

**RESOLUTION NO. 2026-13**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UKIAH APPROVING A ZERO TAX SHARING AGREEMENT WITH THE COUNTY OF MENDOCINO IN SUPPORT OF THE UKIAH CORPORATION YARD ANNEXATION (1 CAROUSEL LANE), LAFCO FILE NO. A-2025-06**

**WHEREAS:**

1. The City Council of the City of Ukiah ("City") desires to annex certain real property located at 1 Carousel Lane, Ukiah, California, identified as Assessor's Parcel Number 167-280-15 (the "Annexation Area"); and
2. The proposed annexation has been submitted to the Mendocino County Local Agency Formation Commission ("LAFCo") and has been assigned LAFCo File No. A-2025-06; and
3. California Revenue and Taxation Code § 99 requires the City and the County of Mendocino ("County") to enter into an agreement providing for an exchange of property tax revenues in connection with the annexation; and
4. The City proposes a Tax Sharing Agreement providing for a zero percent (0%) exchange of property tax revenues for the Annexation Area, consistent with applicable law; and
5. The proposed Tax Sharing Agreement applies solely to the City and County shares of property tax revenue generated within the Annexation Area and does not affect the allocation of property tax revenues for any other taxing entity; and
6. The proposed Tax Sharing Agreement is annexation-specific and is not intended to amend, supersede, waive, or otherwise alter any rights or obligations of the City or the County under the Mendocino County Master Tax Sharing Agreement or any other agreement applicable to separate annexations or changes of organization; and
7. The City Council has reviewed the Tax Sharing Agreement entitled "Mendocino County – Ukiah Corporation Yard Tax Sharing Agreement (1 Carousel Lane Annexation – APN 167-280-15; LAFCo File No. A-2025-06)", attached hereto as Exhibit A.

**NOW, THEREFORE, BE IT RESOLVED that:**

1. Approval. The City Council hereby approves the Tax Sharing Agreement between the City of Ukiah and the County of Mendocino for LAFCo File No. A-2025-06, in substantially the form presented to the City Council and attached as Exhibit A.
2. Execution Authority. The Mayor and the City Manager, or either of them, are hereby authorized and directed to execute the Tax Sharing Agreement on behalf of the City, subject to approval as to form by the City Attorney.
3. Implementation. City staff are authorized and directed to transmit this Resolution and the executed Tax Sharing Agreement to LAFCo and to take all actions necessary to carry out and implement the Agreement.

**PASSED AND ADOPTED** this 25<sup>th</sup> day of March, 2026, by the following roll call vote:

AYES: Councilmembers Crane, Rodin, Criss, Orozco, and Mayor Sher.  
NOES: None.  
ABSENT: None.  
ABSTAIN: None.

  
Susan Sher (Mar 26, 2026 14:40 22 PDT)

Susan Sher, Mayor

ATTEST:

  
Araceli Sandoval, Deputy City Clerk

Exhibit A: Mendocino County- Ukiah Corporation Yard - Tax Sharing Agreement

**MENDOCINO COUNTY**  
**UKIAH CORPORATION YARD - TAX SHARING AGREEMENT**  
*(1 Carousel Lane Annexation – APN 167-280-15; LAFCo File No. A-2025-06)*

**THIS TAX SHARING AGREEMENT (this “Agreement”)** is entered into by and between the **County of Mendocino**, a subdivision of the State of California (the “County”), and the **City of Ukiah**, a California municipal corporation (the “City”). The County and the City are sometimes referred to herein individually as a “Party” and collectively as the “Parties.” This Agreement is effective as of the date it is executed on behalf of the last Party to do so (the “Effective Date”).

**RECITALS**

WHEREAS, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (the “CKH Act”) governs changes in organization, including annexations such as those contemplated in this Agreement, and which changes in organization must be approved by the Mendocino County Local Agency Formation Commission LAFCo (“Mendocino LAFCo” or “LAFCo”), and other local agencies; and

WHEREAS, the City has submitted an application to the Mendocino LAFCo to annex territory located at 1 Carousel Lane, Ukiah, California, Assessor’s Parcel Number 167-280-15, consisting of approximately 7.87 acres and improved with an approximately 98,000-square-foot industrial/commercial building (the “Annexation Area”); and

WHEREAS, for certain changes of organization, including annexations, Revenue and Taxation Code § 99 requires the City and the County to enter into an agreement providing for a property tax revenue exchange and to submit resolutions approving the agreement to LAFCo prior to consideration of the change of organization; and

