

American Canyon Agreement No. ____
Napa County Agreement No. 260379B
American Canyon Fire Protection District Agreement No. ____

Property Tax Sharing Agreement

for the

Hess-Laird Affected Territory

This Property Tax Sharing Agreement (this “Agreement”) is made and entered into as of _____, 2026 (“Effective Date”) by and between the County of Napa, a political subdivision of the state of California (“County”) the City of American Canyon, a municipal corporation (“City”), and the American Canyon Fire Protection District, a Subsidiary Special District (“ACFPD”) (collectively, “Parties”).

RECITALS

- A. The Local Agency Formation Commission of Napa County (“LAFCO”) has received a landowner application dated March 12, 2026 for the “Hess-Laird Affected Territory (HLAT),” consisting of approximately 281 acres and collectively comprising APNs 057-090-065 & -066 as described and depicted in Exhibit A attached hereto and incorporated herein by reference (“HLAT”). The application proposes to amend the City’s and the American Canyon Fire Protection District’s (“District”) Spheres of Influence to include the HLAT and to annex the HLAT into the jurisdictional boundaries of the City and the District (collectively, the “HLAT Reorganization”).
- B. The properties comprising the HLAT are currently outside the American Canyon Urban Limit Line (ULL).
- C. Concurrently herewith, the City and County will execute a separate “Amended and Restated Urban Limit Line and Regional Housing Needs Allocation Agreement (ULL/RHNA Agreement)” that will permit the City to expand its ULL to include properties in the HLAT in exchange for the City’s agreement to accept a percentage of the County’s RHNA in perpetuity, commencing with the Seventh Housing Element Revision.
- D. Pursuant to Section 99 of the Revenue and Taxation Code, the governing bodies of all local agencies whose service area or service responsibilities will be altered by a proposed jurisdictional change shall negotiate and determine by resolution the amount of property tax revenues to be exchanged between and among such local agencies.

E. The City Council of the City of American Canyon, the Board of Directors of the American Canyon Fire Protection District, and the Board of Supervisors of the County of Napa, pursuant to Revenue and Taxation Code Section 99, subdivision (b)(5), have determined the amount of property tax revenues to be exchanged as a result of the proposed jurisdictional changes.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. Annexation Effective Date. The property tax allocation set forth in Section 2 below shall commence on the date the LAFCO Executive Officer's Certificate of Completion is recorded consistent with applicable law, including the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Government Code Section 56000. *et seq.*, but in no event prior to approval of the HLAT Reorganization by LAFCO ("Annexation Effective Date"). If litigation is filed challenging the validity of the HLAT Reorganization, the Annexation Effective Date shall be tolled until the litigation and any appeals are concluded. If litigation should result in a final judgement that the HLAT Reorganization is invalid, including exhaustion of any appeals, then this Agreement shall have no further force or effect.

2. Allocation of Property Taxes.

a. Beginning on the Annexation Effective Date, the ACFPD shall be allocated one hundred percent (100%) of the County's Structural Fire tax increment as calculated by the Napa County Auditor-Controller ("County Auditor"). This allocation shall not be subject to change based on Section 4.

b. Subject to Section 4, beginning on the Annexation Effective Date, the City shall be allocated Forty-Seven and a half percent (47.5%) of the County's share of the one percent (1%) property tax rate increment from the HLAT as calculated by the County Auditor ("County Tax Increment"); the ACFPD shall be allocated Five percent (5%) of County Tax Increment; and the County shall retain the remaining Forty-Seven and a half percent (47.5%) of the County Tax Increment (i.e. "47.5%/5%/47.5% allocation").

3. Property Tax Revenue. The property taxes revenue subject to this Agreement shall mean "ad valorem real property taxes," as the phrase is used in Section 25.5(b) of Article XIII A of the California Constitution, excluding certain property tax revenue set forth in Revenue and Taxation Code Section 95(c), that is collected from the HLAT.

