



CITY of CALABASAS

CITY COUNCIL AGENDA REPORT

DATE: OCTOBER 2, 2024

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: KINDON MEIK, CITY MANAGER
MATTHEW SUMMERS, CITY ATTORNEY

SUBJECT: MEMORANDUM OF UNDERSTANDING BETWEEN CALABASAS
AND HIDDEN HILLS FOR THE ANNEXATION OF CRAFTSMAN
CORNER AND FOR RECIPROCAL LIBRARY ACCESS

**MEETING
DATE:** OCTOBER 9, 2024

SUMMARY RECOMMENDATION

The City Manager and City Attorney recommend that the City Council 1) authorize the City Manager to execute the attached Memorandum of Understanding Between Calabasas and Hidden Hills for the Annexation of Craftsman Corner and for Reciprocal Library Access (“MOU”), and 2) direct and delegate authority to the City Manager to make minor revisions to the MOU to obtain the approval of the agreement by Hidden Hills, if necessary.

BACKGROUND

On November 26, 2012, Hidden Hills elected to withdraw from the County of Los Angeles library system. As a result of its withdrawal from the County of Los Angeles library system, Hidden Hills assumed responsibility for providing public library services to its residents beginning July 1, 2013.

On June 10, 2013, Calabasas, Hidden Hills, and the Las Virgenes Unified School District (the “District”) entered into a Memorandum of Understanding (“First MOU”) effective July 1, 2013. Among other provisions, the parties agreed that in exchange for Hidden Hills providing Calabasas the property tax funds it received from the Los Angeles County

Assessor's Office for library services beginning in January 2014 ("Library Funds"), Calabasas would provide Hidden Hills residents with library services on the same terms as it provides services to its own residents ("Library Services") and use the Library Funds to purchase digital media and subscription services at the direction of the District.

On July 1, 2018, the parties entered into a second Memorandum of Understanding ("Second MOU"), effective July 1, 2018, in which the parties agreed to continue the exchange of Library Funds for Library Services for another five years. The Second MOU expired by its terms on July 1, 2023 without an extension. After the expiration of the Second MOU, Calabasas retained \$538,850 in not yet spent Library Funds.

After expiration of the Second MOU, a dispute arose between the Parties as to whether Calabasas is required to return the not yet spent Library Funds to Hidden Hills or whether Calabasas may continue to spend those funds at the direction and request of the District and for library purposes.

Separately, Calabasas and Hidden Hills have been negotiating an annexation and tax revenue sharing agreement related to a Los Angeles County Local Agency Formation Commission proceeding known as Reorganization 2014-03 for the Craftsman Corner Annexation. At its June 26, 2024 meeting, the Council adopted Resolution 2024-1914, approving the annexation and tax revenue sharing agreement and an agreement between Calabasas and Hidden Hills for specified property tax revenue sharing.

On September 27, 2024, Calabasas offered to conclude the annexation and library services negotiations on the following terms: 1) Indefinite reciprocal library access for Hidden Hills and Calabasas residents to the libraries of the Cities of Calabasas and Hidden Hills on equal terms as if residents in the other City; 2) Transfer of \$538,850 in library funds from Calabasas to Hidden Hills; 3) In return, approval by Hidden Hills of the Craftsman Corner Annexation, Los Angeles County LAFCO Filing No. Reorganization 2014-03, as presently proposed of territory partially into the City of Calabasas and partially in the City of Hidden Hills.

On September 29, 2024, Hidden Hills accepted the City's offer, and respectfully requested the following: 1) That the Calabasas City Council schedule approval of the MOU for its October 9 meeting; and 2) That the Calabasas Mayor appear at the Hidden Hills Council meeting of October 14, at which the Council would approve both the MOU and the annexation documents. Hidden Hills Mayor Gold is prepared to attend the Calabasas Council meeting if requested.

FISCAL IMPACT/SOURCE OF FUNDING

Other than the return of \$538,850 in Library Funds to Hidden Hills, the approval of the MOU is not expected to have any significant fiscal impact on the City's budget. Any costs associated with the provision of Library Services to Hidden Hills residents will be absorbed within the existing budget and/or more than offset by new tax revenues resulting from the Craftsman Corner Annexation.

REQUESTED ACTION

The City Manager and City Attorney recommend that the City Council 1) authorize the City Manager to execute the attached Memorandum of Understanding Between Calabasas and Hidden Hills for the Annexation of Craftsman Corner and for Reciprocal Library Access (“MOU”), and 2) direct and delegate authority to the City Manager to make minor revisions to the MOU to obtain the approval of the agreement by Hidden Hills, if necessary.

ATTACHMENTS

- Attachment A: Memorandum of Understanding Between Calabasas and Hidden Hills for the Annexation of Craftsman Corner and for Reciprocal Library Access
 - MOU Exhibit A – Annexation Tax Transfer Resolution
 - Tax Transfer Resolution Exhibit A – Calabasas/County Annexation Sales Tax Sharing Agreement
 - MOU Exhibit B – Two Cities Annexation Property Tax Sharing Agreement
- Attachment B – Craftsman Corner Annexation Area Map

ATTACHMENT A
Memorandum of Understanding Between Calabasas and Hidden Hills for the
Annexation of Craftsman Corner and for Reciprocal Library Access

**MEMORANDUM OF UNDERSTANDING AND MUTUAL RELEASE BETWEEN
THE CITY OF CALABASAS AND THE CITY OF HIDDEN HILLS FOR THE
ANNEXATION OF CRAFTSMAN CORNER AND FOR RECIPROCAL LIBRARY
ACCESS**

This Memorandum of Understanding (“MOU”) is made and entered into on _____, 2024 by and between the City of Calabasas, a municipal corporation (“Calabasas”), and the City of Hidden Hills, a municipal corporation (“Hidden Hills”). Calabasas and Hidden Hills are individually referred to herein as a “Party” and collectively referred to as the “Parties.”

1. RECITALS

- 1.1 On November 26, 2012, Hidden Hills elected to withdraw from the County of Los Angeles library system pursuant to California Education Code section 19116, subdivision (a), which governs withdrawal from the library systems of Los Angeles and Riverside counties. As a result of its withdrawal from the County of Los Angeles library system, Hidden Hills assumed responsibility for providing public library services to its residents beginning July 1, 2013.
- 1.2 On June 10, 2013, Calabasas, Hidden Hills, and the Las Virgenes Unified School District (the “District”) entered into a Memorandum of Understanding (“First MOU”) effective July 1, 2013. Among other provisions, the Parties agreed that in exchange for Hidden Hills providing Calabasas the property tax funds it received from the Los Angeles County Assessor’s Office for library services beginning in January 2014 (“Library Funds”), Calabasas would provide Hidden Hills residents with library services on the same terms as it provides services to its own residents (“Library Services”).
- 1.3 On July 1, 2018, the Parties entered into a second Memorandum of Understanding (“Second MOU”), effective July 1, 2018, in which the Parties agreed to continue the exchange of Library Funds for Library Services for another five years. The Second MOU expired by its terms on July 1, 2023 without an extension. After the expiration of the Second MOU, Calabasas retained \$538,850 in not yet spent Library Funds, held within the City’s Library fund for Library purposes.
- 1.4 After expiration of the Second MOU, the parties have been negotiating the terms of a third MOU while Hidden Hills has been exploring methods by

which it can provide Library Services to its community, in particular, in a virtual format. The negotiations have included the disposition of the not yet spent Library Funds.

