

**County Board Agenda Item  
Dated September 10, 2013 with  
Resolution No 2013-193 and  
Signed Letter of Intent to  
Amend Agreement No. 03-0856 and  
Letter of Intent Regarding  
Apportionment of Property Taxes Related  
to LAFCO 3171A and City of Redlands  
Resolution No. 7320**

**Attachment 4**

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

September 10, 2013

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

**SUBJECT: LAFCO NO. 3171A – REORGANIZATION TO INCLUDE DETACHMENT FROM  
THE CITY OF REDLANDS AND ANNEXATION TO THE SAN BERNARDINO  
COUNTY FIRE PROTECTION DISTRICT AND ITS VALLEY SERVICE ZONE  
AND COUNTY SERVICE AREA 70 AND ITS ZONE EV-1**

**RECOMMENDATION(S)**

CONTINUED FROM TUESDAY, AUGUST 20, 2013, ITEM #26 -

**1. Adopt Resolution No.2013-193:**

- a. Approving the property tax revenue amounts to be transferred as a result of the pending reorganization related to LAFCO No. 3171A to include detachment from the City of Redlands and Annexation to the San Bernardino County Fire Protection District and its Valley Service Zone and County Service Area 70 and its Zone EV-1 in the total amount of \$8,844;
- b. Approving a letter of intent regarding the proposed amendment to Contract No. 03-0856 relating to apportionment of Sales and Use Tax and provision for certain municipal services to include parcels to be detached from the City of Redlands and annexed to the San Bernardino County Fire Protection District and its Valley Service Zone and County Service Area 70 and its Zone EV-1 and authorizing the Chairperson to sign the letter; and
- c. Approving a letter of intent to enter into an agreement with the City of Redlands for the apportionment of certain property tax revenues and authorizing the Chairperson to sign the letter.

(Presenter: Katrina Turturro, Deputy Executive Officer, 387-4599)

**BOARD OF SUPERVISORS COUNTY GOALS AND OBJECTIVES**

- Operate in a Fiscally-Responsible and Business-Like Manner.**
- Ensure Development of a Well-Planned, Balanced, and Sustainable County.**
- Pursue County Goals and Objectives by Working with Other Governmental Agencies.**

**FINANCIAL IMPACT**

The pending reorganization, once finalized, will detach 34.22+/- acres from the City of Redlands (City) returning it to unincorporated status. When this occurs, the County of San Bernardino (County), the San Bernardino County Fire Protection District, and County Service Area 70, Zone EV-1 will be responsible for the provision of municipal services that are currently the responsibility

**RECEIVED**  
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**LAFCO**  
San Bernardino County  
cc: w/ resolution  
CAO-Devereaux  
CAO-Turturro w/ letters  
CAO-Brown  
LAFCO-Rollings-McDonald  
File - Admin Office w/ reso and letters  
jll 09/16/13

Record of Action of the Board of Supervisors

**APPROVED (CONSENT CALENDAR)**

COUNTY OF SAN BERNARDINO

Board of Supervisors

SAN BERNARDINO

MOTION	ABSENT	AYE	UNDETERMINED	MOVE	ABSENT
	1	2			5

Laura H. Welch, Clerk of the Board

BY *[Signature]*

DATED: September 10, 2013

**ITEM 20**

**LAFCO NO. 3171A – REORGANIZATION TO INCLUDE DETACHMENT  
FROM THE CITY OF REDLANDS AND ANNEXATION TO THE SAN  
BERNARDINO COUNTY FIRE PROTECTION DISTRICT AND ITS VALLEY  
SERVICE ZONE AND COUNTY SERVICE AREA 70 AND ITS ZONE EV-1  
SEPTEMBER 10, 2013  
PAGE 2 OF 4**

of the City. However, the City will continue to provide municipal services pursuant to the proposed amendment to Contract No. 03-0856. The reorganization will also result in the redistribution of property tax revenues currently received by the City to the affected County entities. Once this reorganization has been finalized, the change in municipal service responsibilities and property tax transfer will occur.

