

4 Economic Development



4.1 INTRODUCTION

This paper describes issues and opportunities for economic growth and diversification in the City of Eureka. Current and projected economic conditions are a primary guiding force behind the City’s ongoing General Plan Update process. The items identified here, and in other such policy papers produced during the General Plan Update, will have a lasting influence on the City’s policy framework and land use plan through 2040 and beyond. The first section of this paper identifies key issues and opportunities facing the City, and explores their implications for long-term economic growth. The second section outlines a menu of policy alternatives for each major topic identified in the prior section. The final section discusses the recommended alternatives, which are identified with the goal of maximizing economic returns and community benefits, based on an analysis of the City’s competitive position within Humboldt County and the greater North Coast region.

4.2 ISSUES AND OPPORTUNITIES

The items described below include those identified in the General Plan update Background Report, as well as those discussed by the General Plan Update Economic Development Focus Group and City’s Economic Development Strategic Plan Ad Hoc Committee. Additional information was also collected through conversations with City staff and interviews with key community stakeholders.

Industrial Development

Eureka’s industrial land uses include a variety of development types, but were historically focused on a combination of resource-based activities, included timber processing, commercial fishing, and related activities. Access to the Port of Humboldt Bay provided a convenient and cost effective method for transporting commodities from the relatively isolated North Coast, to larger markets throughout the world. In more recent decades, most of the resource-based industries have experienced a period of decline, with significant contractions in both production volume and local employment. The results of this economic



readjustment include a significant reduction in the availability of higher wage industrial employment opportunities, as well as the underutilization of industrial land and associated facilities in the City of Eureka and surrounding areas. Despite this, the industrial sector continues to play an important role in the community's identity, and generates a significant amount of income, on a regional basis, through the ongoing export of durable and non-durable goods, such as timber, fish products, and assorted manufactured goods.

Timber Harvesting and Processing

The timber industry has played a defining role in Eureka's industrial history and is clearly visible in the existing land use patterns prevalent throughout Eureka and surrounding areas. However, the industry has undergone a considerable economic contraction in recent decades, resulting in a significant reduction in regional demand for industrial land. For example, in 1977, the Humboldt County timber industry produced an estimated 903 million board-feet (MMBF) of timber. As of 2012, this had fallen to 221 MMBF. In addition to the loss of production volume, the industry has shifted away from the production of milled lumber and pulp, toward the shipment of raw uncut logs. These two influences, combined with more stringent environmental regulation and enforcement, have resulted in the closure, or relocation, of a many of the lumber and pulp mills that once operated in, or near, Eureka.

Most of the industrial activity associated with the timber industry is concentrated along Railroad Avenue and West Waterfront Drive, between Del Norte Street and Washington Street in the City. This area includes mill facilities and storage yards, including Schmidbauer Lumber, among others. Most of the properties in this area have direct access to dock facilities and the deep water channel. Adjacent land uses in the area include assorted industrial and light industrial properties, as well as regional retail establishments and commercial properties. The area features a large amount of underutilized land, much of which was historically used for log storage, or other timber-related activities. In addition to sites located along the Eureka waterfront, the California Redwood Company, a subsidiary of the Green Diamond Resource Company, recently ceased operation of the Brainard remanufacturing plant along Highway 101, just north of the Murray Field Airport. Although the site is technically located outside of the established City limits, its proximity makes it a candidate for possible annexation.

The Samoa Peninsula, located across Humboldt Bay from the City of Eureka, once hosted two large pulp mills. Among the reasons cited for the closure of the Simpson Paper Company and the Louisiana-Pacific pulp mills include a series of lawsuits associated with environmental contamination and the institution of more stringent federal and state forestry policies that reduced the availability of necessary feed stocks (e.g. wood chips). Although both sites have changed ownership, including attempts to restart the facilities, both pulp mills have permanently ceased operations, leaving behind a substantial inventory of vacant and underutilized land. Although burdened with substantial challenges associated with the remediation of existing environmental contamination, the sites offer existing water supply infrastructure, as well as dock facilities and access to the deep water channel, which make the sites strong candidates for long-term industrial redevelopment.

Coastal-Dependent Industrial Activity

As the largest protected body of water between the San Francisco Bay and the Puget Sound, Humboldt Bay represents a natural point of concentration for coastal-dependent industrial activities. Given the intensity and historic significance of timber operations in the North Coast region, the Port of Humboldt Bay has historically specialized in the shipment of timber products, ranging from wood pulp, to cut boards, and uncut logs. The port also functions as the primary depot for petroleum products and general cargo shipments destined for locations throughout the region. It also occasionally functions as a destination for commercial cruise ships. In addition to serving as a center for goods movement, the Port of Humboldt Bay hosts a commercial fishing fleet and aquaculture industry focused on oyster production, as well as seafood processing and distribution facilities.

Despite this broad array of maritime activities, decades of decline in the timber and fishing industries have greatly reduced the volume of activity taking place at the Port of Humboldt Bay. With continued declines in port activity, some question whether the traffic will be sufficient in the future to justify the expense of dredging the channel and employing pilots to guide ships into harbor. With the loss of many of its major users (e.g., the pulp mills), the Humboldt Bay Harbor, Recreation, and Conservation District (HBHRCD) is already experiencing financial hardship, making the continued maintenance of port infrastructure and the dredging of the deep water channel topics of utmost concern to many area residents and policy makers.

COMMERCIAL FISHING AND AQUACULTURE

Non-tribal commercial fishing began in the Humboldt Bay area following the establishment of the first commercial harbor in the mid-1800s. By the 1970s, more than half of the seafood consumed in California originated from the greater Humboldt Bay area. However, since that time, concerns over the long-term sustainability of coastal salmon and ground fish populations prompted California legislators, in cooperation with the Pacific Fishery Management Council, to implement increasingly stringent management policies for the commercial and recreational fishing. Average prices, per pound landed, have remained relatively flat over the long-term, but fluctuate considerably among the various fisheries. Meanwhile, the commercial fishing fleet faces rising costs, particularly for fuel and insurance, and increased competition from fishing fleets based in other areas. As a result of these combined influences, the local industry has sustained significant declines, with total landings decreasing from nearly 40 million pounds in the early 1980s, to 35.6 million pounds in 2013. The number of boats with landings in the Eureka area (primarily Eureka and Fields landing) has also decreased dramatically, from a high of 858 in the early 1980s, to a low of 118 as of the mid-2000s.

In addition to declines in overall fishing activity, the industry struggles with aging infrastructure and the closure of important support businesses, such as Eureka Ice and Cold Storage, in 2008. Infrastructure supporting the commercial and recreational fishing industries includes an assortment of unloading facilities (including docks, piers, and boat slips), parking and storage areas, launch ramps, fish cleaning stations, fuel docks, and work docks, among other features. These are primarily located at the Woodley Island Marina, although some additional facilities are also available along the Eureka waterfront and at Fields Landing. The primary berthing facilities include 237 slips at the Woodley Island Marina, which is managed by the HBHRCD. Additional berthing is available at the city-managed Boat Basin, located near the Wharfinger Building. Some limited berthing is available at docks along the Eureka waterfront, as well as at Fields Landing and King Salmon.

Along with contractions in total fish landings, the area has seen a contraction in the number of receivers and processors, as well as other support service providers (e.g. marine supply, boat maintenance and repair facilities, ice plants, cold storage facilities, etc.). While consolidation among support providers suggests increased efficiency, it may also make the industry more vulnerable to future regulatory and economic stress. Despite the loss of a number of important service providers and infrastructure components, important steps have been taken to ensure continued availability of important services and infrastructure. For example, the City of Eureka completed construction of the \$3.2 million Fisherman's Terminal in 2011. The facility took 15 years to construct and is designed to accommodate seafood processing, loading docks, a market space, and a café. While the facility is occupied by a number of users, including Coast Seafoods and Wild Planet, the City recently completed the recruitment of an operator for the market and café space. Although only at a preliminary stage, the City of Eureka is currently pursuing a feasibility study to assess the viability of a replacement cold storage facility. According to the Fisherman's Marketing Association, cold storage represents an important infrastructure component, since it facilitates more efficient goods movement by allowing the temporary storage of fresh fish, so that distributors can accumulate sufficient product to arrange for shipments that take a full shipping container at a time.



MERCHANT SHIPPING AND THE CRUISE INDUSTRY

Since its establishment, the Port of Humboldt Bay has been primarily export-oriented, with a clear specialization in the handling of assorted timber products, such as pulp, lumber, and logs. With the decline of the timber industry, and the loss of many of the region's lumber and pulp mills, the volume of cargo flowing through the Port of Humboldt Bay has decreased dramatically. For example, the volume of cargo that passed through the port in 2013 was equal to only five percent of the 1995 volume. Similarly, 2010 was the last year in which the port handled general cargo, 2009 was the last year the port handled containers, and 2007 was the last year that the port handled bulk cargo. Today, the port continues to handle some cut lumber, although much of the activity has transitioned to uncut logs. The port also ships some fish products, and acts as the depot for the region's oil deliveries, which arrive via barge, rather than by truck.

The general trend in port activity across northern California suggests that the Port of Humboldt Bay is experiencing trends that are contrary to the larger region. For example, northern California ports, as a group, increased in their assessable tonnage by roughly 50 percent since 1995. This increase in tonnage is primarily explained by increased trade with a variety of Pacific Rim countries, which is primarily characterized by the import of products for distribution to throughout the broader U.S. marketplace. Due to the relatively small size of the local market area, combined with limited transportation access from Eureka to other west coast markets, the Port of Humboldt Bay struggles to compete with other West Coast locations as a port of entry for imported goods. Given projected that long-term population growth in Eureka and the surrounding region remains relatively modest, local consumer demand will likely generate only modest demand for products imported via the port. As noted earlier, with steep declines in the volume of cargo shipped via the port, there is a mounting concern regarding the ability of the community to continue financing the maintenance of port infrastructure and the dredging of the deep water channel. If, for any reason, the port is unable to continue to provide critical services, such as channel dredging and harbor pilot services, important products, such as gasoline and other petroleum products, will have to be trucked into the area, over the winding roads from the south or from the east, which carries a different set of challenges, such as those associated with cost effectiveness, roadway capacity, and public safety.

