



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

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DAVID E. JANSSEN
Chief Administrative Officer

Board of Supervisors
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YVONNE BRATHWAITE BURKE
Second District
ZEV YAROSLAVSKY
Third District
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MICHAEL D. ANTONOVICH
Fifth District

July 1, 2003

Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**JOINT RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF
LOS ANGELES, THE CITY COUNCIL OF THE CITY OF EL SEGUNDO, AND THE
CITY COUNCIL OF THE CITY OF HAWTHORNE, APPROVING AND
ACCEPTING THE NEGOTIATED EXCHANGE OF PROPERTY TAX REVENUE
RESULTING FROM REORGANIZATION OF TERRITORY
(LOS ANGELES AIR FORCE BASE REORGANIZATION NO. 2003-01)**

(SUPERVISORIAL DISTRICT 2 AND 4) (3 VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve the attached Joint Resolution between your Board, the City Council of the City of El Segundo, and the City Council of the City of Hawthorne, based on the negotiated exchange of property tax revenue, as a result of the proposed reorganization of territory (Los Angeles Air Force Base Reorganization No. 2003-01) between the City of El Segundo and the City of Hawthorne.
2. Authorize the Chief Administrative Officer to provide the Local Agency Formation Commission (LAFCO) with the County's and Consolidated Fire Protection District's (CFPD) consent to LAFCO making determinations without notice and hearing for the proposed reorganization pursuant to Section 56663(b) of the Government Code.
3. Authorize the Chief Administrative Officer to provide LAFCO with the CFPD's consent to waiver of the protest proceedings for the proposed reorganization pursuant to Section 56663(c) of the Government Code.

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PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The respective City Councils of the Cities of El Segundo and Hawthorne have adopted the attached Joint Resolution based on the negotiated exchange of property tax revenue resulting from the proposed reorganization of territory between the Cities. The reorganization will result in approximately 50 acres of public and privately owned land being detached from the City of El Segundo, annexed to the City of Hawthorne, and annexed to the CFPD. Furthermore, the reorganization will result in the subject area being served by the Los Angeles County Public Library (Public Library).

The Cities of El Segundo and Hawthorne have agreed to this reorganization to facilitate the relocation/consolidation of the Los Angeles Air Force Base (LAAFB), which currently occupies the majority of the subject area, to a single location in El Segundo. In order for LAFCO to proceed with the required hearings on the proposed reorganization, your Board, as the governing body of the County, the Public Library and the CFPD, must adopt the attached Joint Resolution.

As a means of expediting the reorganization process, the cities are requesting that all involved parties consent to LAFCO making determinations without notice and public hearing and without protest proceedings. This will enable the cities and the developer to meet the deadline of November 30, 2003, for obtaining all of the necessary entitlements for the project set by the Air Force, and hopefully ensure that the LAAFB remains in Los Angeles County.

FISCAL IMPACT/FINANCING

The reorganization necessitates a reallocation of base property tax revenue and adjustments of the annual property tax increment between the County of Los Angeles, the Cities of El Segundo and Hawthorne, and Public Library. The CFPD will receive no portion of the incremental tax growth attributable to the subject area as a result of this reorganization. Funding provided to the CFPD to serve the annexed area shall be negotiated by CFPD directly with the City of Hawthorne under the terms of their existing agreement.

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FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Pursuant to Part 3, Division 3, Title 5 of the California Government Code, commencing with Section 56000, the City of El Segundo adopted a resolution and filed an application with LAFCO to initiate proceedings for reorganization of territory between the City of El Segundo and the City of Hawthorne. The City of Hawthorne adopted a similar resolution agreeing to the reorganization of territory.

The proposed reorganization consists of approximately 50 acres of public and privately owned land, including 39.24 acres occupied by the United States Air Force, currently located in the jurisdiction of the City of El Segundo. The subject area is located at the southeast corner of Aviation Boulevard and El Segundo Boulevard along the easterly boundary of the City of El Segundo.

Section 99 of the Revenue and Taxation Code (R&T Code) requires that prior to the effective date of any jurisdictional change, the governing bodies of all agencies whose service area or service responsibilities will be altered by such change must negotiate a reallocation of property tax revenue between the affected agencies, and approve and accept such reallocation by resolution. The respective City Councils of the Cities of El Segundo and Hawthorne have adopted the negotiated Joint Resolution, as required by Section 99 of the R&T Code.

The County and CFPD, as affected agencies, may provide LAFCO with their consent to LAFCO making determinations without notice and hearing for the proposed reorganization pursuant to Section 56663(b) of the Government Code. All owners of land in the reorganization area have already consented to the reorganization, as required by Government Code Section 56663(a), in order for LAFCO to make determinations without notice and hearing. The process may be further expedited by the CFPD consenting to a waiver of protest proceedings pursuant to Section 56663(c) of the Government Code. If all of the owners of land within the affected territory and all public agencies who's boundaries will change consent to the waiver, the need for a LAFCO protest hearing is eliminated and LAFCO may order the reorganization without conducting protest proceedings. El Segundo, and all of the owners of land, having

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already consented, the CFPD, the boundary of which will be changed by the proposed reorganization, must also consent if protest proceedings are to be waived. The City of Hawthorne is also expected to provide a waiver.

