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COMMUNITY SERVICES DISTRICT

January 30, 2015

Jan Lopez  
Shasta LAFCO  
2516 Goodwater Avenue, Suite A  
Redding, CA 96002

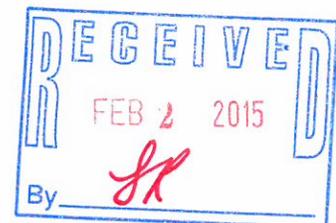
Dear Mrs. Lopez,

Enclosed for your records, is a copy of Resolution 2015-1 authorizing the negotiated transfer of property tax revenue and annual tax increment to Shasta Community Services District resulting from the Foxwood Unity #2 re-organization; as well as a copy of the Transfer Agreement between the two Districts.

Please contact the District Office should you require additional information.

Thank you,

Tina Teuscher  
District Secretary



**RESOLUTION 2015-01**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE CENTERVILLE COMMUNITY SERVICES DISTRICT  
AUTHORIZING NEGOTIATED TRANSFER OF PROPERTY TAX REVENUE AND  
ANNUAL TAX INCREMENT TO SHASTA COMMUNITY SERVICES DISTRICT  
RESULTING FROM FOXWOOD UNIT #2 REORGANIZATION.**

**WHEREAS**, the Centerville Community Services District is organized and established pursuant to provisions of law codified in California's Government Code at Section 610000, et seq; and

**WHEREAS**, the Centerville Community Services District has been providing domestic water supply and related delivery and other services to 104.94 acres of land within its jurisdictional sphere of influence commonly known as the Foxwood Unit 2 development; and

**WHEREAS**, the Shasta Community Services District intends to annex 47.84 acres of the 104.94 acres of Foxwood land presently within the sphere of influence of the Centerville Community Services District, as reflected in LAFCO File No. 2014-01, and thereafter accept all legal rights, duties and responsibilities expected of a Special District with respect to the 47.84 acres of land to be annexed; and

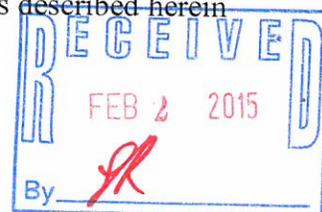
**WHEREAS**, the Centerville Community Services District will no longer have jurisdictional authority over, or legal rights, duties and responsibilities expected of a Special District with respect to the land following the annexation by Shasta Community Services District of the 47.84 acres of Foxwood land, and, on that basis, agrees to transfer a proportionate share of its property tax revenues and tax increment to Shasta Community Services District; and

**WHEREAS**, the Shasta County Assessor has determined, as required by Revenue and Taxation Code Section 99(b)(1)(A), that the Centerville Community Services District's estimated Property Tax Revenue allocation derived from Foxwood for 2014/2015 is \$18.48, comprised of \$18.40 in base tax revenues, and an .08 cent tax increment, and

**WHEREAS**, the proposed reorganization will result in 45.6% of area of Foxwood presently under the Centerville Community Services District's sphere of influence being transferred into the Shasta Community Services District's jurisdictional sphere of influence; and

**WHEREAS**, in the case of a jurisdictional change, other than a city incorporation or district formation, that will alter the service area or responsibility of a local agency, Revenue and Taxation Code Section 99(a)(1) requires that the amount of property tax revenue to be exchanged, if any, and the amount of annual tax increment to be exchanged among the affected local agencies, shall be determined by negotiation; and

**WHEREAS**, the required negotiations have occurred concerning the transfer of property tax revenues and annual tax increments between Centerville CSD and Shasta CSD pursuant to Section 99(a)(1) for the reorganization and accompanying jurisdictional changes described herein and reflected in LAFCO File No. 2014-01; and



**WHEREAS**, Revenue and Taxation Code Section 99(b)(6) requires that each local agency, upon completion of negotiations, adopt resolutions whereby said local agencies agree to accept the negotiated exchange of property tax revenues, if any, and annual tax increment and requires that each local agency transmit a copy of each such resolution to the Executive Officer of the LAFCO;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Centerville Community Services District as follows:

- a. De-annexation and Reorganization: The Centerville Community Services District hereby adopts this resolution approving the de-annexation of the 47.84 acres of Foxwood land and their subsequent reorganization to the jurisdictional sphere of influence of the Shasta Community Services District as reflected in LAFCO File. No. 2014-01, after which the Centerville Community Services District shall have no further jurisdiction, right, interest, duty or obligation over or in the de-annexed property.
- b. Transfer of Allocated Property Tax Revenues: The Centerville Community Services District shall transfer to the Shasta Community Services District 45.6% of the base property tax revenue derived from the 47.84 acres subject to the contemplated de-annexation and reorganization. The monetary sum of base property tax revenues to be transferred from Centerville CSD to Shasta CSD is presently calculated to be \$8.3904.
- c. Transfer of Allocated Tax Increment: The Centerville Community Services District shall transfer to the Shasta Community Services District 45.6% of the tax increment derived from the 47.84 acres subject to the contemplated de-annexation and reorganization. The monetary sum of the tax increment to be transferred from Centerville CSD to Shasta CSD is presently calculated to be \$.03648.
- d. Subsequent Years: The reallocation and transfer of the annual base property tax and tax increment resulting from the de-annexation and subsequent reorganization of the 47.84 acres of Foxwood land into the jurisdictional sphere of influence of the Shasta Community Services District shall occur in fiscal year 2015-2016 and each fiscal year thereafter.
- e. Writing: The Centerville Community Services District shall enter into a written agreement with the Shasta Community Services District to effect the terms of this resolution as soon as is practicable.
- f. The District Secretary of the Centerville Community Services District is authorized and directed to transmit a certified copy of this Resolution to the Executive Officer of the Shasta LAFCO, who shall then distribute copies in the manner prescribed by law.

**PASSED AND ADOPTED** this 14<sup>th</sup> day of January, 2015, by the Centerville Community Services District by the following vote:

AYES: Directors Richison, Woodstrom, Newman, Willis and Whitehead

NOES: None

ABSENT: None



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Walt Richison  
Centerville Community Services District  
Board President

ATTEST:



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Tina Teuscher  
Secretary to the Board

**Centerville Community Services District Agreement No. 01**  
**Shasta Community Services District Agreement No. \_\_\_\_\_**

**TRANSFER AGREEMENT REGARDING NEGOTIATED EXCHANGE OF PROPERTY TAX REVENUES AND TAX INCREMENT BETWEEN THE CENTERVILLE COMMUNITY SERVICES DISTRICT AND THE SHASTA COMMUNITY SERVICES DISTRICT RESULTING FROM THE DE-ANNEXATION AND REORGANIZATION OF LAND COMMONLY KNOWN AS FOXWOOD UNIT #2 DEVELOPMENT.**

**PURPOSE OF AGREEMENT**

The general purpose of this agreement is to transfer a proportionate share of the net property tax revenues and tax increment apportioned to Centerville CSD on the basis of territory within its jurisdictional sphere of influence, commonly known as the Foxwood Unit 2 development (Foxwood), to Shasta CSD, on the basis of a reorganization of Shasta's sphere of influence to include 47.84 acres of Foxwood property, which reorganization will, upon completion, alter the service area of responsibility of both Centerville CSD and Shasta CSD.

This Agreement is made and entered into as of January 14, 2015, by and between the CENTERVILLE COMMUNITY SERVICES DISTRICT, ("Centerville"), and the SHASTA COMMUNITY SERVICES DISTRICT, ("Shasta").