In addition to commercial fishing and merchant shipping activities, the Port of Humboldt Bay has also been the occasional host for commercial cruise ships. For example, the last cruise ship to dock in Humboldt Bay was a 644-foot vessel called *The World*, which docked in Humboldt Bay in June 2012. Known as "the largest privately owned yacht on the planet," the vessel consists of 165 private condominium units, and visits more than 800 ports in more than 140 countries on annual around-the-world itineraries. The vessel last visited Humboldt Bay in 2003, both times having to anchor in the bay, due to limitations associated with the existing docking facilities on the Eureka waterfront. Another vessel, the 633-foot *Amadea*, was scheduled to visit the Bay in February 2013, but was impeded by weather

A presentation was given to the Eureka City Council in May 2014 regarding the potential for cruise ship visitations. The presentation advocated for the \$5 million refurbishment of a facility known as Dock B, which is located adjacent to the Wharfinger Building, in an industrial area along the Eureka waterfront. Per the presentation, it was estimated that the port could host around 10 cruise ships per year, which would subsequently generate an estimated \$11.5 million in spending based on average spending per passenger, including employee spending and docking fees. While the expectation that the Port of Humboldt Bay could attract more than a few cruise ships each year after making dock improvements may appear optimistic, the Port of Astoria, Oregon, five hundred miles north of Eureka, hosted twenty cruise ships during the 2013 season.

Agriculture and Value Added Processing

While commercial agricultural production is not significant within the City of Eureka, the City does host a variety of agricultural support services businesses, as well as components of the local food system value chain. Although the City does not offer agricultural land as a competitive asset, the farm industry is nonetheless an

important part of the local economy since a large portion of the area's farm production is exported outside of the region. As a regional commercial hub, Eureka has an opportunity to capture economic activity related to the processing, marketing, and distribution of agricultural products. Examples of area business that already participate in the food system value chain include the Lost Cost Brewery and Bien Padre Foods, among others. Companies such as these not only utilize local produce, but often develop brand identities that are closely tied to the local culture (e.g. Humboldt Bay oysters, Humboldt fog cheese, etc.). As such, they are far less likely to relocate production outside of the area when faced with challenges, such as transportation and land availability.

While it is difficult to quantify the magnitude of the economic impacts stemming from marijuana cultivation on the North Coast (due to its illicit nature), available estimates suggest that the underground industry generated roughly one billion dollars' worth of product in Humboldt County in 2010. If this estimate is accurate, it would represent approximately five times the value of all non-timber crops produced within Humboldt County that same year, as reported by the County Agricultural Department. This illicit agricultural production subsequently supports approximately \$415 million in retail sales, which is equivalent to roughly one quarter of the estimated gross product for all of Humboldt County. In addition to retail sales, the marijuana economy also supports other local business through purchases of business and personal services, utilities, and real estate.

With multiple states across the country beginning to liberalize regulations surrounding marijuana and derivative substances, members of the community have raised concerns regarding the impact of legalization on the local economy. Some believe that legalization would lead to growth in the overall market for marijuana-based products, allowing area producers to capitalize on their existing competitive advantage and experience in the industry. On the other hand, legalization may also result in the erosion of Humboldt County's existing competitive advantage, one that exists due to its cool, wet climate, and relative isolation. If legalization occurs, there is some likelihood that producers may shift production to locations that are closer to the state's major population centers, in order to achieve greater efficiencies in transportation. Oregon, Washington State, Washington DC, Alaska, and Colorado have all recently legalized recreational marijuana. Accordingly, the City of Eureka anticipates that voters in the State of California may legalize recreational marijuana in 2016.

Projected Industrial Real Estate Demand

The California Coastal Act requires that local jurisdictions like Eureka, which includes land within the Coastal Zone, prepare a Local Coastal Program (LCP). The Coastal Act and the City's LCP give priority to coastal-dependent uses within the Coastal Zone. Land designated for coastal-dependent industrial uses (CDI) is one of the land use designations that provides for coastal-dependent uses, in this case industrial uses, with the purpose of protecting and reserving parcels on, or adjacent to, Humboldt Bay for coastal-dependent and coastal-related uses. In preparing its General Plan Update, it will be important for the City of Eureka to understand the long-term demand for CDI uses, so that the Land Use Element can provide sufficient land in suitable locations to accommodate demand for these uses.

Although reliable projection data for CDI activities do not exist, an analysis of employment projections associated with the industries typically associated with industrial real estate suggest that Humboldt County could add an estimated 6,000 jobs in the Construction, Manufacturing, Wholesale Trade, and Transportation, Warehousing, and Utilities sectors. Based on an average of 1,000 to 1,250 square feet per employee, this translates into demand sufficient to support the absorption of between six million and 7.5 million square feet of built industrial space. Assuming a relatively conservative floor area ratio of 35 percent, this suggests approximately 230 acres of land would be necessary to accommodate all of the county's industrial growth through 2040. If the City were to maintain its fair share of this growth, based on its existing share of countywide industrial employment (i.e., jobs in the four industry sectors identified above), it would capture an estimated 210 new industrial or warehouse oriented jobs through 2040. This would be sufficient to support absorption of between 210,000 and 262,500 square feet of building space. Using the same floor area ratio, the City would need to provide a sufficient inventory of sites to accommodate between 14 and 17 acres of



industrial development over the next 25 years. Given the contractions experienced in the timber and fishing industries in recent decades, it is unlikely that much of this demand will be stem from coastal-dependent uses. As a result, the City is likely to experience a shortage of land with land use and zoning suitable for non-coastal-dependent uses. This is because the majority of the City's industrial land is located within the Coastal Zone.

According to the Harbor Revitalization Plan, prepared for the HBHRCD by PB Ports and Marine in 2003, the countywide inventory of land designated for coastal-dependent industrial use is approximately 1,390 acres. Of this, approximately 975 acres are located on the Samoa Peninsula. The three largest sites on the peninsula are known to be either vacant, or significantly underutilized, each including over 200 acres of land, with a cumulative total of roughly 850 acres. In 2013, the HBHRCD purchased a 72-acre site on the peninsula, on which it proposes to construct a commercial aquaculture facility, which remains in the preliminary planning stages. Elsewhere around the Bay, there is additional land that is set aside for coastal-dependent uses. For example, there is an estimated 210 acres of land designated for CDI use in Fields Landing, south of Eureka, and another 205 acres located along the waterfront within the City of Eureka itself. Based on the demand estimates discussed earlier, the City of Eureka possesses more than ten times as much CDI land as will likely be required to accommodate all of its projected industrial employment growth. Yet, because all of the land suitable for industrial development within the City of Eureka is located within the Coastal Zone, it is almost entirely restricted to CDI uses, which largely precludes non-CDI uses, such as traditional manufacturing and warehousing, which is likely to constitute a significant portion of the projected growth in demand.

Corridor Revitalization and Retail Development

As the largest population center in Humboldt County, the City of Eureka represents a hub for retail commerce on the North Coast. This fact is most clearly evident in the per capita taxable sales data. For example, the City of Eureka reported a total of \$806.9 million in taxable sales in 2012, which translates into a per capita sales figure of nearly \$29,900. Humboldt County, by comparison, reported total taxable sales of \$1.77 billion, which translates to a per capita sales figure of more than \$13,100, which is slightly lower than the statewide per capita sales figure of \$14,743. Eureka's relatively strong competitive advantage in the retail trade sector is generally explained by the relative lack of alternative retail shopping opportunities in the region, and the ability of the City of Eureka to concentrate regional demand. Among the retail business types reported by the Board of Equalization, the City of Eureka shows unusually high per capita sales in the categories of General Merchandise Stores and Motor Vehicle and Parts Dealers. Businesses offering products in these retail categories tend to be larger regional or national chain retailers, and other destination-oriented establishments. This generally corresponds with the fact that Eureka hosts such retail destinations like the Bayshore Mall, Costco, and Target, as well as a number of auto dealerships.

Corridor Revitalization and Focused Infill Areas

In order to further bolster the City's position as a retail hub for Humboldt County and the North Coast, as well as to provide improved retail shopping opportunities for area residents and visitors, the City of Eureka has expressed interest in exploring opportunities to enhance its existing commercial corridors and optimize the provision of retail and services. To more clearly define opportunities for corridor revitalization and retail growth throughout the City of Eureka, the remainder of this subsection identifies a number of corridors and other focused infill areas where change and enhancement may be appropriate. The analysis provides a concise summary of existing land uses, overall character, circulation and parking, known utilities constraints or limitations, and existing or projected market opportunities. The discussion then concludes with a brief summary of projected retail real estate demand within the City of Eureka and Humboldt County more broadly.

BAYSHORE MALL

The Bayshore Mall is an enclosed, climate controlled, shopping center located in southern Eureka, along Highway 101, near the Fort Humboldt State Historic Park and PALCO Marsh. Unlike many enclosed shopping malls, Bayshore includes a number of outward facing establishments that have limited access from the mall's internal corridors. These include a number of larger retailers, such as PETCO, Pier 1 Imports, Ross Dress for Less, Sports Authority, TJ Maxx, and Ulta Beauty. Other anchor tenants include Kohl's, Sears, and Wal-Mart. Although the introduction of Wal-Mart to the Bayshore Mall was highly controversial, the establishment appears to be one of the primary drivers of retail activity in the mall. A brief visual survey of the property identified a significant amount of vacancy at the southern end of the mall, near the internal Kohl's entrance. The greatest amount of foot traffic was evident between the established food court and the internal Wal-Mart entrance. While the parking lot and main entrance for Wal-Mart is also located at the rear of the complex, this area appeared to be one of the most active parts of the mall, with a significant number of parked cars and a large number of shoppers both entering and exiting the store.

The mall has a substantial supply of surface parking, located primarily in the front, but with additional spaces located around the sides and at the rear of the mall property. Signage is on par with other regional malls in California, with good visibility for the external facing establishments and the primary anchor tenants. Visibility for the internally facing establishments is not as strong, particularly at the southern end of the mall, due to limited foot traffic. The overall condition of the mall structure is quite good, providing a high quality appearance and a relatively robust external image. The high degree of vacancy among smaller in-line tenants generally corresponds with an oversupply of smaller retail spaces throughout the Eureka market. Mall management has acted creatively to generate activity inside the mall, such as dressing the vacant storefronts, providing seating and spaces for laptop use, wi-fi access, kiosk retail spaces, and bringing in Bounce-A-Palooza (a bounce house facility providing children's activities), to help fill space in the mall's struggling southern end. Opportunities to re-tenant the vacant spaces will come from broader growth in the retail market in Eureka, or the installation of a more robust anchor tenant at the south end that can draw a higher degree of foot traffic from the more active central and north parts of the mall. There may also be opportunities to review parking standards and parking utilization at the mall site and turn over some of the existing parking fields to new development that could be complementary to the mall tenants.

