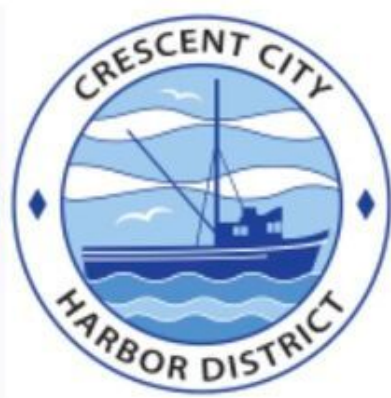
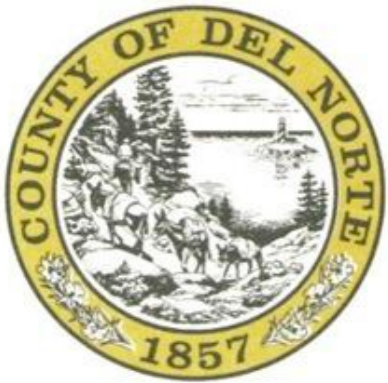


Del Norte Economic Development JPA Calls It Quits

July 9, 2024



The Del Norte Tri-Agency for Economic Development Joint Powers Authority (Tri-Agency JPA) has been disbanded.

In front of a handful audience at last Tuesday's Special Meeting of the Tri-Agency Economic Authority at the Veterans Hall, Harbor Commissioners, City Councilors and Supervisors were unable to come to terms with language and common goals to work for economic prosperity. The effort to salvage the troubled Authority was both intense, frustrating and ultimately unsuccessful.

Four Harbor Commissioners (Brian Stone, Gerhard Weber, Rick Shepherd and Wes White participated. (Harbor president Harry Adams was absent).

Three Councilors, Mayor Blake Inscore, Kelley Schellong and Jason Greenough represented the City, (Councilmembers Isaiah Wright and Ray Altman were not present).

All five Supervisors attended the Special Meeting (Valerie Starkey, Chris Howard, Chairman Dean Wilson, Joey Borges and Darrin Short).

Each elected spoke either in support or in opposition to language incorporating off-shore wind energy and the position to retain or reject the Tri-Agency governance.

Background:

The Tri-Agency Joint Powers Authority for Economic Development arose from the ruins of the 1964 Tsunami disaster. In an effort to stimulate a moribund economy, Tri-Agency Authority formed in 1976.

The JPA accumulated a respectable record. Early accomplishments included: Broadband development and various tourist-related events.

In 2011, circumstances changed. Tri-Agency moved into the lending business, a fateful mistake. The JPA applied for and received a \$400,000 loan From the U.S. Commerce Dept. at a modest one percent interest rate, and assumed the role of “lender of last resort,” proceeded to make numerous and questionable loans to aspiring but financially unqualified borrowers. In short order, Tri-Agency was burdened with delinquent loans, devoid of capital and collateral and out of business, fired all staff, and saddled itself with huge debt. Tri-Agency was essentially inert.

And there, Tri-Agency languished, existing in name only for almost a decade.

Tri-Agency’s three members cobbled together and paid off a \$290,000 delinquent loan to the Department of Agriculture... and, alas, the Tri-Agency was now back to zero.

Last November, Tri-Agency members developed intended identical foundational documents, a new page for a new day to focus on economic development.

Both City and Harbor agencies added a specific paragraph, 5.05(e) adding the exploration of off-shore wind power to its foundational document. Each member agency contributed funds to Tri-Agency.

- Del Norte County, \$70,000.
- City of Crescent City, \$30,000.
- Crescent City Harbor, \$10,000.

The public grew suspicious and distrusting of Tri-Agency’s ineffectiveness and alleged malfeasance. Supervisor Borges questioned the unequal funding contributions.

Public Speaker Linda Sutter, long-time critic of Tri-Agency, spoke passionately on the ineffectiveness of Tri-Agency. “It does nothing but squander money. The JPA must go,” she exclaimed.

