BEFORE THE LOCAL AGENCY FORMATION COMMISSION

COUNTY OF YUBA, STATE OF CALIFORNIA

IN RE:

RESOLUTION MAKING DETERMINATIONS AND CONDITIONALLY APPROVING THE HOP FARM-WHEATLAND PARCELS ANNEXATION TO THE CITY OF WHEATLAND (LAFCO APPLICATION NO. 2012-0008)

WHEREAS, an application for annexation of 688.4 acres of land, known as Hop Farm-Wheatland Parcels, to the City of Wheatland was filed with the Executive Officer of the Yuba County Local Agency Formation Commission pursuant to the requirements of the Cortese-Knox-Hertzberg Local Government Reorganization Act (Section 56000 et seq. of the California Government Code); and

WHEREAS, on April 2, 2014, the Executive Officer filed a Certificate of Filing to accept and consider the proposal for the Hop Farm-Wheatland Parcels annexation no. 2012-0008 to the City of Wheatland; and

WHEREAS, the City of Wheatland agrees to provide water, wastewater, police, fire (through a joint powers agreement with the Plumas-Brophy Fire Protection District), recreation, and all other city services; and

WHEREAS, the Commission has set the hearing date of May 7, 2014, at 6:00 p.m. for consideration of the annexation application and has noticed this hearing at the times and as otherwise prescribed by Government Code Section 56150, et seq.; and

WHEREAS, the Executive Officer reviewed the application and determined its completeness within thirty (30) days of submission and prepared and filed his report with this Commission at least five (5) days prior to the regularly scheduled meeting during which this application is to be considered; and

WHEREAS, the Commission has considered those factors determined by it to be relevant to the proposed annexation, including, but not limited to, the application, the report of the Executive Officer, the environmental documents or determinations, applicable General and Specific Plans, the Sphere of Influence of the City of Wheatland, LAFCo’s adopted policies and each of the factors required by Government Code Section 56668 to be considered in the review of a proposal; and
WHEREAS, on August 14, 2012 the City of Wheatland prepared and certified as the Lead Agency the Johnson Rancho and Hop Farm Environmental Impact Report with mitigation measures and a Statement of Overriding Considerations pursuant to the requirements of the California Environmental Quality Act (Section 21000 et seq. of the Public Resources Code), and LAFCo is a Responsible Agency under this environmental document; and

WHEREAS, the site-specific environmental issues at Hop Farm-Wheatland Parcels have not significantly changed since the City certified EIR documents such that the existing documents provide an adequate evaluation of the conditions, impacts, and alternatives for use by LAFCo; and

WHEREAS, the Commission finds, based on the information submitted and received prior to and at the public hearing, that the environmental document is adequate for approving this annexation; and

WHEREAS, information satisfactory to this Commission has been presented that all the owners of land within the affected territory have given their written consent for the proposal; and

WHEREAS, all interested parties and proponents of the proposal were heard, all oral and written protests, objections and evidence were made, presented or filed, and all persons present were given the opportunity to hear or be heard at a public hearing held on May 7, 2014.

NOW, THEREFORE, IT IS HEREBY RESOLVED, DETERMINED AND ORDERED by the Yuba Local Agency Formation Commission as follows:

1. The foregoing recitals are true and correct.

2. That the territory is found to be uninhabited pursuant to Section 56046 of the California Government Code, and is assigned the follow designation: LAFCO #2012-0008, Hop Farm-Wheatland Parcels Annexation to the City of Wheatland.

3. The purpose of the annexation is to provide urban services to unincorporated territory into the City of Wheatland.

4. In reviewing this application, the Commission finds that all property owners and agencies in said territory have been given proper notice regarding this change of organization.

5. In reviewing this application, the Commission finds that all property owners in said territory consent to the annexation to the City of Wheatland and the subject agency has not submitted written opposition to a waiver of protest proceedings.

6. In reviewing this application, the Commission finds that there will not be a duplication of other powers provided by any other special district.

7. That the Conducting Authority is authorized to approve the annexation without protest proceedings since satisfactory proof has been given that the subject territory is
uninhabited, all landowners within the affected territory were mailed notice pursuant to Government Code Sections 56157 and 56663(b), written opposition to the proposal from affected landowners within the affected territory was not received before the conclusion of the Commission proceedings on the proposal, and that all landowners within the affected territory have given their written consent to the proposal, and all affected agencies have consented in writing to the waiver of conducting authority proceedings pursuant to Section 56663 of the California Government Code.

8. In reviewing this application, this Commission has considered each of the factors required by California Government Code Section 56668 and LAFCO's policies and finds that each factor has been adequately analyzed by documents within the record before the Commission, including but not limited to the Johnson Rancho Hop Farm Annexation Environmental Impact Report (SCH #2008082127).

9. The Executive Officer's Report and recommendation for approval of this proposal is hereby incorporated by reference and adopted.

10. The map and boundary description shall comply with the State Board of Equalization requirements. The geographic description and map, if rejected by the State Board of Equalization or amended by LAFCO, will be revised at the expense of the applicant. The applicant shall be responsible for all associated costs. The boundary description and map if amended by action of the Commission will be revised and checked by the Yuba County Surveyor at the expense of the applicant, prior to filing of the Certificate of Completion. The Geographic Description and Map must contain the following corrected information: LAFCO File 2012-0008 Hop Farm-Wheatland Parcels Annexation to the City of Wheatland.

11. The location map showing the boundaries, as set forth in the proposal or as amended by action of the Commission, are hereby approved and are described in Exhibit "A," Geographic Description and Map, attached hereto and incorporated herein by this reference.

12. The boundaries of the Plumas-Brophy Fire Protection District shall remain unchanged by this annexation.

13. The boundaries of the affected territory are found to be definite and certain.

14. As stated in the LAFCO Staff Report dated May 7, 2014, the base property tax is to remain with Yuba County. Property tax increment: 50% of the County’s share of the property tax will be transferred to the City of Wheatland for every fiscal year after completion of the annexation. There will be no changes with other agencies receiving a portion of the property tax dollar. After annexation, there will be a sales tax exchange of 12.5% of the sales tax received by the City from retailers in the annexation area to the County. All tax exchanges shall be in accordance with Joint Resolution of the City Council of the City of Wheatland (Resolution 17-13) and the Board of Supervisors of the
County of Yuba, Yuba County (Resolution 2013-102) for the territory to be annexed hereto which is attached as Exhibit ‘B’.

15. That the existing Sphere of Influence for the City of Wheatland was adopted on April 14, 2011. Government Code section 56425(f) states “on or before January 1, 2008, and every five years thereafter, the commission shall, as necessary, review and update each sphere of Influence.” Furthermore, Yuba LAFCo’s policies, standards and procedures were adopted on May 1, 2013, prior to the date of the filing of the “certificate of filing” for this annexation.

16. Pursuant to Section 15096 of the State CEQA Guidelines, the Commission has considered the Hop Farm-Wheatland Parcels Environmental Impact Report as a responsible agency under the California Environmental Quality Act (“CEQA”), exercised its independent judgment and reached its own conclusions in considering the project, and the Commission hereby adopts the following findings regarding the Hop Farm-Wheatland Parcels Environmental Impact Report. As a responsible agency, the Commission considers only the effects of those activities involved in a project over which it has jurisdiction, i.e., those associated with the annexation action of this project. The Commission certifies that its findings are based on an assessment of all viewpoints, including all comments received up to the date of adoption of these findings, concerning the environmental impacts identified and analyzed in the Hop Farm-Wheatland Parcels Environmental Impact Report.

(A) On August 14, 2012 the City of Wheatland, acting as lead agency under CEQA, certified the Environmental Impact Report (“EIR”) for the proposed annexation, entitled the “Hop Farm-Wheatland Parcels Environmental Impact Report.” The EIR considers and evaluates all the potentially significant environmental effects of the proposed annexation that is the subject of this action. Environmental review included analysis of impacts related to this annexation to include the affected territory. The EIR analyzed impacts associated with the physical characteristics of the affected territory (including topography and drainage), short term and long-term growth in the City of Wheatland and surrounding unincorporated areas, provision of public services, and impacts on the protection and management of open space and agricultural lands. The City of Wheatland adopted mitigation measures to avoid or lessen potential impacts where feasible. However, the City of Wheatland found that annexation of the affected territory could result in certain significant and unavoidable project and/or cumulative impacts on the environment, including:

1. Conversion of prime agricultural land to Urban Uses and loss of agricultural land
2. Transportation, Increased Traffic volumes and circulation
3. Increase in operational impacts on air pollutants and regional air quality
4. Greenhouse Gas Emissions
5. Increased Noise Levels
6. Loss of Biological Resources and the effects of Ongoing Urbanization
7. Impacts related to Population, Housing, Employment and the Jobs Housing Ratio
8. Adequate Wastewater Facilities
9. Short Term Wastewater Facilities
10. Aesthetics/visual impacts
11. Increase in demand for additional public services and utilities as a result of the proposed project

As described in the EIR, no mitigation measures exist to reduce these impacts to a less than significant level.

(B) The EIR sets forth numerous mitigation measures to reduce potentially significant impacts and concludes that such impacts can be reduced to a level of insignificance if all mitigation measures proposed in the EIR are adopted. On August 14, 2012, the City of Wheatland adopted all the mitigation measures in the EIR. In addition, the City of Wheatland adopted, pursuant to CEQA Section 21081.6 and CEQA Guidelines Section 15091, the Mitigation Monitoring and Reporting Program to require all reasonably feasible mitigation measures to be implemented by means of Project conditions, agreements, or other measures, as set forth in the Mitigation Monitoring and Reporting Program. The Commission has reviewed and hereby incorporates by reference the City of Wheatland's Findings (attached and incorporated hereto as Attachment C) documenting adoption by the City of Wheatland of all mitigation measures proposed to reduce potentially significant impacts. The Commission hereby finds and determines that because the project under review by the Commission includes all feasible mitigation measures, the project does not require imposition of additional mitigation measures by this Commission. The mitigation measures adopted in the environmental process are the responsibility of the City of Wheatland, which will have land use regulatory authority over the site. All mitigation measures can and should be implemented by the City of Wheatland when it authorizes development approvals of the Hop Farm-Wheatland Parcels site. See CEQA Guidelines §15091(a)(2).

