



Home of  
Travis Air Force Base

# CITY OF FAIRFIELD

Founded 1856

Incorporated December 12, 1903

RECEIVED

JAN 27 2009

COUNTY AUDITOR

January 22, 2009

**COUNCIL**

- Mayor  
Harry T. Price  
707.428.7395
- Vice-Mayor  
John Mraz  
707.429.6298
- Councilmembers  
707.429.6298
- Chuck Timm
- Catherine Moy
- Rick Vaccaro
- ...
- City Manager  
Sean Quinn  
707.428.7400
- ...
- City Attorney  
Greg Stepanicich  
707.428.7419
- ...
- City Clerk  
Arletta Cortright  
707.428.7384
- ...
- City Treasurer  
Oscar G. Reyes, Jr.  
707.428.7496

Mr. Jun Adeva,  
Deputy Auditor-Controller  
Property Tax/Grants Division  
Solano County Auditor-Controller's Office  
675 Texas Street  
Fairfield, CA 94533

Re: Dispute of Pass-through Payments  
Regional Center Redevelopment Project

Dear Mr. Adeva:

The AB1389 requirement for Fairfield Redevelopment Agency (the "Agency") to submit a report to the Solano County Auditor-Controller's Office (the "County") on the statutory pass-through payments generated a dispute between the Agency and the County over what was to be reported as pass-through payments due to the difference in the interpretation of Section 33607.7 of the Community Redevelopment Law of the State of California (the "Law). Although the AB1389 report submitted reflects the payment amounts determined by the County, the Agency disputes these amounts and continues to maintain its position that the methodology developed by our property tax consulting firm, HdL Coren & Cone ("HdLCC") is the correct interpretation of the Law.

In the interest of maintaining a cordial and ongoing working relationship with the County, the Agency has and will continue to pay the County disputed amounts only with the understanding that we will continue to work to resolve the difference in the interpretation of Section 33607.7 of the Law in a timely manner.

**It should be noted, that the Agency disputes the methodology utilized by the County to determine the amount of revenue that is subject to the pass through calculation.** Section 33607.7(b) (2) states that the tax sharing amounts pursuant to subdivisions (b), (c), (d) and (e) of Section 33607.5 be *"calculated against the amount of assessed value by which the current year assessed value exceeds an adjusted base year assessed value."* Under the County's methodology the "current year assessed value" is

**DEPARTMENTS**

- Community Services  
707.428.7465
- ...
- Finance  
707.428.7496
- ...
- Fire  
707.428.7375
- ...
- Human Resources  
707.428.7394
- ...
- Community Development  
707.428.7461
- ...
- Police  
707.428.7551
- ...
- Public Works  
707.428.7485

Mr. Jun Adeva  
Dispute of Pass-through Payments  
Regional Center Redevelopment Project  
Page 2

interpreted to include supplemental values, prior year collections, unitary revenue and other Agency revenues and revenue adjustments that are derived from sources other than "current year assessed values."

Our continued remittance is being made with the further understanding that the Agency is not waiving its claim that the disputed amounts are based on erroneous methodology and are not owed to the County, and that at such time as our interpretation of the statute is confirmed the County will return the disputed amount to the Agency with accrued interest calculated in the same manner as would have been calculated by the County had this amount not been remitted.

Sincerely,

A handwritten signature in cursive script that reads "Robert C. Leland".

Robert C. Leland  
Director of Finance

Cc: Sean Quinn, Executive Director  
Greg Stepanicich, City Attorney