



COUNTY OF PLACER
Community Development/ Resource Agency

ADMINISTRATION

Michael J. Johnson, AICP
Agency Director

MEMORANDUM

TO: Honorable Board of Supervisors

FROM: Michael J. Johnson, AICP
Agency Director

By: Michele Kingsbury, Senior Planner

DATE: March 10, 2015

SUBJECT: Lincoln Village 1 Tax Sharing Agreement

ACTION REQUESTED

1. Receive an overview on the material terms presented to the County by the City of Lincoln for the Lincoln Village 1 Tax Sharing Agreement; and
2. Provide input and direction to staff regarding recommendations to be included within the proposed tax sharing agreement.

BACKGROUND

County staff was approached by the City of Lincoln in August 2014 to initiate annexation and tax sharing discussions for the Lincoln Village 1 Specific Plan development. Lincoln Village 1 is a 1,832-acre specific plan area located on the eastern boundary of the City of Lincoln. The Specific Plan is located entirely within Lincoln's sphere of influence. 5,639 residential units and 167,000 square feet of commercial / office space are proposed, with a mix of country estate units to high density residential uses spread throughout various villages.

The City has not submitted an application to LAFCO to formally begin the annexation process. Prior to beginning the LAFCO annexation process, the City desires to have an agreement in place with the County outlining the terms and conditions for sharing property taxes. The material terms proposed by the City and consistent with the previously approved Lincoln Village 7 tax sharing agreement are as follows:

- The City and County will each initially receive 50 percent of the net Property Tax Revenue proceeds (after respective shifts to the Education Revenue Augmentation Fund).
- Within the first three years of the agreement, the City and County will work collaboratively to develop a City / County Services Model (Model) that describes the functions provided by each jurisdiction, the cost attributable to the Annexation Area of providing those functions, and anticipated revenue streams to include general revenues as well as special fees and assessments. As of the writing of this report, the Model has not been initiated for the Village 7 tax sharing agreement.

- If the City and County cannot agree on the Model after the third year of the agreement, the City and County would split the net Property Tax Revenues with the City receiving 40 percent and the County receiving 60 percent.
- The Specific Plan area will be subject to payment of the County's Capital Facilities Fee.

Staff has met with City representatives and is generally supportive of approaching the Lincoln Village 1 tax sharing agreement with a similar framework as was previously approved with Lincoln Village 7.

Concurrent with the tax sharing negotiations, staff has also been in discussions with the City on two other key issues:

Lincoln Missile Site

The County owns approximately 46 acres within the Specific Plan area commonly known as the Lincoln Missile Site. A Department of Public Works Corporation Yard and materials storage facility is located on-site that serves the unincorporated communities of West Placer, including Penryn, rural Lincoln, Sheridan, and Granite Bay. The Specific Plan assigns the area with combined land use designations of Village Mixed Use and Village Park / Recreation. Discussions with the City have centered on ensuring access to the site that does not impede the Corporation Yard operations and how to ensure the County's ability to maximize potential re-use or resale opportunities.

Sewer capacity

In September 2000, Southwest – Bickford Holdings and U.S. Home entered into a Memorandum of Understanding for a reservation of wastewater treatment capacity for the Bickford Ranch with the City of Lincoln. The agreement allowed for the reservation of wastewater treatment capacity in exchange for a prepayment of the cost for such capacity. The Developer was required to pay the City a total of \$7,130,000 (\$6,000,000 for treatment capacity and \$1,130,000 for conveyance capacity). To accommodate the treatment capacity reserved under the MOU, the City was to design and construct the new wastewater treatment plant to a level sufficient to provide the capacity reserved under this MOU. The developer posted the required securities under this MOU and the City drew down the funds for the construction of the new treatment facility. The Term of the Agreement was for ten years from date of execution.

The County is currently reviewing a Specific Plan Amendment proposal with Westpark Communities for the Bickford Ranch Project. The County is working with the City to discuss the issues raised by this MOU and the pre-payment by the Developer to assure that the capacity that was previously paid for is made available to the Bickford Ranch developer.