EUREKA MALL

The Eureka Mall is located between West Harris Street and West Henderson Street, a short distance from the Bayshore Mall location. The Eureka Mall is primarily outward facing, with a mix of regional and national chain stores, including CVS Pharmacy, Dollar Tree, Michael's, Staples, Tuesday Morning, and WinCo Foods. Visibility for the mall anchor tenants is fairly good, with unambiguous signage and relatively good exposure to passing cars, particularly along the south side, facing Harris Street. The overall condition of the mall is fairly good, with fresh paint, well-kept landscaping, and traditional marquee signage. While there is a fairly large amount of parking available along Harris Street, the lot appeared fairly full upon visual inspection, suggesting that the site is not particularly over-parked. Automotive circulation in the vicinity of the mall is focused on West Harris Street, which provides access from Highway 101, and connects the Eureka Mall to residential neighborhoods to the east. While West Henderson Street does connect to Highway 101, it does so primarily in the west bound direction. Vehicles attempting to access the site from the highway via Henderson Street are diverted north or south on Fairfield Street, and must pass through residential neighborhoods to West Harris Street or West Creighton Street, before turning back towards the mall site. Given the existing tenant mix, and the proximity of adjacent residential neighborhoods, the Eureka Mall primarily functions as a community shopping center, providing for daily retail needs of area residents, rather than as a regional retail destination.

HENDERSON CENTER

The area known as Henderson Center is a neighborhood shopping district situated between Harris Street and Henderson Street, approximately one mile to the east of the Eureka Mall. The shopping district is primarily laid out in an east-west direction, with the majority of store fronts opening onto E Street and F Street.



Circulation through the district is characterized by two lane surface streets that extend into the surrounding residential areas. Parking is primarily on-street, with limited off-street parking available adjacent to Jo-Ann's Fabric and Craft and Rite Aid. Pedestrian infrastructure in the Henderson Center area includes street trees, sidewalks and cross walks, with pedestrian-activated signals at the stop lights on Harris Street and Henderson Street. The two primary arterial streets of Harris and Henderson also offer a single bike lane, with cobra head lights along one side of the street.

Henderson Center generally functions as a neighborhood shopping district, with retail establishments offering a variety of products that serve the daily needs of area residents and convenience shoppers. For example, the retail shops located along E Street include the Cherry Blossom Bakery, the Henderson Center Laundromat, the Juniper Salon, Rite Aid Pharmacy, and Umpqua Bank. One block to the east, shoppers can find Bank of America, Henderson Center Bicycles, the Henderson Center Farmers Market office, Jo-Ann's Fabric and Craft, and the U.S. Post Office. The majority of the structures in the Henderson Center are stand-alone retail buildings, constructed in different styles, at different times in the City's history. The relative appearance of the structures, and store fronts, varies from building to building. Overall the building facades are in relatively good repair, with signage that is somewhat inconsistent, but clearly visible and relatively appealing. While the district features a number of existing vacancies, these do not detract significantly from the overall appeal of the district as a neighborhood shopping center. While re-tenanting the vacant spaces would improve the overall shopping experience, the focus should be on attracting tenants that add value to the neighborhood, since the district already features a number of duplicate, low-rent tenants (i.e., two thrift stores).

DOWNTOWN EUREKA

The Eureka Downtown spans an area that, by some accounts, is approximately sixteen blocks long, and four to five blocks wide. It encompasses the commercial and office corridors located south of the westbound portion of Highway 101. Just east of the parcel known as the Balloon Track, Highway 101 turns ninety-degrees and splits into two one-way couplets, running east-west through the Downtown District. These are respectively known as 4th Street and 5th Street, which continue across the Eureka Slough Bridge. The Downtown district also includes 6th and 7th Streets, which parallel Highway 101. Automotive circulation includes alternating one-way streets, facilitating east-west travel. The majority of the streets oriented in a north-south direction are two-way connectors, with the exception of some major arterials, which are multi-lane, one-way streets.

Land uses in the Eureka Downtown are a mix of commercial, office, and mixed use properties, with assorted civic and visitor serving uses dispersed throughout. Major landmarks include the Humboldt County Courthouse and the Eureka City Hall, the Eureka Inn, the Studio of Dance Arts, the Arkley Center for the Performing Arts, the Eureka Theater, and the Morris Graves Museum of Art among others. The Lost Coast Brewery Café and the North Coast Co-op represent two of the more iconic retail establishments in the Downtown area, among a wide variety of other well-known establishments. Both are located on the north side of 4th Street, adjacent to the Eureka Old Town. Land uses at the far eastern and western ends of the corridor include less land intensive uses, such as auto parts stores, grocery stores, service stations, hotels and motels, and auto dealerships. As visitors traverse the Downtown area, the uses transition into higher intensity retail and office uses, with the core between C Street and I Street comprised of a mix of higher intensity retail and multi-story mixed use.

The downtown features a variety of building types and ages throughout the Highway 101 corridor. Overall the streetscape appears relatively attractive, with street trees, on-street parking, and wide sidewalks. Signage, however, is inconsistent, with some businesses standing out more than others, and a lack of clear wayfinding, with the exception of occasional kiosk style signage indicating the way to the Historic Old Town. Vacancy among retail spaces in the Downtown area is somewhat elevated, with a number of the higher rent spaces in larger mixed use buildings standing empty.

EUREKA OLD TOWN

The Eureka Old Town Historic District includes a 350 acre area that is listed with the National Register of Historic Places. The district extends between 1st and 3rd Streets and from C Street to N Street. It contains 154 historical buildings and one related structure. These range in age from the Greek revival structures built in the 1860s, to Italianate Victorian buildings dating to the turn of the century, and a false façade warehouse dating to the 1940s. These historical assets are mixed in amongst newly constructed buildings, such as those present on the waterfront. The district primarily features a mix of specialty retail shops, art galleries, antique shops, restaurants, and visitor serving uses, such as the Clarke Historical Museum, the Humboldt Bay Maritime Museum and historic Madaket Harbor Cruise, and the Old Town Carriage Company, among others. Also dispersed throughout the district are an assortment of non-profit and government uses, including the Redwood Coast Regional Center, the Redwood Coast Energy Authority, the California Department of Fish and Wildlife, and the Humboldt County Department of Health and Human Services, among others.

Traffic circulation in the district is facilitated by the proximity to Highway 101, which draws significant traffic past the area. Kiosk style wayfinding signs are installed along the two one-way couplets that make up Highway 101, which direct travelers into the Old Town district. Parking is available on-street, with very limited options for off-street parking. Some areas in the Old Town district have posted time restrictions for on-street parking. Upon visual survey, the district offers multiple vacant units, reflecting the relative oversupply of small retail space within the Eureka market more generally. Also, given the historic nature of the Old Town district, many of the available spaces are non-conventional, in terms of floor plans and available utilities (e.g. with limited electrical and telecommunications access), making it more difficult to find tenants for these spaces.

BROADWAY CORRIDOR

The Broadway Corridor functions as the southern gateway into the City of Eureka. At its most southern end, Highway 101, also known as Broadway, crosses the Swain Slough just before entering the City limits past Herrick Avenue. Beyond commercial billboards and the most basic Caltrans wayfinding, there is little to no gateway signage notifying the visitor of their entrance into the City of Eureka.

Land uses along the southern portion of the Broadway corridor include mixed industrial and highway commercial, including a Big K Mart, the Lithia auto dealership, a Comfort Inn, a Pierson’s Building Center, and the Sunset Memorial Park – Ocean View Cemetery. Located just off of Broadway, along Sunset Road, is the new North Coast Brewery. This pattern of scattered, standalone retail and light-industrial uses continues northward Truesdale Street, marking the southern boundary of the Bayshore Mall development. The overall characteristics and land use patterns along the Broadway corridor to the north of the Bayshore Mall are fairly similar to those found in the southern portion. The corridor includes mixed standalone retail, commercial, hotel and motel, and light industrial uses. This section of the corridor also includes a number of larger community and neighborhood type shopping centers, including the Victoria Place shopping center and the area surrounding Eureka Natural Foods.

Streetscape elements along the corridor include minimal sidewalk and landscaping improvements, with unmarked bike lanes in both directions. Street lights are provided on both sides of the street, though they are fairly widely spaced. Wayfinding in this portion of the corridor is virtually non-existent, with business signage that is inconsistent. The City has just recently contracted with a consultant to conduct a “Gateway Feasibility Study” for the south end of Broadway.

TARGET SHOPPING CENTER

The Target shopping center is located in the northeastern corner of the City, where Highway 101 crosses the Eureka Slough. One of Eureka’s newest regional shopping facilities, Target, offers grocery items in addition to the traditional general merchandise offerings. Nearby land uses include the Eureka Slough to the east, the Multiple Assistance Center and a light industrial facility to the north, and a mix of residential and commercial



uses to the west. No additional retail offerings are available within close proximity to the store. To the south, on the opposite side of Highway 101, are a service station, a Harley-Davidson motorcycle dealership, and an RV park.

The Target store is relatively inaccessible, compared to similar developments throughout Eureka (e.g. Eureka Mall, Costco, etc.). The primary access point is off Highway 101 and provides access to vehicles traveling in the south bound direction only. Vehicles traveling north bound on Highway 101 must first turn left on V Street, then must travel through three blocks of neighborhood surface streets, prior to entering the parking lot. Otherwise, a northbound vehicle would need to go a considerable distance up Highway 101, before making a U-turn and entering the center from the south-bound direction.

COSTCO SHOPPING CENTER

The Costco shopping center is located on West Wabash Avenue, set back to the west of Highway 101, adjacent to the industrial area located along Railroad Street. Surrounding uses include a mix of commercial, light industrial and heavy industrial activity. The majority of the commercial and retail activity in the area takes place between Short Street at the eastern edge of the site and Highway 101 to the west. Nearby establishments include the newly constructed Holiday Inn Express and Suites, as well as the existing Motel 6, and a variety of retail establishments fronting on Highway 101. Nearby office, industrial and light industrial uses include SHN Consulting Engineers, Honest Engine Car Service, Sudden Link Communications, a FedEx Shipping Center, Bien Padre Foods, and a Renner Petroleum facility, among others. Access to the shopping center is provided along Short Street and Wabash Avenue. As is customary for Costco, the center provides ample parking in the front of the building, with Costco-branded gas pumps at the corner of the two primary access streets.

