

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

This PROPERTY TAX EXCHANGE AGREEMENT (hereinafter "Agreement") is made and executed in duplicate this \_\_\_\_\_ day of \_\_\_\_\_, 2008 by and between the COUNTY OF SACRAMENTO, a political subdivision of the State of California (hereinafter referred to as "COUNTY"), and the CITY OF GALT, 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. CITY has filed an application with the Sacramento Local Agency Formation Commission requesting its approval of the annexation of approximately 50 acres of real property to CITY ("the Walker Park Annexation"); 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 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. 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

I. COUNTY and CITY 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 Walker Park Annexation Area to CITY; and

J. 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

K. In consideration of the exchange of property tax revenue provided for in this Agreement, COUNTY agrees not to oppose the Walker Park 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 Walker Park Annexation, as delineated in Sacramento Local Agency Formation Commission Application Control Number "LACF 12-07", 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 Walker Park 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 current County Road Fund Share will be transferred to the City. Regarding the exchange of the current General Fund Share, the COUNTY and CITY shall exchange Property Tax Revenue as follows:

(a) CITY shall receive 9.34549% of the Property Tax Revenue to be allocated to its General Fund.

(b) COUNTY shall receive 9.34549% of the Property Tax Revenue to be allocated to its General Fund.

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 the Walker Park 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, nor does it alter or enlarge any revenue sharing obligations of the City by way of incorporation on August 16, 1946.

Section 12. Entire Agreement. With respect to the subject matter hereof 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 Galt  
City Hall  
380 Civic Drive  
Galt, CA 95632

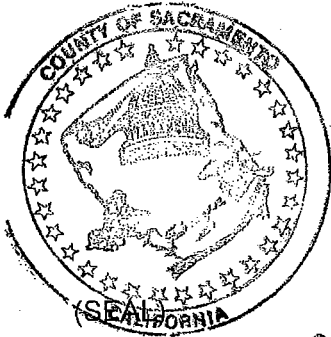
Notice by personal delivery shall be effective immediately upon delivery. Notice by mail shall be effective upon receipt or three days after mailing, whichever is earlier.

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 *James R. Yee*  
Chairperson of the Board of Supervisors  
of Sacramento County, California

ATTEST: *Cynda Lee*  
Clerk of the Board of Supervisors

Approved As to Form:

\_\_\_\_\_  
County Counsel

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

By: *[Signature]*  
Mayor

(SEAL)

ATTEST: *Elizabeth Aguirre*  
City Clerk

Approved As to Form:

*Andrew J. Morris*  
City Attorney

RESOLUTION AUTHORIZING THE EXECUTION OF THE PROPERTY TAX REVENUE EXCHANGE AGREEMENT BETWEEN THE COUNTY OF SACRAMENTO AND THE CITY OF GALT, RELATING TO THE WALKER PARK ANNEXATION

On 4/22/08  
Dated 4/24/08  
Clerk, Board of Supervisors  
By V. Bolera  
Deputy Clerk

WHEREAS, the City of Galt (CITY) has filed an application with the Sacramento Local Agency Formation Commission requesting its approval of the annexation of approximately 50 acres of real property to CITY ("the Walker Park Annexation"); and

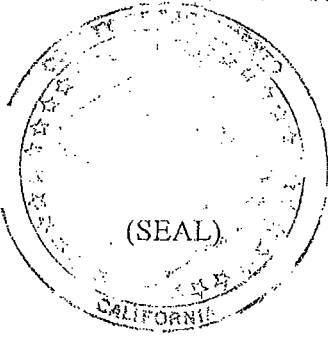
WHEREAS, the County of Sacramento (COUNTY) and CITY have worked together to develop a fair and equitable approach to the sharing of real property ad valorem taxes imposed and collected as authorized by the Revenue and Taxation Code in order to encourage sound urban development and economic growth; and

WHEREAS, the COUNTY and CITY 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 Walker Park Annexation Area to CITY;

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 GALT and to do and perform everything necessary to carryout the purpose of this Resolution.

