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# Th9b

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## STAFF REPORT: REGULAR CALENDAR

<b>Application No.:</b>	<b>1-15-0199</b>
<b>Applicant:</b>	<b>Sequoia Investments X, LLC</b>
<b>Agent:</b>	Robert Smith, Plauché & Carr LLP
<b>Location:</b>	Samoa Peninsula, Humboldt County (APNs 401-161-022; 401-161-023; 401-161-026; 401-301-005; 401-301-009).
<b>Project Description:</b>	Merge and redivide six parcels into two resultant parcels and vacate 250 feet of public road easement on 13.14 acres of coastal-dependent industrial land adjacent to Humboldt Bay.
<b>Staff Recommendation:</b>	Approval with conditions.

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## SUMMARY OF STAFF RECOMMENDATION

The applicant proposes to merge six parcels and redivide into two resultant parcels. The approximately 13-acre project site is located adjacent to Humboldt Bay on the Samoa Peninsula in the unincorporated area of Fairhaven. The two resultant parcels, Resultant Parcels 1 and 2, would be approximately 4.66 and 8.48 acres in size respectively. The project site is currently

1-15-0199 (Sequoia Investments X, LLC)

vacant and has a land use and zoning designation of Industrial Coastal Dependent (MC). In March 2014 the Coastal Commission approved the development of a shellfish hatchery and seed production operation spanning four of the existing parcels on the project site (CDP 9-13-0500). The purpose of the proposed merger and redivision is to reconfigure the property boundaries of the site so that the future aquaculture facility is located entirely on one parcel, Resultant Parcel 1. No further development is currently approved or proposed for Resultant Parcel 2.

Staff believes the proposed land division is consistent with the rural land division criteria of Coastal Act Section 30250(a) as (1) the 4.66-acre and 8.48-acre resultant parcels would be larger than the average size of parcels in the surrounding area, and (2) over 50% of the usable parcels in the surrounding area have been developed. In addition, the proposed merger and redivision is consistent with the requirements of Section 30250 that new industrial development be located in proximity to existing developed areas able to accommodate it in that the resultant parcels are of a large enough size and configuration suitable to accommodate future coastal dependent industrial development consistent with the certified LCP land use and zoning designations for the property.

Commission staff recommends **approval** of coastal development permit application 1-15-0199, as conditioned. The motion to adopt the staff recommendation is found on [page 4](#).

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### APPENDICES

[Appendix A – Substantive File Documents](#)

### EXHIBITS

- [Exhibit 1](#) – Regional Location Map
- [Exhibit 2](#) – Vicinity Maps
- [Exhibit 3](#) – Existing and Proposed Parcel Configurations
- [Exhibit 4](#) – Proposed Road Vacation
- [Exhibit 5](#) – Site Plans for the Hog Island Oyster Facility
- [Exhibit 6](#) – Septic Suitability Evaluation Site Map
- [Exhibit 7](#) – Area of Rural Land Division Analysis

## I. MOTION AND RESOLUTION

### Motion:

*I move that the Commission **approve** Coastal Development Permit Application No. 1-15-0199 subject to the conditions set forth in the staff recommendation.*

Staff recommends a **YES** vote on the foregoing motion. Passage of this motion will result in conditional approval of the permit and adoption of the following resolution and findings. The motion passes only by affirmative vote of a majority of the Commissioners present.

### Resolution:

*The Commission hereby approves coastal development permit 1-15-0199 and adopts the findings set forth below on grounds that the development as conditioned will be in conformity with the policies of Chapter 3 of the Coastal Act and will not prejudice the ability of the local government having jurisdiction over the area to prepare a Local Coastal Program conforming to the provisions of Chapter 3. Approval of the permit complies with the California Environmental Quality Act because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the development on the environment, or 2) there are no further feasible mitigation measures or alternatives that would substantially lessen any significant adverse impacts of the development on the environment.*

## II. STANDARD CONDITIONS

This permit is granted subject to the following standard conditions:

1. **Notice of Receipt and Acknowledgment.** The permit is not valid and development shall not commence until a copy of the permit, signed by the permittee or authorized agent, acknowledging receipt of the permit and acceptance of the terms and conditions, is returned to the Commission office.
2. **Expiration.** If development has not commenced, the permit will expire two years from the date on which the Commission voted on the application. Development shall be pursued in a diligent manner and completed in a reasonable period of time. Application for extension of the permit must be made prior to the expiration date.
3. **Interpretation.** Any questions of intent of interpretation of any condition will be resolved by the Executive Director or the Commission.

4. **Assignment.** The permit may be assigned to any qualified person, provided assignee files with the Commission an affidavit accepting all terms and conditions of the permit.
5. **Terms and Conditions Run with the Land.** These terms and conditions shall be perpetual, and it is the intention of the Commission and the permittee to bind all future owners and possessors of the subject property to the terms and conditions.

### III. SPECIAL CONDITIONS

This permit is granted subject to the following special conditions:

1. **Notice of Lot Line Adjustment.** WITHIN 180 DAYS OF COMMISSION APPROVAL OF COASTAL DEVELOPMENT PERMIT NO. 1-15-0199 (UNLESS EXTENDED BY THE EXECUTIVE DIRECTOR FOR GOOD CAUSE), the Permittee shall submit a certified copy of the recorded final Notice of Lot Line Adjustment that has been approved by Humboldt County Planning Department and conforms with the resultant parcel boundaries approved by CDP No. 1-15-0199.

### IV. FINDINGS AND DECLARATIONS

#### A. PROJECT DESCRIPTION

The applicant proposes to merge and redivide six parcels into two resultant parcels within an approximately 13-acre area adjacent to Humboldt Bay on the Samoa Peninsula in the unincorporated community of Fairhaven (**Exhibits 1-2**). The project area includes the site of a future shellfish aquaculture facility approved by the Coastal Commission in March of 2014 under CDP 9-13-0500. The approved (but not yet constructed) onshore development spans four existing legal lots (See **Exhibit 3, pg. 2**). The purpose of the proposed merger and redivision is to reconfigure the property boundaries of the site so that the onshore development permitted under CDP 9-13-0500 is located entirely on one parcel to meet local building code requirements.

Under the proposed project, existing Parcels A-F (0.56, 0.28, 0.28, 0.91, 9.13, and 1.98 acres in size) would be merged and redivided into two resultant parcels. The northern parcel, Resultant Parcel 1, would be approximately 4.66 acres in size and would be the location of the future aquaculture facility. The southern parcel, Resultant Parcel 2, would be approximately 8.48 acres in size. The applicant states that there are no current plans to develop Resultant Parcel 2 (See **Exhibit 3** for existing and proposed parcel configurations). Both resultant parcels would have access to the bay as well as adequate site depth to support future on-site septic systems over 300 feet from the bay (the minimum distance required by Humboldt County).

**Table 1.** Existing parcels.

<b>Existing Parcels</b>	<b>Size (Acres)</b>
A	0.56
B	0.28
C	0.28
D	0.91
E	9.13
F	1.98

**Table 2.** Parcels after proposed merger and redivision.

<b>Resultant Parcels</b>	<b>Size (Acres) after LLA</b>
Northern Parcel (Resultant Parcel 1)	<b>4.66</b>
Southern Parcel (Resultant Parcel 2)	<b>8.48</b>

Currently the project site is vacant except for a paved access road running east-west across the center of the site connecting a dock on Humboldt Bay to Vance Avenue, a public street on the western side of the site. This private dock access road was formerly known as Comet Street<sup>1</sup> and is now identified on the proposed parcel map as Bivalve Way. Under the proposed project, the eastern half of Bivalve Way adjacent to the dock would be located on Resultant Parcel 1, and the western half of the road with access to Vance Avenue would be located on Resultant Parcel 2. To provide Resultant Parcel 1 with access to Vance Avenue, the applicant proposes to record an irrevocable access easement across the western portion of Bivalve Way located on Resultant Parcel 2 for the benefit of Resultant Parcel 1.

