

RESOLUTION NO. 2003-687

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF SEP 30 2003

RESOLUTION INITIATING THE AIRGAS ANNEXATION AND PREZONE (REORGANIZATION) (P02-149)

WHEREAS, the City Council conducted a public hearing on _____ concerning the above annexation (reorganization,) and based on documentary and oral evidence submitted at the public hearing, the Council hereby finds:

1. This action of reorganization is being taken pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 et. seq.);
2. This reorganization is the annexation of territory to the City of Sacramento and Detachment from Southgate Park and Recreation District.
3. A description of the exterior boundaries of the affected territory subject to this reorganization is attached hereto as Exhibits 1 and 2, and incorporated herein by reference;
4. The reasons for the reorganization are as follows:
 - A. The affected territory is within the Sphere of Influence of the City.
 - B. The affected territory is within the Urban Service Boundary of the County General Plan.
 - C. The annexation represents a logical and reasonable extension of the City boundaries because it is surrounded on three sides by the existing City limits.
 - D. The annexation would facilitate the more efficient provision of municipal services, including compliance with the uniform City planning and development standards.

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RESOLUTION NO. 2003-817
NOV 18 2003

RESOLUTION NO.: 2003-687
DATE ADOPTED: SEP 30 2003

8

services, including compliance with the uniform City planning and development standards.

E. The annexation area can be served by existing or planned infrastructure and municipal services, consistent with the City Master Services Element.

F. The subject resolution is intended to initiate annexation and related procedures before the Local Agency Formation Commission. No environmental review is required for the adoption of the subject resolution. The annexation and related determinations before Local Agency Formation Commission will be subject to appropriate California Environmental Quality Act review.

5. The regular County Assessment Roll will be utilized.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Sacramento that:

The City Council of the City of Sacramento hereby initiates the reorganization described in Paragraphs 2 and 3, above, and requests that proceedings be taken for the proposal pursuant to Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56700, etal.)

HEATHER FARGO

MAYOR

ATTEST:

VIRGINIA HENRY

CITY CLERK P02-149

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NOV 18 2003

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9

**PROPERTY TAX REVENUE EXCHANGE AGREEMENT
BETWEEN
THE COUNTY OF SACRAMENTO AND THE CITY OF SACRAMENTO,
RELATING TO THE AIRGAS ANNEXATION**

This PROPERTY TAX EXCHANGE AGREEMENT (hereinafter "Agreement") is made and executed in duplicate this 16th day of September, 2003, and September 30, 2003, by and between the COUNTY OF SACRAMENTO, a political subdivision of the State of California (hereinafter referred to as "COUNTY"), and the CITY OF SACRAMENTO, a municipal corporation of the State of California (hereinafter referred to as "CITY").

RECITALS

A. On June 6, 1978, the voters of the State of California amended the California Constitution by adding Article XIII A thereto which limited the total amount of property taxes which could be levied on property by local taxing agencies having such property within their territorial jurisdiction to one percent (1%) of full cash value; and

B. Following such constitutional amendment, the California Legislature added Section 99 to the California Revenue and Taxation Code which requires a city seeking to annex property to its incorporated territory and a county affected by such annexation to agree upon an exchange of property taxes which are derived from such property and available to the county and city following annexation of the property to the incorporated territory of the city; and

C. Airgas of Northern California and Nevada (NCN), Inc., has made application for annexation to relocate its existing facility at 3011 Academy Way, and within the City limits of the City of Sacramento, to a location nearby its corporate and administrative support offices at 6790 Florin Perkins Road, also currently within City limits. The relocated facility will be entirely located on two adjacent parcels at 6815 and 6725 Florin Perkins Road, both located in the unincorporated area and bordered on three sides by existing City limits; and

D. COUNTY and CITY wish to work together to develop a fair and equitable approach to the sharing of real property ad valorem taxes imposed and collected as authorized by the Revenue and Taxation Code in order to encourage sound urban development and economic growth.; and

E. COUNTY and CITY recognize the importance of COUNTY and CITY's services and are prepared to cooperate as provided in this Agreement in an effort to address COUNTY's and CITY's fiscal considerations in providing such services, as well as their respective economic and planning needs; and

F. Close cooperation between COUNTY and CITY is necessary to maintain and improve the quality of life throughout Sacramento County, including CITY, and deliver needed or desirable services in the most timely and cost-efficient manner to all

