

**Sidnie Olson**

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**From:** tom peters [tpete@reninet.com]  
**Sent:** Saturday, January 31, 2009 12:24 PM  
**To:** DEIRcomments  
**Subject:** Comments on Marina center

Thomas H. Peters                      Saturday, January 30, 2009  
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On Thursday, January 29, 2009 I submitted my extensive comments on the Marina Center project DEIR. I failed to note that I intended to submit those comments in my role as Spokesman for CREG, Citizens for Real Economic Growth.

My comments are to be considered as an official submission by CREG and the issues that I raised are to be considered as if being raised by that group. Please add this note to my printed document to complete my comments.

Thank you.  
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*RECEIVED*  
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### Comments on the Balloon Tract DEIR

I am attempting to address this document from the standpoint of an informed and educated layman. I am not an expert in many of the fields used to analyze the document, but I do have a good general understanding of science and psychology. I soundly reject the DEIR's frequent use of the phrase "less than significant" and the phrase "not applicable". An impact, however small, is not insignificant to the people or things it affects. No level of significance has been established for the real or perceived effects on the public. The phrase "not applicable" is often used regarding The General Plan's Land Use and Zoning provisions because the Project is not in the 'core' area of the city. I contend that, since the Balloon Tract is immediately adjacent to the 'core' area, use and zoning provisions must apply as if it were part of the core. Once built, the Project would most certainly become part of the core, anyway.

I will try to comment on the parts I know best and add other comments as I can. Without having two years to study some of the nearly undecipherable graphs and charts, I may miss some significant details. Do not imply my acceptance of those parts not directly addressed. Instead, interpret them as resulting from the lack of time or specialized knowledge rather than a lack of will.

I view this entire project as completely out of character and out of scale for a city the size and composition of Eureka. The proposed anchor Home Depot has a terrible environmental track record (see Times Standard p. B5, 8/18/07) and a very poor reputation as an employer. It is known as a 'category killer' with the announced intention of taking 70% of all the home improvement business in the area. A project of this size will have a destructive impact on the locally owned business community, already plagued with closures from the recent and continuing recession. Note the vacant storefronts in Henderson Center, Downtown, Old Town, and the Bayshore Mall (see attached photos). This oversized project is the result of ignoring the real needs of the City and rejecting the Public Planning Process that was once attempted. It will have profound impacts on traffic, air pollution, water pollution, noise, and public services. To the extent that it draws additional retail business from surrounding towns, thereby impacting their business communities, it will reduce their sales tax revenues and their ability to function.

I will attempt to list, in some kind of order, my questions and concerns about this EIR. The organization of this document will result in some of my comments being repeated. This should only serve to underscore the importance of that point.

Submitted January 27<sup>th</sup>, 2009 by Thomas H. Peters

## Comments on the Balloon Tract Project DEIR (aka Marina Center)

### Chapter I: Description

There are several questions under the heading "objectives".

1. How does adding over 330,000 square feet of competing retail space in any way 'complement' or improve Old Town and Downtown business?
2. Wouldn't such a vast range of new retail businesses, in order to be economically viable, need to actively work to eliminate competition wherever possible in the rest of the city?
3. Why was no low or moderate income housing included?
4. Has it become a goal of the Redevelopment Agency to promote development that jeopardizes local business and quality of life throughout the rest of the city?
5. Why was the public barred from the planning process that was originally undertaken for the Tract?

### II: Summary

#### B. Impacts and Mitigation.

How are the minimum standards for impact derived? Do they consider the incremental and cumulative impact on an individual who might be breathing the degraded air or the driver who sees constantly increasing traffic on Highway 101? Do they consider the merits of 'capping' as opposed to real clean-up?

There seems to be a disconnect between the DEIR definition of what "less than significant impact" is and what real people perceive as things that degrade their living environment. The standards used appear academic only and tailored to a large urban environment. **A finding of "less than significant" does not remove the perception of significance** (ie: increased traffic density or worsened driveability on

Broadway, worsening air quality, general congestion throughout the city, loss of opportunity to improve Eureka's livability).

When reviewing Land Use and Zoning compliance with the city's General Plan, the Project frequently uses "not applicable", citing the fact that the project is not in the "core" area. Since the project is immediately adjacent to the 'core' and will become part of it when building is complete, it is unacceptable for it to simply dismiss the goals and Policies of the Plan. They should be adhered to just as if the project was already part of the 'core'.

#### C. Alternatives.

One of many glaring omissions is the **"No Large Retail"** alternative. The Reduced Footprint" alternative only eliminates smaller retail but still includes the business-killing big box anchor. Instead, wouldn't it be more reasonable to consider a project that includes ONLY smaller retail?

The site north of the bridge is still waterfront and is not appropriate for retail type development. It should be used for waterfront dependent or related purposes.

It is apparent that many good alternatives or combinations of alternatives such as those presented by the CREG group at their "Imagine the Possibilities" event were completely ignored.

#### **Why wasn't the option of resuming the Public Planning Process as a means of determining 'best alternatives' even considered or mentioned?**

#### D. Potential Controversy:

Add to the list: use of Waterfront Drive; impacts on city marina use and especially the boat ramp and associated parking; odors from the Pacific Choice fish plant; assumptions about the width of the railroad right-of-way; impacts of pile driving on many migratory fish and bird species such as California halibut, anchovies, sardines, pelicans, and terns; impacts of urban decay in other parts of town; traffic in off-corridor areas; the meaning of "less than significant impact"; visual impact of 5 story buildings; level of police and fire services needed at malls in general; and lastly, the impact of this huge scale Project on the very character of the city.

The Project is inappropriate, out-of scale, economically damaging, destructive to our quality of life, and an imperious imposition of the wishes of one person over the best interests of this community. Now THAT'S controversial!

#### **Chapter IV. Environmental Impacts and Mitigation Measures**

A-1 Blocking of scenic vistas.

From the City Marina area, the open site offers a splendid vista across the city and the mountains beyond. This project would put up FIVE STORY buildings, blocking much of that view. As a frequent user of the marina, I can safely state that many tourists come to that part of town expressly for that view. It is also the view and vista enjoyed by boaters on the bay looking east. A distant landscape is viewed by many as far preferable to a wall of buildings.

A-2 Scenic Resources.

No comment.

A-3 Degrading Visual Character or Quality.

This assessment rests on the assumption that if the project is not built as proposed, nothing else will happen on the site. **I strongly disagree with this assumption.**

There is a whole world of things that are more attractive than a wall of buildings facing highway 101.

The renderings of the proposed buildings look like post-modern Los Angeles subdivision shopping centers. If the goal of architectural review is to compliment the theme of Old Town and Downtown or at least our Waterfront Heritage, nothing in the sketches indicates any relationship whatsoever with either one.

Many people would prefer an open field, if it came to that, to a huge block of view harming light blocking buildings and a massive parking lot. **It cannot be 'reasonably assumed' that a huge shopping center and parking lot would have greater aesthetic appeal** than either 'open space' or other potential uses. To claim 'less than significant impact' is hubris of the first order!

A-4 Source of Light and Glare.

The Bayshore Mall, which presumably is under the same or similar standards, stands as a beacon to boaters and is clearly visible to people in the surrounding hills. Its lights severely dim the night sky loss of 'starfield').

The source of the problem would appear to be the gross number of lights, regardless of their intensity. The project would clearly increase light and glare in the city marina area, impacting the enjoyment of visitors and residents there. The extension of Fourth Street through the project would add directed headlight glare to the area, as would the extension of Second Street. Large advertising signs such as those favored by Home Depot and other big box retailers would almost certainly impact the ambient lighting in neighborhoods on the other side of Broadway. Remember the furor over the entry sign at the Bayshore Mall? Traffic exiting the Project onto or across Broadway would project considerable light into surrounding neighborhoods with its headlights. This would be an even greater impact to the extent traffic leaving the project is dispersed throughout the city on city streets. **The mitigation is clearly less than would be necessary to minimize the impact,** particularly to the bay side.

A-5 Cumulative Visual Impact.

The assumption of “less than significant impact” is predicated on the alternative being ‘no development’ or other use of the Tract. **This is a FALSE assumption.** There are numerous other uses, including cleaned-up open space that would provide a significantly better visual impact than a big box shopping center and a vast parking lot. The Project would loom huge over existing neighboring buildings. Its architecture as represented in the offered drawings would clash loudly with the surrounding older buildings.

**No reasonable mitigation is offered.**

**No reasonable alternatives are offered.**

B. Agricultural Resources.

No Comment

C-1 Obstruction of Applicable Air Quality Plan.

**Since there is no reasonable way to mitigate for impacts on air quality from the plan as proposed, the project should be modified until it can come into compliance.**

C-2 Violation of Air Quality Standards.

**There is no way the Project as proposed can avoid violating air quality standards. The Project should be modified to bring it into compliance.**

There is NO information regarding air quality impacts from increased traffic on other city streets when traveling to access the Project. The ‘Traffic’ portion of the DEIR shows that traffic would be slowed by a significant amount on Broadway. Even if the speed remained within acceptable limits, when traffic is slowed down, it emits greater amounts of pollution. Engines do not run as cleanly when they are idling, especially diesel trucks. **Increasing traffic on Broadway by 10,000 to 15,000 trips per day and then having it slow down would likely increase air pollution beyond the Project’s estimates.**

The PG&E plant south of town was forced to limit the use of its new diesel backup generators in order to stay within acceptable limits for particulate emissions. At that, they were barely within the required limits. If the Project added the expected number of diesel trucks to the traffic mix, it could easily push the cumulative amounts of particulates past the point where they become a serious health hazard.

There is no mention of ‘temperature inversions’ which occasionally happen over Humboldt Bay, holding warm air close to the ground and preventing normal mixing. This condition greatly increases local air pollution for its duration, as those who remember TeePee Burners can attest. The occurrence of a

temperature inversion would increase the effects of air pollution far beyond the Project's estimates, if only for the duration of the event.

Offered mitigation measures would have little direct effect on the problem. They would clearly NOT bring the project into compliance. As one who lives 'downwind' from the Project, I maintain the effect would be significant.

#### C-4 Exposure to Pollutant Concentrations.

Whoever wrote this has never been exposed to the air quality in a crowded parking lot!

No mention is made of the cumulative impacts on air quality from increased traffic from other development, projected traffic slowing on Highway 101, or potential industrial development. The fact that the Project will exceed most known standards suggests there is a health risk. Why else have the standards?

What is the health risk of Global Warming? What is the health risk of increased CO and CO<sub>2</sub> in our atmosphere?

Why is the Project not being forced to stay within compliance guidelines before being considered further?

Table IV C-7 suggests that the reason there are no significant health effects is that Humboldt County has such a small population that the effects are statistically insignificant STATEWIDE. Humboldt County is already known to have a higher than normal cancer rate, probably due to air emissions from the pulp mills. Increased emissions of the types listed beyond the accepted standards are UNACCEPTABLE.

#### C-5 Objectionable odors.

While CO is odorless, auto and truck exhaust is not. With the increased traffic on Broadway and throughout the city, objectionable odors could well result. I don't think even this DEIR would contend that a facefull of auto or truck exhaust was anything but objectionable.

#### C-6 Greenhouse Gas Emissions.

The EIR claims the greenhouse gas emissions from the Project are below threshold limits and are therefore insignificant. However, since greenhouse gases are cumulative, EVERY source is significant and this Project is a relatively large source for this area.

NOT considered is the fact that centralized retail centers create a need for residents to drive in order to do their business, whereas neighborhood retail encourages walking and bicycle use. No attempt is made to quantify how the projected increase in auto use will increase air pollution. Since it is likely that this huge retail project will severely impact local neighborhood businesses, causing at least some to close,

overall vehicle use will be increased for travel to the Project. This, too, will have an incremental impact on greenhouse gas emissions, odors, and exhaust emissions.

Increased trips from around the County to shop at the 'regional center' rather than in local businesses closer to home, also increases fuel use, air pollution, and traffic on Highway 101.

**Also NOT considered are the increased emissions resulting from increased auto and truck trips all over the city as vehicles converge on the Project site.**

All of these impacts are incremental and no single one can be said to be "less than significant" when taken in total.

#### D. Effect on Sensitive or Special Status Species.

Again, **the analysis does not consider any other alternative to the proposed project.** For example, could significantly more land be returned to useful wetland status, thereby attracting and increasing the habitat for sensitive and Special Status Species from nearby areas?

The analysis concludes that the effects of construction activities such as pile driving could be mitigated by timing them for only the period July 1 to November 30. **This period seriously overlaps, by several months, the time that significant numbers of anchovies, sardines, perch, California halibut, and both resident and migrating salmon are present near the Project and migrating through the area.** A large number of birds such as herring gulls, cormorants, and pelicans use nearby areas for resting and feeding, particularly near the marina and at the foot of Washington Street. All of these species are at risk of having their feeding and migration patterns disrupted by loud vibration producing pile-driving activity. **The proposed mitigation is inadequate to address the problem.**

D. 3a Wetland mitigation measures appear to offer restoration of less than one third of what photographic evidence shows to be historic wetland levels.

**This restoration proposal also assumes that the only alternative is no restoration at all.** The City could seek BrownField cleanup funds, other government cleanup funds, or possibly find a way to force Union Pacific to clean up its mess. **These are not considered in the plan.**

D. 3e Lighting mitigation does not include the effects of headlights on the wetland areas which would be significant until after closing time each evening and occasionally at other times of the night.

#### D. 4 Interference With Resident or Migratory Fish.

Only salmon are mentioned as necessitating the mitigation offered. In fact, there are resident Coho salmon in the Bay near the marina all year long as evidenced by the fact that I have personally caught them in July, August and September while fishing for California halibut and in April and May while perch fishing. Pile driving could easily impact these fish, their migration patterns, and their feeding patterns.

No mention is made of mitigation for several species that enter and migrate into and out of the bay between April and September, a period that seriously overlaps into the pile-driving time. These species include, but are not limited to, Chinook salmon, Coho salmon, anchovies, herring, sardines, California

halibut, perch, groundfish, rockfish, crab, sturgeon, and smelt. Two major species, California halibut and Chinook salmon, which migrate into the bay during the pile-driving window, are major targets for sports fishermen. Both of these species come into the bay to feed on anchovies and other baitfish. Disruption of the migratory or feeding patterns of those two species could have a serious effect on the sports fishery and its attendant economy in the bay. This possibility is NOT mentioned or analyzed in the EIR.

#### D. 5 Conflict with Policies or Ordinances Protecting Biological Resources.

While the restoration of Clark Slough represents an improvement over existing conditions, the Project fails to acknowledge or attempt to restore historical wetlands as evidenced in aerial photos from 1941 to the present. By offering only 'partial restoration', the Project seeks to look better than it is. The law is intended to protect and restore wetlands where ever possible. This Project would preclude that possibility from a large area of historical wetland by filling and covering them forever.

#### D.8 Disturbing Reproductive Activity of Migratory Birds.

Mitigation proposals include avoiding grading and removal of vegetation during breeding season from February 1<sup>st</sup> to August 31<sup>st</sup>. This overlaps the time period for pile-driving by two months. In other words, pile-driving would be conducted during two months of bird breeding season. That sounds like a major impact to me!!

#### D. 9 Cumulative Impacts on Biological Resources and Wetlands.

It is impossible to know what other kinds of development might occur in areas surrounding the Project area. Therefore it is impossible to quantify cumulative impacts. It is likely, however, that the Project will promote nearby development on other parcels and would thereby be likely to lead to significant cumulative impacts in the neighborhood.

Ironically, the cumulative impact of the Project on air quality and traffic alone may preclude any other development in the area by leaving no available allowances for other projects.

#### E. Cultural Resources.

Since most of the Balloon Tract is fill land, it appears unlikely any significant archeological sites will be discovered out side of those identified in the document. In the event they are, mitigation appears to be adequate.

#### Public Trust.

The land up to A Street was identified as early as 1861 as "swamp and overflow land". This can only be interpreted as tidal wetland. There are many references in the DEIR to filling the site with dredge spoils and various other materials, all suggesting former wetland status. It is imperative that, for this Project to continue, the status of the site as potential Public Trust Land be clarified. There is a great deal of evidence suggesting Public Trust status which would prevent or modify the construction of the Project on much of the area.

#### E. 1 Adverse Change to a Historical Resource.

Old town is listed as an Historical District. Given the history of large scale chainstore retail development, it is likely that the Project will have a significant adverse economic impact on Old town businesses (see attached BAE study). To the extent that the Project causes some Old Town Businesses to close, creating vacant storefronts and a less than attractive tourist atmosphere, the project could have a very significant impact on the Old Town Historic District. Even if this does not happen, the Project will tend to channel parking to its vast lots. These lots are beyond the normal walking distance traveled by shoppers and tourists in order to reach Old Town, particularly if they're carrying packages. The Project does not continue the Old Town theme of locally owned business, but instead brings in large 'category busting' outside corporations. **This in NO WAY enhances or ties into the Old Town Historic theme or the Waterfront Heritage theme.**

#### F. Geology, Soils, and Seismicity.

The site soils appear to be more than normally prone to liquefaction. The shear size of the proposed buildings could contribute to the risk. The Project could consider less than FIVE STORY buildings to minimize the threat. Buildings with fewer stories would also lower collapse risk from shaking as well as reduce difficulties in fighting associated fires after a major earthquake. The downtown police/fire station is a good example of the effects of unstable soil. The building is suffering many defects and distortions from settling and liquefaction over time.

The low lying elevation of the parcel puts it at risk from tsunamis. The nature of the development puts large concentrated numbers of people in a relatively small area with no easily accessible escape route in the event of a tsunami. Large numbers of people would be funneled through small openings across Broadway to higher ground. These access points would be competing with other people on the Broadway corridor.

#### F.3 Potentially Unstable Soil and Liquifaction.

The EIR states that the site is susceptible to liquefaction and then proceeds to dismiss the threat. While it is true that best practice building will help reduce the threat, it is, by the nature of the described soils, a greater risk than in most of Eureka because it would be built largely on 'fill' land. Coupled with the concentration of people in a small area, **the potential risk is magnified.** The relevant examples are the Marina District in San Francisco and the Nimitz Freeway in Oakland during the 1989 Loma Prieta earthquake This was not addressed in the EIR. (see my comments, page 29)

#### F. 6 Cumulative Seismic Impacts.

The Project itself would probably not contribute to seismic instability, either by itself or cumulatively. However, because it causes high concentrations of people at a site with limited access points which are shared by many others in the area, **it could cause serious problems for rescue or evacuation in the event of a major seismic event.**

#### G. Transport and Disposal of Hazardous Materials.

There is some risk from using open dump trucks as proposed during rainy periods. Waste could easily wash from the truck onto city streets. This could be mitigated by preventing soil removal on rainy days. Conversely, dust blowing from uncovered trucks could spread pollutants across the city.

#### Comment

While the mitigation measures proposed look reasonable, there is no specific plan for cleaning up the site beyond referencing possible requirements of the RWQCB. The extent to which the proposed mitigation will be carried out remains a question. The proposed clean-up is unacceptably vague. This is probably the most important aspect of the whole project and all it gives are vague references and promises to follow NCRWQB guidelines. There needs to be more clarification and explanation.

One of the biggest questions about this Project remains “to what level will the clean-up proceed?” The developer has proposed ‘capping’ the site with asphalt as part of his solution. This is unacceptable as it leaves pollutants to migrate slowly through the water table into the bay. It also contributes large quantities of pollutants from use of the paved areas by automobiles and trucks. (see comments on Sec. IV H following)

Potentially hazardous dust from soil removal remains a problem on windy days. No mitigation is proposed.

#### G. 2b Hazard from Hazardous Materials Due to Accident or Upset.

The proposed mitigation to prevent accidental hazardous waste release appear adequate for the construction phase. Once build-out is achieved, the proposed anchor store, Home Depot, will be storing a variety of potentially hazardous materials in its Garden Section. Home Depot has a history of mishandling such materials and the hazardous waste they produce through the use of untrained personnel and unlicensed handlers. In California more than 10 stores were involved in a civil action in 2007 resulting in \$10,000,000 in fines. In one instance, improperly handled wastes actually exploded, causing considerable damage. (ref: Times Standard, 10/18/07 page B5). There is no mitigation offered for this situation. The management of the Project will have little control over its anchor store once it's built. No alternatives were considered.

#### G.3 Hazard to School Site.

Jefferson School sits just outside the ¼ mile radius required. While it is currently closed for use as a school, the site will be used for other public activities now in development. It is also possible the site could be reopened as a school if future needs required it. The buffer zone of ¼ mile for judging the possibility of hazardous waste contamination is too small. Wind and rain can easily carry contaminants beyond that distance. Even if there was no school site, there are residences within that perimeter that could be affected. Again, the determination of ‘less than significant impact’ depends on who you are and where you’re standing.

#### H. Hydrology and Water Quality.

It appears that only the immediate effects of construction activities have been considered and then only those effects on storm water runoff. No mention is made of the possibility of adding pollutants to the 'A Level' groundwater water table through excavation and/or pile-driving.

H.1 It is highly likely that measures to control storm water runoff could be easily overwhelmed by a strong storm event. These events seem to occur on a fairly regular basis in Eureka. Certainly Eureka's storm drain system experiences major overload during these events, dumping untreated runoff water directly into the Bay. The Project presents the possibility of significant pollutants being present during cleanup and construction activities which presents an added threat to the bay and to groundwater as it is recharged with polluted water. Extreme measures will be needed here to prevent pollutants from entering the bay.

H.2 To the extent that much of the area surrounding the Project is covered with pavement and buildings, the effect on groundwater recharging must be seen as cumulative. The cumulative impact could easily affect the transport of water toward the bay.

H.3 While I am sure the developer will attempt to exercise due diligence in trying to reduce runoff and other surface pollution, it cannot control extremes of weather and should be required to take maximum measures to ensure protection of the public. Eureka often experiences high winds during the summer when extensive grading and earth moving activities will be taking place. There is NO fence that will adequately prevent dust, possibly polluted during cleanup attempts, from blowing into surrounding neighborhoods. Earth moving activities should be restricted during windy periods exceeding levels likely to cause blowing dust.

#### H.4 Alteration of Drainage

Leveling and covering the site will have immense effects on stormwater collection and runoff. The site would presumably be 'crowned' to allow water to run off parking areas. Water from building roofs should either be included in surface water or enter directly into the storm drains. Since most of the site will become impermeable, significant amounts of water that previously percolated into the groundwater will now be channeled toward the bay. Even during 'dry' years, individual events can produce large amounts of runoff. These events are not included in the stormwater planning.

H.4a The use of a 10-year flood baseline for culverts and drainage systems is totally inadequate. In 1955 Humboldt County experienced a 100 year flood. It happened again in 1964. Significant floods occur without reference to averages or timetables. To be effective over the expected life of the Project, drains and culverts must be built to much higher performance standards.

H. 5 Large paved parking areas are notorious for producing a variety of pollutants, mostly from automobile use. Grease, oil, gasoline, tire wear, antifreeze, and brake fluid are among them. Other significant pollutants include plastic bags, packaging materials, and general garbage. No specific plan is offered for their mitigation or removal.

H. 5a Stormwater treatment facilities are unspecified in this section. They MUST include more than haybales and earthen berms as called for in Sec. H.5b. All cities wrestle with stormwater pollution. Few have been successful during major rain events such as those Eureka experiences frequently. The plan must be much more specific about proposed measures and their maintenance and monitoring.

H.5c Many EPA approved pesticides and herbicides are highly objectionable to the public. Witness the protests against CalTrans use of herbicides for weed abatement along roadways. The protests have resulted in manual mowing and much reduced herbicide use. Because the EPA approves them does not mean these substances are acceptable to the public or are safe, for that matter. Many 'approved' substances are strongly suspected of having side effects or health risks. These problems arise or are suspected even with proper recommended use, which is an assumption in itself. Remember that human beings are involved in the use of these products and accidents occur regularly.

H. 6 The finding of 'less than significant impact' on water quality assumes only a normal winter with less than 10 year flood events. It also assumes the effectiveness of unspecified stormwater treatment facilities. Both of these assumptions are unfounded, especially the first. Building to those standards will almost guarantee failure at some point in the near future.

H.7 While it is true that putting housing on upper floors takes them out of the possibility of a 100 flood, it does not remove the building itself from that threat. Floods damage foundations, water supplies, sewers, and storm drains. These facilities will not be immune from the effects of a 100 year flood.

H.8 H.7 does not state that no buildings will be within the 100 year flood zone. It states that no first floor housing will be within that zone. Clarification is needed.

H.9 Since the entire site will be graded to be nearly level, the estimates of impact areas from 100 year events are highly misleading and should be recalculated using the new grade levels and runoff facilities.

H.10 Any tsunami evacuation plan must consider the fact that many other areas of Broadway and lower 4<sup>th</sup> Streets will be using the same routes. The cumulative impact on successful evacuation must be included.

H. 11 Creating a vast impermeable surface will affect runoff, stormwater collection, surface pollution levels, and flow of groundwater to the bay. It happens wherever large scale similar developments have occurred. These effects could easily be large enough to preclude any other development in the area due to limitations on cumulative impact.

## I. Land Use and Planning.

I. 1 The following is the development guideline for the Eureka Tomorrow Redevelopment Plan.

Therefore, the goal of the Eureka Tomorrow Redevelopment Plan to "revitalize Eureka's core area by enhancing the waterfront for both industrial and recreational purposes, facilitating the development and redevelopment of the industrial areas, preserving and strengthening the residential areas and commercial areas, and improving public space and facilities"

The Plan encourages industrial and recreational development while preserving and strengthening residential and commercial areas. This clearly states that preserving and strengthening should take precedence over increasing and replacing. The Project does not do either. Instead it seeks to replace and overwhelm existing commercial retail areas. The apparent goal of the Plan is to help existing areas survive and thrive as best they can. **This project is in direct contradiction** to the Plan insofar as adding over 330,000 square feet of corporate retail will certainly weaken existing retail areas by competing with and replacing their function.

The Project dismisses many land use provisions and requirements as “not relevant” because it is outside the “core area” which is the focus of the Land Use Plan. However, the Project is directly adjacent to the “core area” and will, in a real sense, become a part of it if it is developed as proposed. This produces at least a moral imperative that it conform to Plan requirements. Certainly the Goals and Policies of the Land Use Plan were meant to include development in the whole downtown and associated waterfront area.

Insofar as the Project encourages light industrial use, increased office space, a small amount of residential development, and open public space, it does comply with the Plan. **The Project should focus on those areas in a reduced scale plan that would lessen its impact on the city.**

**None of the Waterfront Revitalization Projects suggested in the document are included in the Project.** To the contrary, the project directs use away from the bay and waterfront uses.

The Project tries here to promote itself as a “smart growth” development. It loses on the very first criteria of “walkability”. By its very nature, the Project encourages driving from all parts of the city and county to access its retail and public areas. This is not walkability except to those few people who actually live there. Smart Growth does not envision huge big box stores and vast parking lots. This is a gross misuse of the definitions and meaning of Smart Growth to “spin” the project by its promoters.

“The project would eliminate the physical division by creating a transition between the adjacent industrial and commercial communities by developing a mixture of land uses similar in scale and intensity to those on surrounding properties.”

There is NO WAY the uses proposed by this Project are similar in scale and intensity to those on surrounding properties. The scale of the corporate anchor stores vastly exceeds anything in the local area. The amount of office space dwarfs anything else around. **This project is NOT of a compatible scale with Old Town, Downtown, or Broadway** in any way, shape, or form. To characterize it as Smart Growth is to put a huge public relations spin on something that’s not even close. The scale of retail development proposed alone totally overshadows almost any other retail businesses in the area. The only comparable development is the Bayshore Mall which currently boasts a 20% + vacancy rate and is said to be on the brink of bankruptcy.

Now, under the disguise of Smart Growth, this Project seeks to impose even more out-of-scale corporate retail development on Eureka. **How can this possibly be considered “less than significant”?**

**1.2 It is possible that the Project will conflict with Public Trust Lands responsibilities and restrictions.** It is likely that the Project will conflict with various Coastal Zone restrictions. The fallacy of claiming a net increase in wetland function lies in the idea that this project is the only alternative for the Tract. A full site cleanup, including restoring a majority of historic wetlands, would do much more for coastal values. Such a full cleanup and restoration should still provide sufficient areas for more limited

development on a more appropriate scale while coordinating development even more closely with existing uses.

### Policy Consistency Analysis

#### City land use and development chart Table IV 1-2

Policy1-a-1 There is little DEMAND for growth in downtown Eureka except from the developer itself.

**This does not establish consistency.**

1-A-1 (sic) The Project does not analyze other options for clean-up and restoration of the Tract. Only four very widely drafted alternatives are offered. Until other alternatives are realistically explored, **the**

**Project will remain inconsistent with the highest goals of the Land Use Plan.**

Policy 1-A-2 (sic) **This is NOT a coastal dependent development or use in any sense of the word.**

There is no active competition for use of the land because the Public Planning Process was cancelled, not because the Project is appropriate for the site. Sighting the Project directly over historic wetlands precludes any future restoration forever. It also removes a significant portion of the land conceivably available for coastal dependent uses. **This does NOT establish consistency.**

Policy1-A-3 (sic) The proposed bicycle path lies on land currently claimed as railroad right-of-way and cannot be included as a project benefit until the dispute is resolved.

Extension of 4<sup>th</sup> Street through to Waterfront Drive **will directly conflict** with the use of the public boat ramp, the limited parking for boat trailers in the area, and the limited access and parking for the City marina.

**Neither of these uses, as proposed, is consistent.**

#### Concentrated Mixed Use Core

Goal 1-B The Project actively detracts from the goal of creating a compact identifiable core business district by fragmenting retail activity and traffic patterns.

**This is not consistent and it is certainly relevant.**

Policy 1-B-2 The Project is near enough to the 'core' area to seriously detract from and distract from its identity.

The table constantly uses the rationale that General Plan provisions concerning the 'core' areas are not relevant because it is not in the defined 'core' area. However **it is immediately adjacent to that area** and will most certainly have a profound influence on it. That impact cannot be discounted, particularly since most activities in the Project require the use of an automobile to access. **This is not consistent** with the promotion of a compact, liveable, and walkable 'core' area in the city.

#### Arts And Culture

#### Waterfront

Policy 1-D-5 None of the uses recommended for the area are included in the Project. In fact, **some project uses are in direct conflict.** The Project is in NOT a coastal dependent business or use. It is inappropriate use of the site.

### Tourism

See the cartoon on Page 5 of the Northcoast Journal, Dec. 11, 2008. No tourist ever went out of his way to visit a generic Home Depot or other big box store. There are many projects that might attract tourists, but this is not one of them.

### Core Area Residential Community

Goal 1-K The Project does not include any low or very low income housing units. Project residents will be part of the Old Town core simply due to their proximity. The Project consistently uses the argument that many provisions do not apply because the project is not in the core area. However, since it is adjacent to Old Town, the Project will have many profound impacts on the goals and policies of the City. To simply dismiss that impact as inconsequential because the Project is removed by a block or two is ridiculous, self-serving, and simply untrue. Many of the Land Use Goals and Policies will be affected and should be adhered to by the Project, even if it is not directly in the core area. Its activities are adjacent to the core and will become an extension of it.

### Core Public Open Space

The Balloon Tract has long been considered a prime spot for public use, open space such as parks, and tourist or convention center use. To dismiss this idea simply because the site is not directly in the core area is a disservice to the planning process. Clearly it was the intent of the Plan to consider public use and open space wherever appropriate, including land directly adjacent to the core and especially the Balloon Tract. That is why it is zoned "Public" at present.

### View Corridors

Five story tall buildings will certainly affect the views of the bay and, when looking north and east, will almost entirely block views from the waterfront side.

### Architectural and Landscape Character

Policy 1-K-2 Nothing I've seen in the artist's rendering suggest anything but the most homogenized, bland looking, modern tract type architecture. **It is clearly not architecturally consistent with Old Town or Eureka's maritime heritage.**

Goal 1-L In a time when businesses are closing all over town, how can this gigantic retail project contribute to a vital business community? It can only make each business' share smaller. The large number of vacant storefronts all over town suggest that **there is NO demand for increased retail growth.** (see attached photos)

Policy 1-L-5 Buildings in the core are limited to a maximum of 75 feet tall. The project will exceed that limit and cannot be considered as an extension of the Old Town architectural scheme.

### Maintenance and Safety

The history of shopping centers indicates they always require increased police and fire service. Who will pay for this?

### Residential/Neighborhood Development

Policy K 1. There is NO low income housing proposed in the Project.

Policy 1-K-1a There is no 'variety' of housing offered unless you consider 'number of bedrooms' as constituting variety.

Policy 1-K-1e Traffic and congestion will be addressed elsewhere in my comments.

Policy 1-K-3 There is no provision for developing 'neighborhood shopping'. All that is offered are big box anchor stores, generally owned by outside corporate interests. There is nothing 'neighborhood' about the shopping projected. There is existing neighborhood shopping nearby on 2<sup>nd</sup> Street, throughout Old Town, Downtown, and on parts of Broadway. Nothing in the project proposes to strengthen businesses in these areas in any way.

### Commercial Development

Policy 1-K-1e It does not serve Old Town to improve accessibility while increasing density and volume of traffic by an even larger amount. Changing intersections and pushing 4<sup>th</sup> Street through to Waterfront will increase through traffic up 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> Streets causing increased congestion in Old Town and on Waterfront Drive. Making 2<sup>nd</sup> Street into a through corridor will increase traffic and speed as cars use it to access the project. Increased street traffic does not translate to increased retail business. For a good example, look at downtown 4<sup>th</sup> and 5<sup>th</sup> Street corridors where high speeds and large traffic volume actually discourage business use by residents.

Policy 1-L-1 How can adding over 330,000 square feet of retail space do anything but seriously damage existing businesses? Big box corporate stores known for cutthroat practices and competition-destroying below-cost sales (to drive out competitors) will not help Eureka businesses. Corporate anchors take money out of town without recirculating it in the local economy like locally owned stores do. Corporate stores have little or no interest in the needs or desires of Eureka and work only for their own purposes. **There is no evidence that they in any way strengthen the community.**

Policy 1-L-4 The Project is in direct conflict with the direction to strengthen local business in preference to developing new shopping centers. Somehow the developer is trying to say its new shopping center is different but it is not. Since the project is next door to the core area, **its impacts must be considered.**

Policy 1-L-5 and 1-L-6 To the extent that the Project draws business away from Henderson Center and other small retail neighborhoods such as F Street or Cutten, **it would be in direct conflict** with this policy and could promote business failures there. **This would directly contribute to urban blight.**

Policy 1-K-4 The finding of consistency is meaningless without detailed architectural renderings of what is proposed. **How can you be consistent** with the older housing stock in Old Town by building new, square, flat roofed, modern-looking condos? “Drawing from the maritime and industrial heritage” could mean you would put housing in old warehouse buildings and still be consistent. **This is meaningless without specifics.**

Policy 1-K-5 People living in the Project would have to cross Broadway at congested intersections or go through Old Town, adding to the street traffic there. The open spaces cited do not include parks and recreational areas such as ballfields or picnic areas. **The project is inconsistent with this policy.**

Policy 1-K-6 The existing and planned community facilities of the core area are NOT designed to handle increased density of the sort this large-scale project, adjacent to the core area, would produce. Again, the scale of the Project is **NOT in keeping** with other areas or business districts in the city. (see 1-K-1e above)

Goal 1-L The Project will far exceed any forecast need or demand for retail space in Eureka. It is of a scale more appropriate in a large urban setting and will have serious repercussions throughout the Eureka business community. **It is NOT consistent** with the Goal

Policy 1-L-1 Building a retail project of this size immediately adjacent to the core area is certain to have a negative effect on core businesses. The Project is sufficiently far from Old Town and Downtown to discourage walking by shoppers, especially during inclement weather. The large parking lot alone will draw some business away from the core areas. The Project is just far enough away from the core area to discourage ‘crossover’ traffic while close enough to draw shoppers away. **It is NOT consistent** with the policy.

Policy 1-L-4 The city shall encourage consolidation and upgrading of ESTABLISHED COMMERCIAL CENTERS over the development of new shopping centers.”  
The Project is certainly a new shopping center. The city should discourage huge new retail developments at least until existing commercial centers have been revitalized and vacancies reduced. The project is **clearly inconsistent** with this policy.

Policy 1-L-5 To the extent that the Project draws business from Henderson Center, it will have a serious impact on Henderson Center. Shafer’s Hardware, Henderson Center Pharmacy, Annie’s Shoes, and Fin N’ Feather Pet Supply are examples of businesses that could suffer from an out-of-scale big box development such as this Project. Again, **the Project will have impact far beyond its borders. It is not consistent with preserving a vital Henderson Center,** particularly given the vacancies that already exist there. (both corners of Henderson and F Streets and a store ½ block up on Henderson, plus E Street next to Hunan restaurant are currently vacant, several for over two years.)

Policy 1-L-6 A Project with FOUR large out of area owned corporate chain stores plus a HUGE big-box anchor store is not consistent with neighborhood business areas. Large shopping centers are NOT neighborhood friendly, even with a token resident population. Fifty four condos do not turn a shopping center into a neighborhood. The project would also clearly violate the “1/4 block provision. **The project is clearly inconsistent with this policy.**

Policy 1-L-7 Comments on traffic will follow in the appropriate section.

Policy 1-L-9 The only “high density” housing in the area is that provided within the Project’s housing element. No other housing exists within two blocks of the project. Beyond that, housing consists of single

family homes and a few small apartment complexes. This is not high density as specified by the policy. **Again, the project is inconsistent with the Land Use Framework policy.**

Policy 1-L-11 The extension of 4<sup>th</sup> Street and 2<sup>nd</sup> Street onto Waterfront Drive will **directly conflict with the one serviceable boat ramp in the city.** The only other ramp is located under the Samoa Bridge and is known as a high crime area. Acts of vandalism on parked rigs are common. That ramp is also several miles from open water and requires traversing a long distance of 'no wake' zone to reach it.

The Waterfront Drive ramp has sufficient gradient and is close to open water areas. It has very limited parking. On busy summer days trucks and trailers often are forced to park as far away as the Wharfinger Building parking lot. The delay in returning to one's boat causes severe backups. **The project will remove some of the now available parking with NO mitigation.** Connecting 4<sup>th</sup> Street to Waterfront Drive will increase traffic on Waterfront, increasing conflict with loading and unloading activities. **The project is not consistent** with the safe and productive use of Waterfront Drive.

Other uses that will be impacted include the use of the marina itself. Often the limited parking is full and users must park on the street. At least some of that parking will be removed with the street extensions. Increased traffic will make loading and unloading of fish and equipment less safe and more difficult.

Again, **no mitigation has even been suggested.**

A third conflict with the increased use of Waterfront Drive is with the large trucks that use it as a parking and staging area. Eureka no longer has a truck stop so many rigs use this area to sleep or wait for loads.

**No alternative has been proposed.**

A fourth conflict is with the odors coming from the Pacific Choice Fish Company. On warm days with little wind, they are STRONG. These odors will waft into the entire project site, rendering the smell most unpleasant. **Will the project then complain and seek to remove or limit the fish plant?**

Such conflicts could be harmful to the normal operation of the fish plant.

#### Industrial Development

Policy 1-M-4 To the extent that the Project will increase traffic and congestion on Waterfront Drive, thereby limiting access and safe use of B Dock and the development of cruise ship or bulk container cargo facilities, it will be **in direct conflict with this policy.**

This conflict is true for any other reasonable use along Waterfront Drive. **This impact on other uses in the area will be significant and IS NOT analyzed in the EIR.**

Policy 1-M-6 The area north of C Street and west of Broadway runs directly into the Project site. The goal of developing a light industrial park in this area would be furthered only to the extent that this kind of development was included in the project. **Only a token amount of less than ¼ of that committed to retail use, or less than 14% of the entire project is included as industrial.** No attempt is being made by the Project to include the use or rehabilitation of existing buildings in the area. This would be a good area for the development of a real industrial park. It has flat buildable land out of the historic wetland area and is reasonably accessible for trucks. The best part is that at least some of it is already zoned for industrial use. If more of the Balloon Tract proved useful and suitable for light industrial, this could easily become the focus of much of the Project.

Policy 1-M-7 The land near the waterfront is meant to be reserved for coastal dependent or related uses. Because there are no uses proposed at the moment does not mean that the property should be released for non-conforming uses. **The use of the area for a shopping center is inconsistent with coastal dependent or coastal related use.**

#### Community Facilities

**The Project will eliminate any possible future use of the Tract for community facilities.**

Schools

Eureka's schools can apparently use more students wherever they can get them!

Parks and Recreation

**The Project will eliminate any possible future public use of the Tract for recreational purposes.**

Public and Quasi-Public Facilities

Policy 1-N Massive retail is not considered to be community or service areas. **The Project would remove a large portion of land usable for community and service needs.**

Policy 1-N-6 The Balloon Tract has long been viewed as a potential site for parks and recreational development for the public. The size and scope of the project will preclude all but a small wetland viewing area from public use. It will eliminate possible use for ballfields, a swimming pool, a convention center, and any other possible public use not related to retail activities. This does not serve the intention of preserving adequate public space for community needs and activities.

Policy 1-N-10 It is true that when there are NO public facilities, the city cannot take responsibility for their quality. (read: subtle sarcasm)

Policy 1-N-12 I may be wrong, but I believe the ADA requirements apply to private businesses as well. Several Eureka businesses have run into trouble over this issue. The project's plans must be checked for compliance as it may apply.

Policy 1-N-13 This policy is very applicable since the Project site presents the best and most convenient site for a visitor and convention center. Commercial development will prevent any such possibility.

Medical Facilities

Library Services

Production of New Housing

Policy 1-A-8 Again, the developer believes his project exists in a vacuum. Development of multiple housing units right next to Old Town and Downtown should require their inclusion in requirements for development in those areas. Arguing that the project is somehow disconnected or not part of the downtown whole is unrealistic and self-serving, at the least.

Policy 1-A-11 Why is there no low income housing required or offered in this development?

The Project only proposes upper priced housing, creating an enclave of wealthy residents. This should be unacceptable on its face. It is against most development policies of the City.

#### Special Housing Needs

None is provided. It is widely acknowledged that many homeless persons have used the Tract prior to the current fencing (and possibly in spite of it). These people are now relocated to other areas with possible impacts there. Nothing is proposed by the developer to assist these people in any way.

#### Housing Rehabilitation and Affordability Conservation

#### Equal Access

The Project's declaration of 'Not Relevant' does not state that it will provide equal access to all, regardless of age, race, religion, sex, marital status, color, or other barriers that prevent choice in housing. Such a statement should be required by the City.

#### Energy Conservation

The Project may be built including the latest energy conservation techniques. However, to the extent that it draws automobile trips from throughout the county, it encourages increased use of precious fossil fuels and contributes to air pollution.

#### Streets and Highways

Policy 3-A-2 The intersection of Koster and Wabash is only marginally usable now. Traffic heading towards Broadway from Costco frequently backs up at the stoplight past the Koster entrance, making it almost impossible to enter Wabash from Koster. The Project would inevitably put more traffic onto Waterfront Drive and then onto Wabash as a way to cross Broadway into town. The intersection of Wabash and Short Street would become even more jammed up than it is now.

Traffic on Broadway might flow more smoothly with the proposed mitigation but it will become considerably more dense; that is, there will simply be many more cars. Traffic throughout the city and county will increase as shoppers travel toward the Project from many areas, using a variety of city streets, often in an attempt to avoid Broadway.

The increase of 15,000 auto trips per day would make it extremely difficult to maintain the desired level of serviceability, especially when factoring in the normal expected increase in traffic without the project.

Other factors that will make it nearly impossible to maintain reasonable service on Broadway include possible developments in Cutten and on Harris that will add huge traffic loads by themselves. The cumulative impact could make Broadway an even worse traffic mess than it is now.

Policy 3\_A\_4 The Project proposes to change intersections and add stoplights. It would then coordinate those stoplights at some undetermined speed to help move traffic. Slowing current speed limits would lengthen travel time through Eureka while increasing speeds would increase the hazard of travel on Broadway. The Project will no doubt offer suggestions but should not be allowed to make the actual determination of speeds on Broadway.

Policy 3-6 The only impacts the Project acknowledges are on Broadway and on 4<sup>th</sup> Streets. **Pushing 4<sup>th</sup> Street through to Waterfront Drive will certainly impact the use of Waterfront Drive. No mitigation is offered.** Traffic crossing Broadway at Washington to access 7<sup>th</sup> St. would impact traffic on Summer Street. **No mitigation is offered.** Traffic will increase all over the city on many, if not most, city streets. Shoppers at the Project have to come from somewhere! Traffic on arterial streets such as Henderson, Wabash, 14<sup>th</sup> Street, and 7<sup>th</sup> Street that channel cars to Broadway could be severely impacted. **No analysis or mitigation is offered.**

The Project only analyzes traffic on Broadway and on 4<sup>th</sup> Streets when clearly its impact will be felt all over the city. **This is a MAJOR omission in the traffic analysis.**

Policy 3-A-8 The option of extending Waterfront Drive through the Palco Marsh to the south has been rejected by the Coastal Commission. **It is inappropriate for the project developer to use the extension as part of his traffic mitigation plan or to actively encourage it for his own purposes.**

Policy 3-A-10 A long term solution to congestion on Broadway such as a freeway bypass or the like is the ONLY way the Project could ever hope to add 15,000 trips a day to the traffic load without severely impacting Broadway.

Policy 3-A-14 The Project ignores its impact on parking on Waterfront Drive. Extending 4<sup>th</sup> Street through to Waterfront Drive would eliminate parking used by users of the boat ramp and the marina. It would also eliminate parking to big-rig trucks. There are no estimates or projections of traffic levels for Waterfront Drive or 2<sup>nd</sup> Street. **No mitigation is offered or proposed.**

### Public Transit

Policy 3-B-2 and Policy 3-B-6 To the extent that the project would increase loads on the Eureka Transit system and require increased stops or other service, the Project should help subsidize the cost of the system. This would be in keeping with its self-proclaimed status as “smart growth”.

Policy 3-B-8 The Project should encourage employees to use public transit, even to the point of subsidizing it, to help mitigate traffic problems. Simply because it is not directly in the core area does not eliminate its civic responsibilities.

### Bicycle Transportation

Goal 3-C Why are no bike lanes proposed inside the Project? The only bicycle access to the Project is along the tracks past Old Town and Waterfront Drive. There is no safe or designated lane for traveling or crossing Broadway.

### Pedestrian Transportation

The increased traffic on Broadway will reduce pedestrian safety. Walk signals at traffic lights are too short for safe crossing now. There is nothing in the DEIR suggesting they be made longer to accommodate pedestrians. Broadway already produces a high number of pedestrian accidents and collisions with cars. Additional study needs to be done to try to improve pedestrian safety.

### Goods Movement

The Project will produce a large number of truck trips to service the facility. The routes and timing of these trips should be considered to minimize impact on Broadway and Waterfront Drive as well as other access streets.

### Rail Transportation

Policy 3-F-2 While alternative switching areas for trains would be desirable outside the city, the reason for that change is NOT for the commercial and industrial development of the Balloon Tract which remains under "Public" zoning. This Policy provision response is misleading and suggest a strong bias from its author.

No actual alternative switching sites were listed or considered.

There has been discussion concerning the actual width of the railroad right-of-way. This needs to be clarified and agreed upon before proceeding since many provisions such as bike paths are dependent on its resolution.

### Water transportation

Policy 3-G-1 The Project will directly impact use of the public boat ramp and the marina facilities. It will eliminate some of the very limited parking for both of these facilities by the extension of 4<sup>th</sup> Street. Access from 4<sup>th</sup> Street will increase traffic on Waterfront Drive. **The Project will impact both sports and commercial fishing activities thereby.**

### Core Area Circulation and Parking

G.3 The Project will have a major impact on the core area parking and traffic circulation because of the extensions of 2<sup>nd</sup> Street and 4<sup>th</sup> Street and the connection of 4<sup>th</sup> Street to Waterfront Drive which becomes 1<sup>st</sup> Street to the north and Railroad Avenue to the south. These changes will funnel two kinds of traffic into Old Town. Some will be local, perhaps extending a shopping trip. Most of it will be through traffic seeking alternate routes to other parts of town or back to 5<sup>th</sup> Street (101 north). The streets and traffic patterns of Old Town are not designed for a significantly higher traffic load. Placement of stop signs, road width, and traffic density NEED to be analyzed and considered. On and off street parking is generally used to capacity by local traffic now. Adding more without additional facilities will make it much more difficult for shoppers to park and will discourage their use of the area's merchants.

Again, the Project hides its very real impact behind the claim that, since it's not actually in the 'core area', it does not need to consider those impacts. THIS IS WRONG!!

### General Public Facilities and Services

Policy 4-A-2 The city shall direct growth to areas already served by utilities. The project is not presently served by utilities and would require city investment to provide them. The additional costs of repair and maintenance would fall to taxpayers. Again, it is a matter of scale. The Project is too big to be appropriate for the site or for the needs of Eureka. It would be a disservice to Eureka to expect them to pay for providing and maintaining utilities to this outsized development for the enrichment of a private developer.

Policy 4-A-4 This policy is directly related to the quality and quantity of services provided to the Project. There needs to be assurances and provisions for ensuring that quality and quantity.

Policy 4-A-8 This policy would appear to require undergrounding of utility lines as required for new residential developments. (see Policy 4-A-9)

Policy 4-A-10 The taxpayers of Eureka SHOULD NOT have to pay for any of the costs associated with supplying water, increasing sewage treatment capacities, or undergrounding power.

### Wastewater Collection, Treatment, and Disposal

Policy 4-C-3 This provision could easily affect the project depending on which users ended up using the light industrial spaces. It is also possible that some big box retailers could generate significant amounts of wastewater that could require pretreatment. There is concern that sewer lines do not have sufficient capacity at present for the added load from the Project. There is also concern that the Project would use all of the sewage plant's extra capacity, shifting the burden of adding improvements to other possible developments in the future.

### Stormwater Drainage

It should be noted that the Project will create a huge area of paved and roofed area that will significantly increase the amount of stormwater running into Humboldt bay, either directly or through the city's system. Large parking areas typically produce large amounts of solid waste such as plastic bags and paper. There should be some way to limit the travel of these materials into the bay and surrounding neighborhoods. Provisions in the plan are very vague.

Policy 4-D-7 Given the huge amount of roofed and paved area in the Project, the use of 10 year flood average for culverts and drainage is inadequate. It is almost a certainty that the 10 year average flood event will be exceeded during the life of the project with harmful results both to the Project and to the surrounding areas.

### Solid Waste Collection and Disposal

Policy 4-E-4 Why does the Project excuse itself from developing recycling programs for its tenants? **The scope of the project should require its own on-site recycling program.**

### Law Enforcement

Goal 4-F "As traffic increases, officers must spend more time patrolling roads, issuing traffic citations, and responding to accidents. But some big-box stores also generate an exceptionally large volume of police calls for crimes like shoplifting and check fraud." ( Big-Box Swindle , Page 67, Stacey Mitchell, 2006)

"Big-box stores, especially those that are open twenty-four hours and situated along a highway, also seem to be more attractive targets for criminals." ( Big-Box Swindle, page 68, Stacey Mitchell, 2006

The Project's claim that it would not generate additional police calls is ridiculous on its face. The increased traffic and even an average number of calls generated by retail stores would put a significant increased load on the Eureka Police force, which is chronically understaffed. Add to that the policies of most big-box stores to immediately and thoroughly prosecute any even suspected wrong-doers adds even more to the police and court load.

"While a downtown merchant who catches somebody trying to walk out with an inexpensive item might let him or her go with a warning never to come back, at a big chain the police are automatically brought in. A stolen item with a price tag of three dollars can end up costing the city hours of police time in responding to the call, filling out paperwork, and appearing in court." ( Big-Box Swindle, page 68, Stacey Mitchell)

Experiences from developments all over the country give clear evidence that this type of huge scale project will inevitably **cost the taxpayers money and require additional equipment and personnel** just to try to maintain the current level of service, let alone trying to improve it to recommended levels. The Project does NOT offer to pay for the expanded services required.

