

**PROPERTY TAX ALLOCATION  
AGREEMENT BETWEEN  
THE CITY OF FRESNO  
AND  
THE FRESNO COUNTY FIRE PROTECTION DISTRICT**

This Property Tax Allocation Agreement (Agreement) is entered into and effective August 19, 2025 (Effective Date), between the City of Fresno, a California Charter city and municipal corporation (City) and the Fresno County Fire Protection District (District), a local fire protection district organized and existing as a California Special District under provisions of the Fire Protection District Law of 1987 (Health & Safety Code Section 13800 *et seq.*) with respect to the following Recitals, which are incorporated as a substantive part of this Agreement.

**RECITALS**

- A. The District is the primary provider of fire suppression, prevention, rescue, emergency medical services and hazardous material emergency response and other services relating to the protection of lives and property (Fire Protection Services) within its territorial limits, which includes areas near the incorporated centers of the County of Fresno (County), including the City. Current District boundaries are reflected in **Exhibit 1**, attached and incorporated by this reference. The District also provides Fire Protection Services to certain incorporated cities and substantial portions of unincorporated areas within the County.
- B. The City is the provider of Fire Protection Services within its corporate limits.
- C. The District's primary source of funding comes from general purpose *ad valorem* property tax revenue from all real property within its territory (property taxes). The revenue within involved tax rate areas is based on the combined "parent zone" and applicable "service zone" tax rates to the taxable value of the real property within such territory.
- D. From time to time in connection with proposed property development, territory within the District is annexed into the City and detached from the District. Although District no longer services properties that annex into the City and detach from the District, District wide service obligations and regional support are not reduced commensurately. To address the impact of the resulting loss of property tax revenue on District facilities, equipment and personnel, and partially mitigate impacts upon the District from annexations and detachments, Fresno County Local Agency Formation Commission (LAFCo) policy requires the City and District to reach an agreement governing the transition of Fire Protection Services.
- E. For the past 31 years District and the incorporated cities in the County have operated under transition agreements, the most recent covering the last ten (10)

years (2015 Transition Agreement), under which City agreed to pay District a yearly sum of money upon annexation and detachment of property reflecting a percentage of Property Taxes District would have received had the property not been annexed for a period of 10 years.

- F. The District and City desire to enter into a new agreement under substantially the same terms, removing obsolete language, and providing for a new 10-year term with an option for the parties to extend the term for an additional 10 years.
- G. The intent of this Agreement is to apply to all unincorporated areas that are within the jurisdictional boundaries of the District which may be subject to annexation to the City.

### **AGREEMENT**

NOW, THEREFORE, the parties agree as follows:

1. Effect of Recitals. The foregoing Recitals are incorporated in and are a part of this Agreement.
2. Affected Territory. "Affected Territory" shall mean all property that is within unincorporated areas within the jurisdictional boundaries of the District and are subject to annexations or reorganizations into the City and related detachments from the District.
3. Allocation and Payment of Property Taxes.

a. Upon the effective date of annexations/reorganizations of Affected Territory into the City and detachment of the Affected Territory from the District, the real property tax previously imposed on the Affected Territory, and collected and allocated by Fresno County for the benefit of the District ("Base Year Allocation" or "BYA") shall continue to be collected by the County from the City's portion of real property taxes, but paid to the City and the City shall allocate and pay the BYA for the Affected Territory to the District for a period of 10 years from the effective date of the specific reorganization. The BYA shall include any increase up to two percent (2%) per annum imposed by the County in accordance with the constitutional rate. Other than a potential up to 2% annual increase in the BYA, the District will not be eligible to receive any increase in the BYA.

For the purposes of this Agreement, the effective date of annexations/reorganizations and the date to be used for when the tax reallocation to District commences, shall be the date upon which the annexation of property is recorded with the County Recorder and California State Board of Equalization consistent with applicable law.

The District shall be responsible for creating the tax allocation rate

schedule and shall allow the City to review and agree to the schedule prior to the District invoicing the City for the BYA.

**Exhibit 2**, attached and incorporated by this reference, sets forth the form of the tax allocation rate schedule the District will provide to City for review and approval for each annexation. By way of example only **Exhibit 2** also contains an example of the calculation of the BYA.

b. The District shall notice and invoice the City to pay the applicable BYA to the District in July of each year. Such notice shall include the applicable tax allocation rate schedule showing the BYA due to the District. City shall send the applicable payment to the District within thirty (30) days after the City's receipt of the District's notice, invoice and tax allocation rate schedule. In the event the City does not pay to the District the applicable BYA due to the District within said thirty (30) day period, the amount due to the District shall be assessed interest at the legal rate commencing on the thirty first (31) day after the City's receipt of the District's notice and tax allocation rate schedule. The City's failure to make the allocated monetary payment amount due the District within the time period set forth in this subparagraph 3b. shall be considered a material breach of this Agreement.

c. The City and the District agree that if it is estimated the annual allocation of BYA over the 10-year allocation period, which includes the 2% annual constitutional rate increase, is less than \$10,000, City will pay the entire 10-year allocation in one (1) lump sum at the time the first annual allocation payment is due.

