



REPORT TO THE CITY COUNCIL

AGENDA ITEM NO. 1 F
COUNCIL MEETING 3/29/12

March 29, 2012

FROM: MARK SCOTT, City Manager/Interim Director
Development and Resource Management Department

DEPARTMENT DIRECTOR

BY: CRAIG AGABASHIAN, Administrative Manager
Development and Resource Management Department

CITY MANAGER

SUBJECT: ADOPT THE 61st AMENDMENT TO THE ANNUAL APPROPRIATION RESOLUTION NO. 2011-133 APPROPRIATING \$262,700 IN SALES TAX REVENUES TO FUND THE FRESNO COUNTY FIRE PROTECTION DISTRICT TRANSITION FEE

RECOMMENDATION

Staff recommends that the City Council adopt the 61st amendment to the Annual Appropriations Resolution No. 2011-133 appropriating \$262,700 in sales tax revenues to fund the Fresno County Fire Protection District Transition Fee.

EXECUTIVE SUMMARY

On November 20, 2003, the City entered a Fire Transition Agreement with the Fresno County Fire Protection District (District). The Transition Agreement was intended to partially compensate the District for its loss of revenue upon annexation of properties into the City and their detachment/transition from the District's fire services. The City's practice is to collect the Fire Transition Fees from the annexation's developer/applicant and then remit them to the District. For City driven proactive annexations, the City is responsible for and remits the related fees to the District. The 61st Amendment to the Annual Appropriations Resolution No. 2011-133 is to appropriate funds to make a payment to the District for fire transition fees that developers have not paid, or are due on a City driven annexation (see below table). Staff will continue to attempt collection of these fees from the related developers, but the fees are due to the District. Any subsequent collection of these fees from these developers will be returned to the General Fund.

The following table represents the fees currently due based on the City of Fresno's calculations.

Annexation Name	Developer	Original Due Date	\$ Amount Due from Developer	\$ Amount Needed from General Fund	\$ Amount Due to District
Shields Armstrong No.3	None (LAFCo square off)	FY10	0	3,298	3,298
Clinton Fowler No.1	Assemi / Locans	FY10	171,863	171,863	171,863
Maple Dakota	City proactive	FY11	0	41,803	41,803
Clovis Jensen No.4	SA Group Properties	FY12	*45,684	*45,684	92,154
Totals			217,547	262,648	309,118

* Partial fee of \$46,470 has previously been collected from developer.

Ex 1

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF FRESNO ADOPTING THE 61st AMENDMENT TO THE ANNUAL APPROPRIATION RESOLUTION NO. 2011-133 APPROPRIATING \$262,700 IN SALES TAX REVENUES TO FUND THE FRESNO COUNTY FIRE PROTECTION DISTRICT TRANSITION FEE

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FRESNO:

THAT PART III of the Annual Appropriation Resolution No. 2011-133 be and is hereby amended as follows:

	<u>Increase/(Decrease)</u>
TO: FINANCE DEPARTMENT	
General Fund	\$ 262,700

THAT account titles and numbers requiring adjustment by this Resolution are as follows:

General Fund

Revenues:

Account: 31301 Sales & Use	\$ <u>262,700</u>
Fund: 10101	
Org Unit: 520501	

Total Revenue \$ 262,700

Appropriations:

Account: 58010 Taxes & Bond Premiums	\$ <u>262,700</u>
Fund: 10101	
Org Unit: 520601	

Total Appropriations \$ 262,700

THAT the purpose is to appropriate \$262,700 in Sales and Use Taxes to fund the Fresno County Fire Protection District Transition Fee.

CLERK'S CERTIFICATION

STATE OF CALIFORNIA }
COUNTY OF FRESNO } ss.
CITY OF FRESNO }

I, YVONNE SPENCE, City Clerk of the City of Fresno, certify that the foregoing Resolution was adopted by the Council of the City of Fresno, California, at a regular meeting thereof, held on the _____ Day of _____, 2012

AYES:
NOES:
ABSENT:
ABSTAIN:

Mayor Approval: _____, 2012
Mayor Approval/No Return: _____, 2012
Mayor Veto: _____, 2012
Council Override Veto: _____, 2012

