

YOLO COUNTY AGREEMENT NO. __-__

CITY OF WOODLAND AGREEMENT NO. __-__

Tax Exchange Agreement Between the County of Yolo and the City of Woodland Relating to the Barnard Street, Westucky, Pirmi Rice Plant, Sports Park Area, and Water Treatment Plant Annexations

This Tax Exchange Agreement (“Agreement”) is entered into as of _____, 2022 (“Effective Date”), by and between the County of Yolo, a political subdivision of the State of California (“County”), and the City of Woodland, a municipal corporation (“City”) (collectively with County, the “Parties”).

RECITALS

WHEREAS, the Yolo County Local Agency Formation Commission (“LAFCo”) occasionally receives applications for annexations of land from the unincorporated area of the County to a city; and

WHEREAS, the LAFCo Executive Officer is prohibited by law from issuing a Certificate of Filing for such applications until the requesting city and County determine, pursuant to Section 99 of the California Revenue and Taxation Code, the amount of property tax revenues to be exchanged between and among the local agencies whose service areas or responsibilities will be altered should the annexation occur; and

WHEREAS, Proposition 11, which was enacted by the electorate on November 3, 1998, added subsection (b) to section 29 of Article XIII of the State Constitution to authorize counties and cities to enter into contracts to apportion the revenues of sales or use taxes imposed by them pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law and collected by the state; and

WHEREAS, City is contemplating the annexation of unincorporated land in five areas: the Barnard Street, Westucky, Pirmi Rice Plant, Sports Park Area, and Water Treatment Plant Annexations (collectively, the “Annexations”); and

WHEREAS, rather than apply the existing Master Tax Sharing Agreement to any annexation(s) that may occur in connection with the Projects, City and County have negotiated in good faith to determine a proposed allocation of property tax and sales and use tax revenues from the proposed Annexations; and

WHEREAS, the Parties desire to enter into this Agreement to provide, pursuant to the provisions of California law referenced above, for the exchange of property tax revenues by and between the affected local agencies and for the apportionment of sales and use tax revenue between the City and County with regard to the Annexations, as set forth in further detail below; and

NOW, THEREFORE, based on the foregoing recitals the parties hereby agree as follows:

AGREEMENT

1. Purpose and Scope. The primary purpose of this Agreement is to describe an equitable exchange of Property Tax Revenue between the Parties as required by Revenue and Taxation Code § 99. Additionally, this Agreement ensures a fair allocation of sales and use tax revenues between the Parties based on the existing or anticipated City Land Use Designations described further below.

2. Definitions. For purposes of this Agreement, the following words, phrases, and terms shall have the meanings set forth below:

A. “Annexation Area(s)” shall refer to any or all of the parcels located within the five proposed annexation areas shown generally on Exhibit A hereto, incorporated herein by this reference, for which an application or resolution pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code §§ 56000 *et seq.*) (the “Act”) is filed with LAFCo during the term of this Agreement.

B. “Annexation Date” shall mean the date specified by the Act as the effective date of each annexation covered by this Agreement.

C. “Barnard Street Area” shall mean the property annexed to the City, as authorized by LAFCo, as generally identified on Exhibit A, consisting of Assessor Parcel Numbers 027-430-001, 002, 003, 004, 005.

D. “Base Year” shall mean the fiscal year during which an annexation covered by this Agreement is completed, unless otherwise specified herein.

F. “Land Use Designations” shall mean the City’s existing or proposed Land Use Designations for parcels within each Annexation Area, in accordance with City’s General Plan.

G. “Pirmi Rice Plant Area” shall mean the property annexed to the City, as authorized by LAFCo, as generally identified on Exhibit A, consisting of Assessor Parcel Numbers 027-340-005, 008, 010, 020, 022, 027, 033, 034, 035, 037, 038, 039.

H. “Property Tax Revenue” shall mean all revenue from “ad valorem real property taxes on real property,” as that term is used in Section 1 of Article XIII.A of the California Constitution and as more particularly defined in Revenue and Taxation Code § 95(c), that is collected from within each Annexation Area and available for allocation to the City and County.

I. “Sales and Use Tax Revenues” shall mean the revenue from the Bradley-Burns sales, transactions and use taxes levied and received by City that are generated at a point of sale within certain Annexation Areas covered by this agreement.

J. “Special Districts” shall mean the Springlake Fire Protection District, the Sacramento-Yolo Mosquito and Vector Control District, the Yolo County Flood Control and Water Conservation District, the Yolo County Resources Conservation District, and any other entities that are considered special districts under California law.

