

bae urban economics

City of Eureka  
Economic Development Strategic Plan  
March 2015



# bae urban economics

March 6, 2015

Cindy Trobitz-Thomas  
Economic Development Director  
City of Eureka  
531 K Street  
Eureka, CA 95501

Dear Ms. Trobitz-Thomas:

Enclosed please find the Final Economic Development Strategic Plan for the City of Eureka. This version incorporates revisions in response to the feedback and direction that the City Council gave on the Draft, at their February 3, 2015 meeting.

Please do not hesitate to contact us in our Davis office, at 530-750-2195 if you have any questions.

Sincerely,



Matt Kowta, MCP  
Principal



Aaron Nousaine, MCRP  
Senior Associate

San Francisco  
1285 66<sup>th</sup> St.  
Emeryville, CA 94608  
510.547.9380

Sacramento  
803 2<sup>nd</sup> St., Suite A  
Davis, CA 95616  
530.750.2195

Los Angeles  
488 South Hill St., Suite 301  
Los Angeles, CA 90013  
213.471.2666

Washington DC  
1400 I St. NW, Suite 350  
Washington, DC 20005  
202.588.8945

New York City  
49 West 27<sup>th</sup> St., Suite 10W  
New York, NY 10001  
212.683.4486

# Table of Contents

<b>INTRODUCTION.....</b>	<b>1</b>
Purpose.....	1
Relationship of the Economic Development Strategic Plan to Other City Policies .....	1
Economic Development Strategic Planning Timeframe .....	2
Overview of the Economic Development Strategy Development Process.....	2
<b>ECONOMIC DEVELOPMENT STRATEGIC PLANNING FRAMEWORK .....</b>	<b>8</b>
Roles and Responsibilities .....	8
Information Dissemination .....	11
<b>ACTION PLAN .....</b>	<b>13</b>
Economic Development Goals .....	13
Strategic Initiatives .....	14
Implementing Actions .....	14
Sub-Goal A: Maintain and Create High Quality Jobs .....	17
Sub-Goal B: Build Eureka’s Community Assets.....	25
Sub-Goal C: Create a Diverse and Resilient Economy .....	29
Sub-Goal D: Strengthen the City’s Revenue Base.....	38
<b>APPENDIX A: SUMMARY MATRIX OF ACTIONS.....</b>	<b>41</b>
<b>APPENDIX B: AD HOC COMMITTEE AND FOCUS GROUP MEMBERS .....</b>	<b>56</b>
<b>APPENDIX C: SLIDES FROM FEBRUARY 3, 2015 CITY COUNCIL WORK SESSION .....</b>	<b>57</b>

# INTRODUCTION

## Purpose

The purpose of this document is to outline a range of economic development strategies and implementing actions, which are consistent with the Strategic Plan 2013-2018-2028 and the updated Economic Development Element of the City of Eureka General Plan, and which will guide the City's short- and medium-term efforts to promote local economic development. The initiatives and actions are informed by extensive economic and demographic analysis conducted in coordination with the General Plan update process. The plan was also developed in close coordination with City staff, as well as the General Plan Update Economic Development Focus Group and the City's Economic Development Ad Hoc Committee, both of which provided input toward the identification and refinement of the economic development opportunities and needs, strategic initiatives, and implementing actions. Ad Hoc Committee members, and other stakeholders, also provided guidance with regard to the appropriate parties to take the lead for each action, as well as the identification of potential strategic partners and funding sources.

## Relationship of the Economic Development Strategic Plan to Other City Policies

The Economic Development Strategic Plan is designed to function as an implementation tool that complements the more general goal and policy framework established by the Strategic Plan 2013-2018-2028 and the Economic Development Element of the General Plan.<sup>1</sup> The Economic Development Strategic Plan and the Economic Development Element of the General Plan were developed in parallel. However, this Plan is proceeding on a faster timeline than the General Plan Update. Accordingly, this draft may need to be revised and tailored during the General Plan update process to ensure consistency with the Economic Development Element as it is developed. The City of Eureka General Plan – including the Housing Element, Land Use Element, and Economic Development Element, among others – identifies the City's overarching goals and establishes a broad policy framework intended to guide the City's actions over the long-term. The Economic Development Strategic Plan represents a near- to medium-term work plan that identifies initiatives and actions that will help the City to support established policies, and to achieve the long-term goals identified in the General Plan. As a shorter-term implementation tool, the City can use the Economic Development Strategic Plan to develop annual work plans and progress reports, and should be updated periodically (e.g., every five to seven years) during the life of the General Plan, to reflect progress towards implementation, as well as changing economic conditions.

---

<sup>1</sup> Note that the Economic Development Strategic Plan also incorporates outcomes from the 2014 City Council Visioning process that occurred in June 2014, specifically with regard to short and long-term priorities for the achievement of Goal #2.

### ***Community Issues Not Addressed in the Economic Development Strategic Plan***

The Economic Development Element of the General Plan includes broad economic development policies which reflect the City's long-term goals for economic development. These policies also reflect broader community-wide concerns which, while critically important to the City's economic success, are not directly within the purview of the Economic Development Strategic Plan, the City's Economic Development staff, or other local business and economic development partner organizations. For example, members of both the Economic Development Focus Group and Ad Hoc Committee identified perceived and actual safety and security concerns associated with homelessness, transiency, persons with mental illness, and drug abuse as critical barriers to business attraction, retention, and expansion, particularly in the tourism sector. The Economic Development Element of the General Plan recognizes the importance of a range of community issues to economic development, and provides policy statements regarding the City's support for programs, projects, and actions that address such needs. However, because these issues are addressed through initiatives associated with other elements of the General Plan, they are not included amongst the strategies and implementing actions identified in the Economic Development Strategic Plan.

### **Economic Development Strategic Planning Timeframe**

The Economic Development Strategic Plan identifies a set of discrete implementing actions that are designed for completion by the City and its strategic community partners over the next five to ten years. The plan is designed in such a way as to facilitate the creation of annual work plans that identify the individual steps that should be taken, during a discrete period of time, to move the City closer towards fulfillment of the identified goals. In some cases, the City and its community partners may have already initiated some of the implementing actions, in which cases the City should build on the progress already made when developing annual work plans. While some of the implementing actions may be completed with a single one-time action, others may take several years to complete, or may be ongoing. As progress is made and economic conditions change, it is advisable that the City conduct a periodic review of the strategic plan, and update it as necessary, in consultation with key strategic partners and other important community stakeholders.

### **Overview of the Economic Development Strategy Development Process**

The Economic Development Strategic Plan was developed using a three phase process.

**Phase I: Evaluate existing economic conditions and socioeconomic trends**

**Phase II: Identify economic development opportunities and potential strategies**

**Phase III: Develop and refine the list of strategic initiatives and implementing actions**

Phase I of the plan development process began with the evaluation of existing socioeconomic conditions and trends as part of the City of Eureka General Plan update process. For additional detail regarding existing economic conditions and socioeconomic trends, please

refer to the Population, Housing, and Economy section of the General Plan update Community Background Report, as well as the Economic Development Policy Paper.<sup>2 3</sup> In addition, Appendix C contains a series of slides that summarize key findings from the Community Background Report, as presented at the February 3, 2015 City Council work session, at which the City Council and interested community members reviewed the Draft Final Economic Development Strategy Plan.

Phase II leveraged the findings of the existing conditions and trends analysis to identify existing and anticipated economic development opportunities and constraints, as well as potential strategic solutions. The process incorporated input from the Economic Development Focus Group, as well as findings from the 2014 City Council Visioning process, among other resources. The third and final phase of the plan development process included the compilation of a preliminary goal and policy framework and strategies and actions list that was then provided for review and comment by the Economic Development Ad Hoc Committee at its July 29, 2014 meeting. The consultant team then conducted additional interviews with key community stakeholders to further refine the policy and action framework, while identifying which parties would most appropriately be responsible for each action. Through this process, the consultant team also worked to identify key community partners, as well as potential funding sources. Additional refinements were made to the Strategic Plan based on feedback to be provided by the Ad Hoc committee at their November 10, 2014 meeting, and comments provided by the City Council and members of the public in response to the Draft Final Economic Development Strategic Plan, presented in a City Council work session, on February 3, 2015.

### ***Summary of Existing Conditions and Socioeconomic Trends***

Many of the opportunities and challenges that were identified with regard to economic development in the City of Eureka have some bearing on the City's industrial past, which was historically focused on a combination of resource-based activities, included timber processing, commercial fishing, and related activities. The Port of Humboldt Bay provides a relatively convenient and cost effective method for transporting commodities from the relatively isolated North Coast, to larger markets throughout the world. However, most of the resource-based industries have experienced considerable decline in more recent decades, 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

---

<sup>2</sup> City of Eureka. (2014). Community Background Report. Available at: [http://www.eureka2040gpu.com/project\\_document\\_library.html](http://www.eureka2040gpu.com/project_document_library.html)

<sup>3</sup> City of Eureka. (2014). Economic Development Policy Paper. Available at: [http://www.eureka2040gpu.com/project\\_document\\_library.html](http://www.eureka2040gpu.com/project_document_library.html)

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.

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. The Port historically specialized in the shipment of timber products, but also functions as a depot for petroleum products and general cargo shipments, occasionally accommodating commercial cruise ships as well. The Port also hosts a commercial fishing fleet, and an aquaculture industry focused on oyster production, as well as associated seafood processing and distribution facilities. Despite this broad array of maritime activities, decades of decline in the timber and fishing industries have reduced the volume of activity taking place at the Port of Humboldt Bay. With aging infrastructure and a decline in the number of commercial fishing vessels, the Port has lost a number of key infrastructure components, such as a cold storage facility. With continued declines in port activity, some question whether the amount of traffic can continue to justify the expense of dredging the channel and employing pilots to guide ships into harbor. There is also concern that non-coastal uses might supplant historically dominant Coastal Dependent Industrial (CDI) uses, therefore precluding the future use of land within the Coastal Zone for CDI activities. As a result, the City should consider strategies that promote the retention of CDI uses that leverage the Port as a strategic asset, while also accommodating growth among non-CDI uses, which reflect the repositioning of the local economy, following contractions in the more historically dominant industries.

Corresponding with declines in timber and fishing, Humboldt County and the North Coast have seen substantial growth in the illegal cultivation of marijuana. While the magnitude of the economic impacts stemming from marijuana cultivation is difficult to define, the available estimates suggest that the industry produced approximately one billion dollars' worth of the crop in Humboldt County in 2010. This represents approximately five times the value of all non-timber crops produced in Humboldt County. This illicit agricultural production subsequently supports an estimated \$415 million in retail sales, which is equivalent to roughly one quarter of the estimated gross product for all of Humboldt County. With state legislatures beginning to liberalize regulations surrounding marijuana, the City of Eureka should consider the implications of changing state policies. While legalization may lead to growth in the overall market for marijuana-based products, it may also result in the erosion of area's existing competitive advantage, one that exists due to its cool, wet climate, and relative isolation.

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, which suggests that per capita sales in Eureka are more than double the county and statewide averages. 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 City's ability 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 more destination oriented retail sales categories, such as General Merchandise Stores and Motor Vehicle and Parts Dealers. Additional analysis suggests that Humboldt County receives a net injection of retail sales estimated at \$801.5 million. Through a combination of retail leakage capture and population growth, the City could see sufficient demand through 2040 to support between 200,000 to 290,000 square feet of additional retail space. However, due to existing vacancy, much of this demand could be captured by existing retail spaces, perhaps in the Old Town and Downtown areas, or in one of the City's existing mall projects. To help bolster the community's position as a retail hub for Humboldt County, and to provide improved retail shopping opportunities for area residents and visitors, the City should consider pursuing actions to promote revitalization and reinvestment along its existing commercial corridors. These actions could include a mix of beautification, way finding, and other improvements, that promote revitalization and redevelopment, while anchoring each corridor within an appropriate market niche, such as destination or neighborhood commercial.

In addition to its function as a retail center, Eureka is a hub for office-based industries, including government, healthcare, finance and real estate, and professional services. As the county seat, 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. Eureka is also a central point of access for health care services due, in large part, to the presence of St. Joseph Hospital, the largest acute medical care facility on the California coast, north of San Francisco Bay. Eureka is also an important center for private financial and business activity in Humboldt County. With the office of the Humboldt County Recorder, the City is a natural location for real estate and financial services firms, like title companies. 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.

Tourism offers Eureka an opportunity to bring income into the local economy, by attracting visitors from outside the area. As of 2011, the industry generated an estimated \$331 million in countywide visitor spending. The available data on transient occupancy tax (TOT) collections suggest that Eureka accounts for 40 percent of the countywide 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. The City also struggles with issues associated with transients, homeless, and persons suffering from mental illness and/or drug addiction, who can act as a deterrent for visitors and can cause safety and security issues. There is also a perceived need for clean-up and beautification in visitor serving areas, 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. 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.

### ***Identification of Economic Development Opportunities and Potential Strategies***

Phase II built upon the detailed analysis conducted in the prior phase. On April 4<sup>th</sup>, 2014, the consultant team facilitated a meeting of the General Plan Update Economic Development Focus Group which provided an overview of the findings of the background economic analysis and requested feedback regarding key local issues and opportunities for development in the industrial, retail, tourism/hospitality, and the office using (e.g. government, health care, and professional services) industries. Based on the input provided by the Focus Group, the consultant team assembled a preliminary set of strategies intended to form the basis for the economic development policy framework in the updated General Plan. At this stage, the consultant team also incorporated additional strategy options culled from the Humboldt County Prosperity Plan, as well as those that emerged from the City Council's June strategic planning session. The preliminary strategy options were then reviewed and discussed at the June 17<sup>th</sup> meeting of the Ad Hoc Committee. Building on the results of a facilitated grouping exercise, the consultant team then refined the preliminary strategy list to consolidate redundant strategies and to reflect input provided by the Ad Hoc Committee members. At the July 29<sup>th</sup> meeting of the Ad Hoc Committee, the consultant team then presented a refined listing of strategy options, which included:

- Develop community consensus on desired growth
- Support local business growth and success
- Ensure access to businesses from highway
- Improve goods movement to and from locations outside the region
- Identify and attract youth and families
- Increase attractiveness as a tourism destination
- Maintain and expand the City's role as a regional medical center
- Prioritize community safety and security
- Work proactively on homelessness and drug abuse issues
- Expand niche and water-based manufacturing in the region
- Create an industrial park or identify industrial sites outside of the coastal zone
- Maintain and build the City's role as a regional office center

- Maintain and expand commercial port activities
- Maintain and expand commercial fishing activities
- Expand aquaculture in Humboldt Bay
- Prepare for potential impacts of marijuana legalization
- Leverage Eureka's position as a county retail hub
- Strengthen and expand the tourism sector

***Key Stakeholder Feedback on Phase II Recommendations***

Following the identification and review of the preliminary strategy options list, the consultant team, in coordination with City staff, identified a list of key community stakeholders and industry representatives. The consultant team then conducted interviews with the identified stakeholders throughout the month of August. Those invited to participate in informational interviews include representatives from the Humboldt Bay Harbor Working Group, Humboldt County Public Works, Eureka City Schools, the St. Joseph Hospital, the Open Door Clinic, the Humboldt Convention and Visitors Bureau, the Eureka Chamber, the Eureka Main Street program, the Eureka Art and Culture Commission, Ink People, Coast Seafoods, and Coldwell Banker, among others. The consultant team then synthesized the comments and recommendations provided by the interview participants and Ad Hoc Committee members into a revised version of the previously developed Goal and Policy framework, which incorporates a complete list of recommended strategic initiatives and implementing action steps.

# ECONOMIC DEVELOPMENT STRATEGIC PLANNING FRAMEWORK

An Economic Development Strategic Plan encapsulates multiple strategies that are implemented in tandem with other recommendations over the course of many years, such that benefits accrue from concerted, ongoing, and synergistic efforts. With the preliminary list of strategy options identified, the next step was to prepare a series of actions and programs that the City of Eureka can pursue, in coordination with key community partners, to implement the identified strategies. BAE collaborated with City staff and members of the Economic Development Ad Hoc Committee to develop a preliminary list of possible actions and programs, given reasonable expectations about resources and staff capacity that will be available over the next five to ten years.

To ensure successful implementation, the City Council will need to continue its leadership role in local economic development by providing policy guidance and direction to the City Manager and staff on specific economic development activities. City staff, under the direction of the City Manager, and in collaboration with stakeholders from both inside and outside of the City and County governments, will be responsible for implementing the Economic Development Strategic Plan. City staff will provide the Council with updates on economic development issues on a regular basis. In addition, the City Manager will provide the Council with an annual status report to summarize the prior year's actions and recommend a work plan for implementation during the coming year. This annual status report should be provided sufficiently in advance of the annual budget development process, so that Council direction on the work plan can be factored into the process of preparing the City budget for the coming year.

