

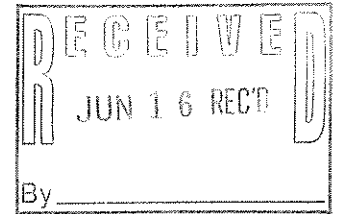
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

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STEPHEN R. MAGUIN
Chief Engineer and General Manager

June 11, 2008

General Annexation File



Mr. James R. Williams, Director of Public Works
City of Lancaster
44933 North Fern Avenue
Lancaster, CA 92534

Dear Mr. Williams:

Tax Sharing Resolutions

Thank you for signing and returning the last joint resolutions that were submitted to your office for tax sharing purposes.

Enclosed, in triplicate, are Joint Tax Sharing Resolutions (resolutions) involving your city and others. The applicants have requested, in writing, annexation of their properties into County Sanitation District No. 14 (District) in order to receive off-site disposal of sewage. Please see the table below for the annexations and their associated projects. The annexation process requires that a resolution for property tax revenue exchange be adopted by all the affected local agencies before an annexation may be approved. For any jurisdictional change which will result in a special district providing new service not previously provided to an area, the law requires the governing bodies of all local agencies that receive an apportionment of the property tax from the area to determine by resolution the amount of the annual tax increment to be transferred to the special district (Revenue and Taxation Code Section 99.01). Please note that by sharing the property tax increment with the District resulting from the specified annexation, your city will not lose any existing ad valorem tax revenue it currently receives from the affected territory. Your city would only be giving up a portion of the revenues it would receive on increased assessed valuation.

<u>Annexation No.</u>	<u>Type of Project</u>
14-366	58 proposed single-family homes
14-369	173 proposed single-family homes
14-370	a vacant lot lot and an existing warehouse

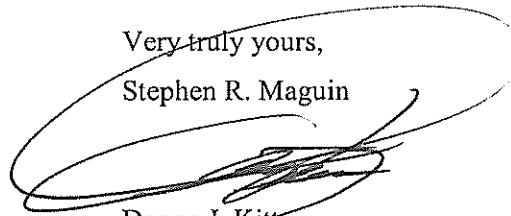
Also, attached for each annexation is a copy of the applicable worksheet and map showing the location of the annexation. Each worksheet lists the annual tax increment to be exchanged between your city, other affected taxing entities, and the District. The tax sharing ratios listed in the worksheet were calculated by the County Auditor Controller by specific Tax Rate Area (TRA). For example, if the annexing territory were to lie within two separate TRAs, there would be a worksheet for each TRA. The Los Angeles County Chief Executive Office (CEO) is requiring the District to implement the worksheet for all District annexations in order to increase efficiency for the calculation of property tax sharing ratios.

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The resolutions are being distributed to all parties for signature in counterpart. Therefore, you will only be receiving signature pages for your city. Enclosed are three sets of the resolution for each annexation. One set of each resolution is for your files and the other two sets of each resolution need to be returned to the District. Please execute the two sets of each resolution and return them to the undersigned within 60 days as required by the Government Code. In addition, the County CEO's legal counsel is also requesting that the signature pages be properly executed from all affected agencies. Therefore, please have the Attest line signed by the appropriate person. Upon completion of the annexation process, your office will receive a fully executed copies of the tax sharing resolutions for your files.

Your continued cooperation in this matter is very much appreciated. If you have any questions, please do not hesitate to call me at (562) 908-4288, extension 2708.

Very truly yours,
Stephen R. Maguin

A handwritten signature in black ink, appearing to read "Stephen R. Maguin", is written over a large, hand-drawn oval scribble.

Donna J. Kitt
Customer Service Specialist
Facilities Planning Department

DK:ddg

Enclosures: 14-366
14-369
14-370