

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 results in the development of urban uses in
19 response to a clearly demonstrated community demand, and it can be a valuable tool in the physical and
20 economic development of CITY and COUNTY; and

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

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

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

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

5 ARTICLE I

6 DEFINITIONS

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

10 1.1 "Base property tax revenues" means property tax revenues allocated by tax rate
11 equivalents to all taxing jurisdictions as to the geographic area comprising a given tax rate area annexed
12 in the fiscal year immediately preceding the tax year in which property tax revenues are apportioned
13 pursuant to this RESTATED MOU, including the amount of State reimbursement of the homeowners' and
14 business inventory exemptions.

15 1.2 "Property tax increment" means revenue from the annual tax increment, as "annual tax
16 increment" is defined in Section 98 of the Revenue and Taxation Code, attributable to the tax rate area
17 for the respective tax year.

18 1.3 "Substantial development" or "substantially developed" means real property which, prior
19 to annexation, has an improvement value to land value ratio equal to or greater than 1.25:1, as of the lien
20 date in the fiscal year in which the annexation becomes effective under the Cortese-Knox Local
21 Government Reorganization Act, and on and after January 1, 2000, the Cortese-Knox-Hertzberg Local
22 Government Reorganization Act of 2000.

23 1.4 "Property tax revenue" means base property tax revenue, plus the property tax increment
24 for a given tax rate area.

25 1.5 "Tax apportionment ratio" means the tax apportionment ratio of the parties for a given
26 fiscal year and shall be ascertained by dividing the amount determined for each party pursuant to
27 Revenue and Taxation Code Sections 96(a) or 97(a), whichever is applicable, by that party's gross
28

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

3 1.6 "Tax rate equivalent" means the factor derived for an agency by dividing the property tax
4 levy for the prior fiscal year computed pursuant to Section 97 of the Revenue and Taxation Code by the
5 gross assessed value of the real property within the jurisdiction of the agency for the prior fiscal year.

6 1.7 "Effective Date" shall mean the last date that all the parties hereto execute this Restated
7 MOU between COUNTY AND CITY.

8 1.8 "Urban development" or "urban type development" shall mean development not allowed
9 in areas designated Agriculture, Rural Residential or River Influence in COUNTY's General Plan or its
10 applicable community plans as of the Effective Date of this RESTATED MOU.

11 ARTICLE II

12 ANNEXATIONS BY CITY

13 2.1 Any annexations undertaken by CITY following the date of the execution of this
14 RESTATED MOU shall be consistent with both the terms of this MOU and the standards (hereinafter
15 "The Standards" or "Standards") as set forth in Exhibit "1", attached hereto and incorporated by reference
16 herein as if set fourth fully at this point. This RESTATED MOU shall not apply to annexations proposed
17 by CITY which are not in compliance with its terms or which fail to meet The Standards. If a proposed
18 annexation is not in compliance with the terms of this RESTATED MOU, including but not limited to, The
19 Standards, then the property tax exchange provisions of Article III of this RESTATED MOU shall not
20 apply in regards to that proposed non-complying annexation. An exchange of property tax revenues
21 between COUNTY and CITY for any such non-complying annexation shall be handled individually
22 pursuant to subdivision (e) of Section 99 of the Revenue and Taxation Code or by the negotiation of a
23 standalone property tax exchange agreement between COUNTY and CITY.

24 2.2 In order to encourage the orderly processing of proposed annexations, CITY shall, at least
25 thirty (30) days prior to filing any annexation proposal with the Fresno County Local Agency Formation
26 Commission (hereinafter "LAFCO"), notify COUNTY of its intention to file such proposal and the date
27 upon which CITY expects such proposal to be filed. Upon COUNTY's request, CITY agrees to meet with
28 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.

27 2.5 Section 2.4 shall not apply if CITY rezones an area that was annexed using the Alternate
28 Standard for Annexation to a zone other than Industrial/Regional Commercial without COUNTYs consent.

1 ARTICLE III

2 EXCHANGE OF PROPERTY TAX REVENUES TO BE

3 MADE UNDER SECTION 99 OF THE REVENUE AND TAXATION CODE

4 3.1 The property tax revenues collected in relation to annexations covered by the terms of this
5 RESTATED MOU shall be apportioned between CITY and COUNTY as set forth in Sections 3.2 and 3.3
6 below. The parties acknowledge that, pursuant to Sections 54902, 54902.1 and 54903 of Government
7 Code and Section 99 of the Revenue and Taxation Code, the distribution of such property tax revenues
8 will not be effective until the revenues are collected in the tax year following the calendar year in which
9 the statement of boundary changes and the map or plat is filed with the County Assessor and the State
10 Department of Tax and Fee Administration.

