



CITY OF COMMERCE AGENDA REPORT

TO: Honorable City Council

Item No. _____

FROM: City Administrator

SUBJECT: A Resolution to Elect to Receive the City's Share of Tax Increment Reimbursements from Town Center/80 Annex Project Area Pursuant to Health and Safety Code Section 33607.5(b)

MEETING DATE: May 1, 2018

RECOMMENDATION:

Approve and adopt the Resolution to elect to receive the City's share of tax increment reimbursements from Town Center/80 Annex Project Area pursuant to Health and Safety Code Section 33607.5(b), and assign the number next in order.

BACKGROUND:

Section 33607.5 and 33607.7 of the Health & Safety Code sets forth the manner in which payments will be distributed to affected taxing entities from community redevelopment project areas adopted or amended on or after January 1, 1994. The community may elect to receive its share of the first 25 percent of tax increment as described in Health & Safety Code Section 33607.5 (b). The County currently retains resolutions for all the project areas with the exception of the Town Center/80 Annex project area.

ANALYSIS:

Assembly Bill 1290 (AB 1290), which became effective on January 1, 1994, amended the Law to implement automatic pass-through payments to affecting taxing entities (including cities) for redevelopment project areas adopted or amended on or after January 1, 1994.

Section 33607.5 of the Law provides, in part, that the amount to be made available to taxing entities (including cities) shall be equal to 25 percent of Redevelopment Property Tax Trust Fund funds received by the agency after amounts required for Statutory Pass-through and Administrative Distributions have been deducted.

As an affected taxing entity, the City is eligible to continue to receive pass-through payments from the Town Center/80 Annex Project Area. To accomplish this, the City Council needs to adopt a resolution, electing to receive the reimbursement, and submit a copy of the resolution to the County of Los Angeles prior to May 15, 2018.

ALTERNATIVES:

1. Approve staff recommendation
2. Provide staff with further direction

FISCAL IMPACT:

If this resolution is adopted, the City Council's election to receive statutory pass-through payments will continue to provide the City additional Property Tax revenue for the General Fund. This is estimated at approximately \$18,500/year.

RELATIONSHIP TO STRATEGIC GOALS:

This report is not applicable to any specific goal; however, it is related to the following goal: *Implement city business processes and operational efficiencies to streamline the cost of government including the examination and identification of cost of services and cost of recovery policies.*

Recommended by: Vilko Domic, Director of Finance

Approved as to form: Norma Copado, Assistant City Attorney

Respectfully submitted: Edgar P. Cisneros, City Administrator

ATTACHMENT:

1. Resolution