- 1.5 The Parties now desire to set forth the terms under which the otherwise separate and independent libraries of each Party will provide equal and reciprocal access to the residents of both cities.
- 1.6 Separately, in 2014, the Cities of Calabasas and Hidden Hills initiated proceedings with the Los Angeles County Local Agency Formation Commission to annex approximately 176 acres of unincorporated territory generally located north of Highway 101 between the cities of Calabasas and Hidden Hills, in the unincorporated County area, as described in City of Calabasas Resolution No. 2013-1393, of which approximately 164 acres of inhabited territory will be annexed to the City of Calabasas and approximately 8 acres of uninhabited territory and 4 acres of inhabited territory will be annexed to the City of Hidden Hills.
- 1.7 On June 26, 2024, the Calabasas City Council: 1) Adopted Resolution 2024-1914, a joint resolution of the Board of Supervisors, as the governing body of the County of Los Angeles, the Consolidated Fire Protection District of Los Angeles County, the Los Angeles County Flood Control District, and the Los Angeles County Consolidated Sewer Maintenance District and the City Councils of the City Of Calabasas and the City of Hidden Hills, the Board of Directors of the Los Angeles County West Vector Control District, the Resource Conservation District of the Santa Monica Mountains, and the Las Virgenes Municipal Water District, approving and accepting the negotiated exchange of property tax revenue resulting from the annexation of territory known as Reorganization 2014-03 to the City of Calabasas and the City of Hidden Hills, detachment from County Road District No. 3, withdrawal from County Lighting Maintenance District No. 1687, withdrawal from the Los Angeles County Library, and approving an agreement for sharing city sales tax revenues pursuant to Reorganization 2014-03; 2) Approved an agreement between the City of Calabasas and City of Hidden Hills for specified property tax revenue sharing for Reorganization No. 2014-03; and 3) Directed and delegated authority to the City Manager to make minor revisions and to execute the final resolution and agreements for the Craftsman's Corner Annexation upon approval by the counterparties.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

2. AGREEMENT

2.1 Reciprocal Library Services. (A) Upon execution of this MOU by both Parties, and absent a mutual rescission of this MOU by the Parties, Calabasas is required to and shall provide Library Services to residents of Hidden Hills on equal terms as it provides Library Services to its own residents. Hidden Hills residents will be provided equal access to all Library Services provided by Calabasas, including but not limited to:

2.1.1 Library cards;

2.1.2 Access to online catalogs and subscription services;

2.1.3 Ability to obtain interlibrary loans;

2.1.4 Access to study rooms;

2.1.5 Ability to attend library programs and events; and

2.1.6 Ability to rent multi-purpose or other library rooms on the same terms, conditions, and costs as residents of the city where the library is located.

(B) At such time as Hidden Hills establishes Library Services for its residents, and absent a mutual rescission of this MOU by the Parties, Hidden Hills is required to and shall provide Library Services to the residents of Calabasas on equal terms as it provides Library Services to its own residents. Calabasas residents will be provided equal access to all Library Services provided by Hidden Hills, including but not limited to all services listed in Paragraphs 2.1.1 through 2.1.6 above, as applicable.

2.2 Approval by Hidden Hills of Joint Tax Transfer Resolution for Reorganization No. 2014-03. Hidden Hills will approve Resolution 2024-1914, attached hereto as **Exhibit A**, a joint resolution of the Board of Supervisors, as the governing body of the County of Los Angeles, the Consolidated Fire Protection District of Los Angeles County, the Los Angeles County Flood Control District, and the Los Angeles County

Consolidated Sewer Maintenance District and the City Councils of the City Of Calabasas and the City of Hidden Hills, the Board of Directors of the Los Angeles County West Vector Control District, the Resource Conservation District of the Santa Monica Mountains, and the Las Virgenes Municipal Water District, approving and accepting the negotiated exchange of property tax revenue resulting from the annexation of territory known as Reorganization 2014-03 to the City of Calabasas and the City of Hidden Hills, detachment from County Road District No. 3, withdrawal from County Lighting Maintenance District No. 1687, withdrawal from the Los Angeles County Library, and including an agreement for certain County/Calabasas sales tax revenues sharing pursuant to Reorganization 2014-03.

- 2.3 Approval by Hidden Hills of the Property Tax Revenue Sharing Agreement for Reorganization No. 2014-03. Hidden Hills will approve the property tax revenue sharing agreement for Reorganization No. 2014-03 attached hereto as **Exhibit B**. Hidden Hills will also take such necessary steps as needed to support the proposed Craftsman Corner annexation proceeding pending before the Los Angeles County Local Agency Formation Commission.
- 2.4 Transfer of \$538,850 in Library Funds from Calabasas to Hidden Hills. Within thirty (30) days of completion of all of the following, Calabasas will issue a check payable to the City of Hidden Hills for Library Funds in the amount of \$538,850.00:
 - 2.4.1 The Parties' approval of this MOU;
 - 2.4.2 Execution of Resolution 2024-1914 (**Exh. A**) by both parties;
 - 2.4.3 Execution of the Property Tax Revenue Sharing Agreement for Reorganization No. 2014-03 (**Exh. B**) by both parties; and
 - 2.4.4 Transmission of executed versions of **Exhibit A** and **Exhibit B** by both parties to Los Angeles County and the Los Angeles County Local Agency Formation Commission ("LAFCO").
- 2.5 Mutual Release. The Parties covenant and agree that:
 - 2.5.1 The Parties understand this Agreement is a good faith compromise and settlement , and shall not be construed in any way whatsoever as an admission of liability.

- 2.5.2 The Parties warrant that they are the sole owners of all claims arising from the actions described herein.
- 2.5.3 The Parties will not at any time hereafter commence, maintain or prosecute any actions at law or otherwise, or assert any claim against the other Party, or their agents, employees, successors or assigns, City Council, attorneys or insurers for any damages, injuries or losses of any kind or amount arising out of or in any way connected to or resulting from the First MOU and the Second MOU, referred to in Paragraphs 1.2 and 1.3 above. The Parties waive all rights and benefits, which they now have or in the future may have under the terms of Section 1542 of the Civil Code of the State of California, which reads as follows:
- (a) A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.
- 2.5.4 The Parties hereby release and forever discharge each other, and their agents, employees, successors or assigns, City Council, attorneys or insurers from any and all claims or demands, actions or causes of action, known or unknown, including all damages, arising out of or in any way connected to or resulting from the First MOU and the Second MOU referred to in Paragraphs 1.2 and 1.3 above.
- 2.5.5 The terms of this release are contractual and are not mere recital.
- 2.5.6 This release is executed without reliance upon any representation by any person concerning the nature and extent of any damages or legal liability thereof, and the undersigned have carefully read and understand the contents of this contract and sign the same as their own free act.
- 2.6 Indemnity. To the fullest extent permitted by law, each Party shall indemnify, hold harmless, and defend the other, its representatives, assigns, agents, officers, and employees, past, present and future from any and all claims, losses, costs or expenses associated with or arising out of this Agreement.

