

Attachment 2

Draft Coastal-Dependent Industrial (CDI) Land Use Reclassifications

Background

The Coastal Act prioritizes certain land uses over other competing uses. Priority uses under the Coastal Act include visitor-serving facilities (§§30213 and 30222), recreational facilities (§§30213, 30220, 30221, 30222, 30223, 30234 and 30254), coastal-dependent uses (§§30222, 30222.5 and 30254) and agriculture (§§30212, 30222, 30241 and 30242). The City of Eureka’s LCP implements this prioritization in part through restrictive land use designations and zoning districts that reserve land for priority uses, including the Coastal Dependent Industrial (CDI) land use designation. Principally permitted uses in the CDI designation are limited to CDI uses, which by definition require a site on, or adjacent to, the Bay in order to be able to function at all, while conditional uses are limited to related uses dependent on CDI uses (See Table I).

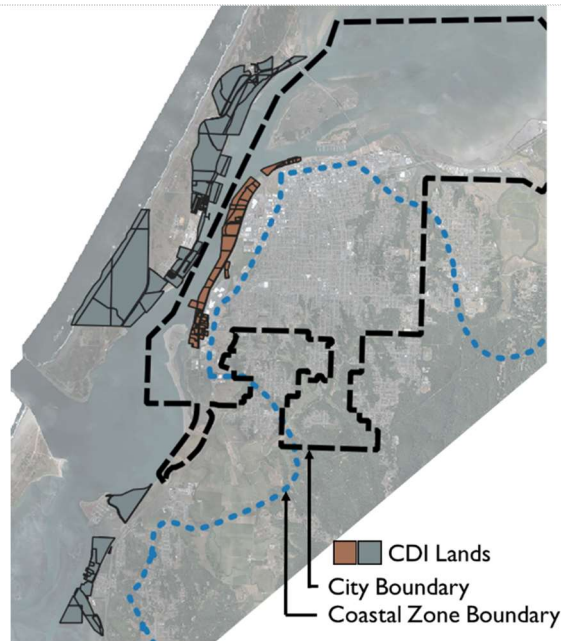
TABLE I. COASTAL DEPENDENT INDUSTRIAL (CDI) LAND USE DESIGNATION

Principal Uses	docks, waterborne carrier import and export facilities, ship building and boat repair, commercial fishing facilities, food fish processing plants, marine services, marine oil terminals, and Outer Continental Shelf service bases and offshore pipelines
Conditional Uses	oil and/or gas processing and treatment facilities serving offshore production, onshore petroleum production facilities, electrical generating or other facilities requiring ocean intake-outfall and pipelines, fish waste processing plants, ice and cold storage facilities, fishing piers, boat launching and berthing facilities, access support facilities, and warehouses serving permitted uses

Historically, two of the largest industries in the Humboldt Bay region were forest products and commercial fishing, but both of these industries have seen significant long-term declines resulting in significant vacancy of CDI lands along the Humboldt Bay shoreline. A comprehensive market study analyzing current and long-term supply and demand for CDI land on Humboldt Bay was produced in 2018.¹ According to this market analysis, Humboldt Bay currently has 1,100 acres of land zoned for coastal-dependent industry, but only 121 of these acres are currently in CDI use. The 2018 market analysis projects future demand for CDI use on Humboldt Bay to range from 120 to 492 acres, depending on the extent of offshore wind energy development in the region. The study concludes that even after accounting for the fact that projected sea level rise may impact as much as 400 acres of CDI land by 2100, there would still be a surplus of CDI land in excess of 200 acres under the highest future demand estimate.

¹ BST Associates. (2018, May 31). Humboldt Bay Maritime Industrial Use Market Study Final Report. Prepared for Humboldt County.

Figure 1: CDI Lands Around Humboldt Bay



Approach to CDI Reclassifications

The City's approach to addressing vacancy and underutilization of CDI lands is to both reclassify a portion of the City's CDI-designated lands to other land use designations, and increase flexibility of use on the remaining CDI-designated parcels. In order to receive approval from the Coastal Commission to reclassify CDI-designated parcels, the City must demonstrate (1) adequate land will continue to be reserved for CDI uses given existing and potential future CDI demand; and (2) the lands to be reclassified are the least suitable for CDI as compared to other CDI-designated properties. If a parcel is eligible for reclassification based on these two criteria, the City must first consider other priority use designations before designations such as General Commercial or General Industrial. In addition, if the area to be reclassified does not have a developable footprint outside of wetlands and other sensitive habitat, the Natural Resource land use designation (for land) or Water Conservation land use designation (for water) would be given deference by the Coastal Commission.