The site also includes a remnant asphalt roadway that runs parallel to Humboldt Bay from Bivalve Way to the northern property boundary approximately halfway between Vance Avenue and the bay. This approximately-225-foot-long, north-south-running roadway is the southern terminus of the county right of way known as Fay Avenue. The County Board of Supervisors began the process of abandoning this segment of Fay Avenue in June 1990 under Resolution No. 90-61 (recorded in 1990-14045-5), and the inclusion of the abandonment of this segment of road easement in the development proposed under the current coastal development permit (CDP) will complete the abandonment process (See **Exhibit 4** for the location of the proposed road

<sup>1</sup> The western half of Comet Street (existing Parcel D) was once a public roadway after the land was conveyed to the County of Humboldt in March of 1929 (Book 79 Official Records Page 46) until the County abandoned the street in May of 1971. The eastern half of Comet Street that connects to Humboldt Bay was never a public road and is part of Existing Parcel E.

abandonment). This particular road is located entirely within the boundaries of the former pulp mill at the site and never provided a through connection to other properties or public roadways.

## **B. ENVIRONMENTAL SETTING & BACKGROUND**

The project site is owned by Sequoia Investments X, LLC (SIX) as part of the Fairhaven Business Park, a 350-acre complex that spans the approximately 0.8-mile-wide Samoa Peninsula from the Pacific Ocean to Humboldt Bay. The City of Eureka is located approximately two miles across Humboldt Bay to the east (**Exhibits 1-2**).

Prior to SIX's acquisition of the Fairhaven Business Park in 2005, Simpson Paper Company operated a pulp mill at the site from the mid-1960s until the mid-1990s.<sup>2</sup> The ocean-side of SIX's property is predominately vacant and covered in sand dunes, while the bay-side includes outdoor paved storage and processing areas, over 300,000 square feet of warehouse and office space, and two docks on the 38-foot-deep North Bay Channel.<sup>3</sup> The portion of the property east of Bendixsen Street, including the project site, has a land use and zoning designation of Industrial Coastal Dependent (MC) with an Archaeological Resources (A) combining zone. The subject property is located outside of the urban limit boundary as designated in the County's certified Humboldt Bay Area Plan.

The land that is the subject of the proposed merger and redivision is located at the northeast corner of SIX's property adjacent to the north dock. Land to the west of the project site is vacant, while directly north there are nearly 40 small parcels (with an average size of 0.6 acres) zoned for coastal-dependent industrial development. These small parcels are mostly vacant or consist of tidelands, but some still contain single-family residences, and a few support coastal-related and coastal-dependent uses including a dive shop, crabbing operation, and boat repair facility.

Although currently vacant, the southern half of the project site south of Bivalve Way (the location of proposed Resultant Parcel 2) was historically used by the former Simpson pulp mill for hog fuel storage. In addition, two single family homes were once located on the northwestern portion of the project site (on proposed Resultant Parcel 1), but were burned down by the Fairhaven Fire Protection District in 1989 at the request of Simpson Paper (under CDP 1-89-169).

Hog Island Oyster Company currently leases the northern half of the project area from SIX and the adjacent tidelands and dock from the Humboldt Bay Harbor, Recreation, and Conservation

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<sup>2</sup> Fairhaven's Humboldt Bay waterfront has been the site of heavy industry for decades, beginning with the Fay Brothers Shake and Shingle Mills and the Bendixsen Ship Yard in the late 1800's. These initial developments were supplanted in the early 1900s by the Rolph Ship Building Company, followed by a plywood mill in the 1940s. Simpson Paper Company acquired the land in the mid-1960s and operated a pulp mill at the site until the mid-1990s. After dismantling, demolishing, and removing numerous mill facilities, Simpson Paper sold the property to its present owner in 2005.

<sup>3</sup> Although the SIX-owned land west of Bendixsen Street where the offices and warehouses are located is zoned and designated for coastal-dependent industrial use, SIX is currently leasing portions of the area to a number of businesses that are not classified as coastal-dependent operations. SIX has applied to the County for a Zone Reclassification and LCP Amendment to address the nonconforming uses. The land that is the subject of the proposed merger and redivision is not involved in the proposed land use and zoning changes.

District (the tidelands are outside of the project area). In March 2014, Hog Island secured a CDP from the Commission for the development of a shellfish hatchery and seed production operation at the site (CDP 9-13-0500). The permitted (but not yet constructed) onshore development includes a shellfish hatchery, seed setting operation, set of wet storage tanks, office, covered work area, algae greenhouse, shellfish seed wash facility, parking lot, and septic system. The hatchery, seed setting operation, storage tanks and office facility will be housed in a 6,400 to 7,200 square foot, one-story mariculture building.<sup>4</sup> The purpose of the proposed merger and redivision is to reconfigure the property boundaries of the site so that the onshore permitted development is located on a single legal parcel, Resultant Parcel 1 (See **Exhibit 5** for a map of the approved facility).

The project site is underlain primarily by loose sand and has a flat to gently sloping topography, with elevations ranging from five to ten feet above mean sea level. According to a technical memorandum prepared for the site by LACO Associates, fill soils exist across all but the western portion of the site, reaching a depth of nine feet along the eastern property boundary. The fill soils generally consist of loose, fine-grain sands with broken shell fragments.

The project area is primarily covered by ruderal grasses and forbs, with a stand of eucalyptus trees in the northwest quadrant and a row of taller shrubs on a berm between the two resultant parcels and along the eastern boundary of Resultant Parcel 2, adjacent to Humboldt Bay. A botanical survey was conducted in June 2013 on Resultant Parcel 1 during the permitting of the Hog Island shellfish aquaculture facility. According to the survey, vegetation on Resultant Parcel 1 is dominated by common non-native grass and forb species. Native dune species are present, but the areas supporting these plants are outside of the approved development footprint of the aquaculture facility. No special status plant species were observed. The biological survey did not include the southern half of the project site which is the location of proposed Resultant Parcel 2. Commission staff visited the site and observed that this area is heavily disturbed by intensive use by the former pulp mill and is largely covered in fill. Any future physical development proposed for Resultant Parcel 2 would require additional biological review under a separate CDP.

### **C. STANDARD OF REVIEW**

The subject site is bisected by the boundary between the retained CDP jurisdiction of the Commission and the coastal development jurisdiction delegated to Humboldt County by the Commission through the County's Local Coastal Program. The portions of the property within the Commission's retained jurisdiction include former Humboldt Bay tidelands on the eastern side of the subject property (east of Fay Avenue) that were filled in decades prior to the adoption of the Coastal Act, but that are subject to the public trust.