## **Roles and Responsibilities**

Implementing an Economic Development Strategic Plan requires collaboration among multiple partners. Critical participants in this process include the City Council, City staff, the Humboldt Bay Harbor District, Humboldt County, the Humboldt Convention and Visitors Bureau, the Eureka Chamber of Commerce, the Eureka Main Street program, the Art and Culture Commission, Eureka City Schools, St. Joseph's Hospital, and assorted private property owners, among others. While the existing staff at the City are extremely capable, some of the action steps required to fully implement the Economic Development Strategic Plan may go beyond the purview of their existing responsibilities. To better facilitate implementation, the City may consider the recruitment additional staff, or consultants, to carry out some of the initiatives. While existing staff resources should be used where capacity allows, tasks that require additional expertise, or extensive and ongoing involvement, may be assigned to new staff, outsourced to consultants, or delegated to strategic partners. The roles and responsibilities of the key stakeholders and community partners are outlined in greater detail below.

***City Council*** – The City Council will play a crucial role in several ways. First the City Council will be responsible for ensuring that all City policies it sets, including funding decisions, are supportive of the City’s economic development objectives. The City Council will also be responsible for directing the City Manager to consider the economic development ramifications of day-to-day procedures, operations, and management decisions. Participating in outreach activities and other public events that are imperative to business retention and attraction is an active role that City Council members will also need to play. By participating in these events, the Council will communicate its support to the business community and strongly reinforce the key message that Eureka is business-friendly, and the policymakers are in touch with local economic development issues as a result of their direct involvement in the process. Should a constituent or stakeholder express problems with economic development-related issues, a Council Member will relay these concerns to the Economic Development Director, and City Manager, for appropriate follow up.

***City Staff*** – The *City Manager, Director of Development Services, or Economic Development Department Manager*, will be the primary point of contact on economic development issues for businesses, property owners, real estate brokers, developers, and others requiring assistance. The appointed contact will also coordinate efforts necessary to support the City’s economic development activities, report to the City Council on a regular basis, and maintain an ongoing relationship with private property owners, local businesses, industry representatives, the Eureka Chamber and Main Street program, and other outside government agencies, among other groups. The *Economic Development Project Manager* will take the lead on implementation of this Economic Development Strategic Plan. When possible, existing staff resources within the City – including the economic development, planning, and other departmental staff – will be used to support specific programs and actions. The nature of the action steps will dictate the most appropriate staffing arrangement, depending on whether implementation is a targeted effort, or an ongoing activity.

***Humboldt Bay Harbor, Recreation, and Conservation District (HBHRCD)*** – The Humboldt Bay Harbor, Recreation, and Conservation District is charged with oversight and development at the Port of Humboldt Bay and the Woodley Island Marina, which are located within, and adjacent to, the City of Eureka. As such, the Harbor District represents a critical partner in efforts targeted towards the retention, maintenance, and expansion of port activities, and the retention of the commercial fishing fleet. While the City of Eureka and Humboldt County possess land use authority over land occupied by the Port and the Marina, the District bears responsibility for day-to-day operations at the Port and the Marina, and has regulatory authority over tide-land areas. While the City Council will take a leadership role with regard to implementation of the Strategic Plan, it will be the responsibility of the City Manager to coordinate with the Chief Executive Officer at the Harbor District, with regard to action items that would most appropriately be undertaken by the District. It will then be the responsibility of the Chief Executive Officer to report to the Harbor District’s Board of Commissioners.

***Greater Eureka Chamber of Commerce*** – The Greater Eureka Chamber of Commerce will act as a critical liaison between the City and the local business community, and will act to represent local business interests throughout the implementation process. The Executive Director will be the primary point of contact for the purposes of implementing components the Strategic Plan. The Executive Director will then report to the Board of Directors to inform them regarding opportunities to participate in plan implementation and to receive approval prior to taking action. In addition to functioning as a representative for the local business community, the Chamber will function as a lead agency with regard ongoing business improvement and tourism improvement activities. The Chamber will function as a representative of the greater Eureka area through the operation of its existing Visitor Center. The Chamber will also provide critical input to the City staff and the City Council on efforts geared toward creating a business friendly environment and reputation.

***Eureka Main Street*** – As a public-private partnership between the City of Eureka and the Downtown and Old Town merchants, Eureka Main Street is well versed as an intermediary between government and the business community. Eureka Main Street will act as the primary intermediary between the City and the Downtown and Old Town property owners and merchants, with regard to implementation of the Economic Development Strategic Plan. As the previous administrator of the façade improvement program and an important marketing organization, the Main Street program will play an important role in tourism development and commercial corridor revitalization efforts. The primary point of contact will be the Executive Director, who will report to the Eureka Main Street Board of Directors.

***Humboldt Convention and Visitors Bureau*** – The Humboldt County Convention and Visitors Bureau will function as a key liaison between the City and members of the tourism industry. It will also take the lead on efforts associated with marketing Eureka, within the context of the larger Humboldt County and North Coast regions. The Visitors Bureau will also need to continue their close coordination with the Greater Eureka Chamber, Eureka Main Street, and the Arts and Culture Commission to ensure that implementation efforts are appropriately coordinated and that the public messaging is both consistent and positive.

***Humboldt Lodging Alliance*** – The Humboldt Lodging Alliance is a non-profit organization that functions as the official owner’s association for the lodging industry in Humboldt County. The Alliance receives a portion of the Countywide Transient Occupancy Tax (TOT), which is used to fund projects throughout the County. A portion of the total TOT receipts are also allocated for use within each of the jurisdictions within the County. Therefore, City staff should coordinate with the seven Board of Directors members who represent the City of Eureka to encourage projects, support the use of TOT revenues, which are consistent with the Economic Development Strategic Plan and to consistent or supportive of Plan implementation. The primary point of contact with the Humboldt Lodging Alliance will be the Executive Director; however, additional outreach should be done to engage the Board of Directors members from the City of Eureka.

***Arts and Culture Commission*** – The role of the City of Eureka Arts and Culture Commission is to advise the Council and the City Manager regarding efforts to improve the artistic and cultural amenities present within the City. The Commission will continue in this role with regard to implementation of the Strategic Plan, providing guidance to the City Manager and economic development staff to promote implementation of applicable action steps.

***Economic Development Advisory Committee*** – Private property owners and businesses will play a critical role in the successful implementation of this strategy. The Economic Development Strategic Plan is designed to guide the City’s economic development efforts; however, property owners and businesses will be the primary beneficiaries of an improved business climate and a more robust, diverse, and resilient local economy. In this respect, the goals of the City and local businesses and property owners are aligned, and the latter should be encouraged to share some of the responsibility for implementing the initiatives outlined in this Plan. To this end, a suggestion from the Ad Hoc Committee was that subsequent to the adoption of the Economic Development Strategic Plan, the City form an Economic Development Advisory Committee, comprised of property owners, business people, business and economic development organization representatives (e.g., Chamber of Commerce, Eureka Main Street, Convention and Visitors Bureau), and other local business stakeholders. To ensure accountability, the Committee would be responsible for meeting periodically with City economic development staff to monitor local economic conditions and issues. They would also work with staff to develop an annual Economic Development Work Plan, providing recommendations to the City Council for each fiscal year, along with a progress report on accomplishments from the preceding year. The City Council could also solicit input from the Advisory Committee on local economic development policy matters and the allocation of resources to support economic development activities.

## **Information Dissemination**

The City needs to disseminate information about economic development issues and activities to a variety of stakeholders on a regular basis. The primary mechanisms for this include:

- ***Periodic City Council Updates*** – Reports from the City Manager, economic development staff, public partners, and the public can initiate discussion and inform attendees regarding local economic development issues and activities.
- ***News Articles and Notices*** – In compliance with applicable noticing laws, the City is required to post notices for key community workshops and meetings. The City can also work with local media outlets to ensure frequent and balanced news coverage of important programs and events associated with economic development.
- ***Local Newsletters*** – Important information can be disseminated in newsletters issued periodically by community partners, such as the Greater Eureka Chamber of Commerce and Eureka Main Street, among others. City Economic Development staff

can prepare “guest articles” to highlight important activities related to local economic development.

- ***Participation in Community Meetings*** – City Economic Development staff can periodically attend the meetings hosted by various community organizations, in order to reach out to these organizations’ membership, inform them of City actions, and solicit feedback on local issues of economic development concern.
- **Coordination with Other Local Economic Development Organizations** – City Economic Development staff should seek to formalize processes with staff from other local economic development organizations, including, but not limited to the Harbor District, Chamber of Commerce, and Eureka Main Street, to exchange information on a regular basis regarding economic development activities with a goal of improving coordination and transparency. Additionally, members of the Economic Development Advisory Committee who are associated with other organizations can help to facilitate two-way communications.

# ACTION PLAN

The City of Eureka Economic Development Strategic Plan describes the specific strategic initiatives and implementing actions that the City elected officials, staff, and other partners should undertake in order to achieve the assorted goals and policy objectives delineated in the Economic Development Element of the General Plan. Under each of the strategies provided in the framework below are narrative descriptions that outline the recommended implementation action steps. In addition, the Strategic Plan also identifies the recommended time frame within which to initiate each action, supporting partnerships that need to be forged to facilitate implementation, and targeted funding sources.

Some actions will be accomplished by City staff through the course of their regular duties, while others will require special action on behalf of the City Council, City staff, or strategic partners. Some actions will require little more than changes to existing policies and procedures, while others may require one-time expenditures for studies, consultants, or infrastructure; others yet may require ongoing budgetary support, such as the hiring of new staff or consultant services. In many cases, the City will have the option to scale efforts to match the available resources, while in other cases the City and its partners will need to pursue supplemental funding, possibly in the form of grants, bonds, or even new financing districts. There will also be opportunities to leverage municipal funds to help secure outside resources, such as contributions from cooperating businesses and other entities with sympathetic local economic development objectives. While the main purpose of this Economic Development Strategic Plan is to provide programmatic guidance for the City's economic development efforts, the Plan does assume that the City will designate some resources in support of economic development activities during the timeframe covered by this strategy.

The remainder of this document is organized to be consistent with the goal and policy framework developed for the Economic Development Element of the updated City of Eureka General Plan.

## Economic Development Goals

The Strategic Plan framework is centered on a single overarching goal: **Improve the quality of life for Eureka's residents, businesses and employees, and visitors through positive actions to attract, retain, and expand businesses within the city.** This goal encompasses four sub-goals, each with an assortment of supporting strategic initiatives and implementing actions, as summarized in Table 1. Following are the sub-goals:

*Sub-Goal A: Maintain and Create High Quality Jobs* – High quality jobs will provide economic opportunities for individuals who reside in the community to support themselves and their families, such that they can provide for their own needs and have the means to lead fulfilling

lives, and contribute to the betterment of the community. Under this strategy, high quality jobs are defined to include those with wages that equal or exceed the area median wage.

*Sub-Goal B: Build Eureka's Community Assets* – Building community assets, including recreational amenities, cultural resources, public services, and infrastructure and public facilities that facilitate business growth and the everyday activities of local residents will increase the value of Eureka as a place to live, work, and visit. These improvements will make Eureka more economically competitive, and will also help to attract and retain a high quality workforce, young families, and innovators and creative entrepreneurs, which themselves are critical assets for local economic development.

*Sub-Goal C: Create a Diverse and Resilient Economy* – Increasing the diversity of the local economy will reduce the reliance on individual businesses or industry sectors, which inevitably are buffeted periodically over time, either by competitive forces, disruptive technologies or policies, or natural disasters or other occurrences beyond control. The “multiplier effects” of a given business will be greater when the local economy is diverse and there are many opportunities for business-to-business spending within the local area, and a diverse economy will be better positioned to adapt as legacy industries fade and new industries emerge within the regional, national, and global economies.

*Sub-Goal D: Strengthen the City's Revenue Base* - Economic development helps to grow the local tax base in order to generate revenues that support the provision of key community services, such as police, fire, parks, and recreation services. High quality public community services are a key ingredient in the local quality of life. While many forms of economic development can be beneficial to the community at large, the City of Eureka should seek to promote economic growth, to the extent possible, in sectors of the economy that provide fiscal benefit to the City. For example, existing conditions suggest that the City relies more heavily on retail sales tax revenues, compared to other California communities. Transient occupancy tax from lodging operations are also a key local revenue source.

## **Strategic Initiatives**

A number of economic development strategies emerged in response to issues, challenges, and opportunities identified through analysis of existing conditions and trends within the Eureka area. The strategies are organized according to the sub-goals that they support, and the rationale for each of the different strategies is explained within the Action Plan.

## **Implementing Actions**

The Action Plan explains the actions that are necessary for the City and its partners to make progress toward implementation of the strategies, in working towards the over-arching goal and sub-goals. This format is intended to ensure consistency with the General Plan over time, while allowing the City and other local- stakeholders to select among strategies and actions for

implementation at a given point in time, as dictated by changing economic conditions, community concerns, and resource availability.

Table 1, on the following page, provides a high level summary of the Strategic Plan's Goals, Strategies, and Actions. The narrative contained on the subsequent pages provides more details on each of the Strategies and their constituent Actions. Appendix A presents a summary matrix that provides a quick reference for the 14 identified strategies and their corresponding actions, including the recommended timing, relative costs, implementation responsibilities, potential funding sources, and opportunities for public and interagency partnerships for implementation.

---

**Table 1: Summary of Goals, Sub-Goals, Strategies, and Actions**

---

**Goal:** Improve the quality of life for Eureka's residents, businesses and employees, and visitors through positive actions to attract, retain, and expand businesses within the city.

**Sub-Goal A: Maintain and create high quality jobs**

**Strategy 1: Develop community consensus on desired growth**

Action 1A: Use the General Plan Update to identify desired types and locations for growth

**Strategy 2: Support local business growth and success**

Action 2A: Inventory business needs, wants, and requirements

Action 2B: Streamline regulations and processes to support a business friendly reputation

Action 2C: Implement a business retention and recruitment program

Action 2D: Implement a series of informational workshops for business development

Action 2E: Establish a business incubator program

Action 2F: Establish an Economic Development Advisory Committee

**Strategy 3: Maintain and improve goods movement to and from Eureka**

Action 3A: Implement provisions to ensure access to businesses from the highway

Action 3B: Improve goods movement to and from locations outside the region

**Sub-Goal B: Build Eureka's community assets**

**Strategy 4: Make improvements that increase Eureka's attractiveness as a tourism destination**

Action 4A: Pursue gateway, signage and streetscape improvements

Action 4A: Take additional action to promote beautification and blight removal

**Strategy 5: Strengthen Eureka's position as a center for regional medical services**

Action 5A: Identify and plan for medical center expansion

Action 5B: Develop a strategy to establish Eureka as a center for destination healthcare

**Strategy 6: Continue to pursue arts-based economic development**

Action 6A: Promote the establishment and development of arts-based businesses

Action 6B: Establish an Arts Friendly Neighborhood Program

Action 6C: Continue the Phantom Art Gallery Program

**Sub-Goal C: Create a diverse and resilient economy**

**Strategy 7: Expand specialty and water-based manufacturing**

Action 7A: Conduct a targeted industry study for specialty and water-based manufacturing

**Strategy 8: Identify sites for industrial development outside of the Coastal Zone**

Action 8A: Establish zoning for by-right industrial development outside of the Coastal Zone

**Strategy 9: Maintain and expand the City's role as a regional office hub**

Action 9a: Identify strategies for expanding existing office-based businesses and institutions

Action 9b: Identify and plan for expansion and/or renovation needs of key office tenants

**Strategy 10: Exercise a common vision for the maintenance and expansion of Port activities**

Action 10A: Work with stakeholders to update and implement the Humboldt Bay Harbor Revitalization Plan

Action 10B: Coordinate land use planning in the Port area with Humboldt County

Action 10C: Secure facilities and zoning for the commercial fishing fleet at Woodley Island

Action 10D: Evaluate the market for commercial cruise ship visitation and assess in relation to the anticipated cost of improvements

**Strategy 11: Support the expansion of aquaculture activities in the Humboldt Bay**

Action 11A: Provide by-right zoning for commercial fishing/processing, aquaculture, marine shipping, and related support businesses

Action 11B: Establish a modern cold storage facility within the City Limits

Action 11C: Re-evaluate the terms of tideland leases to promote increased port activity

**Strategy 12: Begin the conversation regarding potential responses to marijuana legalization**

Action 12A: Initiate a public process to begin planning for the potential impacts of marijuana legalization

**Sub-Goal D: Strengthen the City's revenue base**

**Strategy 13: Strengthen Eureka's role as a hub for retail sales activity on the North Coast**

Action 13A: Implement commercial corridor/district revitalization projects

Action 13B: Pursue branding and improvements to reinforce the concentration of retail activity at established nodes within market niches

**Strategy 14: Strengthen and expand the City's tourism sector**

Action 14A: Promote Eureka as a North Coast visitor hub for adventure and tourism, with access to the ocean, rivers, forests and mountains, as well as local architecture, history, dining, arts, and entertainment

Action 14B: Support visual and performing arts programming, festivals and other events

## Sub-Goal A: Maintain and Create High Quality Jobs

### *Strategy 1: Develop community consensus on desired growth*

The City recognizes that there are a variety of perspectives within the community regarding the amount of growth that is necessary to produce a vibrant economy and to ensure the efficient delivery of municipal services. In order to effectively utilize its land use authority, the City should initiate a process to build consensus within the community regarding the amount and nature of desired growth. The intent of this process is to more clearly define the community vision in a way that is both transparent and useful. The outcome of this process will be a plan that clearly identifies the types of development that are desirable in different parts of the City, so that clear messages are sent to property owners and developers regarding the types of development that are desired in specific locations, versus the types of development that will not be supported.