4. Inapplicability of Revenue Sharing to Substantially Developed Areas. The provisions of Section 3 relating to the BYA shall not apply to an area of the County that is annexed into the City and is "Substantially Developed." For purposes of this Agreement, "Substantially Developed" means real property which, prior to annexation, has an improvement value to land value ratio equal to or greater than 1.25:1, as determined by the Fresno County Assessor's records, as of the property tax lien date in the fiscal year in which the annexation becomes effective under the Cortese- Knox Local Government Reorganization Act, and on and after January 1, 2001, the Cortese-Knox- Hertzberg Local Government Reorganization Act of 2000." Example of a Substantially Developed area includes:

- Sunnyside Neighborhood, located in the area generally bounded by Lind Ave., Armstrong Ave., Kings Canyon Rd, and north of the Southern Pacific Railroad. (See **Exhibit 3**)

This exception shall only apply to forced annexations as defined herein. This exception shall not apply to annexations voluntarily initiated by the City. Forced annexations shall mean:

- (a) Annexations mandated by the State of California.

- (b) Annexations requested by the County of Fresno and subsequently approved by LAFCo through negotiations with the City over tax sharing agreements or project specific development agreements.
- (c) Annexations required by LAFCo.
- (d) Annexations initiated by the voters.

5. Term. The term of this Agreement shall be for a period of 10 years from the Effective Date, through August 18, 2035, and it shall replace in all respects the 2015 Transition Agreement between the parties, except that obligations which by the terms expressed herein are intended to continue beyond the term of this Agreement shall continue until satisfied. This Agreement may also be extended by an additional period of 10 years from the expiration date with the agreement of both District and City.

6. Affect of Annexations. Upon annexation of affected properties to City, those properties shall detach from the District, and all Property Taxes shall be allocated consistent with Section 3 of this Agreement and existing laws, rules, policies and procedures established in the County, subject to any applicable agreement between City and the County.

7. LAFCo Compliance. District and City agree that this Agreement is intended to satisfy the intent and purpose of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

8. Non-Opposition to Annexations. District represents and agrees that during the term of this Agreement, it will not oppose further annexation to the City. This agreement not to oppose annexation does not extend to modifications to the City Sphere of Influence or required Municipal Service Reviews adopted by the Fresno County LAFCo.

9. Accounting. District and City agree that their designated representatives shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. District and City agree to maintain such records for a possible audit for a minimum of four (4) years from the recording date of an annexation to the City and to allow access to such records for an audit during normal business hours.

10. Termination.

a. Termination Upon Expiration. This Agreement shall terminate upon expiration of its Term, if not extended by agreement.

b. Termination Due to Invalidity. Should any material portion of this Agreement be declared invalid or inoperative by a court of competent jurisdiction, this entire Agreement as well as any ancillary documents entered into by the parties in

order to fulfill the intent of this Agreement shall immediately be of no force and effect and this Agreement shall terminate in its entirety.

c. Termination Due to Material Breach: Right to Cure. This Agreement may be terminated by either party for a material breach and a failure to cure that breach within thirty (30) days after receipt of a notice to cure.

d. Termination Due to Change in Law. It is mutually understood and agreed that this Agreement shall terminate immediately and shall be of no further force and effect should substantial substantive changes occur in such statutory scheme or successor statutory schemes (whether by legislative or judicial action) which negate or frustrate the fundamental reasons or tenets of this Agreement, such termination to be in the entirety. Any party contending this section applies shall give written notice of termination pursuant to this section, which notice shall include an explanation of the reason(s) for such termination.

11. Renewal of Agreement. Within 60 days after the date of commencement of the ninth year of this Agreement, the District and the City agree to meet and negotiate in good faith, in an attempt to agree upon the terms and conditions of an extension of this Agreement consistent with applicable law at the time.

12. Remedies for Breach of Agreement. In addition to termination of this Agreement for a material breach, the parties may exercise any other remedy available to them at law or in equity, including specific performance, injunctive relief, and writ of mandate.