The Board of Supervisors balked at the inserted off-shore wind development paragraph and wanted it removed. In the interim, the controversial 5.05(e) paragraph festered in the off-shore wind.

Nobody blinked and nobody budged.

The County asked for the return of its funds, followed by the return of City and Harbors allocations, respectively. Tri-Agency quickly moved from critical to grave condition. Supervisor Starkey addressed the group, “ We’re at an impasse. We need to move on.” Mayor Inscore noted the palpable futility to save Tri-Agency but could not muster a second for his motion to disband Tri-Agency from fellow councilors

Schellong or Greenough. The absence of a second compelled the City to re-address the inevitable and agree to also opt out and pay its share of the expenses at its June 18th meeting.

As the efforts to salvage Tri-Agency proceeded through the modest two-item agenda to change the language or disband the Agency, 2:17 hours elapsed into the evening. Confusion abounded on how to proceed among the cumbersome process of dismantling Tri-Agency. County Counsel was continually consulted for clarification on parliamentary rules.

During Public Comments, constituent Kevin Hendrick tossed in a lifeline salvo amendment into the pot, declaring off-shore wind energy would not be part of the foundational document(s) without concurrent support of all Tri-Agency members. Hendrick's effort failed to galvanize. It became quite apparent the discussion of off-shore wind power was not the primary reason for Tri-Agency discontent.

The Public's distrust of this JPA was the glaring issue.

Here was the opportunity to satisfy the County demand and remove the onerous language off-shore energy language but the salvo was not being embraced....neither Borges'disdain for equal equity, Starkey's "impasse" claim, nor Wilson's opinion of the Authority's past failures, could be swayed.

Public distrust of the Tri-Agency JPA was the elephant in the room.

Schellong referenced what she called a sad situation the three agencies could not come together to "...to fight for our kids. Less than 10 people (here tonight) is not the will of the people." Schellong neglected to mention the near standing-room only audience at the Veterans Hall in May of 2023, expressing overwhelming opposition to the re-organization of the Tri-Agency Authority. Despite this opposition, the City, Harbor and the County moved forward to resurrect a fully-funded Tri-Agency, essentially ignoring public disapproval and recognition of the past failures of the Authority.

Harbor Commissioner Wes White rejected the language amendment suggestion. Stone bemoaned, "The Harbor has no money," reflecting on its current dire debt revelation in the wake of recent lawsuit and accumulated legal costs. With evident disappointment, the Harbor took two bites of the apple to withdraw from Tri-Agency: the first effort was knotted at 2-2, the second vote was 3-1(Shepherd dissenting) to disconnect life support to Tri-Agency. The die was cast...Tri-Agency was heading to the graveyard.

The Board of Supervisors voted 4-1 to withdraw. Borges shared \$110,000 is too small an investment to make any difference" in developing our economy." Borges voted YES to withdraw from Tri-Agency.

Short voted NO to withdraw from Tri Agency despite his stated staunch allegiance to local commercial and sport fishermen who strongly opposed the development of off-shore wind turbines.

The City followed its two former member agencies and terminated its membership in the JPA at its recent meeting.

Aftermath:

With no exception, each of the elected stated unequivocally and individually spoke in support economic development.

Chairman Dean Wilson plans to place on a July agenda, the creation of an Ad Hoc Economic Committee to reach out to the Harbor and City and include Tribal partners and State and National Parks who, in the words of Wilson, “ Economic development is essential and absolutely vital to growth in Del Norte. Tri-Agency may be gone but economic development is in our Strategic Plan. The Board will discuss Comprehensive Economic Growth including input from the Tribes, National and State Parks and the Public. We will include multiple partners.”

Dead, the Tri-Agency JPA may now RIP. “The need for economic development is vibrant and alive,” stated Wilson.

JPA Counsel Robert Black addressed the members stating an estimated \$11,000 to \$15,000 in unpaid bills remained. The three agencies agreed to split the debt, each member paying one third of the outstanding balance... and that was it for the Del Norte Economic Joint Powers Authority., 1976-2024.