

**RESOLUTION NO. 105-11**

**APPROVING PROPERTY TAX EXCHANGE AND SALES TAX APPORTIONMENT  
AGREEMENT WITH CONTRA COSTA COUNTY FOR THE NORTH PACHECO  
ANNEXATION TO THE CITY OF MARTINEZ**

**WHEREAS**, Section 99 of the Revenue and Taxation Code provides that the City and Contra Costa 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, County Resolution 80-1373 adopted December 2, 1980 ("Master Agreement") between the City and the County because the assessed value of the affected territory exceeds \$10,000,000 and the sales tax revenue from the affected territory exceeds \$5,000 per year; and

**WHEREAS**, the City of Martinez and the County have agreed that, notwithstanding the amount of the assessed value and the sales tax revenue generated in the territory of the subject annexation, the Master Agreement shall apply to the annexation; 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 a City of Martinez 55% and County 45% sales tax apportionment; and

**WHEREAS**, the application of the Master Agreement shall be subject to the condition that the total amount of the property tax revenues the City is to receive in any tax year after the effective date of the annexation shall be reduced by an amount equal to 45% of the sales tax revenue received by the City during the preceding tax year from the area annexed; and

**WHEREAS**, the total amount of sales tax received by the City during the preceding tax year, as specified above, shall be reported to the County Auditor-Controller by August 1 of each year, and the Auditor-Controller shall have the right to audit the City's books to verify such amount; and

**WHEREAS**, the City 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 retain, for a period of up to 5 years from the

effective date of annexation, responsibility for processing of building permits and associated fees for subdivisions SD-8984, SD-7418, and SD-8944 in the annexation area; and

**WHEREAS**, the North Pacheco Annexation (LAFC 11-05) will be recorded and considered complete after January 1, 2012, and the City of Martinez responsible for services at time of completion and recording, resulting in the State Board of Equalization ("SBOE") processing the annexation; and

**WHEREAS**, the SBOE will reflect the annexation immediately for sales tax reporting purposes, but not until July 1, 2013 for property tax reporting purposes; and

**WHEREAS**, in consideration of the delay in property tax reporting by the SBOE, the parties have reached agreement whereby the County will provide the City a pro-rated portion of the annual property tax estimated for the City at annexation of \$13,510 in the *July 2010, Annexation Analysis Final Report* for Fiscal Year 2011-12, and the full portion for Fiscal Year 2012-13; and

**WHEREAS**, the City desires to enact the terms stated below based on the City's understanding that the County will adopt a resolution enacting the same terms and conditions of agreement as set forth by this Resolution at a meeting of the Board of Supervisors on a later date.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Martinez that, (1) in accordance with Section 99 of the Revenue and Taxation Code, the property tax transfer for the affected agencies in the area of the North Pacheco Annexation (LAFC 11-05) shall be in accordance with the Master Property Tax Transfer Agreement, and (2) all sales and use tax revenue collected by the City from the North Pacheco Annexation Area shall be apportioned 55% to City and 45% to County on a permanent basis, and (3) the County will retain responsibility for processing building permits and associated fees for subdivisions SD-8984, SD-7418, SD-8944 within the annexation area for a period of up to five years from the effective date of annexation, and (4) the County will, until the State Board of Equalization corrects the property tax roll to reflect the annexation, by June 30, 2012, provide the City a pro-rated portion, and, by June 30, 2013, provide the City a full portion of the City's annual share of property tax from the first full month following the effective date of annexation, using the amount of \$13,510 per year as estimated in the *July 2010 Annexation Analysis Final Report* as the basis; and

**BE IT FURTHER RESOLVED** that, the enactment of this resolution is contingent upon the adoption of a resolution by the County Board of Supervisors setting forth the same terms and conditions of agreement between the City and County and shall only take effect upon the adoption of the County's resolution enacting these same terms and conditions of agreement between the City and County.

\* \* \* \* \*

**I HEREBY CERTIFY** that the foregoing is a true and correct copy of a resolution duly adopted by the City Council of the City of Martinez at a Regular Meeting of said Council held on the 19<sup>th</sup> day of October, 2011, by the following vote:

AYES: Councilmembers Lara DeLaney, Michael Menesini, Mark Ross, Vice Mayor Janet Kennedy, and Mayor Rob Schroder

NOES: None

ABSENT: None



RICHARD G. HERNANDEZ, CITY CLERK  
CITY OF MARTINEZ