### *Action 1a: Use the General Plan Update to identify desired types and locations for growth*

The ongoing General Plan Update process offers a prime opportunity to conduct a community-wide discussion regarding the type of growth that residents would like to see within their community, as well as the most appropriate locations for that growth will occur, and the form it should take, including whether the City should annex additional land to support growth and economic development. Throughout the General Plan Update process, the consultant team, as well as City staff will host a variety of workshops, meetings, and informational presentations. It is in the City's best interest to ensure that community stakeholders and key partner organizations have been invited to participate and are actively engaged in the process. The City and its consultant team will also need to work diligently to ensure that the input and feedback provided by stakeholders is consistently and accurately captured and incorporated in the updated General Plan policies and land use plan. The City should consider the following efforts to encourage wide spread participation in the General Plan Update process:

- **Actively solicit input on General Plan Update documents** – Throughout the General Plan Update process, the consultant team will produce an assortment of informational and policy oriented planning documents in coordination with City of Eureka. City staff are frequently involved in the development and review of draft documents, while the City Council is typically asked to provide comments and feedback, prior to their official adoption of the documents. The City should encourage the review of draft documents by the public and key stakeholders and invite those stakeholders to attend any and all pertinent public workshops and meetings.

### Implementation Responsibility

**Timing:** Ongoing efforts through June 2016.

**Potential Partnerships:** Eureka Chamber of Commerce, Eureka Main Street, Humboldt Bay Harbor District, business community members, residents.

#### ***Strategy 2: Support local business growth and success***

The City of Eureka recognizes that the success of its area businesses is of critical importance to the long-term health of the local economy. Not only do businesses provide important income for area workers and tax revenues for local government, they also contribute to community character and quality of life. With a long history of home-grown businesses, the City of Eureka recognizes the value of retaining existing businesses, which maintain close ties to the community, over the recruitment of new businesses, which can sometimes extract value from the community. Where possible, the City should provide opportunities to expand the economic base by encouraging local businesses to grow, and by attracting new businesses that complement and support the existing and desired economic specializations and competitive advantages of the Eureka community.

#### *Action 2a: Inventory business needs, wants, and requirements*

In order to identify areas of improvement, and possibly additional action items for inclusion in later versions of this Strategic Plan, the City should work with the business community to inventory the needs of businesses. The purpose of this action is to ensure that there is open and ongoing communication between the City of Eureka and the local business community, and that the City is pursuing a proactive approach to addressing the evolving needs of business. This action includes two distinct components that are oriented toward encouraging the creation of new business and the retention and expansion of existing ones, respectively. Furthermore, the first item is oriented towards identifying the needs of the business community, as seen from their own perspective. The second is oriented towards the administrative processes that businesses must comply with in order to operate within the City limits, only some of which are under the control of the City of Eureka.

- **Inventory what is needed to encourage business growth and expansion** – This may include a listing of items that the City could act on, or support, that would encourage business retention and expansion. Items included in the inventory could be intended to support the business community at large, or could be intended to support a specific sector of the business community, such as the commercial fishing industry, for example. Items included in the inventory may range from infrastructure items, such as water, sewer, or streetscape improvements, to changes to the City's permitting processes, or the creation of new business support programs.

- **Clearly identify what is needed for someone to open a business in Eureka** – This component is intended to identify those actions that prospective entrepreneurs must take prior to opening or establishing a business in the City of Eureka. The inventory is intended to provide clear and streamlined guidance. This may include a listing or matrix that identifies the necessary permits that must be acquired and the forms that must be submitted. This inventory may be categorized, as appropriate, by type of business, or by other factors, in order to more efficiently disseminate information to the business community.

In order to develop and update these inventories on an ongoing basis the City should consider:

- **Survey businesses during business license renewal process** – The City should conduct an initial survey of local businesses to identify broad based business retention and expansion needs. Then, in order to maintain an up-to-date inventory of business concerns and issues, the City should conduct more targeted surveying on an annual basis in conjunction with the annual license renewal process.
- **Conduct outreach and interviews with key businesses** – In addition to ongoing survey work, the City should conduct targeted interviews with businesses that represent key strategic economic assets, to maintain a pulse on their satisfaction with the local business environment and to obtain early warning of the expansion or retention needs of important businesses. Also in those cases where businesses chose to leave Eureka, the City should conduct exit interviews to identify the factors that led to their closure or relocation.

**Implementation Responsibility**

**Timing:** Initiate within six months of Strategic plan adoption.

**Potential Partnerships:** Eureka Chamber of Commerce, Eureka Main Street, NCSBDC, property owners, business community members.

*Action 2b: Streamline regulations and processes to support a business friendly reputation*  
 Building on the steps taken under Action 2a, the City should work to develop a streamlined permitting process that supports the creation of a business friendly reputation. This can be done by reviewing all pertinent rules, regulations, and processes in light of findings from Action 2a, and making revisions and adjustments to respond to the stated needs of businesses throughout the community. The City should work to eliminate redundancy, reduce confusion, and remove administrative and policy barriers to doing business within the City. This should take the form of a detailed internal review that leverages close relationships with key representatives of the local business community. This could also include the establishment of performance standards for City staff for permitting and other administrative services. The City

recently obtained Community Development Block Grant funding for a business friendly audit, which aligns with this Action.

**Implementation Responsibility**

**Timing:** Initiate Project within six to 12 months of Strategic Plan (after completion of Action 2a).

**Potential Partnerships:** Eureka Chamber of Commerce, Eureka Main Street, NCSBDC, property owners, business community members.

*Action 2c: Implement a business retention and recruitment program*

The purpose of this action is to establish a pro-active business retention and recruitment program that focuses on strengthening at-risk businesses who might otherwise close or relocate outside of the area, and specializes in the attraction of new business establishments that complement the City's existing and desired economic specializations and competitive advantages. Although the City may continue to lose some businesses due to changes in the broader economic environment, the City should utilize what tools are at its disposal, in cooperation with key community partners, to retain existing businesses for as long as reasonably possible, especially those that are locally based. Similarly, as the area continues to experience economic readjustment, the City should proactively recruit businesses that complement its existing business environment and support the establishment and growth of business clusters with prospects for growth, such as aquaculture, education, and health care.

- **Utilize market analyses to define priorities and opportunities** – The City should use existing market analyses conducted as part of the General Plan Update and Economic Development Strategic Plan development process to identify recruitment and retention targets. This plan recognizes that the City and its community partners have limited resources. Therefore, any retention and recruitment program should be targeted, so as to make the best use of the available resources.
  
- **Develop a meaningful menu of potential incentives and support tools** – Based on the market analysis, the prioritization process, and the inventory of business needs identified under Action 2a, the City should review its existing inventory of tools and identify any gaps, and further develop and refine the menu of incentives and business support tools that are offered to support new and at-risk businesses and to provide the push necessary to retain existing and attract desirable new businesses. While this could take many forms, it will be up to the City and its partners to identify which items could be most effective and which can be reasonably provided while conserving valuable community resources. Examples of existing economic development incentives and support tools include the City's business revolving loan fund, the Foreign Trade Zones, the NCSBDC technical assistance programs, and the

State's California Competes program, among others. Other new approaches could include the identification of key business types to target for expedited processing.

- **Engage the business community to ensure full utilization of the program** – Once the program has been designed and the incentive and support tools identified, the City will need to proactively engage its community partners and the business community to inform existing business owners of the programs availability and to market the program to prospective businesses throughout California and beyond. Without this type of proactive marketing, such programs often remain underutilized. Therefore, it is in the best interest of both the City and the business community to ensure that the program is sufficiently advertised and marketed.

**Implementation Responsibility**

**Timing:** Initiate Project within 1-2 years of Strategic Plan adoption.

**Potential Partnerships:** Eureka Chamber of Commerce, Eureka Main Street, NCSBDC, property owners, business community members.

*Action 2d: Host a series of informational workshops for business development*

The City should work with the NCSBDC and other stakeholders to host a series of informational workshops to better inform the Eureka business community regarding state and federal planning procedures, permitting requirements, and incentives programs. For example, the City could invite staff from the California Coastal Commission (CCC) or the Corps of Engineers to present regarding permitting procedures for certain types of coastal development. The City could also host workshops to inform local business owners regarding existing incentive programs, such as the City's Foreign Trade Zones, the State Board of Equalization (SBoE) sales and use tax credit, and/or the California Competes Tax Credit program.

**Implementation Responsibility**

**Timing:** Initiate Project within 1-2 years of Strategic Plan adoption.

**Potential Partnerships:** NCSBDC, HSU, Eureka Chamber of Commerce, Eureka Main Street, property owners, business community members.

*Action 2e: Establish a business incubator program*

The purpose of a business incubator program is to capitalize on the existing entrepreneurial energy present within the Eureka and greater Humboldt County communities. With Humboldt State University (HSU) and the College of the Redwoods (CR), the greater Eureka area is home to a tremendous pool of highly motivated individuals, some of whom have a track record for establishing unique small businesses. Such a program could provide entrepreneurs various types of assistance, which can be vital in the establishment of new businesses. This may

leverage the City's existing stock of vacant and underutilized retail and commercial office space by partnering with property owners to lease spaces to program participants at free or reduced lease rates (e.g. negotiated on a sliding scale, which could increase over time as the business establishes itself). The City may also establish strategic partnerships with organizations like the NCSBDC, CR, and HSU to provide business development training and entrepreneurial mentorship to program participants. As participants progress through the program they can be matched with new forms of assistance intended to facilitate their retention within the Eureka community, with the end goal of establishing a self-sufficient local business entity.

**Implementation Responsibility**

**Timing:** Initiate Project within 1-2 years of Strategic plan adoption.

**Potential Partnerships:** Eureka Chamber of Commerce, Eureka Main Street, NCSBDC, HSU, CR, property owners, business community members.

*Action 2f: Establish an Economic Development Advisory Committee*

As discussed previously, private property owners and businesses will play a critical role in the successful implementation of this strategy. To ensure continuity and accountability in the process, the City should establish an Economic Development Advisory Committee comprised of local property owners and business interests, including waterfront property owners, business representatives from key industry sectors (e.g., timber, commercial fishing, health care, etc.), and representatives from local business organizations, such as the Fisherman's Marketing Association, Eureka Main Street, and the Chamber of Commerce, among others. The purpose of this group will be to provide feedback to City staff to help refine and prioritize actions for inclusion in the Annual Action Plans and to help identify potential funding sources. Following adoption of the Annual Action Plan, the Committee would be responsible for monitoring and advocating for plan implementation.

**Implementation Responsibility**

**Timing:** Convene within six months of Strategic plan adoption.

**Potential Partnerships:** Eureka Chamber of Commerce, Eureka Main Street, NCSBDC, property owners, business community members.

***Strategy 3: Maintain and improve goods movement to and from Eureka***

Transportation is a key component of business success, particularly for those goods producing industries, such as timber processing, commercial fishing, and manufacturing. Market analysis, as well as interviews with key community stakeholders, suggest that maintenance of existing transportation connections will play a critical role in retaining existing businesses and allowing them to expand within the region. However, the local and regional transportation

options remain underdeveloped. In order to ensure that local businesses can grow while maintaining operations within the City of Eureka, the City will need to pursue additional transportation improvement efforts of various kinds. The actions discussed below are intended to address the full breadth of transportation issues, ranging from maintaining access from the Broadway-Highway 101 corridor to existing commercial sites throughout the City, to the maintenance of the Port of Humboldt Bay, and the pursuit of new options for goods movement, such as the proposed East-West rail line or marine highway services.

*Action 3a: Implement provisions to ensure access to businesses from the highway*

The existing orientation of U.S. Route 101 represents both an opportunity and a challenge for the City of Eureka. The joint Broadway-Highway 101 corridor has been identified through the General Plan Update process as one of the areas for improvement within the City. Although formal recommendations are still in development, potential modifications to this corridor include streetscape improvements, changes to the existing stop light spacing and timing, and other alterations that could change the flow of traffic through the area, and which may impact the ability of commercial vehicles to access key sites throughout the City. Although improvements to the corridor are necessary, and will significantly improve the quality of life for some residents, the City should work with the California Department of Transportation (Caltrans) and the General Plan Update consultant team to ensure that improvements to the Broadway-Highway 101 corridor facilitate the continued access of commercial vehicles to business properties in the area. Allowing improvements to hinder access would not only threaten the viability of important local business establishments, but could act to encourage the prospective businesses considering Eureka locations to choose sites with better transportation access.

**Implementation Responsibility**

**Timing:** Ongoing through June 2016.

**Potential Partnerships:** Caltrans, Eureka Chamber of Commerce, local business community, property owners located adjacent to the Broadway-Highway 101 corridor.

*Action 3b: Improve goods movement to and from locations outside of the region*

The challenges associated with the transport of goods to and from locations outside of the North Coast region is an important barrier to economic development in Eureka. Limited access to broader commercial distribution networks means can create a challenge to local manufacturing operations that rely on suppliers located out of the area. Similarly, the cost and logistical complications of shipping finished product out of the area can also be a barrier to retention and expansion, particularly manufacturers and other goods producing enterprises. To address this, the City should support efforts to maintain the region's existing extra-regional transportation connections, while simultaneously encouraging the creation of new linkages. More specifically, this plan suggests that the City consider taking at least the following steps:

- **Take a leadership role in advocating for regional highway improvements –**  
As the dominant urban and governmental center on the North Coast, the City of Eureka is in a strong position to advocate, in collaboration with other North Coast communities, for improvements to the regional highway network. Although the City has direct influence only over those portions of the highway system that fall within, or adjacent to, its boundaries, the City's strong economic and governmental role places it in position to participate in planning discussions with Caltrans regarding the larger North Coast highway network.
- **Encourage maintenance of the Port of Humboldt Bay –** The existing Port facilities represent an important strategic asset, since they represent one of the only efficient methods for transporting bulky goods into, and out of, the North Coast region. Although the port has seen considerable declines in total cargo handled, it is in the community's strategic interest to maintain the port facilities for future use. This can be done through coordination with the Harbor District regarding the maintenance and upkeep of existing facilities, the development of new port support facilities, and the retention of existing businesses/industries that utilize the port facilities.

**Work with other regional partners to maintain and improve commercial air service –** Commercial air services, both for passengers and cargo, are provided via the Arcata-Eureka Airport (ACV). Due to prevailing weather conditions, air service is occasionally unreliable. Also, due to the area's limited population, the primary air carrier (United Express by Sky West Airlines) provides only limited destination options, including San Francisco and Crescent City. The commercial carrier recently announced that they will discontinue flights to Sacramento, further limiting the utility of commercial air services via ACV. The City should work with other regional stakeholders to facilitate continued and expanded commercial air service via ACV, in order to promote business and leisure travel to the North Coast and Eureka, as well as commercial shipments sent via ACV.

- **Participate in planning efforts for the proposed east-west rail connection –** Although the viability of an east-west rail connection has not yet been fully demonstrated, the City should support ongoing efforts to determine whether the proposal is both financially and physically feasible. As any east-west rail effort will require the close collaboration of a multitude of local jurisdictions and state, local, and federal agencies, the City should continue to participate actively in the ongoing feasibility analysis and should be prepared to provide input regarding potential routes and preferred alignments through the City. This includes being aware of the possible implications of reactivating the portion of the existing rail line that extends northward along the waterfront. Should east-west rail prove impractical, the City should revisit a southerly rail connection to the Bay Area.

- **Monitor developments regarding a proposed maritime highway** – the City should remain abreast of any developments concerning a potential maritime highway system along the West Coast of the U.S. As one of the few deep-water ports located along the West Coast, Eureka should advocate to be designated as a maritime highway terminal. Any of the transportation improvements previously mentioned would help to make Eureka a more attractive marine highway terminal location. The addition of regularly scheduled shipping services through the Port of Humboldt Bay could provide a practical, reliable, and cost-effective link to national and international shipping networks for businesses located in Eureka.

**Implementation Responsibility**

**Timing:** Ongoing efforts through June 2016.

**Potential Partnerships:** Caltrans, local business community, Upstate RailConnect Committee, Land Bridge Alliance, East-West Rail Advocates, North Coast Rail Authority, Harbor District, Eureka Chamber of Commerce.

**Sub-Goal B: Build Eureka’s Community Assets**

***Strategy 4: Make improvements that increase Eureka’s attractiveness as a tourism destination***

Tourism is a significant contributor to the Eureka economy, and it is important that the City maintain and increase its share of tourism activity. It is important that the City of Eureka and local partners work to increase the size of the local tourism pie, so that when new hotels are built or existing hotels are expanded, the additional hotel rooms do not simply result in a reallocation of the same number of visitor nights, which would cause a dilution of the market for existing hoteliers.