WHEREAS, the Annexation Area is City-owned and used primarily for municipal/corporation yard functions, and any private possessory interest within the Annexation Area remains taxable and subject to assessment and allocation as provided by law; and

WHEREAS, on October 8, 2025, the City of Ukiah Planning Commission approved rezoning the Annexation Area as Public Facilities (PF) (PC Resolution No. 2025-04); and

WHEREAS, on November 5, 2025, the Ukiah City Council introduced the annexation proposal, authorized submission of the annexation application to LAFCo, and adopted a Resolution of Application for the Corporation Yard Annexation; and

WHEREAS, on November 19, 2025, the Ukiah City Council adopted Ordinance No. 1263 which rezones the Annexation Area as Public Facilities (PF); and

WHEREAS, on November 20, 2025, LAFCo received the annexation proposal and assigned it LAFCo File No. A-2025-06; and

WHEREAS, the Parties desire to approve a stand-alone, annexation-specific tax sharing agreement providing for a zero (0) property tax exchange for the Annexation Area in order to satisfy the requirements of Revenue and Taxation Code § 99; and

WHEREAS, the Parties acknowledge that the County and the City have previously adopted a Mendocino County Master Tax Sharing Agreement but expressly agree that the Master Tax Sharing Agreement does not apply to this annexation.

AGREEMENT - LAFCO FILE NO. A-2025-06.

NOW, THEREFORE, the Parties agree as follows:

1. Incorporation of Recitals

The above Recitals are true and correct and are hereby incorporated into this Agreement.

2. Definitions

The following terms, as used in this Agreement, shall have the meanings set forth below:

**“Annexation”** shall have the meaning set out in Government Code § 56017, or its successor, and shall include any reorganization that includes an annexation.

**“Annexation Area”** shall mean the single parcel located at 1 Carousel Lane, Ukiah, California, Assessor’s Parcel Number 167-280-15, as more particularly described in Exhibit A.

**“Annexation Effective Date”** shall mean the effective date of the annexation, as specified in LAFCo’s terms and conditions or by Government Code § 57202; provided, however, that such date occurs after the Effective Date of this Agreement.

**“Annexor City”** shall mean a City Party that is planning, pursuing, or has completed an Annexation.

**“Annexed Tax Rate Area” (“ATRA” or “ATRA’s”)** shall mean any separate Tax Rate Area created for territory annexed after the Effective Date.

**“Distribution”** shall mean the allocation and provision of property tax revenue between the Parties as provided for in this Agreement in order to satisfy the requirements of Revenue and Taxation Code § 99.

**“Property Tax Revenue”** shall mean revenues derived from ad valorem taxes on real property and from other categories of secured and unsecured property taxes including and not necessarily limited to those described in the County’s annual distribution as Current Secured General, Current Unsecured General, Prior Secured General, Prior Unsecured General, SB 813 Supplemental General, Highway Property Rental, and HOPTR General.

**“RTC 99 Exchange”** means the negotiated exchange (if any) of ad valorem property tax revenues between the County and the City required by Revenue and Taxation Code § 99 in connection with the Annexation, as approved by the Parties and submitted to LAFCo.

**“Sales Tax Revenue”** shall only mean those taxes collected in accordance with the Bradley-Burns Uniform Local Sales and Use Tax Law (“Bradley-Burns”).

**“State Action”** shall mean any legislative, judicial, and/or voter-approved initiative action that limits a City’s ability to apply a City-approved transaction and use tax to an Annexed Area.

**“Tax Rate Area” (“TRA” or “TRA’s”)** shall mean those base tax revenue and/or incremental tax revenues available from an identified area.

3. Tax Distribution LAFCO FILE NO. A-2025-06

3.1. Limited Scope. This Agreement applies only to the City and County shares of Property Tax Revenue within the Annexation Area for LAFCo File No. A-2025-06. This Agreement does not affect the allocation of property tax revenue for any other taxing entity.

3.2. No Master Agreement Application. This Agreement is separate and annexation specific. It does not amend, supersede, waive, or otherwise alter any rights or obligations under the Mendocino

County Master Tax Sharing Agreement for any other annexation or change of organization.

#### 4. Tax Revenue Collection and Distribution.

4.1 Zero Exchange. Effective as of the Annexation Effective Date, the Parties agree that the exchange of ad valorem Property Tax Revenue between the City and the County pursuant to Revenue and Taxation Code § 99 for the Annexation Area shall be zero (0).

4.2 No Change to Existing Allocation Shares. The Parties intend that this Agreement does not change the City's or County's existing shares of Property Tax Revenue within the Annexation Area as determined under applicable law and the applicable tax rate area(s).