4. ULL/RHNA Agreement.

a. Concurrently herewith, the City and County shall enter a separate “Urban Limit Line and Regional Housing Needs Allocation Agreement (ULL/RHNA Agreement)” authorizing the City to expand the American Canyon ULL to include properties in the HLAT in exchange for the City’s agreement to accept a percentage of the County’s RHNA in perpetuity, commencing with the Seventh Housing Element Revision. The ACFPD shall not be a party to the ULL/RHNA Agreement.

b. The parties agree the City share of the County Tax Increment shall increase from that amount shown in Section 2 upon approval of the transfer of the specified portion of the County’s RHNA to the City, commencing with the Seventh Housing Element Revision (2031-2039) and continuing for each subsequent Housing Element Revision in perpetuity, in accordance with the ULL/RHNA Agreement. Beginning on the effective date of the Seventh Housing Element Revision that includes the transfer of the specified portion of the County’s RHNA to the City in accordance with the ULL/RHNA Agreement, in lieu of the allocation in Section 2b the City shall be allocated Seventy percent (70%) of the County’s share of the County Tax Increment; the ACFPD shall be allocated Five percent (5%) of County Tax Increment; and the County shall retain the remaining Twenty-Five percent (25%) of the County Tax Increment. This “70%/25%/5% allocation” shall continue so long as the transfer of the specified portion of the County’s RHNA is included in each subsequent Housing Element Revision. If any future Housing Element Revision, does not include the transfer of the County’s RHNA to the City by the applicable percentage set forth in the ULL/RHNA Agreement for any reason, including a change in law, the “70%/5%/25% allocation” of County Tax Increment in this Section shall cease and the “47.5%/5%/47.5% allocation” of County Tax Increment shall be implemented in accordance with Section 2b.

5. Additional Terms and Conditions:

a. Compliance with Revenue and Taxation Code section 99. Whenever applicable, the parties will take the necessary steps required by section 99 of the Revenue and Taxation Code to implement this Agreement, including adoption of the requisite resolutions.

b. Indemnification. To the fullest extent permitted by law, each party agrees to defend, indemnify, and hold harmless the other parties, their elected and appointed officials, officers, employees and agents from and against any and all liabilities, penalties, costs, losses, damages, expenses, causes of action, claims, demands, proceedings and judgments including, without limitation, reasonable attorneys' fees (collectively, “Claims”) against the other parties for damages or violation of any law arising from or in any way connected with any act, omission, or other action taken by that party in performance of its duties under this Agreement.

c. Warranty of Legal Authority Each party warrants and covenants that it has the present legal authority to enter into this Agreement and to perform the acts required of it hereunder. If any party is found to lack the authority to perform the acts required of it hereunder or is prevented from performing the acts by a court of competent jurisdiction, this Agreement shall be void.

d. Assignment/Delegation. Neither party hereto shall assign, or transfer any benefit or obligations of this Agreement without the prior written consent of the other, and no assignment shall be of any force or effect whatsoever unless and until the other party shall have so consented.

e. Severability. In the event any provision of this Agreement or the ULL/RHNA Agreement is held to be invalid or unenforceable by a court of competent jurisdiction, the valid or enforceable portion thereof and the remaining provisions of this Agreement and the ULL/RHNA Agreement will remain in full force and effect except to the extent removal of the invalid portion would materially and adversely impact one or more parties' consideration for entering into this Agreement and the ULL/RHNA Agreement.

f. Waiver. Any waiver (express or implied) by either party of any breach of this Agreement shall not constitute a waiver of any other or subsequent breach.

g. Re-Opener. In the event City approves development proposals for properties within the HLAT for uses that exceed the ACPFD's financial ability to provide services, then the City and AFFPD will work together to augment revenue sources available to the ACPFD which may include the reallocation of City's share of County Tax Increment to the ACPFD to support delivery of ACPFD services, but regardless, the County will retain 25% of the County Tax Increment and have no obligation to support ACPFD or reallocate any of its remaining County Tax Increment.

h. Notices. Whenever notice is to be given, it shall be in writing and delivered by personal, overnight express or courier service, with a written receipt, or sent by registered or certified mail in a sealed envelope, postage prepaid, return receipt requested and addressed as follows:

City of American Canyon:
City Manager:
4381 Broadway Street, Suite 201
American Canyon, California 94503

With Copy to:

City Attorney
Colantuono Highsmith & Whatley P.C.
790 E. Colorado Blvd., Suite 850
Pasadena, CA 91101