Existing priority use designations other than CDI include Agriculture, prioritizing agriculture; Public/Quasi-Public Woodley Island (renamed Public Facilities Marina in the proposed LUP update), prioritizing fishing industry facilities at Woodley Island; Waterfront Commercial and Core Retail Commercial (renamed Bayfront Commercial and Old Town Commercial in the proposed LUP update), both prioritizing visitor-serving commercial and recreational facilities; and Water Development, prioritizing port- and harbor-related uses within the waters of Humboldt Bay. Staff is also proposing to add two new priority use designations as part of the LUP update: Bayfront Recreation, prioritizing public access and recreation along the waterfront, and Bayfront Industrial, prioritizing CDI uses as principally permitted uses similar to the CDI land use designation, but less restrictive in terms of conditionally allowing general industrial uses.

Existing CDI Lands and Proposed Reclassifications

Within the City, there are approximately 62 APNs designated for CDI use, containing approximately 206 acres of property, of which approximately 115 acres are land and 91 acres are water. The City proposes to reclassify approximately 60% of the CDI acreage to other land use designations, retaining approximately 83 acres in the CDI land use designation.

The existing CDI parcels have been grouped into 24 sites over 5 subareas for ease of analysis. The existing CDI-designated sites and proposed reclassifications are discussed below:

Subarea I: Fishing Industrial District & Eureka MarinaGrouped into 7 Sites:

1. Fishermen's Terminal: This City-owned site includes a processing facility and dock used by several fish processors, as well as a seafood restaurant.
2. Coast Seafood: This site is in CDI use and occupied by the Coast Seafood processing plant. The landside parcel is owned by Coast Seafoods Company, while the bayside parcels are City tideland parcels with a dock.
3. Old Ice House: This site has been vacant since Eureka Ice and Cold Storage closed in 2008 and is currently owned by Eureka Surplus LLC Co.
4. Sanford: The landside parcel is owned by AHI Enterprises Inc. and the bayside parcel is a City tidelands parcel. According to Humboldt Fishermen's Marketing Association, the site is used by the owner of a fishing vessel for fishing gear storage.
5. COE Parking Lot: This City-owned site is used as a public parking lot and includes the old Coast Guard building and a portion of the Commercial Street Dock.
6. EDA Fish Plant: This City-owned site is in CDI use, with a fish processing plant currently operated by Pacific Choice, and the Commercial Street Dock.
7. Eureka Public Marina: This City-owned site includes two boat launch ramps, 150 boat mooring slips, public parking areas, fish cleaning station, public restroom, tenant shower building, waste oil disposal facility, and holding and bilge pump outs. The docks at the marina currently have a Water Development (WD) land use classification while the landside of the property is classified as CDI.
 - Proposal: Reclassify as Public/Quasi-Public (PQP). Boat launch and berthing facilities and access support facilities are only conditionally allowed under the CDI designation; with the change to PQP, the existing development at the Marina would be principally permitted.

Table 2. SUBAREA I. FISHING INDUSTRIAL & MARINA DISTRICTS

	Property	# of APNs	Acres			Proposed Land Use
			Land	Water	Total	
1	Fishman's Terminal	3	2.2	0.2	2.4	CDI
2	Coast Seafood	3	1.2	0.9	2.1	CDI
3	Old Ice House	1	1.4	-	1.4	CDI
4	Sanford	2	0.5	0.2	0.7	CDI
5	COE Parking Lot	1	1.1	0.4	1.6	CDI
6	EDA Fish Plant	2	2.0	0.1	2.1	CDI
7	Eureka Marina	2	1.7	1.1	2.8	PQP
TOTAL		14	10.1	2.9	13.1	10.3 ac retained in CDI

Figure 2: Subarea 1. Fishing Industrial District and Eureka Marina



Subarea 2: Bayfront Industrial District

This is the largest subarea with the largest CDI developed properties in contiguous private ownership, and where the last remaining waterborne cargo activities occur in Eureka.

