

# EXHIBIT C

**MINUTE ORDER  
OF  
IMPERIAL COUNTY  
BOARD OF SUPERVISORS**

<b>Date:</b> August 11, 2015	<b>Book:</b> 418	<b>Page:</b> 268	<b>File #:</b> 225.1	<b>M.O.#:</b> 36
<b>Department:</b> EXECUTIVE OFFICE			<b>2nd Page:</b>	

THE BOARD OF SUPERVISORS OF THE COUNTY OF IMPERIAL, STATE OF CALIFORNIA, on a motion by Supervisor : M. KELLEY , second by Supervisor : CASTILLO and approved by the following roll call vote;

**AYES :** RENISON, M. KELLEY, R. KELLEY, CASTILLO

**NAYES :** NONE

**ABSTAINED :** NONE

**EXCUSED OR ABSENT :** TERRAZAS

Approved Tax and Fiscal Impact Agreement with the City of Imperial for Annexation IM 1-15.

<b>Topic:</b> Tax & Fiscal Impact Agreement	<b>X-Topic:</b> City of Imperial for Annexation IM 1-15
<p>cc: <input checked="" type="checkbox"/> File    <input type="checkbox"/> Behavioral Health    <input type="checkbox"/> District Attorney    <input type="checkbox"/> Info/Tech    <input type="checkbox"/> Public Health    <input type="checkbox"/> Other...</p> <p><input type="checkbox"/> Ag. Comm    <input checked="" type="checkbox"/> CEO    <input type="checkbox"/> Facilities Manag.    <input type="checkbox"/> OET    <input type="checkbox"/> Public Works</p> <p><input type="checkbox"/> Assessor    <input type="checkbox"/> County Clerk    <input type="checkbox"/> Fire/OES    <input type="checkbox"/> Planning    <input type="checkbox"/> Sheriff-Coroner</p> <p><input checked="" type="checkbox"/> Auditor    <input type="checkbox"/> County Counsel    <input type="checkbox"/> HR - Risk    <input type="checkbox"/> Probation    <input type="checkbox"/> Social Services</p>	

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**TAX AND FISCAL IMPACT AGREEMENT for ANNEXATION IM 1-15**

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 IMPERIAL, 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, The property being annexed is currently owned by the City of Imperial  
4 a public body not subject to property tax levy; and

5           WHEREAS, **ANNEXATION IM 1-15** involves the annexation of approximately  
6 143 acres of vacant land to the City of Imperial (Assessor's Parcel Number 063-010-049) for  
7 the purpose of developing a regional park and equestrian events center (40 acres of tournament-  
8 level sports fields; 51 acres for equestrian facility which includes a 160,000 square-foot  
9 covered arena, outdoor arena, stables, and an RV park; 20 acres of open space recreation; 6  
10 acres of commercial for restaurants and equestrian related retail stores; and 8 acres for an olive  
11 orchard); and       WHEREAS, A fiscal impact analysis was prepared by Development  
12 Management Group dated August 18, 2010 which shows that property tax and sales tax  
13 revenue streams to both the County of Imperial and City of Imperial only begin once  
14 commercial development occurs; and  
15

16           WHEREAS, In order to offset the "negative fiscal impacts" to County and City for  
17 **ANNEXATION IM 1-15**, County and City are entering into this Agreement; and

18           WHEREAS, The parties have negotiated this Tax and Fiscal Agreement and City has  
19 agreed to pay County a designated amount for the exchange of property tax revenues and to offset  
20 negative impacts from **ANNEXATION IM 1-15** to the City; and  
21

22           WHEREAS, the current, estimated assessed valuation for the territory within  
23 **ANNEXATION IM 1-15**, including improvements, is ten thousand dollars (\$10,000.00) per acre.

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

25           1.       DEFINITIONS  
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1 a. "Base year revenues" means property tax revenues accruing to each agency  
2 in the current fiscal year, being defined as the fiscal year in which the annexation is accepted by  
3 the State Board of Equalization.

