

**SECOND AMENDED AND RESTATED
MEMORANDUM OF UNDERSTANDING BETWEEN
THE COUNTY OF FRESNO AND THE CITY OF COALINGA**

THIS SECOND AMENDED AND RESTATED MEMORANDUM OF UNDERSTANDING (hereinafter " RESTATED MOU") is made and executed by and between the COUNTY OF FRESNO, a political subdivision of the State of California (hereinafter referred to as "COUNTY"), and the City of COALINGA, a municipal corporation of the State of California (hereinafter referred to as "CITY").

WITNESSETH

WHEREAS, on March 25, 2008, COUNTY and CITY entered into a comprehensive agreement covering development, annexations, sales taxes, property taxes, and other matters, referred to as the 2008 Amended and Restated Memorandum of Understanding (“2008 MOU”); and

WHEREAS, the 2008 MOU served in part as COUNTY's and CITY's master property tax transfer agreement under subdivision (d) of section 99 of the Revenue and Taxation Code; and

WHEREAS, the 2008 MOU also included provisions relating to redevelopment and included as a party the former Coalinga Redevelopment Agency, which CITY dissolved on February 1, 2012, following the State adopted comprehensive legislation, Assembly Bill X1 26 (Stats. 2011, 1st Ex. Sess. Chp. 5), dissolving California redevelopment agencies and prohibiting further redevelopment activities under the California Community Redevelopment Law (former Health and Safety Code Section 33000 et seq.); and

WHEREAS, the 2008 MOU is set to expire March 25, 2023; and

WHEREAS, COUNTY and CITY desire to make additional changes to their comprehensive agreement set forth in the 2008 MOU, and to extend the term of their comprehensive agreement for an additional 15 years; and

WHEREAS, due to the age of the 2008 MOU and the desire to make additional changes to the 2008 MOU, COUNTY and CITY have determined that it is in their best interests to enter into this RESTATED MOU, which will supersede and replace the 2008 MOU; and

WHEREAS, COUNTY and CITY wish to continue to work together to develop a fair and equitable approach to tax sharing and the encouragement of sound economic growth; and

1 WHEREAS, in order to encourage economic development and environmentally sound land use
2 planning, it is important that any tax sharing among COUNTY and CITY be determined in advance and
3 that such arrangements not be fiscally detrimental to either COUNTY or CITY; and

4 WHEREAS, COUNTY and CITY recognize the importance of COUNTY and CITY services and
5 are prepared to cooperate in an effort to address COUNTYs and CITYs fiscal issues; and

6 WHEREAS, through annexation CITY provides the opportunity for economic growth and
7 development to support public services for CITY and COUNTY; and

8 WHEREAS, close cooperation between COUNTY and CITY is necessary to maintain the quality
9 of life throughout Fresno County and deliver needed services in the most cost-efficient manner to all CITY
10 and COUNTY residents; and

11 WHEREAS, COUNTY recognizes the need for orderly growth within and adjacent to CITY and
12 for supporting appropriate annexations and promoting the concentration of development within CITY; and

13 WHEREAS, CITY recognizes that development within CITY limits may also have the effect of
14 concentrating revenue-generating activities within CITY rather than in unincorporated areas and that, as
15 a result of Proposition 13 and its implementing legislation, annexation by CITY of unincorporated territory
16 can result in a loss of revenue sources for COUNTY unless there is significant new development activity
17 as a result of annexation; and

18 WHEREAS, annexation is appropriate where it is consistent with CITY's General Plan, and it
19 can be a valuable tool in the physical and economic development of CITY and COUNTY; and

20 WHEREAS, the parties recognize that COUNTY General Plan Goal LU-G provides that COUNTY
21 will direct urban growth and development within the cities spheres of influence to existing incorporated
22 cities and will ensure that all development in city fringe areas is well planned and adequately served by
23 necessary public facilities and infrastructure and furthers countywide economic development goals; and

24 WHEREAS, the parties recognize that when urban growth and development is directed to cities
25 there is a lost opportunity of development by COUNTY in the unincorporated area and that sharing of
26 local sales and use taxes generated by such development would serve as a tool for the COUNTY to
27 participate in receiving a share of that new revenue; and

WHEREAS, it is the interest of the parties to require all new urban development to pay a roughly proportionate share of the cost of urban services and infrastructure created by the development, whether it occurs in the CITY or in the adjacent unincorporated area of the CITY's sphere of influence.

NOW, THEREFORE, COUNTY and CITY hereby agree as follows:

ARTICLE I

DEFINITIONS

Unless the particular provision or context otherwise requires, the definitions contained in this article and in the Revenue and Taxation Code shall govern the construction, meaning, and application of words used in this RESTATED MOU.

1.1 "Base property tax revenues" means property tax revenues allocated by tax rate equivalents to all taxing jurisdictions as to the geographic area comprising a given tax rate area annexed in the fiscal year immediately preceding the tax year in which property tax revenues are apportioned pursuant to this RESTATED MOU, including the amount of State reimbursement of the homeowners' and business inventory exemptions.

1.2 "Property tax increment" means revenue from the annual tax increment, as "annual tax increment" is defined in Section 98 of the Revenue and Taxation Code, attributable to the tax rate area for the respective tax year.

1.3 "Substantial development" or "substantially developed" means real property which, prior to annexation, has an improvement value to land value ratio equal to or greater than 1.25:1, as of the lien date in the fiscal year in which the annexation becomes effective under the Cortese-Knox Local Government Reorganization Act, and on and after January 1, 2000, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

1.4 "Property tax revenue" means base property tax revenue, plus the property tax increment for a given tax rate area.

1.5 "Tax apportionment ratio" means the tax apportionment ratio of the parties for a given fiscal year and shall be ascertained by dividing the amount determined for each party pursuant to Revenue and Taxation Code Sections 96(a) or 97(a), whichever is applicable, by that party's gross

assessed value, and by then dividing the sum of the resulting tax rate equivalents of both parties into each party's tax rate equivalent to produce the tax apportionment ratio.

1.6 "Tax rate equivalent" means the factor derived for an agency by dividing the property tax levy for the prior fiscal year computed pursuant to Section 97 of the Revenue and Taxation Code by the gross assessed value of the real property within the jurisdiction of the agency for the prior fiscal year.

1.7 "Effective Date" shall mean the last date that all the parties hereto execute this Restated MOU between COUNTY AND CITY.

1.8 "Urban development" or "urban type development" shall mean development not allowed in areas designated Agriculture, Rural Residential or River Influence in COUNTY's General Plan or its applicable community plans as of the Effective Date of this RESTATED MOU.

