

EXHIBIT A to  
JOINT TAX TRANSFER RESOLUTION

**AGREEMENT BETWEEN THE CITY OF CALABASAS AND THE  
COUNTY OF LOS ANGELES FOR SHARING  
CITY SALES TAX REVENUES PURSUANT TO REORGANIZATION 2014-03**

This sales tax sharing agreement ("Agreement") is entered into between the City of Calabasas ("Calabasas" or "City"), and the County of Los Angeles ("County"), and effective on the date set forth herein. Calabasas and the County are sometimes individually referred to in this Agreement as "Calabasas," "City," "County" or "Party" and collectively as "Parties."

**RECITALS**

**Whereas**, on or about December 10, 2014, Calabasas submitted to the Local Agency Formation Commission for Los Angeles County ("LAFCO") application number 2014-03 ("annexation application"), pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Division 3, Title 5 commencing with Section 5600, of the California Government Code), for which the LAFCO Notice of Filing is attached hereto as Attachment "1";

**Whereas**, the annexation application proposes to annex certain unincorporated territory into Calabasas ("annexation area") consisting of approximately 164 acres of unincorporated territory generally located north of the intersection of Highway 101 (Ventura Freeway) and Parkway Calabasas in the County of Los Angeles, commonly known as "Craftsman Corner" and described in the LAFCO Notice of Filing;

**Whereas**, the annexation application also proposes annexation of approximately 12 acres of unincorporated territory into the City of Hidden Hills, which is not the subject of this Agreement;

**Whereas**, pursuant to California Revenue and Taxation Code section 99 ("Section 99"), the parties commenced negotiations over the transfer of responsibility for municipal services and the accompanying tax revenues that should result if LAFCO approves the annexation application;

**Whereas**, article 13, Section 29(b) of the California Constitution and Government Code sections 55700-55707 authorizes cities and counties to enter into a contract to share between them the revenue derived from any sales or use tax imposed by them and collected for them by the State under the Bradley-Burns Uniform Local Sales and Use Tax Law, when the resolution or ordinance proposing such contract is approved by two-thirds (2/3) vote of the governing body of each jurisdiction that is a party to the contract.

**NOW, THEREFORE**, the Parties hereby agree as follows:

## **Section 1. Purpose of Agreement**

The purpose of the Agreement is to implement sharing of sales tax revenue between the County and the City generated from the annexation area for a ten year period following LAFCO's completion of the annexation.

## **Section 2: Definitions**

- A. **Effective Date** means the date of the filing of the statement of boundary change for Reorganization 2014-03 with the Tax Area Services Section of the State Board of Equalization and the Auditor-Controller and Assessor of the Los Angeles County pursuant to California Government Code sections 54902 and 57204.
- B. **Fiscal Year** means any year commencing on July 1 of any calendar year and ending on June 30 of the subsequent year.
- C. **City Sales Tax** means the local sales and use taxes imposed by the City of Calabasas under the Bradley-Burns Uniform Local Sales and Use Tax Law, California Revenue and Taxation Code sections 7200 *et seq.*
- D. **City Sales Tax Revenue** means revenues collected by the California Board of Equalization (hereinafter "BOE") and transmitted to City as City Sales Taxes. City Sales Tax Revenue excludes the portion of City Sales Tax that is retained by the BOE as reimbursement for expenses incurred in collecting and administering the City Sales Tax.
- E. **Sales Quarter** means the calendar year quarter commencing on January 1, April 1, July 1, or October 1, and ending the following March 31<sup>st</sup>, June 30<sup>th</sup>, September 30<sup>th</sup>, or December 31<sup>st</sup>, respectively in which the sale is made and tax revenue is accrued.
- F. **Payment Period** means each six-month period occurring twice per Fiscal Year from (1) January 1 through June 30, and (2) July 1 through December 31.

## **Section 3. Agreement to Share Sales Tax Revenues**

- A. Calabasas shall share actual City Sales Tax Revenue collected in the annexation area for a ten year period, beginning with a 50% split in year one and then declining the County's share by an additional 5% each year thereafter for the next 10 years until Year 11, at which time Calabasas' share of the Sales Tax Revenue will be 100%. Year one shall begin on the first day of the next Sales Quarter following the Effective Date, unless LAFCO establishes a different effective date for Reorganization 2014-03, in which case year one

shall begin on the first day of the next Sales Quarter following the effective date set for the Reorganization No. 2014-03 by LAFCO.

- B. The City will pay the County the agreed upon share of the sales tax revenue after the end of each Payment Period as set forth in Section 3.A. of this Agreement and within 20 business days of end of each Payment Period.
- C. The Parties agree that there may be changes in the facts and/or amendments to the current law subsequent to the execution date of this Agreement that may change the distribution of sales tax to the County or City under this Agreement. The Parties recognize that legislation may be enacted or a court may issue an order that affects or changes the revenues from the subject area which may impact the type of revenues, the percentage of taxes or fees, the person or entity subject to the taxes and fees, or the manner in which the revenues are distributed to entities. Therefore, if either of the Parties believes that any change in law, whether by legislation or Court decision has occurred that is inconsistent with the Parties' intent, that Party may request and negotiate in good faith a revision of the Agreement to conform with the intent of this Agreement.