11 3.2 In regards to the annexation of real properties which are not considered substantially
12 developed at the time of annexation, COUNTY will retain all of its base property tax revenue upon
13 annexation. The amount of the property tax increment for special districts whose services are assumed
14 by CITY shall be combined with the property tax increment of the COUNTY, the sum of which shall be
15 allocated between CITY and COUNTY pursuant to the following tax apportionment ratio:

16 COUNTY: 63%

17 CITY: 37%

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

19 3.3 In regards to the annexation of real properties which are considered substantially
20 developed at the time of annexation, property tax revenue (base plus increment) will be reallocated as
21 follows: a detaching or dissolving district's property tax revenue (base plus increment) shall be combined
22 with COUNTY's and the sum of which shall be allocated between CITY and COUNTY pursuant to the
23 ratio set forth in Section 3.2.

24 ARTICLE IV

25 DEVELOPMENT WITHIN AND ADJACENT

26 TO CITY'S SPHERE OF INFLUENCE

27 AND COUNTY'S CAPITAL IMPROVEMENT FEES

1 4.1 COUNTY shall not approve any discretionary development permits for new urban development
2 within CITY's sphere of influence unless the development shall have first been referred to CITY for
3 consideration of possible annexation. If CITY does not, within sixty (60) days of receipt of notice from
4 COUNTY, adopt a resolution of application to initiate annexation proceedings before LAFCO, COUNTY
5 may approve development permits for that new urban development. COUNTY's approval shall take into
6 consideration CITY's general plan and be consistent with COUNTY's general plan policies, provided, that
7 the development is orderly and does not result in the premature conversion of agricultural lands.

8 4.2 Within the CITY's sphere of influence, COUNTY shall require compliance with
9 development standards that are comparable to CITY's and charge fees reflecting the increased
10 administrative and implementing cost where such CITY standards are more stringent than COUNTY's.
11 These requirements shall apply to discretionary development applications approved by COUNTY. For
12 purposes of this Agreement, "discretionary development applications" shall mean General Plan
13 Amendments, Rezoning, Tentative Tract Maps, Tentative Parcel Maps, Conditional Use Permits, Director
14 Review and Approvals, and Variances.

15 4.3 CITY development fees shall be charged for any discretionary development applications
16 to be approved by the COUNTY within CITY's sphere of influence. To establish or amend CITY
17 development fees, CITY shall conduct a public hearing and notify property owners in accordance with
18 State Law. At the conclusion of that hearing, CITY shall adopt a resolution describing the type, amount,
19 and purpose of CITY fees to be requested for COUNTY adoption.

20 4.4 CITY shall transmit the adopted resolution to the COUNTY for its adoption of the fees.
21 CITY shall include a draft ordinance for COUNTY's adoption with appropriate supporting documentation
22 or findings by the CITY demonstrating that the fees comply with the Mitigation Fee Act (Section 66000,
23 and following, of the Government Code) and other applicable State Law requirements. CITY fees may
24 also include CITY's and COUNTY's increased administrative costs and inspection charges, provided
25 those costs similarly comply with the Mitigation Fee Act and other applicable State Law requirements.

26 4.5 COUNTY shall collect the applicable CITY development fees for infrastructure and
27 facilities at the time of final map approval or issuance of building permits as established by the fee
28 schedule. Or, COUNTY shall require the applicant to present a voucher issued by CITY evidencing the

1 payment of the fees directly to CITY, or written confirmation by CITY that fees are inapplicable. If
2 COUNTY imposes and collects fees on behalf of CITY, COUNTY shall transfer the fees to CITY at the
3 earliest time legally permitted.

4 4.6 CITY shall give COUNTY at least thirty (30) days notice before implementing any new
5 fees or an amendment to existing fees. Notwithstanding this Section 4.6, or any other provision of this
6 MOU, CITY shall be solely responsible for determining the amount of the fees and setting them in
7 accordance with law. This Section 4.6 shall not be construed as a representation by COUNTY as to the
8 propriety of the fees or the procedures used in setting them.

