

# Davis Disc Tax Sharing and MOU

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# DiSC Proposed Annexation Location

- The City of Davis proposes to annex 102 acres east of Mace Blvd and north of County Road 105 for the construction of an innovation park.
- Annexation subject to Measure H vote by Davis on June 7<sup>th</sup>
- Annexation would be subject to LAFCo approval.



# Development Agreement

- County has been negotiating with City since September 2021. Development agreement was approved to address County concerns by City in February 2022 including:
  1. Will participate in Yolo TMA
  2. Moves separated grade crossing on Mace to as early as phase 1 as possible and shared effort for obtaining grants
  3. Ensured County participation in traffic studies and mitigation matters particularly on impacts to County Roads/Road users
  4. Enhanced Agricultural mitigation to the structure of the City or County ordinances for the greatest farmland conservation
  5. Ensured that drainage would be onsite rather than outside project boundaries
  6. Developer will contribute \$2,000,000 to County for construction of a South Davis Library.

# Tax Sharing Agreement

- In order to proceed with annexation, LAFCo will need a completed tax sharing agreement. The proposed agreement includes the following:
  - **Property Taxes**
    - General Fund (50% County / 50% City)
    - Accumulated Capital Outlay Fund (100% County / 0% City)
    - Road District # 2 (0% County / 100% City)
    - East Davis Fire District (0% County / 100% City, but with a \$5,000 annual fee paid by City to the District)
  - **Sales Taxes**
    - Shared 50% County and 50% City with no base or cap included
  - **Communities Facility District**
    - County will receive the greater of 50% or \$75,000 per year of revenues from the CFD for the maintenance and operations of a future South Davis Library

# City, County, and Developer MOU

- Subsequent to the development agreement, additional work occurred to resolve traffic concerns in the project area and vicinity. An agreement was crafted to supplement requirements of the DA and includes the following key provisions.
- Section 1B - Extends the Mace Boulevard Corridor Plan to Pole Line Road/County Road 102 for project design including design of a second westbound lane from Harper Junior High to East Covell and for improvements to the intersection of Mace Boulevard and County Road 104A/30B.
- Section 2A - Clarifies certain mitigation measures are the responsibility of the Applicant to construct and commits applicant to fund 65% design for the Mace grade-separated crossing at the time of issuance of grading permits to allow City and County to collaborate in the pursuit of grant funds.
- Section 2B - Clarifies that certain mitigation measures will be fair share improvements and determines that these may be designed and implemented at the sole discretion of the County and agrees to the acceptable methodology for calculation of fair share contribution.
- Section 2C - Addressing additional improvements not covered by Section 2A-B will either be constructed by the developer or the City (if they elect to have a fair share contribution in lieu of developer construction). This also includes the added construction of a second westbound lane from Harper Junior High to East Covell and for improvements to the intersection of Mace Boulevard and County Road 104A/30B, subject to CEQA approval.
- Section 4 - Performs a pre-construction survey and determines process for further surveys to determine construction-related damage to County roads in the project area and the process for repairs or other work to address such damage at the Developer's expense.

# Recommended Actions

1. Adopt resolution authorizing execution of a Revenue Sharing and Property Tax Exchange Agreement between Yolo County and the City of Davis related to planned annexations for the Davis Innovation and Sustainability Campus (DiSC 2022); and
2. Approve memorandum of understanding between City, County, and the project applicants on traffic and traffic infrastructure.