

MENDOCINO COUNTY
UKIAH CORPORATION YARD - TAX SHARING AGREEMENT
(1 Carousel Lane Annexation – APN 167-280-15; LAFCo File No. A-2025-06)

THIS TAX SHARING AGREEMENT (this “Agreement”) is entered into by and between the **County of Mendocino**, a subdivision of the State of California (the “County”), and the **City of Ukiah**, a California municipal corporation (the “City”). The County and the City are sometimes referred to herein individually as a “Party” and collectively as the “Parties.” This Agreement is effective as of the date it is executed on behalf of the last Party to do so (the “Effective Date”).

RECITALS

WHEREAS, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (the “CKH Act”) governs changes in organization, including annexations such as those contemplated in this Agreement, and which changes in organization must be approved by the Mendocino County Local Agency Formation Commission LAFCo (“Mendocino LAFCo” or “LAFCo”), and other local agencies; and

WHEREAS, the City has submitted an application to the Mendocino LAFCo to annex territory located at 1 Carousel Lane, Ukiah, California, Assessor’s Parcel Number 167-280-15, consisting of approximately 7.87 acres and improved with an approximately 98,000-square-foot industrial/commercial building (the “Annexation Area”); and

WHEREAS, for certain changes of organization, including annexations, Revenue and Taxation Code § 99 requires the City and the County to enter into an agreement providing for a property tax revenue exchange and to submit resolutions approving the agreement to LAFCo prior to consideration of the change of organization; and

WHEREAS, the Annexation Area is City-owned and used primarily for municipal/corporation yard functions, and any private possessory interest within the Annexation Area remains taxable and subject to assessment and allocation as provided by law; and

WHEREAS, on October 8, 2025, the City of Ukiah Planning Commission approved rezoning the Annexation Area as Public Facilities (PF) (PC Resolution No. 2025-04); and

WHEREAS, on November 5, 2025, the Ukiah City Council introduced the annexation proposal, authorized submission of the annexation application to LAFCo, and adopted a Resolution of Application for the Corporation Yard Annexation; and

WHEREAS, on November 19, 2025, the Ukiah City Council adopted Ordinance No. 1263 which rezones the Annexation Area as Public Facilities (PF); and

WHEREAS, on November 20, 2025, LAFCo received the annexation proposal and assigned it LAFCo File No. A-2025-06; and

WHEREAS, the Parties desire to approve a stand-alone, annexation-specific tax sharing agreement providing for a zero (0) property tax exchange for the Annexation Area in order to satisfy the requirements of Revenue and Taxation Code § 99; and

WHEREAS, the Parties acknowledge that the County and the City have previously adopted a Mendocino County Master Tax Sharing Agreement but expressly agree that the Master Tax Sharing Agreement does not apply to this annexation.

AGREEMENT - LAFCO FILE NO. A-2025-06.

NOW, THEREFORE, the Parties agree as follows:

1. Incorporation of Recitals

The above Recitals are true and correct and are hereby incorporated into this Agreement.

2. Definitions

The following terms, as used in this Agreement, shall have the meanings set forth below:

“Annexation” shall have the meaning set out in Government Code § 56017, or its successor, and shall include any reorganization that includes an annexation.

“Annexation Area” shall mean the single parcel located at 1 Carousel Lane, Ukiah, California, Assessor’s Parcel Number 167-280-15, as more particularly described in Exhibit A.

“Annexation Effective Date” shall mean the effective date of the annexation, as specified in LAFCo’s terms and conditions or by Government Code § 57202; provided, however, that such date occurs after the Effective Date of this Agreement.

“Annexor City” shall mean a City Party that is planning, pursuing, or has completed an Annexation.

“Annexed Tax Rate Area” (“ATRA” or “ATRA’s”) shall mean any separate Tax Rate Area created for territory annexed after the Effective Date.

“Distribution” shall mean the allocation and provision of property tax revenue between the Parties as provided for in this Agreement in order to satisfy the requirements of Revenue and Taxation Code § 99.