BURRE CENTER

The largest concentration of retail activity along Myrtle Avenue is located in the vicinity of the Burre Center, at the West Avenue intersection. The largest tenant in the center is the Burre Dental Center, which accompanies other assorted retail establishments. The center is somewhat older with a rather subdued street presence and signage that can be somewhat hard to read from a moving vehicle. A newer shopping center is located on the opposite side of West Avenue, which contains CVS Pharmacy, Dollar Tree, Starbucks, Radio Shack, and Subway, with additional ancillary retail. Signage at this center is of the traditional marquee style, and is much more visible from the street. There is limited landscaping, but a sufficient supply of off-street parking. Both centers feature access points from both West Avenue and Myrtle Avenue.

CUTTEN AND MYRTLETOWN

As adjacent unincorporated communities, the Myrtletown and Cutten neighborhoods are closely tied to Eureka in terms of identity and retail spending patterns. While the only notable retail node within the Cutten neighborhood is at the intersection of Campton Road and Walnut Drive, Myrtletown features a variety of retail offerings along both Myrtle Avenue and Harris Street. Myrtle Avenue extends to the southeast from Burre Center, toward the lowlands surrounding Freshwater Slough. The corridor includes a mix of residential, commercial, and light industrial uses throughout its length. Key commercial nodes include the older Myrtletown Shopping Center, two smaller strip centers located between Glenwood Street and Pennsylvania Avenue, and the area surrounding the intersection with Hubbard Lane, which features the Myrtle Avenue Pet Center and the Myrtle Avenue Market and Deli. The corridor offers little in terms of on-street parking, with most of the existing retail and office developments offering some off-street spaces. The majority of the establishments are located in either small strip centers, or converted residential units. Signage is relatively inconsistent throughout the corridor, with mixed visibility from the roadway. Streetscape elements include a center turn lane and bike lanes in both directions.

Cutten area retail along Harris Street is concentrated at the intersection with Harrison Avenue. The retail node consists of two neighborhood shopping centers. On the south side of Harris Street is the former Safeway

supermarket space, which is currently vacant, along with some additional supportive retail, including a Renner service station. A newer Safeway store was constructed across from the old store, on the north side of Harris Street, adjacent to a Walgreens. The shopping centers are primarily surrounded by small medical office buildings, with residential neighborhoods beyond. Signage for the newly built Safeway is up to modern standards, as is the automotive and pedestrian access. While the signage has been removed from the older Safeway structure, newer signage and modest façade improvements could provide a sufficient update. Streetscape improvements include a center turn lane, bike lanes in both directions, and street lighting on the north side of the street.

DISPERSED NEIGHBORHOOD COMMERCIAL

Scattered throughout Eureka’s residential neighborhoods are an assortment of small retail and commercial nodes, oriented toward everyday convenience shopping and services. These nodes provide valuable services to area residents and act as natural gathering places for social and civic interactions. One such node, located at the intersection of F Street and Randall Street stands as a prime example. Situated within a primarily residential neighborhood, the one block commercial node includes the Eureka Art and Frame Company, the neighborhood C&V market, the Brick and Fire Bistro, the Daugherty Violin Shop, and the 2 Doors Down wine bar. This mix of uses ensures both day-time and evening activity, as well as eyes on the street, which contribute to improved neighborhood safety and security. The uses also draw in Eureka residents and visitors from outside the area, helping to connect the neighborhood to the surrounding area. Streetscape improvements include basic sidewalks, with juvenile street trees, which add to the street appeal. Signage is modest, but effective, since the residential nature of the two way street forces vehicles to slow down as they pass. The location of the center within a residential neighborhood also supports pedestrian and bicycle access.

Projected Retail Real Estate Demand

Because the City of Eureka functions as a hub for retail sales activity, due in part to the presence of large regional stores such as Target and Costco, it captures a disproportionate share of countywide taxable sales. For example, in 2012, the City of Eureka captured an estimated 45.6 percent of countywide taxable sales, or an estimated \$806.9 million. Similarly, countywide per capita retail sales are roughly on par with the statewide average, while per capita sales in the City of Eureka are nearly double the statewide average. An assessment of the retail sales tax data identified that the City features a clear competitive advantage in the more destination oriented retail categories, such as General Merchandise Stores, Clothing and Clothing Accessories, and Motor Vehicles and Parts Dealers. Additional analysis suggests that Humboldt County, as a whole, also receives a net injection of retail sales estimated at \$801.5 million, with substantial injections in the categories of Food and Beverage stores, Building Materials stores, and General Merchandise stores.¹

Based on its current share of countywide taxable sales, the maximum amount of additional retail sales that could be captured within the City of Eureka would equal an estimated \$50.5 million.² Through a combination of retail leakage capture, as well as capturing a share of projected countywide retail demand due to population growth, the City could see demand sufficient to support between 200,000 to 290,000 square feet of additional retail space through 2040. Due to existing vacancy, a significant portion of this would be captured by existing retail spaces, perhaps in the Old Town and Downtown areas, or perhaps in one of the City’s existing mall projects.

¹ Note that that the model used to generate these estimates may not fully compensate for underreported household income associated with the marijuana trade, and thus underestimates local retail purchasing power. For example, Jennifer Budwig estimates that illegal cultivation of marijuana results in the injection of \$415 million (2010 dollars) into the Humboldt County economy on an annual basis.

² Note that these projections assume that the City is able to capture the maximum possible share of existing retail leakage, which would then be absorbed gradually through 2020.



Health Care, Government, and Professional Office Development

The City of Eureka functions as a hub for office-based industry on the North Coast, including government, healthcare, finance and real estate, and professional services. As the county seat of Humboldt County, the City functions as a dominant government center, hosting the County administrative office, the Superior Court, the County Office of Education, the Department of Health and Human Services, and the Sheriff's department. According to data provided by the Employment Development Department (EDD), six of the ten largest employers in the City of Eureka are government agencies. These include the City and five County agencies. The County agencies include the Office of Education, the Department of Health, the Sheriff's Department, the Social Services Department, and the Public Health Administration.

In addition to being a major government center for the County, the City of Eureka also functions as a central point of access for health care services on the North Coast. For example, the City is served by St. Joseph Hospital, which is the largest acute medical care facility located on the California coast, north of San Francisco Bay. The hospital system employs roughly 1,400 individuals between two campuses, making it one of the largest employers in Humboldt County. As such, the hospital has attracted a cluster of clinics and medical specialists, who provide services to residents of Humboldt County and beyond. For example, the Open Door Community Health Centers operate two clinics in the City of Eureka, including the Burre Dental Center and the Eureka Community Health and Wellness Center. In addition to being a regional medical hub Eureka also functions as a center for private financial and business activity in Humboldt County. For example, with the office of the Humboldt County Recorder located in Eureka, the City is a natural location for real estate and financial services firms like title companies. Umpqua Bank also has a strong presence, with 250 to 499 individuals based out of the bank's 5th Street branch.

Despite the City's strong competitive position in the health care, government, and professional office sector, existing demand for office space is relatively weak and vacancy rates relatively high. The most demand comes from users of smaller office space, with the strongest performing district being Downtown. Over the next fifteen to twenty years, local real estate brokers anticipate that there will be modest growth in office demand that will build slowly over time. According to brokers, opportunities for office development should be focused near other complementary office uses, as well as daytime dining and business services establishments. Medical offices will tend to gravitate towards the locations of other medical facilities, such as the hospital.

Lodging and Tourism Development

With its traditional "export" oriented industries in decline, tourism offers Eureka an opportunity to bring income into the local economy, by attracting visitors from outside the area who spend money on lodging, food, transportation, shopping, entertainment, and services. As of 2012, the industry generated an estimated \$339 million in countywide visitor spending. Although there is little available data on visitor spending in Eureka specifically, the available data on transient occupancy tax (TOT) collections suggest that Eureka accounts for 40 percent of the countywide TOT collections, suggesting that it is a major player in the Humboldt County tourism industry.

The majority of Eureka's existing lodging is oriented around the primary automotive corridors of Broadway and Highway 101, with most hotel and motel properties located toward the edge of town. While this provides convenience for automotive travelers, it fails to create significant synergy between the City's lodging options and its various amenities, like restaurants, arts and culture venues, and recreational opportunities. Economic Development Focus Group participants identified problems with transients, homeless, and persons suffering from mental illness and/or drug addiction problems congregating in visitor-serving and commercial areas, which act as a deterrent for visitors and can cause safety and security issues. The Focus Group also identified a need for general clean-up and beautification in areas meant to attract tourists, such as the Broadway Corridor and in the Eureka Old Town. Lastly, signage and wayfinding is generally lacking, except along the Downtown

section of Highway 101. This absence of wayfinding at the City's gateways, including the Eureka Slough Bridge and near Herrick Avenue means that visitors unfamiliar with the area must rely on often limited knowledge of the area to guide themselves to their destination. By providing improved wayfinding, the City can guide visitors to its many attractions, possibly making them aware of amenities and assets of which they had not previously known.

4.3 ALTERNATIVES

This section of the Policy Paper outlines a variety of alternatives intended to address issues and opportunities identified in the previous section. The purpose of the analysis is to identify an assortment of policy options that are available to the City and to discuss their implications.

Industrial Land Policy Alternatives

Alternative 1: Maintain Existing Inventory of Coastal-Dependent Industrial Land

Retain existing inventory of CDI land to accommodate potential future expansion, or recovery, of existing CDI activities, including timber processing and fishing.

IMPLICATIONS AND DISCUSSION

As discussed in the prior section, the CDI activities prevalent in the North Coast region primarily include timber processing, fishing, and fish processing, as well as some maritime goods movement. Given the historic decline in timber production in the region and the wide spread closure of the region's lumber and pulp mills, and the realities of regulatory constraints and competitive factors, recovery of the industry to previous levels of activity is unlikely. The commercial fishing industry faces a similar dilemma, with total landings that are a fraction of their former volume, which has coincided with the loss of much of the area's fishing boats. The loss of some critical supportive infrastructure (e.g., cold storage) also contributed to the industry's contraction, which subsequently threatens the viability of other important infrastructure components. . These industry contractions mean that the industry requires less CDI land and building space than it did at the peak. Unless the state and federal governments dramatically liberalize the existing regulatory frameworks governing resource extraction in both industries, the timber and fishing sectors are unlikely to require substantial additional land and buildings beyond what they already utilize, with the possibility of limited expansions in certain sub-sectors due to unique circumstances which cannot be foreseen. The maintenance of the existing inventory of CDI land would therefore most likely result in the continued underutilization of land within certain parts of the Coastal Zone.

