

TAX AND FISCAL IMPACT AGREEMENT for ANNEXATION BR 01-08

(Rancho-Porter Specific Plan)

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 BRAWLEY, 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 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

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

3 WHEREAS, In order to offset the "negative fiscal impacts" to County and City for
4 **ANNEXATION BR 01-08**, County and City are entering into this Agreement; and

5 WHEREAS, The parties have negotiated this Tax and Fiscal Agreement and City has agreed
6 to pay County a designated amount for the exchange of property tax revenues and to offset negative
7 impacts from **ANNEXATION BR 01-08**; and

8 WHEREAS, the current assessed valuation for the territory within **ANNEXATION BR 01-**
9 **08**, including improvements, is **\$1,202,400.00**.

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

12 1. DEFINITIONS.

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

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

19 c. "TRA" means tax rate area.

20 d. County and City are sometimes hereinafter collectively referred to as
21 "Parties".
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23 2. APPORTIONMENT.

24 a. When a special district, including County Fire and Library Districts, gives up
25 its service responsibility in a territory, upon annexation of such territory to a City, the affected
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1 special districts shall transfer to the City all of its base year revenues and tax increment attributable
2 to the annexed territory, effective in the fiscal year following the calendar year in which annexation
3 is completed.

4 b. For jurisdictional changes where the proposed area is agreed to by County
5 and City to be substantially developed, no transfer of the base year revenues is required. The
6 aggregate amount of the tax increment that would accrue to County, as a result of the aforesaid
7 base year revenue apportionment, shall be distributed in the amount of fifty percent (50%) of the
8 increment to the City and fifty percent (50%) of the increment to the County.

9 c. For all other jurisdictional changes, the County shall transfer to the City forty
10 percent (40%) of the base year revenues. The aggregate amount of the tax increment that would
11 accrue to County and City, as a result of the aforesaid base year revenue apportionment, shall be
12 distributed in the amount of fifty percent (50%) of the increment to the City and fifty percent (50%)
13 of the increment to the County.

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15 3. APPLICATION.

16 The provisions of this Agreement shall apply to the apportionment of all secured and
17 unsecured property tax revenues, due to **ANNEXATION BR 01-08** to the City.

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19 4. FISCAL IMPACT PAYMENT

20 a. To offset the negative impact to County from **ANNEXATION BR 01-08**,
21 the City, as compensation for the discounted negative impacts for the first twenty (20) years of
22 project development, agrees to pay County certain impact fees pursuant to the *Schedule of Fiscal*
23 *Impact Fees Per Unit (residential) and per 1000 Square Foot (nonresidential) – Countywide*
24 attached hereto as Exhibit A. Said fee schedule is pursuant to the Impact Fee Study prepared for the
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County of Imperial, California, by Tischler Bise dated August 17th, 2006. A copy of said Impact Fee Study is available upon request.

i. If County updates the Impact Fee Study prepared for the County of Imperial, by TischlerBise dated August 17th, 2006, during the term of this Agreement, then the updated Impact Fee Schedule prepared pursuant to the update of the Impact Fee Study shall be used in place and stead of Exhibit A attached hereto.

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

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

ANNEXATION BR 01-08.

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

County of Imperial
County Executive Office
Attn: County Executive Office
940 Main Street, Suite 208
El Centro, CA 92243

5. TERM OF AGREEMENT.

a. This Agreement shall be in effect from the date of execution of this Agreement by County and City. The terms and conditions for **ANNEXATION BR 01-08** shall remain in full force and effect until each term or condition is completely and fully satisfied.

6. REDEVELOPMENT

Prior to the City including any portion of **ANNEXATION BR 01-08** in the next twenty (20) years covered by this Agreement into a Redevelopment Program or any other program

1 which adversely fiscally impacts County, City and County shall renegotiate and enter into a new
2 and separate agreement which addresses said negative fiscal impacts.

3 7. INTENT OF AGREEMENT.

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

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

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

18 e. Notices required hereunder shall be in writing and may be given either
19 personally or by registered or certified mail, postage prepaid, return receipt requested. If given
20 by registered or certified mail, such notice shall be addressed as indicated below and shall be
21 deemed given and received upon the earlier of actual receipt by the party to whom the notice was
22 sent or return of the requested receipt to the party giving notice. Notice personally given shall be
23 deemed given when delivered to the party to whom the notice is addressed. Any party may upon
24 ten (10) days written notice to the other party, change the address where notices are to be sent.
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County of Imperial
County Executive Office
Attention: County Executive Officer
940 Main Street, Suite #208
El Centro, CA 92243

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

City of Brawley
Attention: Rosanna Bayon Moore, City Manager
383 Main Street
Brawley, California 92227
760-351-3048 (phone)
760-351-3088 (fax)

- 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.

_____, California, on _____, 2014.

JOHN RENISON, Chairman
Board of Supervisors

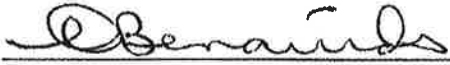
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1 APPROVED AS TO FORM:
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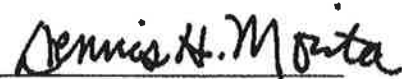
4 MICHAEL L. ROOD
5 County Counsel
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7 CITY OF BRAWLEY

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9 DON C. CAMPBELL
Mayor

10 ATTEST: 
11 ALMA BENAVIDES,
12 Clerk of the City of Brawley
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14 APPROVED AS TO FORM:

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16 DENNIS H. MORITA
17 City Attorney
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