RECOMMENDATION

Staff will incorporate direction received today from your Board in its discussions with the City of Lincoln. Staff anticipates returning to your Board on March 24, 2015 with a Tax Sharing Agreement implementing the direction received by the Board today for consideration.

ATTACHMENTS

Attachment 1: Vicinity Map

Attachment 2: Proposed V1 Specific Plan Land Use Designations

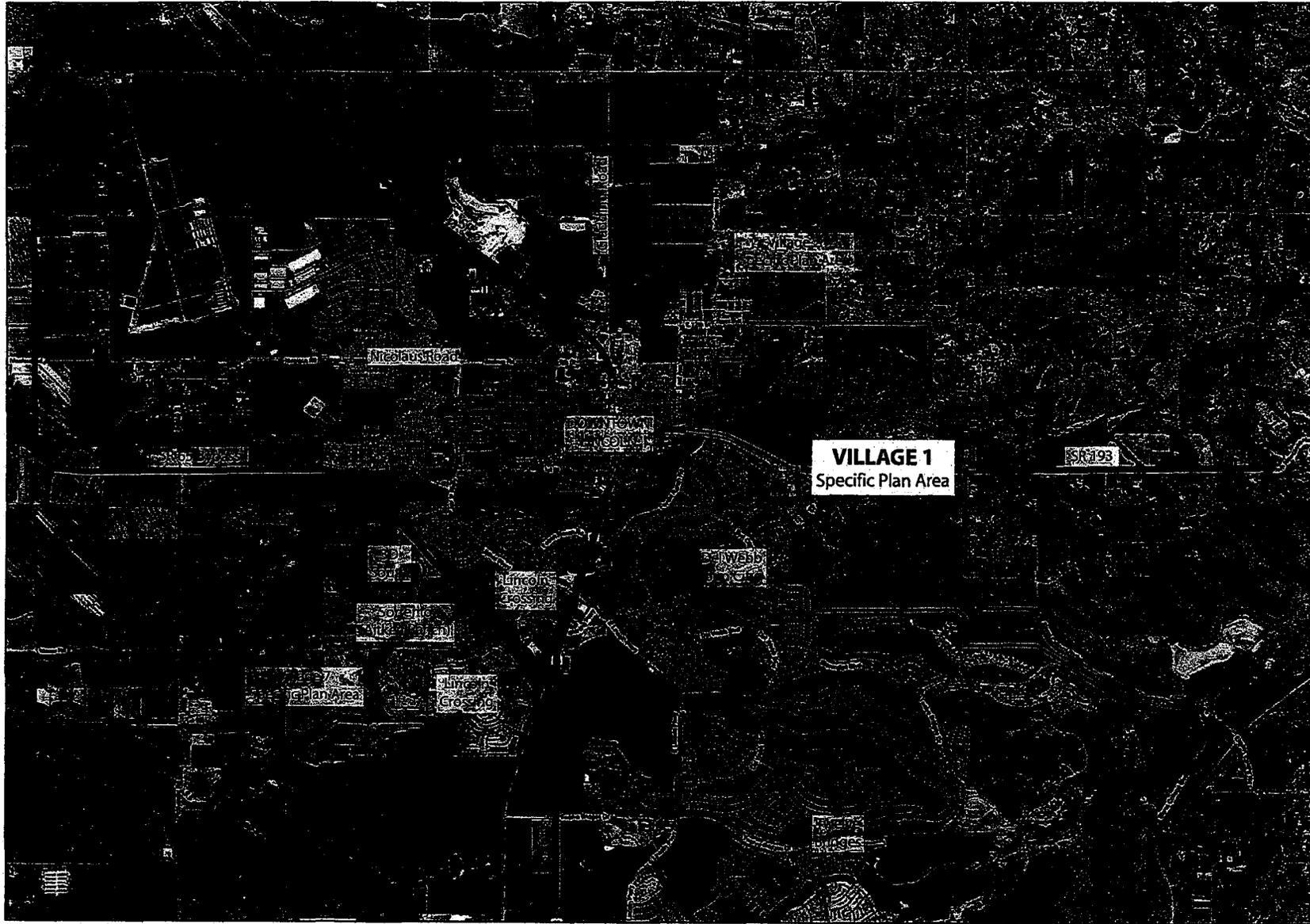


Exhibit 1.2: Vicinity Map

⊕ N.T.S.