ARTICLE II

ANNEXATIONS BY CITY

2.1 Any annexations undertaken by CITY following the date of the execution of this RESTATED MOU shall be consistent with both the terms of this MOU and the standards (hereinafter "The Standards" or "Standards") as set forth in Exhibit "1", attached hereto and incorporated by reference herein as if set forth fully at this point. This RESTATED MOU shall not apply to annexations proposed by CITY which are not in compliance with its terms or which fail to meet The Standards. If a proposed annexation is not in compliance with the terms of this RESTATED MOU, including but not limited to, The Standards, then the property tax exchange provisions of Article III of this RESTATED MOU shall not apply in regards to that proposed non-complying annexation. An exchange of property tax revenues between COUNTY and CITY for any such non-complying annexation shall be handled individually pursuant to subdivision (e) of Section 99 of the Revenue and Taxation Code or by the negotiation of a standalone property tax exchange agreement between COUNTY and CITY.

2.2 In order to encourage the orderly processing of proposed annexations, CITY shall, at least thirty (30) days prior to filing any annexation proposal with the Fresno County Local Agency Formation Commission (hereinafter "LAFCO"), notify COUNTY of its intention to file such proposal and the date upon which CITY expects such proposal to be filed. Upon COUNTY's request, CITY agrees to meet with COUNTY to review whether its proposed annexation complies with The Standards. Within fifteen (15)

1 days after the date COUNTY receives notice by the CITY of its annexation proposal, COUNTY shall notify
2 CITY in writing if it has determined that the proposed annexation is inconsistent with The Standards.
3 Upon receipt of such notification, CITY may either modify the proposal to address the inconsistencies
4 with the Standards identified in the COUNTY's written notice or adopt a resolution finding that the
5 proposed annexation is, in CITY's determination, consistent with The Standards. If County fails to give
6 such notice within the fifteen-day period, the annexation shall be conclusively deemed consistent with all
7 provisions of this article and The Standards.

8 2.3 If CITY adopts a resolution making the findings described in Section 2.2, above, then
9 COUNTY may challenge such findings by appropriate court action filed within thirty (30) days of receipt
10 of written notice of the adoption of CITYs resolution. The court shall independently review the evidence
11 and determine whether the proposed annexation is consistent with the Standards.

12 As an alternative to a judicial challenge by the COUNTY, the parties may within the aforesaid
13 thirty (30) day period mutually agree in writing to arbitrate their dispute through proceedings conducted
14 in accordance with the rules established by the American Arbitration Association. The parties upon
15 agreeing to arbitrate will proceed with arbitration in a timely manner. The arbitrator hearing the matter
16 shall independently review the evidence and determine whether the proposed annexation is consistent
17 with The Standards.

18 Costs incurred by the prevailing party, either in court proceedings or the arbitration proceedings,
19 shall be paid by the non-prevailing party. The parties agree that CITY shall not proceed to LAFCO with
20 the proposed annexation until the dispute is finally resolved either by court or arbitration proceedings. If
21 CITY attempts to proceed with such proposed annexation prior to the expiration of the period in which
22 COUNTY may file its court action or agree to arbitrate, or prior to the final conclusion of such court or
23 arbitration proceeding, then the property tax exchange provisions of Article III of this RESTATED MOU
24 shall not apply to that proposed annexation.

25 Notwithstanding the foregoing, the CITY may proceed to LAFCO under this RESTATED MOU if
26 court or arbitration proceedings are not completed within thirty (30) days after the filing thereof provided,
27 however, that LAFCO in its resolution of approval, at the request of the CITY, conditions such approval
28 upon the Executive Officer's receipt of a certified copy of the document evidencing the finality of the

1 aforesaid court or arbitration proceedings determining that the proposed annexation is consistent with
2 the Standards attached hereto, or alternatively, receipt of a written stipulation of the CITY and COUNTY
3 agreeing that the annexation complies with the Standards and permitting the completion of such
4 proposed annexation. If LAFCO declines to conditionally approve the annexation as provided in this
5 paragraph or CITY fails to timely request such conditional approval of the annexation, then the property
6 tax exchange provisions of Article III of this RESTATED MOU shall not apply. If, at the request of the
7 CITY, LAFCO approves the annexation over the objections of the County, such approval by LAFCO shall
8 be deemed good cause for the COUNTY at its option to terminate this RESTATED MOU.

9 2.4 For the purpose of promoting economic development and job creation, an Alternate
10 Standard for Annexation for industrial or regional commercial uses is hereby created. In the place of The
11 Standards set forth in Exhibit 1, the Alternate Standard for Annexation shall apply to and govern the
12 review of annexation proposals for industrial or regional commercial uses. Annexation proposals for
13 industrial/regional commercial uses shall include a conceptual development plan, as described herein.
14 The conceptual development plan shall consist of the economic objectives to be achieved, the service
15 and financing strategy and its schedule, and shall include a map of the proposed rezoning. The
16 conceptual development plan's schedule shall include milestones for major project components, to
17 measure the progress of the project. Due to the complexity of such projects the development schedule
18 for planning and implementation may reasonably require a period of from five to ten years. The
19 annexation proposal shall be submitted to and reviewed by the COUNTY pursuant to Section 2.2.
20 Annexation proposals that comply with the criteria of this Section 2.4 shall, be deemed to comply with
21 Section 2.1. The annexation application to be submitted to LAFCO shall be considered complete upon
22 adoption of the rezoning by the CITY. COUNTY and CITY agree to meet annually to review the progress
23 toward the achievement of the economic development objectives and to identify ways to promote mutual
24 economic development objectives. The proposed annexation made under this Alternate Standard for
25 Annexation described in this Section 2.4 should not create islands and annexation boundaries must
26 ultimately minimize creation of peninsulas, corridors, or other distortion of boundaries.

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2.5 Section 2.4 shall not apply if CITY rezones an area that was annexed using the Alternate Standard for Annexation to a zone other than Industrial/Regional Commercial without COUNTY's consent.

ARTICLE III

EXCHANGE OF PROPERTY TAX REVENUES TO BE
MADE UNDER SECTION 99 OF THE REVENUE AND TAXATION CODE

7 3.1 The property tax revenues collected in relation to annexations covered by the terms of this
8 RESTATED MOU shall be apportioned between CITY and COUNTY as set forth in Sections 3.2 and 3.3
9 below. The parties acknowledge that, pursuant to Sections 54902, 54902.1 and 54903 of Government
10 Code and Section 99 of the Revenue and Taxation Code, the distribution of such property tax revenues
11 will not be effective until the revenues are collected in the tax year following the calendar year in which
12 the statement of boundary changes and the map or plat is filed with the County Assessor and the State
13 Department of Tax and Fee Administration.

14 3.2 In regards to the annexation of real properties which are not considered substantially
15 developed at the time of annexation, COUNTY will retain all of its base property tax revenue upon
16 annexation. The amount of the property tax increment for special districts whose services are assumed
17 by CITY shall be combined with the property tax increment of the COUNTY, the sum of which shall be
18 allocated between CITY and COUNTY pursuant to the following tax apportionment ratio:

COUNTY: 63%

CITY: 37%

Effective July 1, 2022 these property tax-sharing ratios shall be as shown in Exhibit "2".