On a motion by Supervisor Peters, seconded by Supervisor MacGlashan, the foregoing Resolution was passed and adopted by the Board of Supervisors of the County of Sacramento this 22nd day of April, 2008, by the following vote, to wit:

- AYES: Supervisors, Dickinson, MacGlashan, Nottoli, Peters, Yee
- NOES: Supervisors, None
- ABSENT: Supervisors, None
- 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 4/22/08

By V. Bolera  
Deputy Clerk, Board of Supervisors

Janette R. Yell  
Chair of the Board of Supervisors  
of Sacramento County, California

FILED  
BOARD OF SUPERVISORS

APR 22 2008

BY Cynthia Lee  
CLERK OF THE BOARD

RECEIVED

APR 24 2008

SACRAMENTO LOCAL AGENCY  
FORMATION COMMISSION

ATTEST: Cynthia Lee  
Clerk, Board of Supervisors

**RESOLUTION 2008-31**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GALT, CALIFORNIA  
INITIATING ANNEXATION PROCEEDINGS AND APPROVING A PROPERTY TAX  
EXCHANGE AGREEMENT WITH SACRAMENTO COUNTY FOR THE WALKER PARK &  
QUAIL HOLLOW ELEMENTARY SCHOOL ANNEXATION PROJECT.**

**WHEREAS**, the Walker Park & Quail Hollow Elementary School proposed annexation consists of approximately 50 ± acres and is currently located in an unincorporated area of Sacramento County, commonly identified as Assessor Parcel Numbers 148-0140-058 and 148-0140-057; and

**WHEREAS**, the City of Galt application for annexation / reorganization of the Walker Park & Quail Hollow Elementary School Annexation Project is consistent with the City of Galt General Plan ensuring adequate municipal services, consistency with land use policies as well as state law and Local Agency Formation Commission standards and criteria; and

**WHEREAS**, the Walker Park & Quail Hollow Elementary School Project site is located within the City of Galt Sphere of Influence; and

**WHEREAS**, the Walker Park and Quail Hollow Elementary School Sites have a General Plan designation of Public/Quasi Public and was pre-zoned as Public/Quasi Public by the City Council on January 2, 2007; and

**WHEREAS**, this action of reorganization is being taken pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Gov. Code sec. 56000 et. seq.); and

**WHEREAS**, this reorganization involves the annexation (uninhabited) of the Walker Park & Quail Hollow Elementary School Project to the City of Galt and detachment from Galt Irrigation District and County Service Area 4-D and such others as determined appropriate by and through the LAFCo proceedings; and

**WHEREAS**, description of the exterior boundaries of the affected territory subject to this proposed reorganization is attached hereto as Exhibit "A" and incorporated herein by reference; and

**WHEREAS**, a Property Tax Exchange Agreement between the City of Galt and Sacramento County is required before the Sacramento Local Agency Formation Commission (LAFCo) may act upon the annexation / reorganization proposal; and

**WHEREAS**, a Property Tax Exchange Agreement between the City of Galt and Sacramento County would govern future distribution of property tax revenue if such revenue is ever generated from the property.

**NOW, THEREFORE, BE IT RESOLVED AND ORDERED**; that the City Council of the City of Galt makes the following findings:

1. The proposed annexation represents a logical and reasonable extension of the City boundaries since it is located adjacent to development within the City limits on the east and north.
2. The affected territory is designated for urban development in the City of Galt General Plan and is necessary to accommodate future recreational and education needs in the City of Galt.

**RESOLUTION NO. 2008-31**  
**PAGE 2**

3. The proposed annexation would constitute a fiscally neutral addition to the City and would provide needed and desired recreational and education services to future residents without adversely impacting existing service delivery and capacity.

**BE IT FURTHER RESOLVED AND ORDERED**, that the City Council of the City of Galt hereby initiates the reorganization described 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, et. Seq.)

**BE IT FURTHER RESOLVED AND ORDERED**, that the Property Tax Exchange Agreement is hereby approved and, shall apply to the County General Fund and the County Road Fund share of property taxes generated within the project area.

**BE IT FURTHER RESOLVED AND ORDERED** that the Property Tax Exchange Agreement applies to both base revenue and any future growth revenue.


**BE IT FURTHER RESOLVED AND ORDERED** that this Property Tax Exchange Agreement will take effect in the first full year after the annexation as approved by LAFCo. Should LAFCo not approve the annexation, this Agreement shall be null and void.

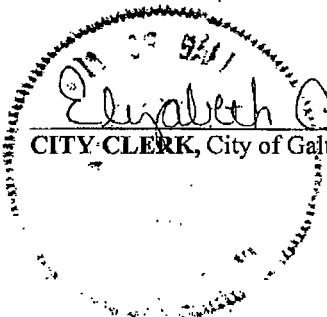
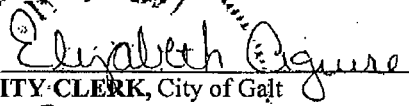
**BE IT FURTHER RESOLVED AND ORDERED** that said Property Tax Exchange Agreement is on file with the City Clerk's Office and is hereby incorporated in full by reference.

The City Clerk shall certify the passage and adoption of this Resolution and enter it into the book of original Resolutions.

