

**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

September 21, 1993

To: Board of Directors (Finance and Insurance Committee--Action)
From: General Manager
Subject: Property Taxes on Specific Redevelopment Project in the
County of San Diego

Report

Existing provisions in the Community Redevelopment Law permit redevelopment agencies to raise revenue through a procedure known as tax increment financing. This is accomplished by the adoption of a redevelopment plan containing a provision which limits various taxing agencies overlying the area of the redevelopment project to whatever revenue may be raised by their tax rate applied to a frozen assessed valuation on project property. In theory, but for the redevelopment project, the assessed valuation of the blighted area encompassed by the redevelopment project would diminish or at best remain the same. Accordingly, any increase in assessed valuation resulting from the redevelopment project can be equitably allocated to the redevelopment agency for the repayment of debt incurred by the agency for the redevelopment of the area.

Under the provisions of Section 33670 of the Community Redevelopment Law, the various overlying taxing agencies receive the tax revenue levied on the frozen assessed valuation and the redevelopment agency receives any additional tax revenue attributable to incremental assessed value, unless the taxing agency adopts a resolution (prior to the adoption of the redevelopment plan providing for tax increment financing) pursuant to Section 33676, electing to be allocated that portion of the tax revenue on the incremental assessed valuation attributable to increases in the taxing agency's tax rate and the inflation adjustment occurring after the base year.

Board Committee Assignment

This letter is referred for action to the Finance and Insurance Committee because of its authority to study, advise, and make recommendations with regard to potential increases in the District's share of tax revenue, pursuant to Administrative Code Section 2441(e).

Recommendation

FINANCE AND INSURANCE COMMITTEE FOR ACTION.

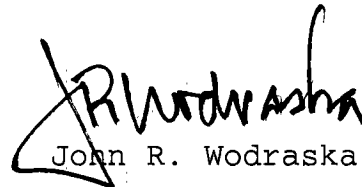
It is recommended that the Board of Directors adopt the resolution in the form attached hereto, providing in substance that the District elects to be allocated that additional portion of revenue from taxes levied on redevelopment property which is attributable to either or both of the following: 1) any increase in the District's base year tax rate applied to incremental assessed value of project property; and 2) that portion of the increase in assessed valuation attributable to the annual inflation adjustment applied to the base year tax rate on the following specific redevelopment project:

Name of Project

County

College Community Redevelopment Project
City of San Diego

San Diego


John R. Wodraska

AMY

Attachments

RESOLUTION

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA ELECTING TO
RECEIVE ALLOCATION OF TAXES PURSUANT
TO PROVISIONS OF THE COMMUNITY REDEVELOPMENT LAW

WHEREAS, subdivision (a) of Section 33676 of the Community Redevelopment Law (Sections 33000 et seq., of the Health and Safety Code of the State of California), as amended, provides that any affected taxing agency, such as this District may elect to be allocated, in addition to the portion of taxes allocated to the District pursuant to subdivision (a) of Section 33670 of said Law, that portion of the tax revenues otherwise allocated to a redevelopment agency pursuant to subdivision (b) of Section 33670 attributable to 1) an increase in the District's tax rate and 2) an increase in assessed valuation of project property attributable to the annual inflation adjustment, either of which occurs after a redevelopment plan becomes effective;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Metropolitan Water District of Southern California that this District hereby elects to be allocated, in addition to the portion of taxes allocated to this District pursuant to subdivision (a) of Section 33670 of the Community Redevelopment Law, any portion of the tax revenue otherwise allocated to the College Community Redevelopment Project in the City of San Diego pursuant to subdivision (b) of said Section 33670 which is attributable to 1) any increase in this District's tax rate and 2) the annual inflation adjustment in the assessed valuation of project property, either of which occurs after the tax year in which the ordinance adopting the redevelopment plan for the College Community Redevelopment Project in the City of San Diego becomes effective.

BE IT FURTHER RESOLVED that the Executive Secretary is hereby directed to file forthwith certified copies of this resolution with the governing body of the Redevelopment Agency, the Redevelopment Agency of the City of San Diego, the Auditor-Controller and the Tax Collector for the County of San Diego.

I HEREBY CERTIFY, that the foregoing is a full, true, and correct copy of a resolution adopted by the Board of Directors of The Metropolitan Water District of Southern California at its meeting held October 12, 1993.

Executive Secretary
The Metropolitan Water District
of Southern California