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

7 c. "TRA" means tax rate area.

8 d. County and City are sometimes hereinafter collectively referred to as  
9 "Parties".  
10

11 2. APPORTIONMENT

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

17 b. All future tax increment shall be distributed in the amount of fifty percent  
18 (50%) of the increment to the City and fifty percent (50%) of the increment to the County effective  
19 in the fiscal year following the calendar year in which annexation is completed.  
20

21 3. APPLICATION

22 The provisions of this Agreement shall apply to the apportionment of all secured  
23 and unsecured property tax revenues, due to **ANNEXATION IM 1-15** to the City.

24 4. FISCAL IMPACT PAYMENT

25 a. During the term of this Agreement, should City rezone any portion of land  
26 within **ANNEXATION IM 1-15**, or once commercial development occurs, whichever occurs  
27

1 first, City shall collect from each developer those certain appropriate impact fees pursuant to the  
2 *Schedule of Fiscal Impact Fees Per Unit (residential) and per 1,000 Square Foot (nonresidential)*  
3 *Countywide* attached hereto as **Exhibit "A"**. Said fee schedule is pursuant to the Impact Fee Study  
4 prepared for the County of Imperial, California, by Tischler Bise dated August 17<sup>th</sup>, 2006. A copy  
5 of said Impact Fee Study is available upon request.

6 b. Said payment of impact fees shall be made to County by City in a lump  
7 sum no later than the issuance of a Certificate of Occupancy of the commercial development.

8 c. As an alternative said payments shall be made to County based upon the  
9 number of building permits issued by City on a quarterly basis including October 1, January 1,  
10 April 1 and July 1 beginning the first quarter following the issuance of any building permit related  
11 to **ANNEXATION IM 1-15**.

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

13  
14 County of Imperial  
15 County Executive Office  
16 Attn: County Executive Officer  
17 940 Main Street, Suite 208  
18 El Centro, CA 92243

19 5. TERM OF AGREEMENT

20 a. This Agreement shall be in effect from the date of execution of this  
21 Agreement by County and City. The terms and conditions for **ANNEXATION IM 1-15** shall  
22 remain in full force and effect until each term or condition is completely and fully satisfied.

23 6. ADVERSE PROPERTY TAX IMPACTS

24 Prior to the City including any portion of **ANNEXATION IM 1-15** in the next  
25 twenty (20) years covered by this Agreement into any program which adversely fiscally impacts  
26 County, City and County shall renegotiate and enter into a new and separate agreement which  
27 addresses said negative fiscal impacts.

1                   7.       INTENT OF AGREEMENT

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

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

8                   c.       This Agreement is made and entered into in Imperial County, California.  
9 This agreement shall be construed and enforced in accordance with the laws of the State of  
10 California, except that the parties agree that any action brought by either party regarding this  
11 Agreement shall be brought in a court of competent jurisdiction in Imperial County, or if  
12 appropriate, in the Federal District Court serving Imperial County.

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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**NOTICES TO COUNTY**

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

**WITH COPIES TO**

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

**NOTICES TO CITY OF IMPERIAL**

City of Imperial  
Attention: City Manager  
420 South Imperial Avenue  
Imperial California 92251

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 August 28, 2015.

COUNTY OF IMPERIAL

Ry Kelley  
RYAN E. KELLEY, Chairman  
Board of Supervisors

ATTEST: Blanca Acosta  
BLANCA ACOSTA, Clerk of the  
Board of the County of Imperial



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APPROVED AS TO FORM:



GEOFFREY P. HOLBROOK  
Senior Deputy County Counsel

CITY OF IMPERIAL



MARK T. GRAN  
Mayor

ATTEST:



DEBRA JACKSON  
Clerk of the City of Imperial

APPROVED AS TO FORM:



DENNIS MORITA  
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
	Countywide Impact Fee Per 1,000 Square Foot			
Non-Residential				
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