Policy 4-F-2 The increased traffic density on Broadway and throughout the city could easily affect police response time. The Project dismisses this likelihood without any thought to mitigation.

Increased traffic will require increased policing for even routine traffic violations. No provision is made for this.

#### Fire Protection

Policy 4-G-3 and 4-G-4 The increased traffic density on 4<sup>th</sup> and on Broadway as well as throughout the city could easily affect response time. Large shopping centers generate large numbers of ambulance calls. An ambulance tied up at the shopping center is not available elsewhere in the city. There must be a rating of the number of calls generated per square foot for fire services. Adding over 500,000 square feet to the city's building stock MUST affect the number of fire calls and the level of service they require. The large number of 5 story buildings would also add to the department's equipment needs. The Project simply dismisses those numbers as somehow not applicable to it. This goes against all common sense and should be addressed.

Again, the Project would force taxpayers to pay for increased equipment and personnel required to maintain adequate service. City services are stretched to near capacity levels now. Adding over 500,000 square feet of buildings and over 200 new residents will cause an increased demand for service. **This impact has not been addressed.**

#### Schools

Goal 4-H Many, if not most, new developments that may add to the school population, are expected to pay fees to help offset increased costs of additional students to the school district. No mention is made of this in the DEIR. No mitigation is offered for any potential increase in the student population. Even if the system has the capacity, **adding students ALWAYS increases costs .**

No estimate is given for the possible number of students the Project may add.

#### General Parks and Recreation

Goal 5-A The Project offers no active recreational areas aside from the bicycle trail. There are no picnic facilities, no play areas, no athletic facilities, no meeting facilities, or anything else. This certainly does not meet the expectations of the current Public zoning which might lead one to expect at least some of those facilities in a conversion to commercial use. The much-promoted Discovery Museum is a private business and does not qualify as a park or public recreational facility.

### Coastal Access

Policy 5-B-1 How can the Project be consistent with a policy that will never happen? Waterfront Drive , according to the Coastal Commission, will **not** be extended through the Palco Marsh to the Elk River area in the foreseeable future. If the Project is counting on this as part of its traffic mitigation or anything else, it is making a mistake that should be corrected.

Policy 5-B-9 The Project will affect coastal access by eliminating parking for coastal related and dependent activities such as use of the public boat ramp on Waterfront Drive and the city marina by extending 4<sup>th</sup> Street and 2<sup>nd</sup> Street onto Waterfront Drive. The extensions will also increase traffic and its attendant hazards in the coastal area.

### Recreation Services

Goal 5-C It is true. The Project provides NO recreation services whatsoever for its residents or the general public. This lack is NOT a virtue for the project.

### Arts and Culture

Goal 5-D It is true. NO entertainment, recreational, or cultural activities are envisioned for the Project except for the privately operated Discovery Museum. This lack is NOT a virtue for the project.

### Historic Preservation

Goal 5-E The only comment here is about how badly the offered artist's renderings of the project's buildings will clash with the Victorian Seaport theme of nearby area and with Eureka's 'maritime heritage'.

### Archeological Resources

It appears that agreements with local native peoples are sufficient to deal with this issue, should it arise.

If there are artifacts that could be used by the proposed Railroad Museum, they should be preserved and offered to the museum when it is developed.

### Natural Resources

Goal 6-A The Project will only offer to restore a minimum amount of wetland in a effort to make it acceptable to the Coastal Commission. Historic records indicate that the site was wetlands all the way

up to Broadway. Photos indicate the area inside the 'balloon loop' were wetlands as well. A great deal more could be done to restore additional wetlands in conjunction with the site cleanup.

This is where a smaller project more in scale with the surrounding community would provide an excellent opportunity to reclaim and improve productive wetland areas. Increasing the light industrial aspect while reducing or eliminating the retail aspect would allow this to happen. Office space and limited residential use would still be compatible.

While the proposed Project does provide a gain in wetlands through restoration of Clark Slough, even this amount was offered in response to intense public pressure. Much more could be done while still providing for a viable project.

Policy 6-A-3 Again ,the Project offers to restore only a fragment of the historic wetlands on the site. This is not consistent with the goal of restoring productive wetland and riparian habitat wherever it historically occurred and is insufficient to restore the real biological productivity of Clark Slough.

Policy 6-A-6 Clark Slough is included by indirect reference as an environmentally sensitive area. It should be restored as such. Historic photos show it winding through much of the Balloon Tract property.

Policy 6-A-9 It is my understanding that restoration of Clark Slough would require some dredging and shaping, at least to remove contaminated soil and refuse. **The Project needs a plan to dispose of dredge material safely.**

Policy 6-A-13 Insofar as the Project's Restoration Plan for wetlands and Clark Slough fails to recognize the extent of historical wetlands and fails to offer restoration to more than a small portion of them, it is NOT consistent with this policy. Providing a plan only for part of the site is not adequate.

Policy 6-A-14 If the site was to be restored to its historic wetland use, the Project would be totally inconsistent and inappropriate for the site. This is not even considered as an alternative.

Policy 6-A-19 The buffer offered would only be adequate for the limited amount of wetland that would be restored. It would not be adequate if a larger portion of the historic wetland was restored.

Policy 6-A-20 Himalayan blackberries are not native plants. They are invasive and difficult to control. The use of native blackberries in buffer zones should be specified.

Policy 6-A-23 Insofar as the site contains a large amount of historic wetlands which could be restored, this policy should apply.

#### Agricultural Preservation

#### Conservation of Open Space

Goal 6-C The Project's response to this goal is inappropriate since it does not refer to habitat protection. Someone missed the mark here.

Policy 6-C-1 This exactly the type of open space the city wishes to preserve. It needs restoration and cleanup to be properly utilized. Once it is all built upon, it no longer could be used for this purpose.

The Project would block off a vast open space area that could be developed for Public use as it is now zoned. Huge 5 story buildings will block light and view rendering existing open spaces less desirable and useful.

### Timber Resources

There is a large log-unloading and wood chip loading facility along Waterfront Drive. To the extent that the project increases traffic and congestion on Waterfront Drive, it WILL have an impact on lumber related activities.

The Project does not exist in a vacuum. It has consistently failed to recognize its impacts on other areas, businesses, and functions in the city.

### Air Quality

Policy 6-E-3 The mitigations referred to are inadequate to meet air quality standards for the project.

Policy 6-E-5 The alternatives offered are inadequate. They fail to consider a wide variety of viable alternative uses and development strategies for the site that could bring it into compliance.

### Air Quality – Transportation/Circulation

Policy 6-F-1 The improvements offered to aid traffic flow do not offset the increase in traffic density caused by the project and the increase in air pollution it will cause. Even with the mitigation, traffic will slow through town, causing it to emit even more pollution. Increased numbers of trucks serving the Project will add to particulate emissions

The proposed traffic flow improvements should be paid in their entirety by the developer, not the taxpayers of the city. They are offered for the developers benefit and any benefit to the public is incidental.

Policy 6-F-5 To the extent that public transit is subsidized by the city or other government funding, and to the extent the Project produces an increase in transit ridership, it should pay a proportional share of the cost of the increase.

### Seismic Hazards

The Project concentrates large numbers of people and automobiles in one area. In the event of a seismic event or a tsunami, evacuation of the site will be difficult because of the limited number of access points and the limited number of routes available to high ground. Evacuation would be further complicated by competition for limited routes by other people in the area, such as those using businesses and facilities on Broadway, Costco, the Koster Street County Services buildings, etc.

There is significant danger from liquefaction in the event of a major earthquake. The concentration of large numbers of people on the site increases the consequences and dangers from such an event. This should be considered when considering the size and scale of the project. I have had conversations with a former member of the Eureka Fire Department about the fire station at 533 C Street. He reports that the building is on pilings driven down 40 feet. The building has settled with each earthquake. Beams are now at separations of several feet at the roof lines. A great deal of work has been expended keeping the structure together. The Project would be built on similar soil with similar pilings. It can be expected to suffer similar separation and shifting from unstable soil and liquefaction after earthquakes. The size and height of the buildings, particularly the 5 story office building, with its significant weight, could easily be expected to suffer structural problems from ground failure, either from the nature of fill soils or from liquefaction. Apparently the Project designers did not look at similar buildings in the area before deciding on their designs or they would have specified lower less heavy buildings.

### Geological Hazards

If the geotechnical report suggests the site may contain unacceptable hazards for a development this size, is the developer prepared to consider alternatives, perhaps by reducing the size, changing the use pattern, or changing the density of the project?

### Fire Safety

Insofar as increased traffic density could slow fire response time, the Project could seriously impact the goals of the fire department to ensure safety.

The large size and height of buildings on the site could also necessitate the acquisition of additional equipment by the fire department to ensure adequate service. Who will pay for any needed upgrades?

### Flooding

The culverts and stormdrains proposed for the Project are only for a 10 year flood. A 100 year flood would overwhelm them and could cause serious risk to residents, workers, and users of the site. This is not considered by the Project. It seeks to do only the minimum required by the letter of the law.

### Hazardous Materials and Toxic Contamination

Policy 7-E-1 Several big-box chain stores have significant histories of hazardous waste violations. Home Depot (the presumed anchor for the site) is among the **worst**. (see Times Standard AP article, 8/18/07, page B 5). Once established, threats to leave make real control over the anchor stores extremely difficult to enforce. The large garden supply area included in Home depot stores has been implicated in a number of hazardous waste problems, including disposal into waterways, improper handling procedures, and use of untrained or unlicensed personnel. This does not increase my confidence level that hazardous wastes will be handled properly.

Policy 7-E-3 Requirements for hazardous waste storage could easily be relevant, depending on what materials are stored and sold by anchor stores. These requirements must be enforced on all tenants of the project. They are NOT insignificant.

Policy 7-E-9 The city must designate appropriate storage areas for toxic materials given the history of Home Depot garden supply operations. (see Times Standard AP article, 8/18/07, page B 5) These materials must be prevented from entering the bay or other waters or wetlands.

Policy 7-E-11 Capping should never be considered an alternative to actual cleanup of contaminants.

### Health and Safety

Participation in Emergency Management goals and programs should be a major part of the Project's planning process. It is NOT.

Policy 7-F-3 Insofar as the extension of 4<sup>th</sup> Street into the Project and onto Waterfront Drive become major access corridors, they must be considered a major corridor for emergency and disaster response purposes.

### Residential Noise Exposure

In the admittedly unlikely event that railroad service resumes past the project, noise mitigation could become a large problem.

Policy 7-G-5 Again, no mention is made of noise levels potentially caused by the resumption of railroad service. This could be a significant impact on residential use.

Policy 7-G-8 The Project response is WRONG. There are noise sensitive residents and visitors living or staying on boats at the city marina that would be significantly impacted by increased traffic, noise, and congestion on Waterfront Drive. An increase of 5db would impact those noise recipients.

## Administration and Implementation

### Here my comments begin a new section.

#### Westside Industrial Study

The Westside Industrial Study provides several viable alternatives to the proposed project. It recommends rezoning from Public to General Industrial to allow the development of an industrial park. This is in conjunction with a strong wetland restoration program. It is also recommended that other types of commercial development be restricted or not allowed on the site. Its location in an enterprise zone and a redevelopment project would make it easier for prospective tenants to secure funding for their businesses.

The Project rejected most of the ideas offered in the Study. It should reconsider. The benefits of industrial living wage jobs to the Eureka economy cannot be overestimated. A project of this type would increase the 'wealth providing' parts of the local economy. This could lead to increased demand for retail in the future. Without it, there can be no increase in retail dollars for Eureka. Increasing retail development without increasing the wealth –building industrial sector would only harm existing businesses.

#### Consistency with the Eureka Redevelopment plan

There is nothing shown from the Eureka Redevelopment Plan that precludes development primarily as an industrial park. Furthermore, there is nothing that shows a preference for the type of project proposed. The language is sufficiently vague as to support almost anything that anyone wanted to do as long as it represented development of some kind. The ERP provides no specific direction and is not relevant to the decision making process unless one were to consider a 'no project' option. It was also issued in 1996, before the 1999 public vote rejecting a change to the Balloon Tract zoning and use.

Benefits claimed by the Project are not necessarily in line with the goals of the ERP except insofar as almost any kind of development, however poorly conceived, could be seen as an improvement. This is highly questionable.

#### Consistency With the Waterfront Revitalization Program

As the Project often points out, it is NOT on the waterfront. It will occupy space that could be used for a much larger and more productive industrial park. It will increase traffic and congestion on waterfront streets by routing 4<sup>th</sup> Street onto Waterfront Drive and into Old Town. It will add noise, air pollution, and traffic to routes leading directly into and through Old Town and waterfront areas. It will detract from retail development of waterfront areas by creating huge competing retail spaces.

Much of the Project response is illusory. It proclaims mitigation for traffic increases on City streets, yet there appear to be only measures designed for Broadway. It proclaims great improvements to wetlands, which is true but only to a very limited extent. The sheer size of the Project prevents even considering additional wetland restoration to closer to historic levels. The trail and bike access would be good except for the extension of 4<sup>th</sup> Street, creating a hazardous crossing.

Demand for police and fire WILL increase, if only on a per-capita basis (more people in one area = more service demand). The project frequently tries to deny this fact.

Artists' sketches shown in the Times Standard newspaper and in the DEIR show square, flat-roofed, totally unimaginative buildings that have NO aesthetic appeal whatsoever. They certainly DO NOT reflect any know maritime or Victorian theme. They bear no relation to other waterfront architecture.

None of these aspects of the Project in any way contribute to waterfront revitalization. To the contrary, by increasing congestion, placing huge view-blocking 5 story buildings, and using up all but a fraction of the potential industrial land in the area, the Project actually works against the development of a healthy waterfront area.

#### Consistency with Zoning Regulations and Coastal Zoning Regulations

##### Limited Industrial (ML)

Many of the Projects 'mixed uses' are incompatible with an ML zoning, particularly the housing element and the huge retail component. The General Plan calls for industrial use in the so-called knee-cap area North of 3<sup>rd</sup> Street and west of Commercial Street. This could easily be added to or built in conjunction with an increased industrial component for the Project. Building huge retail spaces removes any possibility of increased industrial development. Industry provides better paying jobs and actually adds to the wealth base of the community. Retail, particularly corporate chain outlets, typically pay poorly, have few benefits, and take profits out of town where they cannot be recirculated in the local economy. Industrial development brings a great many more benefits to the community than additional retail can provide, particularly when a large number of storefronts throughout the city are already vacant and more vacancies are likely (see attached photos).

To the extent that the Project would meet requirements within its miniscule industrial area, it could be considered consistent. To the extent that many more benefits could result from a greatly increased industrial zone (ML), the project falls far short of its potential.

##### Waterfront Commercial (WC)

- The Project is inconsistent with the very first purpose for CW zoning because it cannot be considered Coastal Dependent or Coastal Related in any way. It could just as easily be built on the desert.
- The Project offers no recreational facilities.

- Purposes 3 and 4 relating to retail and business use conflict directly with purpose number one, being coastal dependent or coastal related.
- No community facilities or institutions are to be located or included in the Project.
- The project would build huge out-of-scale FIVE story buildings, blocking views of the waterfront . The density of the Project would greatly increase traffic density on surrounding streets and neighborhoods.

The primary objection to the uses proposed for a CW zone is the total lack of relationship to other waterfront related or dependent uses. Land for waterfront use is rare in our community. The Balloon Tract project does not fit into those uses. CW is designed to promote retail that is somehow waterfront related, such as chandleries, gear stores, fish processors, seafood restaurants, even appropriate tourist oriented stores. A larger ML zone and a larger WC zone would serve the community in far better ways.

The Project is stretching the definitions of coastal related and coastal dependent past any reasonable interpretation!

#### Office and Multi-family Residential (OR)

The area proposed for this use appears to be next to the so-called knee-cap area that has been recommended by the city for industrial development. These may or may not be compatible uses when placed in close proximity. While the proposed use would be in compliance with the proposed zone change, the change itself is not necessarily in the best interests of its users. This is a case of changing the zone to meet the proposed use rather than fitting the proposed use into the zoning.

Large areas of office development generally put large numbers of cars onto the street before and after work. That's where the term 'rush hour' comes from. An office and residential development of the size proposed would contribute to 'rush hour' traffic on Broadway and throughout the city. The impact could be very significant.

#### Service Commercial (CS)

The proposed Commercial Services zone would be completely out of scale with Eureka's retail needs. Zoning is intended to protect as well as promote. In a business climate where storefronts are going vacant all over town and established businesses are struggling to stay open, rezoning this parcel to add over 330,000 square feet of retail use would be a grave disservice to the existing business community.

While there is little doubt that the developer would stay within permitted uses if the parcel were rezoned, the question lies in the appropriateness of the rezoning itself. Other uses, including expanded wetlands and expanded industrial development, would be far more beneficial to the city. Some area could even be reserved for actual Public use as it is currently zoned. There would still be a reasonable amount of CS land along Broadway to accommodate reasonable amounts of new retail of appropriate size.

### Conservation Water District (WC)

This zoning would allow wetland restoration to proceed. Historically, the parcel was wetland all the way up to Broadway and well within the 'balloon' area created by the railroad tracks. The project only proposes to do a minimal area of wetland restoration. This zoning should be used to encourage additional restoration in conjunction with the clean-up of the site,

### Finding of Significance

The finding of 'less than significant impact' is only from the point of view of the developer. It is not necessarily the viewpoint of the various agencies involved or of the City. I feel it is necessary to point this out. The developer would have us believe everything is in full conformity when there are many possible conflicts yet to be resolved. It is inconceivable to me that a 550,000 square foot project with over 330,000 square feet of new retail space, generating almost 16,000 NEW auto and truck trips per day, and filling the skyline with FIVE story buildings can possibly claim to have 'less than significant impact' on Eureka. It is simply not possible!

### Cumulative Impacts

Impact I-4 The Project could greatly limit other development projects. Its effect on air quality alone could preclude nearby development. Its impact on traffic, both on Broadway and through out the city, could easily limit other development. Projects like the proposed Forrester/Gill project in Cutten or the Super-Safeway on Harris will have definite impacts on at least traffic and air quality. The cumulative effect of all of these projects could render Eureka a very undesirable place to live. Crowding, bad air, and heavy traffic could reduce property values as well as the values of so-called small town living. For the project to claim there would be no cumulative impacts is totally self-serving.

The proper numbers would remove 38 acres from an available stock of Public land that is actually only 171 acres. No assessment is given for how many of those acres are actually usable (gulches, wetlands, steep slopes, etc.). The Project is using the best possible case to make itself look good. There is no mention of how much available land is in coastal zones which carry a special value for certain public uses. This type of public use cannot be replaced or moved elsewhere. The amount of land that would be converted to private retail use and how much would be held for future Public Use is significant for the future growth and development of the city.

### Mineral Resources

Nothing of significance.

### Noise

Figure IV-K-2 does not show the location for the noise levels measured. It does show that peak traffic noise will exceed 80db for a significant amount of time each day. If this is the current noise level on Broadway, then an increase of 15,000 trips by both autos and trucks can be expected to greatly increase the noise level. The impact on neighboring businesses, residential areas within several blocks, and, by extension, increased levels on other city streets will profoundly affect the quality of life in Eureka. This impact could be locally overwhelming if the proposal to route traffic crossing Broadway at Washington Street on up Washington to Summer, a residential area, to access 7<sup>th</sup> Street.

### Vibration

This could become significant depending on the amount of increased truck traffic generated by the huge retail complex.

No mention is made of several possibly very significant vibration effects of pile-driving during construction. Eureka could experience a period of FIVE months with the noise and vibration of pile-driving disturbing its residents. Depending on construction progress, this could be extended over several years.

### Sensitive receptors

An argument could be made that we are all sensitive receptors. Increased noise levels have been shown to affect mood, productivity, and general quality of life. These effects are felt at all levels of noise increase.

One possibility would have traffic at Broadway and Washington Streets continue across Broadway to Summer Street to access 7<sup>th</sup> Street and other parts of town. This would represent a large increase in traffic and noise in that residential district to what are considered sensitive receptors.

The effect of noise on the marina area is dismissed. Many people sleep on their boats, whether while stopping there in transit or, in some cases, actually living on their boats. Increased noise would certainly affect those 'sensitive receptors'.

There is an ambient 'background noise in every city. Go outside at night and listen. It is easily heard. The project states there will be an increase in noise levels at Broadway and 4<sup>th</sup> Streets of over 7db and again on Waterfront Drive of the same. This increase contributes to the background level. While it is of itself not a large impact, it does have an effect on the general atmosphere and livability of the City.

This is yet another reason to consider a 'reduced scale' project, either by shifting the principle use to light industrial or by eliminating the huge traffic generating big-box anchor and concentrating on small scale retail emphasizing locally owned businesses. Either of these options would significantly mitigate noise generated by or as a result of the project.

### Population and Housing

The Project would probably not result in any substantial population increase in Eureka or the County.

### Public Services

**Correction under 'Parks': There are NO boat ramps at Woodley Island Marina.** There is a single lane ramp underneath the Samoa Bridge and a two lane ramp on Waterfront Drive next to the City Marina. **Use of the Waterfront Drive boat ramp can be expected to be severely impacted by the project.**

### Fire Services

As noted elsewhere in my comments, the Project would require additional fire services, both in personnel and in equipment. It does not currently have the capability to cover the additional 550,000 square feet of buildings or the height of five story buildings. It is unlikely that any increase in tax revenue from the Project could be spread to cover the increase costs. In any event, tax revenues from the Project would not be available to the Fire Department until long after the Project is completed. The 2007 Standards of Response Coverage Study shows that the City's fire services would be inadequate to cover a major fire at the Project and would be in real trouble if multiple events occurred at the same time. This might be expected in an earthquake, for example, when the project's sprinkler systems might be damaged or completely out of service. The placement of the five story building is such that the fire department's equipment cannot access 2 sides of it. A third side would have only limited access through the 'plaza' area. Given the area's propensity for earthquakes and liquifaction, the possibility of fire is larger than in more stable areas. If other buildings were involved, catastrophe could result. At least, placement of the 5 story building or its surrounding buildings should be modified for better access. **The Project consistently uses only 'best case' scenarios for predicting fire and police needs. The 'best case' is almost NEVER the actual case!**

Making 4<sup>th</sup> Street into a 'no parking' zone would allow better fire access but could turn the street into a thoroughfare with increased speed and congestion.

Mitigation M-1-F Will the Project PAY for the Opticom emergency traffic prompting devices recommended on Broadway?

A reduced scale project favoring light industrial use and small retail spaces would mitigate danger and expense to the city, and would be more compatible available with existing police and fire services.

### Police Services

**As indicated elsewhere in my remarks, shopping center developments almost always result in increased police calls, often far in excess of what was predicted.** Chain stores seem to offer an attractive target for shoplifters and bad check writers, apparently due to their anonymity. Chain stores typically demand a full police response to all shoplifting and check fraud incidents, however minor, requiring additional time, paperwork, and court appearances by police personnel.

The increase in traffic by over 15,000 trips per day will require increased traffic enforcement and increased accident response of an unforeseeable amount. This cannot be dismissed as “less than significant”.

While the Project will probably provide some increased revenues to the city, they maybe offset by losses from loss of businesses in other parts of the city. There is no guarantee these revenues will be available for the increased services required by the project.

The increased number of service calls required by both police and fire departments detract from the services available to the rest of the city. At a very minimum, the Project should be required to pay the city specifically for any increase in equipment and personnel this would require.

### Cumulative Impact on Public Services

As mentioned above, any increase in demand for Public Services without a corresponding increase in equipment and personnel takes away from their availability to other parts of the city. There is NO specific provision for upgrading these services by the Project. The increased revenue to the city that would supposedly offset increased service demands is ONLY a projection. Also there is no guarantee, given current budget shortfalls, that this money would be available for Public Service use.

I have been to many City Council meetings where the heads of the police and fire departments made urgent requests for sufficient funding to try to regain former service levels. The Police Department is currently operating short-handed while trying to recruit new officers. This does not sound like a department that would be able to increase its level of service to provide for unknown numbers of new calls at the Project. This could not reasonably be considered “less than significant impact” to the rest of the residents of the City.

Response time is NOT the only measure of impact on Public Services. It is equally important that the departments have sufficient capability to respond to peak numbers of events in various parts of the City, particularly when they may happen at the same time (earthquake, flood, etc.). Any increase to the Project will necessarily result in fewer services being available to the rest of the City without significant upgrades. Nothing in the project plan directs or dedicates funds for increased equipment or personnel.

Similarly, disaster response capabilities would be stretched even further by the project. The concentration of large numbers of people in a relatively confined area presents potentially huge disaster response needs that the City is currently unequipped to handle. Earthquakes, floods, storms, tsunamis, and high winds could all require a major disaster relief effort at the Project. Without dedicated funds to upgrade city capabilities, the Project would represent a net loss of services to the rest of its residents that is unacceptable. It is certainly not “less than significant”!!

### Recreation

Correction: There is NO boat ramp at Woodley Island. The authors of the EIR are apparently unaware of this fact.

The Balloon Tract was zoned "Public" for several reasons, not the least of which was the intent of using it for Public Purposes. One of the hoped for purposes was as open space around possible public and recreational facilities. This is NOT one of the benefits of the Project. The open space provided by limited wetland restoration of Clark Slough provides only minimal trail space and no public use areas for recreational use, except possibly riding one's bicycle past the parcel. This falls far short of meeting hopes and expectations.

The ratio of park land /per resident is highly misleading. This is because Eureka is surrounded by contiguous county residential areas whose residents use city parks at least as often as city residents do. These areas have few, if any, parks of their own. This might easily double the estimated use levels of city parks. Even at that, the project probably won't impact park use by much. However, it should be pointed out that there are few parks in the project area that could be considered neighborhood parks. At best, the Project could supply some open space around Clark Slough but it is not what would be considered useful park space for most recreational activities.

Impact N-3 The boat ramp at the city marina is the most heavily used ramp on the bay. Only one lane is usually useable due to silting and heavy eel-grass accumulation. Still, It is the only safe and convenient ramp on the north part of the bay. Parking for vehicles and boat trailers is very limited. It is common on busy summer days to find vehicles and trailers parked all the way down in the Wharfinger parking lot. The Project would extend 4<sup>th</sup> Street and 2<sup>nd</sup> Street, connecting them to Waterfront Drive. The extension would eliminate scarce parking and greatly increase traffic on Waterfront Drive. This would make use of the ramp even more difficult and dangerous than it is now with even less parking available.

Parking for the city marina is barely adequate now and often spills onto Waterfront Drive. Loading and unloading of fish and equipment occurs regularly along the street. The 4<sup>th</sup> Street extension and the traffic it would generate would impact this use.

Both of these facilities, the marina and the boat ramp, are two of the most heavily used recreational facilities in Eureka. Boating and fishing are highly popular on the Bay and nearby ocean waters. The Project makes no projection for increased traffic on Waterfront Drive as a result of turning it into a major connector from 4<sup>th</sup> Street. **There is no doubt that it will seriously impact at least two major recreational activities and areas in the city.**

The Project also did not anticipate effects on park use through out the city from increased traffic on city streets created by the project. Increased traffic on main corridors would reduce safety for pedestrians and children accessing the parks. There is no mention of this in the EIR.

### Transportation

**There is a glaring error in the description of Waterfront Drive.** It is described as a 48 foot wide roadway from Commercial to Washington Street. In fact, at a location near the south end of the marina, just about where the new entry of 4<sup>th</sup> Street would be, it becomes a 30 foot wide street past the entry of Marina Drive all the way south to Washington. Continuing south Waterfront becomes Railroad Avenue. Just south of the transition there is an 'S' curve across the tracks where the road narrows again. It widens again further south. These potential bottlenecks are not considered in the DEIR. No provision has been made to widen these sections for increased traffic load. No suggestion has been made of who would PAY for any widening.

### Onstreet Parking.

Amazingly, the analysis of parking between 4<sup>th</sup> and 5<sup>th</sup> Streets at Broadway included only ONE day in February and ONE day in March. No mention is made of weather conditions which could easily affect use. The days studied were Tuesday, Feb. 28 and Wednesday, March 1<sup>st</sup>. One could reasonably expect more use toward the weekend as almost all of the parking there is for restaurant patrons. Assuming low use from counting only TWO days in the middle of winter in the middle of the week is unreasonable and probably incorrect. There is not enough data to make the assumptions made by the project.

On Broadway from Wabash to Henderson there are large vacant areas. The businesses on that stretch, such as the bowling alley, the day-old bread outlet, and Schwab Tires are mostly set back from the road and most have their own off-street parking.

Broadway between 2<sup>nd</sup> and 4<sup>th</sup> has only light industrial use and one dog boarding facility (now identified as 'closed'). None of these would by itself generate much parking need.

### On-Street Parking

Here's another one where the people doing the research did an inadequate job. Trying to determine parking use by looking at only two days, one in February and one in March, is ridiculous. Between 4<sup>th</sup> and 5<sup>th</sup> the restaurant in question is a popular tourist stop. The parking lot at the restaurant often is filled at busy times. None of these things were considered

Parking in other areas of Broadway, where allowed, was only surveyed during two days at two times in the afternoon. Some of those areas have residential motels and other businesses that might use the parking at night.

The project report appears to be dismissing the existing parking as insignificant to its users. The analysis is not sufficient to support this conclusion.

### Traffic Analysis

Much of the analysis in this section appears to be the result of traffic counts done in March and April of 2007. This avoids peak tourist season on Highway 101 which clearly affects the counts. This fact alone makes the analysis far less than trustworthy. Any resident of Eureka will know that peak traffic in the summer more often coincides with peak tourist use throughout the day and with peak shopping hours at the Bayshore Mall than it does with prime commute times.

The traffic analysis assumes that peak traffic occurs at rush hour between 7 and 8am and 5 to 6pm on weekdays. According to the American Automobile Association (AAA) magazine 'VIA', dated January/February 2009, the heaviest traffic occurs at 1pm on Saturday, not at weekday rush hours. The traffic analysis makes no mention of weekend traffic density except to dismiss it as insignificant. If

this proves to be true after actual counts, then the whole traffic analysis is incorrect and needs to be reworked.

Other factors such as weather or sale events at the Bayshore Mall are not considered in traffic counts.

**The effects of construction and maintenance of the roadway is not considered in analyzing the flow of traffic and transit times.**

During construction, there is no requirement to minimize truck and construction traffic at critical times such as 'rush hours'.

Only the cumulative effect of other proposed projects in the immediate area of the Balloon Tract are weighed in the analysis. Proposed projects in areas considered part of 'greater Eureka' such as the Forrester/Gill project in Cutten would add another huge increment to area traffic. No allowance is made for this possibility.

The Safeway Superstore that has been approved for Harris Street near Harrison will add considerable traffic to Harris coming from Broadway and to Henderson heading toward Broadway. Other arteries may also be affected. No allowance or consideration for this additional impact was included in the analysis.

The traffic analysis was done using counts from March and April, months almost sure to exclude the heavy amounts of tourist traffic on Highway 101 in the summertime. **This alone puts the traffic data into serious question.** Add to that the fact that there is no mention of weather conditions on any of the count days. In Eureka, weather is always significant role in the number of cars and trips on a given day. No accounting of the number of days each intersection was studied during the target months was given, either. **This data is not representative of year round traffic expectations on Broadway.**

Table IV.O-2 asks us to believe the Project would generate at the intersection of Broadway and Washington, a major access point to the Project and a major route past the Project, only 248 additional trips per peak hour on weekdays. Remember that these trips are for shopping at the Home Depot and 4 other major anchors. They are also for traffic going to and from the large numbers of offices and residences at the Project. It would appear obvious that these numbers would barely represent the number of residents, office workers, and retail employees using the road at peak times, let alone shoppers at the Project's huge retail stores.

I believe these traffic numbers to be extremely low, based on the study period used, the estimates of in-house generated use (residents, office workers, and retail employees), and the hoped-for number of shoppers using the center. Correct numbers should include these factors PLUS studies from various times of the year and in various weather conditions. **Current numbers being used are calling for mitigation of only the least possible effects of the Project on traffic.**

CalTrans reports it is in the process of developing a micro-simulation model for traffic on Hiway 101 and through Eureka. It is predicted to be ready by this summer (09). It should be able to accurately predict the effects of various mitigation measures on traffic. It is hoped that the micro-simulation model can be used in the final EIR and its results incorporated into the analysis of the offered mitigation measures.

### **Accident Analysis**

While coordinating the stoplights and reworking the Wabash/Broadway intersection may result in fewer accidents per vehicle, the project will offset any gains by increasing the number of vehicles. Only rear-end accidents are considered. Other types of accidents would be expected to increase with traffic density and speed. Accidents from driveway entries, driveway left-turns, and unsignaled intersections would be expected to increase as traffic density and speed increase, even if rear-enders decrease on a per capita basis.

No analysis is presented for accident rates in other major streets. It would be reasonable to assume that as traffic increases on major arterial streets funneling toward the project, accidents would increase there as well. The Draft EIR does NO significant analysis of the effects of the project on traffic and its problems in other parts of the city away from Broadway.

The only accidents reported were rear-end collisions at three signaled intersections. The mitigation offered is to add signals and time them. The project readily admits it will add traffic to these intersections. The same drivers who pay no attention to lights and cause rear-end accidents will still be there along with a large number of additional cars. It is not the cars flowing through the green light that are involved in rear-enders. It is the ones who must stop and don't. Timing lights will not eliminate the need to stop for large numbers of cars, particularly those just entering Broadway from the project.

Other accidents, particularly broadsides, happen as a result of cars crossing the near lanes to make left hand turns across Broadway or as a result of cars using the left turn center lane to turn into driveways and unsignaled intersections. There is no mention or mitigation for this type of accident. Additional traffic on Broadway would be expected to increase this type of occurrence. This must be included in the analysis of traffic accidents on Broadway.

#### Temporary Impacts

Construction impacts should be manageable with care and would be temporary. There should be no real problem if due diligence is used.

#### Long Term Impacts

Without the Project, 6 intersections would be expected to operate at unacceptable levels by 2010. Given an expected increase of 1.5% per year, by 2025 traffic loads can be projected to increase by 22 ½%, over one fifth. Accordingly, more intersections will sink to below acceptable levels.

**It follows that if the suggested traffic mitigations were done by CalTrans and the city on Broadway and either NO project or a reduced project were built, traffic conditions might actually IMPROVE!!**

Increasing traffic by 15,000 trips per day will have an impact on the long term wear and tear of city streets, particularly Broadway, Waterfront Drive, 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> Streets. **No mention is made of increased maintenance costs to the City for paving, potholes, and painting. The Project does not offer to pay the City for these costs.**

#### Project Trip Distribution

No mention is made in this section of traffic impacts on other parts of the city from the cumulative impact of a general increase in trips caused by the Project. The Project attempts to use traffic studies done for Costco as a comparison. Traffic from Costco, a much smaller single purpose development, has caused traffic conditions at Wabash and Broadway to become extremely hazardous. There is no left turn lane from Wabash onto Broadway southbound from the east so cars must wait for cross traffic to proceed. Traffic coming from Costco and turning left onto Broadway must cross through traffic heading for Costco from the east. The lack of controls and manners make this one of the most dangerous intersections in Eureka. Eliminating the feeder from Fairfield would eliminate some confusion but would not solve the problem of turning traffic originating from one small Costco store. One can only imagine what the situation would be at a full intersection at 4<sup>th</sup> and Broadway. Broadway currently contributes very little traffic from the north into its intersection with 4<sup>th</sup> Street (even less since All About the Dogs closed its Broadway location). Pushing 2<sup>nd</sup> Street to 4<sup>th</sup> Street would create additional traffic traveling west on 2<sup>nd</sup>, through the 4<sup>th</sup> and Broadway intersection, and onto Broadway. This is traffic that currently travels on other routes that would now impact that intersection.

I am particularly concerned about traffic generated in various parts of the city, traveling smaller local streets onto main arteries like 14<sup>th</sup>, Wabash, Henderson, and 6<sup>th</sup>, and then onto Broadway to access the Project. The effect on smaller city streets directly impacts residents in their homes through noise, safety, and air quality issues. Increased traffic on arteries adds to already uncomfortable congestion. Most of those arteries are in residential areas themselves. Increased traffic on them will ultimately impact traffic on Broadway.

At some level this becomes a quality of life issue. Can people live with increased traffic congestion throughout their city? Do they want to or should they have to? Those are the real questions. Sacrificing some of our quality of life for another chain big-box store and another unneeded shopping center is a bad trade-off.

If traffic without the project would continue to be marginally acceptable through 2025 without doing the mitigation measures suggested in the Draft EIR, it would seem obvious that doing the mitigation measures without the project could make traffic on Broadway BETTER than it is now. This alternative is not mentioned or considered.

### Operation Evaluation

A number of factors were overlooked in this section. Vehicle Miles Traveled is a good measure of traffic density if the total miles that could be traveled per vehicle remain constant. In that case, an increase in VMT represents an increase in traffic density. (more cars traveling the same number of miles results in an increase in VMT). There would certainly be an increase in VMT as the number of Trips increased.

An increase in traffic density creates the perception of overcrowding and congestion regardless of how well that increased traffic actually flows. This would occur even with the proposed mitigations simply due to the increased number of cars present on the road.

Many people, in order to avoid using what they perceive to be an overcrowded Broadway, will use other city streets to travel across town, thereby increasing traffic on previously lightly traveled residential streets. This is not analyzed and has a significant chance of reducing the quality of life from increased traffic density and reduced air quality. A common widely used alternate route goes up Pine Hill, through

the Golf Course, onto F Street, right onto Harris, left onto S Street, through the highly overloaded S and Buhne intersection, past Myrtle Avenue, and onto Highway 101 north. This route is currently used by many people seeking to bypass Broadway. It travels almost entirely through residential neighborhoods on residential streets. It is very likely that, with increased congestion on Broadway, more people would try to use this alternate route to avoid the Broadway congestion (or PERCEIVED congestion). There is NO analysis of this impact in the DEIR.

Mitigation O.1b Closing Fairfield at Broadway is a good idea and should have been done a long time ago. I would not credit the Project with 'mitigation' for doing the obviously right thing. The one drawback to the change is that much of the traffic coming from Fairfield is headed to Costco and uses the intersection only as a means to cross Broadway. Some of the traffic on Fairfield will turn RIGHT onto Hawthorne, Sonoma, or Del Norte, then LEFT onto Spring or Albee, then RLEFT again onto Wabash. This gives them a direct line into Costco via Wabash. People often do not want to travel on the main road, especially when it is crowded, or, as in this case, it would make them have to make a left turn across Broadway onto Wabash when they know the turn lane is already very heavily used. If a light was placed at Hawthorne with two right turn lanes from Hawthorne onto Broadway, right turning traffic would have to move immediately left across two often backed-up busy traffic lanes to access the left turn lane onto Wabash and then to Costco. This could create a very dangerous situation. This is just one example of the lack of analysis on impacts on other city streets. **It must be considered in the final EIR.**

Mitigation O.1e The coordination of stoplights on Broadway has always been a good idea. The problem lies in installing a conduit all along Broadway. The needed excavation and subsequent patching will degrade the roadway. There is no money in either the City or CalTrans budgets to repair the damage.

Mitigation O.1f **This is the worst idea yet.** Placing signs in the Project directing traffic onto Waterfront as an access to Broadway would cause unacceptable congestion on Waterfront Drive and severely impact its other users. Traffic leaving Waterfront would have to take Washington, 14<sup>th</sup> Street, or Wabash to access Broadway. Cross and turning traffic never flows as smoothly as through traffic and would therefore add more to congestion in the area than traffic exiting the project directly onto Broadway. This route also requires more left turns across Broadway to access 101 North. Left turns across traffic, even on a signal, always are more dangerous.

Other signs would direct traffic heading for northbound 101 to take 2<sup>nd</sup> and 3<sup>rd</sup> Streets. This would put an unacceptable traffic load on Old Town business areas. These streets are not designed for high traffic loads. There is no projected number for the amount of traffic generated, but this is a 'quaint Victorian Seaport' shopping district that encourages shoppers and tourists to walk throughout the area. Increased through-traffic would make the act of parking more difficult. It would make pedestrian use of the area more difficult and more dangerous, and have a corresponding negative effect on that business district.

Actively promoting traffic onto Waterfront Drive or onto 2<sup>nd</sup> and 3<sup>rd</sup> Streets through Old TOWN demonstrates the lack of concern or consideration by the developer for anyone but itself and its own interests. **There is no consideration for or analysis of the impact of this measure on other parts of the city.**

Mitigation O.1g Placing a turn light at Harris on Broadway would necessarily slow traffic exiting the Bayshore Mall to allow time for a left turn arrow. The road exiting the Mall is often backed up past the stop sign with the Mall frontage road (the road along the front of the buildings). Often more than 10

cars are trying to merge into the traffic line from the parking lot side as well. Slowing the light at Harris to allow turning onto Harris will only make it more difficult for traffic exiting the Mall. Of course, it is unlikely that the developer cares at all about the traffic exiting the Bayshore Mall.

An extended turn lane for the left turn onto Harris coupled with better exit lanes from Victoria Place might help this problem area. The danger is from left turning traffic exiting Victoria Place onto Broadway northbound. Traffic must utilize the center lane which overlaps with the Harris left turn lane. This sometimes causes strange head to head confrontations. Increased traffic, regardless of light timing, will make this situation more dangerous. No rational mitigation is offered.

Mitigation O.1j Placing a southbound left turn lane and a northbound right turn lane on Waterfront Drive to 4<sup>th</sup> Street will require prohibiting parking on parts of this already overparked street. It will impact Marina use, boat ramp use, and industrial and trucking use. It reflects the lack of analysis done for any streets besides Broadway . **Removing valuable parking opportunities on Waterfront Street is unacceptable.**

### **Finding of significance**

The proposed mitigations will have major impacts on Waterfront Drive and its users. This was NOT analyzed.

Traffic crossing Broadway from Hawthorne to the left turn lane onto Wabash could be a dangerous problem. This was NOT analyzed.

Encouraging traffic through signage to use Waterfront Drive, 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> Streets to access Broadway or 101 north is a TERRIBLE idea, causing serious congestion on city streets not designed to handle that level of traffic and causing disruption to other users of those streets. It is likely that this would cause major problems for shoppers in the Old Town district as traffic funnels through on narrow city streets. These streets are not designed or maintained for this level of traffic. **Upgrading and increased maintenance represent a significant cost to the city, caused by, but not funded by the Project. This impact on other areas was NOT analyzed.**

Problems remain with the Harris and Broadway intersection due to probable traffic loads exiting or entering the Bayshore Mall. A serious danger exists from cars turning left from various driveways and unlighted intersections, particularly as they confront cars trying to turn left FROM Broadway into those same driveways and streets. This impact was NOT sufficiently analyzed.

Therefore I must REJECT the finding of "less than significant" for most of the Traffic Impact section. As in much of this document, problems caused by the Project were simply swept aside or ignored in order to make the impacts look like less than they will be.

### **Impact O.4**

The document discusses ACCIDENT RATE. It concludes that the rate would probably not change so the Project would have "less than significant impact". Unfortunately, while the RATE may not change, the actual NUMBER of accidents will increase as a result of increased traffic volume. Nothing in the proposed mitigations is significant enough to change the rate or to change human nature.

### Impact O.5

The reduced speeds on Broadway would have to reduce response time for police and fire vehicles. While they may still be within acceptable limits (acceptable to whom?), they will still be worse than they are now. Each of these impacts serves to degrade the quality of life in Eureka bit by bit. They cannot be considered insignificant.

### Impact O.6

My only comment would be that the angled parking proposed for 2<sup>nd</sup> Street between Broadway and A Street would be dangerous. Cars backing out of angled parking often have restricted views which results in frequent 'fender-benders' The City of San Carlos, California, removed its angled parking because of an unacceptably high accident rate.

### Impact O.7

In the unlikely event that railroad service is restored, the Project would create a dangerous rail crossing on 4<sup>th</sup> Street insofar as it promotes the use of 4<sup>th</sup> Street to Waterfront as a route to exit the Project.

### Impact O.8

The DEIR has inadequate or nonexistent analysis for traffic impacts on other parts of the city. It has inadequate analysis for cumulative impacts from other proposed or approved projects. It has inadequate analysis of impacts on Waterfront Drive and to 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> Streets when used as major access and egress routes. It has inadequate analysis for impacts at the 2025 level to intersections at 14<sup>th</sup> and Short Street, Wabash and Short Street, and Del Norte and Broadway, all of which will see increased use.

Mitigation O.8a You've GOT to be kidding!!! The Project would, by 2025, to offset increased traffic volume, close its access onto Broadway at 4<sup>th</sup> and 6<sup>th</sup> Streets and channel all traffic through the Project onto Waterfront Drive and through Old Town on 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup>. This could only result in a HUGE overload on those streets that are not designed for such heavy traffic loads. The traffic would still end up on Broadway or 4<sup>th</sup> Street to get to where it's going. This measure, at best, would only displace traffic from one intersection to another.

Mitigation O.8b Has anybody bothered to ask either the Bayshore mall or Victoria Place if it agrees with having its access lanes modified and/or shared? The southern exit from Victoria Place currently blends with the right turn entry lane into the Bayshore Mall, creating a dangerous crossing situation. Nothing in the proposed mitigation would appear to correct this problem.

Finding of Significance The DEIR maintains the Project would only be liable for its 'fair share' of costs for its required mitigations on Broadway. It also states that no moneys appear to be available for a city or State share of improvement costs. This leaves us with a Project that needs mitigation and no funds to do the job. No solution is offered. I suspect that the result would be that many of the mitigations would never get done, leaving us with a much worse traffic situation on Broadway and other city streets than we have now. The Project should not move forward in its present form until mitigation funds are identified sufficient to do the whole job. An alternative would be a scaled down smaller project

emphasizing light industrial use. This could reduce traffic impacts to acceptable levels with only modest mitigation.

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I must disagree with the finding of “less than significant” regarding traffic impacts. Analysis was far too limited in scope, concentrating almost exclusively on Broadway and ignoring the rest of the city. Traffic studies in March and April avoid most of the impacts of summer tourist traffic, making them look far better than is actually the case during much of the year. Traffic studies do not consider the cumulative impact of normal traffic increases on Broadway or to other city streets over time. The only current traffic count cited for the zone from 4<sup>th</sup> to 5<sup>th</sup> on Broadway is for one day in February and one day in March. These are not indicative of summertime traffic conditions. They also do not say what the weather conditions were those days which, as any Humboldtter knows, affects the level of travel. The Final EIR must do a better job of analyzing the real impacts on traffic throughout the year, not just in the Spring. It also must analyze the effects on traffic throughout the city, with emphasis on impacts to quality of life in residential areas.

No analysis is provided for the impacts of traffic on 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> Streets as traffic is channeled into the already busy shopping areas of Old Town and Downtown and then onto 101 at 4<sup>th</sup> or 5<sup>th</sup> Streets. These streets were never intended as thoroughfares but are being put to that use by the Project.

Additional analysis of impacts on Waterfront Drive and on its current users must be included. Those users include boat ramp users, marina users, Wharfinger Building users, various industrial users, and commercial truckers. Increased traffic on Waterfront Drive will impact all of these activities and user groups. Waterfront Drive is a two lane road with critical parking on both sides. In some spots it is fairly narrow. It is not designed to be used as a high volume thoroughfare. **Overloading from the Project could limit future industrial development along the waterfront itself.**

As mentioned above, a weakness in the plan to put a signal light at Hawthorne and Broadway lies in the fact that a significant portion of the traffic coming off of Fairfield now is heading toward Wabash and ultimately to Costco. Under the new arrangement traffic heading to Wabash and Costco would have to turn right onto Broadway from Hawthorne from either of two turn lanes. Then it would have to cross two lanes of northbound traffic within a relatively short distance to get to the left hand turn lane for Wabash and Costco. Since the stoplight at Wabash would often be slowing traffic on Broadway, the ‘crossover’ could be quite dangerous. This was never mentioned in the draft EIR nor was any mitigation offered.

The intersection of Koster and Wabash was listed as being beyond remediation. No mitigation would relieve the problems there. It should also be pointed out that the intersections of Short Street and Wabash along with Short Street and 14<sup>th</sup> Street are heavily used by traffic entering and leaving Costco. Routing additional traffic along Waterfront Drive to use Wabash or 14<sup>th</sup> Streets for access to Broadway would only increase the pressure and congestion at those intersections. This is not considered in the DEIR.

The intersection of Washington Street and Broadway presents another problem. Traffic trying to get to 7<sup>th</sup> Street or 5<sup>th</sup> Street, when confronted with a left turn at the busy intersections and lights of 4<sup>th</sup> and 6<sup>th</sup> Streets, which would often be busy with cars leaving the project, would elect to stay on Washington,

cross Broadway, turn left onto Summer, and right onto 7<sup>th</sup> or 5<sup>th</sup> Streets at uncontrolled intersections. Summer Street is a residential area, narrowed by parking, and would suffer greatly from increased traffic. This impact was not analyzed nor was any mitigation offered.

The final EIR must include analysis of increased traffic on city streets, particularly the main arteries that carry traffic to Broadway. The large number of trips generated by the Project will reverberate all over town as cars head in that direction. Some of this effect can already be seen at the intersection of Wabash and Broadway as cars make their way to Costco, a much smaller destination than the Project would be. Back-ups on Wabash in both directions are common. The intersection has one of the highest accident rates in Eureka. Traffic at 14<sup>th</sup> Street frequently must wait through 2 light cycles to make a left turn onto Broadway. Traffic coming down Henderson onto Broadway frequently backs up past the stop sign at Fairfield at the top of the hill. While adding a lane on Henderson might help, the increase in traffic heading to the project PLUS the existing traffic heading to the Bayshore Mall and Costco could easily overwhelm the improvements.

Traffic engineers may be nice guys but they need to actually drive these routes at different times and under varying conditions to truly know what goes on. While it may be that our streets could handle the increase from the project, they would be stressed and nearer their limits. This would reduce our quality of life and move us closer to the type of gridlock experienced in the big cities. Traffic jams and backups are becoming more common now. Adding 15,600 trips from the project may prove to be beyond the tipping point. When 4<sup>th</sup> and 5<sup>th</sup> Streets, Broadway, and other major arteries become utilized so close to their capacity, there is no latitude for repairs or maintenance. Any small repair project would result in major traffic disruption. When use is so close to the limits, there is no room for other beneficial projects elsewhere in the city.

The final analysis that traffic on Broadway could be expected to increase by 33% by 2025 is a nightmare scenario. Even with the proposed mitigations, the actual increased density and the perceived increase in density would seriously impact the quality of life in Eureka. It would increase the use of alternate routes which go through residential neighborhoods and are not designed to handle increased traffic loads. It would increase accident numbers (if not rates). It would further impact through traffic on Hiway 101.

As an anecdotal addition, I was entering Eureka from the north on Hiway 101 at 12:44 pm on Dec. 22<sup>nd</sup>. There were no accidents visible. Traffic was backed up southbound over the slough bridge and continued so through several light cycles that I could see. Traffic was backed up from Samoa Boulevard north through the V Street intersection. Traffic exiting Target onto 101 was minimal. The addition of over 15,600 trips per day will include southbound trips into Eureka to shop at the Project. There will be times this additional traffic will render the intersections of Samoa and 4<sup>th</sup> and V Street and 4<sup>th</sup> well below reasonable service levels. I could not see the backup further south as I was turning onto V Street, but all those cars had to go somewhere. I can easily foresee this becoming an everyday occurrence at most of the signals through Eureka.

The Project is simply out of scale with the needs of the community. A smaller project, emphasizing light industrial development, would provide significantly more benefits to the community with far lighter impacts.

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## Urban Decay

### Project Impacts

#### Impact P-1

A CBS Evening News report on the economy (12/25/08) reported that the poor retail Christmas market would probably cause an additional 200,000 stores to close nationwide.