13. Dispute Resolution. If any dispute arises regarding the interpretation or application of this Agreement or any determination or calculation thereunder, the parties agree upon the request of either of them to meet and attempt to resolve the same amicably for a period not to exceed thirty (30) days.

If the dispute is not otherwise resolved, and absent the need for emergency relief or to meet a statute of limitations, the parties agree to enter into mediation before initiating litigation. The parties shall mutually agree upon a mediator and each party shall pay one half (1/2) the cost of the mediator and bear their own costs for the mediation. The mediation shall be completed within sixty (60) days of notice of the intent to undergo mediation. If the mediation is not completed within sixty (60) days of notice, a party may initiate litigation. The parties shall act in good faith and with due diligence to timely complete the mediation.

If litigation is commenced before mediation due to one of the reasons mentioned above, the parties agree to immediately commence and complete mediation within sixty (60) days of the commencement of litigation as evidenced by the filing in court of a formal complaint, petition, or similar document.

14. Modification. This Agreement may be modified or amended only by a writing duly authorized and executed by the City and District.

15. Enforcement. The City and District each acknowledge that this Agreement cannot bind or limit themselves or each other or their future governing bodies in the exercise of their discretionary legislative power. However, each binds itself that it will insofar as is legally possible, fully carry out the intent and purposes hereof, if necessary, by administrative and ministerial action independent of that legislative power and that this Agreement may be enforced by injunction or mandate or other writ to the full extent allowed by law.

16. Integration. With respect to the subject matter hereof, this Agreement is intended to be an integrated agreement and supersedes any and all previous negotiations proposals, commitments, writings and understandings of any nature whatsoever between the City and the District as to the subject matter of this Agreement.

17. Notice. All notices, requests, determinations or other correspondence required or allowed by law or this Agreement to be provided by the parties shall be in writing and shall be deemed given and received when delivered to the recipient by first-class mail (or an equal or better form of delivery) at the following addresses:

CITY

City Manager  
City of Fresno  
2600 Fresno Street  
Fresno, California 93721

DISTRICT

Fire Chief  
Fresno County Fire Protection District  
210 South Academy Avenue  
Sanger, California 93657

By giving notice, either party may change its address for these purposes.

18. Third Parties. This Agreement shall not be construed as or deemed an agreement for the benefit of any third party or parties, and no third party or parties shall have any right of action hereunder for any cause of action whatsoever.

19. Subsequent District Agreements. District agrees that if, during the term of this Agreement, District negotiates a property tax allocation involving an annexation to the municipality and a detachment from the District with any other municipality which contains more favorable terms than this Agreement, District shall notify City within thirty (30) days of such agreement and offer those same terms to City. More favorable terms, means, but is not necessarily limited to, another municipality allocating to District a lower percentage of taxes than City allocates District under Section 3 of this Agreement.

## 20. Indemnification

a. The City shall indemnify and hold harmless the District and its elected and appointed officials, officers, employees, attorneys, volunteers, and agents from and against any and all claims, actions, causes of action, demands, or liabilities of whatsoever kind and nature, including judgments, interest, reasonable attorneys' fees, and all other costs, fees, expenses, and charges (collectively, "Claims") to the extent that such Claims arise out of or were caused by the negligence, gross negligence, or willful misconduct of the City or from any breach of the Agreement by the City.

b. The District shall indemnify and hold harmless the City and its elected and appointed officials, officers, employees, attorneys, volunteers, and agents from and against any and all claims, actions, causes of action, demands, or liabilities of whatsoever kind and nature, including judgments, interest, reasonable attorneys' fees, and all other costs, fees, expenses, and charges (collectively, "Claims") to the extent that such Claims arise out of or were caused by the negligence, gross negligence, or willful misconduct of the District or from any breach of the Agreement by the District. Notwithstanding the foregoing, the District shall indemnify, defend, and hold harmless the City and its elected and appointed officials, officers, employees, attorneys, volunteers, and agents from and against any and all Claims arising out of or related to collection of the BYA, including, without limitation, calculations related to the BYA.

21. Attorney's Fees and Costs. In any action to enforce the provisions of this Agreement or for breach of the Agreement, the prevailing party shall recover from the other party, in addition to any damages, injunctive or other relief, all costs (whether or not allowable as "cost" items by law) reasonably incurred at, before and after trial or on appeal, including without limitation attorneys' and witness (expert and otherwise) fees, deposition costs, copying charges and other expenses.

22. Approval. The parties represent that this Agreement was approved by their respective governing boards at a properly noticed meeting.