22 3.3 In regards to the annexation of real properties which are considered substantially
23 developed at the time of annexation, property tax revenue (base plus increment) will be reallocated as
24 follows: a detaching or dissolving district's property tax revenue (base plus increment) shall be combined
25 with COUNTY's and the sum of which shall be allocated between CITY and COUNTY pursuant to the
26 ratio set forth in Section 3.2.

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ARTICLE IV

DEVELOPMENT WITHIN AND ADJACENT TO CITY'S SPHERE OF INFLUENCE

AND COUNTY'S CAPITAL IMPROVEMENT F

5 4.1 COUNTY shall not approve any discretionary development permits for new urban
6 development within CITY's sphere of influence unless the development shall have first been referred to
7 CITY for consideration of possible annexation. If CITY does not, within sixty (60) days of receipt of notice
8 from COUNTY, adopt a resolution of application to initiate annexation proceedings before LAFCO,
9 COUNTY may approve development permits for that new urban development. COUNTY's approval shall
10 take into consideration CITY's general plan and be consistent with COUNTY's general plan policies,
11 provided, that the development is orderly and does not result in the premature conversion of agricultural
12 lands.

13 4.2 Within the CITY's sphere of influence, COUNTY shall require compliance with
14 development standards that are comparable to CITY's and charge fees reflecting the increased
15 administrative and implementing cost where such CITY standards are more stringent than COUNTY's.
16 These requirements shall apply to discretionary development applications approved by COUNTY. For
17 purposes of this Agreement, "discretionary development applications" shall mean General Plan
18 Amendments, Rezoning, Tentative Tract Maps, Tentative Parcel Maps, Conditional Use Permits, Director
19 Review and Approvals, and Variances.

20 4.3 CITY development fees shall be charged for any discretionary development applications
21 to be approved by the COUNTY within CITY's sphere of influence. To establish or amend CITY
22 development fees, CITY shall conduct a public hearing and notify property owners in accordance with
23 State Law. At the conclusion of that hearing, CITY shall adopt a resolution describing the type, amount,
24 and purpose of CITY fees to be requested for COUNTY adoption.

25 4.4 CITY shall transmit the adopted resolution to the COUNTY for its adoption of the fees.
26 CITY shall include a draft ordinance for COUNTY's adoption with appropriate supporting documentation
27 or findings by the CITY demonstrating that the fees comply with the Mitigation Fee Act (Section 66000,
28 and following, of the Government Code) and other applicable State Law requirements. CITY fees may

1 also include CITY's and COUNTY's increased administrative costs and inspection charges, provided
2 those costs similarly comply with the Mitigation Fee Act and other applicable State Law requirements.

3 4.5 COUNTY shall collect the applicable CITY development fees for infrastructure and
4 facilities at the time of final map approval or issuance of building permits as established by the fee
5 schedule. Or, COUNTY shall require the applicant to present a voucher issued by CITY evidencing the
6 payment of the fees directly to CITY, or written confirmation by CITY that fees are inapplicable. If
7 COUNTY imposes and collects fees on behalf of CITY, COUNTY shall transfer the fees to CITY at the
8 earliest time legally permitted.

9 4.6 CITY shall give COUNTY at least thirty (30) days' notice before implementing any new
10 fees or an amendment to existing fees. Notwithstanding this Section 4.6, or any other provision of this
11 MOU, CITY shall be solely responsible for determining the amount of the fees and setting them in
12 accordance with law. This Section 4.6 shall not be construed as a representation by COUNTY as to the
13 propriety of the fees or the procedures used in setting them.

14 4.7 CITY shall hold harmless, defend and indemnify the COUNTY from all claims, demands,
15 litigation of any kind whatsoever arising from disputes relating to the enactment of or the collection of
16 CITY development fees by the County; provided however, such duty shall not apply to the negligence or
17 intentional misconduct of the COUNTY.

18 4.8 If COUNTY adopts capital improvement fees, CITY shall require that an applicant for any
19 land use entitlement or permit within CITY shall pay all COUNTY, public improvement fees applicable to
20 the entitlement or permit. At the COUNTY's request, CITY shall either timely impose and collect all such
21 fees or shall require the applicant to present a voucher issued by COUNTY evidencing the payment of
22 fees directly to COUNTY. If adopted by COUNTY, the fees are to mitigate the impact of development on
23 required COUNTY facilities and services including, but not limited to, the criminal justice system, health,
24 social services, parks, transportation and library. If CITY imposes and collects fees on behalf of COUNTY,
25 CITY shall transfer the fees to COUNTY at the earliest time legally permissible to do so. COUNTY may
26 impose new fees and amend existing fees from time to time in its sole discretion and in accordance with
27 applicable law. COUNTY shall give CITY at least thirty (30) days' notice before implementing any new
28 fees or an amendment to existing fees. Notwithstanding this Section 4.8, or any other provision of this

1 RESTATED MOU, COUNTY shall be solely responsible for determining the amount of the fees and
2 setting them in accordance with law. This Section 4.8 shall not be construed as a representation by CITY
3 as to the propriety of the fees or the procedures used in setting them. If COUNTY imposes capital
4 improvement fees and CITY collects capital improvement fees on behalf of COUNTY, this RESTATED
5 MOU serves as a joint powers agreement under Chapter 5 of Division 7 of Title 1 (commencing with
6 Section 6500) of the Government Code for the purpose of CITY's collection of capital improvement fees
7 on behalf of COUNTY.

8 4.9 COUNTY shall hold harmless, defend and indemnify the CITY from all claims, demands,
9 litigations of any kind whatsoever arising from disputes relating to the enactment or collection of COUNTY
10 capital improvement fees; provided however, such duty shall not apply to the negligence or intentional
11 misconduct of the CITY.

12 4.10 COUNTY shall support urban unification and consolidation of urban services. To this end,
13 COUNTY shall oppose the creation of new governmental entities within CITY's sphere of influence,
14 except for such entities that may be necessary to address service requirements that cannot be addressed
15 by annexation to CITY. CITY and COUNTY will support transition agreements with current service
16 providers which recognize the primary role of cities as providers of urban services and where current
17 service providers have participated in service master planning.

18 4.11 Within CITY's sphere of influence and for the two-mile area beyond that sphere of
19 influence, COUNTY and CITY agree that, in the early stages of preparation of land use and general plan
20 amendments, they shall consult at a staff level in such fashion as to provide meaningful participation in
21 the policy formulation process and shall likewise consult on other policy changes which may have an
22 impact on growth or the provision of urban services. CITY shall also be given the opportunity to respond
23 to COUNTY before the final document is prepared for presentation to COUNTY's Planning Commission.
24 COUNTY agrees that it will solicit comments from CITY in the preparation of any Initial Study required by
25 the California Environmental Quality Act undertaken within the area. If CITY determines such urban
26 development may have a significant effect on the environment, the COUNTY shall require an
27 Environmental Impact Report to be prepared if a fair argument can be made in support of the CITY's
28 finding.

