



COUNTY OF HUMBOLDT

AGENDA ITEM NO.
C-5

For the meeting of: March 8, 2016

Date: February 10, 2016
To: Board of Supervisors
From: Cheryl Dillingham, Interim County Administrative Officer
Subject: Property Tax Revenue Exchange Agreement with Fieldbrook-Glendale Community Services District

RECOMMENDATION(S):

That the Board of Supervisors:

- 1. Approve the property tax exchange agreement (Attachment 1) between the County of Humboldt and Fieldbrook-Glendale Community Services District (FGCSD);
- 2. Adopt a resolution (Attachment 2) authorizing a property tax exchange between the county and FGCSD; and
- 3. Direct the Auditor-Controller to administer the exchange of property taxes between the county and all applicable entities.

SOURCE OF FUNDING:

General Fund

Prepared by Amy S. Nilsen

CAO Approval

E. Ashia Hayes

REVIEW:

Auditor MBM County Counsel BA Human Resources _____ Other _____

TYPE OF ITEM:

Consent
 Departmental
 Public Hearing
 Other _____

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT

Upon motion of Supervisor Fennell
Seconded by Supervisor Bass
And unanimously carried by those members present,
The Board hereby adopts the recommended action
contained in this report.

PREVIOUS ACTION/REFERRAL:

Board Order No. C-8

Meeting of: 7/28/2015

Dated: March 8, 2016
Kathy Hayes, Clerk of the Board

By: [Signature]

DISCUSSION:

On July 28, 2015 your Board authorized the County Administrative Officer to negotiate with the FGCS D for a share of the county’s General Fund property tax revenue growth due to FGCS D expansion of their district boundaries. The County Administrative Office (CAO) and the FGCS D met and came to an agreement to exchange property tax despite the county continuing to retain all of its service responsibilities in the newly annexed areas.

The agreed upon terms include FGCS D receiving two point two percent (2.2%) of property tax revenue attributable only to change in base value (i.e., property tax growth), using property taxes collected in the applicable annexation areas during fiscal year 2016-17 as the base year from which to calculate the change in base value. The two point two percent was selected based on the fact that FGCS D currently receives this share of the one percent property tax rate in other tax rate areas. FGCS D will not receive a portion of the annual property tax adjustment based on the Consumer Price Index (CPI).

Upon agreement of the terms, the CAO had to determine the administrative feasibility of such a property tax exchange. In order to accomplish this exchange, without a long-term burden to the Auditor’s Office, the CAO is recommending purchasing a report from Megabyte, the county’s property tax administration system, which will calculate the terms of this agreement on an annual basis. The cost of this report is \$25,000. Without this report the Auditor’s Office will have to calculate, by hand property tax growth on individual parcels.

FINANCIAL IMPACT:

This property tax sharing agreement will result in decreased General Fund revenue for the county beginning in fiscal year 2017-18. The exact dollar amount of decreased revenue is unknown. However, an estimate can be provided by using the below formula.

Base value of property in 2016-17	\$200,000
Structure added in 2017-18	\$120,000
CPI = 2% so adjusted base in 2017-18 is	\$204,000 (\$200,000*2%)
Growth in 2017-18 is	\$116,000 (\$320,000-\$204,000)
Tax revenue growth (or 1%)	\$1,160 (\$116,000*1%)
Property tax exchange of 2.2% is	\$25.52 (\$1,160*2.2%)

There are 28 parcels in the annexed area. Should all parcels have growth in value of \$116,000, the FGCS D would receive \$714.56. It should also be noted that the county loses about 41 percent of all growth to the State of California to the Educational Revenue Augmentation Fund (ERAF), known as the ERAF shift.

In addition, in order to properly administer the transfer of property tax a report is necessary that will track and determine property tax growth. The development of this Megabyte report is \$25,000. Your Board approved a supplemental budget for these funds on February 9, 2016.

This supports the Board’s Strategic Framework by providing for and maintaining infrastructure as well as creating opportunities for improved health and safety.

OTHER AGENCY INVOLVEMENT:

Fieldbrook-Glendale Community Services District
Arcata Fire Protection District

Blue Lake Fire Protection District
Humboldt Local Agency Formation Commission

ALTERNATIVES TO STAFF RECOMMENDATIONS:

At your Board's discretion.

ATTACHMENTS:

1. Property tax revenue exchange agreement
2. Resolution approving property tax exchange
3. June 8, 2015 letter Property Tax Exchange
4. June 8, 2015 letter Application Received
5. Property tax revenue estimates for the affected territories

**SECURED PROPERTY TAX REVENUE EXCHANGE AGREEMENT
BETWEEN THE COUNTY OF HUMBOLDT
AND
FIELDBROOK-GLENDALE COMMUNITY SERVICES DISTRICT**

This Agreement, entered into this 8th day of March, 2016, by and between the County of Humboldt, a political subdivision of the State of California, hereinafter referred to as "COUNTY," and the Fieldbrook-Glendale Community Services District, 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 or more local agencies; and

