

**SECURED PROPERTY TAX REVENUE EXCHANGE AGREEMENT  
BY AND BETWEEN  
THE COUNTY OF HUMBOLDT  
AND  
THE SALMON CREEK FIRE PROTECTION DISTRICT**

This Agreement, entered into this day \_\_\_\_\_ of \_\_\_\_\_, 2024, by and between the County of Humboldt, a political subdivision of the State of California, hereafter referred to as "COUNTY," and the Salmon Creek Fire Protection District, a political subdivision of the State of California, hereinafter referred to as "DISTRICT", is made upon the following considerations:

**RECITALS**

WHEREAS, on June 6, 1978, the voters of the State of California amended the California Constitution by adding Article XIII A thereto which limited the total amount of property taxes which could be levied on real property by local taxing agencies to one percent (1%) of full cash value; and

WHEREAS, following such constitutional amendment, the California Legislature added Section 99 to the California Revenue and Taxation Code which requires an exchange of property tax revenues when a jurisdictional change alters the service responsibilities of one (1) or more local agencies; and

WHEREAS, on April 9, 2019, the Humboldt County Board of Supervisors ("Board") adopted a group of strategies and expectations to enable local fire districts to utilize property tax exchange agreements with COUNTY in support of annexation/formation/consolidation and a commitment to service delivery in areas outside current district boundaries that included five (5) standardized Tax Exchange Agreement Offers with specific expectations that must be achieved to qualify for a tax exchange offer; and

WHEREAS, the Salmon Creek Volunteer Fire Department (SCVFD) circulated a registered voter petition, gathering sufficient valid signatures, and filed an application with the Humboldt Local Agency Formation Commission (LAFCo) to form the District, pursuant to the Fire Protection District Law of 1987, to support the ongoing fire protection operations of the SCVFD to the Salmon Creek community; and

WHEREAS, the Board received a Tax Exchange Agreement Proposal approved by the DISTRICT that has been deemed by the County Administrative Officer to meet all of the expectations and commitments outlined in Tax Exchange Agreement Offer 5 of the Board adopted strategies and expectations; and

WHEREAS, consistent with Tax Exchange Agreement Offer 5, the DISTRICT has elected to make approval of a new special tax by the registered voters within its existing boundaries and the proposed annexation area to support and improve fire protection services and administration, a condition of annexation approval; and

WHEREAS, LAFCo considered the proposed District formation proposal as part of a noticed public hearing on July 20, 2022, and approved the proposal, waived the public protest hearing, and ordered the change of organization subject to a two-thirds majority vote in favor of the proposed special tax; and

WHEREAS, an election was held on March 7, 2023, in accordance with the notice and hearing procedures of Government Code Section 50075 et seq. and Article XIII A of the California Constitution,

and Measure S for the "formation of Salmon Creek Fire Protection District" and Measure T for the "Salmon Creek Fire Protection District Special Tax" were approved by the registered voters of the DISTRICT by a margin greater than the 2/3rds majority required votes; and

WHEREAS, the Board of Directors of the DISTRICT were sworn in on April 27, 2023; and

WHEREAS, on February 8, 2024, the DISTRICT approved Resolution 24-01, "Resolution of the Salmon Creek Fire Protection District Authorizing a Secured Property Tax Revenue Exchange Agreement Between the Salmon Creek Fire Protection District and the County of Humboldt", and

WHEREAS, COUNTY will continue to retain all of its service responsibilities in the annexed area despite the jurisdictional change; and

WHEREAS, COUNTY and DISTRICT agree that Tax Exchange Agreement Offer 5, as adopted by the Board on April 9, 2019, represents an appropriate approach to the sharing of real property ad valorem taxes imposed and collected as authorized by Section 99(d) of the California Revenue and Taxation Code in order to encourage fire suppression services.