Section 30601.3 of the Coastal Act authorizes the Commission to process a consolidated CDP application when requested by the local government and the applicant and approved by the Executive Director for projects that will otherwise require CDPs from both the Commission and from a local government with a certified LCP. In this case, the applicant requested a consolidated

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<sup>4</sup> Hog Island has recently applied for an amendment to CDP 9-13-0500 that would increase the overall footprint of the development from 13,278 to 17,525 square feet, and the amount of grading from 775 to 2,500 cubic yards. This amendment is being processed separately from the subject CDP. Exhibit No. 5 shows the project plans approved under CDP 9-13-0500 as well as the currently proposed amended plans.



permit process, and Humboldt County's Planning and Building Director consented on behalf of the County Board of Supervisors in a letter dated February 26, 2015. The Executive Director also agreed to the consolidated permit processing request. The policies of Chapter 3 of the Coastal Act provide the legal standard of review for a consolidated CDP application submitted pursuant to Section 30601.3. The local government's certified LCP may be used as guidance.

#### **D. OTHER AGENCY APPROVALS**

##### **Humboldt County**

Humboldt County issued a Determination of Status and approved a lot line adjustment under the Subdivision Map Act and local ordinances for the proposed project by administrative review on June 12, 2015 (Case Numbers DS-15-004; NOM-15-002; and LLA-15-003). The County granted its approval subject to seven special conditions, including a requirement that a Notice of Lot Line Adjustment be recorded for each resultant parcel. To ensure that the resultant parcels described in the recorded notice are consistent with those analyzed herein, the Commission attaches **Special Condition 1**. **Special Condition 1** requires the permittee to submit the Notice of Lot Line Adjustment for review by the Executive Director within 180 days of Commission approval of CDP 1-15-0199.

#### **E. RURAL LAND DIVISIONS**

Section 30250 of the Coastal Act states, in applicable part (emphasis added):

*(a) New residential, commercial, or industrial development, except as otherwise provided in this division, shall be located within, contiguous with, or in close proximity to, existing developed areas able to accommodate it or, where such areas are not able to accommodate it, in other areas with adequate public services and where it will not have significant adverse effects, either individually or cumulatively, on coastal resources. In addition, land divisions, other than leases for agricultural uses, outside existing developed areas shall be permitted only where 50 percent of the usable parcels in the area have been developed and the created parcels would be no smaller than the average size of surrounding parcels.*

The merger and redivision of the subject property is a form of land division. As noted above, despite previous development of the site, the subject property is outside the urban limit boundary as mapped in the certified Humboldt Bay Area Plan, and is therefore subject to the rural land division criteria of Section 30250(a) of the Coastal Act. To meet the criteria, the proposed merger and redivision must be located within an area where 50 percent or more of the usable parcels have been developed, and the newly created parcels must be no smaller than the average size of the surrounding parcels.

In order to assess the project's compliance with the rural land division criteria, the Commission must first determine which parcels should be considered "surrounding parcels" for the purposes of the analysis. The Commission has previously considered "surrounding parcels" to include those within a quarter-mile radius of the project area; however, consistent with the decision of a

state court of appeal [Billings v. CCC (1980) 103 Cal.App.3rd 729], this radius may be modified where geographic or other features clearly distinguish some of the parcels within it from those surrounding the subject property. In the present case, the logical geographic boundary of the surrounding area is contained within the community of Fairhaven which is isolated from other communities and was historically developed as a separate town. Located on the south end of the Samoa Peninsula, Fairhaven is isolated by Humboldt Bay and the Pacific Ocean to the east and west, and the Eureka airport and vacant land to the south. To the north there is vacant and industrial land separating the community from the closest neighboring community, the unincorporated town of Samoa. The layout of parcels in Fairhaven reflect the original Fairhaven subdivision maps with the community bordered to the north by Bay Street and to the south by Duprey Street.

Within the community of Fairhaven, the character of different areas is distinguished by the local zoning and land use. While Fairhaven is predominately zoned and designated for coastal-dependent industry (MC), there are a few assessor's parcel numbers (APNs) zoned and designated for general industrial (MG) and public facility (PF) development, as well as one "Residential Exurban" (RX) neighborhood comprised of a number of small residential APNs. The Commission finds that it is appropriate to exclude these lands zoned for other kinds of uses and just examine those parcels with the same zoning and land use designation as the project area. Therefore, in the present case, the Commission has determined that all of the parcels in the Fairhaven area with an MC zoning and land use designation constitute the "surrounding parcels" for purposes of the rural land division criteria analysis (See **Exhibit 7** for a map of the parcel size analysis study area).

#### Average Parcel Size Analysis

Taking the second test first, the two proposed resultant parcels must be no smaller than the average size of the surrounding parcels. For purposes of this calculation, parcels were assumed to correspond with APNs because data is only available on APNs. However, APNs in the area do not necessarily correspond to legal lots. Some APNs are known to consist of multiple legal lots. For example, the 13-acre subject property contains portions of two large APNs (10 and 137 acres in size) which bisect two of the existing legal lots and extend beyond legal lot boundaries to encompass other parcels in Fairhaven. Because some APNs in the area are comprised of multiple legal lots, calculating the parcel size based on APNs yields a larger average parcel size than truly exists. Nonetheless, even though some APNs may be composed of multiple legal lots, the average parcel size of the APNs in the surrounding area is determined to be 4.53 acres, which is still smaller than the 4.66 and 8.48-acre lots resulting from the proposed redivision of the subject property (See Table 3). Therefore the average parcel size of the surrounding parcels is smaller than the two lots to be created by the merger and redivision, consistent with the rural land division criteria of Section 30250(a) of the Coastal Act. It is also important to reiterate that the proposed merger and redivision will result in fewer, larger lots than what exists today.

**Table 3.** Assessor’s parcels in the unincorporated community of Fairhaven (bounded by Bay Street to the north and Duprey Street to the south) that are zoned for coastal-dependent industry.

APN No.	Approx. Acreage	Developed (Yes or No)	Parcel No.	Approx. Acreage	Developed (Yes or No)
401-171-39	1.2764	Yes	401-161-04	0.428	Yes
401-171-40	1.0919	Yes	401-161-24	0.4276	Yes
401-171-34	0.0776	No	401-161-06	0.4263	Yes
401-171-35	0.9594	Yes	401-161-07	0.4315	Yes
401-171-37	1.1792	No	401-161-08	0.4288	Yes
401-171-18	0.4212	Yes	401-161-15	0.412	Yes
401-171-19	0.4727	Yes	401-161-21	0.222	No
401-171-20	0.3673	No	401-161-27	0.105	No
401-171-21	0.4714	No	401-161-28	0.1137	Yes
401-171-22	0.0962	Yes	401-161-22	0.2099	No
401-171-23	0.141	No	401-161-23	0.2127	No
401-171-24	0.0911	Yes	401-161-25	0.4147	No
401-171-25	0.131	No	401-161-26	0.4312	No
401-171-26	0.0802	Yes	401-301-06	0.073	No
401-171-27	0.1329	Yes	401-301-07	0.5913	Yes
401-171-28	0.0424	Yes	401-301-05	10.2705	Yes
401-171-29	0.0666	Yes	401-301-09*	136.8684	Yes
401-171-11	0.6363	No	401-301-08	6.6612	Yes
401-171-30	0.264	Yes	401-311-01	20.2618	Yes
401-171-31	0.662	No	401-311-02	3.8833	Yes
401-171-32	0.2732	Yes	401-311-04	15.5799	No
401-171-33	0.4667	Yes	401-311-05	8.1961	No
401-171-12	0.2361	Yes	401-281-01	13.5647	Yes
401-162-01	4.0877	No	401-281-02	0.9907	Yes
401-161-01	3.7961	No	401-281-03	1.1973	Yes
401-161-02	1.7112	Yes	401-281-06	1.2214	No
401-161-03	0.4349	No	401-281-05	1.2489	No
Total Number of APNs = <b>54</b>					
Mean Parcel Size = <b>4.53 acres</b>					
Median Parcel Size = <b>0.43-acre</b>					
Percent of parcels developed: <b>32/54 = 59%</b>					