Grouped into 6 Sites:

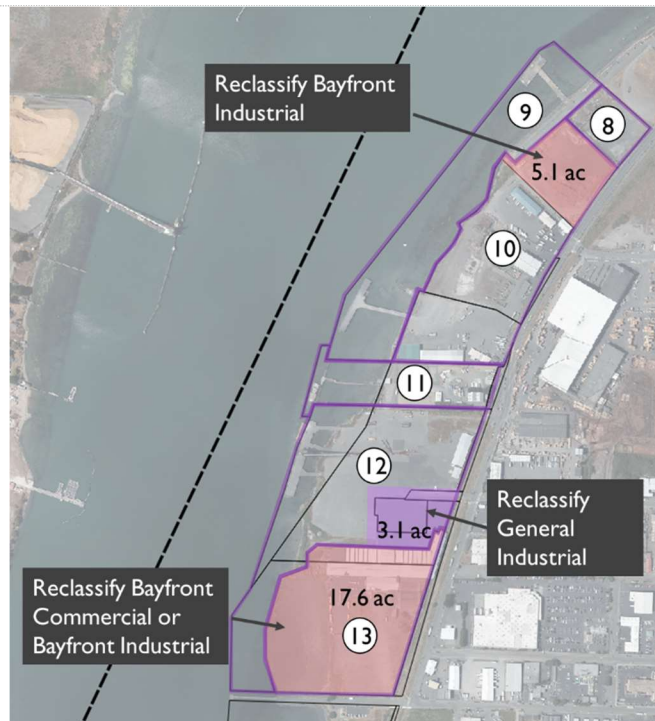
8. City-owned parcel: This City-owned parcel is vacant and located across Marina Way from the City-owned Dock B.
9. Dock B and Schneider Dock: This large, City-owned tidelands parcel includes Dock B and the Schneider Dock. Dock B is unused and in poor condition; the Schneider Dock is used for exporting logs.
10. Schneider Properties: This privately-owned site is currently in CDI use, and is where logs are handled for export via the Schneider dock.
 - Proposal: Reclassify the northern-most, 5.1-acre parcel to Bayfront Industrial (BI). The property owner wishes for the entire site to be reclassified, but such a change is not likely to be approved by the Coastal Commission, given this is a large developed site with an active dock on the deep-water channel. The northern-most parcel is the most likely to be successfully approved by the Coastal Commission for reclassification because it is separated from the bay by Marina Way and furthest from the Schneider Dock. The 2040 General Plan adopted a General Industrial (GI) designation for the site, but a designation which prioritizes Coastal Act priority uses like BI will more likely be approved by the Coastal Commission.
11. Tosco/Renner: This site was historically used for receiving and storing petroleum products, but the oil receiving equipment and tanks have been removed, and contamination has been remediated. The landside parcel is currently owned by MLRX2 LLC, while the bayside parcel is a City tidelands parcel.
12. Eureka Forest Products: This site is currently used for shipping woodchips by water but includes a lot of underutilized land.
 - Proposal: Reclassify the smaller southeastern parcel to General Industrial (GI). It's important to note the parcel configuration on Figure 3 is incorrect; the lot lines

have recently been adjusted so the southeastern capped portion of the site is all one parcel. This 3.1-acre parcel is isolated from the water and therefore would be a good prospect for reclassification.

13. **Preston Properties:** This former plywood mill site, currently owned by the Simpson Timber Company, includes a few large buildings, with some current non-CDI uses, as well as a large unused paved area. The western 5.6-acres of the site consists of shallow tidelands historically served as a log pond.
- Proposal: Reclassify as either Bayfront Commercial (BC) or Bayfront Industrial (BI). The shallow log pond makes it difficult to access the deep channel, and the deeper tidelands bayward of the log pond are part of the Eureka Forest Product's parcel. BC and BI prioritize Coastal Act priority uses and are therefore more likely to be approved by the Coastal Commission than another designation like General Industrial.

