

RESOLUTION NO. 92-1472

AMENDED RESOLUTION OF AGREEMENT BETWEEN THE
COUNTY OF SACRAMENTO AND THE CITY OF FOLSOM
PURSUANT TO REVENUE AND TAXATION CODE SECTIONS 99
AND 99.4 FOR EXCHANGE OF PROPERTY TAX REVENUES
IN CONNECTION WITH ALDER CREEK REORGANIZATION

WHEREAS, the City of Folsom has filed an application with the Sacramento Local Agency Formation Commission (Sacramento Local Agency Formation Commission Application Control Number "92-1") requesting its approval of the annexation of approximately 310 acres of undeveloped real property to said municipality and the detachment of that area from various special districts ("the Alder Creek Reorganization") in connection with a proposal to develop an automobile-related sales and service center ("the Alder Creek AutoCenter") on approximately 51 acres of said proposed annexation area; and

WHEREAS, thereafter but prior to the issuance of a certificate of filing, the Executive Officer of LAFCO gave notice of the filing to the Sacramento County Assessor and Sacramento County Auditor-Controller, who are the assessor and auditor of each county within which the territory subject to the jurisdictional change is located; and

WHEREAS, within 30 days thereafter, the Sacramento County Assessor provided to the Sacramento County Auditor-Controller a report which identifies the assessed valuations for the territory subject to the jurisdictional change and the tax rate areas in which the territory exists; and

WHEREAS, within 45 days of the notice of filing, the Auditor-Controller made the estimates required by law and notified the governing body of each local agency whose service area or service responsibility will be altered by the amount of and allocation factors with respect to, property tax revenue which is subject to negotiated change; and

WHEREAS, after receipt of the Auditor-Controller's estimates and within 30 days thereof, the local agencies affected by the proposed reorganization have completed negotiations determining the amount of property tax revenues to be exchanged between and among the local agencies and other related matters; and

WHEREAS, Revenue and Taxation Code Section 99 requires these negotiations and requires the Board of Supervisors of Sacramento County to act therein on behalf of the affected districts; and

WHEREAS, subdivision (b) of Section 99 of the Revenue and Taxation Code requires an exchange of property tax revenues between each local agency whose service area or service responsibility will be altered by a jurisdictional change before such a jurisdictional change can be completed; and

WHEREAS, said subdivision requires each county and city affected by such a jurisdictional change to adopt resolutions whereby such county and cities agree to accept an exchange of property tax revenues on terms negotiated between said public agencies; and

WHEREAS, the County of Sacramento, the City of Folsom and the Special Districts of Sacramento County affected by said jurisdictional change wish to facilitate an orderly and

expeditious jurisdictional change which mitigates the financial impacts of such a jurisdictional change upon the ability of the County of Sacramento to provide required services and facilities such as health, welfare and public safety; and

WHEREAS, the County of Sacramento, the City of Folsom and the Board of Supervisors of said county, acting on behalf of said special districts, after negotiations have reached an understanding 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 Alder Creek Reorganization Area to said municipality; and

WHEREAS, the provisions of Section 99.4 of the Revenue and Taxation Code authorize a city and a county, independent of the authorization set forth in Revenue and Taxation Code Section 99, to exchange property tax revenue upon the satisfaction of certain enumerated criteria.

WHEREAS, the County of Sacramento and the City of Folsom further intend to affect an exchange of property tax revenues pursuant to the provisions of Section 99.4 of the California Revenue and Taxation Code; and

WHEREAS, prior to the adoption of this resolution the City Council has held a public hearing to consider its adoption as required by subdivision (e) of Section 99.4 of the Revenue and Taxation Code and has published notice of said hearing pursuant to Section 6061 of the Government Code in newspapers of general circulation within the City of Folsom and the County of Sacramento; and

WHEREAS, in that regard, the City Council of the City of Folsom has determined, as required by subsection (f) of Section 99.4 of said Revenue and Taxation Code, that such property tax revenues proposed for exchange in accordance with the terms and conditions of this resolution are available for such purpose, that such exchange will not result in any increase in the ratio between the amount of revenues which are generated by regulatory licenses, use charges, user fees, or assessments and the amount of revenues used to finance services provided by the City of Folsom, that such exchange will not impair the ability of the City of Folsom to provide existing services, and that such exchange will not result in a reduction of property tax revenues available to school entities; and

WHEREAS, the County of Sacramento desires to enter into a proper Tax Transfer Agreement with the City of Folsom pursuant to Sections 99 and 99.4 of the California Revenue and Taxation Code to set forth such a rate of exchange of property tax revenues; and

WHEREAS, the County of Sacramento and the City of Folsom find it proper to combine an exchange of property tax revenue in a single Resolution of Agreement with other fiscal matters relating to the annexation so as to fashion a broad resolution of any fiscal impacts with respect to the annexation.

