

Exhibit I

**STANDALONE TAX SHARING AGREEMENT
BETWEEN THE CITY OF FRESNO AND THE COUNTY OF FRESNO
REGARDING DAKOTA HAYES NO. 4 REORGANIZATION
(FANUCCHI ANNEXATION)**

THIS STANDALONE TAX SHARING AGREEMENT BETWEEN THE CITY OF FRESNO AND THE COUNTY OF FRESNO REGARDING DAKOTA HAYES NO. 4 REORGANIZATION (FANUCCHI ANNEXATION) (AGREEMENT) is made and entered into on this 10th day of August, 2021, by and between the CITY OF FRESNO, a municipal corporation of the State of California (CITY) and the COUNTY of FRESNO, a political subdivision of the State of California (COUNTY).

RECITALS

- A. Revenue and Taxation Code Section 99 requires that CITY and COUNTY enter into a property tax sharing agreement prior to annexation approval of unincorporated COUNTY territory into CITY's jurisdictional limits by the Fresno Local Area Formation Commission's (LAFCo).
- B. CITY and COUNTY were previously parties to that certain Amended and Restated Memorandum of Understanding, dated January 6, 2003 (the 2003 MOU), a master tax sharing agreement sanctioned by Revenue and Taxation Code Section 99(d).
- C. The 2003 MOU expired on August 29, 2020.
- D. On September 17, 2020, by Resolution No. 2020-235, CITY authorized submission of an annexation application to LAFCo for the area covered by CITY Annexation Application No. P19-02239, which area is more particularly set forth in **Exhibit A** attached hereto and incorporated herein by this reference (the FANUCCHI ANNEXATION), "[s]ubject to approval of a Revenue and Taxation Code Section 99 tax sharing agreement between the City of Fresno and County of Fresno evidencing revenue neutrality to the City of Fresno as required by Fresno Municipal Code Section 15-6104 (C)."
- E. In the absence of a master tax sharing agreement the City and County now desire to enter into a standalone tax sharing agreement, using the real property tax apportionment formula provided by the 2003 MOU, but only for real property in the FANUCCHI

1 ANNEXATION, pursuant to Revenue and Taxation Code Section 99(b)(6), under the
2 mutually agreed upon terms set forth herein.

3 F. The development of the real property identified in the FANUCCHI ANNEXATION would
4 best be served by being annexed to CITY. CITY and COUNTY further share a mutual
5 interest in (1) the annexation of additional territory identified in **Exhibit B**, attached hereto
6 and incorporated herein by this reference, and (2) the acquisition by CITY of the rights-
7 of-way identified in **Exhibit C**, attached hereto and incorporated herein by this reference,
8 as this annexation of additional territory by CITY and acquisition of the rights-of-way by
9 CITY would serve the public interest by minimizing creation of peninsulas, corridors, and
10 other distortions of boundaries. At COUNTY's request, CITY has agreed to include a plan
11 to accomplish the aforementioned as part of this Agreement.

12 AGREEMENT

13 NOW, THEREFORE, in consideration of the foregoing and of the covenants, conditions,
14 and premises hereinafter contained to be kept and performed by the respective parties, it is
15 mutually agreed as follows:

16 1. Definitions.

- 17 a. **Base Property Tax Revenue** means Property Tax Revenue allocated by tax rate
18 equivalents to all taxing jurisdictions as to the geographic area comprising a given
19 tax rate area annexed in the fiscal year immediately preceding the tax year in which
20 property tax revenues are apportioned pursuant to this Agreement, including the
21 amount of State reimbursement for the homeowners' exemption.
- 22 b. **Property Tax Increment** means revenue from the annual tax increment, as
23 "annual tax increment" is defined in Section 98 of the Revenue and Taxation Code,
24 attributable to the tax rate area for the respective fiscal year.
- 25 c. **Substantially Developed** means real property which, prior to annexation, has an
26 improvement value to land value ratio equal to or greater than 1.25:1, as
27 determined by the Fresno County Assessor's records, as of the property tax lien
28 date in the fiscal year in which the annexation becomes effective under the

1 Cortese-Knox Local Government Reorganization Act, and on and after January 1,
2 2001, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