(C) Notwithstanding the remaining significant adverse impacts, the Commission, pursuant to Section 15093 of the CEQA Guidelines, determines that the benefits of the project outweigh the adverse environmental impacts and that the project should be approved. The Commission finds that the benefits of annexation outweigh the significant and unavoidable impacts of the project for each of the reasons identified in the Statement of Overriding Considerations adopted by the City of Wheatland on August 14, 2012 (also attached and incorporated hereto in Attachment C)

(D) CEQA Guidelines Section 15162 provides that a subsequent or supplemental environmental impact report (EIR) shall be prepared if certain conditions or
circumstances exist. In general, a subsequent or supplemental EIR must be prepared if there are changes in the project, changes in the circumstances, or new information that require substantial changes to the previous environmental document because of new significant or more severe impacts. The Commission has reviewed and considered all of the public comments, testimony and documentation submitted to the Commission in regard to the project, and hereby finds that none of the factors or considerations requiring preparation of a subsequent or supplemental EIR have been identified.

(E) CEQA Guidelines Section 15088.5 requires a lead agency to recirculate an EIR for further review and comment when significant new information is added to the EIR after public notice is given of the availability of the draft EIR but before certification. New information includes: (i) changes to the project; (ii) changes in the environmental setting; or (iii) additional data or other information. Section 15088.5 further provides that “[n]ew information added to an EIR is not ‘significant’ unless the EIR is changed in a way that deprives the public of a meaningful opportunity to comment upon a substantial adverse environmental effect of the project or a feasible way to mitigate or avoid such an effect (including a feasible project alternative) that the project’s proponents have declined to implement.” Having reviewed the information contained in the Hop Farm-Wheatland Parcels EIR and in the administrative record as well as the requirements under CEQA Guidelines Section 15088.5 and interpretive judicial authority regarding recirculation of draft EIRs, the Commission hereby finds that no new significant information was added to the EIR (or was required to have been added) following public review and thus, recirculation of the EIR is not required by CEQA.

17. The Commission has reviewed and considered the information contained in the Environmental Impact Report prepared for this project, and makes a specific determination that the issues and mitigation measures as adopted by the City of Wheatland adequately address this annexation.

18. The Commission directs the Executive Officer to file a Notice of Determination as provided under Section 15094 of the California Code of Regulations.

19. The Commission finds that requiring the Wheatland Parcels annexation as part of the Hop Farm Annexation before LAFCO along with the applicant’s annexation would not be detrimental to the orderly development of the community; therefore, the application for this Annexation to the City of Wheatland is hereby approved upon the condition that the Hop Farm and Wheatland Parcels Annexation (LAFCO #2012-0008) is also approved and recorded prior to the Hop Farm-Wheatland Parcels Annexation.

20. Approval of this change of organization is conditioned upon the applicant’s obligation to defend, indemnify, and hold harmless the Yuba Local Agency Formation Commission and its agents, officers and employees from any claim, action or proceeding against the
Commission or its agents, officers, and employees; including all costs, attorney’s fees, expenses and liabilities incurred in the defense of such claim, action, or proceeding to attack, set aside, or void the approval or determinations of this Commission concerning this annexation. The Yuba Local Agency Formation Commission shall promptly notify the applicant of any such claim, action, or proceeding and be entitled to representation by counsel of its choosing.

21. All County of Yuba, Yuba LAFCo and State of California fees must be paid in full prior to filing the Certificate of Completion. LAFCo will forward invoices for direct payment and/or a list of required fees to the applicant prior to filing the Certificate of Completion.

22. The applicant shall supply maps and Geographic Descriptions suitable for recording (smaller than eight inches by fourteen inches, clearly legible) prior to recordation of the Certificate of Completion.

23. One reproducible electronic copy of the Metes and Bounds Description and Map in PDF format, ten large copies (18” by 24”) and two 8 ½” x 11” reductions of all maps along with ten copies of the final LAFCo approved boundary description shall be submitted to LAFCo prior to recordation of the Certificate of Completion.

24. The City of Wheatland shall provide LAFCo three copies of a map of limited addresses for all territory within the annexation territory in accordance with State Board of Equalization requirements prior to recordation of the Certificate of Completion.

25. The City of Wheatland shall provide LAFCo with a listing of the assessor’s parcels within the annexation/detachment territory prior to recordation of the Certificate of Completion.

26. The Executive Officer is directed to record a Certificate of Completion for this proposal upon completion of all proceedings and satisfaction of all requirements set forth herein.

27. Completion of proceedings shall be concluded within one year after adoption of this resolution. If the proceedings are not concluded within one year after passage of this resolution, all proceedings shall be terminated.

28. The Executive Officer of this Commission is instructed to mail a certified copy of this resolution to those persons so indicated on the application, affected agencies, and as required by Government Code Section 56882.

PASSED AND ADOPTED at a regular meeting of the Local Agency Formation Commission of the County of Yuba, State of California, on the 7th day of May, 2014, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:
Brent Hastey, Chair
Yuba LAFCo
COUNTY OF YUBA

ATTEST:

John Benoit
LAFCo Executive Officer

APPROVED AS TO FORM:

David J. Ruderman
LAFCo Counsel
DESCRIPTION OF
NORTHEAST SPENCEVILLE ROAD ANNEXATION NO. 1
TO THE CITY OF WHEATLAND,
YUBA COUNTY, CALIFORNIA

A portion of Sections 11, 12, 17 and 18 of the Johnson Rancho, County of Yuba, State of California, being more particularly described as follows:

COMMENCING at the most southerly terminus of the centerline of Sixth Street with the northeasterly right-of-way line of Union Pacific Railroad; thence along said northeasterly right-of-way line, (1) South 53°42'28" East, 426.00 feet to the most southerly corner of Lot 5 as shown on that certain map of Subdivision Tract No. 84-378, City of Wheatland filed for record May 8, 1966 in Book 46 of Maps, Page 11, Yuba County Records, also being a point on the Wheatland City Limit line and the POINT OF BEGINNING; thence from said POINT OF BEGINNING, along said City Limit line the following twenty-one (21) courses (being courses 2 through 22): (2) North 36°20'22" East, 665.35 feet; (3) North 54°14'38" West, 289.76 feet; (4) North 62°25'57" East, 222.32 feet; (5) North 53°59'43" West, 118.13 feet; (6) North 45°08'45" East, 494.71 feet; (7) North 25°42'18" West, 371.33 feet; (8) North 36°10'22" East, 448.56 feet; (9) North 25°23'28" West, 125.03 feet; (10) South 64°00'22" West, 81.62 feet; (11) North 25°10'35" West, 331.03 feet; (12) South 64°08'35" West, 149.49 feet; (13) North 25°51'52" West, 33.81 feet; (14) North 62°36'58" East, 150.00 feet; (15) North 25°10'35" West, 295.74 feet; (16) North 64°22'27" East, 150.49 feet; (17) South 25°10'34" East, 240.45 feet; (18) North 64°34'43" East, 1007.87 feet; (19) South 25°44'13" East, 351.97 feet; (20) North 64°17'23" East, 400.10 feet; (21) along an arc of a tangent curve concave to the northwest having a radius of 1160.00 feet, a central angle of 35°18'46" and an arc
length of 714.94 feet; (22) North 28°58'37" East, 120.87 feet; thence leaving said City Limit line, along the north right-of-way line of 80.00-foot wide Spenceville Road being a prolongation of the last leg of said City Limit line, (23) North 28°58'37" East, 273.86 feet; thence continuing along said north right-of-way line the following two (2) courses (being courses 24 through 25): (24) along an arc of a tangent curve concave to the southeast having a radius of 1240.00 feet, a central angle of 31°55'10" and an arc length of 690.80 feet; (25) North 60°55'47" East, 1808.65 feet to a point on the east line of said Section 17; thence along said east line, (26) South 25°54'27" East, 812.34 feet to the east quarter corner (E 1/4) of said Section 17; thence continuing along said east line and the east line of said Section 18, (27) South 25°53'06" East, 4357.64 feet, more or less, to the original county line between Yuba County and Placer County; thence along said original county line the following thirteen (13) courses (being courses 28 through 40): (28) South 42°34'54" West, 803.70 feet; (29) North 88°55'06" West, 198.00 feet; (30) South 76°19'54" West, 850.06 feet; (31) South 69°04'54" West, 1011.12 feet; (32) South 38°04'54" West, 349.80 feet; (33) South 33°25'06" East, 435.60 feet; (34) South 38°04'54" West, 396.00 feet; (35) South 78°34'54" West, 165.00 feet; (36) North 74°55'06" West, 462.00 feet; (37) South 53°34'54" West, 424.38 feet; (38) North 71°55'06" West, 330.00 feet; (39) South 78°34'54" West, 198.00 feet; (40) South 67°04'54" West, 124.22 feet, more or less, to the northeasterly right-of-way line of the Union Pacific Railroad; thence along said northeasterly right-of-way line, (41) North 53°42'28" West, 3331.36 feet, more or less, to the POINT OF BEGINNING.

Containing 645 acres, more or less.

All dimensions are in ground distances for this description.

Dated: 2.21.2014

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COUNTY OF YUBA RESOLUTION NO. 2013-102
CITY OF WHEATLAND RESOLUTION NO. 17-13

JOINT RESOLUTION AND AGREEMENT
BY COUNTY OF YUBA AND CITY OF WHEATLAND
CONCERNING MASTER TAX EXCHANGE
RELATING TO CITY ANNEXATIONS

BE IT RESOLVED by the Board of Supervisors of the County of Yuba ("County") and the City Council of the City of Wheatland ("City") that they make and approve this joint resolution and agreement ("Agreement") as follows:

1. Recitals. This Agreement is made with reference to the following background recitals:

1.1. County and City each have adopted a General Plan that provides for appropriate growth and development in their respective growth areas. By this Agreement, the parties seek to ensure the long-term fiscal health and viability of each jurisdiction consistent with the goals and objectives of their General Plans.

1.2. The parties recognize that City residents are residents of both the City and County and that those residents rely on both the City and County for important local government services. The parties desire to ensure that both the County and City have sufficient revenue and fiscal strength to provide the quality services desired by both residents in the City and those in the unincorporated area.

1.3. City and landowners around the City from time to time seek to annex land to the City. The Yuba County Local Agency Formation Commission therefore periodically will receive applications for changes of organization and reorganizations involving annexation to the City.

1.4. The LAFCO Executive Officer is prohibited by law from issuing a certificate of filing for any such application until the City and County determine, pursuant to Revenue and Taxation Code section 99, the amount of property tax revenue to be exchanged between and among the local agencies whose service areas or responsibilities will be altered should a change of organization or reorganization be approved. Section 99(d) authorizes a county and a local taxing agency to enter into a master property tax exchange agreement. City and County are the two local taxing agencies whose service areas and responsibilities would be altered should there be an annexation of territory to the City. The parties acknowledge that annexation of territory to City would not impact the service area or responsibility of any special district in such a manner that it is necessary to negotiate a property tax exchange involving any special district.