YVONNE SPENCE, CMC
City Clerk

TRANSITION AGREEMENT BETWEEN THE
CITY OF FRESNO
AND THE
FRESNO COUNTY FIRE PROTECTION DISTRICT
REGARDING TRANSFER OF CERTAIN
GENERAL AD VALOREM REAL PROPERTY TAX
REVENUE GENERATED BY ANNEXATIONS

THIS IS AN AGREEMENT dated for convenience as of Nov. 20, 2003, by and between the CITY OF FRESNO, a charter city and municipal corporation of the State of California ("CITY"), and the FRESNO COUNTY FIRE PROTECTION DISTRICT, a local fire protection district in the County of Fresno, State of California (organized and operated pursuant to the Fire Protection District Law of 1987, Health and Safety Code Sections 13800 et seq.) ("DISTRICT").

Recitals

(1) DISTRICT currently is the primary provider of fire protection service and receives general purpose ad valorem property tax revenue from real property within its territorial limits, such revenue being based on application of the combined "parent zone" and applicable "service zone" rates to the taxable value of the real property within such territory.

(2) DISTRICT's current territorial limits include certain unincorporated territory in DISTRICT's Service Zone 10 within which DISTRICT is the primary provider and also receives such revenue.

(3) Expansion of CITY's incorporated territory may include the detachment of territory from DISTRICT's Service Zone 10 and the transfer of such territory to CITY.

(4) Under Government Code Section 57202, DISTRICT is immediately relieved of such primary provider obligation for detached territory upon the effective date of any such detachment. Pursuant to Government Code Sections 54902 and 54902.1, DISTRICT may continue as a taxing agency in such territory for an additional period of time, up to eighteen (18) months, depending upon when the Statement of Change is filed with the County Auditor and Assessor, and continue to receive such property tax revenues.

(5) Without affecting CITY's obligation to assume the primary provider obligation for detached territory as of the effective date of any such detachment, CITY and DISTRICT wish to provide longer transition periods and more gradual phase-outs of DISTRICT's receipt of revenue from detached territories after the effective date of such detachment for the purpose of mitigating the economic effects of such detachments on DISTRICT's ability to provide fire protection service in the remainder of its jurisdiction, for the mutual benefit of CITY and DISTRICT.

(6) The parties intend by this Agreement that after CITY begins

receiving property tax revenues from territory detached from DISTRICT and annexed to CITY, CITY shall, at the times and over the periods described below, transfer to DISTRICT the Base Year property tax revenues described below. CITY shall retain all other tax revenues from the detached/transferred territory.

(7) The parties intend to provide different schedules for property tax revenue transfers in recognition of the different levels of service required for different territories based on the state of development of those territories prior to annexation.

(8) As more specifically described below, the parties intend by this Agreement that for annexations determined to be "not substantially developed" prior to annexation, CITY shall pay to DISTRICT an amount equal to 90 percent of the Base Year Revenues generated by such annexed territory for a period of ten (10) years. CITY shall pay such aggregate amount to DISTRICT within 60 days after the end of the fiscal year during which CITY commences to receive its apportioned share of the general purpose *ad valorem* property tax revenues from the annexed territory.

(9) As more specifically described below, that parties intend by this Agreement that for annexations determined to be "substantially developed" prior to annexation, CITY shall pay to DISTRICT an amount equal to one hundred percent (100%) of Base Year Revenue for the first year; eighty percent (%80) of Base Year Revenue for the second year; sixty percent (60%) of Base Year Revenue for the third year; forty percent (%40) of Base Year Revenue for the fourth year; and twenty percent (20%) of Base Year Revenue of the fifth year. City will pay this aggregate amount in a lump sum within sixty (60) days after the end of the fiscal year in which CITY commences to receive CITY's apportionment of general purpose *ad valorem* real property tax revenue from the annexed territory. Annexations in which the total property tax revenue transfer to DISTRICT will exceed \$100,000 shall be exempt from the terms of this agreement and be subject to separate negotiation between CITY and DISTRICT. Unless and until such a separate agreement is entered into by CITY and DISTRICT for an exempt annexation, it shall be deemed that no transition agreement exists between CITY and DISTRICT for such annexation.

(10) The parties wish to provide a clear means of administration and dispute resolution for purposes of this Agreement.

NOW, THEREFORE, CITY and DISTRICT agree as follows:

Section 1. Effect of Recitals

The foregoing recitals are true and correct and are part of this Agreement. They constitute the fundamental reasons for and basic tenets of this Agreement.

