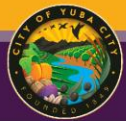




Bogue Stewart Master Plan – Master Tax Exchange Agreement

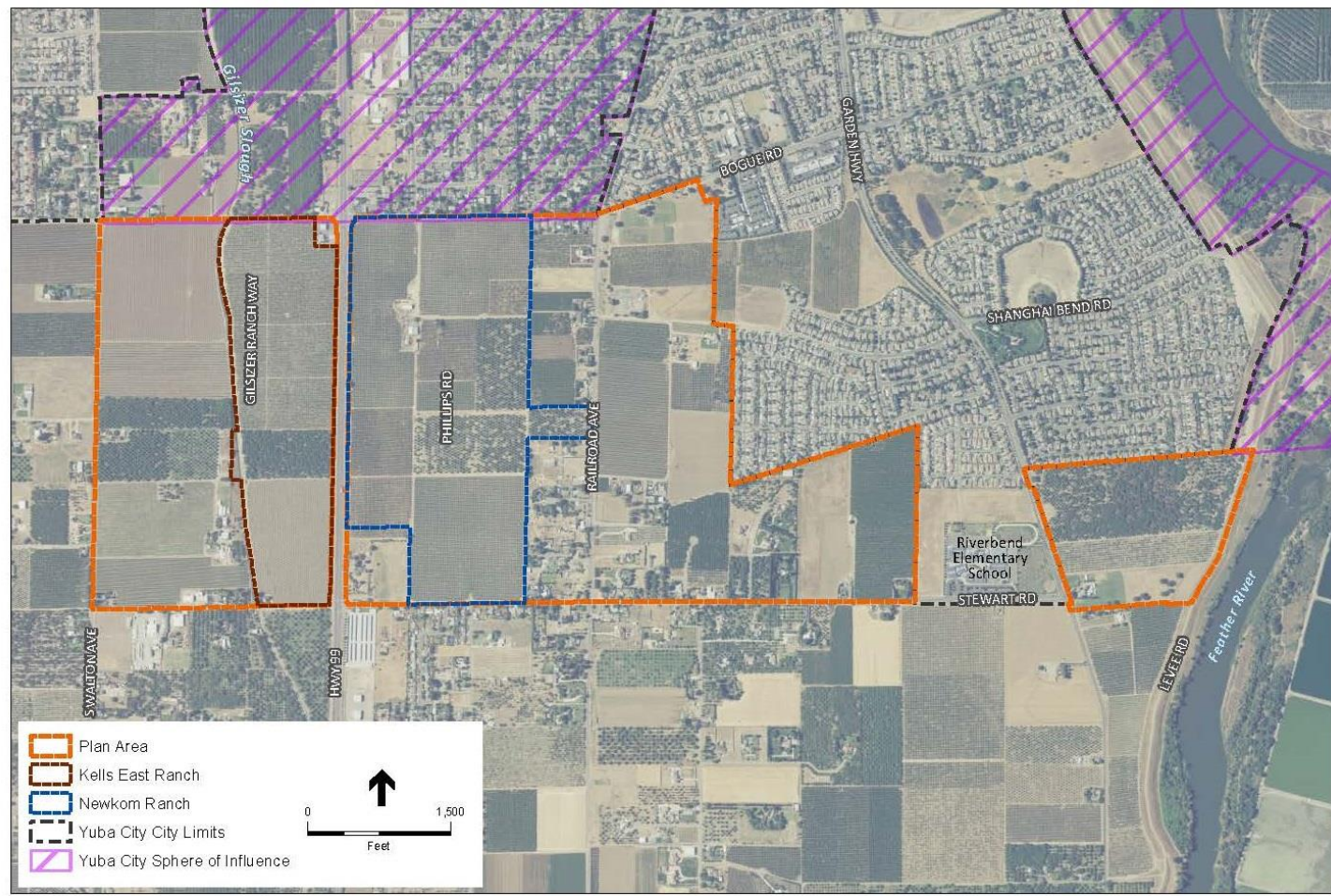


**Presentation By:
Dave Vaughn, City Manager**

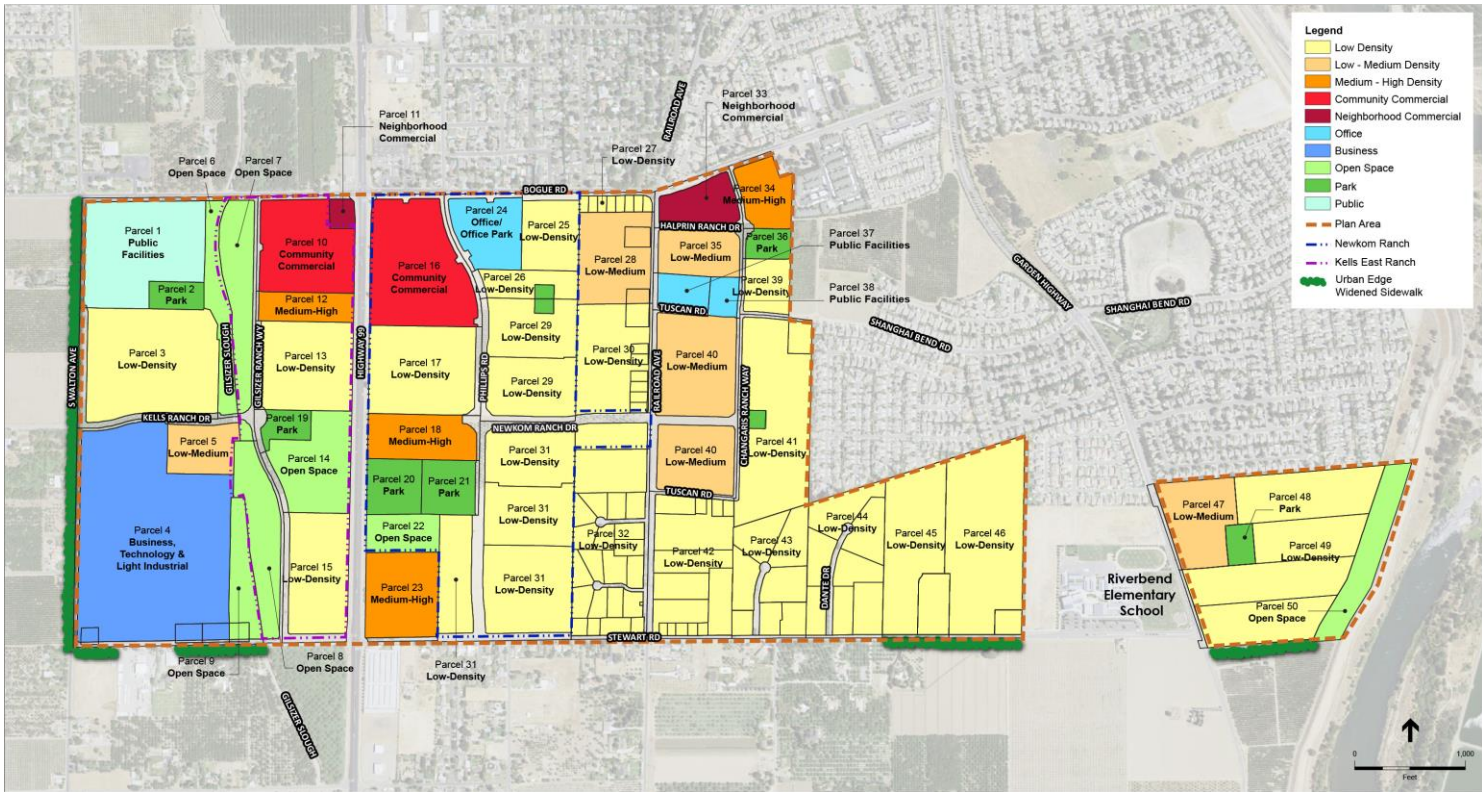


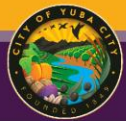
Background

- Bogue-Stewart Master Plan (BSMP) guides the orderly development of 741.5 acres located along the southern edge of Yuba City outside of the existing Sphere of Influence.



Land Use





Background

- November 12, 2020 – Sutter Local Agency Formation Commission (LAFCO) approved an amendment to the City's Sphere of Influence to include the BSMP area.
- Newkom Ranch has submitted an application to annex into the City.



Master Tax Exchange Agreement

- In order for properties within the BMSP area to annex into the City, State law requires both jurisdictions (City of Yuba City and Sutter County) to approve a resolution authorizing an agreement for sharing of revenues generated in the annexation area before LAFCO can determine an annexation application complete.
- Agreements are typically referred to as a Master Tax Exchange Agreement (MTEA).

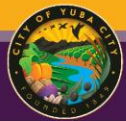


Master Tax Exchange Agreement

	Sutter County	City of Yuba City
Property Tax Split	68%	32%
Sales Tax Split ¹	10%	90%
Estimated Revenues at Buildout	\$3,653,000	\$5,131,000
Estimated Expenses at Buildout	(\$2,746,000)	(\$4,558,000)