Notwithstanding anything to the contrary herein, because of state-mandated directives, including without limitation, the state Regional Housing Needs Allocation, COUNTY may consider approval of urban development in areas that are not currently planned for urban development, in order to meet its obligations under a state-mandated directive.

4.12 City may, at any time during the term of this RESTATED MOU, file the appropriate application with LAFCO to modify or expand the City's sphere of influence. Any change in the CITY's sphere of influence proposed by either COUNTY or CITY which would modify the area depicted in Exhibit "3" requires the mutual consultation of both parties prior to submission to LAFCO.

4.13 In those areas shown on Exhibit 4 outside of CITY's boundaries, COUNTY shall promote consultation between CITY and COUNTY at the staff level in the early stages of preparing general plan amendments and other policy changes that may impact growth or the provision of urban services.

ARTICLE V

IMPLEMENTATION OF SALES TAX

REVENUE COLLECTION

5.1 Pursuant to the Bradley Burns Uniform Local Sales and Use Tax Law, Part 1.5, Division 2, of the Revenue and Taxation Code (commencing with Section 7200), CITY shall, concurrent with the execution of this RESTATED MOU, amend its local sales and use tax ordinance, as needed, to comply with the terms of this RESTATED MOU. The amendment of CITY's sales and use tax ordinance (hereinafter referred to as "Ordinance Amendment") described in this Section 5.1 shall be timely forwarded to the State Department of Tax and Fee Administration so that it will become operative as of the first July 1 following the CITY reaching the threshold forth in subsections 5.2.1 and 5.2.2. The Ordinance Amendment shall enable COUNTY, pursuant to its sales and use tax ordinance, to collect a portion of the sales and use tax revenues generated within the incorporated areas of CITY in accordance with the applicable rate set forth on Exhibit "4", attached hereto and incorporated by reference as if set forth fully at this point. The format of this amendment by CITY to its local sales and use tax ordinance shall likewise provide as a credit against the payment of taxes due under such ordinance, an amount equal to any sales and use tax due to COUNTY.

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1 5.2 Except as otherwise provided herein, CITY further agrees that the Ordinance Amendment
2 shall likewise provide for the periodic reallocation of additional sales tax revenues generated within the
3 incorporated areas of CITY in accordance with the schedule set forth on Exhibit "4". Each subsequent
4 incremental adjustment shall go into effect at the commencement of the fiscal year indicated. These
5 periodic adjustments shall enable COUNTY, pursuant to its sales and use tax ordinance, to collect that
6 portion of the sales and use tax revenues generated within the incorporated areas of CITY equal to the
7 applicable percentage as specified in Exhibit "4". These periodic adjustments shall automatically go into
8 effect provided that:

9 5.2.1 CITY receives sales tax revenues per capita in an amount greater than fifty percent
10 (50%) of the sales tax revenue per capita collected by all Fresno County cities when taken as
11 a group during the most recent fiscal year for which State Department of Tax and Fee
12 Administration information is available, then it hereby agrees to reallocated sales tax revenues
13 with COUNTY beginning in fiscal year 2021-2022 in accordance with the provisions of this
14 article; and

15 5.2.2 CITY's annual sales tax revenue information is available for the State Department
16 of Tax and Fee Administration allows City to reallocate sales tax revenue at the percentage
17 designated in Exhibit "4" and still have a net increase in its remaining sales tax revenue when
18 compared with the fiscal year immediately preceding the fiscal year described above. The
19 periodic phase in of sales tax reallocation described herein shall be delayed from year-to-year
20 if CITY falls below the sales tax reallocation threshold as identified in Section 5.2. In those
21 years in which CITY does not meet the sales tax reallocation threshold, CITY's sharing
22 proportion shall continue at the same rate as in the last year in which CITY met or exceeded
23 the threshold. When, in a subsequent year, CITY again meets or exceeds the threshold, the
24 sharing proportion of CITY shall be at the next higher sharing proportion shown on Exhibit "4",
25 and the annual phase-in shall continue therefrom.

26 5.3 The Ordinance Amendment is intended to reduce CITY's sales tax rate from its then-
27 existing level to a level which thereby enables COUNTY, pursuant to its sales tax ordinance, to continue
28 collecting those amounts set forth in the previous provisions of this article as well as the applicable

1 percentages set forth on Exhibit "4". In addition, each periodic adjustment is intended by the parties to
2 enable COUNTY to collect an amount equivalent to the applicable percentage specified in Exhibit "4".

3 5.4 Whenever CITY proposes an annexation of unincorporated territory which generates
4 "substantial sales tax revenue" (as defined in this section 5.4 below) for COUNTY, CITY, agrees to further
5 amend its local sales and use tax ordinance as set forth in this section. Notwithstanding the language of
6 subsections 5.2.1 and 5.2.2, this additional amendment shall become operative no later than the
7 commencement of the next calendar quarter following the date upon which such annexation is certified
8 as complete by the Executive Officer of LAFCO. This additional amendment shall decrease CITY 's sales
9 tax rate to yield an amount of substantial sales tax revenue being collected by COUNTY in the area to
10 be annexed, thus enabling COUNTY to increase its sales tax rate by a corresponding percentage which
11 shall continue to accrue to COUNTY throughout the term of this RESTATED MOU. Any such additional
12 amendment made by CITY pursuant to this section shall be cumulative and likewise preserve intact any
13 periodic adjustments previously implemented pursuant to this RESTATED MOU. Further, CITY agrees
14 that it shall not split or separate areas into smaller annexations for the purpose of, or having the effect of,
15 creating an annexation or annexations which, individually, do not generate substantial sales tax revenue,
16 but which would generate such revenue if combined. For purposes of this article, the term "substantial
17 sales tax revenue" shall be defined as sales tax revenue derived from taxable sales ·in the area annexed
18 equal to at least:

19 5.4.1 If only information for less than one fiscal year exists, then \$100,000 in taxable
20 sales in the most recent quarter for which such information from the State Department of
21 Tax and Fee Administration is available in writing or electronic or magnetic media, and
22 projected to a full four quarters, at least
23 \$400,000 in taxable sales.

24 5.4.2 If information for one or more years exists, then \$400,000 in taxable sales in the
25 most recent year for which such information from the State Department of Tax and Fee
26 Administration is available in writing or electronic or magnetic media.

27 5.5 If CITY fails to amend its sales tax ordinance as provided in section 5.1, or if the Ordinance
28 Amendment fails to provide for the periodic reallocation of additional sales tax revenues as provided in

section 5.2, the subsections therein, and Exhibit "4", or if CITY fails to further amend its sales tax ordinance upon the annexation of unincorporated territory which generates substantial sales tax revenue for COUNTY as provided in section 5.4, or if CITY splits or separates areas into smaller areas as prohibited by section 5.4, then this RESTATED MOU shall immediately terminate and, in particular, no master property tax exchange agreement under subdivision (d) of Section 99 of the Revenue and Taxation Code, shall exist between CITY and COUNTY.

