

SPECIAL DISTRICTS DEPARTMENT

COUNTY OF SAN BERNARDINO
PUBLIC AND SUPPORT
SERVICES GROUP



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THOMAS L. SUTTON
Director

July 12, 2007

Kathleen Rollings-McDonald, Executive Officer
Local Agency Formation
Commission
215 N. D Street
San Bernardino, CA 92415-0490

RE: SDD-Phelan Tax Allocation

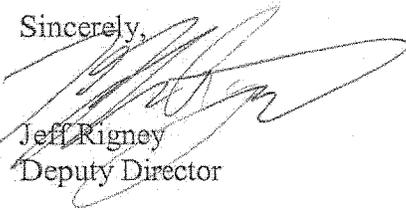
Dear Ms. Rollings-McDonald

Attached are exhibits that show the tax flow of CSA 56 and CSA 56 F-1. Also attached are the Tax Rate Areas (TRA's) for CSA 56 (Wrightwood) and CSA 56 F-1 (Pinon Hills) with the tax amount generated in each TRA. It is Staffs recommendation that the TRA's be adjusted so that the amount of taxes generated within CSA 56 F-1 will increase by approximately \$33,000 to fund park services. TRA's 101007 and 101067 will be adjusted so that all taxes collected within them will go only to CSA 56 F-1 instead of being shared with CSA 56. Based on the most current TRA information provided by the Auditor office this amount is \$33,314.

To insure that the increased tax revenues will go into the park function of CSA 56F-1 the tax split between CSA 56 F-1 Fire and CSA 56 F-1 Park will change from 82% Fire 18% Park to 73% Fire 27% Park.

Upon agreement, staff will initiate this plan as it will be implemented regardless of the outcome of the Community Services District election.

Sincerely,


Jeff Rigney
Deputy Director

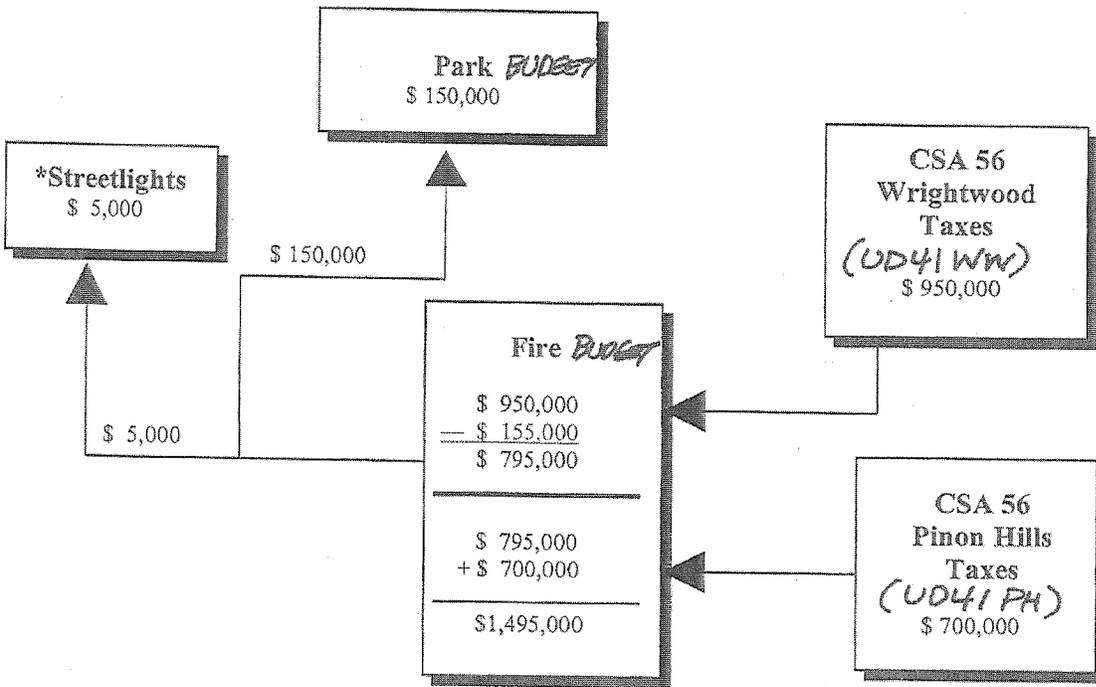
MARK H. UFFER
County Administrative Officer

