

**MOORPARK CITY COUNCIL  
AGENDA REPORT**

**TO:** Honorable City Council

**FROM:** David C. Moe II, Redevelopment Manager *DCM*

**DATE:** December 5, 2008 (CC meeting of 12/17/2008)

**SUBJECT:** Consider Resolution Electing to Receive a Share of the Tax Increment Allocated to the City of Moorpark Under the Moorpark Redevelopment Plan Pursuant to Health and Safety Code Section 33607.5 and 33607.7

**BACKGROUND AND DISCUSSION**

The State's approval of its 2008-2009 budget resulted in the adoption of several trailer bills. One bill, AB 1389, Chapter 751 of Statutes of 2008, in part, adds Section 33684 to the Health and Safety Code and requires every redevelopment agency subject to the requirements of Sections 33607.5 and 33607.7 to submit a report of its pass-through obligations, by taxing entity, to the county auditor's office and to each affected taxing entity on or before October 1 each year. This code section was added to identify any and all unpaid outstanding pass-through obligations to any and all local taxing agencies, particularly local educational agencies.

SB 211, passed in 2001, made revisions to the Community Redevelopment Law (CRL) which allowed the City and Agency to eliminate the deadline on the Agency's ability to incur indebtedness. On June 18, 2008, the City Council adopted Ordinance No. 369 to eliminate the time limit on incurring indebtedness with respect to the Moorpark Redevelopment Project.

The City and Calleguas Municipal Water District (CMWD) were the only agencies without an existing pass-through agreement with the Redevelopment Agency. CMWD will begin to receive its share of the statutory pass-through payment (\$548.48) required by SB 211 in fiscal year 2010/11. The City has the option to receive its share of the statutory pass-through payment (\$4,321.36) in fiscal year 2010/11. The pass-through amount will change on an annual basis relative to the change in tax increment generated from the Moorpark Redevelopment Project. Attachment I is a projection of the payments the City may elect to receive from the Moorpark Redevelopment Project. However, the City must first adopt a resolution electing to receive its share of the statutory pass-through payments required by SB 211. Staff has prepared the requisite

resolution provided as Attachment II to this report for City Council consideration. The resolution must be adopted by the City to confirm its election to receive its share of tax increment under the redevelopment plan and Health and Safety Code Sections 33607.5(b) and 33607.7.

**FISCAL IMPACT**

SB 211 established a new base year of 2009-2010 for calculating the tax increment to be passed through to agencies without tax sharing agreements. Effective statutory pass-through payments will begin in 2010-2011. Starting in 2010/11, the City will receive pass-through payments calculated as follows: 20% of 7.41% of tax increment generated over the base year 2009/10. The following example shows how the payment is calculated the first year:

09/10 Adjusted Base Year Value:	\$971,966,130
10/11 Property Tax Payments:	\$1,001,125,114 (assuming assessed valuation growth at 3%)
Gross Tax Increment:	\$291,590 (deduct adj. base year from 10/11 payments X 1%)
7.41% of Gross Tax Increment	\$21,607
20% of 7.41% of Gross Tax Increment	\$4,321 (AB 1290 Statutory pass-through rate)

Staff believes that payment of the pass-through to the City would have a minimal impact on the Agency's ability to pay debt and operation expenses. Further, if the City does not elect to receive its pass-through payment, other taxing agencies may be able to claim these funds in an effort to balance their own budgets.

**STAFF RECOMMENDATION**

Adopt Resolution No. 2008 - \_\_\_\_\_ electing to receive a share of the tax increment allocated to the City under the redevelopment plan pursuant to Health and Safety Code Sections 33607.5(b) and 33607.7.

Attachment I- Projected Pass-Through Payment  
Attachment II - Resolution No. 2008 - \_\_\_\_\_