Section 2. Definitions/Interpretation of Agreement

2.1 Unless the particular provision or context otherwise

requires, the definitions contained in this section (construed against the background of California laws as of the date of this Agreement regarding annexations [Government Code Sections 56000, et seq.] and real property taxation [Constitution, Article 13A; Division 1 of the Revenue and Taxation Code relating to "Property Taxation"]) shall govern the construction, meaning, interpretation and application of such words in this Agreement, taking into account the fundamental reasons and basic tenets for same.

2.2 "Annexation" means a specific territorial area described in an executed "Certificate of Completion" for a completed change of organization or reorganization which effects a detachment of territory from DISTRICT and a transfer of same to CITY as of the effective date specified.

2.3 "Taxable value" means the value of real property ("land" and "improvements") within an annexation determined in accordance with law as shown by the equalized property tax roll of the Fresno County Assessor for the applicable determination date.

2.4 "Substantially developed" means that the taxable value of the "land" portion of the property in relation to the taxable value of the "improvements" portion of the property is equal to or greater than 1.25 to 1 as shown by the equalized property tax roll of the Fresno County Assessor. For such annexation as of the applicable determination date. For example, if a parcel's land value is \$100,000.00 and the value of the real property improvements located on the parcel is \$150,000.00, the parcel is "substantially developed" because the ratio of the value of the real property improvements to the land value is 1:5 to 1:0.

2.5 "Effective date" means the date detachment of an annexation from DISTRICT becomes effective under Government Code Section 57202.

2.6 "LAFCO" means the Local Agency Formation Commission of Fresno County.

2.7 "Approval" means the date LAFCO adopts its "Resolution Making Determinations" leading to an annexation.

2.8 "Tax lien date" means the annual March 1 date utilized to fix the annual equalized tax roll for the succeeding fiscal year.

2.9 "Fiscal year" means the July 1 June 30 fiscal year utilized for property tax purposes.

2.10 "Initial determination date" for an annexation means the tax lien date for the fiscal year in which LAFCO gives approval leading to that particular annexation. (For example, March 1, 2002 would be the "initial determination date" for any annexation which receives LAFCO approval between July 1, 2002 through June 30, 2003.)

2.11 "Subsequent determination date(s)" for an annexation means the succeeding tax lien date(s) after the initial determination date for that particular annexation.

2.12 (a) "Base Year Revenue" for an annexation means the amount derived by adding together the general purpose *ad valorem* equivalent real property tax rates for DISTRICT's "parent zone" and "Service Zones" 10, 2 and 5 for the tax rate area(s) in such annexation for the fiscal year of LAFCO's approval and then multiplying the combined rate(s) so derived times the taxable value of the tax rate area(s) of such annexation as of the initial determination date for such annexation. "Base Year Revenue" also includes the amount (if any) of State reimbursement for the homeowner's and business inventory exemptions in such annexation which DISTRICT would otherwise receive from such annexation, but only to the extent CITY receives such reimbursement instead. "Base Year Revenue" does not include any revenue from any annexation which is derived from any subsequent increase in equivalent real property tax rates no matter how or when such increase(s) is/are authorized. "Base Year Revenue" also does not include any revenue derived from increases in taxable value resulting from sales or improvement of real property occurring within an annexation after the initial determination date. For purposes of computing CITY's revenue transfer obligations to DISTRICT under this Agreement, "Base Year Revenue" for each annexation shall be adjusted effective July 1 of each relevant year, but only for any decline in taxable value of the real property in such annexation pursuant to Section 51 of the California Revenue and Taxation Code which results in CITY receiving less than 100 percent of the applicable "Base Year Revenue" for such annexation, such adjustment to effect reductions in the respective amounts of "Base Year Revenue" received by CITY and DISTRICT so that their respective percentage shares of same for the applicable year shall be in accordance with the schedules set forth in subsection (b).

