

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

462



FROM: Executive Office

SUBMITTAL DATE:
July 3, 2012

SUBJECT: Resolution No. 2012-166 Determining the Amount of Property Tax Revenue to be Exchanged between the Banning Library District and the County of Riverside and the City of Palm Springs – LAFCO 2012-04-4&5

RECOMMENDED MOTION: That the Board of Supervisors adopts Resolution No. 2012-166, Determining the Amount of Property Tax Revenue to be Exchanged between the Banning Library District and the County of Riverside and the City of Palm Springs.

BACKGROUND: On April 26, 2011 (Item 3.4), Supervisor Ashley introduced, and the Board of Supervisors adopted, Resolution No. 2011-099: A Resolution of Application Requesting the Local Area Formation Commission Commence Proceedings for the Detachment of Property from the Banning Library District. The property encompasses the areas of Cabazon, Whitewater, and Snow Creek.

Continued on page 2


Tina Grande
Principal Management Analyst

FINANCIAL DATA	Current F.Y. Total Cost:	\$ N/A	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$ N/A	Budget Adjustment:	N/A
	Annual Net County Cost:	\$ N/A	For Fiscal Year:	N/A

SOURCE OF FUNDS: N/A	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE


Debra Cournoyer

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL

BY: Dale A. Gardner DATE: 6/29/12

Departmental Concurrence

- Policy
- Policy
- Consent
- Consent

Dep't Recomm.:
Per Exec. Ofc.:

3.49

BACKGROUND continued:

Per the Revenue and Taxation Code Section 99(b)5, the Board of Supervisors, on behalf of special districts, negotiates any exchange of property tax when a proposed change affects the service area or responsibility of one or more special districts. The Board is required to consult with the affected district(s) prior to adopting the final tax exchange resolution.

Staff negotiated with the City Palm Springs on behalf of the Banning Library District (BLD) as well as negotiated directly with the BLD for the areas that the County will assume.

The estimated annual amount of property tax to be transferred to the City of Palm Springs is \$2,049. The estimated annual amount transferred to the county is \$249,556, making the total annual amount to be exchanged \$251,605. If the detachment is recorded prior to December 2012, then the exchange would occur as of July 2013, with the first distribution in December 2013. The subject area is approximately 167 square miles. The area to be detached to the county is approximately 152 square miles, with the remaining approximate 15 square miles to be detached to the city. The BLD area will be reduced from approximately 310 square miles to 143 square miles. The BLD currently serves about 29,965 people. The Cabazon area population is approximately 2,535.

The estimated amount of property tax revenue for BLD for FY 11/12 is \$439,134. BLD's total revenue reported by LAFCO for FY 10/11 was \$721,777. If the detachment is approved by LAFCO, BLD is requesting that the property tax be reduced gradually over a five-year period. This would allow the BLD to plan for the reduction in funding over a longer term. BLD cites the property tax exchange between the BLD and Beaumont Library District as precedent. In that case, the BLD annexed property from the Beaumont Library District. The total estimated amount of property tax transferred from Beaumont to Banning at the completion of five years is \$205,105. FY 12/13 will be the first year BLD receives the property tax for the area annexed. The percentage for 12/13 is 20%.

The detachment before the Board of Supervisors is different from the previous annexation. The County of Riverside is constructing a new library in the subject area with an anticipated opening date of December 2012. This new library is adjacent to the community center, the Cabazon Elementary School, and a proposed child development project. The new library will join these important facilities that provide much needed amenities to the residents in Cabazon. The estimated operating budget for the new library is \$410,000. This does not include additional startup costs necessary to open the library. These one-time expenses will occur in FY 12/13.

The BLD closed their Cabazon Library in June 2011. At the time of closure the library was only open 12 hours per week. Currently, the community residents who have transportation can use the BLD library in the City of Banning. The community is also being served the County Library bookmobile; however, the bookmobile is only available on Tuesdays and Saturday mornings, for only four hours each morning. Further the collection is very limited, and there is

limited public access to computers. Children in the area derive little or no benefit from the Bookmobile which allows no room for educational programming for anyone, including children.