CITY
AGREEMENT NO. 2003-167

CITY and COUNTY residents; and

G. COUNTY recognizes the need for orderly growth within and adjacent to CITY, and for supporting appropriate annexations by CITY; and

H. CITY recognizes that development within CITY limits may also have the effect of concentrating sales and use tax revenue-generating activities within CITY rather than in unincorporated areas; and

I. The provisions of Section 99 of the California Revenue and Taxation Code authorize a city and a county to execute a property tax transfer agreement for the exchange of property tax revenues between the county and the city in connection with the annexations of property located in the unincorporated territory of the county to the incorporated territory of the city; and

J. COUNTY and CITY have engaged in good faith negotiations pursuant to Revenue and Taxation Code Section 99, and to the Memorandum of Understanding Between the County of Sacramento and the City of Sacramento Regarding Principles of Land Use and Revenue Sharing for the Natomas Area dated December 10, 2002 and have reached agreement as to a rate of exchange of property tax revenues to be made pursuant to Section 99 of the California Revenue and Taxation Code in connection with the annexation of the Airgas to CITY; and

K. COUNTY and CITY now desire to enter into a Property Tax Transfer Agreement pursuant to Section 99 of the California Revenue and Taxation Code to set forth such a rate of exchange of property tax revenues; and

L. In consideration of the exchange of property tax revenue provided for in this Agreement, COUNTY agrees not to oppose the Airgas Annexation before the Sacramento Local Agency Formation Commission.

AGREEMENTS

COUNTY and CITY hereby agree as follows:

Section 1. Property Tax Revenue. "Property Tax Revenue" shall mean revenue from "ad valorem real property taxes on real property", as said term is used in Section 1 of Article 13A of the California Constitution and more particularly defined in subsection (c) of Section 95 of the California Revenue and Taxation Code, that is collected from within the Annexation Area, is available for allocation to the City and the County, and is currently allocated to the County General Fund and County Road Fund.

Section 2. Annexation Area. "Annexation Area" shall mean that portion of the unincorporated area of COUNTY known as the Airgas Annexation, two parcels located at 6815 and 6725 Florin Perkins Road, the annexation of which to CITY is subsequently approved and completed by the Sacramento Local Agency Formation Commission as provided in the Cortese-Knox-Hertzberg Local Governmental Reorganization Act of 2000 (California Government Code §§ 56000 et seq.).

Section 3. Annexation Date. "Annexation Date" shall mean the date specified by the Cortese-Knox-Hertzberg Local Governmental Reorganization Act of 2000 (California Government Code § 56000 et seq.) as the effective date of the Airgas Annexation.

Section 4. General Purpose of Agreement. The general purpose of this Agreement is to devise an equitable exchange of Property Tax Revenue between CITY and COUNTY as required by Section 99.

Section 5. Exchange of Property Tax Revenues. On and after the Annexation Date, the COUNTY and CITY shall exchange Property Tax Revenue as follows:

(a) The shares of the Property Tax Revenue, both base and growth, currently accruing to the County General Fund, the Sacramento Water Agency, the County Library, the County Road Fund, Sacramento Metropolitan Fire District, and Southgate Recreation and Park District shall be pooled for reallocation to the CITY and COUNTY.

(b) The CITY and COUNTY shall each receive one half of the Property Tax Revenue from the pool as set forth in subdivision (a) of this section to be allocated to the respective General Funds of the CITY and COUNTY.

Section 6. Exchange by County Auditor. COUNTY and CITY further agree that all of the exchanges of property taxes required by this Agreement shall be made by the County Auditor.

Section 7. Mutual Defense of Agreement. If the validity of this Agreement is challenged in any legal action by a party other than COUNTY or CITY, then COUNTY and CITY agree to defend jointly against the legal challenge and to share equally any award of costs, including attorneys fees, against COUNTY, CITY, or both.

Section 8. Waiver of Retroactive Recovery. If the validity of this Agreement is challenged in any legal action brought by either CITY or any third party, CITY hereby waives any right to the retroactive recovery of any City Property 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.

Section 9. Modification. The provision of 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 both the COUNTY and CITY.