Estimated Net Revenues at Buildout	\$907,000 ²	\$573,000
Estimated Net Revenues as a % of Expenses	33.0%	12.6%

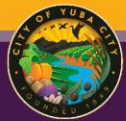
¹ – County shall continue to receive all Existing Sales Tax Revenue until the Transition Sales Tax Event, which is when the annual Sales Tax Revenue from the Annexation Area exceeds a total of \$950,000, then all Sales Tax Revenue will be consolidated and will then be allocated 90% to City and 10% to County. All Sales Tax Revenue includes existing sales tax revenue, sales tax revenue generated by new businesses within the Annexation Area and Transient Occupancy Tax.

² – In addition to the amount noted as the “Estimated Net Revenues at Buildout” for the County, the City would contribute an additional \$385,360 for the Sheriff’s Department.



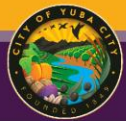
Re-Opener Language

- The MTEA includes a clause requiring the parties to discuss and consider any change in state law that impacts either party under the fiscal impact model upon which the agreement relies.



Alternatives

- Do not approve the MTEA and either stop negotiations with the County's proposal, resulting in all annexation applications being stalled indefinitely, or direct staff to negotiate different terms.



Recommendation

- Adopt a Resolution approving the Bogue Stewart Master Plan – Master Tax Exchange Agreement with Sutter County.