The Joint Resolution has been approved as to form by County Counsel.

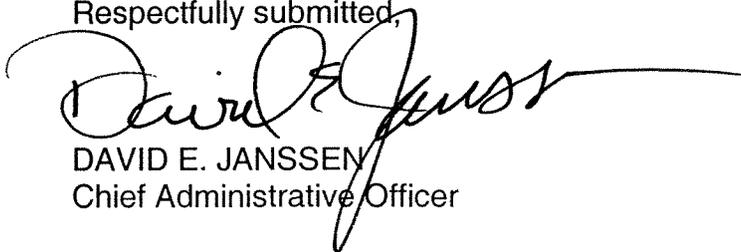
IMPACT ON CURRENT SERVICES (OR PROJECTS)

The City of El Segundo currently provides fire and library services to the subject area. Subsequent to the approval of the reorganization by LAFCO, fire services and library services will be provided by the CFPD and Public Library, respectively.

CONCLUSION

At such time as the recommendation is approved by your Board, please return one approved copy of the letter and four signed originals of the Resolution to LAFCO, one approved copy of the letter and one signed original of the Resolution to the Chief Administrative Office, Office of Unincorporated Area Services and Special Projects, one copy of the approved letter and a copy of the Resolution to the Auditor-Controller, Tax Division.

Respectfully submitted,



DAVID E. JANSSEN
Chief Administrative Officer

DEJ:LS
DD:BC:os

Attachments

c: Auditor-Controller
County Counsel

Change in the Share of Tax Revenue Associated with the
Los Angeles Air Force Base Reorganization No. 2003-01

Affected Agencies	Existing Share	Proposed Share
County General Fund	.394734634	.336134012
City of El Segundo	.063188429	No Share
City of Hawthorne	No Share	.096463950
County Public Library	No Share	.025325101
Consolidated Fire Protection District	No Share	.000000000

JOINT RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, THE CITY COUNCIL OF THE CITY OF EL SEGUNDO, AND THE CITY COUNCIL OF THE CITY OF HAWTHORNE, APPROVING AND ACCEPTING THE NEGOTIATED EXCHANGE OF PROPERTY TAX REVENUE RESULTING FROM REORGANIZATION OF TERRITORY

(LOS ANGELES AIR FORCE BASE REORGANIZATION NO. 2003-01)

(Detachment from the City of El Segundo and Annexation to the City of Hawthorne and Consolidated Fire Protect District of Los Angeles County)

WHEREAS, pursuant to Section 99 of the Revenue and Taxation Code, for specified jurisdictional changes, the governing bodies of the affected agencies shall negotiate and determine the amount of property tax revenue to be exchanged between the affected agencies; and

WHEREAS, the Board of Supervisors of the County of Los Angeles as the governing body of the County of Los Angeles, the Consolidated Fire Protection District of Los Angeles County (herein referred to as CFPD), and the Los Angeles County Public Library (herein referred to as Public Library), the City Council of the City of El Segundo as the governing body of the City of El Segundo, the City Council of the City of Hawthorne as the governing body of the City of Hawthorne have determined that the amount of property tax revenue to be exchanged between their respective agencies as a result of the reorganization of territory entitled, "Los Angeles Air Force Base Reorganization No. 2003-01," which includes detachment of said territory from the City of El Segundo, annexation to the City of Hawthorne, and annexation to the CFPD is as set forth below:

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The negotiated exchange of property tax revenues between the County of Los Angeles, the City of El Segundo, and the City of Hawthorne resulting from the reorganization proposal identified as "Los Angeles Air Force Base Reorganization No. 2003-01," is approved and accepted.

2. For fiscal years commencing on or after July 1, 2004, or the July 1 after the effective date of this jurisdictional change, whichever is later, \$1,856.13 in base property tax revenue shall be transferred from the City of El Segundo to the County of Los Angeles. In addition, for each fiscal year commencing on or after July 1, 2004, or the July 1 after the effective date of this jurisdictional change, whichever is later, the City of El Segundo annual tax increment attributable to the "Los Angeles Air Force Base Reorganization No. 2003-01," shall be transferred from the City of El Segundo to the County of Los Angeles.

3. For fiscal years commencing on and after July 1, 2004 or the July 1 after the effective date of this jurisdictional change, whichever is later, \$2,833.59 in base property tax revenue shall be transferred from the County of Los Angeles to the City of Hawthorne. In addition, for each fiscal year commencing on or after July 1, 2004, or the July 1 after the effective date of this jurisdictional change, whichever is later, 0.09646395 of the annual tax increment attributable to the "Los Angeles Air Force Base Reorganization No. 2003-01" area shall be transferred from the County of Los Angeles to the City of Hawthorne.