- 3 d. **Property Tax Revenue** means Base Property Tax Revenue, plus the Property
4 Tax Increment for a given tax rate area in a given fiscal year.
5 e. **Bypassed Territory** means that territory in Fresno County, California shown in
6 **Exhibit B.**

7 **2. Property Tax Revenues.**

8 a. **General.** The Property Tax Revenue collected in relation to the annexation of the
9 real property in the geographical area covered by the FANUCCHI ANNEXATION
10 shall be apportioned between CITY and COUNTY as set forth in sections 2.b. and
11 2.c. below. The parties acknowledge that, pursuant to Sections 54902, 54902.1,
12 and 54903 of the Government Code and Sections 97 and 99 of the Revenue and
13 Taxation Code, the distribution of such Property Tax Revenues will not be effective
14 until the revenues are collected in the fiscal year following the calendar year in
15 which the related statement of boundary changes and the related map or plat is
16 filed with the County Assessor and the State Board of Equalization.

17 b. **Property Not Substantially Developed.** Regarding real property in the
18 FANUCCHI ANNEXATION, which is not considered Substantially Developed at
19 the time of annexation, COUNTY will retain all of its Base Property Tax Revenue
20 upon the annexation of such geographical area to the CITY. The amount of the
21 Property Tax Increment allocated to special districts whose services are assumed
22 by CITY shall be combined with the Property Tax Increment allocated to COUNTY,
23 the sum of which shall be allocated between CITY and COUNTY pursuant to the
24 following ratio:

25 COUNTY: 62%

26 CITY: 38%

27 c. **Substantially Developed Property.** Regarding the real property in the
28 FANUCCHI ANNEXATION, which is considered Substantially Developed at the

1 time of annexation, Property Tax Revenue (base plus increment) will be
2 reallocated as follows: a detaching or dissolving district's Property Tax Revenue
3 (base plus increment) shall be combined with COUNTY's and the sum shall be
4 allocated between CITY and COUNTY pursuant to the ratio set forth in section 2.b.
5 above.

6 **3. Effective Date.** The Agreement shall not become effective until both (1) execution by
7 both parties hereto and (2) fulfillment of the condition precedent set forth herein.

8 a. **Condition Precedent.** It shall be a condition precedent of this Agreement that the
9 Developer of the initial FANUCCHI ANNEXATION amends the conditions of approval
10 of Vesting Tentative Tract Map No. 6234 (part of Annexation Application No. P19-
11 02239) to require Developer to make up for revenue shortfalls addressed in City of
12 Fresno Resolution No. 2020-235, through an appropriate mechanism.

13 **4. Additional Covenants.** Not as conditions to the validity or enforceability of other
14 provisions of this Agreement, CITY and COUNTY agree as follows:

15 a. **Acquisition of Rights-of-Way.** Within a reasonable time prior to the recordation
16 of the FANUCCHI ANNEXATION, CITY shall accept conveyances from COUNTY
17 for, or otherwise acquire, all road rights-of-way along W. Ashlan Avenue, N. Bryan
18 Avenue, and N. Hayes Avenue as identified in **Exhibit C**. In regard to any
19 portion(s) of road rights-of-way along W. Ashlan Avenue shown in **Exhibit C**, for
20 which the COUNTY does not have marketable record title as of the Effective Date,
21 CITY shall be responsible to acquire (by purchase, eminent domain, or otherwise)
22 said portion(s) of road rights-of-way. Upon the acceptance or acquisition by CITY
23 of the road rights-of-way identified in **Exhibit C**, pursuant to this section 4.a., those
24 rights-of-way shall become CITY streets and the sole responsibility of CITY. As an
25 alternative to the acceptance by CITY of conveyances from COUNTY for or other
26 acquisition of all road rights-of-way shown in **Exhibit C** under this section 4.a.,
27 CITY may annex the territory comprising all road rights-of-way shown in **Exhibit**
28 **C**. CITY will not object to and shall support the imposition by LAFCo of a condition

1 of the FANUCCHI ANNEXATION requiring, prior to the recordation of the
2 FANUCCHI ANNEXATION, the acceptance by CITY of conveyances from
3 COUNTY for or other acquisition of all road rights-of-way shown in **Exhibit C**.

