

**MEMORANDUM**  
OFFICE OF THE  
COUNTY EXECUTIVE  
COUNTY OF PLACER

**TO:** Honorable Board of Supervisors

**FROM:** Thomas Miller, County Executive Officer  
Holly L. Heinzen, Assistant County Executive Officer

**DATE:** June 9, 2009

**SUBJECT:** Lincoln 270 Proposed Annexation  
Resolution and Tax Sharing Agreement

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**ACTION REQUESTED**

Consider and approve a Resolution authorizing the Chairman of the Board of Supervisors to sign a property tax sharing agreement with the City of Lincoln for annexation of the area known as Lincoln 270.

**BACKGROUND**

The Lincoln 270 project includes approximately 270 acres located within the Sunset Industrial Area, an unincorporated portion of Placer County, which the City has requested be annexed into the City of Lincoln. The location of the annexation site is immediately west of State Route 65, Northeast and southeast of the intersection of Twelve Bridges Drive and Industrial Avenue. Future non-residential development would include office, industrial, general commercial, hospital, and medical office uses. In addition approximately 102 acres would remain in open space. There is no existing residential development in the area of annexation and there is none planned.

The application for annexation was submitted to the Local Agency Formation Commission (LAFCO) in 2005. Prior to consideration by LAFCO, the affected parties, in this case the City and the County, must agree to apportionment of revenues that would occur following annexation to support delivery of services. In order for the annexation to be considered by LAFCO both jurisdictions must approve a Resolution approving an agreement for sharing of taxes generated in the annexation area.

Over the last several years negotiation has occurred for revenues associated with this area. Prior negotiations involving a number of iterations and proposals did not result in agreement. More recently County and City staff have met to address outstanding issues, primarily financial in nature. The Sunset Industrial Area is a primary area of non-residential development in Placer County. It is anticipated that this area will be key to supporting economic development efforts regardless of jurisdiction. Agreement was ultimately reached for revenue sharing apportionments that will provide support of Countywide services that will continue following annexation.

**ISSUE**

Currently the County General Fund, the Library Fund and the Fire Control Fund in sum total receive 32.18% of the 1% property tax. As proposed under the attached agreement, the County would retain 78% (prior to shifts to the Education Revenue Augmentation Fund - ERAF) of the property taxes currently received in the annexation area and retain responsibility for Countywide services. The City of Lincoln would receive 22% (prior to ERAF shifts) and 100% of sales tax and potential Transient Occupancy Taxes. In addition, consistent with requirements in other property tax agreements, the City agrees to impose and collect the Placer County Capital Facilities Fee for impacts of new development on County facilities, which the City currently does for all projects within the City limits. The City of Lincoln will assume responsibility for municipal-type services such as some public safety services including police patrol, fire, land use services, road maintenance, libraries and recreation. The City has also included the "Tier 2" regional traffic fee in a separate development agreement with the Lincoln 270 developers to provide for regional traffic improvements that will be required with new development.

The Lincoln City Council approved a Resolution authorizing the City Manager to execute the agreement on May 26, 2009. The approval of your Board is required to move forward with this annexation.

**FISCAL IMPACT**

Based on the projected values of the homes to be constructed, the existing statutory structure for allocation of revenues including the property tax shift to the schools, and the anticipated level and mix of development, it is estimated that the amounts identified would result in sufficient funding to continue provision of Countywide services at approximately the same level as currently exists.

TM:hh

Attachment: Resolution  
Resolution 2009-065  
Tax Sharing Agreement

Before the Board of Supervisors  
County of Placer, State of California

Resol. No: \_\_\_\_\_

In the matter of authorizing the Chairman of the Board of Supervisors to sign a property tax sharing agreement with the City of Lincoln for annexation of the area known as **Lincoln 270**.