WHEREAS, on September 29, 1992, the Board of Supervisors did adopt its Resolution No. 92-1461 , a Resolution of Agreement Between the County of Sacramento and the City of Folsom Pursuant to Revenue and Taxation Code Sections 99 and 99.4 For Exchange of

Property Tax Revenues In Connection with Alder Creek Reorganization in anticipation of the City Council of the City of Folsom adopting a resolution containing essentially the same terms and conditions as those contained in the above-mentioned resolution of the Board of Supervisors; and

WHEREAS, on October 1, 1992, the City Council of the City of Folsom adopted an Amended Resolution of Agreement Between the County of Sacramento and the City of Folsom Pursuant to Revenue and Taxation Code Sections 99 and 99.4 For Exchange of Property Tax Revenues In Connection with Alder Creek Reorganization which contained several non-substantive revisions to the terms and conditions set forth in Resolution No. 92-1461 of the Board of Supervisors; and

WHEREAS, the Board of Supervisors now wishes to conform the terms and conditions of Resolution No. 92-1461 to those of the amended resolution adopted by the City Council of the City of Folsom on October 1, 1992, by adopting this amended resolution which contains those non-substantive revisions.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Sacramento as follows:

ARTICLE I

Distribution of Property Tax Revenue From Alder Creek Reorganization Area

Subject to the provisions of Article II of this Resolution of Agreement, the property tax revenue from the territory within the Alder Creek Reorganization shall be distributed as follows:

Division I

DEFINITIONS

Section 1.01. Application of Definitions. Unless the particular provision or context otherwise requires, the definitions contained in this Division and in applicable statutes, codes and regulations shall govern the construction, meaning, and application of words used in this Resolution of Agreement. In case of a conflict between a definition in this Division and a definition in any other document, statute, code or regulation, the definition of this Division shall control to the extent permitted by law.

Section 1.02. Alder Creek Property Tax Revenue. "Alder Creek Property Tax Revenue shall mean all Property Tax Revenue from properties within the Reorganization Area.

Section 1.03. Alder Creek City Sales Tax Revenue. "Alder Creek Sales Tax Revenue" shall mean any City Sales or Use Tax Revenue received by the Board of Equalization from a Person for either the privilege of selling taxable personal property at retail within the Alder Creek Reorganization Area, or the storage, use or other consumption of tangible personal property within the Alder Creek Reorganization Area, which Sales and Use Tax Revenue is thereafter transmitted by the Board of Equalization to CITY.

Section 1.04. Board of Equalization. "Board of Equalization" shall mean the Board of Equalization of the State of California.

Section 1.05. City Property Tax Revenues . "City Property Tax Revenue" shall mean all Property Tax Revenue from properties within the boundaries of the CITY.

Section 1.06. City Sales and Use Tax. "City Sales and Use Tax" shall mean any tax imposed by CITY pursuant to the Sales and Use Tax Ordinance.

Section 1.07. City Sales and Use Tax Ordinance. "City Sales and Use Tax Ordinance" shall mean any ordinance enacted by the City Council of CITY pursuant to the authority of the Bradley-Burns Uniform Local Sales and Use Tax Law as set forth in Division 2, Part 1.5 of the California Revenue and Taxation Code.

Section 1.08. City Sales and Use Tax Revenue. "City Sales and Use Tax Revenue" shall mean revenue collected by the California State Board of Equalization and transmitted to CITY as a Sales and Use Tax. "Sales and Use Tax" as used hereunder excludes: (a) that portion of any Sales and Use Tax which is retained by the Board of Equalization as reimbursement for its expenses of collecting and administering said taxes; and (b) any transactions and use tax revenues received by CITY pursuant to the Transactions and Use Tax Law provided for in Division 2, Part 1.6 and 1.7 of the California Revenue and Taxation Code.

Section 1.09. County Sales and Use Tax. "County Sales and Use Tax" shall mean any tax imposed by COUNTY pursuant to the County Sales and Use Tax Ordinance.