4.3 Implementation Direction. The Parties will implement this Agreement by ensuring that no additional or adjusted apportionment factors are applied between the County and the City for the Annexation Area solely as a result of LAFCo File No. A-2025-06.

#### 5. Sales Tax and Housing Allocation

5.1 No Sales Tax Exchange. The Parties acknowledge that the Annexation Area is City-owned and used for public facilities/municipal purposes and does not generate Bradley-Burns local sales tax revenue under its current use. Accordingly, no sales tax exchange is required or created by this Agreement.

5.2 No RHNA/RHNP Adjustment Required. The Parties acknowledge the Annexation Area contains no residential uses under its current use and is not being annexed for residential development. Accordingly, no RHNA/RHNP adjustment is required as part of this Agreement.

#### 6. Possessory Interests; Private Use

6.1 Taxability Preserved. Any private occupancy or private use within the Annexation Area (including leased or licensed space) remains subject to possessory interest assessment and taxation under applicable law.

6.2 No Special Exchange of Possessory Interest Revenues. Revenues derived from possessory interest assessments shall be levied, collected, and distributed in the ordinary course pursuant to law. This Agreement creates no additional exchange of such revenues.

6.3 No Amendment Needed for Routine Changes. The expansion, reduction, assignment, or termination of private occupancy shall adjust assessments and revenues pursuant to law and does not, by itself, require amendment of this Agreement.

#### 7. Contingency; Change in Use

7.1 Contingency. This Agreement is contingent upon the Annexation becoming effective. If the Annexation does not become effective, this Agreement is void and of no further force.

7.2 Change in Use Trigger. If the City ceases to use the Annexation Area primarily for public facilities/municipal purposes, the Parties will meet and confer in good faith to determine whether a new agreement under Revenue and Taxation Code § 99 is required for any subsequent change of organization or continued City jurisdiction involving revenue-generating private use.

#### 8. Implementation; Transmittals

8.1 Administrative Coordination. The City Manager (or designee) and the County Chief Executive Officer (or designee) are authorized to coordinate with the County Auditor-Controller, Assessor, and LAFCo to implement this Agreement.

8.2 Delivery to LAFCo. The Parties will provide their respective approving resolutions for this Agreement to LAFCo as required for LAFCo File No. A-2025-06.

9. Notices

To County:  
County of Mendocino  
Attn: Board Chair and Chief Executive Officer  
501 Low Gap Road  
Ukiah, CA 95482  
Email: [ceo@mendocinocounty.gov](mailto:ceo@mendocinocounty.gov)

To City:  
City of Ukiah  
Attn: Mayor and City Manager  
300 Seminary Avenue  
Ukiah, CA 95482  
Email: [cmoffice@cityofukiah.com](mailto:cmoffice@cityofukiah.com)

To LAFCO:  
Mendocino LAFCo  
ATTN: Executive Officer  
200 S School St # 2, Ukiah, CA 95482  
Email: [eo@mendocinolafco.org](mailto:eo@mendocinolafco.org)

10. No Third-Party Beneficiaries

This Agreement is for the benefit of the Parties only and does not create any rights in any third party.

11. Severability

If any provision of this Agreement is held invalid or unenforceable, the remaining provisions will remain in effect unless doing so would defeat the basic purpose of this Agreement.

12. Authority

Each Party represents that its legislative body has authorized execution of this Agreement and that the undersigned have authority to bind the Party on whose behalf they sign.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

**COUNTY OF MENDOCINO**

Date: \_\_\_\_\_

Approved as to Form:  
County Counsel

By: \_\_\_\_\_  
Chair of the Board of Supervisors

Attest:

\_\_\_\_\_  
County Clerk

**CITY OF UKIAH**

Date: \_\_\_\_\_

Approved as to Form:

By: \_\_\_\_\_  
Mayor

City Attorney

Attest:

\_\_\_\_\_  
City Clerk

Exhibit A: Draft Annexation Area Plat

DRAFT



North State Street

Railroad

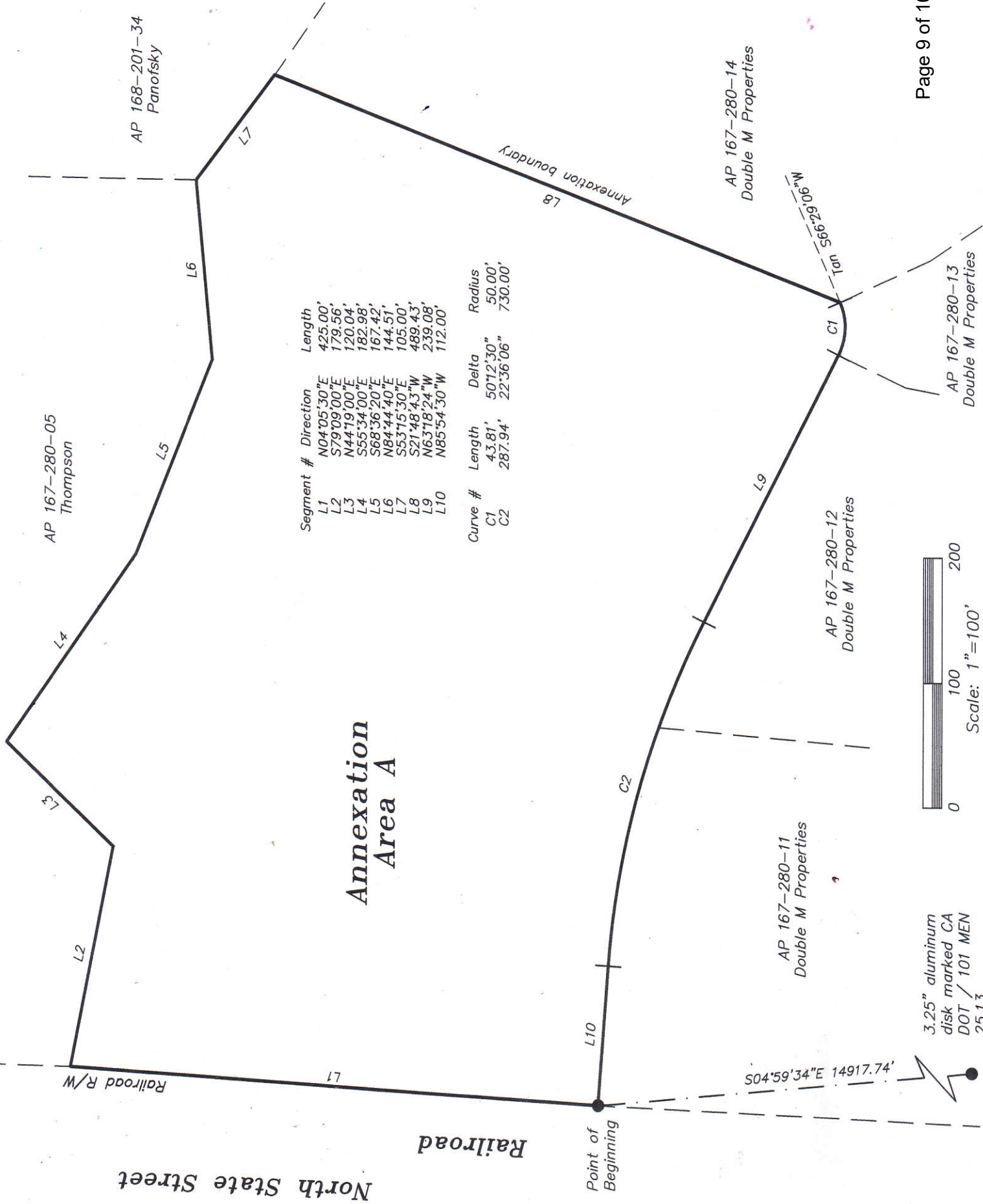
Point of Beginning

S04°59'34"E 14917.74'

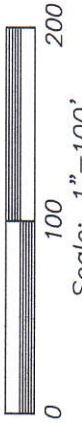
# Annexation Area A

Segment #	Direction	Length
L1	N04°05'30"E	425.00'
L2	S79°09'00"E	179.56'
L3	N44°19'00"E	120.04'
L4	S55°34'00"E	182.98'
L5	S68°36'20"E	167.42'
L6	N84°44'40"E	144.51'
L7	S53°15'30"E	105.00'
L8	S21°48'43"W	489.43'
L9	N63°18'24"W	239.08'
L10	N85°54'30"W	112.00'

