



WITH CONTINUED INFRASTRUCTURE IMPROVEMENTS UNDERWAY, RIO DELL IS BECOMING A REGIONAL LEADER IN THE GROWTH OF THE CANNABIS INDUSTRY.

Since the original 2007 case study, which focused on downtown revitalization, Rio Dell has seen continued improvement of its infrastructure in addition to the largest development and construction projects in its history, which led to increased private investment and new job creation in the small town in the valley of the Eel River.

In 2007, Rio Dell's economic development strategy centered around cleaning up the town to make it more attractive to outside investors. This consisted of offering recreation opportunities, cleaning up downtown facades and business fronts, and completing the Gateway Project, "a simple beautification program to redesign the town's north entrance." Additionally, Rio Dell completed an \$8.2 million water treatment system in 2006, further contributing to making the town more attractive to investors. However, due to the Great Recession in 2008, these efforts to keep improving the look of Rio Dell's downtown never materialized. Today, Rio Dell's strategy for economic growth and development is much different than what it was in 2007. Although the city has continued to invest in infrastructure and water and sewage treatment systems, City Manager Kyle Knopp has described these projects as necessities and

prerequisites for outside investment rather than economic development strategies themselves. Besides improving its water and sewage systems as a way of continuing to uphold a clean image of the town to tourists and investors, Rio Dell has centered its strategy for economic development around the cultivation of marijuana. By encouraging outside investors to bring their cannabis businesses to Rio Dell, the city hopes to bring in more living wage jobs to the community and diversify their economy of the future.

The Rio Dell Business Park

The primary way in which Rio Dell has encouraged developers to bring their businesses to the city is through the creation of The Rio Dell Business Park. In 2009, the city of Rio Dell annexed approximately 245 acres of land from a former Sawmill site just north of the Eel River. The vision for the park is to be a major industry hub in Humboldt County that should bring a variety of new businesses and investors to Rio Dell, serving as a source for increased economic activity in the city for years to come. The City's vision for the park is to have the cannabis industry as the primary investor in the park, as even the logo for the park is cannabis-themed. The first cannabis-based business to join the park was the Humbolt Brand

Company, whose facility will be at the northern end of the business park. Humboldt Brand CEO Reuven Sherr and COO Bonnie Sherr say it's been "fantastic" to work with the City of Rio Dell and located their headquarters in the business park. The Sherrs considered other locations for the headquarters of their brand, but decided on Rio Dell because "We knew we would be able to get the permits here — Rio Dell approved this area for cannabis." Rio Dells initiative-based approach for the cannabis industry is in contrast to the more cautious approach of neighboring city Fortuna, making Rio Dell a much more attractive location for outside investors. The Rio Dell Business Park's current projects plan to make available manufacturing, processing and packaging, greenhouse and indoor cultivation, nurseries, distribution facilities, and a cannabis testing laboratory to future investors. This business park, once up and running, could serve as a major economic boost and influx of jobs for a small town whose population has been fairly stagnant over the past decade, with an annual growth projection of 0.8%.

Continued Water and Sewage Improvements

Due to the success of water improvement initiatives completed prior to 2007, Rio Dell has taken pride in its continued effort to improve water and sewage standards as a way of enhancing the image of the town. In 2012, Rio Dell obtained a loan of \$6,980,359 from the California Department of Water Resources to finance an upgrade to the wastewater treatment plant to comply with State wastewater standards. Additionally, the city of Rio Dell has begun a Capital Improvement Project and invested over \$12 million in water intake, treatment, storage, and distribution systems serving the city with a Preliminary Capital Improvement Plan (CIP) for eventually replacing the water system infrastructure. Projects since completed in the 2014 CIP include the Re-Coating of Existing Water Treatment Filters, installing an Auxiliary Power Generator, Metropolitan Wells (additional water source), and an Old Ranch Road Waterline Replacement. The City Council of Rio Dell continues to support initiatives to improve water and sewage treatment by increasing funding for these

projects in the FY18-19 budget to \$1,214,863, a nearly 13% increase from the FY14-15 budget. A continued focus on the water and sewage treatment systems shows how Rio Dell has made the cleanliness of the city a priority in order to attract outside investment.

Additional Infrastructure Improvements

Amongst new business developments and continued water treatment since 2007, Rio Dell has invested in improving its streets, roads, and parks. In November of 2017, additional funding was voted on for improving Rio Dell's streets and roads through SB1 - Road Maintenance Rehabilitation Account (RMRA). This resulted in an increase of 26% for FY18-19 in what is already a \$15 million state-funded budget for infrastructure improvement to streets and roads in Rio Dell. In addition to an increased budget for improving infrastructure in regards to road and streets, Rio Dell has invested in maintaining its local parks to restore community pride. Most of the funding to maintain these local parks, as well for improving some roads and streets, has come from Measure U, a new excise tax implemented in Rio Dell. Since implemented in 2014, Measure U has more than doubled Rio Dell's tax revenues from under \$150,000 in 2014 to nearly \$400,00 in 2019. This has given Rio Dell more flexibility when it comes to investing in infrastructure in the local community.

Takeaways

- Rio Dell's ability to take advantage of the upcoming cannabis industry has put it ahead of neighboring towns in terms of attracting outside investors in this industry.
- Improvements to water and sewage systems has served the city well attracting outside investors.
- Changes in tax policy have greatly increased tax revenue and allowed for continued infrastructure improvements

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