The recommended redistribution of property tax revenue amounts as a result of the pending reorganization related to LAFCO No. 3171A are as follows:

AFFECTED AGENCY*	TRANSFER TO	TRANSFER FROM
County of San Bernardino (General Fund Share)	\$2,025	
County Library	\$ 607	
San Bernardino County Fire Protection District Valley Service Zone	\$5,088	
San Bernardino County Fire Protection District	\$1,124	
City of Redlands		\$8,844

\*CSA 70 and Zone EV-1 do not receive an allocation of ad valorem property tax revenue; therefore, those entities will receive no distribution from the change.

Approval of this item also commits the County to amend Contract No. 03-0856, between the County and the City, which provides for the apportionment of Sales and Use Tax revenue in consideration for the provision of certain municipal services by the City within the unincorporated area commonly known as the "Donut Hole". Amendment of contract No. 03-0856 is a condition of approval of LAFCO 3171A.

Additionally, approval of this item commits the County to enter into a separate property tax sharing agreement with the City that will provide for the City to be paid an amount equivalent to the County General Fund share of property tax revenue for the parcels to be detached. Under the terms of this agreement, the City will provide road maintenance services.

**BACKGROUND INFORMATION**

Treh Partners, LLC (Developer) submitted a reorganization proposal to the Local Agency Formation Commission (LAFCO), which, as revised, will detach approximately 34.22 +/- acres from the City and annex the same to the San Bernardino County Fire Protection District and its Valley Service Zone, and County Service Area (CSA) 70 and its Zone EV-1. The purpose of the requested action is to consolidate five (5) parcels under one jurisdiction to facilitate development of the parcels. These five parcels include two (2) parcels currently in the City (the 'Subject Property'), and three (3) parcels in the County unincorporated area, which makes development plans challenging, since these parcels are currently in two separate jurisdictions. The reorganization area includes the Subject Property and exempt property owned by the State and is contiguous to the boundaries of the San Bernardino County Fire Protection District (County Fire) and its Valley Regional Service Zone, CSA 70, and CSA 70 Zone EV-1. The Subject Property is currently vacant; however, the Developer plans to develop the Subject Property and the three adjacent parcels in the County unincorporated area.

**LAFCO NO. 3171A – REORGANIZATION TO INCLUDE DETACHMENT  
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SERVICE ZONE AND COUNTY SERVICE AREA 70 AND ITS ZONE EV-1  
SEPTEMBER 10, 2013  
PAGE 3 OF 4**

The pending reorganization is generally bordered by the existing City boundaries including the centerline of Pioneer Avenue on the north, the centerline of San Bernardino Avenue on the south, parcel lines on the west, and the centerline of Interstate 210 Freeway on the east. This area includes the Subject Property (parcel numbers APN 0292-072-12 and 0292-072-07) and exempt property owned by the State. The reorganization area is generally adjacent to the unincorporated area known as the "Donut Hole."

LAFCO requires a determination of the property tax revenue redistribution associated with the proposed reorganization prior to consideration of the action. In accordance with Section 99 of the California Revenue and Taxation Code, the Board of Supervisors is responsible for acting on behalf of all special districts. The recommended distribution of the amounts to be transferred from the City has been detailed in the Financial Impact section and includes an allocation to the County Library in the amount of \$607. This allocation is based on the 1.49% property tax revenue share the County Library receives in the unincorporated area contiguous to the Subject Property.

LAFCO requires, in addition to the action to affect the property tax transfer, that the County and the other affected agencies (County Fire and CSA 70 Zone EV-1), determine how municipal services will be provided to the reorganization area once the reorganization is finalized. The County has determined that the most efficient way to provide certain municipal services is to amend Contract No. 03-0856 with the City. On August 12, 2003, the Board of Supervisors approved Contract No. 03-0856 with the City for apportionment of Sales and Use Tax revenue to fund the provision of certain municipal services within the unincorporated area commonly known as the "Donut Hole." This contract established a sales and use tax sharing agreement between the County and the City allocating 90% of sales and use tax revenue to the City and 10% to the County. In return for the sales tax sharing agreement, the City committed to provide fire protection, law enforcement, retail water service, and wastewater collection and treatment services. Approval of the recommendation approves a Letter of Intent (Exhibit C to the resolution) to amend Contract No. 03-0856 to add the reorganization area to the boundaries of the "Donut Hole", as defined in that agreement, thus ensuring adequate municipal services to the reorganization area. Approval also authorizes the Chairperson of the Board to execute this Letter of Intent.