NORMAN A. KANOLD
Assistant County Administrator
Public and Support
Services Group

Board of Supervisors
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PAUL BIANE Second District GARY C. OVITT Fourth District
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2007-08 BUDGETED AD VALOREM PROPERTY TAXES (PRIOR TO SHIFT)

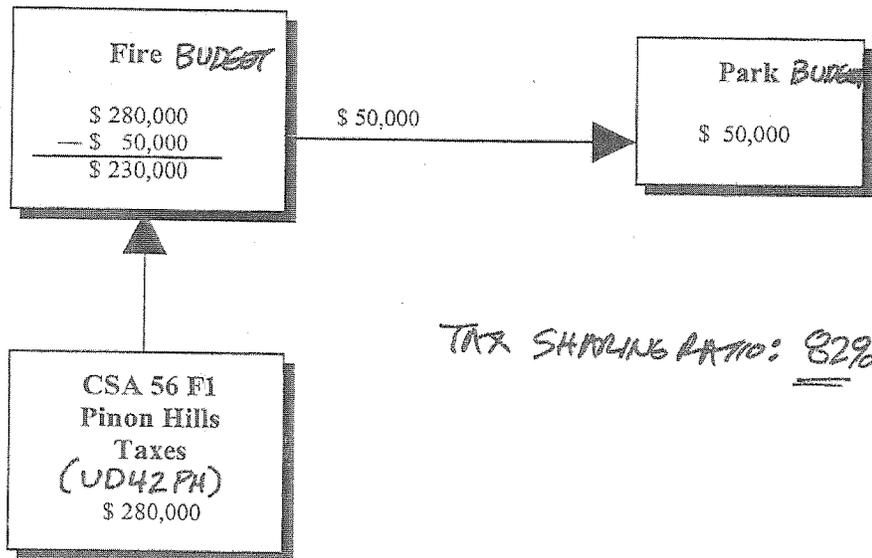
CSA 56 Tax Revenues



TAX SHARING RATIO: 91% FIRE - 9% PARK

*Streetlighting is a function of CSA 56. It does not have its own budget but has historically been paid out of the Fire budget. It has been separated here for illustration purposes only.