23. Choice of Law and Venue. This Agreement shall be governed by the laws of the State of California. Venue for actions and proceedings between the parties related to this Agreement shall be in the Eastern District of California for any federal action and, unless otherwise agreed by the parties, in Fresno County Superior Court for state actions.

24. Agreement Mutually Drafted. Each party has participated jointly in the drafting of this Agreement, which each Party acknowledges is the result of extensive negotiations between the Parties, and the language used in this Agreement shall be deemed to be the language chosen by the Parties to express their mutual intent. If an ambiguity or question of intent or interpretation arises, then this Agreement will accordingly be construed as drafted jointly by the parties, and no presumption or burden of proof will arise favoring or disfavoring any Party to this Agreement by virtue of the authorship of any of the provisions of this Agreement. The captions, headings and table of contents contained in this Agreement are for reference purposes only and

shall not affect in any way the meaning or interpretation of this Agreement.

25. Notification to County Auditor-Controller/Treasurer/Tax-Collector. Immediately after the Effective Date of this Agreement, City and District shall furnish a fully executed copy of this Agreement to the Fresno County Auditor-Controller/Treasurer Tax-Collector (County Auditor) at the address listed below. Any Agreement amendment, upon its becoming effective, shall also be furnished to the County Auditor by the City and the District.

Fresno County Auditor-Controller/Treasurer Tax-Collector  
2281 Tulare Street  
Fresno, CA 93721

*Signatures on next page*



IN WITNESS WHEREOF, the parties have entered into this Agreement in Fresno  
County, California.

FRESNO COUNTY FIRE PROTECTION DISTRICT CITY OF FRESNO

By: \_\_\_\_\_  
John Arabian, Board President

By: \_\_\_\_\_  
Georgeanne White, City Manager

Date: \_\_\_\_\_

Date: \_\_\_\_\_

ATTEST:

APPROVED AS TO FORM:  
ANDREW JANZ  
City Attorney

By: \_\_\_\_\_  
Brad Richter, Board Secretary

By: \_\_\_\_\_  
Jennifer M. Quintanilla,  
Senior Deputy City Attorney

Date: \_\_\_\_\_

APPROVED AS TO FORM:

Date: \_\_\_\_\_

\_\_\_\_\_  
William D. Ross, District Counsel

ATTEST:  
TODD STERMER, MMC  
City Clerk

Date: \_\_\_\_\_

By: \_\_\_\_\_

Deputy

Date: \_\_\_\_\_

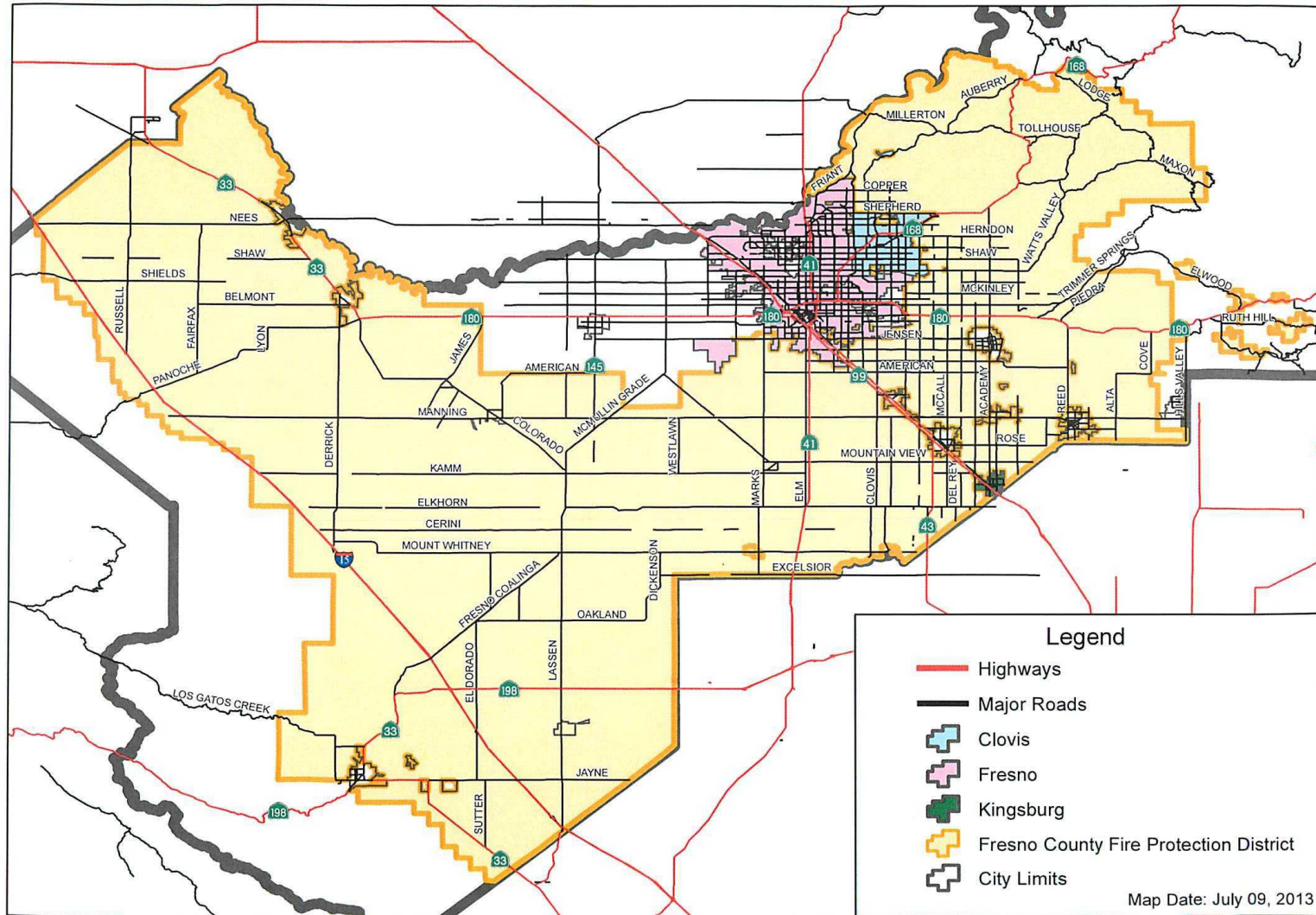
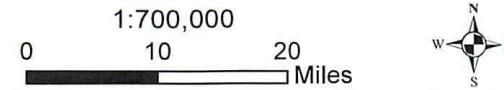
Attachments:

Exhibit 1 – Fresno County Fire Protection District Boundaries

Exhibit 2 – Sample Tax Allocation Rate Schedule and Example BYA Calculation

Exhibit 3 – Sunnyside Neighborhood

# Fresno County Fire Protection District Exhibit 1



## Exhibit 2

### City of Fresno/ Fresno County Fire Protection District Transition Agreement

#### Base Year Allocation of RO-26-01 “Example Only” Reorganization

This tax allocation rate schedule is intended to effectuate the Transition Agreement entered into between the City of Fresno and the Fresno County Fire Protection District effective August 19, 2025. The agreement provides for a payment to the District for 100% of the Base Year Allocation (BYA) for a period of (10) years. BYA to include up to a 2% annual constitutional increase imposed by the County. Year 1 payment is due to the District the fiscal year following the year the City receives its allocation of property taxes from this annexation. Payments due to the District for each fiscal year (July 1 - June 30) will be made no later than August 30 each year for the prior fiscal year. City and District agree that total payments for annexations over a ten-year period that are less than \$10,000, City will pay the District a the entire 10-year allocation for that annexation in one lump sum at the time the first annual allocation payment is due.

Recording Date of: July 17, 2026  
Tax Roll Used: 2026  
Tax Rate Area (TRA) # 076-052  
Total Assessed Value \$1,111,409  
Net Assessed Value (NAV) at Recording= \$1,111,409  
Equivalent Tax Rate (ETR) = .00191023  
Base Year Allocation (BYA) = \$2,123.05

	Year	BYA +	Annual Increase	Payment Due
Year 1 Payment	2027	\$2,123.05		\$2,123.05
Year 2 Payment	2028	\$2,165.51	2.00%	\$2,165.51
Year 3 Payment	2029	\$2,208.82	2.00%	\$2,208.82
Year 4 Payment	2030	\$2,253.00	2.00%	\$2,253.00
Year 5 Payment	2031	\$2,298.06	2.00%	\$2,298.06
Year 6 Payment	2032	\$2,344.02	2.00%	\$2,344.02
Year 7 Payment	2033	\$2,390.90	2.00%	\$2,390.90
Year 8 Payment	2034	\$2,438.72	2.00%	\$2,438.72
Year 9 Payment	2035	\$2,487.49	2.00%	\$2,487.49
Year 10 Payment	2036	<u>\$2,537.24</u>	2.00%	\$2,537.24
Total Payment		\$23,246.81		

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**Dustin Hail**  
**Chief**  
**Fresno County Fire Protection District**

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**Georgeanne White**  
**City Manager**  
**City of Fresno**

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**Date**

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**Date**

# Exhibit 3

## Sunnyside Neighborhood

