

DRAFT

Humboldt Bay Harbor, Recreation, and Conservation District
Economic Development Committee
Minutes of July 15, 2013 Meeting

The reconvening of the Humboldt Bay Harbor, Recreation and Conservation District (Harbor District) Economic Development Committee (EDC) took place on July 15, 2013 at the Woodley Island conference room beginning at 6 PM. The meeting was opened by Commissioner Richard Marks, who will serve as the Chair. Attendees included:

Attendee	Representing
Richard Marks (Chair)	Harbor District Commissioner
Patrick Higgins	Harbor District Commissioner
Jack Crider	Harbor District CEO
Jacqueline Debets	Humboldt County
Ted Kuiper	Aquaculture
Erika Guevara Blackwell	Aquaculture (Alt)
Jennifer Kalt	Humboldt Baykeeper (Alt)
Pete Johnston	Timber Heritage Society
Bruce Seivertson	Timber Heritage Society (Alt)
Travis Schneider	Private Sector Shipping
Steve West	Operating Engineers
Richard Lentz	Humboldt Bay Working Group (Alt)
Marcia Tauber	Recreational Interests
Tim Chermis	DANCO Group/Samoa Pacific
Andy Elsbree	Green Diamond
Tim Petruscha	Harbor District Bar Pilot
Kent Sawatzky	Public
Monte Provolt	Public
Debbie Provolt	Public

Commissioner Marks called the meeting to order at 6 PM and began by explaining that the Harbor District had previously convened an EDC in 2009 and 2010 and that the reconvening was to build in part on previous findings. He requested that participants show respect for one another and hoped that the dialog would be constructive and focus on what was realistic in terms of economic opportunities. He then invited committee members and the public to introduce themselves and to mention briefly the reason for their participation.

Overview Presentation: Harbor District Chief Executive Officer (CEO) Jack Crider then made a Power Point presentation giving an overview of the many functions the District performs with an emphasis on how it serves the community and its role in stimulating trade and commerce for the Port of Humboldt Bay as called for in its Charter under the California Harbor and Navigations Code. He touched on the extent to which the Harbor District had focused on developing large scale marine trade and noted that the effort had netted a loss of \$3.1 million over the 10 year period from 2003-2013. This has created some economic hardship and a major focus of the EDC will be to see how more revenue can be generated from District assets in Fields Landing, on

Woodley Island and on the Samoa Peninsula. Jack touched on the prospect of the Harbor District acquiring the Freshwater Tissue pulp mill and converting it for other uses and noted that the EDC will have an opportunity to mull possible development options, should that purchase be made.

Jack's presentation included creation of the *Humboldt Bay Management Plan* that is the principal guiding document for the Harbor District, but he noted that it is not a prioritized plan in terms of economic development. He pointed out that the 2003 *Humboldt Bay Revitalization Plan* contained many ideas for economic development and that many are being pursued by the District. In addition, the Harbor District Commission also performs five-year Strategic Plans and that the current one is for 2011-2015. Jennifer Kalt of Humboldt Baykeeper noted that she had participated in public meetings for the Strategic Plan and said its development was an inclusive process and one that was very friendly to public involvement.

Review of 2009-2010 EDC Process and Findings: Commissioner Patrick Higgins followed with a recap of the findings of the 2009-2010 EDC. Pat noted that his interest in participation in 2009 and in 2013 was to find viable strategies to create new enterprises and opportunities around Humboldt Bay that are compatible with maintaining the health of the bay. His summary Power Point presentation noted the following opportunities identifies as priorities:

- Short Sea Shipping or Marine Highway Development
- Aquaculture Expansion
- Light to Medium Industrial Development
- Coordinate a Comprehensive Approach to Humboldt Bay Development
- Improve Recreational Infrastructure to Boost Tourism Related Economic Development
- Maintain Sport and Commercial Fishing Access/Explore Increasing Sustainable Fishing Jobs
- Repair and Modify Levees to Protect Against Sea Level Rise While Restoring Humboldt Bay's Ecology and Productivity