WHEREAS, DISTRICT has filed an application with the Humboldt Local Agency Formation Commission requesting annexation of fire service out of district good will response areas and areas served by water and wastewater of approximately 2,874 acres of real property; 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 wish to work together to develop a fair and equitable approach to the sharing of real property ad valorem taxes imposed and collected as authorized by subsection (d) of Section 99 of the California Revenue and Taxation Code in order to encourage fire suppression services; and

WHEREAS, COUNTY and DISTRICT after negotiations have reached an understanding as to a rate of exchange of Secured Property Tax Revenues to be made pursuant to subsection (d) of Section 99 of the California Revenue and Taxation Code in connection with the annexation of fire service out of district; and

WHEREAS, COUNTY and DISTRICT now desire to enter into a Secured Property Tax Revenue Exchange Agreement pursuant to subsection (d) of Section 99 of the California Revenue and Taxation Code to set forth such a rate of exchange of Secured Property Tax Revenues.

AGREEMENTS

NOW, THEREFORE, the parties agree as follows:

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 "Annexation Area" shall mean the area described in Exhibit A as Annexation Area 1 which would add Sections 13, 14, 15, 22, and 23 of Township 7 north, Range 1 east, and Annexation Area 3 which contains all of Section 34 of Township 7 north, Range 1 east and a portion of the western edge of Section 35 of Township 7 north, Range 1 east.
- C. Annexation Date. As used herein, the term "Annexation 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 Fieldbrook-Glendale Community Services District annexation.

2. EXCHANGE OF SECURED PROPERTY TAX REVENUES:

- A. Scope of Exchange. On and after the Annexation Date, the parties hereto shall exchange Secured Property Tax Revenue as follows:
 - 1. DISTRICT shall receive two point two percent (2.2%) of the Secured Property Tax Revenue attributable only to change in base value (i.e, property tax growth), using property taxes collected in the applicable Annexation Areas during fiscal year 2016-17 as the base year from which to calculate the change in base value. DISTRICT shall not receive a portion of the annual property tax adjustment based on the Consumer Price Index.
 - 2. DISTRICT shall receive its share of Secured Property Tax Revenue beginning in fiscal year 2017-18 from property taxes collected in the same fiscal year.
 - 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.
 - 4. COUNTY and DISTRICT further agree that all of the exchanges of Secured Property Tax Revenues required by this Agreement shall be made by the Humboldt County Auditor-Controller.
- B. Review. COUNTY and DISTRICT shall conduct a review of the distribution of Secured Property Tax Revenues, including assessed value refunds, in five (5) year increments starting from the commencement of this Agreement.

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 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
825 Fifth Street, Room 112
Eureka, CA 95501

DISTRICT: Fieldbrook-Glendale Community Services District
4584 Fieldbrook Road
McKinleyville, CA 95519

5. MUTUAL DEFENSE OF AGREEMENT:

If the validity of this Agreement is challenged in any legal action brought by a third party, COUNTY and DISTRICT shall jointly defend against the legal challenge, and share equally any award of costs, including attorney's fees, against COUNTY, 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 DISTRICT or any third party, 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 the Agreement.

7. COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS:

Each party agrees to comply with all local, state and federal laws and regulations 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 an applicable local, state or federal law or regulation 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. 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 party on the basis that the other party prepared it.

13. INDEPENDENT CONSTRUCTION:

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

14. 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 paragraphs 1 through 16 of this Agreement, paragraphs 1 through 16 of this Agreement shall have priority.

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 concerning the same subject matter covered herein between the parties.

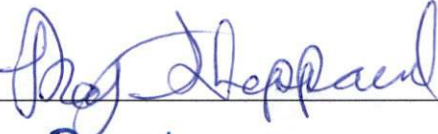
16. AUTHORITY TO EXECUTE:

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 obligations hereunder have been duly authorized.

[Signatures on Following Page]

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

FIELDBROOK-GLENDALE COMMUNITY SERVICES DISTRICT:

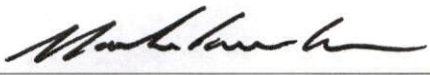
By: 

Date: 2/2/16

Name: Rog Sheppard

Title: President

COUNTY OF HUMBOLDT:

By: 

Date: 3-8-16

Mark Lovelace
Chair, Board of Supervisors

Exhibit B

Annexation Area 1. Annexation area 1 would add the remaining area of Sections 13, 14, 15, 22, and 23 of Township 7 north, Range 1 east, and contains the following Assessor's Parcels:

512-011-002	512-231-011	512-231-027	512-241-015
512-011-003	512-231-012	512-231-028	512-241-016
512-011-004	512-231-013	512-231-031	512-241-017
512-011-007	512-231-017	512-231-032	512-241-018
512-011-008	512-231-018	512-231-033	
512-011-009	512-231-019	512-241-012	
512-231-010	512-231-020	512-241-013	

Annexation Area 2. Annexation Area 2 would add the northwest quarter of the northwest quarter of Section 30 of Township 7 north Range 2 east, and contains the following Assessor's Parcels:

512-051-020	512-051-021
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Annexation Area 3 and 3a. Annexation area 3 and 3a contains all of Section 34 of Township 7 north, Range 1 east and a portion of the western edge of Section 35 of Township 7 north, Range 1 east, and contains the following Assessor's Parcels:

512-191-006	512-191-024	512-191-028
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Annexation Area 4. Annexation Area 4 would add portions of Sections 2 and 11 of Township 6 north Range 1 east, and contains the following Assessor's Parcels:

504-061-002	504-081-010	516-331-013	516-331-041
504-081-002	504-081-011	516-331-014	516-331-043
504-081-005	516-331-010	516-331-016	516-331-044
504-081-007	516-331-011	516-331-017	
504-081-009	516-331-012	516-331-040	

Annexation Area 5. Annexation Area 5 would add portions of Section 18 and 19 of Township 6 north Range 2 east, and contains the following Assessor's Parcels:

312-061-010	312-071-016	312-071-042	312-071-051
312-061-011	312-071-017	312-071-044	312-071-052
312-061-012	312-071-018	312-071-045	312-082-009
312-061-013	312-071-041	312-071-048	312-082-01



HUMBOLDT

Local Agency Formation Commission

1125 16th Street, Suite 202, Arcata, CA 95521
(707) 445-7508 / (707) 825-9181 fax
www.humboldtlafo.org

DATE: June 8, 2015
TO: Mari Wilson, Humboldt County Assessor
Joe Mellett, Humboldt County Auditor-Controller
FROM: Colette Metz, LAFCo Administrator
SUBJECT: PROPERTY TAX EXCHANGE - FIELDBROOK-GLENDALE COMMUNITY SERVICES DISTRICT ANNEXATION

Pursuant to Revenue and Taxation Code Section 99 (b), please be advised that LAFCo has received an application for **Annexation of Fire Service Out of District Good Will Response Areas and Areas Served by Water & Wastewater to the Fieldbrook-Glendale Community Services District**. The above-referenced section states, in part:

(1) (A) The county assessor shall provide to the county auditor, within 30 days of the notice of filing, a report which identifies the assessed valuations for the territory subject to the jurisdictional change and the tax rate area or areas in which the territory exists.

(B) The auditor shall estimate the amount of property tax revenue generated within the territory that is the subject of the jurisdictional change during the current fiscal year.

(2) The auditor shall estimate what proportion of the property tax revenue determined pursuant to paragraph (1) is attributable to each local agency pursuant to Section 96.1 and 96.5.

(3) Within 45 days of notice of the filing of an application or resolution, the auditor shall notify the governing body of each local agency whose service area or service responsibility will be altered by the jurisdictional change of the amount of, and allocation factors with respect to, property tax revenue estimated pursuant to paragraph (2) that is subject to a negotiated exchange.

(4) Upon receipt of the estimates pursuant to paragraph (3), the local agencies shall commence negotiations to determine the amount of property tax revenues to be exchanged between and among the local agencies. Except as otherwise provided, this negotiation period shall not exceed 60 days. If a local agency involved in these negotiations notifies the other local agencies, the county auditor, and the local agency formation commission in writing of its desire to extend the negotiation period, the negotiation period shall be 90 days.

The exchange may be limited to an exchange of property tax revenues from the annual tax increment generated in the area subject to the jurisdictional change

and attributable to the local agencies whose service area or service responsibilities will be altered by the proposed jurisdictional change. The final exchange resolution shall specify how the annual tax increment shall be allocated in future years.

(5) In the event that a jurisdictional change would affect the service area or service responsibility of one or more special districts, the board of supervisors of the county or counties in which the districts are located shall, on behalf of the district or districts, negotiate any exchange of property tax revenues. Prior to entering into negotiation on behalf of a district for the exchange of property tax revenue, the board shall consult with the affected district. The consultation shall include, at minimum, notification to each member and executive officer of the district board of the pending consultation and provision of adequate opportunity to comment on the negotiation.

Please take the steps necessary to facilitate a property tax split between the affected agencies in accordance with this section. The proposal calls for an annexation of the following outside agency service areas to the Fieldbrook-Glendale Community Services District, as shown on Exhibit A:

1. The F-GCSD proposes to expand its Sphere of Influence (SOI), establish a fire-only service zone by ordinance, and annex three areas (Annexation Areas 1, 2, and 3a) totaling approximately 2,874 acres to which it currently provides fire protection services outside its district boundaries (Fire Service Area).
2. The F-GCSD proposes to expand its SOI and annex two areas (Annexation Areas 3 and 4) totaling approximately 344 acres to which it currently provides fire protection and water services outside its district boundaries to "Zone 2" (Fire and Water Service Area). It should be noted that Annexation Area 4 is located within the Arcata Fire Protection District (FPD) and this area would be required to detach from that district prior to annexation to the F-GCSD.
3. The F-GCSD proposes to expand its SOI and annex Annexation Area 5 totaling approximately 26 acres to which it currently provides water and wastewater services outside its district boundaries to "Zone 1" (Water and Sewer Service Area).