The new library has received community support. The West Desert Municipal Advisory Committee (MAC) voted in April 2011 to support the Cabazon Library becoming part of the county library system. Citizens in the community have continued to express their support for a library in the Cabazon area to the new County Librarian. They anticipate a library with comprehensive collections of books and materials, public access to at least 13 computers and ample space for programs for diverse groups in the community including programs for literacy and US Citizenship, all delivered with the latest in library technology.

Although a case can be made on the population figures with regard to the amount of property tax being transferred to the Cabazon community, the amount of the property tax to be exchanged is generated from the Cabazon community and will serve the residents directly. The BLD will ultimately receive an increase in the amount of property tax from the previous annexation in the amount close to what will be transferred to the county. Unlike the previous annexation, the funds will go toward providing a new facility in the subject community. BLD will continue to receive a 100% of property tax in FY 12/13, which will be a total of two years of funding after the closure of the previous library in Cabazon. As for the portion that goes to the City of Palm Springs, the city is already providing full service to the subject area. Given the above, staff is recommending that the city and the county should assume 100% of the portion of property tax generated for library services beginning FY 13/14.

The attached resolution is compatible with the terms and conditions of the dissolution agreement.

The exchange of property tax revenue will become effective for tax purposes beginning July 1 of the subsequent calendar year following the date of dissolution. The detachment is tentatively scheduled for LAFCO on July 26, 2012.

RESOLUTION NO. 2012-166

**DETERMINING THE AMOUNT OF PROPERTY TAX REVENUE
TO BE EXCHANGED BETWEEN THE BANNING LIBRARY DISTRICT
AND THE COUNTY OF RIVERSIDE AND THE CITY OF PALM SPRINGS
PER DETACHMENT FROM THE BANNING LIBRARY DISTRICT
LAFCO 2012-04-4&5**

WHEREAS, the County of Riverside has filed LAFCO No. 2012-04-4&5 requesting a detachment from the Banning Library District, and

WHEREAS, Revenue and Taxation code Section 99(b)(5) directs the Board of Supervisors to negotiate any exchange of Property Tax revenues that affect the service responsibility of one or more special districts, and

WHEREAS, the responsibility for providing library services of the affected parcels will rest with the County of Riverside and the City of Palm Springs per the new proposed boundaries;

NOW, THEREFORE, BE IT RESOLVED by the Riverside County Board of Supervisors assembled in regular session on _____, 2012, that:

1. The Banning Library District is the agency whose area of responsibility would be affected by LAFCO 2012-04-4&5.

2. The County of Riverside shall assume the responsibility for all library services of the affected parcels identified as the areas of Cabazon, Snow Creek, Whitewater and in the City of Desert Hot Springs within the territory sought to be detached from the Banning Library District and for such service shall receive a 100 percentage of that portion of the property tax revenue generated within said area of the territory to be detached that relates to library services;

3. The City of Palm Springs already provides library services to the affected parcels within the city's limit within the territory sought to be detached from the Banning Library District for such service shall receive a 100 percent of that portion of the property tax revenue generated within said area of the territory to be detached that relates to library services.

FORM APPROVED COUNTY COUNSEL
BY: *Mary E. Anderson*
DATE: 6/28/12
DALE A. GARDNER

1 4. The County Auditor shall convert the above-established percentage into actual dollar
2 figures and thereafter allocate such property tax revenue in accord with the provisions of Section 95 et
3 seq. of the Revenue and Taxation Code.

4 5. The Clerk shall transmit a certified copy of this resolution to each affected agency and to
5 the Executive Officer of the Local Agency Formation Commission and to the Auditor of the County of
6 Riverside pursuant to Section 99 of the Revenue and Taxation Code.

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