

# EXHIBIT D

1                   **TAX AND FISCAL IMPACT AGREEMENT FOR ANNEXATION IM 5-15**

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

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

10          WHEREAS, California Government Code Section 56668 requires certain factors be  
11 considered in review of any proposal before the Local Agency Formation Commission,  
12 hereinafter referred to as "LAFCO," (including the "effect of the proposed action and of  
13 alternative actions on adjacent areas, on mutual social and economic interests and on the local  
14 government structure of 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          WHEREAS, California Government Code Section 56021 defines "Change of  
20 organization" to mean any of the following: (a) a city incorporation; (b) a district formation; (c) an  
21 annexation to, or detachment from, a city or district; (d) a disincorporation of a city; (e) a district  
22 dissolution; (f) a consolidation of cities or special districts; (g) a merger or establishment of a  
23 subsidiary district; and

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

26          WHEREAS, **ANNEXATION IM 5-15** involves the annexation of approximately 29.98  
27 acres of vacant land to the City of Imperial identified as Assessor's Parcel Numbers 064-013-004,

1 064-254-084, 064-254-085, 064-254-086, 064-254-087, 064-254-088 and 064-020-043 for the  
2 purpose of Low Medium Density Residential and Assessor's Parcel Number 064-013-003 for the  
3 purpose of Multiple Family (Rental) Residential including retention basins to accommodate  
4 stormwater; and

5 WHEREAS, in order to offset the "negative fiscal impacts" to County and City for  
6 **ANNEXATION IM 5-15**, County and City are entering into this Agreement; and

7 WHEREAS, through this Agreement, City agrees to pay County a designated amount to  
8 offset the negative impacts created through an annexation of territory to the City; and

9 WHEREAS, the parties have negotiated this Tax and Fiscal Agreement for the exchange  
10 of property tax revenues and to offset negative impacts from **ANNEXATION IM 5-15** to the  
11 City; and

12 WHEREAS, the current assessed value for the territory within **ANNEXATION IM 5-15**,  
13 including improvements, is six hundred thirty-seven thousand three hundred ninety-seven dollars  
14 (\$637,397).

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

23 c. "TRA" means tax rate area.

24 d. County and City are sometimes hereinafter collectively referred to as "Parties."

25 2. APPORTIONMENT.

26 a. When a special district, including County Fire and Library Districts, gives  
27 up its service responsibility in a territory, upon annexation of such territory to a City, the affected  
28

1 special districts shall transfer to the City all of its base year revenues and tax increment  
2 attributable to the annexed territory, effective in the fiscal year following the calendar year in  
3 which annexation 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 aforestated  
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  
10 forty percent (40%) of the base year revenues. The aggregate amount of the tax increment that  
11 would accrue to County and City, as a result of the aforestated base year revenue apportionment,  
12 shall be distributed in the amount of fifty percent (50%) of the increment to the City and fifty  
13 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 and  
16 unsecured property tax revenues, due to **ANNEXATION IM 5-15** to the City.

17 4. FISCAL IMPACT PAYMENT.

18 a. To offset the negative impact to County of **ANNEXATION IM 5-15**,  
19 City, as compensation for the discounted negative impacts for the first twenty (20) years of  
20 project development, agrees to pay County certain impact fees pursuant to the *Schedule of Fiscal*  
21 *Impact Fees Per Unit (residential) and per Square Foot (nonresidential) -Countywide* attached  
22 hereto as **EXHIBIT "A"**. Said fee schedule is pursuant to the Impact Fee Study prepared for the  
23 County of Imperial, California, by Tischler Bise dated August 17<sup>th</sup>, 2006 . A copy of said Impact  
24 Fee Study is available upon request.

25 b. Said payment of impact fees shall be made to County by City in a lump  
26 sum upon annexation or recordation of the Final Map, or issuance of permits, as applicable.

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

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

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

11 **5. TERM OF AGREEMENT.**

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

15 **6. ADVERSE PROPERTY TAX IMPACTS.**

16 Prior to the City including any portion of **ANNEXATION IM 5-15** in the next twenty  
17 (20) years covered by this Agreement into any program which adversely fiscally impacts County,  
18 City and County shall renegotiate and enter into a new and separate agreement which addresses  
19 said negative fiscal impacts.

20 **7. INTENT OF AGREEMENT.**

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

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

27 c. This Agreement is made and entered into in Imperial County, California.  
28 This agreement shall be construed and enforced in accordance with the laws of the State of  
California, except that the parties agree that any action brought by either party regarding this

1 Agreement shall be brought in a court of competent jurisdiction in Imperial County, or if  
2 appropriate, in the Federal District Court serving Imperial County.

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

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

12 **NOTICES TO COUNTY**

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

17 **WITH COPIES TO**

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

21 **NOTICES TO CITY OF IMPERIAL**

22 City of Imperial  
23 Attention: City Manager  
24 420 South Imperial Avenue  
Imperial, CA 92251

25 **8. EXECUTION OF AGREEMENT.**

26 a. The parties herein agree that this Agreement may be executed in  
27 counterparts.

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 California, on \_\_\_\_\_, 2017.

5                   COUNTY OF IMPERIAL

6  
7                   \_\_\_\_\_  
8                   MICHAEL W. KELLEY  
                    Chairman of the Board of Supervisors

9                   ATTEST: \_\_\_\_\_  
10                   BLANCA ACOSTA  
                    Clerk of the Board of Supervisors

11  
12                  APPROVED AS TO FORM:

13  
14                  \_\_\_\_\_  
15                  KATHERINE TURNER  
                    County Counsel

16                   CITY OF IMPERIAL

17                   \_\_\_\_\_  
18                   JAMES TUCKER  
                    Mayor

19                   \_\_\_\_\_  
20                   ATTEST: DEBRA JACKSON  
21                   Clerk of the City of Imperial

22  
23  
24                  APPROVED AS TO FORM:

25                   \_\_\_\_\_  
26                   Dennis H. Morita  
27                   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>		<b>Per Housing Unit</b>		
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
<b>Non-Residential</b>	<b>Countywide Impact Fee Per 1,000 Square Foot</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

