



COUNTY OF HUMBOLDT

For the meeting of: 11/5/2019

File #: 19-1599

To: Board of Supervisors

From: County Administrative Office

Agenda Section: Departmental

SUBJECT:

Assess Potential Road Improvement Project Near Rio Dell Using Funding from Wind Energy Project

RECOMMENDATION(S):

That the Board of Supervisors:

1. Direct staff to perform an assessment of the Humboldt Wind Energy Project to determine whether it would provide sufficient funding to perform a road improvement project near Rio Dell.

SOURCE OF FUNDING:

General Fund

DISCUSSION:

The City of Rio Dell on Oct. 2 sent Supervisor Estelle Fennell a letter (Attachment 1) requesting that the county consider a proposal approved by the Rio Dell City Council that would result in the county funding a road improvement project of Monument Road, a portion of which falls within the city boundary. The letter proposes the county consider the idea as the road would likely be used during and after construction of the Humboldt Wind, LLC wind energy project currently under review. Monument Road has been problematic for many years and a small portion of the road is currently slated to receive funding from the Federal Emergency Management Agency (FEMA). Further, the letter asks the county to use proceeds from the wind project to fund the road repair.

From a financial perspective, if approved, the Humboldt Wind project would likely result in increased sales and property tax revenue to the county. However, staff have not done a full assessment to build a reasonable estimate for the amount of revenue to expect. In addition, the proposed road repair is significant and would likely cost at least \$1 to \$2 million. It is vital that Public Works performs a full inspection to determine the scope of the project and estimated cost.

FINANCIAL IMPACT:

If the Board ends up ultimately moving forward with the city's project as proposed, it could result in the General Fund spending \$1 to \$2 million or more in new revenue. These costs are expected to be

one-time in nature.

There is adequate funding in the Public Works Department, Assessor's Office and Treasurer-Tax Collector's Office to cover staff time to assess the project in fiscal year 2019-20.

STRATEGIC FRAMEWORK:

This action supports your Board's Strategic Framework by providing community-appropriate levels of service .

OTHER AGENCY INVOLVEMENT:

Humboldt Wind, LLC

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Board discretion

ATTACHMENTS:

1. Letter from Rio Dell

PREVIOUS ACTION/REFERRAL:

Board Order No.: N/A

Meeting of: N/A

File No.: N/A

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October 2, 2019

Supervisor Estelle Fennell
Board of Supervisors
County of Humboldt
825 5th Street, Room 111
Eureka, CA 95501

RE: Road Rehabilitation Agreement Related to Wind Energy Project

Dear Supervisor Fennell,

As you know, the windmill project, as proposed by Terra Gen, will have an impact upon the citizens of Rio Dell. We have listed those concerns in our response to the project's draft Environmental Impact Report (EIR). At this point in time no final EIR has been issued or made available to the City for review.

For the County, this project has been represented as a windfall in terms of tax revenue. An April 15, 2019 article on the Lost Coast Outpost states:

*"Humboldt County First District Supervisor Rex Bohn has touted the financial benefits to the county, as well. Officials with the company say the project would provide up to 300 jobs during construction and 15 permanent jobs while generating millions of dollars in tax revenue, including **\$76 million in property taxes** and nearly **\$8 million in sales taxes** over the life of the project."*

The County stands to make tremendous gains in revenue with no explicit commitment that any of these funds will provide a direct benefit to those in the immediate vicinity; this includes area residents in both the unincorporated area of the project and also those within the city limits of Rio Dell. Therefore we propose the following solution:

We propose that the County and the City enter into a Road Rehabilitation Agreement related to Monument Road, which traverses both the unincorporated county and incorporated city. As its first priority for the use of the above referenced project revenue (estimated at \$84 million), the Board of Supervisors, through the agreement, would prioritize the rehabilitation of Monument Road from the Dinsmore Plateau to the city limits of Rio Dell. The agreement would then also commit, as part of the agreement's first priority for the project's revenue, the rehabilitation of

Monument Road from the City limits of Rio Dell to its convergence with Redwood Avenue, approximately 900 feet from the city limits and within the boundaries of the City. The project would include the removal and replacement of subgrade materials, drainage and retaining walls. This section of road primarily serves residents in the unincorporated County. The County would then be responsible for the maintenance of the rehabilitated roadway.

This section of road is also in extremely poor condition and represents a significant liability to both the city and the county. The approximate length of the project would be 2,800 feet, with 32 percent of the total project area within the city limits of Rio Dell. A portion of the roadway is currently being reconstructed using FEMA funding, and it is only a matter of time before other sections fail. It is time that this section of roadway be addressed and now is the time to do it.

Some may argue that Terra-Gen has no plans to use Monument Road, and therefore no rehabilitation is necessary. We disagree. Regardless of Terra-Gen's proposed use or disuse of Monument Road, the condition of the roadway demands corrective action. This is both vital as a connective road for many residents in the unincorporated County; as well as vital for everyone in emergency and disaster response efforts such as ambulances and fire trucks that will be compelled to take the shortest route to any emergency.

Despite Terra-Gen's stated intention to not use Monument Road, it will be the shortest and quickest route to the project site for third party contractors and site visitors over the expected thirty-year lifespan of the project. To expect that there will be no use of the road is unreasonable. The road has already been used for this project to conduct wildlife studies, site tours and mobilization of heavy equipment for meteorological towers. There is every reason to believe it will continue to be used in some capacity for the project well into the future.

The City believes the road improvements would be a win-win for both the City and County – using only a small portion of tax revenue from the project to provide at least some level of benefit for those most affected by these wind towers. We ask that you bring this proposal to the full Board as soon as possible to gauge the Board's willingness to enter into such an agreement.

Sincerely,

A handwritten signature in dark ink, appearing to read "Debra Garnes", written in a cursive style.

Debra Garnes, Mayor
City of Rio Dell

Cc: Humboldt County Board of Supervisors