## Attachment I

SB 211 AFFECTED TAXING ENTITIES PASS THROUGH PROJECTIONS
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		ASSESSED VALUATION GROWTH (3%)	GROSS T.I. REVENUE (A.V.-BASE)*.01	CMWD Payment	CITY (Optional) Payment to City <u>General Fund</u>	
	FY					
Adj. Base	<b>09-10</b>	\$ 971,966,130.00				
1	<b>10-11</b>	\$ 1,001,125,113.90	\$ 291,589.84	\$ 548.48	\$ 4,321.36	
2	11-12	\$ 1,031,158,867.32	\$ 591,927.37	\$ 1,113.42	\$ 8,772.36	
3	12-13	\$ 1,062,093,633.34	\$ 901,275.03	\$ 1,695.30	\$ 13,356.90	
4	13-14	\$ 1,093,956,442.34	\$ 1,219,903.12	\$ 2,294.64	\$ 18,078.96	
5	14-15	\$ 1,126,775,135.61	\$ 1,548,090.06	\$ 2,911.96	\$ 22,942.69	
6	15-16	\$ 1,160,578,389.67	\$ 1,886,122.60	\$ 3,547.80	\$ 27,952.34	
7	16-17	\$ 1,195,395,741.37	\$ 2,234,296.11	\$ 4,202.71	\$ 33,112.27	
8	17-18	\$ 1,231,257,613.61	\$ 2,592,914.84	\$ 4,877.27	\$ 38,427.00	
9	18-19	\$ 1,268,195,342.01	\$ 2,962,292.12	\$ 5,572.07	\$ 43,901.17	
10	19-20	\$ 1,306,241,202.27	\$ 3,342,750.72	\$ 6,287.71	\$ 49,539.57	
11	20-21	\$ 1,345,428,438.34	\$ 3,734,623.08	\$ 7,024.83	\$ 55,347.11	
12	21-22	\$ 1,385,791,291.49	\$ 4,138,251.61	\$ 7,784.05	\$ 61,328.89	
13	22-23	\$ 1,427,365,030.24	\$ 4,553,989.00	\$ 8,566.05	\$ 67,490.12	
14	23-24	\$ 1,470,185,981.15	\$ 4,982,198.51	\$ 9,371.52	\$ 73,836.18	
15	24-25	\$ 1,514,291,560.58	\$ 5,423,254.31	\$ 10,201.14	\$ 80,372.63	
16	25-26	\$ 1,559,720,307.40	\$ 5,877,541.77	\$ 11,055.66	\$ 87,105.17	
17	26-27	\$ 1,606,511,916.62	\$ 6,345,457.87	\$ 11,935.81	\$ 94,039.69	
18	27-28	\$ 1,654,707,274.12	\$ 6,827,411.44	\$ 12,842.36	\$ 101,182.24	
19	28-29	\$ 1,704,348,492.34	\$ 7,323,823.62	\$ 13,776.11	\$ 108,539.07	
20	29-30	\$ 1,755,478,947.11	\$ 7,835,128.17	\$ 14,737.88	\$ 116,116.60	
21	30-31	\$ 1,808,143,315.52	\$ 8,361,771.86	\$ 15,728.49	\$ 123,921.46	
22	31-32	\$ 1,862,387,614.99	\$ 8,904,214.85	\$ 16,748.83	\$ 131,960.46	
23	32-33	\$ 1,918,259,243.44	\$ 9,462,931.13	\$ 17,799.77	\$ 140,240.64	
24	33-34	\$ 1,975,807,020.74	\$ 10,038,408.91	\$ 18,882.25	\$ 148,769.22	
25	34-35	\$ 2,035,081,231.37	\$ 10,631,151.01	\$ 19,997.20	\$ 157,553.66	
26	35-36	\$ 2,096,133,668.31	\$ 11,241,675.38	\$ 21,145.59	\$ 166,601.63	
27	36-37	\$ 2,159,017,678.36	\$ 11,870,515.48	\$ 22,328.44	\$ 175,921.04	
28	37-38	\$ 2,223,788,208.71	\$ 12,518,220.79	\$ 23,546.77	\$ 185,520.03	
29	38-39	\$ 2,290,501,854.97	\$ 13,185,357.25	\$ 24,801.66	\$ 195,406.99	
30	39-40	\$ 2,359,216,910.62	\$ 13,872,507.81	\$ 26,094.19	\$ 205,590.57	
				<b>Total</b>	\$ 347,420	\$ 2,737,248

ATTACHMENT II

RESOLUTION NO. 2008-\_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MOORPARK, CALIFORNIA, ELECTING TO RECEIVE A SHARE OF TAX INCREMENT ALLOCATED UNDER THE MOORPARK REDEVELOPMENT PLAN PURSUANT TO HEALTH AND SAFETY CODE SECTION 33607.7

WHEREAS, the City Council of the City of Moorpark, adopted the Redevelopment Plan for the Moorpark Redevelopment Project on July 5, 1989, by Ordinance No. 110, in accordance with the California Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*); and

WHEREAS, CRL Section 33333.6(e)(2) was amended by the California legislature in 2001, effective January 1, 2002, to provide that as to redevelop plans originally adopted prior to January 1, 1994, the legislative body of an agency (City Council) may enact an ordinance eliminating the deadline on incurring indebtedness formerly required by CRL Section 33333.6, and to further provide that such ordinance may be adopted without compliance with CRL Section 33354.6 or Article 12 of the CRL, except that the redevelopment agency must begin making certain payments of portions of the Agency's tax increment to affected taxing entities required by CRL Section 33607.7 commencing from the date the applicable redevelopment plan reaches the previously existing deadline to incur debt; and

WHEREAS, by Ordinance No. 369 (the "SB 211 Ordinance" or the "SB 211 Amendment"), the City has amended the Redevelopment Plan to eliminate the deadline on incurring indebtedness (the "Deadline") with respect to the entire Moorpark Redevelopment Project Area, pursuant to California Health and Safety Code Section 33333.6; and

WHEREAS, California Health and Safety Code Section 33607.7 requires that with respect to any redevelopment plan amended pursuant to Section 33333.6, the redevelopment agency administering such plan amendment shall make certain payments of portions of the tax increment generated within the project area or areas as to which such Deadline has been eliminated to affected taxing entities, including the community, to the extent the community elects to receive such tax increment; and

WHEREAS, the City Council may, by resolution, elect to receive a share of the tax increment as authorized by Health and Safety Code Sections 33607.7 and 33607.5(b), net of amounts required by the Redevelopment Law to be deposited into the Agency's Low and Moderate Income Housing Fund, based upon the pro rata share of property taxes which would have been allocable to the City but for adoption of the Plan Amendment.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MOORPARK DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The City Council elects to receive its prorated share of the tax increment from the Moorpark Redevelopment Project Area as authorized by California Health and Safety Code Sections 33607.7 and 33607.5(b).

SECTION 2. The City Clerk shall certify to the adoption of this resolution and shall cause a certified resolution to be filed in the book of original resolutions.

SECTION 3. The City Clerk shall transmit a copy of this resolution to the Agency and to the County Auditor-Controller.

PASSED AND ADOPTED this 17th day of December, 2008.

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Janice S. Parvin, Mayor

ATTEST:

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Maureen Benson, Assistant City Clerk