	Property	# of APNs	Acres			Proposed Land Use
			Land	Water	Total	
8	City-owned site	1	2.9	-	2.9	CDI
9	Dock B and Schneider Dock	1	1.3	16.3	17.6	CDI
10	Schneider Properties	3	21.4	-	21.4	16.3-acre CDI; 5.1-ac BI
11	Tosco/Renner	2	4.3	2.8	7.1	CDI
12	Eureka Forest Products	2	12.8	7.9	20.7	17.6-ac CDI; 3.1-ac GI
13	Preston Properties	2	12	5.6	17.6	BC or BI
TOTAL		11	54.7	32.6	87.3	61.5 ac retained in CDI

Figure 3: Subarea 2. Bayfront Commercial District



Subarea 3: Shoreline South of Del Norte St. to Chevron

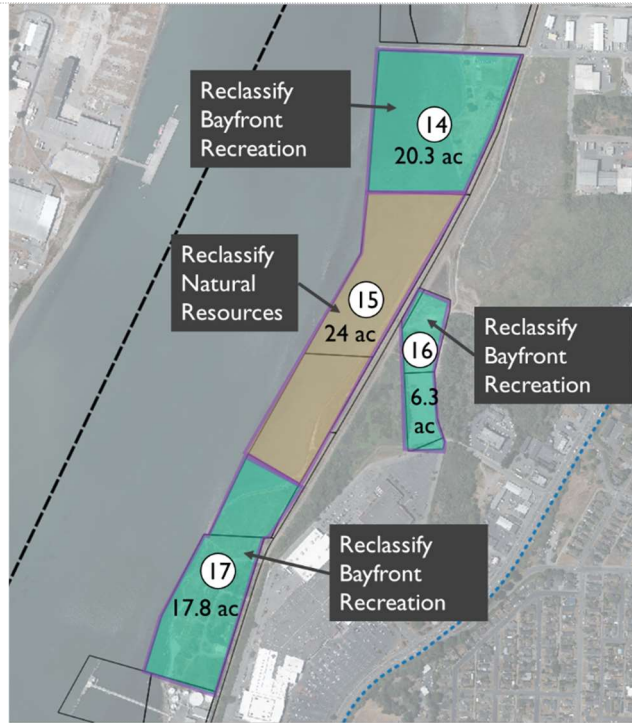
The second-largest of the subareas, Subarea 3 is completely City-owned. The majority of the property is water acreage, none of the site is currently in CDI use, and most is natural area.

Grouped into 4 Sites:

- 14. Peninsula: This City-owned parcel consists of a trailhead parking lot, public restroom, playground and dog park, along with surrounding water. It is not in CDI use, and was not historically in CDI use.
 - Proposal: Reclassify to Bayfront Recreation (BR). BR is a new designation proposed by Staff which is a more coastal-oriented version of the Public/Quasi-Public (PQP) designation, allowing less intense use than PQP, but more intense use than the Natural Resources (NR) designation.
- 15. Waterfront: This City-owned site is largely tidelands.
 - Proposal: Reclassify to Natural Resources (NR). NR is appropriate because the site is environmentally sensitive and bayward of the NR-designated Palco Marsh.
- 16. Poished Property: This City-owned site is paved and dedicated for mall overflow parking, although it largely goes unused for that purpose. This site also includes a few dedicated public access parking spaces that need to be preserved. The current vision for the site is programmed public recreation in the short-term, with remediation and wetland restoration in the longer-term.
 - Proposal: Reclassify to Bayfront Recreation (BR). BR fits the intended future uses of the site.
- 17. Parcel 4 and North: This former industrial site now contains the Eureka Waterfront Trail and a small playground. There are currently no plans to use the site other than for public recreation and restoration purposes.
 - Proposal: Reclassify to Bayfront Recreation (BR). BR fits the intended future uses of the site.

Table 4. SUBAREA 3. SHORELINE SOUTH OF DEL NORTE ST. TO CHEVRON						
	Property	# of APNs	Acres			Proposed Land Use
			Land	Water	Total	
14	Peninsula	1	5.7	14.6	20.3	BR
15	Waterfront	2	3.4	20.6	24.0	NR
16	Poished Property	3	6.3	-	6.3	BR
17	Parcel 4 and North	2	14.8	3.0	17.8	BR
TOTAL		8	30.2	38.2	68.4	0 ac retained in CDI

Figure 4: Subarea 3. Shoreline South of Del Norte St. to Chevron



Subarea 4: Chevron

Grouped into 1 site:

18. Chevron Terminal: The Chevron Eureka Terminal contains a dock and bulk fuel storage facility. The facility receives petroleum products by barge and ships them out by truck. Approximately 80% of the fuel used by the greater Eureka area is delivered via barge to the Chevron Terminal.