If you have any questions, please don't hesitate to contact me at 707-445-7508 or administrator@humboldtlafo.org.

Attachments: Map and Geographic Description

Cc:

Phillip Smith-Hanes, County Administrative Officer
Amy Nilsen, Deputy County Administrative Officer
John Miller, Humboldt County Planning and Building Department
Cybelle Immitt, Humboldt County Public Works Department
Righard Hanger, Fieldbrook-Glendale Community Services District
Rich Grissom, Fieldbrook Volunteer Fire Department

Exhibit A

Fieldbrook-Glendale Community Services District Annexation
Geographic Description

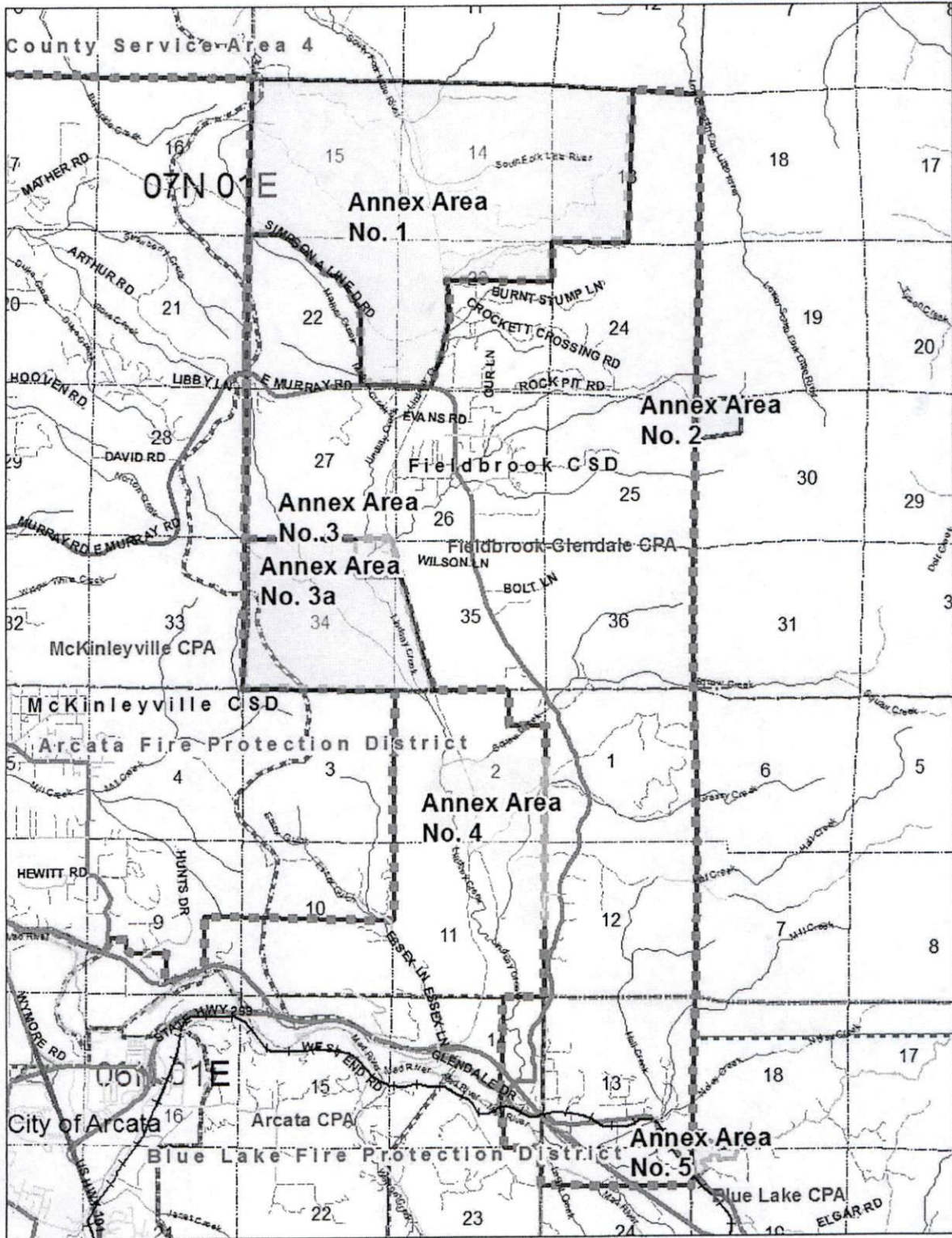


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512-011-004	512-231-013	512-231-031	512-241-017
512-011-007	512-231-017	512-231-032	512-241-018
512-011-008	512-231-018	512-231-033	
512-011-009	512-231-019	512-241-012	
512-231-010	512-231-020	512-241-013	

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504-081-002	504-081-011	516-331-014	516-331-043
504-081-005	516-331-010	516-331-016	516-331-044
504-081-007	516-331-011	516-331-017	
504-081-009	516-331-012	516-331-040	

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312-061-011	312-071-017	312-071-044	312-071-052
312-061-012	312-071-018	312-071-045	312-082-009
312-061-013	312-071-041	312-071-048	312-082-01