Section 10. Reformation. COUNTY and CITY understand and agree that this Agreement is based upon existing law, and that such law may be substantially amended in the future. In the event of an amendment of state law which renders this Agreement invalid or inoperable or which denies any party thereto the full benefit of this Agreement as set forth herein, in whole or in part, then COUNTY and CITY agree to renegotiate the Agreement in good faith.

Section 11. Effect of Tax Exchange Agreement. This Agreement shall be applicable solely to Airgas Annexation and does not constitute either a master tax sharing agreement or an agreement on property tax exchanges which may be required for any other annexation to the CITY

Section 12. Entire Agreement. With respect to the Airgas annexation only, this Agreement supersedes any and all previous negotiations, proposals, commitments, writings, and understandings of any nature whatsoever between COUNTY and CITY except as otherwise provided herein.

Section 13. Notices. All notices, requests, certifications or other correspondence required to be provided by the parties to this Agreement shall be in writing and shall be personally delivered or delivered by first class mail to the respective parties at the following addresses:

COUNTY
County Executive
County of Sacramento
County Administration Bldg.
700 H Street, Room 7650
Sacramento CA, 95814

CITY
City Manager
City of Sacramento
City Hall
730 I Street, Room 304
Sacramento, CA 95758

Notice by personal delivery shall be effective immediately upon delivery. Notice by mail shall be effective upon receipt or three days after mailing, whichever is earlier.

Section 14. Approval, Consent, and Agreement. Wherever this Agreement requires a party's approval, consent, or agreement, the party shall make its decision to give or withhold such approval, consent or agreement in good faith, and shall not withhold such approval, consent or agreement unreasonably or without good cause.

Section 15. Construction of Captions. Captions of the sections of this Agreement are for convenience and reference only. The words in the captions in no way explain, modify, amplify, or interpret this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in the County of Sacramento, State of California, on the dates set forth above.

COUNTY OF SACRAMENTO, a political
Subdivision of the State of California

("COUNTY")

By


Chairperson of the Board of Supervisors
of Sacramento County, California



ATTEST: Cathy A. Turner
Clerk of the
Board of Supervisors
Approved As to Form:

County Counsel

CITY OF SACRAMENTO, a municipal corporation
("CITY")

BY: [Signature]
City Manager

(SEAL)
ATTEST: [Signature]
City Clerk

Approved As to Form:
[Signature]
City Attorney

CITY
AGREEMENT NO. 2003-167

The foregoing is a correct copy of a resolution adopted by the Board of Supervisors, Sacramento County, California

on 9-16-03
Dated 9-17-03
Clerk of said Board of Supervisors
By Kay Johnson Deputy

RESOLUTION NO. 2003-1051

WHEREAS, before a Local Agency Formation Commission may act upon a proposed annexation to a city;

WHEREAS, landowners have proposed the Airgas Annexation to the CITY OF SACRAMENTO, and

WHEREAS, the County and City have negotiated a property tax exchange agreement specifying how property tax revenues will be allocated should the annexation be approved;

NOW THEREFORE BE IT RESOLVED AND ORDERED that the Chair of the Board of Supervisors be and is hereby authorized and directed to execute the Property Tax Exchange Agreement, in the form hereto attached, on behalf of the COUNTY OF SACRAMENTO, a political subdivision of the State of California, with the CITY OF SACRAMENTO and to do and perform everything necessary to carry out the purpose of this Resolution.

On a motion by Supervisor Nottoli, seconded by Supervisor Johnson, the foregoing Resolution was passed and adopted by the Board of Supervisors of the County of Sacramento this 16th day of September, 2003, by the following vote, to wit:

AYES: Supervisors, Dickinson, Johnson, Niello, Nottoli

NOES: Supervisors, None

ABSENT: Supervisors, Collin

ABSTAIN: Supervisors, None

In accordance with Section 25103 of the Government Code of the State of California a copy of the document has been delivered to the Chairman of the Board of Supervisors, County of Sacramento on SEP 19 2003

Murrel L. Johnson
Vice-Chair of the Board of Supervisors of Sacramento County, California

By Kay Johnson
Deputy Clerk, Board of Supervisors



FILED

SEP 19 2003

BOARD OF SUPERVISORS
BY Cathy H. Turner
CLERK OF THE BOARD

RESOLUTION NO. 2003-817

NOV 18 2003

ATTEST: Cathy H. Turner
Clerk Board of Supervisors

CITY AGREEMENT NO. 2003-167