“Property Tax Revenue” shall mean revenues derived from ad valorem taxes on real property and from other categories of secured and unsecured property taxes including and not necessarily limited to those described in the County’s annual distribution as Current Secured General, Current Unsecured General, Prior Secured General, Prior Unsecured General, SB 813 Supplemental General, Highway Property Rental, and HOPTR General.

“RTC 99 Exchange” means the negotiated exchange (if any) of ad valorem property tax revenues between the County and the City required by Revenue and Taxation Code § 99 in connection with the Annexation, as approved by the Parties and submitted to LAFCo.

“Sales Tax Revenue” shall only mean those taxes collected in accordance with the Bradley-Burns Uniform Local Sales and Use Tax Law (“Bradley-Burns”).

“State Action” shall mean any legislative, judicial, and/or voter-approved initiative action that limits a City’s ability to apply a City-approved transaction and use tax to an Annexed Area.

“Tax Rate Area” (“TRA” or “TRA’s”) shall mean those base tax revenue and/or incremental tax revenues available from an identified area.

3. Tax Distribution LAFCO FILE NO. A-2025-06

- 3.1. Limited Scope. This Agreement applies only to the City and County shares of Property Tax Revenue within the Annexation Area for LAFCo File No. A-2025-06. This Agreement does not affect the allocation of property tax revenue for any other taxing entity.

3.2. No Master Agreement Application. This Agreement is separate and annexation specific. It does not amend, supersede, waive, or otherwise alter any rights or obligations under the Mendocino County Master Tax Sharing Agreement for any other annexation or change of organization.

4. Tax Revenue Collection and Distribution.

4.1 Zero Exchange. Effective as of the Annexation Effective Date, the Parties agree that the exchange of ad valorem Property Tax Revenue between the City and the County pursuant to Revenue and Taxation Code § 99 for the Annexation Area shall be zero (0).

4.2 No Change to Existing Allocation Shares. The Parties intend that this Agreement does not change the City's or County's existing shares of Property Tax Revenue within the Annexation Area as determined under applicable law and the applicable tax rate area(s).

4.3 Implementation Direction. The Parties will implement this Agreement by ensuring that no additional or adjusted apportionment factors are applied between the County and the City for the Annexation Area solely as a result of LAFCo File No. A-2025-06.

5. Sales Tax and Housing Allocation

5.1 No Sales Tax Exchange. The Parties acknowledge that the Annexation Area is City-owned and used for public facilities/municipal purposes and does not generate Bradley-Burns local sales tax revenue under its current use. Accordingly, no sales tax exchange is required or created by this Agreement.

5.2 No RHNA/RHNP Adjustment Required. The Parties acknowledge the Annexation Area contains no residential uses under its current use and is not being annexed for residential development. Accordingly, no RHNA/RHNP adjustment is required as part of this Agreement.

6. Possessory Interests; Private Use

6.1 Taxability Preserved. Any private occupancy or private use within the Annexation Area (including leased or licensed space) remains subject to possessory interest assessment and taxation under applicable law.

6.2 No Special Exchange of Possessory Interest Revenues. Revenues derived from possessory interest assessments shall be levied, collected, and distributed in the ordinary course pursuant to law. This Agreement creates no additional exchange of such revenues.

6.3 No Amendment Needed for Routine Changes. The expansion, reduction, assignment, or termination of private occupancy shall adjust assessments and revenues pursuant to law and does not, by itself, require amendment of this Agreement.

7. Contingency; Change in Use

7.1 Contingency. This Agreement is contingent upon the Annexation becoming effective. If the Annexation does not become effective, this Agreement is void and of no further force.

7.2 Change in Use Trigger. If the City ceases to use the Annexation Area primarily for public facilities/municipal purposes, the Parties will meet and confer in good faith to determine whether a new agreement under Revenue and Taxation Code § 99 is required for any subsequent change of organization or continued City jurisdiction involving revenue-generating private use.