K. “Sports Park Area” shall mean the property annexed to the City, as authorized by LAFCo, as generally identified on Exhibit A, consisting of Assessor Parcel Number 041-080-002.

L. “Water Plant Area” shall mean the property annexed to the City of Woodland, as authorized by LAFCo, as generally identified on Exhibit A, consisting of Assessor Parcel Number 027-852-007.

M. “Westucky Area” shall mean the property annexed to the City of Woodland, as authorized by LAFCo, as generally identified on Exhibit A, consisting of Assessor Parcel Numbers 027-081-002, 003, 004, 005, 006, 007, 012, 013, 015, 016 027-082-001, 002, 012, 014, 015, 016, 019, 022, 023, 024, 027-440-014.

3. Assumption of Services After Annexation; Detachment. The parties understand that commencing upon each Annexation Date, City shall assume full responsibility for providing road, library, fire protection, and all other municipal services to each Annexation Area. As such, City agrees to make a good faith effort to annex lands in a logical manner that minimizes transition problems from the previous service provider(s). With respect to fire services currently provided by Springlake Fire Protection District, City shall pursue detachment proceedings with LAFCo concurrently with the annexations covered by this Agreement.

4. Property Tax Revenue Distribution Methodology. The Parties agree that, as to each Annexation Area (or portion thereof) only, Property Tax Revenue shall be distributed as follows following the applicable Annexation Date:

A. For property tax revenue derived from the Barnard Street Area, fifty percent (50%) to the County and fifty percent (50%) to the City. No changes in existing Land Use Designations are proposed or anticipated in the near future.

B. For property tax revenue derived from the Westucky Area, fifty percent (50%) to the County and fifty percent (50%) to the City. No changes in existing Land Use Designations are proposed or anticipated in the near future.

C. For property tax revenue derived from the Pirmi Rice Plant Area, fifty percent (50%) to the County and fifty percent (50%) to the City. No changes in existing Land Use Designations are proposed or anticipated in the near future.

D. For property tax revenue derived from the Sports Park Area, one hundred percent (100%) to the City. No changes in existing Land Use Designations are proposed or anticipated in the near future. In the event the City proposes to sell or transfer the parcel or no longer uses the parcel for a municipal or public benefit, the allocation shall be subject to renegotiation and no sale or transfer may occur until an amendment to this Agreement is fully executed. In negotiating any such amendment, the Parties shall

cooperate in good faith to determine an equitable revenue allocation that is generally consistent with any similar property tax sharing allocation(s) set forth in agreements between the Parties within the decade (or other relevant period mutually agreeable to the Parties) prior to the renegotiation, taking any unique circumstances into account. The failure to negotiate an amendment prior to a transfer shall not void the transfer, but the obligation to negotiate an amendment is a continuing obligation and shall continue in force after any transfer occurs.

E. For property tax revenue derived from the Water Treatment Plant Area, one hundred percent (100%) to the City. No changes in existing Land Use Designations are proposed or anticipated in the near future. In the event the City sells or transfer the parcels or no longer uses the parcel for a municipal or public benefit, the allocation shall be subject to renegotiation as set forth in the preceding subsection.

A partial annexation within an Annexation Area shall result in the transfer of a proportionate share of those revenues reflecting the percentage of the whole area for which the annexation was contemplated pursuant to this Agreement. For example, if the City annexes only half of the land within an Annexation Area, 50 percent of Property Tax Revenues within the entire Annexation Area will be subject to distribution pursuant to the methodology set forth above.

The distributions described above shall take effect for each new tax rate area in the first fiscal year following the Annexation Date for each Annexation Area. An interim period is expected to exist between the start of City service responsibilities for the Annexation Areas and the establishment of a new tax rate area by the Board of Equalization. Should that interim period occur the County Chief Financial Officer shall calculate a payment (“Interim Payment”) due and payable from the County to the City no later than August 31 for the prior fiscal year. The Interim Payment shall be calculated based on the value of property taxes that would have been transferred from the County to the City had the new tax rate area been previously in effect and the proportional share due to the city based on the fraction of the fiscal year that the City was responsible for service provision.