- 2.7 Attorney Fees and Costs. In the event any action or proceeding to enforce, set aside, or modify the terms of this Agreement is brought by either Party against the other under this Agreement, the prevailing party shall be entitled to recover all costs and expenses, including the actual fees of its attorneys incurred for prosecution, defense, consultation, or advice in such action or proceeding.
- 2.8 No Admission of Fault. No Party admits liability or concedes claims that are the subject of this Agreement. No admission of fault is expressed or implied by any Party.
- 2.9 Entire Agreement. This Agreement embodies the entire agreement between the Parties. Any prior or contemporary agreements, understandings, promises, or representations pertaining to the subject of this Agreement not expressly set forth or expressly incorporated herein are of no force and effect. No waiver, modification, or alteration of the terms of this Agreement shall be binding unless made in writing and signed by the Parties.
- 2.10 Binding Effect. This Agreement shall inure to the benefit of each Party hereto or benefit thereby its representatives, assigns, agents, officers, and employees, past, present and future.
- 2.11 Severability. If any provision of this Agreement is held invalid, the remainder of the Agreement shall nevertheless remain in full force and effect in all other circumstances.
- 2.12 Counterparts. This Agreement may be executed in one or more counterparts, each of which is an original, but all of which together constitute one and the same instrument.
- 2.13 Execution. The Parties named below have executed this Agreement as of the date and year appearing below adjacent to the signatures of the parties. This Agreement shall be binding upon the receipt of facsimile signatures or e-mailed by PDF or otherwise. Any person transmitting their signature by facsimile or electronically shall promptly send an original signature to the other party. The failure to send an original shall not affect the binding nature of this Agreement.

IN WITNESS WHEREOF, the parties have each executed this Agreement as of the dates indicated below.

CITY OF CALABASAS

CITY OF HIDDEN HILLS

By: _____
Alicia Weintraub, Mayor

By: _____
Eniko Gold, Mayor

Date: _____

Date: _____

Approved as to Form:

By: _____
Matthew T. Summers, City Attorney
Colantuono, Highsmith & Whatley, PC

By: _____
Michael Jenkins, Interim City Attorney
Best Best & Krieger, LLP

Date: _____

Date: _____

Attest:

By: _____
Lisa Pope, City Clerk

By: _____
Deana L. Gonzalez, City Clerk

Date: _____

Date: _____

**MEMORANDUM OF UNDERSTANDING
EXHIBIT A**

Annexation Tax Transfer Resolution

**JOINT RESOLUTION OF THE BOARD OF SUPERVISORS, AS THE GOVERNING
BODY OF THE COUNTY OF LOS ANGELES, THE CONSOLIDATED FIRE
PROTECTION DISTRICT OF LOS ANGELES COUNTY, THE LOS ANGELES
COUNTY FLOOD CONTROL DISTRICT, AND THE LOS ANGELES COUNTY
CONSOLIDATED SEWER MAINTENANCE DISTRICT
AND THE
CITY COUNCILS OF THE CITY OF CALABASAS AND THE CITY OF HIDDEN HILLS,
THE BOARD OF DIRECTORS OF THE LOS ANGELES COUNTY WEST VECTOR
CONTROL DISTRICT, THE RESOURCE CONSERVATION DISTRICT OF THE
SANTA MONICA MOUNTAINS, AND THE LAS VIRGENES MUNICIPAL WATER
DISTRICT, APPROVING AND ACCEPTING THE NEGOTIATED EXCHANGE OF
PROPERTY TAX REVENUE RESULTING FROM THE ANNEXATION OF
TERRITORY KNOWN AS REORGANIZATION 2014-03 TO THE CITY OF
CALABASAS AND THE CITY OF HIDDEN HILLS, DETACHMENT FROM COUNTY
ROAD DISTRICT NO. 3, WITHDRAWAL FROM COUNTY LIGHTING MAINTENANCE
DISTRICT NO. 1687, WITHDRAWAL FROM THE LOS ANGELES COUNTY
LIBRARY, AND APPROVING AN AGREEMENT FOR SHARING CITY SALES TAX
REVENUES PURSUANT TO REORGANIZATION 2014-03**

WHEREAS, the City of Calabasas and the City of Hidden Hills (Cities) initiated proceedings with the Local Agency Formation Commission for Los Angeles County (LAFCO) for the annexation of territory identified as Reorganization 2014-03 to the Cities;

WHEREAS, pursuant to Section 99 of the California Revenue and Taxation Code, for specified jurisdictional changes, the governing bodies of affected agencies shall negotiate and determine the amount of property tax revenue to be exchanged between the affected agencies;

WHEREAS, the area proposed for annexation is identified as Reorganization 2014-03 and consists of approximately 164± acres of inhabited territory to the City of Calabasas and approximately 8± acres of uninhabited territory and 4± acres of inhabited territory to the City of Hidden Hills; and affected territory is located north of intersection of Highway 101 Ventura Freeway and Parkway Calabasas in Los Angeles County unincorporated territory adjacent to the City of Calabasas and Hidden Hills;

WHEREAS, the Board of Supervisors of the County of Los Angeles (County), as governing body of the County, the Consolidated Fire Protection District of Los Angeles County, the Los Angeles County Flood Control District, the Los Angeles County Consolidated Sewer Maintenance District and on behalf of Road District No. 3, County Lighting Maintenance District No. 1687, Calabasas Lighting District, and the LA County Library; the City Council of the City of Calabasas; the City Council of the City of Hidden Hills; and the governing bodies of the Los Angeles County West Vector Control District, the Resource Conservation District of the Santa Monica Mountains, and the Las Virgenes Municipal Water District, have determined the amount of property tax revenue to be exchanged between their respective agencies as a result of the annexation of the unincorporated territory identified as Reorganization 2014-03, detachment from County

Road District No. 3, withdrawal from County Lighting Maintenance District No. 1687, and withdrawal from the LA County Library, is as set forth below;

WHEREAS, the areas proposed for annexation by the City of Calabasas includes roads, road related facilities and improvements and road easements which have been or are to be transferred to the City of Calabasas, the County intends, and the City of Calabasas agrees the ownership and responsibility for such roads, road related facilities and improvements and road easements will be transferred to the City; and

WHEREAS, the areas proposed for annexation by the City of Calabasas and the City of Hidden Hills includes sewers, sewer infrastructure and (collectively "Facilities"), including, without limitation, approximately 1.71 miles, or 9,202 feet or sanitary sewer main, 42 man holes, and approximately 250,343 square feet of sanitary sewer easement serving 89 parcels which are currently owned by the County of Los Angeles (the "Annexed Sewer System") and are part of the County's Consolidated Sewer Maintenance District ("CSMD"); and

WHEREAS, the County intends and the City of Calabasas agrees that the City of Calabasas will assume ownership and maintenance responsibilities of the Facilities, except those sewer facilities located within the territory to be annexed to City of Hidden Hills, which facilities will be assumed by the City of Hidden Hills, and except the Annexed Sewer System will remain as part of the CSMD and the County will remain responsible for basic maintenance responsibilities of the Annexed Sewer System; and

WHEREAS, the County intends and the City of Calabasas agrees that the City of Calabasas will assume any current and future Building and Safety code enforcement cases within the area to be annexed into the City of Calabasas; and