Alternative 2: Retain Coastal-Dependent Industrial Land Based on Projected Need

Evaluate demand for CDI uses and their relative land requirements, taking into account the relative suitability of different sites. Retain sufficient land to accommodate anticipated demand for CDI and redesignate the remainder to accommodate alternative uses. This alternative would aggressively trim the City's current inventory of CDI land and redesignate CDI land for other non-coastal-dependent uses.

IMPLICATIONS AND DISCUSSION

Under this alternative, the City would evaluate the projected demand for CDI land and pursue the redesignation of land in excess of that amount. This approach would need to allow for the establishment of certain CDI activities in the areas deemed most appropriate for those activities. For example, fishing-related activities and infrastructure traditionally associated with Eureka's waterfront, such as docks and associated on-shore facilities for fishing boats, are part of the charm of the Eureka waterfront and constitute part of its



attractiveness as a tourism destination. On the other hand, certain heavy industrial activities, such as bulk cargo storage and handling, may be more appropriate on the Samoa peninsula, due to perceived incompatibility with many residential, commercial, and visitor-serving uses. As a result, the City would need to identify exactly how much land would be required to accommodate CDI uses within the City, versus elsewhere in Humboldt County. The challenge would then be to demonstrate to the California Coastal Commission (CCC) that the future land needs for CDI and other coastal-dependent uses could be adequately met with the remaining inventory. This approach could potentially maximize the amount of land redesignated for non-CDI uses, like manufacturing and commercial activities. This alternative, as well as Alternative 3, may require close coordination between the City of Eureka, Humboldt County, and other stakeholders, such as the HBHRCD and CCC, among others.

Alternative 3: Redesignate Land to Accommodate Non-Coastal-Dependent Uses

Evaluate demand for non-CDI uses, taking into account the relative suitability of different sites for different types of development. Redesignate an amount of existing CDI land, but only an amount that is sufficient to address projected non-CDI uses, and retain a significant amount of CDI land as a buffer to accommodate unforeseen growth in demand for CDI land. As compared to Alternative 2, this alternative would much less aggressively trim the inventory of CDI land, but would create new opportunities to accommodate non-CDI land uses.

IMPLICATIONS AND DISCUSSION

Under this alternative, the City would evaluate the projected demand for non-CDI land and pursue redesignation of a sufficient amount of land to accommodate that demand, leaving the remainder to accommodate potential long-term demand for coastal-dependent uses. Available projection data, discussed in greater detail in the Eureka General Plan Update Community Background Report, suggest that long-term demand for CDI uses may be reasonably accommodated by the large supply of existing CDI land located throughout the greater Humboldt Bay Area and that the reasonably foreseeable demand for non-CDI uses is relatively limited. In all likelihood, redesignating an inventory of land sufficient to accommodate anticipated demand for non-CDI industrial uses would preserve an inventory of CDI land well in excess of projected long-term demand for CDI uses. This approach would allow for the establishment of certain CDI activities in the areas deemed most appropriate for those activities, as described under Alternative 2. Use of this approach would make it easier to demonstrate to the CCC that the land needs of CDI uses will be adequately met on appropriate sites that are available in Eureka and elsewhere in the region. If successful, this would still allow the redesignation of CDI sites within the City of Eureka that may be identified as excess for non-CDI uses. This alternative, as well as Alternative 2, may require close coordination between the City of Eureka, Humboldt County, and other stakeholders, such as the HBHRCD and the CCC, among others.

Alternative 4: Interim or Temporary Uses on Coastal-Dependent Industrial Land

Short of redesignating CDI land for other uses, the City may also consider seeking CCC approval to allow “interim” or “temporary” uses on CDI land.

IMPLICATIONS AND DISCUSSION

The City may also pursue the possibility of establishing certain “interim” or “temporary” uses. These would include land uses that do not permanently preclude the reuse of sites for CDI activities. For example, the City recently entertained a proposal to establish an RV park on a parcel located in the Coastal Zone, adjacent to Dock B. Such an activity could help to generate value, abate blight, and utilize an existing underutilized site, while leaving open the prospect of developing the site with a higher and better use, without extensive demolition or remediation costs. Challenges associated with this approach include the need to identify uses that do not require substantial capital improvements, as well as the need to enter into binding agreements with potential users with regard to the term of use for the site. For example, the establishment of an RV park

requires some up front expenditures, and the user would need to have certain assurances that they would be able to use the site for a term sufficient to recoup those costs. This challenge of identifying appropriate uses and coming to agreement on the terms of use may limit the number of parties interested in pursuing interim or temporary uses. Such uses may also require CCC approval.

Alternative 5: Identify Opportunity Sites for Industrial Activity Outside Coastal Zone

Because nearly all of the City’s industrial land is located within the Coastal Zone, it limits the opportunity sites available for the establishment of non-CDI uses. This alternative would require the City to evaluate alternative sites for by-right industrial development that are located outside of the Coastal Zone.

IMPLICATIONS AND DISCUSSION

There is very little land located inside the city limits, but outside of the Coastal Zone, that is suitable for industrial development. This is due primarily to topography, to which the largest expanses of relatively flat, vacant land are located near the City’s waterfront. There are also issues associated with land use compatibility that would need to be resolved, due to the prevalence of residential uses throughout the City in areas outside the Coastal Zone. In addition, the ability to extend urban level infrastructure and services to support such uses could be challenging. This alternative could, perhaps, be coupled with the annexation of additional land that is currently located outside the City, although much of the adjacent areas face similar constraints due to topography, existing land uses and infrastructure. If coupled with one of the prior alternatives, the City may be able to identify a smaller number of sites that can be used as part of a portfolio of industrial opportunity sites, which would include industrial land both inside and outside of the Coastal Zone.

Alternative 6: Ensure Accessibility to Industrial Sites by Heavy Trucks

This alternative includes the coordination of land use and transportation infrastructure to ensure that industrial sites, both inside and outside of the Coastal Zone, are accessible by heavy trucks via area roadways.

IMPLICATIONS AND DISCUSSION

In order to retain the viability of existing industrial sites, both coastal-dependent and non-coastal-dependent, the City would coordinate transportation investments and requirements to facilitate continued access for heavy trucks, such as delivery vehicles. For example, due to the location of the City’s existing industrial area to the west of Highway 101, deliveries going to and from this area must turn off of Highway 101 onto side streets. If this ability was significantly impeded in any way, it could threaten the long-term viability of industrial or even light industrial activities on these sites. In order to ensure the usability of areas designated for industrial development, the City would proactively pursue infrastructure and roadway improvements that improve the access to industrial opportunity sites by heavy trucks. Note that this will likely require close coordination with Caltrans, particularly with regard to the Broadway/Highway 101 corridor.

Commercial Fishing Policy Alternatives

Alternative 7: Maintain Infrastructure and Support Services for the Fishing Fleet

Under this alternative, the City would adopt policies prioritizing the maintenance of infrastructure and the retention of support services for the commercial fishing industry. This could include the maintenance of existing dock facilities and the Fisherman’s Terminal, among other facilities. It may also include the retention of zoning and land use designations allowing the establishment of critical support services, such as fish processing and packing, equipment storage, transportation (e.g. loading and unloading, vehicle turn around space, etc.) facilities, docking and refueling facilities, and boat repair facilities.



IMPLICATIONS AND DISCUSSION

As an historic industry, the Humboldt Bay fishing fleet provides important economic benefits, ranging from fresh caught local seafood, to an authentic North Coast cultural experience that is part of the City's identity as a tourist destination. If the City of Eureka desires to retain the fishing fleet in the face of rising costs, static pricing, and decreasing catch volumes, the City will need to help ensure that the fleet has ready access to the infrastructure and support services necessary for efficient and cost effective operation. With the loss of the cold storage facility in 2008, the City and the fleet lost a crucial piece of infrastructure that allowed the industry to more efficiently handle their goods on the way to market. As a result, the fleet has suffered economically. To ensure the fleet's long-term presence on the Eureka waterfront, along with the economic benefits and employment opportunities it provides, the City would need to make a clear priority of ensuring the maintenance and enhancement of existing facilities, and the retention of important support service providers.

Alternative 8: Encourage Priority Use of Docking Facilities by the Fishing Fleet

To support retention of the remaining commercial fishing fleet, adopt policies expressing support for the priority use of existing and planned docking facilities by the fishing fleet.

IMPLICATIONS AND DISCUSSION

Similar to Alternative 7, this alternative would include the creation of policies that encourage the priority use of docking facilities by the fishing fleet. Although the Woodley Island facilities are operated by the HBHRCD, they are located within the City and are subject to the LCP. The waterfront dock facilities and the Boat Basin are operated by the City. This kind of policy would help to ensure that the fishing fleet has sufficient access to docking facilities, and is not marginalized by other types of commercial and recreational boats that are willing to pay higher rates to rent docking facilities. At the worst, such a policy could result in a reduction in revenues collected from slip rentals. More likely, however, is that the City and other dock operators would simply experience slower growth in slip rental revenues, compared to what would occur in the absence of such a policy.

Alternative 9: Support the Establishment of a Cold Storage Facility

Identify sites suitable for the construction of a cold storage facility. Work with the Fisherman's Marketing Association, the HBHRCD, and other important stakeholders to identify potential funding sources for construction and operation of the facility.

IMPLICATIONS AND DISCUSSION

The establishment of a cold storage facility to replace the one that was closed in 2008 would improve the economics of the fishing fleet, therefore aiding in retention of the industry, by allowing the industry to store its catch more efficiently. This is accomplished by allowing the temporary storage of fresh fish, which allows distributors to accumulate a sufficient amount of product so that they can ship full container loads at one time. Without cold storage, the distributor would need to ship partial loads more frequently, in order to maintain freshness. The facility would need to be sited in an area with sufficient access to the Fisherman's Terminal and other fishing infrastructure. It would also need to be sited in an area that would not overly conflict with other nearby land uses, as well as in an area that can provide access by large trucks. Some financial assistance may be necessary in order to ensure that such a facility is sited and constructed in a timely manner.

Transportation Policy Alternatives

Alternative 10: Support the Development of Alternative Transportation Options

Support the development of alternative transportation options, such as east-west rail connectivity, highway improvements, and/or Marine Highway, which may help to mitigate the risks associated with decreased port activity and the high costs of dredging.