The foregoing distributions are based on Property Tax Revenue currently allocated to the County General Fund. Revenues currently allocated to the County Accumulated Capital Outlay (ACO) Fund, County Library, and to County Road District No. 2 shall, after annexation, be allocated 100% to the City. It is understood that ACO funds shall be used for curb, gutter, sidewalk and street improvements in the Westucky, Barnard Street, and/or Pirmi Rice Areas. All allocations shall occur after the shift to the Education Revenue Augmentation Fund and all distributions to Special Districts pursuant to Section 6, below. The County Auditor will work with the State Board of Equalization to establish separate tax rate areas for each annexation occurring within the Annexation Areas prior to the allocation and distribution of Property Tax Revenue under this Agreement.

5. Sales and Use Tax Distribution Methodology. The Parties agree that, as to the Barnard Street Annexation Area only, Sales and Use Tax Revenue shall be distributed fifty percent (50%) to the County and fifty percent (50%) to the City following the Annexation Date.

6. Allocation to Other Public Entities. For all Annexation Areas, the City shall receive all Property Tax Revenue allocated to the Springlake Fire Protection District, Library District and Road District beginning in the first fiscal year following the completion of detachment proceedings.

7. Exchange by County Auditor. The Parties agree that all of the exchanges of Property Tax Revenue required by this Agreement shall be performed by the County Auditor in the customary time and manner for such exchanges based on other similar agreements with local jurisdictions.

9. Dispute Resolution. Disputes arising under this Agreement will be resolved, whenever possible, through the process of meeting and conferring in good faith. To that end, in the event of a dispute as to compliance with the terms and conditions of this Agreement, the Parties agree as follows:

A. Either party will provide the other, as soon as reasonably possible after an event giving rise to concern, a written notice setting forth, with specificity, the issues to be resolved;

B. The parties will meet and confer in a good faith attempt to resolve the dispute through negotiation no later than ten (10) days after receipt of the notice, unless both parties agree in writing to an extension of time;

C. If the dispute is not resolved to the satisfaction of the parties within 30 calendar days after the first meeting, then either party may seek to have the dispute resolved by arbitration offered by JAMS;

D. Each party shall bear its own costs, attorneys' fees and one half the costs and expenses of JAMS and the arbitrator. There shall be a single neutral named by mutual agreement of the Parties. If the Parties are unable to agree on the arbitrator within 30 days of initially receiving a list of qualified individuals, JAMS shall select the arbitrator;

E. The provisions of Section 1283.05 of the California Code of Civil Procedure will apply to the arbitration; however, no discovery authorized by that section may be conducted absent good cause and leave of the arbitrator. The arbitral award will be in writing, and provide reasons for the decision. However, either party may file an appeal pursuant to the procedures authorized by JAMS.

10. Development Impact Fees.

A. The City will require each developer within the Annexation Area to pay the County's Facilities Fees adopted pursuant to Chapter 14 of Title 3 of the Yolo County Code, as the fees may be amended from time to time (the "Capital Facilities Authorization and Fee Ordinance"). The City will fulfill this obligation by including the requirement in any development agreement or condition of approval adopted in connection with a development project proposed within the Annexation Area. Prior to issuance of building permits for construction of new building square footage, the City

will require the developer to confirm payment of applicable County Development Impact Fees to the County, all in accordance with the Capital Facilities Authorization and Fee Ordinance.

B. County agrees to allow the payment of County Development Impact Fees to be deferred to the time of final certificate of occupancy on all permits for which the City of Woodland has agreed to defer City Development Impact Fees owed by the project.

D. Notwithstanding the foregoing, City shall have no liability under this Section to County if the Capital Facilities Authorization and Fee Ordinance and/or the fee provisions of this Section are determined by a final judgment of a court of competent jurisdiction to be invalid.

11. Mutual Defense; Waiver of Retroactive Recovery. If the validity of this Agreement is challenged in a legal action by a party other than City or County, then the Parties agree to jointly defend the legal action and share equally all related costs, fees, and expenses arising from the action. Further, the Parties hereby waive any right to the retroactive recovery of any City or County tax revenues exchanged pursuant to this Agreement prior to the date on which such legal action is filed in a court of competent jurisdiction. The remedy available in any such legal action shall be limited to a prospective invalidation of the Agreement.

12. Amendment. This Agreement and all of the covenants and conditions set forth herein may be modified or amended only by a writing duly authorized and executed by the Parties.

13. Reformation. The Parties understand and agree that this Agreement is based upon existing California law and that such law may be substantially amended in the future. In the event California law is amended and this Agreement is rendered invalid or otherwise substantially affected in a manner that denies either party the full benefit of its terms, the Parties agree to renegotiate the Agreement in good faith with the goal of reaching a new arrangement that as closely as possible approximates the arrangement set forth herein.

