COUNTY OF Placer
COMMUNITY DEVELOPMENT RESOURCE AGENCY

MEMORANDUM
COMMUNITY DEVELOPMENT/RESOURCE AGENCY
PLANNING SERVICES DIVISION
County of Placer

TO: Board of Supervisors DATE: April 19, 2016

FROM: Michael J. Johnson, AICP
Agency Director

BY: Michele Kingsbury, Principal Planner

SUBJECT: Tax sharing agreement between the County of Placer and the City of Lincoln for a portion of the Village 1 Specific Plan Area

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ACTION REQUESTED

1. Adopt a Resolution authorizing the County Executive Officer to execute a Property Tax Revenue Sharing Agreement between the County of Placer and the City of Lincoln for a portion of the Village 1 Specific Plan Area.

BACKGROUND

County staff was approached by the City of Lincoln in August 2014 to initiate annexation and tax sharing discussions for the Lincoln Village 1 Specific Plan development. Lincoln Village 1 is a 1,832-acre Specific Plan area located on the eastern boundary of the City of Lincoln. The Village 1 Specific Plan is located entirely within Lincoln's Sphere of Influence. The Specific Plan anticipates the construction of 5,639 residential units and 167,000 square feet of commercial/office space, with a mix of country estate units to high density residential uses spread throughout various villages. The City of Lincoln proposes to annex approximately 1,712 acres of the Specific Plan Area. A few parcels on the easterly Specific Plan border near Sierra College Boulevard are not proposed for annexation at this time by the City.

On May 6, 2015, the City submitted an application to the local Agency Formation Commission (LAFCo) to formally begin the annexation process for the Lincoln Village 1 Specific Plan (LAFCo application #2015-03). Prior to consideration by LAFCo, the County and City, as the affected parties, must agree to apportionment of revenues to support delivery of services once annexation occurs. In order to proceed, both jurisdictions must approve a Resolution authorizing an agreement for sharing of revenues generated in the annexation area. County and City staff have reached an agreement for revenue sharing apportionments, as more specifically described below, that will ensure support of countywide and municipal type services for their respective parties.

ANALYSIS

There are five Tax Rate Areas (TRAs) that overlap the Village 1 proposed annexation area. Currently, of the one percent of the property tax received in the proposed annexation area, the County receives the following percentages in the County General Fund, Library Fund and Fire Control categories.

TRA	**076-080**	**076-037**	**076-050**	**076-009**	**076-041**
County General Fund	27.8143%	29.4722%	28.0898%	27.9929%	29.6700%
Library Fund	1.3834%	1.4644%	1.1236%	1.3922%	1.4752%
Fire Control	1.2249%	1.2929%	1.1236%	1.2326%	1.3075%
Total	30.4226%	32.2295%	30.3370%	30.6177%	32.4527%

All figures noted above are gross figures prior to any adjustments due to Education Revenue Augmentation Fund (ERAF) shifts. The majority of the proposed development lies within two TRAs:

TRA 076-080 and TRA 076-037, with only nominal amounts of the development in the remaining TRAs. In comparison, the Lincoln Village 7 Specific Plan Development which was approved for annexation in 2014 lies within TRA 076-055, where 29.4707 percent of the one percent property tax revenue went to the County General fund; 1.4657 percent to the County Library Fund; and 1.2978 percent to the Fire Control Fund.

As proposed in the attached property tax sharing agreement (Attachment 1), a separate tax rate area(s) will be created for the Specific Plan annexation area. The increment factor for the County will vary by each current tax rate area for the purposes of establishing the property tax base formula.

Increment factors for establishing property tax base formulas					
TRA	**076-080**	**076-037**	**076-009**	**076-050**	**076-041**
County	27.0000%	27.2295%	27.0000%	27.0000%	27.4527%
City	3.4226%	5.0000%	3.6177%	3.3370%	5.0000%
Total	30.4226%	32.2295%	30.6177%	30.3370%	32.4527%

The above-referenced figures are prior to any shifts in revenue associated with ERAF. The ERAF factors for each jurisdiction are relatively similar with the County's ERAF shift at 33.3346 percent and the City's ERAF shift at 30.5436 percent.

The proposed agreement establishes a share of property tax revenue between the County and City. The County and City will split the net property tax revenue 50 percent each for the first three years after respective ERAF shifts. Similar to conditions noted in the Lincoln Village 7 property tax sharing agreement approved by your Board in 2014, the City and County will collaboratively develop a City / County Services Model (Model) that describes the functions provided by each jurisdiction, the cost attributable to the Annexation Area of providing those funds, and anticipated revenue streams to include general revenues as well as special fees and assessments. The Model will take into consideration capital expenditures and maintenance expenses related to Countywide growth, reserves, and contingencies as may be application to both jurisdictions. The intent of the Model is develop, through mutually agreed upon assumptions, a fixed property tax distribution that does not change annually and is readily applied by the County Auditor Controller in its property tax calculations consistent with normal business practices. After the third year, if the Model is not in place, the County will receive 60% and the City will receive 40% of the property tax revenue levied in the annexation area.

The proposed agreement also establishes that the City agrees to impose and collect the Placer County Capital Facilities Fee for impacts of new development of County-wide facilities such as jail facilities probation facilities, and Health and Human Services facilities.

The City of Lincoln provided two documents for review by the County in order to arrive at a recommendation for a tax sharing agreement. The City provided a market analysis which established real estate values dated March 2014 and performed by Meyers Research. The report established base values for product types that were used to derive property tax revenues. In addition, the City provided a fiscal report performed by EPS dated October 27, 2014 that was the basis for the analysis related to the proposed tax sharing agreement. Staff analyzed the sensitivity of this model to assumptions utilized for the recently approved amendments to West Placer developments to ensure that the results for this tax share agreement fell within the fiscally neutral range under a conservative and moderately conservative scenario.

