



County Executive Office

Eric Rood Administrative Center | 950 Maidu Avenue, Suite 220, Nevada City, CA 95959
Phone: 530-265-7040 | Fax: 530-265-9839
CEO@NevadaCountyCA.gov

NEVADA COUNTY BOARD OF SUPERVISORS

BOARD AGENDA MEMO

MEETING DATE: December 6th, 2022

TO: Board of Supervisors

FROM: Alison Lehman, County Executive Officer

SUBJECT: Resolution Approving a Tax Neutrality Agreement between the County of Nevada and the Pacific Forest and Watershed Lands Stewardship Council on 75 Acres of Land Located near Lake Spaulding (APN 064-330-002 and 064-330-003)

RECOMMENDATION: Approve the Resolution.

FUNDING: Two parcels of land (75 acres) that PG&E currently owns and pays property taxes on in Nevada County will be transferred to CalFire. This will result in a reduction of property taxes to applicable tax receiving jurisdictions within the County, with an offsetting payment in lieu of taxes, for a net zero impact. The agreement will be effective in the 2022-2023 fiscal year. For Nevada County General Fund, the results of this agreement will be a reduction in annual tax revenue of \$402.80 and an offsetting one-time lump sum receipt of payment in lieu of taxes of approximately \$9,799.60.

BACKGROUND: In a 2003 Settlement Agreement and Stipulation with the California Public Utilities Commission, PG&E committed to setting aside certain lands for conservation. These lands are located in 22 counties, including the 1,867 acres available in Nevada County which were recommended by the Stewardship Council for donation to tax exempt entities. The Settlement Agreement and Stipulation set up the Pacific Forest and Watershed Lands Stewardship Council (known as the Stewardship Council) and charged them with implementing PG&E's land conservation commitment. The Stipulation requires that disposition of each affected property will be tax neutral to the local jurisdictions, with the loss of tax revenue offset by payments in lieu of taxes.

At the December 13, 2016, Nevada County Board of Supervisors Meeting a Tax Neutrality Agreement was approved for donation of 1,461 acres near Lake Spaulding to the University of California (Resolution 16-582). At the February 27, 2018, Board of Supervisors meeting, a

similar agreement was approved for 77 acres of property near White Rock Lake that was donated to the US Forest Service.

This current request recommends an additional transfer agreements as follows:

Property	Land Recipient	Acres	Total Nevada County Annual Tax	General Fund Annual Tax	Total Lump Sum	General Fund Lump Sum
Lake Spaulding	CalFire	75	\$2,877.17	\$402.80	\$69,997.16	\$9,799.60

The agreement will cover the donation of 75 acres of land near Lake Spaulding. The annual reduction in taxes will be approximately \$2,877.17 to all applicable tax receiving jurisdictions within the County, including approximately \$402.80 per year to Nevada County General Fund. The lump sum payment will be \$69,997.16 including all jurisdictions, and approximately \$9,799.60 to Nevada County.

This agreement has been reviewed by County Counsel and deemed to be of minimal risk.

There is a second agreement before the Board of Supervisors in this same meeting for a similar transaction for property downstream of Lake Spaulding.

The attached resolution requests authorization for the County Executive Officer to execute this agreement.

Item Initiated by: Martin Polt, Deputy County Executive Officer/CFO

Approved by: Alison Lehman, County Executive Officer