

THE BOARD OF SUPERVISORS OF CONTRA COSTA COUNTY, CALIFORNIA
and for Special Districts, Agencies and Authorities Governed by the Board

Adopted this Resolution on 12/13/2011 by the following vote:

AYES: ☒ 5 **John Gioia**
 Gayle B. Uilkema
 Mary N. Piepho
 Karen Mitchoff
 Federal D. Glover

NOES: ☐

ABSENT: ☐

ABSTAIN: ☐

RECUSE: ☐



Resolution No. 2011/495

In the Matter Of:

Determination of Property Tax Allocation for the Proposed North Pacheco Annexation Area, Apportionment of Sales Tax Revenues and Related Matters,

WHEREAS, Section 99 of the Revenue and Taxation Code provides that a city and county shall agree by resolution to exchange property tax revenues among themselves and any affected agencies in the event of a jurisdictional change; and

WHEREAS, the North Pacheco Annexation (LAFC 11-05) involving annexation of territory to the City of Martinez is excluded from the application of the Master Property Tax Transfer Agreement for Allocation of Property Tax between the County and the City of Martinez, dated December 18, 1980 (the "Master Agreement"), evidenced by County Resolution 80-1373 and attached hereto as Attachment 1, because the assessed value of the affected territory exceeds \$10,000,00; and

WHEREAS, the City of Martinez and the County have agreed that, notwithstanding the amount of the assessed value and the sales tax revenue related to the territory of the subject reorganization (as specifically defined in LAFC 11-05, the "Annexed Area"), the Master Agreement shall apply to the reorganization; and

WHEREAS, the City of Martinez and the County, in anticipation that the annexation will facilitate future economic revitalization of the proposed annexation area, have agreed to apportion 55% of the sales tax revenue from the Annexed Area to the City of Martinez and 45% of the sales tax revenue therefrom to the County; and

WHEREAS, the City of Martinez and the County, in recognition of the time, effort, and expenses that the County has invested in development projects in the proposed annexation area, have agreed that the County will, only with respect to County subdivisions SD-8984, SD-7418, and SD-8944, retain responsibility for processing building permits and the right to receive the associated fees therefrom for the five year period following the effective date of the annexation; and

WHEREAS, a statement of jurisdictional change must be filed with the County Auditor-Controller and the State Board of Equalization ("SBE") no later than December 1 in order for such jurisdictional boundary change to be effective on the subsequent July 1 for property tax and assessment purposes (Government Code Section 54902); and

WHEREAS, because the statement of jurisdictional change for the North Pacheco Annexation (LAFC 11-05) will be filed with the County Auditor-Controller and the SBE after December 1, 2011, the City of Martinez will be responsible for providing services in the Annexed Area at the time the annexation becomes effective for jurisdictional purposes, but will not be allocated property taxes with respect to the Annexed Area until July 1, 2013; and

WHEREAS, in consideration of the time lapse between the time the City of Martinez begins its service responsibilities in the Annexed Area and the time the City begins to receive its property tax allocation with respect to the Annexed Area, the City of Martinez and County have agreed to reallocate sales tax revenues to the City of Martinez so that the City receives an amount estimated to be equal to the amount of property taxes lost by the City during the period from annexation until June 30, 2013.

Now, Therefore, Be It Resolved:

1. This resolution applies to all territory included in the North Pacheco Annexation (LAFC 11-05) to the City of Martinez, as

approved by the Local Agency Formation Commission.

2. In accordance with Section 99 of the Revenue and Taxation Code, the allocation of property taxes between the County and the City of Martinez in the area of the North Pacheco Annexation (LAFC 11-05) shall be in accordance with the Master Agreement.
3. All sales and use tax revenue collected by the City from the Annexed Area shall be apportioned 45% to County and 55% to City; provided however, that in consideration of the fact that for property taxation purposes, the annexation will not be effective until July 1, 2013, 100% of the sales and use tax revenue collected by the City from the Annexed Area shall be apportioned to City from the effective date of the annexation until City has received \$19,140.
4. The City of Martinez will remit to the County its share of sales tax as provided in Section 3 above no later than December 31 of the current fiscal year. The County shall have the right to audit the City's books to verify sales tax amounts regardless of whether or not a remittance is being made to County.
5. For five years following the effective date of the annexation, County will, only with respect to County subdivisions SD-8984, SD-7418, and SD-8944, be responsible for processing building permits and have the right to receive the associated fees therefrom, and thereafter the City of Martinez will assume such building permit responsibility and have the right to receive such fees.
6. This resolution does not change the property tax revenues accruing to other agencies serving the subject territory or the affected districts' right to collect taxes for existing bonded indebtedness.
7. The Clerk is hereby directed to forward a certified copy of this resolution to the Auditor-Controller of Contra Costa County and to the Executive Officer of the Local Agency Formation Commission.
8. This resolution shall become effective immediately upon its passage and adoption.

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

Contact: Rich Seithel, 925-335-1314

ATTESTED: December 13, 2011

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: June McHuen, Deputy

cc: Auditor Controller, County Counsel, City of Martinez, Public Works, Department of Conservation and Development, County Administrator