4 **b. Annexation of Bypassed Territory.** Within eighteen (18) months following the
5 issuance by LAFCo of a certificate of completion pursuant to Section 57203 of the
6 Government Code with respect to the FANUCCHI ANNEXATION , CITY agrees to
7 submit a complete application to LAFCo for annexation of the Bypassed Territory
8 to CITY, including providing any additional information or materials as may be
9 required by LAFCo to make such application complete. CITY's submission of a
10 complete application to LAFCo shall fully satisfy CITY's obligation under this
11 Section 4.b. In addition to its statutory obligations, including without limitation
12 rezoning the Bypassed Territory in anticipation of its annexation to CITY, CITY
13 agrees to provide written notice at least ten (10) days in advance of each public
14 outreach meeting, addressed below, to all residents and property owners within
15 the Bypassed Territory of the proposed annexation to CITY of the Bypassed
16 Territory and hold at least two public outreach meeting with said residents and
17 property owners, prior to the filing of any application with LAFCo with respect to
18 the annexation to CITY of the Bypassed Territory. CITY shall pay all required fees
19 and costs for annexation to CITY of the Bypassed Territory. COUNTY shall not
20 object to any effort by the CITY to request that LAFCo to waive any fees on the
21 basis that the annexation to CITY of the Bypassed Territory is in the public's
22 interest. Any standalone tax-sharing agreement entered into by the parties hereto
23 relating to the annexation of the Bypassed Territory shall be on the same terms
24 and conditions, excepting this section 4, as this Agreement.

25 **c. Enforcement.** COUNTY may enforce the covenants in section 4, inclusive of
26 sections 4.a. and 4.b., by any legal means, provided however that, once LAFCo
27 issues a certificate of completion pursuant to Section 57203 of the Government
28 Code with respect to the FANUCCHI ANNEXATION, this section 4 does not

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

authorize COUNTY to seek LAFCo's invalidation of, or to withdraw support for, the proceedings for the FANUCCHI ANNEXATION.

IN WITNESS WHEREOF, the parties have executed this Agreement at Fresno, California, the day and year first above written.

CITY OF FRESNO,
A California municipal corporation

COUNTY OF FRESNO, a Political
Subdivision of the State of California

By: [Signature]
Jerry Dyer,
Mayor

By: [Signature]
Steve Brandau, Chairman of the Board
of Supervisors of the County of Fresno

REVIEWED AND RECOMMENDED FOR
APPROVAL:

ATTEST:
Bernice E. Seidel
Clerk of the Board of Supervisors
County of Fresno, State of California

