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METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

MAR 12 1996

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*Dora Chiu*  
EXECUTIVE SECRETARY

February 20, 1996

**To:** Board of Directors (Finance and Insurance Committee--Action)

**From:** General Manager *W. Lee Spivey*

**Submitted by:** Lambertus H. Becker  
Chief Financial Officer *Lambertus H. Becker*

**Subject:** Property Taxes on Specific Redevelopment Projects in the Counties of Los Angeles and Orange

**RECOMMENDATION**

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It is recommended that the Board of Directors adopt the resolutions 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 any increase in the District's base year tax rate applied to incremental assessed value of project property:

<u>Name of Project</u>	<u>County</u>
Project Area Number One, City of Artesia	Los Angeles
The Third Amendment (Southwest Redevelopment Project Area), City of Orange	Orange

**EXECUTIVE SUMMARY**

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The attached resolution forms are intended to increase the District's share of tax revenue from subject redevelopment projects 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 in the event the District should increase its property tax rate at some time in the future.

**DETAILED REPORT**

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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 occurring after the base year.

Attachment

redevelo/BD-POLCY.DOT

## RESOLUTION 8490

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 an increase in the District's tax rate 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 Project Area Number One Redevelopment Project in the City of Artesia pursuant to subdivision (b) of said Section 33670 which is attributable to any increase in this District's tax rate which occurs after the tax year in which the ordinance adopting the redevelopment plan for the Project Area Number One Redevelopment Project, in the City of Artesia 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 County of Los Angeles, the Auditor-Controller and the Tax Collector of the County of Los Angeles.

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 March 12, 1996.

Executive Secretary  
The Metropolitan Water District  
of Southern California

## RESOLUTION 8491

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 an increase in the District's tax rate 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 Third Amendment to the Southwest Redevelopment Project in the City of Orange pursuant to subdivision (b) of said Section 33670 which is attributable to any increase in this District's tax rate which occurs after the tax year in which the ordinance adopting the redevelopment plan for the Third Amendment to the Southwest Redevelopment Project, in the City of Orange 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 County of Orange, the Auditor-Controller and the Tax Collector of the County of Orange.

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 March 12, 1996.

Executive Secretary  
The Metropolitan Water District  
of Southern California