

EXHIBIT N

RESOLUTION NO. 11-153

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL CENTRO APPROVING A TAX AND FISCAL IMPACT AGREEMENT WITH IMPERIAL COUNTY FOR THE EXCHANGE OF PROPERTY TAX REVENUES UPON ANNEXATION OF TERRITORY TO THE CITY (ANNEXATION EC 08-04)

WHEREAS, it is necessary for the City Council of the City of El Centro, California (hereinafter referred to as "City Council"), to approve a Tax and Fiscal Impact Agreement for Annexation EC 08-04 (hereinafter referred to as "Agreement") with Imperial County (hereinafter referred to as "County") for exchange of property tax revenues upon annexation of territory to the City; and

WHEREAS, the City Council finds that its approval of said Agreement will be in the best interest of the City of El Centro, California.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF EL CENTRO, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

1. That the foregoing is true, correct and adopted hereby.
2. That the City Council of the City of El Centro, California, does hereby approve a Tax and Fiscal Impact Agreement for Annexation EC 08-04 with the County for the exchange of property tax revenues and fiscal impact fees upon annexation to the City, a copy of which is on file in the Office of the City Clerk.
3. That the Mayor of the City of El Centro, California, is hereby authorized to sign said Agreement on behalf of the City of El Centro, California.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of El Centro, California, held on the 6th day of December, 2011.

CITY OF EL CENTRO

By Sedalia Sanders
Sedalia Sanders, Mayor

ATTEST:

By L. Diane Caldwell
L. Diane Caldwell, City Clerk

APPROVED AS TO FORM:

Office of the City Attorney

By Luis F. Hernandez
Luis F. Hernandez, City Attorney

STATE OF CALIFORNIA)
COUNTY OF IMPERIAL) ss
CITY OF EL CENTRO)

I, L. Diane Caldwell, City Clerk of the City of El Centro, California, do hereby certify that the foregoing Resolution No. 11-153 was duly and regularly adopted at a regular meeting of the City Council of the City of El Centro, California, held on the 6th day of December, 2011, by the following vote:

AYES: Viegas-Walker, Silva, Jackson, Sanders
NOES: None
ABSENT: Solomon
ABSTAINED: None

By L. Diane Caldwell
L. Diane Caldwell, City Clerk

TAX AND FISCAL IMPACT AGREEMENT for ANNEXATION EC 08-04

1
2 THIS AGREEMENT is made and entered into by and between the COUNTY OF
3 IMPERIAL, a political subdivision of the State of California, hereinafter referred to as "County",
4 and the CITY OF EL CENTRO, a municipal corporation, hereinafter referred to as "City".

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

9
10 WHEREAS, California Government Code Section 56668 requires certain factors be
11 considered in review of any proposal before the Local Agency Formation Commission, hereinafter
12 referred to as "LAFCO," (including the "effect of the proposed action and of alternative actions on
13 adjacent areas, on mutual social and economic interests and on the local government structure of
14 the county"); and

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

19
20 WHEREAS, California Government Code Section 56021 defines "Change of
21 organization" to mean any of the following: (a) a city incorporation; (b) a district formation; (c)
22 an annexation to, or detachment from, a city or district; (d) a disincorporation of a city; (e) a
23 district dissolution; (f) a consolidation of cities or special districts; (g) a merger or establishment
24 of a subsidiary district, and;

25 WHEREAS, LAFCO requires a written agreement between the affected governmental
26 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 EC 08-04, 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 Impact Agreement for the
6 exchange of property tax revenues and to offset negative impacts from ANNEXATION EC 08-
7 04 to the City, and;

8 WHEREAS, The current assessed value for the territory within ANNEXATION EC 08-
9 04, including improvements, is \$14,144,852.00.

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

11
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
15 the State Board of Equalization.

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

22
23 2. APPORTIONMENT.

24 a. When a special district, including County Fire and Library Districts, gives
25 up its service responsibility in a territory, upon annexation of such territory to a City, the affected
26 special districts shall transfer to the City all of its base year revenues and tax increment attributable
27

1 to the annexed territory; effective in the fiscal year following the calendar year in which
2 annexation is completed.

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

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

14 3. APPLICATION.

15 The provisions of this Agreement shall apply to the apportionment of all secured
16 and unsecured property tax revenues, due to ANNEXATION EC 08-04 to the City.

18 4. FISCAL IMPACT PAYMENT

19 a. To offset the negative impact to County as a result of ANNEXATION EC
20 08-04, City, as compensation for the discounted negative impacts for the first twenty (20) years of
21 project development, agrees to pay County certain impact fees pursuant to the *Schedule of Fiscal*
22 *Impact Fees Per Unit (residential) and per Square Foot (nonresidential) – Countywide* attached
23 hereto as EXHIBIT A. Said fee schedule is pursuant to the Impact Fee Study prepared for the
24 County of Imperial, California, by Tischler Bise dated August 17th, 2006. A copy of said Impact
25 Fee Study is available upon request.

1 b. 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 c. 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 EC 08-04.

7 d. 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 EC 08-04 shall
15 remain in full force and effect until each term or condition is completely and fully satisfied.
16

17 6. REDEVELOPMENT

18 Prior to the City including any portion of ANNEXATION EC 08-04 in the next
19 twenty (20) years covered by this Agreement into a Redevelopment Program or any other program
20 which adversely fiscally impacts County, City and County shall renegotiate and enter into a new
21 and separate agreement which addresses said negative fiscal impacts.
22

23 7. INTENT OF AGREEMENT.

24 a. By entering into this Agreement, the parties mutually assume the
25 continuation of a statutory scheme for the distribution of tax revenues that is compatible with the
26 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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NOTICES TO CITY

City of El Centro
Attention: City Manager
1275 Main Street
El Centro, CA 92243

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.

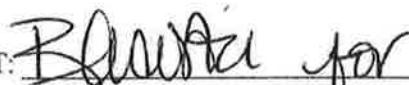
IN WITNESS WHEREOF, the parties have executed this Agreement in

_____, California, on _____, 2011.


COUNTY OF IMPERIAL



JESUS J. TERRAZAS, Chairman
Board of Supervisors

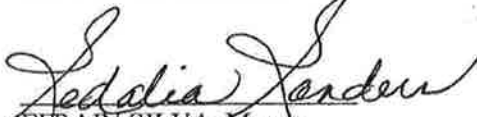
ATTEST: 
SYLVIA BERMUDEZ, Clerk of the
Board of the County of Imperial

APPROVED AS TO FORM:


MICHAEL L. ROOD,
County Counsel

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CITY OF EL CENTRO


~~ELIDA IN SILVA, Mayor~~
Sedalia Sanders, Mayor

ATTEST: Diane Caldwell
DIANE CALDWELL, Clerk of the
City of El Centro

APPROVED AS TO FORM:

By: Luis F. Hernandez
LUIS F. HERNANDEZ, 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

STATE OF CALIFORNIA)
COUNTY OF IMPERIAL)§
CITY OF EL CENTRO)

I, L. Diane Caldwell, City Clerk of the City of El Centro, California do hereby certify that the foregoing is a true and correct copy of Resolution No. 11-153 which was duly and regularly adopted at a regular meeting of the City Council of the City of El Centro held on the 6th day of December 2011 by the following vote:

AYES: Viegas-Walker, Silva, Jackson, Sanders

NOES: None

ABSENT: Solomon

ABSTAINED: None

(SEAL)


L. DIANE CALDWELL, CMC, CITY CLERK