***Action 4a: Take additional action to promote beautification and blight removal***

Along with addressing problems associated with the homeless and related social issues, the Ad Hoc Committee identified the need for beautification and blight removal as key priorities to improve the local environment for tourism. The Humboldt Lodging Alliance administers the Humboldt County Tourism Business Improvement District, which manages the funds collected from a special assessment on lodging sales within the County. Although much of the funds collected countywide are dedicated to countywide tourism marketing and development efforts, a portion of the funds are allocated to be spent within the City of Eureka (currently approximately \$100,000 per year), under the direction of the Humboldt Lodging Alliance board members who represent the City. The City should collaborate with the Humboldt Lodging Alliance to target the expenditure of the local share on beautification and blight removal efforts in coordination with expenditure of City funds that can reinforce those investments. In

addition, the City should recognize that the existing assessment sunsets in 2017; thus, the City should lend support to efforts to re-authorize the assessment so that it can continue beyond 2017.

**Implementation Responsibility**

**Timing:** Coordinate expenditures with Lodging Alliance within one year of Strategic Plan adoption; support TBID renewal prior to 2017.

**Potential Partnerships:** City Council, City Staff, Eureka Chamber of Commerce, Eureka Main Street, Convention and Visitor's Bureau, Humboldt Lodging Alliance.

*Action 4b: Pursue gateway features, signage/wayfinding, and streetscape improvements along major corridors*

After sufficient progress has been made on Action 4a, to improve the local environment for tourism, the City and local stakeholders should turn attention to activities that will make it easier and more convenient for tourists and other visitors to navigate around the City and to discover the attractions that Eureka has to offer. In addition to encouraging people traveling along Highway 101 between destinations to the north and south of Eureka to stop in town and patronize local businesses, these types of improvements will also encourage Eureka's destination visitors to visit more sites and spend more money while they are in town.

**Implementation Responsibility**

**Timing:** Within two to three years of Strategic Plan adoption.

**Potential Partnerships:** Caltrans, Eureka Chamber of Commerce, Eureka Main Street, Humboldt Lodging Alliance, Convention and Visitor's Bureau.

***Strategy 5: Strengthen Eureka's position as a center for regional medical services***

High quality advanced medical services are an important community asset. Eureka is fortunate to have established itself as a regional medical center for the North Coast region. Although not commonly targeted as an economic development strategy, attraction of retirees can have economic benefits, due to the fact that retirees usually bring with them their own financial resources, and contribute to the local economy when they purchase real estate, goods, and services. Access to good medical care is a key consideration for the elderly.

*Action 5a: Identify and plan for medical center expansion needs*

The City should establish an ongoing dialogue with St. Joseph's Medical Center and other healthcare leaders to ensure that the City is aware of any expansion needs and can work with the medical center and related entities to identify appropriate sites and process entitlements and building permits in a timely fashion. This would include projects involving the main

campus as well as any satellite facilities such as outpatient clinics, labs, and physician's offices that could be located elsewhere in the community.

**Implementation Responsibility**

**Timing:** Initiate discussions with St. Joseph's and the Open Door Clinic within 6 months of Strategic Plan adoption; follow up activities as appropriate.

**Potential Partnerships:** St. Joseph's Medical Center, Open Door Clinic.

*Action 5b: Develop a strategy to establish Eureka as a center for destination healthcare*  
Leverage the area's high quality medical facilities to establish Eureka as destination medical center for the North Coast region. The City should pursue additional research, in collaboration with St. Joseph's Medical Center and the greater Eureka healthcare community, to identify the potential market for such services, to inventory the infrastructure and programmatic needs of such an effort, and to lay out a plan for developing the market. For example, the Ad Hoc Committee has suggested the potential need to provide convenient air transport services from other North Coast locations to Eureka as a means to attract more patients from outside of the County. This could require an investment in Condition III navigational aids that would permit improved all-weather operations.

**Implementation Responsibility**

**Timing:** Initiate Project within 3-4 years of Strategic Plan adoption.

**Potential Partnerships:** St. Joseph Hospital, Open Door Clinic, local specialty physicians, Arcata/Eureka Airport, Redwood Economic Development Commission.

**Strategy 6: Continue to Pursue Arts-Based Economic Development**

Eureka is well known as a location with an abundance of artistic activity and arts are increasingly recognized as an important ingredient to vibrant local economies. Arts are not just a valued amenity for residents (which assists with attracting a talented labor force); they are also engines of economic activity as well, including art that is produced for sale, and attracting visitors for visual and performing arts events.

*Action 6a: Promote the establishment and development of arts-based businesses*

Many artists start out working in their homes as more of an avocation than a business; however, as they achieve a level of artistic acclaim, some will begin to sell their artwork and transform into business operations. According to local a local arts community representative, many artists do not take steps to obtain city licenses and operate as legitimate businesses. The City should review its regulations for home occupations and ensure that there are no undue restrictions on operating art studios as home occupations, to encourage more artists to obtain business licenses, so that their activities and their economic contributions can be

tracked, and so that the artists can more openly and successfully promote their works. The City could also develop a program to assist artists in making the jump from home occupations to commercial store fronts. This could involve activities such as providing technical assistance, sponsoring an artists' cooperative space that would provide lower-cost studio space to fledging arts businesses, or providing grants or other assistance to help artists get established in commercial space. The City should also support the activities of organizations like the Arts and Culture Commission, Ink People, and the NCSBDC, such as the Arts Alive Series, that are geared toward educating the local arts community regarding licensing, taxation, and other business best practices.

**Implementation Responsibility**

**Timing:** Review home-based occupations regulations for artist friendliness with 18 months of Strategic Plan adoption. Develop and implement other artist support projects and programs as needed.

**Potential Partnerships:** Eureka Chamber of Commerce, Eureka Main Street, Art and Culture Commission, Ink People, NCSBDC, other members of the arts and culture community.

*Action 6b: Establish an “Arts Friendly Neighborhood” Program*

Beginning with a more limited pilot program, the City will designate one or more areas within the City limits as an arts friendly neighborhood. This would include the delineation of a specific geographic area and could entail the application of a unique zoning overlay district. The City would need to work with the local arts community, along with neighborhood residents, property owners, and businesses to define a regulatory framework that would help to attract artists and encourage the establishment of arts based businesses while remaining compatible with the neighborhood's residential character. This could include the loosening of restrictions regarding home-based businesses, similar to what was previously implemented in the Old Town. However, these regulatory changes would need to be balanced to address potential community concerns. This could include modifications to the noise ordinance that would prohibit activities that are disruptive to nearby residential uses during evening hours, but that would permit such activities during other designated times. The Arts Friendly Neighborhood Program may also include a branding and marketing component with the goal of not only enhancing arts-based commerce, but of promoting the neighborhoods as interesting and lively residential environments that will also be attractive to homebuyers and renters who see the artistic activity as a neighborhood amenity that adds value. The area(s) identified for participation in the program should be residential neighborhoods that already feature active commercial nodes or other activity centers, so that the addition of more pronounced arts-based commerce would not fundamentally change the neighborhood character. Areas for consideration could include blocks surrounding the intersection of F Street and Randall Street, the area surrounding the former Jefferson Elementary School, and the portion of F Street

extending from the waterfront to around 8<sup>th</sup> Street, which has previously been identified as an arts corridor.

**Implementation Responsibility**

**Timing:** Convene meeting with Eureka Art and Culture Commission to identify neighborhoods to participate in the pilot program and begin conversation regarding program provisions within one year of plan adoption.

**Potential Partnerships:** Eureka Main Street, Art and Culture Commission, Ink People, Eureka Chamber of Commerce, other members of the arts and culture community.

*Action 6c: Continue the Phantom Art Gallery Program*

Eureka Main Street has re-established the Phantom Art Gallery Program, by which artists are paired up with owners of vacant store fronts and the artists put up displays as a way of beautifying the space while new tenants are sought. Meanwhile, the artists receive exposure to passers-by. Where possible, the City and its partners should identify ways to fund utilities (e.g., lighting) and work with local law enforcement to address potential security concerns. In addition, students and staff from local schools (Humboldt State University, College of the Redwoods, and local K-12 schools) arts programs can be involved in these efforts.

**Implementation Responsibility**

**Timing:** Re-establish Phantom Gallery Program within 12 months of Strategic Plan adoption.

**Potential Partnerships:** Eureka Chamber of Commerce, Eureka Main Street, Art and Culture Commission, Ink People, Humboldt State University, College of the Redwoods, Eureka City Schools (and their PTA organizations that support arts in education), and other members of the arts and culture community.

## **Sub-Goal C: Create a Diverse and Resilient Economy**

***Strategy 7: Expand specialty and water-based manufacturing***

Historically, the Eureka area has hosted a number of specialty manufacturers who have been able to overcome Eureka's relative isolation from suppliers and from larger consumer markets. These types of companies are often established by people with ties to the local community, who identify opportunities to produce products for which price is not the primary competitive factor, but rather innovative products of very high quality for which consumers are willing to pay a price premium that can help the manufacturers absorb the increased transportation costs associated with the Eureka location. One competitive asset that Eureka can offer as a counter to the higher transportation costs is the City's abundant, affordable, and reliable supply of clean, high quality water. For manufacturers whose production processes require this type of water supply, Eureka can offer an attractive business location. Many specialty

food and beverage manufacturers might fit this profile of high quality, premium-priced, and water-intensive businesses. It would likely be possible to identify other types of manufacturers whose industrial processes require significant quantities of water and/or water with specific chemistry that matches with the Eureka water supply.

*Action 7a: Conduct a targeted industry study for specialty and water-based manufacturing activities that are compatible with Eureka's assets*

The City of Eureka should apply to the State of California, Small Cities Community Development Block Grant Program for a Planning and Technical Assistance grant that would fund a targeted industry study that would enable the City to better identify specific specialty and water-based manufacturing business types that could be targeted as part of this Strategy. The targeted industry study could provide the City with guidance on the specific business types to target that have good growth prospects and whose site selection requirements match well with Eureka's assets. The study could also provide recommendations on the best techniques that the City can use to conduct outreach and marketing activities to attract these types of businesses.

**Implementation Responsibility**

**Timing:** Initiate an application to the Small Cities CDBG program for a Planning and Technical Assistance grant once the city is in the final stages of completing its grant activity related to the grant for the business friendly audit (not later than 2016).

**Potential Partnerships:** HSU, Eureka Chamber of Commerce, Eureka Main Street, waterfront and industrial property owners

***Strategy 8: Identify sites for industrial development outside of the Coastal Zone***

The California Coastal Act imposes significant constraints on the types of development and businesses that can be located in the Coastal Zone. In order for the City of Eureka to efficiently accommodate a wide range of business types, including businesses that do not conform to the Coastal Act's prioritization of land in the Coastal Zone for Coastal Dependent Industrial uses, the City should identify a supply of land/development sites outside of the Coastal Zone for these types of businesses.

***Action 8a: Establish zoning for by-right industrial development outside of the Coastal Zone***

As part of the General Plan Update process, the City should identify a supply of land outside the Coastal Zone that can be designated for industrial development, adequate to accommodate 25 years' worth of projected non-coastal dependent industrial growth, plus an acreage buffer of 20 to 30 percent. Through the General Plan Update process, the City will determine whether it is appropriate to annex any land to address this need. The land should be provided with zoning that allows industrial development by-right, as long as the proposed development conforms to established site development standards and any other performance

standards that apply within the zone. Performance standards should be designed to facilitate industrial development, while protecting public safety and compatibility with nearby land uses.

**Implementation Responsibility**

**Timing:** General Plan designations by adoption of the General Plan Update (2016) and any necessary zoning amendments within one year after General Plan Update adoption.

**Potential Partnerships:** Industrial real estate brokers, industrial property owners and developers, Eureka Chamber of Commerce.

***Strategy 9: Maintain and expand the City's role as a regional office hub***

As the largest population concentration on the North Coast and a significant center for local and state government activities, financial services and legal services, Eureka is established as an office hub for the region. From this, the Eureka economy benefits from real estate demand, jobs, and business and personal income. However, this should not be taken for granted, as demonstrated by the recent decision by the FBI to relocate from its Eureka office to Fortuna, in 2010. The City should take pro-active steps to identify the largest local office tenants, develop an understanding of their projected office needs, and work with them to ensure that they can remain in Eureka over the long term.

***Action 9a: Identify strategies for expanding existing office-based businesses and institutions***

Given recent history with regard to the relocation of key office tenants to areas outside of Eureka, the City should engage with the community of office users to identify opportunities for retention and expansion. The City should seek to identify barriers to office renovation, construction, and occupancy, as well as broader issues affecting office demand. This may also include research intended to identify the primary cause behind high vacancies within each primary zoning category (including office, as well as other land use types). The goal of these efforts should be to identify a course of action that would promote long-term stability and growth in the office sector and that would provide opportunities for expansion of office-based businesses and other office users, such as government agencies and non-profit organizations. Implementation of this action should be coordinated with activities undertaken under Action 9b, as well as Actions 2c and 2e.

**Implementation Responsibility**

**Timing:** Identify top office tenants within six months of Strategic Plan adoption; conduct interviews with top tenants within 12 months of Strategic Plan adoption; follow up actions as necessary.

**Potential Partnerships:** Eureka office users, Eureka Main Street, Chamber of Commerce.

*Action 9b: Identify and plan for the expansion and/or renovation needs of key office tenants*  
The City of Eureka should begin this effort by collaborating with local commercial real estate brokers to identify the 12-15 largest local office users. Then, City staff should conduct outreach to these users and interview them regarding their current occupancies (own or lease; lease termination dates, options to renew, etc.), plans for growth, and/or new facility needs. If any of the major users indicate that they do not plan to remain in their current spaces, the City should offer to work with them to begin planning for alternate locations within the City that can meet their needs. These efforts could include local commercial real estate brokers, office property owners, and commercial property developers, depending on the circumstances.

**Implementation Responsibility**

**Timing:** Identify top office tenants within six months of Strategic Plan adoption; conduct interviews with top tenants within 12 months of Strategic Plan adoption; follow up actions as necessary.

**Potential Partnerships:** Commercial real estate brokers, commercial property owners and developers, Eureka Chamber of Commerce, Eureka Main Street.

***Strategy 10: Exercise a common vision for the maintenance and expansion of Port activities***

The Port is one of Eureka's unique assets for economic development. Humboldt Bay is the only deep-water port located along the 400-mile stretch between San Francisco and Coos Bay, OR; thus, it is a resource of regional significance as well as local importance which should be maintained. In January of 2015, the City of Eureka adopted a resolution entitled "Reaffirming the City of Eureka's Commitment to Creating Jobs and Sustainable Economic Growth through Humboldt Bay and Its Harbor." The resolution calls for the City to participate in the Humboldt Bay Working Waterfront Opportunities Committee (HBWWOC). HBWWOC consists of members from the City of Eureka, the City of Arcata, Humboldt County, the Humboldt Bay Harbor Recreation and Conservation District, and the Wiyot Tribe. The stated goal of the HBWWOC is to "share information in order to look for opportunities for collaboration which will enhance economic development efforts around the bay and the creation of sustainable living wage jobs." City staff and members of the City Council also regularly participate in events hosted by a citizen's action group known as "The Humboldt Bay Harbor Working Group" (HBHWG), whose goal is to create jobs and sustain economic activity throughout Humboldt Bay Harbor.

*Action 10a: Work with HBWWOC, HBHWG, and other stakeholders to identify and implement opportunities to create harbor-related jobs and harbor-related economic development.*

The HBHWG representatives suggest that the City and County could accomplish this action by encouraging the Harbor District to update portions of the 2003 Port of Humboldt Bay Revitalization Plan, and working towards the following initiatives:

1. The Community Agreement Initiative: To build community agreement and political will on harbor projects that provides jobs and maintain the integrity of the environment; and
2. The Marketing Initiative: To develop a joint national and international marketing plan to support and attract maritime businesses; and
3. The Infrastructure and Rail Line Initiative: To replace or update specific infrastructure within Humboldt Bay such as 1) the purchase of specific equipment to diversify and modernize shipping opportunities and provide local control of channel maintenance; 2) conduct a study to determine the feasibility of a rail line extending from Humboldt Bay's harbor area to the national rail system in the Sacramento Valley; and 3) modernize one or more shipping docks.

The Working Group representatives also recommend that the City incorporate parts of the 2003 Revitalization Plan that are still relevant, into the General Plan Update. The updated plan could outline steps to maintain existing port facilities and reintroduce pieces of lost infrastructure. This effort should be coordinated with planning efforts underway by the County of Humboldt to ensure compatibility with uses planned for the Samoa Peninsula.

**Implementation Responsibility**

**Timing:** Incorporate relevant parts of the 2003 Harbor Revitalization Study into the General Plan Update, as appropriate, by General Plan adoption (2016).

**Potential Partnerships:** HBWWOC, Humboldt Bay Harbor District, HBH WG, Humboldt County, Wiyot Tribe, Redwood Region Economic Development Commission, Eureka Chamber of Commerce.