**RECITALS**

**WHEREAS**, Centerville and Shasta are Special Districts organized and established pursuant to provisions of law codified in California's Government Code at Section 610000, et seq; and

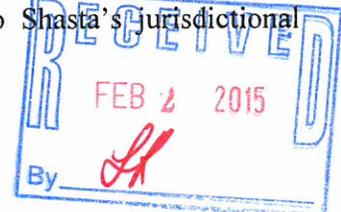
**WHEREAS**, Centerville has been providing domestic water supply and related delivery and other services to the 104.94 acres of land within its jurisdictional sphere of influence known as Foxwood; and

**WHEREAS**, the Shasta County Assessor has determined, as required by Revenue and Taxation Code Section 99(b)(1)(A), that Centerville's estimated Property Tax Revenue allocation derived from Foxwood for 2014/2015 is \$18.40, comprised of \$18.40 in base tax revenues, and an .08 cent tax increment, and

**WHEREAS**, Shasta would like to annex 47.84 acres of the 104.94 acres of Foxwood land presently within the sphere of influence of Centerville, as reflected in LAFCO File No. 2014-01, and accepts all legal rights duties and responsibilities expected of a Special District with respect to the 47.84 acres of land to be annexed; and

**WHEREAS**, Centerville will no longer have jurisdictional authority or legal rights duties and responsibilities expected of a Special District following the annexation by Shasta of the 47.84 acres of Foxwood land, and, on that basis, agrees to transfer a proportionate share of its property tax revenues and tax increment to Shasta; and

**WHEREAS**, the proposed reorganization will result in 45.6% of area of Foxwood presently under Centerville's sphere of influence being transferred to Shasta's jurisdictional sphere of influence; and



**WHEREAS**, in the case of a jurisdictional change, other than a city incorporation or district formation, that will alter the service area or responsibility of a local agency, Revenue and Taxation Code Section 99(a)(1) requires that the amount of property tax revenue to be exchanged, if any, and the amount of annual tax increment to be exchanged among the affected local agencies, shall be determined by negotiation; and

**WHEREAS**, Revenue and Taxation Code Section 99(b)(4) provides that the exchange to be negotiated may be limited to an exchange of property tax revenues from the annual tax increment generated by the area subject to jurisdictional change; and

**WHEREAS**, Revenue and Taxation Code Section 99(b)(6) requires that each local agency, upon completion of negotiations, adopt resolutions whereby said local agencies agree to accept the negotiated exchange of property tax revenues, if any, and annual tax increment and requires that each local agency transmit a copy of each such resolution to the Executive Officer of the LAFCO; and

**WHEREAS**, the required negotiations have occurred concerning the transfer of property tax revenues and annual tax increments between Centerville and Shasta pursuant to Section 99(a)(1) for the reorganization and accompanying jurisdictional changes described in this agreement and reflected in LAFCO File No. 2014-01; and

**WHEREAS**, the parties will comply with the technical requirements of Revenue and Taxation Code Section 99 and adopt the required resolutions forthwith,

**NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:**

**PART I.**

**PREREQUISITE ACTIONS**

- a. Prior to the actual transfer of the proportionate share of property tax revenues and tax increment from Centerville to Shasta taking effect, Centerville and Shasta shall take all necessary actions required by law and under this agreement to permit LAFCO to act upon LAFCO File No. 2014-01 as soon as practicable.

**PART II.**

**TRANSFER OF PROPERTY TAX REVENUE AND TAX INCREMENT**

- a. Transfer of Allocated Property Tax Revenues. Centerville agrees to and shall transfer to Shasta, and Shasta agrees to and shall accept and receive from Centerville, 45.6% of the base property tax revenue derived from the 47.84 acres subject to the contemplated reorganization. The monetary sum of base property tax revenues to be transferred from Centerville to Shasta is presently calculated to be \$8.3904.
- b. Transfer of Allocated Tax Increment. Centerville agrees to and shall transfer to Shasta, and Shasta agrees to and shall accept and receive from Centerville, 45.6% of the tax increment derived from the 47.84 acres subject to the contemplated reorganization. The monetary sum of the tax increment to be transferred from Centerville to Shasta is presently calculated to be \$.03648.

