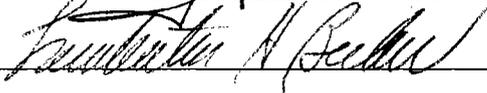


**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

January 21, 1997

To: Board of Directors (Budget and Finance Committee--Action)**From:** *for* General Manager**Submitted by:** Lambertus H. Becker
Chief Financial Officer



Subject: Property Taxes on Specific Redevelopment Projects in the Counties of
Riverside and San Diego**RECOMMENDATION**

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>
Central Industrial Redevelopment Project Fourth Amendment, in the City of Riverside	Riverside
Sycamore Canyon and Box Springs Industrial Park Redevelopment Project Second Amendment in the City of Riverside	Riverside
San Diego Naval Training Center Redevelopment Project in the City of San Diego	San Diego

EXECUTIVE SUMMARY

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

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.

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Attachment

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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 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 Central Industrial Redevelopment Project Fourth Amendment in the City of Riverside 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 Central Industrial Redevelopment Project Fourth Amendment in the City of Riverside 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 City of Riverside, and the Auditor-Controller and the Tax Collector of the County of Riverside.

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 February 11, 1997.

Executive Secretary
The Metropolitan Water District
of Southern California

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

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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 Sycamore Canyon and Box Springs Industrial Park Redevelopment Project Second Amendment in the City of Riverside 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 Sycamore Canyon and Box Springs Industrial Park Redevelopment Project Second Amendment, in the City of Riverside 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 City of Riverside, and the Auditor-Controller and the Tax Collector of the County of Riverside.

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Executive Secretary
The Metropolitan Water District
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RESOLUTION

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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 San Diego Naval Training Center Redevelopment Project in the City of San Diego 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 San Diego Naval Training Center 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 City of San Diego, and 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 February 11, 1997.

Executive Secretary
The Metropolitan Water District
of Southern California