Although not required by LAFCO, consistent with the County's objective of business retention and to foster a developer-friendly environment, approval of the recommendation also approves a Letter of Intent (Exhibit D to the resolution) to enter into a separate property tax sharing agreement with the City that will provide that the City will receive 35% of the County General Fund share of property tax revenue generated by the developable acres within the five (5) parcels. This 35% is consistent with the percentage of acreage of the Subject Property to all five parcels proposed for development. In return, the City will provide road maintenance for the roads and streets immediately adjacent to the Subject Property. This contract will also provide for termination of the proposed agreement if the parcels remain vacant five (5) years after execution of the agreement. Approval of this recommendation also authorizes the Chairperson of the Board to execute this Letter of Intent.

LAFCO also requires that the City adopt a similar resolution that approves the transfer of property tax revenues upon completion of the reorganization as required by Section 99 of the Revenue

**LAFCO NO. 3171A – REORGANIZATION TO INCLUDE DETACHMENT  
FROM THE CITY OF REDLANDS AND ANNEXATION TO THE SAN  
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SERVICE ZONE AND COUNTY SERVICE AREA 70 AND ITS ZONE EV-1  
SEPTEMBER 10, 2013  
PAGE 4 OF 4**

and Taxation Code. In addition as a part of the analysis for the proposal LAFCO requires that the City concurrently approve a Letter of Intent consistent with that of Exhibit C to the resolution.

The amendment to Contract No. 03-0856 will become a condition of approval for the LAFCO reorganization and a certificate of completion will not be issued by LAFCO until the condition is met. The contract amendment, together with the proposed property tax sharing agreement will be presented to the Board for approval at a later date.

**REVIEW BY OTHERS**

This item has been reviewed by County Counsel (Michelle Blakemore Chief Assistant County Counsel, 387-5455) on August 13, 2013; County Administrative Office (Jessica Brown, Administrative Analyst, 387-4919) on August 12, 2013; LAFCO (Kathleen Rollings-McDonald, Executive Officer, 383-9900) on July 26, 2013, and Finance & Administration (Mary Jane Olhasso, Assistant Executive Officer, 387-4599) August 12, 2013.

**RESOLUTION NO. 2013-193**

**LAFCO NO. 3171A – REORGANIZATION TO INCLUDE DETACHMENT FROM THE CITY OF REDLANDS AND ANNEXATION TO THE SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT AND ITS VALLEY SERVICE ZONE AND COUNTY SERVICE AREA 70 AND ITS ZONE EV-1**

On Tuesday, September 10, 2013, on motion of Supervisor Ovitt, duly seconded by Supervisor Ramos 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 has determined the amount of property tax revenue to be exchanged as a result of the following change of organization:

**LAFCO NO. 3171A – REORGANIZATION TO INCLUDE DETACHMENT FROM THE CITY OF REDLANDS AND ANNEXATION TO THE SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT AND ITS VALLEY SERVICE ZONE AND COUNTY SERVICE AREA 70 AND ITS ZONE EV-1**

D. In addition to the property tax transfer required in connection with LAFCO 3171A, the Board of Supervisors of the County of San Bernardino has determined that equity requires that the following revenues be apportioned between the City and the County for the benefit of their respective citizens:

- 1) the sales and use tax revenue received by the City or the County from such businesses in return for the City providing certain municipal services, by a proposed amendment to Contract No. 03-0856 between the City and the County;
- 2) the County General Fund property tax for the area identified in Exhibit "A" attached hereto.

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

A. The redistribution of property tax revenue required by the Local Agency Formation Commission for the pending jurisdictional change attached hereto as Exhibit "B" and incorporated herein by reference, 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.

