

CALIFORNIA COASTAL COMMISSION

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| Staff: | Robert Merrill |
| Staff Report: | Aug. 31, 2006 |
| Hearing Date: | Sept. 15, 2006 |
| Commission Action: | |

TO: Commissioners and Interested Parties

FROM: Peter M. Douglas, Executive Director
Robert S. Merrill, North Coast District Manager

SUBJECT: **City of Eureka LCP Amendment No. EUR-MAJ-2-05 (Truesdale).**
(Meeting of September 15, 2006 in Eureka)

SYNOPSIS:

Amendment Description:

The proposed amendment would amend the City of Eureka LCP, certified in 1984, to change the Land Use Plan (LUP) designation of an approximately 2.01-acre property located at 1807 and 1809 Truesdale Street from Coastal Dependent Industrial (CDI) to Service Commercial (SC) and change the Implementation Plan (IP) zoning for the property from General Industrial (MG) to Service Commercial (CS).

Summary of Staff Recommendation:

Staff recommends that the Commission, upon completion of the public hearing, approve the amendment request as submitted.

The principal issue raised by the proposed amendment is whether changing the LUP designation for the approximately two-acre subject property from Coastal Dependent Industrial use to Service Commercial is consistent with the priority use policies of the Coastal Act. Staff believes that as (1) the subject property lacks proximity to deep water, was not designated for coastal dependent use in the originally certified LCP, and the

redesignation of the site to coastal dependent use in 1999 was not based on any evidence in the record that the site is needed for such use; (2) there is a large amount of underutilized land along the Humboldt Bay shorelines designated for coastal dependent industry including properties with access to deep water that would be better suited for coastal dependent industrial use; and (3) the site is not identified among the 16 key sites for harbor development identified in the recently completed Port of Humboldt Bay Harbor Revitalization Plan, redesignation of the property from coastal dependent industry to the proposed service commercial designation is consistent with Sections 30222, 30234 and 30255 of the Coastal Act to the extent that the proposed amendment will not displace needed coastal dependent uses.

In addition, the proposed CS designation would accommodate visitor serving recreational uses such as hotels and restaurants, which are other priority uses under the Coastal Act. Information submitted to the City by the property owners indicates the existing hotel on property immediately adjacent to the site is often fully occupied and there is large demand for additional visitor accommodations in the area. In fact, the property owners are proposing to develop the subject property in the future with hotel and restaurant uses to meet this demand. As the proposed LUP amendment will accommodate future use of the site for visitor serving commercial recreational uses, staff believes the proposed amendment is consistent with Section 30221 and 30222 of the Coastal Act to the extent that the proposed CS designation would accommodate visitor serving priority uses.

The subject property is also located within the urban services boundary where there is adequate capacity to accommodate future commercial development that would be accommodated by the proposed LCP amendment. Therefore, staff recommends that the Commission find that LUP Amendment No. EUR-MAJ-2-05 as submitted is consistent with the Chapter 3 policies of the Coastal Act.

The proposed Service Commercial (CS) zoning district is the district of the certified Coastal Zoning Ordinance that matches the proposed General Service Commercial LUP designation. The purpose of both the district and the designation as stated in the certified Coastal Zoning Code and Land Use Plan, respectively, is “to provide appropriately located areas for retail stores, offices, service establishments, amusement establishments, and wholesale businesses offering commodities and services required by residents of the city and its surrounding market area.” In addition, the range of principal and conditional uses allowed within the CS zoning district are consistent with the principal and conditional uses allowed within the GSC LUP designation. Therefore, staff recommends that the Commission find that the IP amendment as submitted conforms with and is adequate to carry out the Land Use Plan, as amended by LCP Amendment No. EUR-MAJ-2-05.

The motions to adopt the staff recommendation are found on pages 3 and 4.

Analysis Criteria

To approve the amendment to the Land Use Plan (LUP), the Commission must find that the Land Use Plan, as amended, would be in conformity with the policies of Chapter 3 of the Coastal Act. To approve the amendment to the Implementation Plan (IP), the Commission must find that the Implementation Plan, as amended, conforms with and is adequate to carry out the policies of the Land Use Plan (LUP) portion of the City's certified LCP.

Additional Information:

For further information, please contact Robert Merrill at the North Coast District Office (707) 445-7833. Please mail correspondence to the Commission at the above address.

PART ONE: STAFF RECOMMENDATION, MOTIONS, AND RESOLUTIONS

I. APPROVAL OF THE LUP AMENDMENT PORTION OF AMENDMENT NO. EUR-MAJ-2-05 (TRUESDALE) AS SUBMITTED

MOTION 1: I move that the Commission certify Land Use Plan Amendment No. EUR-MAJ-2-05 as submitted by the City of Eureka.

STAFF RECOMMENDATION OF CERTIFICATION AS SUBMITTED:

Staff recommends a **YES** vote. Passage of the motion will result in certification of the land use plan amendment as submitted and adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the appointed Commissioners.

RESOLUTION TO CERTIFY THE LAND USE PLAN AMENDMENT:

The Commission hereby certifies the Land Use Plan Amendment No EUR-MAJ-1-05 as submitted by the City of Eureka and adopts the findings set forth below on the grounds that the amendment conforms with the policies of Chapter 3 of the Coastal Act. Certification of the Land Use Plan amendment 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 plan on the environment; or 2) there are no further feasible alternatives or mitigation measures which could substantially lessen any significant adverse impact which the Land Use Plan Amendment may have on the environment.

II. APPROVAL OF THE IP AMENDMENT PORTION OF AMENDMENT NO. EUR-MAJ-2-05(TRUESDALE) AS SUBMITTED

MOTION 2: I move that the Commission reject Implementation Program Amendment No. EUR-MAJ-2-05 for the City of Eureka as submitted.

STAFF RECOMMENDATION OF CERTIFICATION AS SUBMITTED:

Staff recommends a **NO** vote. Failure of this motion will result in certification of the Implementation Program Amendment as submitted and the adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the Commissioners present.

RESOLUTION :

The Commission hereby certifies the Implementation Program Amendment No. EUR-MAJ-2-05 for the City of Eureka as submitted and adopts the findings set forth below on grounds that the Implementation Program as amended, conforms with and is adequate to carry out the provisions of the Land Use Plan, as amended and certified, and certification of the Implementation Program Amendment will meet the requirements of 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 Implementation Program Amendment on the environment; or 2) there are no further feasible alternatives or mitigation measures that would substantially lessen any significant adverse impacts on the environment that will result from certification of the Implementation Program Amendment.

PART TWO: BACKGROUND

The Commission finds and declares as following for LCP Amendment No. EUR-MAJ-2-05:

I. PROPOSED LCP AMENDMENT

The City of Eureka proposes to amend both its certified Land Use Plan and Implementation Plan to redesignate and rezone an approximately 2.01-acre property

located at 1807 and 1809 Truesdale Street. The Land Use Plan (LUP) designation of the site would be changed from Coastal Dependent Industrial (CDI) to Service Commercial (SC) and the Implementation Plan (IP) designation of the site would be changed from General Industrial (MG) to Service Commercial (CS). The LCP amendment consists entirely of LUP and Zoning map changes for the subject property; no policies, standards or other text is proposed to be modified or added to the certified LCP.

According to the City's staff report for the proposed LCP amendment, the purpose of the LCP amendment is two-fold. First, the amendment would make the zoning and LUP designations consistent. At present, the LUP designation is Coastal Dependent Industrial (CDI) and the IP or zoning designation is General Industrial (MG).

The second purpose of the amendment is to accommodate a future commercial development of the subject property. The property owners have indicated to the City that they wish to expand the existing hotel located east of the site on to the subject property, remodel an existing commercial building on the site, and build a new restaurant. The owners state the following in their application to the City:

“...The owners propose to build an upscale addition to the Bayshore Inn featuring luxury rooms with fireplaces, spa tubs and wet bars offering beautiful view s of Humboldt Bay and the Pacific Ocean.... The 81 rooms in the Bayshore Inn fill almost every day of the year and the Hotel is forced to turn business travelers and tourists away on an almost daily basis...In addition to the proposes Victorian Hotel expansion, our project will include a new first class wood fired grilled steak, seafood, and California cuisine restaurant which will also include outstanding Humboldt Bay and Pacific Ocean Views...The owners propose to remodel the existing, vacant metal building for CS type uses

These uses could not be accommodated fully under the existing LUP and zoning designations for the site.

No coastal development permit application has yet been submitted to the City for the future project. As noted by the City staff report, the approval and certification of the LCP amendment is not predicated on development of the owners proposed future development. The potential future development should be considered only as an example of the type and intensity of development that could be developed if the amendment is certified.

II. SITE DESCRIPTION

The subject property is located west of Highway 101 in the southwestern portion of the City of Eureka (See Exhibits 1-9). The inverted L-shaped property encompasses approximately 2.01 acres located on the south side of Truesdale Street, west of the

intersection of Truesdale Street and Broadway (Highway 101). The site is not a bayfront parcel, as it is separated from Humboldt Bay by railroad tracks and intervening City-owned land. As is the case for much of the land in the surrounding area, the property consists of former tidelands that have been filled over the last century for a variety of uses. Most of the site to be redesignated and rezoned, the long axis of the inverted L-shaped property, currently does not contain structures and is partially surrounded by a chain link fence. The eastern portion of the subject property, the short axis of the inverted L-shaped property, contains a small retail sales building, and a larger building housing a portion of a recreational vehicle parts and service center business which extends off the subject property on to adjoining parcels. The subject property is located within a developed area containing mixed uses including the existing Best Western Bayshore Inn to the east, the Northwestern Railroad Authority railroad tracks and a City of Eureka sewer pump station to the west, a supermarket and the Bayshore Mall shopping center to the north, and two vacant metal warehouse buildings and a mobile home park to the south.

The vacant portion of the site is covered with ruderal vegetation and does not contain wetlands or other known environmentally sensitive habitat. The developed portion of the site is almost entirely covered with the previously mentioned buildings and paved parking and vehicle access ways.

The site is not located within a designated highly scenic area and views of the Bay from public streets or other public vantage points would not be affected by the future development of the site.

As the subject property is separated from Humboldt Bay by railroad tracks and another intervening City-owned property, there is no direct access for public access to the shoreline through the property. However, the unimproved City-owned area adjacent to the Bay at the foot of Truesdale is used by the public for parking and access to and along the Bay.

III. BACKGROUND ON CITY OF EUREKA LCP

The City of Eureka LCP was certified by the Commission in July of 1984, and the City assumed coastal development permit issuing authority in January of 1985. The Commission has certified a total of 14 LCP amendments since the certification of the original LCP. A major update of the Land Use Plan was certified by the Commission in September of 1998, and effectively certified on April 16, 1999. The Commission approved a categorical exclusion order in 1988 that excludes coastal development permits for principal permitted uses under certain circumstances in certain areas of the City.

The coastal zone covers only portions of the City. With a number of exceptions, the coastal zone generally covers the portions of the City west of South Broadway (a portion of Highway 101) and north of Third Street and Myrtle Avenue.

PART THREE: AMENDMENT TO LAND USE PLAN

I. ANALYSIS CRITERIA

To approve the amendments to the Land Use Plan (LUP), the Commission must find the LUP, as amended, will remain consistent with the policies of Chapter 3 of the Coastal Act.

As submitted, the proposed LUP amendment is consistent with the policies of the Coastal Act.

II. FINDINGS FOR APPROVAL OF THE LUP PORTION OF AMENDMENT NO. EUR-MAJ-2-05 (TRUESDALE) AS SUBMITTED:

The Commission finds and declares as following for Land Use Plan Amendment No. EUR-MAJ-2-05:

A. Amendment Description

The proposed amendment would amend the certified LUP to redesignate the approximately 2.01-acre property from a Coastal Dependent Industrial (CDI) to Service Commercial (GSC). The amendment is limited to this LUP map change. No changes to the text of the LUP are proposed.

1. Current CDI Designation.

The certified LUP describes the purpose of the CDI designation as follows:

“To protect and reserve parcels on, or adjacent to, the Bay for coastal-dependent and coastal-related uses.”

The listed principal uses allowed under the CDI designation in the coastal zone without a conditional use permit are uses that require a site on, or adjacent to, the Bay in order to be able to function at all, including, but not limited to: docks, waterborne carrier import and export facilities, ship building and boat repair, commercial fishing facilities, food fish

processing plants, marine services, marine oil terminals, OCS service bases and pipelines serving offshore facilities.

The listed conditional uses allowed under the CDI designation in the coastal zone that require a conditional use permit are oil and/or gas processing and treatment facilities serving offshore production, onshore petroleum production facilities, electrical generating or other facilities which require ocean intake-outfalls and pipelines, fish waste processing plants, ice and cold storage facilities, fishing piers, boat launching and berthing facilities, access support facilities, warehouses.

2. Proposed SC Designation.

The certified LUP describes the purpose of the SC designation as follows:

“To provide appropriately located areas for retail and wholesale commercial establishments that offer commodities and services required by residents of the city and its surrounding market area.”

The listed principal uses allowed under the SC designation in the coastal zone without a conditional use permit are retail stores, service establishments, amusement establishments, wholesale businesses, restaurants and soda fountains (not including drive-in establishments) and offices.

The listed conditional uses allowed under the SC designation in the coastal zone that require a conditional use permit are drive-in theaters, drive-in restaurants, mobile home and trailer parks.

B. Planning New Development

Section 30250(a) of the Coastal Act states that new development shall be located within or near existing developed areas able to accommodate it or in other areas within or near adequate public services and where it will not have significant adverse effects, whether individually or cumulatively, on coastal resources. The intent of this policy is to channel development toward more urbanized areas where services are provided and potential impacts to resources are minimized.

The area affected by the proposed amendment is within an existing developed urban area. The proposed redesignation of the site from a coastal dependent industrial designation to a commercial designation will allow for continued and expanded use of the site for commercial purposes in an urbanized area where impacts to coastal resources would be minimized.

The site is contiguous to existing commercially designated lands and consolidates and continues a logical commercial service area parallel with and adjacent to the main Broadway retail corridor of the City. As discussed above, the property owner envisions using a major portion of the property to an expansion of the adjoining hotel use with a restaurant, among other commercial uses. Therefore the proposed amendment will not result in isolated or sprawling commercial activities. As discussed below in Finding II-C, there is no evidence that the site is needed for coastal dependent uses. Therefore, as the site is within an existing urbanized area and the proposed redesignation of the site from industrial to commercial uses will not force future industrial development out of the City, the proposed amendment would concentrate development within an urbanized area where the impacts of such development on coastal resources can be minimized.

The area affected by the proposed amendment is within the City's designated urban services boundary and has adequate services. The property is served by community water and sewer service connected to existing City systems. The City's waste water system capacity is 32 million gallons per day (MGD) at an overall system peak wet weather flow. The current operating level is approximately 14.5 MGD. The City of Eureka water supply system capacity is 8 MGD, and the current operating level is approximately 4.4 MGD. The City receives its water from the Humboldt Bay Municipal Water District (HBMWD) which obtains the water from subsurface wells on the Mad River. The capacity of the HBMWD system is approximately 75 MGD (combined domestic and untreated industrial water) and the current operating level is approximately 40 MGD. According to the City Community Services Department, adequate wastewater and water capacity exists to serve the development that would be accommodated by the proposed LCP amendment as well as all priority uses that could be developed elsewhere in the City. Therefore, the proposed amendment is consistent with Section 30250 to the extent that the uses and development that would be allowed by the proposed LUP designation would be located in an urbanized area with adequate services.

The proposed land use designation change would not adversely affect coastal resources. As noted, the SC designation would allow for expanded commercial use of the affected area. Such an intensification of use of an area can lead to significant adverse impacts on coastal resources. However, the proposed amendment would not lead to significant adverse impacts on coastal resources as: (1) the site is already partially developed and is currently designated for more intensive industrial uses; (b) the site is within the urban area of Eureka; (3) the site currently contains no environmentally sensitive habitat areas; (4) the site is not located where future development would adversely affect public access to the shoreline access; and (5) new development that results from the proposed change in land use designation could be designed in a manner that would be compatible with the visual character of the area.

Therefore, the proposed amendment is consistent with Section 30250(a) of the Coastal Act because: (a) the area affected by the amendment is located in a developed area with adequate public services able to accommodate the proposed uses; and (b) the amendment

will not result in any adverse effects, either individually or cumulatively, on coastal resources.

C. Priority Uses

Coastal Act Section 30101 states:

"Coastal-dependent development or use" means any development or use which requires a site on, or adjacent to, the sea to be able to function at all.

Coastal Act Section 30101.3 states:

"Coastal-related development" means any use that is dependent on a coastal-dependent development or use.

Coastal Act Section 30221 states:

Oceanfront land suitable for recreational use shall be protected for recreational use and development unless present and foreseeable future demand for public or commercial recreational activities that could be accommodated on the property is already adequately provided for in the area.

Coastal Act Section 30222 states:

The use of private lands suitable for visitor-serving commercial recreational facilities designed to enhance public opportunities for coastal recreation shall have priority over private residential, general industrial, or general commercial development, but not over agriculture or coastal-dependent industry.

Coastal Act Section 30222.5 states:

Ocean front land that is suitable for coastal dependent aquaculture shall be protected for that use, and proposals for aquaculture facilities located on those sites shall be given priority, except over other coastal dependent developments or uses.

Coastal Act Section 30234 states:

Facilities serving the commercial fishing and recreational boating industries shall be protected and, where feasible, upgraded. Existing commercial fishing and recreational boating harbor space shall not be reduced unless the demand for those facilities no longer exists or adequate substitute space has been provided.

Proposed recreational boating facilities shall, where feasible, be designed and located in such a fashion as not to interfere with the needs of the commercial fishing industry.

Coastal Act Section 30255 states:

Coastal-dependent developments shall have priority over other developments on or near the shoreline. Except as provided elsewhere in this division, coastal-dependent developments shall not be sited in a wetland. When appropriate, coastal-related developments should be accommodated within reasonable proximity to the coastal-dependent uses they support.

The Coastal Act establishes certain priority uses which must be protected in favor of allowing other competing uses without priority. Generally, these priority land uses include uses that by their nature must be located on the coast to function, such as ports, and commercial fishing facilities, uses that encourage the public's use of the coast such as various kinds of visitor serving facilities, and uses that protect existing coastal resources such as wetlands and other sensitive habitat, and coastal agriculture. The Coastal Act requires that adequate land be reserved for such uses in the local coastal programs adopted for each coastal city and county.

The site is currently designated in the certified LUP as Coastal Dependent Industry. As described above, this designation allows for docks, waterborne carrier import and export facilities, ship building and boat repair, commercial fishing facilities, food fish processing plants, marine services, marine oil terminals, OCS service bases and pipelines serving offshore facilities. All of these uses are coastal dependent or coastal related uses that are considered priority uses under the above-mentioned policies of the Coastal Act.

Among other uses, the proposed Service Commercial (SC) designation does allow for visitor serving uses such as hotels and restaurants which are also considered priority uses under Sections 30221 and 30222 of the Coastal Act, though do not qualify as coastal dependent uses. In fact, the City indicates that the property owners are currently proposing to expand an existing hotel use located on an adjacent parcel onto the subject site and develop a restaurant. Therefore, the proposed LUP designation of CS would also accommodate certain priority uses

Although the visitor serving commercial recreational uses that would be accommodated under the proposed new LUP designation are considered priority uses, they are not coastal dependent uses as they do not require a location on or adjacent to the water to function. Sections 30222 and 30255 indicate that coastal dependent uses such as the uses accommodate under the current CDI designation have priority over visitor serving uses. Therefore, the proposed LUP amendment would not be consistent with Section

30222 and 30255 of the Coastal Act if the site is needed for any of the priority uses that are allowed under the current designation.

As discussed below, the subject property is not needed for the priority uses that are allowed under the current CDI designation of the site. Several factors indicate that the subject property is not needed for the priority uses allowed under the current CDI designation. First, the originally certified LUP did not reserve the site for coastal dependent uses and redesignation of the site to CDI in the late 1990s was not based on any particular study or evaluation that provided evidence the site is needed for such uses. Second, a relatively large amount of land designated as CDI along the Eureka waterfront is either vacant or has not been converted to coastal dependent uses. Third, the subject property is not identified in the most recent evaluations of Humboldt Bay port development potential as being needed for port and other coastal dependent uses.

Designation of Site as CDI Not Based on Study

The original LCP was certified in 1984. The original LUP designated the site as General Industrial (MG) and the original IP zoned the site with the companion General Industrial (MG) zoning district. These designations reflected the historic zoning for the site which had always been either heavy or general industrial. The MG designation does not reserve a site for coastal dependent industrial sites in the same way the Coastal Dependent Industrial (CDI) designation does, as the MG designation is meant to accommodate the wide spectrum of industrial uses that are likely to locate in the City and not just coastal dependent uses. In 1984 many lands along the City's waterfront were designated as CDI with the intention of specifically reserving those properties for coastal dependent uses, but not the subject property. The inventory of CDI designated lands included all those lands that had been proposed or were thought to have strong potential for use as port terminals, commercial fishing facilities, boat repair, and other coastal dependent uses.