NOW, THEREFORE, the parties agree as follows:

### AGREEMENTS

1. DEFINITIONS:

- A. Secured Property Tax Revenue. As used herein, the term "Secured Property Tax Revenue" shall mean revenue from the one percent (1%) ad valorem tax on real property that is collected from within the Annexation Area pursuant to Section 1 of Article 13A of the California Constitution, is available for allocation to DISTRICT and COUNTY, and is currently allocated to the Humboldt County General Fund.
- B. Annexation Area. As used herein, the term "District Boundary" shall mean the area described in Exhibit A - Salmon Creek Fire Protection District Annexation Geographic Description, which is attached hereto and incorporated herein by reference as if set forth in full.
- C. Annexation Date. As used herein, the term "Formation Date" shall mean the date specified by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (California Government Code Sections 56000, *et seq.*) as the effective date of the Salmon Creek Fire Protection District annexation.

2. EXCHANGE OF SECURED PROPERTY TAX REVENUES:

- A. Scope of Exchange. Commencing the first fiscal year following the date the new Tax Rate Area appears on the State Board of Equalization's Tax Rate Area Chart, the parties hereto shall exchange Secured Property Tax Revenue as follows:
  - 1. The DISTRICT shall not receive any transfer of Base Property Tax Revenues from COUNTY's share of property tax revenue from property tax revenue generated within the District Boundary prior to the formation of the DISTRICT.
  - 2. The DISTRICT shall receive three percent (3.0%) of the Secured Property Tax Revenue attributable only to the change in base value (i.e., property tax growth), using property

Secured Property Tax Revenue Exchange Agreement

taxes collected in the applicable District Formation Area during fiscal year 2024-2025 as the anticipated base year from which to calculate the change in base value, and each year thereafter.

3. COUNTY shall receive all of the Secured Property Tax Revenue remaining after the allocation of DISTRICT's share as set forth herein to be allocated to the Humboldt County General Fund.

B. Administration. This exchange of Secured Property Tax Revenue shall be memorialized in the establishment of new tax rate areas by the Board of Equalization with new tax allocation factors administered by the Humboldt County Auditor-Controller.

3. TERMINATION:

This Agreement may be terminated at any time by either party, without cause, upon thirty (30) days advance written notice to the other party. Such notice shall state the effective date of the termination.

4. NOTICES:

Any and all notices required to be given pursuant to the terms and conditions of this Agreement shall be in writing and either served personally or sent by certified mail, return receipt requested, to the respective addresses set forth below. Notice shall be effective upon actual receipt or refusal as shown on the receipt obtained pursuant to the foregoing.

COUNTY: Humboldt County Administrative Office  
Attention: Sean Quincey, Assistant County Administrative Officer  
825 Fifth Street, Room 112  
Eureka, CA 95501

DISTRICT: Salmon Creek Fire Protection District  
Attention: Dan Gribi, Chair  
Post Office Box 65  
Miranda, CA 95553

5. MUTUAL DEFENSE OF AGREEMENT:

If the validity of this Agreement is challenged in any legal action brought by a third party, COUNTY and the DISTRICT shall jointly defend against the legal challenge, and share equally any award of costs, including, without limitation, attorney's fees and other costs of litigation, against COUNTY, the DISTRICT, or both. In such cases, each party will bear their own costs and attorney's fees.

6. WAIVER OF RETROACTIVE RECOVERY:

If the validity of this Agreement is challenged in any legal action brought by either the DISTRICT or any third party, the DISTRICT waives any right to the retroactive recovery of any Secured Property Tax Revenues exchanged pursuant to this Agreement prior to the date on which such legal action is filed in a court of competent jurisdiction. The remedy available in any such legal action shall be limited to a prospective invalidation of this Agreement.

7. COMPLIANCE WITH APPLICABLE LAWS, REGULATIONS AND STANDARDS:

Each party hereby agrees to comply with any and all local, state and federal laws, regulations and standards applicable to the exchange of Secured Property Tax Revenues covered by this Agreement. Each party further agrees to promptly enter into negotiations concerning modification of this Agreement in the event that the amendment of any applicable local, state or federal laws, regulations or standards renders this Agreement invalid or inoperable, either in whole or in part.