The following RESOLUTION was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held \_\_\_\_\_ by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

\_\_\_\_\_  
Chairman, Board of Supervisors

Attest:  
Clerk of said Board

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**WHEREAS**, the City of Lincoln desires to annex certain property known as the Lincoln 270 Annexation area (the "Annexation Area"); and

**WHEREAS**, the City has filed an application with the Placer Local Agency Formation Commission ("Placer LAFCO") to annex the Annexation Area to the City of Lincoln, and

**WHEREAS**, in order for Placer LAFCO to consider an application to the City, under Revenue and Taxation Code section 99(b)(6), the City and the County must agree by Resolution to a sharing of the property tax revenue of the Annexation Area, and

**WHEREAS**, the City of Lincoln and Placer County have agreed on property tax allocations for taxes that accrued to the County and other affected taxing agencies prior to annexation; and

**WHEREAS**, the agreement provides for sharing of property taxes, as well as application of a facilities impact fee to be collected by the City of Lincoln in the area to be annexed; and

**WHEREAS**, said fees will be transferred to the County to be used to mitigate the impacts of growth in the annexation area on County services and capital facilities; and

**NOW, THEREFORE BE IT RESOLVED**, that the Placer County Board of Supervisors does hereby authorize the Chairman of the Board of Supervisors to sign the attached property tax sharing agreement with the City of Lincoln for apportionment of property tax revenues and collection of fees relative to the area identified as the Lincoln 270 Annexation area.

Attachment: Resolution No. 2009-065  
Tax Sharing Agreement

RESOLUTION NO. 2009 – 065

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LINCOLN  
APPROVING AND AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT FOR  
APPORTIONMENT OF PROPERTY TAX REVENUES DUE TO JURISDICTIONAL CHANGE BETWEEN  
THE CITY OF LINCOLN AND THE COUNTY OF PLACER FOR THE LINCOLN 270 PROJECT

WHEREAS, the Agreement for Apportionment of Property Tax Revenues Due to Jurisdictional Change between the City of Lincoln and the County of Placer for the Lincoln 270 Project has been reviewed by the City Council, and

WHEREAS, after a series of negotiations an agreement was reached by the County of Placer and the City of Lincoln, and

WHEREAS, the proposed negotiated settlement has both parties agreeing to a 78/22 split of the base property tax revenues, and

WHEREAS, the proposed negotiated settlement additionally allows the City to control 100-percent (100%) of the sales tax and TOT generated, and

WHEREAS, with the completion of the tax sharing agreement, the City would be able to move forward with the incorporation of the Lincoln 270 Project area, which is a key site for the City's future economic development.

NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of Lincoln does hereby approve said agreement, and be it further

RESOLVED, that the Mayor of the City of Lincoln is authorized to execute the Agreement for Apportionment of Property Tax Revenues Due to Jurisdictional Change between the City of Lincoln and the County of Placer for the Lincoln 270 Project

PASSED AND ADOPTED this 26<sup>th</sup> day of May 2009 by the following roll call vote.

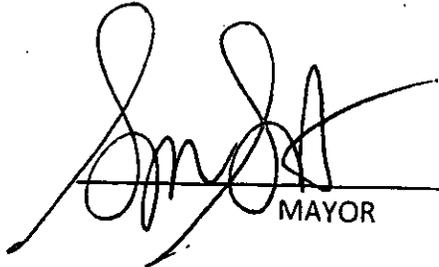
AYES: Councilmembers: Nakata, Stackpoole, Cosgrove, Joiner, Short

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST:

Patricia Aul  
CITY CLERK

  
MAYOR

Approved As To Form:

\_\_\_\_\_  
CITY ATTORNEY

## AGREEMENT FOR APPORTIONMENT OF PROPERTY TAX REVENUES DUE TO JURISDICTIONAL CHANGE

This Agreement for Apportionment of Property Tax Revenues Due to Jurisdictional Changes ("Agreement") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2009, by and between the COUNTY OF PLACER, a political subdivision of the State of California ("County"), and the CITY OF LINCOLN, a municipal corporation ("City").