Property tax revenue estimates for the affected territories
Attachment 5

Fee Parcel Number	TRA	Land Use	Land	Structure	PPMH	HOX Exemption	Other Exemption														
504-061-002-000	053-028	9939	63,557	151,779	0	7,000	0														
504-081-002-000	053-028	7002	4,452	0	0	0	0														
504-081-005-000	053-028	3101	236,292	189,625	0	0	0														
504-081-007-000	053-028	9931	19,682	42,975	0	7,000	0														
504-081-009-000	053-028	9931	19,886	125,861	0	7,000	0														
504-081-010-000	053-028	0097	35,652	135,954	0	0	0														
504-081-011-000	053-028	3101	85,719	239,773	0	7,000	0														
516-331-010-000	053-028	3101	11,435	98,781	0	0	0														
516-331-011-000	053-028	1100	44,586	102,853	0	7,000	0														
516-331-012-000	053-028	1100	108,407	162,970	0	7,000	0														
516-331-013-000	053-028	3101	115,000	5,000	0	0	0														
516-331-014-000	053-028	1100	217,382	256,399	0	0	0														
516-331-016-000	053-028	1100	191,262	158,474	0	7,000	0														
516-331-017-000	053-028	0096	60,025	25,261	49,878	7,000	0														
516-331-040-000	053-028	1000	109	0	0	0	109														
516-331-041-000	053-028	1100	46,836	111,404	0	7,000	0	Net Taxable													
516-331-044-000	053-028	1100	11,084	27,515	0	0	0	Value	One Percent	Entity	County General	County Roads	County Library	Arcata Fire	Arcata Elementary	Northern Humboldt Unified	College of Redwoods	HCOE	HBMWD	HBHR&CD	Total
			1,271,366	1,834,624	49,878	63,000	109	\$3,092,759	\$30,927.59	Factors	\$10,481.86	\$1,594.75	\$985.51	\$1,870.44	\$7,805.51	\$4,907.68	\$2,117.30	\$479.78	\$381.46	\$303.31	\$30,927.59
312-082-009-000	057-001	3100	214,298	204,120	0	0	0	Net Taxable													
312-082-010-000	057-001	3100	12,990	185,409	0	7,000	0	Value	One Percent	Entity	County General	County Roads	County Library	Blue Lake Fire	Blue Lake Elementary	Northern Humboldt Unified	College of Redwoods	HCOE	HBMWD	HBHR&CD	Total
			227,288	389,529	0	7,000	0	\$609,817	\$6,098.17	Factors	\$2,025.79	\$308.21	\$190.46	\$359.59	\$1,631.35	\$948.49	\$409.21	\$92.72	\$73.72	\$58.62	\$6,098.17
516-331-043-000	057-002	1100	31,401	94,208	0	7,000	0	Net Taxable													
								Value	One Percent	Entity	County General	County Roads	County Library	Fieldbrook CSD	Blue Lake Elementary	Northern Humboldt Unified	College of Redwoods	HCOE	HBMWD	HBHR&CD	Total
								\$118,609	\$1,186.09	Factors	\$408.90	\$62.21	\$38.44	\$27.78	\$329.28	\$191.45	\$82.60	\$18.72	\$14.88	\$11.83	\$1,186.09
312-061-010-000	057-006	9931	89,677	117,578	0	7,000	0														
312-061-011-000	057-006	9931	79,711	178,026	0	7,000	0														
312-061-012-000	057-006	3101	153,694	225,418	0	0	0														
312-061-013-000	057-006	9931	92,185	11,056	0	7,000	0														
312-071-016-000	057-006	3100	38,293	48,365	0	0	0														
312-071-017-000	057-006	0096	73,563	18,650	65,254	7,000	0														
312-071-018-000	057-006	9931	12,006	43,473	0	7,000	0														
312-071-041-000	057-006	9931	45,017	62,533	0	0	0														
312-071-042-000	057-006	9931	136,570	49,505	0	0	0														
312-071-044-000	057-006	3101	276,037	188,200	0	7,000	0														
312-071-045-000	057-006	0097	37,132	32,718	0	0	0														
312-071-048-000	057-006	3101	66,885	185,151	0	7,000	0	Net Taxable													
312-071-051-000	057-006	3101	353,595	117,863	0	7,000	0	Value	One Percent	Entity	County General	County Roads	County Library	Blue Lake Fire	Blue Lake Elementary	Northern Humboldt Unified	College of Redwoods	HCOE	HBMWD	HBHR&CD	Total
312-071-052-000	057-006	3101	185,796	219,593	0	7,000	0	\$3,140,544	\$31,405.44	Factors	\$10,432.76	\$1,587.29	\$980.89	\$1,851.88	\$8,401.43	\$4,884.71	\$2,107.40	\$477.52	\$379.66	\$301.90	\$31,405.44
512-051-020-000	085-000	3103	300,555	19,329	0	0	0	Net Taxable													
512-051-021-000	085-000	7003	34,019	13,228	0	0	0	Value	One Percent	Entity	County General	County Roads	County Library	Fieldbrook CSD	Fieldbrook Elementary	Northern Humboldt Unified	College of Redwoods	HCOE	HBMWD	HBHR&CD	Total
			334,574	32,557	0	0	0	\$367,131	\$3,671.31	Factors	\$1,148.04	\$174.67	\$107.94	\$77.99	\$1,265.71	\$537.52	\$231.90	\$52.55	\$41.78	\$33.22	\$3,671.31
512-231-010-000	085-001	9931	80,947	108,041	0	0	0														
512-231-011-000	085-001	3103	484,932	27,867	0	7,000	0														
512-231-012-000	085-001	0097	37,250	157,422	0	7,000	0														
512-231-013-000	085-001	0096	96,984	6,903	3,672	0	0														
512-231-017-000	085-001	3101	453,566	174,868	0	7,000	0														
512-231-018-000	085-001	9931	191,853	260,518	0	7,000	0														
512-231-019-000	085-001	3102	379,028	46,665	0	0	0														
512-231-020-000	085-001	9931	84,951	213,211	0	7,000	0														
512-231-027-000	085-001	9931	82,679	186,679	0	7,000	0														
512-231-028-000	085-001	0096	83,127	26,164	0	7,000	0														
512-231-031-000	085-001	3102	26,042	135,013	0	0	0														
512-231-032-000	085-001	3101	109,612	187,763	0	7,000	0														
512-231-033-000	085-001	9930	169,206	0	0	0	0														

