 17 from CSA 17 resources for the period ended June 30, 2010. COUNTY further agrees that upon dissolution of CSA 17, 80% of all current cash balances will be transferred to the Town of Apple Valley within sixty (60) days of the effective date of the dissolution. The remaining 20%, or balance thereof, will be transferred no later than June 30, 2011. This 20% holdback will be used to pay for any liabilities or obligations (including, but not limited to, audit exceptions) which arose prior to the [dissolution] of CSA 17. Any expenditure from the held balance between the time of dissolution and June 30, 2010 will be accounted for and itemized for the Town of Apple Valley.

**SECTION 4.** The Clerk of the Town of Apple Valley is hereby directed to certify passage of this resolution and to cause a certified copy to be sent to the Executive Officer of the Local Agency Formation Commission of the County of San Bernardino.

**PASSED, APPROVED AND ADOPTED** this 27<sup>th</sup> day of July, 2010.



\_\_\_\_\_  
Mayor

ATTEST:

  
\_\_\_\_\_  
Ms. LaVonda Pearson, Town Clerk

Town of Apple Valley  
Resolution No. 2010-38

STATE OF CALIFORNIA

COUNTY OF SAN BERNARDINO

TOWN OF APPLE VALLEY

I, LA VONDA M-PEARSON, Town Clerk for the Town of Apple Valley, Apple Valley, California, do hereby certify that Resolution No. 2010-38 duly and regularly adopted by the Town Council at a meeting thereof held on the 27th day of July, 2010 by the following vote:

AYES: Council Members, Coleman, Nassif, Roelle, Mayor Pro Tem Sagona and Mayor Allan

NOES: None.

ABSTAIN: None.

ABSENT: None.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Town of Apple Valley, California, this 28th day of July 2010.

LA VONDA M-PEARSON, CMC  
TOWN CLERK

By: *Patty Hevle*  
Patty Hevle, Deputy

SEAL