WHEREAS, Section 99(b) of the Revenue and Taxation Code provides that upon the filing of an application for a jurisdictional change, prior to the issuance of a certificate of filing by the Local Agency Formation Commission ("LAFCO"), the local agencies must first agree to a mutually acceptable exchange of property tax revenues; and

WHEREAS, the purpose of this Agreement is to make equitable distribution of available property tax revenues between County and City, and to maximize each party's ability to finance the delivery of essential governmental services in areas annexed to City and;

WHEREAS, the parties have negotiated this Agreement for the exchange of property tax revenues for annexations occurring in the area referred to as the Lincoln 270 Project as generally shown in Exhibit A and as described in Exhibit A-1 ("Annexation Area") attached hereto and incorporated by reference, whether or not applicable statutes change in the future; and

WHEREAS, this Agreement will not establish a basis for future annexations nor will it set a precedent for other annexation related discussion; and

WHEREAS, although the parties agree that this Agreement is not necessarily revenue neutral to the County, the parties are agreeing to enter into this Agreement in order to allow the annexation of the Annexation Area to proceed; and

WHEREAS, in consideration of the mutual covenants herein exchanged, the City and County agree to this tax sharing agreement.

NOW, THEREFORE, County and City agree as follows:

1. Definitions.

a. The "Annexation Area" shall mean the area as described in Exhibits A and A-1 respectively, attached hereto and incorporated herein by reference.

b. Base Property Tax Revenues shall mean the total amount of property tax revenues based upon the AB 8 gross levy for the fiscal year immediately preceding the year in which the annexation is proposed that accrues to: (1) the County (General Fund), (2) the County Fire Fund (Less than Countywide Fire Control Fund), if any, (3) the County Library Fund (Less than Countywide Library Fund), if any, and (4) any other Affected Agency, as determined prior to any adjustment or revenue reallocation by the State of California for the Education Revenue Augmentation Fund (ERAF).

c. Incremental Property Tax Revenues shall mean the amount of property tax revenues accruing to each Affected Agency attributable to the annual tax increment increase in assessed valuation in each fiscal year after the annexation is completed.

d. Affected Agency shall mean each local agency whose service area or service responsibility would be altered by the jurisdictional change. The Affected Agencies within the Annexation Areas are the County of Placer and the City of Lincoln.

2. Affected Funds. The County Auditor has notified the City and County pursuant to Revenue and Taxation Code section 99, subdivision (b)(2), that, of the 1% ad valorem property tax imposed pursuant to Article 13A, section 1 of the State Constitution, the property tax revenue which is subject to negotiated exchange consists of the Placer County General Fund, the Placer County Library Fund, and the the County Fire Fund (Less than Countywide Fire Control Fund).

3. Affected Tax Rate Areas which include all Base Property Tax Revenue or Incremental Property Tax Revenue available for allocation and distribution include:

TRA 076-037

TRA 076-055

TRA 076-080

4. Apportionment following Annexation. The parties agree that, upon completion of an annexation within the Annexation Areas, the County shall thenceforth receive a sum equal to seventy-eight percent (78%) of the total of the Base Property Tax Revenues and the City shall receive a sum equal to twenty-two percent (22%) of the total of the Base Property Tax Revenues. The parties further agree that, upon completion of an annexation the County shall thenceforth be entitled to a sum equal to seventy-eight percent (78%) of the total of the Incremental Property Tax Revenues and the City shall thenceforth be entitled to a sum equal to twenty-two percent (22%) of the total of the Incremental Property Tax Revenues.

County General Fund 78%

City of Lincoln 22%

5. Imposition of Capital Facilities Fee. City agrees that property which may be developed within any annexation area that is subject to this Agreement shall be required to pay the County capital facilities fee as imposed on development within the City at the time of the issuance of a building permit for such property.

6. Collection of Capital Facilities Fee. City agrees that it shall impose upon a developer of property within the annexation areas the obligation to pay the capital facilities fee pursuant to a development agreement, if one is not yet agreed to by City and the developer, or any other legally binding mechanism agreed to by City and developer. City shall require the fee to be paid prior to or at the time of the issuance of the building permit; unless the Placer county Executive Officer and City Manager agree in writing otherwise.