Section 1.10. County Sales and Use Tax Ordinance. "County Sales and Use Tax Ordinance" shall mean any ordinance enacted by the Board of Supervisors of COUNTY pursuant to the authority of

the Bradley-Burns Uniform Local Sales and Use Tax Law as set forth in Division 2, Part 1.5 of the California Revenue and Taxation Code.

Section 1.11. County Sales and Use Tax Revenue. "County Sales and Use Tax Revenue" shall mean revenue collected by the California State Board of Equalization and transmitted to COUNTY as a Sales and Use Tax. "County Sales and Use Tax" as used hereunder excludes: (a) that portion of any Sales and Use Tax which is retained by the Board of Equalization as reimbursement for its expenses of collecting and administering said taxes; and (b) any transactions and use tax revenues received by COUNTY pursuant to the Transactions and Use Tax Law provided for in Division 2, Part 1.6 and Part 1.7 of the California Revenue and Taxation Code.

Section 1.12. Day. "Day" or "days" means calendar days unless specified otherwise.

Section 1.13. Fiscal Year. "Fiscal year" shall mean any year commencing on July 1 of any calendar year and ending on June 30 of the next subsequent calendar year.

Section 1.14. Person. "Person" shall have the same meaning as set forth in Section 6005 of the California Revenue and Taxation Code.

Section 1.15. Property Tax Revenue. "Property Tax Revenue" shall mean "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.

Section 1.16 Reorganization Area. "Reorganization Area" shall mean that portion of the unincorporated area of COUNTY known as the Alder Creek Reorganization, as delineated in Sacramento Local Agency Formation Commission application control number "92-1", the annexation of which to CITY is subsequently approved by the Sacramento Local Agency Formation Commission and completed by CITY as provided in the Cortese-Knox Local Governmental Reorganization Act of 1985 (California Government Code §§ 56000 et seq.).

Section 1.17. Reorganization Date. "Reorganization Date" shall mean the date specified by the Cortese-Knox Local Governmental Reorganization Act of 1985 (California Government Code §§ 56000 et seq.) as the effective date of the Alder Creek Reorganization.

Division II

EXCHANGE OF PROPERTY TAX REVENUE

Section 2.01. General Purpose of Resolution of Agreement.

The general purpose of this Resolution of Agreement is to devise an equitable exchange of Property Tax Revenue between: (a) CITY, COUNTY and special districts affected by the Alder Creek Reorganization as required by Section 99 of the Revenue and Taxation Code, and (b) CITY and COUNTY as authorized by Section 99.4 of said Revenue and Taxation Code.

Section 2.02. Exchange of Property Tax Revenues.

(a) In each fiscal year commencing after the Reorganization Date, all Alder Creek Property Tax Revenues shall be divided between COUNTY, CITY and each local agency whose service area would be affected by the Alder Creek Reorganization as follows:

i. CITY shall receive twenty-four and four-tenths percent (24.4%) of the Alder Creek Property Tax Revenue received from the territory bounded by new tax rate area of the Reorganization Area ("the new TRA"). In addition, in the first fiscal year commencing after the Reorganization Date, CITY shall receive \$34,000 of Alder Creek Property Tax Revenue from the portion of said revenue which is payable to COUNTY as provided below.

ii. The Rancho Cordova Recreation and Parks District shall receive a sum equal to the amount of Alder Creek Property Tax Revenue which said district received as property tax revenue from the territory in the new TRA in the 1991-1992 fiscal year.

iii. The Sacramento County Fire Protection District shall receive a sum equal to the amount of Alder Creek Property Tax Revenue, if any, which said district received in the 1991-92 fiscal year as Property Tax Revenue from the territory in the new TRA consisting of the portion of the Reorganization Area north of U.S. Highway 50 which is being detached from the jurisdiction of said district as a result of the Alder Creek Reorganization.

iv. COUNTY shall receive the balance of the Alder Creek Property Tax Revenue from the new TRA which is available for allocation and exchange under the provisions of Section 99 of the Revenue and Taxation Code between the COUNTY, CITY and the special districts affected by the Alder Creek Reorganization.

(b) Commencing in each fiscal year on or after the Reorganization Date, COUNTY shall also be entitled to retain from CITY's portion of the Alder Creek Property Tax Revenues as divided in (a) above, and then, from all remaining City Property Tax Revenue, an amount which equals one-half (1/2) of all Alder Creek City Sales Tax Revenue received by CITY in that fiscal year.