#### **Section 4. Reconciliation of Sales Tax Revenue and Payments to County**

- A. As soon as possible following the end of each Fiscal Year, the County's Chief Executive Office and City's Director of Finance, shall reconcile the amount of the sales tax payments made to the City based on (1) the actual amount received by the City from the BOE attributable to the annexation area; and (2) the allocation percentages enumerated in this Agreement between the County and the City. If at any time this reconciliation shows an overpayment was made to the County, the City shall notify the County of the overpayment. The County and the City shall work together to determine the true overpayment. The City shall make an adjustment for the overpayment from the next payment due to the County. If the City makes an underpayment to the County, the County and the City shall work together to ascertain the true amount of the underpayment to the County, and the City shall include the under paid amount in the next payment due to County.
- B. If at any time during or after the term of this Agreement, the BOE discovers that any portion of County Sales Tax Revenue attributed to the annexation area was inaccurately allocated and paid to the City, and the BOE requires repayment or offsets against future distribution of City Sales Tax Revenue, the City shall make a written request for repayment from the County of any amount that was improperly paid to the County. If the County fails to make such repayment within 90 calendar days after the City's written demand, the repayment obligation of the County shall accrue simple interest of 2% per annum as of the 91<sup>st</sup> day from the City's written request.

C. The County Chief Executive Office shall work with the City's Director of Finance to make a final reconciliation of the City's Sales Tax Revenue received by City attributable to the annexation area and the payments made to the County pursuant to this Agreement. The City and County shall notify each other of any over or under payment amounts. The Parties agree to reimburse each other for any and all underpayments or overpayments identified in the final reconciliation within 3 (three) months of the date of the notification to the City or the County. Should either party fail to make a required reimbursement within three months, the reimbursement obligation shall accrue interest commencing on the 91<sup>st</sup> day after the notification to City or County as the case may be at a two percent (2%) interest rate on the outstanding obligation, compounded monthly, until paid.

**Section 5. Entire Agreement.**

With respect to the subject matter hereof only, this Agreement supersedes any and all previous negotiations, proposals, commitments, writings, and understanding of any nature whatsoever between the County and the City, except as otherwise provided herein.

**Section 6. Indemnification**

Each Party shall indemnify, hold harmless, save and defend the other party, its officials, agents and employees from and against any and all claims, demands, damages, causes of action, liens, liabilities, losses, damages, costs and expenses, including reasonable attorney's fees, arising out of or in connection with this Agreement, and/or the sharing of Sales Tax Revenues. The foregoing shall not apply to claims or liabilities caused by the sole negligence of either the City or County or their officers or employees.

**Section 7. Notices**

Any notices, requests, certifications or other correspondence required to be provided by the parties under this Agreement shall be in writing and shall be personally delivered or delivered by first class United States mail to the respective parties at the following addresses:

TO COUNTY:

Chief Executive Office  
County of Los Angeles  
500 W. Temple, Street, Room 713  
Los Angeles, CA 90012  
**Attention:** Budgets and Operations  
Management Branch

TO CITY:

City Manager  
City of Calabasas  
100 Civic Center Way  
Calabasas, CA 91302

**Section 8. Severability**

If any provision or any portion of this Agreement or the Joint Resolution of the Board of Supervisors of Los Angeles and the City Council of the City of Calabasas for Reorganization 2014-03 ("Joint Resolution") are held to be unconstitutional, illegal, invalid or unenforceable, the remainder of the Agreement and the Joint Resolution shall be void and unenforceable unless the Parties mutually agree in writing that such provisions shall remain effective and enforceable.

**Section 9. No Waiver**

A waiver of any of the terms and conditions of this Agreement shall not be construed as a general waiver by either Party, and either Party shall be free to enforce any term or condition of this Agreement with or without notice notwithstanding any prior waiver of that term or condition.

**Section 10. Assignment**

Neither Party may assign any rights or delegate any duties under this Agreement without the written consent of the other Party and any attempt to make such an assignment shall be null and void for all purposes.

**Section 11. Counterpart**

This Agreement may be executed in one (1) or more counterparts, all of which together shall constitute a single agreement, and each of which shall be an original for all purposes.

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IN WITNESS WHEREOF, the Parties hereto execute this Agreement:

**CITY OF CALABASAS**

By: \_\_\_\_\_  
Alicia Weintraub, Mayor

Dated: \_\_\_\_\_

Attest:

\_\_\_\_\_  
Analuz Mendoza, CMC, Interim City Clerk

APPROVED AS TO FORM:  
Matthew T. Summers, City Attorney

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

**COUNTY OF LOS ANGELES**

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

Dated: \_\_\_\_\_

Attest:

\_\_\_\_\_  
Executive Officer of the Board of Supervisors

APPROVE AS TO FORM  
County Counsel

By \_\_\_\_\_  
Deputy County Counsel