While I cannot verify the total occupancy rate of storefronts in Eureka, I can comment on the apparent number of empty stores. I will attach a list and collection of photographs of unoccupied stores and their addresses. Since I have started looking for 'empties', I have found them all over Eureka. McMahons Furniture is now empty, representing a large retail site. In Henderson Center the relatively large retail centerpiece store, Roberts, is empty and has been unoccupied for at least two years. Neither of these sites has been 're-tenanted'. There are 4 other sites near the Roberts site that remain vacant. The Bayshore Mall reported more than a 17% vacancy rate before Mervins closed. While it is true that the Mervins site might have a new tenant (Khol's), most of the other sites remain vacant with the exception of temporary 'Christmas stores' that cannot be considered permanent tenants. It is further reported that General Growth, owner of the Bayshore Mall, may be on the verge of Bankruptcy. What effects this may have on occupancy remains to be seen. Almost anywhere one looks in Eureka, there are vacant storefronts. Some are scattered and some are in groups. A casual drive through Eureka on January 7<sup>th</sup>, 2009, discovered 105 empty stores and office buildings (see attached photos). **It is inconceivable that adding over 330,000 square feet to Eureka's retail base will not create additional vacancies elsewhere in the City.**

The DEIR uses the figure of 5.1 million square feet of retail space in HUMBOLDT COUNTY. **There is no mention of the total retail space in the City of Eureka.** It is unlikely that the Project would affect retail businesses in Garberville or Willow Creek. The significant comparison must be within the City of Eureka and possibly its immediately surrounding areas like Cutten and Myrtle Avenue. **Such a comparison will show that the Project represents a far larger increase in the percentage of available retail space than reported in the DEIR.**

The DEIR casually claims that there is no problem re-tenanting existing vacancies and that usually happens fairly quickly. NOT TRUE, as even a casual look at existing vacancies will show. See the attached list and photographs of existing vacancies. As mentioned above, many of these vacancies have existed for several years. Some of the others, particularly in the Bayshore Mall, have experienced frequent turnover while others have remained vacant for some time. This does not represent stable business occupancy.

#### Impact P-2

The inclusion of an industrial park in Redway, some 60 miles from the project, stretches the definitions of 'cumulative impact', particularly on the immediate area of the Project.

There is NO indication that the proposed Fortuna retail shopping center at the old Pacific Lumber Mill site is proceeding. It has significant pollution problems that may prove difficult to overcome. It is also meeting strong local resistance to this type of development. If it does happen, it will take a long time to develop and would have no immediate impact on the development of the Balloon Tract.

If Fortuna manages to acquire a Lowe's Building Supply store and Eureka acquires a Home Depot store, Humboldt County could be considered saturated with this type of business. It would then be almost a certainty that many of the locally owned building supply companies such as Myrtle Avenue Lumber, the Mill Yard, Hensell's Supply, Pierson's, Thomas Home Center, and McKinleyville Ace Hardware, would be forced to close. The result would be large vacant sites throughout the community. It would be very unlikely that sufficient numbers of similar businesses could be found to re-tenant those sites given the intense saturation of the market by the big chain stores.

The proposed Forester/Gill project in Cutten would add an unknown but very large additional amount of retail space to the area's inventory. It is unknown what types of businesses would be included but speculation leads one to expect more non-local chain store type businesses. To the extent that they would compete with the Project, the Bayshore Mall, and with locally owned stores, it could easily be predicted that more 'locals' would be forced to close, contributing to vacancies in Old Town, Downtown, and Henderson Center in direct contradiction to the policies of Eureka's General Plan. These additional vacancies would contribute directly to increasing urban blight in older business districts.

The amount of money available in Humboldt County for retail does not grow larger by increasing the amount of square footage devoted to retail. When stores like Home Depot come in, with the expressed goal of capturing 70% of the home improvement business, little is left over for local existing businesses. Many will be forced to close which will contribute directly to urban decay throughout the City and surrounding areas.

The finding of "less than significant impact" is an insult to our intelligence. It is like claiming that removing 70% of the food you eat will have no impact. This bit of analysis is clearly only in the eyes of the Project promoters.

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The attached photos and list of vacancies is not comprehensive. It is difficult to scour the whole City to identify every one. Some businesses that are closing have not fully vacated their locations yet. New businesses may not have opened their doors yet. Within those limits, we have identified a large number of vacancies in Eureka and the surrounding areas which directly contradicts the claims of low vacancy rates found in the DEIR. The vacancy rates in Garberville, Redway, Orick, or even Fortuna have only minor relevance to the effects the Project will have on Eureka.

I will repeat, *increasing the square footage for retail in the City DOES NOT increase the amount of money available for retail spending.* It only divides the money available into more and smaller pieces. This is so basic that I cannot believe it is not considered in the DEIR.

**The only way to increase the amount of money available for retail is by increasing industrial production in the local economy.**

The project should be scaled down in size to reduce its other impacts and it should emphasize light industry to actually increase the wealth available. Then, and only then, can Eureka accommodate a large increase in retail development. The Project clearly puts the cart before the horse. The sheer number of empty storefronts in Eureka currently, many the aftereffect of the Bayshore Mall, demonstrates how much effect this Project will have on Urban Decay.

Increasing light industry is particularly urgent in light of the recent (apparent) closure of Evergreen Pulp and large layoffs at Green Diamond Timber. The extraction industries of lumber and fishing are in serious decline. The community will need a strong proactive stance to attract new industry. The addition of huge retail projects without additional industrial development will ultimately lead to disaster for the local economy, including the Project's big chain stores.

Big box stores and national chain stores have a history of simply abandoning communities that become unprofitable. An article in Main Street News from July, 2008, reports that over 6,500 chain store outlets plan to close by the end of 2008. Suzanne Mulvee, senior economist at Property & Portfolio Research, estimates that there are currently 1.2 BILLION square feet of vacant retail space in the country. That's over 40 square miles of empty stores!! Home Depot has abandoned at least 15 stores in 2008 alone. The CBS News report from 12/25/2008 predicts that an additional 200,000 stores could close in 2009. The Project claims it would be easy to re-tenant a Home Depot size store but that might not be so easy if Home Depot failed. It would certainly appear to be a riskier venture to any prospective tenant.

An Associated Press story in the Times Standard dated 12/30/08, page A6, claims 160,000 stores will have closed in 2008 and another 200,000 could close in 2009. "Burt P. Flickinger III, managing director of the consulting firm Strategic Resource Group, expects between 2,000 and 3,000 Malls to close in March and April of next year" (2009).

Urban decay happens when control of retail is lost to outside chain corporations who have no connection with the community. Local stores lose to the huge buying power and deep capital backing of the corporations. Many are forced to close. The pattern has been repeated many times across the country (see last paragraph). The corporations do not care about the community except as a source of money for themselves. Their profits quickly leave town and are not recirculated in the local economy. **The end result is often the demise of downtown and neighborhood shopping districts. It becomes the definition of urban decay.**

## Utilities and Service Systems

### Impact Q-3

This section states that, "The increased runoff from the proposed project is not expected to be substantial." It is difficult to believe that over 500,000 square feet of buildings/roofs plus an equally large square footage of parking lots, all impervious to rain, would not produce significantly more runoff than is currently produced by the site. Stormwater from parking lots and rooftops carries pollutants such as gas, oil, and antifreeze, all extremely toxic to fish and wildlife. I am not aware that the city has any more than a limited capacity to actually treat stormwater, forcing it to simply dump it straight into the bay beyond a certain point. To the extent that the Project would cause the system to reach that point sooner than it does now, it could put more untreated stormwater into the bay.

Building the culverts and drainage system to handle a 10 year flood event almost guarantee failure during the Projects lifespan. There was a 100 year event in 1955 and another in 1964. There have been subsequent events easily surpassing the '10 year' mark. The Project should upgrade its infrastructure to insure against disaster from relatively common events.

### Impact Q-7

There is nothing in this section regarding handling, storage, and disposal of hazardous waste materials such as those known to be generated by Home Depot stores, particularly their garden centers. (see AP article, Times Standard, 8/18/07, page B5). In 2007 Home Depot was fined \$10,000,000 for its mishandling of hazardous waste. The Project must have a plan to deal with it and to control certain possibly hazardous activities of its tenants.

## Chapter V. Impact overview

### Significant Unavoidable Impacts

#### Air Quality

Significant increases in PM10 emissions and probable increases in particulate emissions (diesel exhaust) present incremental health hazards to the population of Eureka and surrounding areas.

The Project should be reduced to meet Air Quality standards. A scaled down Project could meet requirements and still be viable. The evaluation of this alternative is minimal, at best, and is obviously being avoided by the Project proponents.

There is no analysis of increased air pollution (vehicle exhaust) resulting from SLOWING traffic on Broadway.

#### Transportation

There is NO analysis of traffic impacts on city streets other than Broadway. There is no analysis of traffic increase on Waterfront Drive and its impact on current users of that street. There is no analysis of the impact of routing through traffic onto 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> Streets through Old Town.

Unless the Project wants to build an East side freeway, there is no way the addition of over 10,000 trips per day onto Broadway will not result in increased congestion, air pollution, accidents (on a per car basis or a per mile basis), and the general perception of crowding, annoyance ,and avoidance behavior (alternate routes).

The Project offers to pay its undefined 'fair share' of traffic mitigation on Broadway. It is impossible to determine if either the city or the state will have funds to complete the mitigation measures. Under the current circumstances, it is highly unlikely that they will. That would result in adding increased traffic to Broadway with no more than minimal mitigation and would result in HUGE impacts to the Broadway/101 corridor. **There must be guarantees for full funding of necessary mitigations BEFORE the Project is built.**

### Significant Irreversible Environmental Changes

As quoted before, Home Depot has a history of mishandling hazardous waste. There needs to be a plan in place for its safe handling. Once its 'Garden Center' is built, there will be few practical ways to limit its environmental effects.

The one resource that will be permanently affected by the Project is the availability of land for waterfront dependent or waterfront related uses. The Project removes a significant portion of the land otherwise available for these uses. The argument that there is no current competing demand for the land fails when it is revealed that no effort was made to determine other possible uses. Significantly reducing the amount of 'waterfront related or dependent' use land could severely limit other types of development along the bay shore.

Related to the above is the loss of approximately 37 acres out of 171 acres currently vacant and zoned for public use. Of the remaining 134 acres, there is no accounting of how much is actually usable. Much of it is gulches and wetlands. Once the zoning is changed, potential future Public use is gone forever.

Once the Project is built, large areas of former wetland and tideland will be covered forever. It would become impossible to recover and restore those lands once they are covered in buildings and pavement.

### Cumulative Impacts

The section only includes projects or proposals on Broadway or in the immediate vicinity. The impact of the Project will reverberate throughout the city. Those wider impacts must be addressed.

Table V-1 does not mention the proposed Forester/Gill project in Cutten. The F/G project would rival this Project in retail square footage and far exceed it in housing units. It would add significant traffic of its own to various parts of the city. Likewise, there is no mention of the Safeway Superstore that is scheduled to be built on Harris. It, too, will add traffic, wastewater, garbage, police and fire needs, and many impacts similar to the Balloon Tract Project.

While none of the listed projects (except this one) would have a huge individual impact, they will each add to the cumulative impact. At what point does the cumulative impact become unacceptable and quality of life suffer a major decline? I contend that if even some of these projects are built, Eureka will become far less livable and far less desirable. Traffic would become horrible on city streets and unmovable on Broadway. Think of it as pouring water into a pipe. Up to a point you simply increase the flow and the pressure. At some point the water starts overflowing onto the ground because it has nowhere to go. Without MAJOR road improvements and rerouting, Eureka will quickly reach the overflow point as projects are added.

### Growth Inducing Impacts

### Effects Found To Be Less Than Significant

I disagree with the finding of less than significant” on the following points:

Aesthetics: The design sketches in the plan indicate flat roof southern California type architecture which clashes directly with the City’s ‘Victorian Seaport’ theme and with the quaint architecture of Old Town. For all the rhetoric in the Plan, there is no real indication that the Project’s architecture will differ significantly from any other big box center in the country. Certainly the Home Depot store will be identical to all the rest and will add NOTHING to Eureka’s uniqueness or aesthetic appeal.

Geology, Soils, and Seismicity: The Project underestimates the effect of liquefaction and soil instability as evidenced by the condition of the Eureka Fire Station several blocks inland. The 1989 Loma Prieta earthquake in the San Francisco area clearly demonstrated the effect of strong shaking on fill lands such as the Marina District and the Oakland waterfront (Nimitz freeway). With the inclusion of a 5 story building, there is nothing to indicate the Balloon Tract would fare any better.

Hazards and Hazardous Materials: There is no plan for regulating or controlling the activities of Project tenants like Home Depot which has a track record of hazardous waste violations. There is nothing to prevent construction work on windy days when hazardous dust might blow throughout the city. **There is simply no clear plan for the complete cleanup of the site.**

Hydrology and Water Quality: Provisions for stormwater runoff are vague and limited to adding it to the city’s over burdened stormwater system. No provision is made for parking lot garbage and pollution frequently found in stormwater runoff. Drainage is provided for only a 10 year flood event which is certain to be overcome during the Project’s life span. It must be upgraded to a higher standard.

Noise: This is a low level cumulative impact that gradually increases the background noise level in the city. It may not be large in itself (except during construction) but would have a cumulative effect with noise from increased traffic and from other developments all over the city.

Population and Housing: There is NO low or moderate income housing included in the Project. There is NO reason given for this omission.

Public Services: The Project dismisses the impact it would have on Police and Fire services. The history of other similar projects suggests that a minimum of two more police officers and unknown amounts of fire equipment and personnel would be required. No money is provided for the increased needs. This represents a loss of service to other parts of the city. It represents a huge liability in the event of a major emergency such as an earthquake and would solely tax emergency services needed all over town.

Recreation: The Project does not provide for public recreation beyond a couple of benches for viewing Clark Slough and a short section of bicycle trail along the railroad tracks. This is insufficient for previously zoned “public Use” land.

Urban Decay: The Project is **out of scale** for a community the size of Eureka. Alone and in conjunction with other proposed projects, it would make Eureka severely top-heavy with retail, unsupported by a healthy industrial base. The sheer size of its retail component would force smaller local businesses to close, resulting in more empty storefronts and urban decay in older parts of town. A scaled back Project with emphasis on industrial development would serve the needs of Eureka far better than the current proposal with less disruption and fewer impacts.

This is only a minimal list of problems with the DEIR and with the Project itself. I have attempted to enumerate these problems section by section. When possible, I have explained the perceived problem and, where appropriate or even possible, provided a possible solution.

## Chapter VI, Alternatives

This chapter presents a woefully inadequate variety of alternatives. In 1999 a Public Planning Process was initiated for the Balloon Tract to determine the best use for the site. This process was terminated in favor of Security National's proposal. As a result, a true list of alternatives that would best serve the needs of the city was never determined. To suggest that this Project is the only viable alternative is an insult to the people of Eureka.

The Project developer claims to have listened to the people when planning this project. Yet the only modification was to slightly increase wetland restoration around Clark Slough, most likely in an effort to appease the Coastal Commission. The many suggestions for increased industrial uses, public uses, wetland restoration, recreational uses, and local retail as opposed to big box chainstore retail all fell on deaf ears. They are not included in the list of alternatives in the DEIR. Only the most skeletal bare bones alternatives are even listed. **This is a major failure of the DEIR. The Project developer has never given any indication of a willingness to negotiate on any aspect of the Project.**

### Table VI-1

This table was apparently created by the Project developer. It bears little resemblance to reality. The 'reduced footprint', 'limited industrial', any Public Use, and College of the Redwoods would not, according to the Table, improve air quality, traffic, noise, seismic hazard, or tsunami hazard. How can this be? Reducing the Project to a more compatible scale would certainly reduce these impacts. This section needs MUCH more work. Its findings need to be much more transparent. To simply dismiss an alternative as 'not feasible' with no explanation is not acceptable.

### Table VI-2

1. The No Project alternative should not mean that the property would remain vacant and inactive. If this Project was rejected, the City could and should return to the Public Planning Process to determine the 'best fit' use for the Tract. This is the logical result of the No Project alternative and needs to be analyzed in the Final EIR.

2. A reduced footprint could work.

3. An Industrial Park would provide the jobs to support increased retail elsewhere

19. The 'no retail' option would still be a mixed use project including office, residential, and industrial. A minor modification could allow such retail as a coffee shop or waterfront dependent or related retail.

22. Almost any option that is less than the proposed Project could include increased wetland restoration. This is a highly desirable outcome, regardless what is eventually built.

24. I don't know what the status of the present CR campus is but there has been talk of rebuilding the campus to account for seismic hazards. If cleanup funds could be secured, the Balloon Tract site would be an excellent choice for a new campus. It might cost less than the seismic retrofit currently being explored. The site would be much more convenient than the present one. It would probably require the purchase of at least some of the land from Security National. It would be dependent on finding funding for suitable cleanup of whatever area is needed. None of these things precludes studying the site for this potential use.

#### Table VI-3

The Reduced Footprint, Limited Industrial, No Retail, and College of the Redwoods are all feasible projects for the site. So is returning to the Public Planning Process to develop an appropriate use.

#### Table VI-4

The Reduced Footprint and Limited Industrial meet the criteria.

I strongly DISAGREE that the 'No Retail' option and the College of the Redwoods Option do not meet the criteria.

The 'No Retail' option would reduce traffic, air pollution, noise, light pollution, stormwater runoff (smaller footprint), and Public services demand. This meets the screening standard of the Table but is ignored because that is not the option the developer has insisted upon.

The College of the Redwoods option, while requiring public funding, should be looked at as a possible option to the extensive seismic renovation that is needed at the present site. It may easily prove to be economically preferable to build a new campus on the balloon Tract instead of rebuilding the present site.

### D. Selection of Alternatives

This section does not analyze two potentially viable alternatives. It does not even consider combinations of the alternatives presented. It assumes the only alternative to the proposed project is the 'build nothing-do nothing' option. This is clearly mistaken.

Within the improperly limited range of alternatives presented, either the Limited footprint or the Limited Industrial would be preferable to the proposed project. Either would significantly limit the impacts and would provide for increased wetland restoration.

Unfortunately the Limited Footprint alternative only reduces the amount of 'other' retail and still includes the big-box Home Depot store. This is the major traffic generator and limits the reduction of impacts from this alternative. **It would be far more beneficial to remove the big-box anchor and include only smaller (hopefully) locally owned retail.** This would put the project more in scale with the community and would fit far better with existing Old Town retail businesses.

The Shoreline property would have all of the problems of the current site and would actually be true waterfront property with all of its limitations. It is unlikely it would ever be acceptable for this scale of development.

#### Alternatives Considered but Not Carried Forward for Analysis.

This section incorrectly dismisses the 'No Retail' option which was shown to be viable by the Tables. This would include Housing, Industrial, Office Space, possible Public Event space, and significant wetland restoration. This would meet 'most' of the goals of the Project. If it is to be rejected as 'not feasible', there needs to be much more explanation of the reasoning that led to that conclusion.

It appears that the 'Lead Agency' was the developer who simply did not like certain alternatives.

#### Many mixes of the available alternatives would meet the goals and purposes of the Project but are not considered.

It is also possible that the goals of the Project are not necessarily those of the Public. The Public Planning Process that would have determined those needs and goals was cancelled at the request of the developer, either directly or indirectly, through his actions. Thus the criteria used to screen the alternatives were set only to meet the Project goals and not those of the Public. The result is a set of alternatives that do not even come close to meeting the needs and desires of the Public. The College of the Redwoods campus is an example of something that would meet public needs but not Project goals. While it would require much work and planning, a CR campus could be achieved as could a number of other worthwhile alternatives.

### F. Analysis of Alternatives

#### No-Project Alternative

This is incorrectly characterized as the 'do-nothing' alternative. When considered against the proposed Project, it should more correctly be considered the 'do something else' alternative. If the Project is not built, it is still possible to do a thorough cleanup of the site. It is still possible to do a larger wetlands restoration project. It is also possible to do a smaller more suitable project that includes housing, offices, industrial, and limited small retail. The logical result of choosing this alternative would be to return to the Public Planning Process to determine the best use for the Balloon Tract.

If a cleanup was ordered by the RWQCB and carried out by the current owner, the property could become highly marketable for a variety of possible uses, either in whole or in part. While this might not meet the immediate goals of the Project, it could prove to be quite economically rewarding to the developer. The increase in potential value from doing a thorough clean-up was not included in the analysis.

#### Reduced Footprint Alternative.

While this would represent a huge improvement in terms of impacts on the city, it still would include the major anchor store with its inherent impacts on Urban Decay, traffic, air quality, and potential pollution from on-site activities. Since there is no guarantee that only Home Depot is interested in the site, it is possible that some other, less desirable tenant would claim the site. Possibilities include WalMart which was decisively rejected in the 1999 Measure J vote.

**Figure VI-2 shows 3 other large retail spaces usually used by chain retailers. The Project should specify their use so the DEIR can analyze the effects on Urban Decay, traffic demand, and air quality.**

There is NO alternative that includes anything to encourage economically beneficial locally owned businesses to locate there.

Figure VI-2 also shows the big-box anchor sited facing away from Broadway, presenting its backside to the world. There are few things less aesthetically appealing than the backside of a big-box store.

Increasing the office space to 160,000 square feet would be in competition with the Ridgewood Village proposal and its 100,000 square feet of office space. Given the number of empty office spaces presently in Eureka, the cumulative effect of both projects would be to flood the market and drive rental prices down for all office owners.

The 'Reduced Footprint' alternative could be acceptable if it eliminated the big-box chains in favor of locally owned businesses. Perhaps it could reinstate the Museum and/or housing elements. This takes us back to the rejected Public Planning Process that could have aired all of these ideas.

### **Limited Industrial Zoning Alternative**

If this alternative could be successful, it would provide the greatest benefit to Eureka with the lightest impact. Industry generally provides the best paying jobs and greatest benefits for its workers.

**If this alternative could be developed in conjunction with the development of 'Short Sea Shipping' on the Schnieder Dock, just down the road, it could provide immense economic benefit for Eureka.**

Traffic would be significantly reduced, particularly through Old Town.

Seismic and tsunami threats, though still significant, would be lessened because fewer people would be onsite (less density).

Police service requirements should be less, partly because of fewer people and partly because of less traffic. Fire services would probably be similar but the design could allow easier access and no 5 story buildings would be required.

The one drawback to this type of zoning is that it allows retail use if it is LARGER than 40,000 square feet. Figure VI-4 clearly shows that most of the buildings fit this size requirement, allowing them to be converted to retail use and sabotaging the intended use as an industrial park. It might be possible to put restrictions or limits on this type of use conversion.

**Additional analysis of this option's economic viability should be included. If it is viable, it represents the best alternative with the most benefits and the least impacts.**

**Offsite Shoreline Property Alternative**

This site presents no significant improvement over the Balloon Tract site and has the added disadvantage of actually being waterfront property.

**G. Environmentally Superior Alternative**

I disagree with the analysis that the Reduced Footprint is environmentally superior to the Limited Industrial. The major difference cited is the number of heavy vehicles that might use the site and their impact on traffic. Not included, however, is the large number of trucks needed to service the big-box anchor retail store. Also not included is the possibility of working in conjunction with 'Short Sea Shipping' from the Schnieder Dock on Waterfront Drive which would remove a large number of trucks from the Broadway traffic corridor. If such an arrangement could be developed, the Limited Industrial quickly becomes the environmentally superior alternative.

**VII Notice of Preparation**

The project described in the Notice of Preparation differs in several significant ways from what is being put forward both to the public and in other parts of the DEIR.

The notice cites very different amounts of square footage designated for various uses than used elsewhere in the DEIR. It cites a different number of parking places to be created. It cites only a 3 story parking structure instead of the 4 story structure used elsewhere in the DEIR. It cites the inclusion of buildings between one and four stories tall when the DEIR clearly includes a FIVE story building in its plans. No mention is made of site remediation plans. No mention is made of intent or scope of wetland restoration plans.

The Project proposed in the Notice appears to be significantly different than the Plan presented in the DEIR.

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**Appendix B. Comments on the Notice of Preparation and responses**

Comments here relate mostly to the adequacy with which the DEIR notice addresses the issues raised.

Responses from Agencies

These are some of the unaddressed issues I found in several of the letters.

Letter A-4 I discovered no consideration of electrical design conflicts on Broadway and no mention of a process for their resolution.

Letter A-5 Cumulative impacts were discussed primarily regarding traffic impact on Broadway. Nothing was included about traffic impacts throughout the city. Other cumulative impacts not considered include impacts on use of the public boat ramp on Waterfront Drive, use of the marina, lack of parking for both of those uses, impacts of through-traffic on Old Town, the current number of vacant storefronts in Eureka and surrounding areas, the relative size of the Project's retail compared to Eureka's total retail (NOT the whole county), the effect of adding the SuperSafeway on Harris, the proposed Forest/Gill project in Cutten, and any other business uses on Broadway or 4<sup>th</sup> and 5<sup>th</sup> Streets, the effect on pedestrian traffic on 4<sup>th</sup> and 5<sup>th</sup> Streets (and only mention of pedestrians on Broadway), The effect of perceived density increase on Broadway and its tendency to cause traffic to use alternate routes throughout the city, and the impacts on other parts of the city from increased demands for police and fire services (taking away from existing use). This list is not all inclusive but suggests some of the shortcomings of the DEIR.

Letter A-6 There is no analysis of safety issues relating to the railroad, should it ever be rebuilt.

Letter A-7 There is no effort made to specify the types of efforts that will be made to identify pollutants. There is little specificity regarding plans for actual cleanup.

Letter A-8 While the Project is willing to pay its 'fair share' of traffic mitigation, there is nothing to make certain that other needed funds are available which could result in less than necessary mitigation actually being built. No mention is made of real improvements that could occur with "mitigation and NO Project".

Letter A-9 Because mitigation measures are addressed does not guarantee their adequacy. Because other measures and issues are addressed does not assure that they are adequately covered or considered. It is apparent to this reviewer that many of these issues were not considered, analyzed, or adequately mitigated.

#### Speakers and Written Comments from the Scoping Meeting

I have read the included comments and will attempt to summarize their intent.

The DEIR does a VERY POOR job of addressing the alternatives.

The DEIR does a poor job of addressing cumulative impacts. It only addresses traffic on Broadway. It glosses over the Project's failure to meet air quality standards. It makes few specific proposals for dealing with stormwater runoff beyond adding it to the city's load.

The DEIR does not address the cumulative effects of increased air pollution on long-term health. The design of the Project around the availability of fossil fuels relates to air quality, global warming, bicycle and pedestrian use, traffic, and physical design of the Project. Building a 'regional center' attracts more traffic from farther away, encouraging fossil fuel and contributing even more to bad air quality and global warming. This should be addressed and analyzed.

The responses to Public Comments merely state what the DEIR will address. It does not actually address those issues directly. This reviewer has shown that in many instances the DEIR is inadequate or lacking entirely any analysis of major impacts caused by the Project. As a member of the commenting public, I am very disappointed.

#### Organization/Written Comments

Almost all of the comments include a demand for suitable clean-up on the site. Yet no specific clean-up plan is offered or analyzed. The project only promises to follow NCRWQCB guidelines which may or may not require a full clean-up. The DEIR does not mention 'capping' which was a preferred method of the Project in earlier discussion. Capping is environmentally unacceptable and was mentioned by many commenters.

While many of the items mentioned in the comments are 'addressed', many simply get mentioned as existing but are not subjected to thorough analysis. Examples include traffic impact off-Broadway, use of alternate routes and associated impacts, urban decay as relates specifically to Eureka's stock of empty storefronts, the specific clean-up measures being proposed, the adequacy of a '10 year flood' infrastructure, cumulative impacts of other proposed or in-process development, long term health effects of air pollution (specifically particulates), the likelihood of liquefaction from a seismic event, safety problems from seismic events relating to creation of dense population centers (shoppers + employees + residents + other nearby uses), safety issues with the railroad right-of-way, conflicts with marina and boat ramp users, conflicts with heavy trucks on Waterfront Drive, and many more. These are all items the commenters requested be addressed and analyzed.

Merely mentioning or dismissing an item (see 'Alternatives', for example) is not the same as considering and addressing an issue or problem with the Project. The DEIR fails often in this regard.

Aesthetics is often mentioned. The DEIR only compares its so-called design with the 'No Project' alternative. It is hard to compare 5 story flat tastelessly designed buildings with potentially reclaimable open space. No attempt is made to compare it with other project alternatives such as Light Industrial or the Reduced Footprint, although that would presumably be similar architecture in the latter.

Many alternatives were presented by commenters only to have them dismissed as unfeasible by city staff. Most of the alternatives listed in the DEIR were also dismissed for less than adequate and usually unexplained reasons. This is one of the most sensitive and critical issues for the public. Reducing it to 4 so-called alternatives does the public a great injustice.

Nothing in the DEIR discusses various combinations of the 20 alternatives listed which might produce a viable option. An alternative combining greatly expanded light industrial use with office space, very limited retail space, and possibly some residential space, and including increased wetland restoration, could be viable and would suit most of the public's requirements. Yet nothing of this sort is anywhere included. **Serious evaluation of alternatives was one of the most frequent commenter requests.**

The 'Public Park/Open Space alternative is dismissed as an 'all or nothing' alternative instead of including it in a combination with other uses. This request appeared in a vast majority of public comments.

The response to comments only lists what the DEIR attempts to address and in no way seeks to satisfy the concerns of the commenter. It dismisses serious discussion of alternatives. It is an inadequate and somewhat insulting way of addressing the Public's concerns.

There is little or no response providing reference to a detailed clean-up plan or discussion of methods and standards to be used.

I specifically refer to the letter from Patrick Eytchison, a resident at 915 California Street, Eureka. He requested real time air quality monitoring in his neighborhood, particularly in light of the cumulative impacts of the Co-generation plant at Fairhaven, the Evergreen Pulp mill at Samoa, and increased emissions from traffic in the area, most notably on Broadway. He cited the lack of recent monitoring of pollutants from these cumulative sources and questioned the combined impact they might have on his family's health. There was no meaningful response to these critical questions in the DEIR.

He also had questions about energy use of the Project and its implications for a less vehicle friendly future. This led to a request for consideration of plans if the site or portions of it were to be abandoned due to economic or energy related issues. While no one likes to consider having to abandon their Project, current estimates are that over 200,000 businesses will close in 2009 nationwide. Over 6500 shopping center outlets closed in 2008. There is estimated to be over 1.2 BILLION square feet of vacant retail space in the U. S.. So there is ample reason to consider the implications of the Project being forced to close and the effect that would have on the city. There is nothing in the DEIR about this possibility.

His letter and many others brings up the issue of 'capping' as a way of dealing with on-site pollution. The developer mentioned capping several times in oral and written presentations as representing an acceptable method of clean-up. Commenters like this one almost universally rejected 'capping' as a viable alternative. The DEIR is strangely silent about 'capping'.

Mike Schwabenland wanted the DEIR to consider the impact of 'sandwiching' a large retail center in between a light industrial area and a public waterfront use area. This was not done by the DEIR.

The DEIR does not adequately address the very serious issues regarding toxic pollutants on the site and their remediation that are well presented in the letter from the Californians for Alternatives to Toxics. This letter clearly spells out many concerns about the type and extent of pollutants on the site. The DEIR does a poor job of considering these points. It presents a very limited analysis of the threat, passing it off as "mostly hydrocarbons". The concerns of this highly knowledgeable group should be heeded.

The DEIR's analysis of likely toxins and the clean-up required to deal with them is clearly inadequate. No expert testimony is presented to show the 'clay layer' under the upper water table is effective in any way in blocking the transport of toxins to the bay. This letter demonstrates the superficiality of the DEIR analysis.

Many letters mention the liability of Union Pacific Railroad to clean up its own mess. The DEIR does not discuss cleanup liability issues.

Many of the questions posed by Larry Glass and Larry Evans concern the economic impacts of the Project and are theoretically not included in the CEQUA requirements. However, almost every one of them relates directly or indirectly to the subject of Urban Decay which is likely to be exacerbated by the

Project. These concerns are addressed, if at all, in a minimal fashion in the DEIR. Economic impact relates directly to Urban Decay and should be vigorously analyzed. It is one of the most frequently included comments. (see attached copy of BAE economic report, 1999)

The Healthy Humboldt Coalition comments regarding the Project's claims to be "Smart Growth" show how inappropriately that claim is used. These comments are not included when the Project claims to be 'walkable' and 'balanced'. It is as if the authors never read the comments to find out where it was lacking. I would suggest that the authors actually read and respond to these comments if they hope to produce an adequate EIR for this Project.

Many comments include Tsunami hazard. What is often missed is the danger of creating high population densities (shopper + employees + residents) at vulnerable locations. This greatly magnifies the dangers and, along with the Bayshore Mall, would put totally unrealistic pressures on public services for emergency response.

### My Comments on the Comments

It is overwhelmingly clear that four major themes dominate public concerns about the Project. First and foremost is the need for a complete and thorough clean-up of the site, regardless of what is eventually built here. Many paths are suggested to achieve a real clean-up. Most often cited is requiring the participation by Union Pacific. Maybe if Union Pacific participated in cleaning up its own mess, cost to Security National would drop sufficiently to allow it to consider some other type of development. Letter after letter demanded full clean-up to the highest standards available.

The Project is vague about its cleanup plan. Is it still considering 'capping'?

The second recurring theme is traffic. The perception is that the Project will heavily impact Broadway, Waterfront Drive, and Old Town traffic. There is also strong concern that traffic will be affected all over town. While the DEIR offers limited mitigation, it offers nothing for Old Town, Waterfront Drive, or other city streets nor does it specify where needed funding for mitigation beyond its 'fair share' would come from.

The third frequently seen request is for the inclusion of many and varied alternatives. It appears the DEIR summarily dismisses all Public uses and considers only alternatives proposed by the developer. This is clearly not the intent or the wish of the commenters. Much more consideration of various combinations of possible uses should be included. The Table listing and dismissing various alternatives gives no reason or research to back up its conclusions.

The fourth and probably most often included comment relates to the possible economic impacts of a big-box chain store type development on the economy and community of Eureka. While economic impacts are not specifically required by CEQA, they become pertinent under the Urban Decay section. If the Project truly wants to gain public approval, it must include analysis of economic impacts. It is likely that such an analysis would more clearly show the benefits of various alternatives or combinations of alternatives. Avoiding an analysis of the economics of the Project makes the developer look like its trying to hide a significant impact (which it is!!). There is no question that this Project will impact the economy of Eureka and the County. The community deserves to know what those impacts will be. Without the economic analysis, much of the public will believe it is being railroaded by large outside

chain store interests, and they are likely to be right. The economic report in the Appendix is inadequate for many reasons which are spelled out in my comments on that section.

Another frequently seen comment that I personally wonder about is the issue of Proposition J, the 1999 ballot measure that specifically rejected rezoning of the Balloon Tract. There is much question about whether, given the measure J directive, the City Council could legally change the zoning of the Balloon Tract without another vote of the people. The measure, as it appeared on the ballot, reads, "Shall an ordinance be adopted amending the land use designation in the City's General Plan, Local Coastal Program, and Zoning map for Union Pacific's "Balloon Tract" (East of Waterfront Drive, West of Broadway, and North of Washington Street) changing it from "Public" to "Service Commercial", thereby allowing commercial/retail use of the property?" The measure was rejected by over 61%. It would be worth getting an objective legal opinion on this matter before proceeding further (and spending more money).

Many people also cited aesthetics as a major concern. They did not want another big square shopping center in their Victorian town.

### **Appendix C, Air Quality and Noise Calculations**

I am not an expert and cannot reasonably interpret these figures. I do wonder why in each part the Project is identified as being in Mendocino County. What effect might that have on relevance of the numbers?

While it is not my intent to comment on every Appendix, there are several that need attention. Many, including air quality and traffic tables and charts are unintelligible to the educated layman without extensive explanation. No such explanation is offered.

### **Eureka Balloon Tract Retail Development Economic Impact and Urban decay Analysis**

#### **CBRE Report**

The report makes a series of assumptions about Marina Center sales. This is remarkable given that the lack of knowledge about the types of stores that will be present. The report then predicts that \$104,000,000 in sales will come from the 'market area' defined as Humboldt County. Somehow only \$49 million of these sales will be diverted from existing retailers. It defies common sense that Humboldt County consumers will magically come up with a new \$55 million dollars for retail spending. The whole concept of 'new sales to market area' begs the question, "Where did it come from?" There has been a significant LOSS of industrial and retail jobs locally in the last 6 months. There have been layoffs at several key businesses. It is hard to imagine that the local payroll in Humboldt County has gone up in the last year. This study is based on the premise that there will be \$55 million NEW dollars in the local retail economy which makes it highly suspect from the beginning.

#### **Table 1**

The Table predicts asserts that virtually all spending on apparel at the Project will be new money rather than displaced sales from existing retailers. Most retail apparel has become centered at the Bayshore Mall, with a few exceptions. This is because Bayshore Mall businesses directly or indirectly caused the closure of such local apparel businesses as Daley's, Bistrin's, McGarragans, and Arthur Johnson's. New stores at the Project would be expected, in turn, to cause the closure of at least several of the smaller Bayshore Mall stores. Many of them are struggling and many have closed recently as a result of economic 'hard times'. It is evident that the available number of disposable retail dollars in the local economy have shrunk in the last year.

The table presents a series of fictitious numbers supposedly representing how the Project will create 'new spending'. I don't need to be an economist to know that a retail project DOES NOT produce increased dollars in the local economy.

### Table 2

This table tries to claim that the Project will divert NO sales dollars from apparel, home furnishings and appliances, and office supply and specialty stores. It attributes all sales in these areas to the mythical 'new money' that will magically appear. It predicts \$91.8 million dollars in new sales will appear out of nowhere or perhaps be pulled out of the outlying county areas. **If this much money is removed from retail in other parts of the county, it will devastate their respective tax revenues.**

The entire discussion of what stores might close is meaningless because no totals for retail sales for the market area or Eureka are presented. Without the total, it is impossible to predict the impact of Project sales. If, for example, 'maximum diverted sales' amounted to 30% of total restaurant sales, the Project could easily be expected to cause some closures. Few businesses can survive a 30% loss. But no total is provided for comparison. Restaurants represent a significant portion of Old Town and Downtown retail so any claim that the Project will have no impact is completely unsupported. The claim that Old Town might benefit from increased pedestrian traffic from the Project is highly unlikely. The distance is more than most shoppers appear willing to walk from their cars. The Project is separated from Old Town by an industrial area that does not lend itself to walking, particularly at night. In addition, Old Town and Downtown are likely to suffer from increased 'through traffic' coming from the Project that would make those areas less attractive to walkers and shoppers.

The claim that Bayshore Mall is successfully competing is also false. On Dec. 31, 2008, I took a walk through the Bayshore Mall and identified TWENTY FIVE empty storefronts. A few may be scheduled for re-tenanting (Mervin's) but many have been empty for a long time and show no evidence of activity.

### Cumulative Impacts

This section does not acknowledge the proposed Forester/Gill project in Cutten that would rival the Project in retail and office space. It does not acknowledge the Super Safeway to be built on Harris that would compete with at least some of the Project's tenants.

The effect of a Lowe's in Fortuna would be to effectively remove the south half of the county from the Home Depot market area. This would increase the competition for available retail home improvement dollars in Eureka and north, making closures of local stores more likely. I'll say it again, the number of dollars available for home improvement in Humboldt County is relatively fixed. The County population growth rate is slow by state standards and will not greatly increase those dollars. Adding a 'category

killer' Home Depot, determined to capture up to 70% of the local home improvement market by its own admission, cannot help but cause closures and potential urban decay throughout the area.

#### Urban Decay Determination

The Bayshore Mall has a significant number of empty stores (25). A casual examination of Eureka Downtown and Old Town from Jacobs Avenue to (but not including) Broadway, and from 1<sup>st</sup> Street to 7<sup>th</sup> Street on December 29, 2008, revealed over 105 empty storefronts and office spaces. This does not suggest an area that may be easily re-tenanted. Some of the spaces are relatively large such as the former Nader auto dealership and McMahon's furniture store. Some, such as Old Town's former Lazio's restaurant on 2<sup>nd</sup> Street, have been vacant for several years. The large number of vacancies lead one to believe that retail demand in Eureka is, at best, soft. Adding over 330,000 square feet to Eureka's retail stock can only contribute to increased vacancies and resulting urban decay.

#### General Fund Revenue Impacts

Revenues received versus preconstruction estimates for the Target Store in Eureka suggest that most such estimates are overblown. Even if the Project produces expected revenues, there is no requirement that the City use them for any specific purpose. Given the present economic climate, any increase in revenue would probably be used just to maintain current infrastructure. The Fire Department assessment was based on the original project application which specified a maximum four story building. The current design includes a 5 story building with limited access. Even a cursory examination of shopping center development reveals they almost always require significant increases in police and fire services beyond anything this Project predicts. Other unfunded costs to the city include street lighting in surrounding areas, the City's share of 'mitigation' efforts on Broadway, and increased street maintenance caused by increased traffic and heavy trucks in the Project area. Some of these may be offset by Project revenues but there is no guarantee whatsoever. The analysis does not attempt to analyze increased costs to the city except in a very limited area. This does not present a clear picture of cost versus revenues.

At this writing the State has been attempting to 'raid' redevelopment funds to offset its budget shortfalls. There is no way to predict the impact of these raids on expected revenues except to speculate that they will end up as less than predicted for the city and the schools.

#### Net Jobs Impact Conclusion

Unless the Project can work magic, the jobs conclusion is totally off the mark. Here behind the Redwood Curtain the economy is more closed than many other areas. There is a limited amount of retail money to be spent. It is likely that many more jobs than predicted by this very limited study will be lost if the Project is built. The pie can be sliced only so thin before it damages the local economy. The claim for 416 office jobs appears highly inflated given the number of empty office spaces currently available. Home depot generally employs a large percentage of part-time employees. It also defines 'full time' as 32 hours per week. At \$10/hour this does not provide a living wage for most employees. Even at higher wages, the limited hours reduce the earning potential of Home Depot jobs compared to local jobs.

#### Case Studies

This section fails to show what home improvement stores existed in the study areas prior to Home Depot's entrance into those markets. San Rafael is a poor comparison due to its proximity to large urban

populations whose shopping experience is often limited to big-box stores. Ukiah has suffered from an invasion of big-box chain stores to the extent that little remains of its original downtown. Again there is no listing of what or how many home improvement or hardware stores existed before Home Depot's arrival. I know nothing of Woodland.

Eureka and Humboldt County enjoy an unusually large number of local home improvement stores for its population size. Intrusion by a Home Depot would be expected to have a much larger impact on this sector due to its current saturation by local businesses. The CBRE report made no effort to show the differences in the comparative retail markets studied.

### Retail Sales leakage Analysis

The CBRE report interviewed FIVE contractors of undefined size and extrapolated its leakage figures from that extremely limited sample. This is bad statistics given the fairly large number of contractors of every type in Humboldt County. I spent several years driving to Crescent City once a week. I NEVER witnessed more than ¼ of the Home Depot parking lot filled. I NEVER witnessed the mythical truckloads of building supplies going down the hiway from Crescent City. They may have existed but NOT in great number.

Leakage occurs in many forms. Sometimes contractors need specialized items not available locally. Sometimes purchases are made online. The most significant leakage NOT discussed is the leakage of DOLLARS from the local economy to big-box chain retailers. A 2003 study determined that of each \$100 spent at a local business, \$45 remained to circulate in the local economy. Of every \$100 spent at a big-box or chain store, only \$14 remained in the local economy, mostly in wages. (1)

- (1) Institute for Local Self-Reliance, "The Economic Impact of Locally Owned Business Versus Chains", September 2003

Some goods will always be purchased out of the area for various reasons. This is amplified by the export of dollars by chain stores which weakens the local economy. Money that leaves the area is not available to be spent even in non-competing types of local stores. In its report, CBRE seems so intent on praising Home Depot that it never mentions the impact of exporting dollars to the local economy.

The data used by CBRE is already dated. Much of its per capita spending data was collected at a time when housing prices were climbing rapidly. Many homeowners were using their newfound equity to purchase home improvements and a variety of other capital goods. This is no longer the case. Combined with the downturn in the stock market, the rise in unemployment in the area, and the increases in the cost of goods and services, it would be expected that per capita spending has decreased substantially. Using outdated numbers will cause unrealistic expectations for Project performance and will underestimate impact on other already struggling local retail businesses.

The huge increase in the cost of fuel will have an impact on leakage as the cost of traveling out of the area increases. Increased fuel cost diminishes the savings realized by shopping out of the area.

### Competitive Major Shopping Centers and Stores

This section demonstrates the problems of timely analysis. At least 5 of the major tenant stores named at the Bayshore Mall have since closed. Despite all the glowing remarks about re-tenanting, a casual walkthrough on Dec. 30, 2008, revealed 25 empty storefronts, including Mervins, Old Navy, and

Gap/Gap Kids. With the rumored exception of the Mervins location, there is no apparent activity at the other sites. The Old Navy site is temporarily occupied by a Jolly Jump area for kids during Christmas.

There have been recent reports of financial problems for General Growth, owner of Bayshore Mall. As documented earlier, between two and three thousand malls are expected to close in 2009 due largely to the economic downturn. The consequences of a possible Bayshore Mall closing are not considered, either from an economic impact standpoint or an urban decay standpoint.

The Old Town and Downtown Historic areas would be impacted by the Project in at least two ways. In spite of the claim of CBRE, many products sold in the Historic area compete directly with proposed Project retail. Examples are Vern's Furniture, The Works (CD's and records), The Irish Shop (clothing), and Plaza Design (home furnishing). The second impact would come from additional traffic through the tourist center of the city. Increased traffic on 4<sup>th</sup> and 5<sup>th</sup> Streets would make street crossing more difficult and dangerous. Diverting project traffic onto 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> Streets puts many more cars into the heart of the tourist area. Heavy traffic is not compatible with specialty tourist shopping areas. It causes congestion and makes the area less walkable. It is certainly not compatible with Eureka's 'Victorian Seaport' theme.

#### **Home Furnishings and Appliances/Building Materials**

The CBRE ignores two major local Eureka appliance stores: Poletski's and Carl Johnsons. Carl Johnsons also sells a variety of home furnishings as does Plaza Design.

The report also ignores the Copeland Lumber yard and Thomas Home Center in McKinleyville. Both are major retailers in the area.

#### **Marina Center Impacts**

The leakage of \$17.3 million in household home furnishing and appliances appears to be highly inflated. This sector is reasonably well served in the county. Except for possible large scale buys by contractors, it would make little sense to leave the area for relatively modest purchases. This is especially true in light of the current economic recession which has seriously reduced sales in these areas. Local stores are experiencing reduced sales for the same reason. This greatly affects their ability to withstand competition from the Project. It also reduces their ability to adjust through shifts in product line or major remodeling. These conditions amplify the economic impacts and consequent urban decay caused by the Project.

#### **Apparel**

Much of the leakage in this category is to on-line internet merchandisers like LL Bean or Coldwater Creek. It is unlikely the Project will recapture much of this market. Shoppers who buy clothes when on a trip to San Francisco are also unlikely to stop shopping there. The impact of adding clothing stores will fall more on the local niche stores than the major retailers or internet merchandisers.

Whoever did this section did not interview a cross section of average shoppers to determine their current habits or the probable changes introduction of more apparel stores in the Project would produce.

### Specialty Stores: Books and Electronics

Borders already caused the closure of the only significant independent bookstore in Eureka, Fireside Books. There remains only one major independent bookstore in Arcata, NorthTown Books. Much of the leakage here is due to internet sales (Amazon, etc.) and not to specific sales trips to other areas. This leakage probably won't be recaptured by the Project so the impact will fall on local businesses. Given this experience it is possible that another major chain bookstore in Eureka could impact the difficult book market enough to cause NorthTown Books to close.

Electronics sales are divided among a number of local and chain stores. Sears, Radio Shack, NorthCoast Audio, Sound Advice, Staples, Vern's Furniture, Capital Business Machines, and a variety of local computer businesses that sell their own equipment and service.

The proposed Circuit City store is unlikely given the company's recent bankruptcy filing. Best Buy is a possibility, although, given the current recession, it does not seem interested in expanding with new stores. It would compete directly with the above named stores. Again, much of the leakage is to direct sales of computers (Dell) and mass marketers of cell phones which would probably not be recaptured to a great extent by a Best Buy. Certainly not all of its business would be recapture and would instead reduce the sales of other local businesses.

### Marina Center Impacts

To the extent that the office, store, and school supply category overlaps with the stationary and books category ( this describes several Humboldt County businesses), part of the Project impact would be recapture and part would lessen the sales attraction of existing stores.

The small niche bookstores dismissed by the report exist on fairly thin margins. Even a small reduction in sales caused by another chain competitor could make them unprofitable and cause them to close. More urban decay!

### Eating and Drinking Places

Leakage in this sector is from people traveling out of the area for other reasons and will not be recaptured.

The report contends that 1.7% of the county's restaurant business would be diverted by the Project. However, the impact would be felt almost entirely by local Eureka restaurants, not those in distant parts of the county so the percentage is meaningless and out of context. If it reported the percentage of business lost strictly to Eureka restaurants, it would be a better evaluation of the impact.

### Other Retail Stores

The large number of superior garden supply stores already in the area cited in the study begs the question of why would we want another one that provides a self-described inferior service like Home depot? Stores that were not even mentioned include Sylvandale Gardens, Dazey's Supply, Glenmar

Heather Nursery, Greenlot Nursery, Humboldt Flower Products, Sherwood Forest, Singing Tree Gardens, and Living Earth Landscapes.

There are several 'Feed stores' that also sell garden supplies and are not mention in the report. Examples include Nilsen Feed, The Farm Store, A & L Feed, and Fortuna Feed and Garden Center.

It would appear that the area is saturated already. There is very little leakage in this category. The Project estimates it will capture 19.2% of this market which would likely cause at least some of the local businesses to close. Businesses in this sector normally occupy large spaces. Closures would contribute to large areas of urban decay.

#### Opportunity Costs (Fortuna Alternative)

This section suggests that if Eureka determines that a huge chain shopping center would be harmful to its business community, then Fortuna would eagerly ignore all that evidence and jump on the chance to build one. This is not necessarily the case. There are large environmental problems with the Pacific Lumber site in Fortuna. There is also active resistance to a big-box center in a friendly rural community. Assuming that we have to 'beat Fortuna to the punch' is like saying we have to shoot ourselves in the foot so some one else won't do it first. If a huge chain store development is wrong for Eureka, then it is even worse for Fortuna.

We also need to consider the future when it is likely that fuel will be more expensive. The cost of travel could offset even the 'cheap' prices of a WalMart.

#### Cumulative Impacts

The CBRE report frequently states that impacts would be spread over a number of businesses in a sector and, as a result, probably wouldn't cause closures. The assumption is that all or most of these businesses enjoy a healthy profit margin and could 'weather the storm'. Unfortunately, in our rural economy, this is not often the case. Many stores provide their owners a living but little more. A decrease of 8% or 10% or even 5% could make them incapable of supporting themselves. What follows is store closures, empty storefronts, degrading buildings and vacant lots, and serious urban decay. This is made even more likely in our present economic recession. There is evidence that things will get worse before they improve so many closures may happen (are happening...Mervins) anyway. The Project will simply exacerbate the situation. Strangely enough, the BAE report (see copy attached) concluded that a Home depot would have a greater impact on the local economy than even a WalMart. WalMart sells general goods and would spread its impact over a large part of the economy. Home Depot focuses on a single sector, amplifying its effect specifically on that more limited segment. It's like the difference between a sprinkler (WalMart) and a fire hose (Home Depot).

#### Competition from Fortuna

The entire section about theoretical development in Fortuna is pure speculation and has no relevance to this development in Eureka. The Pacific Lumber Millsite has huge environmental problems of its own that are reported to dwarf those of the Balloon Tract. There is also significant opposition among Fortuna residents against turning their town into another chain retail outlet.

The CBRE report tries to present the argument that if we don't do it first, then Fortuna will steal all that business from us. This is Security National's 'fear' argument and it does not hold water. In fact, proceeding with the Project may actually cause Fortuna to go ahead in a self-destructive effort to save its own tax base when it might otherwise reject big-box chains. This is a classic example of trying to pit 'us' against 'them, demonizing Fortuna, and trying to claim that a big-box mall is our only salvation. This like saying that we have to hurry up and destroy our local economy QUICK before the other guy does it to his.