The proposed agreement is structured to provide the City of Lincoln and the Lincoln Village 1 Specific Plan development the ability to succeed while providing the County with a mechanism to develop a cost model to ensure the long-term success of both entities to deliver County-wide services while capturing adequate revenues to cover costs.

DISCUSSION OF ISSUES

Concurrent with the tax sharing negotiations, staff has also been in discussions with the City to address the County's ability to garner adequate compensation for its property commonly referred to as the

Lincoln Missile site located off Highway 193 and Oak Tree Lane adjacent to current City of Lincoln boundaries. A Department of Public Works Corporation yard and materials storage facility is located on the approximate 50-acre site that serves the communities of rural Lincoln, Sheridan to Granite Bay and the remaining West Placer unincorporated communities. The Specific Plan assigns the area with combined land use designations of Village Mixed Use and Village Park / Recreation. Discussions with the City have centered on ensuring access to the site that does not impede the corporation yard operations and protecting the County's ability to maximize potential re-use or resale opportunities if the County deems it necessary to relocate the facility at a later date.

Staff is supportive of proceeding forward with this Agreement at this time as discussions with development representatives and City staff on the County's property are continuing to progress in a positive direction in addressing the County's concerns of adequate compensation for reuse value while protecting the exiting corporation yard uses.

ENVIRONMENTAL REVIEW

This tax share agreement is exempt from environmental review pursuant to Section 15061(b)(3) (Review for Exemption) of the California Environmental Quality Act in that the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Approval of this tax share agreement, in and of itself, will not result in any significant impacts to the environment. It should be noted that, in conjunction with the approval of the Village 1 Specific Plan, an Environmental Impact Report was certified by the City of Lincoln, and this EIR addressed and provided mitigation for all environmental effects resulting from the implementation of the Village 1 project.

RECOMMENDATION

Adopt a resolution authorizing the County Executive Officer to execute a Property Tax Revenue Sharing Agreement between the County of Placer and the City of Lincoln for a portion of the Village 1 Specific Plan Area.

ATTACHMENTS

Attachment 1: Resolution (Exhibit A: Tax Sharing Agreement)

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

In the matter of:
A RESOLUTION AUTHORIZING THE COUNTY EXECUTIVE OFFICER TO EXECUTE A REVENUE SHARING AGREEMENT WITH THE CITY OF LINCOLN FOR PROPOSED ANNEXATION OF A PORTION OF A PROJECT CURRENTLY KNOWN AS THE VILLAGE 1 SPECIFIC PLAN

Reso. No. 2016-_____

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.

_____
Chair, Board of Supervisors

Attest:

_____
Clerk of said Board

BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF PLACER, STATE OF CALIFORNIA, AS FOLLOWS:

WHEREAS, the City of Lincoln ("City") has proposed the annexation of area west of the City currently within the unincorporated area of Placer County ("County"); and

WHEREAS, the City proposes to annex 1,712 acres for a portion of a project referred to as the Village 1 Specific Plan, within the City's Sphere of Influence; and

WHEREAS, the Revenue and Taxation Code section 99 requires a city seeking annexation of property and the county affected by such annexation to agree upon a property tax revenue

exchange and to provide a resolution of approval of the same by each legislative body to the Local Agency Formation Commission (LAFCO) prior to consideration of the annexation; and

WHEREAS, the County will retain Countywide service responsibilities and transfer responsibility for municipal services to the City; and

WHEREAS, the parties acknowledge that this agreement is not intended to set a precedent for future agreements; and

WHEREAS, it is anticipated that broader economic benefits would be realized; and

WHEREAS, the tax share agreement is exempt from environmental review pursuant to Section 15061(b)(3) (Review for Exemption) of the California Environmental Quality Act in that the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Approval of this tax share agreement, in and of itself, will not result in any significant impacts to the environment. It should be noted that, in conjunction with the approval of the Village 1 Specific Plan, an Environmental Impact Report was certified by the City of Lincoln, and this EIR addressed and provided mitigation for all environmental effects resulting from the implementation of the Village 1 project.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF PLACER:

1. Pursuant to Revenue and Taxation Code section 99, the Board of Supervisors approves the attached Property Tax Exchange Agreement ("Agreement", Exhibit A) pertaining to the City of Lincoln's annexation of portions of the Village 1 Specific Plan Area.
2. By so approving the attached Agreement, the Board agrees to accept the terms of exchange of property tax revenues as set forth in said Agreement.
3. The County Executive Officer is authorized to execute the attached Agreement.
4. This resolution shall become effective immediately upon adoption.
5. Upon full execution of the Agreement, the Board authorizes the transmittal of this resolution and a copy of the Agreement to the Placer County Local Agency Formation Commission.

Exhibit A: Property Tax Revenue Sharing Agreement

EXHIBIT A

PROPERTY TAX REVENUE SHARING AGREEMENT
BETWEEN THE CITY OF LINCOLN AND THE COUNTY OF PLACER
FOR A PORTION OF THE VILLAGE 1 SPECIFIC PLAN AREA

This Tax Sharing Agreement ("Agreement") is made and executed in duplicate by and between the CITY OF LINCOLN, a municipal corporation of the State of California ("City"), and the COUNTY OF PLACER, a charter county and political subdivision of the State of California ("County"), (collectively, the "Parties").

RECITALS

A. The City has filed an application with the Placer County Local Agency Formation Commission ("LAFCo"), pursuant to the Cortese-Knox Local Reorganization Act of 1985 (Gov. Code, §§ 56000, et seq.), requesting approval of the annexation into the City of real property in the unincorporated portion of the County, within the area known as Village 1, to be developed in part by Lake Lincoln, LLC ("Lake Lincoln, LLC Annexation").