*Action 10b: Coordinate land use planning in the Port area with Humboldt County*

A key issue identified for the City of Eureka General Plan Update is the provision of adequate land for Coastal Dependent Industrial (CDI) Uses and the Non-Coastal Dependent Industrial (Non-CDI) uses. Provision of adequate land for CDI is important to the long-term economic health of the Port of Humboldt Bay, and the economic benefits that Eureka can realize if the Port is thriving. At the same time, Eureka may miss out on opportunities to accommodate Non-CDI economic growth if it does not have adequate land available for those uses. Because a very large portion of the CDI land surrounding the Port is under the County's jurisdiction on the Samoa Peninsula, it is critical that Eureka collaborate with the County on land use planning related for the Samoa Peninsula. If the City and County are united in presenting a coordinated land use plan for all the property under their respective jurisdictions around the Port, this will increase the credibility of any request that Eureka may make to the Coastal Commission to re-designate CDI land within the City to allow Non-CDI uses. The City should seek to establish an MOU or other mechanism with the County that would reassure the CCC and other interested parties that collectively, the two jurisdictions will ensure sufficient CDI

land around the Port to accommodate long-term needs, by identifying specific parcels that will retain CDI designation. Once such an agreement is established, the City could then examine excess CDI land within its jurisdiction, and determine whether it is appropriate to request to re-designate any of it to accommodate Non-CDI uses.

**Implementation Responsibility**

**Timing:** Establish MOU or similar mechanism with Humboldt County to preserve specific CDI lands around the Port to meet long-term needs by General Plan Update adoption (2016); identify excess CDI properties within the City and request CCC approval for re-designation by 2017.

**Potential Partnerships:** Humboldt Bay Harbor district, Humboldt Bay Harbor Working Group, Humboldt County, Redwood Region Economic Development Commission, Eureka Chamber of Commerce.

*Action 10c: Secure facilities and zoning for the commercial fishing fleet at Woodley Island*  
Continue to secure long term zoning for the commercial fishing fleet at Woodley Island by adopting the 2014 Commercial Fishing Industry Text Amendment to the City of Eureka's local Coastal Plan. For any industry, uncertainty about future conditions is a primary factor in disinvestment. The Humboldt Bay Commercial Fishing Fleet is uncertain about its ability to continue to operate out of Humboldt Bay, and are particularly concerned about the future availability of the facilities at Woodley Island for commercial fishing and related activities. The Fisherman's Marketing Association recommends that the City of Eureka secure the commercial fishing fleet's home base at Woodley Island by adopting the proposed Local Coastal Plan amendment and by enacting protective zoning that can ensure the future availability of Woodley Island facilities for commercial fishing and other closely related activities.

**Implementation Responsibility**

**Timing:** Revise zoning within one year of Strategic Plan adoption.

**Potential Partnerships:** Humboldt Bay Harbor Working Group, Fisherman's Marketing Association, Eureka Chamber of Commerce, CCC Staff.

*Action 10d: Evaluate the market for commercial cruise ship visitation and assess in relation to the anticipated cost of improvements to the Dock B site*

Additional analysis of the feasibility of attracting cruise ships to stop in Eureka on a regular basis is needed to determine whether investments in improvements to Dock B would be financially justifiable. The City should seek grant funding to commission a study by a cruise industry expert to fully assess the potential for Eureka to serve as a port of call for cruise ships. Such a study would document west coast cruise ship activity, existing ports of call, considerations for adding Eureka as a port of call, Eureka's potential competitiveness relative

to other ports, and the required investments for Eureka to compete effectively. Then, the study should project the number of ships per year that could be attracted, their anticipated passenger counts, passenger spending patterns, and projected local economic impacts from cruise ship visits.

**Implementation Responsibility**

**Timing:** Secure grant funding within 24 months of Strategic Plan adoption; complete study within three years of Strategic Plan adoption; follow up tasks as appropriate.

**Potential Partnerships:** Humboldt Bay Harbor District, Humboldt Bay Harbor Working Group, Humboldt Convention and Visitors Bureau, Redwood Economic Development Commission, Eureka Chamber of Commerce, and Eureka Main Street.

***Strategy 11: Support the expansion of aquaculture activities in the Humboldt Bay***

Humboldt Bay possesses unique attributes that make it suitable for aquaculture and there are opportunities for expansion of aquaculture activities in the Bay itself, and also opportunities to take advantage of seafood processing, shipping, and marketing activities on land adjacent to the Bay.

*Action 11a: Provide by-right zoning for commercial fishing/fish processing, aquaculture, marine shipping activities, and related support businesses and facilities*

Conduct a review of existing zoning categories (water front commercial, water dependent industrial) and their locations and acreage, coupled with interviews of waterfront property owners, tenants, and users, to identify modifications to existing zoning that would be necessary to facilitate commercial fishing, aquaculture, and marine shipping activities. This should include the identification of long-term needs for harbor infrastructure that so that appropriate zoning provisions can be put in place to facilitate infrastructure development.

**Implementation Responsibility**

**Timing:** Inventory long-term needs and the capacity of port facilities to accommodate growth in the commercial fishing, aquaculture, and marine shipping industries within one year of Strategic Plan adoption; implement follow up activities as necessary.

**Potential Partnerships:** Humboldt Bay Harbor district, Humboldt Bay Harbor Working Group, Humboldt County, Fishermen’s Marketing Association, aquaculture producers, fish processors, Eureka Chamber of Commerce.

*Action 11b: Establish a modern cold storage facility within the City limits*

The loss of Eureka Ice and Cold Storage in 2008 significantly reduced the competitiveness of commercial fishing, agriculture/food processing, and related industries in the Humboldt Bay area and greatly increased the cost of doing business. The construction of a replacement

facility would allow for considerable cost savings for local business, which must currently transport their fresh produce to alternative facilities outside of Humboldt County. The establishment of a replacement ice and cold storage facility would also facilitate the retention and expansion of area fishing and aquaculture businesses, as well as other agricultural and food processing businesses that would benefit from access to a cold storage facility. The City of Eureka should utilize grant funds received from the Economic Development Administration to evaluate potential demand for such a facility and to identify appropriate sites. It should then work with the Fisherman’s Marketing Association and other stakeholders to identify funding sources for site acquisition and construction. To the degree possible, the City may wish to consider methods for improving the potential financial feasibility of any proposed facility, which may require some degree of subsidy. One possible approach could include the identification of publically owned land that could be purchased or leased at below market cost.

**Implementation Responsibility**

**Timing:** Feasibility analysis should take place within one year of Strategic Plan adoption; with site acquisition and construction occurring within two years of study completion.

**Potential Partnerships:** Fishermen’s Marketing Association, Headwaters Fund, HSU School of Business, Redwood Regional Development Corporation, Eureka Chamber of Commerce, Humboldt Fishermen's Marketing Association, aquaculture producers, fish processors, and waterfront property owners.

*Action 11c: Re-evaluate the terms of tideland leases to promote increased port activity*  
Interviews with local businesses and property owners indicated that the current legal structure associated with City of Eureka tideland leases could function as a disincentive for waterfront investment. In order to retain and promote activity at the Port of Humboldt Bay, the City Property Manager should initiate a dialogue with local waterfront property lessees to re-evaluate the terms of the Eureka tideland lease agreements and determine whether modifications should be proposed that would encourage private investment and increased utilization on the Eureka tidelands properties. Reinvestment in the Eureka tidelands could support increased utilization of the Port of Humboldt Bay, which was identified as a key strategic asset for the City of Eureka.

**Implementation Responsibility**

**Timing:** The first meeting of waterfront property owners should take place within one year of Strategic Plan adoption; possible modification to tideland lease agreements should occur within two years.

**Potential Partnerships:** Tidelands lessees, Eureka Chamber of Commerce, Humboldt Fishermen's Marketing Association, aquaculture producers, and fish processors.

***Strategy 12: Begin the conversation regarding potential responses to marijuana legalization***

Given the significance of marijuana-related activity in the local and regional economies, the steady movement within California and the U.S. towards legalization raises significant concerns regarding the implications for local economic health. It is difficult at this time to determine when legalization could occur, and what the effects would be within the local economy; however, the issue is large enough that the City of Eureka should consider establishing a task force to begin considering options for the City to adapt to a new regulatory environment for marijuana.

***Action 12a: Initiate a public process to begin planning for the potential impacts of marijuana legalization***

This process would include assessing how legalization might impact businesses that are most closely tied to marijuana production and sale (legal or otherwise), as well as the potential effects on all of the other local businesses that benefit indirectly from the additional money that circulates in the local economy. It should include research regarding what other cities in California and Oregon have done, and are doing, to prepare for potential legalization of recreational marijuana, as well as lessons learned from communities located in states where legalization has already occurred (e.g., Colorado). The process should work towards establishing consensus on how the community should react in response to legalization, if it occurs (e.g., embrace the legal marijuana industry by working to maintain competitive advantages, or take a hands-off approach, but prepare for potential negative economic impacts from loss of existing illicit activity). Lastly, activities undertaken under this action should include a review of the existing Eureka Municipal Code. This is intended to identify changes that would need to be made to potentially accommodate the establishment of marijuana related businesses. The review should be conducted in such a way as to acknowledge any community consensus that has been achieved through prior activities.

**Implementation Responsibility**

**Timing:** Convene a task force within 12 months of Strategic Plan adoption, produce findings and recommendations for City Council consideration within next 12 months.

**Potential Partnerships:** County Agricultural Commissioner, North Coast Small Business Development Center, Redwood Region Economic Development Commission, Eureka Main Street, Arcata Economic Development Corporation, other similar organizations, and local marijuana industry representatives.

*For an additional economic diversification-related strategy, see also: Strategy 5: Strengthen Eureka's position as a center for regional medical services*

## Sub-Goal D: Strengthen the City's Revenue Base

### ***Strategy 13: Strengthen Eureka's role as a hub for retail sales activity on the North Coast***

The City of Eureka is particularly dependent upon retail sales tax as a source of municipal revenues. Fortunately, Eureka is well-positioned to serve as a regional shopping hub for the North Coast region and has attracted substantial retail development. Because of its dependence on retail sales tax revenues, the City must work to maintain its position and expand it, if possible

### ***Action 13a: Implement commercial corridor/district revitalization projects***

Based on observations made during field surveys, almost all of Eureka's commercial corridors and districts or nodes could benefit from revitalization efforts. Because of limited resources, the City should consider focusing efforts in a limited number of locations at a time. Privately-owned shopping centers under single ownership are likely the best positioned to undertake revitalization projects without City involvement. In contrast, commercial areas where there are multiple property owners with different financial resources and investment objectives are likely to be most in need of assistance. Old Town, Downtown, the Broadway/101 Corridor, and Henderson Center all fit this description. Areas suffering from the highest vacancy levels may also represent important targets for support, such as incentives, sales tax rebates, or subsidized rents, among other potential incentives and tools.

#### **Implementation Responsibility**

**Timing:** Prioritize commercial corridors for revitalization activity within 18 months of Strategic Plan adoption; develop revitalization work plan for first corridor within 30 months of Strategic plan adoption, and develop work plans for additional corridors/districts every 12 months

**Potential Partnerships:** Eureka Chamber of Commerce, Eureka Main Street, business and property owners.

### ***Action 13b: Pursue branding and improvements to reinforce the concentration of retail activity at established nodes within unique market niches***

General Plan policies are oriented toward the concentration of retail activity at a number of distinct nodes. This is intended to promote synergy amongst destination retailers by ensuring that they are located in close proximity to one another. For example, new destination retail should be targeted within or adjacent to the Bayshore Mall, the Costco store, and the Target store. The downtown is envisioned as a primarily auto-oriented commercial area serving community retail needs and providing casual/quick-serve eating and drinking opportunities, while the Old Town area is identified as ideal for pedestrian-oriented specialty retail and dining options. Henderson Center is envisioned primarily as a neighborhood retail center, but one that can attract residents from throughout Eureka and nearby areas. To reinforce these distinctions, the City should pursue branding, signage, and streetscape improvements that

reflect the areas distinctive market niches. The City may also consider any needed zoning code updates to reflect the targeted retail niches for each of the different areas, as well as updated design guidelines for each area that could be coupled with a possible sign and façade improvement program.

**Implementation Responsibility**

**Timing:** Initiate a process to identify branding objectives and necessary zoning and streetscape improvements for each identified retail node within one year following General Plan adoption.

**Potential Partnerships:** Eureka Chamber of Commerce, Eureka Main Street, business and property owners.

***Strategy 14: Strengthen and expand the City's tourism sector***

Although the tourism sector is not known for providing an abundance of high paying jobs, it does provide a source of entry level jobs for recent immigrants and young people. The primary benefits of the tourism sector to the City include generation of transient occupancy tax revenue for the City through hotel bookings and generating retail sales taxes through visitor expenditures in local retailers and restaurants.

*Action 14a: Promote Eureka as a North Coast visitor hub for adventure tourism, with access to the ocean, rivers, forests and mountains, as well as local architecture, history, dining, arts, entertainment, and regional connectivity*

This is consistent with current marketing initiatives undertaken by the Convention and Visitor's Bureau. These themes are authentic for the City of Eureka, and play on the City's natural assets that distinguish it from other communities elsewhere in the state and the nation. In addition to bolstering tourism attraction, this action will also help to promote Eureka as an attractive location for a talented and creative workforce that values these types of amenities. Eureka will soon have a new tool to help attract visitors. The Humboldt County Office of Education is in the process of developing a meeting/conference facility for its own purposes, which the Convention and Visitor's Bureau expects to be made available for use by other groups and organizations when not in use by the Office of Education. This facility will create the opportunity to market Eureka as a venue for conferences and business meetings, hosting as many as 500 people. According to the Convention and Visitor's Bureau, the intent is to target this facility to serve organizations that have staffing and/or membership spread across the state, to serve as a North Coast location that is used every several years on a rotating basis for annual meetings, training sessions, etc., that are also held in other parts of the state during intervening years.

An additional activity included under this action is the creation of additional or revised marketing materials that promote Eureka's unique assets, such as the City's unique stock of

Victorian era structures, historic districts and residential neighborhoods, working waterfront, hiking and biking trails, and regional connectivity, providing access to the ocean and nearby rivers, forests, and mountains. This could include a social media campaign, or even the creation of a new smart-phone application that maps Eureka’s unique assets, directs users to area attractions, and provides information about key sites, monuments, trails, and destinations throughout the community. This action may also include activities intended to strengthen the area’s existing trails network (e.g., expand trails, maintain safety and cleanliness, etc.) and to improve ties and connectivity between the City and surrounding adventure tourism destinations.

**Implementation Responsibility**

**Timing:** promotions ongoing; completion of Office of Education meeting center within 12 months; initiate marketing of meeting center to begin within 12 months.

**Potential Partnerships:** Eureka Chamber of Commerce, Convention and Visitor’s Bureau, Eureka Main Street, Humboldt State University, Historic Preservation Commission, Eureka Heritage Society, and Humboldt Historical Society.

*Action 14b: Support visual and performing arts programming, festivals and other events*

In addition to contributing to local character and quality of life, visual and performing arts can be major visitor attractions. Eureka’s events calendar currently has open dates, particularly during the “off-season” between Labor Day and Memorial day, promoting new events during the offseason presents the opportunity to bring visitors into the community at shoulder season times, when seasonal staff might otherwise be laid off. In order to promote a consistent calendar of events the City, in cooperation with the local arts community, should develop an inventory of available venues that offer the necessary facilities (e.g., restrooms, electrical connections, stage space, etc.) and regulatory structure (e.g., zoning, noise regulations, maximum occupancy limits, etc.) to host large events of various types. This should include a checklist of permits that event organizers would need to acquire and consultations that would need to occur with entities, like the Eureka Police and Fire departments. The City should also work with area arts and tourism organizations in order to identify funding sources that can be used to advertise and host events, with the understanding that the economic benefits of arts programs, festivals and events go far beyond ticket sales, and can often include an increased number of hotel stays and retail sales, among other positive impacts.

**Implementation Responsibility**

**Timing:** Ongoing.

**Potential Partnerships:** Eureka Chamber of Commerce, Eureka Main Street, Art and Culture Commission, Ink People, other members of the arts and culture community.

# APPENDIX A: SUMMARY MATRIX OF ACTIONS

**Appendix A: City of Eureka Economic Development Strategy Summary**

Strategy/Action	Timing (a)	Relative Cost (b)	Implementation Responsibility	Potential Funding	Potential Partnerships	Notes
<b>1. Develop community consensus on desired growth</b>						The intent of this process is to more clearly define the community vision in a way that is both transparent and useful. The outcome of this process will be a plan that clearly identifies the types of development that are desirable in different parts of the City.
Action 1A: Use the General Plan Update to identify desired types and locations for growth	Ongoing	*	Existing staff, consultant	General Plan Update budget allocations	City Council, City Staff, Eureka Chamber, Eureka Main Street, Humboldt Bay Harbor District, the business community, residents	The General Plan Update process offers a prime opportunity to initiate a community-wide discussion on the type of growth that residents would like to see within their community, as well as the most appropriate locations where that growth will occur, including potential annexation targets.

