

EXHIBIT "C"
file #115C7

County of Sutter

...established 1850

Office of the County Administrator

August 17, 2007

To: Board of Supervisors

Re: Approval of Amendment to the July 6, 2000 Joint Resolution Adopted by the Sutter County Board of Supervisors and the Yuba City City Council Providing for Sphere of Influence Planning, Sales Tax Sharing, and a Master Property Tax Exchange Agreement

Background:

On July 6, 2000, the Board of Supervisors and the Yuba City City Council adopted the enclosed Joint Resolution providing for Yuba City sphere of influence planning, sales tax sharing, and a master property tax exchange agreement. The Joint Resolution, in part, defined two law enforcement patrol "beats" (the North beat and the South beat) which would be patrolled by the Sheriff's office until certain thresholds were met. When these thresholds were met, responsibility for serving the incorporated portions of each beat would be assumed by the City Police Department. When the service assumption occurred, the City's obligation to pay the County a specified amount of sales tax revenue would be reduced.

At the time the Joint Resolution was approved, it was envisioned that the Sheriff's provision of services within the incorporated areas would be transitory in nature. It was neither intended nor anticipated that the Sheriff would have a long-term responsibility. However, the thresholds which would trigger the service transfer to the City Police Department have not, for various reasons, been met.

This issue has been discussed for some time by the City Manager, the City Police Chief, Sheriff Denney, and the County Administrative Officer. As a result of these discussions, we have agreed, and are recommending to your Board and the City Council, that you adopt the enclosed Joint Resolution Amending the July 6, 2000, Joint Resolution. The Amendment would basically:

- ◆ Redefine, effective January 1, 2008, the boundaries of the two law enforcement patrol beats. Basically, the southern boundary of the North beat will become

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BEFORE THE CITY COUNCIL OF THE CITY OF YUBA CITY AND THE
BOARD OF SUPERVISORS, COUNTY OF SUTTER, STATE OF CALIFORNIA

AMENDMENT TO THE JOINT)	
RESOLUTION OF THE SUTTER COUNTY)	SUTTER COUNTY
BOARD OF SUPERVISORS AND THE)	RESOLUTION NO. _____
YUBA CITY SPHERE OF INFLUENCE)	
PLANNING, SALES TAX SHARING, AND)	YUBA CITY
A MASTER PROPERTY TAX EXCHANGE)	RESOLUTION NO. _____
AGREEMENT)	

WHEREAS, on July 6, 2000, the Sutter County Board of Supervisors and the Yuba City City Council adopted a joint resolution providing for Yuba City Sphere of Influence planning, sales tax sharing, and a master property tax exchange agreement, a copy of which is attached as Exhibit 1 and incorporated by reference; and

WHEREAS, the agreement, in part, established two law enforcement patrol beats, and provisions and statistical thresholds for transferring service responsibility in these beats from the County Sheriff's Department to the City Police Department; and

WHEREAS, the City and County believe it is in the public interest that the boundaries of the law enforcement beats be amended and that the City Police Department should, notwithstanding the thresholds established in the Agreement, assume responsibility for providing service in the north beat as soon as possible.

NOW, THEREFORE, BE IT RESOLVED THAT the July 6, 2000 Agreement be, and hereby is, amended by adding Section XI to the Agreement as follows:

- XI. Notwithstanding any other provision of this Agreement, the City and County agree to redefine the boundaries of the South Beat and the North Beat as described in Paragraph VI-C and Attachment B of this Agreement. Effective January 1, 2008, the boundaries of the two Beats will be as shown on Attachment E.
1. Effective January 1, 2008, the City will assume full law enforcement responsibility for the incorporated territory within the North Beat.
 2. In recognition of the assumption by the City of law enforcement services in the North Beat pursuant to (1) above, the County's Guaranteed Amount will be reduced by 25% in Fiscal Year 2007-08, and by 50% commencing with Fiscal Year 2008-09.