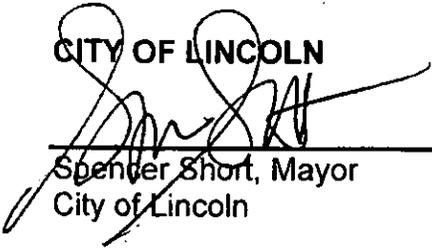
7. Calculation of Base Property Tax Revenue Amount. The Base Property Tax Revenue to be apportioned pursuant to Section 2 above, shall be calculated by utilizing the actual amount of tax revenues generated from all of the property in the area being annexed in the fiscal year prior to annexation, which total sum shall then be divided and allocated accordingly.

8. Commencement of Exchange. The exchange of Base Property Tax Revenue and Incremental Property Tax Revenue shall commence one year after the calendar year in which the notice of completion is filed.

9. Incremental Property Tax Revenue. Nothing herein shall be interpreted to preclude City or County from receiving Incremental Property Tax Revenue attributable to an annexed territory according to the property tax apportionment methods used by the County Auditor-Controller, notwithstanding the fact that no Base Property Tax Revenues attributable to the annexed territory may have been previously received.

10. Effective Date. This Agreement shall be effective on \_\_\_\_\_, 2009, and continue in full force and effect thereafter unless amended by the mutual consent of the parties.