A principal factor that may have lead to the designation of the site as MG rather than CDI in the original LCP is the shallow depth of Bay water in the vicinity. Unlike along other parts of the waterfront, the shoreline near the subject property does not front onto deep water. Instead, the Bay bottom in this area is a shallow mudflat. A considerable amount of dredging would be required to create a navigable channel and maintain the channel over time. Such dredging would have significant adverse impacts on Bay habitat. In addition, the surrounding mixed uses of the site which include various industrial, commercial, and residential site was located

The CDI designation was first applied to the site in 1999 when the City updated the Land Use Plan and the update was certified by the Commission (LCP Amendment No. 1-97). The LCP amendment was limited to a LUP amendment only; There was no corresponding update or change to the Implementation Plan. Thus, the zoning designation for the site remained General Industrial (MG) as it does today, and the LUP

and IP designations for the site became inconsistent. There is no specific discussion of why it was considered appropriate to redesignate the site in either the City's findings for approval of the amendment or the Commission's findings for certification of the amendment. At the request of Commission staff, City staff has reviewed City records to determine why the site may have been designated as CDI during the 1999 LUP update. The City staff reviewed all known records associated with that amendment, including background reports, the draft EIR and comments received on the EIR, public hearing minutes, etc. The City staff states that it could not find any specific files, study, minutes, reference or inferences as to why the site LUP designation was changed as part of the update of the LUP. Therefore, the change of designation of the site from MG to CDI does not appear to have been based on any particular analysis, determination of need, or other evidence that the site needed to be reserved for coastal dependent industry. It is possible that the change in designation may have been a mapping or other error.

Vacant CDI Lands

A relatively large amount of land designated as CDI along the Humboldt Bay waterfront is either vacant or is underutilized for coastal dependent industry. The Humboldt Bay Harbor Recreation & Conservation District has recently adopted its "Humboldt Bay Management Plan." This document contains information about land use along the Humboldt Bay shoreline and indicates that approximately 15% of the shoreline is devoted to port-related marine uses and activities. Currently approximately 4,873 linear feet of dock space is available in Humboldt Bay, divided among several industries. There are five operating terminals serving ocean-going dry-cargo vessels, and one oil dock. In addition, there are several other inactive terminals. Three of the six active cargo docks are located on the Eureka waterfront, two are located on the Samoa Peninsula, and one is located at Fields Landing. The Humboldt Bay Management Plan contains a listing of underutilized port facilities in Humboldt Bay. The total amount of identified underutilized port facilities includes 12 different sites totaling 1,139 acres in size. This information demonstrates that there currently is not a high demand for coastal dependent industrial land along the bayfront. The lack of deep water along the shoreline near the subject property and the availability of underutilized and inactive port terminals that do front on deeper water, suggests that the subject property is not currently needed for coastal dependent uses.

Not Identified in Port Revitalization Study as Needed for Coastal Dependent Uses.

The subject property has not been identified in comprehensive analyses of the port development potential of Humboldt Bay as being needed for coastal dependent or coastal related uses. The most comprehensive analysis of port or harbor related development potential of Humboldt Bay performed in recent years is the Port of Humboldt Bay Harbor Revitalization Plan, prepared by consultants for the Humboldt Bay Harbor, Recreation and Conservation District in February, 2003. The City of Eureka and Humboldt County

also participated in the study. A copy of the Executive Summary of the report is attached as Exhibit 13.

The Revitalization Plan presents an overview of waterborne cargo trends over the last 20 years in Humboldt Bay. The Revitalization Plan documents how waterborne commerce in Humboldt Bay increased consistently to a peak of over 1.2 million tons in 1991, then dropped significantly to between 400,000 and 600,000 revenue tons for the remainder of the study period through 2002. The declines in waterborne commerce occurred most precipitously in sectors dominated by forest products, such as general cargo and dry bulks. The relative loss of forest products exports and domestic shipments has substantially impacted all ports on the Pacific Coast of the U.S. from Humboldt Bay north to Bellingham Washington, with waterborne commerce in lumber and forest products declining along the West Coast by more than 50 percent. The Revitalization Plan notes that the loss of these cargoes has resulted in heightened competition for the remaining general cargo and dry bulk cargoes.

Against this backdrop of declining trade in Humboldt Bay's historically most significant cargoes, lumber and other forest products, the Revitalization Plan analyzed market opportunities for the Port of Humboldt Bay for the full range of cargo types and a variety of non-cargo waterfront commercial, recreational and industrial markets. The Revitalization plan determined that (1) the limited size of the population and economic base in the region and (2) Humboldt's limited inland rail and truck access are significant disadvantages in attracting traditional marine cargo business, relative to other West Coast ports. These are major competitive disadvantages for cargo handling activities including containers, automobiles, break-bulk steel, fruit, and project cargoes. However, the Revitalization Plan also identified a number of core competitive advantages for the Port of Humboldt Bay, including:

- (1) The existence of a number of large waterfront industrial sites on deep water;
- (2) The availability of natural resources that are in demand such as rock and gravel;
- (3) The presence of unique tourism features and downtown waterfront features;
- (4) The presence of a marine science and environmental base that could complement tourist oriented waterfront development; and
- (5) The livable environment for Humboldt's residents which should be attractive to employees, professionals and managers of new industry that could locate in the area.

Building on these core advantages and after analyzing specific market opportunities and the availability of sites for harbor development, the Revitalization Plan presents a vision for Humboldt Bay that incorporates the following elements:

- (1) People-oriented activities to the north and industry to the south, on both the Eureka side of the harbor and Samoa Peninsula side, considering the Samoa township development;
- (2) Large-parcel marine-dependent industrial development on the Samoa Peninsula south of the Samoa township;

- (3) Niche dry and liquid bulk cargoes on the Samoa Peninsula and at Fields Landing Terminal;
- (4) Potential public-private development of marine-dependent industrial and bulk docks;
- (5) Long term focus on downtown waterfront tourism and marine science with the Dock B/Balloon Track development;
- (6) Permanent homes for aquaculture and commercial fishing work areas; and
- (7) Active development of coastal barge feeders at private terminals as market conditions warrant.

The Revitalization Plan study area included all current and potential marine industrial and commercial properties in Humboldt Bay from the Samoa Bridge to the end of the Field's Landing Channel on the mainland, and from the Samoa Bridge to the channel entrance on the Samoa Peninsula. The Revitalization Plan identified 80 key parcels grouped into 16 major sites for coastal-dependent industries and port-related commercial harbor development. The 16 key sites evaluated included six sites with active cargo terminals, five sites with inactive cargo terminals, and five industrial, commercial or other public sites. The 16 sites include:

1. Schneider Dock
2. Eureka Forest Products (Sierra Pacific)/Preston Properties
3. Chevron Terminal
4. Humboldt Bay Forest Products
5. Simpson Samoa Chip Export Dock
6. Simpson Property/Fairhaven Terminal
7. DockB/Balloon Track
8. Phillips Petroleum (formerly Tosco)
9. Fields Landing Terminal Area
10. Redwood Dock Site
11. Pulp Mill Dock
12. Halavorsen/City of Eureka Sites
13. Humboldt State University Boating Instruction and Safety Center
14. Commercial Street/C Street Docks
15. Parcel 4 (Cit of Eureka)
16. Eureka Airport Property.

The subject property off of Truesdale Street is not identified as one of the 16 key sites.

Conclusion

Therefore, the Commission finds that as (1) the subject property lacks proximity to deep water, was not designated for coastal dependent use in the originally certified LCP; and the redesignation of the site to coastal dependent use in 1999 was not based on any

evidence in the record that the site is needed for such use; (2) there is a large amount of underutilized land along the Humboldt Bay shorelines designated for coastal dependent industry including properties with access to deep water that would be better suited for coastal dependent industrial use; and (3) the site is not identified among the 16 key sites for harbor development identified in the recently completed Port of Humboldt Bay Harbor Revitalization Plan, redesignation of the property from coastal dependent industry to the proposed service commercial designation is consistent with Sections 30222, 30234 and 30255 of the Coastal Act to the extent that the proposed amendment will not displace needed coastal dependent uses.

As noted previously, the proposed CS designation would accommodate visitor serving recreational uses such as hotels and restaurants, which are other priority uses under the Coastal Act. Information submitted to the City by the property owners indicates the existing hotel on property immediately adjacent to the site is often fully occupied and there is large demand for additional visitor accommodations in the area. In fact, the property owners are proposing to develop the subject property in the future with hotel and restaurant uses to meet this demand. As the proposed LUP amendment will accommodate future use of the site for visitor serving commercial recreational uses, the proposed amendment is consistent with Section 30221 and 30222 of the Coastal Act to the extent that the proposed CS designation would accommodate visitor serving priority uses.

PART FOUR: AMENDMENT TO IMPLEMENTATION PROGRAM

I. ANALYSIS CRITERIA

Section 30513 of the Coastal Act establishes the criteria for Commission action on proposed amendments to certified Implementation Programs (IP). Section 50513 states, in applicable part:

...The commission may only reject zoning ordinances, zoning district maps, or other implementing actions on the grounds that they do not conform with, or are inadequate to carry out, the provisions of the certified land use plan. If the commission rejects the zoning ordinances, zoning district maps, or other implementing actions, it shall give written notice of the rejection specifying the provisions of land use plan with which the rejected zoning ordinances do not conform or which it finds will not be adequately carried out together with its reasons for the action taken.

To approve the amendment, the Commission must find that the amended Implementation Plan will conform with and adequately carry out the provisions of the LUP as certified. For the reasons discussed in the findings below, the proposed amendment to the Implementation Program is consistent with and is adequate to carry out the certified Land Use Plan.

II. FINDINGS FOR APPROVAL OF THE IP PORTION OF AMENDMENT NO. EUR-MAJ-2-05 (TRUESDALE) AS SUBMITTED:

The Commission finds and declares as following for Implementation Plan Amendment No. EUR-MAJ-2-05:

A. Description of Proposed Implementation Plan Amendment

The proposed amendment would rezone the subject property from the general industrial (MG) zoning district to the Service Commercial (CS) zoning district.

The current MG district is designed to accommodate general industrial uses. The certified Coastal Zoning Code lists a total of 53 industrial uses that are considered principal permitted uses and a total of 43 industrial uses that are conditional.

The proposed CS district is designed to “provide appropriately located areas for retail stores, offices, service establishments, amusement establishments, and wholesale businesses offering commodities and services required by residents of the city and its surrounding market area.” The certified Coastal Zoning Code lists a total of 197 commercial uses that are considered principal permitted uses and a total of 20 commercial uses that are conditional.

The proposed Implementation Plan Amendment is limited to the above-described change to the zoning map. No text changes are proposed.

B. Adequacy of Implementation Program Changes

The Service Commercial (CS) zone is the zoning district of the certified Coastal Zoning Ordinance that most closely matches the Service Commercial (SC) designation of the LUP. The stated purpose of the CS zoning district to “provide appropriately located areas for retail stores, offices, service establishments, amusement establishments, and wholesale businesses offering commodities and services required by residents of the city and its surrounding market area,” is exactly the same purpose stated in the certified LUP

for the SC designation. In addition, the range of principal uses allowed within the CS zoning district are consistent with the principal uses allowed within the SC LUP designation including retail stores, service establishments, amusement establishments, wholesale businesses, restaurants and soda fountains (not including drive-in establishments) and offices. Furthermore, the range of conditional uses allowed within the CS zoning district are consistent with the conditions uses allowed within the SC LUP designation including drive-in theaters, drive-in restaurants, mobile home and trailer parks. Moreover, the proposed land use designation and zoning district boundaries would be coterminous under the proposed LCP amendment. The Commission notes that the proposed LCP amendment will bring what are currently inconsistent designations in the LUP (Coastal Dependent Industrial) and IP (General Industrial) into conformance with each other as Service Commercial designations. Therefore, the Commission finds that proposed Amendment No. EUR-MAJ-2-05 to the Implementation Plan conforms with and is adequate to carry out the Land Use Plan, as amended by LCP Amendment No. EUR-MAJ-2-05.

PART FIVE: CALIFORNIA ENVIRONMENTAL QUALITY ACT

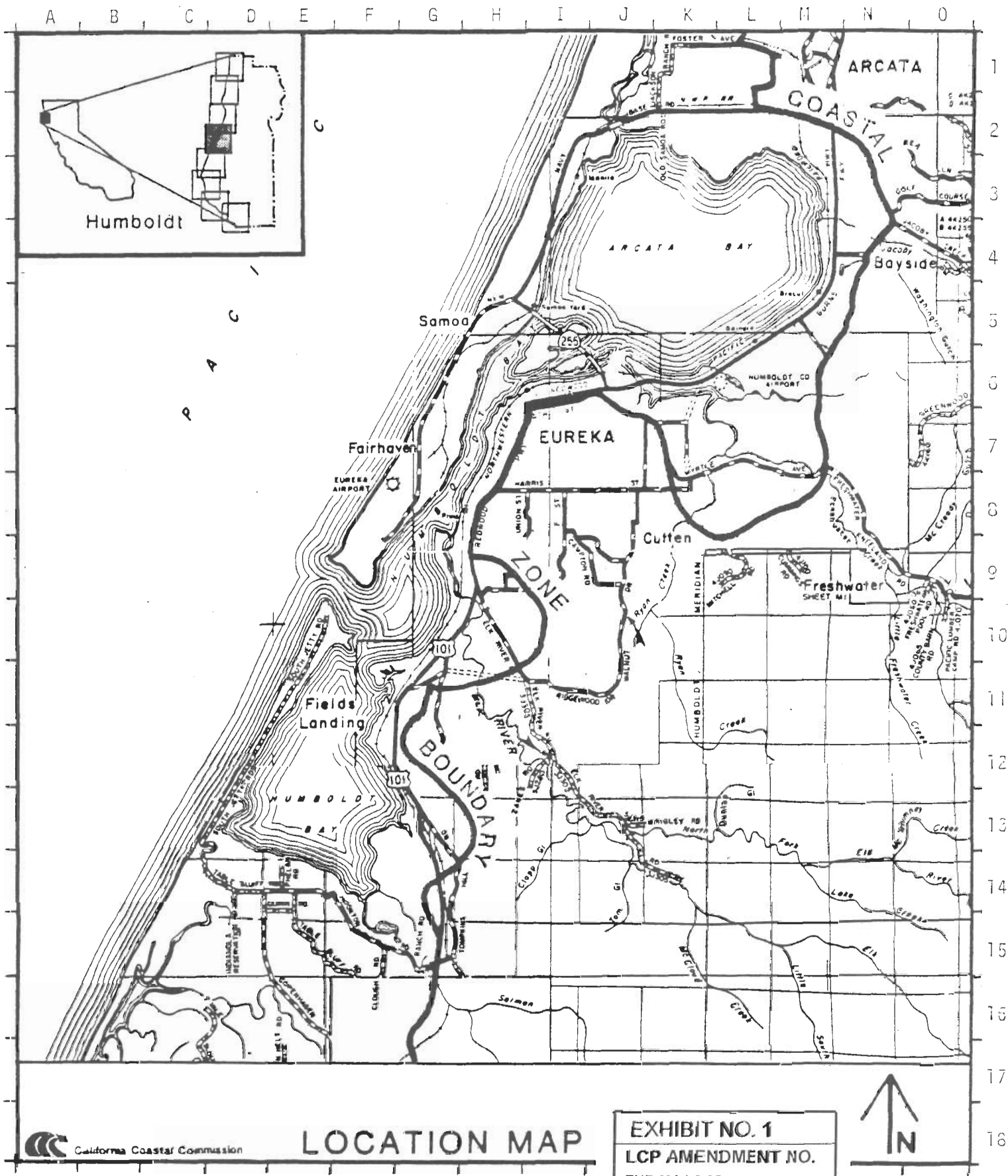
In addition to making a finding that the amendment is in full compliance with the Coastal Act, the Commission must make a finding consistent with Section 21080.5 of the Public Resources Code. Section 21080.5(d)(2)(A) of the Public Resources Code requires that the Commission not approve or adopt an LCP:

...if there are feasible alternatives or feasible mitigation measures available which would substantially lessen any significant adverse effects which the activity may have on the environment.

As discussed in the findings above, hereby incorporated by reference, the amendment request is consistent with the California Coastal Act. These findings address and respond to all public comments regarding potential significant adverse environmental effects of the proposed LCP amendment that were received prior to preparation of the staff report. Further, future development within the approximately two-acre area affected by the amendment request would require coastal development permits further assessing the specific impacts of individual development projects. There are no other feasible alternatives or mitigation measures available which would substantially lessen any significant adverse effects which the activity may have on the environment. The Commission finds that approval of the LCP Amendment with the incorporation of the suggested modifications will not result in significant environmental effects within the meaning of the California Environmental Quality Act.

EXHIBITS:

1. Regional Location Map
2. Vicinity Map
3. Aerial Photos
4. Parcel Map
5. Subject Property
6. Existing LUP Map Designations
7. Proposed LUP Map Designations
8. Existing Zoning Map Designations
9. Proposed Zoning Map Designations
10. City Resolutions of Transmittal
11. City Resolution Adopting LUP Amendment
12. City Zoning Ordinance Amendment
13. Port Revitalization Plan Summary
14. Property Owner's Correspondence