14. Effect of Agreement. This Agreement applies solely to the Annexation Areas specifically identified herein and Property Tax Revenues and Sales and Use Tax Revenues in each such area. It does not constitute a master tax sharing agreement or an agreement on property tax exchanges that may be required for any other annexation to the City, nor does it alter or enlarge any other revenue sharing obligations of the Parties.

15. Notices.

A. Notices may be delivered or mailed to the respective representatives of the Parties at the following addresses:

City: City of Woodland
300 First Street
Woodland, CA 95695
Attn: City Manager

Tel: (530) 661-5800
Fax: (530) 661-5844

County: County of Yolo
625 Court Street
Room 202
Woodland, CA 95695
Attn: CAO
Tel: (530) 666-8150
Fax: (530) 668-4029

B. In lieu of written notice to the above addresses, any party may provide notices through the use of facsimile machines provided confirmation of delivery is obtained at the time of transmission of the notices and provided the following facsimile telephone numbers are used:

City: (530) 661-5813

County: (530) 668-4029

C. Any party may change the address or facsimile number to which such communications are to be given by providing the other parties with written notice of such change at least fifteen (15) calendar days prior to the effective date of the change.

D. All notices shall be effective upon receipt and shall be deemed received through delivery if personally served or served using facsimile machines, or on the fifth (5th) day following deposit in the mail if sent by first class mail.

16. Amendments. This Agreement may be amended only by a written instrument approved by the respective governing bodies of the Parties.

17. Counterparts. This Agreement may be signed in one or more counterparts and shall be effective when signed by the Chair of the Yolo County Board of Supervisors and the Mayor of the City of Woodland. Faxed or electronic signature pages may be relied upon as evidence of execution.

18. Entire Agreement. This Agreement constitutes the entire agreement between the County and City and supersedes all prior negotiations, representations, or agreements, whether written or oral. In the event of a dispute between the parties as to the language of this Agreement or the construction or meaning of any term hereof, this Agreement shall be deemed to have been drafted by the parties in equal parts so that no presumptions or inferences concerning its terms or interpretation may be construed against any party to this Agreement.

IN WITNESS WHEREOF, the Parties hereby execute this Agreement as of the date first set forth above.

CITY OF WOODLAND

COUNTY OF YOLO

Mayra Vega, Mayor
City of Woodland City Council

Angel Barajas, Chair
Yolo County Board of Supervisors

ATTEST:

ATTEST:
Julie Dachtler, Senior Deputy Clerk

By:_____
Clerk of the City Council

By:_____
Deputy (Seal)