**PASSED AND ADOPTED** by the City Council of the City of Galt, California this 1st day of April, 2008, upon a motion by Council Member Payne, second by Council Member Clare, by the following vote, to wit:

AYES:	Council members:	Haines, Payne, Clare, Raboy
NOES:	Council members:	None
ABSTAIN:	Council members:	None
ABSENT:	Council members:	Meredith

  
MAYOR, City of Galt

  
  
CITY CLERK, City of Galt

**EXHIBIT "A"**

**LEGAL DESCRIPTION  
FOR  
PROPOSED WALKER PARK ANNEXATION**

REAL PROPERTY situate in the un-incorporated area of the County of Sacramento, State of California, described as follows;

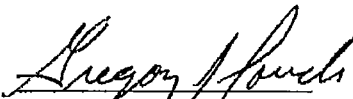
Lots 183, 184, 185, 200, 201, 202, 203 and 204, along with portions of Lots 206 and 207, as said Lots are shown on the map entitled "PLAT OF VALLEY OAKS NO.3", filed for record in the office of the County Recorder of Sacramento County on April 28, 1913, in Book 14 of Maps at page 8, more particularly described as follows;

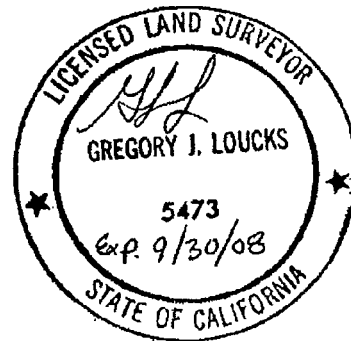
BEGINNING at the northwestern corner said Lot 185, also being the intersection of the centerlines of Orr Road and Sargent Avenue;  
thence along said centerline of Orr Road, South 89°08'04" East, 1176.41 feet to the northeastern corner of said Lot 183;  
thence southerly along the eastern line of Lot 183 and the general eastern line of said map South 01°04'49" West, 1889.50 feet;  
thence South 00°18'43" West, 226.62 feet to the centerline of a ditch;  
thence along said centerline, North 86°48'54" West, 791.77 feet to the western line of said Lot 207;  
thence along said line of Lot 207, and the western line of said Lot 204, North 00°42'06" East, 732.20 feet to the northwest corner of Lot 204, also being the southeast corner of said Lot 200;  
thence along the southern line of Lot 200, South 89°58'06" West, 389.11 feet to the centerline of Sargent Avenue, as said Avenue is shown on said map;  
thence along said centerline, also being the western line of said Lots 200 and 185, North 01°19'11" East, 1357.99 feet to said intersection thereof with the centerline of Orr Road.

containing 50.2 acres, more or less.

Assessor's Parcel Nos. 148-0140-045-000, 148-0140-057-000, 148-0140-058-000

Prepared by

  
Gregory J. Loucks, PLS  
L.S 5473 Exp. 9/30/08





POINT OF BEGINNING

# EXHIBIT "B"

S89°08'04"E 1176.41'

northwestern corner of Lot 185

centerline of ORR ROAD

northeastern corner of Lot 183

centerline of SARGENT AVENUE



Portion of VALLEY OAKS NO. 3  
14 MAPS 8

Assessor's Parcel Nos.  
148-0140-045-000  
148-0140-057-000  
148-0140-058-000  
50.2 ± ACRES

N01°19'11"E 1357.99'

S01°04'49"W 1889.50'

southern line of Lot 200

389.11'  
S89°58'06"W

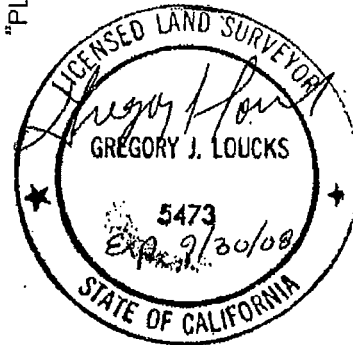
eastern line of  
"PLAT OF VALLEY OAKS NO. 3"  
14 B.M. 8

N00°42'06"E 732.20'

western line of  
Lots 207 & 204

centerline of ditch  
N86°48'54"W 791.77'

226.62'  
S00°18'43"W



**Stantec**

Client/Project

City of Galt

Title

PROPOSED ANNEXATION BOUNDARY  
WALKER PARK

DATE: 04-11-08

JOB #: 184300600

DRAWN BY: TLF

CHECKED BY: GL

SCALE: 1"=300'

CODE: V-41

DRAWING #: H-8900

Stantec Consulting Inc.

2590 Venture Oaks Way

Sacramento, CA 95833-3288

Tel. 916.569.2500

Fax. 916.921.9274

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