CSA 56 - F1 Tax Revenues



TAX SHARING RATIO: 82% FIRE - 18% PARK

EXHIBIT A

AD VALOREM PROPERTY TAX SHIFT FROM WRIGHTWOOD TO PINON HILLS

TRA information for CSA 56 and CSA 56F-1 as of 9/21/06

TRA	Agency Code	Agency %	Value	Agency share	WRIGHTWOOD		PINON HILLS		Total
					UD41 CSA 56 Wrightwood	UD41 CSA 56 Pinon Hills	UD 42 CSA 56 F-1 Pinon Hills		
101031	UD41 CSA 56 Wrightwood	0.001775907	\$ 800,000.00	\$ 1,420.73					
101033	UD41 CSA 56 Wrightwood	0.001769334	\$ 475,375,859.00	\$ 841,098.78	\$ 842,518.51	\$ 659,739.56	\$ 237,042.42	\$ 1,739,301.48	
51026	UD41 CSA 56 Wrightwood	0.00147786	\$ 4,611,631.00	\$ 6,815.34					
	UD42 CSA 56 F-1 Pinon Hills	0.000523873	\$ 4,611,631.00	\$ 2,416.37					
51027	UD41 CSA 56 Wrightwood	0.00138277	\$ 5,810,427.00	\$ 8,034.49					
	UD42 CSA 56 F-1 Pinon Hills	0.000480291	\$ 5,810,427.00	\$ 2,648.53					
101037	UD41 CSA 56 Wrightwood	0.001430001	\$ 18,975,497.00	\$ 27,134.98					
	UD42 CSA 56 F-1 Pinon Hills	0.000583282	\$ 18,975,497.00	\$ 9,550.02					
	UD42 CSA 56 F-1 Pinon Hills								
101013	UD41 CSA 56 Wrightwood	0.001639361	\$ 5,996,402.00	\$ 9,830.27					
	UD42 CSA 56 F-1 Pinon Hills	0.000581235	\$ 5,996,402.00	\$ 3,465.32					
101014	UD41 CSA 56 Wrightwood	0.001523265	\$ 367,270,345.00	\$ 559,457.44					
	UD42 CSA 56 F-1 Pinon Hills	0.00054008	\$ 367,270,345.00	\$ 198,355.40					
101015	UD41 CSA 56 Wrightwood	0.001517155	\$ 4,955.00	\$ 7.52					
	UD42 CSA 56 F-1 Pinon Hills	0.000537884	\$ 4,955.00	\$ 2.67					
101015	UD41 CSA 56 Wrightwood	0.001635545	\$ 50,542.00	\$ 82.66					
	UD42 CSA 56 F-1 Pinon Hills	0.000579789	\$ 50,542.00	\$ 29.30					
101036	UD41 CSA 56 Wrightwood	0.001523135	\$ 597,745.00	\$ 910.45					
	UD42 CSA 56 F-1 Pinon Hills	0.000540055	\$ 597,745.00	\$ 322.82					
101036	UD41 CSA 56 Wrightwood	0.001523225	\$ 658,936.00	\$ 1,003.71					
	UD42 CSA 56 F-1 Pinon Hills	0.0005400472	\$ 658,936.00	\$ 3,558.57					
101040	UD41 CSA 56 Wrightwood	0.001522194	\$ 461,583.00	\$ 702.62					
	UD42 CSA 56 F-1 Pinon Hills	0.000539701	\$ 461,583.00	\$ 248.12					
101045	UD41 CSA 56 Wrightwood	0.001639175	\$ 3,232,897.00	\$ 5,259.45					
	UD42 CSA 56 F-1 Pinon Hills	0.000581168	\$ 3,232,897.00	\$ 1,878.91					
101047	UD41 CSA 56 Wrightwood	0.00152351	\$ 5,755,298.00	\$ 8,768.25					
	UD42 CSA 56 F-1 Pinon Hills	0.000540159	\$ 5,755,298.00	\$ 3,106.78					
101048	UD41 CSA 56 Wrightwood	0.001623276	\$ 1,014,027.00	\$ 1,544.64					
	UD42 CSA 56 F-1 Pinon Hills	0.000540078	\$ 1,014,027.00	\$ 547.55					
101049	UD41 CSA 56 Wrightwood	0.001639411	\$ 6,460,231.00	\$ 10,580.97					
	UD42 CSA 56 F-1 Pinon Hills	0.000581253	\$ 6,460,231.00	\$ 3,755.03					
101051	UD41 CSA 56 Wrightwood	0.00163363	\$ 841,168.00	\$ 1,374.15					
	UD42 CSA 56 F-1 Pinon Hills	0.000587921	\$ 841,168.00	\$ 487.21					
101052	UD41 CSA 56 Wrightwood	0.001639479	\$ 3,806,039.00	\$ 5,239.82					
	UD42 CSA 56 F-1 Pinon Hills	0.000581276	\$ 3,806,039.00	\$ 2,212.36					
101054	UD41 CSA 56 Wrightwood	0.001643085	\$ 153,914.00	\$ 252.89					
	UD42 CSA 56 F-1 Pinon Hills	0.000582575	\$ 153,914.00	\$ 86.67					
101062	UD41 CSA 56 Wrightwood	0.001523015	\$ 2,194,982.00	\$ 3,342.89					
	UD42 CSA 56 F-1 Pinon Hills	0.000538983	\$ 2,194,982.00	\$ 1,185.25					
101063	UD41 CSA 56 Wrightwood	0.001523924	\$ 230,136.00	\$ 350.71					
	UD42 CSA 56 F-1 Pinon Hills	0.000540291	\$ 230,136.00	\$ 124.34					
101066	UD41 CSA 56 Wrightwood	0.00152384	\$ 1,191,216.00	\$ 1,815.22					
	UD42 CSA 56 F-1 Pinon Hills	0.000540278	\$ 1,191,216.00	\$ 643.59					
101067	UD41 CSA 56 Wrightwood	0.001523424	\$ 4,057,216.00	\$ 6,180.55					
	UD42 CSA 56 F-1 Pinon Hills	0.00054013	\$ 4,057,216.00	\$ 2,191.42					
	UD41 CSA 56 Wrig Total			\$ 1,802,259.06					
	UD42 CSA 56 F-1 Total			\$ 237,042.42					
	Total			\$ 1,739,301.48					