(b) The process for deriving "Base Year Revenue" is as follows:

(i) "Base Year Revenue" for an annexation means the amount derived by: multiplying the Equivalent Tax Rate (ETR) by the Total Taxable Value (TTV) of the annexation; where the ETR equals the sum of the Equivalent Tax Rate for the Parent Zone (ETRPZ) plus the Equivalent Tax Rate for Service Zone 10 (ETRZ10); where the ETRPZ equals the Net Tax Levy for the Parent Zone (NTLPZ) divided by the Taxable Value for the Parent Zone (TVPZ); and where ETRZ10 equals the Net Tax Levy of Service Zone 10 (NTLZ10) divided by the Taxable Value of Service Zone 10 (TVZ10)

(ii) Expressed as equations, the calculations shall be made as follows:

$$\text{BYR} = \text{ETR} \times \text{TTV}$$

$$\text{ETR} = \text{ETRPZ} + \text{ETRZ10}$$

$$\text{ETRPZ} = \text{NTLPZ} / \text{TVPZ}$$

(iii) BYR means "Base Year Revenue"
ETR means "Equivalent Tax Rate"
TTV means "Total Taxable Value"
ETRPZ means "Equivalent Tax Rate for Parent Zone"
ETRZ10 means "Equivalent Tax Rate for Service Zone 10"

NTLPZ means "Net Tax Levy for Parent Zone"
 TVPZ means "Taxable Value for Parent Zone"
 NTLZ10 means "Net Tax Levy of Service Zone 10"
 TVZ10 means "Taxable Value of Service Zone 10"

(iv) Example of Calculation of Base Year Revenue (BYR):

Assessed Value of Land:	\$100,000	
Assessed Value of Improvements:	\$50,000	
Total Assessed Value:	\$150,000	TTV
Ratio of Improvements to Land Value:	50%	

Net Tax Levy of Parent Zone:	\$6,024,555	NTLPZ
Net Tax Levy of Zone 10:	\$2,234,905	NTLZ10

Total Tax Levy: \$8,259,460

Assessed value of Parent Zone:	\$7,764,075,494	TVPZ
Assessed value of Zone 10:	\$2,095,284,049	TVPZ10
Total Assessed value:	\$9,859,359,543	

Equivalent Tax Rate (ETR) - Parent Zone: $0.077595\% \text{ ETRPZ} = \text{NTLPZ} / \text{TVPZ}$

Equivalent Tax Rate (ETR) - Zone 10: $0.106664\% \text{ ETRZ10} = \text{NTLZ10} / \text{TVZ10}$

Combined ETR - Parent + Zone 10: $0.184259\% \text{ ETR} = \text{ETRPZ} + \text{ETRZ10}$

Base Year Revenue: \$276.39 BYR = ETR * TTV

2.13 "Any *ad valorem* real property tax revenue which is attributable to such annexation on and after its effective date which has been received by DISTRICT as a taxing agency" means all property tax revenue received by DISTRICT which would have been received by CITY if, as of the effective date of such annexation:

(a) DISTRICT had ceased being a taxing agency in such annexation; and

(b) General purpose *ad valorem* property tax revenues had been prorated between DISTRICT and CITY and paid directly to each of them.

2.14 "Primary provider" means the local entity which has the primary responsibility for providing personnel and equipment to the scene of an emergency except as modified by separate instant or mutual aid agreements.

Section 3. Revenue Transfers From CITY to DISTRICT

3.1 CITY shall transfer revenue to DISTRICT for each annexation

covered by this Agreement, all as set forth in more detail in Sections 3.2, 3.3 and 3.4 below. Sums due to DISTRICT under this Agreement shall become due and payable by CITY sixty (60) days after the end of the fiscal year during which CITY commenced to receive CITY's apportionment of general purpose *ad valorem* real property tax revenue from such annexation.

3.2 With regard to each annexation covered by this Agreement, CITY shall notify DISTRICT in writing of CITY's initial determination of the relevant items described below within a reasonable time not to exceed forty-five (45) days after the date of completion of such annexation:

(a) The effective date of detachment from DISTRICT of such annexation.

(b) The fiscal year of LAFCO's approval of such annexation.

(c) Such annexation's status as "not substantially developed" or "substantially developed" as of the initial determination date.

(d) The initial "Base Year Revenue" for such annexation.

(e) The basis for (and calculation of) any reduction(s) CITY claims against its obligation to transfer revenue as provided in Section 3.4, below.

Unless DISTRICT gives written notice to CITY of its disagreement within forty-five (45) days after CITY's notice, of a particular determination hereunder, such determination shall be conclusively deemed correct. If DISTRICT gives timely notice of disagreement, the matter shall be resolved as set forth in Section 7.8 below.