Notes:

**(a) Timing Key**

Short-Term = Initiate Project within 1-2 years of Strategy Adoption  
 Medium-Term = Initiate Project within 3-4 years of Strategy Adoption  
 Long-Term = Initiate Project within 5-10 years of Strategy Adoption

**(b) Cost Key (approximate Town investment amount)**

\$ = \$0-\$5,000, or primarily existing staff time  
 \$\$ = \$5,000 to \$20,000  
 \$\$\$ = \$20,000 to \$50,000  
 \$\$\$\$ = \$50,000 to \$100,000  
 \$\$\$\$\$ = Over \$100,000

\* The Action step will be part of the General Plan update, and the cost of implementing this step will be folded into the update cost.

- continued next page -

**Appendix A: City of Eureka Economic Development Strategy Summary**

Strategy/Action	Timing (a)	Relative Cost (b)	Implementation Responsibility	Potential Funding	Potential Partnerships	Notes
<b>2. Support local business growth and success</b>						The City of Eureka recognizes that business success is of critical importance to the long-term health of the local economy.
Action 2A: Inventory business needs, wants, and requirements	Short-term	\$\$	Existing staff		Eureka Chamber, Eureka Main Street	Inventory what is needed to open a business in Eureka, as well as what businesses need to grow and expand in Eureka.
Action 2B: Streamline regulations and processes to support a business friendly reputation	Short-term	\$	Existing staff	Possible use of business friendly audit grant funds	Eureka Chamber, Eureka Main Street	Respond to the stated needs of businesses and by succinctly identifying what the City requires from businesses to comply with local regulations.
Action 2C: Implement a business retention and recruitment program	Medium-term	\$\$\$	Existing staff, consultant		Eureka Main Street, Eureka Chamber, North Coast Small Business Development Center	Establish a pro-active business retention and recruitment program that focuses on strengthening at-risk businesses and attracting businesses that complement the City's existing and desired specializations and competitive advantages.
Action 2D: Implement a series of informational workshops for business development	Ongoing	*	Existing staff	In-kind staff contributions from City and partner organizations	City Staff, Eureka Chamber, NCSBDC, Chamber of commerce	Host a series of informational workshops to better inform the Eureka business community regarding state and federal planning procedures, permitting requirements, and incentives programs.
Action 2E: Establish a business incubator program	Medium-term	\$\$\$\$	Existing staff, consultant	In-kind staff contributions from City and partner organizations	Eureka Main Street, Eureka Chamber, Small Business Development Center, Humboldt State University, College of the Redwoods	Establish a business incubator program to capitalize on the existing entrepreneurial energy present within the Eureka and greater Humboldt County communities, leveraging available and low cost commercial space and the presence of two institutions of higher education.
Action 2F: Establish an Economic Development Advisory Committee	Short-term	\$	Existing staff	City General Fund	Eureka Chamber, Eureka Main Street, Small Business Development Center, property owners, business leaders	The purpose of the Committee is to provide recommendations to staff and the City Council regarding the refinement and prioritization of Annual Action Plan items. The Committee will also function to monitor and advocate for plan implementation.

Notes:

**(a) Timing Key**

Short-Term = Initiate Project within 1-2 years of Strategy Adoption  
 Medium-Term = Initiate Project within 3-4 years of Strategy Adoption  
 Long-Term = Initiate Project within 5-10 years of Strategy Adoption

**(b) Cost Key (approximate Town investment amount)**

\$ = \$0-\$5,000, or primarily existing staff time  
 \$\$ = \$5,000 to \$20,000  
 \$\$\$ = \$20,000 to \$50,000  
 \$\$\$\$ = \$50,000 to \$100,000  
 \$\$\$\$\$ = Over \$100,000

\* The Action step will be part of the General Plan update, and the cost of implementing this step will be folded into the update cost.

- continued next page -

**Appendix A: City of Eureka Economic Development Strategy Summary**

Strategy/Action	Timing (a)	Relative Cost (b)	Implementation Responsibility	Potential Funding	Potential Partnerships	Notes
<b>3. Maintain and improve the ability of businesses to transport goods</b>						Transportation is a key component of business success. Interviews and market analysis suggest that maintenance of existing transportation connections and the creation of new connections will both play critical roles in retaining, attracting, and expanding businesses within the region.
Action 3A: Implement provisions to ensure access to businesses from the highway	Short-term	\$\$	Existing staff, consultants	General Plan Update budget allocation	Caltrans, Eureka Chamber, property owners	Maintain commercial truck access to key commercial and industrial sites, with an emphasis on providing access from the Broadway-Highway 101 corridor.
Action 3B: Improve goods movement to and from locations outside the region	Long-term	\$\$\$\$	Consultants, additional staff		Caltrans, Humboldt Bay Harbor District, Eureka Chamber, local rail advocates	Encourage the maintenance and expansion of existing transportation modes, as well as the establishment of new transportation modes, such as an east-west rail connection.

Notes:

**(a) Timing Key**

Short-Term = Initiate Project within 1-2 years of Strategy Adoption  
 Medium-Term = Initiate Project within 3-4 years of Strategy Adoption  
 Long-Term = Initiate Project within 5-10 years of Strategy Adoption

**(b) Cost Key (approximate Town investment amount)**

\$ = \$0-\$5,000, or primarily existing staff time  
 \$\$ = \$5,000 to \$20,000  
 \$\$\$ = \$20,000 to \$50,000  
 \$\$\$\$ = \$50,000 to \$100,000  
 \$\$\$\$\$ = Over \$100,000

\* The Action step will be part of the General Plan update, and the cost of implementing this step will be folded into the update cost.

- continued next page -

**Appendix A: City of Eureka Economic Development Strategy Summary**

Strategy/Action	Timing (a)	Relative Cost (b)	Implementation Responsibility	Potential Funding	Potential Partnerships	Notes
<b>4. Make improvements that increase Eureka's attractiveness as a tourism destination</b>						Tourism is a significant contributor to the Eureka economy. With new hotel rooms coming on line, it will be important to continue growing the local tourism market, so as not to dilute the existing market for hoteliers. Additional tourist visitation will also bolster retail and other visitor serving businesses.
Action 4A: Take additional action to promote beautification and blight removal	Medium-term	\$\$\$	Existing staff	Humboldt Lodging Alliance (City portion of lodging surcharge revenues or Community Tourism Fund )	Eureka Chamber, Eureka Main Street, Convention and Visitors Bureau, Humboldt Lodging Alliance	The City should collaborate with the Humboldt Lodging Alliance to target the expenditure of the local share of Tourism Business Improvement District (TBID) revenues on beautification and blight removal, in coordination with City funds. In addition, the City should lend support to efforts to re-authorize the assessment so that it can continue beyond 2017.
Action 4A: Pursue gateway, signage and streetscape improvements	Medium-term	\$\$\$	Existing staff	Humboldt Lodging Alliance (City portion of lodging surcharge revenues or Community Tourism Fund )	Caltrans, Eureka Chamber, Eureka Main Street, Humboldt Lodging Alliance, Convention and Visitors Bureau	The City and local stakeholders should undertake activities that will make it easier and more convenient for tourists and others to navigate around the City and to discover various attractions, resulting in visitation of a broader array of sites, with positive impacts on visitor spending.

Notes:

**(a) Timing Key**

Short-Term = Initiate Project within 1-2 years of Strategy Adoption  
 Medium-Term = Initiate Project within 3-4 years of Strategy Adoption  
 Long-Term = Initiate Project within 5-10 years of Strategy Adoption

**(b) Cost Key (approximate Town investment amount)**

\$ = \$0-\$5,000, or primarily existing staff time  
 \$\$ = \$5,000 to \$20,000  
 \$\$\$ = \$20,000 to \$50,000  
 \$\$\$\$ = \$50,000 to \$100,000  
 \$\$\$\$\$ = Over \$100,000

\* The Action step will be part of the General Plan update, and the cost of implementing this step will be folded into the update cost.

- continued next page -

**Appendix A: City of Eureka Economic Development Strategy Summary**

Strategy/Action	Timing (a)	Relative Cost (b)	Implementation Responsibility	Potential Funding	Potential Partnerships	Notes
<b>5. Strengthen Eureka's position as a center for regional healthcare</b>						High quality advanced medical services are an important community asset. Eureka is fortunate to have established itself as a regional medical center for the North Coast region. Expansion in this area will result in the creation of higher paying jobs and will draw in residents from the surrounding area who are seeking high quality health care services.
Action 5A: Identify and plan for medical center expansion	Short-term	\$	Existing staff	City General Plan Update budget allocations	St. Joseph Hospital, Open Door Clinic	Establish a dialogue with St. Joseph's Medical Center and other healthcare leaders to identify expansion needs. This should include the identification of potential sites and the establishment of appropriate zoning to ensure that entitlements and building permits are processed in a timely fashion.
Action 5B: Develop a strategy to establish Eureka as a center for destination healthcare	Medium-term	\$\$\$	Existing staff, consultants		St. Joseph Hospital, Open Door Clinic	Pursue additional research, in collaboration with St. Joseph's Medical Center and the Eureka healthcare community, to identify the market for destination healthcare services, to inventory the infrastructure and programmatic needs, and to lay out a plan for developing the market.

Notes:

**(a) Timing Key**

Short-Term = Initiate Project within 1-2 years of Strategy Adoption  
 Medium-Term = Initiate Project within 3-4 years of Strategy Adoption  
 Long-Term = Initiate Project within 5-10 years of Strategy Adoption

**(b) Cost Key (approximate Town investment amount)**

\$ = \$0-\$5,000, or primarily existing staff time  
 \$\$ = \$5,000 to \$20,000  
 \$\$\$ = \$20,000 to \$50,000  
 \$\$\$\$ = \$50,000 to \$100,000  
 \$\$\$\$\$ = Over \$100,000

\* The Action step will be part of the General Plan update, and the cost of implementing this step will be folded into the update cost.

- continued next page -

**Appendix A: City of Eureka Economic Development Strategy Summary**

Strategy/Action	Timing (a)	Relative Cost (b)	Implementation Responsibility	Potential Funding	Potential Partnerships	Notes
<b>6. Develop the economic vitality of the Eureka arts community</b>						Arts are not just a valued amenity for residents (which assists with attracting a talented labor force); they are also engines of economic activity as well, including art that is produced for sale and attracting visitors for visual and performing arts events.
Action 6A: Promote the establishment and development of arts-based businesses	Short- to Medium-term	\$\$	Existing staff, Arts and Culture Commission		Ink People, Small Business Development Center, Eureka Chamber, Eureka Main Street	Encourage the establishment and development of art-based businesses through business education and outreach to the local arts and culture community. Encourage increased visibility by incentivizing artists to establish store-front studios and shops.
Action 6B: Establish an Arts Friendly Neighborhood Program	Short- to Medium-term	\$\$	Existing staff, Arts and Culture Commission		Ink People, Small Business Development Center, Eureka Chamber, Eureka Main Street	Designate one or more neighborhoods as Arts Friendly Communities. Revise local ordinances to permit arts-based home businesses and incorporate branding and marketing to identify the neighborhood as a hub for local arts activity.
Action 6C: Continue the Phantom Art Gallery Program	Short-term	\$	Existing staff, Arts and Culture Commission		Ink People, Small Business Development Center, Eureka Chamber, Eureka Main Street, Humboldt State University, College of the Redwoods, Eureka City Schools	Identify owners of vacant storefronts and pair them with local artists who can temporarily exhibit their work in the vacant space. Where possible, identify funding for utilities (e.g., lighting) and address potential security concerns.

Notes:

**(a) Timing Key**

Short-Term = Initiate Project within 1-2 years of Strategy Adoption  
 Medium-Term = Initiate Project within 3-4 years of Strategy Adoption  
 Long-Term = Initiate Project within 5-10 years of Strategy Adoption

**(b) Cost Key (approximate Town investment amount)**

\$ = \$0-\$5,000, or primarily existing staff time  
 \$\$ = \$5,000 to \$20,000  
 \$\$\$ = \$20,000 to \$50,000  
 \$\$\$\$ = \$50,000 to \$100,000  
 \$\$\$\$\$ = Over \$100,000

\* The Action step will be part of the General Plan update, and the cost of implementing this step will be folded into the update cost.

**Appendix A: City of Eureka Economic Development Strategy Summary**

Strategy/Action	Timing (a)	Relative Cost (b)	Implementation Responsibility	Potential Funding	Potential Partnerships	Notes
<b>7. Expand specialty and water-based manufacturing</b>						Due to significant transportation constraints, Eureka should target manufacturers of high quality products, for which cost is not the leading competitive factor. One competitive asset that can counter the higher transportation costs is the abundant, affordable, and reliable supply of high quality water.
Action 7A: Conduct a targeted industry study for specialty and water-based manufacturing	Medium-term	\$	Existing staff	CDBG Planning and Technical Assistance Grant	Humboldt State University, College of the Redwoods, Eureka Chamber, Eureka Main Street, existing specialty and water-based manufacturers	Apply to the State of California, Small Cities Community Development Block Grant Program for a Planning and Technical Assistance grant that would fund a targeted industry study that would enable the City to better identify specific specialty and water-based manufacturing businesses.

Notes:

**(a) Timing Key**

Short-Term = Initiate Project within 1-2 years of Strategy Adoption  
 Medium-Term = Initiate Project within 3-4 years of Strategy Adoption  
 Long-Term = Initiate Project within 5-10 years of Strategy Adoption

**(b) Cost Key (approximate Town investment amount)**

\$ = \$0-\$5,000, or primarily existing staff time  
 \$\$ = \$5,000 to \$20,000  
 \$\$\$ = \$20,000 to \$50,000  
 \$\$\$\$ = \$50,000 to \$100,000  
 \$\$\$\$\$ = Over \$100,000

\* The Action step will be part of the General Plan update, and the cost of implementing this step will be folded into the update cost.

**Appendix A: City of Eureka Economic Development Strategy Summary**

Strategy/Action	Timing (a)	Relative Cost (b)	Implementation Responsibility	Potential Funding	Potential Partnerships	Notes
<b>8. Identify sites for industrial development outside of the Coastal Zone</b>						The California Coastal Act imposes significant constraints on the types of development and businesses that can be located in the Coastal Zone. In order to accommodate a wide range of businesses, Eureka should identify industrial opportunity sites outside of the Coastal Zone.
Action 8A: Establish zoning for by-right industrial development outside of the Coastal Zone	Short-term	\$	Existing staff	General Plan Update budget allocations		As part of the General Plan Update, the City should identify, and appropriately designate, a supply of land outside the Coastal Zone that can be designated for non-Coastal Dependent Industrial development, including land appropriate for annexation.

Notes:

**(a) Timing Key**

Short-Term = Initiate Project within 1-2 years of Strategy Adoption  
 Medium-Term = Initiate Project within 3-4 years of Strategy Adoption  
 Long-Term = Initiate Project within 5-10 years of Strategy Adoption

**(b) Cost Key (approximate Town investment amount)**

\$ = \$0-\$5,000, or primarily existing staff time  
 \$\$ = \$5,000 to \$20,000  
 \$\$\$ = \$20,000 to \$50,000  
 \$\$\$\$ = \$50,000 to \$100,000  
 \$\$\$\$\$ = Over \$100,000

\* The Action step will be part of the General Plan update, and the cost of implementing this step will be folded into the update cost.

- continued next page -

**Appendix A: City of Eureka Economic Development Strategy Summary**

Strategy/Action	Timing (a)	Relative Cost (b)	Implementation Responsibility	Potential Funding	Potential Partnerships	Notes
<b>9. Maintain and expand the City's role as a regional office hub</b>						Eureka is established as an office hub for the region and benefits from associated real estate demand, jobs, and business and personal income. This should not be taken for granted. The City should pro-actively identify the largest local office tenants, develop an understanding of their projected needs.
Action 9a: Identify strategies for expanding existing office-based businesses and institutions	Short-term	\$	Existing staff, consultant		Eureka Chamber, Large private and institutional office users	Identify barriers to growth in local professional office demand. The goal is to provide opportunities for expansion of office-based businesses and other office users, such as government agencies and non-profit organizations. Implementation should be coordinated with activities undertaken under Action 9b, as well as Actions 2c and 2e.
Action 9b: Identify and plan for expansion and/or renovation needs of key office tenants	Medium-term	\$\$	Existing staff, consultant		Eureka Chamber, Large private and institutional office users	Work with commercial real estate brokers to identify the 12-15 largest local office users. Conduct outreach to identify current occupancies characteristics (own or lease; lease termination dates, options to renew, etc.), growth plans, and/or new facilities needs.

Notes:  
**(a) Timing Key**  
 Short-Term = Initiate Project within 1-2 years of Strategy Adoption  
 Medium-Term = Initiate Project within 3-4 years of Strategy Adoption  
 Long-Term = Initiate Project within 5-10 years of Strategy Adoption

**(b) Cost Key (approximate Town investment amount)**  
 \$ = \$0-\$5,000, or primarily existing staff time  
 \$\$ = \$5,000 to \$20,000  
 \$\$\$ = \$20,000 to \$50,000  
 \$\$\$\$ = \$50,000 to \$100,000  
 \$\$\$\$\$ = Over \$100,000

\* The Action step will be part of the General Plan update, and the cost of implementing this step will be folded into the update cost.