In the event that Fortuna does build a big-box mall in the future, it will have a far more destructive effect on Fortuna's local businesses than even the Balloon Tract will have in Eureka. Fortuna is a smaller community and cannot absorb that much retail. If shoppers want to drive that far and spend that much extra time, then they will. But this will have less impact on Eureka's businesses than developing a big-box mall here on the Balloon Tract.

### IX. Urban Decay Determination

This section is a classic example of using old data and consulting too few sources.

In determining retailer demand, the consultant interviewed only 3 unspecified real estate brokers. He was either misled or he misinterpreted what he heard.

### Market Characterization

Some of the claims in this section may have been true before the current recession but no longer apply.

Old Town and Downtown are reported to have an 8-10% vacancy rate. This should not be considered acceptable in a tight tourist oriented area or in the 'core business area' of town. Several residents have done an inspection of vacant properties in Eureka and found many empty stores of varying size. I have attached photos of all that we located in two afternoons. This is not a comprehensive study, just a casual drive-by. The sheer number of vacancies indicates problems with Eureka's retail demand.

A walk through the Bayshore Mall on Dec. 30, 2008, found 25 vacant stores of varying size, including several fairly large spaces. We did not even enter the Food Court. TWENTY FIVE vacancies in the Bayshore Mall must have slipped right by the CBRE investigation!

The local Sears store in the Bayshore Mall is a relatively small one. It relies heavily on its appliance sales. A major competitor that took a substantial part of that market could easily cause the Sears to slip below profitability and close. While the appliances provided by Sears might be replaced by the newcomer, all of the other merchandise (tools, clothing, etc.) would not, leaving the consumer with fewer choices, not more.

CBRE assumes that many existing stores could compete with Project stores. That may be possible for some with 'deep pockets'. For others there is not sufficient margin or market. **The new Project does not create new markets. It takes them from somewhere else.** The more limited the demand for a given product, the more damaging it is to a specific retailer to divide up the existing market for that item. For example, if Sears, Poletski's, Carl Johnsons, and Eel River Appliance can now easily fill the market for appliances in the county, adding a Best Buy can only reduce the market share of the existing businesses. If the Project could magically ADD customers for those products, the effect would be less. BUT IT CANNOT unless it takes them away from somewhere we don't know about! If the investigator had done

his homework, he would know that there are very few unmet retail needs or unfilled retail sectors in the County. That is one reason there are so many empty stores here. It is difficult to find a retail sector that has a lot of room for new entries.

#### Retenancing Potential

Here is another area where the consultant does the bidding of the Project and does not look at the facts. There are major spaces all over Eureka that have been vacant for at least several years. The former Roberts store in Henderson Center is a prime example. The former Subaru dealership on 7<sup>th</sup> Street is another. (see the list and the photos) While it was beyond the limits of our time to determine how long each vacancy has existed, subjective observation tells us that there are many that have sat empty for a long time. CBRE looked at only one example where a store was replaced by another similar one. There are anecdotal reports that the Target store is producing far less sales tax revenue than was projected.

In 1999 the City REJECTED measure J, a ballot measure directing the City to rezone the Balloon Tract for retail use in order to allow a WalMart to locate there. The measure lost by over 61%, a strong indication that the people of Eureka DID NOT want a WalMart here. There is real fear that if the Home Depot were to close, it would be replaced by a WalMart in direct contradiction to the expressed wishes of the People. Nothing in the Project would prevent this from happening once the zoning was changed. Some people fear that Home Depot would never even come in, instead leaving the space zoned expressly for the unwanted WalMart to locate there with no restriction. This would not be retenancing, it would be outright deceit and possibly fraud.

CBRE thinks that if Home Depot closed, Lowe's would be right on its heels, waiting to get in. WAIT, if HD failed, why would Lowe's, an almost identical store, be so eager to replace it? Not likely, is it?

#### Urban Decay Conclusion

The notion that the Balloon Tract represents urban decay when it is, in fact, open space, is simply wrong. Urban decay is already happening in several parts of the city because of business closures and empty storefronts. The addition of 330,000 square feet of new retail space will not improve that situation. CBRE reverts to the notion that the only alternative to the Marina Center is NOTHING. It has been proven over and over that this is not the case.

There is ample evidence that the infusion of such a huge amount of retail will disrupt the local economy. It will do this by direct competition with existing businesses. It will do this by removing money from the local economy, sending it to corporate headquarters instead of recirculating in the local area.

Some local businessmen will no doubt believe that they cannot compete with 'the big money' and will simply close. Few entrepreneurs will be eager to step in to fill their places, leaving even more holes and empty stores. There are simply too many examples of big-box malls killing older downtown shopping districts. The following Peer Review of this report calls the Home Depot a 'Category Killer'. In a town this well supplied with home improvement/building material businesses and with related contractors, it is inevitable that Home Depot would cause closings. If it didn't, then Home Depot would eventually close, opening up all the concerns mentioned above about WalMart.

**It is my conclusion that the CBRE consultant did a very incomplete and outdated job, apparently preferring to say what he thought the Project wanted to hear.**

### Municipal and Other Revenue Impacts

The consultant believes the Project will magically generate \$90,000,000 in sales in the City over what occurs now. Where does all this money come from? Since we are a relatively isolated county and economic area, most of that money would have to come from within the county. That would represent a HUGE loss to other taxing entities like Fortuna, Garberville, Ferndale, and Humboldt County itself. While some of this would be offset by so-called recaptured leakage and some from tourist business, a huge percentage would have to be generated in-county. That represents a real loss to somebody!

In Crescent City, prior to the opening of WalMart, approximately 80% of sales tax revenue went to the city and 20% to the County. After WalMart opened the result was just the opposite, 80% County and 20% City. The total sales tax revenue stayed approximately the same.

As much as the developer of the Project would like to think so, money does not appear out of nowhere. It comes from somewhere else. While it may be true that Eureka would capture more of the available tax revenue, it would do so at the direct expense of other parts of the county.

### Property tax

Again, additions to the property tax base are only compared to the 'no build' alternative and do not represent the only possible benefits for the city.

It should be noted that during the current state budget crisis, Redevelopment funds are being 'raided' for state uses. Therefore there is no guarantee that the estimated amounts going to each associated entity would ever get there. There is likewise no guarantee that the state can and would act to 'make whole' the funds diverted to redevelopment agencies in the future.

### Police and Fire Service Costs

As I have commented elsewhere, experience from other cities shows that police and fire costs are frequently far higher than estimated. Services needed by the homeless population don't go away when the Project is built, they are displaced to some other location. Building the Project will not eliminate or reduce these costs. Any fire and police service required for the Project will be IN ADDITION to current needs. No source of revenue is identified or dedicated to this purpose

### Revenue Impacts Conclusion

Wow! It's like magic. The Project is supposed to find this amazing amount of money lying around in the Humboldt County economy and will divert it all to Eureka. Meanwhile, local Eureka businesses will suffer over \$30,000,000 in losses due to the Project. Some businesses will close as a result. Property tax will be lost. Police and fire services will increase to take care of vacant buildings. City road maintenance costs will increase due to increased traffic. Police and fire expenses will increase by AT LEAST the projected amount and probably much more. Costs NEVER go down.

After all this there is no guarantee that the City can and will be able to use these 'magic' revenues for Project purposes or even to mitigate its impacts. The current recession has severely impacted the revenues of most taxing agencies. Even an increase from the Project would likely do little more than offset its increased costs to the city.

Other cities and the County who currently enjoy at least some of the sales tax revenue would be seriously impacted by the shift in retail development.

### Jobs Impact

Several things stand out in this section. First, in Humboldt County many businesses are small and employ more people per square foot of retail than the big chains do. Thus, the comparison is probably inaccurate.

Second, the wage rates quoted for Home Depot do not mention that in most HD stores a full time is defined as 32 hours which, in terms of income, offsets the presumed wage differential. The report also uses an 'average wage' for HD which presumably includes management personnel who typically have higher wages. That skews the numbers. The benefits that HD makes available must be, for the most part, purchased by employees. It would be very difficult to purchase real benefits on the low wages paid. While it looks good on paper to say HD offers all these benefits, the truth is that most are unaffordable for most employees.

The DEIR claims Home Depot would provide 240 new jobs for its 130,000 square foot store. Yet Costco, a similar warehouse type operation, only employs 140 people for its 119,000 square foot store. **It would appear that the DEIR has overestimated the number of jobs the Project would create.**

It also appears that Security National pays very poorly. A junior engineer is paid somewhere around \$50,000/year by the state. A property manager for \$35,000 and a marketing director at \$25,000 would be bargains in most markets.

Office jobs represent a large percentage of projected gains but no mention is made of who those people would be. A brief survey of Eureka finds available office space at very competitive prices all over town. It appears that a certain number of these jobs are simply wishful thinking. No large 'office using' type of business has expressed interest in using all that space. **It would again appear that the DEIR has overestimated the number of jobs involved.**

### Prospective Job Losses

As stated above, many of Eureka's businesses are small and probably employ more people per square foot than is the average. Several employers account for a large number of jobs. If they were to close the impact would be proportionately larger.

The impact of a single job loss in smaller towns like Garberville or Ferndale would be more damaging than one in Eureka because of the proportional loss to the local economy. These jobs are not replaced by Project jobs because of their geographical location.

Big-box chain stores have a history of leaving markets for various reasons. They have no loyalty to the community and little involvement in its affairs. They often leave behind the damage they have done. The

264 employees at Home Depot immediately become NONE. The 154 jobs lost to local businesses are still lost. The only result then would be serious urban decay (read: double the economic disaster).

In light of the fact that 2-3000 shopping malls are predicted to close in 2009 including over 200,000 stores, this scenario is not as unlikely as many would believe.

Table 15 states that Eureka would lose 154 retail jobs. There is no mention of the related support jobs from suppliers and other service sectors that would be lost as well. Since most Chain stores do not use local suppliers and services, the impact of any local business closure falls disproportionately on local support businesses as well.

Any benefit from increased wages from new chain stores is immediately offset by the loss of recirculated money in the local economy. This is because local business recirculates \$45 for every \$100 spent while chains typically recirculate only \$14 for every \$100, mostly from wages. (Institute for Local Self-Reliance. "The Economic Impact of Locally Owned Business vs. chains: A Case Study In Mid-Coast Maine", Sept 2003). CBRE makes no mention of the leakage of dollars that offset potential wage gains.

### Case Studies

The consultant chose 3 towns that would support his views. He did not mention the types of retail existing in each town. Eureka, unlike any of the 3, has a large number of home supply/building supply stores. The market for these goods appears to be saturated. Any loss to a Home Depot would be significant. Stores in other areas were able to shift to high end product lines that have little market in Eureka. San Rafael is in a growing urban area. There was only one store mentioned in competition with Home Depot and it was in another part of town. Woodland was forced to change its downtown business mix to boutique stores and niche shops. It no longer represents a neighborhood where basic needs can be met. People are forced to resort to the chain stores for their basic needs.

These are not comparable situations or communities. There are many more communities who have lost their identity to big-box chains and exist only as 'shopping centers'. There is no 'old downtown' Redding. Rhonert Park exists as one mall center after another that look exactly like the ones in Redding.

Eureka markets itself as a Victorian Seaport. If it loses this identity to the big-box mentality of uniformity and corporate control, it will lose both its Victorian identity and its identity as a unique place.

### Taxable Sales and Outlets

This section is worthless. It does not tell us how many or what type of businesses existed in Woodland, San Rafael, or Ukiah before Home Depot came in so there is no way to compare its influence. Woodland, and to a lesser extent Ukiah, has experienced a great deal of sprawl growth in recent years that Eureka has not. Eureka is somewhat unique and cannot be directly compared to those markets. Eureka's population has grown very slowly and probably will not experience much more in the near future due, at least in part, to land use restraints (lack of buildable property).

### Summary Case Study Findings

This whole study is an example of deciding what you want to find and presenting only information that supports your cause. The conclusion that adding a Home Depot to Eureka would cause no harm is a case in point.

The consultant completely ignored the study done for the Eureka City Council in 1998-99 by **Bay Area Economics** which was done to study the possible location of a WalMart store here (see attached copy). That study showed that WalMart would do considerable damage to the local economy. **More importantly, it also showed that a Home Depot would do EVEN MORE damage.** I have included a copy of that study with my remarks.

The report did not consider the present mix of businesses in Eureka, particularly the large number of Home improvement related businesses that could suffer a disproportionate impact from a Home Depot. The report did not consider the proven 'category killer' nature of Home Depot in other markets.

**All in all, this is a very weak report based on outdated data, insufficient research, a clear lack of understanding of the local market in Eureka and Humboldt County, unclear and possibly unfounded assumptions about leakage, and a lack of real knowledge about Eureka's vacancy rate and urban decay.**

#### **Peer Review by Economics Research Associates (ERA)**

##### **Supply Side Conditions**

I fully agree with the critique that CBRE did not do an adequate job of determining vacancies and retail space available. This becomes even more important in light of recent closings by Mervins, McMahons Furniture, and the Nadar Auto dealership, all of which vacated large retail spaces. The large number of vacancies all over town (see Photos and list attached) plus the large number of long standing vacancies at the Bayshore Mall indicate a weak demand for retail space in Eureka. This would suggest that the Marina Center Project would only make retenanting in other parts of the City more difficult than it appears to be now.

##### **Supply Side Conditions**

The Peer review criticizes CBRE's technique for determining 'leakage'. Both the reviewer and I believe that insufficient data, poor or no explanation, and inappropriate choice for determining 'market area' make CBRE's report less than reliable.

CBRE used California department of Finance data to project population growth. No effort was made to contact local government bodies about growth rates and patterns. This very limited data was then used to predict retail growth presumed to offset losses to local businesses. ERA typically uses a wider variety of information for this prediction with much better results. There is no reason for the DEIR to accept poor data.

##### **Mitigation Measures**

**ERA quickly acknowledges that Home Depot is a proven 'Category Killer' that would be likely to cause displacement or outright closure among existing area businesses.** ERA states that survival of local

businesses often involves changing product offerings or developing as niche retailers. These are not the primary business models for a large number of existing home improvement businesses. The measures suggested as mitigation might even be seen as insulting by some area businessmen. The developer of this Project is not seen as friendly to local business. If he were to sponsor a retail consulting workshop, it would be seen as totally self-serving by many. Likewise, offering a shuttle would be seen more as an effort to draw business away from other areas rather than taking customers to them.

### My Response to the CBRE response to the Peer Review

While the review of vacancies might have been closer to correct in 2006, it must be noted that the situation has deteriorated since then. At least THREE large retail spaces are currently vacant in Eureka as of this writing; McMahons Furniture on 4<sup>th</sup> Street, the former Nadar Auto lot on 7<sup>th</sup> Street, and the Nadar Auto lot on Broadway (formerly Peterson Tractor). The large space mentioned in the Bayshore Mall (formerly Old Navy) remains vacant and has been so for at least 2 years. There are numerous smaller retail spaces available, many in desirable shopping areas such as Henderson Center, which have remained vacant for at least 2 years. The final EIR must include a review of currently available retail space and a comparison over the last several years so that an occupancy or vacancy 'direction' can be determined. This is critical to determining whether demand exists for another huge retail space.

It should also be noted that the CBRE review and the ERA review include vacant space throughout the county. The occupancy rate in Garberville or Willow Creek may be nonexistent but does not reflect on the rate in Eureka except to skew the numbers.

### Land and Building Values

The analysis was done during the 'boom' years when real estate values were rising rapidly. That is no longer the case. None of the values reported was for a 'large' retail space. Recent business failures in Eureka in several sectors (autos, furniture, specialty hardware) suggest that the retail market is saturated with existing competitors already and would suffer disproportionately from adding an additional 330,000 square feet of retail space. Unfortunately CBRE chooses to act here as a cheerleader for the Project rather than an objective analyst.

### Retail Leakage Model Documentation

While it is good to know that CBRE can play with statistics, I challenge any member of the City Council or the general public to actually be able to interpret the explanation for leakage and its models.

No mention is made in the market analysis of internet retail, an ever increasing part of the retail market. This is spending that will not be recaptured by another shopping center.

Communities in Humboldt County are dispersed. Most, such as Garberville, McKinleyville, and Willow Creek, have sufficient retail to meet their residents' basic needs. While Eureka is reported to receive 58% of retail sales in the County, it also contains over 40% of its population (considering contiguous areas around Eureka such as Cutten). Eureka contains most of the 'big ticket' retailers such as autos and appliances. CBRE applies models appropriate for large urban areas without considering the unique nature of Humboldt County. Its models are inappropriate for rural Humboldt County and should be viewed with reservation.

The attached BAE Economic Impacts Assessment (1999), pp 27,28,30, 84, and 85) include a leakage analysis that placed retail leakage in Eureka at 6%. **This is far less than the figure used in the DEIR.** This figure suggests that most retail needs are being met within the existing mix of businesses and that there appears to be far less demand for new retail than the DEIR would suggest. Using the correct figure makes a HUGE difference in calculating the available retail dollars that can be captured, recaptured, or displaced within the local economy. The DEIR appears to have inflated the leakage figures to its own advantage.

#### Population Data Sources

I have personally read in the local newspaper reports about local population growth that come from a variety of sources. Even allowing that CBRE's figures may be close, they do nothing to suggest where those growth areas are. Eureka, the retail hub, has experienced very slow growth and, judging from public school attendance, may be experiencing actual population loss. The fastest growth, easily seen from building permit applications, is in the McKinleyville area. Recent retail growth (K-Mart, Rays Food, etc.) has been strong in this area. It is not difficult to determine growth this way.

Analyzing growth patterns tell the reviewer that adding huge additional retail space in Eureka will only increase commuter and shopper traffic to Eureka, add to air quality problems, and cause the use of more precious fuel for routine errands that should be local.

#### Mitigation Measures

While the proposed mitigation measures appear unlikely and unhelpful, **I strongly disagree with the conclusion by CBRE that no urban decay would occur as a result of the Project.** Any time an existing business is dislocated or caused to close, the possibility for urban decay exists. Existing closures demonstrate this likelihood. Several vacant auto dealerships have experienced gang-type marking graffiti, litter, and trash. The old Eureka Truckstop on Broadway stands empty and unmaintained as it has for many years. The most likely retailers to be forced to close are large home supply centers covering a lot of square footage. Loss of large areas such as these would contribute disproportionately to urban decay. It is obvious that ERA has looked at urban decay impacts in other cities where CBRE has either not looked or chosen only selected models to prove its preselected position.

### My comments on CBRE's Update of its 2006 Report

#### Demographic Estimates and Projections

Apparently it is beyond the technology of CBRE to simply compare actual population in 2006 with numbers for 2008 to determine real growth. Eureka's growth is constrained by the availability of buildable land. Growth is concentrated in the surrounding but unincorporated areas. Since Eureka will receive the greatest impact from the Project, its relative lack of growth should be reported.

Projections of household income show a decrease of almost \$800 in the last two years. Loss of higher paying jobs at Evergreen Pulp and Green Diamond Timber recently will certainly impact the County average. The current recession, loss of stock value, and lowering of home prices will certainly reduce

average household income. CBRE obviously depends heavily on the work of others without seriously questioning their underlying assumptions.

### Retail Sales Trends

CBRE's data through 3<sup>rd</sup> quarter of 2007 shows a definite downward trend in retail. Eureka data showed a significantly greater slowdown than other parts of the state. There is every reason to believe that, due to the continuing recession, retail sales in Eureka and Humboldt County will continue to fall. The CBRE report then claims reduced sales at its Project will LESSEN the impact on other retailers. It somehow ignores the fact that local retailers are experiencing similar reductions in sales which will make the Project's impacts GREATER, not less.

### Store Closures and Openings

The former Old Navy location at the Bayshore Mall remains vacant after several years. There are 24 other vacant smaller locations at Bayshore Mall. Several more appear to be on the way out. There are 5 empty stores in Henderson Center including the relatively large Roberts location. A casual drive through Eureka revealed over 105 vacant storefronts of various sizes. The continuing recession is taking a toll on local business. The addition of the HUGE out of scale Project can only further reduce local sales and seriously impact businesses.

### Fire Department Questionnaire

It is noteworthy that the response DID NOT estimate future equipment or personnel needs related to the Project. It would be expected, given the proximity of the main fire station to the Project, that response time would remain short. The part not considered is overall demand for services. The Project will certainly require some responses since over half of all calls are for medical aid which would be expected to increase dramatically in the Project due to the increased number of people on the site. When the fire trucks are at the Project, they are not available for other parts of the City and will necessarily have their response capability reduced by some amount.

Since the Project was still in formation when the questionnaire was submitted, there was no response concerning the proposed FIVE story building and the limited access it provides.

Their also was no comment regarding current staffing levels. That is, are all positions filled at this time?

### Police Department Questionnaire

Response indicates a department with 7 less officers than 10 years ago but an increase in service calls of 15,000 per year (2005) and trending upward.

The Project is in Beat 1 which has only 1 officer per shift covering 4 days per week. The 'rover' apparently covers other days.

Beat 1 generates the highest number of service calls. The Project will increase that number.

It is obvious that the Project will generate the need for additional service calls. Some of my research shows that the experience of other similar big-box malls reports that service calls generally end up being far higher in number than originally estimated. ("Big Box Swindle", Stacey Mitchell, 2006, pp67, 68)

**There is no funding currently available in the city budget to increase police services nor is there likely to be soon. There is no guarantee that revenues from the Project will be available for additional police or fire services required.**

#### **P. Traffic Impact Study**

I am particularly concerned about the description of Waterfront Drive. The consultant states that little, if any, parking was observed on Waterfront in the vicinity of the Balloon Tract. The observer must have gone there in the dead of winter in the rain. **The section of Waterfront between Commercial and the Wharfinger Building is the primary parking area for the only serviceable boat ramp on Humboldt Bay.** On summer days trucks and boat trailers are often parked north down Waterfront to C Street and south into the Wharfinger parking lot. It is true that this use is seasonal but the season often extends from April through October. Trucks waiting to unload boats often back up down Waterfront past Commercial Street. Large Commercial trucks also use this stretch to temporarily park their trailers on the street, particularly for the fish plant. Parking for Marina users is also very limited. Users often are forced to park on the street. During these heavy use times Waterfront is a very crowded street. Adding traffic from the Project will cause severe backups, particularly at the boat ramp. **TJKM seemed to be completely oblivious to those impacts.**

Also on Railroad Avenue (Waterfront becomes Railroad at 14<sup>th</sup> going south) from south of Washington Street to Del Norte Street commercial trucks (semi's) often park while waiting for loads or overnighting. Eureka no longer has a truck stop so this has become the major staging area.

While Henderson Street does serve Henderson Center, The Safeway mentioned is only two blocks from Broadway, NOT in Henderson Center which is located over a mile up the road. **Apparently TJKM did make an on-site inspection.**

#### **On Street Parking**

As I have noted elsewhere, TJKM has drawn unsupportable conclusions from only two days of observation; the last day of February and the first day of March. This is the lowest traffic time of the year. Tourists are generally absent. No mention is made of the weather. A rainy day results in far less traffic and parking, particularly in the area under study. Common sense would tell you that there will be more parking at a popular tourist coffee shop during the summer!! The same can be said for the area from Wabash south on Broadway. TJKM picked the quietest time of year to observe and then made the mistake of generalizing from those limited observations. **These mistakes and omissions call into doubt the methodology and technique of the entire report.**

**Traffic Volumes, Intersection Lane Configurations and Traffic and Field Data**

Here we go again. Counts were made in March and April, apparently carefully chosen to avoid that pesky tourist season. Traffic counts on Broadway (Hiway 101) increase significantly during the May to October tourist season. Without considering traffic during the summer, any projections and mitigations are incomplete, incorrect, and insufficient.

It is reported that each intersection was subjected to a manual traffic count in March and April. However no mention is made of the number of days counts were made at each location. For all we know, there may only be one count for each. That is not sufficient. Weather is not mentioned. Rain has an impact on shoppers, tourists, and general traffic flow. These techniques call into question the methodology of the entire report and the validity of its findings.

You CANNOT generalize about traffic levels from counts done only in March and April, two months with low tourist activity. The study MUST indicate how many days of counts were done for each intersection. You CANNOT generalize turn rates and traffic volume from counts done on only a few days. Weather, season, and events such as Sales at Bayshore Mall or Pierson's can skew the numbers. The variation of traffic levels by season was not accounted for anywhere I could find in the study. That fact alone makes the study unreliable, at best.

#### Accident Analysis

The study reports the estimated reduction in accidents at 3 intersections only with the Project and with mitigation in place. The report does not consider the possibility of increased accidents from driveways and unregulated streets due to increased numbers of cars on the road. It is very difficult now to make a left turn onto Broadway from a driveway or from an unregulated street. It is also difficult to make a left turn off of Broadway into a driveway or unregulated street. Traffic crossing the flow without signals always represents a greater danger. Increased traffic means increased danger to those drivers. Cars entering or leaving Schwab Tire, Victoria Place, or Bucksport Sporting Goods have a hard time getting across traffic when turning left.

If, as the study claims, the mitigations will allow traffic flow at current LOS levels with the Project; and if, as the study claims, that will at best continue a marginal situation; Then wouldn't it make sense to consider that doing the mitigations without the Project would actually IMPROVE traffic conditions on Broadway? This scenario is not discussed in the study.

#### Results of Level of Service Analysis

Table II is not valid because of the seasonal nature of the traffic counts done by TJKM. They represent an unrealistically low level of traffic for at least a large part of the year. At best, the Table is useful only in a comparison of use levels between the studied intersections, NOT their level of service.

Giving Broadway and Washington or Broadway and 14<sup>th</sup> Street a LOS of B tells me the engineer never tried to make a left turn onto Broadway during a busy time of the day. With no turn arrows, the oncoming through traffic makes it extremely difficult to turn left. I have personally sat through three light cycles waiting to turn north onto Broadway from eastbound 14<sup>th</sup> Street. This street carries a fair portion of traffic leaving Costco. The rest of it uses Wabash. It is sometimes nearly impossible to turn from Wabash westbound onto Broadway southbound because of the through eastbound traffic coming out of Costco. Apparently the people doing the study never actually tried these routes at various times to see for themselves.

The study does not offer the alternative of doing the mitigations WITHOUT doing the Project or with one of the reduced options such as an Industrial Park or Limited Retail.

The study projects normal traffic growth of 1 ½% per year without the Project but does not project increased traffic with the Project (total growth). It adds Growth to Project to get a number but does not consider that traffic to the Project will also grow over time causing more traffic than projected.

On Jan. 2<sup>nd</sup> of 2009, I drove southbound on Broadway at 1:20 pm. In the northbound lanes traffic was backed up from the Wabash intersection stoplight south PAST the Henderson Street stoplight and stayed that way for at least three cycles. There were no impediments such as accidents or malfunctioning lights. There were simply a LOT of cars. The backup appeared to continue northbound through 14<sup>th</sup> Street, Washington Street, and 6<sup>th</sup> Street stoplights before spreading out onto 5<sup>th</sup> Street. The only conclusion that can be drawn from that experience was that all the signaled intersections on Broadway were operating at Loss E or worse. Increasing traffic by over 10,000 cars per day will not help, whatever is done with the stoplights. The numbers simply overwhelm the system. It all depends on when the observer actually looks. Apparently TJKM did not look at the right times!

#### Baseline 2010 + Project Conditions

Channeling traffic onto Waterfront Drive or into Old Town via 2<sup>nd</sup> or 3<sup>rd</sup> Streets does not reduce traffic on Broadway or 5<sup>th</sup> Street as most of the diverted traffic must eventually cross or enter one or the other at some point.

Traffic on Waterfront Drive (which has not been quantified in the study) will be seriously impacted at 'busy' times of the year. Extending 4<sup>th</sup> Street through the Project to Waterfront can only result in chaos during a busy salmon season, for example when boat ramp use is highest.

Channeling through traffic into Old Town will add to congestion in this tourist oriented area. The streets are not built to handle large traffic loads. Signage is not adequate to allow traffic to move through the area smoothly, even if volumes were acceptably low. The Old Town area is built around a walkable core where tourists and shoppers can safely walk. They often cross streets in the middle of the block and pay only minimal attention to cars. Adding large numbers of cars only passing through on their way to somewhere else increases congestion, decreases walkability, and leads to accidents.

As the reader might have guessed, I am adamantly opposed to the extension of 4<sup>th</sup> Street to Waterfront and the extensions of 2<sup>nd</sup> and 3<sup>rd</sup> Streets into the Project. They are not mitigations. They may represent a convenience for the Project, but are major burdens for other waterfront related users and the old Town shopping area.

#### Project Trip Generation

I must disagree with the study when it claims highest trip generation is on weekdays at rush hours. As cited earlier, AAA studies show that the highest number of cars on the road is on Saturdays at 1pm. How did the study reach its own conclusion that Saturday trip generation would be lower? There is no information that leads one to this conclusion. Particularly during the morning commute there would be little 'shopping traffic' because stores would not have opened yet. Evening 'shopping traffic' would be exaggerated by large numbers of office workers leaving for home and residents returning from work.

### Project Trip Distribution

The strange offset intersection proposed for Broadway at 6<sup>th</sup> would operate at a marginal LOS D, at best. During times of heavy tourist traffic or other events that bring additional traffic to town, it can be expected to operate at levels lower than LOS D, creating a traffic impediment in the center of town. This mitigation is not an acceptable level of service during much of the year and even much of the day.

The routing of northbound traffic seeking to enter the Project from 4<sup>th</sup> street is another source of congestion. Traffic crossing to 4<sup>th</sup> from 5<sup>th</sup> on Commercial could easily back up on that short block into 5<sup>th</sup> Street, particularly on busy Saturday afternoons. Since there is no left turn lane from Commercial onto 5<sup>th</sup> Street, conflict can also be expected with through traffic on Commercial Street.

Blocking left turns onto 7<sup>th</sup> Street from Broadway and diverting those cars to a left turn at Washington so they would then turn left onto Summer and right onto 7<sup>th</sup> ignores the fact that Summer Street is largely residential and not designed for additional heavy use. It is a heavily 'parked' street with relatively narrow clearance. This is not a good mitigation.

Travel times are not realistic. I have had personal experience of travel times from I Street to Bayshore Mall of over 25 minutes during the day. Others have reported similar experiences to me. It would only be possible to make the reported times during the lightest traffic and hitting all the stoplights green, an unlikely scenario. Again, it looks as if the person doing the study never actually experienced the traffic in question.

The study projects a 15% AM and a 20% PM traffic increase on Broadway with the project. Regardless of the effectiveness of mitigation, there is a public perception of large increases in traffic on Broadway. People being people, many will seek alternate routes to avoid Broadway. The most common northbound alternate route is up Pine Hill (Herrick Avenue) past the golf course onto F Street, then right onto Harris and left onto S Street (S becomes West) to join with Hiway 101. This puts large numbers of cars through residential streets in the middle of town. These particular streets are already heavily used, both by local traffic and by people bypassing Broadway. These streets are not designed for the amount of additional traffic that could occur. The intersection of Myrtle and West is heavily impacted at rush hours, sometimes taking several cycles to get through. There is no mitigation against the probability of a major increase in use. The intersection of Harris and S Street is already very busy with no dedicated turn arrow. Traffic here will increase when the Super Safeway at Harris and Harrison is complete. Even more would be added by cars using the alternate up Harris from Broadway. The intersection of Harris and S Street, along with the intersections of Buhne and S Street and Myrtle and West (S becomes West) would quickly degenerate to well below acceptable service levels.

Another alternate route is up Harris Avenue to S Street, then left onto S (with no turn arrow) and West to Hiway 101. Since this route joins with the other one at Buhne and S Streets, the effect at the West and Myrtle intersection is compounded. The residential city streets cannot handle large increases in traffic seeking to avoid Broadway. Neither of these routes is mentioned or analyzed.

If people know that traffic on Broadway will be increased by 15-20%, many will seek alternatives to the detriment of the city's residents and city streets.

No allowance is made for increased maintenance on Broadway from increased use, particularly by heavy trucks. No allowance is made for increased maintenance on other city streets from increased use. The City does not have the funds for additional paving, striping, and law enforcement.

The average speeds on Broadway are often achieved by going 30 mph for a distance, then stopping for a time, then resuming speed. Synchronizing the lights will help one group of cars but hinder the next, particularly when traffic is heavy enough that some cars don't 'make it' through the light on one cycle. The study makes it sound like all traffic will move in synch at 21.6 or 18.5 miles per hour. Any driver knows they will not!

The entry onto Broadway from the north end of the Bayshore Mall sometimes backs up into the mall past the next stop sign (west of the light). There also is often a line of traffic attempting to merge into the flow from the south. At peak times it can take at least two cycles for a car to actually get to Broadway.

### Project Access and Circulation

The site plans I have seen place the light industrial area between Old Town and the Project's retail area. It is 5 to 10 blocks to Old Town from the Project, farther than most shoppers are willing to walk, especially carrying packages or in the rain. The walk would be through the industrial area, less than scenic. It is possible that some vehicles could leave the project to drive to Old Town to shop. Since parking in Old Town is extremely scarce now, there will be no place for much additional traffic to park.

Storage space on Waterfront (length of turn lane) is 140 feet. This would remove existing scarce parking for the marina and the boat ramp. **As a current user of that area, I find this unacceptable.** No offer has been made to build a larger parking facility for boat trailers or semi trucks.

Increased traffic on Waterfront Drive and Railroad Avenue (Waterfront Drive south) will conflict with commercial traffic generated by existing industries and businesses already in the area. Schmidbauer Lumber, Schneider Dock, and Renner petroleum are examples of heavy users of Waterfront Drive/Railroad Ave.

Large trucks exiting the site during summer onto Waterfront Drive will cause a major congestion problem. Pickup trucks with boat trailers are often backed up down Waterfront well past Commercial Street. Trying to put a large semi through that mess will only make it much worse.

The proposed Bicycle trail along the railroad right-of-way depends upon what the width of that right-of-way is finally determined to be. The Project claims it is 50'. I have read reports from the NCRRA claiming it to be 150'. That will make a difference.

### Cumulative Plus Project 2025 Conditions

There is no mention of the contribution from the Super Safeway to be built near Harris and Harrison. Traffic from this location will travel down Henderson onto Broadway, out S Street to West to Hi-way 101, or down Harrison to Myrtle Avenue. There is sure to be an increase on Henderson to Broadway and to some extent from West onto 4<sup>th</sup> onto Broadway.

Another project not mentioned because it is still in the early stages is the Forrester/Gill project in Cutten. This project would add large amounts of residential and retail space. Traffic coming from there

will probably use the Elk River access to Broadway from the south or come through town on Walnut or Campton, ending up on Henderson to Broadway. Both will put considerable amounts of traffic through residential neighborhoods. Both will contribute to overall background traffic in Eureka. Added to a 35% increase on Broadway, by 2025 Eureka will be nearly impassable.

If even some of the other proposed projects are built along with the Marina Center, traffic will easily overwhelm any positive effects from the mitigations.

The only lasting improvement or even status quo for Broadway traffic that I can envision would be with a reduced size Project, either one favoring light industrial use or one eliminating the big-box in favor of smaller local retail operations. A 35% increase on Broadway is unacceptable.

The future mitigations offered by the consultant show a certain desperation. Routing all exiting traffic onto Waterfront Drive to Railroad to Hawthorne to Broadway puts huge traffic loads on small narrow streets and all but eliminates other users of the area. Widening and restriping exacerbates the driveway, left turn across traffic, and uncontrolled intersection problems. There is no acceptable 101 alternative on city streets. Parts of 6<sup>th</sup> and 7<sup>th</sup> were once proposed for this purpose but have since been rejected and have reverted to residential on the north end. Extending Waterfront Drive, even if it was big enough for the proposed traffic load, would meet fierce opposition as it would have to traverse a known wetland marsh area and have to use the railroad right-of-way. The California Coastal Commission has soundly rejected the extension of Waterfront Drive through the Palco Marsh, in any event.

Even the study points out that drivers would become more likely to use already heavily impacted alternatives to avoid Broadway.

The study correctly suggests that the best mitigation and alternative would be to control the growth of traffic on Broadway. This could only be done by limiting the size and scope of the Marina Center Project to one more in scale with the needs and capabilities of Eureka to absorb.

#### Diversion to Alternate Routes

There are NO good alternate routes. Traffic diverted onto Waterfront, besides playing hell with other users on Waterfront, will eventually re-enter Broadway at some other point, delaying the crowd but not preventing it. The same is true for diverting traffic into Old Town before it re-enters 4<sup>th</sup> and 5<sup>th</sup> Streets. This alternative would have terrible effects on the atmosphere and walkability of Eureka's premiere Victorian shopping district.

Unless something drastic changes, budget constraints will probably prevent widening Broadway to 3 lanes. I doubt if the developer is will to pay for that.

There is NO available alternate route through town. The city streets through town that could serve already do and are heavily used. Some traffic would begin to use residential streets to avoid crowded thoroughfares. This possibility is not analyzed by the study.

By insisting that the Project be a huge retail shopping center, the developer is setting up an unworkable situation for the future with no good alternatives for traffic. The best alternative would be to reduce the size of the Project and shift uses to be less vehicle intensive. Emphasizing light industrial use (more trucks but fewer vehicles) or changing the 'mix' to eliminate the big-box chain stores in favor of smaller local businesses would serve the purpose and still be viable.

The Project says it will pay a 'fair share' for most mitigations. It does not specify what that share is. It is assumed the City and CalTrans will have their 'fair share' of funds available to complete the mitigations. The City, at least, would be required to put up its share BEFORE realizing any increase (if there is one) in revenue from the Project. At this writing we are in a recession. The City budget is far short of the funds it needs for even maintaining current service levels. It would be interesting to know where this money is going to come from.

#### Q. Proposed Marina Center's Utility Impact Analysis

##### Impacts and Mitigations

###### Energy

The report states that the gas and electrical systems WILL need to be reinforced for the Project, although it does not specify to what extent. This information will determine the cost. NO mention is made of who will pay for the reinforcement. Increased expenses are often charged back to the rate-paying public. I do not want to be forced to pay for upgrades for the benefit of a private developer. The Final EIR should specify what is required and who will pay for it.

###### Solid Waste

City Garbage contracts for landfill space out of the area. That space is limited and has a predictable lifespan depending on quantities delivered. The report does not state how increased solid waste from the Project will shorten the lifespan of the landfill site. This could have long term impacts on Eureka's solid waste disposal ability.

###### Water and Wastewater

No information is given about increased sewage loads expected from the project and how they might affect the existing treatment facility. Several conversations I have had recently suggest that the existing plant does not have a large amount of excess capacity. Adding the Project could limit or preclude other planned development in the utility area.

No information is given about the infrastructure planned for stormwater runoff. No information is given about the amount or impact of stormwater expected in a normal winter or its impact on City collection and treatment facilities.

###### Communications

Does the Project anticipate locating a cell phone tower with associated microwave capacity on the Project site or anywhere nearby?

**The Project must identify sources of funding for mitigation it expects the city to fund.** The City is currently in dire financial straights, as are most government agencies. According to the Finance Committee, there is no money available for mitigations for traffic on Broadway, for increased street maintenance, or increased police or fire services. While the Project MAY provide additional revenues for the City, it will not be realized until long after the mitigations and increased public services must be paid for. There is no requirement that the City use any increases in revenue for Project purposes (police, fire, traffic mitigation, sewer and water connections and improvements, etc.).

**Before accepting this DEIR, sources of money to pay for any City share of costs must be identified.**

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#### **Attachments**

1. Photographs of vacant store and office spaces in Eureka as of 1/9/09
2. Excerpts from the Bay Area Economics (BAE), 1999, study titled: Economic Impacts Assessment for New Retail Development in Eureka
3. Cartoon "Cruise Ship Destinations" with permission from Joel Mielke

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Excerpts from

Economic Impact Assessment for New Retail Development

Eureka, California

A study by Bay Area Economics, B.A.E. prepared before the vote on Measure J concerning a WalMart store on the Balloon Tract in Eureka, CA

August, 1999

## INTRODUCTION

### Background

Recently, a proposal was submitted to the City of Eureka for development of a Wal-Mart on a site near downtown Eureka known as the Balloon Track. This proposal has proven to be very controversial in the City and Humboldt County, as proposals for new big-box retail<sup>1</sup>, especially Wal-Mart, often are. In addition to the general concerns about Wal-Mart's impact on the local economy, there is considerable community concern about the reuse of the Balloon Track itself for retail rather than preserving it for future industrial use or public use, especially since the site is located near the waterfront.

### Study Purpose

Bay Area Economics (BAE) has been retained by the City to address many of the issues raised by this proposal. The scope of the study has been broadened to consider impacts of big-box retail in a more general way rather than just this specific proposal, because the City is likely to receive more proposals for this type of retail project in the future. This study evaluates scenarios including an unspecified major value-oriented general merchandise outlet (such as Wal-Mart, Target, or Kmart) and an unspecified major home improvement center (such as Home Depot or HomeBase). This study does not evaluate impacts specifically related to the Balloon Track site, such as possible impacts on or linkages with Old Town and Downtown retail due to the store's proximity.

### Report Contents

This report contains the following sections, providing background information and addressing issues of concern: an Executive Summary; this Introduction; Demographic Analysis; Trade Area Retail Conditions and Trends; Profile of General Merchandise and Home Improvement Retail Segments; Eureka's Existing Fiscal Conditions; Impacts on Existing Retailers in Eureka; Employment and Wage Impacts; Net Fiscal Effects of Proposed Project; Big-Box Utilization of Local Suppliers and Charitable Contributions to Local Communities; and Market for Industrial Land and Buildings.

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<sup>1</sup> For the purposes of this study, "big-box" retail is defined as any single retail store of at least 50,000 square feet. For certain types of retailers, including general merchandise and home improvement centers, the size is typically greater than 100,000 square feet for new stores, thus falling into what is often termed the "megastore" category. Also, most stores thought of as big-box retail are also "value-oriented," with an emphasis on providing goods at low prices.

## DEMOGRAPHIC ANALYSIS

### Introduction

To evaluate the potential impacts of new retail development in Eureka, it is necessary to examine demographic factors for Eureka and Humboldt County. Developing an economic and demographic profile of these areas will make it possible to identify key factors influencing future retail sales in the area. This section provides an analysis of demographic trends for Eureka and Humboldt County. To provide a basis for comparison and discussion, data for the State of California have also been included.

### Definition of Trade Area

A trade area is defined as the geographic region that encompasses most of a retail site's customers. Because of its relative isolation from other population centers, and urban areas, Humboldt County is designated as the trade area for the region-serving retail that is the subject of this study. Most of the County's population lives in a cluster of cities and unincorporated places including and surrounding Eureka.

### Population and Household Trends

**Population Growth.** Eureka's population has grown very slowly since 1990, increasing from 27,025 in 1990 to 27,729 in 1999, or only 0.3 percent per year.

In the secondary trade area (Humboldt County), the rate of population growth has been slightly higher than Eureka's. The secondary trade area experienced an increase from 119,118 in 1990 to 128,0869 in 1999, reflecting a growth rate of 0.8 percent per year.

Compared to Eureka and Humboldt County, California's population growth rate is very high. Rising from 29,760,0222 in 1990 to 33,773,466 in 1999, the population of California grew at a rate of 1.4 percent per year between 1990 and 1999. (See Table 1.)

**Household Size.** In 1999 Eureka had a smaller average household size (2.33 persons) compared with Humboldt County (2.43 persons) and California (2.94 persons). Household size in Eureka dropped slightly between 1990 and 1999, from 2.35 persons to 2.33 persons. In Humboldt County, household size decreased 2.49 persons to 2.43 persons between 1990 and 1999. In contrast, household size in the State of California increased from 2.79 persons in 1990 to 2.94 persons in 1999.

**Household Income.** Household income is particularly relevant to the potential success of retail development. For Eureka, median household income was an estimated \$25,564 in 1998, compared to \$26,971 for Humboldt County, and \$42,452 for California (see Table 2). While only 16 percent of California households earn less than \$15,000 per year, 27 percent of Humboldt County and 29 percent of Eureka households fall into this category.

The change in median household income in Eureka, Humboldt County, and California is also relevant. From 1979 to 1998, growth in median household income for Eureka and Humboldt County has been significantly lower than that of California (see Table 3). Eureka's median household income growth during the 1980s was only 57.1 percent, compared with 59.5 percent in Humboldt County, and 96.3 percent in California; however, between 1989 and 1998, median household income growth rates for the three geographies were much closer, ranging from 14.5 in Humboldt County to 18.5 percent statewide.

**Age Distribution.** The population of Eureka and Humboldt County is relatively old compared with the State, as demonstrated by a comparison of median ages. The estimated 1998 median ages for Eureka residents and Humboldt County residents were 36.0 years and 35.6 years, respectively (see Table 4). In contrast, the median age was 34.1 years for California residents in 1998.

**Projected Population Growth.** Table 5 shows population projections for Humboldt County, and California made by the California State Department of Finance (DOF). DOF projects that the population of Humboldt County will grow by 12,763 persons between 2000 and 2020, an increase of 9.9 percent over the 20-year period. This reflects a continuation of recent trends and is considerably lower than the 31.2 percent population growth forecasted for California during the same period.

### **Employment Trends**

Recent tabulations of employment by place of work are available only at the countywide level. Table 6 presents this information for Humboldt County for 1988 and 1998. In both years analyzed, the top three categories of employment were services, government and retail trade. These three industries employed 67.1 percent of the County's non-agricultural workers in 1988, and 72.0 percent of non-agricultural workers in 1998. Services, retail trade, and government were also the three top employment categories in the State of California in 1998 when they employed 64.1 percent of the State's non-agricultural workers.

Between 1988 and 1998, the sectors showing an absolute decline in the number of workers in Humboldt County were manufacturing, transportation/public utilities, and wholesale trade. The greatest absolute growth in Humboldt County was in the services sector. While government was Humboldt County's largest sector in 1988, services became the largest in 1998. In California, only manufacturing showed an absolute decline between 1988 and 1998, while services showed the greatest growth. The ascendance of service employment in Humboldt County and California mirrors the nationwide shift to a service-oriented economy.

### **Summary of Demographic Analysis.**

The demographic profile for Eureka and Humboldt County suggests a trade area with households that are smaller in size, older in age, and less affluent than California.

## TRADE AREA RETAIL CONDITIONS AND TRENDS

This section provides information about the overall condition of retail competitive supply in Eureka, the primary trade area, as well as trends in retail sales expenditures in Eureka, in order to provide insight into the overall character of retail demand in the City. On the supply side of the equation, this analysis considers major shopping nodes in Eureka and surrounding areas that currently provide the types of goods that would be available at a new big-box general merchandise store or home improvement center. It also briefly describes other retail districts and centers in the Eureka area that might be affected by the opening of either of these two types of big-box retail.

The sales trend data discussion focuses on three primary issues: overall retail expenditure trends; sales trends for particular categories of goods which would be sold by a major general merchandise retailer or a home improvement center; and an analysis of retail sales leakage by major store category.

### **Existing Competitive Supply of Region-Serving Retail**

Region-serving retail is typically the source for "comparison" goods. Comparison goods (e.g., apparel, furniture, home electronics, and automobiles) are goods for which the typical shopper will do comparisons based on style, quality, and price; as a result, shoppers will travel greater distances to purchase such goods, and outlets specializing in comparison goods tend to cluster at a single destination, such as a regional shopping center or concentration of automobile dealers along a major arterial. Regional shopping centers usually have two or more major department stores as major tenants, with a variety of apparel, jewelry, home furnishings, and other stores in small shops, and have 300,000 square feet or more of retail space. Bayshore Mall in Eureka is the only center of this type in Humboldt County.

An additional trend in region-serving retail is big-box retail, which offers a variety of both convenience and comparison goods in very large retail outlets, often with 100,000 square feet or more in one store. By offering convenience goods at substantial discounts, they attract shoppers from a larger trade area than the typical convenience goods outlet; comparison goods can also be found in this retail setting at deep discounts. Wal-Mart is the best example of this type of store, offering a variety of goods across the convenience-comparison goods continuum, but there are also more specialized outlets such as grocery discount stores (e.g., Food 4 Less) and building materials centers (e.g., Home Depot).

Often, two or more of these types of stores will be located together (e.g., WinCo Foods and Staples at Eureka Mall in Eureka) along with smaller stores that can be either specialized discount retailers, fast food restaurants, or services such as dry cleaning or shoe repair. These large discount retailers often present significant competition to traditional small-town downtowns, neighborhood centers, and regional malls.

The existing supply of region-serving retail in Humboldt County is concentrated in Eureka,

primarily along Highway 101, the area's main arterial. There are two major centers (Bayshore Mall and Eureka Mall) totaling nearly 942,000 square feet, as well as three other stand-alone stores (Costco, Kmart, and Montgomery Ward) which also serve a regional trade area, as shown in Table 7. It is interesting to note that most of these retail nodes are located on or near 3.5 miles of Highway 101 between Eureka's city limit near the Elk River and the Balloon Track to the north on the Eureka waterfront (see Figure 1).

**Bayshore Mall.** One of the newest of the area's major regional shopping destinations, the 732,000 square foot Bayshore Mall was constructed in 1987. The mall itself is a one story enclosed structure and is designed in a linear pattern with Sears at one end and Mervyn's at the other. In between, approximately 95 shops and services line the central walkway, including two additional anchor tenants, Gottschalks and J.C. Penney. Other major retailers include Old Navy, Ross, and Longs Drugs. In addition, Bayshore Mall has a six-screen cinema, a food court, an indoor playland for children, and a community room that is available to local organizations. According to Bayshore Mall managers, currently, the mall is 15 percent vacant (109,800 square feet). However, Bayshore managers would not disclose current lease rates, information about former tenants and their reasons for leaving, and they did not comment on their expectations regarding future competitive pressure from the proposed Wal-Mart.

**Eureka Mall.** Located east of Highway 101, the 210,000 square foot Eureka Mall was constructed in 1962 and was Humboldt County's first enclosed mall. The relocation of Sears, its original anchor tenant, to Bayshore Mall in 1987 commenced a steady decline in occupancy at Eureka Mall that was reversed when the owners demolished the interior mall and repositioned the property to value-oriented tenants. While Eureka Mall lost national retailers to Bayshore Mall, Chapter 11 bankruptcy (e.g., House of Fabrics), or buy outs and consolidations, it has succeeded in replacing them with discount merchandisers (Staples, WinCo Foods, Blockbuster) and grocery, drugs, and general merchandise stores (Safeway, Rite Aid). Although the center still has 45,000 square feet vacant and is having difficulty in locating appropriate tenants, the current 21 percent vacancy rate is an overall improvement over the center's recent performance.

**Costco.** Costco, a membership warehouse, opened a 119,000 square foot store in Eureka in 1994. Costco employs 140 workers, 51 percent of whom are full-time. Because Costco acts as a wholesaler to small-to medium-size businesses, managers at the Eureka store stated that they did not view the proposed Wal-Mart as a particularly significant competitive threat, given that Costco and Wal-Mart target different customers and operate different types of formats.

**Kmart.** Kmart opened its 55,000 square foot store in Eureka in 1986. As a large general merchandise discounter, Kmart is the retailer that is most directly competitive with Wal-Mart and may potentially suffer the greatest negative impact from the proposed Wal-Mart store. However, Kmart managers did not comment on their view of future competitive pressure from a new Wal-Mart located in the Eureka area.

**Montgomery Ward.** Montgomery Ward occupies a free-standing department store located to the east of downtown on 101, across the highway from Mall 101. This 85,000 square foot store has an estimated payroll of 100 workers (approximately 30 percent of whom are full-time). Montgomery Ward has been operating in Eureka since 1927 and today is the only full-line department store in Humboldt County, selling apparel, jewelry, electronics, appliances, furniture, home and bath products, and draperies. In recent years, the Montgomery Ward chain has gone through bankruptcy and undergone significant store closures and downsizing. Store managers did not wish to comment on their view of the proposed Wal-Mart.

**Mill Creek Marketplace.** Located in unincorporated McKinleyville, this 200,000 square-foot center opened in 1994 and is anchored by a 95,000 square-foot Kmart and Ray's Food Place. Under construction in this center is a Rite-Aid drug store.