Pat then reported progress on various options or impediments to progress. The Harbor District attempted to get TIGER grants for infrastructure to improve capacity for the Marine Highway, but they were rejected. Pat pointed out that short-sea-shipping needs government infrastructure investment so that all West Coast Ports have similar logistics and questioned how much progress the Harbor District can make on this if there is no willingness for the federal and State governments to make such investments a priority. Without similar dock facilities, cargo movement is very inefficient and costly. At present, handling costs can be prohibitive. While there are a number of shipping facilities around Humboldt Bay, none are ideally configured for short sea shipping and the log trade.

Aquaculture is an area of significant growth recommended by the 2009-2010 EDC and the Harbor District acquired a \$200,000 Headwaters grant that is expected to allow substantial increases in tide land leases and expanded production. In addition, the conversion of the Freshwater Tissue pulp mill to an aquaculture park, similar to Kona, Hawaii is also under consideration. The Taylor Shellfish Company is also adding oyster culture capacity on the Samoa Peninsula on Harbor District property that will be coming on line in 2013. Pat pointed out that the partnership for the relationship started at the 2009-2010 EDC meetings. CEO Jack Crider more recently invited the Hog Islands Oyster Company to come and explore Humboldt Bay. That company has just received permits from the Harbor District to begin oyster raft

culture in Fairhaven and to also develop a shore-side facility to culture oyster spats and provide seed for the industry Pacific Coast-wide.

Less progress has been made on the business incubator and light industry development front and Pat said he thought the Redwood Dock property of the Harbor District would be an ideal location. Possible businesses could include boat building, lumber products, prefabricated construction products, soil products, biomass products, container repair, boat repair, marine products, marine apparel, wave/wind energy support, paper products, water bottling, ship scrapping, and research.

Economic development related to tourism is a major contributor to the Humboldt County economy with over \$80 million generated annually and 5000 jobs. Some progress has been made on trail infrastructure since 2010 but impediments remain to establishing a Humboldt Bay trail that would be a major tourist draw but also provide multi-modal transportation that has many additional benefits for community economic well being and the quality of life for local residents. Pat quoted former Humboldt County Public Health Director Anne Lindsey who said that getting local residents out on trails and adopting more active life styles would lead to health care savings of \$50 million annually within a decade. More bicycling saves energy and keeps money not spent on petroleum products recalculating in the local economy. Pat pointed out the huge benefit derived by Redding from the Sundial Bridge and associated Sacramento River trail system and said he hoped the Committee could help move a similar concept for a Humboldt Bay Trail forward.

The Harbor District has been a leader on issues related to maintaining access to fish stocks in order to maintain sport and commercial fisheries. Commissioner Higgins recounted how a region-wide North Coastal Local Agency Coordinating Committee (NCLACC) was formed and helped create political pressure that lead to positive outcomes from the Marine Life Protection Act (MLPA). The Harbor District is also working with Humboldt State University and local communities on winning grant resources from the Monitoring Enterprise for assessing Marine Protected Areas but also in assessing health of fish stocks. The latter data will be used to justify continued fishing access with the Pacific Fisheries Management Council and the California Department of Fish and Wildlife. Pat noted that NCLACC will also likely weigh in on Pacific halibut management with the International Pacific Halibut Commission to avoid unneeded closure of sport fisheries and expand access to a reasonable level and accord California its own management zone.

A question was raised about the methods of the Harbor District's prioritization and Commissioner Higgins responded that it was voted on at a Commission meeting. He also noted that the full EDC report was available on line as are the minutes of each meeting and a video that can be streamed on Access Humboldt and said that links from the District's website would be updated. Another question from the public was why there was no discussion of large scale marine trade in the 2009-2010 recap. Commissioner Higgins noted that there was little prospect for a major increase in Port related business found in the 2009-2010 session that included private sector shipping interests with Randy Gans, Woody Murphy, David Schneider participating as well as Wilson Lacy. Pat recommended review of the meeting minutes or video on line.