8. PROVISIONS REQUIRED BY LAW:

This Agreement is subject to any additional local, state and federal restrictions, limitations or conditions that may affect the provisions, terms or funding of this Agreement. This Agreement shall be read and enforced as though all legally required provisions are included herein, and if for any reason any such provision is not included, or is not correctly stated, the parties agree to amend the pertinent section to make such insertion or correction.

9. JURISDICTION AND VENUE:

This Agreement shall be construed in accordance with the laws of the State of California. Any dispute arising hereunder, or relating hereto, shall be litigated in the State of California and venue shall lie in the County of Humboldt unless transferred by court order pursuant to California Code of Civil Procedure Sections 394 or 395.

10. MODIFICATION:

At any time after the Annexation Date, the parties hereto may renegotiate the provisions of this Agreement with respect to the current fiscal year or subsequent fiscal years. The terms and conditions set forth herein may be modified or amended only by a writing duly authorized and executed by both of the parties hereto.

11. SEVERABILITY:

If any provision of this Agreement, or any portion thereof, is found by any court of competent jurisdiction to be unenforceable or invalid for any reason, such provision shall be severable and shall not in any way impair the enforceability of any other provision of this Agreement.

12. CONFLICTING TERMS OR CONDITIONS:

In the event of any conflict in the terms or conditions set forth in any other agreements in place between the parties hereto and the terms and conditions set forth in this Agreement, the terms and conditions set forth herein shall have priority.

13. INTERPRETATION:

This Agreement, as well as its individual provisions, shall be deemed to have been prepared equally by both of the parties hereto, and shall not be construed or interpreted more favorably for one (1) party on the basis that the other party prepared it.

14. INDEPENDENT CONSTRUCTION:

The titles of the sections, subsections, paragraphs and clauses set forth herein are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of the provisions of this Agreement.

15. ENTIRE AGREEMENT:

This Agreement contains all of the terms and conditions agreed upon by the parties hereto and no other agreements, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind either of the parties hereto. In addition, this Agreement shall supersede in its entirety any and all prior agreements, promises, representations, understandings and negotiations of the parties, whether oral or written, concerning the same subject matter. Any and all acts which may have already been consummated pursuant to the terms and conditions of this Agreement are hereby ratified.

16. COUNTERPART EXECUTION:

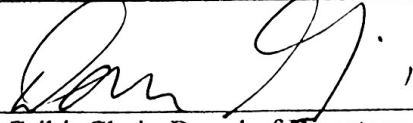
This Agreement, and any amendments hereto, may be executed in one (1) or more counterparts, each of which shall be deemed to be an original and all of which, when taken together, shall be deemed to be one (1) and the same agreement. This Agreement, and any amendments hereto, may be signed by manual or electronic signature in accordance with any and all applicable local, state and federal laws, regulations and standard, and such signature shall constitute original signature for all purposes. A signed copy of this Agreement, and any amendment hereto, transmitted by email or by other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Agreement and any amendments hereto.

17. AUTHORITY TO EXECUTE:

Each person executing this Agreement represents and warrants that he or she is duly authorized and has legal authority to execute and deliver this Agreement. Each party represents and warrants to the other that the execution and delivery of this Agreement and the performance of such party's obligation hereunder have been duly authorized.

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date first written above.

SALMON CREEK FIRE PROTECTION DISTRICT

By:   
Dan Gribi, Chair, Board of Directors

Date: 2/8/24

COUNTY OF HUMBOLDT

By: \_\_\_\_\_  
Rex Bohn, Chair, Humboldt County Board of Supervisors

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

**LIST OF EXHIBITS:**

Exhibit A – Salmon Creek Fire Protection District Annexation Description

**EXHIBIT A**  
**SALMON CREEK FIRE PROTECTION DISTRICT ANNEXATION DESCRIPTION**

General Description of the Proposed Salmon Creek District Formation Area. The proposed district formation area totals approximately 20,500 acres and includes:

The following Sections within Township 2 south, Range 2 east, Humboldt Base and Meridian:

- all of Sections 33, 34, and 35;
- the south  $\frac{1}{2}$  of Section 26;
- the south  $\frac{1}{4}$  of Section 27;
- the south  $\frac{1}{2}$  of the southeast  $\frac{1}{4}$ , and the southwest  $\frac{1}{4}$  excluding therefrom the northeast  $\frac{1}{2}$  of the northeast  $\frac{1}{4}$  of the southwest  $\frac{1}{4}$  of Section 28,
- the southeast  $\frac{1}{2}$  of the southeast  $\frac{1}{4}$  of the northeast  $\frac{1}{4}$ , the southeast  $\frac{1}{2}$  of the southeast  $\frac{1}{4}$  of the southwest  $\frac{1}{4}$ , and the southeast  $\frac{1}{4}$  excepting therefrom the northwest  $\frac{1}{2}$  of the northwest  $\frac{1}{4}$  of the southeast  $\frac{1}{4}$  of Section 29;
- the north  $\frac{1}{2}$  and southeast  $\frac{1}{4}$  of the northwest  $\frac{1}{4}$ , the northeast  $\frac{1}{4}$ , and the south  $\frac{1}{4}$  and northeast  $\frac{1}{4}$  of the southeast  $\frac{1}{4}$  of Section 32;
- Section 36 excepting therefrom the north  $\frac{1}{2}$  of the northeast  $\frac{1}{4}$  and northeast  $\frac{1}{4}$  of the northwest  $\frac{1}{4}$ ;

The following Sections within Township 2 south, Range 3 east, Humboldt Base and Meridian:

- the south  $\frac{1}{2}$  of the southwest  $\frac{1}{4}$  and the west  $\frac{1}{2}$  and southeast  $\frac{1}{4}$  of the southeast  $\frac{1}{4}$  of Section 31;
- the west half of the southwest  $\frac{1}{4}$  of Section 32;