\*Portion of APN zoned MG (General Industrial)

Percent Developed Analysis

The other test of the rural land division criteria of Section 30250(a) is whether 50 percent or more of the surrounding parcels are developed. The Fairhaven area has supported coastal dependent industrial development since the late 1800s but has been underutilized since the decline of forest products-related industries and the closure of the pulp mill in the mid-1990s. As a result, the area now contains many vacant MC-zoned properties where deteriorated infrastructure has been removed, including many parcels that have access to the adjacent deep-water main channel of Humboldt Bay. Although currently vacant, the future development of these sites is consistent with the intent of the Coastal Act to prioritize coastal-dependent development on the waterfront, and to encourage coastal-dependent industrial facilities to locate on previously disturbed sites rather than impact pristine areas of the coast. Despite the area’s

decline, 59 percent of the parcels are still developed (32 of the 54 surrounding parcels), and thus the proposed merger and redivision meets the 50% test (See Table 3 above).

On the basis of the above analyses, the Commission finds that the proposed subdivision is consistent with the rural land division criteria of Section 30250(a) of the Coastal Act.

## **F. LOCATING & PLANNING NEW DEVELOPMENT**

Section 30250 of the Coastal Act states, in applicable part (emphasis added):

*(a) New residential, commercial, or industrial development, except as otherwise provided in this division, shall be located within, contiguous with, or in close proximity to, existing developed areas able to accommodate it or, where such areas are not able to accommodate it, in other areas with adequate public services and where it will not have significant adverse effects, either individually or cumulatively, on coastal resources. In addition, land divisions, other than leases for agricultural uses, outside existing developed areas shall be permitted only where 50 percent of the usable parcels in the area have been developed and the created parcels would be no smaller than the average size of surrounding parcels.*

The intent of Section 30250(a) is to channel development toward more urbanized areas where services are provided and potential impacts to resources are minimized. In its review of land division proposals for consistency with Section 30250(a), the Commission's considerations include, but are not limited to, whether the resultant parcels: (a) can accommodate existing legal uses and/or future development for designated and zoned uses in a manner that is consistent with the Chapter 3 policies of the Coastal Act, (b) can be served with sewer, water, and other services adequate to accommodate new development; and (c) can be developed in a manner that will not result in significant adverse effects on coastal resources.

### Potential Future Development

The proposed merger and redivision is located on lands locally designated and zoned for coastal-dependent industry. Principally permitted uses are coastal-dependent uses that require access to a maintained, navigable channel in order to function, including but not limited to public docks, water-borne carrier import and export operations, ship building and boat repair, commercial fishing facilities, marine oil terminals, and aquaculture and aquaculture support facilities.

Although the proposed merger and redivision results in fewer parcels than currently exist, the size and configuration of the resultant parcels will increase the utility of the site for coastal-dependent industrial development. The existing configuration includes four parcels (Parcels A, B, C, and D) that do not have direct access to Humboldt Bay and are relatively small (from 0.28 to 0.91 acres in size), as well as one parcel (Parcel F) that does not have access to the public roadway to the west of the project site. Humboldt Bay frontage is an important attribute for future development of these principally permitted coastal-dependent and coastal-related uses as they often require access to a navigable channel in order to function. In addition, adequate site size and depth is needed to accommodate upland support facilities for coastal-dependent

industries and link to roads and/or rail. According to the Port of Humboldt Bay Harbor Revitalization Plan prepared for the Humboldt Bay Harbor, Recreation & Conservation District in 2003, even small marine developments such as commercial fishing, aquaculture, and boat building and vessel repair operations typically require at least 100 to 200 feet of waterfront and greater than three acres of backland (PB Ports & Marine, Inc., 2003).

Proposed Resultant Parcels 1 and 2 are 4.66 and 8.48 acres in size with site depths ranging from approximately 750 feet to 960 feet. In addition, both proposed resultant parcels have bay access; Resultant Parcel 1 has approximately 340 feet of waterfront while Resultant Parcel 2 has approximately 400 feet of waterfront along the main channel of Humboldt Bay, the state's only deep-water shipping facility north of San Francisco. Resultant Parcel 1 has direct access to an existing industrial dock, and Resultant Parcel 2 could also potentially utilize the dock as the structure is located just outside of the parcel's northern boundary.

As previously mentioned, Resultant Parcel 1 is the future site of a previously permitted mariculture operation that will support shellfish seed cultivation operations, including the small scale production of larvae and microalgae. This use is a type of aquaculture, so it is consistent with the MC zoning. Currently the permitted onshore aquaculture development spans four parcels. Under the proposed project, the development will be located entirely on Resultant Parcel 1.

Resultant Parcel 2 comprises the combined land area of existing parcels A and D (0.56 acres and 0.91 acres in size), and the majority of Parcel E (7.01 of 9.13 acres). The 8.48-acre Resultant Parcel 2 has access to both Humboldt Bay and Vance Avenue, allowing for efficient site circulation for any future coastal-dependent industrial operation.

Therefore, the Commission finds that the project improves the utility of the site for coastal-dependent industrial use, and creates more logical parcel boundaries for approved and potential future development.

#### Adequacy of Public Services to Serve Future Development

Although the project site is not within a designated urban area, the site is flanked to the south by existing commercial and industrial operations at the Fairhaven Business Park, and to the north by a number of single-family residences and coastal-dependent and related business. Water service in the area is provided by the Humboldt Bay Municipal Water District, while sewage is accommodated by individual on-site sewage disposal systems.

Locating an adequate site for primary and reserve leach fields in the project area is difficult due to high groundwater and the need to site the disposal field a minimum of 300 feet from Humboldt Bay. However, the merger and redivision creates two resultant parcels that are sized and configured to accommodate the sewage disposal systems for industrial development well over 300 feet from the bay.

A septic suitability site evaluation report produced by LACO Associates in August 2013 shows that adequate primary and reserve leach field areas for the two resultant parcels exist in the northwest quadrant of the site (See **Exhibit 6**). Based on a design to meet the demand of 15

warehouse employees and associated industrial processes, the report determined that a primary field area of 1,530 square feet is required to dispose of and treat the wastewater from the Hog Island facility leach field on Resultant Parcel 1, and an additional 1,530 square foot area is required to be preserved for a 100 percent reserve field on the same site. Based on the parcel configuration after the proposed merger and redivision, a total primary and reserve area of 8,746 square feet is provided for the Hog Island facility on Resultant Parcel 1 (in the location of Existing Parcels B and C), well over the 3,060-square-foot area that is required. In addition, a 9,850-square-foot area has been identified directly to the south on Resultant Parcel 2 (in the location of existing Parcel A) that would be available for onsite wastewater disposal for future development on Resultant Parcel 2. That area could accommodate a facility over three times the size of the approved Hog Island development. The County Division of Environmental Health has reviewed the proposed septic system design and issued a preliminary approval.

Therefore the Commission finds that adequate services are available to accommodate approved and potential future development on the resultant two parcels.

#### Avoiding Significant Adverse Effects of Future Development on Coastal Resources

Although the project site is located outside of the urban limit line, it is adjacent to existing industrial development to the south and residential and industrial development to the north and parts of the site were previously developed with two single family residences as well as over five acres of hog fuel storage for the former Simpson pulp mill.

