

TAX AND FISCAL IMPACT AGREEMENT FOR ANNEXATION HV 1-13

THIS AGREEMENT is made and entered into by and between the COUNTY OF IMPERIAL, a political subdivision of the State of California, hereinafter referred to as "County", and the CITY OF HOLTVILLE, a municipal corporation, hereinafter referred to as "City."

WHEREAS, Section 99 of the Revenue and Taxation Code provides that in case of a jurisdictional change, the governmental bodies of all agencies whose service areas or responsibilities would be altered by such jurisdictional change must agree, by resolution, to accept the negotiated exchange of property tax revenues; and

WHEREAS, California Government Code Section 56668 requires certain factors be considered in review of any proposal before the Local Agency Formation Commission, hereinafter referred to as "LAFCO," (including the "effect of the proposed action and of alternative actions on adjacent areas, on mutual social and economic interests and on the local government structure of the county"); and

WHEREAS, California Government Code Section 56069 defines "Proposal" as a request or statement of intention may be by petition or by resolution of application of a legislative body proposing proceedings for the change of organization or reorganization described in the request or statement of intention; and

WHEREAS, California Government Code Section 56021 defines "Change of organization" to mean any of the following: (a) a city incorporation; (b) a district formation; (c) an annexation to, or detachment from, a city or district; (d) a disincorporation of a city; (e) a district dissolution; (f) a consolidation of cities or special districts; (g) a merger or establishment of a subsidiary district, and;

WHEREAS, LAFCO requires a written agreement between the affected governmental bodies prior to the approval of any annexation to offset any negative fiscal impacts, and;

1 WHEREAS, In order to offset the "negative fiscal impacts" to County and City for
2 ANNEXATION HV 1-13, County and City are entering into this Agreement, and;

3 WHEREAS, Through this Agreement, City agrees to pay County a designated amount
4 to offset the negative impacts created through an annexation of territory to the City, and;

5 WHEREAS, The parties have negotiated this Tax and Fiscal Agreement for the exchange
6 of property tax revenues and to offset negative impacts from ANNEXATION HV 1-13 to the
7 City.

8 WHEREAS, The current assessed value for the territory within ANNEXATION HV 1-
9 13, including improvements, is \$38,702.00.

10 NOW, THEREFORE, the County and City agree as follows:

11 1. DEFINITIONS

12 a. "Base year revenues" means property tax revenues accruing to each agency
13 in the current fiscal year, being defined as the fiscal year in which the annexation is accepted by
14 the State Board of Equalization.

15 b. "Tax increment" means that the amount of property tax revenues in excess
16 of base year revenues accruing to each agency (by Tax Rate Area) and resulting from the increase
17 in assessed valuation from one year to the next.

18 c. "TRA" means tax rate area.

19 d. County and City are sometimes hereinafter collectively referred to as
20 "Parties".

21 2. APPORTIONMENT

22 a. When a special district, including County Fire and Library Districts, gives
23 up its service responsibility in a territory, upon annexation of such territory to a City, the affected
24 special districts shall transfer to the City all of its base year revenues and tax increment attributable
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1 to the annexed territory, effective in the fiscal year following the calendar year in which
2 annexation is completed. At the time of the execution of this Agreement, for the proposed area in
3 **ANNEXATION HV 1-13**, the County provides library services and City is responsible for fire
4 services. As such, all base year revenues and tax increment attributable to **ANNEXATION HV**
5 **1-13** for the Library District will continue to be transferred to County. Further, all base year
6 revenues and tax increment attributable to **ANNEXATION HV 1-13** for fire services will be
7 transferred to City. Should responsibility for fire or library services change during the term of this
8 agreement, the base year revenues and tax increment attributable to **ANNEXATION HV 1-13**
9 shall be adjusted accordingly.