- continued next page -

**Appendix A: City of Eureka Economic Development Strategy Summary**

Strategy/Action	Timing (a)	Relative Cost (b)	Implementation Responsibility	Potential Funding	Potential Partnerships	Notes
<p><b>10. Exercise a common vision for the maintenance and expansion of Port Activities</b></p>						<p>In January of 2015, the City of Eureka adopted a resolution entitled "Reaffirming the City of Eureka's Commitment to Creating Jobs and Sustainable Economic Growth through Humboldt Bay and Its Harbor." The resolution calls for the City to participate in the Humboldt Bay Working Waterfront Opportunities Committee (HBWWOC), to share information in order to look for opportunities for collaboration which will enhance economic development efforts around the bay and the creation of sustainable living wage jobs.</p>
Action 10A: Work with stakeholders to update and implement the Humboldt Bay Harbor Revitalization Plan	Short-term	\$\$	Existing staff, consultant	Humboldt Bay Harbor Fund monies freed up by AB 1943; Possible redevelopment "boomerang" funds.	Harbor District, HBWWOC, HBHWG, Humboldt County, Wiyot Tribe, Economic Development Commission, Eureka Chamber	Work with HBWWOC, HBHWG, and other stakeholders to identify and implement opportunities to create harbor-related jobs and harbor-related economic development. The HBHWG representatives suggest that the City and County could accomplish this action by updating the 2003 Port of Humboldt Bay Harbor Revitalization study and working towards community agreement on harbor projects, national and international marketing, and replacing and/or updating infrastructure.
Action 10B: Coordinate land use planning in the Port area with Humboldt County	Short-term	\$	Existing staff, consultant		Harbor District, Harbor Working Group, Humboldt County, Economic Development Commission, Eureka Chamber	Establish an MOU or other mechanism with the County to reassure the Coastal Commission that collectively, the two jurisdictions have sufficient CDI land to accommodate long-term needs. Once such an agreement is established, the City could then examine excess CDI land within its jurisdiction, and determine whether it is appropriate to request to re-designate any of it to accommodate Non-CDI uses.
Action 10C: Secure facilities and zoning for the commercial fishing fleet at Woodley Island	Short-term	\$	Existing staff, consultant		Harbor District, Harbor Working Group, Fisherman's Marketing Association, Eureka Chamber, CCC	Continue to secure long term zoning for the commercial fishing fleet at Woodley Island by adopting the 2014 Commercial Fishing Industry Text Amendment to the City of Eureka's local Coastal Plan.
Action 10D: Evaluate the market for commercial cruise ship visitation and assess in relation to the anticipate cost of improvements	Medium-term	\$\$\$	Existing staff, consultant	CDBG Planning and Technical Assistance Grant, or other economic development grant funds.	Harbor District, Harbor Working Group, Convention and Visitors Bureau, Eureka Chamber, Eureka Main Street	The City should seek grant funding to commission a study by a cruise industry expert to assess the potential to serve as a port of call for cruise ships, and to identify whether investments in improvements to Dock B would be financially justifiable.

Notes:

**(a) Timing Key**

Short-Term = Initiate Project within 1-2 years of Strategy Adoption  
 Medium-Term = Initiate Project within 3-4 years of Strategy Adoption  
 Long-Term = Initiate Project within 5-10 years of Strategy Adoption

**(b) Cost Key (approximate Town investment amount)**

\$ = \$0-\$5,000, or primarily existing staff time  
 \$\$ = \$5,000 to \$20,000  
 \$\$\$ = \$20,000 to \$50,000  
 \$\$\$\$ = \$50,000 to \$100,000  
 \$\$\$\$\$ = Over \$100,000

\* The Action step will be part of the General Plan update, and the cost of implementing this step will be folded into the update cost.

- continued next page -

**Appendix A: City of Eureka Economic Development Strategy Summary**

Strategy/Action	Timing (a)	Relative Cost (b)	Implementation Responsibility	Potential Funding	Potential Partnerships	Notes
<b>11. Support the expansion of aquaculture activities in the Humboldt Bay</b>						
Action 11A: Provide by-right zoning for commercial fishing/fish processing, aquaculture, marine shipping activities, and related support businesses	Short-term	\$	Existing staff, consultant		Harbor District, Harbor Working Group, Fisherman's Marketing Association, Eureka Chamber	Conduct a review of existing zoning categories (water front commercial, water dependent industrial) and their locations and acreage, coupled with interviews of waterfront property owners, tenants, and users, to identify modifications to existing zoning that would be necessary to facilitate commercial fishing, aquaculture, and marine shipping activities.
Action 11B: Establish a modern cold storage facility within the City Limits	Medium-term	\$\$\$\$\$	Existing staff, consultant	Headwaters Fund, Economic Development Administration grant funds; Redevelopment "boomerang" funds	Harbor District, Harbor Working Group, Fisherman's Marketing Association, Humboldt State, Regional Development Corp., Eureka Chamber	The loss of Eureka Ice and Cold Storage in 2008 significantly reduced the competitiveness of commercial fishing. The construction of a replacement facility would allow for considerable cost savings for local business, who must currently transport their fresh produce to alternative facilities outside of Humboldt County.
Action 11C: Re-evaluate the terms of tideland leases to promote increased port activity	Short-term	\$	Existing staff		Tideland lessees, Chamber of Commerce, Fisherman's Marketing Association	In order to retain and promote activity at the Port of Humboldt Bay, the City should initiate a dialogue with local waterfront property lessees to re-evaluate the terms of the Eureka tideland lease agreements and determine whether modifications should be proposed that would encourage private investment.

Notes:

**(a) Timing Key**

Short-Term = Initiate Project within 1-2 years of Strategy Adoption  
 Medium-Term = Initiate Project within 3-4 years of Strategy Adoption  
 Long-Term = Initiate Project within 5-10 years of Strategy Adoption

**(b) Cost Key (approximate Town investment amount)**

\$ = \$0-\$5,000, or primarily existing staff time  
 \$\$ = \$5,000 to \$20,000  
 \$\$\$ = \$20,000 to \$50,000  
 \$\$\$\$ = \$50,000 to \$100,000  
 \$\$\$\$\$ = Over \$100,000

\* The Action step will be part of the General Plan update, and the cost of implementing this step will be folded into the update cost.

- continued next page -

**Appendix A: City of Eureka Economic Development Strategy Summary**

Strategy/Action	Timing (a)	Relative Cost (b)	Implementation Responsibility	Potential Funding	Potential Partnerships	Notes
<b>12. Begin the conversation regarding potential responses to marijuana legalization</b>						Given the significance of marijuana-related activity in the local and regional economies, the steady movement within California towards legalization raises significant concerns regarding the implications for local economic health.
Action 12A: Initiate a public process to begin planning for the potential impacts of marijuana legalization	Medium-term	\$\$	Existing staff, consultant		Agricultural Commissioner, law enforcement agencies, marijuana industry representatives, economic development organizations	Assess how legalization might impact the local economy and build consensus on how the community should respond (e.g., embrace legalization and work to maintain competitive advantages, or take a hands-off approach, but prepare for potential negative economic impacts).

Notes:

**(a) Timing Key**

Short-Term = Initiate Project within 1-2 years of Strategy Adoption  
 Medium-Term = Initiate Project within 3-4 years of Strategy Adoption  
 Long-Term = Initiate Project within 5-10 years of Strategy Adoption

**(b) Cost Key (approximate Town investment amount)**

\$ = \$0-\$5,000, or primarily existing staff time  
 \$\$ = \$5,000 to \$20,000  
 \$\$\$ = \$20,000 to \$50,000  
 \$\$\$\$ = \$50,000 to \$100,000  
 \$\$\$\$\$ = Over \$100,000

\* The Action step will be part of the General Plan update, and the cost of implementing this step will be folded into the update cost.

- continued next page -

**Appendix A: City of Eureka Economic Development Strategy Summary**

Strategy/Action	Timing (a)	Relative Cost (b)	Implementation Responsibility	Potential Funding	Potential Partnerships	Notes
<b>13. Strengthen Eureka's role as a hub for retail sales activity on the North Coast</b>						Eureka is particularly dependent upon retail sales tax as a source of municipal revenues. While well-positioned to serve as a regional shopping hub for the North Coast region, the City must work to maintain and expand its position, where possible.
Action 13A: Implement commercial corridor/district revitalization projects	Medium-term	\$\$\$\$\$	Existing staff	Possible redevelopment "boomerang" funds	Chamber of Commerce, Eureka Main Street	Almost all of Eureka's commercial corridors and districts or nodes could benefit from revitalization efforts. Because of limited resources, the City should focus on a limited number of locations at a time. Commercial areas with multiple property owners, with different financial resources and investment objectives, are likely the most in need of assistance.
Action 13B: Pursue branding and improvements to reinforce the concentration of retail activity at established nodes within market niches	Medium-term	\$\$\$	Existing staff		Chamber of Commerce, Eureka Main Street	To reinforce distinctions between unique commercial districts, and to promote synergy among retailers, the City should pursue branding, signage, and streetscape improvements that reflect the distinctive market niche of each major retail node.

Notes:

**(a) Timing Key**

Short-Term = Initiate Project within 1-2 years of Strategy Adoption  
 Medium-Term = Initiate Project within 3-4 years of Strategy Adoption  
 Long-Term = Initiate Project within 5-10 years of Strategy Adoption

**(b) Cost Key (approximate Town investment amount)**

\$ = \$0-\$5,000, or primarily existing staff time  
 \$\$ = \$5,000 to \$20,000  
 \$\$\$ = \$20,000 to \$50,000  
 \$\$\$\$ = \$50,000 to \$100,000  
 \$\$\$\$\$ = Over \$100,000

\* The Action step will be part of the General Plan update, and the cost of implementing this step will be folded into the update cost.

- continued next page -

**Appendix A: City of Eureka Economic Development Strategy Summary**

Strategy/Action	Timing (a)	Relative Cost (b)	Implementation Responsibility	Potential Funding	Potential Partnerships	Notes
<b>14. Strengthen and expand the City's tourism sector</b>						Although it is not known for providing high paying jobs, the tourism sector represents an important part of Eureka's economic base. Tourism development can help to generation increases in transient occupancy tax revenue through hotel bookings and generating retail sales taxes through visitor expenditures in local retailers and restaurants.
Action 14A: Promote Eureka as a North Coast visitor hub for adventure and tourism, with access to the ocean, rivers, forests and mountains, as well as local architecture, history, dining, arts, and entertainment	Short-term	\$\$	Existing staff	Humboldt Lodging Alliance (City portion of lodging surcharge revenues or Community Tourism Fund )	Chamber of Commerce, Convention and Visitors Bureau, Eureka Main Street, Humboldt State University, College of the Redwoods, Historic Preservation Commission, Eureka Heritage Society, Humboldt Historical Society	This is consistent with current marketing initiatives undertaken by the Convention and Visitor's Bureau. These themes are authentic for the City of Eureka, and play on the City's natural assets that distinguish it from other communities elsewhere in the state and the nation.
Action 14B: Support visual and performing arts programing, festivals and other events	Ongoing	\$	Existing staff	Humboldt Lodging Alliance (City portion of lodging surcharge revenues or Community Tourism Fund )	Chamber of Commerce, Convention and Visitors Bureau, Eureka Main Street, Arts and Culture Commission, Ink People	To promote a consistent calendar of events, the City should develop an inventory of available venues that offer the necessary facilities (e.g., restrooms, electrical connections, stage space, etc.) and regulatory structure (e.g., zoning, noise regulations, maximum occupancy limits, etc.) to host large events of various types.

Notes:

**(a) Timing Key**

Short-Term = Initiate Project within 1-2 years of Strategy Adoption  
 Medium-Term = Initiate Project within 3-4 years of Strategy Adoption  
 Long-Term = Initiate Project within 5-10 years of Strategy Adoption

**(b) Cost Key (approximate Town investment amount)**

\$ = \$0-\$5,000, or primarily existing staff time  
 \$\$ = \$5,000 to \$20,000  
 \$\$\$ = \$20,000 to \$50,000  
 \$\$\$\$ = \$50,000 to \$100,000  
 \$\$\$\$\$ = Over \$100,000

\* The Action step will be part of the General Plan update, and the cost of implementing this step will be folded into the update cost.

Sources: City of Eureka, 2014; BAE, 2014.

# APPENDIX B: AD HOC COMMITTEE AND FOCUS GROUP MEMBERS

## **Economic Development Ad Hoc Committee**

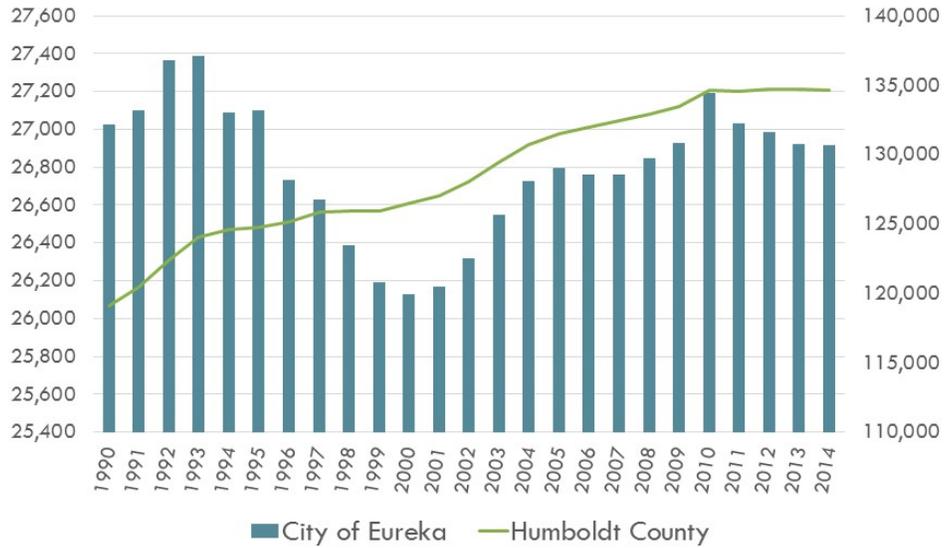
Ken Bates  
Barbara Groom  
Charlotte MacDonald  
Jill Macdonald  
Greg Pierson  
David Schneider  
Susan Seaman  
Don Smullin

## **Economic Development Focus Group Members**

Chet Albin  
Ken Bates  
Marian Brady  
Barbara Groom  
Charlotte MacDonald  
Jill Macdonald  
Greg Pierson  
David Schneider  
Susan Seaman  
Don Smullin

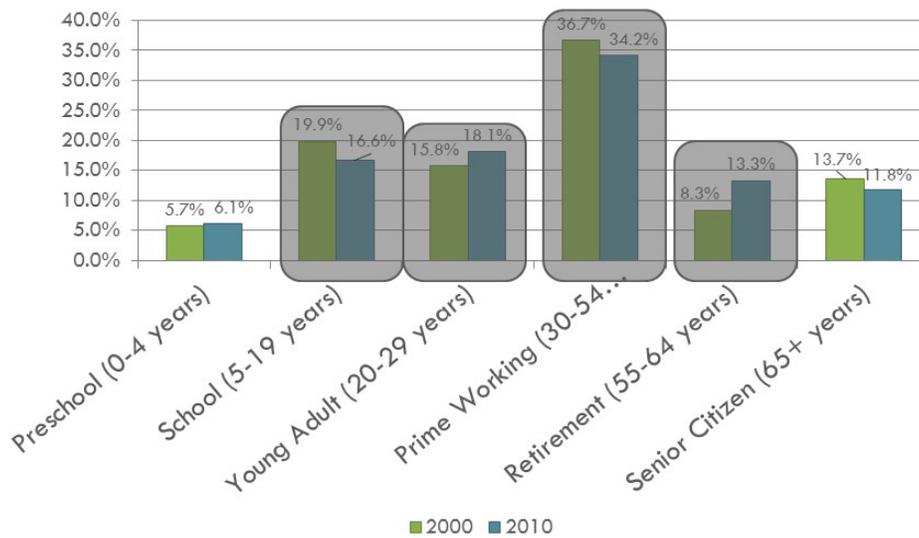
**APPENDIX C: DEMOGRAPHIC AND ECONOMIC  
CONDITIONS AND TRENDS SLIDES FROM  
FEBRUARY 3, 2015 CITY COUNCIL WORK  
SESSION ON ECONOMIC DEVELOPMENT  
STRATEGIC PLAN**

# Population Trends



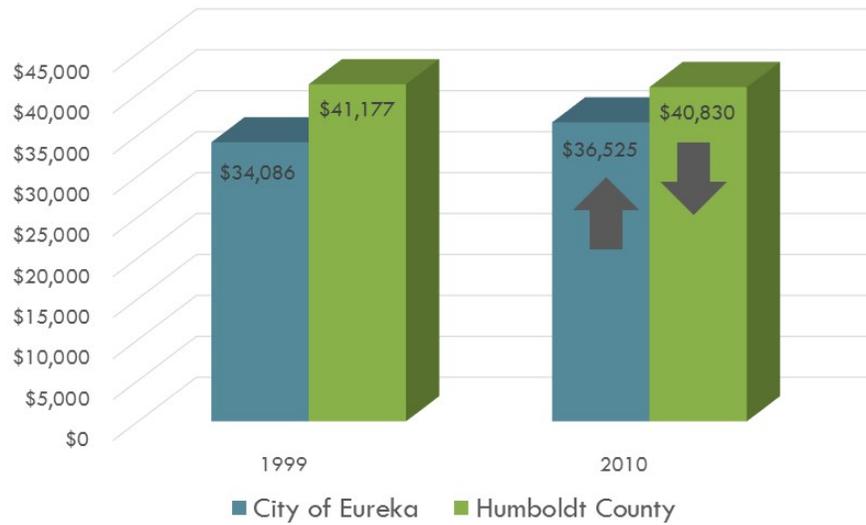
Sources: California Department of Finance, 2015; BAE, 2015.