B. Revenue and Taxation Code section 99 requires a city seeking to annex property and the county affected by such annexation to agree upon a property tax revenue exchange agreement.

C. The City and the County wish to work together to develop a fair and equitable approach to the sharing of Property Tax Revenue within the Annexation area. The City and the County recognize the importance of the City's and the County's services and are prepared to cooperate as provided in this Agreement in an effort to address the City's and the County's fiscal considerations in providing such services, as well as their respective economic and planning needs.

D. The City and the County recognize that they require time to accurately determine the agreed upon data to be used under the Model governing the long term exchange of Property Tax Revenue.

E. The parties are agreeing to enter into the Agreement in order to allow the Annexation to proceed and with the expectation that implementation of the Model, which will govern the long term exchange of Property Tax Revenue, will mitigate any negative fiscal effects.

F. The Affected Tax Rate Areas which include all Base property tax levies and/or Incremental property tax levies available from the Annexation Area include the following: TRA 076-080, TRA 076-037, TRA 076-009, TRA 076-050, and TRA 076-041.

G. The County Auditor has notified the City and County pursuant to Revenue and Taxation Code section 99(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 following elements:

TRA	General Fund	Library Fund	Fire Control Fund	Total
076-080	27.8143%	1.3834%	1.2249%	30.4226%
076-037	29.4722%	1.4644%	1.2929%	32.2295%
076-009	27.9929%	1.3922%	1.2326%	30.6177%
076-050	28.0898%	1.1236%	1.1236%	30.3370%
076-041	29.6700%	1.4752%	1.3075%	32.4527%

AGREEMENT

NOW, THEREFORE, the Parties agree as follows:

SECTION 1. Incorporation of Recitals. The Parties agree that the Recitals, above, constitute the factual basis upon which the City and the County have entered into this Agreement. The City and the County each acknowledge the accuracy of the Recitals and agree that the Recitals are incorporated into this Agreement as though fully set forth at length.

SECTION 2. Property Tax Revenue. "Property Tax Revenue" shall mean "ad valorem real property taxes on real property" as said term is used in Section 1 of Article 13A of the California Constitution and more particularly defined in subsection (c) of Section 95 of the California Revenue and Taxation Code, and includes both the Base (total amount of property tax revenue based upon the AB-8 gross levy for the fiscal year) and the Incremental (amount of property tax revenue attributable to the annual tax increment change in assessed valuation in each fiscal) property tax revenues.

SECTION 3. Annexation Area. "Annexation Area" shall mean the portion of the area known as Village 1 in the unincorporated area of the County proposed to be developed by Lake Lincoln LLC and consists of approximately 1,712 acres, east of the City, within the City's sphere of influence, and within the area identified in the City's 2050 General Plan as Village 1,. The Annexation Area is identified in LAFCo application control number 2015- 03 as Village 1. The Annexation Area would eventually provide for an estimated total of approximately 5,639 new housing units, 14,194 new residents, and a 32.3% increase in the City's population. The Annexation Area is more particularly described in Exhibit A.

SECTION 4. Annexation Date. "Annexation Date" shall mean the date specified by the Cortese-Knox Local Governmental Reorganization Act of 1985 (Gov. Code, §§ 56000, et seq.) as the effective date of the Lake Lincoln, LLC Annexation.

SECTION 5. General Purpose of Agreement. The general purpose of this Agreement is to devise an equitable exchange of Property Tax Revenue between the City and the County on and after the Annexation Date as required by Government Code section 56815(b) and Revenue and Taxation Code section 99.

SECTION 6. Establishment of Separate Tax Rate Area. County and County Auditor will work with the State Board of Equalization to establish a separate Tax Rate Area (TRA) for the Annexation Area prior to allocation and distribution of Property Tax Revenue under this Agreement. For purposes of establishing the new TRA and setting the AB 8 calculation, the increment factor for the County and City will be as follows:

TRA	Total	County	City
076-080	30.4226%	27.0000%	3.4226%
076-037	32.2295%	27.4543%	5.0000%
076-009	30.6177%	27.0000%	3.6177%
076-050	30.3370%	27.0000%	3.3370%
076-041	32.4527%	27.4527%	5.0000%

SECTION 7. Exchange of Property Tax Revenue. The City and the County shall exchange Property Tax Revenue as follows:

(a) Commencing the first fiscal year following the date the new TRA(s) appears on the State Board of Equalization's Tax Rate Area Chart and terminating at the end of three (3) fiscal years, the City and County shall each receive fifty percent (50%) of the net Property Tax Revenue levied for the Annexation Area. The formula for determining the total net Property Tax Revenue available to be split between the City and County will be calculated by applying the City and County ERAF contributions to the AB8 levy for the Annexation Area, totaling the resulting net levy for each, and then splitting that total equally between the County and City.

(b) For the period commencing the fourth (4th) fiscal year after the new TRA(s) appears on the State Board of Equalization's Tax Rate Area Chart, the Property Tax Revenue shall be divided as follows, based on the City/County Services Model ("Model") set forth in Section 8:

(1) The County shall receive Property Tax Revenue, as determined by the Model. If the County's allocation as determined by the Model, exceeds the Property Tax Revenue collected in a single fiscal year, the shortfall shall carry forward and be first paid out from future years' Property Tax Revenue.

(2) After the County has received payment as set forth in sub-Section 7(b)(1), the City shall receive Property Tax Revenue as determined by the Model. If the City's allocation as determined by the Model exceeds the Property Tax Revenue collected in a single fiscal year, the shortfall shall carry forward and be paid out from future years' Property Tax Revenue, to be paid after payment to the County as specified in sub-Section 7(b)(1).

(3) If in any single year the Property Tax Revenue exceeds the allocations for both the City and the County as determined in sub-Sections 7(b) (1) and (2), the additional combined net revenue shall be distributed as follows: fifty percent (50%) to the County and fifty percent (50%) to the City.

