

**REVENUE SHARING AND PROPERTY TRANSFER AGREEMENT BETWEEN THE  
GOLD RIDGE FIRE PROTECTION DISTRICT,  
AND THE CITY OF SEBASTOPOL FOR THE ANNEXATION  
OF THE CITY FIRE AND EMERGENCY SERVICES INTO THE DISTRICT**

This Revenue Sharing and Property Transfer Agreement ("Agreement") is entered into and effective February 4, 2024, between the Gold Ridge Fire Protection District ("GRFPD"), which is an independent fire district organized and operated pursuant to the Fire Protection District Law of 1987 (California Health and Safety Code section 13800 et seq.); and the City of Sebastopol (the "City") (collectively referred to herein as "the Parties"), with respect to the following Recitals, which are incorporated as a substantive part of this Agreement.

**RECITALS**

**WHEREAS**, the Board of Directors of GRFPD and the City Council, all located in Sonoma County, California (collectively referred to as "the Parties"), desire to initiate proceedings pursuant to the Cortese-Knox-Heitzberg Local Government Reorganization Act of 2000 (California Government Code section 56000 et seq.), with the Local Agency Formation Commission of the County of Sonoma ("Sonoma LAFCO") for the reorganization of the Parties as specified herein; and

**WHEREAS**, the Districts approved and adopted Joint Resolution No. 24/25-05, effective October 1, 2024, jointly requesting Sonoma LAFCO to approve the proposed reorganization and annexation of the City fire and emergency services for the Subject Territory, and

**WHEREAS**, the Subject Territory is consistent with the amended spheres of influence of the Parties to be adopted by Sonoma LAFCO Resolution 2789 on November 6, 2024; and

**WHEREAS**, GRFPD will submit its "Application for Reorganization consisting of the Annexation of the City of Sebastopol Fire and Emergency Services into the Gold Ridge Fire Protection District to Sonoma LAFCO in or about January 2025, and

**WHEREAS**, the Parties are desirous of facilitating successful Fire Protection Services in the Subject Territory, should the reorganization and annexation be approved, by entering into this Agreement relating to the revenue sharing and property transfer in the Subject Territory now allocated for fire protection by the Parties, and

**WHEREAS**, this Agreement is intended to specifically implement the proposed Annexation and reorganization for the Subject Territory only.

NOW, THEREFORE, the parties agree as follows:

## **AGREEMENT**

1. Effect of Recitals. The foregoing Recitals are incorporated into and are a part of this Agreement.
2. Definitions. For purposes of this Agreement, except as otherwise provided or unless the context otherwise requires:
  - (a) "Reorganization" means the annexation of fire and emergency services within the territory of the City into the reorganized GRFPD.
  - (b) "ACTTC" means the Sonoma County Auditor-Controller Treasurer-Tax Collector.
  - (d) "Effective Date" means the date of recordation of the LAFCO Executive Officer's Certificate of Completion for the Reorganization.
  - (e) "Unincorporated Area" means the area of the GRFPD located outside the boundaries of the City of Sebastopol.
3. Extension of District-wide special taxes in City territory. Beginning in Fiscal Year 2025-2026 and each Fiscal Year thereafter, the Parties agree and request the ACTTC levy the District-wide special tax on all parcels of real property within the City.
4. Annual Revenue Sharing Payment. The City shall make an annual payment to the GRFPD on July 15<sup>th</sup> of each year, starting in July 2025, in an amount equal to \$1,200,000.00, as annually adjusted, which payment shall continue in perpetuity subject to the provisions of this Agreement ("Revenue Sharing Payment"). This initial dollar figure is a baseline amount that shall be annually adjusted based on the percentage change in the annual Bay Area Consumer Price Index ("CPI"), issued in January of each year, over the prior year, with a minimum CPI floor of not less than two percent (2%) and a maximum CPI cap of not more than five percent (5%).
5. Local Debt Limit. Should a court determine that the payments under Sections 3 or 4 constitute County-issued debt made in violation of California Constitution Article XVI, section 18, then the Parties agree that such payments are made in satisfaction of their obligations under Revenue and Taxation Code Section 99. The payments will remain as annual lump sum payments made separately from the ACTTC's AB 8 allocation process.
6. Transfer of existing City Fire Station real property and facility improvements located at 7425 Bodega Avenue, Sebastopol, CA. As part of the annexation and LAFCO approved reorganization, City agrees to transfer to the District full title, ownership, and responsibility for the existing City Fire Station real property and facility improvements located at 7425 Bodega Avenue, Sebastopol, CA ( collectively "the fire station"), provided that the fire station continues to be used by the District for fire-related purposes. In the event the fire station property is no

longer used by the District for fire-related purposes or the District is no longer the City's fire service provider, ownership of the fire station shall revert back to the City; however, this reversion clause will not be triggered if the District sells or otherwise transfers the fire station in order to help fund replacement of the fire station with another fire station facility located within the City limits. The parties shall prepare and record a separate Grant Deed transferring the fire station to the District, which includes this reversion clause.

7. Payment for remaining Type 1 Engine debt payments. The Parties agree that not later than July 1, 2025, the City and District will each pay one of the two remaining apparatus payments of approximately \$240,000.00 each, so that this Type I Engine transfers with debt-free title to the reorganized District effective July 1, 2025.