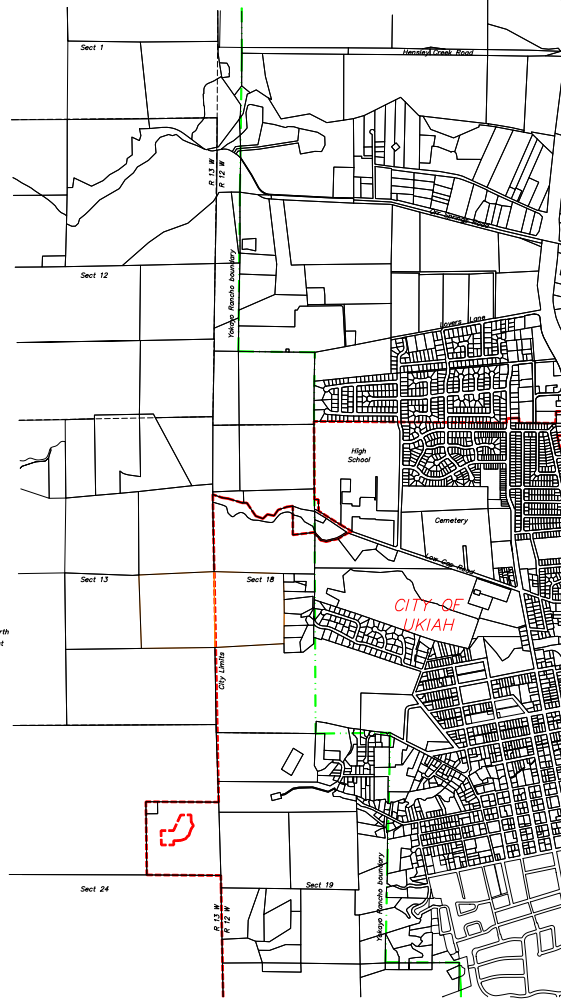
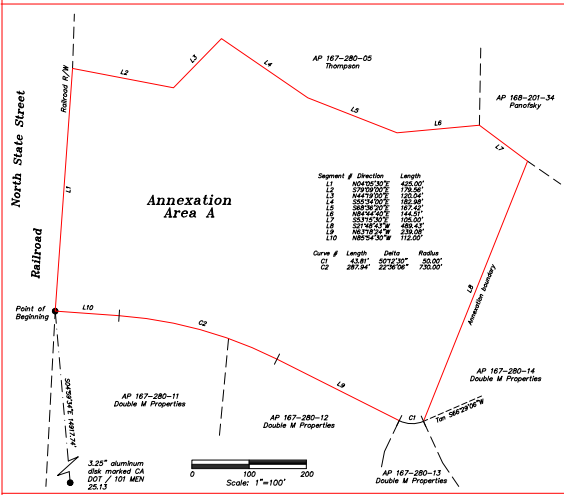
Curve #	Length	Delta	Radius
C1	43.81'	50°12'30"	50.00'
C2	287.94'	22°36'06"	730.00'



3.25" aluminum  
disk marked CA  
DOT / 101 MEN  
25.13



**EXHIBIT "A"**  
**City of Ukiah Carousel Annexation**  
 LAFCo File No. \_\_\_\_\_  
 Portion of Lot 140 of the Yokayo Rancho  
 Mendocino County, California  
 September 22, 2025



**NOTES:**

- All dimensions shown are in feet and decimals thereof.
- The Basis of Bearings for this description and map is based on NAD 83 California Coordinate System (CCS83), Zone 2 (2010.00 South State) using the four-faced National Geodetic Survey monuments designated "101 MEN 25.13 and 101SN D CA 01 CC". All distances cited herein are grid values which are the basis for the areas shown herein. To obtain ground values divide the distances by 0.999892795 to obtain ground distances.
- The purpose of this exhibit is to accompany the legal description "B" for City of Ukiah annexation and to comply with State Board of Equalization's "Written legal (specific) description requirements". The legal description and this exhibit are to be used to establish specific position only and is not intended to establish property boundary or ownership.
- This metes and bounds description is compiled entirely from a combination of Mendocino County record maps and United States General Land Office survey plats and is not based upon any field surveys.

**AUTHORIZATION CERTIFICATION**

I, \_\_\_\_\_, Chair of the Local Agency Formation Commission of the County of Mendocino State of California, hereby certify that said Local Agency Formation Commission by Resolution No. \_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_, 2025 approved with map \_\_\_\_\_.

Chair, Local Agency Formation Commission

**CERTIFICATION OF COMPLETION**

Recorded on the \_\_\_\_\_ day of \_\_\_\_\_, 2025 as Instrument Number \_\_\_\_\_ Mendocino County Records.

**DISCLAIMER**  
 For assessment purposes only. This description of land is not a legal property description as defined in the subdivision map act and may not be used as a basis for an offer for sale of the land described.

**Legend:**

APN Assessor Parcel Number  
 POB Point of Beginning  
 --- Current City of Ukiah Boundary  
 --- Proposed new annexation boundary  
 --- Yokayo Rancho Boundary