11 b. As **ANNEXATION HV 1-13** is substantially underdeveloped, the County
12 shall transfer to the City forty percent (40%) of the base year revenues. The aggregate amount of
13 the tax increment that would accrue to County and City, as a result of the aforesaid base year
14 revenue apportionment, shall be distributed in the amount of sixty percent (60%) of the increment
15 to the City and forty percent (40%) of the increment to the County.

16 3. APPLICATION

17 The provisions of this Agreement shall apply to the apportionment of all secured
18 and unsecured property tax revenues, due to **ANNEXATION HV 1-13** to the City.

20 4. FISCAL IMPACT PAYMENT

21 a. To offset the negative impact to County of **ANNEXATION HV 1-13**,
22 City, as compensation for the discounted negative impacts for the first twenty (20) years of project
23 development, agrees to pay County certain impact fees pursuant to the *Schedule of Fiscal Impact*
24 *Fees Per Unit (residential) and per Square Foot (nonresidential) – Countywide* attached hereto as
25 **EXHIBIT A**. Said fee schedule is pursuant to the Impact Fee Study prepared for the Count of
26

1 Imperial, California, by Tischler Bise dated August 17th, 2006. A copy of said Impact Fee Study
2 is available upon request.

3 b. Said payment of impact fees shall be made to County by City in a lump
4 sum upon annexation or recordation of the Final Map.

5 c. As an alternative said payments shall be made to County based upon the
6 number of building permits issued by City on a quarterly basis including October 1, January 1,
7 April 1 and July 1 beginning the first quarter following the issuance of any building permit related
8 to **ANNEXATION HV 1-13**.

9 c. All payments shall be sent to County at the following address:

10
11 County of Imperial
12 County Executive Office
13 Attn: County Executive Office
14 940 Main Street, Suite 208
15 El Centro, CA 92243

16 5. TERM OF AGREEMENT

17 a. This Agreement shall be in effect from the date of execution of this
18 Agreement by County and City. The terms and conditions for **ANNEXATION HV 1-13** shall
19 remain in full force and effect until each term or condition is completely and fully satisfied.

20 6. REDEVELOPMENT

21 Prior to the City including any portion of **ANNEXATION HV 1-13** in the next
22 twenty years covered by this Agreement into a Redevelopment Program or any other program
23 which adversely fiscally impacts County, City and County shall renegotiate and enter into a new
24 and separate agreement which addresses said negative fiscal impacts.

25 7. INTENT OF AGREEMENT

1 a. By entering into this Agreement, the parties mutually assume the
2 continuation of a statutory scheme for the distribution of tax revenues that is compatible with the
3 provisions contained herein, and such assumption is a basic intent of this Agreement.

4 b. If any term or provision of this Agreement is held by a court of competent
5 jurisdiction to be void, invalid or otherwise unenforceable, the remaining terms and provisions
6 shall continue in full force and effect.

7 c. This Agreement is made and entered into in Imperial County, California.
8 This agreement shall be construed and enforced in accordance with the laws of the State of
9 California, except that the parties agree that any action brought by either party regarding this
10 Agreement shall be brought in a court of competent jurisdiction in Imperial County, or if
11 appropriate, in the Federal District Court serving Imperial County.
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13 d. The parties hereto agree to act in good faith and deal fairly with the other
14 party in the performance of this Agreement.

15 e. Notices required hereunder shall be in writing and may be given either
16 personally or by registered or certified mail, postage prepaid, return receipt requested. If given
17 by registered or certified mail, such notice shall be addressed as indicated below and shall be
18 deemed given and received upon the earlier of actual receipt by the party to whom the notice
19 was sent or return of the requested receipt to the party giving notice. Notice personally given
20 shall be deemed given when delivered to the party to whom the notice is addressed. Any party
21 may upon ten (10) days written notice to the other party, change the address where notices are
22 to be sent.
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24 **NOTICES TO COUNTY**

25 County of Imperial
26 County Executive Office
27 Attention: County Executive Officer
28 940 Main Street, Suite #208
 El Centro, CA 92243

