



**City Council  
Special Meeting  
AGENDA**

*(to be held both at the physical and virtual locations below)*

**Civic Center Council Chamber ♦ 300 Seminary Avenue ♦ Ukiah, CA 95482**

To participate or view the virtual meeting, go to the following link: <https://us06web.zoom.us/j/83943710016>

Or you can call in using your telephone only:

- Call (toll free) 1-888-788-0099
- Enter the Access Code: 839 4371 0016
- To Raise Hand enter \*9
- To Speak after being recognized: enter \*6 to unmute yourself

Alternatively, you may view the meeting (without participating) by clicking on the name of the meeting at [www.cityofukiah.com/meetings](http://www.cityofukiah.com/meetings).

**March 25, 2026 - 3:30 PM**

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**1. ROLL CALL AND PLEDGE OF ALLEGIANCE**

**2. AUDIENCE COMMENTS ON NON-AGENDA ITEMS**

The City Council welcomes input from the audience. If there is a matter of business on the agenda that you are interested in, you may address the Council when this matter is considered. If you wish to speak on a matter that is not on this agenda that is within the subject matter jurisdiction of the City Council, you may do so at this time. In order for everyone to be heard, please limit your comments to three (3) minutes per person and not more than ten (10) minutes per subject. The Brown Act regulations do not allow action to be taken on audience comments in which the subject is not listed on the agenda.

**3. UNFINISHED BUSINESS**

- 3.a. Re-Adoption of a Resolution Approving a Zero Tax Share Agreement Between the City of Ukiah and the County of Mendocino for the Ukiah Corporation Yard Annexation (1 Carousel Lane), Local Agency Formation Commission (LAFCo) File No. A-2025-06.

***Recommended Action: Re-Adopt a resolution approving a Zero Tax Sharing Agreement between the City of Ukiah and the County of Mendocino for the Ukiah Corporation Yard Annexation (1 Carousel Lane), LAFCo File No. A-2025-06.***

Attachments:

1. 1 Carousel Lane - Tax Share Agreement - LAFCo A-2025-06)
2. Draft Resolution

**4. NEW BUSINESS**

**5. CLOSED SESSION - CLOSED SESSION MAY BE HELD AT ANY TIME DURING THE MEETING**

- 5.a. **Conference with Legal Counsel – Anticipated Litigation**  
(Government Code Section 54956.9(d)(4))  
Initiation of litigation (2 cases)
  
- 5.b. **Conference with Legal Counsel – Anticipated Litigation**  
(Government Code Section 54956.9(d)(2))  
Significant exposure to litigation (1 case)
  
- 5.c. **Conference with Legal Counsel – Existing Litigation**  
(Government Code Section 54956.9(d)(1))  
Name of case: Nui Rising Moon Trust v. City of Ukiah, et al.; Case No. 3:25-cv-08320
  
- 5.d. **Conference with Legal Counsel – Existing Litigation**  
(Government Code Section 54956.9(d)(1))  
Name of case: Vichy Springs Resort v. City of Ukiah, Et Al; Case No. SCUk-CVPT-2018-70200
  
- 5.e. **Conference with Legal Counsel – Existing Litigation**  
(Government Code Section 54956.9(d)(1))  
Name of case: Vichy Springs Resort, Inc v. City of Ukiah, et al.; Case No. 24-cv-07106-JSC
  
- 5.f. **Conference with Real Property Negotiators**  
(Cal. Gov't Code Section 54956.8)  
Property: APN Nos: 001-020-78-00, 001-030-01, 001-090-01  
Negotiator: Maya Simerson, Senior Management Analyst, City Manager's Office  
Negotiating Parties: Tayman Park Golf Group  
Under Negotiation: Price & Terms of Agreement
  
- 5.g. **Conference with Labor Negotiator (54957.6)**  
Agency Designated Representative: Sage Sangiacomo, City Manager  
Employee Organizations: All bargaining units  
Unrepresented Employee: Police Chief
  
- 5.h. **Public Employment (City Attorney)**  
(Cal. Gov. Code § 54957(b)(1))