WHEREAS, the County intends and the City of Hidden Hills agrees that the City of Hidden Hills will assume ownership and maintenance responsibilities of the Facilities, except those sewer facilities located within the territory to be annexed to City of Calabasas, which facilities will be assumed by the City of Calabasas, and except the Annexed Sewer System will remain as part of the CSMD and the County will remain responsible for basic maintenance responsibilities of the Annexed Sewer System; and

WHEREAS, the County intends and the City of Hidden Hills agrees that the City of Hidden Hills will assume any current and future Building and Safety code enforcement cases within the area to be annexed into the City of Hidden Hills; and

WHEREAS, the County intends and the City of Calabasas agrees that the City of Calabasas, through an agreement with Caltrans, will assume maintenance responsibility of the northern half of the Parkway Calabasas Overcrossing Bridge; and

WHEREAS, the area proposed for annexation is serviced by one or more authorized waste haulers pursuant to franchise agreement(s) for the collection of solid waste executed between the waste hauler(s) and the County. The County intends to transfer responsibility for the collection, transportation and disposal of municipal solid

waste management services, as applicable, for the territory to be annexed only, from the County to the City of Calabasas and the City of Hidden Hills (hereafter, "Transfer") and each of the cities agrees that each City will accept the Transfer once effective, as set forth in further detail in Paragraph 15 of this Resolution; and

WHEREAS, stormwater and other surface water runoff from the area proposed for annexation is regulated by ORDER NO. R4-2021-0105, NPDES PERMIT NO. CAS004004, WASTE DISCHARGE REQUIREMENTS AND NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES) PERMIT FOR MUNICIPAL SEPARATE STORM SEWER SYSTEM (MS4) DISCHARGES WITHIN THE COASTAL WATERSHEDS OF LOS ANGELES AND VENTURA COUNTIES ("MS4 Permit") or successor permits issued by the Los Angeles Regional Water Quality Control Board;

WHEREAS, the City of Calabasas and the Los Angeles County Flood Control District are parties to an existing maintenance agreement ("Agreement Between City Of Calabasas And Los Angeles County Flood Control District For The Ongoing Maintenance Of LACFCD-Owned Catch Basins With Installed Trash Excluders Within The City Of Calabasas - Option 2"), pertaining to the maintenance of trash excluder devices (i.e., any device which partially blocks the opening or outlet of a catch basin to prevent trash from entering the storm drain system, including Connector Pipe Screen devices, installed at the opening of or inside any catch basin owned by the Los Angeles County Flood Control District) located within the City;

WHEREAS, the area proposed for annexation to the Cities of Calabasas and Hidden Hills may include land proposed for subdivision pursuant to the Subdivision Map Act, including the submittal of proposed tentative, parcel and/or final subdivision maps;

WHEREAS, the County's approval of a proposed subdivision may include conditions requiring the subdivider to construct and dedicate improvements including, but not necessarily limited to, storm drains, street, sewer facilities, and water quality facilities (hereinafter collectively referred to as "Subdivision Improvements") which, as of the effective date of annexation, may be in various stages of completion, ranging from initial planning to substantially completed, and which may be subject to agreements requiring the subdivider to complete the Subdivision Improvements (hereinafter referred to as "Subdivision Improvements Agreements");

WHEREAS, the County and Cities of Calabasas and Hidden Hills intend that any subdivision maps which are pending approval by the County as of the effective date of Reorganization No. 2014-03, shall be reviewed and approved as provided in this resolution and that any Subdivision Improvements that have not be accepted by the County as of the effective date of Reorganization No. 2014-03 shall be inspected, reviewed, accepted, transferred or assigned as provided in this resolution; and

WHEREAS, the Board of Supervisors of the County of Los Angeles and the City Council of the City of Calabasas seek to reach an agreement as to the temporary sharing of sales tax revenues generated from the area proposed to be annexed into the

City of Calabasas, pursuant to the terms set forth below and in the attached Sales Tax Sharing Agreement:

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The negotiated exchange of property tax revenue between the County and the Cities, resulting from Reorganization 2014-03 is approved and accepted.
2. For the fiscal year commencing in the year after the filing of the statement of boundary change for Reorganization 2014-03 with the Board of Equalization pursuant to Government Code sections 54902 and 57204, and every fiscal year thereafter, property tax revenue received by County Road District No. 3, attributable to Reorganization 2014-03, shall be transferred to the County, and the County Road District No. 3 share in the annexation area shall be reduced to zero.
3. For the fiscal year commencing in the year after the filing of the statement of boundary change for Reorganization 2014-03 with the Board of Equalization pursuant to Government Code sections 54902 and 57204, a base of Forty Thousand, One Hundred, and Ninety-Four Dollars (\$40,194) in property tax revenue attributable to the LA County Library, within the territory of Reorganization 2014-03, shall be transferred to the Calabasas Library Fund, and the following ratios of annual property tax increment attributable to each respective Tax Rate Areas in the Reorganization 2014-03 territory shall be transferred from the LA County Library to the Calabasas Library Fund as shown below, and the LA County Library's share in the annexation area shall be reduced to zero.

Tax Rate Area	Annual Tax Increment Ratio Transfer to the Calabasas Library	Tax Rate Area	Annual Tax Increment Ratio Transfer to the Calabasas Library	Tax Rate Area	Annual Tax Increment Ratio Transfer to the Calabasas Library
4169	0.023931055	9002	0.023964482	12657	0.023953544
4930	0.023963994	9003	0.023940184	12917	0.023953544
4945	0.023931055	9024	0.023941771	12918	0.023434774
4971	0.023953544	9040	0.023964482	14132	0.023963994
5476	0.023953544	9244	0.023930493	14133	0.023963994
5988	0.023953544	11213	0.023964482	14141	0.023941771
6108	0.023953544	11855	0.023964482	15159	0.023931055
9000	0.023930493	12656	0.023931055	15160	0.023953544

4. For the fiscal year commencing in the year after the filing of the statement of boundary change for Reorganization 2014-03 with the Board of Equalization pursuant

to Government Code sections 54902 and 57204, a base of One Thousand, Two Hundred, and Eighty-One Dollars (\$1,281) in property tax revenue attributable to the LA County Library, within the territory of Reorganization 2014-03, shall be transferred to the Hidden Hills Library, and the following ratios of annual property tax increment attributable to each respective Tax Rate Areas in the Reorganization 2014-03 territory shall be transferred from the LA County Library to the Hidden Hills Library as shown below, and the LA County Library's share in the annexation area shall be reduced to zero.

Tax Rate Area	Annual Tax Increment Ratio Transfer to the Hidden Hills Library	Tax Rate Area	Annual Tax Increment Ratio Transfer to the Hidden Hills Library
4971	0.023953544	9023	0.023963994

5. For the fiscal year commencing in the year after the filing of the statement of boundary change for Reorganization 2014-03 with the Board of Equalization pursuant to Government Code sections 54902 and 57204, and every fiscal year thereafter, Eighty-Two Thousand, Nine Hundred, and Twenty-Five Dollars (\$82,925) in base property tax revenue shall be transferred from the County to the City of Calabasas.