IMPLICATIONS AND DISCUSSION

The purpose of this alternative is to mitigate the potential risks associated with decreased port activity, which could eventually result in the silting up of the port. If there is insufficient activity at the port to finance ongoing dredging of the shipping channel and assorted port facilities, it may limit the ability for certain types of ships to enter and exit the harbor. This could, as a result, impact the ability to ship certain types of goods, such as petroleum, into the region via the port. While some of this goods movement could be shifted to trucks traveling on the inter-regional roadways, such as Highway 101, this may pose certain safety risks and will place additional strain on the roadways.

Under this alternative, the City would evaluate other options for goods movement, including the establishment of an East-West rail connection. Additional research is required to determine the feasibility of an East-West rail connection. There is also the question of route, which has not yet been determined. If a route is selected that passes through the City of Eureka, it could have significant impacts on land use, transportation, and quality of life. If the selected route passes farther to the north, and down the Samoa Peninsula, the railroad would have fewer impacts on the City, but might also generate fewer benefits in terms of the co-location of businesses that rely heavily on rail transportation. In addition to east-west rail, the City may also consider reestablishment of the historic north-south rail line, as well as highway improvements, or a Marine Highway option. Highway improvements could represent an important near-term component of the City's longer-term transportation strategy, which could help to mitigate risk associated with the potential loss of harbor activities. The Marine Highway option would represent a longer-term option that would involve working with the U.S. Department of Transportation Maritime Administration to enroll the City in the Marine Highway Program to expand the use of our nation's navigable waterways in order to relieve landside congestion, reduce air emissions, and generate other public benefits by increasing the efficiency of the surface transportation system. Participation in such a program could generate much needed activity at the port

Alternative 11: Reestablishing Eastbound Connectivity on West Henderson Street

Under this alternative, the City would re-establish two-way travel on West Henderson Street in the vicinity of the Eureka Mall.

IMPLICATIONS AND DISCUSSION

By establishing one-way only travel on West Henderson Street in the vicinity of the Eureka Mall, the City has significantly reduced the amount of vehicle travel passing by the northern side of the Eureka Mall complex, therefore reducing visibility for the establishments located there. In order to generate a smoother flow of traffic in and around the mall, the City could re-establish two-way travel in the vicinity, perhaps only from Spring Street to Highway 101. This would allow automobiles to travel from Highway 101 to the mall, via West Henderson Street, without the need to traverse south to West Harris Street, or north to West Creighton Street, therefore reducing the number of vehicles driving through these residential areas. Re-establishing two-way travel would, however, disrupt the one-way traffic flow on West Henderson Street.



Commercial Development and Revitalization Policy Alternatives

Alternative 12: Focus Regional and Specialty Retail and Key Nodes

To ensure a critical mass of retail activities necessary to maintain a vibrant industry, the City should seek to concentrate both regional and specialty retail activities within key nodes throughout the City.

IMPLICATIONS AND DISCUSSION

Under this alternative, the City would seek to focus new regional and specialty retail development at key nodes throughout the City. For example, regional retail might reasonably be concentrated in and around the Bayshore Mall, which would leverage and strengthen that existing concentration. Specialty retail could, similarly, be concentrated at Henderson Center or in the Eureka Old Town (see Alternative 15). The opposite of this would be to locate large regional retailers, such as big box stores, in relatively isolated locations that are not near any existing concentrations of retail activity. Such a strategy encourages shoppers to make trips to individual stores, meaning that the City loses out on the synergy created by co-locating retail establishments, which can result in longer trips and more traffic impacts. The challenge with regard to encouraging this type of retail concentration is the availability of land in a City that faces significant constraints with regard to available sites.

Alternative 13: Encourage Destination and Complementary Retail Near Costco and/or Target

Under this alternative the City would seek to redesignate land adjacent to the existing Costco and/or Target stores for the purpose of establishing complementary uses, such as additional destination retail.

IMPLICATIONS AND DISCUSSION

Costco and Target are both major regional shopping destinations for the North Coast, which attract high volumes of shoppers every day. These stores each have the capability to serve as anchor tenants that can attract other smaller, complementary businesses which benefit from exposure to the drive-by traffic created by the large anchor stores. In the case of the Eureka Costco and Target stores, they exist as stand-alone retail facilities and there are limited other retail shopping offerings in close proximity. Given appropriate zoning, it is likely that a number of parcels surrounding these anchor tenants would be redeveloped with additional complementary retail uses, resulting in new investment and new economic activity. However, the City of Eureka is likely aware of the fact that there is a finite pool of retail demand, and to the extent that new retail development is captured near the Costco or Target, this is retail demand that would not be available to support backfill of vacant retail spaces (e.g., Bayshore Mall) or development of new retail buildings in other important commercial areas within the City. The City may wish to identify a limited number of tenant types that would be best suited to co-locate next to the Costco or Target and identify those as conditionally permitted uses near those sites.

Alternative 14: Encourage the Retention of Dispersed Neighborhood Commercial

Establish policies that encourage the retention of neighborhood commercial buildings located throughout the community, with a focus on those that directly serve the residents in the surrounding area.

IMPLICATIONS AND DISCUSSION

Eureka contains a number of small retail nodes that are located within primarily residential neighborhoods. In many cases, these individual or small groups of retail buildings provide important services to area residents, including convenient access to grocery items. Due to the vibrancy that these uses provide within these areas, this alternative would include the establishment of policies intended to retain these small retail nodes and

ensure that they continue to serve the needs of area residents. Such a policy should be geared toward the retention of existing nodes, rather than the establishment of new retail centers, with provisions for the redevelopment and improvement of existing neighborhood commercial centers. As with Henderson Center, the City should consider emphasizing pedestrian and bicycle access to these nodes, to limit the impact of auto traffic on adjacent residential areas.

Alternative 15: Position Henderson Center as a Unique Neighborhood Shopping District

Given the existing nature of Henderson Center, this alternative would include actions intended to help reinforce the center as a unique neighborhood shopping district that serves as a centerpiece for the surrounding residential neighborhoods.

IMPLICATIONS AND DISCUSSION

Due to its compact grid layout, existing mix of uses, and excellent connectivity to surrounding neighborhoods, the Henderson Center area is well-positioned to help provide a strong identity for the part of the City that immediately surrounds it. Policies for this area should emphasize maintaining and enhancing the existing pedestrian-friendly characteristics of the commercial area. Street lighting, street furniture, and policies that encourage outdoor merchandise displays and outdoor seating for food service establishments should be emphasized. Roadway and traffic calming improvements that encourage residents of surrounding neighborhoods to walk or bicycle to the commercial area should be provided. Signage for individual businesses should primarily be designed with pedestrians and bicyclists in mind (i.e., at ground level), while auto-oriented signage (i.e., large signs) should be more limited, and should promote the Henderson Center destination as a whole, rather than individual businesses. The development of the area should remain consistent with the relatively small scale lots and street-oriented buildings that predominate, rather than development of large parcels with extensive parking fields separating the buildings from the streets. All of these elements could also position the Henderson Center as a specialty retail and dining district; however, that would tend to detract from the potential of Old Town to serve that function. Given its proximity to other visitor attractions, including the waterfront, existing visitor-oriented retail and restaurants, and more immediate access via Highway 101, the City should continue to promote Old Town as a specialty retail and dining district.

Alternative 16: Encourage Reuse of Existing Smaller Retail Spaces Over New Development

Provide incentives to encourage the re-tenanting of existing small retail spaces in lieu of new construction.

IMPLICATIONS AND DISCUSSION

This may include offering various incentives, such as financial assistance that could be used to adapt historic structures to more modern uses, waiver or reduction of permit fees, marketing assistance, and/or provision of technical assistance to prospective tenants. This type of a policy would help to discourage the construction of new small scale retail spaces at a time when local real estate conditions suggest that the market is oversupplied in this category. While policies should not exclude or prohibit the construction of new retail space, it should encourage the reuse of existing properties, particularly those located in the Old Town and Downtown areas.

Alternative 17: Gateway Improvements and Wayfinding on Broadway and Hwy. 101

Establish gateway signage and improved wayfinding on Broadway and the Highway 101 corridor to better direct visitors to Eureka's key destinations and attractions, such as Old Town, Downtown, the waterfront, Bayshore Mall, Woodley Island, etc.



IMPLICATIONS AND DISCUSSION

The intent of this alternative is to establish clear gateways for the City of Eureka that welcome visitors and provides clear direction on where to they can find Eureka’s various points of interest, including shopping, recreation, historic sites, and civic offices. At present, the wayfinding along the Broadway corridor does not clearly signal the presence of points of interest, let alone indicate how to reach them. A well-designed wayfinding strategy can not only make travelers aware of the presence of various points of interest, it can easily and clearly point them in the right direction, in addition to guiding them toward parking and other amenities, while helping to reinforce Eureka’s “brand” or unique identity through design elements. With a lack of clear signage, the travelers are left to rely on their own knowledge alone. The establishment of clear and appealing gateways can also be an important component of the wayfinding strategy that signals to visitors that Eureka is a welcoming place that prides itself on its history and culture. The challenges associated with wayfinding and gateway improvements include building community consensus on design and funding, as well as identifying which destinations are called out on signage.

Alternative 18: Streetscape Enhancements and Design Standards Along Broadway

In order to create a more unified and appealing commercial environment, this alternative would include the establishment of design standards for retail establishments located along the Broadway corridor, which would also be coupled with strategic streetscape improvements intended to improve visual appeal.

IMPLICATIONS AND DISCUSSION

In the interest of developing a more cohesive southern gateway, and to improve the visual appeal of the retail environment along the Broadway corridor, this alternative would include the establishment of design standards for retail and commercial establishments in the corridor. These may include façade designs, parking requirements, and signage standards, among other items. This should also be coupled with streetscape improvements, such as a City entry feature, sidewalk repairs, landscaping, lighting, and signage. These improvements, coupled with design standards for new development, could help to build a more cohesive shopping experience. While the imposition of design standards may increase the costs associated with establishing a business along the corridor and could discourage some businesses from locating there, the creation of a more cohesive and appealing retail environment may provide benefits to retail businesses, therefore offsetting any initial expense incurred by the businesses.

Alternative 19: Encourage Cleanup and Beatification in Visitor Serving Areas

This alternative would include the establishment of policies and programs intended to encourage cleanup and beautification in the City’s visitor serving areas.