→ < \$27,134 > → + \$27,134

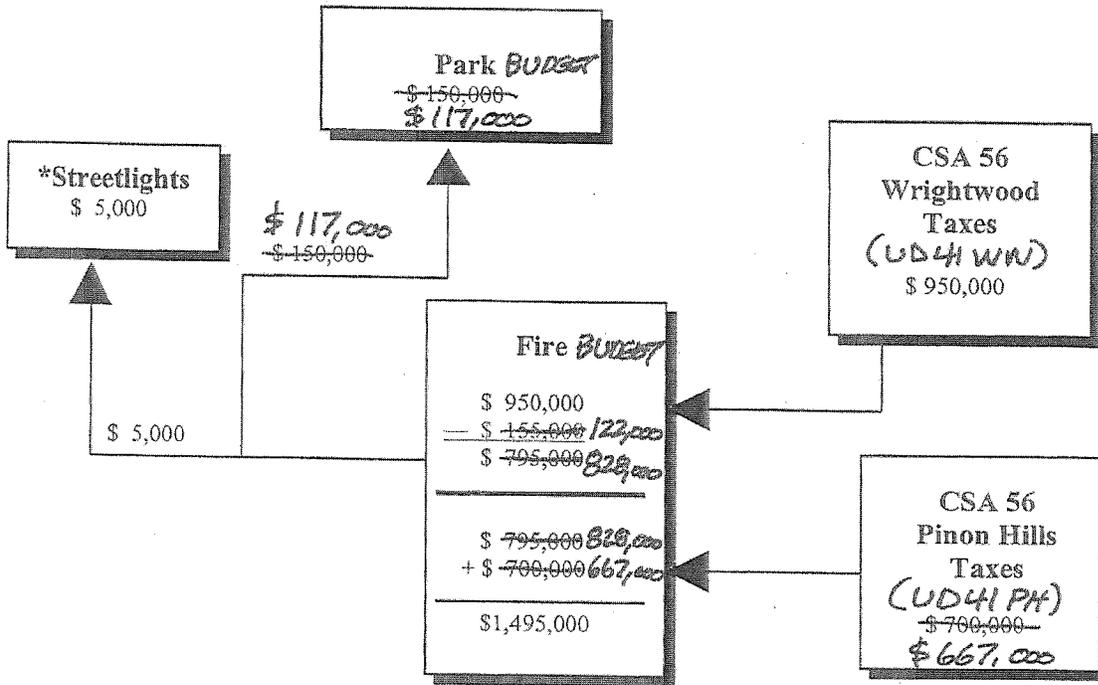
→ < \$6,180 > → + \$6,180

TOTAL SHIFT < \$33,314 > + \$33,314

NOTE: TRA DATA @ 9/21/06

EXHIBIT B

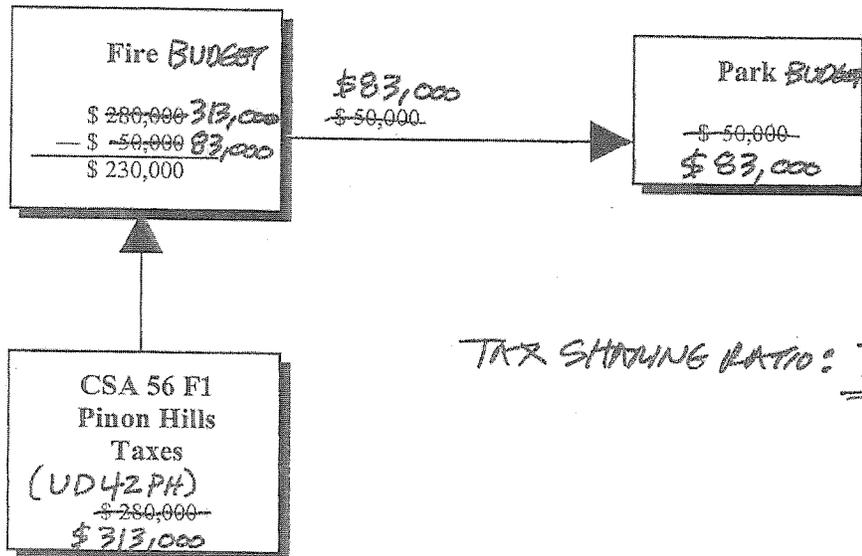
2007-08 BUDGETED AD VALOREM PROPERTY TAXES (AFTER THE SHIFT)
 CSA 56 Tax Revenues