## **6. ADJOURNMENT**

Please be advised that the City needs to be notified 72 hours in advance of a meeting if any specific accommodations or interpreter services are needed in order for you to attend. The City complies with ADA requirements and will attempt to reasonably accommodate individuals with disabilities upon request. Materials related to an item on this Agenda submitted to the City Council after distribution of the agenda packet are available for public inspection at the front counter at the Ukiah Civic Center, 300 Seminary Avenue, Ukiah, CA 95482, during normal business hours, Monday through Friday, 8:00 am to 5:00 pm. Any handouts or presentation materials from the public must be submitted to the clerk 12 hours in advance of the meeting; for handouts, please include 10 copies.

I hereby certify under penalty of perjury under the laws of the State of California that the foregoing agenda was posted on the bulletin board at the main entrance of the City of Ukiah City Hall, located at 300 Seminary Avenue, Ukiah, California, not less than 24 hours prior to the meeting set forth on this agenda.

Araceli Sandoval, Deputy City Clerk  
Dated: 03/23/26



## AGENDA SUMMARY REPORT

**SUBJECT:** Re-Adoption of a Resolution Approving a Zero Tax Share Agreement Between the City of Ukiah and the County of Mendocino for the Ukiah Corporation Yard Annexation (1 Carousel Lane), Local Agency Formation Commission (LAFCo) File No. A-2025-06.

**DEPARTMENT:** Community  
Development

**PREPARED BY:** Jesse Davis, Chief Planning Manager

Jesse Davis, AICP/Chief Planning Manager;

**PRESENTER:** Craig Schlatter, AICP/Community Development  
Director

**ATTACHMENTS:**

1. 1 Carousel Lane - Tax Share Agreement - LAFCo A-2025-06)
2. Draft Resolution

**Summary:** Council will consider re-adoption of a resolution approving a Zero Tax Sharing Agreement between the City of Ukiah and the County of Mendocino for the Ukiah Corporation Yard Annexation (1 Carousel Lane), Local Agency Formation Commission (LAFCo) File No. A-2025-06.

**Background:** On June 30, 2025, the City of Ukiah acquired the property located at 1 Carousel Lane to serve as the City’s new Municipal Corporation Yard. The acquisition supports the City’s long-term objective to modernize municipal infrastructure and improve service delivery across a regional service area.

The City’s existing corporation yard, located east of the Ukiah Municipal Airport, no longer meets operational needs. The facilities are undersized and functionally constrained for Fleet and Plant Maintenance, Street Maintenance, and Water and Wastewater Maintenance activities. As the City and surrounding region have grown, the limitations of the current site have increasingly affected operational efficiency and service capacity. In addition, the corporation yard relocation will free up needed space at the Ukiah Airport to support critical aviation business and emergency operations at the facility.

Although the 1 Carousel Lane property is currently located outside the City’s incorporated boundaries, it is centrally located within the service area of the Ukiah Valley Water Authority (UVWA). UVWA is a joint powers authority formed to coordinate regional water system planning, infrastructure modernization, and long-term water supply reliability among its member agencies.

On September 19, 2025, Staff submitted an application to the Mendocino County Local Agency Formation Commission (LAFCo) for the City of Ukiah’s annexation of approximately 7.87 acres of City-owned property located at 1 Carousel Lane, Ukiah, California (Assessor’s Parcel Number 167-280-15), commonly referred to as the Ukiah Corporation Yard. The annexation has been assigned LAFCo File No. A-2025-06.

The property is improved with an approximately 98,000-square-foot industrial/commercial building and is used primarily for public facilities and municipal operations. Prior to submittal of the annexation application, the site was rezoned by the City as Public Facilities (PF).

Because the property is currently located outside the City’s incorporated limits, it remains subject to property

taxation. Upon annexation, City-owned property used exclusively for public and municipal purposes will fall within the City's jurisdiction and will not generate ad valorem property tax revenue, except to the extent that any taxable private possessory interests may exist and continue to lease a portion of the subject property.

As a point of reference, counties and cities in California are generally exempt from paying property taxes on land they own, lease, and use for public purposes. In most cases, California's property tax system is intended to tax private wealth tied to land ownership, not public assets held or used for the benefit of the general public.