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WITH COPIES TO:

Imperial County LAFCO
Attention: Executive Officer
1122 State St., Suite D
El Centro, CA 92243

NOTICES TO CITY OF HOLTVILLE

City of Holtville
Attention: Alexander Meyerhoff, City Manager
121 W. 5th Street
Holtville, CA 92250

8. **EXECUTION OF AGREEMENT**

a. The PARTIES herein agree that this Agreement may be executed in counterparts.

b. The PARTIES herein each warrant and represent that they are authorized to execute this Agreement and bind City or County to the terms and conditions of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement in

El Centro, California, on September 24, 2013.

COUNTY OF IMPERIAL



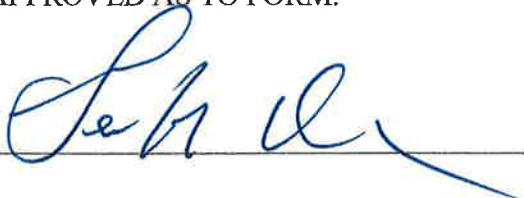
RAYMOND R. CASTILLO, Chairman
Board of Supervisors

ATTEST:



BLANCA ACOSTA, Clerk of the
Board of the County of Imperial

APPROVED AS TO FORM:




1 MICHAEL L. ROOD,
2 County Counsel

CITY OF HOLTVILLE

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4 
5 MIKE GOODSSELL,
6 Mayor

7 ATTEST:


8 GLYN SNYDER,
9 Clerk of the City of Holtville

10 APPROVED AS TO FORM:
11 Office of the Holtville City Attorney

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13 STEVE WALKER,
14 City Attorney

Exhibit “A”

COUNTY OF IMPERIAL
FISCAL IMPACT FEES
EFFECTIVE JANUARY 20, 2007

Exhibit A

Units	Total Impact Fee Per Unit	Per Fiscal Impact Studies	Surcharge for Developable Land	Total
Residential		Per Housing Unit		
Single Family	\$2,420	\$225	\$72.60	\$2,718
Multi Family	\$1,895	\$276	\$56.85	\$2,228
Mobile Home	\$1,624		\$48.72	\$1,673
Non-Residential	Countywide Impact Fee Per 1,000 Square Foot			
Com/Shop Ctr (50,000 or less sq ft)	\$671.00	\$80.00	\$20.00	\$771
Com/Shop Ctr (50,001-100,000 sq ft)	\$587.00	\$80.00	\$17.00	\$684
Com/Shop Ctr (100,001-200,000 sq ft)	\$513.00	\$80.00	\$15.00	\$608
Com/Shop Ctr over (200,000 sq ft)	\$449.00	\$80.00	\$13.00	\$542
Office/Inst (25,000 or less sq ft)	\$549.00	\$80.00	\$16.00	\$645
Office/Inst (25,000-50,000 sq ft)	\$502.00	\$80.00	\$15.00	\$597
Office/Inst (50,001-100,000 sq ft)	\$461.00	\$80.00	\$13.00	\$554
Medical-Dental Office	\$700.00	\$80.00	\$21.00	\$801
Hospital	\$470.00	\$80.00	\$14.00	\$564
Business Park	\$407.00	\$80.00	\$12.00	\$499
Light Industrial	\$276.00	\$80.00	\$8.00	\$364
Manufacturing	\$199.00	\$80.00	\$5.00	\$284
Warehousing	\$162.00	\$80.00	\$4.00	\$246
Elementary School	\$216.00	\$80.00	\$6.00	\$302
Other Non-Residential				
Lodging (per room)	\$91.00		\$2.00	\$93
Day Care (per student)	\$55.00		\$2.00	\$57
Nursing Home (per bed)	\$54.00		\$1.00	\$55

Prepared 11/14/2006

Based on TischlerBise Fiscal Impact Fee Study dated August 17, 2006 &

Proposed Fiscal Impact Fee Ordinance