9 4.7 CITY shall hold harmless, defend and indemnify the COUNTY from all claims, demands,
10 litigation of any kind whatsoever arising from disputes relating to the enactment of or the collection of
11 CITY development fees by the County.

12 4.8 If COUNTY adopts capital improvement fees, CITY shall require that an applicant for any
13 land use entitlement or permit within CITY shall pay all COUNTY, public improvement fees applicable to
14 the entitlement or permit. At the COUNTY's request, CITY shall either timely impose and collect all such
15 fees or shall require the applicant to present a voucher issued by COUNTY evidencing the payment of
16 fees directly to COUNTY. If adopted by COUNTY, the fees are to mitigate the impact of development on
17 required COUNTY facilities and services including, but not limited to, the criminal justice system, health,
18 social services, parks, transportation and library. If CITY imposes and collects fees on behalf of COUNTY,
19 CITY shall transfer the fees to COUNTY at the earliest time legally permissible to do so. COUNTY may
20 impose new fees and amend existing fees from time to time in its sole discretion and in accordance with
21 applicable law. COUNTY shall give CITY at least thirty (30) days notice before implementing any new
22 fees or an amendment to existing fees. Notwithstanding this Section 4.8, or any other provision of this
23 RESTATED MOU, COUNTY shall be solely responsible for determining the amount of the fees and
24 setting them in accordance with law. This Section 4.8 shall not be construed as a representation by CITY
25 as to the propriety of the fees or the procedures used in setting them. If COUNTY imposes capital
26 improvement fees and CITY collects capital improvement fees on behalf of COUNTY, this RESTATED
27 MOU serves as a joint powers agreement under Chapter 5 of Division 7 of Title 1 (commencing with
28 Section 6500) of the Government Code for the purpose of CITY's collection of capital improvement fees

1 on behalf of COUNTY.

2 4.9 COUNTY shall hold harmless, defend and indemnify the CITY from all claims, demands,
3 litigations of any kind whatsoever arising from disputes relating to the enactment or collection of COUNTY
4 capital improvement fees.

5 4.10 COUNTY shall support urban unification and consolidation of urban services. To this end,
6 COUNTY shall oppose the creation of new governmental entities within CITY's sphere of influence,
7 except for such entities that may be necessary to address service requirements that cannot be addressed
8 by annexation to CITY. CITY and COUNTY will support transition agreements with current service
9 providers which recognize the primary role of cities as providers of urban services and where current
10 service providers have participated in service master planning.

11 4.11 Within CITY's sphere of influence and for the two-mile area beyond that sphere of
12 influence, COUNTY and CITY agree that, in the early stages of preparation of land use and general plan
13 amendments, they shall consult at a staff level in such fashion as to provide meaningful participation in
14 the policy formulation process and shall likewise consult on other policy changes which may have an
15 impact on growth or the provision of urban services. CITY shall also be given the opportunity to respond
16 to COUNTY before the final document is prepared for presentation to COUNTY's Planning Commission.
17 COUNTY agrees that it will solicit comments from CITY in the preparation of any Initial Study required by
18 the California Environmental Quality Act undertaken within the area. If CITY determines such urban
19 development may have a significant effect on the environment, the COUNTY shall require an
20 Environmental Impact Report to be prepared if a fair argument can be made in support of the CITY's
21 finding.

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

26 4.12 City may, at any time during the term of this RESTATED MOU, file the appropriate
27 application with LAFCo to modify or expand the City's sphere of influence. Any change in the CITY's
28 sphere of influence proposed by either COUNTY or CITY which would modify the area depicted in Exhibit

1 "3" requires the mutual consultation of both parties prior to submission to LAFCO.