County of Napa:
Chief Executive Officer
Napa County
1195 Third Street, Suite 310
Napa, CA 94559

With Copy to:
Napa County Counsel
County of Napa
1195 Third Street, Suite 301
Napa, CA 94559

American Canyon Fire Protection District:
Fire Chief
911 Donaldson Way E
American Canyon, CA 94503

With Copy to:
District Legal Counsel
350 Cambridge Ave, Suite 125
Palo Alto , CA 94306

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

i. Entire Agreement. This Agreement and the ULL/RHNA Agreement, including any documents expressly incorporated by reference whether or not attached thereto, constitutes the entire agreement between the parties relating to the annexation of, and allocation of County Tax Increment for, the HLAT and supersedes all previous agreements, promises, representations, understandings, and negotiations, whether written or oral, among the parties with respect to the annexation of, and allocation of County Tax Increment for, the HLAT. This Agreement may be executed in counterparts, each of which shall constitute an original.

j. Amendment. This Agreement may only be amended in writing by an amendment authorized and executed by the City, County and ACFD.

k. Recitals Adopted. The Recitals are incorporated by reference into this and are a part of this Agreement.

l. Joint Defense in Event of Third Party Challenges to the Agreement. In the event of a third party challenge of any type to this Agreement, the parties agree to jointly defend the validity and implementation of this Agreement.

m. Dispute Resolution.

i. 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 any of them to meet and attempt to resolve the same amicably for a period not to exceed thirty (30) days.

ii. If the dispute is not otherwise resolved, and absent the need for emergency relief or to meet a statute of limitations, the Parties agree to enter into mediation before initiating litigation. The Parties shall mutually agree upon a mediator and each party shall pay one third (1/3) the cost of the mediator and bear their own costs for the mediation. The mediation shall be completed within sixty (60) days of notice of the intent to undergo mediation. If the mediation is not completed within sixty (60) days of notice, a party may initiate litigation. The Parties shall act in good faith and with due diligence to timely complete the mediation.

iii. If litigation is commenced before mediation due to one of the reasons mentioned above, the Parties agree to immediately commence and complete mediation within sixty (60) days of the commencement of litigation as evidenced by the filing in court of a formal complaint, petition, or similar document.

n. Copy to Interested Persons. The Clerk of the Board shall immediately forward a copy of this Agreement to the Auditor-Controller for the County, the Clerks of the ACFD and the City, and the Executive Officer of LAFCO.

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

COUNTY OF NAPA

By: _____

Amber Manfree, Chair of Board of Supervisors

CITY COUNCIL VERSION (REV 4.17.26)

<p>APPROVED AS TO FORM Office of County Counsel</p> <p>By: <u>Sabrina S. Wolfson</u> Deputy County Counsel</p> <p>Date: <u>April 29, 2026</u></p>	<p>APPROVED BY THE NAPA COUNTY BOARD OF SUPERVISORS</p> <p>Date: _____ Processed By: _____ Deputy Clerk of the Board</p>	<p>ATTEST: NEHA HOSKINS Clerk of the Board of Supervisors</p> <p>By: _____</p>
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CITY OF AMERICAN CANYON

Pierre Washington, Mayor

By: _____

Approved as to Form:

Teresa L. Highsmith, City Attorney

By: _____

Attest: Teresa Geilfuss, American Canyon City Clerk

By: _____.

AMERICAN CANYON FIRE PROTECTION DISTRICT

Pierre Washington, Board Chair

By: _____

Approved as to Form:

William D. Ross, District Legal Counsel

By: _____

Attest: Cliff Campbell, Assistant Fire Chief/District Clerk

CITY COUNCIL VERSION (REV 4.17.26)

By: _____.