#### **Other Retail Concentrations in Eureka and Surrounding Communities**

**Mall 101.** Currently, this 82,000 square-foot center west of Downtown has only one tenant, Rite-Aid. The remainder of the space, formerly occupied by Mark & Save Warehouse Foods, is currently being remodeled for non-retail use. The property was recently purchased by Humboldt Bank; they plan to consolidate operations currently scattered across multiple locations downtown, and according to City sources, will take over Rite-Aid's space when their lease expires. This will have the combined impact of closing an older retail center, and lowering the daytime population within walking distance of downtown, with potential negative impacts resulting for Downtown retailers.

**Downtown.** Downtown Eureka has a mix of retail store types, with no single store or type of store dominating. Categories with several outlets include specialty stores, restaurants and bars, home furnishings, auto-related, and second-hand stores. There are also many service-related businesses, including banks, auto repair, and personal care outlets. Most of the stores here occupy specialized market niches not directly competitive with either Bayshore Mall or the large discount stores in the area. There are a number of vacancies in the area, including the former Daly's site.

**Henderson Center.** Located away from Highway 101 near the center of Eureka, this older retail district offers a mix of neighborhood-serving and city-serving stores. Store categories that are well-represented include specialty shops, a drug store, restaurants, and personal services. One of the largest stores in the area is Shafer's Ace Hardware. There is a 13,000 square foot space formerly occupied by an independent local food store but vacated within the last year. This store was bought out and closed by Safeway with the condition that the site not be reused for a grocery store.

**Old Town.** This area of historic buildings fills a unique retail niche in Eureka, with a variety of specialty and gift shops, restaurants, and other retailers catering to tourists and local residents seeking a different type of shopping experience. There are no major stores in either the food store or general merchandise category in this area. There is one hardware

store, Restoration Hardware, providing a mix of high-end housewares, home furnishings, hardware, and specialty items for the home.

**Home Improvement Centers and Hardware Stores in Eureka.** The largest home improvement/building materials retailer in Eureka is Pierson's Building Supply on Broadway. This center includes a lumber yard, a garden center, and a broad range of home improvement and hardware items. Other building materials dealers include Schmidbauer Lumber, Hensell Materials, Copeland Lumber Yards, R&S Supply, and several others. Some of these outlets are classified as contractors or wholesalers by the State Board of Equalization, so their sometimes substantial taxable retail sales are not reported in the retail building materials/farm implements store category.

Following the closure this year of Humboldt Hardware, the only remaining conventional hardware store in Eureka is Shafer Hardware in Henderson Center. Restoration Hardware in Old Town provides a specialized range of products rather than those found in a typical hardware store (see above in discussion of Old Town), and there are several other specialized dealers, such as Sequoia Saw & Supply.

**Other Retail Nodes in Surrounding Communities.** There are also several other significant retail districts and centers in the nearby communities of Fortuna, Arcata, and McKinleyville.

*Fortuna.* Fortuna has a small downtown containing a mix of specialty shops and local-serving stores, including a hardware store and drug store. South of downtown is Redwood Village, a 130,000 square foot community-serving shopping center anchored by Safeway and Rite-Aid.

*Arcata.* Arcata contains no retail outlets on the scale of Bayshore Mall or a major discount retailer such as Wal-Mart. The downtown district, which is smaller than Eureka's downtown, contains a number of specialized stores focused on a central plaza which cater to the local college community; there appear to be few if any vacancies.

*McKinleyville.* In addition to the Mill Creek Marketplace, the other major retail center here is the McKinleyville Shopping Center, an older center anchored by Safeway and Rite-Aid. The Rite-Aid will be moving south to their new store currently under construction in the Mill Creek Marketplace. Also along Central Avenue is the McKinleyville Ace Hardware, next to a vacant 21,000 square foot space.

### **Planned and Proposed Retail Development**

Interviews with staff at the City of Eureka indicate that current plans for new retail development in the City include a discount office supply chain that will open a 23,000 square foot store at a location on Myrtle Avenue near the Longs Drug store in 2000. There have also been tentative discussions between the City and a national drug chain, and an art supply retailer about opening new stores in Eureka. In addition, development of hotels and motels along the Eureka waterfront is expected to include a small portion of retail, although

specific plans have not been proposed.

According to planning staff with Humboldt County, there are currently no formal plans or proposals for retail development in the unincorporated County, although a drug store chain may possibly build a store near the Redwood Acres Fairgrounds outside the City of Eureka.

## Retail Leakage Analysis

Leakage analysis is a technique commonly used to determine whether there is unmet demand for retail goods in an area. Its purpose is to analyze inflows and outflows of retail sales in a defined trade area. To conduct a leakage analysis, actual per capita retail sales within the defined trade area are compared with expected per capita sales, based on regional and national expenditure patterns for households with similar characteristics.

A trade area is presumed to be relatively self-contained as far as retail sales are concerned, and thus ideally captures a high proportion of the potential sales in that area, perhaps varying somewhat by type of good. If the trade area shows that per capita expenditures are below a certain percent of expected per capita expenditures, then it is likely that some proportion of sales are "leaking" to areas outside the trade area. Conversely, if the trade area shows actual retail sales in excess of expected sales, then it is likely that the trade area is capturing sales from other areas due to "injections" of retail sales. For example, if a trade area has a major regional shopping center within its boundaries, it may show injections of sales, with high per capita sales relative to the larger region. If a community has insufficient shopping opportunities for its residents, it will show low per capita expenditures, and leakage of potential sales to other areas. This analysis can be refined by breaking down retail sales by category of store, and also by adjusting the analysis to take into account the relative disposable income or other purchasing characteristics of the trade area. BAE has undertaken extensive analysis of taxable retail sales data in California and developed a proprietary retail sales leakage model using multiple demographic factors. It should be noted that leakage analysis is just another tool for analyzing retail sales potential, not an absolute statement on the amount of sales that can be captured in a given area. Unique local factors and spending patterns must be taken into account before drawing any conclusions.

For this study, the leakage analysis was conducted for the Humboldt County, the defined trade area for this study. Since Eureka itself clearly has sales above what would be supported by its own population base in every category (see discussion above), no detailed leakage analysis was done for the City alone. Taxable retail sales data for the most recent four quarters available was used as the base data for this analysis, with some adjustments to take into account non-taxable sales.

**Total Retail Leakage.** Actual total retail sales in Humboldt County appear to be relatively in balance with predicted expenditures, as shown in Table 13. Estimated total retail sales are approximately \$988 million annually, compared with potential sales of \$1.045 billion for an overall leakage of six percent of retail sales. Given Eureka and Humboldt County's relative isolation and distance from other major shopping destinations, this relative balance is not surprising. Shopping outside of the County requires either a major trip, or must be done through mail order, phone order, or via the Internet.

**Retail Leakage by Store Category.** The analysis estimates that Humboldt County shows leakage of sales in apparel, home furnishings/appliances, building materials/farm implements, auto dealers and auto supplies, and other retail. There are injections for

general merchandise stores, eating and drinking places, and service stations. Food sales are near to predicted levels (only one percent leakage).

Some of the leakages and injections can be effectively explained by Humboldt County shoppers substituting one type of store for another. For instance, the leakage in the apparel store category may in large part reflect higher proportions of apparel purchases in general merchandise outlets, as well as a lack of high-end apparel outlets within the County. The leakage in the home furnishings/appliance store category may be related to similar factors.

While building materials/farm implements stores also show leakage, analysis of confidential individual store data for the City indicates substantial taxable sales at wholesale building materials dealers that may account for these "missing" sales. Contractors and others often make taxable purchases at these kind of outlets rather than retail stores; in fact, large retail home improvement centers such as Home Depot also cater to contractors, sometimes impacting dealers that are considered wholesalers of building materials. Furthermore, farm implement sales vary widely from county to county in California, further affecting the reliability of leakage estimates. All these factors make leakage analysis for the building materials category problematic.

The other retail category consists of a variety of specialized store types, ranging from jewelry stores serving individual consumers to office supply stores serving businesses rather than individuals. As a result, leakages in this category are difficult to associate with any particular type of store, and the local economic base can make a big difference in the mix of stores. For example, in 1997, the subcategory of office, store, and school supplies accounted for 26 percent of other retail store sales statewide, but only 15 percent in Humboldt County. This may be more a reflection of the small office-based sector in the County rather than any leakage of sales.

The two store categories other than general merchandise that show higher than predicted sales are eating and drinking place and service stations. High sales in these categories are probably due to the impacts of tourism. In fact, the injections for general merchandise stores may also be due in part to tourist spending in the County.

## Summary of Retail Conditions in Eureka and Humboldt County

The retail environment in Eureka and Humboldt County is extremely competitive, with a number of major region-serving centers and free-standing stores as well as older retail districts. The 1990s have brought new challenges, including a cycle of decline and recovery in the state economy, major new retailers entering the market, high vacancies, and repositioning of existing centers, and consumers who have become more cost conscious and accustomed to value retail shopping. While the major stores and chains compete to capture expenditures, older retail districts have out of necessity repositioned themselves in niches less competitive with the big stores. Past trends of limited regional growth in population and income (and thus spending potential) will continue into the foreseeable future.

The leakage analysis indicates that actual total retail sales in Humboldt County are only slightly below potential expenditures. General merchandise stores show net injections of sales, but this is counterbalanced by the leakage in the apparel and food categories, perhaps indicating that County residents are buying apparel and food items at general merchandise stores instead, a long-term trend throughout the state. Although County retail sales in the building materials/farm implements categories appear to be below expectations, some of the expected sales in this store category may be going to building materials dealers categorized as wholesale outlets rather than retail stores. The higher than expected sales at restaurants and service stations are probably linked to tourism, which may also account for some of the injections in the general merchandise store category. The apparent leakage in the other retail store category may actually be due to the relatively narrow economic base of the County, leading to limited sales in certain subcategories such as office supply stores. Furthermore, the small population and economic base of the County may limit local buying opportunities for specialized goods (e.g., high end apparel) and lead to some leakage for the store categories carrying specialized items.

## IMPACTS ON EXISTING RETAILERS IN EUREKA

This section provides an analysis of possible impacts of new "big-box" retail development in Eureka. To focus the analysis, impacts are assessed based on two particular types of big-box stores: a discount general merchandiser (such as the proposed Wal-Mart) and a home improvement center, such as Home Depot or HomeBase. It should be noted once again that to the best of BAE's knowledge there is currently no proposal for such a home improvement center in Eureka, but given trends in the value retail industry, such a store could be proposed for Humboldt County in the future. Three possible scenarios are discussed for each of the two store types, for a total of six scenarios:

1. No new big-box store of this type in Humboldt County (Baseline scenario)
2. New big-box store of this type in Eureka
3. New big-box store of this type in Humboldt County, but outside Eureka

To assess the viability of existing businesses, both today and in the face of future competition from a new discount general merchandise outlet or home improvement center, Bay Area Economics performed several areas of analysis. As a first step, store-by-store taxable sales data for major competitive outlets in Eureka were analyzed for the period 1993 through 1998. This time period covers the period before and after the opening of the last major retail stores in the Eureka area, Costco and the Kmart in McKinleyville. This data source involves confidential sales data, so the results of the analysis can only be described in a general way. However, the results of this analysis greatly inform the findings of this study.

In addition to the individual store data, overall taxable sales trends for existing retail centers and districts in the City for the 1993 through 1998 period have been made available to Bay Area Economics and can be discussed in a general way without revealing confidential data regarding the sales of individual stores. These areas were previously described above.

**Analysis of Store-by-Store Data.** In 1993 and 1994, taxable retail sales in Eureka and Humboldt County reached their lowest level of the 1990s on an inflation-adjusted basis. Since 1994, total taxable retail sales have rebounded, albeit not to 1990 levels. Individual stores and chains, however, have not all followed these trends. Many major retail outlets have continued to see a decline in sales during this period, while others outperformed the market average.

*Major General Merchandise Outlets.* Between 1993 and 1998, the taxable sales in this category have increased substantially, in large part because of the opening of Costco in late 1994. Aside from Costco, which has been very successful in generating taxable sales, several outlets have shown major declines in sales and are currently performing poorly in comparison to industry standards for sales on a per-square-foot basis. In addition, the last department store in downtown Eureka, Daly's, and the J.J. Newberry store in Eureka Mall closed during this period. On the other hand, not every other store that was open in 1993

has seen a decline in sales, and with a few notable exceptions most stores are still performing at least moderately well on a sales per square foot basis.

*Drug Stores.* The 1993 through 1998 period has seen a major decline in taxable drug store sales in Eureka.<sup>47</sup> This may reflect a shift in consumer shopping patterns towards purchase of household items and other goods at larger general merchandise stores. While prescription sales are not taxable and are therefore not shown in the taxable sales data, it is worth noting that Costco has a pharmacy, and a shift of prescription purchases to this store could have contributed to a decline in incidental purchases at drug stores since consumers were not as likely to be in those stores.

*Food Stores.* Taxable sales at major food stores have also declined since 1993, perhaps as a result of a shift in sales to Costco and other general merchandise stores and new grocery stores in the area but outside Eureka (e.g., Ray's Food Place in McKinleyville). This mirrors the declining trend for the 1993 to 1998 period for all retail food stores in Eureka (see Table 10 above), although it is worth noting that 1998 sales are above 1990 levels. Since 1993, two major outlets have closed in the City; the Mark & Save Warehouse Foods at Mall 101, and the Food Mart in Henderson Center. One additional major store has opened, Ray's Food Place on Broadway.

*Building Materials and Related Outlets.* The outlets analyzed in this category include major retail building materials dealers as well as hardware stores, and selected large wholesale building supply businesses that showed taxable sales. Combined sales for these outlets declined from 1993 to 1998, reflecting the trend for the retail building materials/farm implements category, but store by store results were very mixed, with some outlets registering major gains while others showed declining sales. It should be noted that one local hardware store, Humboldt Hardware on Broadway, went out of business in 1999, and one other outlet, Pay n Pak, closed just prior to the study period.

*Summary of Store-by-Store Sales.* The 1993 through 1998 period has seen the opening of three major regional stores relevant to this study: Costco, the Kmart in McKinleyville, and a major supermarket, Ray's Food Place on Broadway (an additional Ray's Food Place opened in McKinleyville). Following these store openings, there has been a shift in sales between stores, with some but not all of the other major general merchandise outlets registering large declines in taxable sales during the period. Published citywide data show that the drug store category and food store category showed a decline in taxable sales during the period, and these declines impacted some of the major outlets in these categories. Daly's, the only downtown department store, closed during the period, as did two major

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<sup>47</sup> Prior to 1997, the State Board of Equalization considered drug stores to be a separate category for its published city data; starting in 1997, they were put in the general merchandise category. This reflected conditions in the real world, where SBOE could no longer publish separate figures for drug store sales for many cities anyway because industry consolidation had led less than four outlets, at which point confidentiality rules prevent presenting the data. Furthermore, the remaining "drug" stores were likely to be chain stores that function in large part as general merchandise outlets.

food outlets in Eureka. In the building materials category, individual business performance varied widely from the overall decline for building materials/farm implement outlets shown in the published data, with several individual stores showing large percentage gains. One hardware store included in the analysis, Humboldt Hardware on Broadway, has since closed.

These store-by-store data show that overall performance in any category can mask poor performance by certain stores in the face of new competition. Several of these major stores may be at risk of closure if they continue to perform well below industry standards.

**Trends by Retail Center/Area.** Taxable sales data are also available for several major retail nodes in the City: Bayshore Mall, Highway 101/Broadway (including Bayshore Mall), Eureka Mall, Downtown, Old Town, and Henderson Center. Combined, these areas account for nearly three-quarters of all taxable sales in the City.

*Bayshore Mall.* On an inflation-adjusted basis, taxable sales at Bayshore Mall declined slightly between 1993 and 1998, and in 1998 made up just above 15 percent of City taxable sales. Like many malls, this center has faced increasing competition from existing and new discount retailers as shoppers become more cost-conscious. The impact of major new outlets entering the market may be seen in the sharp decline in sales from 1994 to 1995, following the opening of Costco and Kmart in McKinleyville. Since then sales have rebounded somewhat, but have not quite reached 1993 levels.

To provide additional insight, Bay Area Economics compared the list of outlets in the Mall reporting taxable sales in 1998 to the list in 1993 to see how much turnover occurred during the period. Interestingly, of the 93 outlets present in 1993, almost one-third were gone by 1998, with 64 were still listed; the number of total outlets increased to 121 in 1998. These data are illustrative of the high failure rate in retailing, even in one of the prime locations in the area.

*Highway 101/Broadway.* Despite the slight decline in taxable sales at Bayshore Mall, this area as whole exhibited a substantial increase in sales between 1993 and 1998. This may be due to the opening of new stores around the mall, such as Ray's Food Place, as well as a recovery in sales for the automotive sector and other categories that have major stores in this retail corridor. When the mall is excluded, taxable sales in this area, which constitute about one-quarter of all City taxable sales, increased by over 20 percent.

*Eureka Mall.* This older mall has undergone a major repositioning in recent years, from a traditional enclosed mall to an orientation toward value-oriented retail. Taxable sales declined slightly between 1993 and 1998, as the two major food outlets and drugstore faced competition from the newly opened Costco and Ray's Food Place. Overall sales have actually rebounded somewhat from a low in 1995, following the opening of Staples. In 1998, Eureka Mall contributed less than five percent of the City's taxable sales.

*Downtown.* Total taxable sales in the downtown area have been relatively flat over the study period, despite the closure of Daly's department store, and in 1998 made up slightly

under five percent of the City's taxable sales. As was done for Bayshore Mall, Bay Area Economics compared the list of outlets reporting taxable sales in 1998 to the list in 1993 to see how much turnover occurred during the period. Of the 180 outlets present in 1993, only 85 were still listed in 1998, a far lower "survival rate" than at Bayshore Mall; the number of total outlets also decreased from 180 to 165. These data indicate a high failure rate for small businesses, even in an area where overall sales have remained relatively unchanged.

*Old Town.* As in Downtown, total taxable sales in Old Town have been fairly constant during the 1993 to 1998 period. This area is responsible for between three and four percent of the City's total taxable sales.

*Henderson Center.* The Henderson Center area actually showed an increase in taxable sales between 1993 and 1998. The area contributes between four and five percent of Eureka's total taxable sales. This area shows more stability than Downtown: the total number of outlets listed dropped slightly from 82 to 79, but 48 of these were listed in both 1993 and 1998. Nevertheless, the high business turnover rate seen Downtown is also present in this area, with approximately 40 percent of the outlets listed in 1993 no longer being present in 1998, and a similar proportion of new outlets in 1998 that were not present in 1993. It should be noted that one major "anchor" retailer, Food Mart, closed in the last year, and taxable sales from this store never appeared in the City's grouped data for Henderson Center. The loss of this store may adversely affect the rest of the area, but data are not yet available to confirm such a trend.

*Summary of Sales by Area.* Most of the retail centers and districts as described above showed either slight declines or gains in inflation-adjusted taxable sales between 1993 and 1998, as did the City as a whole. Only one area, the Highway 101/Broadway corridor (excluding Bayshore Mall), showed a major change in taxable sales, with an increase of more than 20 percent. The older areas with concentrations of small businesses – Downtown, Old Town, and Henderson Center – held their own, showing little change in the face of the major new store openings in the region. This is probably due in large part to the fact that these areas had been facing competition from large retailers (especially at Bayshore Mall and along the Highway 101/Broadway corridor) for many years prior to 1993, and as a result the stores most directly competitive with larger retailers have already closed or otherwise adjusted to the presence of major national retailers in the area.

### **Interviews with Eureka Stakeholders**

In an effort to learn about the viability of Eureka's locally-owned retail stores from the point of view of people familiar with the area's business environment, BAE conducted phone interviews with representatives of several non-profit local organizations, including: the Eureka Convention and Visitors Bureau; the Eureka Chamber of Commerce; the Eureka Main Street Program; the Henderson Center Merchant's Association; and, the Humboldt Association of Realtors. The interviewees were asked about their perceptions regarding the viability of small, locally-owned stores in Eureka, their expectations of Wal-Mart's impact on the local retail market, and their expectations of the impact of a discount

## APPENDIX: RETAIL LEAKAGE ANALYSIS METHODOLOGY

Retail leakage analysis compares actual retail sales in an area with some benchmark that provides a measure of the potential sales generated by that area's residents. If sales levels are below the predicted level, the area may be able to support increased sales. This increase in sales could take the form of increased sales in existing outlets or in new outlets.

A lower-than-predicted sales volume implies that consumers are traveling outside the area to shop; thus, the sales are "leaking" out of the study area. Conversely, if the area shows more sales than would be expected from the area's characteristics, there are sales "injections" into the study area. Often, an injection of sales indicates that the study area is serving as the regional shopping destination for a broader area. Conversely, if an area shows substantial leakage, it may be due to the presence of a region-serving retail node outside the study area capturing those "leaked" sales. In such a case, the study area itself may not have sufficient population to support the region-serving retail, so those sales cannot expect to be captured within the study area.

There are a number of factors that can be used to predict sales levels, with the two most important factors being number of persons in the area and the disposable income available to that population. Additional factors influencing retail spending in an area include household type, age of population, number of workers in the area (i.e., daytime population), tenure patterns (owner vs. renter), and cultural factors.

Bay Area Economics has developed a leakage model for California based on many of these factors. Basically, the model takes per capita sales by retail category statewide and adjusts for local conditions using a multiple regression model based on variations between counties in their sales, population, income, and employment characteristics. Unlike some retail leakage models, which use one adjustment for all categories, the Bay Area Economics takes into account the influence of each factor separately on each retail store category. For instance, per capita food store sales show little relationship to household income, while apparel sales show a much stronger influence. In some cases, such as service stations, only the number of persons in an area seems to affect sales levels.

The Bay Area Economics model also does not use consumer spending data such as the Consumer Expenditure Survey, unlike many other models of this type. Because these surveys show consumer purchases by category of good rather than category of store, any model based on them must reallocate expenditures by goods into expenditures by store, introducing a source of potential error. For example, apparel can be bought at an apparel outlet, or at a general merchandise store. In addition, the Consumer Expenditure Survey data is not available below the metropolitan area level, and does not indicate where consumers actually spend their retail dollars. The Bay Area Economics retail leakage model predicts sales based solely on actual taxable retail sales data by store category published by the State Board of Equalization, and on population and worker characteristics. The actual regression model is based on 1990 data; because of the population census that year, reliable estimates for key data used to construct the model are

readily available for all levels of geography. In predicting current sales for a given study area, the most current comparative data available are used.

Because this model is based on "real-world" data for California, Bay Area Economics believes it is better suited for leakage analysis than other models. Nevertheless, it has limitations, most of which are shared by other models in use. First, the model is limited by the available data sources. Store categories are those used by the State Board of Equalization, and sales for a particular "niche" store type (e.g., discount grocery warehouse) cannot be predicted based on this model. Many factors that affect retail sales levels are left out, because data on which to test a relationship to sales are not available. Finally, on some level every area is unique, and there are factors affecting sales that cannot be predicted from a general model. As a result, a retail leakage model should only be viewed as a "first step" in estimating the sales potential for an area. Other factors, such as the level of competition from surrounding retail nodes, trends in retail marketing, retail rent levels and vacancies, and physical factors (e.g., accessibility and highway visibility of available retail sites) must always be taken into account in determining the potential for capturing new retail sales in an area. Also, when the analysis shows that a higher level of sales could be captured, further analysis must be undertaken to determine whether this is due to underperformance in existing outlets or lack of sufficient outlets to meet the demand.

## **Vacant retail spaces in Eureka, California.**

Photos were taken during two 2hour drives around Eureka on January 2<sup>nd</sup> and 7<sup>th</sup>, 2009.

The photos represent vacancies that were immediately apparent and do not represent a comprehensive or exhaustive survey.

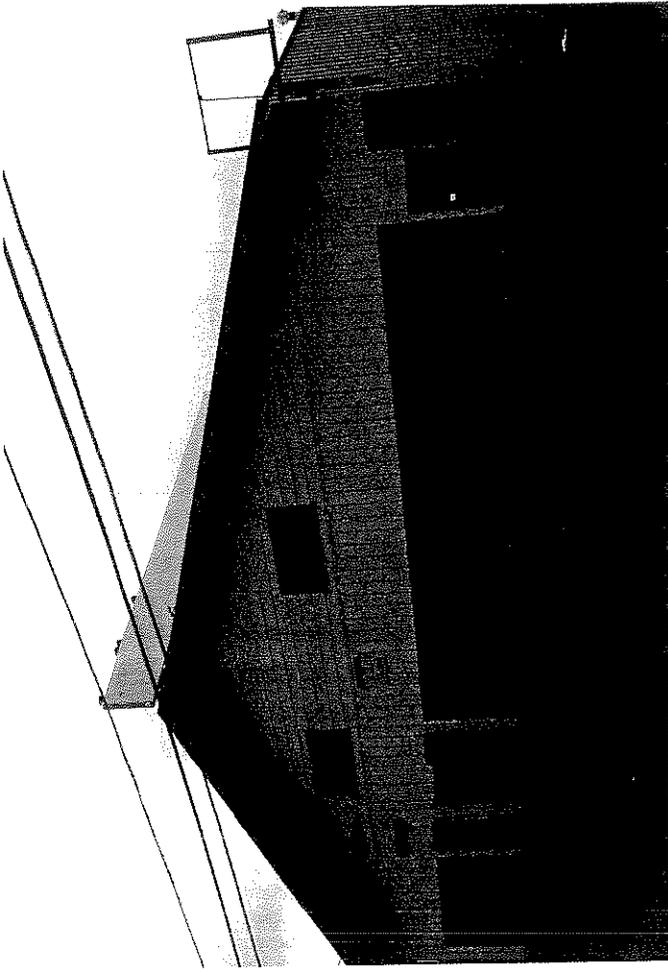
Vacant Storefronts and office buildings in Eureka as of January 7<sup>th</sup>, 2009

01, 02, 03	(next to) 3360 Jacobs Avenue	former industrial supply
04	4 <sup>th</sup> St. North	former Spadoni's Mkt.
05	4 <sup>th</sup> St. North	former Udder Place coffee
06	427 V St.	former Mexican restaurant
07	2006 4 <sup>th</sup> St.	storefront
08, 09	1930 4 <sup>th</sup> St.	former cardroom
10	3 <sup>rd</sup> St.	former Goldrush Coffee
11	2212 2 <sup>nd</sup> St.	service/auto
12	321 X St.	auto sales
13	5 <sup>th</sup> & hwy 255	former Pizza Hut
14	435 5 <sup>th</sup> St.	former Arctic Circle
15	1515 5 <sup>th</sup> St.	The Rental Market
16	923 3 <sup>rd</sup> St.	office for lease
17, 18	835 3 <sup>rd</sup> St.	professional office
19	310 2 <sup>nd</sup> St.	dental office – ½ empty
20	124 2 <sup>nd</sup> St.	vacant building
21	2 <sup>nd</sup> & D Sts.	'Consider the Alternatives'
22	2 <sup>nd</sup> and D Sts.	former 'Jimmy Dunne's'
23	333 1 <sup>st</sup> St.	former Comp Bldg.
24	322 1 <sup>st</sup> St.	office building
25	1 <sup>st</sup> St	Eureka Ice & Cold Storage
26	91 1 <sup>st</sup> St.	former GoFish Café
27	2 <sup>nd</sup> St	Imperiale Place
28	foot of F St.	Bayfront 1 restaurant

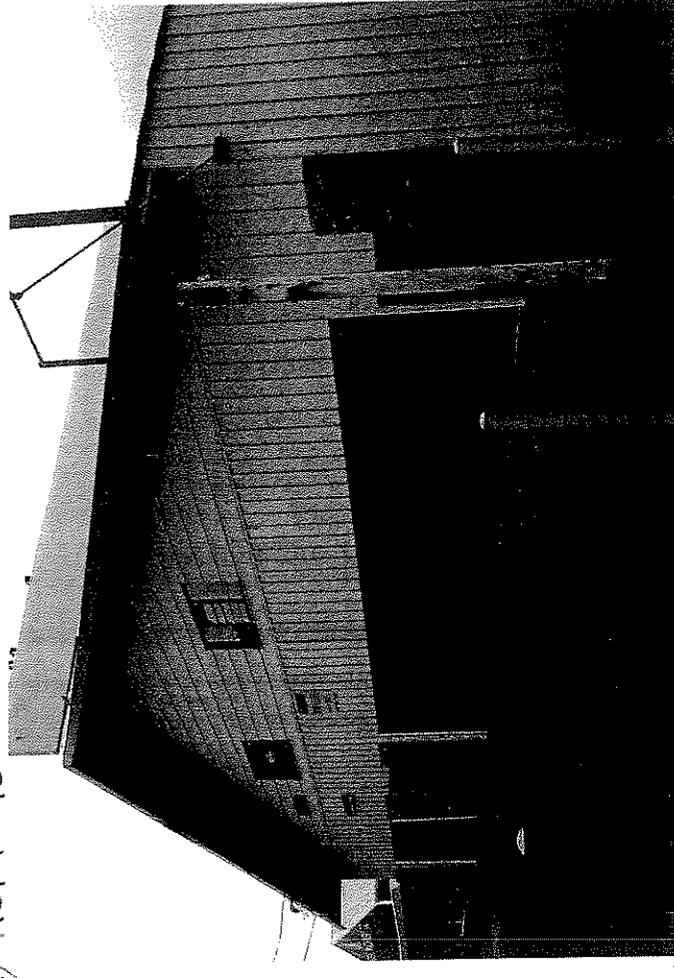
29, 30, 31	between D & E on 2 <sup>nd</sup> St.	former Restoration Hardware
32	311 E St.	storefront
33	235 4 <sup>th</sup> St.	empty office
34, 35, 36	215 4 <sup>th</sup>	former Eureka Reporter
37	4 <sup>th</sup> & B St.	former Joe's Smoke Shop
38,39	400 Broadway	former East Bay Machine
40	300 Broadway	former All about the Dogs
41	122 W. 4 <sup>th</sup> St.	empty shop
<b>42</b>	<b>REDWOOD ELECTRONICS</b>	<b>occupied</b>
43	w. 6 <sup>th</sup> St.	former OH's Townhouse
44	105 W. 5 <sup>th</sup> St.	empty store
45	117 W. 5 <sup>th</sup> St.	empty store
46	F & 5 <sup>th</sup> Sts.	former Moon's toystore
47	520 5 <sup>th</sup> St.	empty store
48	524 5 <sup>th</sup> St.	empty store
49	532 5 <sup>th</sup> St.	empty store
50	423 F St.	empty store
51	4 <sup>th</sup> & F St.	former Bank of America
52	my jacket!	NOT ON DISK
53	511 H St.	empty store
54	F St. next to Eureka Theater	empty store
55, 56	6 <sup>th</sup> & b St.	empty car lot
57	7 <sup>th</sup> & A St.	former Rental Helpers
58, 59	120 7 <sup>th</sup> St.	former auto sales
60	133 7 <sup>th</sup> St.	former auto parts store

61	301 7 <sup>th</sup> St.	former VW auto sales
62, 63	7 <sup>th</sup> & F St.	Eureka Inn
065	Broadway & Grant	former muffler shop
066	1630 Broadway	empty store
067	1626 Broadway	empty store
068,69	Wabash & Broadway	former Channel 6 TV
070	2029 Broadway	former Napa auto parts
071	2616 Broadway	former truck stop
072	2710 Broadway	former café
073	Boardwalk Mall, Broadway	former Wise Flooring
074	Boardwalk Mall, Broadway	empty office
075	#10 Victoria Place, Broadway	empty Beauty Supply store
076	#12 Victoria Place, Broadway	empty Women's Gym
077 - 106	3000 Broadway, Bayshore Mall	31 empty stores + 2 signs
107	3990 Broadway	former Nader auto
<del>107</del> 108	Elk River Tallow Works	vacant
0109	S. Broadway, east side	vacant lot
110	Eureka Mall, Henderson side	empty store
111	Eureka Mall, Henderson side	former 6 Rivers Bank
112	311 Harris	former pain clinic
113	Henderson between F & G	former Sun, Rain, Time
114	437 Henderson	former Thrift Store
<u>No Photo</u>	2816 F St.	former Roberts gift store
115	2858 E St.	empty realty office
116	next to 2912 E St.	empty store

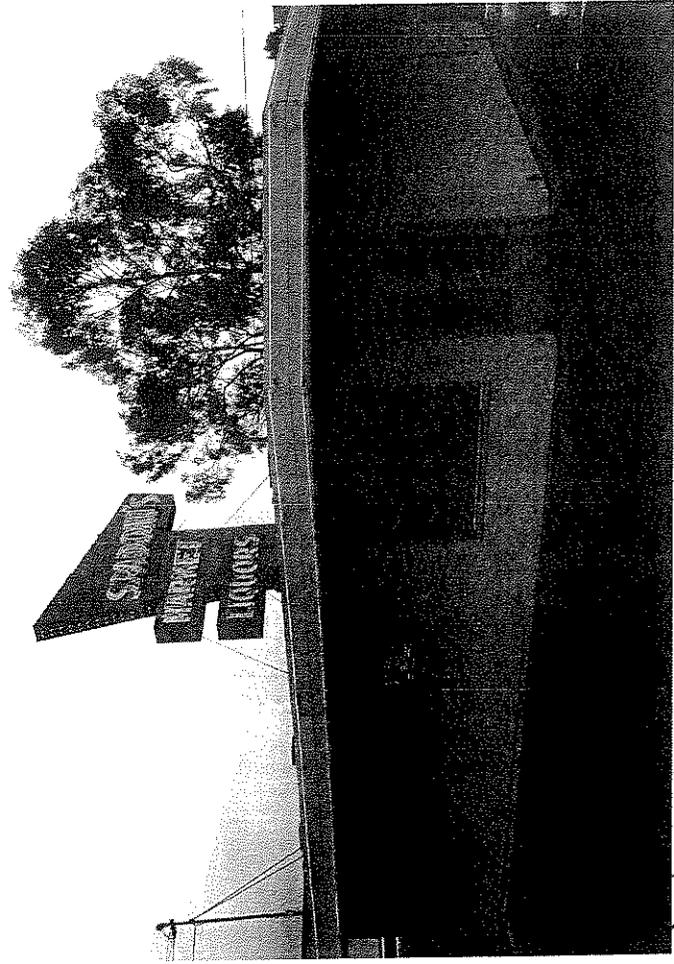
117	2607 Harris	empty office suites
118	2761 Hubbard lane	former trailer rental lot
119	Myrtle Avenue	former Redwood Pharmacy
120	Myrtle & Park St.	former gas station
<b><u>No Photo</u></b>	2297 Harrison St.	Former Duck's Market
121	23 <sup>rd</sup> & Harrison Ave.	former Planned Parenthood
122	2456 Buhne	empty Med. Office building
123	Walnut & Hemlock	New bldg for lease
124	101 Wabash	empty gas station
125	Wabash & Union	empty shop bldg
126	Wabash & Union	empty church
127	3 <sup>rd</sup> and I	McMahans Furniture
128	8 <sup>th</sup> and G	Downtowner



(2) next to 3360 Jacobs Ave



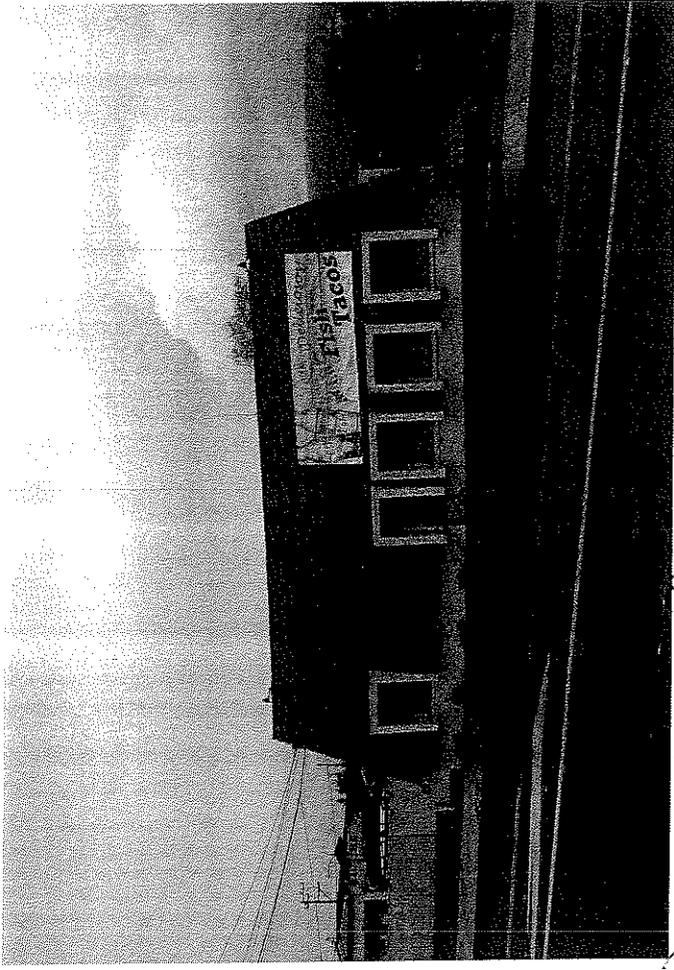
(2) next to 3360 Jacobs Ave.



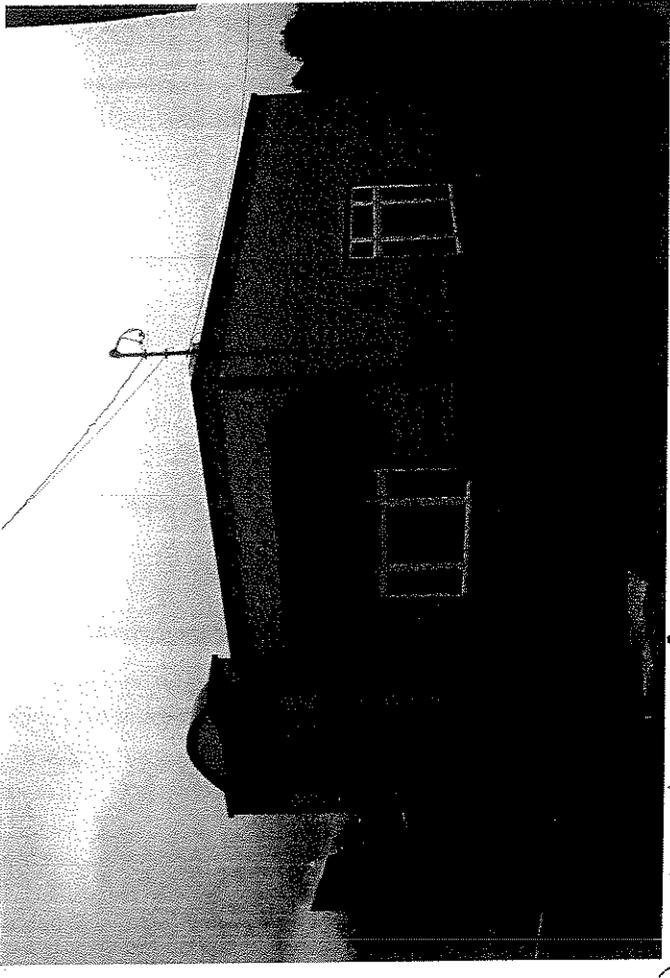
(4) 4th St. N. former Spadoni's Market



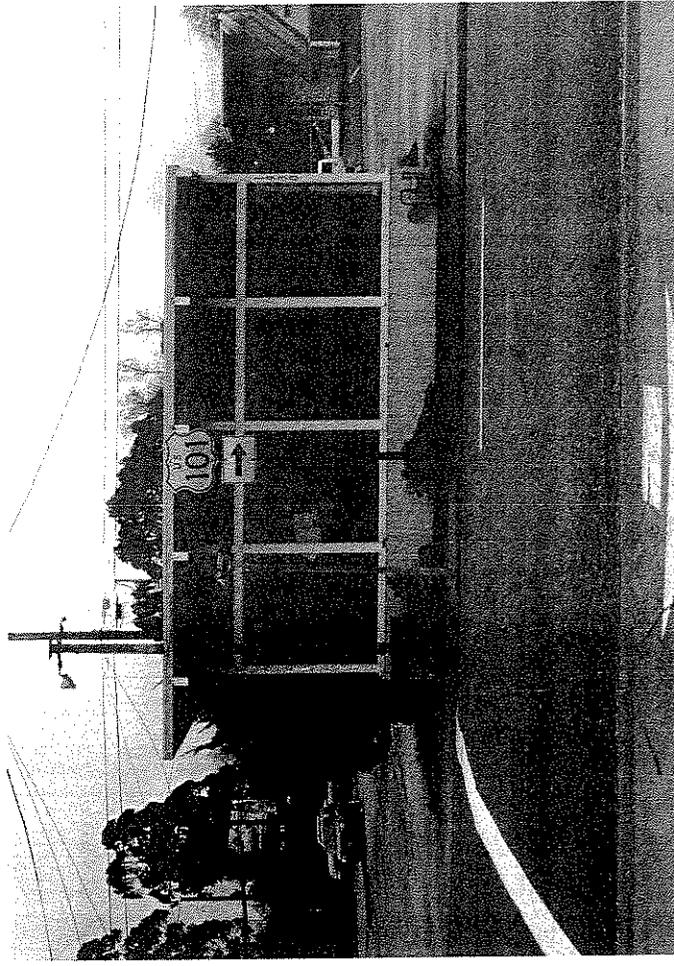
(3) next to 3360 Jacobs Ave.



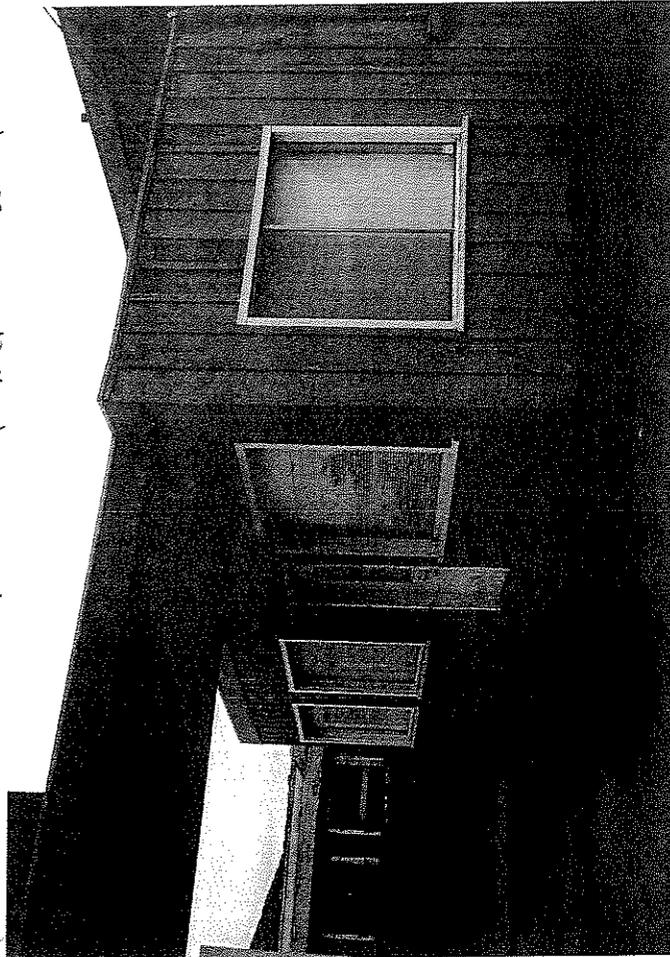
(6) 427 V St former Mexican Restaurant



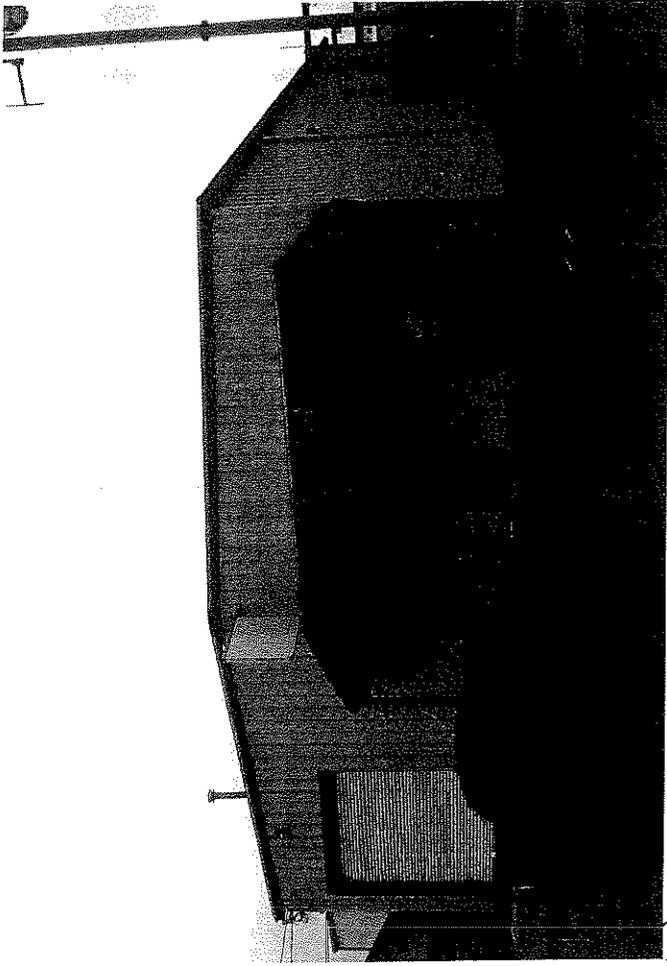
(5) 4th St. N. former Under Place Coffee



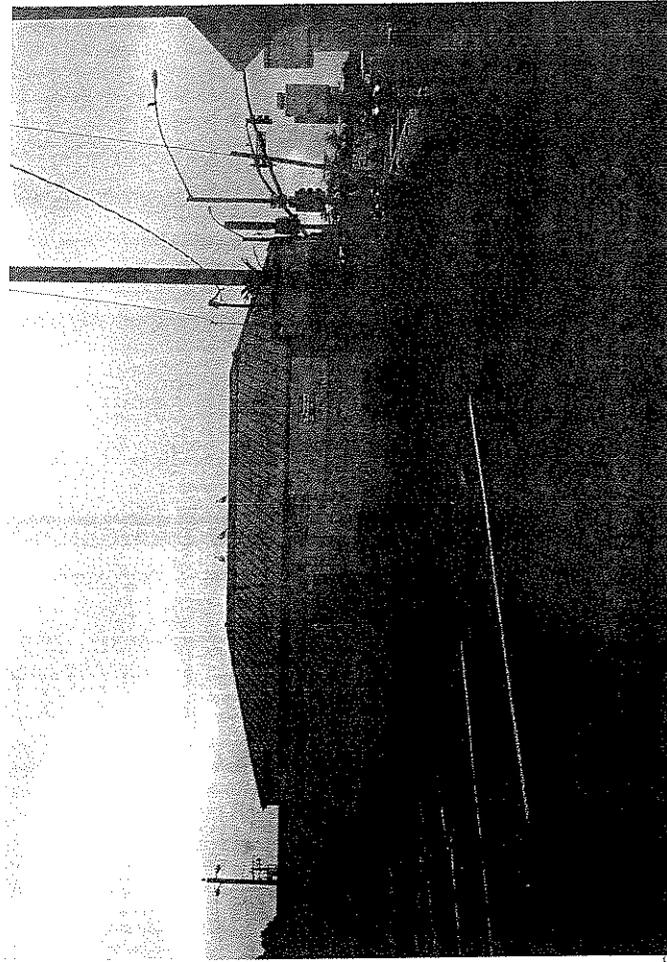
(8)(9) 1930 4th St. former cardroom & car lot



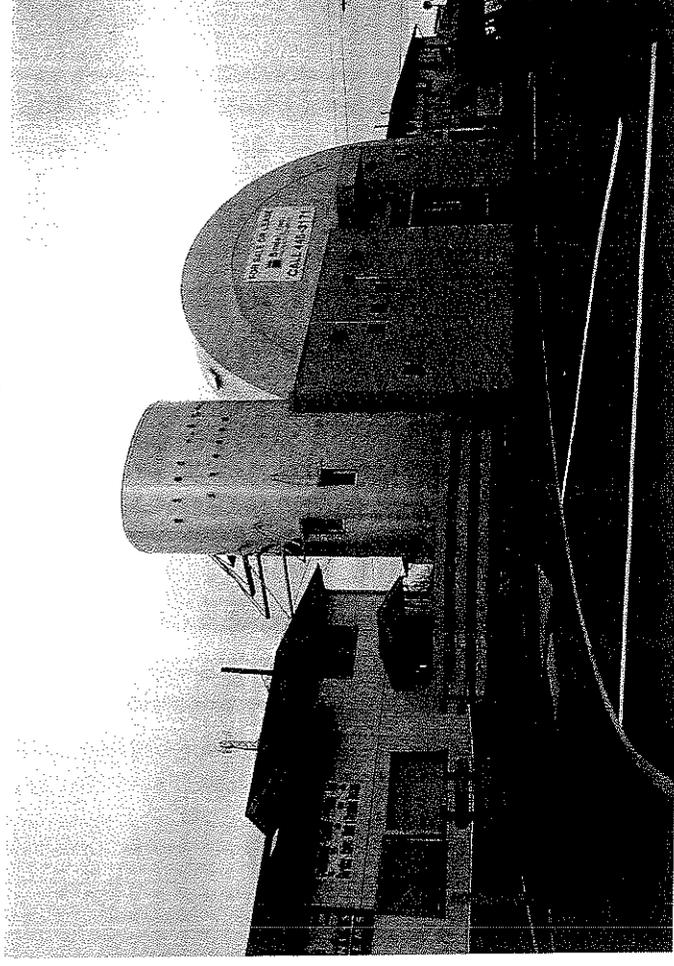
(7) 2006 4th St.



