

**RESOLUTION NO. 23-116**

**RESOLUTION OF THE MENDOCINO COUNTY BOARD OF SUPERVISORS APPROVING A ZERO TAX SHARE AGREEMENT FOR THE CITY OF UKIAH – CITY OWNED PROPERTY ANNEXATION (LAFCo APPLICATION FILE NO. A-2021-01)**

WHEREAS, the Mendocino Local Agency Formation Commission ("LAFCo") has received an application from the City of Ukiah ("City") to annex certain lands (the "Annexation Area") that the City owns in fee and uses for government purposes as described in **Exhibit A**, but that remain outside of its jurisdiction within the County of Mendocino ("County"); and

WHEREAS, the aforementioned annexation is identified as LAFCo Application File No. A-2021-01, also known as the City of Ukiah – City Owned Property Annexation; and

WHEREAS, prior to acting on the application, Revenue and Tax Code section 99(b)(6) requires LAFCo to receive resolution(s) from those bodies negotiating an agreement on a potentially revised distribution of property tax in the event that the annexation becomes effective; and

WHEREAS, pursuant to Revenue and Tax Code section 99(b)(5), the Mendocino County Board of Supervisors is the entity responsible for negotiating a tax share agreement under Revenue and Taxation Code Section 99; and

WHEREAS, LAFCo File No. A-2021-01 only affects the City and the County; and

WHEREAS, Government Code ("GC") section 56742(a)(2-3) requires that the properties proposed for annexation be owned by the City and utilized for a municipal purpose at the time commission proceedings are initiated; and

WHEREAS, the City has applied a Public (P) General Plan land use designation to the Annexation Area from its 2040 General Plan and associated environmental document, which was adopted by the City on December 7, 2022; and

WHEREAS, on December 19, 2022, LAFCo adopted a Municipal Service Review and Sphere of Influence Update for the City of Ukiah that identifies the Annexation Area as within the City's Sphere of Influence, which indicates the probable physical boundary and service area of the City; and

WHEREAS, on November 4, 2020, as well as January 19, 2022, the City adopted resolutions (Resolution No. 2020-61 & Resolution No. 2022-04) to facilitate annexation proceedings pursuant to Government Code Section 56654(a) stating that upon completion the Annexation Area will no longer be subject to property taxes, as the properties will be used for governmental purposes; and

WHEREAS, on April 5, 2023, the City 'Prezoned' the Annexation Area as Public Facilities (PF) per Ukiah City Code Division 9, Article 15, Chapter 2, demonstrating that the properties will be utilized for specified utility purposes and public benefit; and

WHEREAS, under Revenue and Taxation Code Section 99, upon filing the Application, the Executive Officer of LAFCo is required to give notice of the filing to the Mendocino County Assessor and Auditor-Controller specifying each local agency whose service area or responsibility will be altered by the jurisdictional change; and

WHEREAS, on February 26, 2021, and March 4, 2022, the Executive Officer of LAFCo gave notice of the filing to the assessor and auditor under RTC Section 99(b); and

WHEREAS, on July 9, 2021, the Executive Officer supplemented the notice with an updated list of Assessor’s Parcels Numbers (APNs) identified as part of the Annexation Area; and

WHEREAS, in 2021, the Mendocino County Assessor provided the Mendocino County Auditor-Controller a preliminary report which identifies the assessed valuations of the territory within the City of Ukiah and the tax rate areas in which the territory exists; and

WHEREAS, on September 22, 2021, the Mendocino County Auditor-Controller estimated the amount of property tax revenue generated within the territory that is the subject of the jurisdictional change during the fiscal year 2021-2022 and estimated what proportion of said property tax revenue is attributable to each local agency that receives a portion of said property tax revenue, which estimate is set forth in the attached **Exhibit B**; and

WHEREAS, the parcels within the Annexation Area are owned by the City of Ukiah and do not feature commercial uses or residential improvements that would result in substantial property or sales tax revenues, or require adjustment to the City of County’s Regional Housing Needs Allocation; and

WHEREAS, the Ukiah City Council has adopted a resolution, a copy of which is attached hereto as **Exhibit C**, agreeing that there should be no change in the current apportionment of property taxes, neither base tax nor future tax increment, in the Annexation Area, provided that if the annexation becomes final and effective the actual assessment of property taxes in the Annexation Area will be zero because City-owned property within City limits is exempt from property taxes.