# Eureka Age Distribution



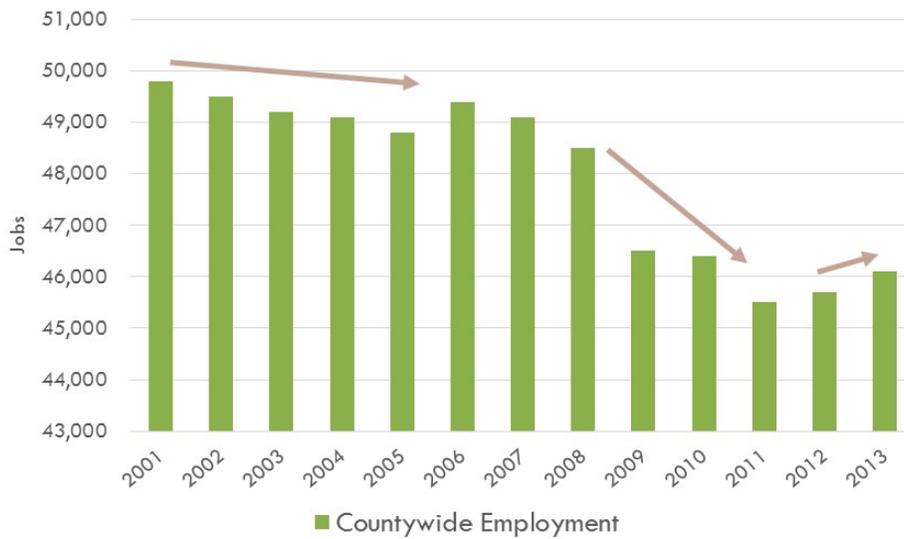
Sources: U.S. Census Bureau, 2015; BAE, 2015.

# Inflation Adjusted Median Income



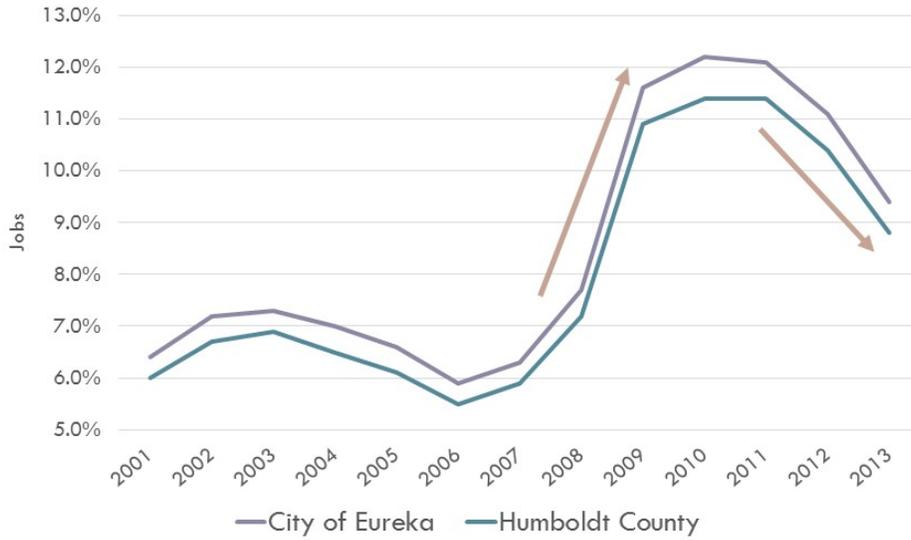
Sources: U.S. Census Bureau, 2015; U.S. Bureau of Labor Statistics, 2015; BAE, 2015.

# Employment Trends



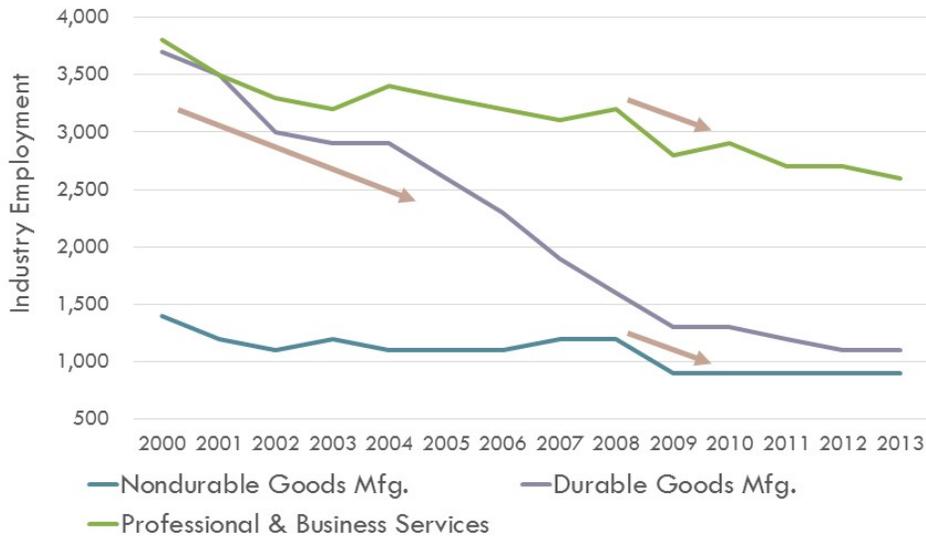
Sources: California Employment Development Department, 2015; BAE, 2015.

# Unemployment Rate



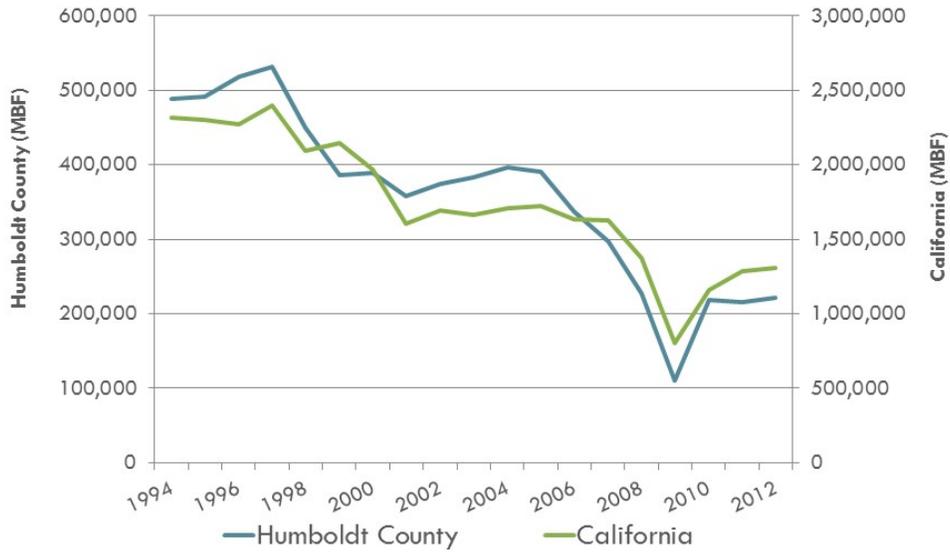
Sources: California Employment Development Department, 2015; BAE, 2015.

# Industry Employment



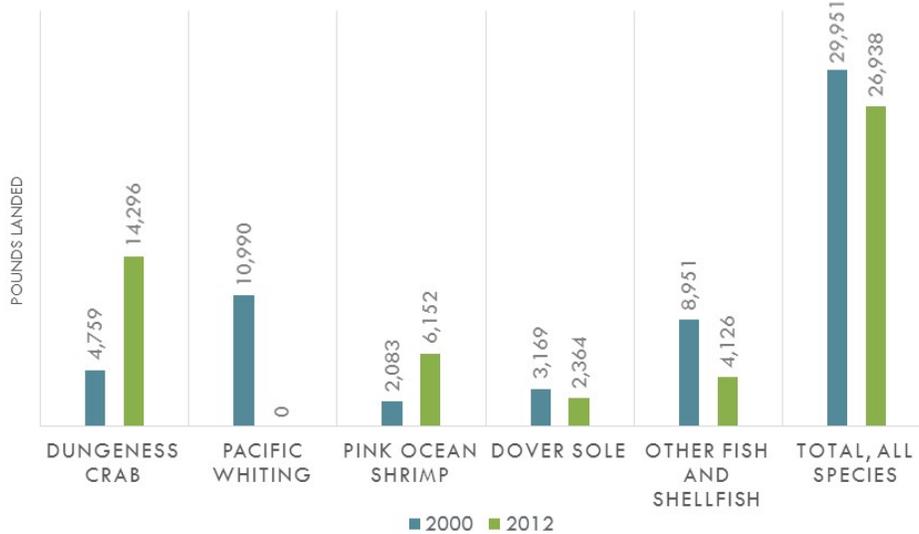
Sources: California Employment Development Department, 2015; BAE, 2015.

# Annual Timber Harvest



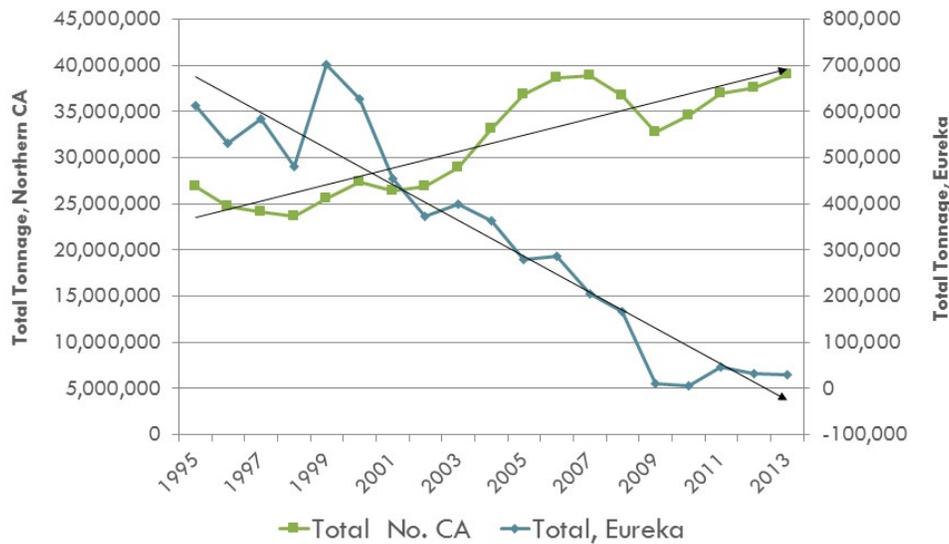
Sources: California Board of Equalization, 2014; BAE, 2015.

# Eureka Area Fish Landings



Sources: California Dept. of Fish and Wildlife, 2014; BAE, 2015.

# Tons of Assessable Cargo

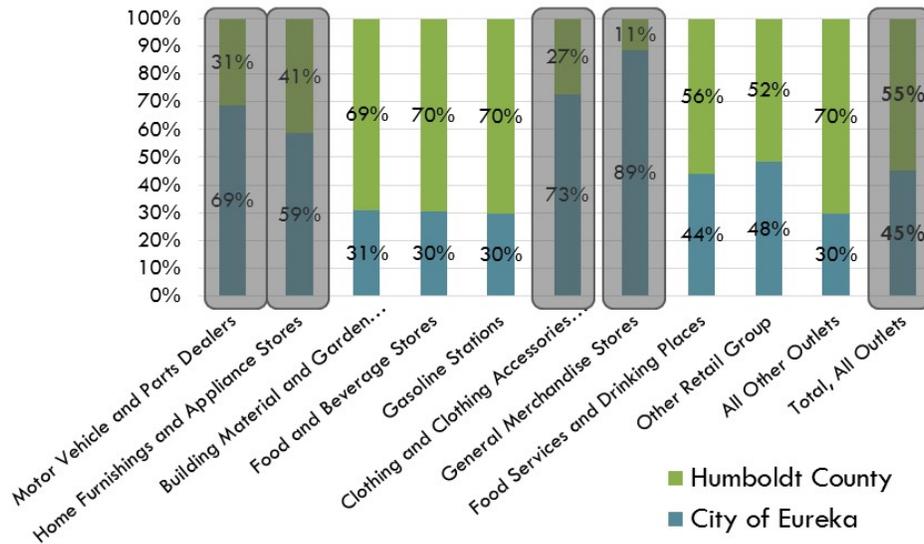


Sources: California Board of Equalization, 2014; BAE, 2015.

## Opportunities for Diversification

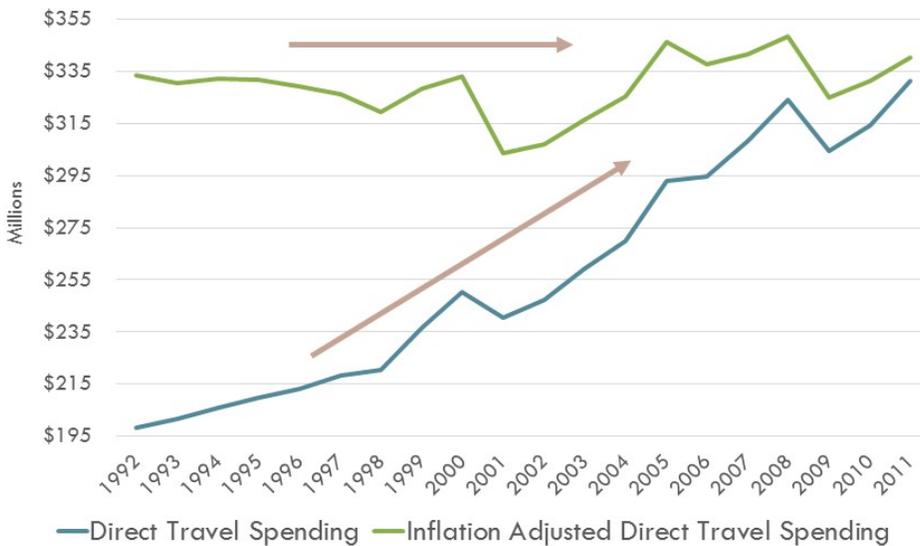
- **Eureka is a regional center for:**
  - Destination retail sales activity
  - Office-using businesses and institutions
  - Health Care and Medical Services
  - Tourism and the Arts

# Taxable Sales Distribution



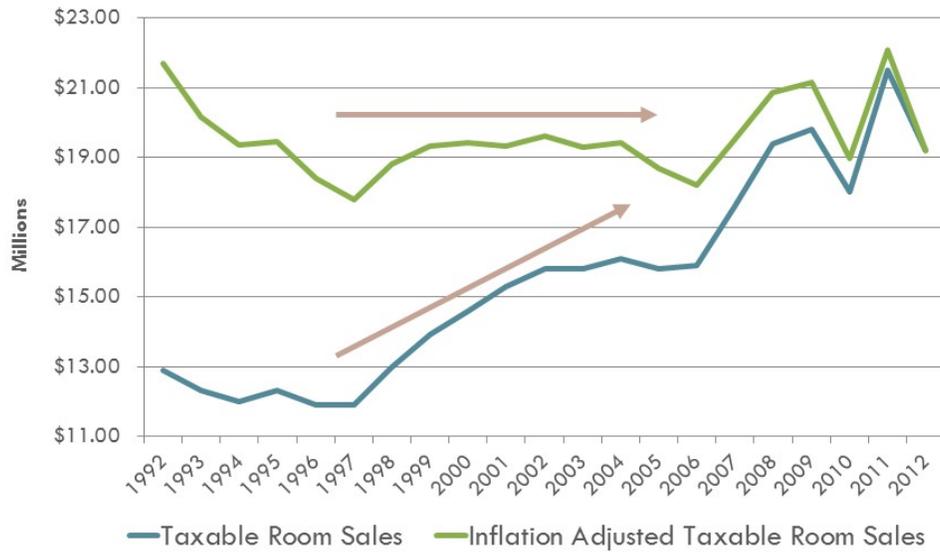
Sources: California State Board of Equalization, 2014; BAE, 2015.

# Humboldt Annual Travel Spending



Sources: California Travel and Tourism Commission, 2014; U.S. Bureau of Labor Statistics, 2015; BAE, 2015.

# Eureka Annual Room Sales



Sources: California Travel and Tourism Commission, 2014; U.S. Bureau of Labor Statistics, 2015; BAE, 2015.