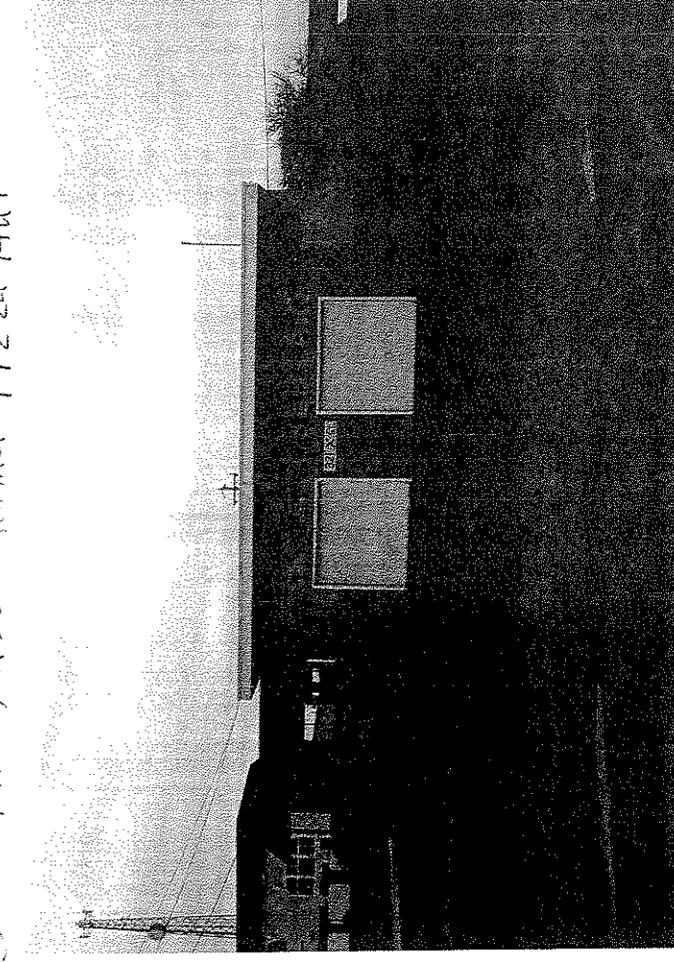
(11) 2nd St Auto Service



(13) 5th & Hwy 255 former Pizza Hut



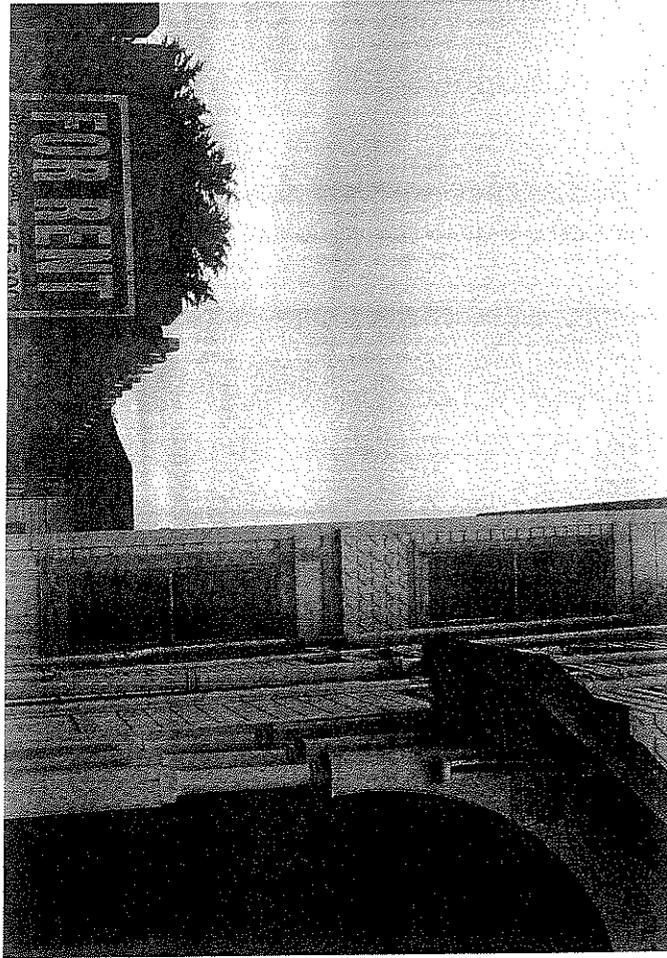
0. 3rd St N. former Goldrush Coffee



(12) 3rd X st former Used Car Lot



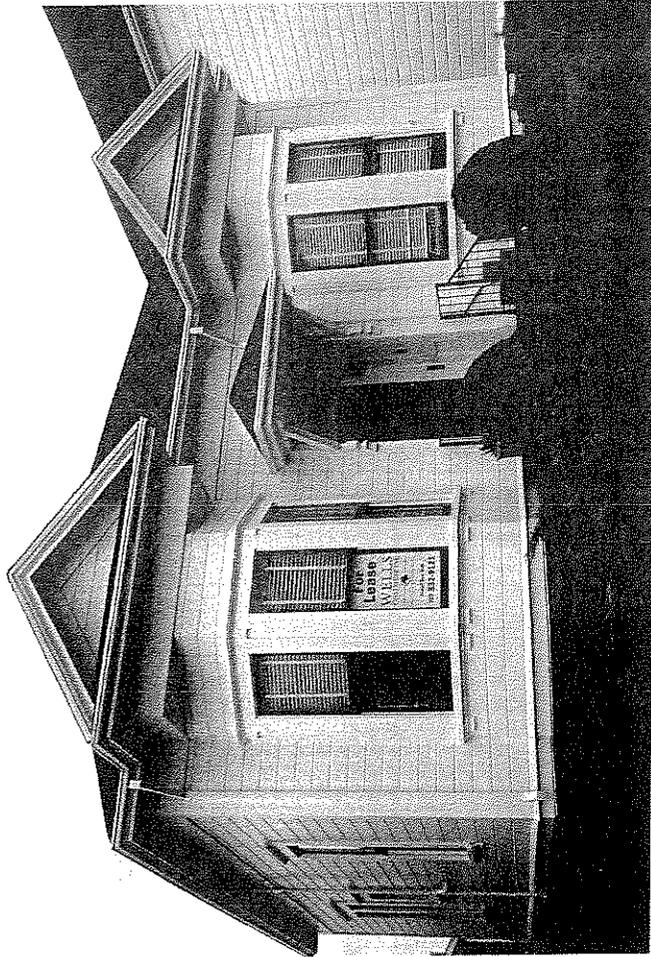
(15) 1515 5<sup>th</sup> St empty rental office



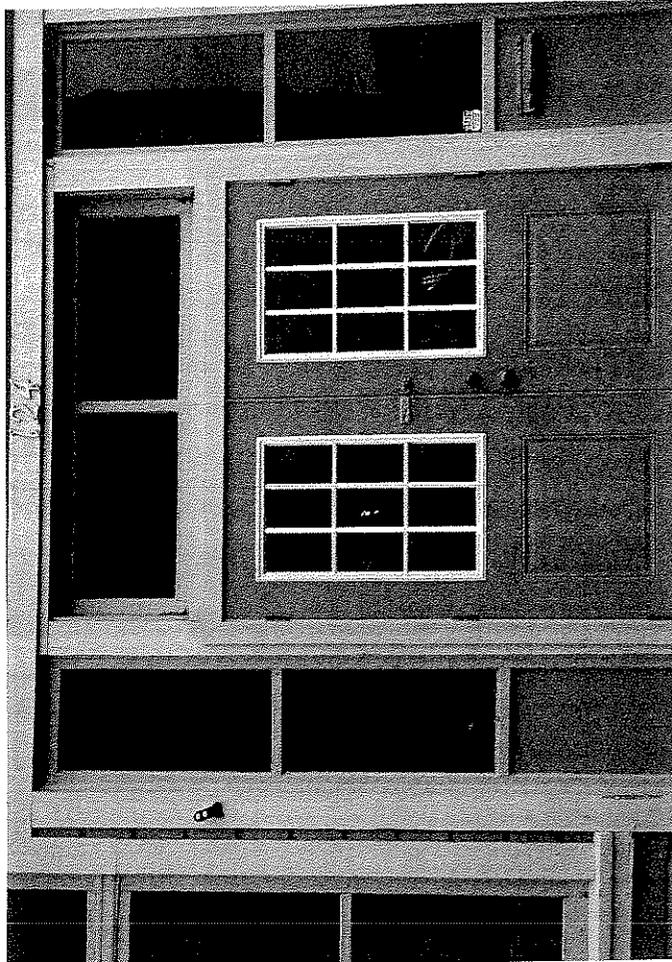
(16) 923 3<sup>rd</sup> St empty office



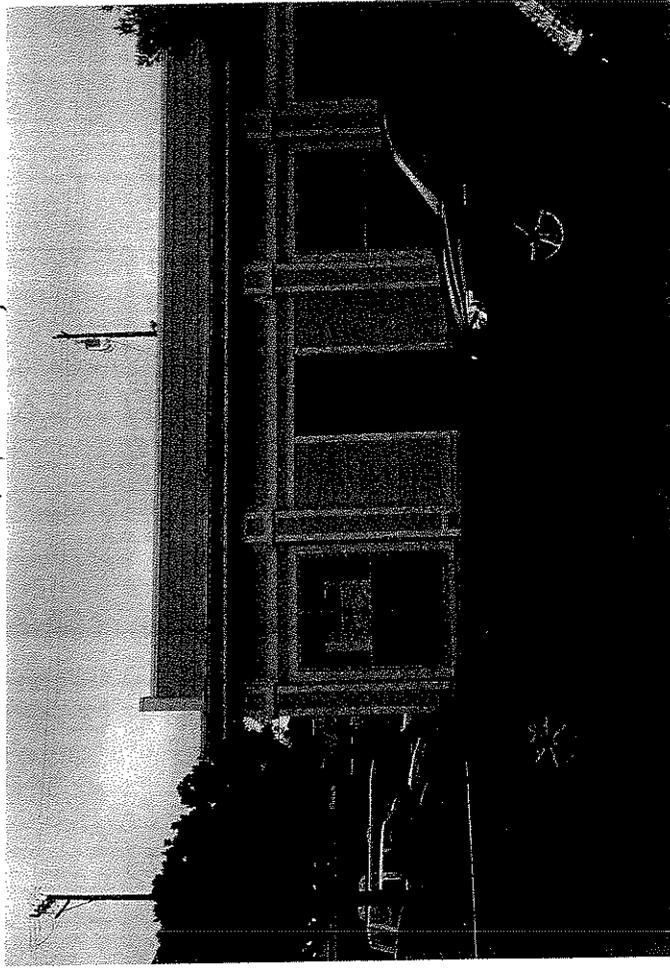
(14) 1435 5<sup>th</sup> St former Arctic Circle



(17)(18) 310 2<sup>nd</sup> St professional office



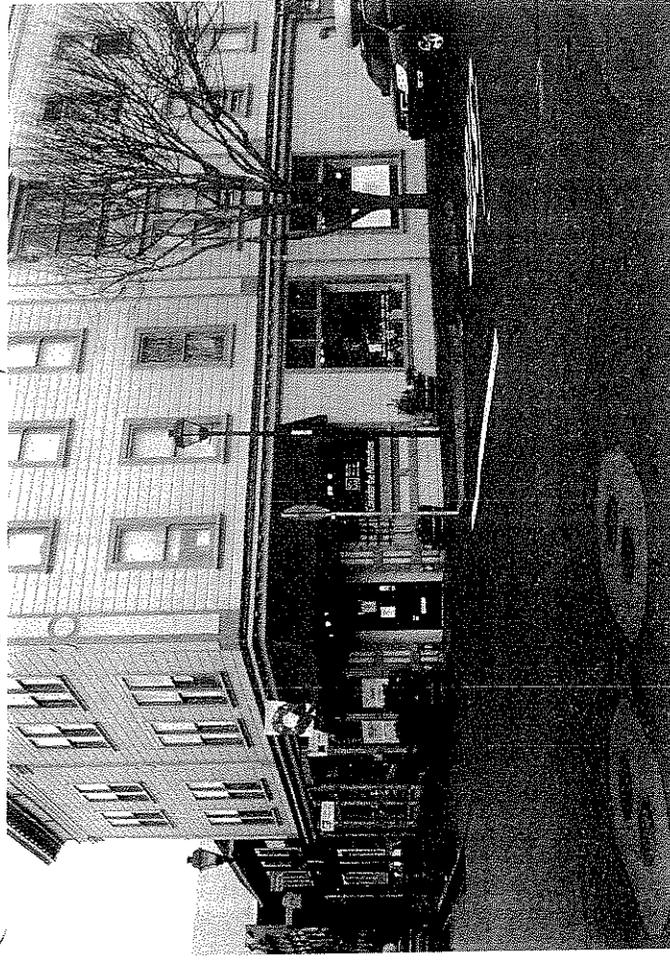
1241 1241 2nd St empty building



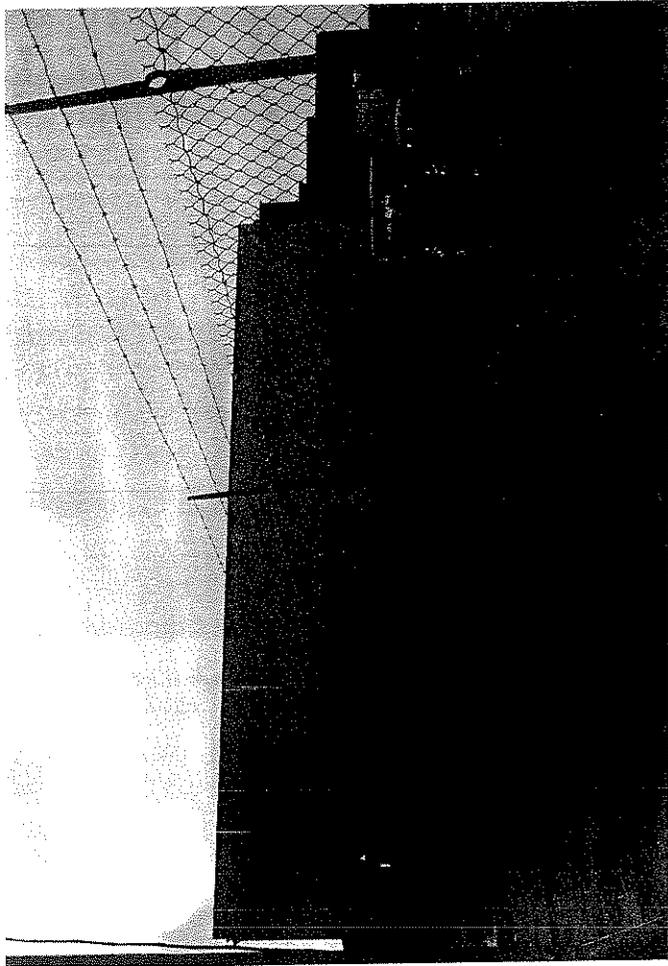
(19) 310 2nd St empty dental office



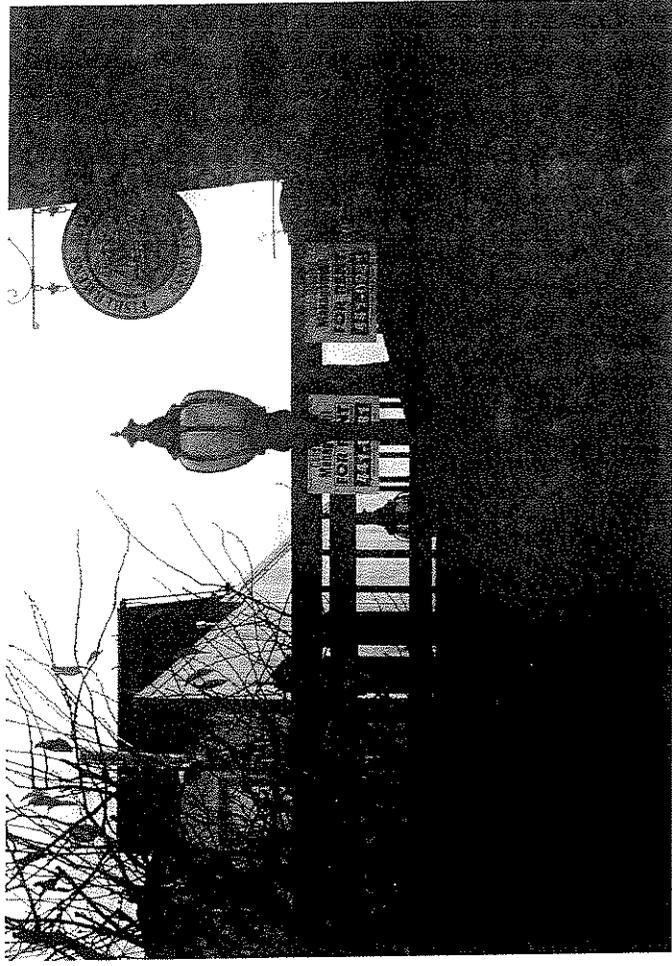
(22) 2nd & D Sts former Jimmy Dunne's bar



(21) 2nd & D Sts former "Consider the Alternatives"



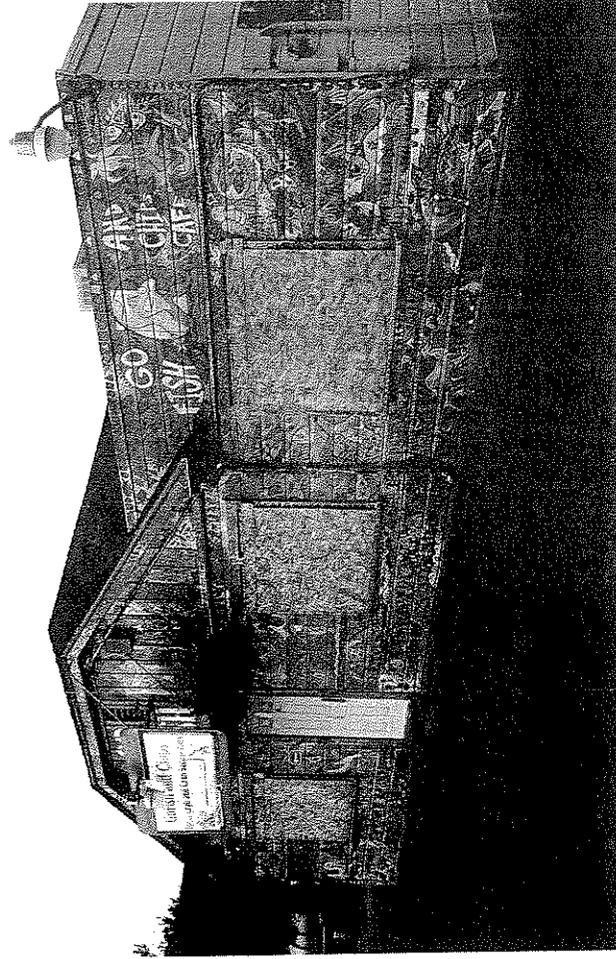
(25) 1st St former Eureka Ice & Cold Storage



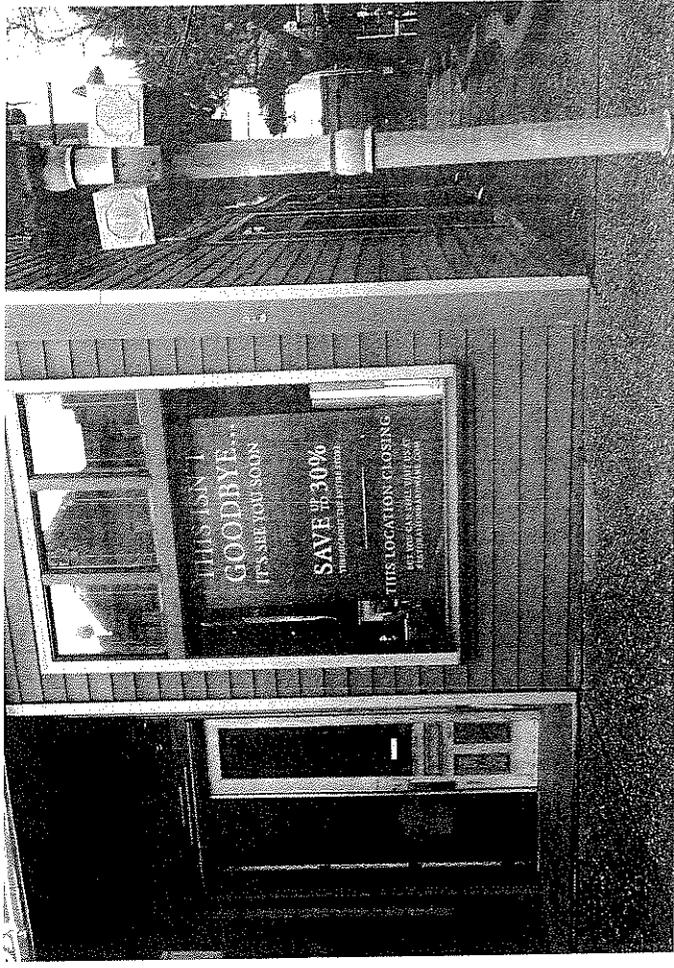
(27) 2nd St Imperiale Place



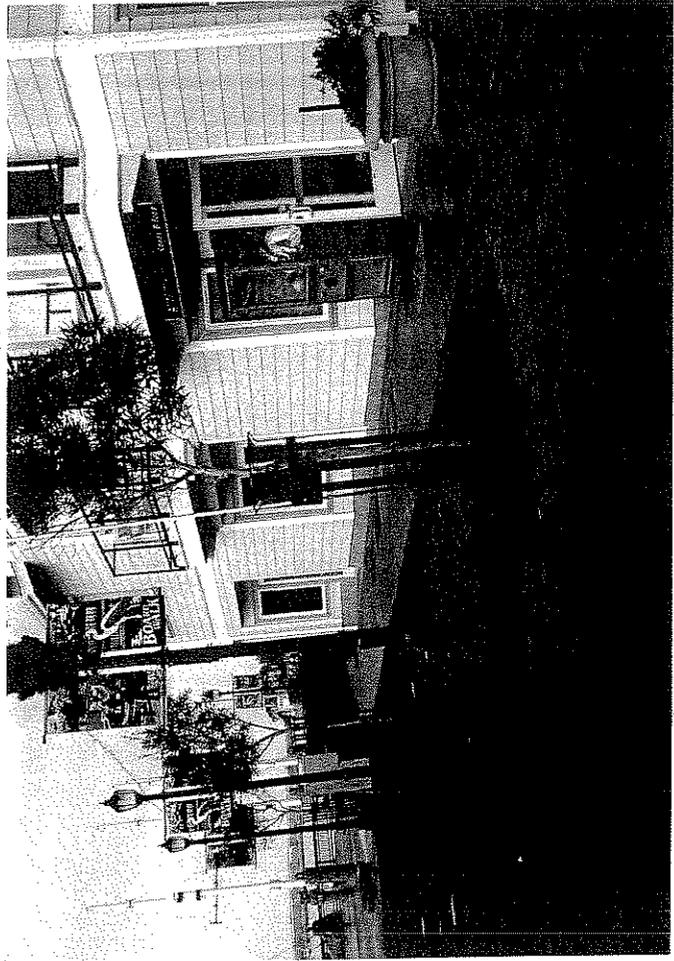
(23) 333 1st St former Co-op building



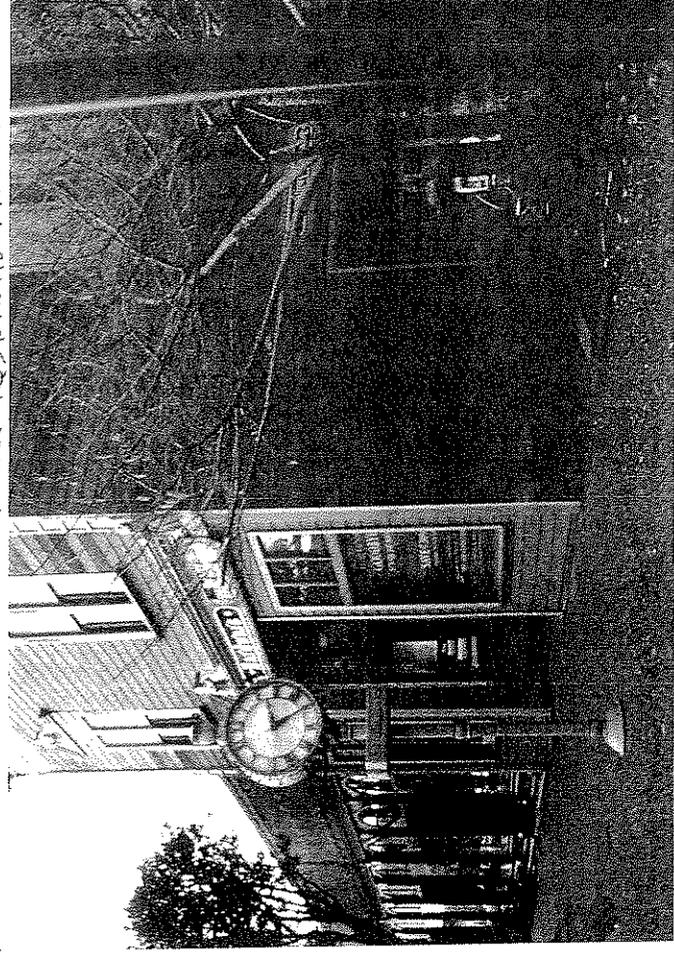
(26) 91 1st St former Co-Fish Cafe



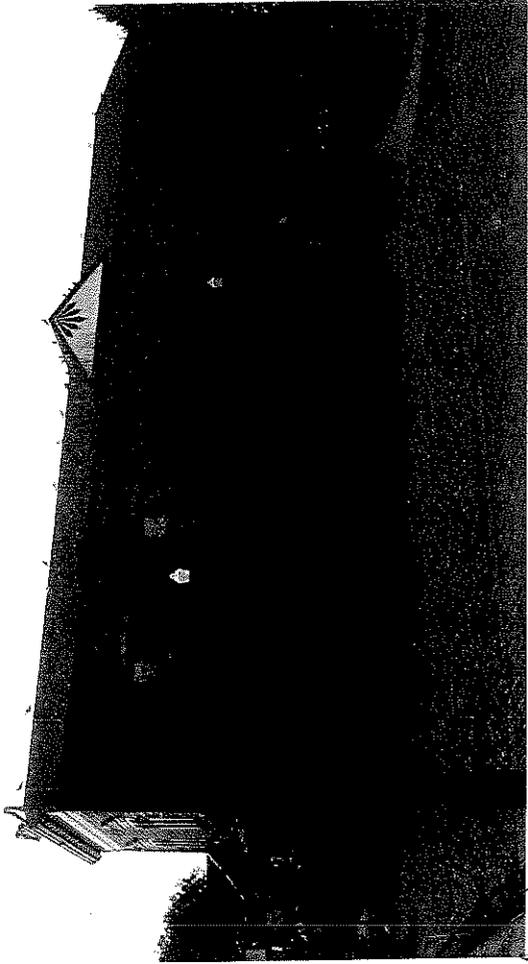
(29) 2nd St between Eif former Restoration Hardware



(28) foot of F St Bayfront 1



(31) 2nd St between Eif former Restoration Hardware



(30) 2nd St between Eif former Restoration Hardware



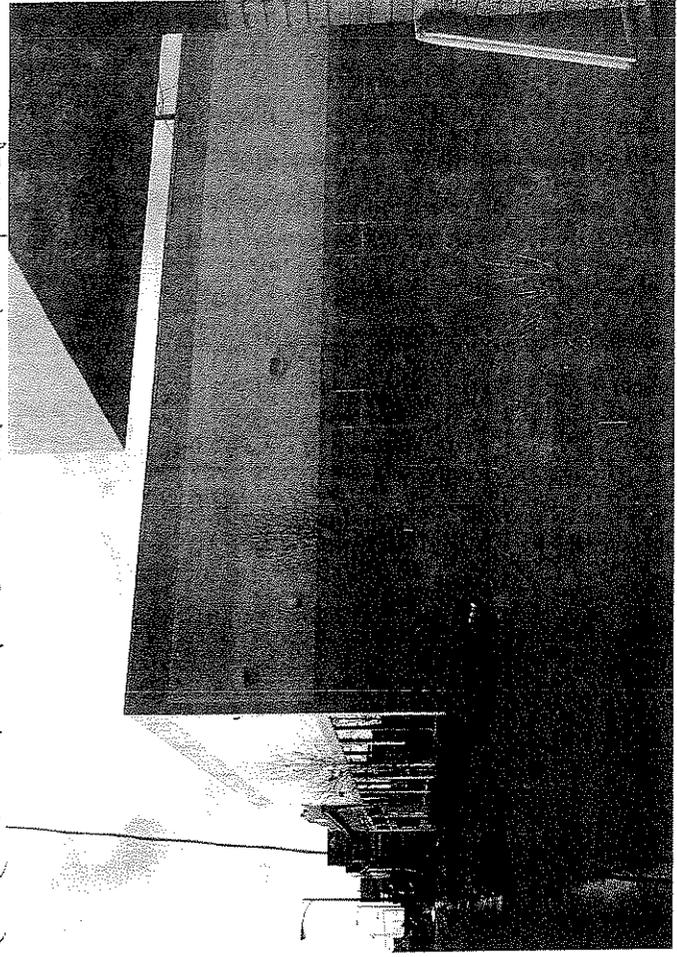
(32) 311 E St empty storefront



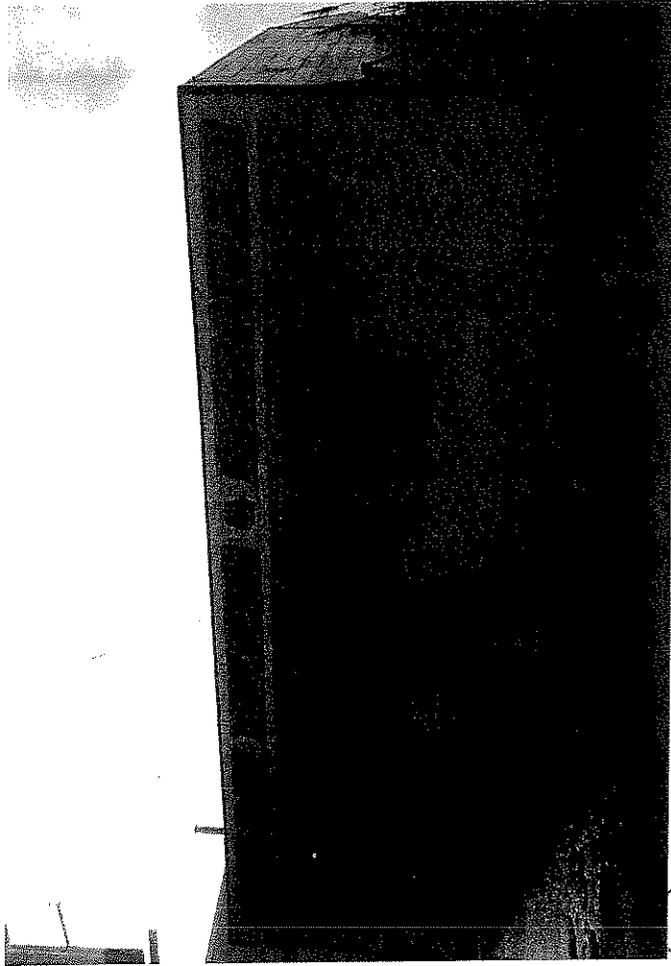
(34) (35) 215 4th St former Eureka Reporter



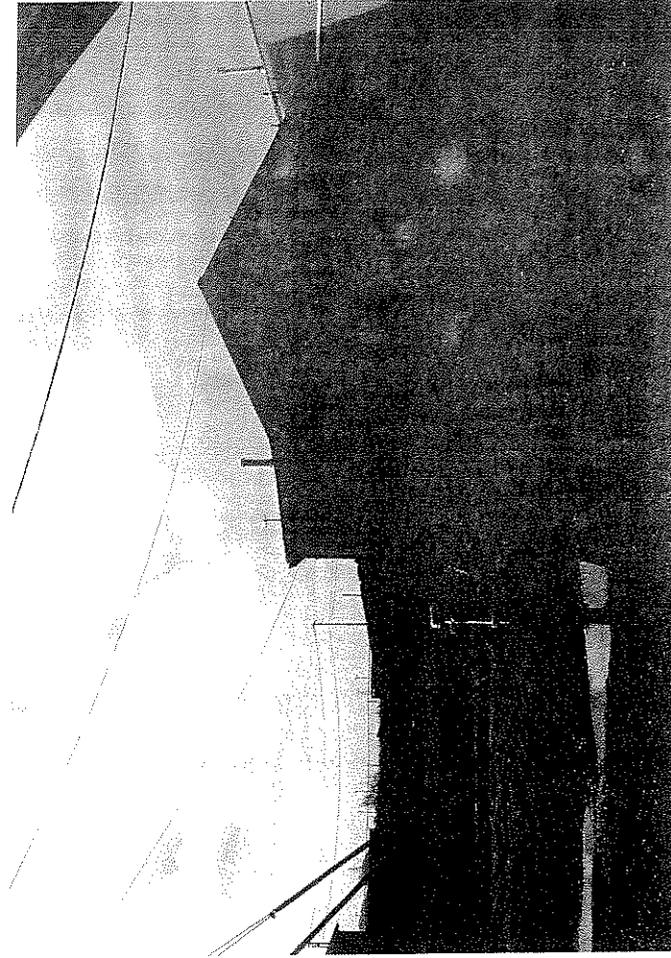
(33) 235 4th St empty office



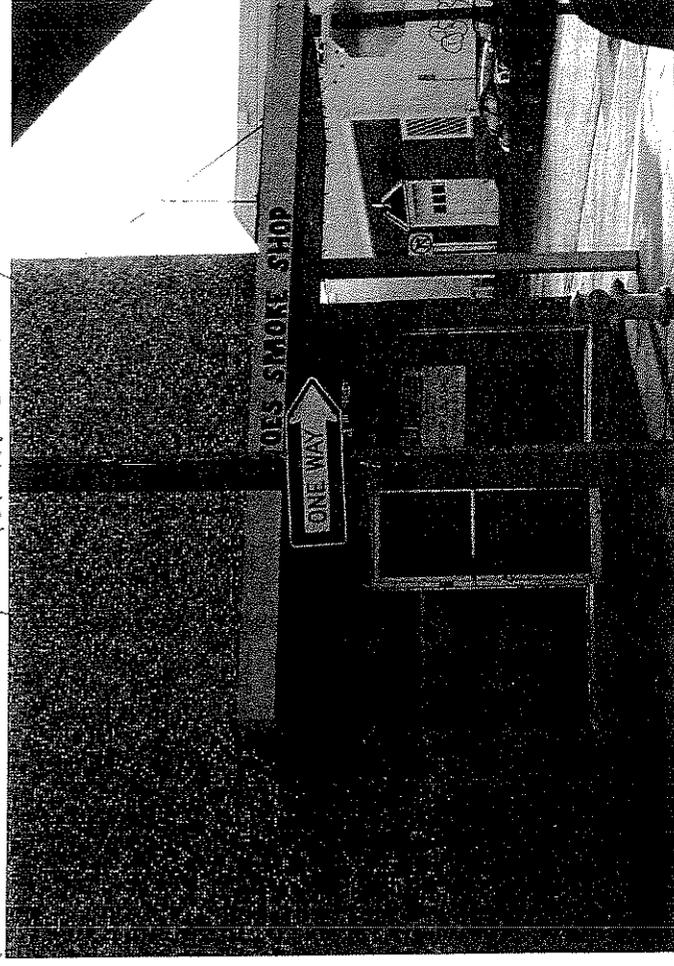
(36) 215-4th St former Eureka Reporter



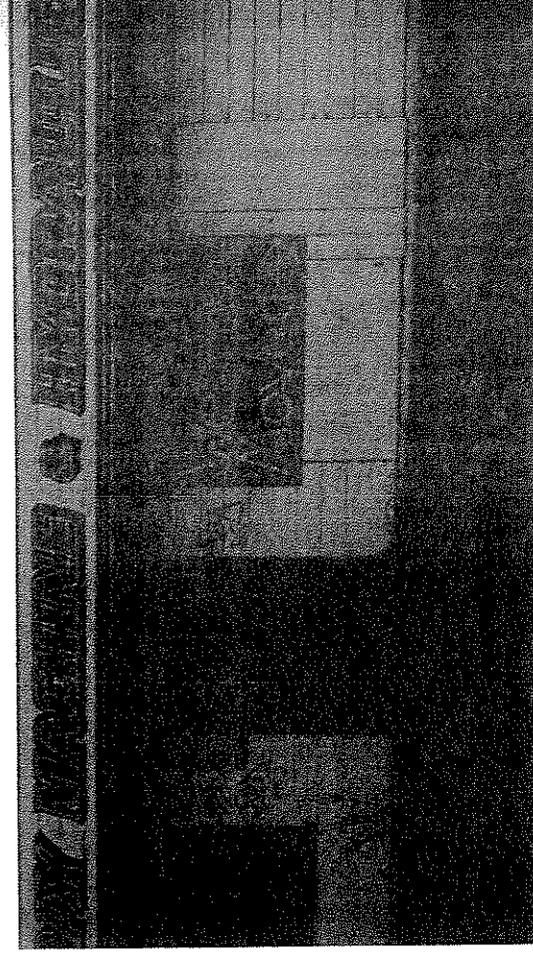
(38) 400 Broadway former East Bay Machine



(40) 300 Broadway former "All About The Pops"



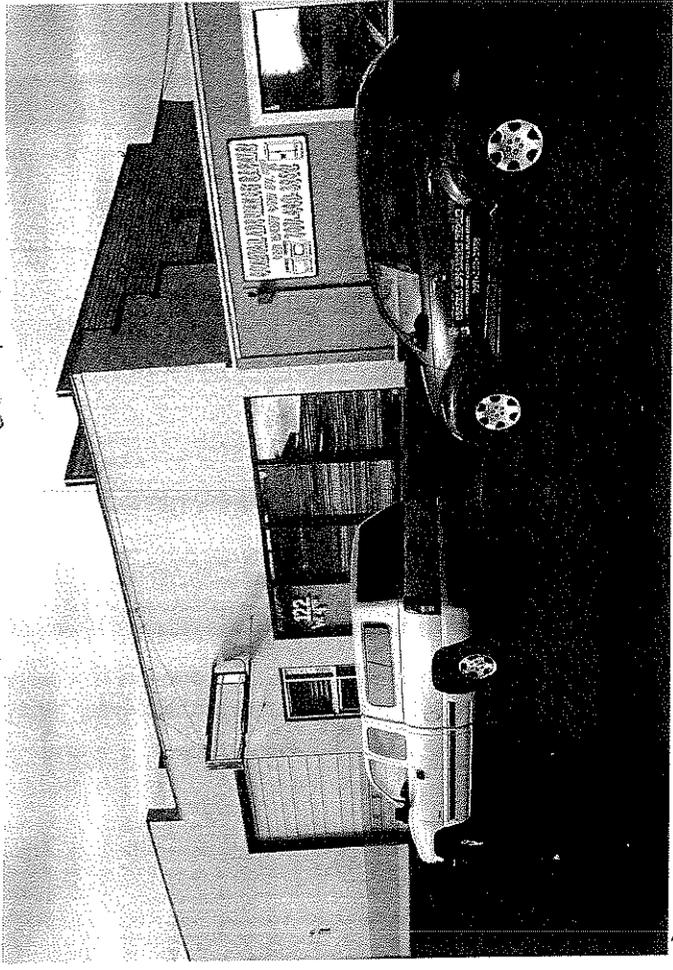
(37) 4<sup>th</sup> & B st former Joe's Smoke Shop



(39) 400 Broadway former East Bay Machine



(40) OCCUPIED Redwood Electronics



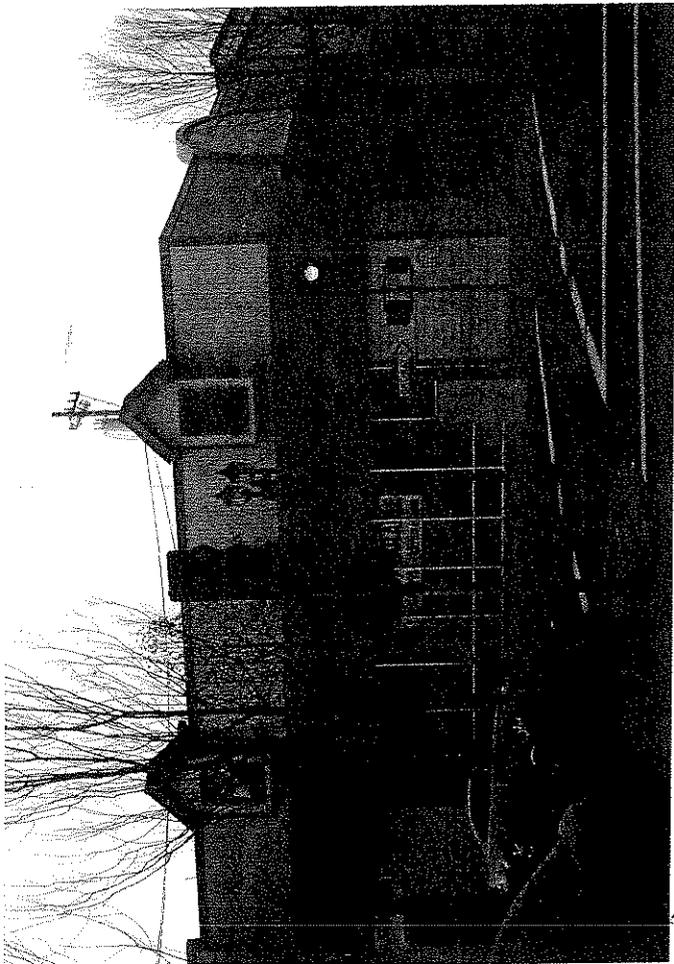
(41) 122 W. 4th St empty shop



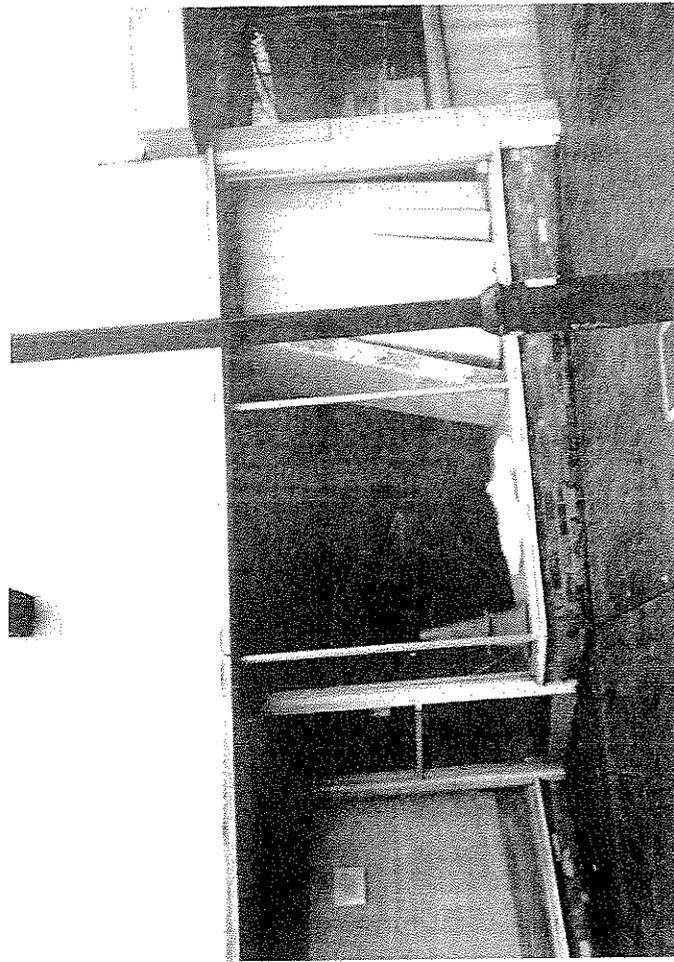
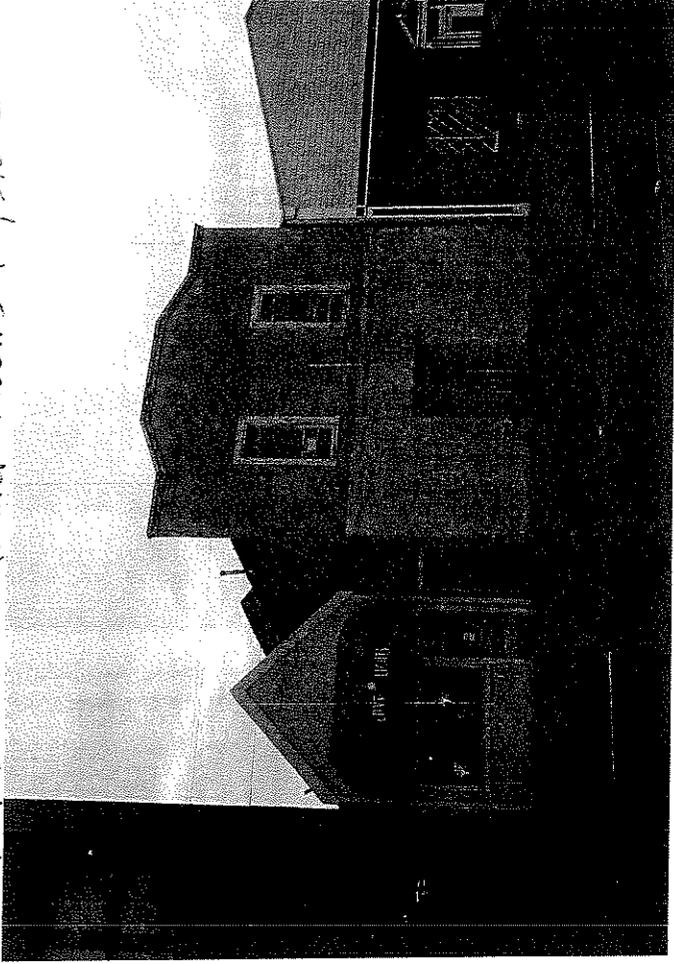
(42) 105 W. 5th St empty storefront



(43) W. 6th St former OH's Restaurant



116) F & 5<sup>th</sup> St former Moon's Toy store



(117) 520 5<sup>th</sup> St empty store



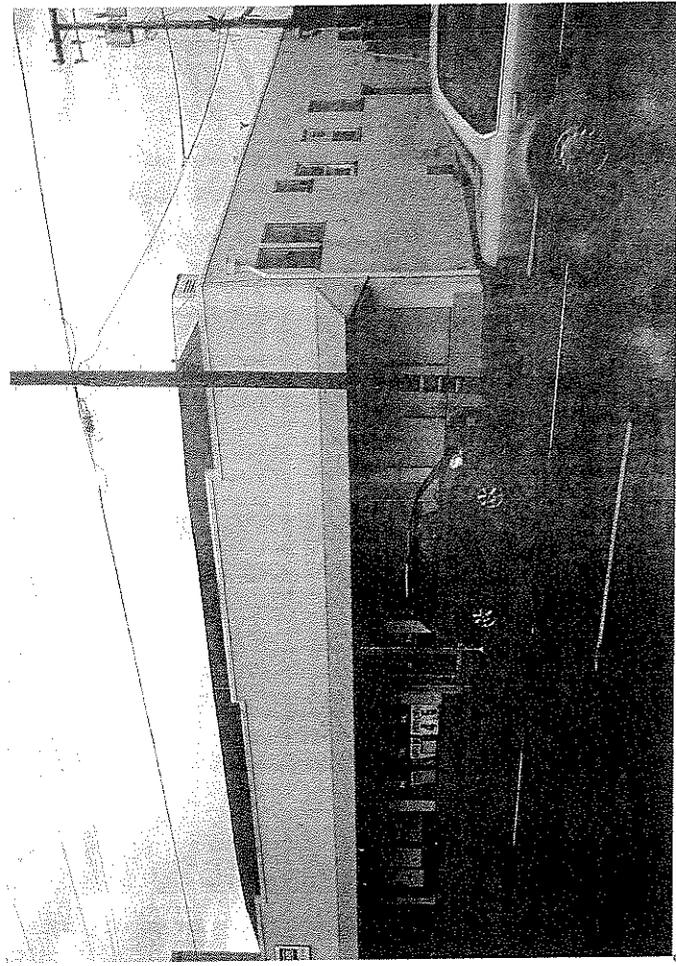
(118) 524 5<sup>th</sup> St empty store



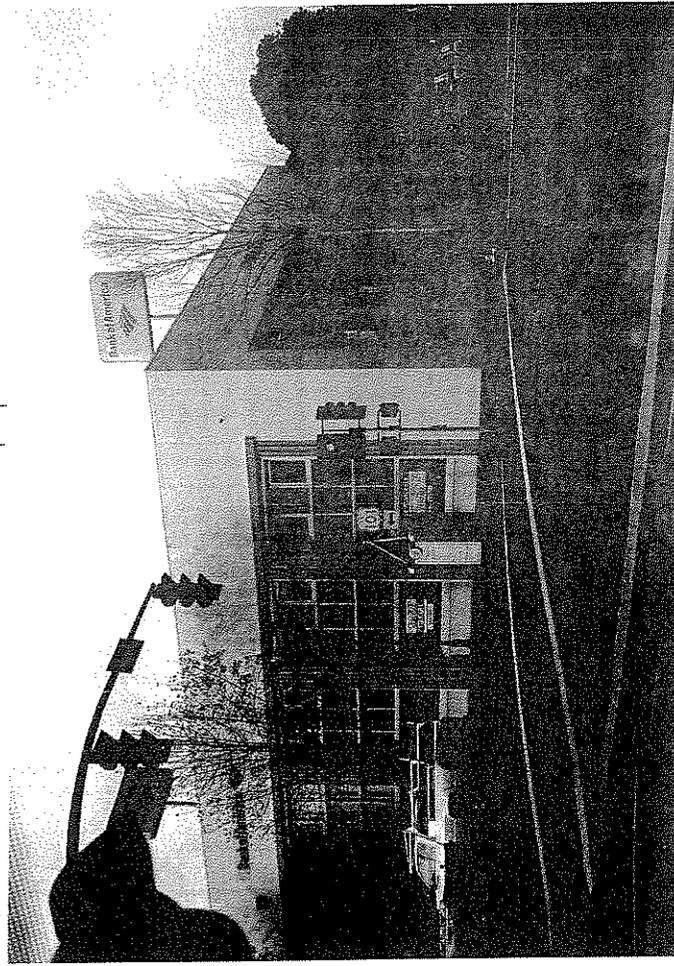
(52) 423 F St former Plaza Design space



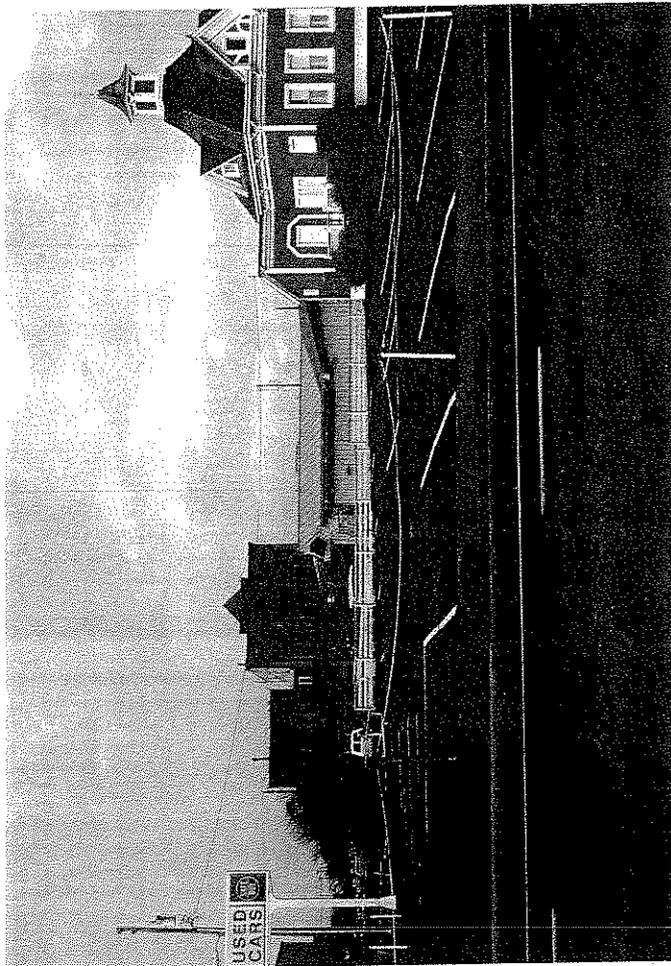
(51) 532 5<sup>th</sup> St empty store



(53) 511 H St empty store



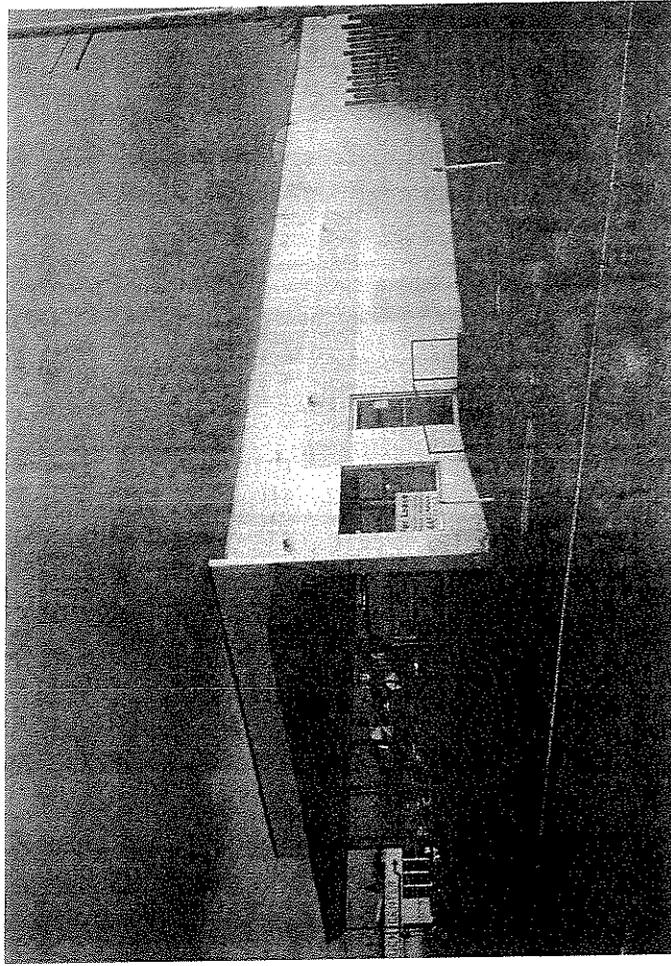
(51) 4<sup>th</sup> & F St former Bank of America