2 ARTICLE V

3 IMPLEMENTATION OF SALES TAX

4 REVENUE COLLECTION

5 5.1 Pursuant to the Bradley Burns Uniform Local Sales and Use Tax Law, Part 1.5, Division
6 2, of the Revenue and Taxation Code (commencing with Section 7200), CITY shall, concurrent with the
7 execution of this RESTATED MOU, amend its local sales and use tax ordinance, as needed, to comply
8 with the terms of this RESTATED MOU. The amendment of CITY's sales and use tax ordinance
9 (hereinafter referred to as "Ordinance Amendment") described in this Section 5.1 shall be timely
10 forwarded to the State Department of Tax and Fee Administration so that it will become operative as of
11 the first July 1 following the CITY reaching the threshold forth in subsections 5.2.1 and 5.2.2. The
12 Ordinance Amendment shall enable COUNTY, pursuant to its sales and use tax ordinance, to collect a
13 portion of the sales and use tax revenues generated within the incorporated areas of CITY in accordance
14 with the applicable rate set forth on Exhibit 4", attached hereto and incorporated by reference as if set
15 forth fully at this point. The format of this amendment by CITY to its local sales and use tax ordinance
16 shall likewise provide as a credit against the payment of taxes due under such ordinance, an amount
17 equal to any sales and use tax due to COUNTY.

18 5.2 Except as otherwise provided herein, CITY further agrees that the Ordinance Amendment
19 shall likewise provide for the periodic reallocation of additional sales tax revenues generated within the
20 incorporated areas of CITY in accordance with the schedule set forth on Exhibit "4". Each subsequent
21 incremental adjustment shall go into effect at the commencement of the fiscal year indicated. These
22 periodic adjustments shall enable COUNTY, pursuant to its sales and use tax ordinance, to collect that
23 portion of the sales and use tax revenues generated within the incorporated areas of CITY equal to the
24 applicable percentage as specified in Exhibit "4". These periodic adjustments shall automatically go into
25 effect provided that:

26 5.2.1 CITY receives sales tax revenues per capita in an amount greater than fifty percent
27 (50%) of the sales tax revenue per capita collected by all Fresno County cities when taken as
28 a group during the most recent fiscal year for which State Department of Tax and Fee

1 Administration information is available, then it hereby agrees to reallocated sales tax revenues
2 with COUNTY beginning in fiscal year 2021-2022 in accordance with the provisions of this
3 article; and

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

15 5.3 The Ordinance Amendment is intended to reduce CITY's sales tax rate from its then-
16 existing level to a level which thereby enables COUNTY, pursuant to its sales tax ordinance, to continue
17 collecting those amounts set forth in the previous provisions of this article as well as the applicable
18 percentages set forth on Exhibit "4". In addition, each periodic adjustment is intended by the parties to
19 enable COUNTY to collect an amount equivalent to the applicable percentage specified in Exhibit "4".

20 5.4 Whenever CITY proposes an annexation of unincorporated territory which generates
21 "substantial sales tax revenue" (as defined in this section 5.4 below) for COUNTY, CITY, agrees to further
22 amend its local sales and use tax ordinance as set forth in this section. Notwithstanding the language of
23 subsections 5.2.1 and 5.2.2, this additional amendment shall become operative no later than the
24 commencement of the next calendar quarter following the date upon which such annexation is certified
25 as complete by the Executive Officer of LAFCO. This additional amendment shall decrease CITY 's sales
26 tax rate to yield an amount of substantial sales tax revenue being collected by COUNTY in the area to
27 be annexed, thus enabling COUNTY to increase its sales tax rate by a corresponding percentage which
28 shall continue to accrue to COUNTY throughout the term of this RESTATED MOU. Any such additional

1 amendment made by CITY pursuant to this section shall be cumulative and likewise preserve intact any
2 periodic adjustments previously implemented pursuant to this RESTATED MOU. Further, CITY agrees
3 that it shall not split or separate areas into smaller annexations for the purpose of, or having the effect of,
4 creating an annexation or annexations which, individually, do not generate substantial sales tax revenue,
5 but which would generate such revenue if combined. For purposes of this article, the term "substantial
6 sales tax revenue" shall be defined as sales tax revenue derived from taxable sales in the area annexed
7 equal to at least:

8 5.4.1 If only information for less than one fiscal year exists, then \$100,000 in taxable
9 sales in the most recent quarter for which such information from the State Department of
10 Tax and Fee Administration is available in writing or electronic or magnetic media, and
11 projected to a full four quarters, at least
12 \$400,000 in taxable sales.

13 5.4.2 If information for one or more years exists, then \$400,000 in taxable sales in the
14 most recent year for which such information from the State Department of Tax and Fee
15 Administration is available in writing or electronic or magnetic media.