The effects on coastal resources of the future development of a shellfish aquaculture facility on Resultant Parcel 1 were analyzed under a previous CDP (CDP 9-13-0500). The key Coastal Act issue of concern identified was the potential for the development to adversely affect marine resources, water quality, and the biological productivity of coastal waters in Humboldt Bay by potentially causing adverse impacts to benthic and water column habitat, longfin smelt, listed salmonids, marine birds, and marine mammals. The Commission imposed five special conditions to reduce potential impacts by: (1) reducing the potential release of invasive species into Humboldt Bay during maintenance cleaning; (2) requiring the installation of passive wildlife exclusion devices if colonization of the oyster rafts by marine mammals or seabirds begins to occur; (3) requiring the design of the facility's wash water intake system to reflect current standards established to minimize entrainment and impingement effects; and (4) setting a permit term limit to allow the Commission to periodically re-assess the impacts of the operation. The Commission found that as conditioned, the approved shellfish aquaculture facility will avoid significant adverse impacts on coastal resources. Whether or not the particular development approved by CDP 9-13-0500 occurs, other non-exempt future development of the site could be similarly conditioned as appropriate to avoid significant adverse effects on coastal resources.

Resultant Parcel 2 is also located on a historically heavily impacted former industrial area with significant fill. Resultant Parcel 2 is vacant and no future development is currently planned for the site. As discussed above, Resultant Parcel 2 will be better sized and configured than the existing parcels to support future coastal-dependent industrial development in a manner that avoids impacts to coastal resources. Any future physical development of this vacant parcel will require further analysis of potential development-specific impacts on coastal resources under a separate CDP.

As discussed further in the findings below, the Commission finds that the proposed development will not have significant adverse impacts on coastal resources, and future development that may be accommodated by this merger and redivision can be developed without significant adverse impacts on coastal resources.

## **G. HAZARDS**

Section 30251 of the Coastal Act states, in applicable part:

*New development shall do all of the following:*

- (a) *Minimize risks to life and property in areas of high geologic, flood, and fire hazard.*
- (b) *Assure stability and structural integrity, and neither create nor contribute significantly to erosion, geologic instability, or destruction of the site or surrounding area...*

The project site is located immediately adjacent to Humboldt Bay with elevations ranging from five to ten feet above mean sea level. The lower lying portions of the site along the waterfront are within the 100-year flood zone and are therefore subject to flooding from extreme high tides and sea level rise. In addition, as illustrated in the California Department of Conservation Tsunami Inundation Map for Emergency Planning, the entirety of the Samoa Peninsula south of Bay Street is potentially subject to tsunami related risks and the site is mapped within areas that may expect severe ground shaking and high liquefaction potential during a seismic event.

As discussed above, the proposed project is a merger and redivision that does not include any physical development on the ground that would result in an increase in risks to life and property from geologic and flood hazards. In addition, the proposed project minimizes future risk by reducing the number of parcels from six to two, and thus reducing the future potential density of development in the area. Any future nonexempt development proposed by the applicant or future owners on the resultant parcels would be subject to the CDP requirements of the Coastal Act. In the Commission's review of any permit application for such development, feasible mitigation measures necessary to minimize flooding and geologic hazards could be incorporated into any future otherwise permissible development on any of the parcels.

Therefore, the Commission finds that the proposed project will minimize risk to life and property from hazards consistent with Section 30253 of the Coastal Act.

## **H. ARCHAEOLOGICAL RESOURCES**

Section 30244 of the Coastal Act states:

*Where development would adversely impact archeological or paleontological resources as identified by the State Historic Preservation Officer, reasonable mitigation measures shall be required.*

The project area is located within the ethnographic territory of the Wiyot people, who had a number of villages along the Samoa Peninsula including settlements in close proximity to the project. Because of the high potential for archaeological resources to exist in the area, the project site's zoning designation includes an Archaeological Resources (A) combining zone.

While archaeological resources are known to exist in the vicinity of the project site, the proposed merger, redivision, and road vacation does not involve ground disturbing activities that could uncover cultural artifacts or human remains. Nevertheless, the County consulted on the project with the local Tribal Historic Preservation Officers (THPOs). The THPOs of the Blue Lake Rancheria and the Wiyot Tribe reviewed the project and did not recommend further study. The Bear River Rancheria THPO indicated that while there are two sensitive sites in the project vicinity, they are not in/on the project site, and recommended conditioning the project on the observance of an inadvertent discovery protocol. The County incorporated this protocol into their conditions of approval for the project (See [Other Agency Approvals](#) finding above).

As discussed in the [New Development](#) finding above, pursuant to Section 30250 of the Coastal Act, the Commission must consider whether the parcels resulting from the merger and redivision can be developed in a manner that will not result in significant adverse effects on coastal resources, including archaeological resources. The project will result in a net reduction in parcels from six to two, creating larger parcels (over four acres in size) where there will be more space to site and design future development to avoid resources. In addition, both of the proposed resultant parcels are largely covered by a layer of fill material up to nine feet in depth, which serves to cover and protect any unknown archaeological resources that might exist on the site. Any future non-exempt development on the resultant parcels would be subject to the CDP requirements of the Coastal Act. In its review of any permit application for such development, the Commission would consider the impacts of the development on archaeological or paleontological resources and the need for reasonable mitigation measures consistent with Section 30244 of the Coastal Act. Therefore, the Commission finds that the proposed project will not result in significant adverse impacts to archaeological resources and is consistent with Coastal Act Section 30244.

## **I. PUBLIC ACCESS**

Section 30210 of the Coastal Act requires that maximum public access shall be provided consistent with public safety needs and the need to protect natural resource areas from overuse. Section 30212 of the Coastal Act requires that access from the nearest public roadway to the shoreline be provided in new development projects, except where it is inconsistent with public safety, military security, or protection of fragile coastal resources, or where adequate access exists nearby. Section 30211 of the Coastal Act requires that development not interfere with the public's right to access gained by use or legislative authorization. Section 30214 of the Coastal Act provides that the public access policies of the Coastal Act shall be implemented in a manner that takes into account the capacity of the site and the fragility of natural resources in the area. In applying Sections 30210, 30211, 30212, and 30214, the Commission is also limited by the need to show that any denial of a permit application based on these sections or any decision to grant a permit subject to special conditions requiring public access is necessary to avoid or offset a project's adverse impact on existing or potential access.



Although the proposed project is located between the first public road and Humboldt Bay, an inlet of the sea, the development will not adversely affect public access to or along the bay. The proposed merger and redivision of six lots into two will not increase demand for public access facilities, as it will involve no expansion of use, will not increase population density in the area, and will not otherwise draw more people to the waterfront. In addition, the merger and redivision will not displace any existing public access facilities as no public access currently exists in the project vicinity and there is no history of public use of the area. No access is identified in the project area by the Access Inventory of the Humboldt Bay Area Plan, and adding any new vertical or lateral public access across the subject industrial parcels would be inconsistent with public safety needs and the security and operational needs of the Hog Island aquaculture facility and any other future coastal-dependent industrial development. Furthermore, adequate access to Humboldt Bay and the Pacific Ocean exists nearby at the foot of Park Street south of the Fairhaven Business Park, and across the peninsula to the west of the intersection of Bay Street and New Navy Base Road.