Prosperity Project: Humboldt County Economic Development Coordinator Jacqueline Debets then made an informative presentation on the Prosperity 2012 process and findings so that the

EDC could have a full understanding of how it defines opportunities. She described how the process began in 2012 with industry cluster leaders and their strategic work plans. In addition to these meetings, input was provided by Tribes and over 100 individual interviews were conducted early in the process. Public involvement started in February 2012 with formation of Citizen Action Teams. An Industry Leader Council also provided input and an Infrastructure Prioritization Committee was formed cooperatively with the Redwood Region Economic Development Commission. In total over 450 people participated.

Target of Opportunity industries achieved a 14% growth rate in Humboldt County as the region lost jobs at a 6.1% rate. Business failures were half the regional rate, with 8.8% failure rate in Humboldt versus 15.5% for the region. Our county grew real wages at an average of 37% and pay was higher than the rest of the region as well. These targets include the

- Health Care Industry
- Speciality Foods, Flowers & Beverages
- Building & Systems Construction
- Investment Support Services
- Management & Innovation Services (Knowledge-Based)
- Niche Manufacturing\
- Forest Products
- Tourism

Jacqueline described an entrepreneurial boom in Humboldt County that has created 2,283 businesses between 2002 and 2010, which is an engine for job creation even if only a small percentage succeed. She noted that Humboldt has a younger demographic than any surrounding county with a median age of 37 years old. A member of the public asked how that could be given that youth of the area were moving. Ms. Debets responded that young people who come to attend Humboldt State University stay in the area. She noted that many young people native to the area seek education and opportunity outside Humboldt County but can bring additional skills and capital back, if they choose to return to raise their children or for quality of life reasons.

Scheduling Topics for Future EDC Meetings: The meeting concluded with a discussion of what topics should be covered by the EDC and at which meetings. The next meeting will be on August 12 and all subsequent meetings will be on the second Monday of the month at the Harbor District's Woodley Island conference room. Commissioner Higgins attempted to facilitate discussions regarding subjects and dates for future meetings and put some ideas on the black board. He expressed a desire that the EDC not only look at various sectors of economic development but consider place-based discussions, especially relating to Harbor District assets and their potential development.

Concerns were raised by the public about the impediment to development from unnecessarily stringent environmental regulations and the need for permit streamlining as a topic for the EDC. Commissioner Higgins noted that there was discussion of similar problems and needs in the 2009-2010 convening of the EDC and said that he shared concerns.

Steve West said that ship loads of sand were arriving in Redwood City in San Francisco Bay from British Columbia and that the cargo was worth \$1 million/load. He requested that the EDC explore this potential business section and Commissioner Higgins suggested it could be part of

the next meeting. The public requested that large scale shipping and railroad construction also be covered and Commissioner Higgins assured them that it would be covered on August 12. Travis Schneider said that the meeting related to Port and harbor infrastructure needed to include those knowledgeable in the industry and that other meetings needed to have similar expertise to provide the committee with the highest quality basis for decision making.

The EDC meeting schedule and topics are as follows:

Date	Topic
August 12	Port and Marine Trade Infrastructure Development Including Railroads
September 9	Samoa Peninsula (Redwood Dock/Samoa/Freshwater Tissue/Fairhaven)
October 14	Aquaculture
November 11	Light Industry/Business Incubators
December 9	Tourism/Multi-Modal Transport/Rails & Trails
January 13	Fields Landing
February 10	Woodley Island
March 10	Bay-Wide Planning/Sea Level Rise/Permitting Issues and Development

The meeting was adjourned by Richard Marks at 8 PM and he said that all meetings would be similarly limited to 2 hours in duration.