This framework recognizes that many public facilities must be located remotely or outside incorporated areas to function effectively. Facilities such as water storage, landfills, wastewater treatment plants, power generation equipment, and similar infrastructure may reasonably be owned and operated by a municipality beyond its city limits.

Conversely, counties often provide social services and other governmental functions within incorporated cities. In those cases, counties typically benefit from streamlined permit review and land use authority within city boundaries. Counties do not pay property taxes on incorporated lands used for public purposes, which can be detrimental to cities by limiting their share of allocated property tax revenue on key parcels, especially in downtown areas.

On February 4, 2026, the City Council reviewed and voted to approve the included resolution. On February 5, 2026, following the meeting, a question was raised regarding whether there was a potential conflict of interest requiring disclosure prior to the vote. In response, Community Development staff, in consultation with the City Manager's Office and the City Attorney, determined that the resolution should be brought back for re-adoption, with any required disclosures of economic interest made on the record before the vote, as will be discussed below under the heading "Government Code § 1099 Conflicts of Interest".

On February 26, City and County staff met in-person to review the Agreement and discuss the property's unique jurisdictional status, public use, possessory interests, and its detached location in the Designated Area. Following that meeting and further consultation with County staff, City staff determined that the City should proceed with re-adoption of the Resolution, which will also allow the County of Mendocino to review and consider the Agreement at a future Board of Supervisors meeting.

The item was originally scheduled for re-consideration on the March 18, 2026, City Council agenda, but was continued due to the unforeseen absence of two council members and the requirement of a two-thirds vote if Council is to approve the item.

Upon approval by both the County of Mendocino, and the City of Ukiah, the adopted resolutions will be forwarded to Mendocino LAFCo for review as part of LAFCo File No. A-2025-06.

#### **Discussion: Government Code § 1099 Conflicts of Interest**

For the reasons set forth in the paragraphs below, no Councilmember has a conflict of interest under Government Code § 1090 that would prevent the Council from adopting the Resolution authorizing the Tax Sharing Agreement.

Because the County is a party to the proposed Tax Sharing Agreement, and Councilmember Criss is employed by the County, the Council must consider the application of Government Code § 1090. Section 1090 generally prohibits public officers acting in their official capacities from making contracts in which they are financially interested. Furthermore, when an officer with a disallowed financial interest is a member of a legislative body, the Section 1090 prohibition on contracting also extends to the entire body even if the member recuses themselves from a decision regarding the contract.

There is an exception to Section 1090 in which a public official has a "noninterest" in a contract if her financial interest in that contract is that of a person receiving salary, per diem, or reimbursement for expenses from a government entity, unless the contract directly involves the department of the government entity that employs the officer or employee, provided that the interest is disclosed to the body or board at the time of consideration

of the contract and noted in its official record. (Govt. Code § 1091.5(a)(9).) The California Supreme Court determined that this exception applies when “the contract involves no direct financial gain, does not directly affect the official’s employing department, and is only with the general government entity for which the official works.” (*Lexin v. Superior Court* (2010) 47 Cal.4th 1050, 1081.)

Councilmember Criss has a noninterest under Section 1091.5(a)(9), because the Tax Sharing Agreement involves no direct financial gain to her and does not directly affect her department at the County (the Department of Social Services) as the Agreement is with the County generally. Therefore, Section 1090 would not prohibit Councilmember Criss from participating in making, or the City Council from entering into, the Tax Sharing Agreement because the noninterest exception in Section 1091.5(a)(9) applies, so long as Councilmember Criss discloses her interest in the County to the City Council at the time the Agreement is considered at this Meeting, and her interest is noted in the City Council’s official record, i.e. the adopted meeting minutes.

### **Proposed Tax Sharing Agreement**

Under Revenue and Taxation Code § 99, the City and the County are required to enter into a property tax revenue exchange agreement as a component of the annexation application process, even if the associated land is understood to be exempt. The Revenue and Taxation Code further requires that the agreement be approved by the legislative bodies of both agencies and submitted to the Mendocino County Local Agency Formation Commission (LAFCo) prior to commission consideration of the annexation.