CITY OF LINCOLN

  
\_\_\_\_\_  
Spencer Short, Mayor  
City of Lincoln

5-26-09

\_\_\_\_\_  
Date

COUNTY OF PLACER

\_\_\_\_\_  
Rocky Rockholm, Chairman  
Placer County Board of Supervisors

\_\_\_\_\_  
Date

County of Placer  
Approved as to Form

\_\_\_\_\_  
County Counsel

# LINCOLN 270

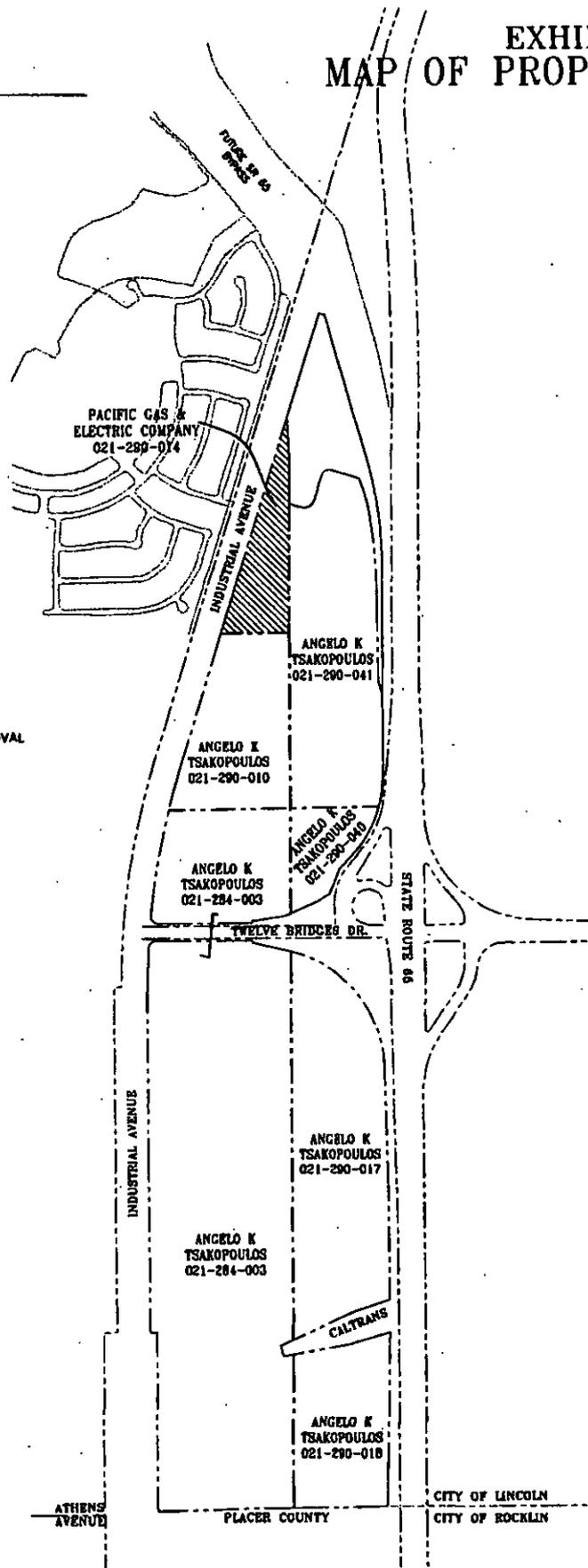
# EXHIBIT A MAP OF PROPERTY

## SUMMARY OF OWNERSHIP & ACREAGE

OWNER	TOTAL AC
ANGELO K. TSAKOPOULOS	252.5
PACIFIC GAS & ELECTRIC	10.3

### LEGEND:

-  PROJECT BOUNDARY
-  EXISTING LOT LINE
-  POTENTIAL POST-DA APPROVAL ACQUISITION PROPERTY



N.T.S.

**UBORA** ENGINEERING & PLANNING  
"EXCELLENCE"

2901 DOUGLAS BOULEVARD, SUITE 255  
ROSEVILLE, CA 95661 (916) 780-2500

**Exhibit "A-1"**  
**Legal Description**

All that certain real property located in the unincorporated area of the County of Placer, State of California; Being portion of Sections 27, 28, 33 and 34, Township 12 North, Range 6 East, Mount Diablo Base and Meridian, as shown on Record of Survey No 907, filed for record in Book 9 of Surveys, Page 19, Placer County Records; described as follows:

Beginning at the Southeast corner of Section 33, Township 12 North, Range 6 East, Mount Diablo Base and Meridian, as shown on said record of survey; thence on the South line of said section South 89°30'51" West 1026.23 feet to the East right-of-way line of Industrial Avenue as shown on said record of survey, thence on said East right-of-way line on the following seven courses: (1) North 0°31'40" East 1321.62 feet; (2) South 89°36'34" West 50.15 feet; (3) North 0°31'16" East 1330.07 feet; (4) North 0°32'08" East 1260.87 feet; (5) on the arc of a 5527.10 foot radius curve to the right, through a central angle of 17°26'42", for an arc length of 1682.84 feet, and subtended by chord bearing North 09°15'29" East 1678.35 feet; (6) North 17°58'50" East 2006.88 feet; and (7) North 17°58'20" East 1593.94 feet to the Westerly right-of-way of State Highway 65 as shown on said record of survey; thence on said Westerly right-of-way on the following 21 courses: (1) South 83°23'26" East 39.99 feet; (2) South 15°25'50" East 1123.47 feet; (3) on the arc of a 3000.00 foot radius curve to the right, through a central angle of 15°55'46", for an arc length of 834.06 feet, and subtended by a chord bearing South 07°27'57" East 831.38 feet; (4) South 0°29'56" West 1525.28 feet; (5) South 06°12'34" West 251.25 feet; (6) on the arc of an 925.00 foot radius curve to the right, through a central angle of 55°48'36", for an arc length of 901.01 feet, and subtended by a chord bearing South 34°06'52" West 865.81 feet; (7) South 66°44'57" West 270.59 feet; (8) South 81°24'32" West 253.18 feet; (9) South 0°29'56" West 160.00 feet; (10) South 76°52'35" East 273.86 feet; (11) on the arc of a 925.00 foot radius curve to the right, through a central angle of 75°48'00", for an arc length of 1223.74 feet, and subtended by chord bearing South 38°58'35" East 1136.43 feet; (12) South 01°04'35" East 883.27 feet; (13) South 0°29'56" West 906.12 feet; (14) South 72°04'18" West 296.81 feet; (15) South 65°37'21" West 605.31 feet; (16) South 16°46'58" East 80.00 feet; (17) North 80°37'27" East 504.21 feet; (18) North 74°10'19" East 323.27 feet; (19) South 0°29'56" West 646.38 feet; (20) South 03°21'41" West 400.50 feet and (21) South 02°01'35" West 240.00 feet to the South line of said section 34 as shown on said record of survey; thence on said South line South 89°30'04" West 711.52 feet to the point of beginning.