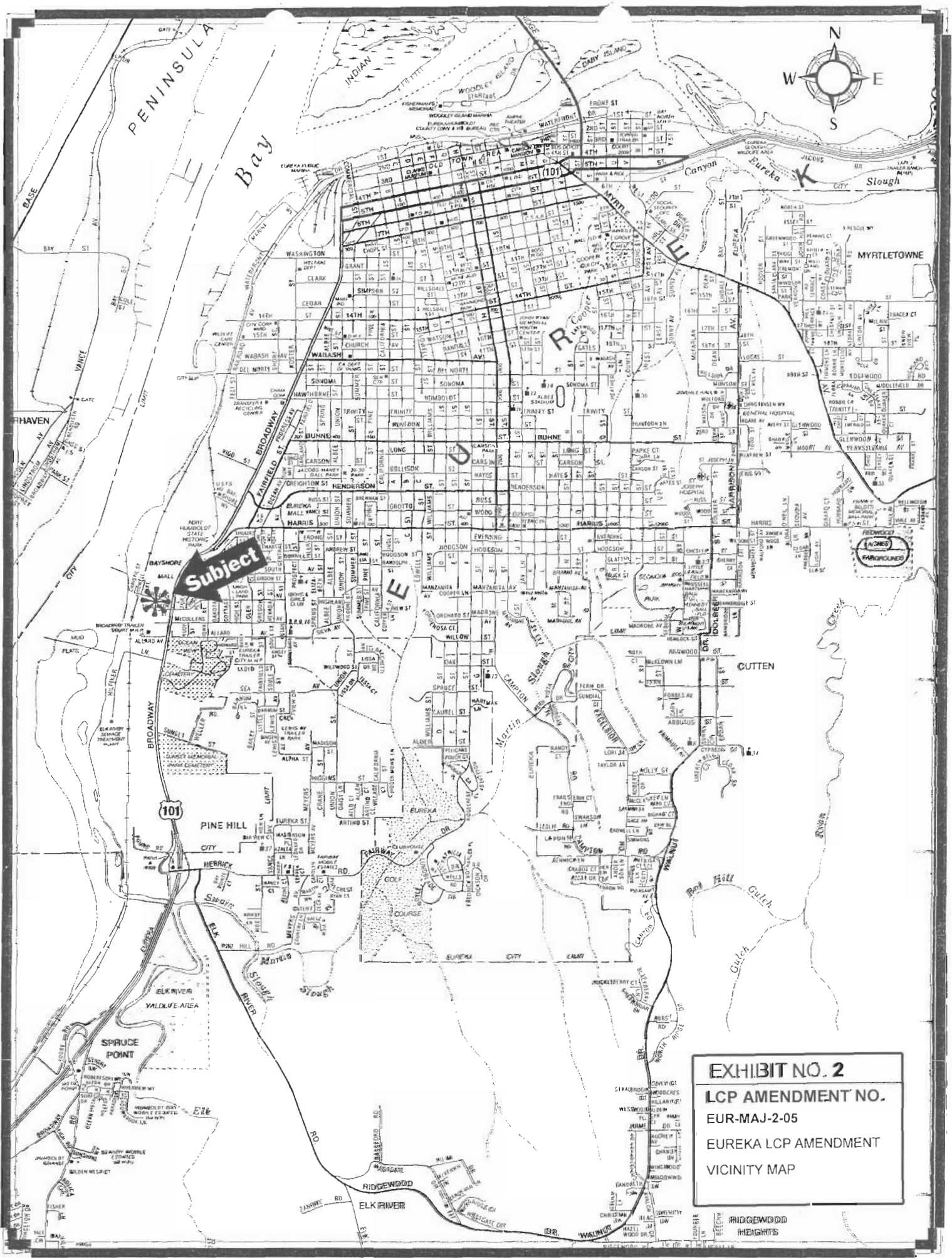


EXHIBIT NO. 2
LCP AMENDMENT NO.
EUR-MAJ-2-05
EUREKA LCP AMENDMENT
VICINITY MAP

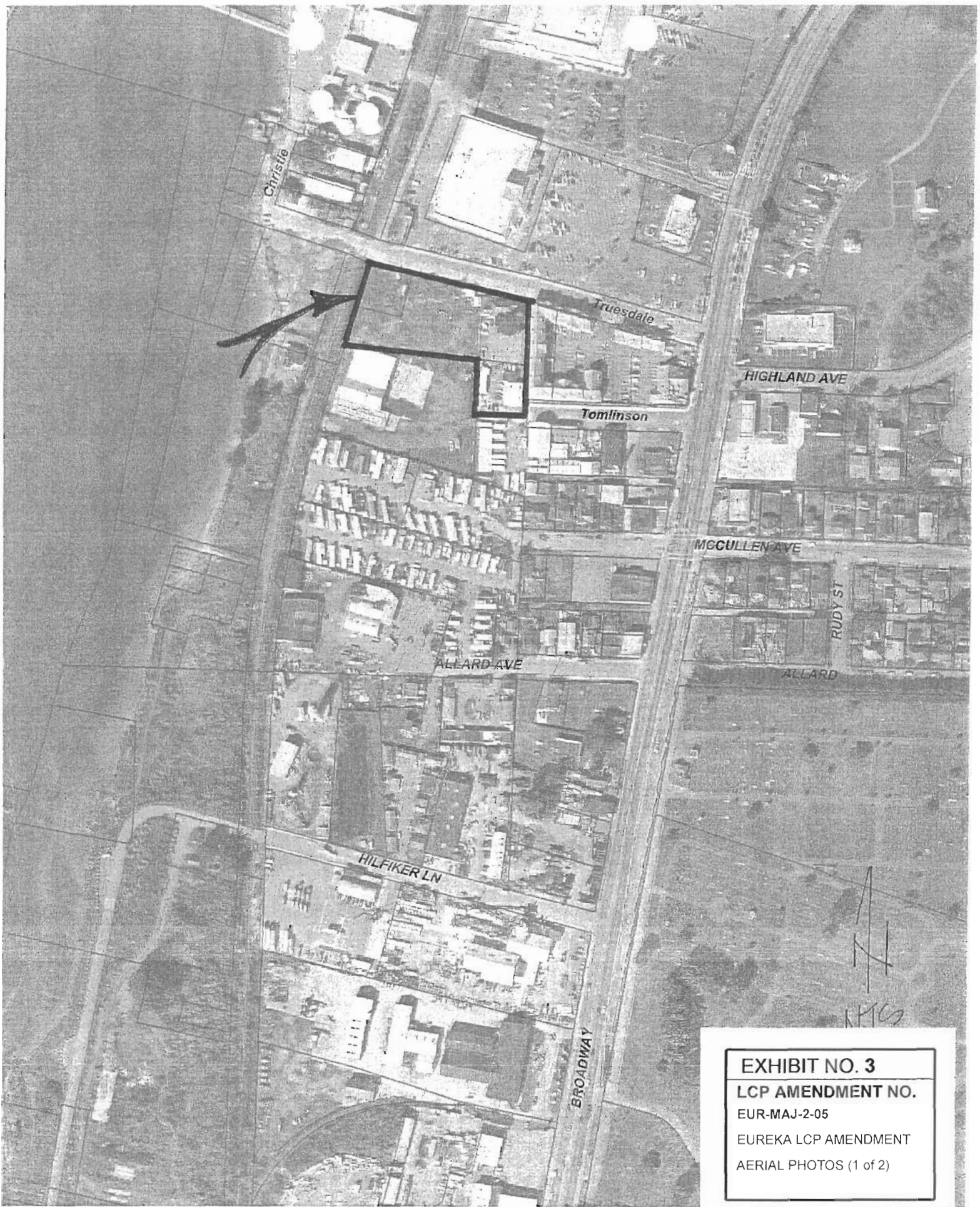


EXHIBIT NO. 3

LCP AMENDMENT NO.

EUR-MAJ-2-05

EUREKA LCP AMENDMENT

AERIAL PHOTOS (1 of 2)

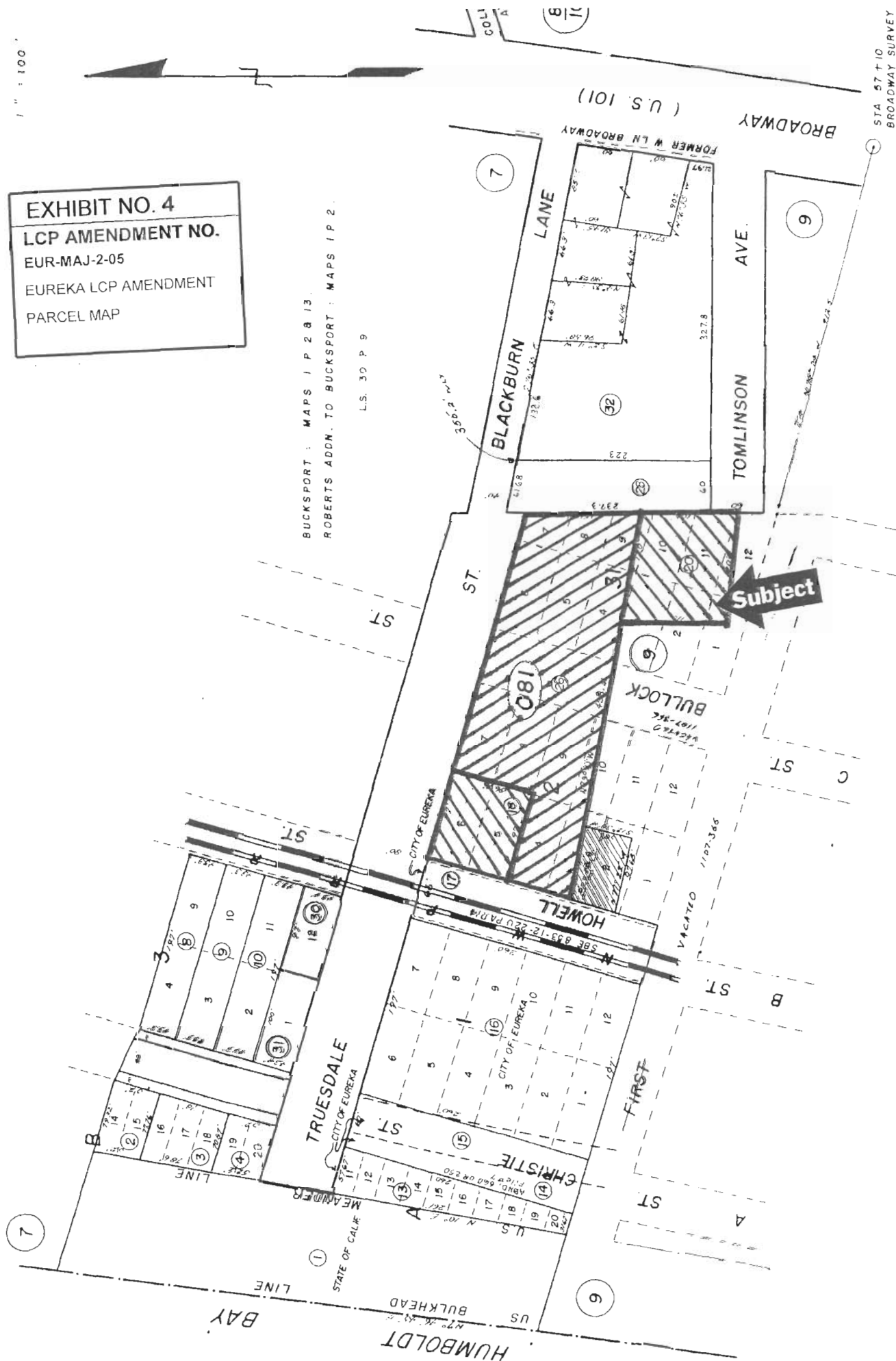
1" = 100'

EXHIBIT NO. 4
LCP AMENDMENT NO.
EUR-MAJ-2-05
EUREKA LCP AMENDMENT
PARCEL MAP

BUCKSPORT: MAPS 1 P 2 & 13
ROBERTS ADDN. TO BUCKSPORT: MAPS 1 P 2

L.S. 30 P 9

STA. 57+10
BROADWAY SURVEY



MATCHLINE

BROADWAY

**BAYSHORE MALL
PARTNERSHIP
007-130-012**

TRUESDALE AVE

COUNTRY INN:
007-081-028
&
007-081-032

TECHNICAL

MILLER
007-093-005

PAYE
C97-093-004

McMURRAY
007-093-003

CHAN
007-093-002

DEB
007-08

ACCULLENS

COUNTRY INN
007-081-028

COUNTRY INN
007-092-012

McMURRAY
007-092-004

McCULLENS AVE. OPTION

McMURRAY
007-092-003

COUNTRY INN
007-081-018

HBMWD
007-071-012

MILLER
007-081-010

SEN
31-031

MILLER
007-084-030

CITY OF EUREKA
007-081-018

EXHIBIT NO. 5

LCP AMENDMENT NO.

EUR-MAJ-2-05

EUREKA LCP AMENDMENT

SUBJECT PROPERTY

3-40 A

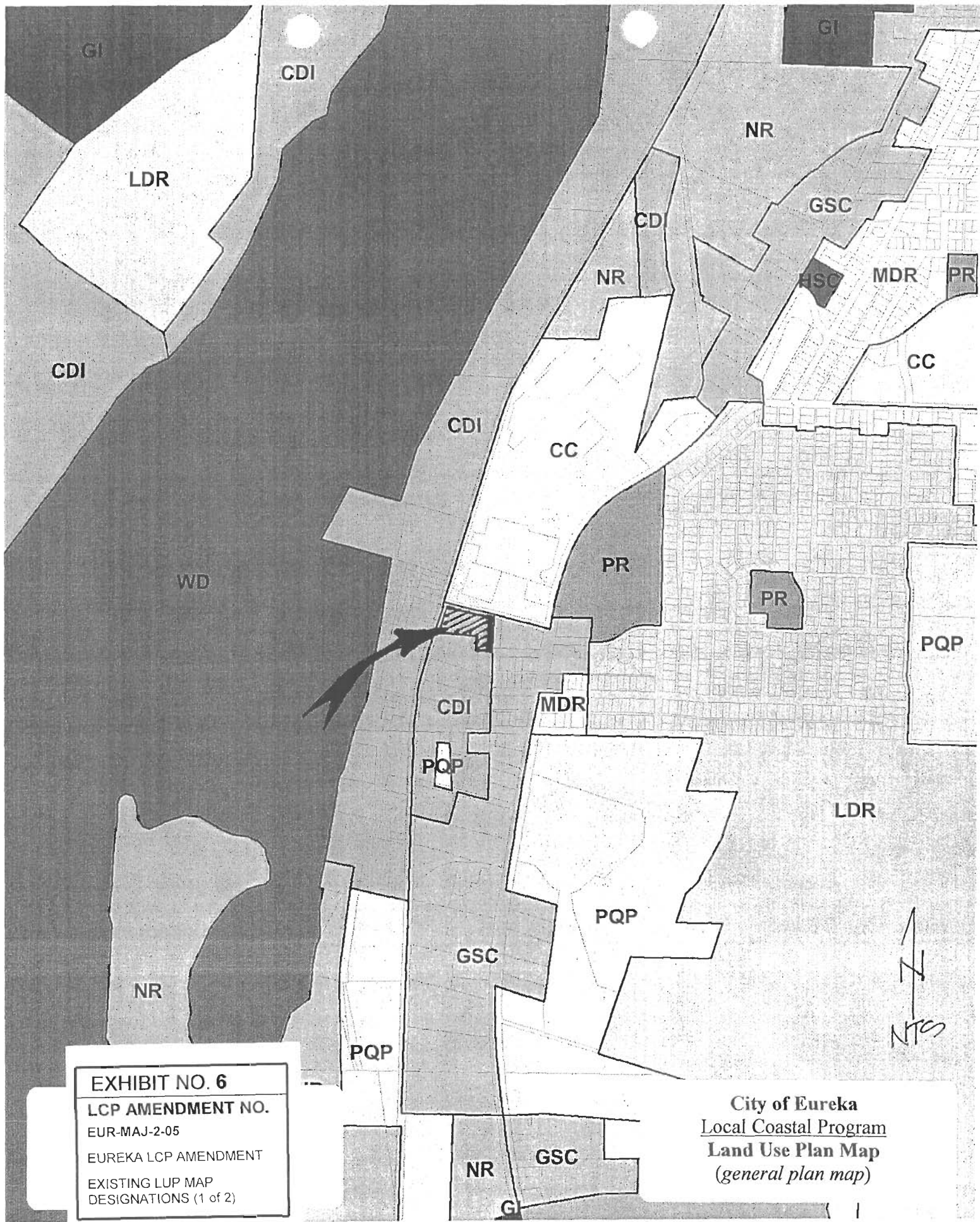


EXHIBIT NO. 6

LCP AMENDMENT NO.

EUR-MAJ-2-05

EUREKA LCP AMENDMENT

EXISTING LUP MAP
DESIGNATIONS (1 of 2)

City of Eureka
Local Coastal Program
Land Use Plan Map
(general plan map)

WD

CC

CDI

TRUESDALE



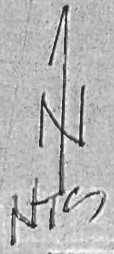
TOMLINSON

BROADWAY

CDI

GSC

MCCULLENS



Truesdale LCP Amendment

LCP-05-001

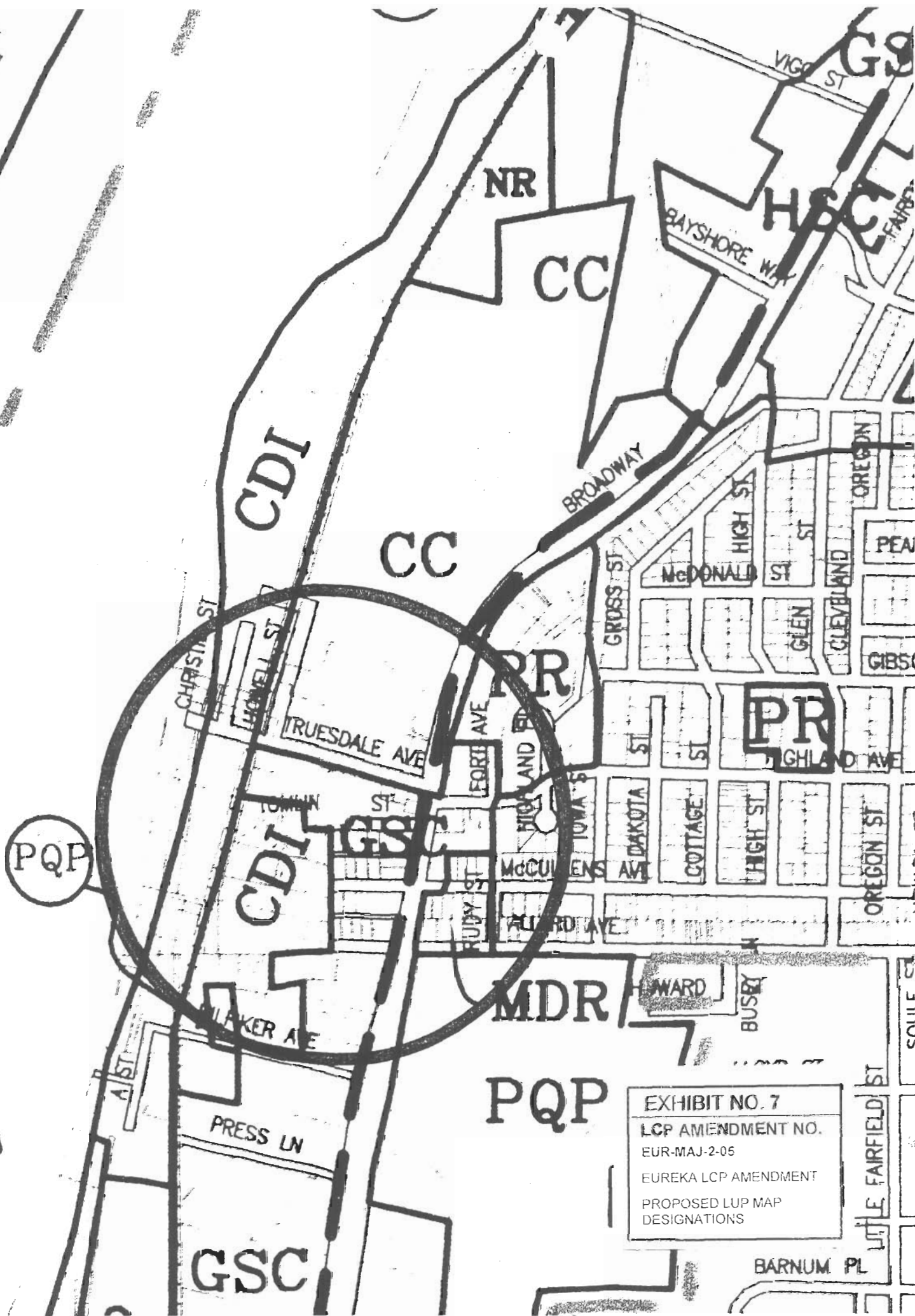
1807 & 1809 Truesdale

APN 007-091-018, -020, -026

City of Eureka
Local Coastal Program
Land Use Plan Map
(general plan map)