5.6 CITY and COUNTY further agree that the annual report of the State Department of Tax and Fee Administration and the Department of Finance Annual Population Estimates shall be used as the data source for the purpose of calculating the per capita sales tax revenue pursuant to this RESTATED MOU.

5.7 Application of the formula to be used in the allocation of revenues pursuant to section 5.2 is illustrated in Exhibit "5", attached hereto and incorporated by reference herein as if set forth fully at this point.

ARTICLE VI

COUNTY AND CITY ASSURANCES ON USE OF REVENUE

6.1 COUNTY recognizes that certain revenue reallocated to it by this RESTATED MOU would otherwise have been appropriated by CITY to meet demands for services. In light therefore, COUNTY agrees to use such new revenue in order to maintain levels of COUNTY services that are supportive of CITY services, unless the Federal or state governments materially reduce the level of funding for such services. Examples of such COUNTY services include; but are not limited to, the criminal justice system, public health, and other similar services.

6.2 CITY agrees to continue enforcement of laws which result in the collection of fines and forfeitures.

ARTICLE VII

COOPERATIVE EFFORTS AT LEGISLATIVE REFORM

7.1 CITY and COUNTY agree to work jointly for state legislation and appropriations that would improve the fiscal condition of both CITY and COUNTY.

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ARTICLE VIII

GENERAL PROVISIONS

8.1 Term of MOU

This RESTATED MOU shall commence as of the date of execution by COUNTY and CITY and shall remain in effect for a period of fifteen (15) years, unless terminated prior to that time by mutual agreement of the parties or as otherwise provided by this RESTATED MOU.

In addition, should all or any portion of this RESTATED MOU be declared invalid or inoperative by a court of competent jurisdiction, or should any party to this RESTATED MOU fail to perform any of its obligations hereunder as determined by a court of competent jurisdiction, or should any party to this RESTATED MOU take any action to frustrate the intentions of the parties as expressed in this RESTATED MOU, then in such event, this entire RESTATED MOU, as well as any ancillary documents entered into by the parties in order to fulfill the intent of this RESTATED MOU, shall immediately be of no force and effect and, in particular, no property tax exchange agreement, as required by Section 99 of the Revenue and Taxation Code, shall exist between the CITY and COUNTY as to unincorporated property.

8.2.A Geographic Application of RESTATED MOU

This RESTATED MOU shall apply only to the area identified as the City of Coalinga's Sphere of Influence, Future Growth Area, and Reduction to Sphere of Influence as depicted in Exhibit 3. This RESTATED MOU shall not apply to any Sphere of Influence boundary beyond the area depicted in Exhibit 3 unless and until the parties mutually agree to amend this RESTATED MOU.

8.2.B Pleasant Valley State Prison (PVSP) and Mental Health Treatment Facility (MHTF)

On June 9, 1998, the Fresno County Board of Supervisors unanimously approved Resolution No. 98-371, by which the Board supported CITY's proposed annexation of the non-contiguous Pleasant Valley State Prison (PVSP) site, provided that CITY and COUNTY execute an agreement to mitigate the fiscal impacts to COUNTY resulting from the addition of the PVSP inmate population to CITY. On June 13, 2000, the Board of Supervisors unanimously approved Resolution No. 00-336, by which the Board supported CITY's efforts to also locate the Mental Health Treatment Facility adjacent to the PVSP site,

1 provided that CITY and COUNTY execute an agreement to mitigate local fiscal impacts not identified in
2 the Draft EIR for the Mental Health Treatment Facility.

3 Specific impacts included an increase in the CITY share, and corresponding reduction in the
4 Countywide shares, of certain population-based revenues, namely the Transportation Development Act
5 (TDA) Local Transportation Fund (LTF) and State Transit Assistance Fund (STA), the Measure C Local
6 Transportation Program Funds, and Community Development Block Grant (CDBG) funds. These
7 revenue shifts occurred as a result of the increase in the CITY population from annexation of the prison,
8 without any corresponding increase in demand for or use of local transportation services or facilities by
9 the annexed inmate population or CITY.

10 The advantage to the CITY of increased revenue from these sources due to PVPS and MHTF
11 populations will be perpetuated as long as the funding allocations continue to be based on population,
12 and the PVSP and MHTF populations are a significant percentage of the CITY's overall population.

13 It is desirable that COUNTY, which provides streets and highways services that benefit all of the
14 Cities in Fresno County including CITY, continue to receive from CITY an amount comparable to said
15 incremental increase in funds for use on COUNTY transportation facilities, in the case of the TDA and
16 Measure C funds. It is also desirable that COUNTY and CITY recognize increased economic activity and
17 use of local streets and roads due to the PVSP and MHTF and make use of said incremental increase in
18 TDA and Measure C funds received by CITY for COUNTY transportation facilities in an area benefiting
19 CITY and its environs.

20 THEREFORE, the parties hereto agree as follows:

21 A. CITY agrees that it will annually, within (60) days after the end of each fiscal year beginning with
22 the 2007-08 fiscal year, determine and remit to the COUNTY the following information:

23 1. A summary report documenting the total amounts of LTF, STA, and the Street
24 Maintenance and Flexible Funding components of the Measure C Local Transportation Program,
25 received by CITY from the Fresno County Transportation Authority (hereafter FCTA) and the
26 Council of Fresno County Governments (hereafter COG) for the fiscal year just ended, including
27 any year-end adjustment for the prior year received in the fiscal year just ended, shall be
28 summarized and provided to COUNTY; and

1 2. A calculation representing the portion of revenues received by CITY in paragraph 1,
2 above, that represents the amount of LTF, STA, and the Street Maintenance and Flexible Funding
3 components of the Measure C Local Transportation Program attributable to the population of the
4 PVSP and MHTF.

5 B. Payment to COUNTY by CITY may be by either of the following methods:

6 1. Within one hundred twenty (120) days after the end of each fiscal year, beginning with the
7 2007-08 fiscal year, CITY shall remit to the COUNTY an amount equal to the calculated amount
8 in paragraph A, above, or as corrected by mutual agreement. CITY shall annually, upon payment
9 to COUNTY, identify the source of the payment if from a dedicated or restricted funding source,
10 and any restrictions on use of the funds.

11 CITY shall not use a dedicated or restricted funding source that may not be used for transportation
12 purposes as proposed under this MOU. Determination of eligibility of funds for identified purposes
13 shall be the responsibility of CITY.

