

EXHIBIT L

1 **WHEREAS**, Annexation EC 2-17 is necessary in order for the City to permit development by a
2 tax-exempt public entity of approximately six (6) acres of administrative offices, with the expectation
3 that the remaining seventy-four (74) acres will be developed into a regional park and recreational facility;
4 and

5 **WHEREAS**, the current assessed value for the territory within Annexation EC 2-17, including
6 improvements, is two million four hundred fifty thousand one hundred thirty-nine dollars (\$2,450,139.00);
7 however; no property tax is currently collected on such eighty (80) acres because of its ownership by a tax
8 exempt entity; and

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

11 **WHEREAS**, in order to offset the negative fiscal impacts to County resulting from Annexation
12 EC 2-17, the Parties are entering into this Agreement, in which City agrees to exchange property tax
13 revenues and make certain payments to County, as further detailed below, for this specific annexation;
14 and

15 **WHEREAS**, the provisions of this Agreement shall not serve as precedent for any other
16 annexations.

17 **NOW, THEREFORE**, the Parties agree as follows:

18 **1. DEFINITIONS.**

19 **1.1.** “Base year revenues” means property tax revenues accruing to each agency in the current
20 fiscal year, being defined as the fiscal year in which the annexation is accepted by the State
21 Board of Equalization.

22 **1.2.** “Tax increment” means that the amount of property tax revenues in excess of base year
23 revenues accruing to each agency (by Tax Rate Area) and resulting from the increase in
24 assessed valuation from one year to the next. At present, there is no tax increment generated
25 from the property.

26 **2. APPORTIONMENT.**

27 **2.1.** When a special district, including County Fire and Library Districts, gives up its service
28 responsibility in a territory, upon annexation of such territory to a City, the affected special

1 districts shall transfer to the City all of its base year revenues and tax increment attributable
2 to the annexed territory, effective in the fiscal year following the calendar year in which
3 annexation is completed.

4 **2.2.** It is understood and agreed between the Parties that the base year revenue shall be zero dollars
5 (\$0.00) due to the Imperial County Office of Education's tax-exempt status. Additionally, a
6 tax increment shall only be generated if the property, or a portion thereof, that is the subject
7 of Annexation EC 2-17 is developed by an entity that is subject to property taxation. In that
8 specific instance, if a Master Tax Sharing Agreement between the City and County is in place,
9 the provisions of that Master Tax Sharing Agreement will apply to determine the
10 apportionment of fiscal impact fees and property taxes. If a Master Tax Sharing Agreement
11 is not in place, then this Agreement shall be renegotiated to address the appropriate share of
12 property taxes and fiscal impact fees, if any, to be allocated to City and County.

13 **3. APPLICATION.**

14 The provisions of this Agreement shall apply to the apportionment of all secured and unsecured
15 property tax revenues resulting from Annexation EC 2-17.

16 **4. FISCAL IMPACT PAYMENT.**

17 **4.1.** To offset the negative impacts to County resulting from Annexation EC 2-17, as
18 compensation for the discounted negative impacts for the first twenty (20) years of project
19 development, and in addition to any applicable City development impact fees, City shall
20 require that each developer pay County certain fiscal impact fees pursuant to the *Schedule of*
21 *Fiscal Impact Fees Per Unit (residential) and per Square Foot (nonresidential) –*
22 *Countywide* ("Fee Schedule"), attached hereto as **Exhibit "A."** Said Fee Schedule is made
23 pursuant to the Impact Fee Study prepared for the County of Imperial, California, by Tischler
24 Bise dated August 17th, 2006 as that may be updated from time to time. A copy of said
25 Impact Fee Study is available upon request.

26 **4.2.** During the term of this Agreement, should City rezone any portion of the land within
27 Annexation EC 2-17, in addition to any City development impact fees, City shall require
28

1 that each developer pay the appropriate County fiscal impact fees pursuant to the Fee
2 Schedule attached hereto as **Exhibit "A."**

3 **4.3.** In the event that a developer fails to pay the County the applicable fiscal impact fees required
4 to be paid with respect to any building permits relating to Annexation EC 2-17, for which
5 the developer is making application to the City, City shall deny the application for said
6 building permits until such time as the developer pays the required fiscal impact fees
7 applicable to such building permits, as provided for pursuant to the Fee Schedule. In the
8 event that a building permit were to be issued in contravention of this subsection, that
9 issuance shall be of no force and effect.