6. For the fiscal year commencing after the filing of the statement of boundary change for Reorganization 2014-03 with the Board of Equalization pursuant to Government Code sections 54902 and 57204, and every fiscal year thereafter, the following ratios of annual property tax increment attributable to each respective Tax Rate Areas in the Reorganization 2014-03 territory shall be transferred from the County to the City of Calabasas as shown below and the County's share shall be reduced accordingly:

Tax Rate Area	Annual Tax Increment Ratio Transfer to the City of Calabasas	Tax Rate Area	Annual Tax Increment Ratio Transfer to the City of Calabasas	Tax Rate Area	Annual Tax Increment Ratio Transfer to the City of Calabasas
4169	0.044648351	9002	0.058847987	12657	0.058815961
4930	0.047643738	9003	0.047588288	12917	0.047617911
4945	0.047562339	9024	0.047585852	12918	0.047807236
4971	0.058815961	9040	0.04764384	14132	0.058847861
5476	0.047617911	9244	0.047817099	14133	0.047643738
5988	0.047617911	11213	0.04764384	14141	0.047585852
6108	0.048359749	11855	0.04764384	15159	0.047562339
9000	0.047563873	12656	0.047562339	15160	0.058815961

7. For the fiscal year commencing in the year after the filing of the statement of boundary change for Reorganization 2014-03 with the Board of Equalization pursuant to Government Code sections 54902 and 57204, and every fiscal year thereafter, Three Thousand, One Hundred, and Fourteen Dollars (\$3,114) in base property tax revenue shall be transferred from the County to the City of Hidden Hills.

8. For the fiscal year commencing after the filing of the statement of boundary change for Reorganization 2014-03 with the Board of Equalization pursuant to Government Code sections 54902 and 57204, and every fiscal year thereafter, the following ratios of annual property tax increment attributable to each respective Tax Rate Areas in the Reorganization 2014-03 territory shall be transferred from the County to the City of Hidden Hills as shown below and the County's share shall be reduced accordingly:

Tax Rate Area	Annual Tax Increment Ratio Transfer to the City of Hidden Hills	Tax Rate Area	Annual Tax Increment Ratio Transfer to the City of Hidden Hills
4971	0.057188545	9023	0.057123509

9. From and after the effective date of Reorganization No. 2014-03, the City Council of the City of Calabasas and the Board of Supervisors of the County of Los Angeles do hereby authorize and approve the transfer of the ownership of the Annexed Sewer System portion within the area to be annexed into the City of Calabasas from the County of Los Angeles to the City of Calabasas subject to Resolution 91-48 adopted by the City of Calabasas on August 7, 1991.

10. From and after the effective date of Reorganization No. 2014-03, the City Council of the City of Hidden Hills and the Board of Supervisors of the County of Los Angeles do hereby authorize and approve the transfer of the ownership of the Annexed Sewer System portion within the area to be annexed into the City of Hidden Hills from the County of Los Angeles to the City of Hidden Hills subject to Resolution No. 145 adopted by the City of Hidden Hills on November 1, 1970.

11. The City Council of the City of Calabasas and the City Council of the City of Hidden Hills in turn hereby authorize and approve the transfer of ownership and responsibility of their respective City portions of the Annexed Sewer System to each City respectively.

12. From and after the effective date of Reorganization No. 2014-03, the City Council of the City of Calabasas and the City Council of the City of Hidden Hills and the Board of Supervisors of the County of Los Angeles do hereby authorize and approve the transfer of ownership and responsibility for maintenance for all Facilities located within their respective cities, except the Annexed Sewer System will remain as part of the CSMD and the CSMD will remain responsible for basic maintenance responsibilities of the Annexed Sewer System..

13. From and after the effective date of Reorganization No. 2014-03, the City Council of the City of Calabasas and the Board of Supervisors of the County of Los Angeles do hereby authorize and approve the transfer of ownership and responsibility for maintenance for all roads located within the area to be annexed to the City of Calabasas, as provided in this resolution.

14. From and after the effective date of Reorganization No. 2013-03, the City Council of the City of Calabasas and the City Council of the City of Hidden Hills and the Board of Supervisors of the County of Los Angeles do hereby authorize and approve the transfer of the responsibility for enforcement of all Building and Safety code enforcement cases within their respective cities, as provided in this resolution.

15. From and after the effective date of Reorganization No. 2014-03, the City Council of the City of Calabasas shall assume responsibility for maintenance of the northern half of the Parkway Calabasas Overcrossing Bridge, as provided in this resolution.

16. Prior to the effective date of Reorganization No. 2014-03, the City Council of the City of Calabasas and the City Council of the City of Hidden Hills and the Board of Supervisors of the County of Los Angeles will take the necessary steps, as set forth in the County's franchise agreement(s), to transfer responsibility for the collection, transportation and disposal of municipal solid waste management services, as applicable, for the territory to be annexed area only, from the County to the City of Calabasas and the City of Hidden Hills (hereinafter, "Transfer") so that such Transfer will become effective upon the date of the Reorganization. The City of Calabasas and the City of Hidden Hills acknowledge that such Transfer is only possible if the County's existing franchise haulers (County's existing franchises) are agreeable to the Transfer

and will take the required steps under the County's franchise agreements to complete the Transfer. Once the Transfer is completed and upon the effective date of the Reorganization: (a) each of the cities will accept the Transfer and ensure solid waste collection, transportation and disposal services are provided to the affected properties within the territory annexed into the City of Calabasas and the City of Hidden Hills; and (b) the County will not collect franchise fees from the haulers for the territory annexed.

17. The City of Calabasas acknowledges that from and after the effective date of Reorganization No. 2014-03 it will be responsible for the enforcement of flood plain management regulations within the area annexed by the City of Calabasas and shall assume responsibility for administering compliance with the National Flood Insurance Program in connection with the area annexed by the City of Calabasas.

18. The City of Hidden Hills acknowledges that from and after the effective date of Reorganization No. 2014-03 it will be responsible for the enforcement of flood plain management regulations within the area annexed by the City of Hidden Hills and shall assume responsibility for administering compliance with the National Flood Insurance Program in connection with the area annexed by the City of Hidden Hills.

19. From and after the effective date of Reorganization No. 2014-03, the City of Calabasas shall assume responsibility for compliance with the requirements and obligations of the MS4 Permit as they relate to the area annexed by the City of Calabasas.

20. From and after the effective date of Reorganization No. 2014-03, the City of Hidden Hills shall assume responsibility for compliance with the requirements and obligations of the MS4 Permit as they relate to the area annexed by the City of Hidden Hills.

21. From and after the effective date of Reorganization No. 2014-03, the City of Calabasas shall amend the Watershed Management Program for the Upper Los Angeles River Watershed to reflect that the area annexed by the City of Calabasas is within the jurisdiction of the City of Calabasas.

22. From and after the effective date of Reorganization No. 2014-03, the City of Hidden Hills shall amend the Watershed Management Program for the Upper Los Angeles River Watershed to reflect that the area annexed by the City of Hidden Hills is within the jurisdiction of the City of Hidden Hills.

23. From and after the effective date of Reorganization No. 2014-03, the City of Calabasas shall amend the Coordinated Integrated Monitoring Program for the Upper Los Angeles River Watershed to reflect that the area annexed by the City of Calabasas is within the jurisdiction of the City of Calabasas.

