

AMENDMENT TO MASTER PROPERTY TAX EXCHANGE AGREEMENT
FOR ALLOCATION OF PROPERTY TAX BETWEEN THE COUNTY
OF CONTRA COSTA AND THE CITY OF SAN RAMON
UPON ANNEXATIONS

The County of Contra Costa ("County") and City of San Ramon ("City") hereby agree that the Master Property Tax Exchange Agreement for Allocation of Property Tax Between the County of Contra Costa and City of San Ramon Upon Annexations, adopted by Resolution 86/305 of the Board of Supervisors of Contra Costa County and Resolution 86/57 of the City Council of the City of San Ramon, (hereafter the "Agreement") is amended as follows:

1. Paragraphs 3, 4 and 7 of the Agreement are hereby deleted in their entirety.
2. The annexation of the Bishop Ranch Development to the City, along with the annexation of such other territory as has been included in the Central San Ramon I and II Boundary Reorganization (LAFC 87-57 & 58) (hereafter the "Reorganization") and the Central San Ramon III Boundary Reorganization (LAFC87-60), shall not be opposed by the County.
3. The definitions of the California Revenue & Taxation Code S 95 and Government Code SS 56010-56081 shall apply herein. The following additional definitions shall apply:
 - a. "Base tax" shall mean the total amount of property tax revenues subject to allocation under R.&T.C. SS 97(a) and (b), which are generated in the identified territory. Notwithstanding the foregoing, base tax shall not include any property

tax revenues allocated to any County free library or any amounts generated by the increased assessments under Chapter 3.5 of Part 0.5 of Division 1 of the Revenue and Taxation Code (commencing with S 75).

- b. "Annual tax increment" shall mean the total amount of property tax revenues subject to allocation under R. & T.C. S 97(c) and 98, which are generated in the identified territory.
- c. "Tax year" or "fiscal year" shall mean the annual period from July 1 through the succeeding June 30.
- d. "Dissolved County Service Area" shall mean the part of a County Service Area which is dissolved upon annexation of territory of the Service Area to the City. For purposes of this Agreement, a County-Service Area shall be deemed a local agency different than the County and having a property tax allocation separate from the County. Base tax and annual tax increment entitlements from Dissolved County Service Areas shall be separate from any entitlements due from the County.
- e. Bishop Ranch Development means the territory described on the map attached as Exhibit A to the original Agreement, being approximately 585 acres, except that the area known as BR4 and identified on said Exhibit A as "Hotel/Retail/Health Club" shall not be deemed a part of the Bishop Ranch Development for purposes of this Agreement until it

is annexed to the City. Upon annexation, said BR4 area shall be deemed a part of the Bishop Ranch Development for purposes of this Agreement. If the annexation of said BR4 area is not completed in 1987, the provisions of this Agreement relating to specific tax years (e.g., the first tax year after the calendar year of annexation) shall apply at such later times as are appropriate.

- f. "Phasing Plan Property" shall mean the properties, including land and all existing and currently planned improvements, for the areas known as BR15 and BR17 and for the areas covered by the Development Plan Approvals specified in Paragraph 2.4 of the February 27, 1987 Bishop Ranch Development Agreement By and Between The County of Contra Costa and Granada Sales, Inc., Annabel Investment Company, and Alexander Properties Company Relative To The Development Known As Bishop Ranch (hereafter the "Development Agreement"), except for the areas shown as BR2, BR11, BR12 and BR6 on Exhibit A to the original property tax exchange Agreement. Phasing Plan Property shall include, but not be limited to, all existing and currently planned improvements in the areas known as BR 5, 7, 9, 15, and 17, which areas are designated as "Future BR Development" on the Phasing Plan of Exhibit A to the original property tax exchange Agreement. For purposes of this Agreement, "currently planned improvements" shall

mean 1) those improvements shown on any preliminary development plan that has been approved by the County and specified in Par. 2.4 of the Development Agreement and 2) those improvements shown on any preliminary development plan that has been approved by the City, as of the end of 1987, for the areas of the Bishop Ranch Development known as BR15 and BR17.

- g. "Other Property" shall mean all existing and future property in the Bishop Ranch Development except property defined as Phasing Plan Property.
- h. "County ATl Entitlement" shall mean the amount of annual tax increment revenues which the County would receive if no transfer of taxes to the City occurred for the tax year in question.
- i. "Completed Portion" shall mean all parts of Phasing Plan Property for which, by the end of the tax year one year prior to the tax year for which allocation is being made (e.g., by the June 30, 1988 end of the tax year 1987-8 for the allocation tax year beginning July 1, 1989):
 - 1) Construction has been completed, as evidenced by the City's issuance of a certificate of occupancy or comparable document evidencing completion issued by the County,
 - and 2) The County Assessor has enrolled a new base year value as a result of the completed new construction.

