

April 25, 2010

Rio Dell is moving forward with their plan to annex Scotia.

There is no actual proposal or an application filed by Rio Dell at this point yet LAFCo was more than willing to postpone the long awaited vote on Scotia's Community Service District proposal in the hopes that Rio Dell will have their formal application ready in time for the June 23rd meeting. It should be noted that the city planner, George Williamson of PlanWest, is also the LAFCo advisor although he recused himself for this matter. The plans to annex Scotia go back to 2006 when Palco was trying to divest themselves of the town prior to their bankruptcy. The negotiations with the city broke down over the costs involved in trying to bring the Scotia infrastructure up to code. In 2006, the Palco representative at that time, Chris Manson, assured the residents of Rio Dell that Palco would pay for any work needed along with lots of other promises at the time as annexation was the only option they were exploring. A change in Rio Dell city management in 2006 changed the direction of the negotiations from what appeared to be a foregone conclusion of annexing no matter what, Palco filed their bankruptcy and the issue was dropped.

The city has stated their intention to use the studies that were done in 2006 despite four years of changes in circumstances and the economy. The fiscal impact analysis done by MuniFinancial in 2006 showed a best case, status quo and worst case scenario, however the possible environmental clean-up costs and the condition of the infrastructure were not considered. The worst case scenario showed the city losing \$50,000 annually. The addition of Scotia's resources such as the parks and river access were considered to be worth any potential loss. The impact to the two fire districts was severe, with an anticipated \$70,000 loss annually. The interim city manager at that time, John Miller, stated that LAFCo was unlikely to approve any annexation that would result in those kinds of losses without some acceptable solution being found. These are the studies that the city plans on using in their currently non-existent application for annexation.

Recently, a well-attended public meeting was held in Scotia with presentations by both sides on the community service district versus annexation to Rio Dell. When Rio Dell was asked what was in it for the city to annex Scotia, the answer was "not much" but a feeling of empathy towards our neighbors. A resident asked how much money had the city spent so far on the studies to annex and they were told approximately \$50,000. This is a lot of money for empathy at a time when the city is struggling as are most municipalities in California. The more honest answer would have been the obvious benefits of tax revenue from the businesses and residences in Scotia, the park, the ball field, the river access, etc. I believe there is also a psychological component as poetic justice for Rio Dell to take over Scotia after being the mill town's red light district for generations. The people of Rio Dell need to decide if those are good enough reasons to annex. There has been very little public participation regarding the issue so far (there was far more involvement the first time around in 2006).

The experience of annexing part of Metropolitan specifically for a wastewater treatment plant does not lend a great deal of confidence in the city's ability to manage the details of annexing a unique property such as Scotia. The wastewater treatment plant was determined to be unfeasible approximately two years into the project, after spending a great deal of grant money on studies. The property was left with its zoning changed to accommodate the treatment plant and the owner is left with having to pay to change the zoning back in order to move forward with a commercial plan to put a motocross track on the property. There is a public meeting regarding the Eel River Sawmill site Tuesday at 6:30pm at the Scotia Inn.

There are a number of questions that remain to be answered. For example, what is the financial impact to the residents of Rio Dell as well as Scotia, does Rio Dell have any interest in using the Scotia wastewater facilities (or any other facilities) to provide service to both communities, etc. The residents of both communities need to participate actively in the process whether they believe annexation is a good idea or not. It was refreshing to see the large turn-out for the recent LAFCo meeting at the Winema Theatre in Scotia. There will be another meeting at the Rio Dell City Hall on May 11th at 6:30 regarding annexation. The Planning Commission is also addressing the general plan amendments and zoning changes regarding Scotia as well as Metropolitan and Blue Slide Rd. in addition to taking up the medical marijuana dispensary moratorium. These meetings are equally important to the future of both communities and public participation is crucial.

Regards,

Steve & Sharon Wolff

Rio Dell, CA