(c) If the Model is not in place at the commencement of the fourth fiscal year following the date the new TRA(s) appears on the State Board of Equalization's Tax Rate Area Chart, then the County shall receive sixty percent (60%) and the City shall receive forty percent (40%) of the net Property Tax Revenue levied for the Annexation Area, utilizing the calculation formula set forth in paragraph 7(a).

SECTION 8. City/County Services Model. Commencing on the Annexation Date, the City and the County shall work together to develop the Model describing the services,

activities, facilities, or infrastructure (hereinafter "Functions") to be provided by each jurisdiction, the cost attributable to the Annexation Area of providing those Functions, and revenue streams, including but not limited to, Property Tax Revenue, user fees, assessments, and sales taxes. The Parties may also take into consideration capital expenditures related to countywide growth, capital maintenance, the level of reserves and contingencies, and other elements normally considered by local jurisdictions in the State of California. It is intended that the Model will create a fixed rate which does not change annually and is readily useable by the County Auditor in its AB-8 or property tax calculations. This Model shall be developed as follows:

(a) The City and the County shall mutually agree on the assumptions underlying the Model.

(b) The assumptions underlying the Model shall govern the allocation of Property Tax Revenue to each jurisdiction for the purposes of this Agreement.

(c) The agreed upon Model will be implemented through an amendment to the Tax Agreement.

(d) The Model shall be updated if there has been a significant change in: (1) the revenue assumptions in the Model for either the City or the County, (2) State action has imposed a significantly increased service level for either the City or the County without providing a funding source, or (3) other State action has occurred which has the effect of altering the fiscal outcomes that the tax sharing agreement was intended to provide. For the purposes of this provision, the term State action includes action or inaction by the State of California, or action by the voters or judiciary.

(e) If the Parties cannot reach agreement on the Model, or on whether there has been significant change necessitating an update to the Model, or on the modifications to the Model in response to a significant change, the City and the County shall mutually select a fiscal expert consulting firm to analyze and informally mediate the dispute. The City and the County will bear equally the cost of the services of the expert consultant. If after the informal mediation process the parties still cannot reach agreement, the retained expert consultant will prepare a Proposed Report containing its recommendation for settlement of the dispute. The Proposed Report will be provided to Party representatives. No later than 30 days from the date of the Proposed Report, any Party may request in writing changes to the Proposed Report. The other Party will have 20 days to make any written response to the requested changes. If any Party requests any changes to the Proposed Report, the retained consultant will consider the comments regarding requested changes, make any changes he/she thinks appropriate, prepare the Final Report, and provide the Final Report to the Parties no later than 90 days from the date of the Proposed Report. If no Party timely requests changes to the Proposed Report it will become the Final Report of the consultant. After the Report of the consultant becomes Final the parties will take the Final Report to their governing bodies for action as a public agenda item. If either of the governing bodies rejects or modifies the Final Report it will make written findings of fact as to why the recommendation of the retained consultant as contained in the Final Report was not accepted.

SECTION 9. County Capital Facilities Fee.

(a) The City will require the developer of the Annexation Area to pay the County's Capital Facilities Fee to County pursuant to County Ordinance No. 4769-B, adopted October 15, 1996, or its successor ordinance ("Capital Facilities Fee Ordinance"). The City will fulfill this obligation by including the requirement in any development agreement between the City and the owner of the Annexation Area. The City will require the developer to pay the fee to City and the City will remit the fee revenue to County within thirty (30) days of receipt.

(b) In the event that the City takes any of the following actions with the effect that the developer is not liable for the fee, the City agrees that it will pay the Capital Facilities Fee to County in accordance with the Capital Facilities Fee Ordinance: (i) The City does not enter into a development agreement, or the City Council affirmatively and intentionally decides not to require the payment of the fee in the development agreement. (ii) The City Council affirmatively and intentionally modifies or cancels the development agreement such that the developer is no longer liable for paying the fee.

(c) In the event that the City does not collect the Capital Facilities Fee or enforce the development agreement such that the Capital Facilities Fee is not paid to County the City agrees that it will assign to County any rights it may have to enforce the development agreement and otherwise collect the Capital Facilities Fee from the developer.

(d) Notwithstanding the provisions of this Section 9(a), neither the City nor the Annexation Area developer shall have any liability under this Section to pay the Capital Facilities Fee to County if the Capital Facilities Fee Ordinance and any attempts to legally amend it, are determined invalid by final judgment of a court of competent jurisdiction or if the authority to impose the Capital Facilities Fee in the unincorporated area is withdrawn from the County by an act of the Legislature.

SECTION 10. Exchange by County Auditor. The City and the County further agree that all of the exchanges of property taxes required by this Agreement shall be made by the County Auditor.

SECTION 11. Modification. This Agreement may only be modified or amended in writing duly authorized and executed by both the City and the County.

SECTION 12. Effect of Tax Exchange Agreement. This Agreement shall be applicable solely to the Annexation Area and does not constitute a master tax sharing agreement or an agreement on property tax exchanges which may be required for any future annexation to the City.

SECTION 13. Entire Agreement. With respect to the Annexation Area only, this Agreement supersedes any and all previous negotiations, proposals, commitments, writings, and understandings between the City and the County with respect to the sharing of Property Tax Revenue for the Annexation Area.

SECTION 14. Notices. All notices, requests, certifications, or other correspondence provided by the Parties to this Agreement shall be in writing and shall be personally delivered or delivered by first class mail to the respective Parties at the following addresses:

County	City
Placer County Executive Officer	City Manager
County of Placer	City of Lincoln
175 Fulweiler Avenue.	600 Sixth Street
Auburn, CA 95603	Lincoln, CA 95648

Notice by personal delivery shall be effective immediately upon delivery. Notice by mail shall be effective upon receipt or three (3) days after mailing, whichever is earlier.