C. That a letter of intent to amend Contract No. 03-0856 between the County of San Bernardino and the City of Redlands which provides for the sharing of sales and use tax revenue and the provision of municipal services within the Donut Hole attached hereto as Exhibit "C" is approved and the Chairperson of the Board of Supervisors of the County of San Bernardino is authorized to execute, on behalf of the County, the letter attached hereto as Exhibit "C."

D. That a letter of intent to enter into an agreement with the City of Redlands for the sharing of County general fund property tax revenues attached hereto as Exhibit "D" is approved and the Chairperson of the Board of Supervisors of the County of San Bernardino is authorized to execute, on behalf of the County, the letter attached hereto as Exhibit "D."

**SECTION 3.** 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: Rutherford;Ramos;Ovitt

NOES: SUPERVISORS: None

ABSENT: SUPERVISORS: Lovingood;Gonzales

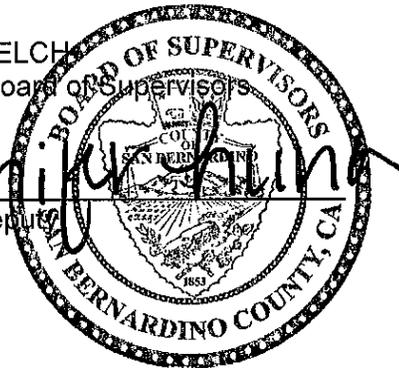
\*\*\*\*\*

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

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 September 10, 2013. Item 20 jll

LAURA H. WELCH  
Clerk of the Board of Supervisors

By   
Deputy



LAFCO No. 3171

Reorganization to include Detachment from the City of Redlands and Annexation to the San Bernardino County Fire Protection District and its Valley Service Zone and County Service Area 70 and its Zone EV-1

EXHIBIT B

City of Redlands Percent of TRA 21.878242%

TRA	5069	Total
ASSESSED VALUE	\$ 4,043,000	\$ 4,043,000
TAX REVENUE	\$ 40,430	\$ 40,430
	CHANGE IN BASE YEAR 2012-13	Total
<b><u>TRANSFER FROM</u></b>		
<b>County Agencies:</b>		
County General Fund	\$ -	\$ -
Flood Control Zone 3	\$ -	\$ -
Flood Control Admin 3-6	\$ -	\$ -
Total County	<u>\$ -</u>	<u>\$ -</u>
<b>Other Affected Agencies:</b>		
City of Redlands	\$ (8,844)	\$ (8,844)
Inland Empire JT Res Cons Dist	\$ -	\$ -
San Bernardino Valley Water Cons Dist	\$ -	\$ -
San Bernardino Valley Municipal Water	\$ -	\$ -
Total Other Affected Agencies	<u>\$ (8,844)</u>	<u>\$ (8,844)</u>
<b>TOTAL TRANSFERS FROM</b>	<u>\$ (8,844)</u>	<u>\$ (8,844)</u>
<b><u>TRANSFER TO</u></b>		
County of San Bernardino	\$ 2,025	\$ 2,025
Library	\$ 607	\$ 607
SB County Fire Protection District Valley Service Zone	\$ 5,088	\$ 5,088
SB County Fire Protection District	\$ 1,124	\$ 1,124
<b>TOTAL TRANSFER TO</b>	<u>\$ 8,844</u>	<u>\$ 8,844</u>

This Exhibit B details the recommended redistribution of property tax revenues, totaling \$8,844, that the City of Redlands will no longer receive as a result of the proposed jurisdictional change.



COUNTY OF  
SAN BERNARDINO

County Administrative Office  
385 North Arrowhead Avenue  
San Bernardino, CA 92415-0120  
(909) 387-5418  
FAX: (909) 387-5430

BOARD OF SUPERVISORS

Robert A. Lovingood .....*First District*  
Janice Rutherford, Chair .....*Second District*  
James Ramos .....*Third District*  
Gary C. Ovlitt, Vice Chair .....*Fourth District*  
Josie Gonzales .....*Fifth District*

GREGORY C. DEVEREAUX  
Chief Executive Officer

Exhibit C

City of Redlands  
210 E. Citrus Avenue  
Redlands, CA 92373  
San Bernardino, CA 92415-0490