By: [Signature]
Thomas Esqueda,
City Manager

By: [Signature]
Deputy

APPROVED AS TO FORM:
DOUGLAS T. SLOAN
City Attorney

By: [Signature] 8.20.21
Raj Singh Badhessa Date
Assistant City Attorney

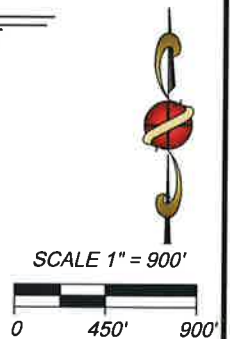
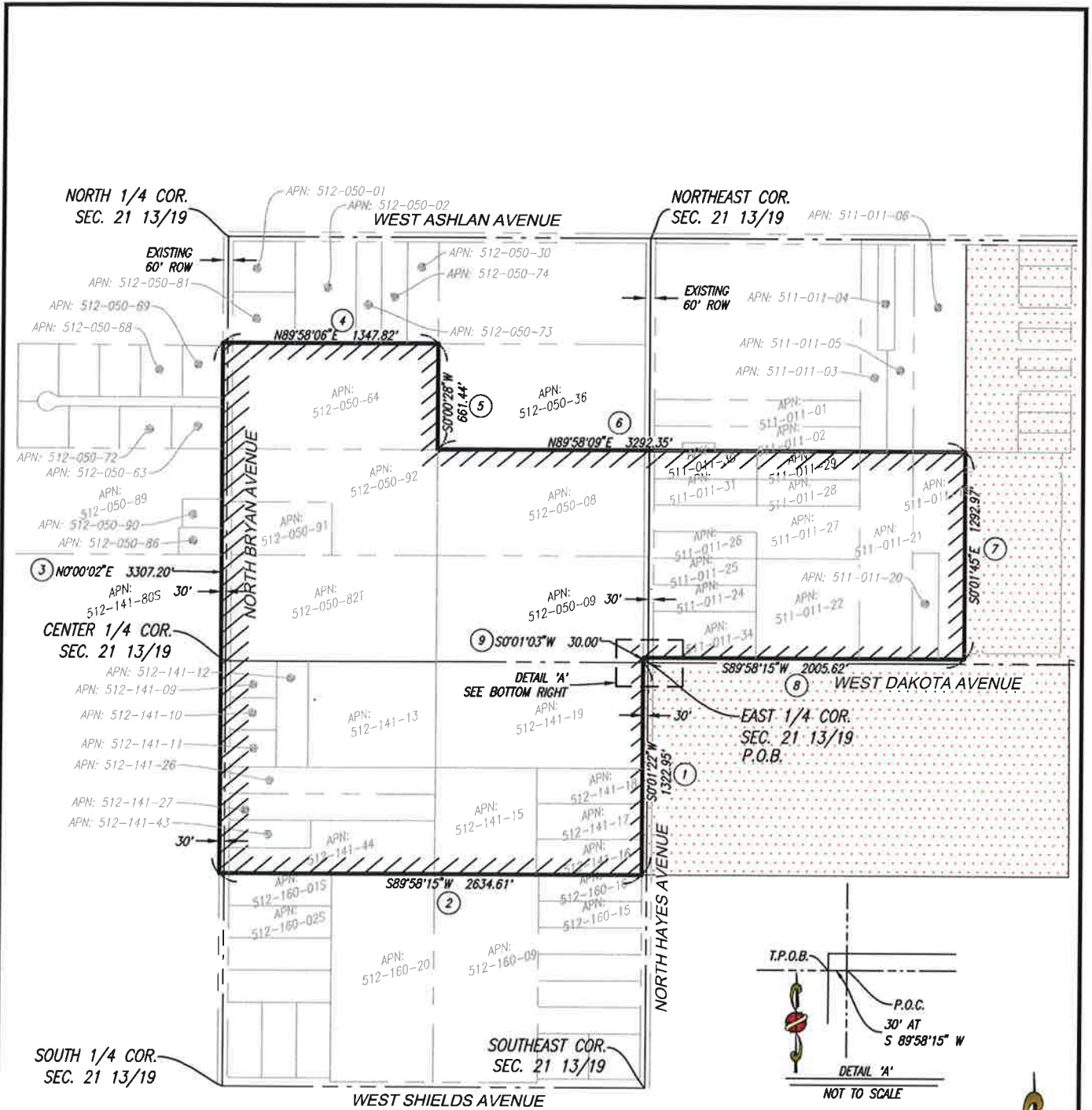
ATTEST:
BRIANA PARRA, CMC
Interim City Clerk

By: [Signature] 8/20/2021
Deputy

Attachments:

- Exhibit A – Proposed Annexation Boundaries
- Exhibit B – Bypassed Territory
- Exhibit C – Rights-of-way to be Accepted or Acquired by City of Fresno

EXHIBIT A - PROPOSED ANNEXATION BOUNDARY



LEGEND:

- # COURSE CALL OF LEGAL DESCRIPTION
- PROPERTY LINE
- - - SECTION LINE
- P.O.B. POINT OF BEGINNING
- EXISTING CITY LIMITS
- AREA TO BE ANNEXED TO THE CITY OF FRESNO
TOTAL AREA: ±240.03 AC



EXHIBIT
DESCRIPTION:
**ANNEXATION TO
THE CITY OF FRESNO**




PROJECT NAME:
**TRACT 6234
DAKOTA & HAYES**
8/9/2021 18-007

FIGURE
1

EXHIBIT B



Legend

-  By-Passed Territory
-  Dakota-Hayes No. 4 Reorg.
-  City of Fresno Sphere of Influence