NOW, THEREFORE, BE IT RESOLVED that in the event the annexation becomes effective, the existing shares of property taxes will not change, although the property taxes associated with the Annexation Area shall no longer be assessed, similar to other City-owned parcels under its jurisdiction that are utilized for public benefit.

IT IS FURTHER RESOLVED AND ORDERED that the Clerk of the Board of Supervisors shall notify the Mendocino County Auditor and the Mendocino Local Agency Formation Commission of such negotiated zero exchange of property tax revenues by forwarding a certified copy of this resolution to the Auditor, the City of Ukiah, the Mendocino Local Agency Formation Commission, and, upon completion of the annexation, to the State Board of Equalization.

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The foregoing Resolution introduced by Supervisor Williams, seconded by Supervisor Mulheren, and carried this 11<sup>th</sup> day of July, 2023, by the following vote:

AYES: Supervisors McGourty, Mulheren, Haschak, Gjerde, and Williams  
NOES: None  
ABSENT: None

WHEREUPON, the Chair declared said Resolution adopted and SO ORDERED.

ATTEST: DARCIE ANTLE  
Clerk of the Board

  
\_\_\_\_\_  
Deputy

APPROVED AS TO FORM:  
CHRISTIAN M. CURTIS  
County Counsel

  
\_\_\_\_\_

  
\_\_\_\_\_  
GLENN MCGOURTY, Chair  
Mendocino County Board of Supervisors

I hereby certify that according to the provisions of Government Code Section 25103, delivery of this document has been made.

BY: DARCIE ANTLE  
Clerk of the Board

  
\_\_\_\_\_  
Deputy

**RESOLUTION NO. 23-****RESOLUTION OF THE CITY OF UKIAH CITY COUNCIL APPROVING A ZERO TAX SHARE AGREEMENT FOR THE CITY OF UKIAH – CITY OWNED PROPERTY ANNEXATION (LAFCo APPLICATION FILE NO. A-2021-01)**

WHEREAS, the Mendocino Local Agency Formation Commission ("LAFCo") has received an application from the City of Ukiah ("City") to annex certain lands (the "Annexation Area") that the City owns in fee and uses for government purposes as described in **Exhibit A**, but that remain outside of its jurisdiction within the County of Mendocino ("County"); and

WHEREAS, the aforementioned annexation is identified as LAFCo Application File No. A-2021-01, also known as the City of Ukiah – City Owned Property Annexation; and

WHEREAS, prior to acting on the application, Revenue and Tax Code section 99(b)(6) requires LAFCo to receive resolution(s) from those bodies negotiating an agreement on a potentially revised distribution of property tax in the event that the annexation becomes effective; and

WHEREAS, pursuant to Revenue and Tax Code section 99(b)(5), the Mendocino County Board of Supervisors is the entity responsible for negotiating a tax share agreement under Revenue and Taxation Code Section 99; and

WHEREAS, LAFCo File No. A-2021-01 only affects the City and the County; and

WHEREAS, Government Code ("GC") section 56742(a)(2-3) requires that the properties proposed for annexation be owned by the City and utilized for a municipal purpose at the time commission proceedings are initiated; and

WHEREAS, the City has applied a Public (P) General Plan land use designation to the Annexation Area from its 2040 General Plan and associated environmental document, which was adopted by the City on December 7, 2022; and

WHEREAS, on December 19, 2022, LAFCo adopted a Municipal Service Review and Sphere of Influence Update for the City of Ukiah that identifies the Annexation Area as within the City's Sphere of Influence, which indicates the probable physical boundary and service area of the City; and

WHEREAS, on November 4, 2020, as well as January 19, 2022, the City adopted resolutions (Resolution No. 2020-61 & Resolution No. 2022-04) to facilitate annexation proceedings pursuant to Government Code Section 56654(a) stating that upon completion the Annexation Area will no longer be subject to property taxes, as the properties will be used for governmental purposes; and

WHEREAS, on April 5, 2023, the City 'Prezoned' the Annexation Area as Public Facilities (PF) per Ukiah City Code Division 9, Article 15, Chapter 2, further demonstrating that the properties will be utilized for specified utility purposes and public benefit; and