1.5. State Constitution article XIII, section 29(b) and Government Code sections 55700 to 55707 authorize counties and cities to enter into agreements to apportion between them the revenue derived from any sales or use tax imposed by them pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law, or any successor statute, that is
collected for them by the state. State law requires that any sales/use tax exchange agreement be approved by a two-thirds vote of the governing body of each jurisdiction that is a party to the contract.

1.6. Pursuant to Government Code section 55704, County and City find and determine that one or more retailers have been established, or will be established, in the Annexation Area and that consumers residing in both City and the unincorporated area of County are, or will be, purchasing tangible personal property from such retailers. The parties therefore have determined that equity requires that the Sales Tax Revenue from retailers within the Annexation Area be distributed and apportioned in a fair and just manner to both parties pursuant to this Agreement.

1.7. County and City after negotiations have reached an understanding regarding the exchange of various taxes and other matters relating to annexations to City. The parties enter into this Agreement pursuant to Constitution article XIII, section 29(b), Government Code sections 55700 to 55707, Revenue and Taxation Code section 99, and other applicable law.

1.8. In agreeing to the revenue sharing provisions of this Agreement, the parties intend as follows: that County will have sufficient revenues to cover County-wide services related to the Annexation Areas; that City will have sufficient revenues to provide full municipal services to the areas (including future Annexation Areas) within its City limits; that City will be a full service city providing all of the necessary municipal services; that, for any municipal services that County provides directly to City, City will cover its share of those costs; that County's revenue stream will not be lowered due to annexation of lands into the City (excluding any lowering of property values by the County Assessor not related to annexation); and, that property tax sharing between County and City will occur only with respect to post-annexation increases in property assessment (i.e., only the tax increment will be subject to property tax sharing).

2. Definitions. The following definitions apply to this Agreement:

2.1. "Annexation Area" means the territory of the annexations to City as approved by LAFCO during the applicability of this Agreement.

2.2. "Effective Date" has the meaning set forth in section 3.1.

2.3. "LAFCO" means the Yuba County Local Agency Formation Commission.

2.4. "Property Tax Revenue" means the revenue from ad valorem taxes on real property within the meaning of California Constitution article XIII A, section 1 and Revenue and Taxation Code section 95(c) that is levied and collected from within an Annexation Area.

2.5. "Sales Tax Revenue" means the revenue from the local sales and use taxes levied and received by City pursuant to the Bradley-Burns Uniform Local Sales and Use Tax (within the meaning of Government Code section 55702) that is levied and collected within an Annexation Area. Sales Tax Revenue does not include revenue levied and collected by City pursuant to the City Transactions and Use Tax adopted by City Ordinance No. 421 or
any extension of that ordinance or any other local City transactions and use tax adopted by the voters of City.

2.6. “Tax Increment” means the incremental increase in property taxes attributable to post-annexation increases in property assessment. Decreases in property taxes attributable to decreases in property assessment shall mean the Tax Increment is equal to zero.

2.7. “Tax Rate Area” means that grouping of parcels used by the County Assessor for reporting and assessing values of real property by taxing jurisdiction and assisting the County Auditor-Controller in distributing property taxes.

3. Term and Termination.

3.1. This Agreement shall become effective upon the date of approval (the “Effective Date”) by the last governing board to adopt and approve the Agreement as indicated by the dates set forth below. This Agreement shall continue in effect for 20 years from the Effective Date. At the end of 20 years, this Agreement shall be extended for an additional five year term, unless a party provides written notice of nonrenewal to the other party prior to the expiration of the 20-year term. At the end of an extended five year term, this Agreement shall be extended for an additional five year term, unless a party provides written notice of nonrenewal to the other party prior to the expiration of the five-year term. At the end of the 20-year and each 5-year extension, the County and City will jointly fund an analysis to determine if the Agreement continues to be equitable, needs to be terminated or modified, and/or should have a firm expiration date.

3.2. Upon any termination of this Agreement, and except as otherwise may be agreed to by the parties pursuant to section 3.1, 5.6 or 14, the exchange of Property Tax Revenue and Sales Tax Revenue pursuant to sections 5 and 6 shall survive and continue post-termination with respect to (a) any Annexation Area annexed to City prior to termination, and (b) any Annexation Area annexed to City after termination if LAFCO issued its certificate of filing for the change of organization or reorganization prior to the termination of this Agreement.

4. Applicability. This Agreement applies to every change of organization and reorganization including the annexation of land to the City within the City’s Sphere of Influence at the Effective Date of this agreement (see Figure 1) for which the LAFCO certificate of filing is issued by LAFCO after the Effective Date and prior to the termination of this Agreement.

5. Exchange of Property Tax Revenue. On and after the Effective Date, County and City shall exchange Property Tax Revenue as follows:

5.1. For purposes of this section related to the sharing of Property Tax Revenue, the following definitions shall apply:

“A” equals: The total tax rate in effect in the Tax Rate Area(s) of the Annexation Area during the fiscal year in which the annexation is completed, excluding any voter-approved tax rate(s) for the redemption of bonds. For purposes of this
Agreement, the date of completion of an annexation shall be determined pursuant to Government Code section 57202 (or successor statute).

“B” equals: The taxable assessed valuation of all property, both real and personal, of the Annexation Area as shown on all assessment rolls of the County of Yuba and the State of California for the fiscal year during which the annexation is completed.

“C” equals: The percentage of the total property taxes levied within the Tax Rate Area(s) of the Annexation Area in the fiscal year during which the annexation is completed that are distributed to the County General Fund.

5.2. Base Year Revenue. The amount of Property Tax Revenue equal to the product of “A” times “B” times “C” shall be retained by the County.

5.3. Tax Increment. For the fiscal year commencing after the completion of an annexation and every fiscal year thereafter, 50% of the annual property Tax Increment attributable to the County’s portion of the property tax based on the Tax Rate Areas in the Annexation Area shall be transferred from County to City (i.e., the County share of the tax increment in the Annexation Area shall be split and distributed equally to County and City).

5.4. Either or both County and/or City are authorized to file this Agreement with LAFCO. Pursuant to Revenue and Taxation Code section 99, for any annexation to City within the applicability of this Agreement, the County Auditor-Controller shall adjust the allocation of Property Tax Revenue of the Annexation Area pursuant to the terms of this Agreement.

5.5. Exchange or reallocation of property taxes involving any special district with territory in any Annexation Area is not a part of this Agreement.

5.6. Five years after the Effective Date, County and City will jointly review the property tax sharing formula and the implementation of this Agreement to determine whether the parties’ tax sharing agreement objectives are being met. If the review concludes that the objectives are not being met, then County and City agree to enter into good faith negotiations to arrive at a more equitable tax sharing agreement.

6. Exchange of Sales Tax Revenue. On and after the Effective Date, County and City shall exchange Sales Tax Revenue as follows:

6.1. City shall transfer quarterly to County a share of the Sales Tax Revenue from the Annexation Area in an amount equal to 12.5% of Sales Tax Revenue received by City from retailers in the Annexation Area, effective with the first full fiscal year commencing after the annexation is completed.

6.2. Pursuant to Government Code section 55706, a copy of this Agreement shall be transmitted to the County Auditor-Controller and City Administrative Services Director. Thereafter, upon the receipt of Sales Tax Revenue transmitted by the State Board of Equalization pursuant to Revenue and Taxation Code section 7204, the City shall allocate the revenue pursuant to the terms of this Agreement.
7. City Sphere of Influence.

7.1. City's sphere of influence will be reasonably sized to correlate with reasonably foreseeable growth for a period not to exceed 20 years. County and City agree to support a future boundary of the City sphere of influence, when the foreseeable growth necessitates it based on LAFCo regulations, that is generally located along the southeast side of South Beale Road and to the east of Highway 65; however, the Ostrom Road landfill will remain outside any future City sphere of influence and within the unincorporated area unless otherwise jointly agreed upon in writing by County and City. This Agreement will satisfy the requirements of Revenue and Taxation Code section 99 for any proposed annexation within the aforementioned future boundary. In addition, the County and City shall consider establishing compatible infrastructure, services, and land uses near the future City boundary.

7.2. The parties acknowledge that the County General Plan Valley Growth Boundary contained in the General Plan adopted by the County on June 7, 2011 applies to growth and development permitted by the County and that it does not apply to growth and development permitted within the City's incorporated boundaries.

7.3. County agrees that it will not oppose a City request to LAFCO to amend the City sphere of influence consistent with these provisions.

8. Transportation Infrastructure.

8.1. The parties agree to cooperate in good faith on the evaluation and development of regional transportation and traffic improvements, systems and funding to meet the regional transportation, street and highway needs of the area as it develops.

8.2. The City General Plan and any future amendments will consider traffic impacts to County relative to the County General Plan, as may be amended. The County General Plan and future amendments will consider traffic impacts to City relative to the City adopted General Plan, as may be amended.

8.3. City and County will discuss in good faith, the concept of a regional transportation planning effort (which may result in the creation of a regional transportation agency or joint powers authority similar to the South Placer Regional Transportation Agency in Placer County) in order to identify, prioritize, and jointly seek funding for southern Yuba County (i.e., south of Marysville) transportation system improvements, such as the Wheatland bypass, Goldfields Parkway, future freeway interchanges, and other regionally beneficial projects.

9. Facility Impact Fees

9.1 In order to mitigate the impacts associated with County Facilities due to development, the County has adopted a Facility Impact Fee schedule. A facility impact fee has been established and collected by the County for Criminal Justice, Law Enforcement, Health and Human Services, Library and General Government functions. The Facility Impact Fee provides a separate and lower fee specifically for impacts due to development within the incorporated City limits.
9.2 Notwithstanding any other provisions of this agreement, to the extent allowed by law, the City shall approve and collect the capital facilities fee specifically and separately identified for the incorporated city as established from time to time by the County for facility impacts due to development projects within an Annexation Area subject to this agreement. The County Facility Impact Fees collected by the city shall be paid to the County, to mitigate the impacts of growth within an Annexation Area on County capital facilities. The City and County shall work in a collaborative manner and in good faith to ensure that any update to the County’s Facility Impact Fee provides for a specific fee for the development in the Annexation Area and that that fee does not duplicate any City Facility Impact Fees.

9.3 For purposes of this section, the City agrees to approve and begin collecting capital facilities fees identified in Section 9.2 no later than January 1, 2015. Payments to County shall be paid quarterly by the City.

9.4 In addition, City may seek in the future to establish particular citywide facilities (such as libraries). County and City agree to discuss and potentially modify the County facility impact fee schedule to avoid duplication of payment of County facility impact fees and City development fees.

