



COUNTY OF HUMBOLDT

AGENDA ITEM NO.
C-8

For the meeting of: December 16, 2014

Date: December 10, 2014
To: Board of Supervisors
From: Phillip Smith-Hanes, County Administrative Officer *PSH*
Subject: Memorandum of Agreement with Humboldt Bay Harbor, Recreation and Conservation District

RECOMMENDATION(S):

That the Board of Supervisors authorize the County Administrative Officer to execute a memorandum of agreement with the Humboldt Bay Harbor, Recreation and Conservation District for the purpose of jointly applying for funds from the United States Department of Commerce, Economic Development Administration, for a Former Pulp Mill Infrastructure and Site Reuse Plan.

SOURCE OF FUNDING: Grant Funding (Economic Development Administration)

DISCUSSION:

On June 12, 2014, the County Administrative Office Economic Development Team submitted a grant application to the Economic Development Administration (EDA). The project identified in the grant application is planning for infrastructure and site reuse on a former pulp mill located on the Samoa Peninsula. The pulp mill was closed permanently in 2010 and acquired by the Humboldt Bay Harbor, Recreation and Conservation District (HBHRCD) in 2013. The County has been previously involved in supporting reuse of this site by providing funding for environmental assessment through a brownfield

Prepared by Phillip Smith-Hanes CAO Approval *[Signature]*

REVIEW: Auditor _____ County Counsel WBC Human Resources _____ Other _____

TYPE OF ITEM:
 Consent
 Departmental
 Public Hearing
 Other _____

PREVIOUS ACTION/REFERRAL:

Board Order No. _____

Meeting of: _____

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT
Upon motion of Supervisor *Sundberg* Seconded by Supervisor *Fennell*
Ayes *Sundberg, Lovelace, Bohn, Fennell, Bass*
Nays _____
Abstain _____
Absent _____

and carried by those members present, the Board hereby approves the recommended action contained in this Board report.

Dated: Dec. 16, 2014
By: *[Signature]*
Kathy Hayes, Clerk of the Board

assessment grant from the United States Environmental Protection Agency.

The specific grant funding through the EDA is available for “economic adjustment,” meaning a reuse of formerly economically beneficial property. The pulp mill site qualifies as it formerly supported more than 250 manufacturing jobs. Additionally, the grant funding cannot be used on a privately-held site, so the HBHRCD’s acquisition of the property is a key eligibility factor.

The grant application to the EDA would fund one-half of the anticipated cost of the project. The County also applied to the State of California's Department of Housing and Community Development for a Community Development Block Grant (CDBG) Planning and Technical Assistance grant in the amount of \$100,000. HBHRCD committed \$5,000 of cash match to the CDBG application and pledged \$50,000 cash contribution for the EDA portion of the project. The County received the CDBG award letter on October 7 and submitted that as evidence of match. On November 26, the County Administrative Office received notification from the EDA that the project had been selected for further consideration. However, the EDA also requested that HBHRCD be added as a co-applicant to the grant because they have site control over the property. EDA also provided a template Memorandum of Agreement (MOA) to be used between the County and HBHRCD.

This grant project supports implementation of the County’s Comprehensive Economic Development Strategy (CEDS), adopted by your Board on March 26, 2013. Specifically, Action Item E-10 of the CEDS calls for the community to “modernize dock, harbor and marina facilities to increase revenues, concentrate freight, and expand Target industry opportunities.” This project will study potential reuse and modernization of the dock facilities associated with the former pulp mill.

Staff therefore recommends that your Board delegate authority to the County Administrative Officer to enter into an MOA with HBHRCD to further this grant application. The final form of the MOA is subject to negotiation between the parties and review by County Counsel, as well as acceptance by EDA.

FINANCIAL IMPACT:

The total cost of the project is \$310,000. This grant application is for \$155,000. There is no additional cost to entering into an MOA with HBHRCD. This action supports your Board’s Strategic Framework, Priorities for New Initiatives, in that it is a proactive decision to partner to promote quality services through seeking outside funding sources to benefit Humboldt County needs and through building interjurisdictional and regional cooperation. It also supports the CEDS, as outlined above.

OTHER AGENCY INVOLVEMENT: Humboldt Bay Harbor, Recreation and Conservation District

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board could choose not to authorize staff to enter into the MOA. Staff does not recommend this alternative, because it would likely result in the loss of eligibility for funding from this particular grant source.

ATTACHMENTS: None.