14 2. CITY may alternatively authorize COUNTY, through the annual TDA claim process, to
15 directly claim out of CITY's TDA revenues estimated to be available for Article 8 Streets and
16 Roads purposes the amount identified in Paragraph A, above, or as corrected by mutual
17 agreement. CITY shall notify COUNTY of its intent to use this option by the first of each fiscal
18 year and provide the calculated amount under Paragraph A within sixty (60) days after the end of
19 each fiscal year for which this means of payment is used. The amount shall be reflected in the
20 claims, or amended claims, of both CITY and COUNTY. This alternative may be used to the
21 extent consistent with TDA Statutes. Should CITY's estimated TDA Article 8 apportionment not
22 cover the full payment amount, CITY shall be responsible to pay the remainder in accordance
23 with Paragraph B1.

24 3. Other means of payment as mutually acceptable to CITY and COUNTY and agreed upon
25 prior to the start of each fiscal year.

26 C. In the event of disagreement between COUNTY and CITY regarding the correct amount to be
27 remitted, parties agree to promptly and informally meet and confer to resolve the disagreement. Reliance
28 shall be placed on FCTA and COG, TDA, STA, and Measure C payment transmittal records, the final

1 CITY and Countywide population estimates used by the COG for LTF and STA apportionment for the
2 fiscal year in question, and the most current State inmate population data available for the PVSP and
3 MHTF.

4 D. COUNTY further agrees to consult with CITY on the roads to be targeted in the use of
5 transportation funds received by COUNTY as a result of this clause (Sources of revenues considered
6 transportation funds include Local Transportation Fund, State Transit Assistance Fund and Measure C
7 Apportionment for Local Transportation Purposes-hereinafter "Measure C"). Roads to be targeted for
8 maintenance and improvements using transportation funds shall include Jayne Avenue, Phelps and
9 Calaveras Avenue as outlined in Exhibit 6. CITY and COUNTY acknowledge and agree that future
10 annexations by CITY may include segments of these targeted roads, and, upon annexation, COUNTY
11 shall be relieved of its maintenance and improvement obligations for those annexed segments. Such
12 transportation funds identified in this subsection 8.2.B.D shall not be utilized by COUNTY for any other
13 project without first consulting with CITY.

14 E. For purposes of implementation of the provisions of Section 8.2.B, no adjustment shall be required
15 in connection with Community Development Block Grant Funds.

16 8.3 Termination Due to Changes in Law

17 The purpose of this RESTATED MOU is to alleviate in part the revenue shortfall experienced by
18 COUNTY which may result from CITY's annexation of revenue-producing or potentially revenue-
19 producing properties located within the unincorporated area of COUNTY. The purpose of this RESTATED
20 MOU is also to enable CITY to proceed with territorial expansion and economic growth consistent with
21 the terms of existing law as mutually understood by the parties as well as to maximize each party's ability
22 to deliver essential governmental services. In entering into this RESTATED MOU, the parties mutually
23 assume the continuation of the existing statutory scheme for the distribution of available tax revenues to
24 local government and that assumption is a basic tenet of this RESTATED MOU. Accordingly, it is mutually
25 understood and agreed that this RESTATED MOU may, by mutual agreement be terminated should
26 changes occur in statutory law, court decisions or state administrative interpretations which negate the
27 basic tenets of this RESTATED MOU.

28 ///

1 8.4 Modification

2 This RESTATED MOU and all of the covenants and conditions set forth herein may be modified
3 or amended only by a writing duly authorized and executed by COUNTY and CITY.

4 8.5 Enforcement

5 COUNTY and CITY each acknowledge that, through this RESTATED MOU, they cannot bind or
6 limit themselves or each other or their future governing bodies in the exercise of their discretionary
7 legislative power. However, each party agrees that it will insofar as is legally possible, fully carry out the
8 intent and purposes of this RESTATED MOU, if necessary by administrative action independent of
9 ordinances, and that this RESTATED MOU may be enforced by injunction to the extent allowed by law.

10 8.6 Entire Agreement: Supersession

11 With respect to the subject matter hereof, this RESTATED MOU supersedes any and all previous
12 negotiations, proposals, commitments, writings, and understandings of any nature whatsoever between
13 COUNTY and CITY except as otherwise provided herein.

14 8.7 Notice

15 All notices, requests, certifications or other correspondence required to be provided by the parties
16 to this RESTATED MOU shall be in writing and shall be delivered by first class mail or an equal or better
17 form of delivery to the respective parties at the following addresses:

18 **COUNTY**

19 County Administrative Officer
20 County of Fresno
21 Hall of Records, Room 300
22 2281 Tulare Street
23 Fresno, CA 93721

18 **CITY**

19 City Manager
20 City of Coalinga
21 City Hall
22 155 W. Durian
23 Coalinga, CA 93210

22 8.8 Renegotiation

23 If COUNTY enters into an agreement or memorandum of understanding, which includes a master
24 property tax exchange agreement under subdivision (d) of Section 99 of the Revenue and Taxation Code,
25 with another city that has terms and conditions more favorable in the aggregate to that city than those
26 terms and conditions contained herein, COUNTY agrees that it will negotiate such terms and conditions
27 upon written request from CITY, with the intent of offering that more favorable agreement. Negotiations
28 shall conclude thirty (30) days from the date of receipt of notice by COUNTY and, if agreement is

1 tentatively reached during that period, the legislative bodies of the parties shall approve any such
2 amendment within thirty (30) days following the date of the tentative agreement. COUNTY and CITY are
3 not required to reach agreement.

4 8.9 Notice of Breach

5 Prior to this RESTATED MOU being terminated as expressly provided in this RESTATED MOU,
6 COUNTY shall provide notice to CITY of any breach of this RESTATED MOU, and CITY shall comply
7 with this RESTATED MOU within thirty (30) days after the date of receipt of notice. If CITY fails to timely
8 comply with the terms and conditions of this RESTATED MOU, this RESTATED MOU shall terminate.
9 During the thirty (30) day notice period and until CITY certifies in writing that it is in compliance with the
10 provisions of this RESTATED MOU and COUNTY agrees in writing, no property tax exchange
11 agreement, as required by Section 99 of the Revenue and Taxation Code, shall exist between COUNTY
12 and CITY with respect to any pending annexations.

13 Prior to this RESTATED MOU being terminated as expressly provided in this RESTATED MOU,
14 CITY shall provide notice to COUNTY of any breach of this RESTATED MOU by the COUNTY, and
15 COUNTY shall comply with the terms and conditions of this RESTATED MOU within thirty (30) days after
16 the date of receipt of notice. If COUNTY fails to timely comply with the terms and conditions of this
17 RESTATED MOU, this RESTATED MOU shall terminate. During the thirty (30) day notice period and
18 until COUNTY certifies in writing that it is in compliance with the provisions of this RESTATED MOU and
19 CITY agrees in writing, at the election of the CITY, no property tax exchange agreement, as required by
20 Section 99 of the Revenue and Taxation Code, shall exist between COUNTY and CITY with respect to
21 any pending annexations.

22 8.10 No Waiver of Government Claims Act

23 For all claims arising from or related to this RESTATED MOU, nothing in this RESTATED MOU
24 establishes, waives, or modifies any claims presentation requirements or procedures provided by law,
25 including the Government Claims Act (Division 3.6 of Title 1 of the Government Code, beginning with
26 section 810).