10. Prime Agricultural Land Preservation

10.1 In order to minimize and delay the impacts associated with the loss of prime agricultural land (as identified under the Soil Classification System of the California Department of Conservation) within Yuba County to urban development, the City and County agree to the following:

10.1.1 Encourage urban development on non-prime agricultural land first within their respective growth boundaries through mechanisms such as zoning, ordinances, and development agreements, in order to preserve in place existing farms on prime agricultural land until needed to accommodate their respective growth needs. However, the encouragement will be limited to lands that are not needed to provide efficient services for the respective growth area, which will change over time as development occurs.

10.1.2 Promote protection of the operation of farms on prime agricultural land within their respective growth boundaries from being deemed public nuisances through mechanisms such as zoning, ordinances, and development agreements with similar intent as Yuba County Ordinance Code, Chapter 11.55, “Consumer Disclosure – Farming and Mining Operations”.

10.1.3 For prime agricultural land mitigation required by either the City or the County of a development project within their respective jurisdiction, preserved prime agricultural land will first be sought on parcels within the Natural Resources land use designation in the Yuba County General Plan and outside of a city sphere of influence, including the proposed sphere of influence described in Section 7 of this Agreement. If adequate mitigation land is not feasibly available on these parcels as determined by the City or County requiring the mitigation, then land outside of
Yuba County can be pursued.

10.1.4 Cooperate in good faith to establish a uniform process under which prime agricultural land mitigation will occur, to ensure consistency in items such as types of easements and uses that are acceptable on preserved land, acceptable responsible entities to ensure preservation is occurring, and so on.

11. Other Obligations and Limitations.

11.1 Annexation of new land into the City shall include the full road right of way for lands adjacent to and abutting County territory, (a) City will be responsible for providing full municipal services to the Annexation Area, including acceptance into the City's maintained mileage list reported to the State, the entirety of all previously County maintained roads that were within the Annexation Area and (b) County will no longer be obligated to provide any additional road improvements, beyond routine maintenance and customary road repair and replacement, on roads not accepted into the City's maintained mileage, but located adjacent to but not abutting the Annexation Area. Routine maintenance and customary road repair and replacement mean the level of road maintenance, repair and replacement provided by the County to roads in the unincorporated area generally.

11.2 In the event that City desires to contract with another local government agency for municipal services of a type that are provided by County, City first shall contact County and both parties will negotiate in good faith on the terms of a County-City services agreement. If an agreement cannot be reached, then City may elect to seek proposals from other agencies.

12. Audit. Either party may request that an independent audit of the Property Tax Revenue allocated to City or of Sales Tax Revenue distributed to County be performed at any time. The party requesting such an audit shall be solely responsible for the costs of the audit. The auditor shall be jointly selected by the County Administrator and the City Manager. If the audit discloses that a party received less revenue than it should have received under this Agreement, then City or County will make any adjustments required as a result of the audit within 60 days of receipt of the audit or such other time period as agreed to by the parties. The adjustment shall be in the form of a payment from the overpaid party to the underpaid party consistent with the audit findings or such other remedy as agreed to by the parties. The scope of any audit and repayment obligation under this section shall be limited to the latest three completed fiscal years. If a party disagrees with the audit findings, then it may pursue a declaratory relief or other appropriate lawsuit to review the audit findings.


13.1 By City.
13.1.1. In addition to any remedies County may have at law or in equity in the event of default by City, County may withhold from Property Tax Revenue payments due to City an amount equal to the amount of Sales Tax Revenue and/or development impact fee collection as identified in section 8.3 that City has failed to pay to County in a timely manner, provided that County shall have first given City 30 days written notice of County’s intent to offset.

13.1.2. In the event that City fails to transfer Sales Tax Revenue and/or collect and transfer development impact fees as identified in section 8.3 within the times specified in this Agreement, City shall pay interest to County compounded monthly at a rate equal to the County’s average pooled investment interest rate as of June 30 of the preceding fiscal year.

13.2. By County.

13.2.1. In addition to any remedies City may have at law or in equity in the event of default by County, City may withhold from Sales Tax Revenue payments due to County an amount equal to the amount of Property Tax Revenue that County has failed to pay to City in a timely manner, provided that City shall have first given County 30 days written notice of City’s intent to offset.

13.2.2. In the event that County fails to transfer Property Tax Revenue within the times specified in this Agreement, County shall pay interest to City compounded monthly at a rate equal to the City’s average pooled investment interest rate as of June 30 of the preceding fiscal year.

14. Reformation. County and City intend that this Agreement will result in a 50%/50% split in property Tax Increment revenue and an 87.5%/12.5% split in Sales Tax Revenue for Annexation Areas. County and City understand and acknowledge that this Agreement is based upon existing law at the time of the Agreement and that such law may be amended in the future. In the event of an amendment of state law that renders this Agreement invalid or inoperable or that denies a party the full benefit of this Agreement, in whole or in part, then County and City agree to enter into good faith negotiations to arrive at a new equitable tax sharing agreement consistent with the intentions of the parties in this Agreement.


15.1. Execution. County authorizes the Chair of its Board of Supervisors and County Clerk to sign this Agreement on behalf of the County. City authorizes its Mayor and City Clerk to sign this Agreement on behalf of the City.

15.2. Integration. This Agreement constitutes the sole, final, complete, exclusive and integrated expression and statement of the terms of this contract among the parties concerning the subject matter addressed herein, and supersedes all prior negotiations, representations or agreements, either oral or written, that may be related to the subject matter of this Agreement, except (a) those other documents that are expressly referenced in
this Agreement, and (b) the County-City annexation-related tax sharing agreements that predate the date of this Agreement.

15.3. Construction and Interpretation. The parties agree and acknowledge that this Agreement has been arrived at through negotiation, and that each party has had a full and fair opportunity to revise the terms of this Agreement. Consequently, the normal rule of construction that any ambiguities are to be resolved against the drafting party shall not apply in construing or interpreting this Agreement.

15.4. Waiver. The waiver at any time by any party of its rights with respect to a default or other matter arising in connection with this Agreement shall not be deemed a waiver with respect to any subsequent default or matter.

15.5. Severability. If any part of this Agreement is held to be void, invalid, illegal or unenforceable, then the remaining parts will continue in full force and effect and be fully binding, provided that each party still receives the benefits of this Agreement.

15.6. Further Assurances. The parties, in order to carry out and give full effect to this Agreement, each shall use all reasonable efforts to provide such information, execute and deliver such further instruments and documents and take such actions as may be reasonably requested by the other party, so long as not inconsistent with the provisions of this Agreement and not involving the assumption of obligations or liabilities different from, in excess of, or in addition to those expressly provided for in this Agreement.

15.7. Amendment. This Agreement may be modified or amended only by a subsequent written agreement approved and executed by both parties. Amendment requires approval by resolution adopted by the governing board of each party and, if the amendment relates to the exchange of Sales Tax Revenue, the resolution must be adopted by two-thirds vote of each governing board.

15.8. Notices. Any notice, demand, invoice or other communication required or permitted to be given under this Agreement shall be in writing and either served personally or sent by prepaid, first class U.S. mail and addressed as follows:

<table>
<thead>
<tr>
<th>County:</th>
<th>City:</th>
</tr>
</thead>
<tbody>
<tr>
<td>County Administrator</td>
<td>City Manager</td>
</tr>
<tr>
<td>County of Yuba</td>
<td>City of Wheatland</td>
</tr>
<tr>
<td>915 8th Street, Suite 115</td>
<td>P.O. Box 395</td>
</tr>
<tr>
<td>Marysville, CA 95901</td>
<td>111 C Street</td>
</tr>
<tr>
<td></td>
<td>Wheatland, CA 95692</td>
</tr>
</tbody>
</table>

Any party may change its address by notifying the other party in writing of the change of address.
PASSED, ADOPTED AND APPROVED by the Board of Supervisors of the County of Yuba on the 24th day of September 2013, by the following two-thirds vote:

AYES: Supervisors Vasquez, Nicoletti, Griego, Abe
NOES: Supervisor Stocker
ABSTAIN: None
ABSENT: None

By: [Signature]

Attest:

[Signature]
Donna Stottlemeyer, Clerk of the Board of Supervisors

Approved as to form:

[Signature]
Angil Morris-Jones, County Counsel
PASSED, ADOPTED AND APPROVED by the City Council of the City of Wheatland on the 24th day of September 2018, by the following two-thirds vote:

AYES: Pendergraph, Coe, McIntosh, West
NOES:
ABSTAIN:
ABSENT: Henderson

By: 
Rick West, Mayor

Attest:

Lisa J. Thomason, City Clerk

Approved as to form:

Richard P. Shanahan, City Attorney
BEFORE THE LOCAL AGENCY FORMATION COMMISSION

COUNTY OF YUBA, STATE OF CALIFORNIA

IN RE:

RESOLUTION MAKING DETERMINATIONS AND CONDITIONALLY APPROVING THE JOHNSON RANCHO ANNEXATION TO THE CITY OF WHEATLAND (LAFCO APPLICATION NO. 2012-0007)

WHEREAS, an application for annexation of 3,461 acres of land, known as Johnson Rancho, to the City of Wheatland was filed with the Executive Officer of the Yuba County Local Agency Formation Commission pursuant to the requirements of the Cortese-Knox-Hertzberg Local Government Reorganization Act (Section 56000 et seq. of the California Government Code); and

WHEREAS, on April 2, 2014, the Executive Officer filed a Certificate of Filing to accept and consider the proposal for the Johnson Rancho annexation no. 2012-0007 to the City of Wheatland; and

WHEREAS, the City of Wheatland agrees to provide water, wastewater, police, fire (through a joint powers agreement with the Plumas-Brophy Fire Protection District), recreation, and all other city services; and

WHEREAS, the Commission has set the hearing date of May 7, 2014, at 6:00 p.m. for consideration of the annexation application and has noticed this hearing at the times and as otherwise prescribed by Government Code Section 56150, et seq.; and

WHEREAS, the Executive Officer reviewed the application and determined its completeness within thirty (30) days of submission and prepared and filed his report with this Commission at least five (5) days prior to the regularly scheduled meeting during which this application is to be considered; and

WHEREAS, the Commission has considered those factors determined by it to be relevant to the proposed annexation, including, but not limited to, the application, the report of the Executive Officer, the environmental documents or determinations, applicable General and Specific Plans, the Sphere of Influence of the City of Wheatland, LAFCo’s adopted policies and each of the factors required by Government Code Section 56668 to be considered in the review of a proposal; and

WHEREAS, on August 14, 2012 the City of Wheatland prepared and certified as the Lead Agency the Johnson Rancho Environmental Impact Report with mitigation measures and a Statement of Overriding Considerations pursuant to the requirements of the California Environmental Quality Act (Section 21000 et seq. of the Public Resources Code) and LAFCo is a Responsible Agency under this environmental document; and

Yuba County Local Agency Formation Commission
Johnson Rancho Annexation to Wheatland LAFCO 2012-0007
127429.1
WHEREAS, the site-specific environmental issues at Johnson Rancho have not significantly changed since the City certified EIR documents such that the existing documents provide an adequate evaluation of the conditions, impacts, and alternatives for use by LAFCo; and

WHEREAS, the Commission finds, based on the information submitted and received prior to and at the public hearing, that the environmental document is adequate for approving this annexation; and

WHEREAS, information satisfactory to this Commission has been presented that all the owners of land within the affected territory have given their written consent for the proposal; and

WHEREAS, an island will not be created by this annexation provided the Hop Farm and Wheatland Parcels Annexation is approved and completed prior to this annexation; and

WHEREAS, all interested parties and proponents of the proposal were heard, all oral and written protests, objections and evidence were made, presented or filed, and all persons present were given the opportunity to hear or be heard at a public hearing held on May 7, 2014.