Re: Letter of Intent  
Apportionment of Sales and Use Tax Agreement  
County Agreement No. 03-0856  
LAFCO No. 3171A

Dear Mayor Aguilar:

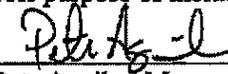
This letter will set forth the County of San Bernardino's intent with respect to that certain Contract for the Apportionment of Sales and Use Tax Revenue and the Provision of Municipal Services within the Unincorporated Area Commonly Known as the Donut Hole, approved by the County Board of Supervisors on August 12, 2003 (County Agreement No. 03-0856) ("Agreement"). The Agreement provided for the apportionment of sales and use tax revenue generated from businesses located within the Donut Hole (as described in the Agreement) and the provision of municipal services. As a result of proposed development in the City of Redlands and Donut Hole area, the Local Agency Formation Commission for San Bernardino County ("LAFCO") received a proposal to detach certain parcels ("Parcels") from the City of Redlands and annex the Parcels to the County Fire Protection District and its Valley Service Zone and County Service Area 70 and its Zone EV-1 in order to consolidate the Parcels under one jurisdiction. The Parcels consist of approximately 34.22 acres and the County and its agencies would be responsible for the provision of services to the Parcels. LAFCO proposes to take its action No. 3171A regarding the detachment. Prior to the LAFCO action, a determination of the property tax revenue exchange associated with a jurisdictional change must occur.

On September 10, 2013, the Board of Supervisors adopted Resolution No. 2013-193 ("Resolution") (a copy of which is attached hereto) which approved the property tax revenue exchange for the Parcels. That Resolution also established the County's intent to modify the Agreement for the sole purpose of including the Parcels for the provision of services in the area of the pending reorganization. The Resolution authorized the undersigned to execute this Letter of Intent relating to the Agreement.

Respectfully,

  
Janice Rutherford  
Chair, Board of Supervisors

The City of Redlands agrees to the aforementioned terms and conditions and will work with the County of San Bernardino to execute an agreement adopted by each entity's governing body which modifies the Agreement, for the sole purpose of including the Parcels for the provision of services in the area of the pending reorganization.

  
Pete Aguilar, Mayor  
Attachment

cc: Gregory C. Devereaux, CEO  
Kathleen Rollings-McDonald



COUNTY OF  
SAN BERNARDINO

County Administrative Office  
385 North Arrowhead Avenue  
San Bernardino, CA 92415-0120  
(909) 387-5418  
FAX: (909) 387-5430

BOARD OF SUPERVISORS

Robert A. Lovingood ..... *First District*  
Janice Rutherford, Chair ..... *Second District*  
James Ramos ..... *Third District*  
Gary C. Ovlitt, Vice Chair ..... *Fourth District*  
Josie Gonzales ..... *Fifth District*

GREGORY C. DEVERBAUX  
Chief Executive Officer

Exhibit D

City of Redlands  
210 E. Citrus Avenue  
Redlands, CA 92373

Re: Letter of Intent  
Apportionment of Property Taxes  
LAFCO No. 3171A

Dear Mayor Aguilar:

This letter will set forth the County of San Bernardino's intent with respect to the apportionment of property taxes related to certain parcels ("Parcels") within the unincorporated area commonly known as the Donut Hole. As a result of proposed development in the City of Redlands and the Donut Hole area, the Local Agency Formation Commission for San Bernardino County ("LAFCO") received a proposal to detach the Parcels from the City of Redlands and annex the parcels to the County Fire Protection District and its Valley Service Zone and County Service Area 70 and its Zone EV-1 in order to consolidate the Parcels under one jurisdiction. The Parcels consist of approximately 34.22 acres and the County and its agencies would be responsible for the provision of services to the Parcels. LAFCO proposes to take its action No. 3171A regarding the detachment. Prior to the LAFCO action, a determination of the property tax revenue exchange associated with a jurisdictional change must occur.