DR

2 of 2



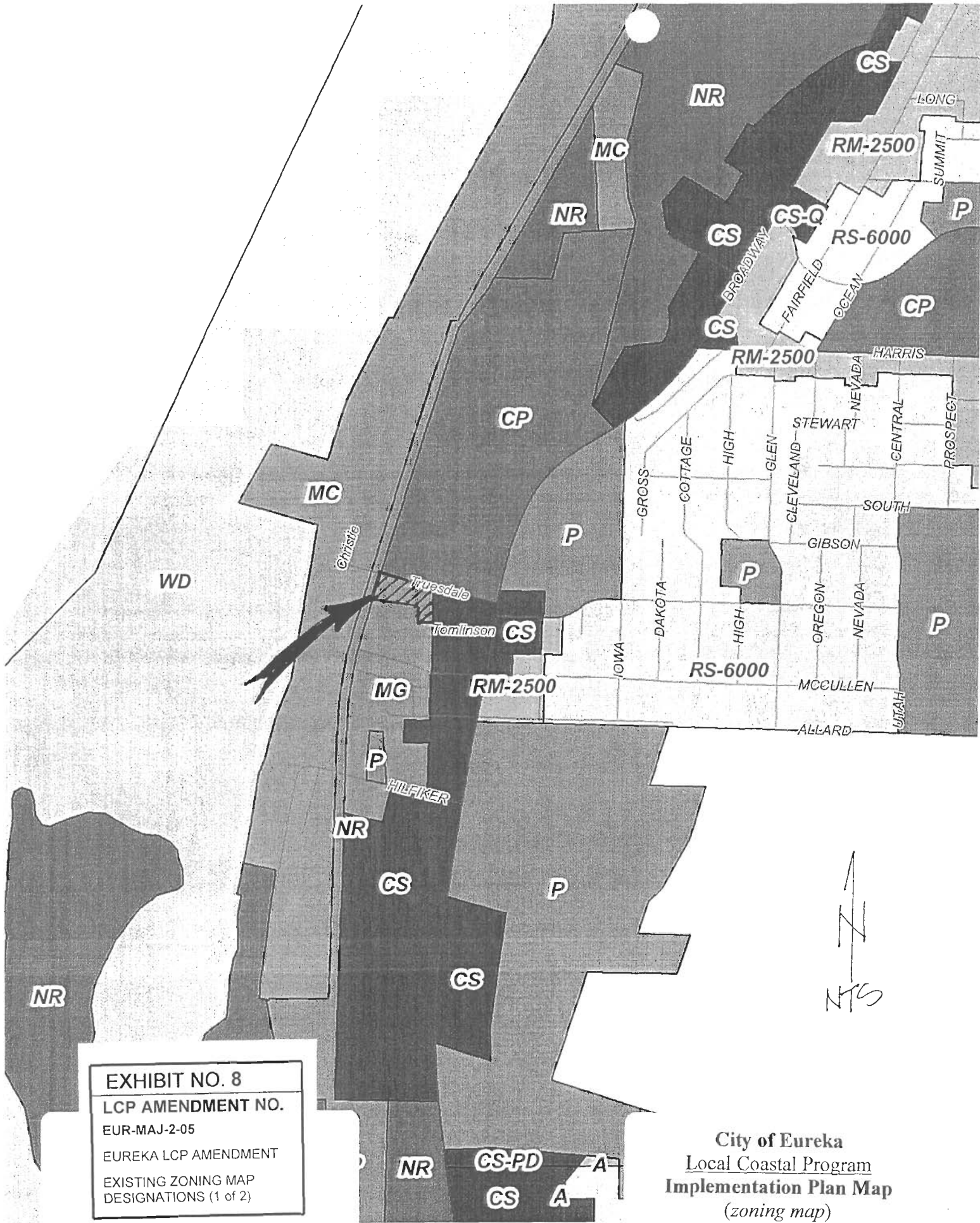


EXHIBIT NO. 8

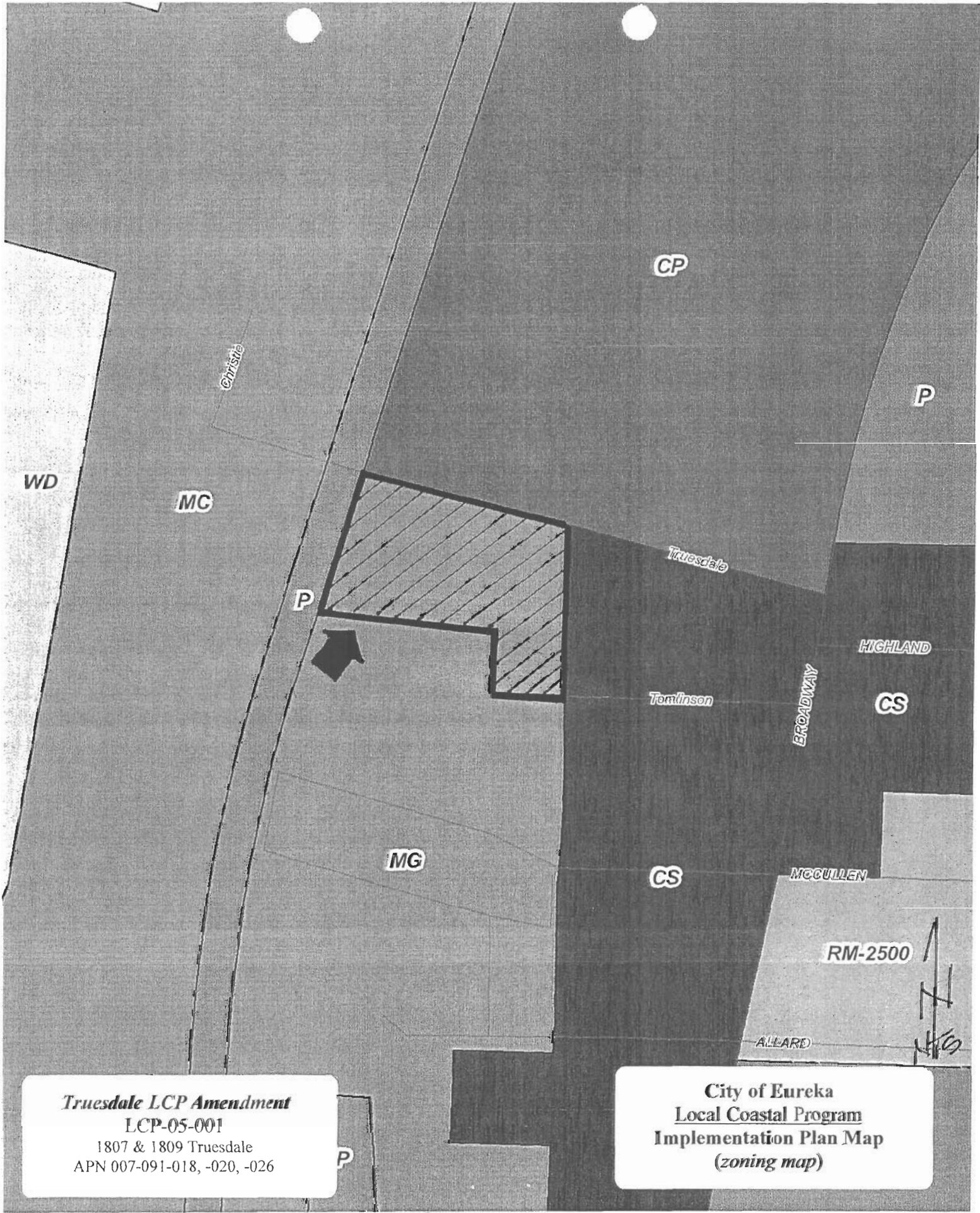
LCP AMENDMENT NO.

EUR-MAJ-2-05

EUREKA LCP AMENDMENT

EXISTING ZONING MAP
DESIGNATIONS (1 of 2)

City of Eureka
Local Coastal Program
Implementation Plan Map
(zoning map)



Truesdale LCP Amendment

LCP-05-001

1807 & 1809 Truesdale
APN 007-091-018, -020, -026

City of Eureka
Local Coastal Program
Implementation Plan Map
(zoning map)

292

WD
BUCKSPORT

HU

MC

NR

MC

CP

CHRISTIE ST
HOWARD ST

TRUESDALE

HIGHLAND

MG

CS
FORT

COLLENS

RM2

ST

6TH ST

5TH ST

A ST

NR

CS

IOWA ST

EXHIBIT NO. 9

LCP AMENDMENT NO.

EUR-MAJ-2-05

EUREKA LCP AMENDMENT

PROPOSED ZONING MAP
DESIGNATIONS

RESOLUTION NO. 2005-56

**A Resolution of Transmittal of the City Council of the City of
Eureka Transmitting the Truesdale LCP Amendment to the
California Coastal Commission for an Amendment to the Land
Use Plan portion of the Adopted and Certified City of Eureka
Local Coastal Program**

WHEREAS, on March 30, 2005, an application for a Local Coastal Program Amendment was submitted to the City of Eureka by the Fortuna Country Inn Corporation, the assigned Case No. is LCP-05-001, the application title is *Truesdale LCP Amendment*; and

WHEREAS, the Fortuna Country Inn Corporation requested that the City of Eureka amend the adopted and certified Local Coastal Program (LCP). The *Truesdale LCP Amendment* includes amendments to both the Land Use Plan map (LUP) and the Implementation Plan map (IP); and

WHEREAS, the proposed *Truesdale LCP Amendment* will affect three properties at 1807 & 1809 Truesdale; APN's 007-081-018, -020, and -026; and

WHEREAS, the proposed LUP amendment will change the general plan map designation for the three properties from Coastal Dependant Industrial (CDI) to General Service Commercial (GSC) and the IP amendment will change the zoning map designation from General Industrial (MG) to Service Commercial (CS); and

WHEREAS, pursuant to Title 14 California Code of Regulations, Section 13515, on November 1, 2005, the "*Notice of Availability of Draft Local Coastal Program Amendment and Notice of Public Hearings*" was mailed to: all property owners and occupants of properties within, at least, 300 feet of the subject properties; 77 local, state and federal agencies; the Humboldt County Library; two newspapers of general circulation, and ten radio stations; and

WHEREAS, the same Notice was emailed to seventeen (17) persons requesting notification of agendas for coastal development permit public hearings, and it was interoffice mailed to nine City departments; and

WHEREAS, on November 4, 2005, the *Notice of Availability of Draft Local Coastal Program Amendment and Notice of Public Hearings* was published in the Times Standard, a daily newspaper of general circulation; and

WHEREAS, the Notice advised of public hearings scheduled before the Planning Commission for November 14, 2005, and the City Council for December 6, 2005; and

WHEREAS, the mailing of the Notice on November 1 and publication of the Notice on November 4 was at least ten days prior to the scheduled public hearings; and

WHEREAS, at the public hearing held by the Planning Commission on November 14, 2005, Tom McMurray, representing the property owner and applicant Fortuna County Inn, answered questions of the Commission, and provided additional information supporting the proposed LCP Amendment. The only other speaker was Kay Strickland who stated that she did not oppose the proposal, and that it looked quite workable; and

WHEREAS, on November 14, 2005, upon closing the public hearing, the Planning Commission considered the Land Use Plan portion of the *Truesdale LCP Amendment* and took action to adopt Resolution No. 2005-01, "*A Resolution of Transmittal of the Planning Commission of the City of Eureka Transmitting a Recommendation of Approval to the City Council for the Land Use Plan portion of the Truesdale LCP Amendment*"; and

WHEREAS, the City Council held a public hearing on December 6, 2005, to consider the Implementation Plan portion of the *Truesdale LCP Amendment*. No persons submitted written comments; the following persons spoke at the public hearing: Melvin McKinney, and Tom McMurray.

WHEREAS, a summary of Melvin McKinney's comments is as follows: Mr. McKinney stated that he believed that the City did not fully address CEQA, specifically the social and economic impacts of the LCP amendment. Mr. McKinney stated that he felt that all of the properties south of the subject properties would be impacted by the LCP amendment, and that existing industrial users in the area would be asked to move as a result of the LCP amendment.

WHEREAS, a summary of Tom McMurray's comments is as follows: Mr. McMurray stated that he is the agent for the property owner. Mr. McMurray stated that the requested LCP amendment will cause the zoning and general plan to be consistent with the existing uses at, and in the vicinity of, the project site. Mr. McMurray identified several factors that cause coastal dependent industrial use of the site to be problematical. These factors include the fact that:

- a) the property is only 2.1 acres, which is generally too small for most industrial uses;
- b) the property is separated from the deep water channel by: railroad tracks, the City's pump station, a public coastal access point, tidal mud flats, eel grass, and sensitive sand dunes; therefore, development of the site for coastal dependent industrial use could result in significant adverse impacts to some or all of these.
- c) the introduction of industrial uses at the site could negatively impact the existing commercial and visitor serving uses already existing in the vicinity.

WHEREAS, on December 6, 2005, the City Council adopted "*A Resolution of the City Council of the City of Eureka Approving an Amendment to the Land Use Plan Map of the Adopted and Certified City of Eureka Local Coastal Program*"; and

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WHEREAS, on December 6, 2005, the City Council took action to adopt this *Resolution of Transmittal of the City Council of the City of Eureka Transmitting the Truesdale LCP Amendment to the California Coastal Commission for an Amendment to the Land Use Plan portion of the Adopted and Certified City of Eureka Local Coastal Program*; and

WHEREAS, pursuant to Section 21080.9 and 21080.5 and Division 20, Chapter 6 of the Public Resources Code, the Coastal Commission's review and development process for LCP's and LCP amendments has been certified by the Secretary of Resources as being the functional equivalent of the environmental review required by CEQA; and

NOW, THEREFORE, BE IT RESOLVED BY the City Council of the City of Eureka as follows:

SECTION 1 The City Council hereby exempts the *Truesdale LCP Amendment* from the California Environmental Quality Act under Section 21080.9 and 21080.5 and Division 20, Chapter 6 of the Public Resources Code because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the *Truesdale LCP Amendment* on the environment, or 2) there are no further feasible alternatives or mitigation measures that would substantially lessen any significant adverse impacts on the environment that will result from adoption and certification of the *Truesdale LCP Amendment*.

SECTION 2 The City Council hereby finds that the Land Use Plan portion of the *Truesdale LCP Amendment* is consistent with Chapter 3 of the Coastal Act.

SECTION 3 The City Council hereby determines that the Land Use Plan portion of the *Truesdale LCP Amendment* is consistent with the adopted Land Use Plan as amended and is not known to create any conflicts or contradictions to adopted Plan policy, nor any inconsistencies within the General Plan itself, and furthermore, is found to be consistent with existing General Plan objectives to protect the public health, safety, peace, comfort, convenience, prosperity and general welfare in the City of Eureka.

SECTION 4 The City Council hereby declares that pursuant to Coastal Act Section 30510(a), the City of Eureka will carry out the *Truesdale LCP Amendment* in a manner fully consistent with the California Coastal Act.

SECTION 5 The City Council directs that the amendment to the Land Use Plan map supersedes the previously adopted Land Use Plan map for the three properties at 1807 & 1809 Truesdale; APN's 007-081-018, -020, and -026.

SECTION 6 The City Council directs Staff to transmit the adopted Land Use Plan portion of the *Truesdale LCP Amendment* to the Coastal Commission for approval and certification.

399

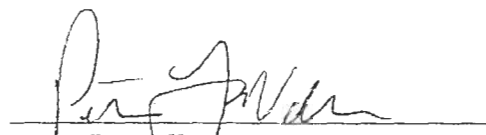
SECTION 7 The City Council directs that the Land Use Plan portion of the *Truesdale LCP Amendment* take effect automatically upon Coastal Commission approval and certification pursuant to Public Resources Code Section 30512, 30513, and 30519.

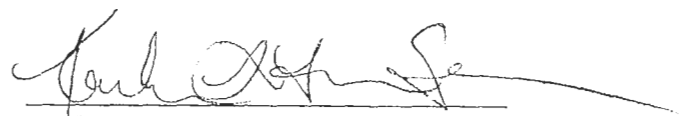
SECTION 8 The City of Eureka requests that the Coastal Commission not suggest modifications to rejected zoning ordinances, zoning district maps, or other implementing ordinances.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Eureka, County of Humboldt, State of California, on the Sixth day of December 2005, by the following vote:

| | | |
|----------|------------------|--|
| AYES: | COUNCIL MEMBERS: | WOLFORD, BASS-JACKSON, LEONARD, KERRIGAN, JONES |
| NOES: | COUNCIL MEMBERS: | NONE |
| ABSENT: | COUNCIL MEMBERS: | NONE |
| ABSTAIN: | COUNCIL MEMBERS: | NONE |

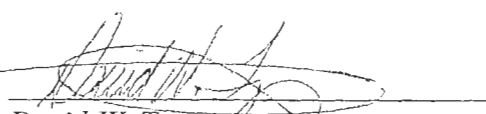
ATTEST:

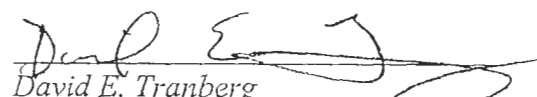

Peter La Vallee
Mayor


Kathleen Franco Simmons
City Clerk

APPROVED AS TO ADMINISTRATION:

APPROVED AS TO FORM:


David W. Tyson
City Manager


David E. Tranberg
City Attorney

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RESOLUTION NO. 2005-61

A Resolution of Transmittal of the City Council of the City of Eureka Transmitting the *Truesdale LCP Amendment* to the California Coastal Commission for an Amendment to the Implementation Plan of the Adopted and Certified Local Coastal Program

WHEREAS, on March 30, 2005, an application for a Local Coastal Program Amendment was submitted to the City of Eureka by the Fortuna Country Inn Corporation, the assigned Case No. is LCP-05-001, the application title is *Truesdale LCP Amendment*; and

WHEREAS, the Fortuna Country Inn Corporation requested that the City of Eureka amend the adopted and certified Local Coastal Program (LCP). The *Truesdale LCP Amendment* includes amendments to both the Land Use Plan map (LUP) and the Implementation Plan map (IP); and

WHEREAS, the proposed *Truesdale LCP Amendment* will affect three properties at 1807 & 1809 Truesdale; APN's 007-081-018, -020, and -026; and

WHEREAS, the IP amendment will change the zoning map designation for the three properties from General Industrial (MG) to Service Commercial (CS) and the proposed LUP amendment will change the general plan map designation from Coastal Dependant Industrial (CDI) to General Service Commercial (GSC); and

WHEREAS, pursuant to Title 14 California Code of Regulations, Section 13515, on November 1, 2005, the "*Notice of Availability of Draft Local Coastal Program Amendment and Notice of Public Hearings*" was mailed to: all property owners and occupants of properties within, at least, 300 feet of the subject properties; 77 local, state and federal agencies; the Humboldt County Library; two newspapers of general circulation, and ten radio stations; and

WHEREAS, the same Notice was emailed to seventeen (17) persons requesting notification of agendas for coastal development permit public hearings, and it was interoffice mailed to nine City departments; and

WHEREAS, on November 4, 2005, the *Notice of Availability of Draft Local Coastal Program Amendment and Notice of Public Hearings* was published in the Times Standard, a daily newspaper of general circulation; and

WHEREAS, the Notice advised of public hearings scheduled before the Planning Commission for November 14, 2005, and the City Council for December 6, 2005; and

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WHEREAS, the mailing of the Notice on November 1 and publication of the Notice on November 4 was at least ten days prior to the scheduled public hearings; and

WHEREAS, at the public hearing held by the Planning Commission on November 14, 2005, Tom McMurray, representing the property owner and applicant Fortuna County Inn, answered questions of the Commission, and provided additional information supporting the proposed LCP Amendment. The only other speaker was Kay Strickland who stated that she did not oppose the proposal, and that it looked quite workable; and

WHEREAS, upon closing the public hearing, the Planning Commission considered the Implementation Plan portion of the *Truesdale LCP Amendment* and took action to adopt Resolution No. 2005-02, "*A Resolution of Transmittal of the Planning Commission of the City of Eureka Transmitting a Recommendation of Approval to the City Council for the Implementation Plan portion of the Truesdale LCP Amendment*"; and

WHEREAS, the City Council held a public hearing on December 6, 2005, to consider the Implementation Plan portion of the *Truesdale LCP Amendment*. No persons submitted written comments; the following persons spoke at the public hearing: Melvin McKinney, and Tom McMurray.

WHEREAS, a summary of Melvin McKinney's comments is as follows: Mr. McKinney stated that he believed that the City did not fully address CEQA, specifically the social and economic impacts of the LCP amendment. Mr. McKinney stated that he felt that all of the properties south of the subject properties would be impacted by the LCP amendment, and that existing industrial users in the area would be asked to move as a result of the LCP amendment.

WHEREAS, a summary of Tom McMurray's comments is as follows: Mr. McMurray stated that he is the agent for the property owner. Mr. McMurray stated that the requested LCP amendment will cause the zoning and general plan to be consistent with the existing uses at, and in the vicinity of, the project site. Mr. McMurray identified several factors that cause coastal dependent industrial use of the site to be problematical. These factors include the fact that:

- a) the property is only 2.1 acres, which is generally too small for most industrial uses;
- b) the property is separated from the deep water channel by: railroad tracks, the City's pump station, a public coastal access point, tidal mud flats, eel grass, and sensitive sand dunes; therefore, development of the site for coastal dependent industrial use could result in significant adverse impacts to some or all of these.
- c) the introduction of industrial uses at the site could negatively impact the existing commercial and visitor serving uses already existing in the vicinity.

WHEREAS, on December 6, 2005, the City Council adopted "*A Resolution of the City Council of the City of Eureka Approving an Amendment to the Land Use Plan Map of the Adopted and Certified City of Eureka Local Coastal Program*"; and

6 of 9

WHEREAS, on December 6, 2005, upon closing the public hearing, the City Council considered the *Truesdale LCP Amendment*, and the Planning Commission's recommendation, and took action to introduce and waive reading and read by title only an "*Ordinance Amending the Implementation Plan Map (zoning map) of the Adopted and Certified Local Coastal Program Reclassifying Real Property at 1807 & 1809 Truesdale, APN's 007-081-018, -020, and -026 from General Industrial (MG) to Service Commercial (CS)*"; and

WHEREAS, The City Council's final action of December 20, 2005, to adopt and waive reading and read by title only an "*Ordinance Amending the Implementation Plan Map (zoning map) of the Adopted and Certified Local Coastal Program Reclassifying Real Property at 1807 & 1809 Truesdale, APN's 007-081-018, -020, and -026 from General Industrial (MG) to Service Commercial (CS)*" amending the Implementation Plan map, is approximately 50 days following the November 1, 2005, mailing of the *Notice of Availability of Draft Local Coastal Program Amendment and Notice of Public Hearings* and 46 days following the November 4, 2005, publication of the Notice in the Times Standard; and

WHEREAS, Section 13515(c) of Title 14 Code of Regulations requires that there be a minimum of six weeks between the *Notice of Availability of Draft Local Coastal Program Amendment and Notice of Public Hearings* and the City's final action; and

WHEREAS, there were at least seven weeks between the *Notice of Availability of Draft Local Coastal Program Amendment and Notice of Public Hearings* and the City Council's final action on the *Truesdale LCP Amendment*, in compliance with Title 14 California Code of Regulations Section 13515 pertaining to Public Participation and Agency Coordination Procedure; and

WHEREAS, on December 20, 2005, the City Council took action to adopt this *Resolution of Transmittal of the City Council of the City of Eureka Transmitting the Truesdale LCP Amendment to the California Coastal Commission for an Amendment to the Implementation Plan of the Adopted and Certified Local Coastal Program*; and

WHEREAS, pursuant to Section 21080.9 and 21080.5 and Division 20, Chapter 6 of the Public Resources Code, the Coastal Commission's review and development process for LCPs and LCP amendments has been certified by the Secretary of Resources as being the functional equivalent of the environmental review required by CEQA; and

NOW, THEREFORE, BE IT RESOLVED BY the City Council of the City of Eureka as follows:

SECTION 1 The City Council hereby exempts the *Truesdale LCP Amendment* from the California Environmental Quality Act under Section 21080.9 and 21080.5 and Division 20, Chapter 6 of the Public Resources Code because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the *Truesdale LCP Amendment* on the environment, or 2) there are no further feasible alternatives

or mitigation measures that would substantially lessen any significant adverse impacts on the environment that will result from adoption and certification of the *Truesdale LCP Amendment*.