The proposed project also entails the abandonment of a 225-foot-long road easement on the northern half of the project area. The Fay Avenue road segment runs parallel to the bay at a distance ranging from 350 to 550 feet from the bay, and does not connect to any vertical public access way. The road segment is owned in fee title by SIX and bounded on either side by land owned by SIX. In addition, under its previous ownership, the road segment was within the working boundaries of the Simpson pulp mill since the mid-1960's. As the road segment is currently and has historically been isolated from public use and does not provide or lead to any public vertical access to the bay, vacating the road will not affect existing public access.

Therefore the Commission finds that the proposed development will not have any significant adverse effects on public access, and is consistent with the requirements of Coastal Act Sections 30210, 30211, 30212, and 30214.

#### **J. CALIFORNIA ENVIRONMENTAL QUALITY ACT**

Humboldt County served as the lead agency for the project for CEQA purposes. The County found the project categorically exempt from CEQA pursuant to Section 15305(a) of the CEQA Guidelines (Minor Alterations in Land Use Limitations). Section 13906 of the Commission's administrative regulation requires Coastal Commission approval of CDP applications to be supported by a finding showing the application, as modified by any conditions of approval, is consistent with any applicable requirements of the California Environmental Quality Act (CEQA). Section 21080.5(d)(2)(A) of CEQA prohibits a proposed development from being approved if there are any feasible alternatives or feasible mitigation measures available, which would substantially lessen any significant adverse effect the proposed development may have on the environment.

The Commission incorporates its findings on Coastal Act consistency at this point as if set forth in full. As discussed above, the proposed project has been conditioned to be consistent with the policies of the Coastal Act. The findings address and respond to all public comments regarding potential significant adverse environmental effects of the project that were received prior to preparation of the staff report. As specifically discussed in these above findings, which are hereby incorporated by reference, mitigation measures that will minimize or avoid all significant

1-15-0199 (Sequoia Investments X, LLC)

adverse environmental impacts have been required. As conditioned, there are no other feasible alternatives or feasible mitigation measures available which would substantially lessen any significant adverse impacts which the activity may have on the environment. Therefore, the Commission finds that the proposed project, as conditioned to mitigate the identified impacts, can be found consistent with the requirements of the Coastal Act to conform to CEQA.

**APPENDIX A  
SUBSTANTIVE FILE DOCUMENTS**

Application File for Coastal Development Permit No. 1-15-0199

Application File for PRE-LCP-1-HUM-13-0209.

County of Humboldt. 1984. Humboldt County General Plan, Volume I: Framework Plan.

County of Humboldt. 1995. Humboldt County General Plan, Volume II: Humboldt Bay Area Plan of the Humboldt County Local Coastal Program.

County of Humboldt. Revised 2007. Humboldt County Zoning Regulations. Chapter 3: Regulations that Apply to the Coastal Zone.

LACO Associates. January 2015. Technical Memorandum: Biological Survey Results, Fairhaven Business Park General Plan Amendment and Rezone.

PB Ports & Marine, Inc. 2003. Port of Humboldt Bay Harbor Revitalization Plan. Prepared for the Humboldt Bay Harbor, Recreation & Conservation District.

Permit File for Coastal Development Permit No. 1-89-169-W.

Permit File for Coastal Development Permit No. 9-13-0500.

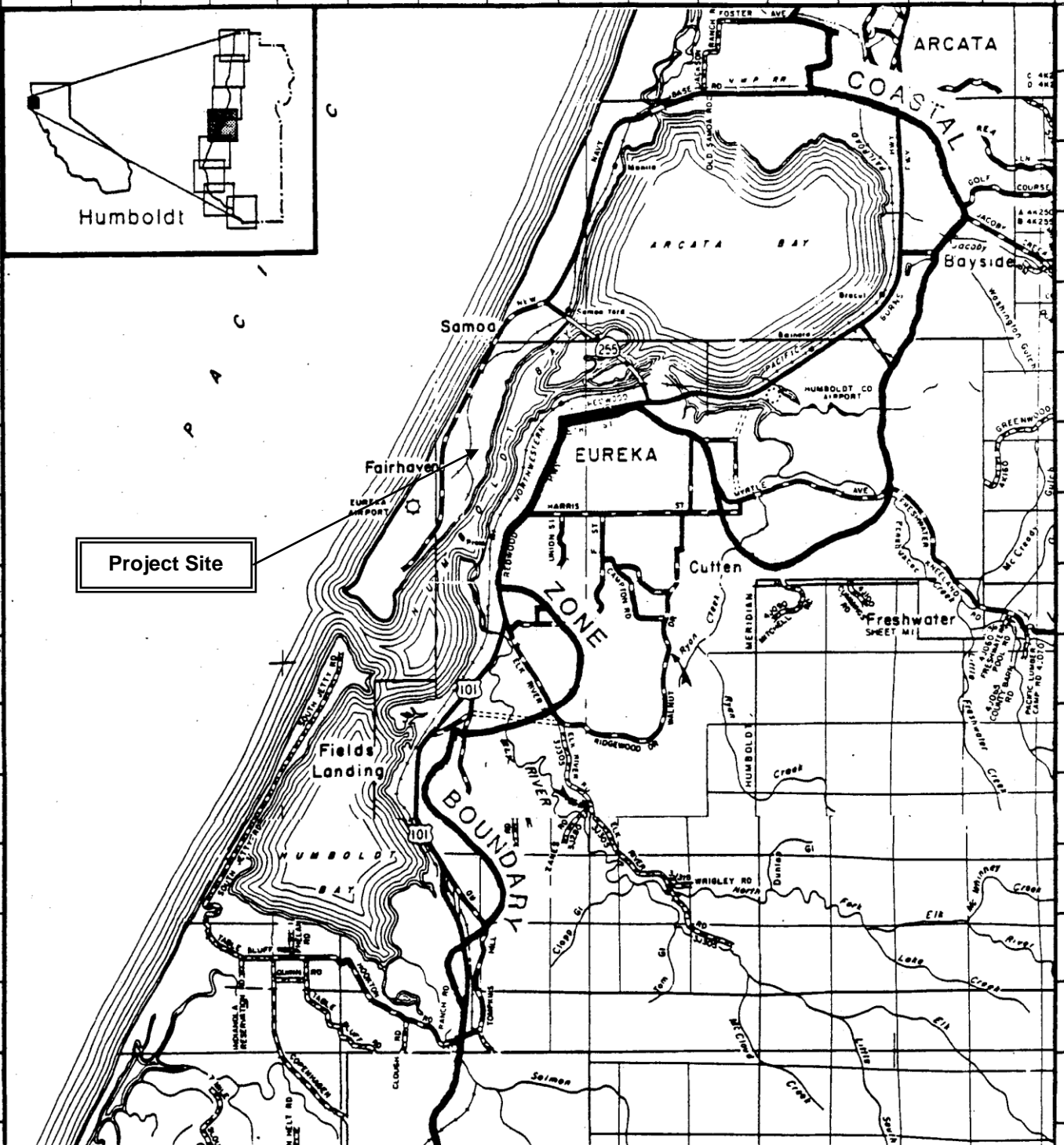
SCS Engineers. August 2005. Supplemental Environmental Inspection Report: Former Simpson Pulp Mill Facility. Prepared for Sequoia X, LLC.

SCS Engineers. November 2010. Phase 1 Environmental Site Assessment Report Fairhaven Business Park & Associated Parcels. Prepared for Sequoia X, LLC.