16 5.5 If CITY fails to amend its sales tax ordinance as provided in section 5.1, or if the Ordinance
17 Amendment fails to provide for the periodic reallocation of additional sales tax revenues as provided in
18 section 5.2, the subsections therein, and Exhibit "4", or if CITY fails to further amend its sales tax
19 ordinance upon the annexation of unincorporated territory which generates substantial sales tax revenue
20 for COUNTY as provided in section 5.4, or if CITY splits or separates areas into smaller areas as
21 prohibited by section 5.4, then this RESTATED MOU shall immediately terminate and, in particular, no
22 master property tax exchange agreement under subdivision (d) of Section 99 of the Revenue and
23 Taxation Code, shall exist between CITY and COUNTY.

24 5.6 CITY and COUNTY further agree that the annual report of the State Department of Tax
25 and Fee Administration and the Department of Finance Annual Population Estimates shall be used as
26 the data source for the purpose of calculating the per capita sales tax revenue pursuant to this
27 RESTATED MOU.

28 ///

1 entered into by the parties in order to fulfill the intent of this RESTATED MOU, shall immediately be of
2 no force and effect and, in particular, no property tax exchange agreement, as required by Section 99 of
3 the Revenue and Taxation Code, shall exist between the CITY and COUNTY as to unincorporated
4 property.

5 8.2 Geographic Application of RESTATED MOU

6 This RESTATED MOU shall apply only to the area identified as the City of Parlier's Sphere of
7 Influence as depicted in Exhibit 3-A. This RESTATED MOU shall not apply to any sphere of influence
8 beyond the area depicted in Exhibit 3 unless and until the parties mutually agree to amend this
9 RESTATED MOU.

10 8.3 Termination Due to Changes in Law

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

22 8.4 Modification

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

25 8.5 Enforcement

26 COUNTY and CITY each acknowledge that this RESTAED MOU cannot bind or limit themselves
27 or each other or their future governing bodies in the exercise of their discretionary legislative power.
28 However, each party agrees that it will insofar as is legally possible, fully carry out the intent and purposes

1 of this RESTATED MOU, if necessary by administrative action independent of ordinances, and that this
2 RESTATED MOU may be enforced by injunction to the extent allowed by law.

3 8.6 Entire Agreement: Supersession

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

7 8.7 Notice

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

11 **COUNTY**

12 County Administrative Officer
13 County of Fresno
14 Hall of Records, Room 300
2281 Tulare Street
Fresno, CA 93721

CITY

City Manager
City of Parlier
City Hall
1100 E Parlier Avenue
Parlier, CA 93648

15 8.8 Renegotiation

16 If COUNTY enters into an agreement or memorandum of understanding, which includes a master
17 property tax exchange agreement under subdivision (d) of Section 99 of the Revenue and Taxation Code,
18 with another city that has terms and conditions more favorable in the aggregate to that city than those
19 terms and conditions contained herein, COUNTY agrees that it will negotiate such terms and conditions
20 upon written request from CITY, with the intent of offering that more favorable agreement. Negotiations
21 shall conclude thirty (30) days from the date of receipt of notice by COUNTY and, if agreement is
22 tentatively reached during that period, the legislative bodies of the parties shall approve any such
23 amendment within thirty (30) days following the date of the tentative agreement. COUNTY and CITY are
24 not required to reach agreement.

25 8.9 Notice of Breach

26 Prior to this RESTATED MOU being terminated as expressly provided in this RESTATED MOU,
27 COUNTY shall provide notice to CITY of any breach of this RESTATED MOU, and CITY shall comply
28 with this RESTATED MOU within thirty (30) days after the date of receipt of notice. If CITY fails to timely

1 comply with the terms and conditions of this RESTATED MOU, this RESTATED MOU shall terminate.
2 During the thirty (30) day notice period and until CITY certifies in writing that it is in compliance with the
3 provisions of this RESTATED MOU and COUNTY agrees in writing, no property tax exchange
4 agreement, as required by Section 99 of the Revenue and Taxation Code, shall exist between COUNTY
5 and CITY with respect to any pending annexations.

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

15 8.10 No Waiver of Government Claims Act

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

20 8.11 Governing Law and Venue

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

25 8.12 Authorization to Execute

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

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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.

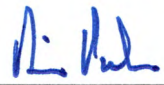
(Signature page follows.)

