

# **EXHIBIT D**

Tax & Fiscal Impact Agreement  
HV 4-15 Higgins

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**TAX AND FISCAL IMPACT AGREEMENT for ANNEXATION HV 4-15**

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 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 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, ANNEXATION HV 4-15 involves the annexation of approximately  
4 0.42 acres of vacant land to the City of Holtville (Assessor's Parcel Number 045-390-051 and  
5 045-390-053) for the purpose of connecting newly installed water and sewer and building  
6 residential structure(s)); and

7 WHEREAS, In order to offset the "negative fiscal impacts" to County and City for  
8 ANNEXATION HV 4-15, County and City are entering into this Agreement; and

9 WHEREAS, The parties have negotiated this Tax and Fiscal Agreement and City has  
10 agreed to pay County a designated amount for the exchange of property tax revenues and to offset  
11 negative impacts from ANNEXATION HV 4-15 to the City; and

12 WHEREAS, the current, estimated assessed valuation for the territory within  
13 ANNEXATION HV 4-15 is \$4,714.00.  
14

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

16 1. DEFINITIONS

17 a. "Base year revenues" means property tax revenues accruing to each agency  
18 in the current fiscal year, being defined as the fiscal year in which the annexation is accepted by  
19 the State Board of Equalization.  
20

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

24 c. "TRA" means tax rate area.

25 d. County and City are sometimes hereinafter collectively referred to as  
26 "Parties".  
27

1 2. APPORTIONMENT

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

7 b. All future tax increment shall be distributed in the amount of fifty percent  
8 (50%) of the increment to the City and fifty percent (50%) of the increment to the County effective  
9 in the fiscal year following the calendar year in which annexation is completed.  
10

11 3. APPLICATION

12 The provisions of this Agreement shall apply to the apportionment of all secured  
13 and unsecured property tax revenues, due to **ANNEXATION HV 4-15** to the City.

14 4. FISCAL IMPACT PAYMENT

15 a. To offset the negative impact to County as a result of **ANNEXATION HV**  
16 **4-15**, the City, shall collect from the Developer of the neighborhood residential property those  
17 certain impact fees pursuant to the *Schedule of Fiscal Impact Fees Per Unit (residential) and per*  
18 *1,000 Square Foot (nonresidential) Countywide* attached hereto as **Exhibit "A"**. Said fee schedule  
19 is pursuant to the Impact Fee Study prepared for the County of Imperial, California, by Tischler  
20 *Bise* dated August 17<sup>th</sup>, 2006. A copy of said Impact Fee Study is available upon request.  
21

22 b. During the term of this Agreement, should City rezone any portion of land  
23 within **ANNEXATION HV 4-15**, City shall collect from each developer those certain appropriate  
24 impact fees pursuant to the *Schedule of Fiscal Impact Fees Per Unit (residential) and per 1,000*  
25 *Square Foot (nonresidential) Countywide* attached hereto as **Exhibit "A"**.  
26

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

3 d. As an alternative said payments shall be made to County based upon the  
4 number of building permits issued by City on a quarterly basis including October 1, January 1,  
5 April 1 and July 1 beginning the first quarter following the issuance of any building permit related  
6 to **ANNEXATION HV 4-15**.

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

8 County of Imperial  
9 County Executive Office  
10 Attn: County Executive Officer  
11 940 Main Street, Suite 208  
12 El Centro, CA 92243

12 5. TERM OF AGREEMENT

13 a. This Agreement shall be in effect from the date of execution of this  
14 Agreement by County and City. The terms and conditions for **ANNEXATION HV 4-15** shall  
15 remain in full force and effect until each term or condition is completely and fully satisfied.

16 6. REDEVELOPMENT

17 Prior to the City including any portion of **ANNEXATION HV 4-15** in the next  
18 twenty (20) years covered by this Agreement into any program which adversely fiscally impacts  
19 County, City and County shall renegotiate and enter into a new and separate agreement which  
20 addresses said negative fiscal impacts.

21 7. INTENT OF AGREEMENT

22 a. By entering into this Agreement, the parties mutually assume the  
23 continuation of a statutory scheme for the distribution of tax revenues that is compatible with the  
24 provisions contained herein, and such assumption is a basic intent of this Agreement.  
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1           b.     If any term or provision of this Agreement is held by a court of competent  
2 jurisdiction to be void, invalid or otherwise unenforceable, the remaining terms and provisions  
3 shall continue in full force and effect.

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

9           d.     The parties hereto agree to act in good faith and deal fairly with the other  
10 party in the performance of this Agreement.

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

21                           **NOTICES TO COUNTY**

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

27                           **WITH COPIES TO**

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



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IN WITNESS WHEREOF, the parties have executed this Agreement in  
\_\_\_\_\_, California, on \_\_\_\_\_, 2015.

COUNTY OF IMPERIAL

\_\_\_\_\_  
RYAN E. KELLEY, Chairman  
Board of Supervisors


ATTEST: \_\_\_\_\_  
BLANCA ACOSTA, Clerk of the  
Board of the County of Imperial

APPROVED AS TO FORM:

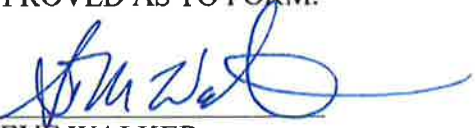
\_\_\_\_\_  
GEOFFREY P. HOLBROOK  
Assistant County Counsel

CITY OF HOLTVILLE

  
\_\_\_\_\_  
JIM PREDMORE  
Mayor

ATTEST:   
\_\_\_\_\_  
DENISE GARCIA  
City Clerk of the City of Holtville

APPROVED AS TO FORM:

  
\_\_\_\_\_  
STEVE WALKER  
Holtville City Attorney



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
<b>Residential</b>		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			
<b>Non-Residential</b>				
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
<b>Other Non-Residential</b>				
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