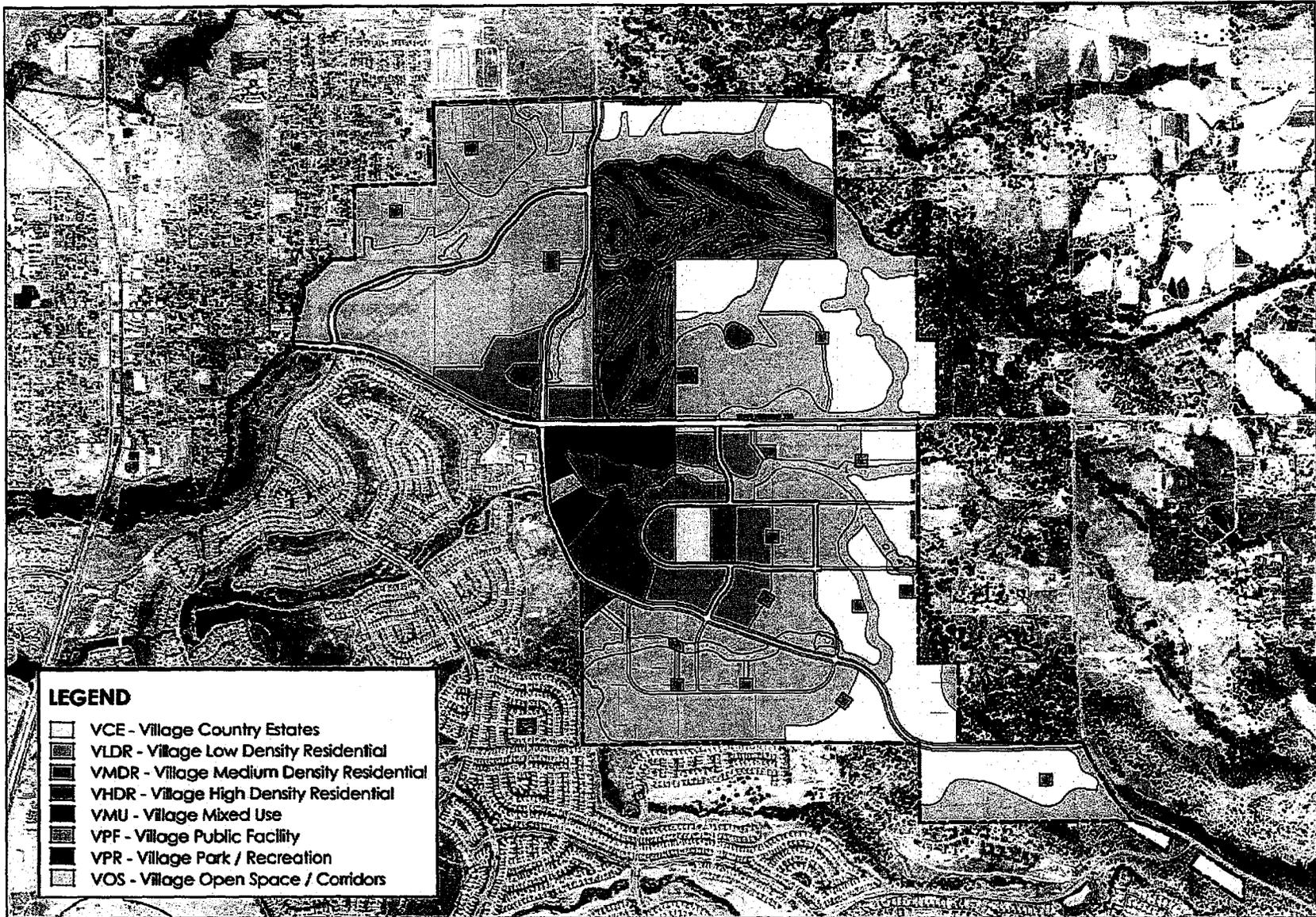


Exhibit 2.3: Proposed V1 Specific Plan Land Use Designations

⊕ N.T.S.