SECTION 15. Agreement or Consent. Wherever this Agreement requires a party's agreement or consent, the party shall make its decision to give or withhold such agreement or consent in good faith, and shall not withhold such agreement unreasonably or without good cause.

SECTION 16. Construction of Captions. Captions of the sections of this Agreement are for convenience and reference only. The words in the captions in no way explain, modify, amplify, or interpret this Agreement.

Section 17. Effective Date. The City of Lincoln has authorized the execution of this Agreement by its Council, and Placer County has authorized its execution by the Board of Supervisors, on the dates set forth below. The Effective Date of this Agreement shall be on the date last authorized as indicated below.

CITY OF LINCOLN, a municipal corporation

_____
Matthew Brower, City Manager

ATTEST:

_____ Date approved by City Council: March 24, 2015
Gwendolyn Scanlon, City Clerk

APPROVED AS TO FORM:

_____
Jonathan P. Hobbs, City Attorney

COUNTY OF PLACER

_____
David Boesch, County Executive Officer

ATTEST:

_____
Sharlet Pyne, Clerk of the Board Date approved by Board of Supervisors: _____

APPROVED AS TO FORM:

_____
Gerald Carden, County Counsel

EXHIBIT 'A'
LAFCO ANNEXATION NO.2015-03
LEGAL DESCRIPTION
VILLAGE ONE ANNEXATION – LINCOLN, CALIFORNIA

ALL THAT PORTION OF LAND SITUATED IN SECTIONS 11, 12,13,14, 23, AND 24, T.12 N, R.6 E, AND SECTION 18, T. 12 N. R. 7 E., M.D.B.& M., LOCATED IN THE COUNTY OF PLACER, STATE OF CALIFORNIA, AND BEING MORE PARTICULARY DESCRIBED AS FOLLOWS;

BEGINNING AT THE INTERSECTION OF THE EAST RIGHT OF WAY LINE OF LIBERTY LANE AND THE SOUTH RIGHT OF WAY LINE OF VIRGINIATOWN ROAD, SAID POINT OF BEGINNING ALSO BEING THE SOUTHERLY MOST, SOUTHWEST CORNER OF THAT AREA ANNEXED TO THE CITY OF LINCOLN, AS DESCRIBED IN THE "CERTIFICATE OF COMPLETION" RECORDED AS DOCUMENT 2005-0119524, PLACER COUNTY RECORDS, AND FROM SAID POINT OF BEGINNING, THE SECTION CORNER COMMON TO SECTIONS 10, 11, 14 AND 15, BEARS S 63°14'17" W, A DISTANCE OF 3003.73 FEET;

L1 - THENCE ALONG SAID SOUTH LINE OF CITY OF LINCOLN ANNEXATION, AND VIRGINATOWN ROAD, N 88°45'48" E, A DISTANCE OF 1310.66 FEET, MORE OR LESS, TO THE SOUTHERLY MOST, SOUTHEAST CORNER OF AFOREMENTIONED AREA ANNEXED TO THE CITY OF LINCOLN;

L2 - THENCE ALONG THE EAST LINE OF SAID AFOREMENTIONED AREA ANNEXED TO THE CITY OF LINCOLN, N 00°21'51" W, A DISTANCE OF 30.00 FEET TO A POINT ON THE NORTH LINE OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE-QUARTER OF SECTION 11;

L3 - THENCE, LEAVING SAID CITY OF LINCOLN BOUNDARY ALONG SAID NORTH LINE, N 88°45'48" E, A DISTANCE OF 1310.85 FEET, TO THE NORTHEAST CORNER OF THE SOUTH ONE-HALF OF THE SOUTHEAST ONE-QUARTER OF SECTION 11;

L4 - THENCE, ALONG THE NORTH LINE OF THE SOUTH ONE-HALF OF THE SOUTHWEST AND SOUTHEAST ONE-QUARTER OF SECTION 12, N 89°49'20" E, A DISTANCE OF 3946.69 FEET, TO THE NORTHEAST CORNER OF THE SOUTHWEST ONE-QUARTER OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 12;

L5 - THENCE, SOUTH ALONG THE EAST LINE OF SAID SOUTHWEST ONE-QUARTER OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 12, S 00°14'32" E, A DISTANCE OF 1338.18 FEET, TO A POINT ON THE COMMON SECTION LINE BETWEEN SECTION 12 AND 13, BEING THE NORTHEAST CORNER OF THE NORTHWEST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 13;

L6 - THENCE, ALONG THE EAST LINE OF NORTHWEST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 13, S 00°14'32" E, A DISTANCE OF 254.80 FEET;

THENCE, LEAVING SAID EAST LINE OF NORTHWEST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 13, ALONG THE NORTHEASTERLY LINE OF THE LAND AS DESCRIBED IN THE GRANT DEED RECORDED AS DOCUMENT 2005-0138828, THE FOLLOWING NINE (9) COURSES AND DISTANCES:

1. L7 - THENCE, S 41°46'57" E, A DISTANCE OF 455.40 FEET;
2. L8 - THENCE, S 32°29'57" E, A DISTANCE OF 170.00 FEET;
3. L9 - THENCE, S 18°35'57" E, A DISTANCE OF 196.00 FEET;
4. L10 - THENCE, S 32°55'57" E, A DISTANCE OF 186.00 FEET;
5. L11 - THENCE, S 61°32'57" E, A DISTANCE OF 113.00 FEET;
6. L12 - THENCE, S 70°23'57" E, A DISTANCE OF 178.00 FEET;
7. L13 - THENCE, S 84°59'57" E, A DISTANCE OF 61.29 FEET;
8. L14 - THENCE, S 00°08'22" E, A DISTANCE OF 52.31 FEET;
9. L15 - THENCE, N 88°42'38" E, A DISTANCE OF 430.00 FEET, TO A POINT ON THE EAST LINE OF THE NORTHEAST ONE-QUARTER OF SECTION 13;