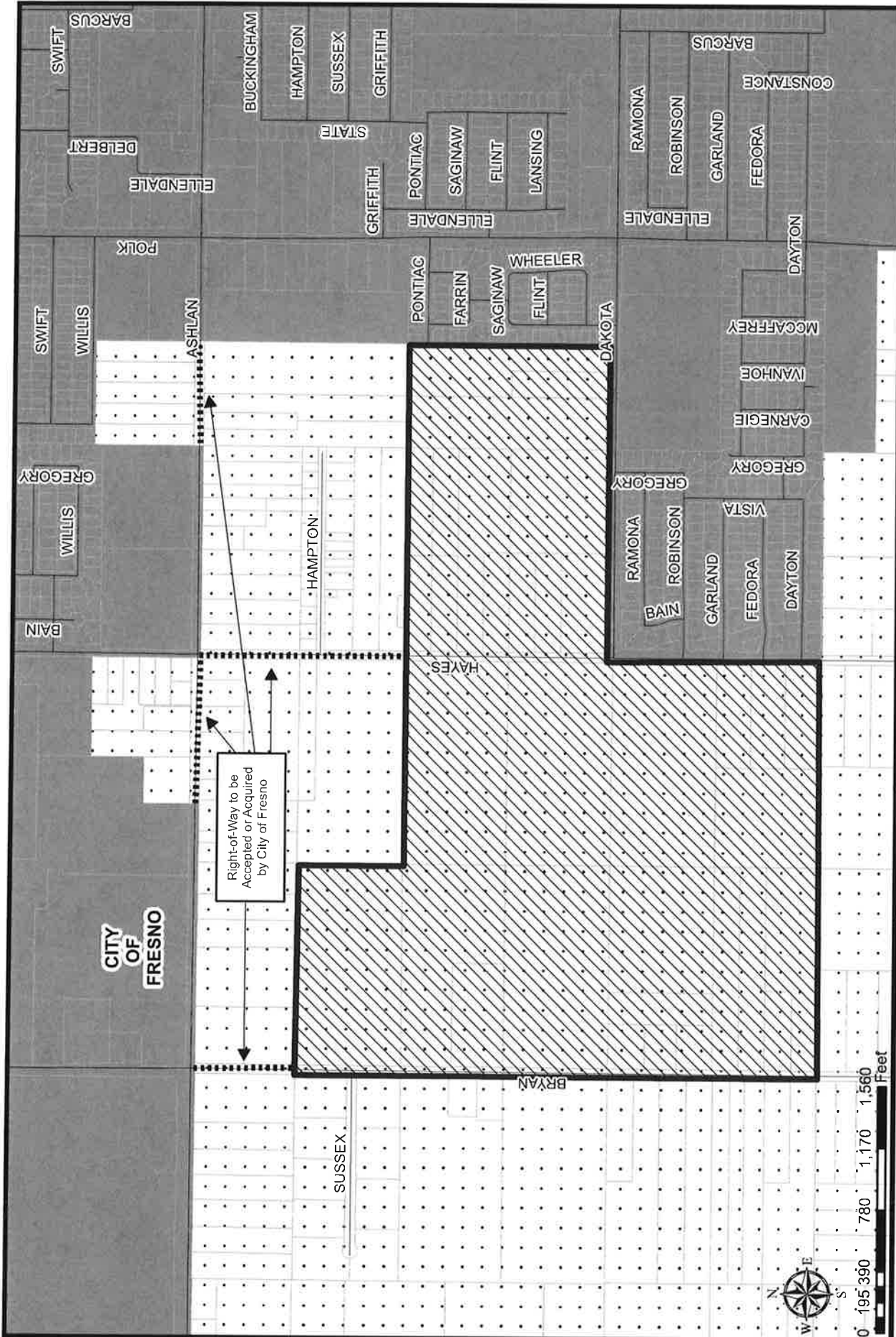


Department of Public Works and Planning: Development Services Division

DAKOTA-HAYES NO.4 REORGANIZATION AND BY-PASSED TERRITORY

Map Prepared by: GS
G:\4360\Devs&Plan\GIS\MapstSpecific\

EXHIBIT C



Right-of-Way to be Accepted or Acquired by City of Fresno

Department of Public Works and Planning: Development Services Division

RIGHTS-OF-WAY TO BE ACCEPTED OR ACQUIRED BY CITY OF FRESNO

Map Prepared by: GS
G:\4360Devs&P\m\GIS\Maps\Specific\



- Legend**
- Right-of-Way to be Accepted or Acquired by City of Fresno
 - ▨ Dakota-Hayes No. 4 Reorg.
 - City of Fresno Sphere of Influence