NOW, THEREFORE, IT IS HEREBY RESOLVED, DETERMINED AND ORDERED by the Yuba Local Agency Formation Commission as follows:

1. The foregoing recitals are true and correct.

2. That the territory is found to be uninhabited pursuant to Section 56046 of the California Government Code, and is assigned the following designation: LAFCO #2012-0007, Johnson Rancho Annexation to the City of Wheatland.

3. The purpose of the annexation is to provide urban services to unincorporated territory into the City of Wheatland.

4. In reviewing this application, the Commission finds that all property owners and agencies in said territory have been given proper notice regarding this change of organization.

5. In reviewing this application, the Commission finds that all property owners in said territory consent to the annexation to the City of Wheatland and the subject agency has not submitted written opposition to a waiver of protest proceedings.

6. In reviewing this application, the Commission finds that there will not be a duplication of other powers provided by any other special district.

7. That the Conducting Authority is authorized to approve the annexation without protest proceedings since satisfactory proof has been given that the subject territory is uninhabited, all landowners within the affected territory were mailed notice pursuant to Government Code Sections 56157 and 56663(b), written opposition to the proposal from affected landowners within the affected territory was not received before the
conclusion of the Commission proceedings on the proposal, and all affected agencies have consented in writing to the waiver of conducting authority proceedings pursuant to Section 56663 of the California Government Code.

8. In reviewing this application, this Commission has considered each of the factors required by California Government Code Section 56668 and LAFCo's policies and finds that each factor has been adequately analyzed by documents within the record before the Commission, including but not limited to the Johnson Rancho Environmental Impact Report (SCH #2008082127).

9. The Executive Officer's Report and recommendation for approval of this proposal is hereby incorporated by reference and adopted.

10. The map and boundary description shall comply with the State Board of Equalization requirements. The geographic description and map, if rejected by the State Board of Equalization or amended by LAFCo, will be revised at the expense of the applicant. The applicant shall be responsible for all associated costs. The boundary description and map if amended by action of the Commission will be revised and checked by the Yuba County Surveyor at the expense of the applicant, prior to filing of the Certificate of Completion. The Geographic Description and Map must contain the following corrected information: LAFCO File 2012-0007 Johnson Rancho Annexation to the City of Wheatland.

11. The location map showing the boundaries, as set forth in the proposal or as amended by action of the Commission, are hereby approved and are described in Exhibit "A," - Geographic Description and Map, attached hereto and incorporated herein by this reference.

12. The boundaries of the Plumas-Brophy Fire Protection District shall remain unchanged by this annexation.

13. The boundaries of the affected territory are found to be definite and certain.

14. As stated in the LAFCo Staff Report dated May 7, 2014, the base property tax is to remain with Yuba County. Property tax increment: 50% of the County's share of the property tax will be transferred to the City of Wheatland for every fiscal year after completion of the annexation. There will be no changes with other agencies receiving a portion of the property tax dollar. After annexation, there will be a sales tax exchange of 12.5% of the sales tax received by the City from retailers in the annexation area to the County. All tax exchanges shall be in accordance with Joint Resolution of the City Council of the City of Wheatland (Resolution 17-13) and the Board of Supervisors of the County of Yuba, Yuba County (Resolution 2013-102) for the territory to be annexed hereto which is attached as Exhibit "B".

15. That the existing Sphere of Influence for the City of Wheatland was adopted on April 14, 2011. Government Code section 56425(f) states "on or before January 1, 2008, and every five years thereafter, the commission shall, as necessary, review and update each sphere
of Influence.” Furthermore, Yuba LAFCO’s policies, standards and procedures were adopted on May 1, 2013, prior to the date of the filing of the “certificate of filing” for this annexation.

16. Pursuant to Section 15096 of the State CEQA Guidelines, the Commission has considered the Johnson Rancho Environmental Impact Report as a responsible agency under the California Environmental Quality Act (“CEQA”), exercised its independent judgment and reached its own conclusions in considering the project, and the Commission hereby adopts the following findings regarding the Johnson Rancho Environmental Impact Report. As a responsible agency, the Commission considers only the effects of those activities involved in a project over which it has jurisdiction, i.e., those associated with the annexation action of this project. The Commission certifies that its findings are based on an assessment of all viewpoints, including all comments received up to the date of adoption of these Findings, concerning the environmental impacts identified and analyzed in the Johnson Rancho Environmental Impact Report.

(A) On August 14, 2012 the City of Wheatland, acting as lead agency under CEQA, certified the Environmental Impact Report (“EIR”) for the proposed annexation, entitled the “Johnson Rancho Environmental Impact Report.” The EIR considers and evaluates all the potentially significant environmental effects of the proposed annexation that is the subject of this action. Environmental review included analysis of impacts related to this annexation to include the affected territory. The EIR analyzed impacts associated with the physical characteristics of the affected territory (including topography and drainage), short term and long-term growth in the City of Wheatland and surrounding unincorporated areas, provision of public services, and impacts on the protection and management of open space and agricultural lands. The City of Wheatland adopted mitigation measures to avoid or lessen potential impacts where feasible. However, the City of Wheatland found that annexation of the affected territory could result in certain significant and unavoidable project and/or cumulative impacts on the environment, including:

1. Conversion of prime agricultural land to Urban Uses and loss of agricultural land
2. Transportation, Increased Traffic volumes and circulation
3. Increase in operational impacts on air pollutants and regional air quality
4. Greenhouse Gas Emissions
5. Increased Noise Levels
6. Loss of Biological Resources and the effects of Ongoing Urbanization
7. Impacts related to Population, Housing, Employment and the Jobs Housing Ratio
8. Adequate Wastewater Facilities
9. Short Term Impacts to surrounding agricultural operations
10. Aesthetics/visual impacts
11. Increase in demand for additional public services and utilities as a result of the proposed project

As described in the EIR, no mitigation measures exist to reduce these impacts to a less than significant level.

(B) The EIR sets forth numerous mitigation measures to reduce potentially significant impacts and concludes that such impacts can be reduced to a level of insignificance if all mitigation measures proposed in the EIR are adopted. On August 14, 2012, the City of Wheatland adopted all the mitigation measures in the EIR. In addition, the City of Wheatland adopted, pursuant to CEQA Section 21081.6 and CEQA Guidelines Section 15091, the Mitigation Monitoring and Reporting Program to require all reasonably feasible mitigation measures to be implemented by means of Project conditions, agreements, or other measures, as set forth in the Mitigation Monitoring and Reporting Program. The Commission has reviewed and hereby incorporates by reference the City of Wheatland's Findings (attached and incorporated hereto as Attachment C) documenting adoption by the City of Wheatland of all mitigation measures proposed to reduce potentially significant impacts. The Commission hereby finds and determines that because the project under review by the Commission includes all feasible mitigation measures, the project does not require imposition of additional mitigation measures by this Commission. The mitigation measures adopted in the environmental process are the responsibility of the City of Wheatland, which will have land use regulatory authority over the site. All mitigation measures can and should be implemented by the City of Wheatland when it authorizes development approvals of the Johnson Rancho site. See CEQA Guidelines §15091(a)(2).

(C) Notwithstanding the remaining significant adverse impacts, the Commission, pursuant to Section 15093 of the CEQA Guidelines, determines that the benefits of the project outweigh the adverse environmental impacts and that the project should be approved. The Commission finds that the benefits of annexation outweigh the significant and unavoidable impacts of the project for each of the reasons identified in the Statement of Overriding Considerations adopted by the City of Wheatland on August 14, 2012 (also attached and incorporated hereto in Attachment C).

(D) CEQA Guidelines Section 15162 provides that a subsequent or supplemental environmental impact report (EIR) shall be prepared if certain conditions or circumstances exist. In general, a subsequent or supplemental EIR must be prepared if there are changes in the project, changes in the circumstances, or new information that require substantial changes to the previous environmental document because of new significant or more severe impacts. The Commission has reviewed and considered all of the public comments, testimony and documentation submitted to the Commission in regard to the project, and hereby finds that none of the factors or considerations requiring preparation of a subsequent or supplemental EIR have been identified.
CEQA Guidelines Section 15088.5 requires a lead agency to recirculate an EIR for further review and comment when significant new information is added to the EIR after public notice is given of the availability of the draft EIR but before certification. New information includes: (i) changes to the project; (ii) changes in the environmental setting; or (iii) additional data or other information. Section 15088.5 further provides that “[n]ew information added to an EIR is not ‘significant’ unless the EIR is changed in a way that deprives the public of a meaningful opportunity to comment upon a substantial adverse environmental effect of the project or a feasible way to mitigate or avoid such an effect (including a feasible project alternative) that the project’s proponents have declined to implement.” Having reviewed the information contained in the Johnson Rancho EIR and in the administrative record as well as the requirements under CEQA Guidelines Section 15088.5 and interpretive judicial authority regarding recirculation of draft EIRs, the Commission hereby finds that no new significant information was added to the EIR (or was required to have been added) following public review and thus, recirculation of the EIR is not required by CEQA.

17. The Commission has reviewed and considered the information contained in the Environmental Impact Report prepared for this project, and makes a specific determination that the issues and mitigation measures as adopted by the City of Wheatland adequately address this annexation.

18. The Commission directs the Executive Officer to file a Notice of Determination as provided under Section 15094 of the California Code of Regulations.

19. The Commission finds that requiring the Wheatland Parcels annexation as part of the Hop Farm Annexation before LAFCO along with the applicant's annexation would not be detrimental to the orderly development of the community; therefore, the application for this Annexation to the City of Wheatland is hereby approved upon the condition that the Hop Farm and Wheatland Parcels Annexation (LAFCO #2012-0008) is also approved and recorded prior to the Johnson Rancho Annexation.

