



COUNTY OF HUMBOLDT

For the meeting of: 5/21/2019

File #: 19-642

To: Board of Supervisors

From: County Administrative Office

Agenda Section: Departmental

SUBJECT:

Establish Regional Task Force aimed at Responsible Engagement for the Development of Infrastructure (REDI) in Humboldt County for Improvements Relating to New Business Development in Humboldt County

RECOMMENDATION(S):

That the Board of Supervisors:

1. Direct staff to establish the REDI task force consisting of staff from Economic Development, Public Works, Planning & Building, Department of Health & Human Services and other necessary county departments, to perform administrative functions related to identifying incentives, grants, and funding sources for infrastructure improvements in Humboldt County.

SOURCE OF FUNDING:

General Fund and existing appropriations for staff.

DISCUSSION:

The County of Humboldt's Economic Development Team has been engaged in conversations and activity concerning a variety of exciting and potential development opportunities for the Samoa Peninsula. As the county pursues business and development opportunities for the region, it is vital that the county is *ready* to meet infrastructure demands for future projects. While some of these projects remain in the discussion phase, several potential projects have already come into public light.

One such opportunity for the Samoa Peninsula is the Nordic Aquafarms project. Nordic Aquafarms is a leader in land-based fish farming and uses a recirculating aquaculture system (RAS), which is a new industry practice based on indoor production in a controlled environment using large, independent tanks and water treatment systems. At present, Nordic operates two RAS facilities in Denmark, one in Norway, and is building another facility in Belfast, Maine U.S.

Nordic has identified Humboldt County as a potential site to construct its second U.S. facility which would service its west coast operations. Total construction for such a facility is anticipated to cost approximately \$400 million, by project completion, would result in the creation of 85 primary, and 25

secondary anticipated private, full-time jobs.

In addition there also exists real potential for ancillary job creation as a result of Nordic's presence in the region. Nordic's RAS facility in Humboldt County (should the project come to fruition) would be catalyst for development on the Samoa Peninsula and for future aquaculture industries in the state.

Should Nordic find, through its due diligence, that Humboldt County is a viable location for its West Coast facility it will execute a lease agreement with the Humboldt Bay Harbor Recreation and Conservation District for a period of 30 years, with two 10-year renewal options.

Because Nordic intends to pay a living wage to its employees, the total economic impact to the community over a 30-year period (for capital investments, salaries, and production costs, alone) could exceed \$3.5 billion dollars.

At present moment, Humboldt County and the State of California are competing for this project. Though an option agreement has been signed, a lease will **not** be fully executed until Nordic can satisfactorily complete its due diligence investigations. Moreover, there are other coastal jurisdictions, located outside of California, that are courting Nordic Aquafarms for this very project.

It has come to the attention of Economic Development staff, through Nordic's due diligence, and through communication with partner agencies, other county departmental staff, and community stakeholders, that a lack of modern and working infrastructure may exist on the Samoa Peninsula and that the existing infrastructure may not be able to accommodate Nordic Aquafarms, and other projects.

Specifically, these infrastructure inadequacies include:

1. Lack or limitation of systems for the delivery and treatment of industrial water.
2. Lack or limitation of systems for the supply of industrial power.
3. Lack or limitation of systems for connectivity and high-speed internet.
4. Undesirable conditions of roads and points of ingress and egress.

In consideration of these limitations, Economic Development staff, on April 4, 2019, reached out to the California Governor's Office of Economic Development, through a letter, to ask for assistance in "... *identifying and securing grants and incentives for infrastructure improvements (water, power, etc.) on the Samoa Peninsula which are necessary to secure this, and future, developments.*"

As the County of Humboldt works to administer and implement its Comprehensive Economic Development Strategy (CEDS), of which securing new business and development opportunities is a priority, it is imperative that county staff, departments and agencies work together in order to maximize county resources and create work-level efficiencies.

Therefore, staff is asking your Board to direct county departments to work together, and attract other agencies as necessary (potentially through MOU's), on a collaborative effort to work with the California Governors Office of Economic Development, and other key stakeholders, to perform administrative functions necessary related to incentives, grants, and funding sources for infrastructure

improvements for Nordic Aquafarms, and other potential business development opportunities, in Humboldt County.

To achieve this goal, staff proposes establishing a collaborative task force for Responsible Engagement for the Development of Infrastructure (REDI) whose purpose shall be to improve Humboldt County's capabilities and level of *readiness* for meeting infrastructure demands for future development projects.

FINANCIAL IMPACT:

Any department or agency that dedicates staff time in this pursuit may be impacted, and other assignments will likely be affected.

STRATEGIC FRAMEWORK:

This action supports your Board's Strategic Framework by supporting business, workforce development and creation of private-sector jobs .

OTHER AGENCY INVOLVEMENT:

Any department or agency whose purview may include or touch business development opportunities in Humboldt County.

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Board discretion.

ATTACHMENTS:

Copy of letter remitted to Governor's Office of Economic Development (i.e. GO-Biz) for project assistance.

PREVIOUS ACTION/REFERRAL:

Board Order No.: N/A

Meeting of: N/A

File No.: N/A