3.3 Commencing with the first fiscal year in which CITY (instead of DISTRICT) receives general purpose *ad valorem* real property tax revenue from an annexation, at the times described in Section 3.1 above, CITY shall transfer revenue to DISTRICT in accordance with the formulas and schedules set forth in Section 3.4 below.

3.4 Commencing with the effective date of detachment of each annexation, CITY shall be obligated to transfer to DISTRICT the following percentages of "Base Year Revenue" for that annexation; provided, such transfer obligation of CITY shall be reduced by the

amount of any *ad valorem* real property tax revenue attributable to such annexation on and after its effective date which has been received by DISTRICT as a taxing agency.

(a) For Annexations Which are Determined as of the Initial Determination Date to be NOT Substantially Developed:

Ninety (90%) percent for ten (10) years. This entire amount shall be paid to DISTRICT by CITY within sixty (60) days after the end of the fiscal year during which CITY commences to receive CITY's apportionment of general purpose *ad valorem* real property tax revenue from such annexation.

(b) For Annexations Which are Determined as of the Initial Determination Date to be Substantially Developed:

100% for the first year, 80% for the next year, 60% for the next year, 40% for the next year, 20% for the next year, and 0% thereafter, the entire amount to be paid to DISTRICT by CITY within sixty (60) days after the end of the fiscal year during which CITY commences to receive CITY's apportionment of general purpose *ad valorem* real property tax revenue from such annexation. Annexations in which the total property tax revenue transfer to DISTRICT will exceed \$100,000, shall be exempt from the terms of this section and be subject to separate negotiation between CITY and DISTRICT. Unless and until such a separate agreement is entered into by CITY and DISTRICT for an exempt annexation, it shall be deemed that no transition agreement exists between CITY and DISTRICT for such annexation.

3.5 At the election of CITY each fiscal year, CITY may designate up to thirty (30) acres of territory within not more than six (6) annexations completed that fiscal year, to be excluded from the calculations of Base Year Revenue. Such excluded territory shall be made up only of parcels five (5) acres or less that are "substantially developed." Prior to the effective date of an annexation, CITY shall notify DISTRICT in writing whether any such excluded territory is part of that annexation. The purpose of this provision is to reduce the impact of annexation costs on parcels that are annexed as part of a larger annexation in order to maintain contiguous CITY boundaries.

Section 4. Scope of Agreement

4.1 This Agreement shall only apply to annexations completed during the term hereof.

4.2 Any obligations which DISTRICT has to provide fire protection services under the terms of any instant or mutual aid agreement or other agreement with CITY shall not otherwise be affected by the terms of this Agreement.

4.3 Notwithstanding the revenue transfers from CITY to DISTRICT as herein described for each annexation covered by this Agreement, CITY will become the primary provider of fire protection services on and after the effective date of detachment of such territory from DISTRICT.

Section 5. DISTRICT Assurances on Use of Revenue

5.1 DISTRICT recognizes that the revenue transferred to it by this Agreement could otherwise have been appropriated by CITY to meet demands for fire services. In light thereof, DISTRICT agrees to use such revenues in an effort to maintain levels of DISTRICT service in areas adjacent to CITY (which will also be available to CITY under mutual aid or other agreements) that are at least equal to or better than the levels of service provided by DISTRICT in those areas immediately adjacent to CITY as of the date of this Agreement. Notwithstanding the foregoing, nothing in this Agreement is intended nor shall be construed to limit or restrain the powers of DISTRICT's Board of Directors to make such budgetary decisions or appropriations which it deems necessary for the overall safety and welfare of the DISTRICT as a whole.

5.2 DISTRICT covenants that it will not oppose annexations to CITY covered by this Agreement and will not directly or indirectly encourage opposition to such annexations or seek to reopen the terms of this Agreement save and except through direct request to CITY.

5.3 To the extent permitted by law, CITY covenants that it will support expansion of DISTRICT's Service Zone 10 boundaries.

Section 6. Cooperative Efforts at Legislative Reform

CITY and DISTRICT agree to work jointly for state legislation and appropriations that would improve the fiscal conditions of CITY and DISTRICT without harming either of them.

Section 7. General Provisions

7.1 Term of Agreement. This Agreement shall become effective upon execution by CITY and DISTRICT and shall automatically terminate on December 31, 2012, unless it has been terminated prior to that time by mutual agreement of the parties or as otherwise provided herein. Unless otherwise agreed in writing, such automatic termination does not extinguish the continuing obligations of the parties set forth in this Agreement, arising with respect to annexations subject to this Agreement, all of which obligations shall continue until the revenue transfer for all such annexations have been completed.