20. Approval of this change of organization is conditioned upon the applicant’s obligation to defend, indemnify, and hold harmless the Yuba Local Agency Formation Commission and its agents, officers and employees from any claim, action or proceeding against the Commission or its agents, officers, and employees; including all costs, attorney’s fees, expenses and liabilities incurred in the defense of such claim, action, or proceeding to attack, set aside, or void the approval or determinations of this Commission concerning this annexation. The Yuba Local Agency Formation Commission shall promptly notify the applicant of any such claim, action, or proceeding and be entitled to representation by counsel of its choosing.
21. All County of Yuba, Yuba LAFCo and State of California fees must be paid in full prior to filing the Certificate of Completion. LAFCo will forward invoices for direct payment and/or a list of required fees to the applicant prior to filing the Certificate of Completion.

22. The applicant shall supply maps and Geographic Descriptions suitable for recording (smaller than eight inches by fourteen inches, clearly legible) prior to recordation of the Certificate of Completion.

23. One reproducible electronic copy of the Metes and Bounds Description and Map in PDF format, ten large copies (18” by 24”) and two 8 1/2” x 11” reductions of all maps along with ten copies of the final LAFCO approved boundary description shall be submitted to LAFCo prior to recordation of the Certificate of Completion.

24. The City of Wheatland shall provide LAFCo three copies of a map of limited addresses for all territory within the annexation territory in accordance with State Board of Equalization requirements prior to recordation of the Certificate of Completion.

25. The City of Wheatland shall provide LAFCo with a listing of the assessor’s parcels within the annexation/detachment territory prior to recordation of the Certificate of Completion.

26. The Executive Officer is directed to record a Certificate of Completion for this proposal upon completion of all proceedings and satisfaction of all requirements set forth herein.

27. Completion of proceedings shall be concluded within one year after adoption of this resolution. If the proceedings are not concluded within one year after passage of this resolution, all proceedings shall be terminated.

28. The Executive Officer of this Commission is instructed to mail a certified copy of this resolution to those persons so indicated on the application, affected agencies, and as required by Government Code Section 56882.

PASSED AND ADOPTED at a regular meeting of the Local Agency Formation Commission of the County of Yuba, State of California, on the 7th day of May, 2014, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Brent Hastey, Chair
YUBA LAFCO
COUNTY OF YUBA
ATTEST:

John Benoit
LAFCo Executive Officer

APPROVED AS TO FORM:

David J. Ruderman
LAFCo Counsel
DESCRIPTION OF
NORTHEAST SPENCEVILLE ROAD ANNEXATION NO. 2
TO THE CITY OF WHEATLAND,
YUBA COUNTY, CALIFORNIA

A portion of Sections 19, 20, 21, 23, 24, 25, 26, 27, 28, 29, 33 and 34 of the Johnson Rancho,
County of Yuba, State of California, being more particularly described as follows:

BEGINNING at the intersection of the centerline of Spenceville Road with the north/south quarter
section line of said Section 33, also being the northeast (NE) corner of the Wilson Parcel as shown
on that certain Record of Survey filed for record January 24, 2006 in Book 84 of Surveys, Page 31,
Yuba County Records; thence along the north/south quarter section line of said Sections 33 and
34 the following two (2) courses (being courses 1 through 2): (1) South 25°45'36" East, 7616.64
feet; (2) South 25°45'34" East, 730.56 feet to the southeast corner of said Wilson Parcel; thence
along the south line of said Wilson Parcel the following twelve (12) courses (being courses 3
through 14): (3) North 87°55'56" West, 1516.95 feet; (4) South 01°39'11" East, 646.97 feet; (5)
South 79°11'55" West, 1347.61 feet; (6) South 36°25'55" West, 1434.68 feet; (7) South
70°56'42" West, 109.09 feet; (8) South 82°46'21" West, 663.82 feet; (9) North 83°34'58" West,
719.72 feet; (10) South 41°35'50" West, 561.69 feet; (11) South 66°52'27" West, 588.02 feet;
(12) South 57°02'27" West, 772.72 feet; (13) South 29°46'37" West, 294.96 feet; (14) South
49°13'00" West, 319.53 feet to the southwest corner of said Wilson Parcel, also being a point on
the west line of said Section 27; thence along the west line of said Section 27, (15) South
24°32'04" East, 211.00 feet, more or less, to the north bank of Bear River, also being the county
line between Yuba County and Placer County; thence along said county line the following sixteen
(16) courses (being courses 16 through 31): (16) South 51°01'29" West, 1423.64 feet; (17) South 39°15'54" West, 660.00 feet; (18) South 38°30'54" West, 726.00 feet; (19) South 20°00'54" West, 1518.00 feet; (20) South 56°15'54" West, 560.80 feet; (21) South 62°15'54" West, 1115.40 feet; (22) South 55°15'54" West, 792.00 feet; (23) South 25°00'54" West, 462.00 feet; (24) South 41°59'06" East, 369.60 feet; (25) South 02°14'06" East, 396.00 feet; (26) North 87°59'06" West, 495.00 feet; (27) South 84°15'54" West, 498.96 feet; (28) South 40°15'54" West, 660.00 feet; (29) South 54°45'54" West, 1089.00 feet; (30) South 69°15'54" West, 752.40 feet; (31) South 48°17'37" West, 438.30 feet, more or less, to the west line of said Section 19; thence along the west line of said Sections 19 and 20, (32) North 25°52'41" West, 4357.46 feet to the west quarter corner (W 1/4) of said Section 20; thence continuing along the west line of said Section 20, (33) North 25°53'33" East, 732.22 feet to the south right-of-way line of Spenceville Road; thence along said south right-of-way line the following two (2) courses (being courses 34 through 35): (34) North 60°54'41" East, 160.02 feet; (35) North 38°51'16" East, 2625.02 feet, more or less, to a point of intersection with the southerly projection of the west line of the parcel of land deeded to the Browne Cattle Company, LLC as described in that certain Grant Deed recorded February 16, 2011 in Document No. 2011R-001999, Yuba County Records; thence along said southerly projection and the west line of said Browne Cattle Company Parcel, (36) North 25°56'24" West, 1584.69 feet to the northwest corner of said Browne Cattle Company Parcel; thence along the north line of said Browne Cattle Company Parcel the following five (5) courses (being courses 37 through 41): (37) North 33°54'42" East, 1161.35 feet; (38) North 23°35'14" East, 450.00 feet; (39) North 30°52'07" East, 550.83 feet; (40) North 46°48'34" East, 321.04 feet; (41) North 31°49'05" East, 586.06 feet to the northeast corner of said Browne Cattle Company Parcel; thence along the east line of said
Browne Cattle Company Parcel and its prolongation (42) South 25°44'21" East, 1944.28 feet, more or less, to the south right-of-way line of said Spenceville Road; thence along said south right-of-way line, (43) North 38°51'16" East, 2919.89 feet, more or less, to a point of intersection with the southerly projection of the west line of the Parcel 2 as shown on that certain Parcel Map filed for record August 16, 2007 in Book 88 of Parcel Maps, Page 3, Yuba County Records; thence along said southerly projection and the west line of said Parcel 2, (44) North 25°56'19" West, 2116.24 feet to the northwest corner of said Parcel 2; thence along the north line of said Parcel 2, being the centerline of Dry Creek, the following forty-two (42) courses (being courses 45 through 86): (45) North 33°49'19" East, 220.10 feet; (46) North 03°49'19" East, 521.50 feet; (47) North 18°37'19" East, 310.70 feet; (48) North 38°12'19" East, 162.40 feet; (49) North 24°41'19" East, 327.20 feet; (50) North 42°26'19" East, 142.10 feet; (51) North 14°39'19" East, 779.60 feet; (52) North 29°52'19" East, 602.40 feet; (53) North 13°11'19" East, 308.80 feet; (54) North 41°03'19" East, 110.60 feet; (55) North 74°32'19" East, 66.50 feet; (56) North 45°08'19" East, 248.10 feet; (57) North 29°03'19" East, 324.20 feet; (58) North 06°42'41" West, 55.30 feet; (59) North 31°38'19" East, 574.10 feet; (60) North 54°26'19" East, 553.70 feet; (61) North 57°28'19" East, 585.30 feet; (62) North 42°06'19" East, 251.60 feet; (63) thence leaving the centerline of said Dry Creek, South 31°28'38" East, 964.60 feet; (64) North 68°52'59" East, 347.89 feet; (65) North 80°37'10" East, 62.16 feet; (66) North 06°42'46" East, 727.51 feet; (67) North 25°13'00" East, 387.24 feet; (68) North 44°58'08" West, 180.09 feet; (69) North 26°00'48" West, 121.87 feet; (70) North 66°37'29" West, 279.83 feet; (71) North 89°49'09" West, 184.35 feet; (72) South 70°30'21" West, 160.36 feet; (73) South 44°22'15" West, 67.13 feet to the centerline of said Dry Creek; (74) along said centerline of the north branch of said Dry Creek, North 20°19'19" East, 44.60 feet; (75) North
42°45'19" East, 40.90 feet; (76) North 40°17'19" East, 108.30 feet; (77) North 35°00'19" East, 176.10 feet; (78) North 55°14'19" East, 95.80 feet; (79) North 16°23'19" East, 36.80 feet; (80) North 73°46'19" East, 86.60 feet; (81) South 72°34'41" East, 339.60 feet; (82) North 54°50'19" East, 137.10 feet; (83) North 28°24'19" East, 169.10 feet; (84) North 32°06'19" East, 784.40 feet; (85) North 31°37'19" East, 449.43 feet; (86) North 57°27'19" East, 113.75 feet to the northeast corner of said Parcel 2; thence leaving said creek centerline, along the east line of said Parcel 2, (87) South 25°09'18" East, 2808.80 feet to the corner common to Sections 28, 29, 32 and 33 of the Johnson Rancho, also being the northwest corner of Parcel 1 as shown on that certain Parcel Map No. 2001-02 filed for record on March 28, 2003 in Book 74 of Parcel Maps, Page 38, Yuba County Records; thence along the north line of said Section 33, also being the north line of said Parcel 1 and Parcel 2 as shown on last said map, (88) North 63°45'42" East, 2415.41 feet to the northeast corner of said Parcel 2; thence along the east line of said Parcel 2 and its prolongation, (89) South 25°45'36" East, 457.39 feet, more or less, to the centerline of said Spenceville Road, also being a point on the northerly line of said Wilson Parcel; thence along said northerly line, (90) North 35°53'03" East, 303.07 feet, more or less, to the POINT OF BEGINNING.

Containing 3,474 acres, more or less.

All dimensions are in ground distances for this description.