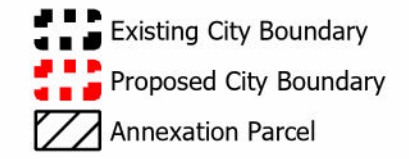
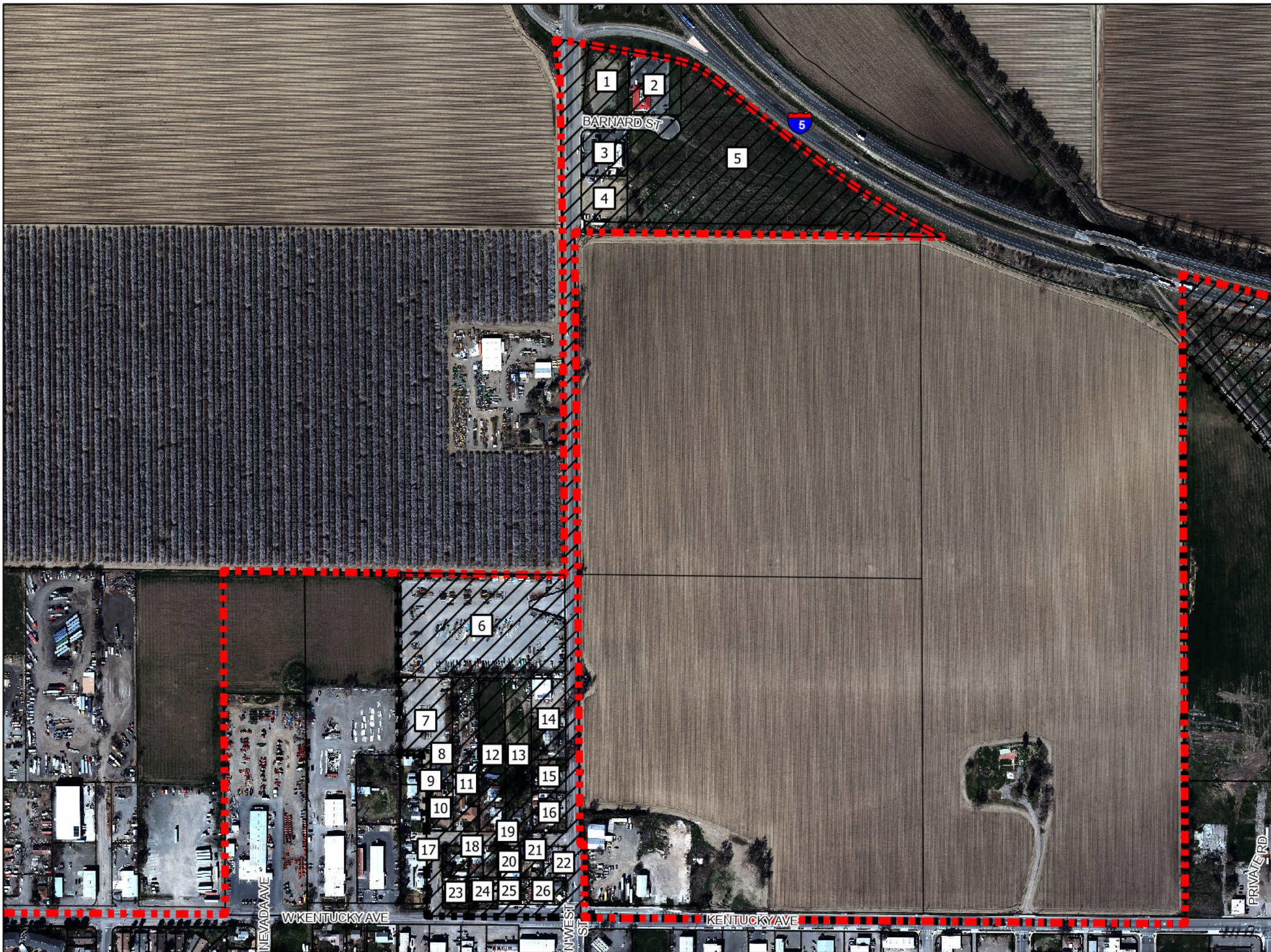
APPROVED AS TO FORM:

APPROVED AS TO FORM:

By:_____
Ethan Walsh, City Attorney

By:_____
Philip J. Pogledich, County Counsel

Exhibit A

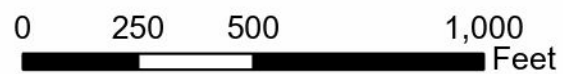


Key Number	APN	Acres
1	027-430-001-000	0.94
2	027-430-002-000	1.02
3	027-430-004-000	0.7
4	027-430-005-000	0.7
5	027-430-003-000	8.08
6	027-440-014-000	5.76
7	027-081-015-000	1.48
8	027-081-016-000	0.03
9	027-081-013-000	0.2
10	027-081-012-000	0.4
11	027-081-002-000	1.34
12	027-081-003-000	1.34
13	027-081-004-000	1.34
14	027-081-005-000	0.92
15	027-081-006-000	0.37
16	027-081-007-000	0.45
17	027-082-001-000	0.27
18	027-082-016-000	0.15
19	027-082-015-000	0.15
20	027-082-012-000	0.24
21	027-082-019-000	0.24
22	027-082-014-000	0.24
23	027-082-002-000	0.28
24	027-082-022-000	0.3
25	027-082-023-000	0.2
26	027-082-024-000	0.4




Proposed Woodland City Limits

Annexation Parcels Exhibit

City of Woodland
County of Yolo, California





-  Existing City Boundary
-  Proposed City Boundary
-  Annexation Parcel

Key Number	APN	Acres
1	027-340-037-000	8.75
2	027-340-033-000	11.76
3	027-340-038-000	9.14
4	027-340-035-000	10.8
5	027-340-034-000	3.4
6	027-340-027-000	8.51
7	027-340-005-000	3.1
8	027-340-022-000	1.5
9	027-340-008-000	4.94
10	027-340-010-000	2.96
11	027-340-039-000	2.8
12	027-340-020-000	8.81




Proposed Woodland City Limits

Annexation Parcels Exhibit

City of Woodland
County of Yolo, California





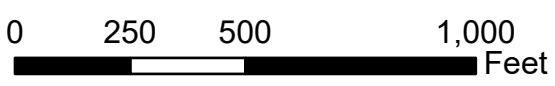
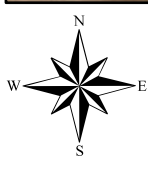
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-  Proposed City Boundary
-  Annexation Parcel