WHEREAS, under Revenue and Taxation Code Section 99, upon filing the Application, the Executive Officer of LAFCo is required to give notice of the filing to the Mendocino County Assessor and Auditor-Controller specifying each local agency whose service area or responsibility will be altered by the jurisdictional change; and

WHEREAS, on February 26, 2021, and March 4, 2022, the Executive Officer of LAFCo gave notice of the filing to the assessor and auditor under RTC Section 99(b); and

WHEREAS, on July 9, 2021, the Executive Officer supplemented the notice with an updated list of Assessor's Parcels Numbers (APNs) identified as part of the Annexation Area; and

WHEREAS, in 2021, the Mendocino County Assessor provided the Mendocino County Auditor-Controller a preliminary report which identifies the assessed valuations of the territory within the City of Ukiah and the tax rate areas in which the territory exists; and

WHEREAS, on September 22, 2021, the Mendocino County Auditor-Controller estimated the amount of property tax revenue generated within the territory that is the subject of the jurisdictional change during the fiscal year 2021-2022 and estimated what proportion of said property tax revenue is attributable to each local agency that receives a portion of said property tax revenue, which estimate is set forth in the attached **Exhibit B**; and

WHEREAS, the parcels within the Annexation Area are owned by the City of Ukiah and do not feature commercial uses or residential improvements that would result in substantial property or sales tax revenues, or require adjustment to the City or County's Regional Housing Needs Allocation; and

WHEREAS, the Mendocino County Board of Supervisors has been provided a resolution, a copy of which is attached hereto as **Exhibit C**, agreeing that there should be no change in the current apportionment of property taxes, neither base tax nor future tax increment, in the Annexation Area, provided that if the annexation becomes final and effective the actual assessment of property taxes in the Annexation Area will be zero because City-owned property within City limits is exempt from property taxes.

NOW, THEREFORE, BE IT RESOLVED that in the event the annexation becomes effective, the existing shares of property taxes will not change, although the property taxes associated with the Annexation Area shall no longer be assessed, similar to other City-owned parcels under its jurisdiction that are utilized for public benefit.

IT IS FURTHER RESOLVED AND ORDERED that the City Clerk shall notify the Mendocino County Auditor and the Mendocino Local Agency Formation Commission of such negotiated zero exchange of property tax revenues by forwarding a certified copy of this resolution to the Auditor, the County of Mendocino, the Mendocino Local Agency Formation Commission, and, upon completion of the annexation, to the State Board of Equalization.

PASSED AND ADOPTED at a regular meeting of the City Council held on June 7, 2023 by the following roll call vote:

AYES:  
NOES:  
ABSENT:

ATTEST

\_\_\_\_\_  
Mari Rodin, Mayor

\_\_\_\_\_  
Kristine Lawler, City Clerk

APN	Owner	SITUS	Acreage	Info - County PBS	County Zoning	County General Plan	Proposed General Plan	Proposed Zoning	Area Number	Current Status	Public Facilities Use	Water District	Sanitation District	Airport Zone
178-130-01	City of Ukiah	3100 Vichy Springs Road	±300	APN: 178-130-01 Acres: 301.2 Property Address: 3100 VICHY SPRINGS RD Owner: CITY OF UKIAH	Public Facilities (PF)	Public Services	Public (P)	Public Facilities (PF)	1	Previous Landfill	Refuse disposal/recycling areas, and refuse transfer stations and similar uses.	N/A	N/A	None
156-240-02	City of Ukiah	N/A	±1	APN: 156-240-02 Acres: 1.00± Property Address: N/A Owner: CITY OF UKIAH	Upland Residential (UR:40)	Remote Residential (RMR40)	Public (P)	Public Facilities (PF)	2	Open-Space	Conservation and natural resource conservation areas	N/A	N/A	OAE
156-240-13	City of Ukiah	1970 W Standley Ave	33.8	APN: 156-240-13 Acres: 33.8 Property Address: 1970 WE STANDLEY AVE Owner: CITY OF UKIAH	Upland Residential (UR:40)	Remote Residential (RMR40)	Public (P)	Public Facilities (PF)	2	Open-Space	Conservation and natural resource conservation areas	N/A	N/A	OAE
003-330-68	City of Ukiah	1601 S State Street	1.9	APN: 003-330-68 Acres: 1.9± Property Address: 1601 SO STATE ST Owner: CITY OF UKIAH	Limited Commercial (C1)	Commercial	Public (P)	Public Facilities (PF)	3	Airport	Airports and aviation-related functions and uses	Willow Water	UVSD	Zones 5 & 6
003-330-69	Aviation Ukiah (Leased)	1601 S State Street	0	APN: 003-330-70 Acres: 0.00± Property Address: 1601 SO STATE ST City: UK Leasee: AVIATION UKIAH	Limited Commercial (C1)	Commercial	Public (P)	Public Facilities (PF)	3	Airport	Airports and aviation-related functions and uses	Willow Water	UVSD	Zones 5 & 6
003-330-70	Aviation Ukiah (Leased)	1601 S State Street	0	APN: 003-330-69 Acres: 0.00± Property Address: 1601 SO STATE ST City: UK Leasee: AVIATION UKIAH	Limited Commercial (C1)	Commercial	Public (P)	Public Facilities (PF)	3	Airport	Airports and aviation-related functions and uses	Willow Water	UVSD	Zones 5 & 6
184-080-36	City of Ukiah	341 Norgard Lane	2.8	APN: 184-080-36 Acres: 2.80± Property Address: 341 NORGDARD LN Owner: CITY OF UKIAH	Agriculture (AG:40)	Agricultural	Public (P)	Public Facilities (PF); Agricultural Combining (-A)	4	Recycled Water Distribution;	Recycled Water Distribution; Ongoing lease for agricultural purposes per GC 37382	N/A	N/A	Zones 3 & 6
184-080-37	City of Ukiah	341 Norgard Lane	4.5	APN: 184-080-37 Acres: 4.50± Property Address: 341 NORGDARD LN Owner: CITY OF UKIAH	Agriculture (AG:40)	Agricultural	Public (P)	Public Facilities (PF); Agricultural Combining (-A)	4	Recycled Water Distribution;	Recycled Water Distribution; Ongoing lease for agricultural purposes per GC 37382	N/A	UVSD	Zone 3
184-090-01	City of Ukiah	N/A	4	APN: 184-090-01 Acres: 4.00± Property Address: Owner: CITY OF UKIAH	Agriculture (AG:40)	Agricultural	Public (P)	Public Facilities (PF); Agricultural Combining (-A)	4	Recycled Water Distribution;	Recycled Water Distribution; Ongoing lease for agricultural purposes per GC 37382	N/A	UVSD	Zone 3
184-090-07	City of Ukiah	N/A	13.92	APN: 184-090-07 Acres: 13.92± Property Address: N/A Owner: CITY OF UKIAH	Agriculture (AG:40)	Agricultural	Public (P)	Public Facilities (PF); Agricultural Combining (-A)	4	Recycled Water Distribution;	Recycled Water Distribution; Ongoing lease for agricultural purposes per GC 37382	N/A	N/A	Zones 3 & 6
184-100-04	City of Ukiah	N/A	10.52	APN: 184-100-04 Acres: 10.52± Property Address: N/A Owner: CITY OF UKIAH	Agriculture (AG:40)	Agricultural	Public (P)	Public Facilities (PF)	4	Recycled Water Distribution;	Recycled Water Distribution	N/A	N/A	Zone 3
184-080-40	City of Ukiah	381 Norgard Lane	0.12	APN: 184-080-40 Acres: 0.12± Property Address: 381 NORGDARD LN Owner: CITY OF UKIAH	Agriculture (AG:40)	Agricultural	Public (P)	Public Facilities (PF)	4	Recycled Water Distribution;	Recycled Water Distribution	N/A	UVSD	Zone 3
184-100-05	City of Ukiah	300 Plant Road	15.45	APN: 184-100-05 Acres: 15.45± Property Address: 300 PLANT RD Owner: CITY OF UKIAH	Agriculture (AG:40)	Agricultural	Public (P)	Public Facilities (PF)	4	Existing North Waste Water Pond	Public utility facilities and uses (Wastewater)	N/A	N/A	Zones 3 & 6
184-090-06	City of Ukiah	217 Norgard Lane	14.05	APN: 184-090-06 Acres: 14.05± Property Address: 217 NORGDARD LN Owner: CITY OF UKIAH	Agriculture (AG:40)	Agricultural	Public (P)	Public Facilities (PF); Agricultural Combining (-A)	4	Recycled Water Distribution;	Recycled Water Distribution Ongoing lease for agricultural purposes per GC 37382	N/A	UVSD	Zone 3
184-150-01	City of Ukiah	3495 Taylor Drive	43	APN: 184-150-01 Acres: 43.00± Property Address: 3495 TAYLOR DR Owner: CITY OF UKIAH	Agriculture (AG:40)	Agricultural	Public (P)	Public Facilities (PF)	5	Existing South Waste Water Pond	Public utility facilities and uses (Wastewater)	N/A	N/A	Zone 6
184-140-13	City of Ukiah	3151 Taylor Drive	4.05	APN: 184-140-13 Acres: 4.05± Property Address: 3151 TAYLOR DR Owner: CITY OF UKIAH	General Industrial (I2)	Industrial	Public (P)	Public Facilities (PF)	5	Existing Solid Waste Transfer Station	Refuse disposal/recycling areas, and refuse transfer stations and similar uses.	Willow Water	UVSD	Zones 2, 4, & 6

