RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF ORANGE

APPROVING PROPERTY TAX EXCHANGE AGREEMENT BETWEEN THE CITY OF SANTA ANA AND THE COUNTY OF ORANGE REGARDING THE 17th STREET AND TUSTIN ISLAND ANNEXATION TO THE CITY OF SANTA ANA

September 24, 2019

WHEREAS, California Revenue and Taxation Code Section 99 allows cities and counties to adopt and approve property tax exchange agreements to set forth the exchange of such revenues following the annexation to a city of previously unincorporated territory; and

WHEREAS, in October 1980, the City of Santa Ana (“City”) and the County of Orange (“County”) entered into the “Master Property Tax Transfer Agreement Between the County of Orange and the City of Santa Ana to Provide for Property Tax Exchange in Areas Annexed by the City” (“Master Property Tax Transfer Agreement”) that determined the property tax allocation between the parties for existing and future annexations of county islands to the City of Santa Ana; and

WHEREAS, the Master Property Tax Transfer Agreement allocates of the 1% basic levy property tax generated within the area to be annexed as follows: 58.5285% to the City and 41.4715% to the County; and

WHEREAS, the City shall receive one hundred percent (100%) of the Orange County Public Library Fund generated from the proposed annexation area as the City operates its own library system; and

WHEREAS, the Structural Fire Fund will remain unchanged as the City is a member of the Orange County Fire Authority; and

WHEREAS, the City has filed an application with the Local Agency Formation Commission to annex approximately 25 acres of unincorporated territory referred to as the 17th Street and Tustin Island; and

WHEREAS, the proposed 17th and Tustin Island annexation area is generally located north of East 17th Street, east of North Tustin Avenue and Ponderosa Street, south of Catalina Avenue and west of the SR-55 Costa Mesa Freeway; and

WHEREAS, the Master Property Tax Transfer Agreement requires the parties to make a determination whether the property proposed for annexation is developed/substantially developed or undeveloped depending upon its percentage of residential development and public infrastructure; and

WHEREAS, the County staff and the City staff recommend concurrent resolutions be adopted and approved by their respective governing bodies to apply the Master Property Transfer Agreement to the 17th and Tustin Island; and

NOW, THEREFORE, the Board of Supervisors of the County of Orange does hereby resolve as follows:

SECTION 1: Approve the property tax exchange agreement reached between the City of Santa Ana and the County of Orange whereby, upon completion of the annexation of the 17th Street and Tustin Island to the City of Santa Ana, City shall receive 58.5285 percent and the County shall receive 41.4715 percent of the County’s share of the 1 percent basic levy of property tax from the annexed area pursuant to Master Property Tax Transfer Agreement. The City shall also receive one hundred percent of the Orange County Public Library Fund generated from the proposed annexation area. These proportional shares shall remain as the allocation of tax revenues between the City and the County for all future years unless the City and County agree by written Resolution to adjust the allocation proportions.