



**AGENDA STAFF REPORT**

Agenda Item

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2010 NOV -5 AM 8: 21

ASR Control 10-001003

CLERK OF THE BOARD  
**MEETING DATE:** ORANGE COUNTY BOARD OF SUPERVISORS 11/09/10  
**LEGAL ENTITY TAKING ACTION:** Board of Supervisors  
**BOARD OF SUPERVISORS DISTRICT(S):** 2  
**SUBMITTING AGENCY/DEPARTMENT:** County Executive Office (Approved)  
**DEPARTMENT CONTACT PERSON(S):** Steve Dunivent 834-3028  
 Jay Wong 834-2009

**SUBJECT:** Property Tax Exchange with City of Huntington Beach

<b>CEO CONCUR</b> Concur	<b>COUNTY COUNSEL REVIEW</b> Approved Resolution to Form	<b>CLERK OF THE BOARD</b> Discussion 3 Votes Board Majority
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**Budgeted:** N/A                      **Current Year Cost:** N/A                      **Annual Cost:** N/A  
**Staffing Impact:** No                      **# of Positions:**                      **Sole Source:** N/A  
**Current Fiscal Year Revenue:** N/A  
**Funding Source:** N/A

**Prior Board Action:** N/A

**RECOMMENDED ACTION(S):**

1. Adopt Negative Declaration (ND) 10-005 previously adopted by the City of Huntington Beach as lead agency under CEQA for this project on October 18, 2010. The County, as a responsible agency under CEQA Guidelines section 15381, has reviewed and considered the ND prepared by the City and certifies that it has done so. The County adopts and will implement those feasible mitigation measures related to those aspects of the project that are within its separate authority. A responsible agency is authorized to rely on the ND adopted by the City.
2. Adopt resolution approving property tax exchange between the City of Huntington Beach and County of Orange.

**SUMMARY:**

This is a property tax exchange between the City of Huntington Beach and the County of Orange utilizing the Master Property Tax Agreement 80-2093. The annexation will allow the City to provide municipal services to the area, allowing for more efficient service delivery.

**BACKGROUND INFORMATION:**

The City of Huntington Beach has filed an application with the Local Agency Formation Commission to annex the 134-acre community known as Sunset Beach. Located at the northwest end of the City, the subject territory is generally bounded by the City of Seal Beach to the north, the Pacific Ocean to the west and south and the City to the east and southeast.

The City and the County staffs have agreed to utilize the Master Property Tax Agreement, 80-2093, whereby the City will receive 55.9617% and the County will receive 44.0383% of the County's share of the 1% basic levy of property tax in the annexed area. Also upon annexation, the City will receive 100% of the Structural Fire Fund and Library Fund generated in the annexed territory.

The City of Huntington Beach will be considering the property tax exchange at its November 15, 2010 City Council meeting.

**Compliance with CEQA:**

The City of Huntington Beach, as lead agency under CEQA for this project has adopted Negative Declaration (ND) 10-005 on October 18, 2010. The County, as a responsible agency under CEQA Guidelines section 15381, has reviewed and considered the ND prepared by the City and certifies that it has done so. The County adopts and will implement those feasible mitigation measures related to those aspects of the project that are within its separate authority. A responsible agency is authorized to rely on the ND adopted by the City.

**FINANCIAL IMPACT:**

N/A

**STAFFING IMPACT:**

N/A

**ATTACHMENT(S):**

Resolution approving Property Tax

**RESOLUTION OF THE BOARD OF SUPERVISORS OF COUNTY OF ORANGE  
APPROVING PROPERTY TAX EXCHANGE AGREEMENT BETWEEN THE CITY OF  
HUNTINGTON BEACH AND THE COUNTY OF ORANGE REGARDING THE SUNSET  
BEACH ANNEXATION TO THE CITY OF HUNTINGTON BEACH**

**November 9, 2010**

**WHEREAS, the City of Huntington Beach has filed an application with the Local Agency Formation Commission to annex 134 acres of unincorporated territory referred to as Sunset Beach, which is surrounded to the south and east by the City of Huntington Beach, north by the gated community of Surfside, and west by the Pacific Ocean; and**

**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 addition to a city of previously unincorporated territory; and**

**WHEREAS, County and City staff have reached agreement, subject to Board and City Council approval, regarding the exchange of property tax as a result of the annexation of the unincorporated territory by the City, whereby upon annexation by the City, the City shall receive 55.9617% and the County shall receive 44.0383% of the County's share of the 1% basic levy property tax generated within the area to be annexed, pursuant to Master Property Tax Transfer Agreement 80-2093; and**

**WHEREAS, the City shall receive one hundred percent (100%) of the Structural Fire Fund and of the Library Fund generated from the proposed annexation area; and**

**WHEREAS, the County staff and the City staff desire to have the same adopted and approved by their respective governing bodies.**

**NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors does hereby approve the property tax exchange agreement reached between the City of Huntington Beach and the County of Orange, whereby, upon completion of the annexation of the Sunset Beach unincorporated area to the City of Huntington Beach, City shall receive 55.9617% and the County of Orange shall receive 44.0383% of the County's share of the 1% basic levy of property tax from the annexed area pursuant to Master Property Tax Transfer Agreement 80-2093.**

**BE IT FURTHER RESOLVED that the City of Huntington Beach will receive 100% of the Structural Fire Fund and of the Library Fund generated in the annexed area upon annexation.**