Property tax revenue estimates for the affected territories
Attachment 5

Fee Parcel Number	TRA	Land Use	Land	Structure	PPMH	HOX	Other	Value	One Percent
						Exemption	Exemption		
512-241-012-000	085-001	7004	62,552	0	0	0	0		
512-241-013-000	085-001	3103	190,069	64,973	0	7,000	0		
512-241-015-000	085-001	9931	143,651	625,169	0	7,000	0		
512-241-016-000	085-001	3104	139,293	284,294	0	7,000	0		
512-241-017-000	085-001	3102	250,000	150,000	0	0	0		
512-241-018-000	085-001	9931	82,153	240,700	0	7,000	0		
512-191-006-000	085-001	9931	38,169	262,847	0	7,000	0		
512-191-024-000	085-001	9930	121,344	0	0	0	0		
512-191-028-000	085-001	7000	105,970	0	0	0	0		
			3,413,378	3,159,097	3,672	91,000	0	\$6,485,147	\$64,851.47

Note: no fire agency in this TRA

Entity	Northern									Total
	County General	County Roads	County Library	Fieldbrook Elementary	Humboldt Unified	College of Redwoods	HCOE	HBMWD	HBHR&CD	
Factors	0.319492	0.048609	0.030039	0.352239	0.149589	0.064536	0.014624	0.011627	0.009245	1.000000
	\$20,719.53	\$3,152.37	\$1,948.07	\$22,843.22	\$9,701.07	\$4,185.25	\$948.39	\$754.03	\$599.55	\$64,851.47

Fee Parcel Number	TRA	Land Use	Land	Structure	PPMH	HOX	Other	Value	One Percent
						Exemption	Exemption		
512-011-002-000	115-001	7002	12,720	0	0	0	0		
512-011-003-000	115-001	7003	108,622	15,300	0	0	0		
512-011-004-000	115-001	7002	47,067	0	0	0	0		
512-011-007-000	115-001	9931	41,452	36,191	0	0	0		
512-011-008-000	115-001	7001	36,763	122,816	0	0	0		
512-011-009-000	115-001	7004	123,359	0	0	0	0		
			369,983	174,307	0	0	0	\$544,290	\$5,442.90

Note: no fire agency in this TRA

Entity	Northern									Total
	County General	County Roads	County Library	McKinleyville Elementary	Humboldt Unified	College of Redwoods	HCOE	HBMWD	HBHR&CD	
Factors	0.330991	0.050358	0.03112	0.328923	0.154974	0.06686	0.01515	0.012046	0.009578	1.000000
	\$1,801.55	\$274.09	\$169.38	\$1,790.29	\$843.51	\$363.91	\$82.46	\$65.57	\$52.13	\$5,442.90

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT, STATE OF CALIFORNIA
Certified copy of portion of proceedings, Meeting of March 8, 2016

RESOLUTION NO. 16-31

**RESOLUTION APPROVING SECURED PROPERTY TAX EXCHANGE BETWEEN THE
COUNTY OF HUMBOLDT AND THE FIELDBROOK-GLENDALE COMMUNITY
SERVICES DISTRICT**

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 or more local agencies; and

WHEREAS, Fieldbrook-Glendale Community Services District "DISTRICT" has filed an application with the Humboldt Local Agency Formation Commission requesting annexation of fire service out of district good will response areas and areas served by water and wastewater of approximately 2,874 acres of real property; and


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

WHEREAS, COUNTY and DISTRICT wish to work together to develop a fair and equitable approach to the sharing of real property ad valorem taxes imposed and collected as authorized by subsection (d) of Section 99 of the California Revenue and Taxation Code in order to encourage fire suppression services; and

WHEREAS, after negotiations had taken place, a Property Tax Revenue Exchange Agreement was entered into, by and between COUNTY and DISTRICT, on March 8, 2016.