24. From and after the effective date of Reorganization No. 2014-03, the City of Hidden Hills shall amend the Coordinated Integrated Monitoring Program for the

Upper Los Angeles River Watershed to reflect that the area annexed by the City of Hidden is within the jurisdiction of the City of Hidden Hills.

25. From and after the effective date of Reorganization No. 2014-03, the City of Calabasas shall amend the existing cost-sharing Memorandum of Understanding for the Upper Los Angeles River Watershed group to reflect that the area annexed by the City of Calabasas is within the jurisdiction of the City of Calabasas.

26. From and after the effective date of Reorganization No. 2014-03, the City of Hidden Hills shall amend the existing cost-sharing Memorandum of Understanding for the Upper Los Angeles River Watershed group to reflect that the area annexed by the City of Hidden is within the jurisdiction of the City of Hidden Hills.

27. From and after the effective date of Reorganization No. 2014-03, the City of Calabasas shall assume ownership of and responsibility for all trash excluder devices (i.e., any device which partially blocks the opening or outlet of a catch basin to prevent trash from entering the storm drain system, including Connector Pipe Screen devices, installed at the opening of or inside any catch basin owned by the Los Angeles County Flood Control District) located in the area annexed by the City of Calabasas and shall amend the existing maintenance agreement with the Los Angeles County Flood Control District ("Agreement Between City Of Calabasas And Los Angeles County Flood Control District For The Ongoing Maintenance Of LACFCD-Owned Catch Basins With Installed Trash Excluders Within The City Of Calabasas - Option 2") to add the catch basins located within the area annexed by the City of Calabasas.

28. The County Lighting Districts are impacted by Reorganization No. 2014-03. Upon approval of Reorganization No. 2014-03, those portions of County Lighting Maintenance District No. 1687 and County Lighting District Landscaping and Lighting Act-1 (Unincorporated Zone) located within the proposed annexation boundary shall be withdrawn from County Lighting Maintenance District No. 1687 and detached from County Lighting District Landscaping and Lighting Act-1(Unincorporated Zone), respectively. The responsibility for the administration, operation, and maintenance of the existing streetlights located therein shall be transferred to the City of Calabasas effective upon the date of the jurisdictional change.

29. Any Subdivision Improvements within the area annexed by the City of Calabasas for which plans have been approved by the County but construction has not been completed and accepted by the County as of the effective date of Reorganization No. 2014-03 shall, upon the effective date of Reorganization No. 2014-03, continue to be subject to construction inspection by the County. However, the City of Calabasas shall be responsible for final construction approval of the Subdivision Improvements and acceptance upon final approval. Notwithstanding the preceding sentence, the County may elect to assign any Subdivision Improvement Agreement and related financial security to the City of Calabasas, and the City of Calabasas shall accept the assignment; and, from and after the date of the assignment, will be responsible for conducting all further construction inspection, approval and acceptance of the Subdivision Improvements.

30. Any Subdivision Improvements within the area annexed by the City of Hidden Hills for which plans have been approved by the County but construction has not been completed and accepted by the County as of the effective date of Reorganization No. 2014-03 shall, upon the effective date of Reorganization No. 2014-03, continue to be subject to construction inspection by the County. However, the City of Hidden Hills shall be responsible for final construction approval of the Subdivision Improvements and acceptance upon final approval. Notwithstanding the preceding sentence, the County may elect to assign any Subdivision Improvement Agreement and related financial security to the City of Hidden Hills, and the City of Hidden Hills shall accept the assignment; and, from and after the date of the assignment, will be responsible for conducting all further construction inspection, approval and acceptance of the Subdivision Improvements.

31. Any Subdivision Improvements within the area annexed by the City of Calabasas for which plans have not been approved by the County as of the effective date of Reorganization No. 2014-03, shall continue to be subject to plan review by the County until any fees previously collected by the County for the review of the Subdivision Improvements have been exhausted. Thereafter, the City of Calabasas shall be responsible for conducting any additional plan review necessary to approve the plans, including the collection of any additional fees, and for the final approval of the plans, issuance of any construction permits, construction inspection, construction approval and acceptance related to the Subdivision Improvements. Notwithstanding the preceding sentence, the County may elect to assign any Subdivision Improvement Agreement and related financial security for the Subdivision Improvements to the City of Calabasas, and the City of Calabasas shall accept the assignment; and, from and after the date of the assignment, will be responsible for conducting all further plan review, construction inspection, approval and acceptance of the Subdivision Improvements.

32. Any Subdivision Improvements within the area annexed by the City of Hidden Hills for which plans have not been approved by the County as of the effective date of Reorganization No. 2014-03, shall continue to be subject to plan review by the County until any fees previously collected by the County for the review of the Subdivision Improvements have been exhausted. Thereafter, the City of Hidden Hills shall be responsible for conducting any additional plan review necessary to approve the plans, including the collection of any additional fees, and for the final approval of the plans, issuance of any construction permits, construction inspection, construction approval and acceptance related to the Subdivision Improvements. Notwithstanding the preceding sentence, the County may elect to assign any Subdivision Improvement Agreement and related financial security for the Subdivision Improvements to the City of Hidden Hills, and the City of Hidden Hills shall accept the assignment; and, from and after the date of the assignment, will be responsible for conducting all further plan review, construction inspection, approval and acceptance of the Subdivision Improvements.

33. Upon the effective date of Reorganization No. 2014-03, the City of Calabasas shall be responsible for the final approval of any pending subdivision maps relating to land in the area annexed by the City of Calabasas; provided however, that

the County shall continue the technical review of any such subdivision maps until the fees previously collected by the County for the review of the subdivision maps have been exhausted. Thereafter, the City of Calabasas shall be responsible for conducting any additional technical map review necessary to approve the maps, including the collection of any additional fees.

34. Upon the effective date of Reorganization No. 2014-03, the City of Hidden Hills shall be responsible for the final approval of any pending subdivision maps relating to land in the area annexed by the City of Hidden Hills; provided however, that the County shall continue the technical review of any such subdivision maps until the fees previously collected by the County for the review of the subdivision maps have been exhausted. Thereafter, the City of Hidden Hills shall be responsible for conducting any additional technical map review necessary to approve the maps, including the collection of any additional fees.

35. The City Council of the City of Calabasas and the Board of Supervisors of the County of Los Angeles, as authorized by article 13, Section 29(b) of the California Constitution and Government Code sections 55700-55707, hereby approve the attached "Agreement Between the City of Calabasas and the County of Los Angeles for Sharing City Sales Tax Revenues Pursuant to Reorganization 2014-03," and authorize and direct the Mayor of the City of Calabasas and Chair of the County Board, respectfully, to sign it in substantially the same form as attached hereto as Exhibit A.

36. Within thirty (30) days of the recordation of the Certificate of Completion, the cities of Calabasas and Hidden Hills shall notify all public utilities as defined in section 216 of the California Public Utilities Code that are providing service (including, but not limited to, providers of electricity, retail water, natural gas, and telecommunications) in the affected territory subject to the cities' jurisdiction that the public utilities are required to make necessary changes to impacted customer accounts within ninety (90) days of the recordation of the Certificate of Completion consistent with Government Code Section 56886.1, including adjustments or cessation in payment of the Utility User Tax resulting from such annexation, when applicable.