North State Street

Railroad

Railroad R/W

Annexation Area A

AP 167-280-05
Thompson

AP 168-201-34
Panofsky

Segment #	Direction	Length
L1	N04°05'30"E	425.00'
L2	S79°09'00"E	179.56'
L3	N44°19'00"E	120.04'
L4	S55°34'00"E	182.98'
L5	S68°36'20"E	167.42'
L6	N84°44'40"E	144.51'
L7	S53°15'30"E	105.00'
L8	S21°48'43"W	489.43'
L9	N63°18'24"W	239.08'
L10	N85°54'30"W	112.00'

Curve #	Length	Delta	Radius
C1	43.81'	50°12'30"	50.00'
C2	287.94'	22°36'06"	730.00'

L8
Annexation boundary

AP 167-280-14
Double M Properties

AP 167-280-11
Double M Properties

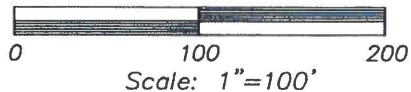
AP 167-280-12
Double M Properties

AP 167-280-13
Double M Properties

Point of Beginning

S04°59'34"E 14917.74'

3.25" aluminum
disk marked CA
DOT / 101 MEN
05 17



Tan S66°29'06"W

8. Implementation; Transmittals

8.1 Administrative Coordination. The City Manager (or designee) and the County Chief Executive Officer (or designee) are authorized to coordinate with the County Auditor-Controller, Assessor, and LAFCo to implement this Agreement.

8.2 Delivery to LAFCo. The Parties will provide their respective approving resolutions for this Agreement to LAFCo as required for LAFCo File No. A-2025-06.

9. Notices

To County:
County of Mendocino
Attn: Board Chair and Chief Executive Officer
501 Low Gap Road
Ukiah, CA 95482
Email: ceo@mendocinocounty.gov

To City:
City of Ukiah
Attn: Mayor and City Manager
300 Seminary Avenue
Ukiah, CA 95482
Email: cmoffice@cityofukiah.com

To LAFCO:

Mendocino LAFCo
ATTN: Executive Officer
200 S School St # 2, Ukiah, CA 95482
Email: eo@mendocinolafco.org

10. No Third-Party Beneficiaries

This Agreement is for the benefit of the Parties only and does not create any rights in any third party.

11. Severability

If any provision of this Agreement is held invalid or unenforceable, the remaining provisions will remain in effect unless doing so would defeat the basic purpose of this Agreement.

12. Authority

Each Party represents that its legislative body has authorized execution of this Agreement and that the undersigned have authority to bind the Party on whose behalf they sign.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

COUNTY OF MENDOCINO

Date: 04/07/2026


By: 
Bernie Norvell, Chair of the Board
of Supervisors

Approved as to Form:



County Counsel

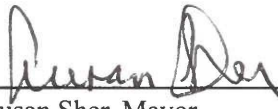
Attest:



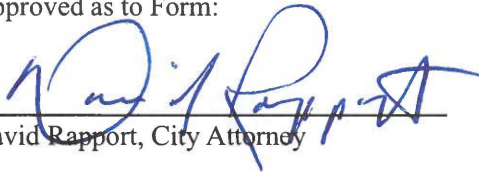
Darcie Antle Deputy
, County Clerk

CITY OF UKIAH

Date: 4/1/26

By: 
Susan Sher, Mayor

Approved as to Form:


David Rapport, City Attorney

Attest:


Araceli Sandoval, Deputy City Clerk

Exhibit A: Draft Annexation Area Plat & Legal Description

EXHIBIT "A"
Legal Description
The City of Ukiah Annexation of City Owned Property
(LAFCo File No. _____)

All that real property situated in the unincorporated area of Mendocino County, State of California, described as follows:

AREA A:

Being a portion of Lot 140 of Healey's Survey and Map of Yokayo Rancho and being the lands of the City of Ukiah described in that certain Grant Deed recorded in Instrument Number 2025-05366, Mendocino County Records, more particularly described as follows:

COMMENCING at the National Geodetic Survey station, being a 3-1/4" Aluminum Disk marked CA DOT / 101 MEN 25.13; thence North 04°59'34" West, 14917.74 feet to the southwest corner of the said City of Ukiah property and the **POINT OF BEGINNING**; thence along the boundary of said City of Ukiah property the following twelve (12) courses:

1. North 04°05'30" East, 425.00 feet;
2. South 79°09'00" East, 179.56 feet;
3. North 44°19'00" East, 120.04 feet;
4. South 55°34'00" East, 182.98 feet;
5. South 68°36'20" East, 167.42 feet;
6. North 84°44'40" East, 144.51 feet;
7. South 53°15'30" East, 105.00 feet;
8. South 21°48'43" West, 489.43 feet;
9. From a tangent that bears South 66°29'06" West, along a curve to the right with a radius of 50.00 feet, a central angle of 50°12'30" and an arc length of 43.81 feet;
10. North 63°18'24" West, 239.08 feet;
11. Along a curve to the left with a radius of 730.00 feet, a central angle of 22°36'06" and an arc length of 287.94 feet;
12. North 85°54'30" West, 112.00 feet to the **POINT OF BEGINNING**.

Area = 7.90 acres

AP 167-280-15

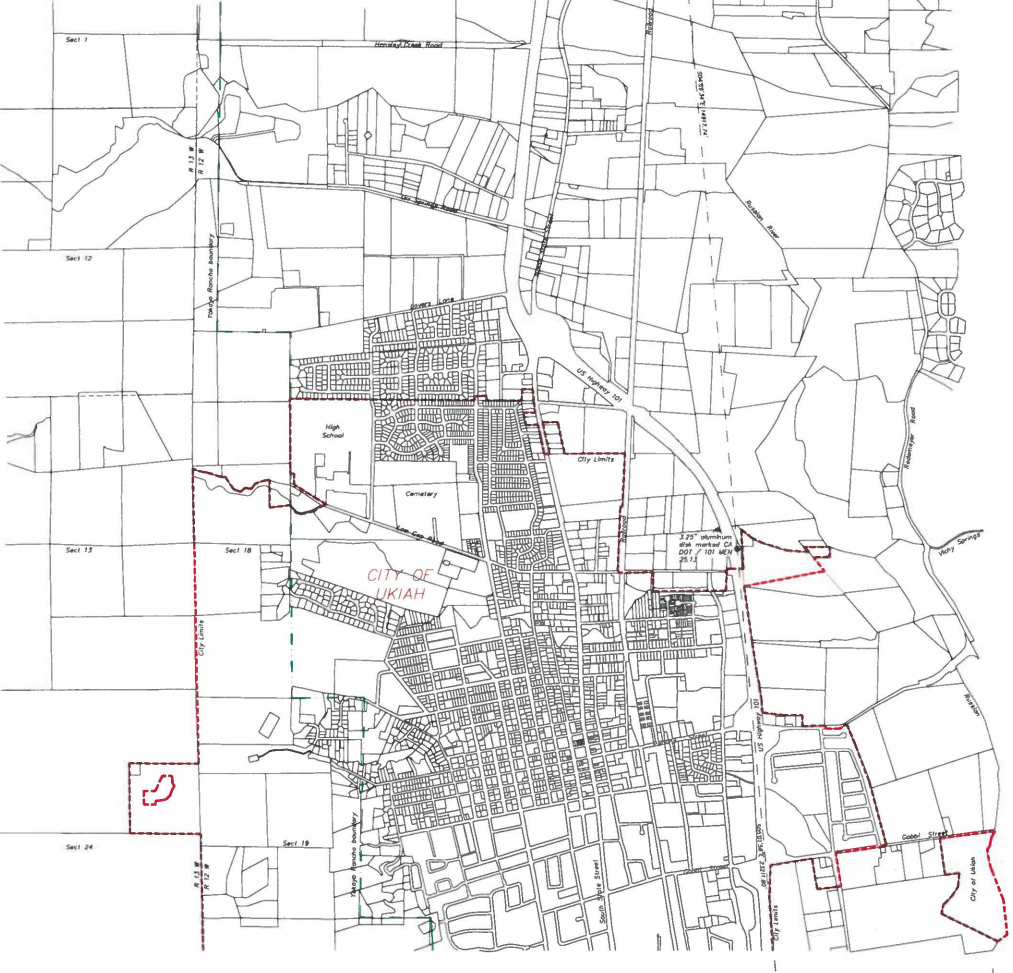
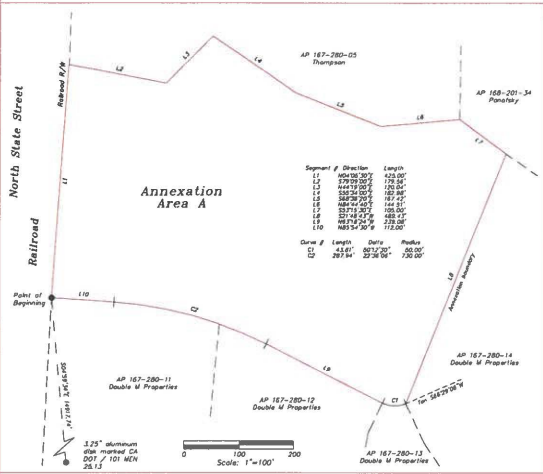
The basis of bearings for this description is based on NAD83, California Coordinate System (CCS83), Zone 2 (2010.00 epoch date) using the two found National Geodetic Survey monuments designated "101 MEN 25.13" and "HPGN D CA 01 CG" said bearing South 05°01'58" East, shown on Exhibit "A", attached hereto and made a part hereof.