NOW, THEREFORE, BE IT RESOLVED, that COUNTY shall provide an equitable property tax exchange to DISTRICT as provided in the Secured Property Tax Exchange Agreement, dated March 8, 2016, for the following annexation areas: Annexation Area 1 which would add Sections 13, 14, 15, 22, and 23 of Township 7 north. Range 1 east, and Annexation Area 3 which contains all of Section 34 of Township 7 north. Range 1 east and a portion of the western edge of Section 35 of Township 7 north. Range 1 east.

Dated: March 8, 2016


MARK LOVELACE, Chair
Humboldt County Board of Supervisors

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT, STATE OF CALIFORNIA
Certified copy of portion of proceedings, Meeting of March 8, 2016

RESOLUTION NO. 16-31

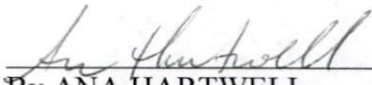
Adopted on motion by Supervisor Fennell, seconded by Supervisor Bass, and the following vote:

AYES:	Supervisors	Sundberg, Fennell, Lovelace, Bohn, Bass
NAYS:	Supervisors	--
ABSENT:	Supervisors	--
ABSTAIN:	Supervisors	--

STATE OF CALIFORNIA)
County of Humboldt)

I, KATHY HAYES, Clerk of the Board of Supervisors, County of Humboldt, State of California, do hereby certify the foregoing to be an original made in the above-entitled matter by said Board of Supervisors at a meeting held in Eureka, California.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of said Board of Supervisors.



By ANA HARTWELL
Deputy Clerk of the Board of Supervisors of the
County of Humboldt, State of California



1125 16th Street, Suite 202, Arcata, CA 95521
(707) 445-7508 / (707) 825-9181 fax
www.humboldtlafo.org

NOTICE OF FILING

DATE: June 8, 2015

TO: Arcata Fire Protection District
Blue Lake Fire Protection District
Humboldt Bay Municipal Water District
Humboldt County Planning and Building Department
Humboldt County Public Works Department
Humboldt County Elections Office
Humboldt County Assessor's Office
Humboldt County Auditor's Office
Humboldt County Administrative Office

FROM: Colette Metz, LAFCo Administrator

SUBJECT: APPLICATION RECEIVED – FIELDBROOK-GLENDALE COMMUNITY SERVICES DISTRICT ANNEXATION

APPLICATION INFORMATION

Project: Proposed Annexation of Fire Service Out of District Good Will Response Areas and Areas Served by Water & Wastewater to the Fieldbrook-Glendale Community Services District

Location: Fieldbrook and Glendale Areas – see Exhibit A

APNs: 64 parcels – see Exhibit B

Notice: The above referenced proposal has been submitted to LAFCo and this notice of filing is being issued in accordance with Government Code Section 56658(b)(1). If you wish to receive a copy of the application and supporting documents, please contact LAFCo at 445-7508. We request agency comments by **June 30, 2015**.

LAFCo has received an proposal submitted by resolution of application from the Fieldbrook-Glendale Community Services District (F-GCSD) for annexation of approximately 3,244 acres (64 parcels) of developed and undeveloped rural residential land, timber land, and grazing land located outside the boundaries that is currently served by the District. The proposed annexation includes the following outside agency service areas, as shown on Exhibit A:

1. The F-GCSD proposes to expand its Sphere of Influence (SOI), establish a fire-only service zone by ordinance, and annex three areas (Annexation Areas 1, 2, and 3a) totaling approximately 2,874 acres to which it currently provides fire protection services outside its district boundaries (Fire Service Area).

2. The F-GCSD proposes to expand its SOI and annex two areas (Annexation Areas 3 and 4) totaling approximately 344 acres to which it currently provides fire protection and water services outside its district boundaries to "Zone 2" (Fire and Water Service Area). It should be noted that Annexation Area 4 is located within the Arcata Fire Protection District (FPD) and this area would be required to detach from that district prior to annexation to the F-GCSD.
3. The F-GCSD proposes to expand its SOI and annex Annexation Area 5 totaling approximately 26 acres to which it currently provides water and wastewater services outside its district boundaries to "Zone 1" (Water and Sewer Service Area).

The F-GCSD currently provides water service throughout most of the District, wastewater collection services within the Glendale area only (wastewater is conveyed to the City of Arcata where it is furthered conveyed by the City to the Arcata Wastewater Treatment Plant for treatment and disposal), and fire protection services in the Fieldbrook area north of the Blue Lake FPD boundary which overlaps the District boundary.

The proposed SOI amendment and annexation does not involve proposed service expansions to accommodate new development. The proposed annexation is intended to redefine the F-GCSD district boundary to reflect what services are currently provided and the areas to which those services are provided. The F-GCSD does not propose an SOI beyond the proposed new district boundaries. As a result, the district boundaries and SOI would be coterminous.