On September 10, 2013, the Board of Supervisors adopted Resolution No. 2013-193 ("Resolution") (a copy of which is attached hereto) which approved the property tax revenue exchange described above. That Resolution also established the County's intent to enter into an agreement with the City of Redlands for the apportionment of the property taxes in the event the pending reorganization occurs. The Resolution authorized the undersigned to execute this Letter of Intent relating to the apportionment of property taxes and provision of municipal services based on the following:

1. The County of San Bernardino will pay to the City of Redlands thirty-five (35%) (which represents the percentage of square footage of the Parcels to the square footage of all five parcels identified below) of the property tax revenues including future growth allocable to the County General Fund for the following five (5) parcel numbers:

- 1. APN 0292-072-04
- 2. APN 0292-072-07
- 3. APN 0292-072-10
- 4. APN 0292-072-11
- 5. APN 0292-072-12

It is understood that the sharing of property tax revenues for these five (5) parcels is limited to the property tax revenues allocable to the County General Fund (AB01 GA01) ONLY and does not include the property tax revenues allocable to any other affected agencies.

City of Redlands  
Exhibit D

The City of Redlands will provide, based upon the County's standard, road maintenance for the roads and streets immediately adjacent to the following two parcels:

1. APN 0292-072-07
2. APN 0292-072-12

It is understood that payment will be made to the extent of actual receipts of property taxes by the County for the parcels identified above. For payment of the revenue sharing, the City of Redlands shall invoice the County Administrative Office no less than annually for the estimated share of revenues for the most recent assessed value of the parcels. The County Administrative Office shall review and approve the invoice and process payment.

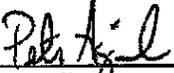
It is the intent that the County of San Bernardino has agreed to share future revenues with the City of Redlands to accommodate the proposed action for LAFCO 3171A to foster developer relations as well as ensure development of a well-planned, balanced and sustainable County. This agreement for sharing of property tax revenues is conditioned upon the development of the five (5) parcels identified above. Should the proposed development be abandoned and the parcels remain vacant after five (5) years following execution of the agreement, this agreement will automatically terminate.

Respectfully,



Janice Rutherford  
Chair, Board of Supervisors

The City of Redlands agrees to the aforementioned terms and conditions and will work with the County of San Bernardino to execute an agreement adopted by each entity's governing body to effectuate the above terms and conditions.



Pete Aguilar, Mayor

Attachment

cc: Gregory C. Devereaux, CEO  
Kathleen Rollings-McDonald, LAFCO

RESOLUTION NO. 7320

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDLANDS RELATING TO LAFCO NO. 3171A – REORGANIZATION TO INCLUDE DETACHMENT FROM THE CITY OF REDLANDS AND ANNEXATION TO THE SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT AND ITS VALLEY SERVICE ZONE AND COUNTY SERVICE AREA 70 AND ITS ZONE EV-1

WHEREAS, on October 19, 2012, the Local Agency Formation Commission for San Bernardino County (LAFCO) submitted a letter notifying the City of Redlands that it had received an application from Treh Partners, LLC to detach its property from the City of Redlands and annex to the County of San Bernardino Fire Protection District and its Valley Service Zone, and annex to the County Service Area 70 and its Zone EV-1; and

WHEREAS, the property in question (“City Parcels”) consist of two contiguous parcels which total 13.26 acres and are located on the north side of San Bernardino Avenue, west of the 210 Freeway (Assessor’s Parcel Nos.: 0292-072-07 and 12); and

WHEREAS, in accordance with Revenue and Taxation Code section 99, the City and County must agree on the transfer of the existing property tax memorializing the property tax split;

NOW, THEREFORE, be it resolved by the City Council of the City of Redlands as follows:

Section 1. The City Council hereby acknowledges 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 a 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 City of Redlands has determined the amount of property tax revenue to be exchanged as a result of the following change of organization:

LAFCO No. 3171A – Reorganization to include detachment from the City of Redlands and Annexation to the San Bernardino County Fire Protection District and its Valley Service Zone and County Service Area 70 and its Zone EV-1

D. In addition to the property tax transfer required in connection with LAFCO 3171A, the City of Redlands has determined that equity requires that the following revenues be apportioned between the City and the County for the benefit of their respective citizens:

- 1) the sales and use tax revenue received by the City or the County from such businesses in return for the City providing certain municipal services, by a proposed amendment to Contract No. 03-0856 between the City and the County;
- 2) the County General Fund property tax for the area identified in Exhibit "A" attached hereto.