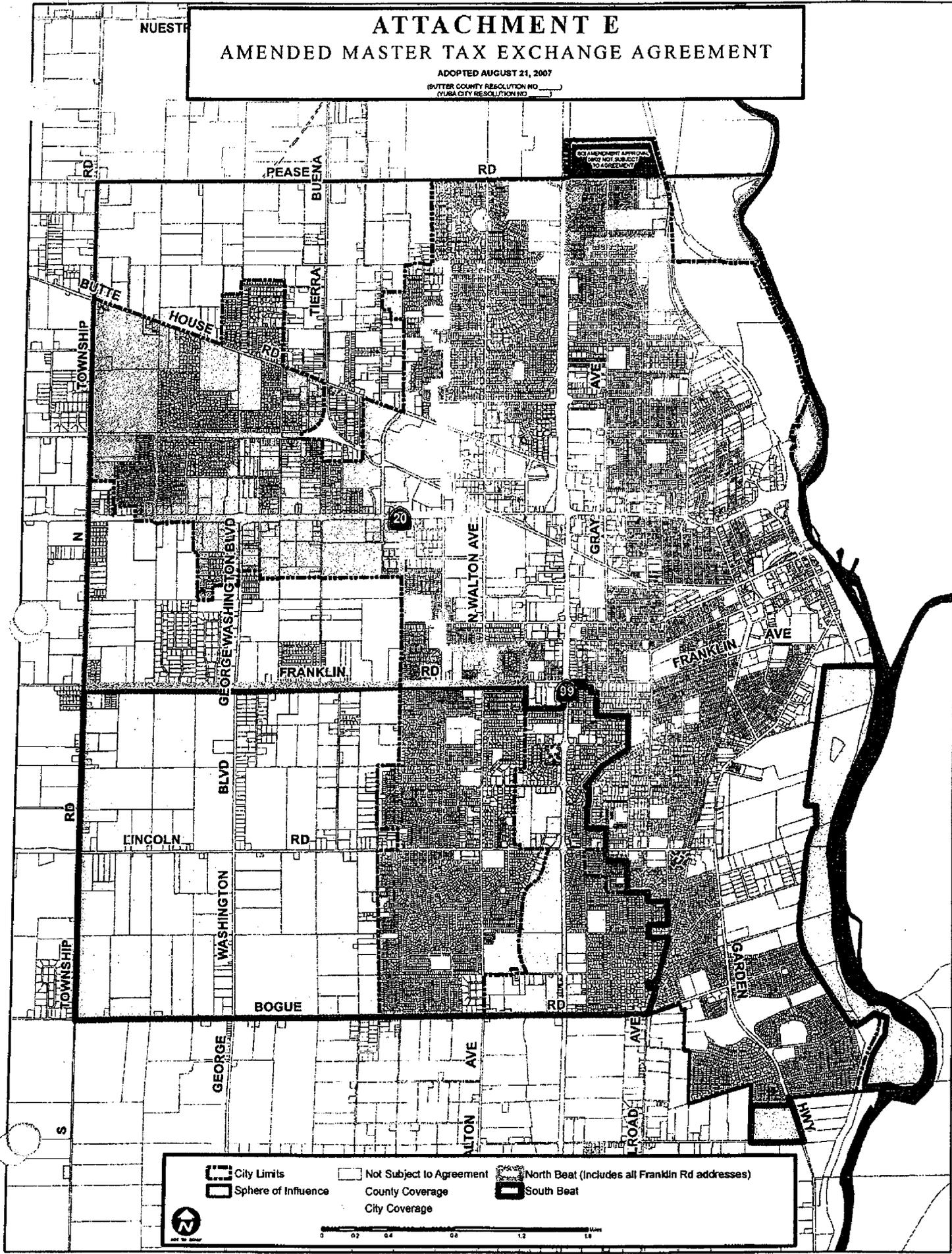
All other provisions of the Agreement shall remain the same.

ATTACHMENT E

AMENDED MASTER TAX EXCHANGE AGREEMENT

ADOPTED AUGUST 21, 2007
 (BUTTER COUNTY RESOLUTION NO. _____)
 (YUMA CITY RESOLUTION NO. _____)

NO AMENDMENT APPROVAL
 (NOT NOT SUBJECT TO AGREEMENT)



	City Limits		North Beat (Includes all Franklin Rd addresses)
	Not Subject to Agreement		South Beat
	County Coverage		
	City Coverage		

0 0.2 0.4 0.6 0.8 1.2 1.6 Miles

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BEFORE THE CITY COUNCIL OF THE CITY OF YUBA CITY AND THE BOARD OF SUPERVISORS, COUNTY OF SUTTER, STATE OF CALIFORNIA

JOINT RESOLUTION OF THE SUTTER)	
COUNTY BOARD OF SUPERVISORS AND)	SUTTER COUNTY
THE YUBA CITY CITY COUNCIL)	RESOLUTION NO. <u>00-050</u>
PROVIDING FOR YUBA CITY SPHERE OF)	
INFLUENCE PLANNING, SALES TAX)	YUBA CITY
SHARING, AND A MASTER PROPERTY TAX)	RESOLUTION NO. <u>00-092</u>
EXCHANGE AGREEMENT)	
)	

WHEREAS, the Sutter County Local Agency Formation Commission (LAFCO) periodically receives applications for changes of organization and reorganizations involving the City of Yuba City; and

WHEREAS, the LAFCO Executive Officer is prohibited by law from issuing a Certificate of Filing for such applications until the City of Yuba City (City) and the County of Sutter (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 reorganization or change of organization occur; and

WHEREAS, the local agencies affected by such changes of organization or reorganizations are the City, the County, with respect to both its general fund and its special road fund, the Walton Fire Protection District the Sutter County Consolidated Street Lighting Maintenance District, and the Urban Area Street Lighting Maintenance District; and

WHEREAS, Proposition 11, which was enacted by the State of California's electorate on November 3, 1998, added subsection (b) to section 29 of article XIII of the state Constitution which authorizes counties and cities to enter into contracts to apportion between them the revenue derived from any sales or use tax imposed by them pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law, or any successor provisions, and that is collected for them by the state;

NOW, THEREFORE, BE IT RESOLVED that the following agreement is entered into by the County and City to provide, pursuant to section 99 of the Revenue and Taxation Code, for the exchange of property tax revenues among and between the affected local

agencies, and for the apportionment of sales tax revenue between the City and County, and for certain provisions regarding the land-use planning of properties within the Yuba City Sphere of Influence, all of which provisions are to be applicable to changes of organization or reorganizations which occur during the period of effectiveness of this agreement. Either or both the City and/or the County are authorized to present this resolution to LAFCO and/or the LAFCO Executive Officer so long as the master property tax exchange agreement incorporated herein has not been cancelled.

I. Land-Use Planning

- a. Land-use planning within the City's unincorporated sphere of influence will be a joint effort by the County and the City. The joint planning of this area shall commence by January 1, 2001, and will result in an amendment to both the City and the County general plans.
- b. The parties intend that the product of this planning process will be for the City and County to adopt General Plans for the unincorporated sphere of influence which are consistent, provide for orderly growth, the prevention of premature development and urban sprawl; and recognize the City's role as the provider of urban services in the sphere of influence.

II. Exchange of Base Revenue Tax Dollars Between the County of Sutter General Fund Property Taxes and the City of Yuba City:

- a. It is agreed that the amount of base revenue tax dollars equal to forty-five percent (45%) of the product of "A x B x C" as in this section defined shall be transferred from the property tax revenue of the County of Sutter general fund to the property tax revenue of the City of Yuba City, effective with the first fiscal year commencing after the lien date on which the change of organization or reorganization is placed on the tax roll:

" A" equals: The total tax rate in effect in the tax rate area(s) of the annexing properties during the fiscal year in which the organization or reorganization is completed, exclusive of voter approved tax rates for the redemption of bonds, and

" B" equals: The taxable assessed valuation of all property, both real and personal, of the annexing territory as shown on all assessment rolls of the County of Sutter and the State of California for the fiscal year during which the organization or reorganization is completed, and

" C" equals: The percentage of the total property taxes levied within the tax rate areas of the annexing property which are distributed to the Sutter County general fund in the fiscal year during which the organization or reorganization is completed.

III. Exchange of Base Revenue Tax Dollars Between the County of Sutter Special Road Property Taxes and the City of Yuba City

It is agreed that an amount of base revenue tax dollars equal to one hundred percent (100%) of the product of " A x B x C" as in this section defined shall be transferred from the property tax revenue of the County of Sutter Special Road Fund to the property tax revenue of the City of Yuba City, effective with the first fiscal year commencing after the lien date on which the organization or reorganization is placed on the tax roll.

" A" equals: The total tax rate in effect in the tax rate area(s) of the annexing properties during the fiscal year in which the annexation is completed, exclusive of voter approved tax rates for the redemption of bonds, and

" B" equals: The taxable assessed valuation of all property, both real and personal, of the annexing territory as shown on all assessment rolls of the County of Sutter and the State of California for the fiscal year during which the organization or reorganization is completed, and

" C" equals: That percentage of the total property taxes levied within the tax rate areas of the annexing property which are distributed to the Special County Road fund in the fiscal year during which organization or reorganization is completed.

IV. Exchange of Base Revenue Tax Dollars Between the Walton Fire Protection District and the City of Yuba City

It is agreed that an amount of base revenue tax dollars equal to one hundred percent (100%) of the product of " A x B x C" as in this section defined shall be transferred from the property tax revenue of the Walton Fire Protection District to the property tax revenue of the City of Yuba City, effective with the first fiscal year commencing after the lien date on which the organization or reorganization is placed on the tax roll.

" A" equals: The total tax rate in effect in the tax rate areas) of the annexing properties during the fiscal year in which the organization or reorganization is completed, exclusive of voter approved tax rates for the redemption of bonds, and

" B" equals: The taxable assessed valuation of all property, both real and personal, of the annexing territory as shown on all assessment rolls of the County of Sutter and the State of California for the fiscal year during which the organization or reorganization is completed, and

" C" equals: That percentage of the total property taxes levied within the tax rate areas of the annexing property which are distributed to the Walton Fire Protection District in the fiscal year during which the organization or reorganization is completed.

Nothing in this agreement shall prevent the City and Walton Fire Protection District from reaching a contractual agreement to provide fire service.

V. Tax Increments

The tax increments for the current and future years will be automatically distributed according to the new percentages within the new tax rate area which are based on the base revenues as transferred into this new tax rate area.

VI. Sales and Use Tax Apportionment

A. For the purposes of this section VI, the following geographic area definitions shall apply:

1. Area A--Subject to the following exceptions, Area A includes the entire unincorporated area within the City's sphere of influence as of July 1, 2000. Those properties included in the Harter Annexation are included in Area A. The unincorporated islands within the City limits are excluded from Area A, although the sales tax collected within the island areas will be included in the County's guaranteed sales tax amount as discussed below.
2. Area B--The area within Area A annexed into the City after July 1, 2000, and the land included within the Harter annexation.
3. Area C--Area A minus Area B.

The boundaries of each area on July 1, 2000, are shown on Attachment A.

B. Establishing the Guaranteed Amount: The amount of sales tax received by the County and attributed to Area A for the year preceding July 1, 2000 (the base year) shall be the amount of sales tax guaranteed to County (guaranteed amount), adjusted as provided in this subsection B and subsection C:

1. When the original guarantee amount is calculated, major sales tax generators (as defined in B.2 below) shall be checked to confirm that sales tax from other offices of that business outside of Area A are not calculated into the Area A guaranteed amount.
2. For a major sales tax generator in Area A (a business that generates in excess of \$70,000 in local sales tax

revenue in the year preceding July 1, 2000) the following shall apply:

a) If, in any year after the base year, the amount of sales tax that a major sales tax generator creates drops below its portion of the original guaranteed amount by 25 percent or more, the guaranteed amount for that year shall be reduced by the same amount as the generator's sales tax decrease. However, if the total sales tax in Area A does not decrease, then the guaranteed amount shall not be reduced. If the decrease in total sales tax in Area A is less than the amount of reduction caused by the loss in tax revenue from the major tax generator, then the decrease in the guaranteed amount shall be that lesser amount.

b) If a major sales tax generator vacates Area A, the guaranteed amount shall be reduced by the original base year sales tax generated by that generator. However, if the total sales tax in Area A does not decrease, then the guaranteed amount shall not be reduced. If the decrease in total sales tax in Area A is less than the amount of reduction caused by the loss in tax revenue from the major tax generator, then the decrease in the guaranteed amount shall be that lesser amount. This subsection shall not apply if the business vacates Area A by moving its location into the incorporated area of the City as it existed prior to July 1, 2000.

3. The City's guarantee to the County of a portion of the sales tax also shall not apply to the shortfall resulting from a decline in sales tax in Area A below the guaranteed amount.

C. Both the County and the City agree to transfer law enforcement responsibilities from the County to the City when the City has annexed sufficient dwelling units for City police to service either of the two existing patrol beats. "Dwelling units" as used in this subsection means residential units or structures for which building permits have been issued. When City police have assumed the provision of law enforcement service to either of the beats, the guaranteed amount will be reduced by fifty percent (50%). The two beats are shown on Attachment B, but are generally the area south of Highway 20 (South Beat) and