

APPROVED
By the Board of Directors of
The Metropolitan Water District
of Southern California 7-2
at its meeting held

JUL 11 1995



MWD
METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Loren E. Hoff
EXECUTIVE SECRETARY

June 19, 1995

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

RECOMMENDATION:

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:

<u>Name of Project</u>	<u>County</u>
North Park Project, City of San Diego	San Diego

John R. Wodraska
General Manager

Submitted by:

Lambertus H. Becker
Lambertus H. Becker
Chief Financial Officer

Concur:

John R. Wodraska
John R. Wodraska
General Manager

AMY
Attachment

EXECUTIVE SUMMARY:

The attached resolution form is intended to increase the District's share of tax revenue from subject redevelopment project expected to be authorized under the Community Redevelopment Law (Sections 33000 et seq., of the Health and Safety Code of the State of California). This would occur annually due to the adjustment for increases in assessed valuation attributable to inflation or in the event the District should increase its property tax rate at some time in the future.

DETAILED 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 increase in the taxing agency's tax rate and the inflation adjustment occurring after the base year.

RESOLUTION 8476

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 North Park 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 North Park 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 of 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 July 11, 1995.

Executive Secretary
The Metropolitan Water District
of Southern California