Section 2. The City Council hereby orders that:

A. The redistribution of property tax revenue required by the LAFCO for the pending jurisdictional change attached hereto as Exhibit "B" and incorporated herein by reference, is approved and accepted.

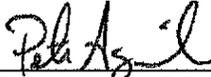
B. The annual tax increment generated in the area subject to the jurisdictional change and attributable to the local agencies whose service area or service responsibilities will be altered by the proposed jurisdictional change shall be allocated in future years pursuant to the provisions of Section 98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

C. That a letter of intent to amend Contract No. 03-0856 between the County of San Bernardino and the City of Redlands which provides for the sharing of sales and use tax revenue and the provision of municipal services within the Donut Hole attached hereto as Exhibit "C" is approved and the Mayor of the City of Redlands is authorized to execute, on behalf of the City of Redlands, the letter attached hereto as Exhibit "C."

D. That a letter of intent to enter into an agreement with the City of Redlands for the sharing of County general fund property tax revenues attached hereto as Exhibit "D" is approved and the Mayor of the City of Redlands is authorized to execute, on behalf of the City of Redlands, the letter attached hereto as Exhibit "D."

Section 3. The Clerk of the City of Redlands 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.

ADOPTED, SIGNED AND APPROVED this 3<sup>rd</sup> day of September, 2013.

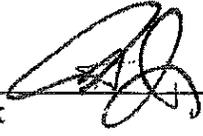
  
\_\_\_\_\_  
Pete Aguilar, Mayor

ATTEST:

  
\_\_\_\_\_  
Sam Irwin, City Clerk

I, Sam Irwin, City Clerk of the City of Redlands, hereby certify that the foregoing resolution was adopted by the City Council at a regular meeting thereof held on the 3rd day of September, 2013 by the following vote:

AYES: Councilmembers Harrison, Foster, Gardner, Gilbreath; Mayor Aguilar  
NOES: None  
ABSTAIN: None  
ABSENT: None

\_\_\_\_\_  
City Clerk 

LAFCO No. 3171

Reorganization to include Detachment from the City of Redlands and Annexation to the San Bernardino County Fire Protection District and its Valley Service Zone and County Service Area 70 and its Zone EV-1

EXHIBIT B

City of Redlands Percent of TRA 21.878242%

TRA	5069	Total
ASSESSED VALUE	\$ 4,043,000	\$ 4,043,000
TAX REVENUE	\$ 40,430	\$ 40,430
	CHANGE IN BASE YEAR 2012-13	Total
<b><u>TRANSFER FROM</u></b>		
<b>County Agencies:</b>		
County General Fund	\$ -	\$ -
Flood Control Zone 3	\$ -	\$ -
Flood Control Admin 3-6	\$ -	\$ -
<b>Total County</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Other Affected Agencies:</b>		
City of Redlands	\$ (8,844)	\$ (8,844)
Inland Empire JT Res Cons Dist	\$ -	\$ -
San Bernardino Valley Water Cons Dist	\$ -	\$ -
San Bernardino Valley Municipal Water	\$ -	\$ -
<b>Total Other Affected Agencies</b>	<b>\$ (8,844)</b>	<b>\$ (8,844)</b>
<b>TOTAL TRANSFERS FROM</b>	<b>\$ (8,844)</b>	<b>\$ (8,844)</b>
<b><u>TRANSFER TO</u></b>		
County of San Bernardino	\$ 2,025	\$ 2,025
Library	\$ 607	\$ 607
SB County Fire Protection District Valley Service Zone	\$ 5,088	\$ 5,088
SB County Fire Protection District	\$ 1,124	\$ 1,124
<b>TOTAL TRANSFER TO</b>	<b>\$ 8,844</b>	<b>\$ 8,844</b>

This Exhibit B details the recommended redistribution of property tax revenues, totaling \$8,844, that the City of Redlands will no longer receive as a result of the proposed jurisdictional change.