TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER

DEPARTMENT: PLANNING AND COMMUNITY ENVIRONMENT

DATE: APRIL 22, 2002

CMR:212:02

SUBJECT: RESOLUTION MAKING A DETERMINATION OF ZERO PROPERTY TAX EXCHANGE ON THE ANNEXATION OF LANDS OF CONROE AT 800 LOS TRANCOS ROAD TO THE WEST BAY SANITARY DISTRICT

RECOMMENDATION
Staff recommends that the Council adopt the attached resolution making a determination of no property tax transfer from the City of Palo Alto to the West Bay Sanitary District.

BACKGROUND
The San Mateo Local Agency Formation Commission (LAFCo) has received an application to annex territory located within the city limits of Palo Alto in Santa Clara County to the West Bay Sanitary District. Section 99 of the Revenue and Taxation Code requires that the affected agencies enter into negotiations regarding exchange of property tax revenue. West Bay Sanitary District is not requesting any portion of property taxes received in the area. The City of Palo Alto is required to adopt a Resolution of Zero Tax Exchange in order for the annexation application to be processed.

DISCUSSION
The owner of Assessors Parcel Number 182-36-022 (see attached parcel map) at 800 Los Trancos Road is requesting annexation to the West Bay Sanitary District in order to obtain sanitary sewer services. Several parcels within this area and within the Palo Alto city limits have previously annexed to West Bay Sanitary District. Since West Bay Sanitary District operates without tax revenues, there is no impact on property taxes.

RESOURCE IMPACTS
There is no impact to City services, staffing or revenues.
**POLICY IMPLICATIONS**
This report does not represent any change to existing City policy.

**TIMELINE**
Palo Alto is required to act within 60 days of receipt of the notice, which occurred on February 26, 2002.

**ENVIRONMENTAL REVIEW**
Annexation of pre-zoned lands to a special district is categorically exempt under Section 15319 of the California Environmental Quality Act.

**ATTACHMENTS**
Attachment A: Resolution
Attachment B: Location Map
Attachment C: Notice to Subject and Interested Agencies, from County of Santa Clara LAFCo
Attachment D: Draft letter from Lisa Grote to Martha Poyatos

**COURTESY COPIES:**
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