(46) 6th & B empty car lot



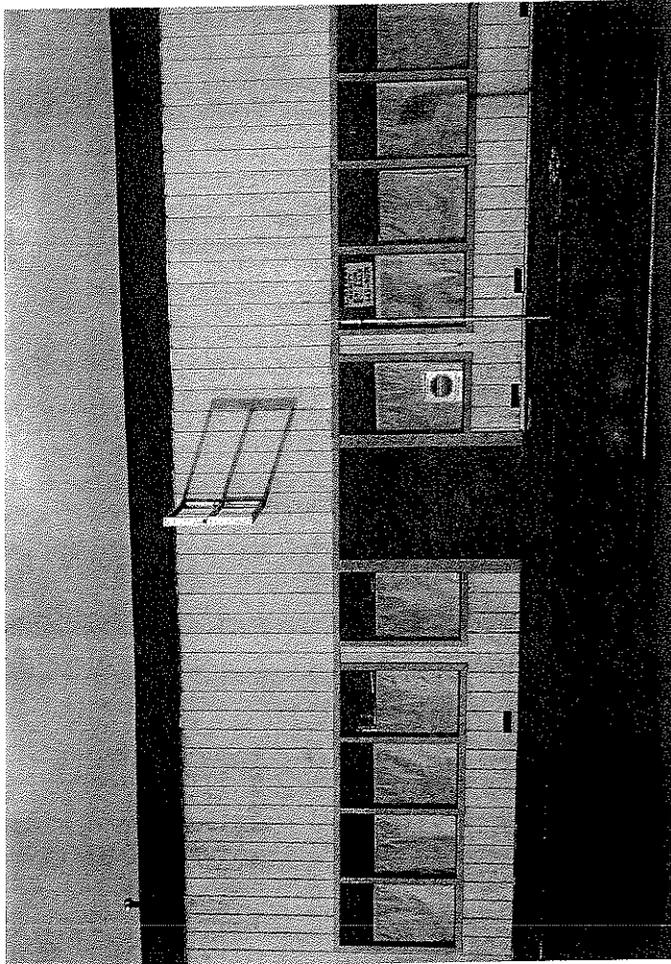
(20) FSt west to Eureka Theater



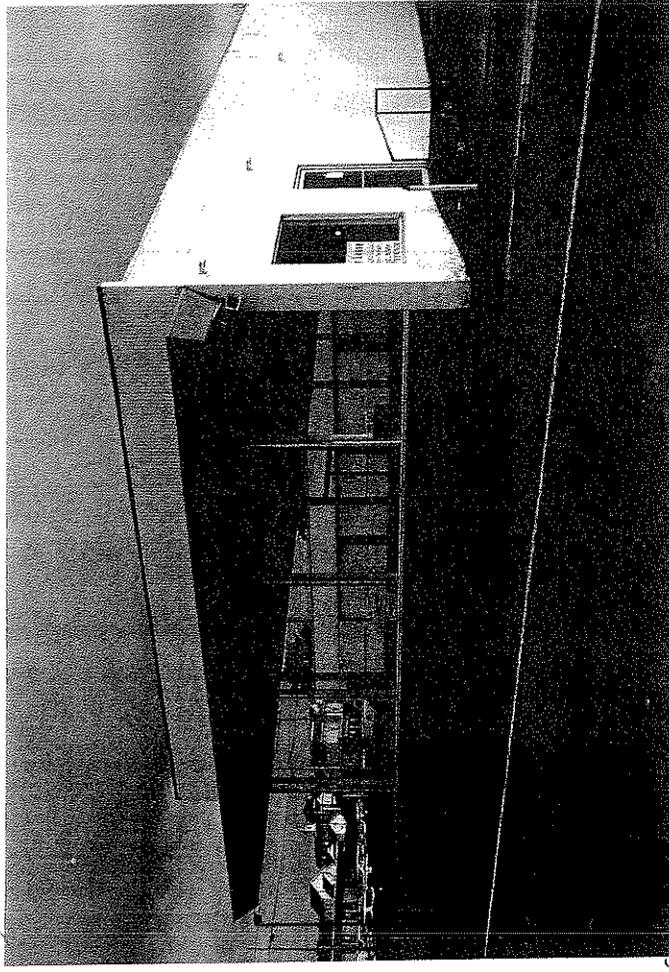
(38) 120 7th St former Subsea Actua Sales



(57) 7th & A former Rental Helpers



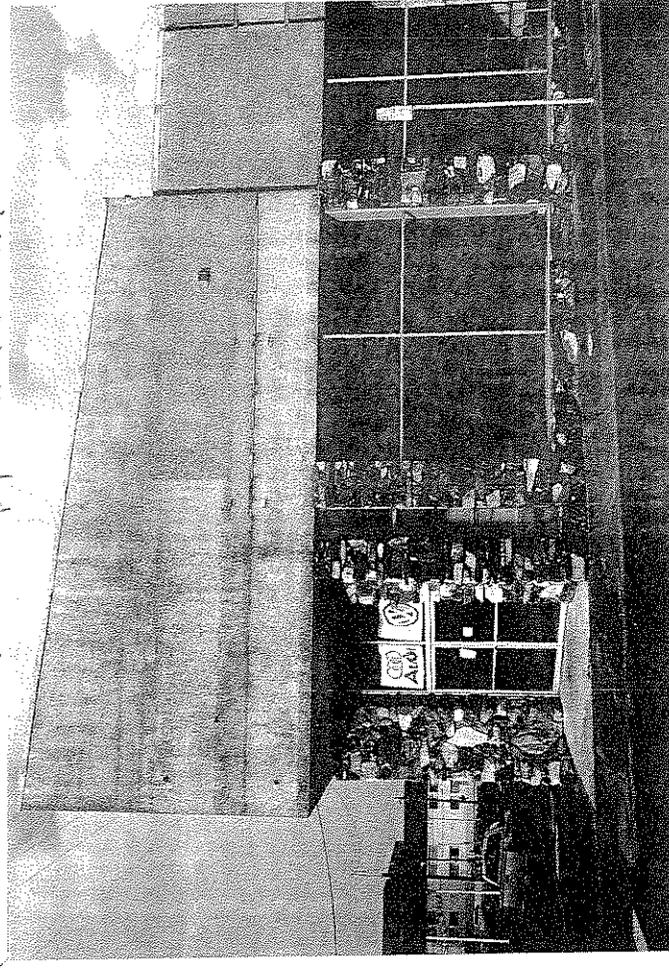
(50) 133 7th St former Auto Parts store



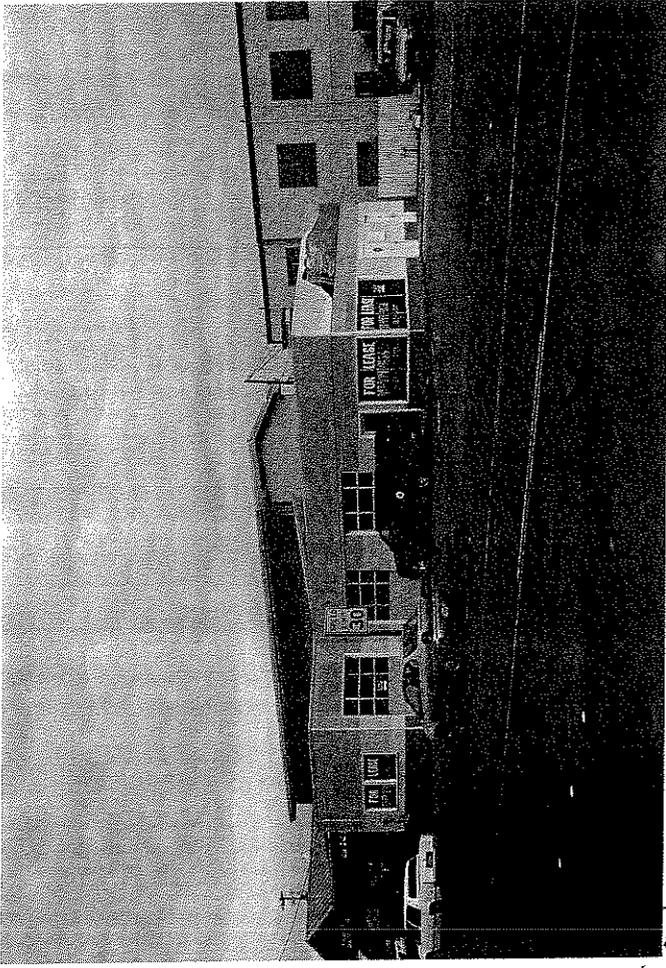
(59) 120 7th St former Subaru Auto Sales



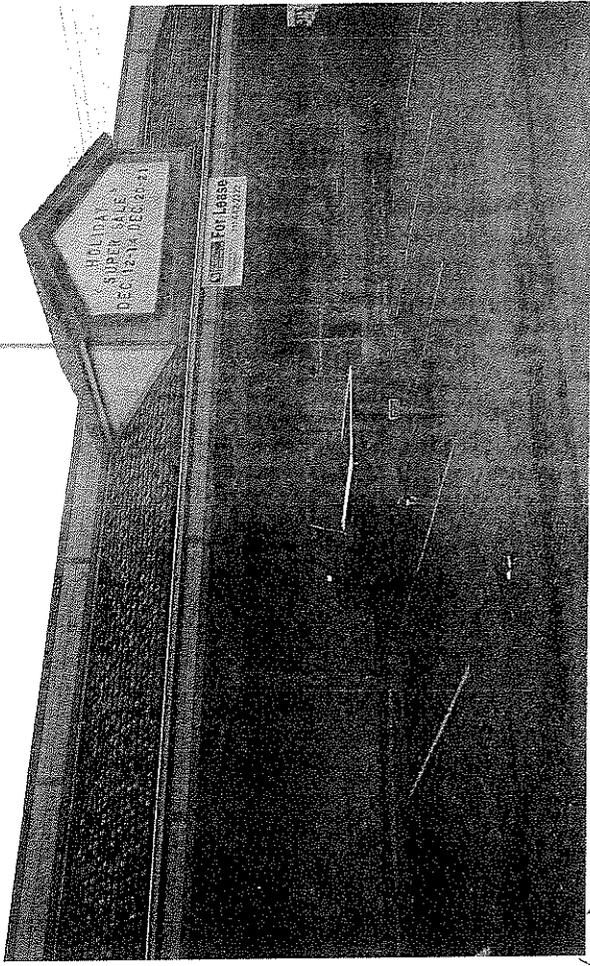
(62) 7th & F St empty Eureka Inn



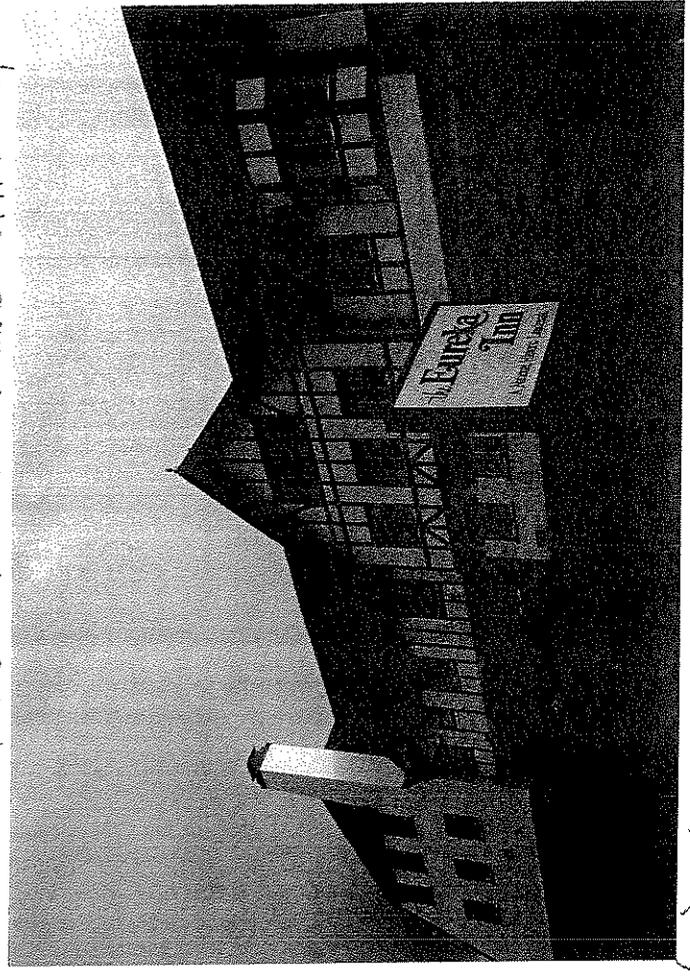
(61) 301 7th St former VW Auto Sales



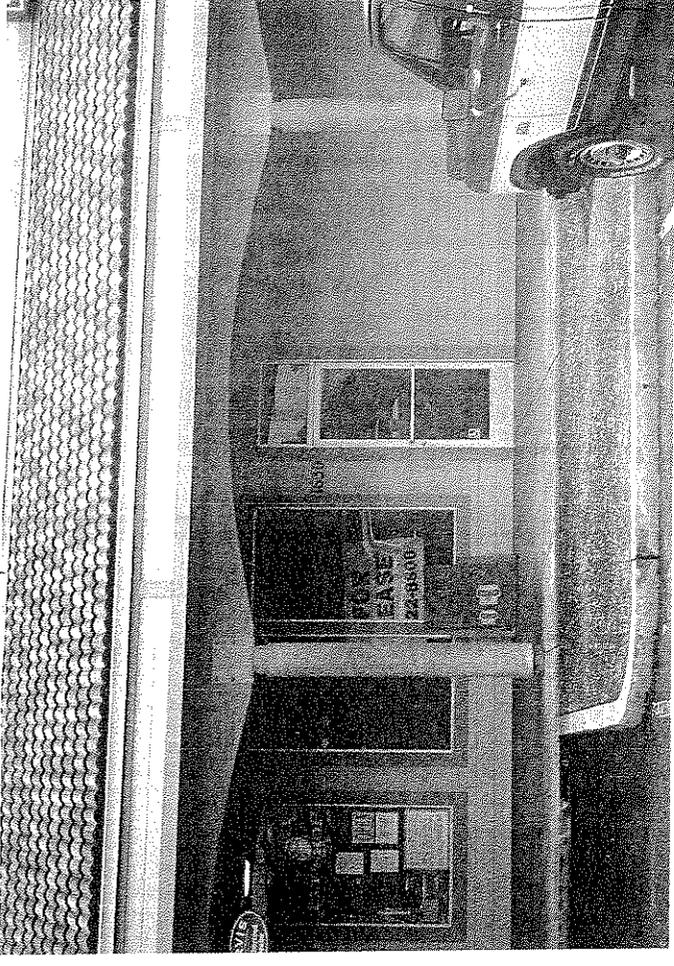
(65) Broadway & Grant former auto muffler shop



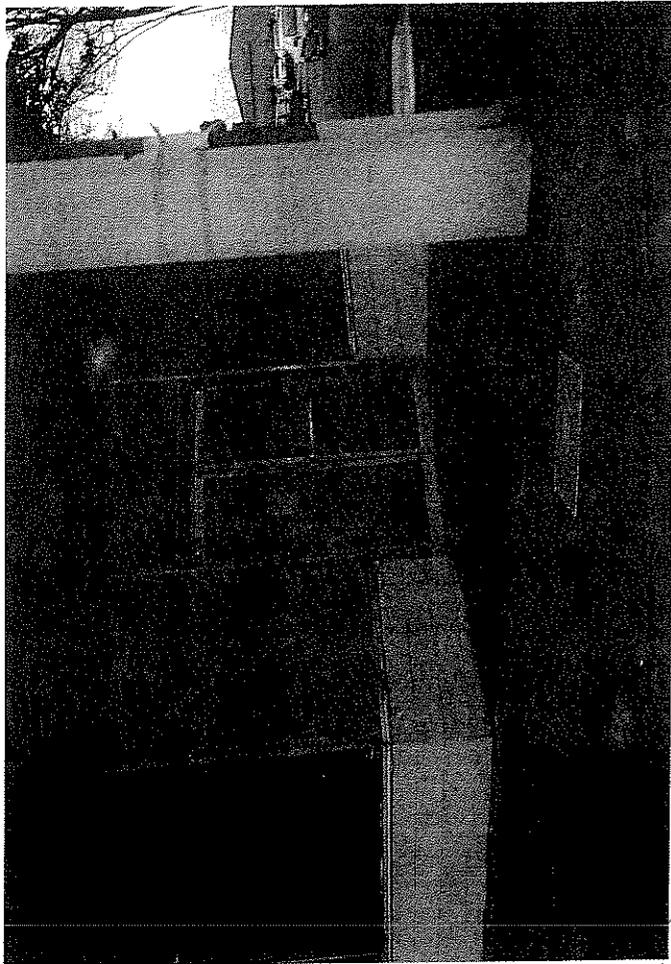
(67) 1626 Broadway



(63) 7th & F St empty Eureka Inn



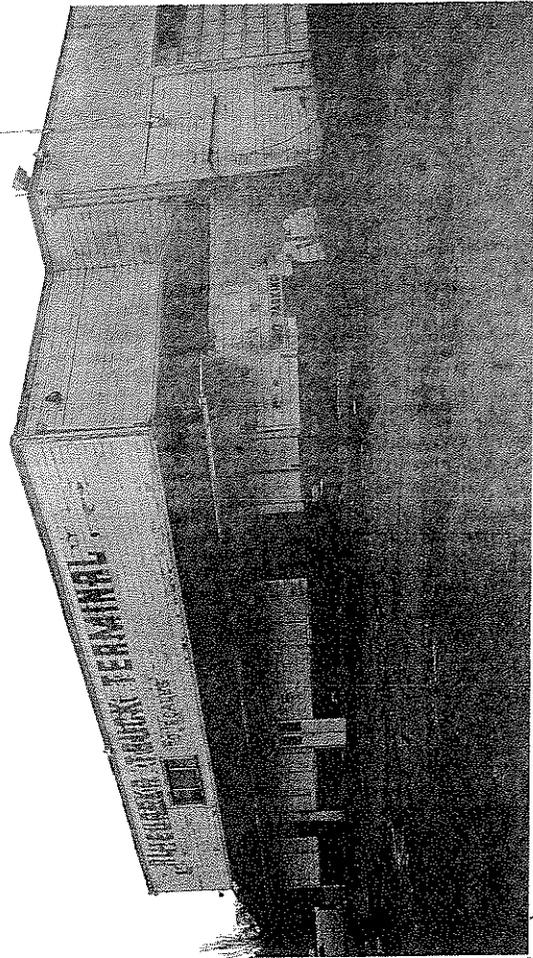
(66) 1630 Broadway empty store



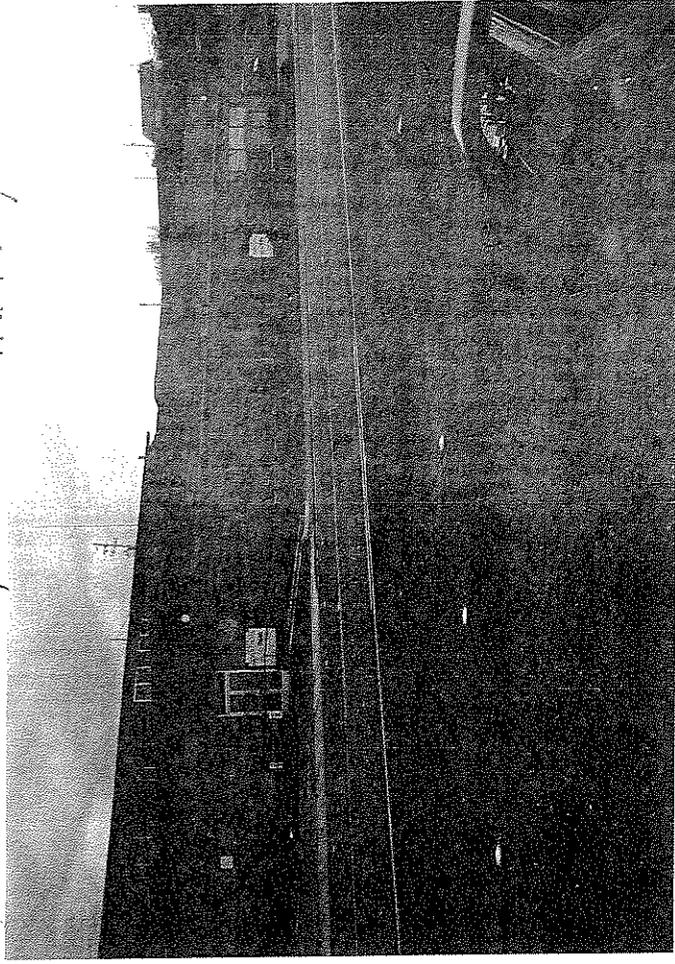
68) Wabash & Broadway former channel 6 TV