- c. Subsequent Years. The reallocation and transfer of the annual base property tax and tax increment resulting from the de-annexation and subsequent reorganization of the 47.84 acres of Foxwood land into the jurisdictional sphere of influence of the Shasta Community Services District shall occur in fiscal year 2015-2016 and each fiscal year thereafter.
- d. Effective Date of Agreement: This Agreement shall become effective upon execution by the parties by or through their designated representative(s). The Base Property Tax and Tax Increment transfer provisions shall become effective if and when the reorganization described herein and reflected in LAFCO File. No 2014-01, is completed and upon recordation of the LAFCO Executive Officer's Certificate of Completion of annexation(s) of the affected properties. The contemplated transfers of Base Property Tax and Tax Increment, as described herein, shall only become effective with respect to the annexed 47.84 acres of Foxwood property by Shasta.

### PART III.

#### GENERAL PROVISIONS

- a. Warranty of Legal Authority. Each party to this agreement warrants and covenants that it has the present legal authority to enter into this Agreement and to perform the acts required of it hereunder. If any party is found to lack the authority to perform the acts required of it hereunder or is prevented from performing the acts by a court of competent jurisdiction, this Agreement shall be null and void.
- b. Assignment/Delegation. Neither party hereto shall assign, or transfer any benefit or obligations of this Agreement without the prior written consent of the other, and no assignment shall be of any force or effect whatsoever unless and until the other party shall have so consented.
- c. Severability. In the event any provision of this Agreement is held to be invalid or unenforceable, the valid or enforceable portion thereof and the remaining provisions of this Agreement will remain in full force and effect.
- d. Waiver. Any waiver (express or implied) by either party of any breach of this Agreement shall not constitute a waiver of any other or subsequent breach.
- e. Construction. Headings and captions to the provisions of this Agreement are solely for reference and convenience and are not part of the agreement. Headings and captions shall not be used to interpret or determine the validity of this Agreement. Any ambiguity in this Agreement shall not be construed against the drafter, but rather, the terms and provisions of this Agreement shall be given a reasonable interpretation as if both parties had drafted the agreement.
- f. Notices. Whenever notice is to be given, it shall be in writing and delivered by personal, overnight express or courier service, with a written receipt, or sent by registered or certified mail in a sealed envelope, postage prepaid, return receipt requested and addressed as follows:

Chris Muehlbacher, District Manager  
Centerville Community Services District  
8930 Placer Road  
Redding, California 96001

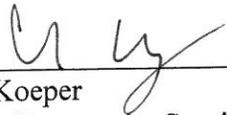
Chris Koeper, General Manager  
Shasta Community Services District  
10711 French Alley  
Shasta, California 96087

Changes may be made in addresses to where notices are to be delivered by giving notice pursuant to this provision.

- g. Entire Agreement. This document is intended both as the final expression of the agreement between the parties hereto with respect to the included terms, and as a complete and exclusive statement of the terms of the Agreement. This Agreement may be executed in counterparts, each of which shall constitute an original.
- h. Amendment. This Agreement may only be amended in writing by an amendment authorized by the governing body of each party, by LAFCO, or the County Board of Supervisors, and only as necessary to carry out the purpose of the Agreement or to cause such agreement to conform to applicable laws.
- i. Recitals Adopted. The parties hereby agree to, and adopt, the Agreement recitals as portions of the Agreement.
- j. Copy to Interested Persons. The Clerk of the Board of Directors of each party shall, upon execution of the agreement by each party's designee, forward a copy of this Agreement to the Auditor-Controller for Shasta County and to the Executive Officer of LAFCO.

IN WITNESS WHEREOF, this Agreement was executed by the parties hereto as of the date first above written.

By:   
Chris Muehlbacher  
Centerville Community Services District

By:   
Chris Koeper  
Shasta Community Services District

ATTEST:

ATTEST:

  
Tina Teuscher  
Secretary

  
Anita Wecks  
Secretary

Authorized by Resolution 2015-01  
Adopted by District Board of Directors  
on January 14, 2015.

Authorized by Resolution No. \_\_\_\_  
adopted by District Board of Directors  
on \_\_\_\_\_.