SECTION 2 The City Council hereby finds that the Implementation Plan portion of the *Truesdale LCP Amendment* conforms with and is adequate to carry out and implement the provisions of the certified Land Use Plan, and.

SECTION 3 The City Council hereby determines that the Implementation Plan portion of the *Truesdale LCP Amendment* is consistent with the adopted Land Use Plan as amended and is not known to create any conflicts or contradictions to adopted Plan policy, nor any inconsistencies within the General Plan itself, and furthermore, is found to be consistent with existing General Plan objectives to protect the public health, safety, peace, comfort, convenience, prosperity and general welfare in the City of Eureka

SECTION 4 The City Council hereby declares that pursuant to Coastal Act Section 30510(a), the City of Eureka will carry out the *Truesdale LCP Amendment* in a manner fully consistent with the California Coastal Act.

SECTION 5 The City Council directs that the amendment to the Implementation Plan map supersedes the previously adopted Implementation Use Plan map for the three properties at 1807 & 1809 Truesdale; APN's 007-081-018, -020, and -026.

SECTION 6 The City Council directs Staff to transmit the adopted Implementation Plan portion of the *Truesdale LCP Amendment* to the Coastal Commission for approval and certification.

SECTION 7 The City Council directs that the Implementation Plan portion of the *Truesdale LCP Amendment* take effect automatically upon Coastal Commission approval and certification pursuant to Public Resources Code Section 30512, 30513, and 30519.


SECTION 8 The City of Eureka requests that the Coastal Commission not suggest modifications to rejected zoning ordinances, zoning district maps, or other implementing ordinances.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Eureka, County of Humboldt, State of California, on the Twentieth day of December 2005, by the following vote:

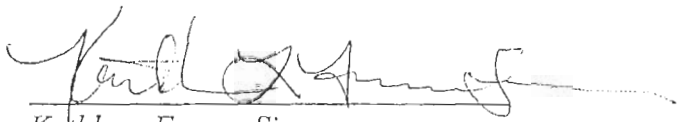
| | | |
|----------|------------------|--|
| AYES: | COUNCIL MEMBERS: | WOLFORD, BASS-JACKSON, LEONARD, KERRIGAN, JONES |
| NOES: | COUNCIL MEMBERS: | NONE |
| ABSENT: | COUNCIL MEMBERS: | NONE |
| ABSTAIN: | COUNCIL MEMBERS: | NONE |

829

ATTEST:

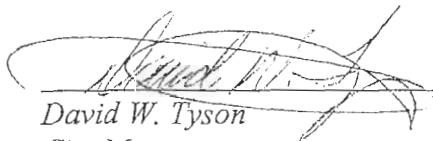


Peter La Vallée
Mayor



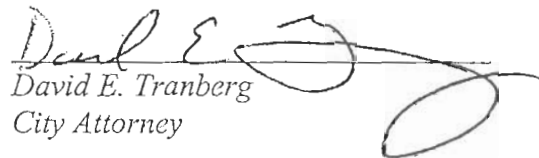
Kathleen Franco Simmons
City Clerk

APPROVED AS TO ADMINISTRATION:



David W. Tyson
City Manager

APPROVED AS TO FORM:



David E. Tranberg
City Attorney

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RESOLUTION NO. 2005-55**A Resolution of the City Council of the City of Eureka Approving
an Amendment to the Land Use Plan Map of the Adopted and
Certified City of Eureka Local Coastal Program**

WHEREAS, on March 30, 2005, an application for a Local Coastal Program Amendment was submitted to the City of Eureka by the Fortuna Country Inn Corporation, the assigned Case No. is LCP-05-001, the application title is *Truesdale LCP Amendment*; and

WHEREAS, the Fortuna Country Inn Corporation requested that the City of Eureka amend the adopted and certified Local Coastal Program (LCP). The *Truesdale LCP Amendment* includes amendments to both the Land Use Plan map (LUP) and the Implementation Plan map (IP); and

WHEREAS, the proposed *Truesdale LCP Amendment* will affect three properties at 1807 & 1809 Truesdale; APN's 007-081-018, -020, and -026; and

WHEREAS, the proposed LUP amendment will change the general plan map designation for the three properties from Coastal Dependant Industrial (CDI) to General Service Commercial (GSC) and the IP amendment will change the zoning map designation from General Industrial (MG) to Service Commercial (CS); and

WHEREAS, pursuant to Title 14 California Code of Regulations, Section 13515, on November 1, 2005, the "*Notice of Availability of Draft Local Coastal Program Amendment and Notice of Public Hearings*" was mailed to: all property owners and occupants of properties within, at least, 300 feet of the subject properties; 77 local, state and federal agencies; the Humboldt County Library; two newspapers of general circulation, and ten radio stations; and

WHEREAS, the same Notice was emailed to seventeen (17) persons requesting notification of agendas for coastal development permit public hearings, and it was interoffice mailed to nine City departments; and

WHEREAS, on November 4, 2005, the *Notice of Availability of Draft Local Coastal Program Amendment and Notice of Public Hearings* was published in the Times Standard, a daily newspaper of general circulation; and

WHEREAS, the Notice advised of public hearings scheduled before the Planning Commission for November 14, 2005, and the City Council for December 6, 2005; and

WHEREAS, the mailing of the Notice on November 1 and publication of the Notice on November 4 was at least ten days prior to the scheduled public hearings; and

WHEREAS, the project is found to be beneficial to the community as a whole, leading

to a balanced working relationship with the surrounding land uses; and,

WHEREAS, at the public hearing held by the Planning Commission on November 14, 2005, Tom McMurray, representing the property owner and applicant Fortuna County Inn, answered questions of the Commission, and provided additional information supporting the proposed LCP Amendment. The only other speaker was Kay Strickland who stated that she did not oppose the proposal, and that it looked quite workable; and

WHEREAS, on November 14, 2005, upon closing the public hearing, the Planning Commission considered the Land Use Plan portion of the *Truesdale LCP Amendment* and took action to adopt Resolution No. 2005-01, "*A Resolution of Transmittal of the Planning Commission of the City of Eureka Transmitting a Recommendation of Approval to the City Council for the Land Use Plan portion of the Truesdale LCP Amendment*"; and

WHEREAS, the City Council held a public hearing on December 6, 2005, to consider the Implementation Plan portion of the *Truesdale LCP Amendment*. No persons submitted written comments; the following persons spoke at the public hearing: Melvin McKinney, and Tom McMurray.

WHEREAS, a summary of Melvin McKinney's comments is as follows: Mr. McKinney stated that he believed that the City did not fully address CEQA, specifically the social and economic impacts of the LCP amendment. Mr. McKinney stated that he felt that all of the properties south of the subject properties would be impacted by the LCP amendment, and that existing industrial users in the area would be asked to move as a result of the LCP amendment.

WHEREAS, a summary of Tom McMurray's comments is as follows: Mr. McMurray stated that he is the agent for the property owner. Mr. McMurray stated that the requested LCP amendment will cause the zoning and general plan to be consistent with the existing uses at, and in the vicinity of, the project site. Mr. McMurray identified several factors that cause coastal dependent industrial use of the site to be problematical. These factors include the fact that:

- a) the property is only 2.1 acres, which is generally too small for most industrial uses;
- b) the property is separated from the deep water channel by: railroad tracks, the City's pump station, a public coastal access point, tidal mud flats, eel grass, and sensitive sand dunes; therefore, development of the site for coastal dependent industrial use could result in significant adverse impacts to some or all of these.
- c) the introduction of industrial uses at the site could negatively impact the existing commercial and visitor serving uses already existing in the vicinity.

WHEREAS, on December 6, 2005, the City Council adopted "*A Resolution of the City Council of the City of Eureka Approving an Amendment to the Land Use Plan Map of the Adopted and Certified City of Eureka Local Coastal Program*"; and

WHEREAS, on December 6, 2005, the City Council took action to adopt this *Resolution of Transmittal of the City Council of the City of Eureka Transmitting the Truesdale LCP Amendment to the California Coastal Commission for an Amendment to the*

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Land Use Plan portion of the Adopted and Certified City of Eureka Local Coastal Program;
and

WHEREAS, pursuant to Section 21080.9 and 21080.5 and Division 20, Chapter 6 of the Public Resources Code, the Coastal Commission's review and development process for LCPs and LCP amendments has been certified by the Secretary of Resources as being the functional equivalent of the environmental review required by CEQA; and

NOW, THEREFORE, BE IT RESOLVED BY the City Council of the City of Eureka as follows:

SECTION 1 The City Council hereby exempts the *Truesdale LCP Amendment* from the California Environmental Quality Act under Section 21080.9 and 21080.5 and Division 20, Chapter 6 of the Public Resources Code because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the *Truesdale LCP Amendment* on the environment, or 2) there are no further feasible alternatives or mitigation measures that would substantially lessen any significant adverse impacts on the environment that will result from adoption and certification of the *Truesdale LCP Amendment*.

SECTION 2 The City Council hereby finds that the Land Use Plan portion of the *Truesdale LCP Amendment* is consistent with Chapter 3 of the Coastal Act.

SECTION 3 The City Council hereby determines that the Land Use Plan portion of the *Truesdale LCP Amendment* is consistent with the adopted Land Use Plan as amended and is not known to create any conflicts or contradictions to adopted Plan policy, nor any inconsistencies within the General Plan itself, and furthermore, is found to be consistent with existing General Plan objectives to protect the public health, safety, peace, comfort, convenience, prosperity and general welfare in the City of Eureka.

SECTION 4 The City Council hereby declares that pursuant to Coastal Act Section 30510(a), the City of Eureka will carry out the *Truesdale LCP Amendment* in a manner fully consistent with the California Coastal Act.

SECTION 5 The City Council hereby approves a change in the Land Use Plan map of the Certified Local Coastal Program for three properties at 1807 & 1809 Truesdale; APN's 007-081-018, -020, and -026 as shown on Exhibit "A" attached hereto, to change the land use designation from Coastal Dependant Industrial (CDI) to General Service Commercial (GSC).

SECTION 6 The City Council directs that the amendment to the Land Use Plan map supersedes the previously adopted Land Use Plan map for the three properties at 1807 & 1809 Truesdale; APN's 007-081-018, -020, and -026 as shown on Exhibit "A" attached hereto.

SECTION 7 The City Council directs Staff to transmit the adopted Land Use Plan portion of the *Truesdale LCP Amendment* to the Coastal Commission for approval and certification.

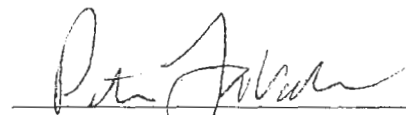
395

SECTION 8 The City Council directs that the Land Use Plan portion of the *Truesdale LCP Amendment* take effect automatically upon Coastal Commission approval and certification pursuant to Public Resources Code Section 30512, 30513, and 30519.

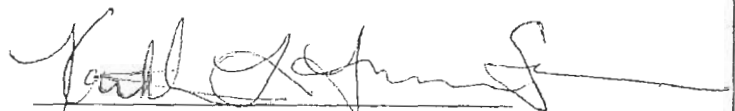
SECTION 9 The City of Eureka requests that the Coastal Commission not suggest modifications to rejected zoning ordinances, zoning district maps, or other implementing ordinances.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Eureka, County of Humboldt, State of California, on the Sixth day of December 2005, by the following vote:

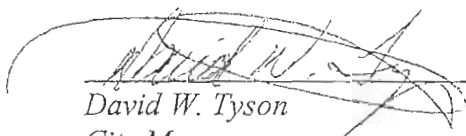
| | | |
|----------|------------------|--|
| AYES: | COUNCIL MEMBERS: | WOLFORD, BASS-JACKSON, LEONARD, KERRIGAN, JONES |
| NOES: | COUNCIL MEMBERS: | NONE |
| ABSENT: | COUNCIL MEMBERS: | NONE |
| ABSTAIN: | COUNCIL MEMBERS: | NONE |


Peter La Valle
Mayor

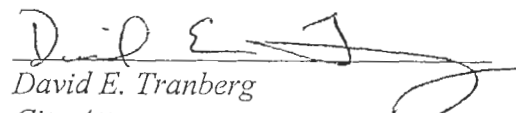
ATTEST:


Kathleen Franco Simmons
City Clerk

APPROVED AS TO ADMINISTRATION:


David W. Tyson
City Manager

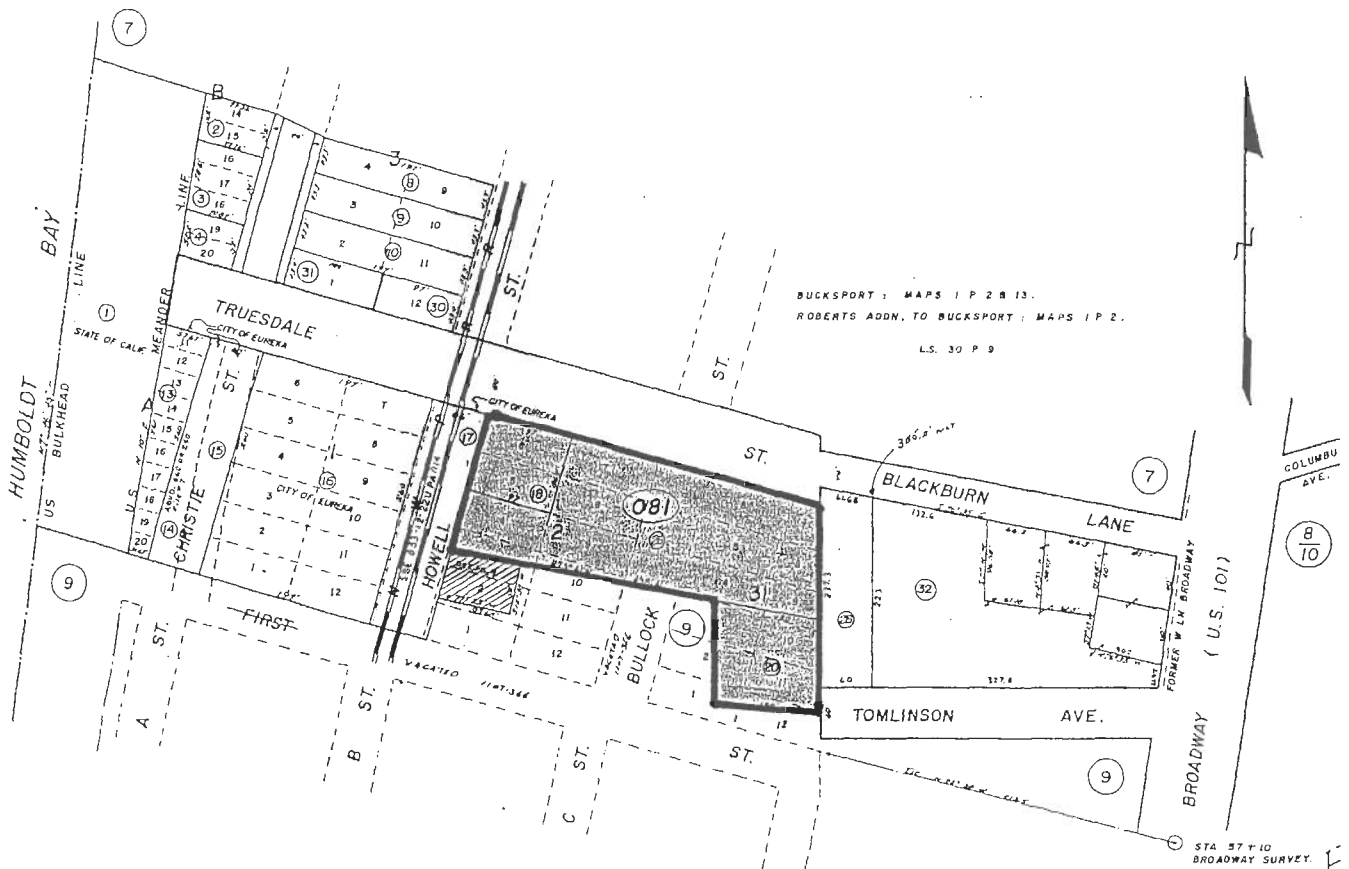
APPROVED AS TO FORM:


David E. Tranberg
City Attorney

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**Land Use Plan Map Amendment
Amending the General Plan Designation for 1807 & 1809 Truesdale,
APN's 007-081-018, -020, and -026 from
Coastal Dependant Industrial (CDI) to General Service Commercial (GSC)**

7-08



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**Ordinance Amending the Implementation Plan Map (zoning map) of the
Adopted and Certified Local Coastal Program Reclassifying Real Property at
1807 & 1809 Truesdale, APN's 007-081-018, -020, and -026 from General
Industrial (MG) to Service Commercial (CS)**

Be It Ordained by the City Council of the City of Eureka as Follows:

SECTION 1. DECLARATION

The City Council of the City of Eureka does hereby find, declare and determine that the following reclassification of certain real property as shown on the attached map labeled Exhibit "A" consisting of three properties at 1807 & 1809 Truesdale, and effecting Assessor Parcel Numbers 007-081-018, 007-081-020, and 007-081-026, within the City of Eureka hereinafter described, from a General Industrial (MG) zone district to a Service Commercial (CS) zone district was duly initiated, that notice of hearing thereon was duly given and published, that public hearings thereon were duly held by the Planning Commission and the City Council and that public necessity and convenience and the general welfare require that the following amendment to the Implementation Plan map (zoning map) be made.

SECTION 2. ZONING CHANGE

The Implementation Plan map (zoning map) of the City of Eureka is hereby amended to reclassify three properties at 1807 & 1809 Truesdale, from a General Industrial (MG) zone district to a Service Commercial (CS) zone district. Said property being situated in the City of Eureka, County of Humboldt, State of California, as shown on the attached map labeled Exhibit "A", and effecting Assessor Parcel Numbers 007-081-018, 007-081-020, and 007-081-026


SECTION 3. TIMING

The amendment to the Implementation Plan map (zoning map) will take effect automatically upon Coastal Commission approval and certification of the *Truesdale LCP Amendment* pursuant to Public Resources Code Section 30512, 30513, and 30519

THIS ORDINANCE IS HEREBY PASSED, APPROVED AND ADOPTED by the City Council of the City of Eureka in the County of Humboldt, State of California, on the Twentieth day of December, 2005, by the following vote:

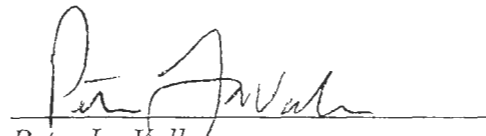
| | | |
|----------|----------------|---|
| AYES: | COUNCILMEMBERS | WOLFORD, BASS-JACKSON, LEONARD, KERRIGAN, JONES |
| NOES: | COUNCILMEMBERS | NONE |
| ABSENT: | COUNCILMEMBERS | NONE |
| ABSTAIN: | COUNCILMEMBERS | NONE |

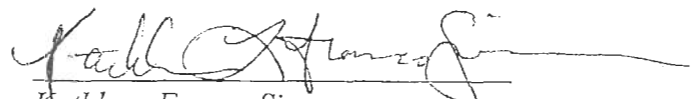
| |
|--------------------------|
| EXHIBIT NO. 12 |
| LCP AMENDMENT NO. |
| EUR-MAJ-2-05 |
| EUREKA LCP AMENDMENT |
| CITY ZONING ORDINANCE |
| AMENDMENT (1 of 3) |


Mayor Pro Tem

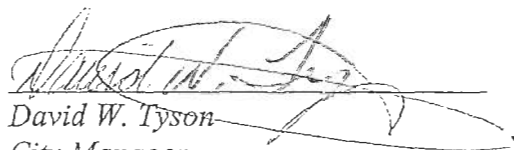
The above ordinance was submitted to me on the 29th day of December, 2005, and I hereby approve the same.