Dated: 1-17-2014

[Signature]

Page 4 of 4

12-060 ANNEX 2 LEGAL 01-17-14.doc
COUNTY OF YUBA RESOLUTION NO. 2013-102
CITY OF WHEATLAND RESOLUTION NO. 17-13

JOINT RESOLUTION AND AGREEMENT
BY COUNTY OF YUBA AND CITY OF WHEATLAND
CONCERNING MASTER TAX EXCHANGE
RELATING TO CITY ANNEXATIONS

BE IT RESOLVED by the Board of Supervisors of the County of Yuba ("County") and the
City Council of the City of Wheatland ("City") that they make and approve this joint
resolution and agreement ("Agreement") as follows:

1. Recitals. This Agreement is made with reference to the following background recitals:

1.1. County and City each have adopted a General Plan that provides for appropriate
growth and development in their respective growth areas. By this Agreement, the parties
seek to ensure the long-term fiscal health and viability of each jurisdiction consistent with
the goals and objectives of their General Plans.

1.2. The parties recognize that City residents are residents of both the City and
County and that those residents rely on both the City and County for important local
government services. The parties desire to ensure that both the County and City have
sufficient revenue and fiscal strength to provide the quality services desired by both
residents in the City and those in the unincorporated area.

1.3. City and landowners around the City from time to time seek to annex land to the
City. The Yuba County Local Agency Formation Commission therefore periodically will
receive applications for changes of organization and reorganizations involving annexation
to the City.

1.4. The LAFCO Executive Officer is prohibited by law from issuing a certificate of
filing for any such application until the City and County determine, pursuant to Revenue
and Taxation Code section 99, the amount of property tax revenue to be exchanged between
and among the local agencies whose service areas or responsibilities will be altered should a
change of organization or reorganization be approved. Section 99(d) authorizes a county and
a local taxing agency to enter into a master property tax exchange agreement. City and
County are the two local taxing agencies whose service areas and responsibilities would be
altered should there be an annexation of territory to the City. The parties acknowledge that
annexation of territory to City would not impact the service area or responsibility of any
special district in such a manner that it is necessary to negotiate a property tax exchange
involving any special district.

1.5. State Constitution article XIII, section 29(b) and Government Code sections
55700 to 55707 authorize counties and cities to enter into agreements to apportion between
them the revenue derived from any sales or use tax imposed by them pursuant to the
Bradley-Burns Uniform Local Sales and Use Tax Law, or any successor statute, that is...
collected for them by the state. State law requires that any sales/use tax exchange agreement be approved by a two-thirds vote of the governing body of each jurisdiction that is a party to the contract.

1.6. Pursuant to Government Code section 55704, County and City find and determine that one or more retailers have been established, or will be established, in the Annexation Area and that consumers residing in both City and the unincorporated area of County are, or will be, purchasing tangible personal property from such retailers. The parties therefore have determined that equity requires that the Sales Tax Revenue from retailers within the Annexation Area be distributed and apportioned in a fair and just manner to both parties pursuant to this Agreement.

1.7. County and City after negotiations have reached an understanding regarding the exchange of various taxes and other matters relating to annexations to City. The parties enter into this Agreement pursuant to Constitution article XIII, section 29(b), Government Code sections 55700 to 55707, Revenue and Taxation Code section 99, and other applicable law.

1.8. In agreeing to the revenue sharing provisions of this Agreement, the parties intend as follows: that County will have sufficient revenues to cover County-wide services related to the Annexation Areas; that City will have sufficient revenues to provide full municipal services to the areas (including future Annexation Areas) within its City limits; that City will be a full service city providing all of the necessary municipal services; that, for any municipal services that County provides directly to City, City will cover its share of those costs; that County's revenue stream will not be lowered due to annexation of lands into the City (excluding any lowering of property values by the County Assessor not related to annexation); and, that property tax sharing between County and City will occur only with respect to post-annexation increases in property assessment (i.e., only the tax increment will be subject to property tax sharing).

2. Definitions. The following definitions apply to this Agreement:

2.1. "Annexation Area" means the territory of the annexations to City as approved by LAFCO during the applicability of this Agreement.

2.2. "Effective Date" has the meaning set forth in section 3.1.

2.3. "LAFCO" means the Yuba County Local Agency Formation Commission.

2.4. "Property Tax Revenue" means the revenue from ad valorem taxes on real property within the meaning of California Constitution article XIII A, section 1 and Revenue and Taxation Code section 95(c) that is levied and collected from within an Annexation Area.

2.5. "Sales Tax Revenue" means the revenue from the local sales and use taxes levied and received by City pursuant to the Bradley-Burns Uniform Local Sales and Use Tax (within the meaning of Government Code section 55702) that is levied and collected within an Annexation Area. Sales Tax Revenue does not include revenue levied and collected by City pursuant to the City Transactions and Use Tax adopted by City Ordinance No. 421 or
any extension of that ordinance or any other local City transactions and use tax adopted by
the voters of City.

2.6. "Tax Increment" means the incremental increase in property taxes attributable
to post-annexation increases in property assessment. Decreases in property taxes
attributable to decreases in property assessment shall mean the Tax Increment is equal to
zero.

2.7. "Tax Rate Area" means that grouping of parcels used by the County Assessor for
reporting and assessing values of real property by taxing jurisdiction and assisting the
County Auditor-Controller in distributing property taxes.

3. Term and Termination.

3.1. This Agreement shall become effective upon the date of approval (the "Effective
Date") by the last governing board to adopt and approve the Agreement as indicated by the
dates set forth below. This Agreement shall continue in effect for 20 years from the
Effective Date. At the end of 20 years, this Agreement shall be extended for an additional
five year term, unless a party provides written notice of nonrenewal to the other party prior
to the expiration of the 20-year term. At the end of an extended five year term, this
Agreement shall be extended for an additional five year term, unless a party provides
written notice of nonrenewal to the other party prior to the expiration of the five-year term.
At the end of the 20-year and each 5-year extension, the County and City will jointly fund
an analysis to determine if the Agreement continues to be equitable, needs to be terminated
or modified, and/or should have a firm expiration date.

3.2. Upon any termination of this Agreement, and except as otherwise may be agreed
to by the parties pursuant to section 3.1, 5.6 or 14, the exchange of Property Tax Revenue
and Sales Tax Revenue pursuant to sections 5 and 6 shall survive and continue post-
termination with respect to (a) any Annexation Area annexed to City prior to termination,
and (b) any Annexation Area annexed to City after termination if LAFCO issued its
certificate of filing for the change of organization or reorganization prior to the termination
of this Agreement.

4. Applicability. This Agreement applies to every change of organization and
reorganization including the annexation of land to the City within the City's Sphere of
Influence at the Effective Date of this agreement (see Figure 1) for which the LAFCO
certificate of filing is issued by LAFCO after the Effective Date and prior to the termination
of this Agreement.

5. Exchange of Property Tax Revenue. On and after the Effective Date, County and
City shall exchange Property Tax Revenue as follows:

5.1. For purposes of this section related to the sharing of Property Tax Revenue, the
following definitions shall apply:

"A" equals: The total tax rate in effect in the Tax Rate Area(s) of the Annexation
Area during the fiscal year in which the annexation is completed, excluding any
voter-approved tax rate(s) for the redemption of bonds. For purposes of this
Agreement, the date of completion of an annexation shall be determined pursuant to Government Code section 57202 (or successor statute).

“B” equals: The taxable assessed valuation of all property, both real and personal, of the Annexation Area as shown on all assessment rolls of the County of Yuba and the State of California for the fiscal year during which the annexation is completed.

“C” equals: The percentage of the total property taxes levied within the Tax Rate Area(s) of the Annexation Area in the fiscal year during which the annexation is completed that are distributed to the County General Fund.

5.2. Base Year Revenue. The amount of Property Tax Revenue equal to the product of “A” times “B” times “C” shall be retained by the County.

5.3. Tax Increment. For the fiscal year commencing after the completion of an annexation and every fiscal year thereafter, 50% of the annual property Tax Increment attributable to the County’s portion of the property tax based on the Tax Rate Areas in the Annexation Area shall be transferred from County to City (i.e., the County share of the tax increment in the Annexation Area shall be split and distributed equally to County and City).

5.4. Either or both County and/or City are authorized to file this Agreement with LAFCO. Pursuant to Revenue and Taxation Code section 99, for any annexation to City within the applicability of this Agreement, the County Auditor-Controller shall adjust the allocation of Property Tax Revenue of the Annexation Area pursuant to the terms of this Agreement.

5.5. Exchange or reallocation of property taxes involving any special district with territory in any Annexation Area is not a part of this Agreement.

5.6. Five years after the Effective Date, County and City will jointly review the property tax sharing formula and the implementation of this Agreement to determine whether the parties’ tax sharing agreement objectives are being met. If the review concludes that the objectives are not being met, then County and City agree to enter into good faith negotiations to arrive at a more equitable tax sharing agreement.

6. Exchange of Sales Tax Revenue. On and after the Effective Date, County and City shall exchange Sales Tax Revenue as follows:

6.1. City shall transfer quarterly to County a share of the Sales Tax Revenue from the Annexation Area in an amount equal to 12.5% of Sales Tax Revenue received by City from retailers in the Annexation Area, effective with the first full fiscal year commencing after the annexation is completed.

6.2. Pursuant to Government Code section 55706, a copy of this Agreement shall be transmitted to the County Auditor-Controller and City Administrative Services Director. Thereafter, upon the receipt of Sales Tax Revenue transmitted by the State Board of Equalization pursuant to Revenue and Taxation Code section 7204, the City shall allocate the revenue pursuant to the terms of this Agreement.
7. City Sphere of Influence.

7.1. City's sphere of influence will be reasonably sized to correlate with reasonably foreseeable growth for a period not to exceed 20 years. County and City agree to support a future boundary of the City sphere of influence, when the foreseeable growth necessitates it based on LAFCo regulations, that is generally located along the southeast side of South Beale Road and to the east of Highway 65; however, the Ostrom Road landfill will remain outside any future City sphere of influence and within the unincorporated area unless otherwise jointly agreed upon in writing by County and City. This Agreement will satisfy the requirements of Revenue and Taxation Code section 99 for any proposed annexation within the aforementioned future boundary. In addition, the County and City shall consider establishing compatible infrastructure, services, and land uses near the future City boundary.

7.2. The parties acknowledge that the County General Plan Valley Growth Boundary contained in the General Plan adopted by the County on June 7, 2011 applies to growth and development permitted by the County and that it does not apply to growth and development permitted within the City's incorporated boundaries.

7.3. County agrees that it will not oppose a City request to LAFCO to amend the City sphere of influence consistent with these provisions.

8. Transportation Infrastructure.

8.1. The parties agree to cooperate in good faith on the evaluation and development of regional transportation and traffic improvements, systems and funding to meet the regional transportation, street and highway needs of the area as it develops.