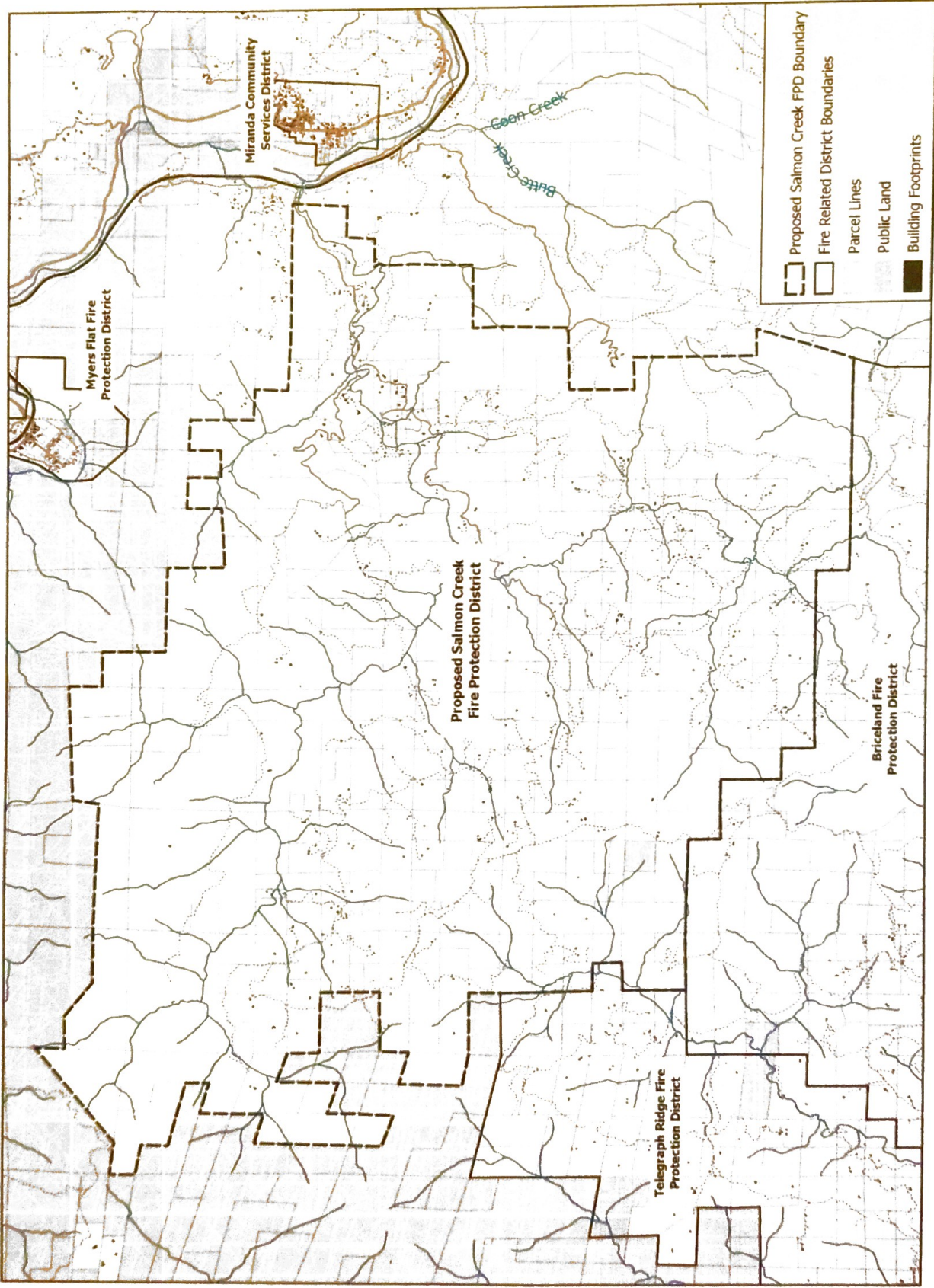
The following Sections within Township 3 south, Range 2 east, Humboldt Base and Meridian:

- all of Sections 1, 2, 3, 10, 11, 12, 13, 14, 15, and 24;
- Section 4 excepting therefrom the southwest  $\frac{1}{4}$ ;
- Section 5 excepting therefrom the north  $\frac{1}{2}$  and southwest  $\frac{1}{4}$  of the northwest  $\frac{1}{4}$ , the southeast  $\frac{1}{4}$  of the northwest  $\frac{1}{4}$ , the east  $\frac{1}{2}$  and southwest  $\frac{1}{4}$  of the southeast  $\frac{1}{4}$ , and the west  $\frac{1}{2}$  of the southwest  $\frac{1}{4}$  of Section 5;
- the northeast  $\frac{1}{4}$  of the northwest  $\frac{1}{4}$ , the southeast  $\frac{1}{4}$  of the northeast  $\frac{1}{4}$ , and the northeast  $\frac{1}{4}$  of the southeast  $\frac{1}{4}$  of Section 8;
- Section 9 excepting therefrom the south  $\frac{1}{2}$  of the southwest  $\frac{1}{4}$ ;
- the northeast  $\frac{1}{4}$  and the south east  $\frac{1}{4}$  of Section 16, excepting therefrom the south west  $\frac{1}{4}$  of the south east  $\frac{1}{4}$ ;
- the northeast  $\frac{1}{4}$  of Section 21;
- the north  $\frac{1}{2}$  and the northeast  $\frac{1}{4}$  of the southeast  $\frac{1}{4}$  of Section 22;
- Section 23, excepting therefrom the southwest  $\frac{1}{4}$  of the southwest  $\frac{1}{4}$ ;
- the north  $\frac{1}{2}$  of Section 25; and,
- the northeast  $\frac{1}{4}$  and the northeast  $\frac{1}{4}$  of the northeast  $\frac{1}{4}$  of Section 26;

The following Sections within Township 3 south, Range 3 east, Humboldt Base and Meridian:

- all of Sections 6, 7, 8, 18, and 19, and;
- Section 4, excepting therefrom the north  $\frac{1}{2}$  of the north  $\frac{1}{2}$  and the southeast  $\frac{1}{4}$  of the southeast  $\frac{1}{4}$ ;
- Section 5, excepting therefrom the north  $\frac{1}{2}$  of the northeast  $\frac{1}{4}$ ;
- Section 9, excepting therefrom the east  $\frac{1}{2}$  and the south  $\frac{1}{2}$  of the southwest  $\frac{1}{4}$ ;
- Section 17, excepting therefrom the southeast  $\frac{1}{4}$ ;
- Section 20, excepting therefrom the east  $\frac{1}{2}$  of the east  $\frac{1}{2}$ ;
- Section 29, excepting therefrom the south  $\frac{1}{2}$  of the south  $\frac{1}{2}$ ; and,
- Section 30, excepting therefrom, excepting therefrom the south  $\frac{1}{2}$  of the south  $\frac{1}{2}$ .





The following Assessor's Parcels are contained wholly or partially within the proposed Salmon Creek Fire Protection District:

211-181-008-000	212-032-018-000	212-091-011-000	219-021-003-000
211-182-004-000	212-033-004-000	212-091-014-000	219-021-004-000
211-185-003-000	212-033-005-000	212-091-015-000	219-021-005-000
211-185-007-000	212-033-006-000	212-101-001-000	219-021-006-000
211-185-008-000	212-033-008-000	212-101-005-000	219-021-007-000
211-186-001-000	212-033-011-000	212-263-002-000	219-031-003-000
211-186-002-000	212-033-012-000	212-263-006-000	219-031-004-000
211-186-004-000	212-051-001-000	212-263-007-000	219-031-005-000
211-186-005-000	212-051-003-000	212-263-008-000	219-031-006-000
211-186-006-000	212-051-010-000	212-263-009-000	219-031-007-000
211-241-003-000	212-051-013-000	212-263-010-000	219-031-010-000
211-242-003-000	212-051-015-000	212-263-011-000	219-041-003-000
211-242-004-000	212-051-020-000	212-263-012-000	219-041-004-000
211-242-005-000	212-051-021-000	212-263-013-000	219-041-008-000
211-243-004-000	212-051-025-000	212-263-014-000	219-041-010-000
211-244-001-000	212-051-026-000	212-263-015-000	219-041-012-000
211-244-002-000	212-051-027-000	212-263-040-000	219-051-001-000
211-245-001-000	212-051-028-000	212-263-041-000	219-051-003-000
211-245-002-000	212-061-002-000	212-263-042-000	219-051-004-000
211-245-003-000	212-061-003-000	212-263-045-000	219-051-005-000
211-246-002-000	212-061-007-000	212-263-048-000	219-051-006-000
211-411-005-000	212-061-012-000	212-263-051-000	219-051-009-000
211-416-004-000	212-061-013-000	212-263-053-000	219-061-001-000
211-416-005-000	212-061-014-000	212-263-055-000	219-061-004-000
211-416-006-000	212-061-015-000	212-263-056-000	219-061-005-000
211-416-007-000	212-061-017-000	212-263-058-000	219-061-006-000
212-012-005-000	212-061-018-000	212-263-059-000	219-061-013-000
212-012-006-000	212-061-023-000	212-301-007-000	219-061-014-000
212-013-002-000	212-061-028-000	212-301-008-000	219-061-016-000
212-013-003-000	212-061-029-000	212-301-009-000	219-061-017-000
212-013-011-000	212-061-030-000	212-301-011-000	219-061-018-000
212-013-012-000	212-071-001-000	212-301-012-000	219-061-019-000
212-013-019-000	212-071-002-000	212-301-013-000	219-061-020-000
212-013-021-000	212-071-004-000	212-320-001-000	219-071-001-000
212-021-002-000	212-071-005-000	212-320-002-000	219-071-003-000
212-021-005-000	212-071-006-000	212-320-003-000	219-071-005-000
212-021-007-000	212-081-006-000	212-320-004-000	219-071-006-000
212-021-010-000	212-081-017-000	219-011-001-000	219-071-007-000
212-022-001-000	212-081-019-000	219-011-002-000	219-081-001-000
212-022-013-000	212-081-021-000	219-011-003-000	219-081-002-000
212-022-014-000	212-081-022-000	219-011-004-000	219-081-003-000
212-022-017-000	212-091-002-000	219-011-007-000	219-081-004-000
212-023-003-000	212-091-003-000	219-011-008-000	221-011-001-000
212-024-004-000	212-091-006-000	219-011-009-000	221-011-002-000
212-031-005-000	212-091-008-000	219-011-010-000	221-011-003-000
212-031-006-000	212-091-009-000	219-021-001-000	221-011-006-000
212-032-017-000	212-091-010-000	219-021-002-000	221-011-007-000