4. For fiscal years commencing on and after July 1, 2004 or the July 1 after the effective date of this jurisdictional change, whichever is later, \$0 in base property tax revenue shall be transferred to the CFPD from the County of Los Angeles. In addition, for each fiscal year commencing on or after July 1, 2004, or the July 1 after the effective date of this jurisdictional change, whichever is later, no portion of the annual tax increment attributable to the "Los Angeles Air Force Base Reorganization No. 2003-01" area shall be transferred from the County of Los Angeles to the CFPD. Funding provided to the CFPD to serve the annexed area shall be negotiated by CFPD directly with the City of Hawthorne under the terms of a separate and existing agreement entitled "AGREEMENT FOR SERVICES BY AND BETWEEN THE CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY AND THE CITY OF HAWTHORNE" made and entered on December 12, 1996.

5. For fiscal years commencing on and after July 1, 2004 or the July 1 after the effective date of this jurisdictional change, whichever is later, \$743.91 in base property tax revenue shall be transferred from the County of Los Angeles to the Public Library. In addition, for each fiscal year commencing on or after July 1, 2004, or the July 1 after the effective date of this jurisdictional change, whichever is later, .025325101 of the annual tax increment attributable to the "Los Angeles Air Force Base Reorganization No. 2003-01" area shall be transferred from the County of Los Angeles to the Public Library.

6. For fiscal years commencing on or after July 1, 2004 or the July 1 after the effective date of this jurisdictional change, whichever is later, the County of Los Angeles General Fund share of the annual tax increment attributable to the "Los Angeles Air Force Base Reorganization No. 2003-01" shall be adjusted to account for the full one percent of ad valorem property tax after implementing the adjustments specified in paragraphs 2 through 5.

6. No additional transfer of property tax revenue or adjustments to any other taxing entities' share of the annual tax increment shall be made as a result of "Los Angeles Air Force Base Reorganization No. 2003-01."

PASSED, APPROVED AND ADOPTED this 17TH day of JUNE, 2003 by the following vote:


Mike Gordon, Mayor

ATTEST:

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF EL SEGUNDO)

I, Cindy Mortesen, City Clerk of the City of El Segundo, California, do hereby certify that the whole number of members of the City Council of said City is five; that the foregoing Resolution No. 4310 was duly passed and adopted by said City Council, approved and signed by the Mayor, and attested to by the City Clerk, all at a regular meeting of said Council held on the 17th day of June, 2003, and the same was so passed and adopted by the following vote:

AYES: GORDON, JACOBS, MCDOWELL

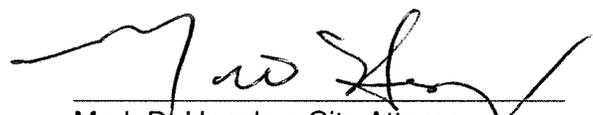
NOES: WERNICK

ABSENT: GAINES

ABSTAIN: NONE


Cindy Mortesen, City Clerk

APPROVED AS TO FORM:


Mark D. Hensley, City Attorney

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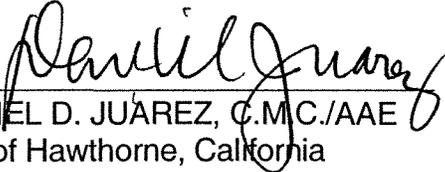
(signed in counterparts)

PASSED, APPROVED and ADOPTED this 9th day of June, 2003.



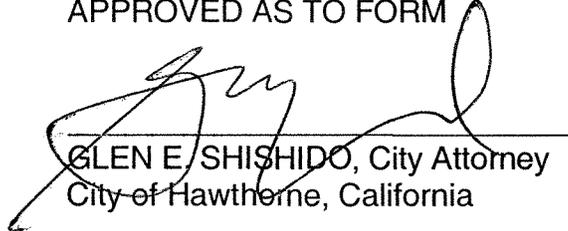
LAWRENCE M. GUIDI, Mayor
City of Hawthorne, California

ATTEST



DANIEL D. JUÁREZ, C.M.C./AAE
City of Hawthorne, California

APPROVED AS TO FORM



GLEN E. SHISHIDO, City Attorney
City of Hawthorne, California

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(signed in counterparts)

The foregoing resolution was on the _____ day of _____, 2003, adopted by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

VIOLET VARONA-LUKENS, Executive Officer
Clerk of the Board of Supervisors
Of the County of Los Angeles

By _____
Deputy

APPROVED AS TO FORM
BY COUNTY COUNSEL

LLOYD W. PELLMAN

By  _____
Deputy

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(signed in counterparts)