10 **4.4.** Payment of fiscal impact fees shall be made by a developer to the County in the appropriate
11 and applicable amounts depending upon the number of building permits for which the
12 developer is making application to the City at any given time. Upon payment by the
13 developer of the fiscal impact fees applicable to any building permits for which the developer
14 is making application to the City as provided for above, the County shall issue a receipt
15 and/or other form of documentation evidencing that the developer has made the required
16 payment, and the City shall be entitled to rely upon such receipt and/or other documentation
17 issued by the County that the required fiscal impact fees in respect of such building permits
18 have been paid for the purposes of this Agreement.

19 **4.5.** Notwithstanding anything to the contrary herein, if at the time all or a portion of the property
20 becomes subject to property tax assessment, if a Master Tax Sharing Agreement between the
21 City and County is in place, the provisions of that Master Tax Sharing Agreement will apply
22 to determine the apportionment of fiscal impact fees and property taxes.

23 **4.6.** All payments shall be made to County at the following address:

24
25 County of Imperial
26 County Executive Office
27 Attn: County Executive Office
28 940 Main Street, Suite 208
El Centro, CA 92243

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1 **5. TERM OF AGREEMENT.**

2 This Agreement shall become effective upon execution by both Parties. The terms and conditions
3 for Annexation EC 2-17 shall remain in full force and effect for a term of twenty (20) years from the date of
4 execution of this Agreement by both Parties.

5 **6. ADVERSE PROPERTY TAX IMPLICATIONS.**

6 Prior to the City including any portion of Annexation EC 2-17, in the next twenty (20) years covered
7 by this Agreement, into any program which adversely fiscally impacts County, the Parties shall renegotiate
8 and enter into a new and separate agreement which addresses said negative fiscal impacts.

9 **7. INTENT OF AGREEMENT.**

10 By entering into this Agreement, the Parties mutually assume the continuation of a statutory scheme
11 to the distribution of tax revenues that is compatible with the provisions contained herein, and such
12 assumption is a basic intent of this Agreement.

13 **8. SEVERABILITY.**

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

16 **9. GOVERNING LAW.**

17 This Agreement is made and entered into in Imperial County, California. This agreement shall be
18 construed and enforced in accordance with the laws of the State of California, except that the Parties agree
19 that any action brought by either Party regarding this Agreement shall be brought in a court of competent
20 jurisdiction in Imperial County, or if appropriate, in the Federal District Court serving Imperial County.

21 **10. GOOD FAITH.**

22 The Parties hereto agree to act in good faith and deal fairly with the other Party in the performance
23 of this Agreement.

24 **11. NOTICES.**

25 Notices required hereunder shall be in writing and may be given either personally or by registered
26 or certified mail, postage prepaid, return receipt requested. If given by registered or certified mail, such
27 notice shall be addressed as indicated below, and shall be deemed given and received upon the earlier of
28 actual receipt by the Party to whom the notice was sent, or return of the requested receipt to the Party

1 giving notice. Notice personally given shall be deemed given when delivered to the Party to whom the
2 notice is addressed. Any party may upon ten (10) days written notice to the other Party, change the
3 address where notices are to be sent.

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5 **Notice to County**

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

11 **With Copies To**

12 Imperial County LAFCO
13 Attention: Executive Officer
14 1122 State St., Suite D
15 El Centro, CA 92243

16 **Notice to City**

17 City of El Centro
18 Attention: City Manager
19 1275 W. Main Street
20 El Centro, CA 92243

21 **12. COUNTERPARTS.**

22 The Parties herein agree that this Agreement may be executed in counterparts.

23 **13. AUTHORITY.**

24 The Parties herein each warrant and represent that they are authorized to execute this Agreement and
25 bind City or County to the terms and conditions of this Agreement.

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1 **IN WITNESS WHEREOF**, the Parties hereto have caused this Agreement to be executed the
2 day and year written below.

3
4 **COUNTY OF IMPERIAL:**

5 By: 
6 Ryan E. Kelley, Chairman
7 Imperial County Board of Supervisors


8 Date: 07/15/19

CITY OF EL CENTRO

By: 
Edgard Garcia, Mayor
El Centro City Council

Date: 6/26/19

10 **ATTEST:**

11
12 By: 
13 Blanca Acosta, Clerk
14 of the Board of Supervisors

ATTEST:

By: 
L. Diane Caldwell, Clerk
of the City of El Centro

16 **Approved as to Form:**

17
18 KATHERINE TURNER
19 County Counsel

20 By: 
21 Adam G. Crook,
22 Deputy County Counsel

Approved as to Form

By: 
Elizabeth L. Martyn,
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