ATTEST:

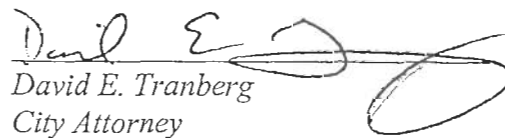

Peter La Vallee
Mayor


Kathleen Franco Simmons
City Clerk

APPROVED AS TO ADMINISTRATION:


David W. Tyson
City Manager

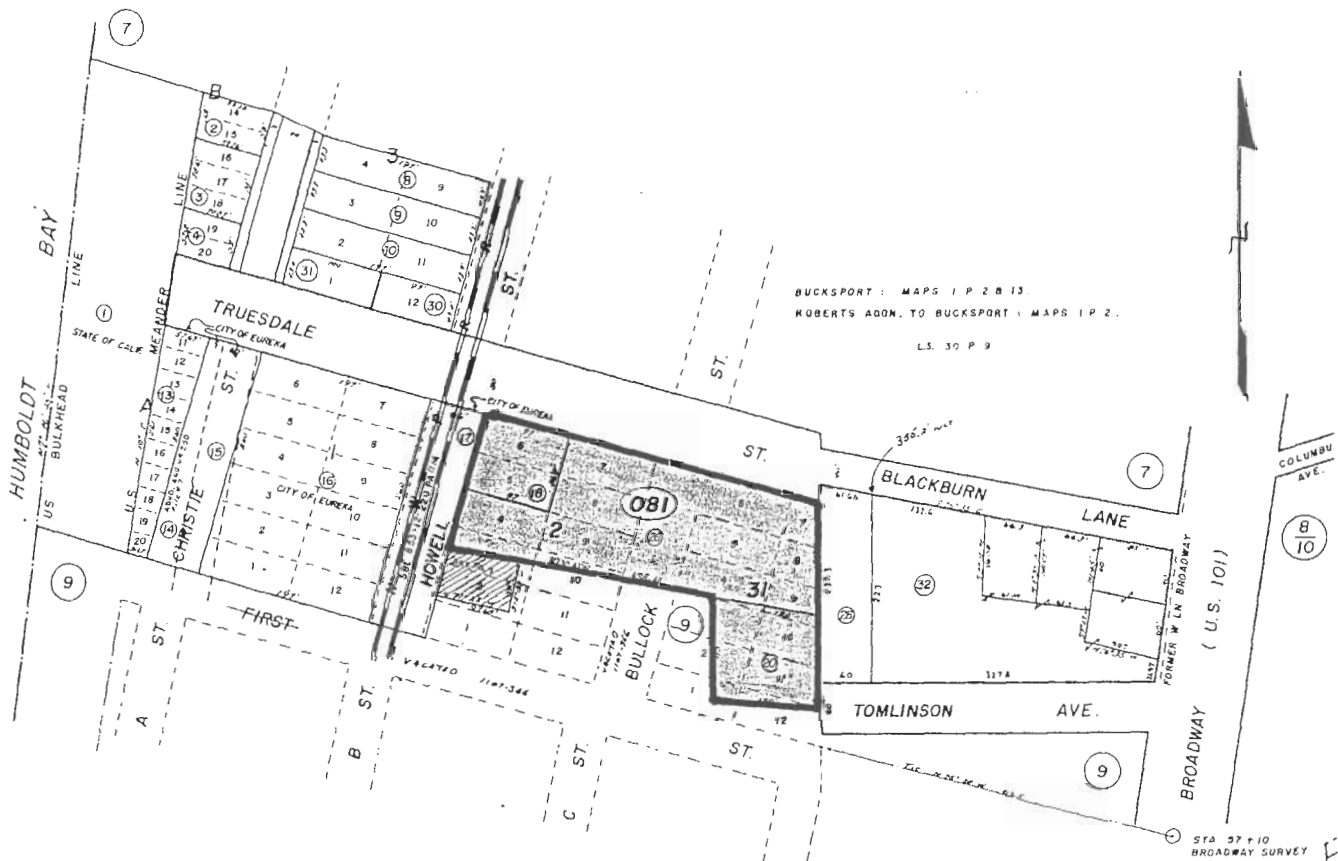
APPROVED AS TO FORM:


David E. Tranberg
City Attorney

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**Implementation Plan Map (zoning map) Amendment
Reclassifying Real Property at 1807 & 1809 Truesdale,
APN's 007-081-018, -020, and -026
from General Industrial (MG) to Service Commercial (CS)**

7-08



3 of 3

Port of Humboldt Bay Harbor Revitalization Plan

Executive Summary

February 2003

Prepared for:
Humboldt Bay Harbor, Recreation and Conservation District

Prepared by:
PB Ports & Marine, Inc.
A Parsons Brinckerhoff Company

In Association with:
Winzler & Kelly
BST Associates

| |
|---|
| EXHIBIT NO. 13 |
| LCP AMENDMENT NO. |
| EUR-MAJ-2-05 |
| EUREKA LCP AMENDMENT |
| PORT REVITALIZATION PLAN SUMMARY (1 of 16) |

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Executive Summary

The Humboldt Bay Harbor, Recreation and Conservation District—along with the City of Eureka and Humboldt County—has undertaken the Port of Humboldt Bay Harbor Revitalization Plan aimed at establishing a new and sustainable maritime focus for the community.

The Port's strategy for revitalization involves two phases, channel deepening and landside improvement. After a 12-year effort, the Humboldt Bay Channel Deepening Project was completed in April 2000. The new 48-foot deep Bar and Entrance Channels and 38-foot deep North Bay and Samoa Channels now provide for greater navigation safety and improved vessel economics. The reduction of light loading and increased economies of scale now possible at Humboldt Bay, particularly for the larger forest products carriers, promises to improve the Port's competitiveness for marine trade.

With the completion of the Channel Deepening Project, the focus of the Harbor Revitalization Plan is on the marine facilities, landside access, diversification opportunities, and the associated economic development and marketing of the Port. As a result of this effort, significant new opportunities were identified for Humboldt Bay, including marine-dependent industrial projects, niche dry and liquid bulk cargoes and the potential for a tourism/marine science cluster. Opportunities for expansion or continuation of existing aquaculture and commercial fishing operations were also identified.

Implementation of the recommended plan emphasizes two key issues:

- Site readiness – A number of steps are need to be taken prior to specific opportunities arising in order to remove property restrictions, prepare key publicly-owned sites for marketing and development, and positively position Humboldt Bay.
- Intensified marketing – A dedicated harbor marketing function is also recommended within the Harbor District, City and/or County that will act as a single focal point to proactively identify and pursue opportunities for which Humboldt Bay is competitive.

Key Sites

The study area includes all current and potential marine industrial and commercial properties in Humboldt Bay from the Samoa Bridge (CA 255) to the end of Fields Landing Channel on the mainland, and from the Samoa Bridge to the channel entrance on Samoa Peninsula. Using Humboldt County parcel data 80 key parcels were identified and grouped into 16 major sites for consideration in the preparation of the Harbor Revitalization Plan. In some cases, contiguous parcels under separate ownership were initially grouped together into a single site in order to evaluate the full potential of the properties.

The 16 key sites evaluated include six sites with active cargo terminals, five sites with inactive cargo terminals, and five industrial, commercial or other public sites. They include:

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Figure 1 – Key Sites

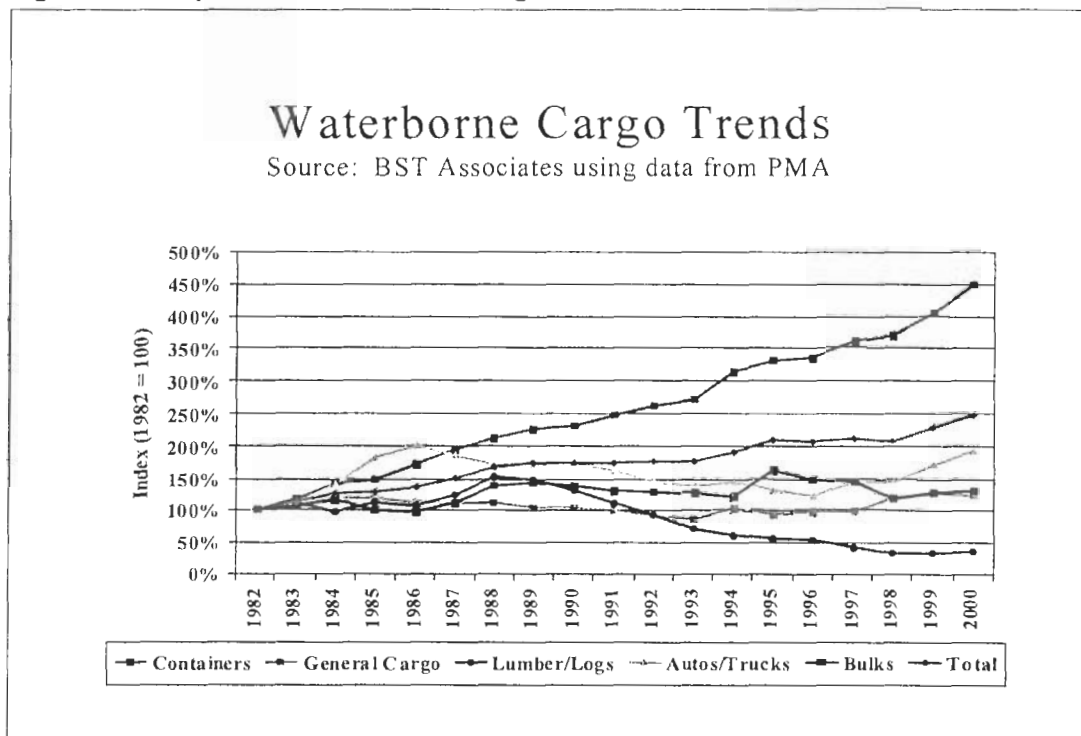
| Sites With Active Cargo Terminals | Sites With Inactive Cargo Terminals | Other Industrial, Commercial & Public Sites |
|---|--|---|
| Schneider Dock Eureka Forest Products/Preston Prop.* Chevron Terminal Humboldt Bay Forest Products* Samoa Pacific Chip Export Dock Simpson Property/Fairhaven Terminal | Dock B/Balloon Track* Phillips Petroleum Fields Landing Terminal Area* Simpson-Samoa (Redwood Dock) Site* Samoa Pacific Pulp Mill Dock | Halvorsen/City Sites* HSU Boating Center Commercial Street/C Street Docks* Parcel 4 Eureka Airport Property |

*Site includes contiguous parcels under separate ownership.

West Coast & Humboldt Trade Trends

Over the last 20 years, West Coast port traffic has grown by 150 percent as seen in Figure 2, led by containers and automobiles. Bulk cargoes and general breakbulk cargo have grown slightly, while lumber and forest products have declined by more than 50 percent.

Figure 2 – Comparison of West Coast Cargo Trends



As shown in Figure 3, waterborne commerce in Humboldt Bay increased consistently to a peak of over 1.2 million tons in 1991, then dropped significantly to between 400,000 and 600,000 revenue tons for the remainder of the study period. Most notably, declines occurred in general cargo and dry bulks, which are dominated by forest products.

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By direction of trade, Humboldt Bay's waterborne commerce has exhibited the following trends:

- Exports declined at 9.4% per year between 1990 and 2000; Imports increased sporadically during the time period, with an average annual increase 13.1% between 1990 and 2000;
- Coastwise shipments were also volatile during this time period, increasing at 6.6% per year; and
- Coastwise receipts grew at 1.6% per year during the study period.

Humboldt Bay's decline in waterborne commerce is compared with other similarly situated ports in Figure 4. As shown, Humboldt Bay experienced a 200% increase between 1982 and 1992, after which volumes consistently fell. The relative level of waterborne commerce in 2001 is equal to the volume in 1982. By contrast, most other comparable ports have experienced a decline to levels below their 1982 volumes.

The relative loss of forest products exports and domestic shipments has substantially impacted all ports from Humboldt Bay north to Bellingham, WA. The loss of these cargoes has resulted in heightened competition for the remaining general cargo and dry bulk cargoes.

Market Opportunity Analysis

Market opportunities for the Port of Humboldt Bay were analyzed for the full range of cargo types and a variety of non-cargo waterfront commercial, recreational and industrial markets as shown below.

Figure 5 – Cargo and Non-Cargo Markets Evaluated

| Marine Cargo Markets | Waterfront Commercial & Recreational Markets |
|--|--|
| Dry bulk cargo Liquid bulk cargo Marine-dependent industrial opportunities Non-containerized cargo (breakbulk and general cargo) Fully assembled autos/trucks Containers Ocean barge feeder services | Commercial fishing Aquaculture Marine labs & science centers Public aquariums Marinas, boating & yachting Cruise ships & tour boats Boat building & vessel repair Vessel homeporting Naval vessel museum |

A wide range of data sources and analytical methods were used in the market assessment, including Pacific Maritime Association (PMA) cargo data and other sources addressing trade trends along the West Coast and in Northern California. Over 100 interviews were conducted with exporters, importers, domestic shippers, carriers, stevedores, terminal operators, economic development agencies, ports, energy companies, fishing and aquaculture operators, aquariums, marine science centers, the military, ship/boat builders and repair companies, and individuals involved with marine trade in Humboldt Bay. In addition, case studies of seven ports were performed to identify how they have developed

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marketing strategies, the relative success of their programs, and the potential relevance of these strategies for Humboldt Bay.

The market assessment focused on identifying opportunities for the Port of Humboldt Bay among traditional markets and potential new diversification markets.

Core Advantages

In the course of the market assessment, a number of core competitive advantages were identified for the Port of Humboldt Bay, including:

- Large waterfront industrial sites;
- Natural resource availability;
- Unique tourism surroundings and attractive downtown waterfront nucleus;
- Marine science and environmental base; and
- Livability.

Humboldt Bay has at least three sites in excess of 200 acres, each located on the 38-foot shipping channel. These include the publicly-owned City airport site, the privately-owned Simpson site and the Simpson-Samoa (Redwood Dock) site with mixed ownership, all located on the Samoa Peninsula. Most have had some prior development, which should facilitate permitting, and future development. Large waterfront industrial sites on deep water such as these are a rarity and, thus, a significant advantage for Humboldt.

In addition to forest products, the Humboldt area possesses additional natural resources that are in demand and require waterborne transportation. In particular, bulk aggregates, rock and surplus fresh water are abundant in Humboldt's immediate area and few alternatives are available to compete with waterborne transportation via Humboldt Bay.

Humboldt is fortunately situated amidst unique tourism features, both natural and historical. These include the redwood forests, Eureka's Victorian seaport and Arcata's Victorian homes, all of which receive some measure of national recognition. Likewise, Eureka's Old Town district, waterfront boardwalk and other features create a potentially vibrant downtown waterfront environment. Taken together, these tourism and downtown waterfront features are a unique advantage that can be built upon to revitalize the harbor.

The presence of Humboldt State University (HSU), its marine science program, and the region's strong environmental ethic provide a potential base for new activity on the Humboldt waterfront that could complement the tourism advantages discussed previously. These features create a vibrancy in the Humboldt area that does not exist in most other coastal ports facing similar declines in traditional industries.

Humboldt's natural surroundings, size and amenities offer a very livable environment for its residents. As urban areas in California and the Northwest continue to grow and become congested, Humboldt's livability should be attractive to employees, professionals and managers of new industry that could locate in the area.

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Key Limitations

The key disadvantages at Humboldt Bay were identified as:

- Small local market size; and
- Inland transportation access.

The limited size of the population and economic base in Humboldt's natural hinterland area are a clear disadvantage in attracting traditional marine cargo business. As a first priority, ocean carriers, importers and exporters look for strong local markets as a basis for establishing waterborne trade and transportation operations. Humboldt's small local market limitation is exacerbated by the fact that the local area is primarily a producing region, generating very little inbound freight for consumption. The one-way nature of the Humboldt local market area diminishes the viability of waterborne, rail and truck transportation operations that could otherwise be feasible with a two-way move.

Humboldt's limited inland rail and truck access is also a significant disadvantage. Truck access to Interstate 5 should be enhanced with improvements to CA 299 at Buckhorn Pass, but highway access will still be less desirable via Humboldt than at competing ports located directly on the interstate system. Likewise rail access may be restored with the reactivation of the North Coast Railroad Authority (NCRA) line, but the time-consuming and circuitous southbound routing—which must backtrack though other competing port areas—will remain a limitation on Humboldt Bay's attractiveness for most rail-oriented marine cargoes to/from points beyond the Bay Area where superior rail connections are needed to compete. However, the restored rail service will be important for marine-dependent industrial opportunities (discussed below) where adequacy of rail service is needed to compete.

Market Priorities

Each opportunity was rigorously analyzed in terms of its overall attractiveness and Humboldt's competitiveness, using the factors identified in Figure 6 below. Those markets that were found to be most attractive, and for which Humboldt was found to be competitive, were assigned the highest priority; those least attractive and for which Humboldt is least competitive were assigned the lowest priority.

Figure 6 – Market Evaluation and Prioritization Factors





| Market Attractiveness Factors | Humboldt Bay Competitiveness Factors |
|---|---|
| Overall market size Market growth & stability Capital/infrastructure requirements Profitability Business operating risk Ease of entry Intensity of customer/supplier leverage Intensity of competition | Market share, reputation & image Proximity to the market or resource Navigation access & cost Rail access & cost Highway access & cost Site availability & readiness Facility & operating cost position Workforce availability & productivity Support services availability Business climate Livability |

70912

Significant global trends driving new opportunities for Humboldt Bay were found to be the rising demand and shortages in the construction, energy, water and seafood markets, as well as growing interest in tourism and the environment. The most promising opportunities are in marine-dependent industrial projects, niche dry and liquid bulk cargoes, aquaculture, tourism and marine science, and boat building. A summary of the attractiveness and Humboldt Bay's competitiveness in each market is presented below in Figure 7.

Figure 7 – Market Prioritization Map

| | Weak Competitive Position | Neutral Competitive Position | Favorable Competitive Position |
|-----------------------------------|---|---|---|
| Attractive Market Segment | Marine Industrial (w/o rail) Vessel Homeporting | Marine Industrial (w/ rail) Liquid Bunks Coastal Lumber Barge (w/o rail) Marine Lab/Science Center Repositioning Cruise Ships | Bulk Aggregates/Rock Aquaculture |
| Neutral Market Segment | Project Cargoes Coastal Lumber Barge (w/ rail) Rail-On-Barge (w/ rail) Automobiles | Import Forest Products Rail-On-Barge (w/o rail) Public Aquarium Boat Building & Vessel Repair Naval Vessel Museum | Commercial Fishing Marina/Boating/Yachting |
| Unattractive Market Segment | Containers Breakbulk Steel Fruit | Container Barge | Export Forest Products |

| | |
|---|------------------------------|
|  | Highest Priority |
|  | Priority |
|  | Selective/Potential Priority |
|  | Lowest Priority |

Marine-dependent industrial opportunities are essentially manufacturing facilities requiring a major marine shipping component, either to bring in raw materials or to ship out finished products. Examples include a sheetrock manufacturing plant that imports bulk gypsum or a mini steel mill the imports iron products and/or exports steel slabs and coils. Humboldt's advantages are the availability of large sites on Samoa Peninsula with access to the 38-foot channel, relatively low cost land, labor and livability. While these opportunities are not frequent, they result in a high volume of marine trade and high employment. Readiness and consistent marketing are keys to success.

Dry bulk cargo opportunities include the shipment of bulk aggregates and rock to the Northern California construction market. Resources in Humboldt County are being closely analyzed by a number of companies, with the likelihood that high volumes of bulk aggregate and rock will need to be shipped by ocean barge.

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Liquid bulk cargo opportunities exist in liquefied natural gas (LNG) and export water. Energy producers and marketers continue to pursue projects to serve the California market, and a major company has shown significant interest in Humboldt Bay as an LNG terminal location, connecting to the California natural gas pipeline system. Likewise, various companies have proposed water export to Southern California over the past several years, and presently a global consortium is exploring the potential to ship surplus Humboldt water using ocean-going waterbag technology.

Aquaculture is an attractive market, given its growth outlook, the relatively low investment requirements, and shellfish farming conditions in Humboldt Bay. Based on these growing conditions, Humboldt stands a good chance of building on its competitiveness in oyster production, the only downside being transportation cost from Humboldt to outside markets.

A number of tourist and marine science activities were found to be potential opportunities, particularly if approached as a synergistic cluster. This could include a public aquarium, cruise dock, Naval vessel museum and marine science center, which would build upon Humboldt's unique tourism surroundings and marine science base.

Based on growth in the luxury yacht market and the experience of the Port of Port Angeles, the opportunity to attract a boat builder to Humboldt Bay appears to have merit. The market analysis was not conclusive on the feasibility of such an operation, but further study and investigation is warranted on the basis of Humboldt's water access, central location for delivery on the West Coast and livability.