Although the City and the County are parties to a previously adopted Mendocino County Master Tax Sharing Agreement, the City has determined that this annexation is more appropriately addressed through a separate, annexation-specific tax sharing agreement. The Ukiah Corporation Yard annexation involves unique characteristics, including City ownership, exclusive public use, and the absence of revenue-generating private development, which make application of the Master Tax Sharing Agreement unnecessary and administratively impractical in this instance.

The proposed Tax Sharing Agreement (Attachment 1) is limited in scope and applies only to the Annexation Area associated with LAFCo File No. A-2025-06. The agreement expressly acknowledges the continued validity of the Mendocino County Master Tax Sharing Agreement and does not amend, supersede, or otherwise affect that agreement or its application to any other annexation or change of organization.

Key provisions of the proposed Agreement include:

- A zero (0) exchange of ad valorem property tax revenue between the City and the County.
- No change to existing tax rate area allocations or base year property tax shares.
- Confirmation that the agreement does not affect the allocation of property tax revenues for any other taxing agency.
- Acknowledgment that any taxable possessory interests within the Annexation Area remain subject to assessment, levy, and distribution in accordance with existing law.
- Consideration of next steps if the public use ceases, consistent with California Government Code requirements.

Because the property is City-owned and used exclusively for municipal purposes, it does not generate Bradley-Burns local sales tax revenue under its current use. Accordingly, no sales tax exchange is required or created by the proposed agreement.

For municipalities across Mendocino County, completing the annexation of key municipal infrastructure sites is essential to reducing the cost of providing public services. This is especially true for facilities that support regional water delivery, such as water storage sites in Fort Bragg or the City of Ukiah’s municipal corporation yard serving the districts of the Ukiah Valley Water Authority. Equally important is streamlining the process for adopting individual tax-share resolutions outside the previously approved master agreement. The long-

standing principle that publicly operated facilities are not subject to property taxes should be recognized promptly by the County to avoid unnecessary administrative delays and minimize costs applied to ratepayers.

Staff recommends that the City Council adopt a Resolution (Attachment 2) approving the Zero Tax Sharing Agreement between the City of Ukiah and the County of Mendocino for LAFCo File No. A-2025-06. Staff further recommends that the City Council authorize the Mayor and the City Manager to execute the Agreement on behalf of the City, and authorize Staff to transmit the Resolution(s) and the executed Agreement to Mendocino LAFCo upon approval by both the County of Mendocino and the City of Ukiah.

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**Recommended Action:** Re-Adopt a resolution approving a Zero Tax Sharing Agreement between the City of Ukiah and the County of Mendocino for the Ukiah Corporation Yard Annexation (1 Carousel Lane), LAFCo File No. A-2025-06.

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**BUDGET AMENDMENT REQUIRED:** N/A

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**CURRENT BUDGET AMOUNT:** \$66,119.77

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**PROPOSED BUDGET AMOUNT:** \$0

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**FINANCING SOURCE:** Water Resources

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**REVENUE:** No    **GRANT:** No

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**PREVIOUS CONTRACT/PURCHASE ORDER NO.:** N/A

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**COORDINATED WITH:** City Manager's Office; City Attorney

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**STRATEGIC PLAN (SP):** N/A

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**GENERAL PLAN ELEMENTS (GP):** **LU 7.2** (Annexation); **ED 1.1** (Interagency Coordination)

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Approved:   
Sage Sangiacomo, City Manager

**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.

#### 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](mailto:ceo@mendocinocounty.gov)

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

To LAFCO:  
Mendocino LAFCo  
ATTN: Executive Officer  
200 S School St # 2, Ukiah, CA 95482  
Email: [eo@mendocinolafco.org](mailto: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: \_\_\_\_\_

Approved as to Form:  
County Counsel

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

Attest:

\_\_\_\_\_  
County Clerk

**CITY OF UKIAH**

Date: \_\_\_\_\_

Approved as to Form:

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

Mayor

City Attorney

Attest:

\_\_\_\_\_  
City Clerk

Exhibit A: Draft Annexation Area Plat & Legal Description

DRAFT

**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

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

Point of Beginning

L10

C2

L9

AP 167-280-11  
Double M Properties

AP 167-280-12  
Double M Properties

AP 167-280-14  
Double M Properties

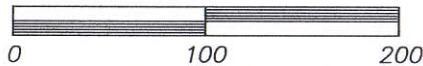
C1

Tan S66°29'06"W

AP 167-280-13  
Double M Properties

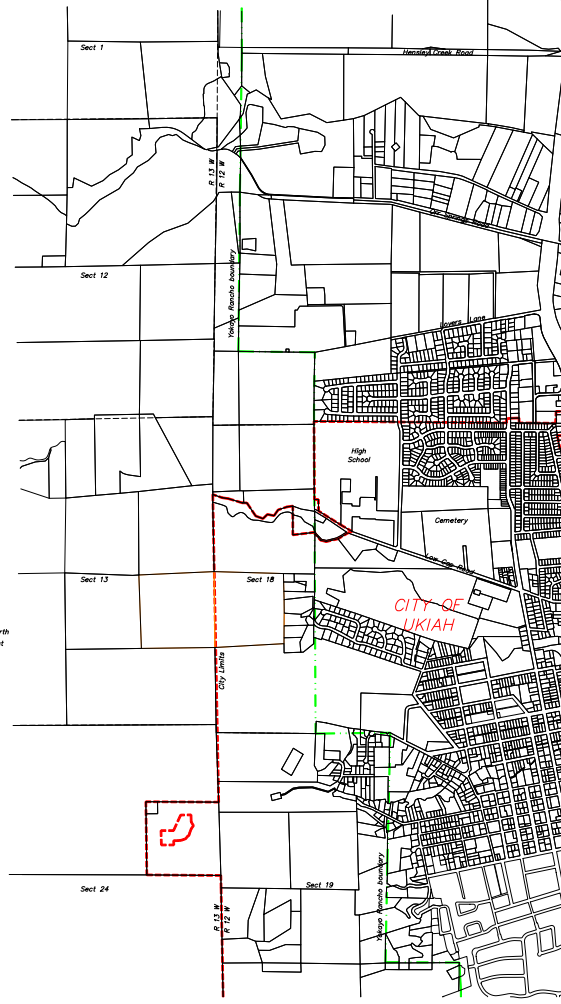
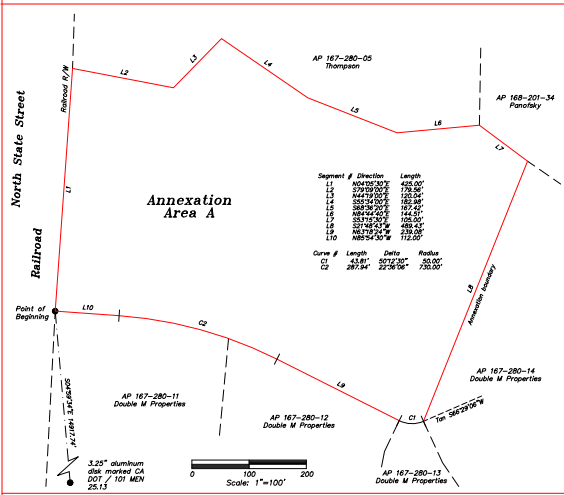
S04°59'34"E 14917.74'

3.25" aluminum  
disk marked CA  
DOT / 101 MEN  
25.13



Scale: 1"=100'

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



APN Assessor Parcel Number  
 POB Point of Beginning  
 --- Current City of Ukiah Boundary  
 --- Proposed new annexation boundary  
 --- Yokayo 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 (2010.00 South State) using the four-faced National Geodetic Survey monuments designated "101 MEN 25.13 and 101SN D CA 01 CC". All distances cited herein are grid values which are the basis for the areas shown herein. To obtain ground values divide the distances by 0.999892795 to obtain ground distances.
- The purpose of this exhibit is to accompany the legal description "B" for City of Ukiah annexation and to comply with State Board of Equalization's "Written legal (geodesic) description requirements". The legal description and this exhibit are to be used to establish geodesic position only and is not intended to establish property boundary or ownership.
- This metes and bounds description is compiled entirely from a combination of Mendocino County record maps and United States General Land Office survey plats and is not based upon any field surveys.