Reasons for Proposal

According to the application, the reasons for the proposed annexation are as follows:

1. The F-GCSD has provided fire protection services to Annexation Areas 1, 2, 3, 3a, and 4; water service to Annexation Areas 3, 4, and 5; and sewer services to Annexation Area 5 for at least the last 15 years;
2. The proposed annexation would enable the district to extend its existing funding sources to the annexation area to support existing service and improve future service delivery; and
3. The proposed annexation would establish district boundaries that clearly define service responsibilities for the benefit of neighboring fire service providers, land use authorities, the public, and other service providers.

Description of Annexation Areas

Annexation Area 1: Annexation Area 1 is located on the north side of the F-GCSD boundary, is comprised of 25 parcels totaling approximately 2,175 acres in area, and contains rural residential uses along Old Roundhouse Road, Railroad Grade, and Murray Road as well as timber land that is part of the Little River watershed. Land within this area is zoned TPZ (86%), Agriculture Exclusive (8%), and Agricultural General (6%).

Annexation Area 2: Annexation Area 2 is located on the east side the F-GCSD boundary, is approximately 44 acres in area, contains two developed parcels along Tip Top Ridge

Road on timber land that is part of the Mather Creek watershed of the Mad River. Land within this area is zoned Agricultural Exclusive (44%) and TPZ (56%).

Annexation Area 3: Annexation Area 3 is located on the western edge of the F-GCSD midway between the north and south boundary, is approximately 43 acres in area, is comprised of two parcels accessed along Old Railroad Grade (one of which is developed), and is part of the Mather Creek watershed of the Mad River. Land within this area is zoned Forestry Recreation (100%).

Annexation Area 3a: Annexation Area 3a is located on the western edge of the F-GCSD midway between the north and south boundary, is comprised of one parcel totaling approximately 668 acres in area, is accessed through private logging roads, and is mostly part of the Mather Creek watershed of the Mad River. Land within this area is zoned Timber Production Zone (100%).

Annexation Area 4: Annexation Area 4 is located on the western edge of the lower 1/3 of the F-GCSD district boundary, is approximately 301 acres in area, and consists of 16 homes located on 18 parcels. The area is accessed through Lyman Lane and Sunny Acres Avenue, both public roads, and Stolpe Lane, which is a private road. This is part of the Squaw Creek watershed of the Mad River. Land within this area is zoned Agricultural Exclusive (65%), Agricultural General (16%), Timber Production Zone (14%), and Residential Suburban (5%).

Annexation Area 5: Annexation Area 5 is located near the southeast corner of the F-GCSD boundary, is approximately 26 acres in area, and is comprised of 16 homes located on 16 parcels. The area is accessed from Glendale Drive and Liscomb Hill Road and is part of the Powers Creek watershed of the Mad River. Land within this area is zoned Unclassified (70%), and Residential Suburban (30%).

Funding and Property Tax Negotiation

The F-GCSD fire service is funded primarily through a special tax on property within the district that is applied at a rate of \$75 per Assessor's Parcel. Annual revenue from the special assessment is approximately \$55,000. The District also receives property tax revenue in the amount of approximately \$45,000 per year.

Upon annexation, the District would receive approximately \$4,725 in special tax revenue from properties within the annexation areas. In addition, the District will begin the process of negotiating for the transfer of property tax with Humboldt County. The outcome of these negotiations is unknown at this time.

Overlapping Agency Boundaries

The following agencies have boundaries within the proposed annexation area:

Proposed Annexation Area 1:

- Humboldt Bay Municipal Water District - Wholesale water

Proposed Annexation Area 2:

- Humboldt Bay Municipal Water District - Wholesale water

Proposed Annexation Area 3:

- Humboldt Bay Municipal Water District - Wholesale water

Proposed Annexation Area 3a:

- Humboldt Bay Municipal Water District - Wholesale water

Proposed Annexation Area 4:

- Arcata FPD – Fire Suppression; Rescue Services; Basic Life Support; Fire Prevention, Education, and Inspection Services.
- Humboldt Bay Municipal Water District - Wholesale water

Proposed Annexation Area 5:

- Blue Lake FPD – Fire Suppression; Rescue Services; Basic Life Support; Education, and safety inspections.
- Humboldt Bay Municipal Water District - Wholesale water

Terms and Conditions

The F-GCSD has requested that proposed annexation be subject to the following terms and conditions:

1. Agreement regarding the exchange of ad valorem property tax within the proposed annexation area approved by the F-GCSD Board of Directors; and
2. Require that the existing F-GCSD special tax be extended to all property within the proposed annexation area.

If you have any questions regarding this proposal or wish to request a copy of the application, please contact LAFCo at administrator@humboldtlafoo.org or (707) 445-7508.

Cc:

Richard Hanger, General Manager, Fieldbrook-Glendale Community Services District
Rich Grissom, Chief, Fieldbrook Volunteer Fire Department

Exhibit A

Fieldbrook-Glendale Community Services District Annexation
Geographic Description