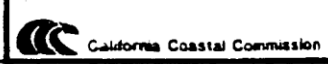
SHN Consulting Engineers & Geologists, Inc. June 2012. Storm Water Pollution Prevention Plan and Storm Water Monitoring Program. Prepared for Sequoia Investments X, LLC.

A B C D E F G H I J K L M N O

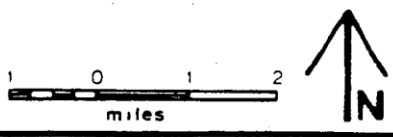
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Project Site



# LOCATION MAP



County of Humboldt

**EXHIBIT NO. 1**  
 Application No. 1-15-0199  
 Sequoia X, LLC  
**REGIONAL LOCATION MAP**



**EXHIBIT NO. 2**

Application No. 1-15-0199  
Sequoia X, LLC  
**VICINITY MAPS**  
1 of 2

Project Location



US Dept. of the Interior Geologic Survey; Eureka Quadrangle;  
California – Humboldt County; 7.5 Minute Series (Topographic)

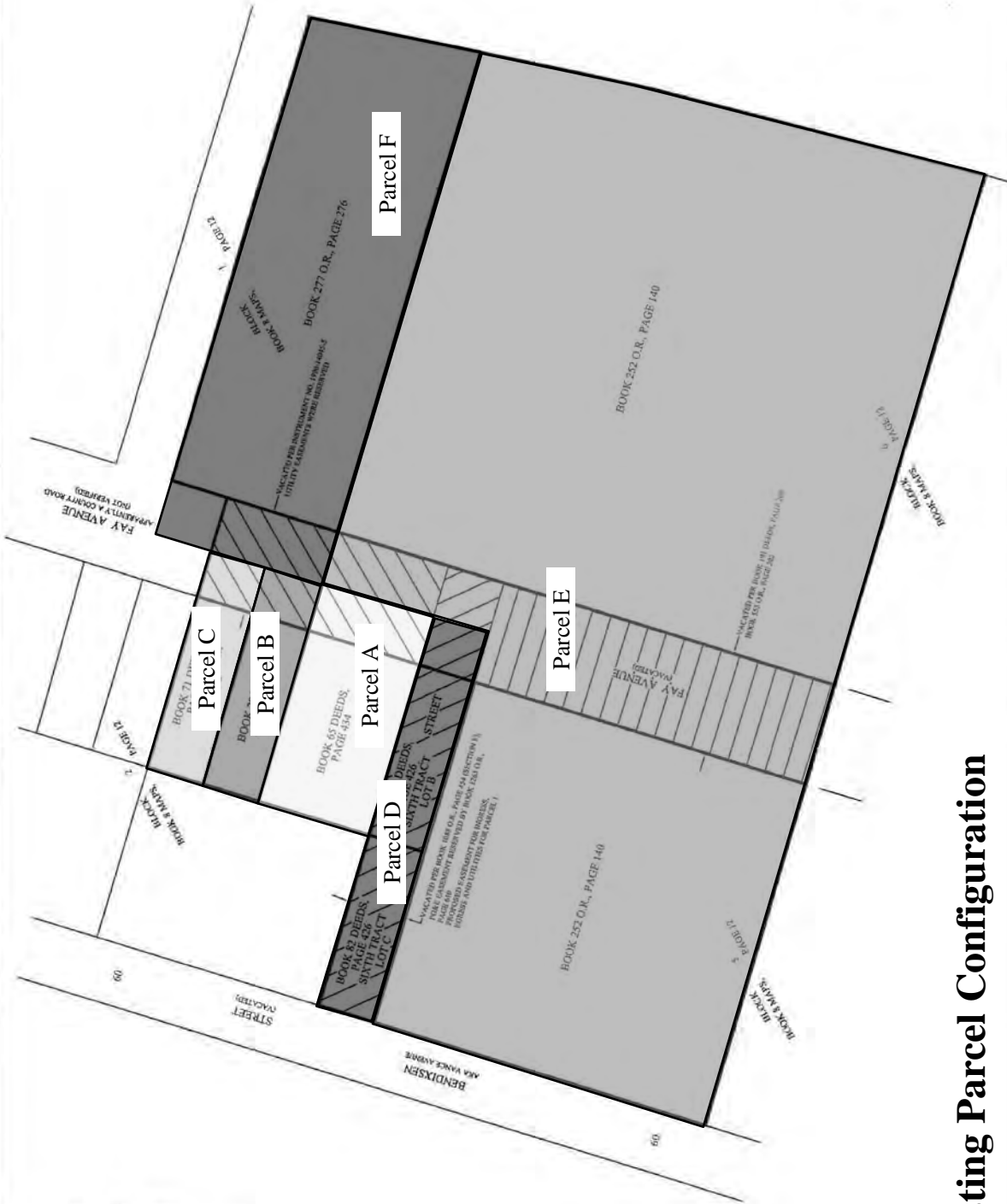




**EXHIBIT NO. 3**

Application No. 1-15-0199  
Sequoia X, LLC  
**EXISTING & PROPOSED  
PARCEL CONFIGURATIONS**  
1 of 3

APR 01 2015 10:56 AM  
MAP OF PARCEL CREATIONS DOCUMENTS  
& MAP OF ROAD VACATIONS  
FOR  
SEQUOIA INVESTMENTS X, LLC  
IN THE UNINCORPORATED AREA OF HUMBOLDT COUNTY  
SECTION 31 AND 32 T1N 37W, HUMBOLDT MERIDIAN  
MARCH 03, 2015, SCALE 1" = 100'  
HUMBOLDT COUNTY  
STATE OF CALIFORNIA  
KELLY-OTTEBEN ASSOCIATES  
BURBANK, CALIFORNIA