Exhibit A – Map of Hess-Laird Affected Territory

LINE TABLE		
NO	BEARING	LENGTH
L1	N89°30'19"W	2220.39'
L2	N00°36'40"E	47.77'
L3	N89°23'20"W	261.35'
L4	N46°02'51"W	40.22'
L5	N02°42'22"W	359.52'
L6	N05°23'19"W	444.68'
L7	N00°29'28"E	2922.03'
L8	S89°23'20"E	5.04'
L9	N00°36'40"E	545.83'
L10	N18°21'54"E	136.14'
L11	N57°34'07"E	70.28'
L12	N78°56'03"E	108.86'
L14	S00°07'42"E	272.84'
L16	N32°17'35"E	313.02'
L17	S89°41'36"E	720.74'
L18	S00°32'08"W	1600.00'
L19	S89°41'36"E	1089.01'
L20	S00°32'08"W	4110.82'

CURVE TABLE			
NO	RADIUS	DELTA	LENGTH
C13	330.00'	87°33'55"	504.34'
C15	555.00'	32°23'12"	313.72'

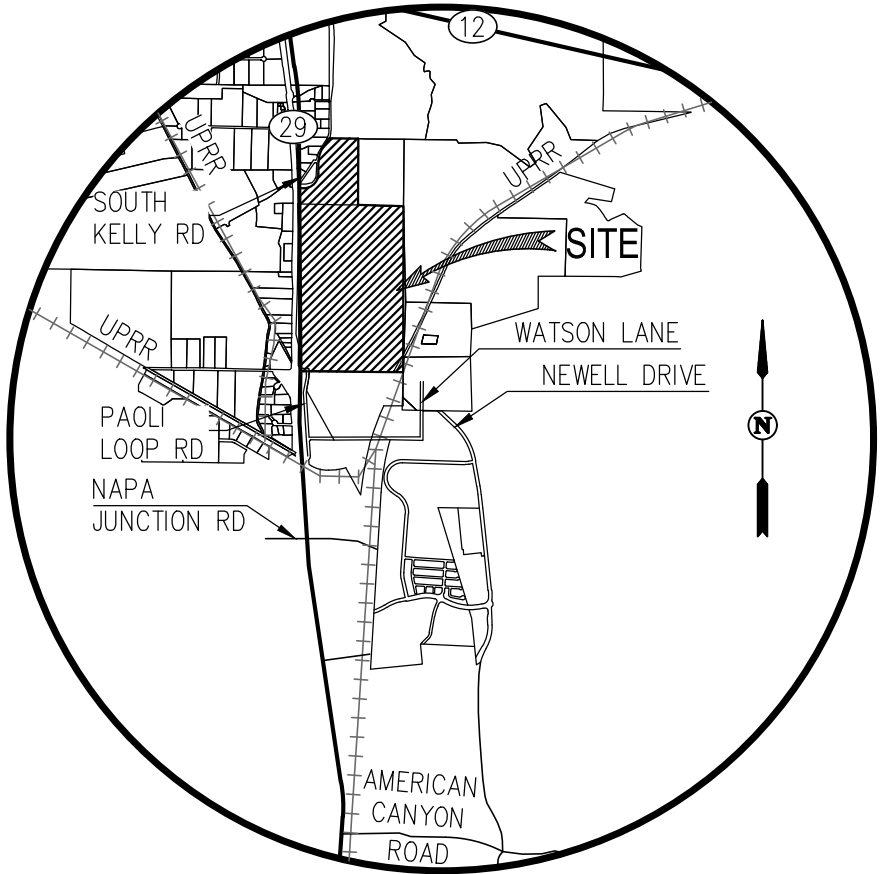


EXHIBIT B
PLAT TO ACCOMPANY LEGAL DESCRIPTION

ANNEXATION TO THE CITY OF AMERICAN CANYON
AND THE AMERICAN CANYON FIRE PROTECTION DISTRICT
AMERICAN CANYON, NAPA COUNTY, CALIFORNIA