7.2 Termination Due to Invalidity of Actions. Should all or any portion of this Agreement be declared invalid or inoperative by a court of competent jurisdiction, or should any party to this Agreement substantially fail to perform any of its material obligations hereunder, or should any party to this Agreement take any substantial action (whether intentional or by omission or commission) to frustrate the intentions of the parties as expressed in this Agreement, then in such event, the aggrieved party may elect to declare that this entire Agreement as well as any ancillary documents entered into by the parties in order to fulfill the intent of this Agreement, to be of no force and effect and this Agreement shall terminate in its entirety.

7.3 Notice/Termination for Breach or Other Reason. Prior to this Agreement being terminated for any material breach or other reason(s), the non breaching party shall provide notice to the other party of the grounds of the claimed material breach or other reason, accompanied by a demand for cure. The alleged breaching party shall have forty five (45) days after receipt of such notice to cure the alleged breach. If any such default is not cured within such time, this Agreement may then be terminated. As an alternative to termination, the parties may enforce this Agreement in any other manner authorized by law.

7.4 Modification. This Agreement may be modified or amended only by a writing duly authorized and executed by CITY and DISTRICT.

7.5 Enforcement. CITY and DISTRICT each acknowledge that this Agreement cannot bind or limit themselves or each other or their future governing bodies in the exercise of their discretionary legislative power. However, each binds itself that it will, insofar

as is legally possible, fully carry out the intent and purposes hereof, if necessary, by administrative and ministerial action independent of that legislative power and that this Agreement may be enforced by injunction or mandate or other writ to the full extent allowed by law.

7.6 Integration. With respect to the subject matter hereof, this Agreement is intended to be an integrated agreement and supersedes any and all previous negotiations, proposals, commitments, writings, agreements, and understandings of any nature whatsoever between CITY and DISTRICT pertaining to annexation of DISTRICT territory to CITY. The parties, however, intend, immediately upon execution of this Agreement, to enter into a separate new agreement respecting the provision of fire protection services within the area presently served by DISTRICT Stations 87 and 88. Accordingly, the Amended Agreement for Transition of Fire Protection Services between the CITY and the DISTRICT, dated on or about February 28, 1989, and the Fire Protection Agreement between the DISTRICT and CITY dated March 19, 1997, are hereby abrogated in their entirety, and CITY shall dismiss with prejudice its lawsuit against DISTRICT in Fresno Superior Court, Case No. 03 CECG01797DSB.

7.7 Notice. All notices, requests, determinations or other correspondence required or allowed by law or this Agreement to be provided by the parties shall be in writing and shall be deemed given and received when delivered to the recipient by first-class mail (or an equal or better form of delivery) at the following addresses:

<u>CITY</u>	<u>District</u>
Fresno City Manager 2600 Fresno Street Fresno, CA 93721-3602	Fire Chief Fresno County Fire Protection District 210 S. Academy Avenue Sanger, CA 93657

By giving notice, either party may change its address for these purposes.

7.8 Dispute Resolution. If any dispute arises regarding the interpretation or application of this Agreement or any determination or calculation thereunder, the parties agree upon the request of

either of them to meet and attempt to resolve the same amicably for a period not to exceed thirty (30) days. If the dispute is not otherwise resolved, the parties may agree to submit any unresolved dispute to binding or advisory arbitration; or the disputing party may file an action in a court of competent jurisdiction located in the County of Fresno, for these purposes.

7.9 Subsequent DISTRICT Agreements. If, during the term of this Agreement, DISTRICT enters into a transition agreement with any other municipality which contains more favorable terms than this Agreement, DISTRICT shall notify CITY within thirty (30) days of such agreement and offer those same terms to CITY. More favorable terms, means but is not necessarily limited to, another municipality paying to DISTRICT a lower percentage of taxes than CITY pays DISTRICT under this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in the County of Fresno, State of California.

CITY OF FRESNO

By: Andrew T. Berry

FRESNO COUNTY FIRE PROTECTION DISTRICT

By: Ran Kenna
President Board of Directors

Approved as to legal form:

J. J. [Signature] Assistant
Attorney for CITY

J. St. [Signature]
Attorney for DISTRICT