IMPLICATIONS AND DISCUSSION

The intent of this alternative is to develop a program that assists in the removal of blight conditions from the City’s existing and planned visitor-serving areas, to encourage continued visitation by area residents and visitors alike. Activities associated with this alternative could include trash removal, upgraded landscaping, graffiti abatement, abatement of illegal campsites, and discouraging unauthorized access/use of open spaces, among many other options. The specifics of these activities that would be required are likely to vary significantly place-by-place. Challenges associated with implementation of this alternative include building community consensus on program priorities and funding, as well as coordination with homeless service providers and County Health and Human Services.

Alternative 20: Create a Business Friendly Environment

Under this alternative the City would strive to create a business friendly reputation through the development of streamlined permitting processes and efficient services.

IMPLICATIONS AND DISCUSSION

The intent of this alternative is to help Eureka build a business friendly reputation. The first step in this process should be to develop an inventory of business needs, both in terms of the items, forms, and permits that businesses will be required to prepare, prior to initiating the planning process, as well as in terms of the things that businesses are looking for in order to locate in, or remain in, the City of Eureka. The former may include a list of required forms and permits, as well as other requirements that the business owner will have to comply with. The latter may include a list of business needs, such as low cost utilities, reasonably priced rental space, a clear and efficient regulatory structure, access to transportation, etc. Another option could be to include a business incubator program that would provide resources, both intellectual and material, to help businesses establish themselves in Eureka. This could include new businesses, as well as businesses that are attempting to set up a new location within the City. Implementation of this alternative will require close coordination between the City and the business community, as well as flexibility and understanding on both their parts. A business incubator program may also require the identification of potential funding sources.

Office Land Use Policy Options

Alternative 21: Accommodate Potential Growth in Health Care Sector

Because the Health Care sector is one of the few industries projected to experience growth through 2040, this alternative would include actions intended to better accommodate expansion in the medical office sector.

IMPLICATIONS AND DISCUSSION

Although the general office sector has experienced considerable fluctuation in demand over the past decade, it has remained relatively stable and, with the expansion of the St. Joseph Hospital complex and the Open Door Clinic facilities, has grown considerably. Although medical office uses may be accommodated in some of the City's existing office space, the majority is likely to cluster near the established and planned medical facilities, such as near the intersection of Harris Street and Harrison Avenue or Myrtle Avenue and Toddy Street. In order to ensure that the City can capture this growth, it should establish zoning and site requirements appropriate for medical office uses, in the areas where the greatest growth is anticipated. This will help to limit negative interaction between medical office uses and surrounding uses, which are typically residential. It will also ensure that the City can attract and retain the critical mass of medical office activity to ensure the long-term health of the industry. This approach may result in the some existing residential areas transitioning to medical office uses; however, the negative impacts of that transition are likely to be relatively small.

Alternative 22: Promote the Flexible Use of Downtown Office Space

Establish use regulations that allow greater flexibility in the use of Downtown office space.

IMPLICATIONS AND DISCUSSION

This alternative seeks to change the City zoning code to allow more flexible use of Downtown office space. For example, the City has already permitted the use of some spaces in live-work arrangements, to some success. Expanding these provisions to allow a greater array of uses, including residential, boutique hotel, artist lofts, etc., could help to absorb some of the existing vacancy through adaptive reuse, particularly among the older professional office buildings. In addition, bringing other daytime and nighttime users into the Downtown area will help to create more demand for existing retail and services businesses and enliven the Downtown area, particularly outside of traditional office business hours.



Alternative 23: Encourage Establishment of Office Space Near Amenities

In the event that new office space is developed within the City of Eureka, this alternative would direct it towards areas with complementary office uses, as well as daytime dining and business services establishments

IMPLICATIONS AND DISCUSSION

In order to maximize the market viability of new professional and medical office space, it should be directed toward areas that provide complementary office uses, as well as daytime dining and business services. This would help to create a critical mass of professional office activities that can provide efficiencies for office users, as well as their clients. It will also help to ensure a sufficient suite of amenities for office tenants, who prefer to locate near other complementary uses, such as day-time restaurants and copy shops, among others. This type of clustering of offices with other synergistic uses create an identifiable location that will have a stronger presence in the competitive marketplace than an equal quantity of office floor area that is scattered across a number of separate locations.

Tourism and Accommodations Policy Options

Alternative 24: Work Proactively on Homelessness and Drug Abuse Issues

In order to work proactively to improve the quality of life for residents of the City of Eureka, and to create a safe and inviting experience for visitors, the City should work proactively with stakeholders to address issues associated with homelessness, drug abuse, and vagrancy throughout the City and the surrounding area.

IMPLICATIONS AND DISCUSSION

Conversations among the General Plan Economic Development Focus Group and the City's Economic Development Strategic Plan Ad Hoc Committee identified issues of homelessness, drug abuse, and visual blight as the number one priority under the topics of improving the local quality of life, with critical implications for business retention, expansion, and attraction, and tourism development. The manifestation of these issues on sidewalks, parks, and other public spaces and near businesses and residential areas is a deterrent to visitors in particular. While the consultant team, the Economic Development Focus Group, and the Economic Development Strategic Plan Ad Hoc Committee appreciate the need for adequate and effective services to address these important social issues, it is also recognized that these issues present a barrier to development of the tourism sector, and prevent the community from capitalizing on the full benefits of Eureka's unique history, culture, and charm. In recognition of the complex nature of these issues, implementation of this alternative will require a concerted long-term effort involving close coordination between the City, social service providers, area businesses, and the community at large.

Alternative 25: Concentrate Hotel Development in Proximity to Attractions

Under this alternative, the City would enact policies to direct the development of lodging establishments into areas that are in close proximity to visitor attractions, including the waterfront and other points of interest, dining, and shopping.

IMPLICATIONS AND DISCUSSION

Existing hotel and motel development in Eureka is primarily concentrated along the auto corridors of Broadway and Highway 101. Focusing future hotel and motel development in the central part of the City, near the waterfront, in proximity to a variety of visitor serving destinations and attractions as well as a wide range of dining and shopping options would encourage synergy between these complementary uses and encourage overnight visitors to explore, and spend money, within the City's commercial core. Given the limited supply

of opportunity sites within the Downtown and Old Town areas, the City may work to identify one or two key sites that would be opportune for a range of hotel types, which may include larger destination hotel projects as well as smaller boutique hotels.

Alternative 26: Pursue the Establishment of a Cruise Ship Terminal

Under this alternative, the City would investigate the viability of establishing Dock B, or an alternative site, as the location for a commercial cruise ship terminal.

IMPLICATIONS AND DISCUSSION

Although past efforts to establish a cruise ship terminal in Eureka were unsuccessful, there is some evidence to suggest that the City might be able to draw in a number of smaller cruise ships each year, especially if the City had facilities available to accommodate those vessels. In the near term, the City could pursue plans to utilize an alternative facility, such as the Schneider Dock, as a temporary terminal. In the longer term, development of a permanent cruise ship terminal, at Dock B for example, could be coupled with complementary development, possibly of the kind previously proposed for the Balloon Track site. However, there is, as of yet, no guarantee that the City would attract a stream of vessels sufficient to offset the cost of developing a permanent terminal. Therefore, at this time, the prospect remains relatively speculative. However, in the event that a market opportunity can be substantiated through further analysis, and tracking of visitation to the temporary terminal, the City could potentially demonstrate that the economic impacts of the increased visitation would justify City participation in the project. Such a project could provide a valuable asset that would bolster the City's reputation as a tourist destination and a hub for tourism on the North Coast.

4.3 RECOMMENDATIONS

This third and final section of the Economic Development Policy Paper discusses preliminary recommendations that would support the goal of maximizing economic returns and community benefits, based on an analysis of the City's competitive position within Humboldt County and the greater North Coast region. The discussion is broken down by general topic area, including policy alternatives for Industrial Land, Commercial Fishing, Transportation, Commercial Development and Revitalization, Office Land Use, and Tourism and Accommodations. The policy recommendations discussed here generally correspond with those developed in coordination with the General Plan Update Economic Development Focus Group and the City's Economic Development Strategic Plan Ad Hoc Committee. Note that these recommendations are preliminary based on the research conducted thus far and will require additional community input for refinement and validation.

Industrial Land Policy Recommendations

In order to ensure that there is a sufficient amount of land made available to accommodate potential growth in the industrial sector, the consultant team recommends taking a mixed approach that combines elements of Alternatives 3, 4, and 5.

Policies associated with the provision of industrial land within the City of Eureka are an important topic for the General Plan Update due to the limited availability of industrial land outside of the Coastal Zone. Under this recommendation, the City would evaluate its need for non-CDI land to accommodate realistic projections of growth in non-CDI sectors, and coordinate with other important stakeholders within the Humboldt Bay region to ensure that adequate land will remain to accommodate current and future CDI needs. In particular, the City may need to pursue close coordination with Humboldt County and the HBHRCD in order to make a credible case for redesignation of excess CDI land to the CCC. This approach would balance the City's desire to provide more non-CDI development opportunities with the CCC's priority to preserve CDI land to address



long-term needs. The recommended approach is to seek only to convert an amount of CDI land that is sufficient to accommodate reasonably foreseeable demand for non-CDI uses, with the idea that if this approach proves to be too conservative in the future, the City will always have the option to seek redesignation of additional CDI land. From the CCC's perspective, this approach would be much less risky to the overall well-being of CDI activities than an approach that would attempt to convert all CDI land that is currently viewed as "excess".

In conjunction with this approach to CDI land redesignation, the City can also begin the process of identifying a limited number of sites outside the Coastal Zone that could potentially accommodate industrial development by right. These sites would represent an important component of the City's industrial land portfolio and could provide an important strategic fallback position in the event that efforts to redesignate land within the Coastal Zone are unsuccessful. In the short term, the City could also pursue CCC approval for interim or temporary uses on CDI land within the Coastal Zone to begin extracting value from existing vacant and underutilized sites. These uses should not preclude the establishment of permanent uses and could be pursued even while the City pursues redesignation of CDI land.

Commercial Fishing Policy Recommendations

In order to better ensure the long-term viability of the Humboldt Bay commercial fishing fleet, the consultant team recommends the pursuit of Alternatives 7 through 9, to secure berthing facilities for the fleet and ensure the provision of support facilities and services that are necessary to maintain the viability of commercial fishing operations.