CHAMISE CUBBISON  
ACTING AUDITOR-CONTROLLER  
COUNTY OF MENDOCINO



501 LOW GAP ROAD, RM. 1080  
UKIAH, CALIFORNIA 95482  
PHONE (707) 234-6860 FAX (707) 467-2503  
www.mendocinocounty.org

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Date: September 22, 2021  
To: Affected Agencies, City of Ukiah  
Mendocino County Board of Supervisors  
From: Chamise Cubbison, Acting Auditor-Controller  
Re: LAFCo File A-2021-01 City of Ukiah Annexation of City of Ukiah owned properties

*Per Revenue and Taxation Code 99(b)(3) the Auditor shall notify the governing body of each local agency whose service area or service responsibility will be altered by the jurisdictional change of the amount of, and allocation factors with respect to, property tax revenue estimated pursuant to paragraph (2) that is subject to negotiated exchange.*

The estimated amount of property tax revenue generated in the Tax Rate Areas associated with the identified parcels, based on the 2020-21 assessed values is \$62,966.

The estimated revenue impact affects all agencies in the related Tax Rate Areas as the likelihood that the parcels will become exempt or zero tax is high. The estimated remaining revenue would come from unsecured assessed property and the value of that estimated tax revenue is \$11,356. Please see page 2 for breakdown of impact to affected entities.

There may be possible additional revenue due to possessory interests, roughly estimated to be \$7,343. The possessory related revenue is not included in the above remaining revenue estimate as that is dependent on long term leases.

It should be noted that this is an estimate and that there may be additional factors to consider should tax sharing negotiation take place.

*Per Revenue & Taxation Code 99(b)(4) Upon receipt of the estimates pursuant to paragraph (3), the local agencies shall commence negotiations to determine the amount of property tax revenues to be exchanged between and among the local agencies. Except as otherwise provided, this negotiation period shall not exceed 60 days. If a local agency involved in these negotiations notifies the other local agencies, the county auditor, and the local agency formation commission in writing of its desire to extend the negotiating period, the negotiating period shall be 90 days.*

If you have any questions regarding this process, please refer to Revenue & Taxation Code, Section 99 for procedures.

Cc: Mendocino County Counsel  
Mendocino LAFCo

## Auditor's Estimate of Property Tax Revenue

LAFCo File A-2021-01 Annexation of City of Ukiah

Tax Authority	Total Estimated Tax Revenue	Estimated Unsecured Portion	Estimated Difference	Overall Factor All TRAs
County	19,460	3,505	(18,514)	0.30904865
Russian River Cemetery	507	91	(415)	0.008044144
Ukiah Valley Fire	1,361	250	(1,111)	0.021614578
Mendocino County FC & WC Improvement District	82	15	(67)	0.001297519
Mendocino County RRFC & WCID	96	18	(78)	0.001525737
Ukiah Valley Sanitation	238	53	(185)	0.003783452
ERAF-Education Revenue Augmentation Fund	10,686	1,925	(8,761)	0.169704588
Mendocino County Office of Education	2,810	506	(2,304)	0.044631811
Mendocino Community College District	4,379	789	(3,590)	0.069542597
Ukiah Unified School District	23,348	4,205	(19,143)	0.370806924
Total Tax Revenue from PINs	62,966	11,356	(54,169)	1.00