While a high priority is recommended for the markets addressed above, existing import and export forest product terminal handling activities should continue to be supported and monitored for potential new opportunities; the potential for a coastal forest products barge service or rail-on-barge service warrant monitoring and further investigation; and the needs of commercial fishing should continue to be supported.

Humboldt's basic weaknesses are in the areas of local market size, lack of proximity to a large metropolitan market and limited inland truck and rail access. These are major competitive disadvantages for cargo handling activities including containers, automobiles, breakbulk steel, fruit, and project cargoes. Furthermore these markets are considered to be unattractive for a niche port or new entrant because of the intensity of competition, high customer leverage, short contract durations and resulting high risk. These markets should be given the lowest priority.

Strategic Focus Areas

Building on Humboldt's core advantages and the specific market opportunities identified, several strategic areas of focus were identified for the Harbor Revitalization Plan, including a mix of new and traditional harbor activities:

- Marine-dependent industrial opportunities;
- Niche dry and liquid bulk cargoes;
- Coastal barge feeder market access;

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- Tourism and marine science;
- Aquaculture and commercial fishing;
- Boat building & vessel repair; and
- Forest products cargo handling.

Harbor Revitalization Alternatives

Alternative Scenarios

Alternative revitalization plans for Humboldt Bay were evaluated under six alternative scenarios relative to rail service and public terminal investment. Given the circumstances surrounding the inactive NCRA rail line, alternatives were assessed based on (1) current rail conditions and (2) assuming restoration of rail service in accordance with the operating plans developed in the *Long Term Financial Feasibility of the Northwestern Pacific Railroad* (a companion report to this study). Likewise, three levels of public marine terminal investment were considered including a public general cargo terminal, public investment in bulk or marine industrial docks, and no public investment. The six scenarios are illustrated in Figure 8.

Figure 8 – Alternative Harbor Revitalization Scenarios

| | With Rail Service Restored | With Current Rail Conditions |
|---|--|--|
| With Public General Cargo Terminal | Marine-Dependent Industrial Projects Niche Bulk Cargoes Marine Science & Tourism Aquaculture & Commercial Fishing Boat Building & Vessel Repair Forest Products Cargo Handling PLUS Public General Cargo Terminal | Marine-Dependent Industrial Projects Niche Bulk Cargoes Marine Science & Tourism Aquaculture & Commercial Fishing Boat Building & Vessel Repair Forest Products Cargo Handling PLUS Public General Cargo Terminal Coastal Feeder Barge Development |
| With Public Investment In Bulk Or Marine Industrial Docks | Marine-Dependent Industrial Projects Niche Bulk Cargoes Marine Science & Tourism Aquaculture & Commercial Fishing Boat Building & Vessel Repair Forest Products Cargo Handling PLUS Public Bulk/Marine Industrial Dock Investment | Marine-Dependent Industrial Projects Niche Bulk Cargoes Marine Science & Tourism Aquaculture & Commercial Fishing Boat Building & Vessel Repair Forest Products Cargo Handling PLUS Public Bulk/Marine Industrial Dock Investment Coastal Feeder Barge Development |
| With No Public Terminal Investment | Marine-Dependent Industrial Projects Niche Bulk Cargoes Marine Science & Tourism Aquaculture & Commercial Fishing Boat Building & Vessel Repair Forest Products Cargo Handling | Marine-Dependent Industrial Projects Niche Bulk Cargoes Marine Science & Tourism Aquaculture & Commercial Fishing Boat Building & Vessel Repair Forest Products Cargo Handling PLUS Coastal Feeder Barge Development |

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The most common type of public marine terminal is a public general cargo terminal used for handling breakbulk cargoes and possibly containers carried by steamship common carriers, and breakbulk, possibly bulk and other cargoes carried by charter vessels. In this scenario, the port authority typically develops and maintains the facilities, contracts out the operation to a private terminal operator/stevedore, and jointly markets the facilities with the operator. The contract commitments by the terminal operator and customers are relatively short (1 to 3 years) resulting in fairly high business risk.

It is also possible for a port authority to participate in the development of a bulk cargo terminal. In this scenario, terminal development is deal-driven, with the port and a private party (the exporter, importer, carrier or terminal operator) jointly developing and maintaining the facilities. The port is typically responsible for preparation of the site and development/maintenance of the waterfront structures (docks or piers), while the operator often provides and maintains all of the bulk material handling facilities.

The third scenario is public investment in the waterfront facilities serving a marine-dependent industry. This is very similar to investment in a bulk cargo terminal as described above, assuming that the manufacturer/importer/exporter is involved on a long-term basis. In this case, the port prepares the site and develops and maintains the waterfront structures, and the manufacturer develops and maintains the industrial facilities.

Site Utilization Alternatives

Numerous site utilization alternatives were then evaluated to match the priority markets with the key sites in Humboldt Bay, based on detailed siting criteria developed for each market use.

Recommended Harbor Revitalization Plan

Four broad criteria were used to evaluate the alternative revitalization scenarios and associated siting options to arrive at a recommended plan. These are:

- ***Market Justification*** – Is the strategy scenario supported by the market analysis or does it contain key elements that are unsupported?
- ***Risk and Reward*** – Does the strategy assume reasonable risks commensurate with the potential benefits that can be created?
- ***Site Utilization*** – Does the plan assign the available sites in Humboldt Bay to their highest and best use, resulting in a reasonable supply of land for the various markets and considering potential environmental issues?
- ***Synergy*** – Does the overall plan utilize the available sites in a balanced, coherent and synergistic way, or does it lead to inherent conflicts within the harbor?

Recommended Strategy

Using these criteria, the scenarios involving public investment in bulk and marine-dependent industrial dock facilities are recommended. These strategies target the harbor activities most justified by the market in terms of their overall attractiveness and the Port

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of Humboldt Bay's competitiveness. Furthermore, by pursuing public investment in bulk and marine-dependent industrial dock facilities, the Harbor District, City and County can play a vital role in attracting and securing new harbor opportunities with an appropriate level of risk. Because these types of facility developments tend to be deal driven and long-term in nature, direct Harbor District participation in their development, or the application of port-issued, tax-exempt industrial development bonds, could provide a valuable service while assuming a reasonable business risk.

The scenarios that include a public general cargo terminal are not recommended because they are not supported by the market analysis and they involve an unreasonably high level of risk. Almost all of the markets that would be involved in public general cargo terminal operations were identified as unattractive in the prioritization analysis, and Humboldt Bay was found to be uncompetitive in most of them as well. The 'build it and they will come' nature of public general cargo terminals, combined with the short contract terms common in the trade, high customer leverage, and intense port competition, would result in excess capacity and a level of risk that is not commensurate with the limited market opportunity available.

As to the rail conditions, a strategy of supporting restoration of the NCRA rail line but preparing for the continuation of no rail service is recommended. The availability of rail service will no doubt enhance the marine-dependent development strategy and the two should be coupled when promoting the Port's needs with state and Federal agencies and representatives. However, there is no certainty that rail service will be funded and restored in the foreseeable future. Therefore, the Harbor District should continue to periodically explore the feasibility of coastal barge feeder services as an alternative to rail.

Recommended Site Utilization

The priority markets identified in the recommended revitalization strategies were matched with the key sites to develop a recommended site utilization plan as shown in Figure 9.

The Eureka Airport Site and Simpson-Samoa (Redwood Dock) Site are recommended for marine-dependent industrial opportunities. The public ownership aspects of these areas will ensure that the Humboldt community can market these sites for their intended use. Reconfiguration of the Simpson-Samoa (Redwood Dock) area to consolidate coastal dependent industry to the south and other uses to the north could enhance the utility of this area for marine-dependent industrial opportunities. With these two sites, Humboldt will have sufficient property to accommodate two or three major marine industrial customers over the long term.

The Dock B/Balloon Track site is recommended for consideration as a tourism/marine science cluster, possibly including a public aquarium, marine lab, cruise dock, Naval vessel museum and related activities. This location has the advantage of synergy with existing tourism features in Humboldt, including the Old Town area and waterfront boardwalk, which are within walking distance. With proper land use protection, the fisherman's work area would also add maritime ambience for tourists. Development of

the Halvorsen/City site at the east end of this downtown waterfront strip could compliment the Dock B/Balloon track development, with the two acting as book ends or anchor tenants in a lively people-oriented waterfront district. The site could also be served by a rail trolley connecting the attractions in the district, a water taxi to Woodley Island and Samoa, and the terminus of a short line excursion railroad as discussed in the *Long Term Financial Feasibility of the Northwestern Pacific Railroad*. Until feasibility and master planning are addressed, the Dock B and Balloon Track parcels should be considered together as a single potential site for this use.

Figure 9 – Summary of Recommended Sites for the Priority Markets

| Marine Use | Recommended Sites |
|---|--|
| Marine-Dependent Industrial Opportunities | Eureka Airport Property Simpson-Samoa (Redwood Dock) Site |
| Bulk Aggregates/Rock | Fields Landing Terminal (southern origin) Samoa-Pacific Pulp Mill Dock (northern origin) |
| Liquid Bulks | Samoa-Pacific Pulp Mill Dock Simpson Property/Fairhaven Terminal |
| Marine Science/Tourism | Dock B/Balloon Track Property |
| Aquaculture Facility | Fields Landing Small-Parcel Site (current needs) Parcel 4 (long term growth) |
| Boat Building & Vessel Repair | Fields Landing Terminal (public site) Schneider Property (private site) |
| Fisherman's Work Area | Commercial Street/C Street Dock |
| Coastal Lumber Barge Service | Eureka Forest Products/Sierra Pacific (open storage) Fairhaven Terminal (covered storage) |
| Rail-on-Barge Service | Fields Landing Terminal Humboldt Bay Forest Products Schneider Dock |
| Forest Products Cargo Handling | Eureka Forest/Sierra Pacific (chips, logs lumber) Fairhaven Terminal (pulp, plywood, veneer) Humboldt Bay Forest Products (logs, lumber) Samoa-Pacific Chip Export dock (chips) |

For aquaculture development, the Fields Landing Small Parcel Site (Vita Sea Corp.) was found to be most suitable for meeting current needs, based on its location, size and existing infrastructure. It also has the advantage over the Samoa Peninsula Small Parcel Site of being located away from potential deep draft vessel traffic. For long-term needs, if expansion and related aquaculture support and research facilities are pursued, Parcel 4 is recommended because of its larger size.

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Humboldt Bay Vision

The recommended Harbor Revitalization Plan results in a vision for Humboldt Bay incorporating several interrelated elements:

- People-oriented activities to the north and industry to the south, on both the Eureka side of the harbor and the Samoa Peninsula side, considering the Samoa township development;
- Large-parcel marine-dependent industrial development on Samoa Peninsula south of the Samoa township;
- Niche dry and liquid bulk cargoes on Samoa Peninsula and at Fields Landing Terminal.
- Potential public-private development of marine-dependent industrial and bulk docks;
- Long-term focus on downtown waterfront tourism and marine science with the Dock B/Balloon Track development;
- Permanent homes for aquaculture and commercial fishing work areas; and
- Active development of coastal barge feeders at private terminals as market conditions warrant.

Implementation Plan

A detailed implementation plan is provided, which emphasizes steps to improve site readiness and intensify marketing. These steps include recommended actions in the areas of site planning, zoning, utilities, transportation infrastructure, follow-up study work, government relations, property negotiations, and other issues. The following key issues relating to site readiness, feasibility and marketing are addressed in the implementation plan:

- Removal of the airport use deed restriction on the Eureka Airport Site in order to ready that location for marine industrial, and a plan for reconfiguration of the site, addressing relocation of New Navy Base Road and environmental issues.
- Resolution of potential ownership, zoning and use conflicts at the Simpson-Samoa (Redwood Dock) Site in order to achieve the optimum configuration for marine-dependent industrial opportunities.
- Conceptual facility planning, environmental evaluation, cost estimates and a business plan for Fields Landing Terminal to address exclusive-use or common-user aggregate handling as soon as an initial user is ready to move to the site selection stage.
- A more detailed market analysis, feasibility study, master plan and business plan for the development of a tourism and marine science cluster the Dock B/Balloon Track area.
- Monitoring and assessment of the feasibility for coastal feeder barge service as market conditions evolve.

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- Finalization of site selection for a common use aquaculture facility and continued development of the commercial fisherman's work area.
- A dedicated harbor marketing function within the Harbor District, City and/or County that will act as a single focal point to proactively identify and pursue opportunities for which Humboldt Bay is competitive.
- Incorporation of the Harbor Revitalization Plan recommendations into the appropriate comprehensive or general land use plans to ensure ease of local permitting when opportunities arise.
- Programmatic CEQA reviews when the Revitalization Plan's conclusions and recommendations are incorporated into action plans that establish commitments to carry out the Plan.

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Harbor Revitalization Technical Advisory Committee

Humboldt Bay Harbor, Recreation and Conservation District

David Hull, Chief Executive Officer, Project Manager

Ron Fritzsche, Commissioner

Dennis Hunter, Commissioner

City of Eureka

David Tyson, City Manager

Jack McKellar, Councilmember

Virginia Bass Jackson, Councilmember

County of Humboldt

Kirk Girard, Director of Community Services

Bonnie Neely, Supervisor

Jimmy Smith, Supervisor

Humboldt County Association of Governments

Spencer Clifton, Executive Director

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P.O. Box 1032
Eureka, California 95502
Phone 707-499-0901 Fax 707-442-8499

EXHIBIT NO. 14

LCP AMENDMENT NO.

EUR-MAJ-2-05

EUREKA LCP AMENDMENT

**PROPERTY OWNER'S
CORRESPONDENCE (1 of 12)**

March 31, 2006

Mr. Bob Merrill
Northcoast Director
California Coastal Commission
710 E Street
Eureka, California 95501

RECEIVED

APR 03 2006

CALIFORNIA
COASTAL COMMISSION

Re: City of Eureka
Truesdale LCP Amendment

Dear Mr. Merrill:

This letter is being submitted to add information regarding the above captioned LCP Amendment affecting three properties at 1807, 1809 Truesdale Street, APN's 007-081-018, -020, and -026. The Amendment would change the general plan map for the three properties from Coastal Dependant Industrial (CDI) to General Service Commercial (GSC) and the IP amendment would change the zoning map designation from General Industrial (MG) to Service Commercial (CS). This property is 2.1 acres and is bordered on the east by the existing Bayshore Inn, on the south by a vacant parcel next to a Mobile Home Park, on the west by railroad tracks, the City of Eureka Sewer Pump Station and shallow tidelands. To the north across Truesdale Street is the Bayshore Mall. The information listed below is intended to show that there is more than sufficient property available for Coastal Dependant Industrial uses.

The City of Eureka's Agenda Review Document (**Exhibit A**) dated December 6, 2005 outlines properties in the Eureka area that are available for Coastal Dependant Use. Two properties are owned by the Redevelopment Agency and have been marketed for Coastal Dependant use for two decades without viable proposals being received. The City's Westside Industrial Study of December 2, 1993 outlines 71 acres of land that were classified as vacant, approximately 27 acres owned by the City of Eureka and 44 acres owned by the Northwestern Pacific Railroad and Southern Pacific Other properties in the Westside area are significantly underutilized and available for use such as the 14 acre parcel at the foot of Del Norte Streets. Also, the City of Eureka has significant acreage on the Samoa Peninsula that has been proposed for various Industrial uses.

Humboldt Bay Management Plan

Currently, the Humboldt Bay Harbor Recreation & Conservation District is conducting a Humboldt Bay Management Plan study. The District has recently released the Draft Plan

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for public and agency review. Within this Draft Plan are studies outlining the amount of land available for Coastal Dependant Industrial Use as follows:

Section 2.2.2 Shoreline and Related Improvements (Exhibit B)

Page 2-5. " Approximately 15 percent of Humboldt Bay's Shoreline is devoted to port-related marine uses and activities. (Strategic Plan 2002) Currently, approximately 4,873 linear feet of dock space is available in Humboldt Bay, divided among several industries as discussed further below. Storage is available for covered and uncovered cargo and liquid bulk; according to the City of Eureka, more dockside storage is being planned to support existing uses (City of Eureka, "City Plan" website).

"Adjacent to Humboldt Bay shipping channels are five operating terminals serving ocean-going dry-cargo vessels, and one oil dock. There are several other inactive terminals. The locations of these facilities are shown in Figure 2.1 (enclosed). Three of the six active cargo docks are located on the Eureka waterfront, two are located on the Samoa Peninsula, and one is located at Fields Landing "

Section 2.2.3 Key Coastal-Dependant Sites (Exhibit C)

Page 2-6. "Currently, as described in more detail in the Harbor Revitalization Plan, there are a number of "key" sites and facilities for coastal-dependant industries and port-related commerce. Sixteen key sites were identified, consisting of six sites with active cargo terminals, five sites with inactive cargo terminals, and five other industrial or commercial public sites. (Table 2-1)"

Page 2-7 " Several of the key sites with inactive cargo terminals are in public ownership by the City of Eureka (Dock B waterfront parcels) or by the Harbor District (Redwood Dock waterfront parcels and Fields Landing Terminal waterfront parcels; the latter site does include an active boat repair facility and yard). All "inactive" sites are zoned appropriately for coastal-dependant or industrial uses. Dock B/Balloon Track, Fields Landing Terminal, and the Redwood Dock are designated as Foreign Trade Zones; the others could be eligible to receive that designation. All sites are located on, or have access to, the Northwestern Pacific Railroad line".

Table 2-1, Page 2-7 (Exhibit D) Sites with Inactive Cargo Terminals and parcels that have Industrial/Coastal potential that are in the City of Eureka include:

1. Dock B/ Balloon Tract
2. Phillips Petroleum
3. Parcel 4 (City of Eureka)
4. Eureka Airport Property

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Port of Humboldt Underutilized Port Properties 2006 Map (Exhibit E)

City of Eureka

| | | | |
|------------------------------|---|------------------|-----------|
| 1. Dock B | = | 8 acres | |
| 2. Schneider Dock | = | 28 acres | |
| 3. Eureka Forest Products | = | 19 acres | |
| 4. Preston Properties | = | 17 acres | |
| 5. Parcel 4 (City of Eureka) | = | 15 acres | |
| 6. Eureka Airport (Samoa) | = | <u>359 acres</u> | |
| Total | | | 446 acres |

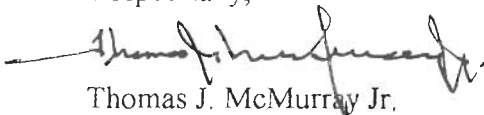
Other Underutilized Humboldt Bay Port Properties

| | | | |
|---------------------------------|---|-----------|------------------|
| 1. Humboldt Bay Forest Products | = | 113 acres | |
| 2. Fields Landing Terminal | = | 30 acres | |
| 3. Redwood Dock | = | 80 acres | |
| 4. Samoa Pacific Group | = | 139 acres | |
| 5. Simpson Samoa | = | 43 acres | |
| 6. Fairhaven Business Park | = | 288 acres | |
| Total | | | <u>693 acres</u> |

Total of All Humboldt Bay Underutilized Port Properties = 1139 acres

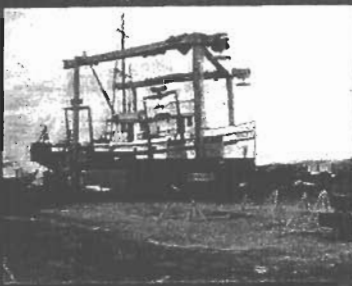
In conclusion, it appears that there is more than adequate property available on Humboldt Bay for Coastal Dependant Industrial use. In fact, many of the properties that are already developed for that use are underutilized. Also, the Truesdale properties covered by the proposed LCP amendment are not mentioned as part of the Humboldt Bay study for Coastal Dependant use. Thank you for the opportunity to submit this information

Respectfully,


Thomas J. McMurray Jr.