**AUTHORIZATION CERTIFICATION**

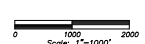
I, \_\_\_\_\_, Chair of the Local Agency Formation Commission of the County of Mendocino State of California, hereby certify that said Local Agency Formation Commission by Resolution No. \_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_, 2025 approved within map \_\_\_\_\_.

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.



**RESOLUTION NO. 2026-****RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UKIAH APPROVING A ZERO TAX SHARING AGREEMENT WITH THE COUNTY OF MENDOCINO IN SUPPORT OF THE UKIAH CORPORATION YARD ANNEXATION (1 CAROUSEL LANE), LAFCO FILE NO. A-2025-06****WHEREAS:**

1. The City Council of the City of Ukiah (“City”) desires to annex certain real property located at 1 Carousel Lane, Ukiah, California, identified as Assessor’s Parcel Number 167-280-15 (the “Annexation Area”); and
2. The proposed annexation has been submitted to the Mendocino County Local Agency Formation Commission (“LAFCo”) and has been assigned LAFCo File No. A-2025-06; and
3. California Revenue and Taxation Code § 99 requires the City and the County of Mendocino (“County”) to enter into an agreement providing for an exchange of property tax revenues in connection with the annexation; and
4. The City proposes a Tax Sharing Agreement providing for a zero percent (0%) exchange of property tax revenues for the Annexation Area, consistent with applicable law; and
5. The proposed Tax Sharing Agreement applies solely to the City and County shares of property tax revenue generated within the Annexation Area and does not affect the allocation of property tax revenues for any other taxing entity; and
6. The proposed Tax Sharing Agreement is annexation-specific and is not intended to amend, supersede, waive, or otherwise alter any rights or obligations of the City or the County under the Mendocino County Master Tax Sharing Agreement or any other agreement applicable to separate annexations or changes of organization; and
7. The City Council has reviewed the Tax Sharing Agreement entitled “Mendocino County – Ukiah Corporation Yard Tax Sharing Agreement (1 Carousel Lane Annexation – APN 167-280-15; LAFCo File No. A-2025-06)”, attached hereto as Exhibit A.

**NOW, THEREFORE, BE IT RESOLVED** that:

1. Approval. The City Council hereby approves the Tax Sharing Agreement between the City of Ukiah and the County of Mendocino for LAFCo File No. A-2025-06, in substantially the form presented to the City Council and attached as Exhibit A.
2. Execution Authority. The Mayor and the City Manager, or either of them, are hereby authorized and directed to execute the Tax Sharing Agreement on behalf of the City, subject to approval as to form by the City Attorney.
3. Implementation. City staff are authorized and directed to transmit this Resolution and the executed Tax Sharing Agreement to LAFCo and to take all actions necessary to carry out and implement the Agreement.

**PASSED AND ADOPTED** this 25<sup>th</sup> day of March, 2026, by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

Susan Sher, Mayor

ATTEST:

---

Kristine Lawler, City Clerk

Exhibit A: Mendocino County- Ukiah Corporation Yard - Tax Sharing Agreement

**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.

#### 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](mailto:ceo@mendocinocounty.gov)

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

To LAFCO:  
Mendocino LAFCo  
ATTN: Executive Officer  
200 S School St # 2, Ukiah, CA 95482  
Email: [eo@mendocinolafco.org](mailto: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: \_\_\_\_\_

Approved as to Form:  
County Counsel

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

Attest:

\_\_\_\_\_  
County Clerk

**CITY OF UKIAH**

Date: \_\_\_\_\_

Approved as to Form:

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

City Attorney

Attest:

\_\_\_\_\_  
City Clerk

Exhibit A: Draft Annexation Area Plat

DRAFT

**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

North State Street

Railroad

Point of Beginning

S04°59'34"E 14917.74'

# Annexation Area A

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'

