



CITY OF HAYWARD
AGENDA REPORT

AGENDA DATE 12/12/06

AGENDA ITEM 5(a)

WORK SESSION ITEM _____

TO: Mayor and City Council
FROM: City Manager
SUBJECT: Exchange of Property Tax Revenues in Connection with the Mt. Eden Annexation (Phase 1)

RECOMMENDATION:

It is recommended that the City Council adopt the attached resolution authorizing the exchange of property tax and sales tax revenues in connection with the Mt. Eden Annexation (Phase 1).

DISCUSSION:

The proposed Mt. Eden Annexation encompasses approximately 138 acres in the western portion of the City. The annexation area is generally located west of Hesperian Boulevard and involves properties contained in what is commonly referred to as the Saklan Road, Dunn Road and Depot Road Islands. Boundaries of the proposed annexation are depicted in Exhibit A.

The City Council adopted a resolution of application for the Mt. Eden Area Annexation (Phase 1) in 2004, which was subsequently submitted to the Alameda Local Agency Formation Commission (LAFCo). Since that time, city and county staff have been working to finalize the draft tax-sharing agreement for consideration by the City Council and Board of Supervisors. Once the tax-sharing agreement is adopted by both legislative bodies, the annexation application can be scheduled for public hearing before LAFCo. At this time, staff is requesting that the City Council adopt a resolution effectuating exchange of property tax revenues for the area to be annexed.

A draft resolution, effectuating exchange of property tax revenues in the proposed annexation area is attached to this report. The proposed agreement is based on the formula approved by the County for other recent municipal annexations and mirrors the resolution approved by the Council for the Mission-Garin annexation. Generally, the formula calls for distribution of property tax revenues based on the citywide average share of property tax revenues for all tax rate areas within the city. Preliminary estimates by the County indicate current annual property tax revenue at approximately \$275,000 for the annexation area. The City's share would amount to approximately \$44,000 (or 16%) under the proposed agreement. The 16% represents the City's weighted average allocation of property tax revenues after deductions for the Educational Revenue Augmentation Fund (ERAF). The Board of Supervisors is scheduled to consider this item at its December 19 meeting.



Jesús Armas, City Manager

Attachments: Exhibit A. Map of Mt. Eden Annexation Area
Draft Resolution

**DUE TO THE LENGTH OR COLOR
OF THE REFERENCED EXHIBIT,
IT HAS BEEN ATTACHED AS A
SEPARATE LINK.**

DRAFT

HAYWARD CITY COUNCIL

RESOLUTION NO. _____

Introduced by Council Member _____

me
12/8/04

RESOLUTION EFFECTUATING EXCHANGE OF TAX REVENUES IN CONNECTION WITH THE MT. EDEN MUNICIPAL ANNEXATION

WHEREAS, Section 99 of the Revenue and Taxation Code provides, among other things, that no local agency jurisdictional change can be completed without the agencies affected by such change first having agreed upon an exchange of property tax revenue between and among the affected agencies; and

WHEREAS, the City of Hayward and the Alameda County Board of Supervisors have agreed to a formula for equitably distributing the property taxes; and

WHEREAS, each specific annexation needs a resolution from both the City and county agreeing to the exchange of property tax revenues for the annexation to be completed and filed with the state.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward:

For the following annexation by the City of Hayward, which will be first effective for the fiscal year the filing of the Certificate of Completion with the State Board of Equalization, providing the filing occurs prior to December 31 of the preceding year, the Auditor-Controller of the County of Alameda shall be directed to cause an exchange of property tax revenues pursuant to the above referenced resolution for the:

MT. EDEN AREA ANNEXATION

BE IT FURTHER RESOLVED by the City Council of the City of Hayward that the Agreement Between the County of Alameda and the City of Hayward Regarding Transfer of Property Tax Revenues in Connection with the Mt. Eden Area Annexation is hereby approved and adopted in the form set forth in Exhibit "A." Further the City Manager is hereby authorized and directed to execute all tax and revenue sharing agreements and any and all

documents required or necessary to complete the subject annexation.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2006

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:

MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward