

**SUTTER LAFCO
RESOLUTION NO. 2022-0008**

Attachment #8

*A RESOLUTION OF THE SUTTER LOCAL AGENCY FORMATION
COMMISSION APPROVING THE LINCOLN EAST SPECIFIC PLAN
ANNEXATION (LESP) TO THE CITY OF YUBA CITY*

Recitals

WHEREAS, On February 15, 2022 an application by resolution was submitted to the Sutter Local Agency Formation Commission (LAFCO) by the City of Yuba City requesting an annexation of territory to the City of Yuba City including 302.85 acres more or less; and

WHEREAS, On February 23, 2022 a petition of application was initiated by Inderjit Sandhu, Amar Schal, Paul Chima, and Ranjit Rai requesting annexation of 236.52 more or less acres to the City of Yuba City. This proposal contains 100% landowner consent.

WHEREAS, The City initiated annexation contains the same territory as the Landowner initiated annexation along with an additional 66.33 acres more or less. The City's annexation request does not contain 100% landowner consent.

WHEREAS, On April 20, 2022 LAFCO issued a Certificate of Filing in accordance with Government Code Section 56658(g) for the LESP Annex to Yuba City; and

WHEREAS, on May 12, 2022 Sutter LAFCo held a public hearing considering a request to annex the 302.85-acre more or less to the City of Yuba City; and

WHEREAS, At the time and in the form and manner provided by law, the Executive Officer published a hearing notice for the meeting to be held by the Commission regarding this proposal; and

WHEREAS, The Executive Officer has reviewed the application and prepared a report, including his recommendations. The petition and report have been presented to and considered by the Commission; and

WHEREAS, The Executive Officer's Report sets forth and discusses the factors to be considered in the review of a proposal required by Government Code section 56668 (a part of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000) and LAFCo's adopted Policies, Standards and Procedures. Those items, are discussed in the Executive Officer's Report; and

WHEREAS, The Commission has reviewed and considered the Executive Officer's Report including those factors required by Government Code section 56668 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 an rules and procedures for the Sutter Local Agency Formation Commission, as amended on May 9th, 2019, The Lincoln

East Specific Plan (LESP), the Plan for Services and the EIR prepared for the LESP and the City's General Plan. The Commission conducted a public hearing at which time it heard and received oral and written comments, other evidence submitted, and objections presented or filed regarding the proposed reorganization. All persons present were given an opportunity to hear and be heard.

The **SUTTER LOCAL AGENCY FORMATION COMMISSION** resolves, determines, orders, and finds as follows:

SECTION 1. Environmental Findings

1. In November 2009, the City of Yuba City, as Lead Agency, prepared and certified the Final Environmental Impact Report for the LESP and certified the Environmental Impact Report for its General Plan in February 2004 and adopted Findings of Fact and a Statement of Overriding Considerations and adopted a Mitigation Monitoring and Reporting Program.
2. The Commission has reviewed and considered the Final Environmental Impact Report for the LESP, which includes an analysis of the City's Sphere of Influence and Annexations within the 1,160-acre LESP planning area. The Final Environmental Impact Report consists of the following:
 - a. The Draft Environmental Impact Report prepared by the City of Yuba City as Lead Agency
 - b. Comments and recommendations received by the City of Yuba City Draft Environmental Impact Report.
 - c. A list of persons, organizations and public agencies commenting on the Draft Environmental Impact Report.
 - d. The responses of the Lead Agency to significant environmental points raised both during and after the review and consultation process.
 - e. A Mitigation Monitoring Reporting Plan.
 - f. A Statement of Overriding Considerations
3. The Commission certifies that it has held a public meeting and heard testimony and received written comments from affected agencies and has responded to those comments.
4. The Commission makes a specific finding that there have been no changes in physical circumstances nor could have been no changes in physical circumstances since the City certified the Environmental Impact Report for its General Plan in February 2004 and the EIR for the LESP in November 2009. The Commission hereby affirms in accordance with CEQA Guidelines Section 15090 the City's adopted certified Environmental Impact Report as well as its adopted

findings, Mitigation Monitoring Program, and Statement of Overriding Considerations for the LESP and the City's General Plan.

5. In accordance with CEQA Guidelines Section 15090, the Final Environmental Impact Report reflects the Lead Agency's independent judgment and analysis.

SECTION 2: Terms and Conditions:

1. The foregoing recitals are true and correct.
2. In reviewing this application, the Commission finds that all property owners and registered voters in said territory have been given a meeting notice regarding this annexation.
3. In reviewing this application, the Commission finds that services to be provided by the City of Yuba City are necessary and that there will not be a duplication of other powers provided by any other special district or service provider.
4. In reviewing this application, this Commission has considered each of the factors required by Government Code Section 56668 and LAFCO's adopted policies.
5. The LAFCO Executive Officer's Staff Report including attachments and recommendation for approval of the proposal is hereby incorporated by reference and hereby adopted.
6. The boundaries, as set forth in the proposal or as amended by action of the Commission, are hereby approved as submitted and are as described in Exhibits "A" Geographic Description for areas 1, 2 and 3 and "B" Map attached hereto and by this reference incorporated herein subject to the terms and conditions included.
7. As stated in the LAFCO Staff Report of March 12, 2022, the amount of sales tax and the amount of base property tax and tax increment transferred shall be in accordance with Sutter County and Yuba City Joint Resolution 00-050 and 00-092 respectively adopted on July 6, 2000 attached hereto as Exhibit "C".
8. Said annexation territory is found to be inhabited.
9. The annexation of territory is assigned the following short form designation:

" LESP Annexation #341 to the City of Yuba City (LAFCo file 2022-0003)"
10. The boundaries of the affected territory are found to be definite and certain.
11. The application for the LESP annexation to the City of Yuba City (LAFCO 2022-0003) is hereby approved to provide city services within the territory described in Exhibits A -1, 2 & 3 and depicted in Exhibit B.

12. Further protest proceedings are waived and the Commission orders the 302.85-acre annexation to the City of Yuba City pursuant to Part 4 of Division 3 of the California Government Code commencing with Section 57000. Satisfactory proof has been given that the subject territory is inhabited, that all landowners within the affected territory have given their written consent to the proposal and all affected agencies have not objected in writing to the waiver of conducting authority proceedings (Section 56663 of Government Code). Therefore, The Commission does hereby approve and authorize the conducting authority to annex the territory described and depicted in Exhibits "A" and "B" respectively to the City of Yuba City without notice and election.
13. All City of Yuba City previously authorized assessments; taxes, fees and charges shall apply to this annexed territory upon recordation of the Certificate of Completion.
14. All LAFCO, Sutter County and State of California fees must be paid in full prior to filing the Certificate of Completion. LAFCO will forward invoices and (or) a list of estimated required fees or deposits to the annexation applicant(s) prior to filing the Certificate of Completion.
15. One electronic copy (PDF), four large copies (18 by 24 minimum) and two 8 1/2 x 11 reductions of all maps along with an electronic copy (PDF) and two copies of the final boundary description shall be submitted to LAFCO prior to recordation of the Certificate of Completion. All Maps and Descriptions shall be wet stamped. The applicant shall supply maps and Geographic Descriptions suitable for recording (smaller than eight inches by fourteen inches, clearly legible) prior to recordation of the Certificate of Completion.
16. The City of Yuba City shall submit two copies of a "map of limiting addresses" per State Board of Equalization standards and requirements.
17. The map and boundary description shall comply with the State Board of Equalization requirements. The boundary description and map, if rejected by the State Board of Equalization or amended by LAFCO, will be revised at the expense of the applicant. The applicant shall be responsible for all associated costs.
18. Approval of this annexation is conditioned upon the applicant's obligation to defend, indemnify, and hold harmless the Sutter Local Agency Formation Commission and its agents, officers and employees from any claim, action or proceeding against the Commission or its agents, officers, and employees; including all costs, attorney's fees, expenses and liabilities incurred in the defense of such claim, action, or proceeding to attack, set aside, or void the approval or determinations of this Commission concerning this annexation. The Sutter Local Agency Formation Commission shall promptly notify the applicant of any such claim, action, or proceeding and be entitled to representation by counsel of its choosing.
19. The Commission has reviewed and considered the information contained in the

Environmental Impact Report prepared for LESP and City General Plan and the West Sanborn project, and makes a specific determination that the issues and mitigation measures and (or) policies as adopted by the City of Yuba City adequately address this annexation.

20. The Executive Officer of this Commission is instructed to mail or email a certified copy of this resolution to those persons so indicated on the application and as required by Government Code Section 56882
21. The effective date shall be the date the Certificate of Completion is recorded.
22. The Executive Officer is directed to record a Certificate of Completion for this proposal upon completion of all proceedings and compliance with the terms and conditions.
23. Completion of proceedings shall be concluded within one year after adoption of this resolution. If the proceedings are not concluded within one year after passage of this resolution, all proceedings shall be terminated unless and until an extension is approved by the LAFCo Commission prior to the termination date.

PASSED AND ADOPTED at a regular meeting of the Sutter Local Agency Formation Commission, State of California, on the 12 th day of May 2022 by the following vote:

AYES:

NOES:

ABSTAINS:

ABSENT:

Don Cochran, Chair Sutter Local Agency
Formation Commission

ATTEST:

JOHN BENOIT
Executive Officer

EXHIBIT A
LINCOLN EAST SOUTH ANNEXATION
TO THE CITY OF YUBA CITY AREA 1
SUTTER LAFCO FILE 2022-0003C
GEOGRAPHIC DESCRIPTION

All that certain real property, situate in Sections 29, 30, 31, & 32, Township 15 North, Range 3 East, Mount Diablo Base and Meridian, in the County of Sutter, State of California, described as follows:

Beginning at the northeasterly corner of Bains Reorganization No. 340 boundary, which is at the intersection of the centerline of Sanborn Road and the northern boundary of the Bains property (APN 22-040-063), which is also the northeast corner of Lot 6 of Map of the SE 1/4 of Section 32 T15N R3E shown in Book 1 of Maps at Page 40, that bears North 01°44'50" West 1319.94' from the intersection of the centerline of Bogue Road and Sanborn Road;

Thence, (1) along the Northern property line of said Bains Property that is also the Southern Property line of the Chima Property (APN 23-040-005) South 89°19'40" West a distance of 1954.58 feet to the north-south ¼ Section line of Section 32;

Thence, (2) along said lines, North 01°31'43" West a distance of 1313.77 feet to the center ¼ Corner of said Section 32;

Thence, (3), South 89°14'03" West a distance of 1124.95 feet to the southeasterly corner of Parcel 4 of Parcel Map No. 763 of record in Book 4 of Parcel Maps at page 113, and also being the southeasterly corner of Parcel 2 of Parcel Map No. 954 of record in Book 6 of Parcel Maps at page 34, Sutter County records;

Thence, (4), North 00°54'22" West a distance of 1435.71 feet to the northeasterly corner of Parcel 3 of Parcel Map No. 763 of record in Book 4 of Parcel Maps at page 113, Sutter County records;

Thence, along the northern property line of said Parcel 3, (5) South 89°12'15" West a distance of 1566.32 feet to a point on the westerly line of South George Washington Boulevard, 80 feet wide;

Thence, along said westerly line, (6) North 00°54'22" West a distance of 1244.14 feet to a point on the westerly line of South George Washington Boulevard Road, 80 feet wide, which is also the northerly line of Lincoln Road, 75 feet wide;

Thence, leaving said westerly line and continuing along the northerly line, (7) North 89°09'36" East a distance of 388.72 feet to the east property line of Lot 18 of Longview Estates Unit 1 shown in Book 11 of Surveys at page 36;

Thence, continuing along the eastern property line of said Lot, (8) South 00°51'18" East a distance of 9.00 feet to the northerly line of Lincoln Road, 66 feet wide;

Thence, continuing along said northerly line, (9) North 89°09'36" East a distance of 2273.90 feet to a point on angle point on the northerly line of Lincoln Road;

Thence, continuing along said northerly line, (10) North 89°14'42" East a distance of 1302.97 feet to the east property line of the Bains property (APN 20-040-083 Document Number 2015-0009928);

Thence, continuing along the eastern property line of said Bains property, (11) North 00°14'15" East a distance of 4.00 feet to the northerly line of Lincoln Road, 70 feet wide;

Thence, continuing along said northerly line, (12) North 89°14'42" East a distance of 415.85 feet to the east property line of Parcel 3 shown in Parcel Map 245 in Book 1 of Parcel Maps at page 245;

Thence, continuing along the east property line of said Parcel 3, (13) North 00°14'15" East a distance of 5.00 feet to the northerly line of Lincoln Road, 75 feet wide;

Thence, continuing along said northerly line, (14) North 89°14'42" West a distance of 242.92 feet to a point on the east property line of Parcel 2 of that certain map entitled, "Map of Mahmoudi Subdivision" in Book 13 of Surveys Page 159, also being on the centerline of Sanborn Road, 57 feet wide;

Thence, continuing along said centerline, (15) South 00°14'15" West a distance of 42.00 feet to a point on the centerline of Lincoln Road, 75 feet wide;

Thence, continuing along said centerline of Sanborn Road, (16) South 01°16'39" East a distance of 2637.84 feet;

Thence, continuing along said centerline, (17) South 01°44'41" East a distance of 1319.42 feet to the **Point of Beginning** and containing **291.68** acres of land more or less;

For assessment purposes only. This description of land is not a legal property description as defined by the Subdivision Map Act and may not be used as the basis for an offer for sale of the land described.

4-21-2022



EXHIBIT A
LINCOLN EAST SOUTH ANNEXATION
TO THE CITY OF YUBA CITY AREA 2
SUTTER LAFCO FILE 2022-0003C
GEOGRAPHIC DESCRIPTION

All that certain real property, situate in the Southeast ¼ of Section 32, Township 15 North, Range 3 East, and the Northeast ¼ of Section 5, Township 14 North, Range 3 East, Mount Diablo Base and Meridian, in the County of Sutter, State of California, described as follows:

Beginning at the South ¼ Corner of Section 32, which is also the centerline of Bogue Road, 66 feet wide;

Thence, (1) along the western property line of the Rai Property (APN 22-040-058 Document Number 1987 – 1233624) North 01°31'43" West a distance of 669.90 feet to the northwest property corner of said property;

Thence, along the northern property line of said Rai property (2), North 89°21'28" East a distance of 637.58 feet to the northeast property corner of said property;

Thence, along the eastern property line of said Rai property (3), South 01°43'52" East a distance of 703.22 feet to a point on the southerly line of Bogue Road, 66 feet wide;

Thence, along the southerly line of Bogue Road (4), South 89°22'56" West a distance of 641.78 feet;

Thence, leaving the southerly line of Bogue Road, 66 feet wide, (5) North 01°26'31" East a distance of 33.02 feet to the **Point of Beginning** and containing **10.31** acres of land more or less;

For assessment purposes only. This description of land is not a legal property description as defined by the Subdivision Map Act and may not be used as the basis for an offer for sale of the land described.



4-21-2022

EXHIBIT A
LINCOLN EAST SOUTH ANNEXATION
TO THE CITY OF YUBA CITY AREA 3
SUTTER LAFCO FILE 2022-0003C
GEOGRAPHIC DESCRIPTION

All that certain real property, situate in the Southeast ¼ of Section 32, Township 15 North, Range 3 East, and the Northeast ¼ of Section 5 Township 14 North, Range 3 East, Mount Diablo Base and Meridian, in the County of Sutter, State of California, described as follows:

Beginning at a point on the centerline of Bogue Road, 66 feet wide, and said point also being on the south section line of said Section 32, from which point the Southeast Corner of Section 32 on the centerline of Bogue Road bears North 89°23'15" East 1,176.80 feet;

Thence, (1) along the southern prolongation of the eastern property line of the Gill property (APN 22-040-062 Document Number 2021 – 0015763) South 01°43'51" East a distance of 32.96 feet to a point on the southerly line of Bogue Road;

Thence, along said southerly line (2), South 89°23'24" West a distance of 142.99 feet to the southern prolongation of the western property line of said Gill property;

Thence, along the southern prolongation of the western property line (3), North 01°43'43" West a distance of 272.44 feet to the northwest property corner of said property;

Thence, along the northern property line of said property (4), North 89°23'15" East a distance of 142.98 feet to the northeast property corner of said property;

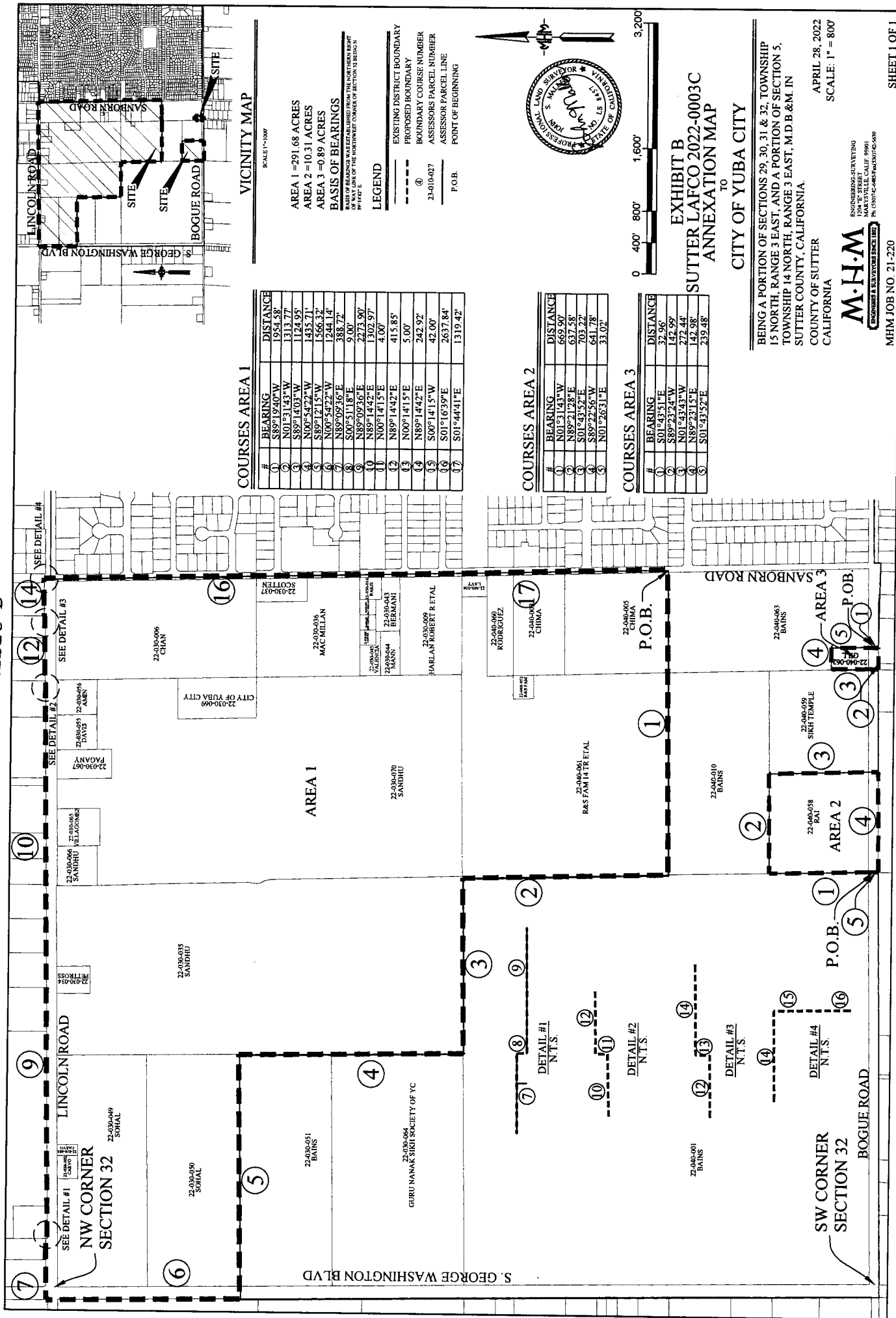
Thence, along the eastern property line of said property, (5) South 01°43'51" East a distance of 239.48 feet to the **Point of Beginning** and containing **0.90** acres of land more or less;