L16 - THENCE, ALONG SAID EAST LINE OF THE NORTHEAST ONE-QUARTER OF SECTION 13, S 00°09'51" E, A DISTANCE OF 1339.00 FEET, MORE OR LESS, TO A POINT BEING THE NORTHERLY MOST CORNER THE LANDS OF KOLLENBERG, AS SAID CORNER IS DESCRIBED IN THE GRANT DEED RECORDED AS DOCUMENT #2008-0013674, SAID POINT ALSO BEING, N 00°09'51" W, ALONG SAID EAST LINE, A DISTANCE OF 68.65 FEET FROM THE EAST QUARTER CORNER OF SAID SECTION 13;

L17 - THENCE LEAVING SAID EAST LINE AND NORTHERLY MOST CORNER, ALONG THE NORTHERLY LINE OF AFOREMENTIONED GRANT DEED,
S 78°48'32" E, A DISTANCE OF 336.59 FEET TO THE NORTHEAST CORNER OF THE LANDS OF KOLLENBERG, AS SAID CORNER IS DESCRIBED IN THE GRANT DEED RECORDED AS DOCUMENT #2008-0013675;

L18 - THENCE LEAVING SAID NORTHEAST CORNER, ALONG THE EAST LINE OF SAID LANDS OF KOLLENBERG, AND THE PROLONGATION THEREOF, S 00°12'55" E, A DISTANCE OF 1395.91 FEET, TO A POINT ON THE SOUTH RIGHT-OF-WAY LINE OF STATE HIGHWAY 193, AS SAID SOUTH LINE IS SHOWN ON THAT RECORD OF SURVEY #2493, FILED IN BOOK 18 OF SURVEYS, PAGE 63, SAID COUNTY RECORDS;

THENCE, ALONG SAID SOUTH RIGHT-OF-WAY LINE OF STATE HIGHWAY 193, THE FOLLOWING THREE (3) COURSES AND DISTANCES;

1. L19 - S 89°40'46" W, A DISTANCE OF 92.79 FEET;

2. L20 - N 00°17'42" W, A DISTANCE OF 6.56 FEET;

3. L21 - S 89°45'01" W, A DISTANCE OF 237.21 FEET, TO A POINT OF INTERSECTION WITH THE WEST LINE OF THE SOUTHWEST ONE-QUARTER OF SECTION 18;

L22 - THENCE, LEAVING SAID SOUTH RIGHT-OF-WAY LINE, ALONG THE WEST LINE OF THE SOUTHWEST ONE-QUARTER OF SAID SECTION 18, S 00°12'54" E, A DISTANCE OF 1254.62 FEET, TO THE CORNER COMMON TO SECTIONS 13, 18, 19, AND 24;

L23 - THENCE, ALONG THE WEST LINE OF THE NORTHWEST ONE-QUARTER OF SECTION 19, S 00°10'35" E, A DISTANCE OF 2641.69 FEET TO THE NORTHWEST CORNER OF THE SOUTHWEST 1/4 OF SECTION 19;

L24 - THENCE, ALONG THE WEST LINE OF THE SOUTHWEST ONE-QUARTER OF SECTION 19, S 00°11'15" E, A DISTANCE OF 1321.24 FEET TO THE SOUTHEAST CORNER OF THE NORTH ONE-HALF OF THE SOUTHEAST ONE-QUARTER OF SECTION 24, BEING A POINT ON THE EXISTING CITY OF LINCOLN ANNEXATION BOUNDARY RECORDED IN DOCUMENT 1994-0059993;

L25 - THENCE, ALONG SAID ANNEXATION BOUNDARY, ALONG THE SOUTH LINE OF SAID NORTH ONE-HALF OF THE SOUTHEAST AND SOUTHWEST ONE-QUARTERS OF SECTION 24, S 89°21'26" W, A DISTANCE OF 5264.07 FEET, TO THE SOUTHWEST CORNER OF THE NORTHWEST ONE-QUARTER OF THE SOUTHWEST ONE-QUARTER OF SECTION 24, BEING A POINT ON THE EXISTING CITY OF LINCOLN ANNEXATION BOUNDARY RECORDED IN DOCUMENT 1994-0021630;

THENCE, ALONG SAID ANNEXATION BOUNDARY THE FOLLOWING FIFTEEN (15) COURSES AND DISTANCES;

1. L26 - WESTERLY INTO SECTION 23, S 89°11'47" W, A DISTANCE OF 235.90 FEET;

2. L27 - N 00°21'11" W, A DISTANCE OF 1329.93 FEET;

3. L28 - N 00°23'40" W, A DISTANCE OF 1384.42 FEET;

4. L29 - N 33°39'46" W, A DISTANCE OF 205.44 FEET TO THE SOUTHWEST CORNER OF OAK TREE LANE, AS OAK TREE LANE IS ALSO DESCRIBED IN THE "CERTIFICATE OF COMPLETION" RECORD AS DOCUMENT #94-021630, PLACER COUNTY RECORDS;

5. L30 - ALONG THE SOUTH LINE OF SAID OAK TREE LANE, S 50°46'18" E, A DISTANCE OF 225.99 FEET TO THE SOUTHEAST CORNER OF SAID OAK TREE LANE;

6. L31 - ALONG SAID EASTERLY RIGHT-OF-WAY OF OAK TREE LANE, N 24°25'51" W, A DISTANCE OF 1134.50 FEET TO A POINT OF CURVATURE;