8. City Measure H sales tax revenue. As required under Sonoma County Code section 12-66(E), the City allocated Measure H sales tax revenue shall transfer to District beginning Fiscal Year 2025-2026. Any remaining fund balance of unspent City Measure H sales tax revenue for Fiscal Year 2024-2025 shall transfer to the District on October 1, 2025.

9. City Fire Impact Fees. Any City fire impact fee fund balance shall transfer to the District effective July 1, 2025, and City shall continue to annually collect and transfer fire impact fees to the District until a District-wide fire impact fee is approved. The District shall use fire impact fees in the manner and for the purposes set forth in the City fire impact fee ordinance.

10. Accounting. The designated representatives of City and GRFPD shall have the right to audit any records and supporting documentation pertaining to the performance of this Agreement. City and GRFPD shall maintain such records for a minimum of four (4) years from the Effective Date and to allow access to such records during normal business hours.

11. Termination.

(a) GRFPD Reorganization. This Agreement is contingent upon the final Reorganization. Should the Reorganization as contemplated above not occur, the parties agree that this Agreement shall be null and void and no transfers of revenues will occur without a new agreement to do so.

(b) Termination Due to Invalidity. Should any material portion of this Agreement be declared invalid or inoperative by a court of competent jurisdiction, the remainder of the Agreement shall remain in full force and effect, unless enforcement of this Agreement, as so invalidated, would be unreasonable or inequitable under all the circumstances or would frustrate the purposes of this Agreement and/or the rights and obligations of the Parties hereto.

(c) Termination Due to Change in Law. Subject to Section 5(d) and (e), should substantial changes occur in the statutory scheme or successor statutory schemes (whether by legislative or judicial action) governing this Agreement, including but not limited to the Government Code and Revenue and Taxation Code, which negate or frustrate the fundamental tenets of this Agreement, the parties may discuss a termination or amendment of this

Agreement.

12. Remedies for Breach of Agreement. The parties may exercise any remedy available to them at law or in equity for a material breach by the other party, including specific performance, injunctive relief, and writ of mandate.

13. Modification/Amendment. This Agreement may be modified or amended only by a writing duly authorized and executed by the parties to this Agreement.

14. Enforcement. The District and City each acknowledge that this Agreement cannot bind or limit themselves or each other or their future governing bodies in the exercise of their discretionary legislative power except as the Agreement provides. However, each binds itself that it will insofar as is legally possible, fully carry out the intent and purposes hereof, if necessary, by administrative and ministerial action independent of that legislative power and that this Agreement may be enforced by injunction or mandate or other writ to the full extent allowed by law.

15. Integration. With respect to the subject matter hereof, this Agreement is intended to be an integrated agreement and supersedes any and all previous negotiations, proposals, commitments, writings and understandings of any nature whatsoever between the Districts and the County as to the subject matter of this Agreement.

16. Notice. All notices, requests, determinations or other correspondence required or allowed by law or this Agreement to be provided by the parties shall be in writing and shall be deemed given and received when delivered to the recipient by first-class mail ( or an equal or better form of delivery including electronic mail) at the following addresses:

GRFPD

Gold Ridge Fire Protection District  
4500 Hessel Road  
Sebastopol, CA 95472

CITY

City of Sebastopol  
City Manager's Office  
7120 Bodega Avenue  
Sebastopol, CA 95472

By giving notice, either party may change its address for these purposes.

17. Third Parties. This Agreement shall not be construed as or deemed an agreement for the benefit of any third party or parties. No other person shall have any right of action based upon any provision of this Agreement.

18. Attorney's Fees and Costs. In any action to enforce the provisions of this Agreement or for breach of the Agreement, the prevailing party shall recover from the other party, in addition to any damages, injunctive or other relief, all costs reasonably incurred at, before and after trial or on appeal, including without limitation attorneys' and witness (expert and otherwise) fees, deposition costs, copying charges and other expenses.

19. Approval. The parties represent that this Agreement was approved by their respective governing boards at a properly noticed meeting.

20. Choice of Law and Venue. This Agreement shall be governed by the laws of the State of California. Venue for actions and proceedings between the parties related to this Agreement shall be in the Northern District of California for any federal action and, unless otherwise agreed by the parties, in Sonoma County Superior Court for state actions.

21. Agreement Mutually Drafted. Each party has participated jointly in the drafting of this Agreement, which each party acknowledges is the result of negotiations between the parties, and the language used in this Agreement shall be deemed to be the language chosen by the parties to express their mutual intent. If an ambiguity or question of intent or interpretation arises, then this Agreement will accordingly be construed as drafted jointly by the parties, and no presumption or burden of proof will arise favoring or disfavoring any party to this Agreement by virtue of the authorship of any of the provisions of this Agreement. The captions, headings and table of contents contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

22. Joint Defense. 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 the Agreement.

**IN WITNESS WHEREOF**, the parties have entered into this Agreement in Sonoma County, California.

**GOLD RIDGE FIRE PROTECTION DISTRICT:**

\_\_\_\_\_  
President, Board of Directors, GRFPD      Date

ATTEST:

\_\_\_\_\_  
Clerk of the Board, GRFPD      Date

**CITY OF SEBASTOPOL:**

\_\_\_\_\_  
City Manager      Date

ATTEST:

\_\_\_\_\_  
Clerk of the City Council      Date

APPROVED AS TO FORM:

\_\_\_\_\_  
General Counsel for the District      Date

\_\_\_\_\_  
City Attorney      Date

**Exhibit A**

(Map of the Subject Territory to be added upon the Effective Date)