8.2. The City General Plan and any future amendments will consider traffic impacts to County relative to the County General Plan, as may be amended. The County General Plan and future amendments will consider traffic impacts to City relative to the City adopted General Plan, as may be amended.

8.3. City and County will discuss in good faith, the concept of a regional transportation planning effort (which may result in the creation of a regional transportation agency or joint powers authority similar to the South Placer Regional Transportation Agency in Placer County) in order to identify, prioritize, and jointly seek funding for southern Yuba County (i.e., south of Marysville) transportation system improvements, such as the Wheatland bypass, Goldfields Parkway, future freeway interchanges, and other regionally beneficial projects.

9. Facility Impact Fees

9.1 In order to mitigate the impacts associated with County Facilities due to development, the County has adopted a Facility Impact Fee schedule. A facility impact fee has been established and collected by the County for Criminal Justice, Law Enforcement, Health and Human Services, Library and General Government functions. The Facility Impact Fee provides a separate and lower fee specifically for impacts due to development within the incorporated City limits.
9.2 Notwithstanding any other provisions of this agreement, to the extent allowed by law, the City shall approve and collect the capital facilities fee specifically and separately identified for the incorporated city as established from time to time by the County for facility impacts due to development projects within an Annexation Area subject to this agreement. The County Facility Impact Fees collected by the city shall be paid to the County, to mitigate the impacts of growth within an Annexation Area on County capital facilities. The City and County shall work in a collaborative manner and in good faith to ensure that any update to the County's Facility Impact Fee provides for a specific fee for the development in the Annexation Area and that that fee does not duplicate any City Facility Impact Fees.

9.3 For purposes of this section, the City agrees to approve and begin collecting capital facilities fees identified in Section 9.2 no later than January 1, 2015. Payments to County shall be paid quarterly by the City.

9.4 In addition, City may seek in the future to establish particular citywide facilities (such as libraries). County and City agree to discuss and potentially modify the County facility impact fee schedule to avoid duplication of payment of County facility impact fees and City development fees.

10. Prime Agricultural Land Preservation

10.1. In order to minimize and delay the impacts associated with the loss of prime agricultural land (as identified under the Soil Classification System of the California Department of Conservation) within Yuba County to urban development, the City and County agree to the following:

10.1.1 Encourage urban development on non-prime agricultural land first within their respective growth boundaries through mechanisms such as zoning, ordinances, and development agreements, in order to preserve in place existing farms on prime agricultural land until needed to accommodate their respective growth needs. However, the encouragement will be limited to lands that are not needed to provide efficient services for the respective growth area, which will change over time as development occurs.

10.1.2 Promote protection of the operation of farms on prime agricultural land within their respective growth boundaries from being deemed public nuisances through mechanisms such as zoning, ordinances, and development agreements with similar intent as Yuba County Ordinance Code, Chapter 11.55, “Consumer Disclosure – Farming and Mining Operations”.

10.1.3 For prime agricultural land mitigation required by either the City or the County of a development project within their respective jurisdiction, preserved prime agricultural land will first be sought on parcels within the Natural Resources land use designation in the Yuba County General Plan and outside of a city sphere of influence, including the proposed sphere of influence described in Section 7 of this Agreement. If adequate mitigation land is not feasibly available on these parcels as determined by the City or County requiring the mitigation, then land outside of
Yuba County can be pursued.

10.1.4 Cooperate in good faith to establish a uniform process under which prime agricultural land mitigation will occur, to ensure consistency in items such as types of easements and uses that are acceptable on preserved land, acceptable responsible entities to ensure preservation is occurring, and so on.

11. Other Obligations and Limitations.

11.1 Annexation of new land into the City shall include the full road right of way for lands adjacent to and abutting County territory, (a) City will be responsible for providing full municipal services to the Annexation Area, including acceptance into the City's maintained mileage list reported to the State, the entirety of all previously County maintained roads that were within the Annexation Area and (b) County will no longer be obligated to provide any additional road improvements, beyond routine maintenance and customary road repair and replacement, on roads not accepted into the City's maintained mileage, but located adjacent to but not abutting the Annexation Area. Routine maintenance and customary road repair and replacement mean the level of road maintenance, repair and replacement provided by the County to roads in the unincorporated area generally.

11.2 In the event that City desires to contract with another local government agency for municipal services of a type that are provided by County, City first shall contact County and both parties will negotiate in good faith on the terms of a County-City services agreement. If an agreement cannot be reached, then City may elect to seek proposals from other agencies.

12. Audit. Either party may request that an independent audit of the Property Tax Revenue allocated to City or of Sales Tax Revenue distributed to County be performed at any time. The party requesting such an audit shall be solely responsible for the costs of the audit. The auditor shall be jointly selected by the County Administrator and the City Manager. If the audit discloses that a party received less revenue than it should have received under this Agreement, then City or County will make any adjustments required as a result of the audit within 60 days of receipt of the audit or such other time period as agreed to by the parties. The adjustment shall be in the form of a payment from the overpaid party to the underpaid party consistent with the audit findings or such other remedy as agreed to by the parties. The scope of any audit and repayment obligation under this section shall be limited to the latest three completed fiscal years. If a party disagrees with the audit findings, then it may pursue a declaratory relief or other appropriate lawsuit to review the audit findings.


13.1 By City.
13.1.1. In addition to any remedies County may have at law or in equity in the event of default by City, County may withhold from Property Tax Revenue payments due to City an amount equal to the amount of Sales Tax Revenue and/or development impact fee collection as identified in section 8.3 that City has failed to pay to County in a timely manner, provided that County shall have first given City 30 days written notice of County's intent to offset.

13.1.2. In the event that City fails to transfer Sales Tax Revenue and/or collect and transfer development impact fees as identified in section 8.3 within the times specified in this Agreement, City shall pay interest to County compounded monthly at a rate equal to the County's average pooled investment interest rate as of June 30 of the preceding fiscal year.

13.2. By County.

13.2.1. In addition to any remedies City may have at law or in equity in the event of default by County, City may withhold from Sales Tax Revenue payments due to County an amount equal to the amount of Property Tax Revenue that County has failed to pay to City in a timely manner, provided that City shall have first given County 30 days written notice of City's intent to offset.

13.2.2. In the event that County fails to transfer Property Tax Revenue within the times specified in this Agreement, County shall pay interest to City compounded monthly at a rate equal to the City's average pooled investment interest rate as of June 30 of the preceding fiscal year.

14. Reformation. County and City intend that this Agreement will result in a 50%/50% split in property Tax Increment revenue and an 87.5%/12.5% split in Sales Tax Revenue for Annexation Areas. County and City understand and acknowledge that this Agreement is based upon existing law at the time of the Agreement and that such law may be amended in the future. In the event of an amendment of state law that renders this Agreement invalid or inoperable or that denies a party the full benefit of this Agreement, in whole or in part, then County and City agree to enter into good faith negotiations to arrive at a new equitable tax sharing agreement consistent with the intentions of the parties in this Agreement.


15.1. Execution. County authorizes the Chair of its Board of Supervisors and County Clerk to sign this Agreement on behalf of the County. City authorizes its Mayor and City Clerk to sign this Agreement on behalf of the City.

15.2. Integration. This Agreement constitutes the sole, final, complete, exclusive and integrated expression and statement of the terms of this contract among the parties concerning the subject matter addressed herein, and supersedes all prior negotiations, representations or agreements, either oral or written, that may be related to the subject matter of this Agreement, except (a) those other documents that are expressly referenced in
this Agreement, and (b) the County-City annexation-related tax sharing agreements that predate the date of this Agreement.

15.3. Construction and Interpretation. The parties agree and acknowledge that this Agreement has been arrived at through negotiation, and that each party has had a full and fair opportunity to revise the terms of this Agreement. Consequently, the normal rule of construction that any ambiguities are to be resolved against the drafting party shall not apply in construing or interpreting this Agreement.

15.4. Waiver. The waiver at any time by any party of its rights with respect to a default or other matter arising in connection with this Agreement shall not be deemed a waiver with respect to any subsequent default or matter.

15.5. Severability. If any part of this Agreement is held to be void, invalid, illegal or unenforceable, then the remaining parts will continue in full force and effect and be fully binding, provided that each party still receives the benefits of this Agreement.

15.6. Further Assurances. The parties, in order to carry out and give full effect to this Agreement, each shall use all reasonable efforts to provide such information, execute and deliver such further instruments and documents and take such actions as may be reasonably requested by the other party, so long as not inconsistent with the provisions of this Agreement and not involving the assumption of obligations or liabilities different from, in excess of, or in addition to those expressly provided for in this Agreement.

15.7. Amendment. This Agreement may be modified or amended only by a subsequent written agreement approved and executed by both parties. Amendment requires approval by resolution adopted by the governing board of each party and, if the amendment relates to the exchange of Sales Tax Revenue, the resolution must be adopted by two-thirds vote of each governing board.

15.8. Notices. Any notice, demand, invoice or other communication required or permitted to be given under this Agreement shall be in writing and either served personally or sent by prepaid, first class U.S. mail and addressed as follows:

<table>
<thead>
<tr>
<th>County:</th>
<th>City:</th>
</tr>
</thead>
<tbody>
<tr>
<td>County Administrator</td>
<td>City Manager</td>
</tr>
<tr>
<td>County of Yuba</td>
<td>City of Wheatland</td>
</tr>
<tr>
<td>915 8th Street, Suite 115</td>
<td>P.O. Box 395</td>
</tr>
<tr>
<td>Marysville, CA 95901</td>
<td>111 C Street</td>
</tr>
<tr>
<td></td>
<td>Wheatland, CA 95692</td>
</tr>
</tbody>
</table>

Any party may change its address by notifying the other party in writing of the change of address.

-9- 9/13/13
PASSED, ADOPTED AND APPROVED by the Board of Supervisors of the County of Yuba on the 24th day of September, 2013, by the following two-thirds vote:

AYES: Supervisors Vasquez, Nicoletti, Griego, Abe
NOES: Supervisor Stocker
ABSTAIN: None
ABSENT: None

By: [Signature]
Andy Vasquez, Chair
Board of Supervisors

Attest:

[Signature]
Donna Stottlemyer, Clerk of the Board of Supervisors

Approved as to form:

[Signature]
Angil Morris-Jones, County Counsel
PASSED, ADOPTED AND APPROVED by the City Council of the City of Wheatland on the 24th day of September 2013, by the following two-thirds vote:

AYES: Pendergraph, Coe, McIntosh, West
NOES:
ABSTAIN:
ABSENT: Henderson

By:  
Rick West, Mayor

Attest:

Lisa J. Thomason, City Clerk

Approved as to form:

Richard P. Shanahan, City Attorney