MARCH 27, 2025

SHEET 2 OF 2



CIVIL ENGINEERS

SAN RAMON ▪ (925) 866-0322
ROSEVILLE ▪ (916) 788-4456

WWW.CBANDG.COM

▪ SURVEYORS ▪ PLANNERS

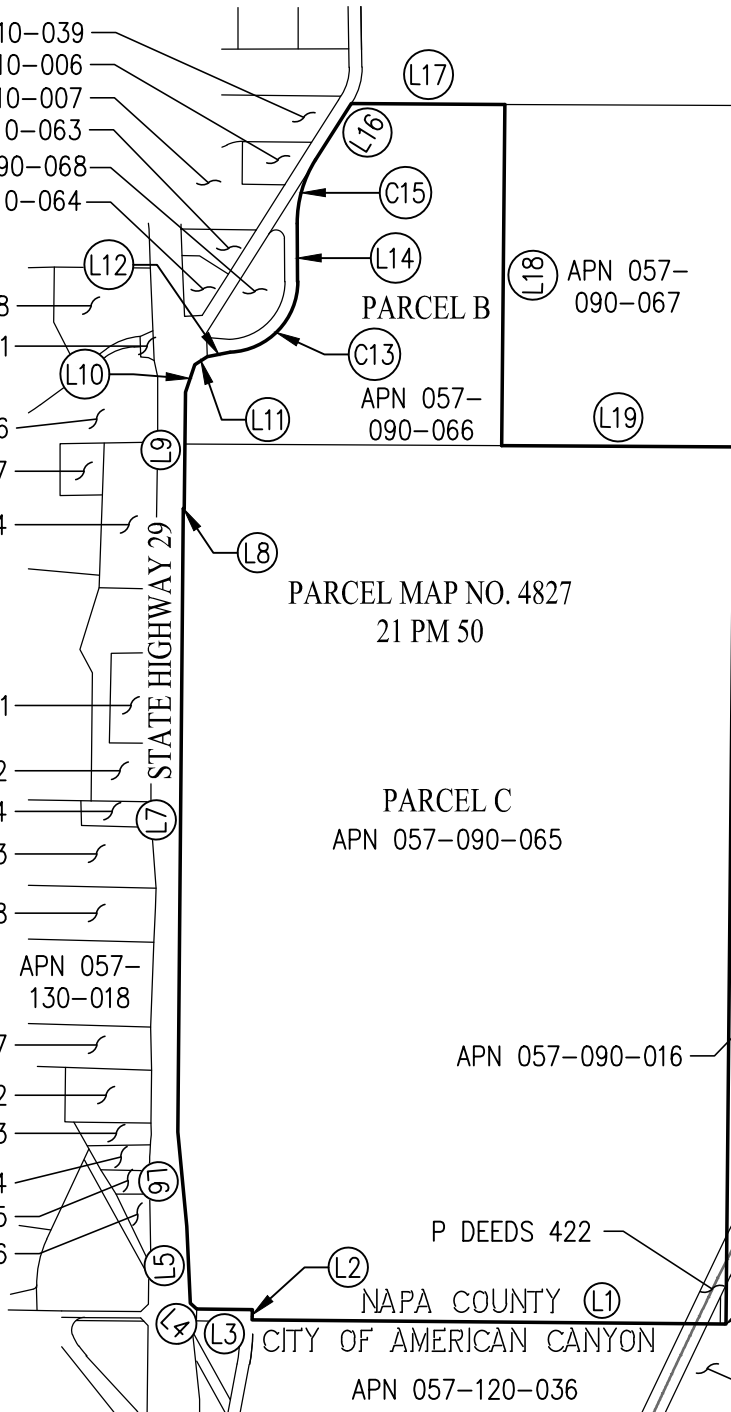
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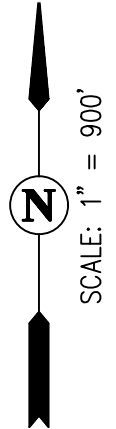
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 APN 057-130-016

APN 057-130-018



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 THE BASIS FOR AN OFFER OF SALE OF THE LAND DESCRIBED."

APN 057-070-017



NOTES:
 1. SEE SHEET 2 FOR LINE AND CURVE TABLES AND VICINITY MAP.

L20

APN 057-090-016

APN 057-020-033

APN 059-020-034

POINT OF BEGINNING

APN 057-020-044

APN 057-120-017

APN 057-120-036

EXHIBIT B

PLAT TO ACCOMPANY LEGAL DESCRIPTION

ANNEXATION TO THE CITY OF AMERICAN CANYON
 AND THE AMERICAN CANYON FIRE PROTECTION DISTRICT
 AMERICAN CANYON, NAPA COUNTY, CALIFORNIA

PRELIMINARY

MARCH 27, 2025

SHEET 1 OF 2



CIVIL ENGINEERS ■ SURVEYORS ■ PLANNERS

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