

Patrick Higgins

*Humboldt Bay Harbor, Recreation and Conservation District Commissioner
Fifth Division Representative
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McKinleyville, CA 95519*

June 22, 2009

Mr. Dennis Hunter, Commission President
Humboldt Bay Harbor, Recreation and Conservation District Commission
601 Startare Drive
Eureka, CA 95502

Re: Final Humboldt Bay Harbor, Recreation and Conservation District 2009-2010 Budget Considerations

Dear Dennis,

The meeting of June 11 made clear the staff's preferred emphasis on maintaining "full service" capacity in the marine trade sector. This includes part time engagement of our current Maritime Director at a 40% level (\$40,000) and maintaining both Bar Pilots, although at half former personnel cost (\$140,000). As my comments of June 11 substantiate, our 2009-2010 actual deficit ranges from \$330,000 to \$550,000, when real income and expense are reconciled. Therefore, I am requesting that the Commission consider making further cuts and to change the emphasis of District expenditures on staffing. Without substantial changes in this regard, I will not be able to vote in favor of adoption of the budget.

Maritime Director Position

I cannot justify maintaining a Maritime Director position, even part time, given that it has produced no revenue and there are tangible prospects for such business. Commissioner Wilson has called for a conversion of our current Maritime Director position to an economic development director and I agree with him that there would likely be greater benefit to the District and the community by making such a change. If our Commission agrees with the idea that we need to shift course on the Redwood Marine Terminal development to light industry, then an economic development coordinator could help us bring this to fruition. It is quite possible that we could develop several hundred jobs in light industry on the footprint of the Redwood Dock property. The skills necessary to attract such businesses is a different skill set than possessed by our current staff. The chances of our creating a flourishing business venture is greater in this realm than in relying on the shipping trades; therefore, if we spend money on staff to support light industrial development we are likely to bring in more revenue and help us achieve our mission and improve our financial condition.

Bar Pilot Expense Still Too High Relative to Trade Levels and Revenue

Our staff leader is to be commended, and the Bar Pilots as well, for their honest effort to cut expense but also maintain full staffing with two bar pilots. However, we still do not have the trade to justify \$140,000 in salaries. Commissioner Pelligrini on April 6 asked that Bar Pilot

salaries should not exceed \$60,000 total, given that there is virtually no ship traffic in Humboldt Bay. As a compromise to her recommendation, I believe that we should retain one pilot at \$70,000 and negotiate for contract services with the second pilot or another capable, qualified individual to fulfill this need. A reasonable arrangement would be in the range of \$80,000-100,000 total and would allow ship traffic at any time. Ships do not arrive without notice, so contract services could fill needs when our primary pilot has a scheduled vacation or other conflicts. If we do get a fuel barge safety surcharge that generates revenue and need for “full service,” then I would be open to reconsidering my position on this issue.

Where Is Growth Potential?

We must shift staff time and effort into opportunities that can help us flourish and to better accomplish our mission of stimulating the economy around Humboldt Bay. The following are what I see as avenues for growth for the District and potential shifts in staff emphasis to capitalize on them.

- Diversified development of the Redwood Dock and Fields Landing properties that may include business incubator/light industry, aquaculture, museum complex, seafood processing/restaurant complex and possibly a marina.
- Grants and contracts for regional fisheries management support are likely to become available due staff capacity, work with the regional MPA Oversight Committee and our close working relationship with HSU and Sea Grant.
- Expanded recreational authority for the District could also make us a conduit for funding of trails projects (i.e. through MOU with NCRA to allow trail system around Humboldt Bay until restoration of rail service is funded.)
- Aquaculture ventures in Humboldt Bay could be expanded with development of a seed or “spat” venture, if permitting were facilitated.

As indicated above, I believe that we could justify the hire of an economic development director in the near future, if we set our sites on a different path of development for the Redwood Dock. I am not suggesting that we add conservation or recreational staff at this time, however, I believe that such positions could be funded and justified through grants, if the District puts more emphasis in these areas. Our Conservation Director might be able to facilitate aquaculture expansion through assistance with the permitting process with direct benefit to the District of increased tide land leases and rent payments.

We Are Not Abandoning Our Mission by Shifting Redwood Dock Development Direction

Under the light industrial development model for the Redwood Dock property, the District is not abandoning large scale shipping development in Humboldt Bay. In fact, if light industry at our site were to generate enough tonnage of products to justify short sea shipping, then adjacent private industrial properties could be developed to be the shipping center or transfer to existing facilities like the Schneider Dock could be arranged. This makes sense from dredging cost perspective as tidal flux in the narrower channel to the south at Fairhaven and at the Schneider Dock maintains depth with less maintenance.

How the District is Perceived Makes a Difference in Opportunities

I know the achievements of the District in conservation and recreation are substantial, but there is a problem of perception with agencies (and the public) that we are a force for industrial development of Humboldt Bay and; therefore, not a friend to the environment. This has had a chilling effect on our ability to attract funding in the conservation and recreation sectors. Should we pull back from industrial development of the Redwood Dock, and instead clean up the site and pursue less intensive land use for it, then the likelihood of our receiving funding in these niches will likely improve.

I see a bright future for our District and Humboldt Bay, but we need profound change and I hope that my fellow Commissioners are ready to help us move forward.

Sincerely,

A handwritten signature in black ink, appearing to read 'Patrick Higgins', with a large, sweeping flourish extending to the right.

Patrick Higgins