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

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

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

By: 

By: 

Brian Pacheco, Chairman of the Board of Supervisors of the County of Fresno

Alma M. Beltran, Mayor, City of Parlier

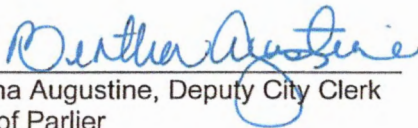
Date: 8-9-2022

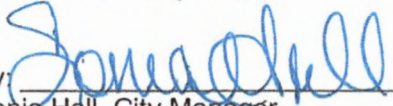
Date: 10-22-22

Attest:
Bernice E. Seidel
Clerk of the Board of Supervisors
County of Fresno, State of California
Clerk to the Board of Supervisors

Attest:
Bertha Augustine
Deputy City Clerk

By: 
Deputy

By: 
Bertha Augustine, Deputy City Clerk
City of Parlier

Sonia Hall, City Manager
By: 
Sonia Hall, City Manager
City of Parlier

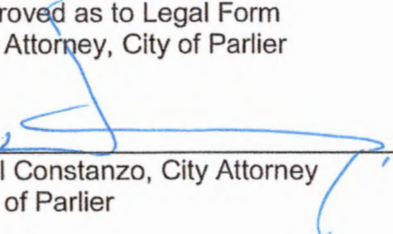
Approved as to Legal Form
City Attorney, City of Parlier
By: 
Neal Constanzo, City Attorney
City of Parlier

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.

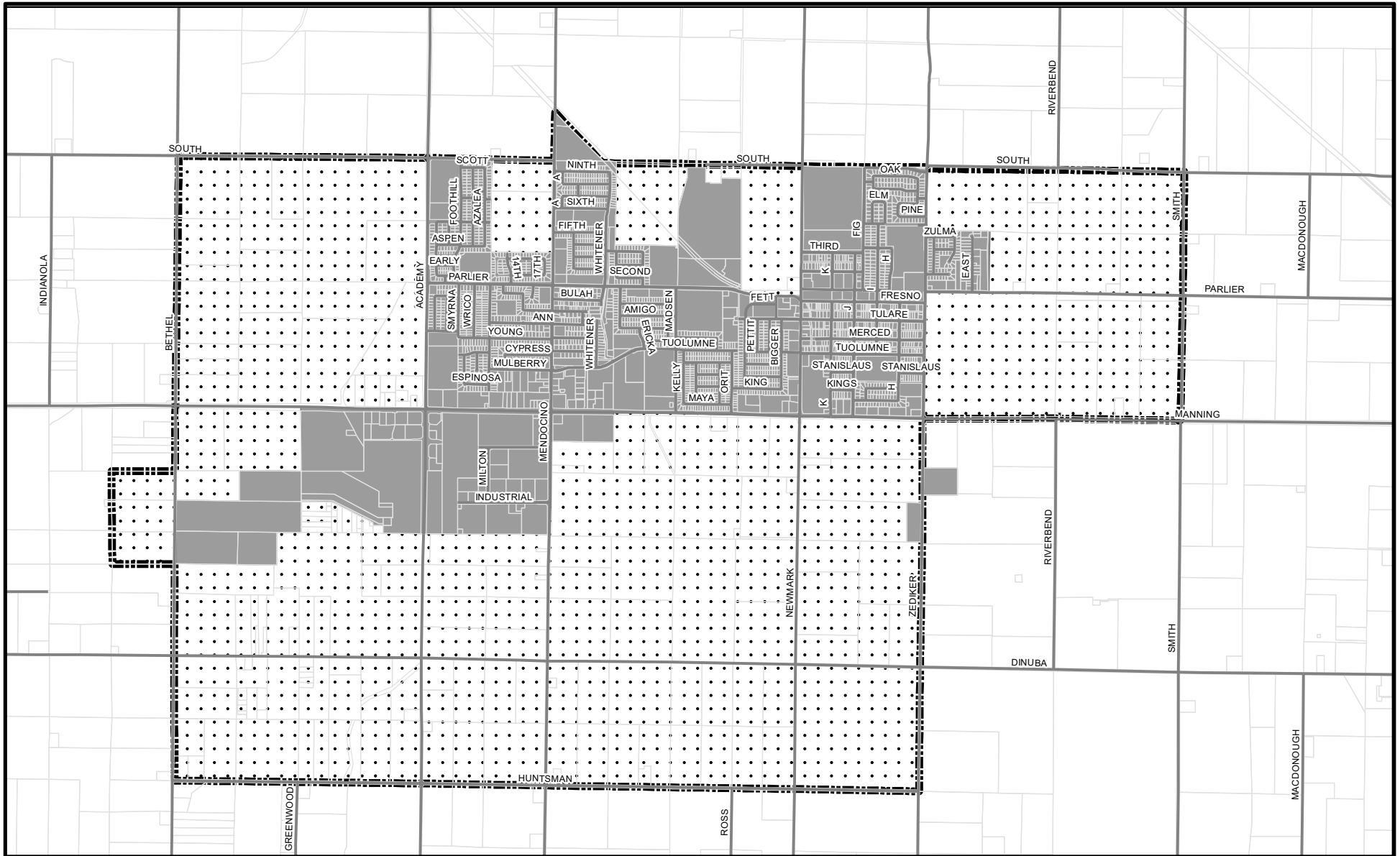
For any of the following circumstances listed below, a proposal for annexation is presumed to comply with all standards for annexation:

- 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, 2022, the property tax sharing ratios shall be as follows:

County	City	Effective Date
63.0%	37.0%	July 1, 2023
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, 3037



CITY OF PARIER



Legend

- Parlier
- City of Parlier Sphere of Influence

Department of Public Works and Planning
Development Services Division

Prepared by: GSAMANO
G:\4360Devs&Plan\GIS\Maps\Specific

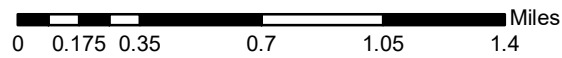


EXHIBIT 4

Effective July 1, 2022, 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 2017 - 2018	Population January 1, 2018	Per Capita Tax Revenue 2017 - 2018	Sales Tax Revenue 2018 - 2019	Population January 1, 2019	Per Capita Tax Revenue 2018 - 2019	Meets 50% Criteria 2017 - 2018	Meets 50% Criteria 2018 - 2019	Growth over 1/2%	Sales Tax Revenue Growth
	A	B	C	D	E	F	G	F	I	J
Clovis	\$ 20,088,192	113,501	\$ 176.99	\$ 21,398,962	116,609	\$ 183.51	A	A	Yes	6.53%
Coalinga	\$ 795,842	16,516	\$ 48.19	\$ 946,569	16,944	\$ 55.86	B	B	Yes	18.94%
Firebaugh	\$ 887,447	7,893	\$ 112.43	\$ 825,341	7,980	\$ 103.43	A	A	No	-7.00%
Fowler	\$ 1,290,773	6,161	\$ 209.51	\$ 1,415,099	6,220	\$ 227.51	A	A	Yes	9.63%
Fresno	\$ 86,000,524	536,593	\$ 160.27	\$ 91,798,987	542,012	\$ 169.37	A	A	Yes	6.74%
Huron	\$ 174,745	7,281	\$ 24.00	\$ 182,158	7,302	\$ 24.95	B	B	Yes	4.24%
Kerman	\$ 1,913,749	15,335	\$ 124.80	\$ 1,981,109	15,767	\$ 125.65	A	A	Yes	3.52%
Kingsburg	\$ 975,836	12,397	\$ 78.72	\$ 1,141,664	12,551	\$ 90.96	A	A	Yes	16.99%
Mendota	\$ 611,472	12,201	\$ 50.12	\$ 674,507	12,278	\$ 54.94	B	B	Yes	10.31%
Orange Cove	\$ 176,743	9,443	\$ 18.72	\$ 225,323	9,460	\$ 23.82	B	B	Yes	27.49%
Parlier	\$ 424,544	15,460	\$ 27.46	\$ 444,697	15,658	\$ 28.40	B	B	Yes	4.75%
Reedley	\$ 1,687,854	25,797	\$ 65.43	\$ 1,755,297	25,873	\$ 67.84	B	B	Yes	4.00%
Sanger	\$ 2,320,636	26,418	\$ 87.84	\$ 2,325,388	27,005	\$ 86.11	A	A	No	0.20%
San Joaquin	\$ 185,302	4,124	\$ 44.93	\$ 252,989	4,144	\$ 61.05	B	B	Yes	36.53%
Selma	\$ 5,515,388	24,327	\$ 226.72	\$ 6,482,913	24,402	\$ 265.67	A	A	Yes	17.54%
Sales Tax Revenue										
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: 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"