37. From and after the effective date of Reorganization No. 2014-03, the City Council of the City of Calabasas and the Board of Supervisors of the County of Los Angeles do hereby authorize and approve the transfer the Regional Housing Needs Assessment allocation for the area from the County to the City of Calabasas. Accordingly, nine total housing units (2 very-low-income units; 1 low-income unit; 2 moderate-income units; and 4 above-moderate-income units) shall be transferred from the County to the City of Calabasas as a result of the annexation.

/

/

/

/

/

/

PASSED, APPROVED AND ADOPTED this _____ day of _____,
2024 by the following vote:

AYES:

ABSENT:

NOES:

ABSTAIN:

Mayor
City of Calabasas, California

ATTEST:

City Clerk
City of Calabasas

APPROVED AS TO FORM:

City Attorney
City of Calabasas

/

/

/

/

/

/

/

/

/

/

(Signed in Counterpart)

**TAX TRANSFER RESOLUTION
EXHIBIT A**

Calabasas/County Annexation Sales Tax Sharing Agreement

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 31st, June 30th, September 30th, or December 31st, 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 91st 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 91st 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.

/

/

/

/

/

/

/

/

/

/

/

/

/

/

/

/

/

/

/

/

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

**MEMORANDUM OF UNDERSTANDING
EXHIBIT B**

Two Cities Annexation Property Tax Sharing Agreement

**AGREEMENT
BETWEEN CITY OF CALABASAS AND CITY OF HIDDEN HILLS FOR
SPECIFIED PROPERTY TAX REVENUE SHARING
FOR REORGANIZATION NO. 2014-03.**

This tax sharing agreement (“Agreement”) is between the City of Calabasas (herein called "City of Calabasas") and the City of Hidden Hills (herein called "City of Hidden Hills"). Each is referenced herein as a “Party” and together, they are referenced as the “Parties.”

RECITALS

- A. On or about December 10, 2014, City of 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);
- B. The area the City of Calabasas applied to annex ("annexation area") consists of approximately 176 acres of unincorporated territory generally located north of Highway 101 between the cities of Calabasas and Hidden Hills, in the unincorporated County area, as described in City of Calabasas Resolution No. 2013-1393, of which approximately 164 acres of inhabited territory will be annexed to the City of Calabasas and approximately 8 acres of uninhabited territory and 4 acres of inhabited territory will be annexed to the City of Hidden Hills; and
- C. Revenue and Taxation Code section 99.02 authorizes counties and cities to enter into a property tax transfer agreement for the exchange of property tax revenues.
- D. This agreement is prospective and applies only to Reorganization No. 2014-03 and not to any other past or future boundary changes for either Party.

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:

1. **RECITALS**

Calabasas and Hidden Hills agree that the foregoing recitals are true and correct and incorporate them into this Agreement by reference.

2. **DEFINITIONS**

The following definitions shall apply to this Agreement.

- A. "Annexation Area" means the approximately 176 acres of unincorporated territory generally located north of Highway 101 between the cities of Calabasas and Hidden Hills, in the unincorporated County area, as described in City of Calabasas Resolution No. 2013-1393, of which approximately 164 acres of inhabited territory will be annexed

to the City of Calabasas and approximately 8 acres of uninhabited territory and 4 acres of inhabited territory will be annexed to the City of Hidden Hills.

- B. "Effective Date" has the meaning set forth in section 3.
- C. "Fiscal year" means any year commencing on July 1 of any calendar year and ending on June 30 of the subsequent year.
- D. "Property Tax Revenue" means the revenue from ad valorem taxes on real property within the meaning of California Constitution article XIII A, section 1 and Revenue and Taxation Code section 95(c) that is levied and collected from within the Annexation Area.

3. EFFECTIVE DATE

This Agreement shall become effective on the date of the filing of the statement of boundary change for the Annexation Area with the State Board of Equalization and the Auditor-Controller and Assessor of the Los Angeles County pursuant to Government Code sections 54902 and 57204.

4. AGREEMENT TO SHARE SPECIFIED PROPERTY TAX REVENUE

- (a) The sharing of specified Property Tax Revenue shall commence the first fiscal year following the Effective Date, unless LAFCO establishes a different effective date for Reorganization 2014-03, in which case this Agreement shall begin on the first day of the next fiscal year following the effective date set for the Reorganization No. 2014-03 by LAFCO. Pursuant to the provisions of Revenue and Taxation Code section 99.02, upon approval of this Agreement the Parties shall each provide notice of the approved transfer to the Los Angeles County Auditor-Controller and request the County Auditor-Controller to implement this transfer agreement.
- (b) If the Los Angeles County Auditor-Controller agrees to implement this transfer agreement, or if not, by direct action by the City of Calabasas, the City of Hidden Hills shall receive twenty-five percent (25%) of the property tax revenues attributable to the City of Calabasas for the following tax rate areas, which are the tax rate areas for the approximately 164± acres of inhabited territory annexed into the City of Calabasas upon the approval of Reorganization No. 2014-03, which shall be included in the Los Angeles County Auditor-Controller’s allocation of property tax revenue for the City of Hidden Hills:

Tax Rate Area	Tax Rate Area	Tax Rate Area
4169	9002	12657

4930	9003	12917
4945	9024	12918
4971	9040	14132
5476	9244	14133
5988	11213	14141
6108	11855	15159
9000	12656	15160

- (c) If the Los Angeles County Auditor-Controller does not agree to implement this transfer agreement for any fiscal year or portion thereof, then the City of Calabasas shall pay to the City of Hidden Hills twice each Fiscal Year, within 90 days of its receipt of each twice annual property tax payment from the Los Angeles County Auditor-Controller, twenty-five percent (25%) of the property tax revenues attributable to the City of Calabasas for the preceding tax rate areas, which are the tax rate areas for the approximately 164± acres of inhabited territory annexed into the City of Calabasas upon the approval of Reorganization No. 2014-03. The Parties agree that the calculation of the amount to be remitted by the City of Calabasas to the City of Hidden Hills shall be based on such information as is provided by the Los Angeles County Office of the Assessor, Auditor-Controller, and Treasurer & Tax Collector, and such information as the City of Calabasas is provided by its tax consulting firms. The City of Calabasas will make all such information on which it bases each payment available to the City of Hidden Hills.

5. NOTICES

Notices to Calabasas or Hidden Hills shall be in writing and mailed or personally delivered as follows:

Hidden Hills City Council
c/o Interim City Manager Marcella Marlowe
6165 Spring Valley Road
Hidden Hills, CA 91302

With a copy to:
Michael Jenkins
Hidden Hills City Attorney
Best, Best & Krieger
300 South Grand Ave., 25th Floor
Los Angeles, CA 90071

Calabasas City Council
c/o City Manager Kindon Meik
100 Civic Center Way
Calabasas, CA 91302

With a copy to:
Matthew Summers
Calabasas City Attorney
Colantuono, Highsmith & Whatley, PC
790 E. Colorado Blvd., Suite 850
Pasadena, CA 91101

6. NEGOTIATED AGREEMENT

It is agreed and understood by the parties hereto that this agreement has been arrived at through negotiation and that neither party is to be deemed the party which prepared this agreement within the meaning of Civil Code Section 1654.