27 ///

28 ///

8.11 Governing Law and Venue

This RESTATED MOU shall be administered and interpreted under the laws of the State of California. Jurisdiction of litigation arising from this RESTATED MOU shall only be in California. Any action brought to interpret or enforce this RESTATED MOU, or any of the terms or conditions hereof, shall be brought and maintained in the Fresno County Superior Court.

8.12 Authorization to Execute

COUNTY and CITY each represent and warrant that the individuals signing this RESTATED MOU are duly authorized to do so by their respective legislative bodies and that their signatures on this RESTATED MOU legally bind COUNTY and CITY to the terms of this RESTATED MOU.

8.13 Counterparts

This RESTATED MOU may be signed in counterparts, each of which is an original, and all of which together constitute this RESTATED MOU.

(Signature page follows.)

1 IN WITNESS WHEREOF, the parties hereto have executed this RESTATED MOU in the County
2 of Fresno, State of California, on the last date set forth below.

3 County of Fresno, a Political
Subdivision of the State of California
4 (COUNTY)

6 By: Sal Quintero
7 Sal Quintero, Chairman of the

8 Date: 5-23-23

10 | Attest:

11 Bernice E. Seidel
12 Clerk of the Board of Supervisors
County of Fresno, State of California
Clerk to the Board of Supervisors

14 By: Hannah
Deputy

City of Coalinga, a Municipal Corporation of the State of California (CITY)

By: James Horn
James Horn, Mayor, City of Coalinga

Date: 4/26/2023

Attest:

**Shannon Jensen
City Clerk**

By: Shannon Jensen
Shannon Jensen, City Clerk
City of Coalinga

Marissa Trejo, City Manager

By Marissa Trejo
Marissa Trejo, City Manager
City of Coalting

Approved as to Legal Form
City Attorney, City of Coalinga

By: Mario Zamora
Mario Zamora, City Attorney
City of Coalinga

EXHIBIT 1
STANDARDS FOR ANNEXATION

- The proposal must be consistent with adopted sphere of influence of the city and not conflict with the goals and policies of the Cortese-Knox-Hertzberg Act.
- The proposal must be consistent with city general and specific plans, including adopted goals and policies.
- Pursuant to CEQA, the proposal must mitigate any significant adverse effect on continuing agricultural operations on adjacent properties, to the extent reasonable and consistent with the applicable general and specific plan.
- A proposal for annexation is acceptable if one of the following conditions exist:
 1. There is existing substantial development provided the City confines its area requested to that area needed to include the substantial development and create logical boundaries.
 2. Development exists that requires urban services which can be provided by the City.
 3. If no development requiring urban services exists, at least 25% of the area proposed for annexation has:
 - (a) Approved tentative subdivision map (single-family residential)
 - (b) Approved site plan (for uses including multi-family)
 4. The annexation is to fulfill the city's Regional Housing Needs Allocation (RHNA) obligation which otherwise cannot be accommodated on lands currently within the city's incorporated boundary.
 5. The annexation includes the full width of road right-of-way along the annexation boundary and does not result in the creation of bypassed segments of existing road rights-of-way.
- The proposal would not create islands. Boundaries must ultimately minimize creation of peninsulas and corridors, or other distortion of boundaries.

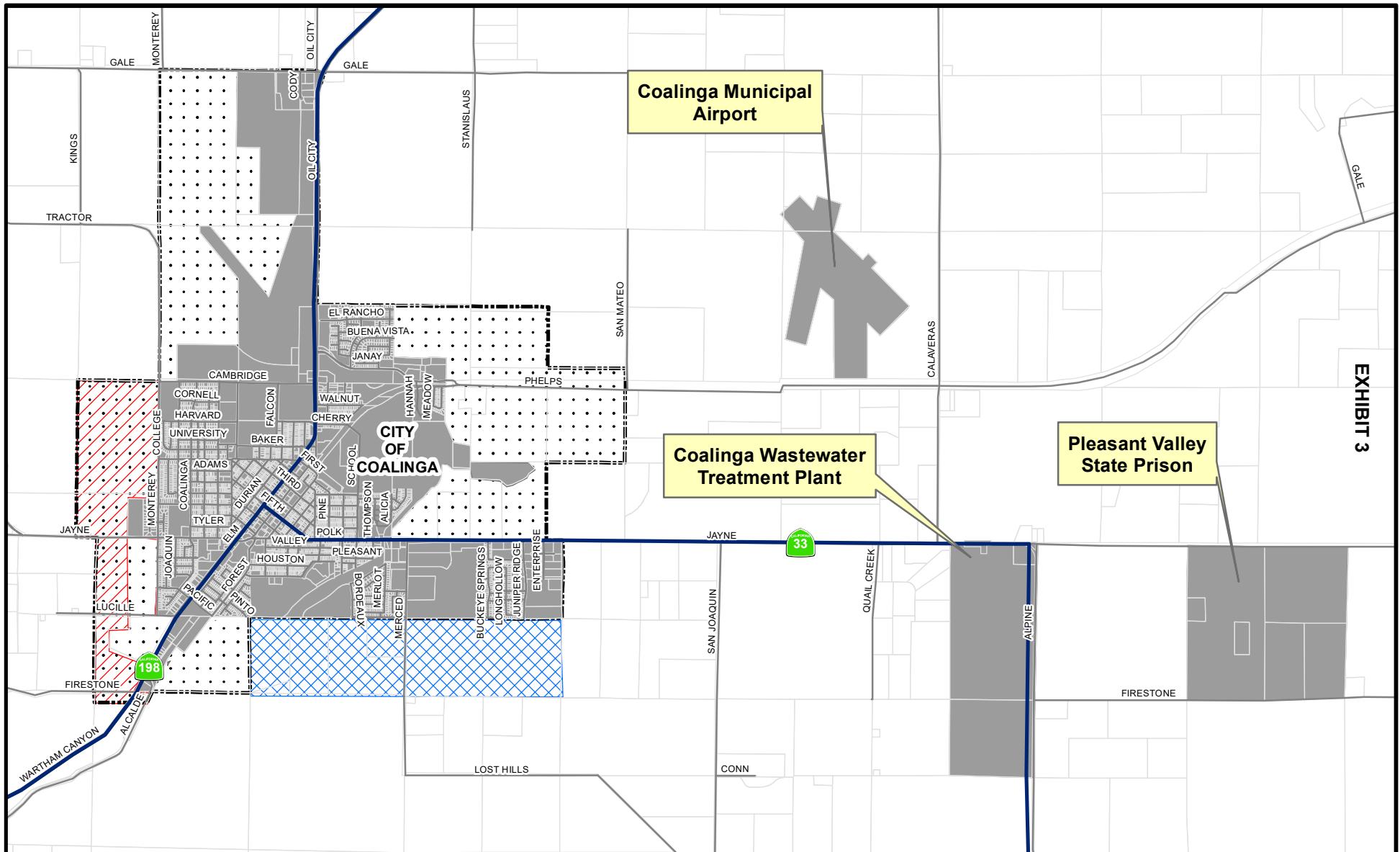
For any of the following circumstances listed below, a proposal for annexation is presumed to comply with all standards for annexation:

