

EXHIBIT D

TAX AND FISCAL IMPACT AGREEMENT FOR ANNEXATION HV 03-15

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, 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 made 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 03-15** involves the annexation of approximately
4 .36 acres of vacant land to the City of Holtville (a portion of Assessor's Parcel Number 045-
5 340-029) for the purpose of providing maneuvering area to an existing industrial operation
6 within the City; and

7 WHEREAS, **ANNEXATION HV 03-15** also involves the detachment of
8 approximately .99 acre of vacant land from the City of Holtville (a portion of Assessor's Parcel
9 Number 045-330-071) for the purpose of providing an access driveway to a landlocked parcel
10 in an unincorporated area of the County, and;

11 WHEREAS, In order to offset any potential "negative fiscal impacts" to County and
12 City as a result of **ANNEXATION HV 03-15**, County and City are entering into this
13 Agreement, and;

14 WHEREAS, the parties have negotiated this Tax and Fiscal Agreement and parties
15 have agreed that there will be negligible impacts from **ANNEXATION HV 03-15** to the City
16 resulting in no need to exchange property tax revenues, and;

17 WHEREAS, the current estimated assessed valuation for the territories within
18 **ANNEXATION HV 03-15** is **\$337.00** for parcel affected by annexation (APN 045-340-029)
19 and **\$8,700.00** for parcel affected by detachment (APN 045-330-071);

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

21 1. DEFINITIONS.

22 a. "Base year revenues" means property tax revenues accruing to each agency
23 in the current fiscal year, being defined as the fiscal year in which the annexation is accepted by
24 the State Board of Equalization.
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1 b. "Tax increment" means that amount of property tax revenues in excess of
2 base year revenues accruing to each agency (by Tax Rate Area) and resulting from the increase in
3 assessed valuation from one year to the next.

4 c. "TRA" means tax rate area.

5 d. County and City are sometimes hereinafter collectively referred to as
6 "Partics".

7 2. APPORTIONMENT.

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

13 b. All future tax increment shall remain unchanged and shall remain under the
14 existing tax distribution levels for each respective parcel within each respective jurisdiction.

15 3. APPLICATION.

16 a. The provisions of this Agreement shall apply to the apportionment of all
17 secured and unsecured property tax revenues, due to **ANNEXATION HV 03-15** to the City and
18 the County.
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20 4. FISCAL IMPACT PAYMENT

21 a. It is agreed that there are no negative impacts to the County as a result of
22 **ANNEXATION HV 03-15** that would result in the collection of impact fees as the
23 annexed territory is not developable.
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1 b. It is agreed that there are negligible impacts to the City as a result of
2 detachment under **ANNEXATION HV 03-15** that would result in the collection of
3 impact fees from detached territory.

4 5. TERM OF AGREEMENT.

5 a. This Agreement shall be in effect from the date of execution of this
6 Agreement by County and City. The terms and conditions for **ANNEXATION HV 03-15** shall
7 remain in full force and effect until each term or condition is completely and fully satisfied.

8 6. REDEVELOPMENT

9 Prior to the City including any portion of **ANNEXATION HV 03-15** in the next
10 twenty (20) years covered by this Agreement into any program which adversely fiscally impacts
11 County, City and County shall renegotiate and enter into a new and separate agreement which
12 addresses said negative fiscal impacts.

13 7. INTENT OF AGREEMENT.

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

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

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

3 e. Notices required hereunder shall be in writing and may be given either
4 personally or by registered or certified mail, postage prepaid, return receipt requested. If given
5 by registered or certified mail, such notice shall be addressed as indicated below and shall be
6 deemed given and received upon the earlier of actual receipt by the party to whom the notice
7 was sent or return of the requested receipt to the party giving notice. Notice personally given
8 shall be deemed given when delivered to the party to whom the notice is addressed. Any party
9 may upon ten (10) days written notice to the other party, change the address where notices are
10 to be sent.
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12 **NOTICES TO COUNTY**

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

18 **WITH COPIES TO**

19 Imperial County LAFCO
20 Attention: Executive Officer
21 1122 State Street, Suite D
22 El Centro, CA 92243

23 **NOTICES TO CITY OF HOLTVILLE**

24 City of Holtville
25 Attention: City Manager
26 121 West Fifth Street
27 Holtville, CA 92250

28 7. **EXECUTION OF AGREEMENT.**

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

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

3 IN WITNESS WHEREOF, the parties have executed this Agreement in

4 El Centro, California, on May 2nd, 2017.

COUNTY OF IMPERIAL

Michael W. Kelley

MICHAEL W. KELLEY, Chairman
Board of Supervisors

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

12 APPROVED AS TO FORM:
13 KATHERINE TURNER
14 County Counsel

14 Eric Havens
15 By: Eric Havens
16 Deputy County Counsel

CITY OF HOLTVILLE

Mike Goodsell

MIKE GOODSSELL
Mayor

20 ATTEST: Denise Garcia
21 DENISE GARCIA
22 City Clerk of the City of Holtville

23 APPROVED AS TO FORM:

24 Steven Walker
25 STEVEN WALKER
26 Holtville City Attorney