4. For the Bishop Ranch Development, the transfer of property tax revenues from the County to the City shall be as follows:

- a. In the first tax year after the calendar year in which the Reorganization is completed, the City shall receive from the County an amount equal to 13.8% of the County's total property tax revenues from all property in the Bishop Ranch Development for the prior tax year, which shall be known as the City's initial base tax entitlement. As part of its total base tax entitlement (specified in Paragraph 4f. below) in each of the tax years succeeding the first tax year after the calendar year in which the Reorganization is completed, the City shall receive from the County the dollar amount of the City's initial base tax entitlement.
- b. In addition to the amount received by the City from the County each year pursuant to Paragraph 4a, the City shall receive all base tax to which all Dissolved County Service Areas would have been entitled for the tax year.
- c. In each tax year after the calendar year in which the Reorganization is completed, the City shall receive from the County an amount equal to 29.8% of the County ATI Entitlement from Other Property in the Bishop Ranch Development and from the Completed Portion of the Phasing Plan Property.
- d. In each tax year after the calendar year in which the Reorganization is completed, the City shall receive

from the County an amount equal to 21.8% of the County's ATI Entitlement from Phasing Plan Property that is not part of the Completed Portion. Notwithstanding the foregoing, taxes resulting from any assessed value increase attributable to any change of ownership occurring in the tax year prior to the tax year for which allocation is being made shall be deemed taxes from the Completed Portion of the Phasing Plan Property, so that the City shall receive an amount equal to 29.8% of the County ATI Entitlement thereon. Prior to July 15 of the tax year for which allocation is being made, the City shall notify the County Auditor of any such taxes attributable to such changes of ownership.

- e. In addition to the foregoing amounts received by the City, for each tax year after the calendar year in which the Reorganization is completed the City shall receive all the annual tax increment to which any Dissolved County Service Areas would have been entitled for the tax year.
- f. For tax years succeeding the tax year after the calendar year in which the Reorganization is effective, the City's total base tax entitlement from the County for the Bishop Ranch Development shall be the sum of the City's initial base tax entitlement (specified in Paragraph 4a, above) plus the total of all annual tax increment amounts received by the City from the County for all prior years pursuant to

Paragraphs 4c and 4d, above.

- g. Notwithstanding anything in the foregoing to the contrary, the Parties hereto agree that the total amount of property tax revenues the City is to receive from the County in any tax year pursuant to the foregoing provisions from the territory of the Bishop Ranch Development annexed in the Central San Ramon I and II Boundary Reorganization (LAFC 87-57 and 58) shall be reduced by an amount equal to 50% of the sum of the sales tax revenue and transient occupancy tax revenue received by the City during the preceding tax year throughout that area. Any such reduction, however, shall not result in a "negative transfer", i.e., a net transfer from City to County.
- h. Notwithstanding anything in the foregoing to the contrary, the Parties hereto agree that the total amount of property tax revenues the City is to receive from the County in any tax year pursuant to the foregoing provisions from the area annexed in the Central San Ramon III Boundary Reorganization (LAFC 87-60) shall be reduced by an amount equal to 50% of the sum of the sales tax revenue and transient occupancy tax revenue received by the City during the preceding tax year throughout that area. Any such reduction, however, shall not result in a "negative transfer", i.e., a net transfer from City to County.
- i. The total amount of transient occupancy tax and sales tax revenue received by the City during the preceding

tax year, as specified in Paragraph 4g. and 4h., 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.

- j. Except as expressly so specified hereinabove, the City shall receive no part of the property tax revenue to which the County would be entitled from the Bishop Ranch Development; provided, however, that this provision shall not preclude the City from receiving additional portions of the County's property tax revenue as a result of other property tax exchange agreements or legislation adopted after the effective date of the annexations.

Dated:

Dated:

County of Contra Costa

City of San Ramon

By: *James Dwight McRea*

By: *Deane L. Schumner*

Chair, Board of Supervisors
Pursuant to Resolution
87/715 adopted 12/1/87

Mayor
Pursuant to City Council
Resolution 87/169
adopted 11/17/87

Approved as to Form:

Approved as to Form:

[Signature]
County Counsel

[Signature]
City Attorney