7. NO THIRD-PARTY BENEFICIARY

Except as expressly stated herein, there is no intended third party beneficiary of any right or obligation assumed by the parties.

8. WAIVER

The waiver by Calabasas or Hidden Hills of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same or any other term, covenant or condition herein. No term, covenant or condition of this Agreement shall be deemed to have been waived by Calabasas or Hidden Hills unless in writing signed by one authorized to bind the party asserted to have consented to the waiver.

9. COUNTERPARTS

This Agreement may be executed in two (2) or more counterparts, all of which together shall constitute a single agreement, and each of which shall be an original for all purposes.

10. SEVERABILITY

If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be unconstitutional, invalid or unenforceable, then such term or provision shall be amended to, and solely to, the extent necessary to cure such invalidity or unenforceability, and in its amended form shall be enforceable. In such event, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each

term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

11. CAPTIONS

The captions appearing at the commencement of the paragraphs hereof, and in any subdivision thereof, are descriptive only and for convenience in reference to this Agreement. Should there be any conflict between such heading, and the section or paragraph at the head of which it appears, the section or paragraph, and not such heading, shall control and govern in the construction of this Agreement. Masculine or feminine pronouns shall be substituted for the neuter form and vice versa, and the plural shall be substituted for the singular form and vice versa, in any place or places herein in which the context requires such substitution(s).

12. 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 each Party's actions under this Agreement.

13. AMENDMENT

This Agreement and all of the covenants and conditions set forth herein may be modified or amended only by a writing duly authorized and executed by the Parties after approval by each Party's City Council.

14. REFORMATION

The Parties understand and agree that this Agreement is based upon existing California law and that such law may be substantially amended in the future. In the event California law is amended and this Agreement is rendered invalid or otherwise substantially affected in a manner that denies either party the full benefit of its terms, the Parties agree to renegotiate the Agreement in good faith with the goal of reaching a new arrangement that as closely as possible approximates the arrangement set forth herein.

15. MUTUAL DEFENSE

If this Agreement is challenged in any legal action by a person or entity other than Calabasas or Hidden Hills, then Calabasas and Hidden Hills agree to defend jointly against the legal challenge and to bear equally any award of liability, costs, or attorney's fees, against Calabasas, Hidden Hills, or both of them.

16. ENTIRE AGREEMENT

This instrument contains the entire Agreement between the Parties with respect to the matters contemplated herein. No other prior oral or written agreements are binding upon the parties.

IN WITNESS WHEREOF, the parties have executed this agreement as of the date set forth above.

CITY OF HIDDEN HILLS

CITY OF CALABASAS

Eniko Gold, Mayor

Alicia Weintraub, Mayor

ATTEST:

ATTEST:

Deana L. Gonzalez, City Clerk

Analuz Mendoza, CMC, Interim City Clerk

APPROVED AS TO FORM:

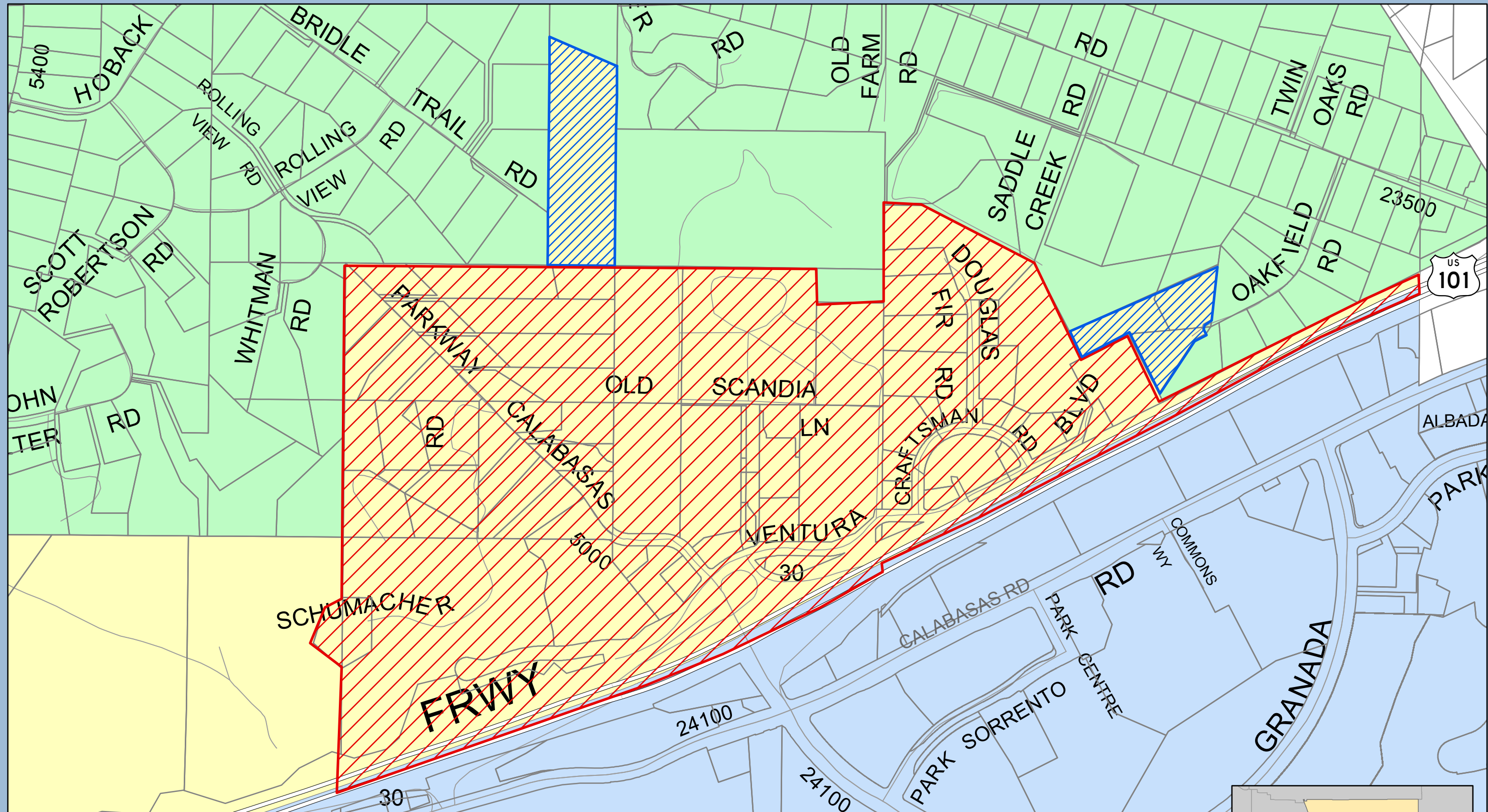
APPROVED AS TO FORM:

Michael Jenkins, City Attorney

Matthew T. Summers, City Attorney

ATTACHMENT B

Craftsman Corner Annexation Area Map



Legend

- Annexation Area to the City of Hidden Hills
- Annexation Area to the City of Calabasas
- Parcels
- City of Hidden Hills
- County Unincorporated
- City of Calabasas

Reorganization No. 2014-03 to the City of Calabasas