- The request for annexation is by a city for annexation of its own publicly-owned property for public use.
- The request for annexation is by a city in order to facilitate construction of public improvements or public facilities which otherwise could not be constructed.
- The request for annexation is to remove an unincorporated island, substantially surrounded area, or otherwise address existing peninsulas and/or irregular boundaries.
- The annexation is intended to mitigate or otherwise comply with standards/conditions required by another agency with respect to another development/annexation

EXHIBIT 2

Effective July 1, 2023 (no later than the date this agreement is executed), the property tax sharing ratios shall be as follows:

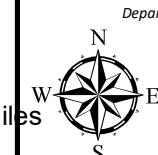
County	City	Effective Date
63.0%	37.0%	July 1, 2024
63.0%	37.0%	July 1, 2025
63.0%	37.0%	July 1, 2026
63.0%	37.0%	July 1, 2027
63.0%	37.0%	July 1, 2028
63.0%	37.0%	July 1, 2029
63.0%	37.0%	July 1, 2030
63.0%	37.0%	July 1, 2031
63.0%	37.0%	July 1, 2032
63.0%	37.0%	July 1, 2033
63.0%	37.0%	July 1, 2034
63.0%	37.0%	July 1, 2035
63.0%	37.0%	July 1, 2036
63.0%	37.0%	July 1, 2037
63.0%	37.0%	July 1, 2038



City of Coalinga
City of Coalinga Sphere of Influence
400 Acre Reduction to Sphere of Influence
599 Acre New Growth Area

CITY OF COALINGA

0 0.3 0.6 1.2 1.8 2.4 Miles



Department of Public Works and Planning
Development Services Division

Prepared by: GSAMANO
G:14360Devs&Pm/GISMaps/Specific

EXHIBIT 4

Effective July 1, 2023, the Sales Tax Revenue Sharing Proportion shall continue as follows:

YEAR	CITY
1	5%
2	5%
3	5%
4	5%
5	5%
6	5%
7	5%
8	5%
9	5%
10	5%
11	5%
12	5%
13	5%
14	5%
15	5%

Table 1: Sales Tax Revenue Allocation Application FY 2018-19 Data

City	Sales Tax Revenue		Per Capita Tax Revenue		Sales Tax Revenue		Per Capita Tax Revenue		Meets 50% Criteria		Meets 50% Criteria		Sales Tax Revenue Growth	
	2017 - 2018	January 1, 2018	2017 - 2018	2018 - 2019	January 1, 2019	2018 - 2019	2017 - 2018	2018 - 2019	2017 - 2018	2018 - 2019	Growth over 1/2%	I	J	
Clovis	\$ 20,088,192	113,501	\$ 176.99	\$ 21,398,962	116,609	\$ 183.51	A	A	Yes	Yes	6.53%			
Coalinga	\$ 795,842	16,516	\$ 48.19	\$ 946,569	16,944	\$ 55.86	B	B	Yes	Yes	18.94%			
Firebaugh	\$ 887,447	7,893	\$ 112.43	\$ 825,341	7,980	\$ 103.43	A	A	No	No	-7.00%			
Fowler	\$ 1,290,773	6,161	\$ 209.51	\$ 1,415,099	6,220	\$ 227.51	A	A	Yes	Yes	9.63%			
Fresno	\$ 86,000,524	536,593	\$ 160.27	\$ 91,798,987	542,012	\$ 169.37	A	A	Yes	Yes	6.74%			
Huron	\$ 174,745	7,281	\$ 24.00	\$ 182,158	7,302	\$ 24.95	B	B	Yes	Yes	4.24%			
Kerman	\$ 1,913,749	15,335	\$ 124.80	\$ 1,981,109	15,767	\$ 125.65	A	A	Yes	Yes	3.52%			
Kingsburg	\$ 975,836	12,397	\$ 78.72	\$ 1,141,664	12,551	\$ 90.96	A	A	Yes	Yes	16.99%			
Mendota	\$ 611,472	12,201	\$ 50.12	\$ 674,507	12,278	\$ 54.94	B	B	Yes	Yes	10.31%			
Orange Cove	\$ 176,743	9,443	\$ 18.72	\$ 225,323	9,460	\$ 23.82	B	B	Yes	Yes	27.49%			
Parlier	\$ 424,544	15,460	\$ 27.46	\$ 444,697	15,658	\$ 28.40	B	B	Yes	Yes	4.75%			
Reedley	\$ 1,687,854	25,797	\$ 65.43	\$ 1,755,297	25,873	\$ 67.84	B	B	Yes	Yes	4.00%			
Sanger	\$ 2,320,636	26,418	\$ 87.84	\$ 2,325,388	27,005	\$ 86.11	A	A	No	No	0.20%			
San Joaquin	\$ 185,302	4,124	\$ 44.93	\$ 252,989	4,144	\$ 61.05	B	B	Yes	Yes	36.53%			
Selma	\$ 5,515,388	24,327	\$ 226.72	\$ 6,482,913	24,402	\$ 265.67	A	A	Yes	Yes	17.54%			
<u>Sales Tax Revenue</u>														
Total All Cities	\$ 123,049,047	833,447	\$	\$ 131,851,003	844,205									
Per Capita All Cities			\$	\$ 147.64		\$		\$	\$ 156.18					
50% Minimum			\$	\$ 73.82		\$		\$	\$ 78.09					
Unincorporated Population		170,813				170,990								
Total County Population														

Sales Tax Revenues: Columns A & D, Source: State Board of Equalization Annual Report Statistical Appendix; Fiscal Year Data Available in January of Next Calendar Year

Population Data: Columns B & E, Source: State Department of Finance January 1, Population Estimates; Available in May of that Calendar Year

Per Capita Sales Tax All Cities (FY 2017-18) Sum Columns A & B. Then divide the column A summed total by the column B summed total. The Result is listed in Column C as "Per Capita Cities"

Per Capita Sales Tax All Cities (FY 2018-19) Sum Columns D & E. Then divide the column D summed total by the column E summed total. The Result is listed in Column F as "Per Capita Cities"

50% Minimum Criteria: The Previous Calculations divided by 2. Then a comparison of this number with the numbers in columns C & F is made. Results are reflected in columns G & H. "A" means above, "B" Below the Criteria.

Sales Tax Revenue Growth: Column J; Compute percentage growth of Sales Tax Revenue: Change in Sales Tax Revenue in Column D compared to Column A.

Growth Criteria: If the Sales Tax Revenues of the city grew by at least 1/2%, the results are reflected in column I with a "YES"

Exhibit 6