Railroad R/W

L2

L3

L4

L5

L6

L7

L8

L9

AP 167-280-12  
Double M Properties

AP 167-280-11  
Double M Properties

AP 167-280-14  
Double M Properties

AP 167-280-13  
Double M Properties

3.25" aluminum  
disk marked CA  
DOT / 101 MEN  
25.13



Annexation boundary

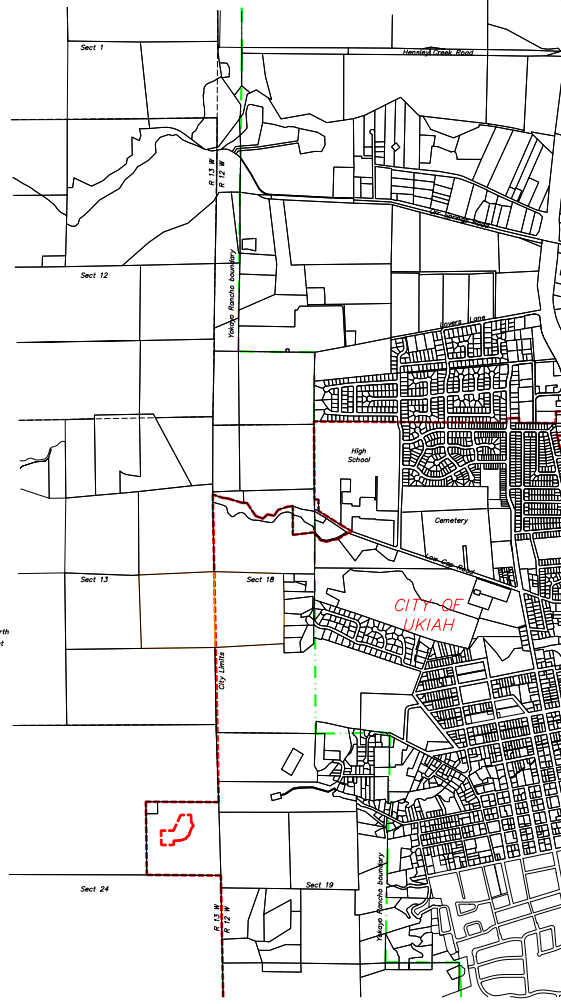
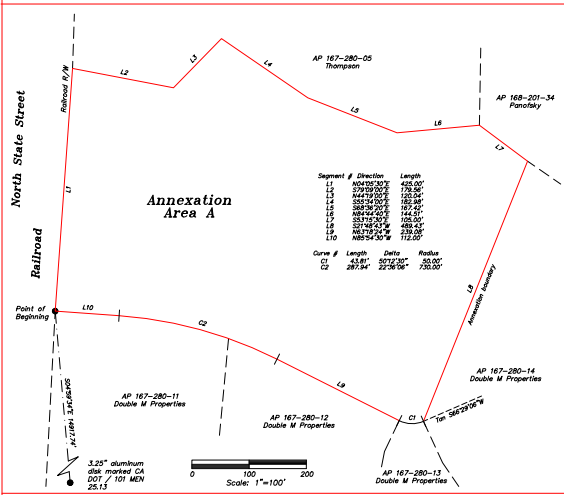
Tan S66°29'06"W

C1

C2

L10

**EXHIBIT "A"**  
**City of Ukiah Carousel Annexation**  
 LAFCo File No. \_\_\_\_\_  
 Portion of Lot 140 of the Yokayo 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  
 - - - Yokayo 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 (CCCRS), Zone 2 (2010.00 South State) using the four-faced National Geodetic Survey monuments designated "01 MEN 25.13 and 102 MEN D CA 01 CC". All distances cited herein are grid values which are the basis for the areas shown herein. To obtain ground values divide the distances by 0.999892795 to obtain ground distances.
- The purpose of this exhibit is to accompany the legal description "B" for City of Ukiah annexation and to comply with State Board of Equalization's "Written legal (pedestal) description requirements". The legal description and this exhibit are to be used to establish geographic position only and is not intended to establish property boundary or ownership.
- This metes and bounds description is compiled entirely from a combination of Mendocino County record maps and United States General Land Office survey plats 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.