Excepting therefrom all that portion conveyed to Pacific Gas and Electric Company by Deed recorded November 5, 1993, Series No. 93-082597, Official Records.

Also excepting therefrom all that certain portion deeded to the State of California by Deed recorded August 16, 1995, Series No. 95-042209, Official Records.

**Exhibit "A-1"**  
**Legal Description**

Further excepting therefrom:

All that certain real property located in Section 27, Township 12 North, Range 6 East, MDB&M, Placer County, being a portion of the property more particularly described in the Deed of Trust to Angelo K. Tsakopoulos, recorded as Document No. 2003-0045148 on March 25, 2003, in the Office of the Recorder of said County described as follows:

Commencing at a 1 ¼" iron pipe with brass disk stamped "MT CO RCE 14392" as shown on Record of Survey 1917 filed in Book 14 of Maps and Surveys at Page 104, Placer County Recorder, said iron pin being the southerly terminus of that course shown as "N0°03'29"E 1525.18" per said map said point being also on the westerly line of California State Route 65;

THENCE (1) North 0°03'27" East along the westerly line of said California State Route 65 a distance of 176.996 meters to the POINT OF BEGINNING;

THENCE (2) North 18°41'07" West, 28.123 meters;

THENCE (3) North 0°47'35" West, 226.183 meters to the beginning of a non-tangent curve concave westerly to which a radial line bears North 87°28'57" East, said curve has a radius of 1300.000 meters;

THENCE (4) northerly along said curve a distance of 170.063 meters through a central angle of 7°29'43" to the beginning of a non-tangent curve, said curve has a radius of 230.000 meters and is concave westerly;

THENCE (5) northerly along said curve a distance of 41.435 meters through a central angle of 10°19'19" to a point of tangency;

THENCE (6) North 19°53'22" West, 31.222 meters;

THENCE (7) North 72°28'55" West, 65.683 meters to the beginning of a curve concave southeasterly, said curve has a radius of 18.000 meters;

THENCE (8) southwesterly along said curve a distance of 28.274 meters through a central angle of 89°59'57" to a point of tangency;

THENCE (9) South 17°31'08" West, 61.800 meters to the beginning of a curve concave northwesterly, said curve has a radius of 22.000 meters;

THENCE (10) southwesterly along said curve a distance of 34.557 meters through a central angle of 89°59'59" to a point of tangency;

**Exhibit "A-1"**  
**Legal Description**

THENCE (11) North 72°28'52" West, 29.711 meters to the westerly line of said Tsakopoulos parcel;

THENCE (12) North 0°17'30" East along said Tsakopoulos parcel westerly line a distance of 105.261 meters;

THENCE (13) North 1°46'27" West, 96.260 meters along said Tsakopoulos parcel to the easterly line of Industrial Boulevard;

THENCE (14) North 17°31'16" East continuing along the westerly line of said Tsakopoulos parcel and easterly line of Industrial Boulevard a distance of 244.595 meters to the northwest corner of said Tsakopoulos parcel;

THENCE (15) South 83°49'54" East, 12.255 meters along said northerly line of said Tsakopoulos parcel;

THENCE (16) South 15°52'19" East along the easterly line of said Tsakopoulos parcel and westerly line of California State Route 65 a distance of 342.388 meters to the beginning of a curve concave westerly, said curve has a radius of 914.329 meters;

THENCE (17) continuing along said easterly line, southerly along said curve a distance of 254.203 meters through a central angle of 15°55'46" to a point of tangency;

THENCE (18) continuing along said easterly line, South 0°03'27" West, 287.878 meters to the POINT OF BEGINNING.

Apn: 021-284-003; 021-290-010, 017, 018, 040 and 041