TAX SHARING RATIO: 93% FIRE - 7% PARK

*Streetlighting is a function of CSA 56. It does not have it's own budget but has historically been paid out of the Fire budget. It has been separated here for illustration purposes only.

CSA 56 - F1 Tax Revenues



TAX SHARING RATIO: 73% FIRE - 27% PARK

Exhibit A: (prior to shift of property taxes)

This chart reflects the current 2007-08 budgeted ad valorem property tax revenues that are generated within the communities of Wrightwood and Pinon Hills, which directly flow into the CSA 56 (Wrightwood) and CSA 56 F-1 (Pinon Hills) Fire budgets.

These revenues are subsequently split between the Fire and Park district budgets, based upon a mutually agreed upon tax sharing ratio that is patterned after historical percentage splits. These tax revenues are the principal funding source for the respective park and fire operations within the CSA 56 and CSA 56 F-1 district boundaries.

Exhibit B: (shift of \$33,000 in property taxes from WW park to PH park)

This worksheet identifies all applicable major TRA's (tax rate areas), and their representative share of tax revenues (expressed in dollars as of 9/21/06 and agency code), that are allocable to CSA 56 (Wrightwood), and CSA 56 F-1 (Pinon Hills). The handwritten notes on the worksheet reflect a shift of approximately \$33,000 in ad valorem property tax revenues that are generated in two major TRA's that are currently attributable to CSA 56, but are proposed to be shifted to CSA 56 F-1.

Major TRA No. 101007 in the amount of \$27,134 is proposed to be shifted from the CSA 56 Pinon Hills tax revenue base (agency code UD41 PH) to the CSA 56 F-1 Pinon Hills tax revenue base (agency code UD42 PH).

Major TRA No. 101067 in the amount of \$6,180 is proposed to be shifted from the CSA 56 Pinon Hills tax revenue base (UD41 PH) to the CSA 56 F-1 Pinon Hills tax revenue base (UD42 PH).

Reason for the shift of property taxes - When CSA 56 F-1 was formed in March of 1983, the tax revenues were intended to exclusively fund fire protection services in the Pinon Hills community. In Fiscal Year 1985/86, the CSA 56 F-1 park function was established and a portion of the subsequent growth in tax revenues was utilized to additionally fund park services; henceforth, a tax sharing ratio between CSA 56 F-1 fire and park budgets. With the continued growth of the population in the Pinon Hills community, and therefore the increased amount of property taxes being collected within the community of Pinon Hills, it is an appropriate time to adjust property tax allocations so that park services within Pinon Hills can keep pace with the growth in the area. The proposed formation of the Phelan Pinon Hills Community Facilities District amplifies the need for this adjustment.

Exhibit C: (after shift of \$33,000 in property taxes)

This chart reflects the 2007-08 budgeted ad valorem property tax revenues that are generated within the communities of Wrightwood and Pinon Hills, which directly flow into the CSA 56 (Wrightwood) and CSA 56 F-1 (Pinon Hills) Fire budgets, as they would appear after the \$33,000 shift of taxes from CSA 56 park operations to CSA 56 F-1 park operations.

The tax sharing ratio between the respective fire and park budgets would be changed to maintain the adjusted level of funding desired. As such, the CSA 56 fire ratio would be increased by 2% and the park ratio would be decreased by 2%. The CSA 56 F-1 fire ratio would be decreased by 9% and the park ratio would be increased by 9%.

Exhibit D: (CSA 56 and F-1 district boundary map)

This is the district boundary map that illustrates the overall CSA 56 district that is overlaid by the CSA 56 F-1 improvement zone. >>>Jeff will locate the map copy<<<<