The actions described under Alternative 7 would be the minimum required to retain the fishing fleet as it currently exists. This would include the ongoing maintenance of existing facilities that provide critical services to the fishing fleet, such as docking and refueling facilities, the ice plant, equipment storage, etc. Without access to these basic amenities and services, the fishing fleet will not be able to continue commercial operations, and the City will lose an important cultural and economic asset. Similarly, Alternative 8 would help to ensure that the fishing fleet is able to retain access to docking facilities necessary to continue their commercial operations. As regulations and smaller catch volumes place economic strain on the industry, fishermen are less able to absorb increased prices for dock space. As a result, private and recreational vessels that are able to pay higher prices for docking privileges are able to out-price the fishing vessels and threaten their ability to secure necessary dock space. By affirming the fishing fleet's priority position with regard to dock leasing, the City can help to ensure the continuance of commercial fishing activities. Alternative 9 would help to enhance the existing commercial fishing infrastructure and replace the old cold storage facility that closed in 2008. The establishment of a new cold storage facility would aid in retention of the industry, by allowing the fisherman to store and transport their catch more efficiently. This is accomplished by allowing the temporary storage of fresh fish, which allows distributors to accumulate a sufficient amount of product so that they can ship full, rather than partial, loads.

Transportation Policy Recommendations

The consultant team recommends the pursuit of Alternative 10, which would support the establishment of alternative transportation modes, while maintaining and improving existing transportation options. The team supports Alternative 11, since the re-establishment of two-way connectivity on West Henderson Street would improve access to the Eureka Mall. However, this alternative must be evaluated within the context of the City's broader transportation network.

The two alternatives proposed with regard to transportation address two very different issues. Alternative 10 addresses Eureka's relative isolation, and the threat posed by reduced cargo traffic through the Port of Humboldt Bay. The alternative proposed the investigation of alternative transportation options, such as

highway improvements, east-west rail, and/or participation in the Marine Highway system, among others. At this point, it is not clear which alternative transportation options would be viable and cost effective. Also, most of these options would require considerable coordination with other jurisdictions and agencies, including the state and federal governments. However, it will be important for the City to understand its options, since the City currently relies on highway and marine transportation only. With reduced traffic through the Port of Humboldt Bay, some question the ability of the Harbor District to sustain dredging activities, which could threaten the viability of the port as a transportation mode. Therefore, the consultant team recommends the adoption of policies that would support the establishment of alternative transportation modes, while also maintaining and improving the viability of existing transportation options.

Alternative 11 would involve the re-establishment of eastbound connectivity on West Henderson Street, near the Eureka Mall. This would allow better visibility for the retail establishments located on the north side of the mall, and would provide improved connectivity with Highway 101 that would limit the need to route eastbound traffic through residential neighborhoods. However, the pursuit of this alternative would require coordination with other transportation policy options discussed in the Transportation Policy Paper and may, or may not, conflict with those recommendations. As a result, the consultant team neither recommends, nor discourages, adoption of Alternative 11 pending further analysis and input, with the understanding that adoption could improve opportunities for retail activity on the north side of the Eureka Mall.

Commercial Development and Revitalization Policy Recommendations

The consultant team recommends the pursuit of Alternative 12, and Alternatives 14 through 20. Each of these alternative policy options could be adopted independently, but would benefit most from coordinated implementation. Alternative 13 warrants greater consideration, as it could be implemented to varying degrees, which would have varying impacts on existing retail concentrations.

The policy alternatives presented in support of commercial development and retail corridor revitalization can generally be divided into two complementary groups. The first focuses on the physical clustering of retail development, and positioning of retail development to appeal to different segments of the market. As an overarching policy, Alternative 12 would have the City use its regulatory powers to focus retail activity at a number of key nodes, helping to ensure the necessary concentration of retail activity that can promote retail vibrancy. These could include the Bayshore Mall, the Eureka Mall, Henderson Center, Downtown, and the Eureka Old Town, although, the City may elect to include additional retail nodes, such as is proposed under Alternative 13. While there is a certain logic associated with the concentration of destination and other complementary retail establishments near major regional anchor stores, such as Costco and Target, this would involve the expansion of two retail nodes, which could detract from efforts to revitalize other existing retail nodes, like Bayshore and Old Town. As a result, the consultant team recommends that the City pursue this approach only when there is evidence of sufficient growth in retail demand to support full utilization of existing retail centers, plus sufficient excess demand to support new development at these two new retail nodes.

Separately, per Alternative 14 the City would use its regulatory powers to try and support the retention of dispersed neighborhood commercial. Since this type of retail node is focused on serving the needs of neighborhood residents, it does not conflict to any great extent with the other alternatives intended to revitalize areas like Downtown and Old Town. As a result, the alternative offers significantly greater benefits than it does costs. Through Alternative 15 the City would work to position the Henderson Center shopping district as a neighborhood commercial area, similar to how it functions currently. While the district could potentially be positioned as a specialty shopping district, that function is better served in the Old Town. Positioning Henderson Center as a neighborhood commercial node would tie together the dispersed neighborhood commercial options and provide a more centralized location for the provision of neighborhood services uses that do not reasonably fit within the dispersed centers. This could include uses such as banks and drug stores



that require a larger service area. Lastly, Alternative 16 encourages the City to incentivize the reuse of existing smaller retail spaces, rather than encouraging new development. This alternative is in response to the relatively high vacancy rates that exist throughout the City among smaller retail spaces. This may include offering various incentives, such as financial assistance that could be used to adapt historic structures to more modern uses, waiver or reduction of permit fees, marketing assistance, and/or provision of technical assistance to prospective tenants. While policies should not exclude or prohibit the construction of new retail space, this policy alternative would encourage the reuse of existing properties.

The second grouping of commercial revitalization policy alternatives focuses on gateway improvements, signage and wayfinding, beautification, and cleanup of the City's existing commercial corridors. The consultant team recommends the adoption of Alternatives 17 through 20, with the understanding that these are relatively inexpensive methods by which to improve upon the City's existing assets. Alternative 17, in particular, would help to establish gateways that would inform visitors that they have entered the City of Eureka, as well as wayfinding improvements that will inform visitors and direct them to area attractions. Complementing the gateway and wayfinding improvements, the implementation of Alternative 18 would improve the overall visual appeal and cohesiveness of the Broadway corridor, which currently offers a relatively fragmented and chaotic retail character. Alternative 19 would apply to all of the City's existing commercial and visitor-serving areas and would involve activities intended simply to make the City more appealing to visitors and to improve the relative sense of safety and security. Alternative 20 is primarily focused on attracting and retaining commercial and retail businesses. It would help the City position itself to provide a clear list of items necessary for businesses to establish themselves within the City. It would also involve the City working with businesses to remove barriers to business establishment and retention.

Office Land Use Policy Recommendations

The consultant team recommends the pursuit of Alternatives 21 through 23.

Alternative 21 is intended to help ensure that the City can accommodate growth in the Health Care sector. With the recent expansion of the St. Joseph Hospital complex, the City is positioned to experience growth in the medical office sector, which will primarily be concentrated in proximity to existing nodes of medical office activity. However, in order to ensure that the City is able to capture this growth, without losing out to other nearby communities, it should ensure that there is a clear and efficient process for the establishment of medical office facilities in proximity to other health care uses, like the hospital. Alternative 22 is geared toward the adaptive reuse of existing office space in the Downtown. This would involve changes to the City zoning code that would allow a greater array of uses, including residential, boutique hotel, artist lofts, etc. While such uses may reduce the total supply of land available to accommodate office uses, further diversification of downtown land uses will help to create an environment that will be more attractive to office tenants for existing under-utilized buildings and parcels. Alternative 23 addresses the siting of future office developments, encouraging the concentration of such uses in areas that have access to important daytime amenities, such as restaurants and copy shops, among others. This is intended to ensure that new office developments are able to successfully market their properties, as both functional and appealing locations for commercial office uses.

Tourism and Accommodations Policy Recommendations

The consultant team recommends the pursuit of Alternatives 24 and 25. At this time, the consultant team neither recommends nor discourages the City from Alternative 26.

The implementation of Alternative 24 will be crucial to Eureka's success as a tourism destination. During conversations with the General Plan Economic Development Focus Group and the City's Economic Development Strategic Plan Ad Hoc Committee, multiple individuals commented that issues of homelessness, drug abuse, and visual blight function as deterrents to visitors who perceive potential issues associated with

safety and security for themselves and their property. Resolution of these issues will require a concerted long-term effort, along with close coordination between the City, social service providers, area businesses, and the community at large. Alternative 25 focuses on the siting of future hotel and motel developments. Existing lodging in the City of Eureka is primarily concentrated along the automotive corridors, which corresponds with historic market demand; however, contemporary lodging trends suggest that new hotel and motel developments should be concentrated closer to attractions and amenities, providing a unified and appealing walkable experience. As a result, the consultant team recommends that the City seek to accommodate future hotel and motel development in proximity to the Downtown and Eureka Old Town districts.

Alternative 26 proposes the establishment of a cruise ship terminal within the City of Eureka, possibly at the existing Dock B site. At this time, the consultant team neither recommends nor discourages the City from pursuing this alternative. While the cruise ship industry might offer the City a much needed source of employment and revenue, it is not clear whether the economic impact estimates previously presented could, in fact, be realized. With an estimated up-front investment of at least \$5 million for full development of the Dock B site, the City would need to attract a substantial stream of cruise ship visitation that is not guaranteed. Once the cruise ship terminal is built, it may take a number of years to build up a schedule of vessels sufficient to begin offsetting the initial investment. Therefore, the City would need to closely evaluate its ability to absorb any portion of such costs that would not be covered by private investment or possible grant funding. Similarly, once established, the cruise ship terminal would require significant resources for promotion and advertising, in order to build relationships with cruise lines, independent cruise vessels, and the cruise industry more broadly. However, in the event that a terminal was successfully constructed, in conjunction with nearby complementary uses, and the City receives visitation sufficient to offset the cost of development, it could provide a valuable asset that would bolster the City's reputation as a tourist destination and a hub for tourism on the North Coast. It would also provide increased traffic to the Port of Humboldt Bay, which could help to offset the costs of port maintenance, making the cruise industry an important strategic asset to the City and the region. In the interim, the City could pursue the use of an alternative facility, like the Schneider Dock, as a temporary terminal. This would allow the City to begin marketing and recruitment efforts, to begin building the more robust cruise ship visitation schedule that would ultimately be necessary to support development of a more permanent facility.

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