For assessment purposes only. This description of land is not a legal property description as defined by the Subdivision Map Act and may not be used as the basis for an offer for sale of the land described.



4-21-2022

Exhibit B



COURSES AREA 1

#	BEARING	DISTANCE
1	S89°19'40"W	954.58'
2	N01°31'43"W	313.77'
3	S89°14'03"W	124.95'
4	N00°54'22"W	1435.71'
5	S89°12'15"W	1566.32'
6	N00°54'22"W	1244.14'
7	N89°09'36"E	388.72'
8	S00°51'18"E	9.00'
9	N89°09'36"E	2273.90'
10	N89°14'42"E	1302.97'
11	N00°14'15"E	4.00'
12	N89°14'42"E	415.85'
13	N00°14'15"E	5.00'
14	N89°14'42"E	242.92'
15	S00°14'15"W	42.00'
16	S01°16'39"E	2637.84'
17	S01°44'41"E	1319.42'

COURSES AREA 2

#	BEARING	DISTANCE
1	N01°31'43"W	669.90'
2	N89°21'28"E	637.58'
3	S01°43'52"E	703.22'
4	S89°22'56"W	641.78'
5	N01°26'31"E	33.02'

COURSES AREA 3

#	BEARING	DISTANCE
1	S01°43'51"E	32.96'
2	S89°23'24"W	142.99'
3	N01°43'43"W	272.44'
4	N89°23'15"E	142.98'
5	S01°43'52"E	239.48'

AREA 1 = 291.68 ACRES
 AREA 2 = 10.31 ACRES
 AREA 3 = 0.89 ACRES

BASIS OF BEARINGS
 ALL BEARINGS DERIVED FROM THE NORTHERN REPORT
 OF THE U.S. GEOLOGICAL SURVEY OF SECTION 32, TOWNSHIP
 15 NORTH, RANGE 3 EAST, M.D.B. & M. IN
 SUTTER COUNTY, CALIFORNIA.