The purpose of this description is for annexation purposes and to comply with the State Board of Equalization's "Written Legal (geodetic) Description Requirements". This description is to be used to establish geodetic position only and is not intended to establish property ownership.

Ron W. Franz L.S. 7173

Dated _____

EXHIBIT "A"
City of Ukiah Carousel Annexation
 LAFCo File No. _____
 Portion of Lot 140 of the Yakaya Rancho
 Mendocino County, California
 September 22, 2025



LEGEND

- APN Assessor Parcel Number
- POB Point of Beginning
- Current City of Ukiah Boundary
- Proposed new annexation boundary
- Yakaya Rancho Boundary

NOTES:

- All dimensions shown are in feet and decimals thereof.
- The Basis of Bearings for this description and map is based on NAD 83 California Coordinate System (CCS83), Zone 2 (2011.00 Epoch) using the four National Geodetic Survey monuments designated "101 MEN 25.12 and HPSN D CA 01 CC". All distances other than the pole spheroid which are the basis for the area shown herein, to obtain ground values divide the distances by 0.99980295 to obtain ground distances.
- The purpose of this exhibit is to accompany the legal description "B" for City of Ukiah annexation of _____ and to comply with State Board of Equalizers' "Written legal (specifies) description requirements". This legal description and this exhibit are to be used to establish specific position only and is not intended to establish property boundary or ownership.
- This map and its boundary description is compiled entirely from a combination of Mendocino County record maps and United States General Land Office survey plans and is not based upon any field surveys.

AUTHORIZATION CERTIFICATION

I, _____, Chair of the Local Agency Formation Commission of the County of Mendocino, State of California, hereby certify that said Local Agency Formation Commission by Resolution No. _____ on the _____ day of _____, 2025 approved within map _____.

Chair Local Agency Formation Commission

CERTIFICATION OF COMPLETION

Recorded on the _____ day of _____, 2025 as Instrument Number _____ Mendocino County Records.

DISCLAIMER

For assessment purposes only. This description of land is not a legal property description as defined in the subdivision map act and may not be used as a basis for an offer for sale of the land described.