7. C1 - CONTINUING ALONG SAID EASTERLY RIGHT-OF-WAY IN A NORTHERLY DIRECTION ALONG TANGENT CURVE TURNING TO THE RIGHT WITH A RADIUS OF 950.00 FEET, HAVING A CHORD BEARING OF N 14°59'23" W AND A CHORD DISTANCE OF 311.67 FEET, THROUGH A CENTRAL ANGLE OF 18°52'56", AND AN ARC LENGTH OF 313.08 FEET;

8. L32 - CONTINUING ALONG SAID EASTERLY RIGHT-OF-WAY AND THE PROLONGATION THEREOF, N 05°32'55" W, A DISTANCE OF 1300.20 FEET, TO A POINT OF CURVATURE, SAID POINT BEING A POINT ON THE NORTH RIGHT-OF-WAY OF STATE HIGHWAY 193;

9. C2 - ALONG SAID NORTH RIGHT-OF-WAY, IN A WESTERLY DIRECTION ALONG A NON-TANGENT CURVE TURNING TO THE RIGHT WITH A RADIUS OF 2150.00 FEET, HAVING A CHORD BEARING OF N 75°24'59" W AND A CHORD DISTANCE OF 1023.02 FEET, HAVING A CENTRAL ANGLE OF 27°31'35" AND AN ARC LENGTH OF 1032.92 FEET;

10. L33 - CONTINUING ALONG SAID NORTH RIGHT-OF-WAY, N 61°38'50" W, A DISTANCE OF 1579.07 FEET;

11. L34 - CONTINUING ALONG SAID NORTH RIGHT-OF-WAY, N 28°40'38" E, A DISTANCE OF 10.00 FEET TO A POINT OF CURVATURE;

12. C3 - CONTINUING ALONG SAID NORTH RIGHT-OF-WAY, IN A WESTERLY DIRECTION ALONG A NON-TANGENT CURVE TURNING TO THE LEFT WITH A RADIUS OF 2060.00 FEET, HAVING A CHORD BEARING OF N 70°49'01" W AND A CHORD DISTANCE OF 656.63 FEET, HAVING A CENTRAL ANGLE OF 18°20'29" AND AN ARC LENGTH OF 659.44 FEET;

13. L35 - CONTINUING ALONG SAID NORTH RIGHT-OF-WAY, S 28°31'45" W, A DISTANCE OF 10.55 FEET TO A POINT OF CURVATURE;

14. C4 - CONTINUING ALONG SAID NORTH RIGHT-OF-WAY, IN A NORTHWESTERLY DIRECTION ALONG A NON-TANGENT CURVE TURNING TO THE LEFT WITH A RADIUS OF 2050.00 FEET, HAVING A CHORD BEARING OF N 83°10'46" W AND A CHORD DISTANCE OF 221.59 FEET, HAVING A CENTRAL ANGLE OF 06°11'47" AND AN ARC LENGTH OF 221.70 FEET;

15. L36 - CONTINUING ALONG SAID NORTH RIGHT-OF-WAY, N 86°19'27" W, A DISTANCE OF 884 FEET, MORE OR LESS TO THE AUBURN RAVINE, BEING A POINT ON THE CITY OF LINCOLN-COUNTY OF PLACER BOUNDARY LINE;

L37 - THENCE LEAVING SAID NORTH RIGHT-OF-WAY LINE AND SAID 1994-0021630 ANNEXATION BOUNDARY, AND ALONG THE EXISTING CITY OF LINCOLN-COUNTY OF PLACER BOUNDARY LINE IN A GENERAL NORTHEASTERLY DIRECTION, 3150 FEET, MORE OR LESS, TO A POINT ON THE SOUTH RIGHT OF WAY LINE OF EAST 9TH STREET, AS SAID POINT AND THE SOUTH RIGHT OF WAY LINE IS DESCRIBED IN THE "CERTIFICATE OF COMPLETION" AS AN ANNEXATION BOUNDARY, TO THE CITY OF LINCOLN, RECORDED IN BOOK 3238, PAGE 535, PLACER COUNTY RECORDS;

L38 - ALONG SAID SOUTH RIGHT OF WAY LINE, N 88°49'32" E, A DISTANCE OF 1345.47 FEET TO A POINT OF INTERSECTION WITH THE EAST RIGHT OF WAY LINE OF LIBERTY LANE, AS SAID EAST RIGHT OF WAY LINE IS DESCRIBED IN SAID "CERTIFICATE OF COMPLETION" AS AN ANNEXATION BOUNDARY, RECORDED IN BOOK 3238, PAGE 535, PLACER COUNTY RECORDS;

L39 - ALONG SAID EAST RIGHT OF WAY LINE, N 00°44'25" W, A DISTANCE OF 1297.32 FEET TO THE POINT OF BEGINNING.

CONTAINING 1,692.3 ACRES, MORE OR LESS.