69) Wabash & Broadway former channel 6 TV



71) 2616 Broadway former Truck Stop



70) 2029 Broadway former NAPA Auto Parts



73) Beardwalk Mall, Broadway former carpet store



72) 2710 Broadway former cafe



75) #10 Victoria Place, Broadway empty Beauty Supply Store



74) Beardwalk Mall, Broadway empty office

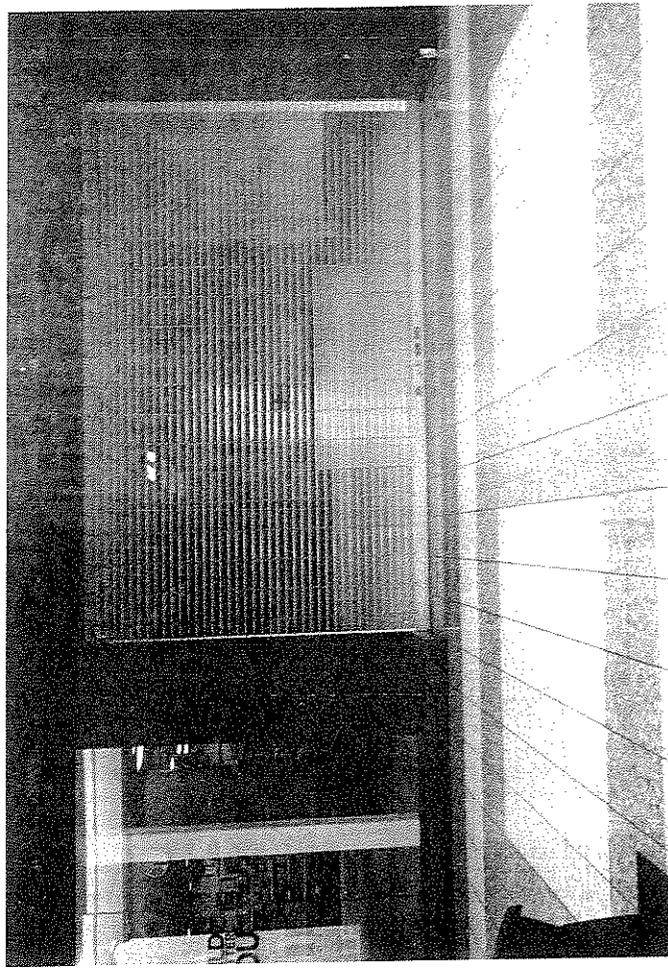


(17) 3000 Broadway, Bayshore Mall empty 1

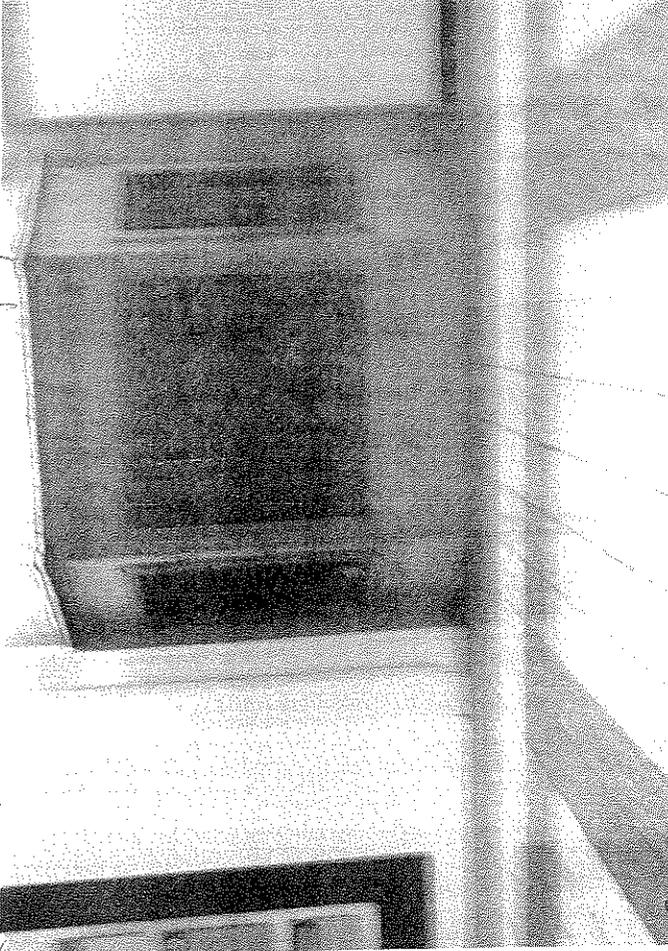
LADIES WORKOUT EXPRESS



(16) #12 Victoria Place, Broadway former Women's Gym



(18) Bayshore Mall empty 2

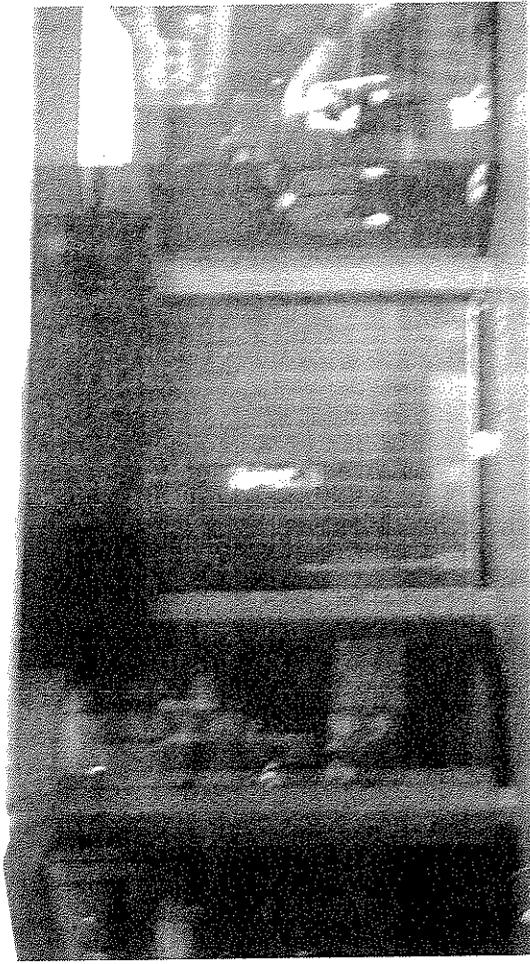


(19) Bayshore Mall empty 3



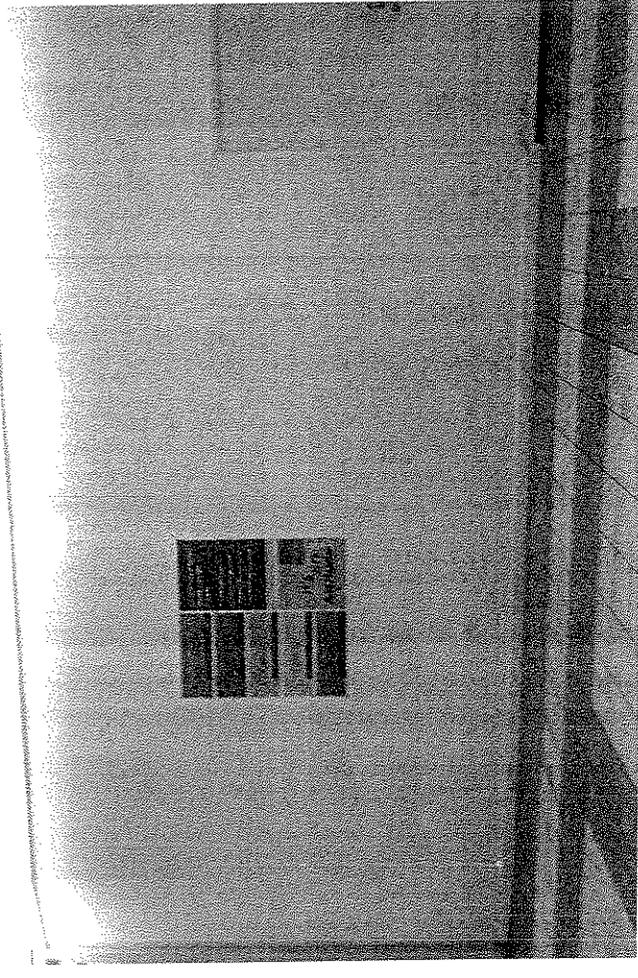
(80) Bayshore Mall

empty 4



(81) Bayshore Mall

empty 5



(82) Bayshore Mall

empty 6

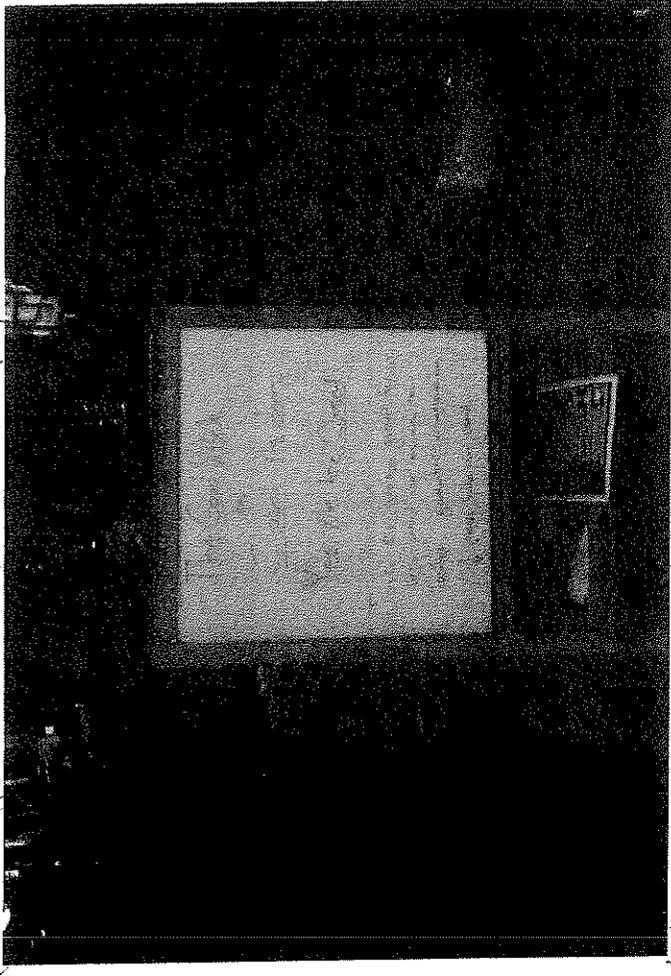


(83) Bayshore Mall

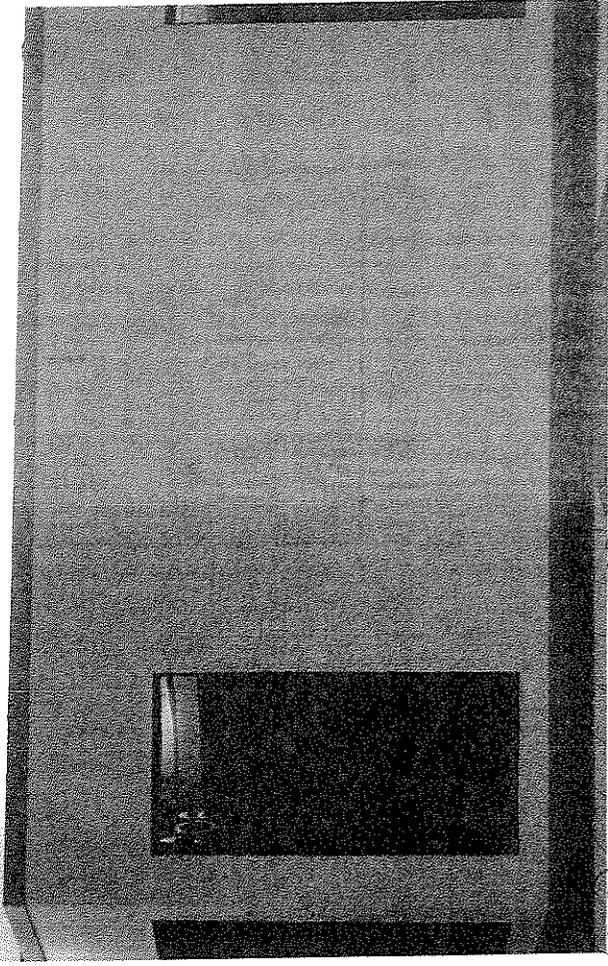
empty 7



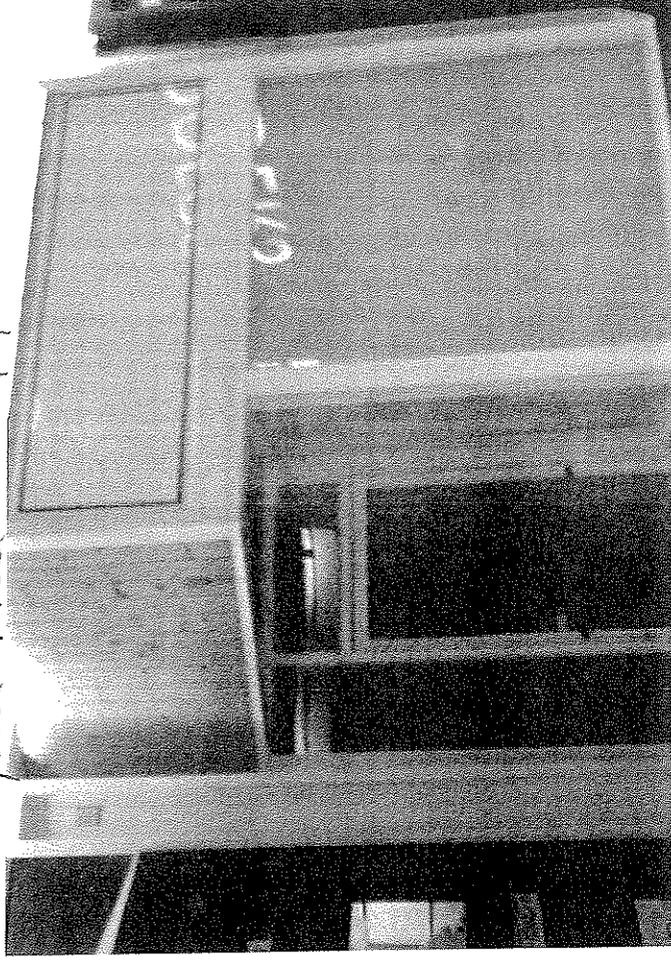
(84) Bayshore Mall empty 8



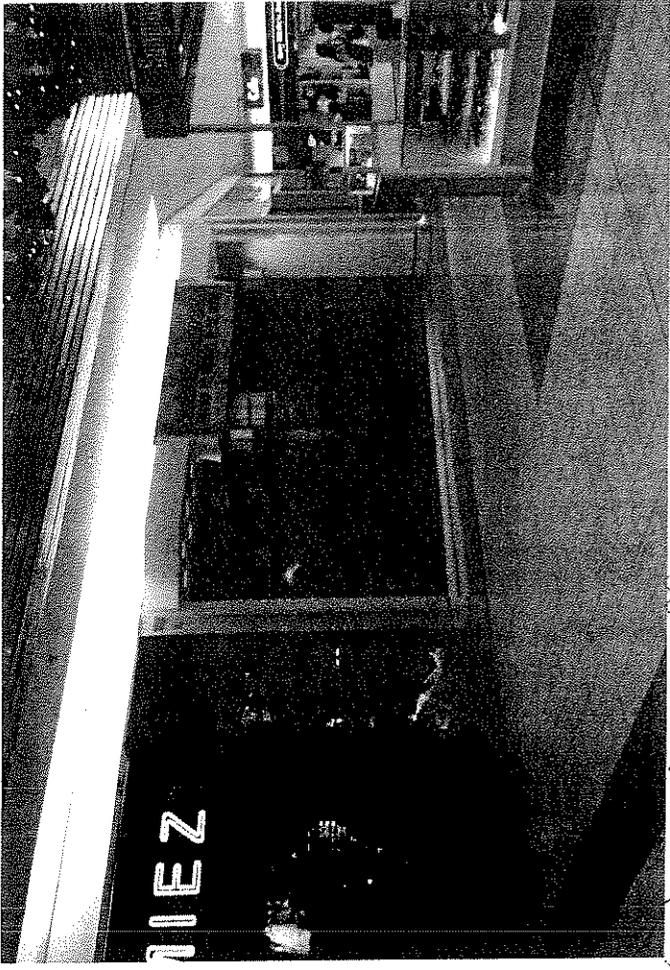
(86) Bayshore Mall quiet in sign



(85) Bayshore Mall empty 9



(87) Bayshore Mall empty 10



(88) Bayshore Mall empty 11



(89) Bayshore Mall Temp. Jilly Jervis 12



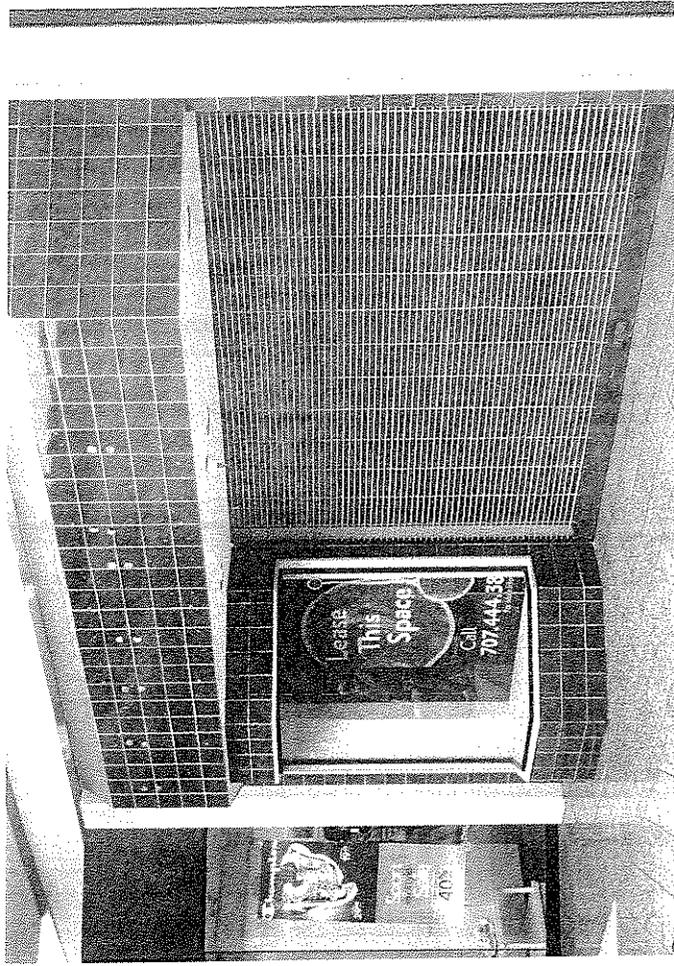
(90) Bayshore Mall empty 13



(91) Bayshore Mall empty 14



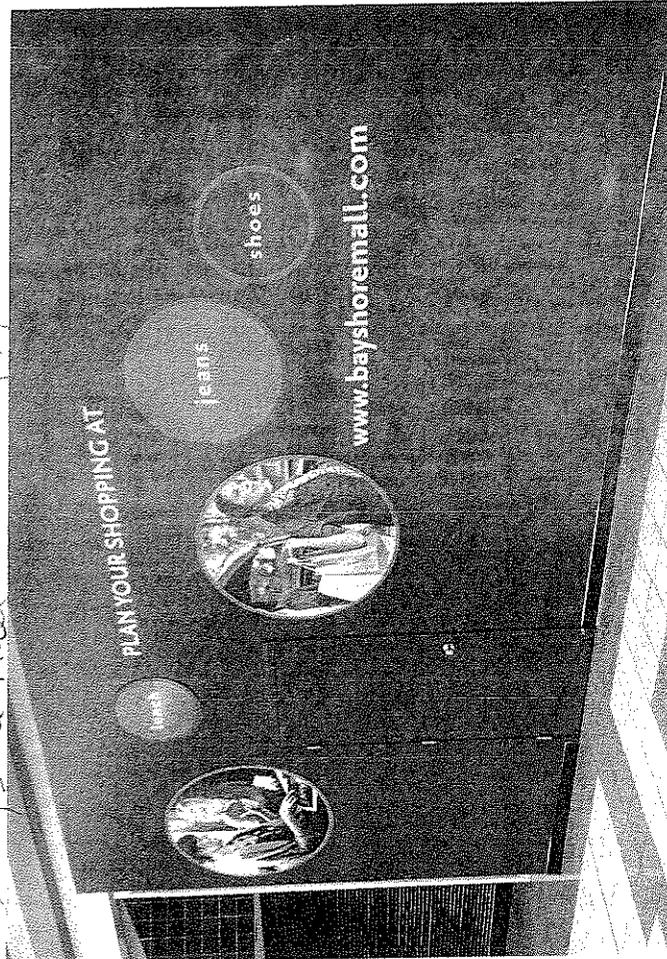
(92) Bayshore Mall empty 15



(93) Bayshore Mall empty 16



(94) Bayshore Mall empty 17

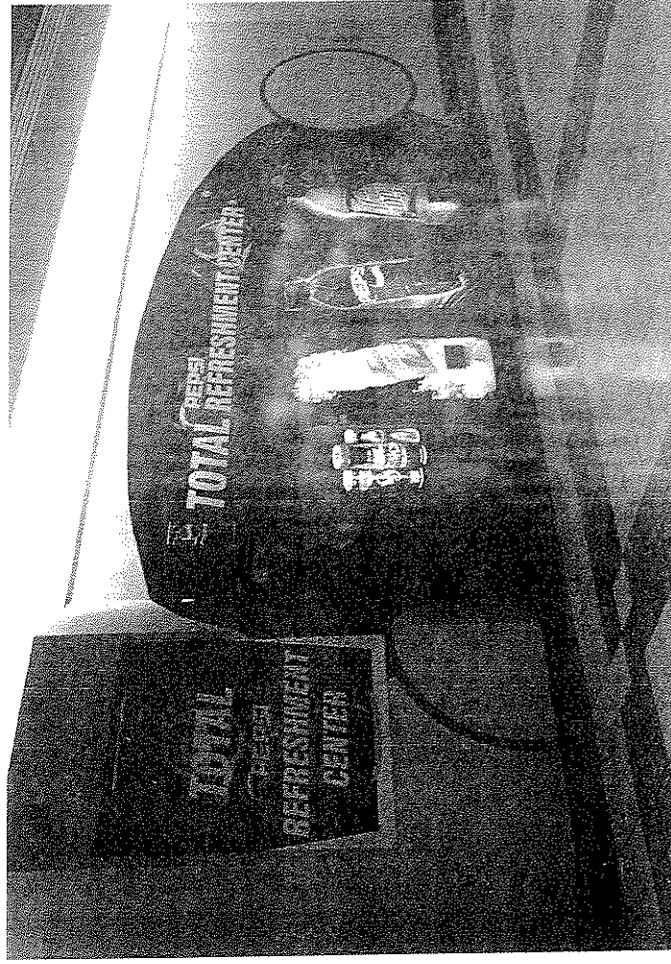


(95) Bayshore Mall empty 18



(96) Bayshore Mall

empty 19



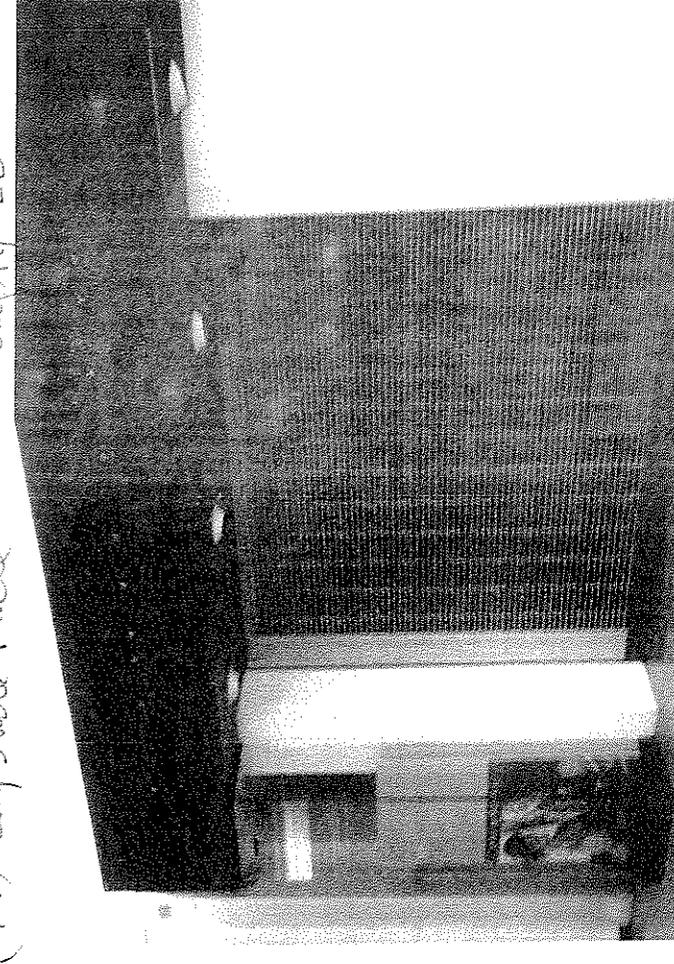
(97) Bayshore Mall

empty 20



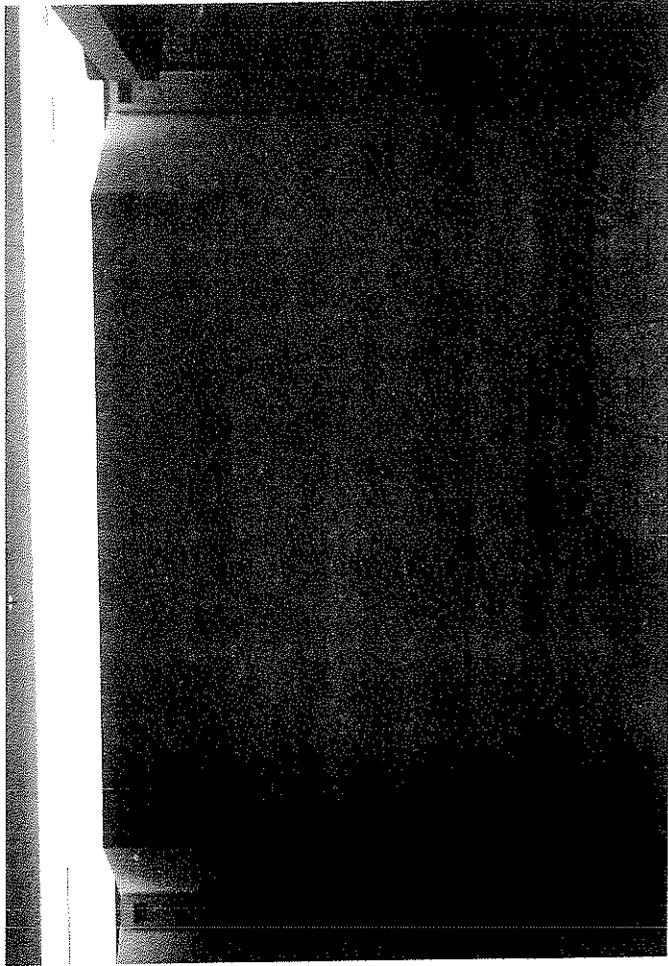
(98) Bayshore Mall

empty 21



(99) Bayshore Mall

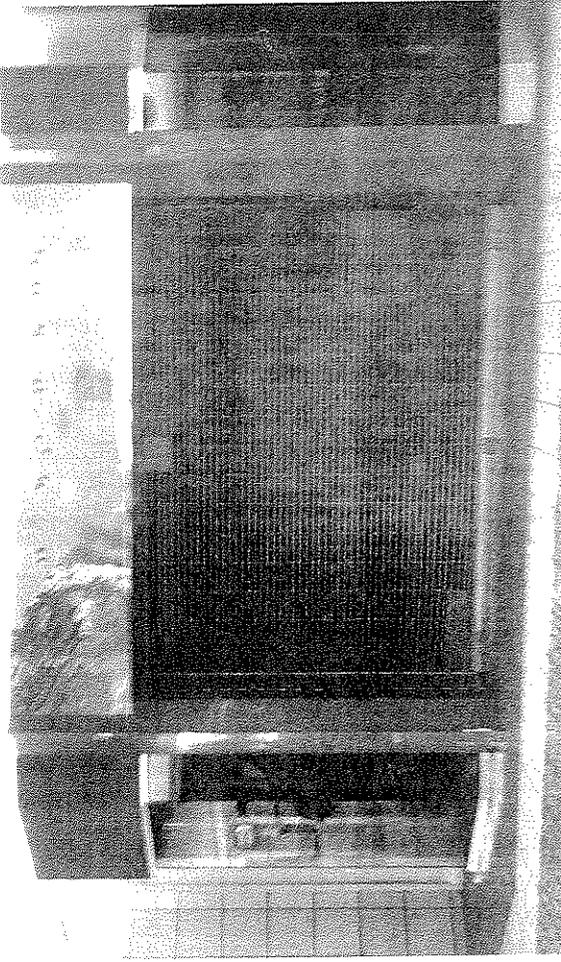
empty 22



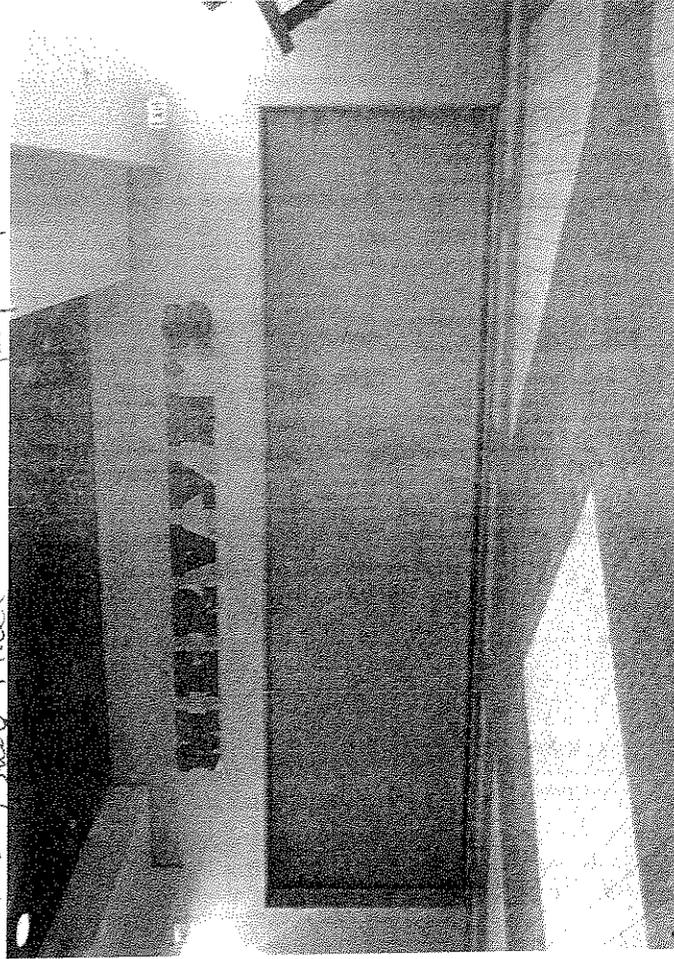
(100) Bayshore Mall empty 23



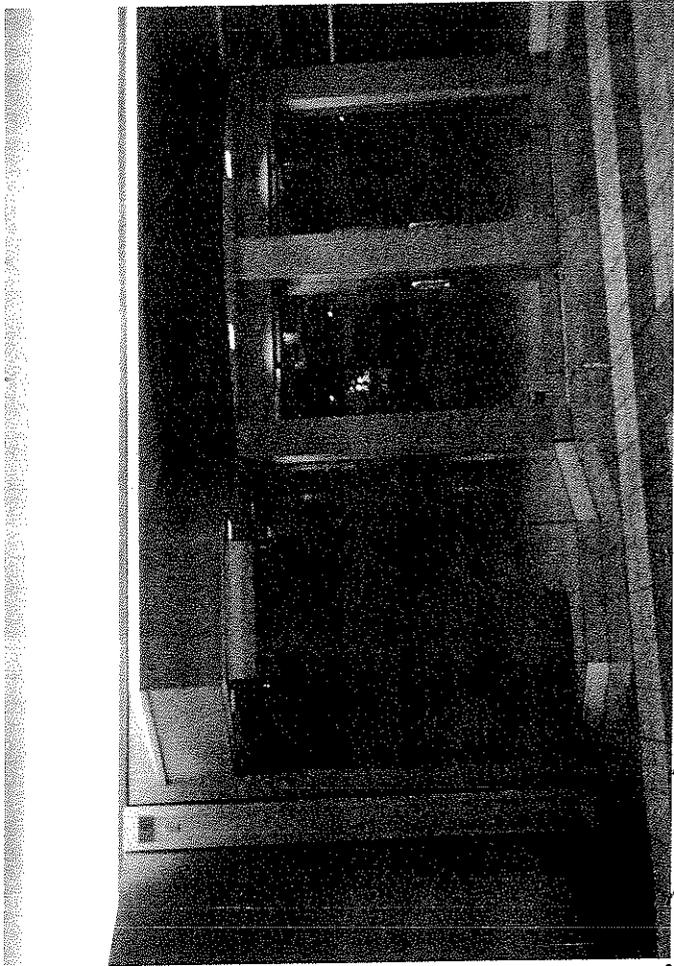
(102) Bayshore Mall empty 25



(101) Bayshore Mall empty 24



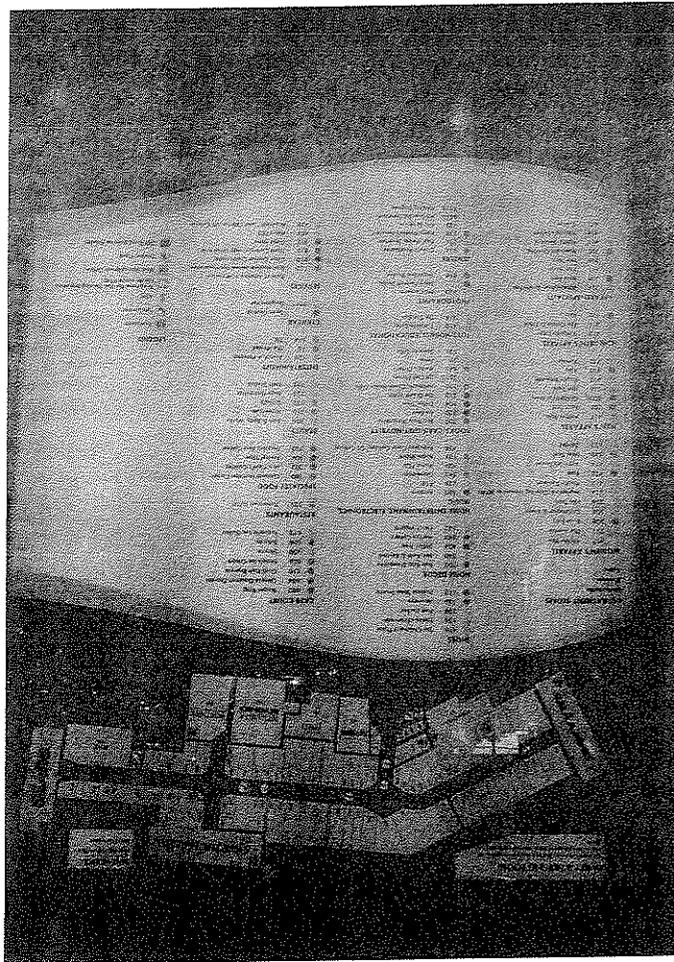
(103) Bayshore Mall empty 26



(104) Bayshore Mall empty 27



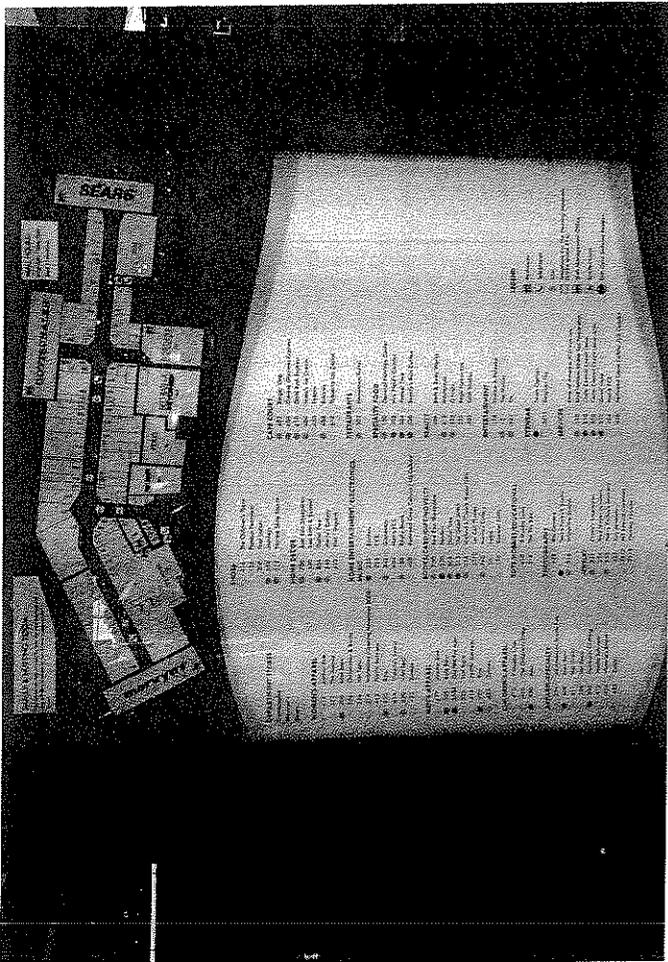
(105) Bayshore Mall empty 28



(106) Bayshore Mall - Map of what one was



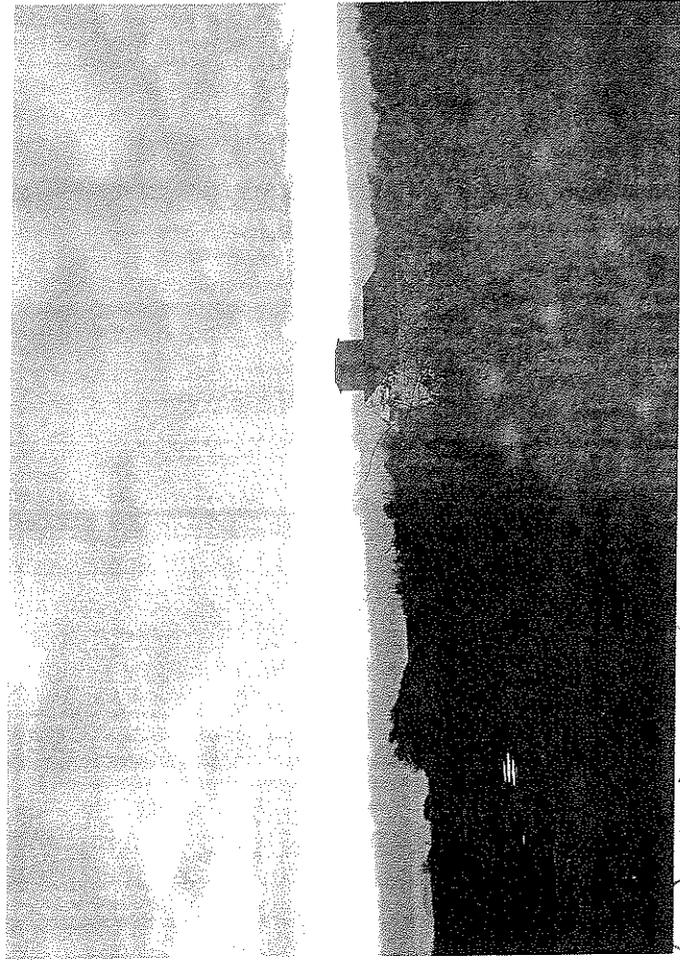
(106) Bayshore Mall empty 29



Map of Bayshore Mall



(106) Bayshore Mall empty 300



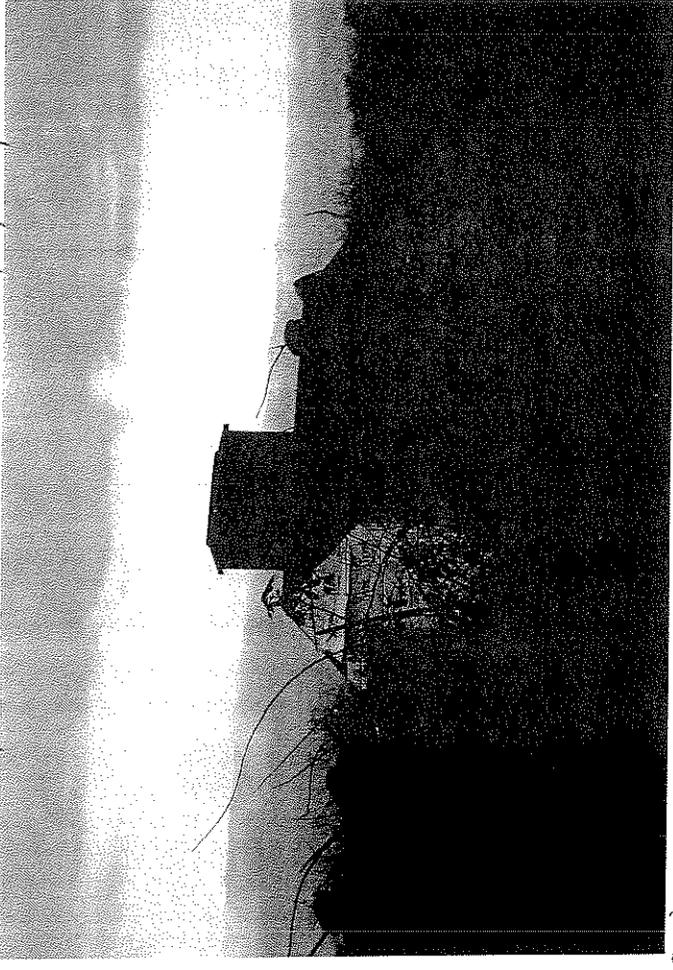
(108) Elk River Yellow Works Vacant



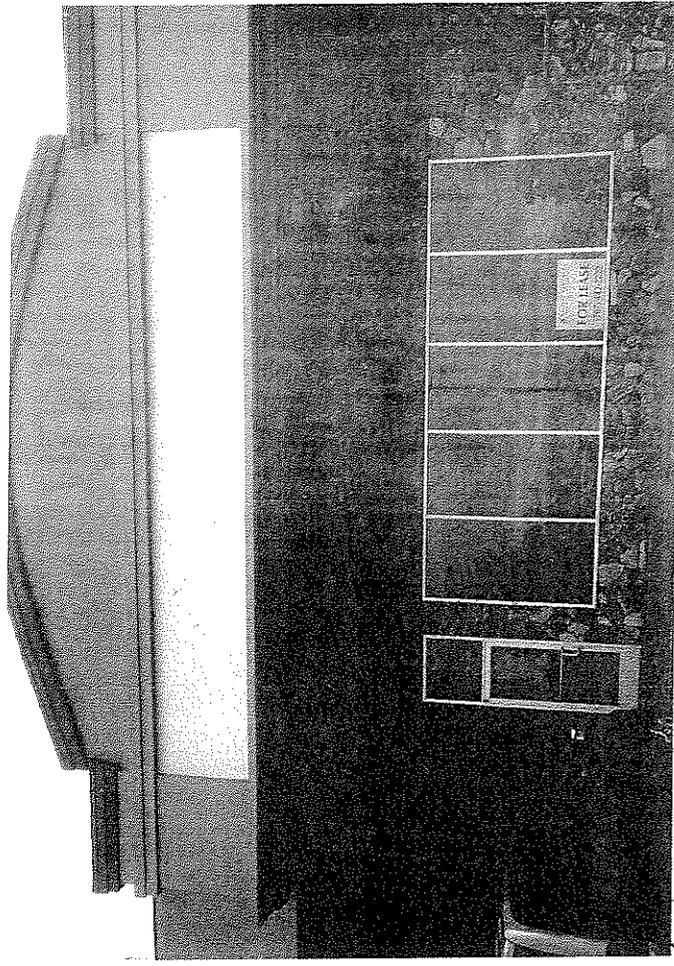
(107) 3990 Broadway former Nader Auto



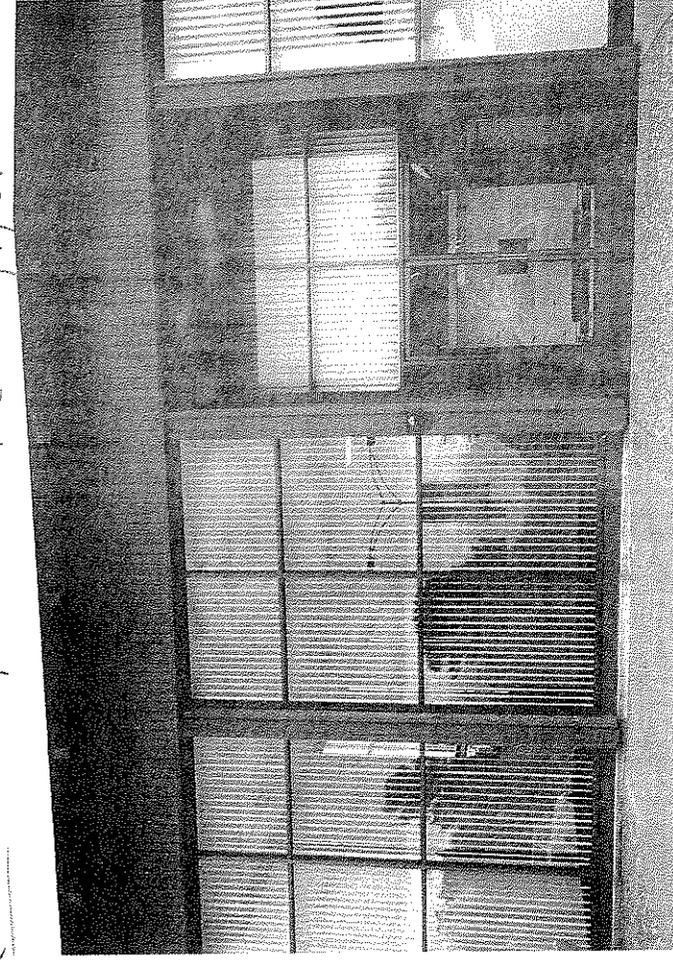
(109) Broadway - east side vacant property



(108) Elk River Tallow Works vacant



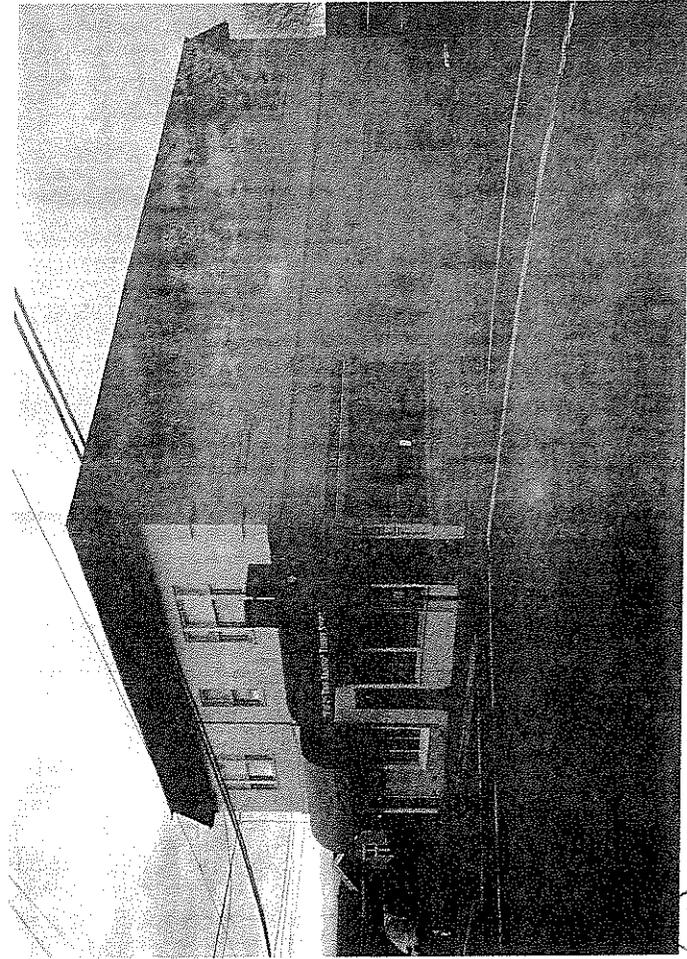
(110) Eureka Mall, Henderson side empty store



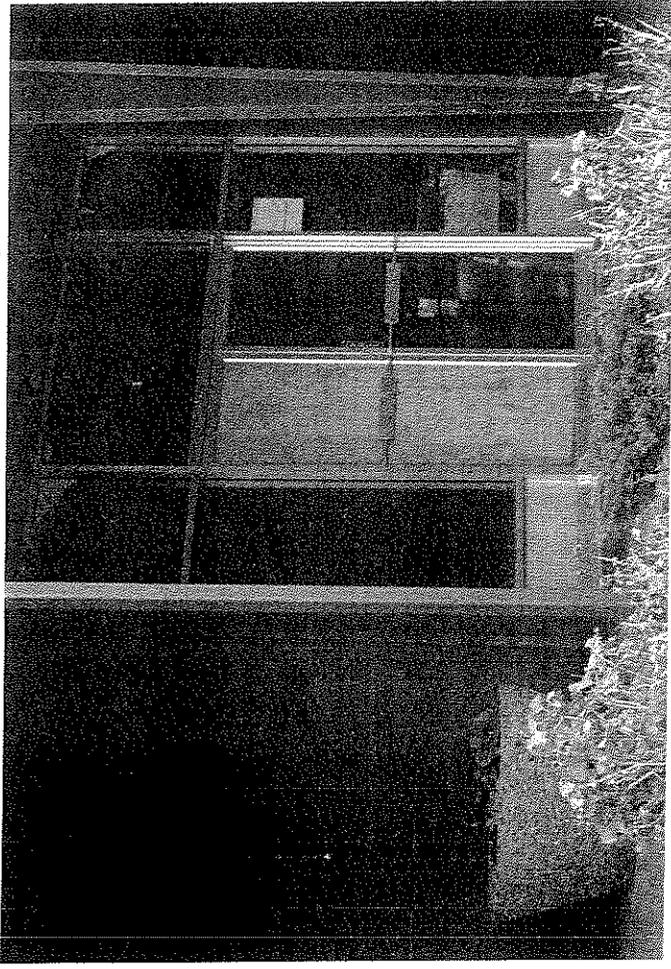
(111) Eureka Mall, Henderson side former 6 Rivers Bank



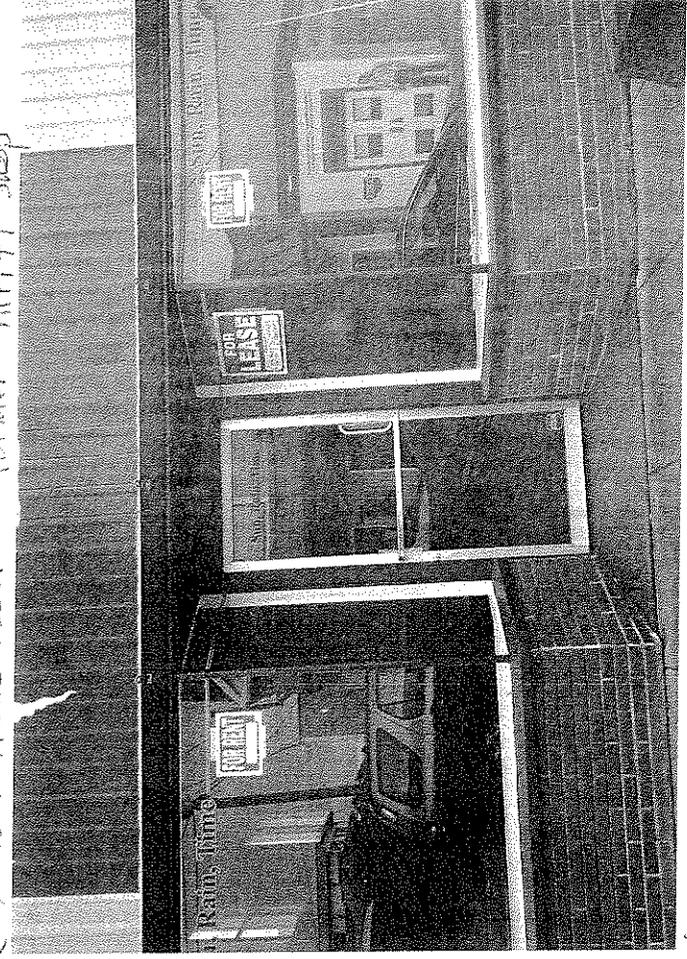
12) Bill Harris former clinic



(114) 437 Henderson former Thrift Shop



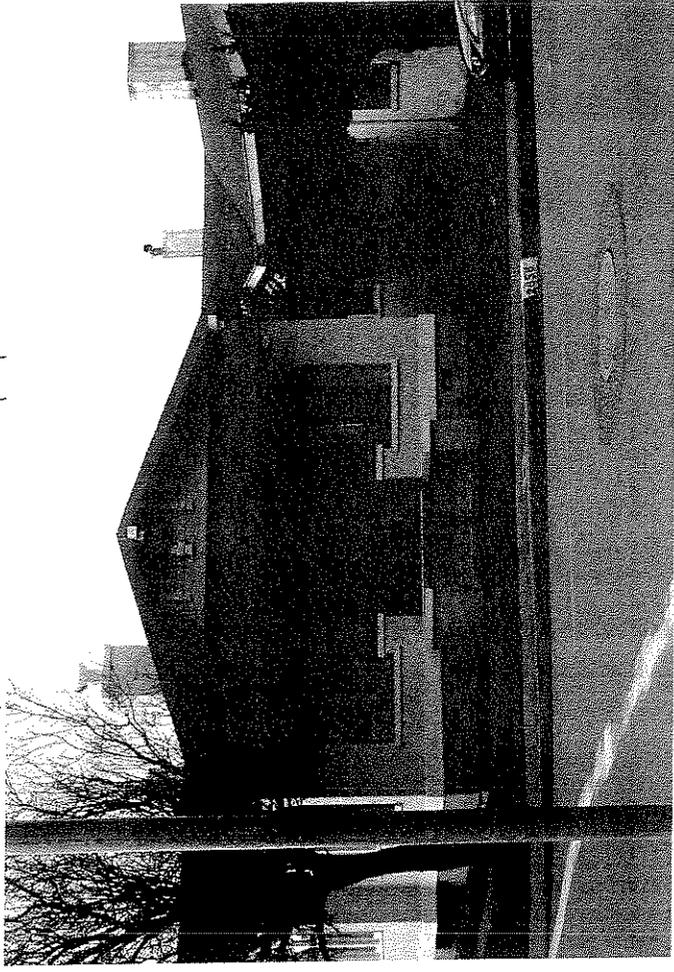
11) Eureka Mall, Henderson side former Newberry's



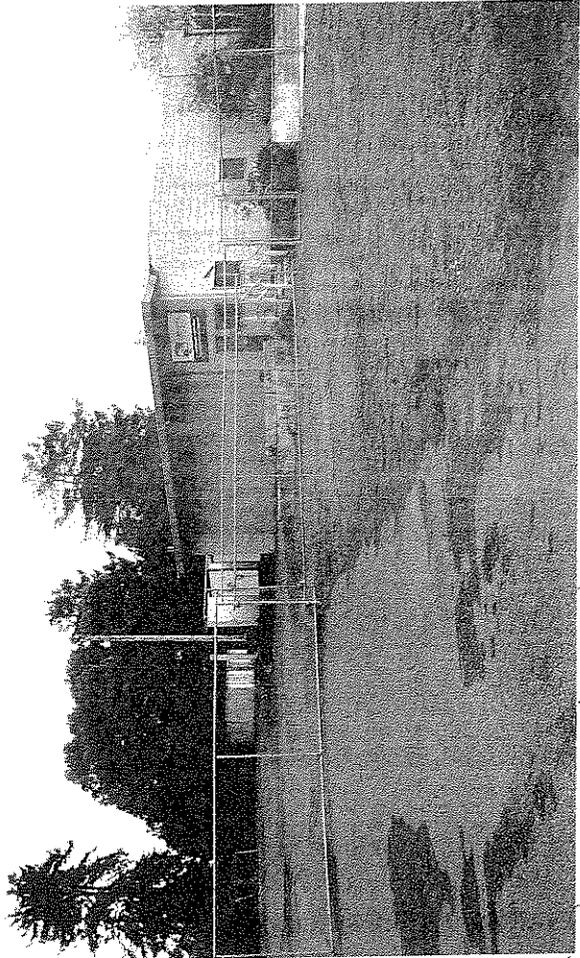
(113) Henderson between F & G former Sun, Rain, Time



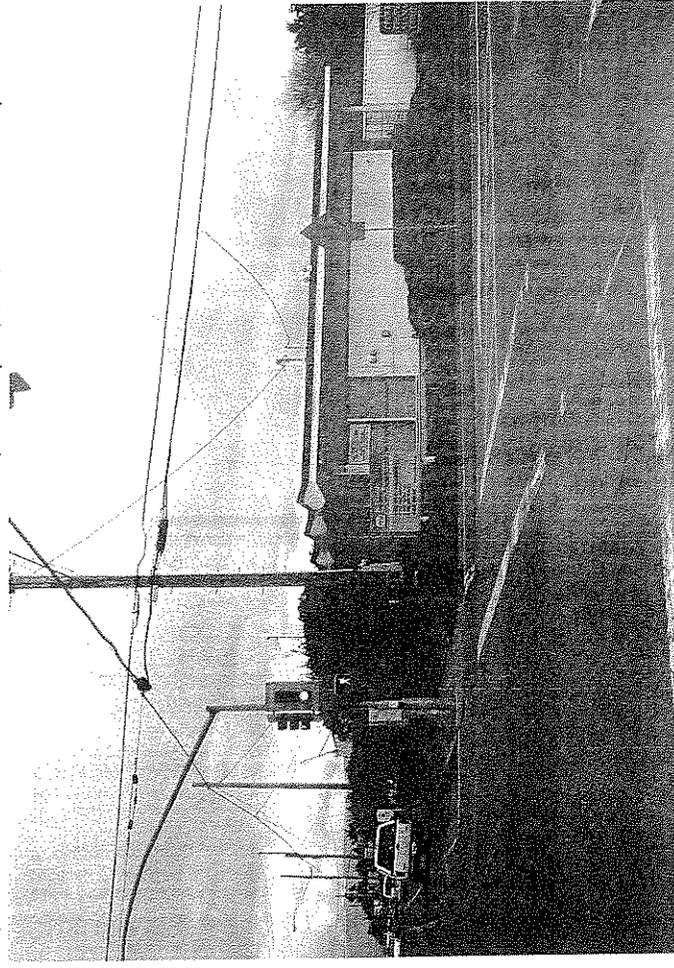
6) next to 2912 E st empty store



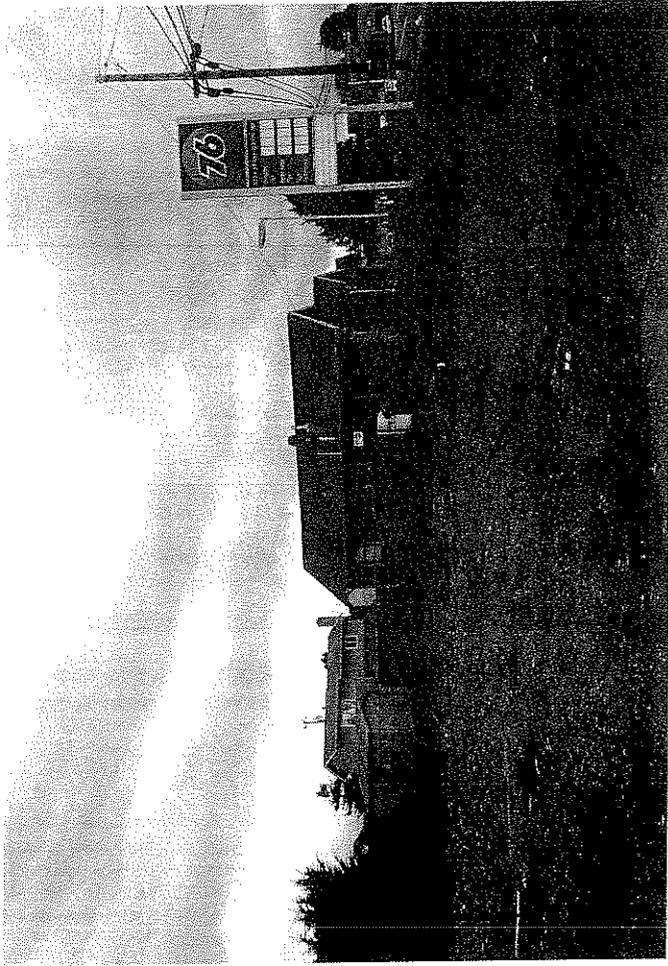
15) 2858 E st former realty office



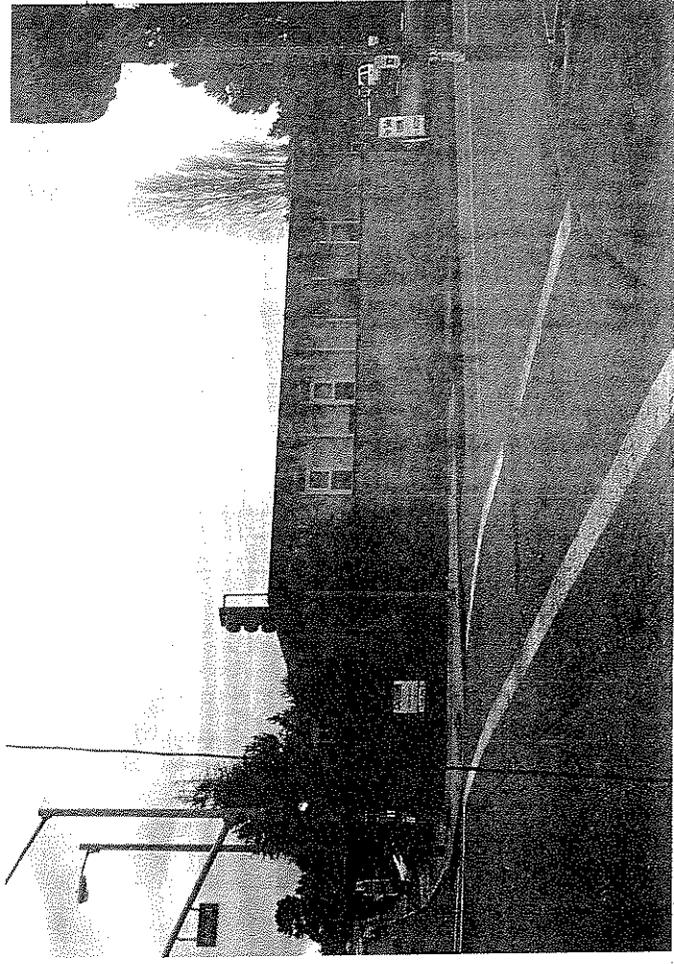
(18) 2761 Hubbard Ln former trailer rental



(17) 2607 Harris empty office suites



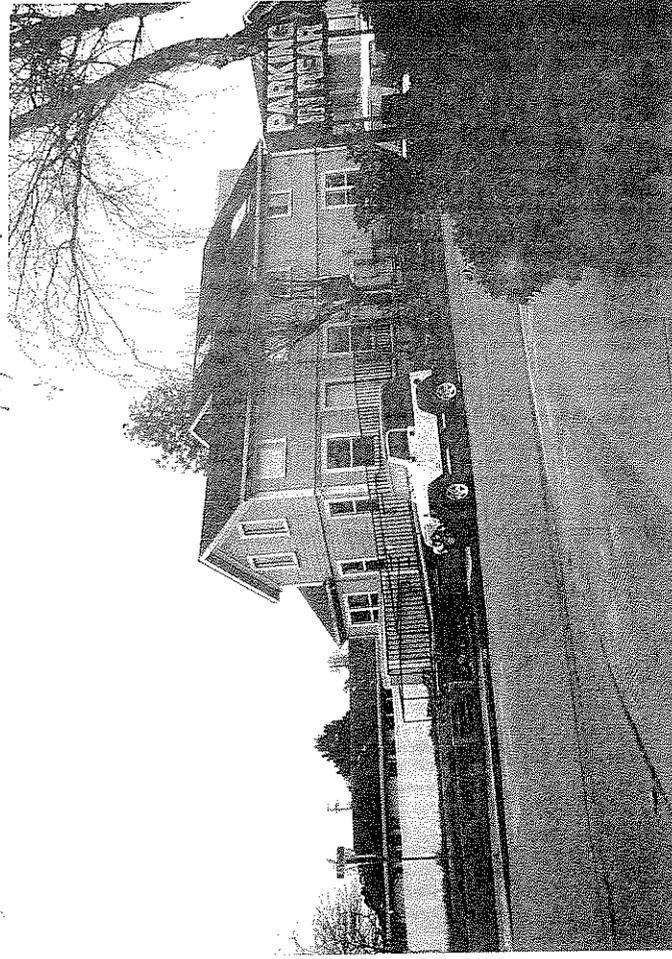
20) Myrtle Ave and Park St - former gas station



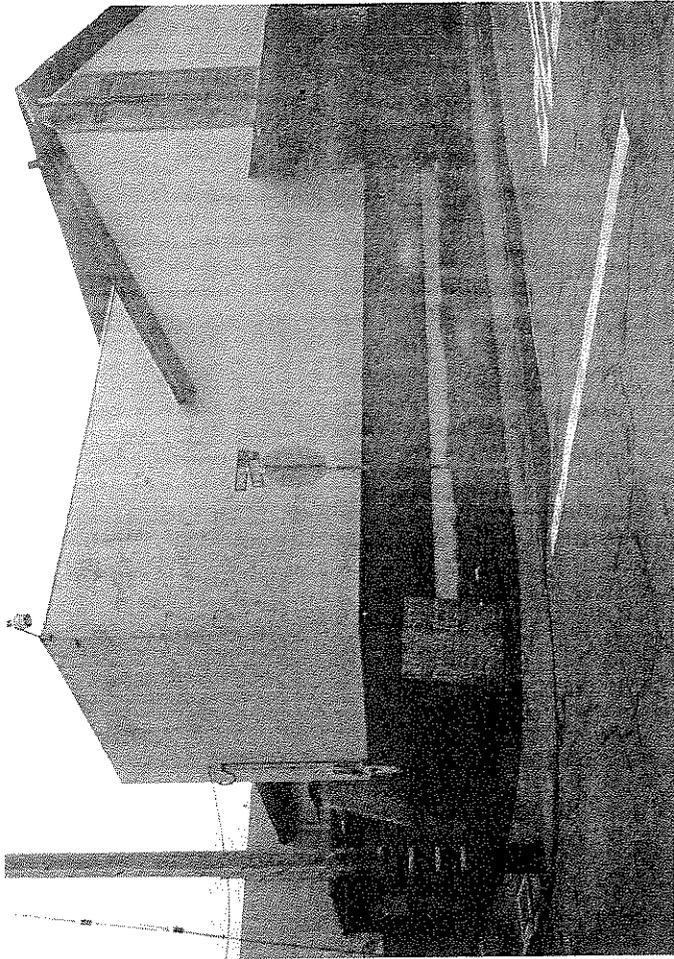
(122) 2456 Babine - empty medical office



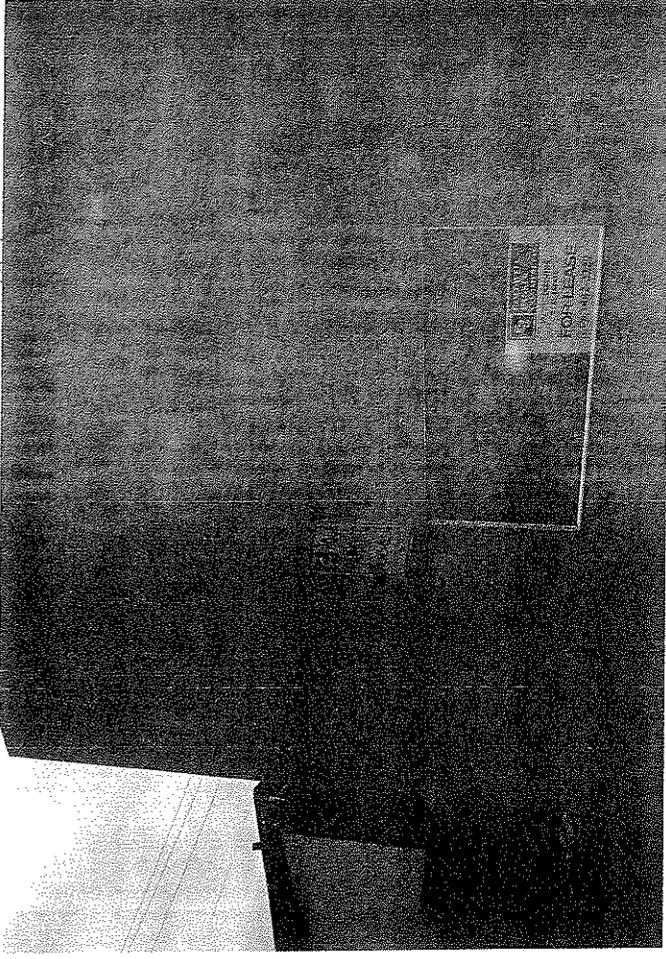
(119) Myrtle Ave - former Pharmacy



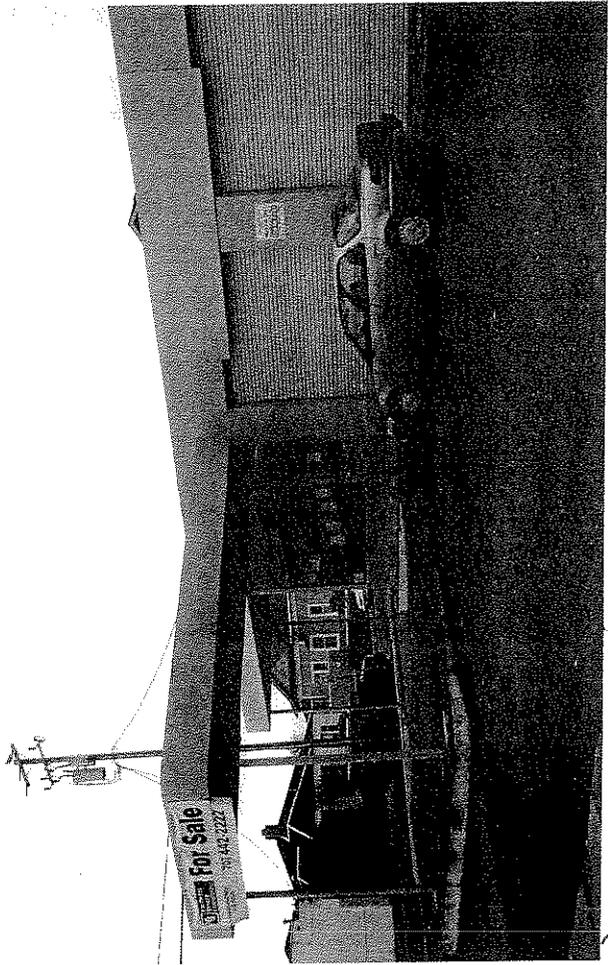
(121) 23rd & Harrison - former Planned Parenthood



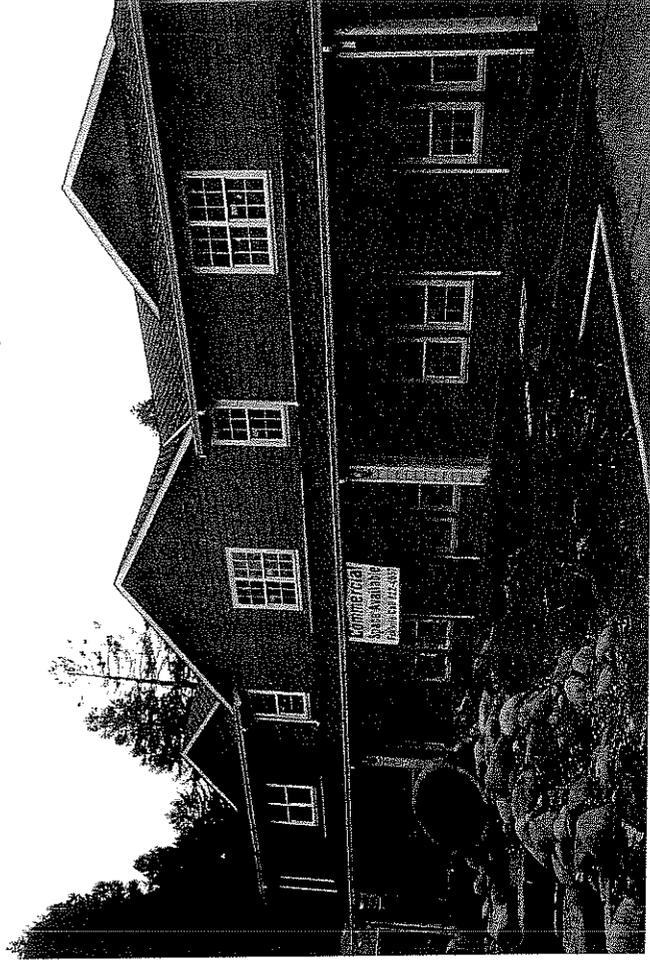
(126) Wabash & Union empty church building



(125) Wabash & Union empty shop building

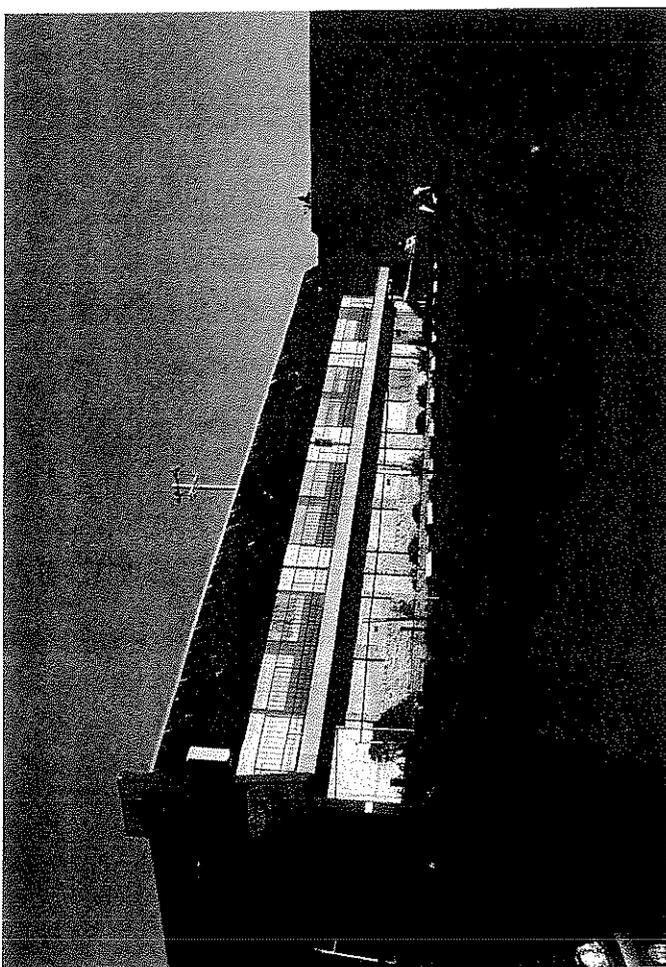


(121) 101 Wabash former gas station

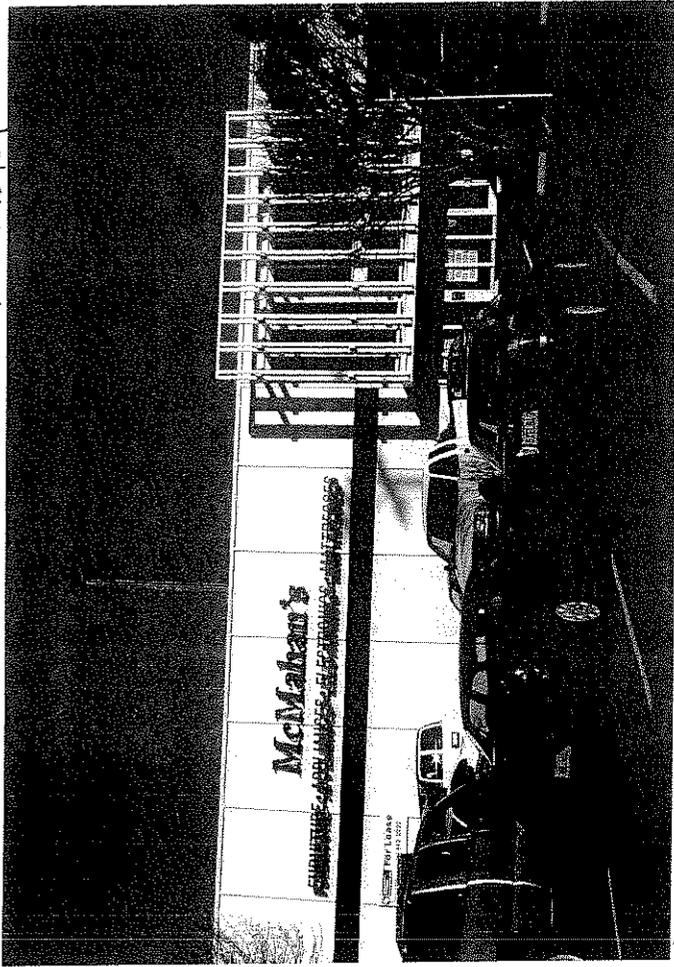


(123) Walnut & Hemlock for lease > 1yr

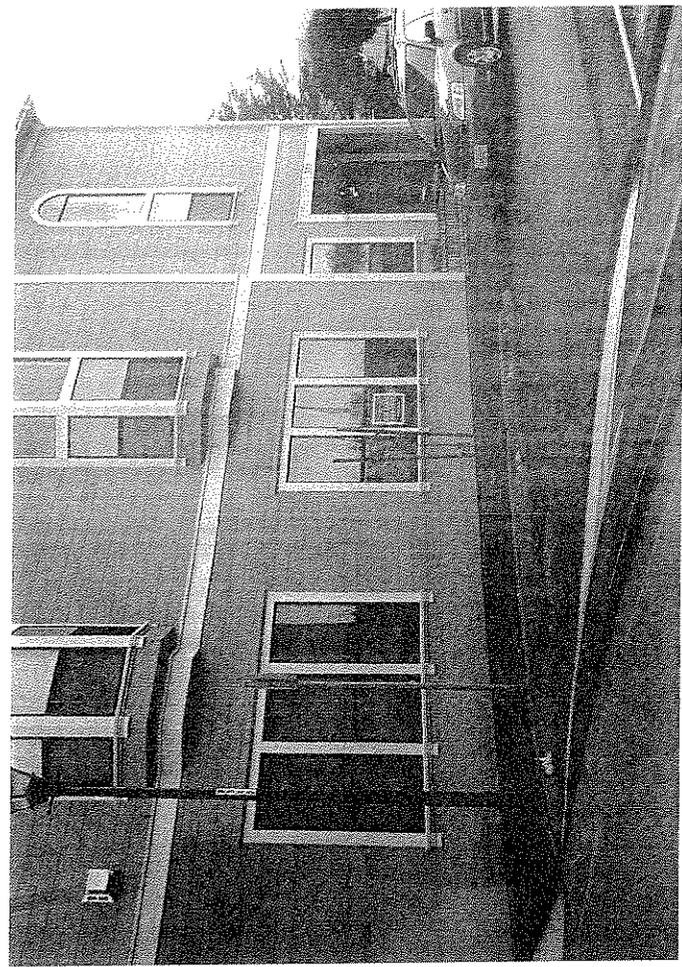
Ducks Mkt Harrison Ave no photo  
 Roberts F St no photo



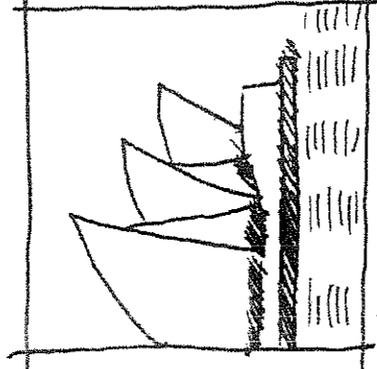
25) 8th & 6 St former Downowner Motel



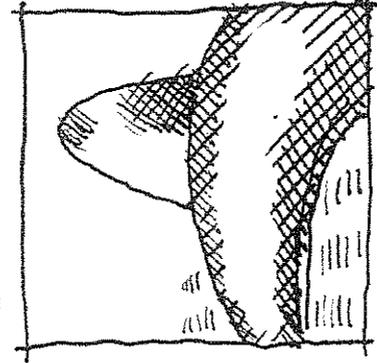
27) 3rd & I St former McMahaons furniture  
 4th St



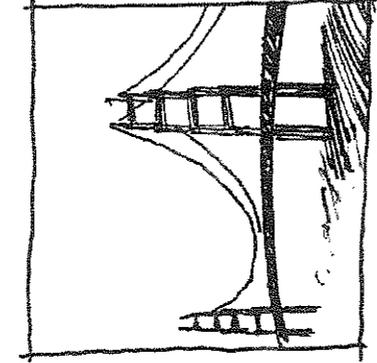
# Cruise Ship Destinations



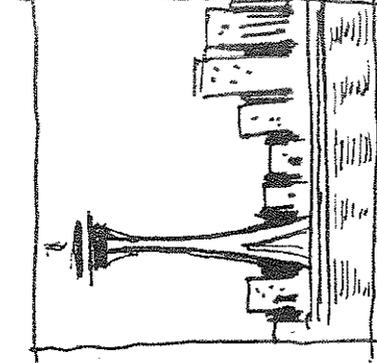
Sydney



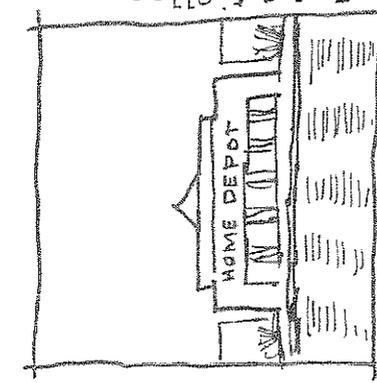
Rio de Janeiro



San Francisco



Seattle



Eureka

Joel Mielke

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