221-011-008-000	221-061-020-000	221-091-024-000
221-011-011-000	221-061-021-000	221-091-025-000
221-011-012-000	221-061-023-000	221-091-029-000
221-011-013-000	221-061-025-000	221-091-030-000
221-011-014-000	221-061-030-000	221-091-031-000
221-011-016-000	221-061-031-000	221-091-032-000
221-011-019-000	221-061-032-000	221-091-034-000
221-011-020-000	221-061-034-000	221-091-035-000
221-011-021-000	221-061-035-000	221-091-037-000
221-011-022-000	221-061-036-000	221-091-038-000
221-021-002-000	221-061-037-000	221-091-039-000
221-021-003-000	221-061-038-000	221-091-040-000
221-021-004-000	221-061-039-000	221-091-041-000
221-021-005-000	221-061-041-000	221-091-042-000
221-021-006-000	221-071-001-000	221-091-043-000
221-021-007-000	221-071-002-000	221-121-004-000
221-021-008-000	221-071-003-000	221-121-005-000
221-021-009-000	221-071-004-000	221-121-006-000
221-021-010-000	221-071-005-000	221-121-007-000
221-021-020-000	221-071-010-000	221-121-008-000
221-021-021-000	221-071-011-000	221-121-015-000
221-021-022-000	221-071-012-000	221-121-023-000
221-021-023-000	221-071-013-000	221-121-027-000
221-021-024-000	221-071-014-000	221-121-029-000
221-021-025-000	221-071-015-000	221-131-001-000
221-021-026-000	221-071-017-000	221-131-011-000
221-021-029-000	221-071-019-000	221-131-016-000
221-021-033-000	221-071-020-000	221-131-017-000
221-021-034-000	221-071-024-000	221-131-023-000
221-021-035-000	221-071-025-000	221-131-024-000
221-021-036-000	221-071-027-000	221-131-032-000
221-021-037-000	221-071-032-000	221-131-033-000
221-021-038-000	221-071-034-000	221-131-034-000
221-021-040-000	221-071-036-000	221-131-035-000
221-021-041-000	221-071-042-000	221-141-014-000
221-021-042-000	221-071-043-000	221-141-015-000
221-031-003-000	221-071-044-000	221-141-016-000
221-031-005-000	221-081-001-000	221-141-017-000
221-031-011-000	221-081-003-000	221-141-018-000
221-051-005-000	221-081-004-000	221-141-019-000
221-051-007-000	221-081-005-000	221-141-020-000
221-061-001-000	221-081-006-000	221-141-021-000
221-061-002-000	221-081-007-000	221-141-026-000
221-061-003-000	221-081-011-000	221-141-027-000
221-061-007-000	221-081-012-000	221-141-037-000
221-061-008-000	221-081-013-000	221-141-038-000
221-061-009-000	221-081-014-000	
221-061-015-000	221-081-015-000	
221-061-016-000	221-091-012-000	
221-061-017-000	221-091-014-000	
221-061-019-000	221-091-017-000	