END OF DESCRIPTION

Jesse J. Lenaker

Jesse J. Lenaker, P.L.S. 8515
License Expires 12/31/16

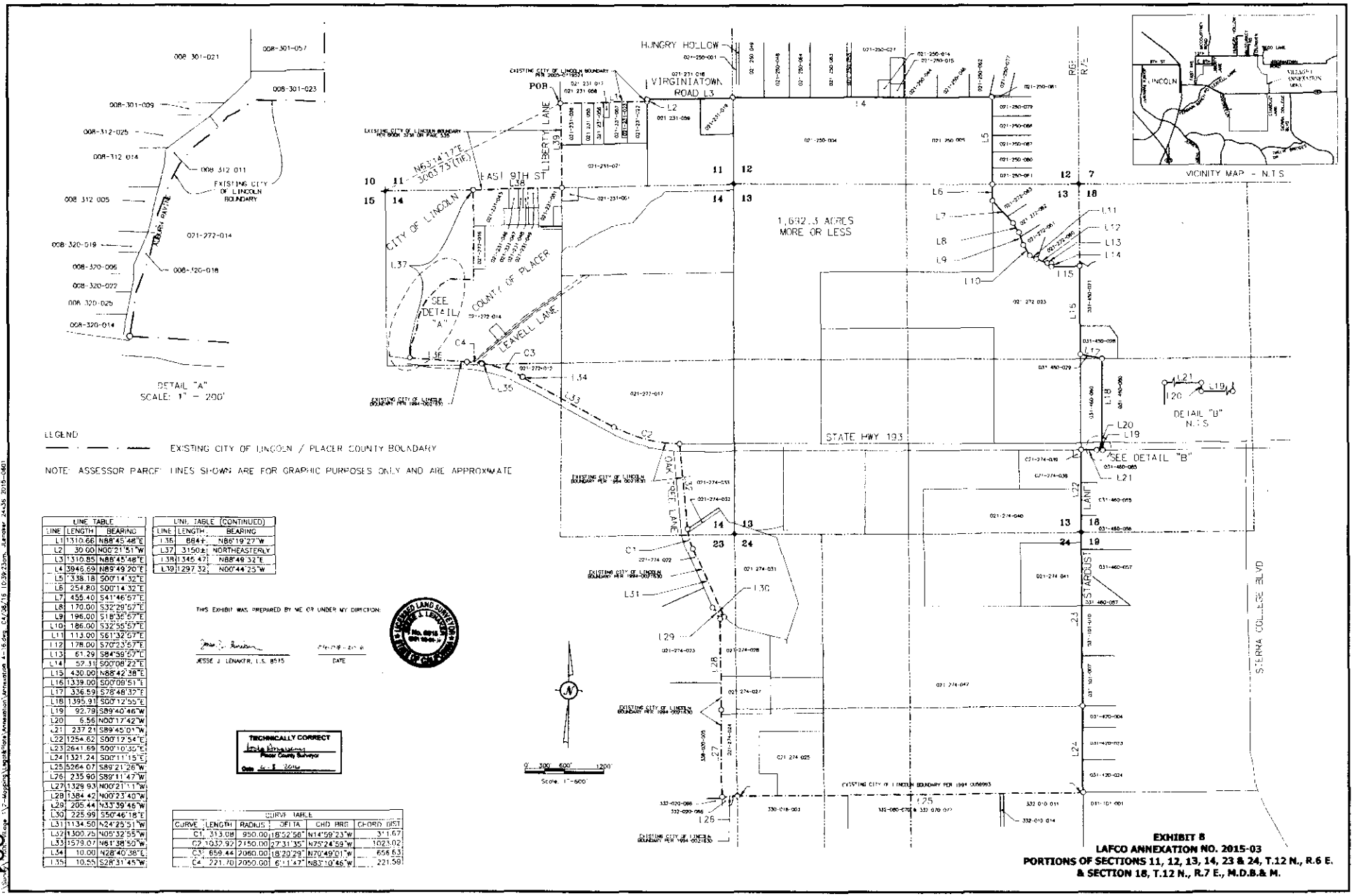
04-08-16
Date

LICENSED LAND SURVEYOR
JESSE J. LENAKER
No. 8515
EXP. 12-31-16
STATE OF CALIFORNIA

TECHNICALLY CORRECT

Joshua Amsbury
Placer County Surveyor

Date 4-8-2016



LINE TABLE		
LINE	LENGTH	BEARING
L1	1310.66	N88°45'48"E
L2	30.00	N00°21'51"W
L3	1310.85	N88°45'48"E
L4	3946.69	N89°49'20"E
L5	338.18	S00°14'32"E
L6	254.80	S00°14'32"E
L7	455.40	S41°46'57"E
L8	170.00	S32°29'57"E
L9	196.00	S18°36'57"E
L10	186.00	S32°55'57"E
L11	113.00	S61°32'57"E
L12	178.00	S70°23'57"E
L13	61.29	S84°59'57"E
L14	57.11	S00°08'22"E
L15	430.00	N88°42'38"E
L16	1339.00	S00°09'51"E
L17	336.59	S78°48'32"E
L18	1395.91	S00°12'55"E
L19	92.79	S89°40'46"W
L20	6.56	N00°17'42"W
L21	237.21	S89°45'01"W
L22	1254.62	S00°12'54"E
L23	2641.69	S00°10'35"E
L24	1321.24	S00°11'15"E
L25	5264.07	S89°21'26"W
L26	235.90	S89°11'47"W
L27	1329.93	N00°21'11"W
L28	1384.42	N00°23'40"W
L29	205.44	N33°39'46"W
L30	225.99	S50°46'18"E
L31	1134.50	N24°25'51"W
L32	1300.25	N05°32'55"W
L33	1579.07	N61°38'50"W
L34	10.00	N28°40'38"E
L35	10.55	S28°31'45"W

LINE TABLE (CONTINUED)		
LINE	LENGTH	BEARING
L36	884±	N86°19'27"W
L37	3150±	NORTHEASTERLY
L38	1345.47	N88°49'32"E
L39	1297.32	N00°44'25"W

CURVE TABLE					
CURVE	LENGTH	RADIUS	DELTA	CHD BRG	CHORD DIST
C1	313.08	950.00	18°52'56"	N14°59'23"W	311.67
C2	1032.92	2150.00	27°31'35"	N75°24'59"W	1023.02
C3	659.44	2060.00	18°20'29"	N70°49'01"W	656.63
C4	221.70	2050.00	6°11'47"	N83°10'46"W	221.59

EXHIBIT B
LAFCO ANNEXATION NO. 2015-03
PORTIONS OF SECTIONS 11, 12, 13, 14, 23 & 24, T.12 N., R.6 E. & SECTION 18, T.12 N., R.7 E., M.D.B.& M.