LEGEND
 --- EXISTING DISTRICT BOUNDARY
 - - - - - PROPOSED BOUNDARY
 (C) BOUNDARY COURSE NUMBER
 (A) ASSESSOR'S PARCEL NUMBER
 (P.O.B.) POINT OF BEGINNING

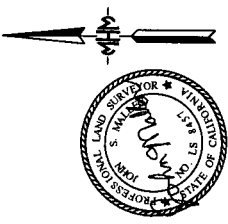


EXHIBIT B
 SUTTER LAFCO 2022-0003C
 ANNEXATION MAP
 TO
 CITY OF YUBA CITY

BEING A PORTION OF SECTIONS 29, 30, 31 & 32, TOWNSHIP
 15 NORTH, RANGE 3 EAST, AND A PORTION OF SECTION 5,
 TOWNSHIP 14 NORTH, RANGE 3 EAST, M.D.B. & M. IN
 SUTTER COUNTY, CALIFORNIA.
 COUNTY OF SUTTER
 CALIFORNIA

APRIL 28, 2022
 SCALE: 1" = 800'



ENGINEERING & SURVEYING
 124 E. STREET
 YUBA CITY, CALIF. 95901
 PH: (530) 742-4857 FAX: (530) 742-6809

MHM JOB NO. 21-220

SHEET 1 OF 1

Exhibit C

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)	
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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

the area north of Highway 20 (North Beat), within the unincorporated sphere of influence. For the South Beat area, this transfer of law enforcement services to the City shall occur when the City has annexed eighty-two percent (82%) of the dwelling units within that beat. Law enforcement responsibilities for the North Beat shall become the responsibility of the City once ninety percent (90%) of the dwelling units in that beat area are annexed into the City. County and City agree to develop a contract for law enforcement services within Area B. The contract will include the existing level of service and appropriate indemnification.

County and City agree to work together to develop a procedure to transition appropriate sheriff's department staff to the City police department in conjunction with these law enforcement responsibility transfers.

When the City has assumed responsibility for all law enforcement within both beats, the City will no longer ensure receipt by the County of a guaranteed amount of the sales tax although the percentages set out below shall continue to apply.

D. Establishing the Percentage of Sales Tax Shared: County and City agree to share sales tax generated within area A in the following ratios:

1. Years one through five of this agreement:

Area B - The City shall pay to the County 100% of the sales tax until the guaranteed amount is achieved. Once the guaranteed amount is met for all of Area A, the City shall pay to the County 12.5% of the sales tax generated within Area B.

Area C - The County shall retain 100% of the sales tax until the guaranteed amount is achieved. Once the guaranteed amount of Area A is met, the County shall pay to the City 12.5% of the sales tax County receives from properties within Area C after deducting the guaranteed amount.

2. Years six through ten of this agreement:

The percentage of sales tax to be paid after the amount guaranteed to the County by this agreement has been met shall be 12% in year six, 11.5% in year seven, 11% in

year eight, 10.5% in year nine, and 10% in year ten. These are the percentages of sales taxes generated within Area B which the City shall pay the County after the guaranteed amount has been reached and, after deducting the guaranteed amount, the County shall pay to the City from sales taxes generated within Area C.

3. Year eleven and beyond:

The percentage of sales tax paid between the City and County shall remain at 10%.

E. Calculating the Payment:

Once a year the County and the City shall apply this formula to the sales tax collected for the previous year and calculate the amount to be paid by and to each entity. The calculation shall be based on the July 1-June 30 period prior to a meeting that shall occur prior to November 15 of each year between City and County staff. At that meeting, the calculation shall be made and a transfer of funds which reflects the result of the calculation shall be made by January 15 of the next year.

F. Sales Tax Examples: See Attachments C & D.

VII. Street Lighting Contributions:

Upon annexation of properties, the City shall take over those County street-lighting districts, or portions thereof, covering the properties annexed. City will receive all shares of property tax and assessments received by those districts or portions thereof to the extent legally permissible.

VIII. Scope:

The provisions of this resolution and agreement apply only to lands within the Yuba City Sphere of Influence. This Agreement and Resolution amends and supercedes the provisions of the Property Tax Revenue and Sales Tax Revenue Exchange Agreement applicable to the Harter property annexation to the City of Yuba City approved by Resolution 99-02 of the Local Agency Formation Commission of the County of Sutter all as contemplated by section VII of that earlier agreement.