Section 2.03. Exchange by County Auditor. COUNTY and CITY further agree that all of the exchanges of property taxes required by this Resolution of Agreement shall be made by the County Auditor. In carrying out the provisions of Section 2.02 of this Resolution of Agreement, the County Auditor shall make the exchanges required therein from that part of CITY's share of the property tax revenue referred to herein which is paid by the County Auditor to CITY subsequent to December 10 of the fiscal

year for which such exchange is being made. The County Auditor shall do so by transferring to COUNTY the CITY's share of the City Property Tax Revenue of each Property Tax Revenue apportionment to the CITY until the amount of those transfers in the fiscal year in which they are made equals the estimated Alder Creek Sales Tax Revenue as established pursuant to Section 2.04 hereof.

Section 2.04 Determination of Exchange Amount. In carrying out the provisions of Section 2.03 of this Resolution of Agreement, the County Auditor shall determine the amount of exchange required therein based on the total estimated Alder Creek Sales Tax Revenue which will be received by CITY in the fiscal year in which such exchange is being made, as agreed upon by the County Auditor and the City Finance Director, or if they are unable to agree, as determined by an independent consultant selected by the County Executive of COUNTY and City Manager of CITY, all costs of which will be equally shared by COUNTY and CITY.

Section 2.05. Annual Reconciliation. As soon as possible following the end of each such fiscal year, the County Auditor, after consulting with the City Finance Officer, shall reconcile the estimated amount of such sales and use taxes with the actual amount of such sales and use taxes and make any adjustments in the deductions and payments required by Section 2.02 of this Resolution of Agreement which are necessary to account therefor. The County Auditor shall provide a report of such reconciliation and adjustments to the City Finance Officer, and shall roll such

reconciliation and adjustments forward into the exchange for the next fiscal year. In the case of a rebate, CITY shall receive a credit for the amount of the rebate against the amount of the total estimated Alder Creek Sales Tax Revenue which will be received by CITY in the next fiscal year. In the case of additional City Property Tax Revenue being due to COUNTY, the amount of such additional revenue shall be added to the total estimated Alder Creek Sales Tax Revenue which will be received by CITY in the next fiscal year.

Division III

GENERAL PROVISIONS

Section 3.01. Incorporation of Provisions of Property Exchange Agreement. The provisions of this Resolution of Agreement shall be expressly subject to and governed by the terms and conditions of Article III and Article IV of the document entitled "Property Tax Revenue Exchange Agreement Between the County of Sacramento and the City of Folsom Relating to the Alder Creek Reorganization" a copy of which is attached hereto marked Exhibit "A" and incorporated herein by reference.

ARTICLE II

Adoption of Property Tax Exchange Agreement

The document entitled "Property Tax Revenue Exchange Agreement Between the County of Sacramento and the City of Folsom Relating to the Alder Creek Reorganization" a copy of which is attached hereto marked Exhibit "A" is hereby approved and the Chairperson of the Board of Supervisors is by authorized and directed to execute same on behalf of the County of Sacramento.

The terms and conditions of said agreement are incorporated herein by reference the same as if they were set forth herein in their entirety.

ARTICLE III

Notification of County Auditor

The County Executive shall notify the Auditor of the County of Sacramento of the adoption of this resolution as required by subdivision (b) of Section 99 of the Revenue and Taxation Code and subdivision (d) of Section 99.4 of the Revenue and Taxation Code.

On a motion by Supervisor G. Johnson, seconded by Supervisor Streng, the foregoing Resolution was passed and adopted by the Board of Supervisors of the County of Sacramento, State of California, this 6th day of October, 1992, by the following vote, to wit:

- AYES: Supervisors: G. Johnson, Smoley, Streng
- NOES: Supervisors: Collin, T. Johnson
- ABSENT: Supervisors: None

Toby Johnson

Chairperson of the Board of Supervisors of Sacramento County, California

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



Brenda A. Williams
Clerk of the Board of Supervisors

OCT 6 1992

Pat Mardian
Deputy Clerk, Board of Supervisors

FILED

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

OCT 6 1992

taxrsc.015 Dated 10-6-92
10-7-92

14 - BOARD OF SUPERVISORS
BY *[Signature]* October 6, 1992
CLERK OF THE BOARD

By *Pat Mardian*
Deputy