TJM/tjm

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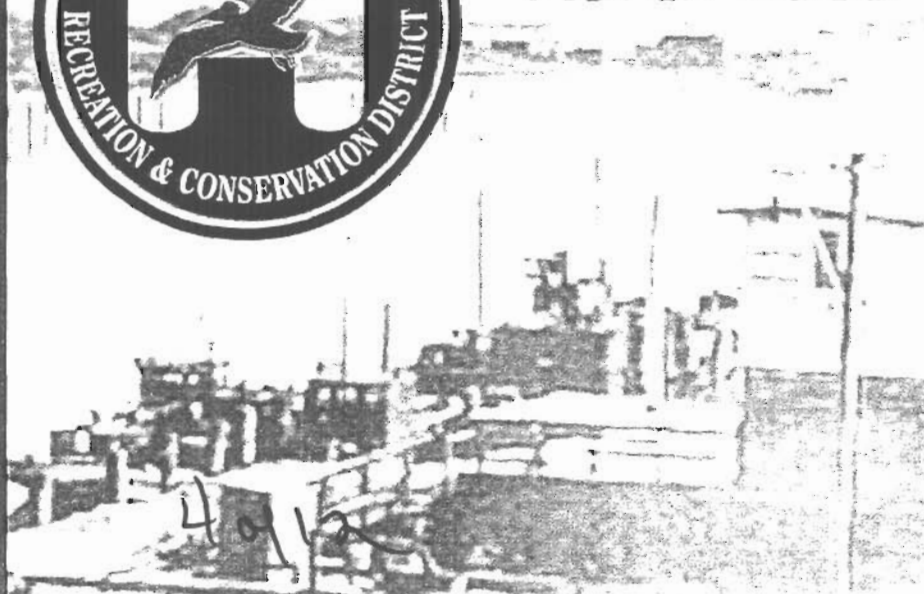
Humboldt Bay Management Plan



PART I THE PLAN



DRAFT
March 2005



City of Eureka ~ City Council
AGENDA REVIEW

RE: Truesdale LCP Amendment, 1807 & 1809
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facilities which require ocean intake-outfalls and pipelines, fish waste processing plans, ice and cold storage facilities, fishing piers, boat launching and berthing facilities access support facilities, and warehouses.

As stated above, the purpose of the Coastal Dependent Industrial (CDI) LUP designation is to protect and reserve parcels on, or adjacent to, the Bay for coastal dependent and coastal related uses. The subject properties are not on or adjacent to Humboldt Bay and have never been developed with coastal dependent industrial uses. In actual fact, because of the subject properties lack of coastal access it is extremely unlikely that any coastal dependent industrial use could ever be developed on the properties. The historic uses of the subject properties include: 1963-1978 Tri State Equipment Company -Equipment Sales; 1978-1999 NCI Industries, KC Mechanical- Heating and Sheet Metal Companies-Metal Fabrication; 1999-Present, the properties are primarily vacant except for Redwood Coast Cellular and Century RV Center, both established in about 1994.

Consistent with Chapter 3 of the Coastal Act, there are alternative locations within city limits for development of coastal dependent industrial uses; in fact, two such parcels are owned by the Eureka Redevelopment Agency and have been marketed for coastal dependent industrial developments for over a decade with no viable proposals being received. The two Redevelopment Agency owned CDI LUP designated properties are located in the heart of the city's Westside Industrial Area and as such have a greater chance/opportunity of development by industrial users. However, unfortunately, due the declining economy of Humboldt County, in large part because of the loss of most of the timber industry and the reduction in the commercial fishing industry, the demand for coastal dependent industrial properties is incredible low, to the point of being virtually non-existent.

The subject properties on Truesdale are not located in close proximity to other industrial uses; rather they are located in an area of growing commercial retail and service uses. Development of the subject properties with coastal dependent industrial uses could adversely affect the public welfare by introducing into this growing commercial retail/service area incompatible impacts and hazards such as odor, fumes, dust, smoke, noise, vibration, illumination, glare, unsightliness, or heavy truck traffic.

The City of Eureka Local Coastal Plan focuses on industrial development in the Westside Industrial Area. In the Westside Industrial Area Study of December 2, 1993, "71 acres of land were classified as vacant, approximately 27 acres (38 percent) are owned by the City of Eureka and 44 acres (62 percent) are owned by Northwestern Pacific Railroad and Southern Pacific Railroad. In addition to land classified as vacant, there are also several properties in the Westside Industrial Area that are significantly underutilized. For example, only about a quarter of the 14-acre parcel at the end of Del Norte Street is currently developed."

Since the LCP was adopted, development has taken place in the Westside Industrial Area. Projects that have been developed have been a combination of industrial, coastal dependant and commercial uses. Although not in the city limits, the City of Eureka has significant acreage on Samoa that has been proposed for various industrial developments. Also on the Samoa Peninsula is land owned by Simpson Timber located in the Coastal Zone, with deep water access that will be available for large-scale coastal dependent industrial development. In the same general area is property, formerly occupied by Louisiana Pacific, which

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may also be available for coastal dependant uses.

Conclusion

Based on the discussion above, the amendment of the LUP map designation for the three subject properties from Coastal Dependent Industrial to General Service Commercial is consistent with Chapter 3 of the Coastal Act.

IMPLEMENTATION PLAN, ADEQUACY TO CARRY OUT THE POLICIES OF THE LUP

The standard of review for the proposed amendment to the City of Eureka's Implementation Plan map (i.e., zone reclassification) is whether the map amendment conforms with and is adequate to carry out the certified Land Use Plan (LUP), as amended herein. As stated above, the City of Eureka's certified LUP is combined with the citywide General Plan.

The zoning ordinances and zoning district map must conform with and be adequate to carry out the policies, objectives, principles, standards and plan proposals set forth in the land use plan. The scope of measures contained in the zoning ordinance and/or district maps extend to the authority granted to the City by the planning laws of California, including Government Code Section 65850-65862 and 65910-65912.

The Policy Document of the General Plan contains explicit statements of goals, policies, standards, implementation programs, and quantified objectives that constitute the formal policy of the City of Eureka for land use, development, and environmental quality. The Policy Document is divided into eight sections: Land Use and Community Design; Housing; Transportation and Circulation; Public Facilities and Services; Recreational and Cultural Resources; Natural Resources; Health and Safety; Administration & Implementation.

Land Use and Community Design

LUP PROVISIONS

1.A.4 To promote the public safety, health, and welfare, and to protect private and public property, to assure the long-term productivity and economic vitality of coastal resources, and to conserve and restore the natural environment, the City shall protect the ecological balance of the coastal zone and prevent its deterioration and destruction.

1.A.5 Within the coastal zone, the City shall ensure that coastal-dependent developments have priority over other developments on or near the shoreline. Except as provided elsewhere in this General Plan, coastal-dependent development shall not be sited in a wetland. Coastal-related developments shall generally be accommodated proximate to the coastal-dependent uses they support.

1.A.6 The City shall continue to work with the Humboldt Bay Harbor, Recreation, and Conservation District to implement the projects described in the City's *Eureka Waterfront Revitalization Program* and listed below:

a. Establishment of a comprehensive wetland management program that includes all of Eureka's restored and natural wetland areas.

"Even with present improvements, mariners are still advised to use extreme caution on the bar and, because strong currents may be encountered, when approaching the abrupt turn at the outer end of the S[outh] jetty. The bar is smoothest during the last of the flood current, and it is often passable at this time and impassable 2 hours later, when the ebb current has set in. Mariners are advised to contact Coast Guard Station Humboldt Bay on VHF-FM channel 16 or 22A prior to transitting the bar. Caution should also be exercised inside the jetties due to the rapid change in the channel conditions. Deep-draft vessels are usually taken in and out of the bay at high tide if there is any swell on the bar because of the shoaling in the entrance channel."

The Bar and Entrance Channels extend from the open ocean, between the jetties that form the entrance to the Bay, to a turning basin at the head of Entrance Bay. The Bar Channel extends seaward from the Entrance Channel and is maintained at a depth of 48 feet; it is approximately 2,300 feet in length, and is 1,600 feet wide at the seaward end and 700 feet wide at the jetties. The Entrance Channel extends between the two jetties and is maintained at a depth of 48 feet. It is approximately 9,000 feet in length, and 500 feet wide.

The North Bay Channel, which has a width of 400 feet and depth of 38 feet, extends north from the entrance turn for a distance of approximately 18,500 feet, where it branches into the Eureka Channel and the Samoa Channel. The easterly fork is the 400-foot wide Eureka Channel, which serves the Eureka waterfront and consists of two segments: a 3,000-foot length at a depth of 35 feet and a 6,700-foot Inner Reach at a depth of 26 feet. The westerly fork, the Samoa Channel, which serves the industries on the Samoa Peninsula, is approximately 8,000 feet long, 400 feet wide, and 35 feet deep and ends at a turning basin. The Fields Landing Channel (or Hookton Channel), which serves Fields Landing and King Salmon, extends in a southeast direction from the Bay entrance; this channel is approximately 12,000 feet long, 300 feet wide, and 26 feet deep, and also ends at a turning basin.

2.2.2 SHORELINE AND RELATED IMPROVEMENTS

Approximately 15 percent of Humboldt Bay's shoreline is devoted to port-related, marine uses and activities (Strategic Plan 2002). Currently, approximately 4,873 linear feet of dock space available in Humboldt Bay, divided among several industries, as discussed further below. Storage is available for covered and uncovered cargo and liquid bulk; according to the City of Eureka, more dockside storage is being planned to support existing uses (City of Eureka, "City Plan" website).

Adjacent to Humboldt Bay shipping channels are five operating terminals serving ocean-going dry-cargo vessels, and one oil dock. There are several other inactive terminals. The locations of these facilities are shown in Figure 2-1. Three of the six active cargo docks are located on the Eureka waterfront, two are located on the Samoa Peninsula, and one is located at Fields Landing. The Samoa docks are used principally by pulp mill

activities on the Samoa Peninsula. The Eureka waterfront docks are used primarily for commercial shipping (wood products and refined petroleum products), and occasionally by U.S. Coast Guard vessels, cruise ships, other passenger vessels, environmental vessels, and U.S. Navy vessels calling on Humboldt Bay. The Humboldt Bay Forest Products dock in Fields Landing is used chiefly for log exports (Revitalization Plan 2003; HCAOG 2004). Approximately 164 ships and barges entered the Port of Humboldt in 2004. Key coastal-dependent industrial facilities are discussed further in the next subsection.

Among the necessary harbor-related activities for the Harbor District and other users of waterfront areas are activities related to shoreline maintenance and dock, pier, and pilings repair, replacement, or removal. The City of Eureka, for example, has for many years conducted a variety of waterfront improvement projects, including projects to remove derelict piers, wharves, and docks and, in some cases, replace these structures with improvements aimed at revitalizing the historic Old Town area.³

2.2.3 KEY COASTAL-DEPENDENT SITES

A number of waterfront areas around Humboldt Bay have a history of industrial use, particularly in parts of the Bay that are adjacent to the deep water channels on the waterfront side and adjacent to the railroad line (or a spur) on the upland side. Designation of coastal-dependent industrial sites is a function of local governments – the City of Eureka and the County of Humboldt – under their required General Plans and Local Coastal Plans, which are prepared through processes that involve public participation and environmental review, and are typically implemented through zoning regulations and use permits. Like all forms of land use, coastal industrial uses change over time, in response to market conditions, land use and environmental requirements, and other factors; however, the designations in local, adopted planning documents continue to prescribe coastal-dependent land uses for many industrially suitable locations on the Bay.

Currently, as described in more detail in the Harbor Revitalization Plan, there are a number of “key” sites and facilities for coastal-dependent industries and port-related commerce. Sixteen key sites were identified, consisting of six sites with active cargo terminals, five sites with inactive cargo terminals, and five other industrial or commercial public sites (Table 2-1).

³ See, for example, the project (approved by the California Coastal Commission and the Harbor District in 2000) to demolish dock and wharf structures and construct a 1,600-foot long public pedestrian boardwalk and dock complex along the City's waterfront between C Street and F Street [<http://www.coastal.ca.gov/eureka/1-99-077.pdf>].

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Table 2-1. Key Coastal-Dependent Sites, Humboldt Bay.

| Sites with Active Cargo Terminals | Sites with Inactive Cargo Terminals | Other Industrial, Commercial, and Public Sites |
|--|--|---|
| <ul style="list-style-type: none">• Schneider Dock• Eureka Forest Products (Sierra Pacific)/Preston Properties• Chevron Terminal• Humboldt Bay Forest Products• Simpson Samoa Chip Export Dock• Simpson Property/Fairhaven Terminal | <ul style="list-style-type: none">• Dock B/Balloon Track• Phillips Petroleum (formerly Tosco)• Fields Landing Terminal Area• Redwood Dock Site• Pulp Mill Dock | <ul style="list-style-type: none">• Halvorsen/City of Eureka Sites• Humboldt State University Boating Instruction and Safety Center• Commercial Street/C Street Docks• Parcel 4 (City of Eureka)• Eureka Airport Property |

(Source: Modified from the *Port of Humboldt Bay Harbor Revitalization Plan*, 2003)

The key sites with active cargo terminals are virtually all in private ownership; most, with the exception of Humboldt Bay Forest Products on the Fields Landing Channel, are located on the North Bay Channel. All sites are zoned appropriately for coastal-dependent or industrial uses. One site, Humboldt Bay Forest Products, is designated as a Foreign Trade Zone;⁴ the others could be eligible to receive that designation. All sites are located on, or have access to, the Northwestern Pacific Railroad line or spur.

Several of the key sites with inactive cargo terminals are in public ownership by the City of Eureka (Dock B waterfront parcels) or by the Harbor District (Redwood Dock waterfront parcels and Fields Landing Terminal waterfront parcels; the latter site does include an active boat repair facility and yard). All "inactive" sites are zoned appropriately for coastal-dependent or industrial uses. Dock B/Balloon Track, Fields Landing Terminal, and Redwood Dock are designated as a Foreign Trade Zones; the others could be eligible to receive that designation. All sites are located on, or have access to, the Northwestern Pacific Railroad line.

The "other" category of key sites is a set of miscellaneous properties that are either active or inactive; the City of Eureka owns some of all of the parcels at each site. Two sites (Humboldt State University Boating Instruction and Safety Center and Commercial Street) are located on the Inner Reach of the Eureka Channel; one site (Halvorsen/City) is located just beyond the Inner Reach; and the other two sites are located on the North Bay Channel. Of the five sites, the City Airport Property at nearly 350 acres (not

4 Foreign Trade Zones are secure areas that are physically within the United States but are considered outside the jurisdiction of U.S. Customs. Foreign Trade Zone No. 248 is sponsored by the City of Eureka, and is located on four designated sites: Site 1 – Dock B (City-owned, 7.1 acres); Site 2 – Samoa Peninsula (City-owned, 320.8 acres; Harbor District-owned, 66 acres); Site 3 – Fields Landing (privately owned, 62.3 acres; Harbor District-owned, 19 acres); and Site 4 – Eureka-Arcata Airport in McKinleyville (County of Humboldt, 50 acres).

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Port of Humboldt Bay Underutilized Port Properties* 2006



Contact David Hull
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*Acreages are appropriate

Humboldt Bay Parcel Information

| Marine Terminal Sites | APN | Land Owner | Acres | Zoning | Water | Sewer | Electric |
|------------------------------|--|--|--|--|--------|--------|----------|
| Dock B | 00306219 00306221 | EUREKA CITY OF PL EUREKA REDEVELOPMENT AGENCY Total Acres | 29 51 8 | COASTAL DEPENDENT INDUSTRIAL COASTAL DEPENDENT INDUSTRIAL | | | |
| Schneider Dock | 00306224 00306226 00306228 | PRIVATE EUREKA CITY OF PRIVATE Total Acres | 6 116 10 276 | COASTAL DEVELOPMENT COASTAL DEPENDENT INDUSTRIAL COASTAL DEPENDENT INDUSTRIAL | Y Y | Y Y | Y Y |
| Eureka Forest Products | 00308201 00308202 00308207 00308215 | EUREKA CITY OF LD PRIVATE PRIVATE PRIVATE Total Acres | 5 14.30 14 4.3 25 | COASTAL DEPENDENT INDUSTRIAL/ DEVELOPMENT WATER INDUSTRIAL COASTAL DEPENDENT INDUSTRIAL COASTAL DEPENDENT INDUSTRIAL/ DEVELOPMENT WATER | Y | Y | Y |
| Preston Properties | 00308211 00308216 | PRIVATE PRIVATE Total Acres | 17 15 16.7 | COASTAL DEPENDENT INDUSTRIAL COASTAL DEPENDENT INDUSTRIAL | Y | Y | Y |
| Parcel 4 | 00706106 00707114 | EUREKA CITY OF PL EUREKA CITY OF PL Total Acres | 41 106 147 | COASTAL DEVELOPMENT COASTAL DEVELOPMENT | Y Y | Y Y | Y Y |
| Fields Landing Terminal | 30620142 30622103 30622105 30622106 30710102 30711103 | HUMBOLDT BAY HARBOR REC & CONS DIST NORTHWESTERN PACIFIC RAILROAD CO PRIVATE NORTHWESTERN PACIFIC RAILROAD CO HUMBOLDT BAY HARBOR DIST HUMBOLDT BAY HARBOR REC & CONS DIST Total Acres | 55 19 4 11 332 141 697 | INDUSTRIAL RESIDENTIAL INDUSTRIAL INDUSTRIAL INDUSTRIAL INDUSTRIAL | Y | N | Y |
| Humboldt Bay Forest Products | 30516206 30516208 30516211 30516212 30517115 30520102 30520116 30520117 30710108 | PRIVATE PRIVATE PRIVATE PRIVATE PRIVATE PRIVATE PRIVATE PRIVATE PRIVATE Total Acres | 10.5 19 1 26.8 362 17 15.5 5.6 13.6 112.8 | COMMERCIAL COMMERCIAL COMMERCIAL COMMERCIAL INDUSTRIAL COMMERCIAL COMMERCIAL INDUSTRIAL/COASTAL-DEPENDENT INDUSTRIAL | | | |
| Redwood Dock | 40103140 40103148 40103158 40103156 40103150 | HUMBOLDT BAY HARBOR REC & CONS DIST HUMBOLDT BAY HARBOR REC & CONS DIST HUMBOLDT BAY HARBOR REC & CONS DIST HUMBOLDT BAY HARBOR REC & CONS DIST HUMBOLDT BAY HARBOR REC & CONS DIST Total Acres | 65.8 10.7 21.6 7.31 2.36 108.79 | INDUSTRIAL INDUSTRIAL INDUSTRIAL INDUSTRIAL INDUSTRIAL | Y Y | N N | Y Y |

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Humboldt Bay Parcel Information

| Marine Terminal Sites | APN | Land Owner | Acres | Zoning | Water | Sewer | Electric |
|-------------------------|--------------------------|---------------------|------------|--------------------|-------|-------|----------|
| Samoa Pacific Group | 40103143 | PRIVATE | 8.4 | INDUSTRIAL | Y | N | Y |
| | 40103159 | PRIVATE | 50.07 | INDUSTRIAL GENERAL | | | |
| | 40103160 | PRIVATE | 28.88 | INDUSTRIAL GENERAL | | | |
| | 40103161 | PRIVATE | 35.27 | INDUSTRIAL GENERAL | | | |
| | 40103155 | PRIVATE | 16.7 | | | | |
| | | Total Acres | 138.26 | | | | |
| Simpson Samoa Group | 40112204 | PRIVATE | 22.58 | INDUSTRIAL | Y | Y | Y |
| | 40112208 | | 18.36 | INDUSTRIAL | | | |
| | 40112210 | | 2.12 | INDUSTRIAL | | | |
| | | Total Acres | 43.06 | | | | |
| Fairhaven Business Park | 40112108 | PRIVATE | 40.7 | INDUSTRIAL | N | N | N |
| | 40113104 | PRIVATE | 67.5 | INDUSTRIAL | N | N | N |
| | 40116101 | PRIVATE | 3.8 | INDUSTRIAL | | | |
| | 40116201 | PRIVATE | 4.1 | INDUSTRIAL | | | |
| | 40125202 | | 11.9 | INDUSTRIAL | | | |
| | 40130105 | PRIVATE | 10.5 | INDUSTRIAL | N | N | N |
| | 40130108 | STATE OF CALIFORNIA | 7.6 | INDUSTRIAL | Y | N | Y |
| | 40130109 | PRIVATE | 145.3 | INDUSTRIAL | N | N | N |
| | 40130110 | PRIVATE | 4.3 | INDUSTRIAL | Y | N | Y |
| | 40131101 | PRIVATE | 19.8 | INDUSTRIAL | Y | N | Y |
| | 40131102 | PRIVATE | 3.9 | INDUSTRIAL | Y | N | Y |
| | 40131104 | PRIVATE | 15.5 | INDUSTRIAL | Y | N | N |
| | 40131105 | STATE OF CALIFORNIA | 7.4 | INDUSTRIAL | Y | N | N |
| | | Total Acres | 342.3 | | | | |
| Eureka Airport Site | 40114104 | EUREKA CITY OF | 315.3 | INDUSTRIAL | Y | N | Y |
| | 40114105 | EUREKA CITY OF | 30.2 | INDUSTRIAL | Y | N | Y |
| | 40115103 | EUREKA CITY OF | 149.8 | INDUSTRIAL | | | |
| | 40115107 | EUREKA CITY OF | 3.9 | Natural Resource | | | |
| | Mission Area ORV Area | | -80 -60 | | | | |
| | | Total Acres | 359.4 | | | | |

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