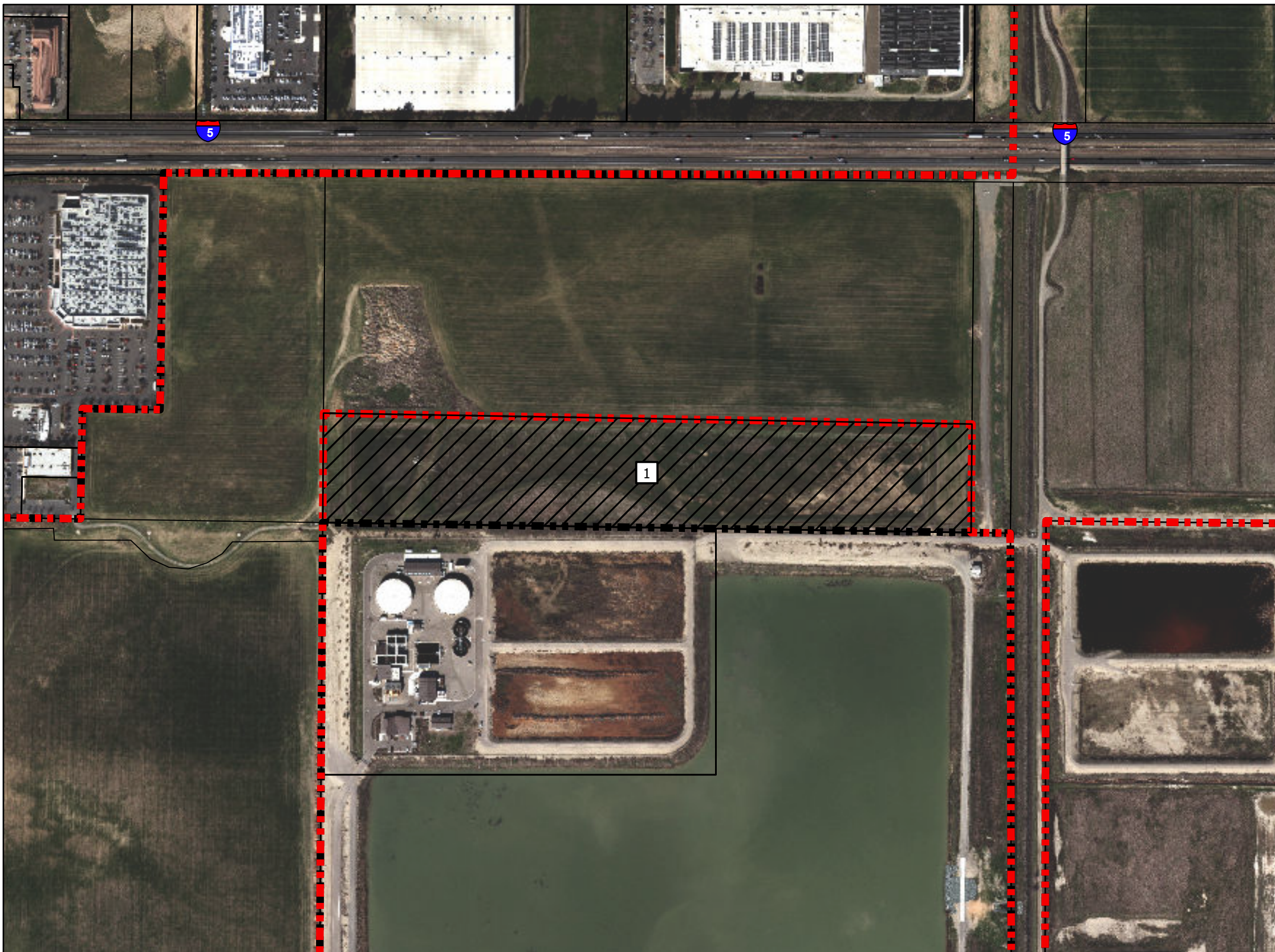
Key Number	APN	Acres
1	041-080-002-000	40.04




Proposed Woodland City Limits

Annexation Parcels Exhibit

City of Woodland
County of Yolo, California





-  Existing City Boundary
-  Proposed City Boundary
-  Annexation Parcel

Key Number	APN	Acres
1	027-852-007-000	23.5

Proposed Woodland City Limits

Annexation Parcels Exhibit

City of Woodland
County of Yolo, California