Table 5. SUBAREA 4. CHEVRON

	Property	# of APNs	Acres			Proposed Land Use
			Land	Water	Total	
18	Chevron Terminal	2	3.4	7.0	10.4	CDI
	TOTAL	2	3.4	7.0	10.4	10.4 ac retained in CDI

Figure 5: Subarea 4. Chevron



Subarea 5: South of Chevron

None of the properties in Subarea 5 are in CDI use.

Grouped into 6 Sites:

19. Waterfront North of Truesdale: This site consists of 3 privately owned parcels; the two northern parcels are currently owned by Kelly and Kala Martin and the southern parcel is owned by Sheryle Gierek. The parcels are mostly water; the northernmost parcel includes a building that appears to extend over tidelands. The site is not currently in CDI use.
20. Landlocked Parcels North of Truesdale: This site is located inland of Site 19 and Christie Street and includes 5 landlocked parcels under 4 separate private ownerships with several non-CDI office buildings and residences. This site was never in CDI use.
 - Proposal: Reclassify to General Commercial (GC) which allows for both offices and residences, and is consistent with the adjacent commercial designations inland of the site.
21. Water Parcels South of Truesdale: This site includes a number of water parcels, most of which are City tideland parcels except the northernmost parcel which is owned by the State of California.
 - Proposal: Reclassify to Water Development (WD). WD is appropriate because these are water parcels and the adjacent water is designated WD.
22. Truesdale South to Elk River Spit: This site is composed of a number of City-owned parcels and contains a portion of the Hikshari Trail, the associated Truesdale Trailhead Parking Lot, as well as the Truesdale Sewer Lift Station.
 - Proposal: Reclassify the water portion to Water Development (WD) and the land portion to Bayfront Recreation (BR) consistent with adjacent sites.
23. Residential Property North of HBF Training Grounds: This is a privately-owned parcel with a single-family residence adjacent to Hilfiker Lane. The parcel is separated from the shoreline by City-owned property that includes Hilfiker Lane and the Hikshari Trail.
 - Proposal: Reclassify to Mixed-Use Limited (MUL). The MUL designation is currently applied to the southern half of the Crowley site where Betty's Community Housing is being constructed, and allows for limited-intensity, limited-term residential, commercial and public facility development. The City proposes

to reclassify the entire area between Hilfiker and the railroad to MUL, including this residential parcel.

24. Hilfiker Area: This site is composed of a number of City-owned parcels and contains the Humboldt Bay Fire Training Grounds, as well as a portion of the Hikshari Trail, Hilfiker Lane, and the Hilfiker North Trailhead Parking Lot and Primitive Boat Launch.
- Proposal: Reclassify the portion of the site between Hilfiker and the railroad to Mixed-Use Limited (MUL), consistent with the Betty’s Community Housing site to the south. Reclassify the portion of the site with the Hikshari Trail and associated trailhead parking to Bayfront Recreation (BR). Reclassify the natural areas bayward of the Hikshari Trail to Natural Resources (NR), consistent with the adjacent NR-designated parcel to the south.

Table 6. SUBAREA 5. SOUTH OF CHEVRON						
	Property	# of APNs	Acres			Proposed Land Use
			Land	Water	Total	
19	Waterfront N of Truesdale	3	0.03	0.27	0.3	CDI
20	Landlocked Parcels N of Truesdale	4	0.8	-	0.8	GC
21	Water Parcels S of Truesdale	5	-	2.9	2.9	WD
22	Truesdale South to Elk River Spit	9	3.8	3.4	7.2	WD and BR
23	Residential Property N of HBF Facility	1	0.5	-	0.5	MUL
24	Hilfiker Area	5	11.6	3.3	14.9	MUL, BR, and NR
TOTAL		27	16.7	9.9	26.6	0.3 ac retained in CDI

Figure 6: Subarea 5. South of Chevron