**Existing Parcel Configuration**





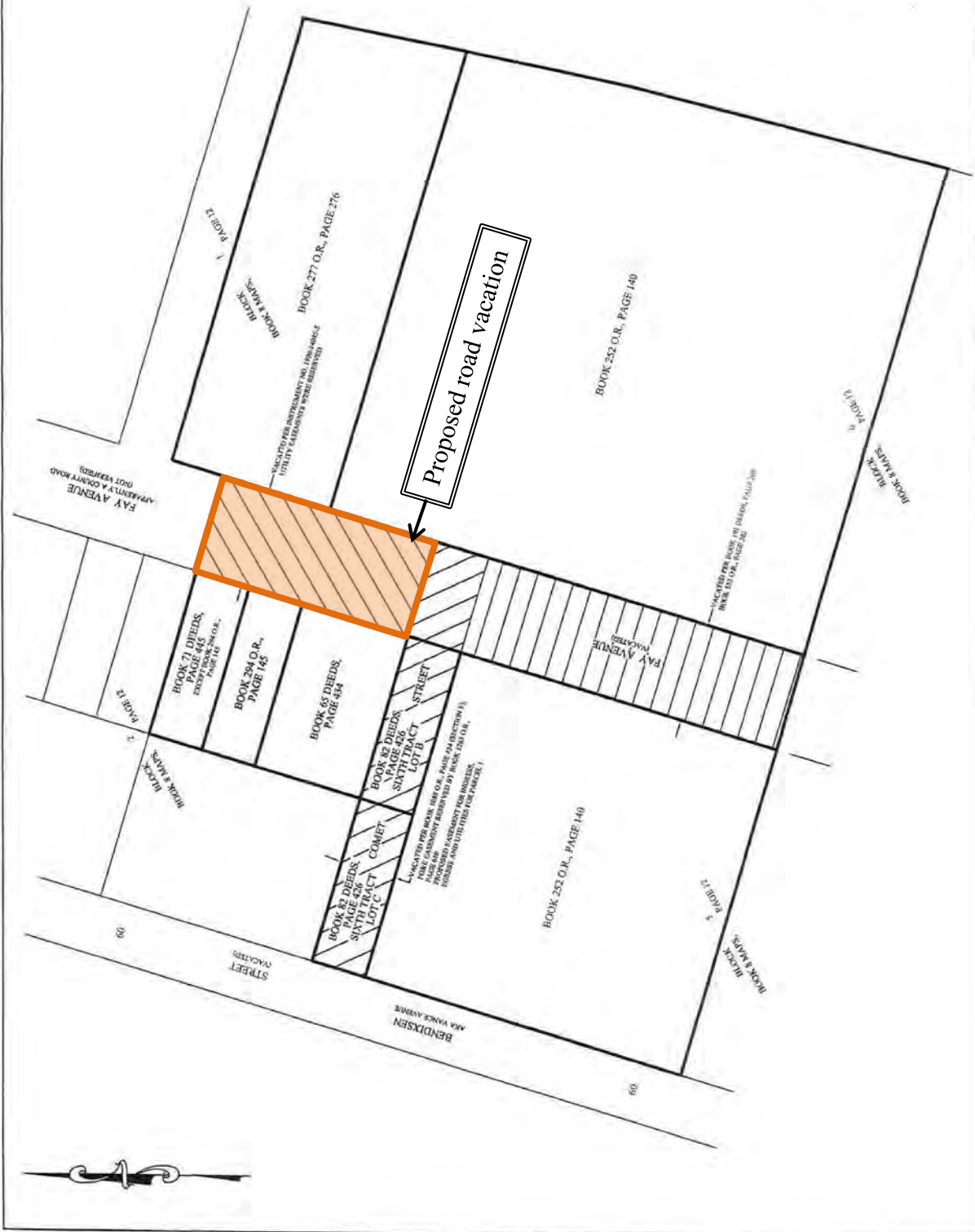




**EXHIBIT NO .4**

Application No. 1-15-0199  
Sequoia X, LLC  
**PROPOSED ROAD  
VACATION**

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MAP OF PARCEL CREATIONS DOCUMENTS  
& MAP OF ROAD VACATIONS  
FOR  
SEQUOIA INVESTMENTS X, LLC  
SECTION 31 AND 32 T2N 87W, HUMBOLDT MERIDIAN  
IN THE UNINCORPORATED AREA OF HUMBOLDT COUNTY  
MARCH 03, 2015, SCALE 1" = 100'  
HUMBOLDT COUNTY  
STATE OF CALIFORNIA  
KELLY-OTTEBEN ASSOCIATES  
BURBA, CALIFORNIA



**EXHIBIT NO. 5**

Application No. 1-15-0199  
Sequoia X, LLC  
**HOG ISLAND OYSTER  
FACILITY**  
1 of 2



**Approved Site Plan for Future  
Aquaculture Facility**

This site plan depicts the Hog Island Oyster Facility approved under CDP 9-13-0500 but not yet developed on Resultant Parcel 1.

**ARCATA BAY SHELLFISH MARICULTURE FACILITY**

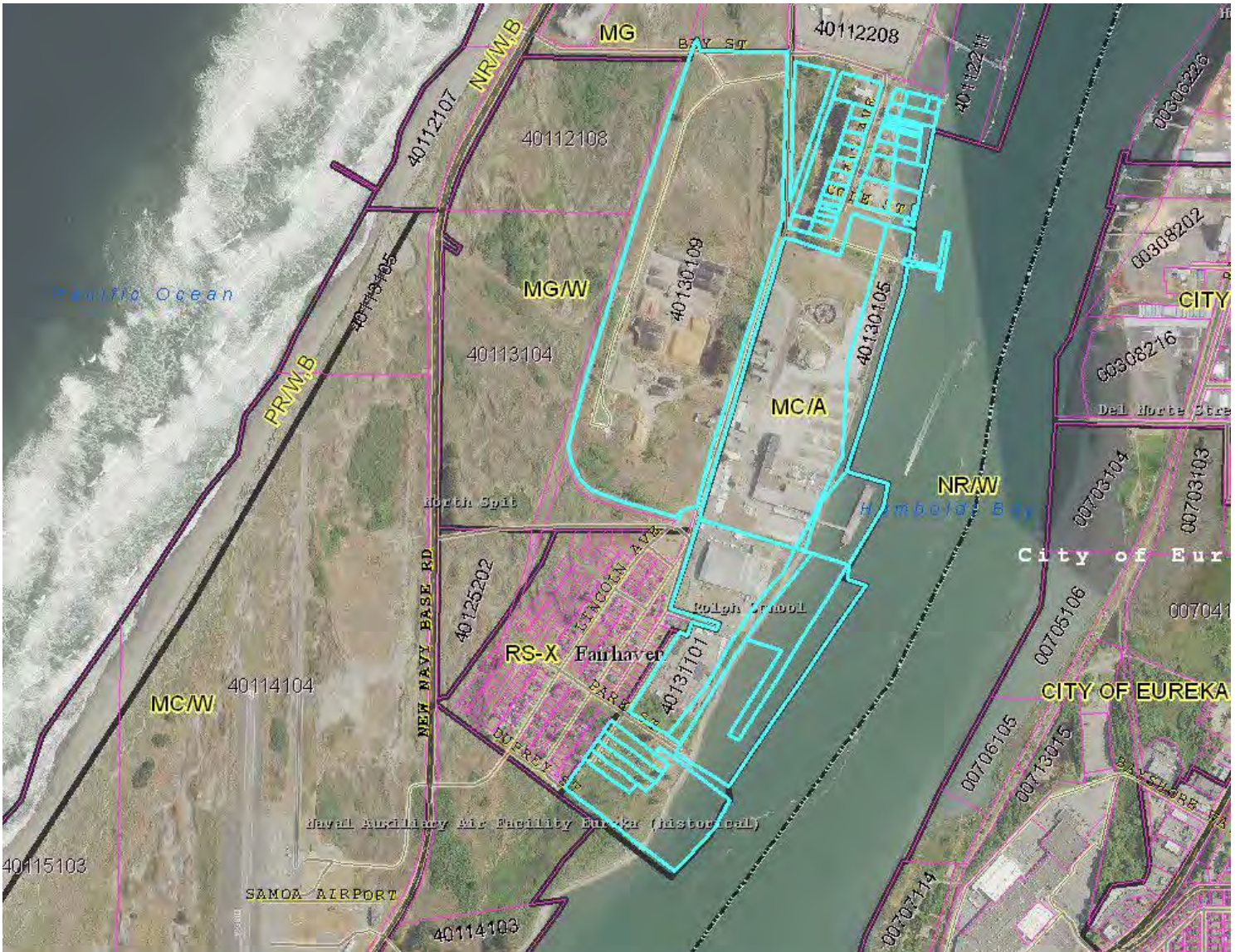
Samoa, CA  
for Hog Island Oyster Company











Assessor parcels in the unincorporated community of Fairhaven (bounded by Bay Street to the north and Duprey Street to the south) that have coastal-dependent industrial zoning (highlighted in light blue).

**EXHIBIT NO. 7**  
 Application No. 1-15-0199  
 Sequoia X, LLC  
**AREA OF RURAL LAND  
 DIVISION ANALYSIS**