

Applicant Organization: Humboldt State University

Project Title: Socioeconomic Research and the Development of Fishing Community Sustainability Plans on the California North Coast

Research Priority: Socio-Economic Research (Priority #6)

Project Location: Eureka, CA and Shelter Cove, CA

Requested Project Period: September 1, 2016 – August 31, 2018

Funding Requested: \$271,225

Principal Investigator: Dr. Laurie Richmond, Assistant Professor Environmental Science & Management

Co-Principal Investigators: Dr. Steven Hackett, Dr. Brian Tissot, and Henry Pontarelli (Lisa Wise Consulting, Inc.)

Collaborating Partners: Dr. Joe Tyburczy, California Sea Grant Extension Specialist; fishing communities of Eureka and Shelter Cove; City of Eureka; Shelter Cove Resort Improvement District; Humboldt Bay Harbor, Recreation and Conservation District; Humboldt County; Federal Government

Species/Resources to be Addressed: Those species and resources relevant to commercial, charter, and recreational fisheries in Eureka, CA and Shelter Cove, CA

PROJECT SUMMARY:

The project consists of socioeconomic data collection, data analysis, and collaborative planning activities necessary to develop Fishing Community Sustainability Plans (CSPs) for Eureka and Shelter Cove located in Humboldt County on the California North Coast. The process will be driven by a team of Humboldt State University (HSU) researchers who have established collaborative research relationships with the subject communities and consultants who have substantial experience with waterfront and commercial fisheries planning including leading the development of the first two CSPs in California. The project is a direct response to a need expressed by local fishermen in previous research engagements. Both communities have experienced substantial declines in fisheries participation, revenue, and critical physical infrastructure and both are looking for ways to plan for a better and more resilient future.

Proposed Activities:

(1) *Original socioeconomic data collection and analysis* through ethnographic site visits and key informant interviews with at least 25 individuals in each port. Interviews and site visits will provide information about community members' perceptions of the historic and current conditions of the communities, their hopes for the future, and their attitudes toward potential actions that could strengthen the fishing industry. The team will then analyze the interview and ethnographic data using standard qualitative analysis methods.

(2) *Secondary data analysis* through the compilation and analysis of existing data related to the communities. Sources will include information about the economic performance of the

commercial fishing industries (landings, earnings, price per pound, species mix, vessel IDs), cost of inputs (fuel, slip fees, wages for crew, etc.), the regulatory environment (zoning/land use restrictions, permitting requirements, fisheries regulations and monitoring requirements), and community history. At least five datasets will be analyzed.

(3) *Development of CSPs for each community* utilizing socioeconomic data collected and analyzed through this project and through the implementation of a collaborative planning process. The process will incorporate extensive community engagement through one-on-one interviews, site visits, group and public meetings with the community, civic and elected officials, regulators, and the business community. At least two public planning workshops will be held in each community. Furthermore, an Advisory Committee composed of community members will be formed to help guide the development of the CSPs and to review and comment on draft sections of the CSPs. The Advisory Committee will meet four times during the project.

(4) *Extensive outreach related to CSPs and project findings* by distributing project materials for public review and response. Materials will include: workshop materials, draft and final CSPs, and informational brochures that provide a quick overview of project findings and web-based links to view the complete CSPs. After completion of the CSPs, presentations will be provided to the Eureka City Council, Humboldt Bay Harbor Commission, Humboldt County Board of Supervisors, Shelter Cove Resort Improvement District, and national entities such as National Working Waterfront and Waterways Network and the Pacific Fishery Management Council.

Anticipated Benefits and Outcomes:

The CSPs will provide an overview of the social, economic, and environmental status of the two fishing communities and a concrete set of constituent-driven recommendations that Eureka and Shelter Cove should implement to improve the viability and sustainability of commercial and recreational fishing. The CSPs will take a holistic view of the fishing communities and address issues such as markets and marketing, access to fishery resources, social systems and fishing community organization and/or governance, physical infrastructure, and environmental sustainability. They will also include a set of metrics to enable the communities to measure future progress. The CSPs will conform to the requirements in the Magnuson-Stevens Fishery Conservation and Management Act, making communities eligible for certain programs, including participation in the federal ITQ trawl groundfish fishery, upon completion. The project will deliver the following benefits to the Eureka and Shelter Cove fishing communities:

Help communities identify and prioritize future initiatives and communicate their vision to a broader audience: The CSPs will be supported by socioeconomic research and provide a mechanism for fishing community members to communicate their vision to decision-makers.

Increase social cohesion and trust in fishing communities: Trust and collaboration among fishermen, processors, agencies, and local governments are currently low in both communities. This process provides the opportunity for diverse stakeholders to work together and build more trusting and fruitful relationships.

Strongly position the communities to implement projects and activities that will lead to an increase in community resilience: Once CSPs are completed, communities will be in a strong position to move forward with implementation measures. Experience from other ports shows that CSP planning and implementation can lead to tangible economic, social, and environmental benefits.



Photo Courtesy of Charles Nadeau

CITY OF MORRO BAY

FISHING COMMUNITY SUSTAINABILITY PLAN

March 2014



Prepared by:
Lisa Wise Consulting, Inc.

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CITY OF MORRO BAY

FISHING COMMUNITY SUSTAINABILITY PLAN

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ACKNOWLEDGEMENTS

The Morro Bay Community Sustainability Plan (CSP) would not have been possible without the insight and participation of the fishing community and the guidance of the City of Morro Bay. It is the cooperation among the fishermen, the City and the community that makes the project valuable and will provide the foundation for the implementation of the recommendations made herein. Several individuals and organizations played key roles in the project; we do our best to list them here.

The Consultant Team would like to acknowledge and thank the National Fish and Wildlife Foundation for their generous financial support of the CSP. The community of Morro Bay views the Fishery Innovation Fund grant as an investment in the community's future, one that will produce long-term economic, social and environmental returns.

The purview of the report includes the entire community but the work was driven by the fishing industry. As such, we would like to thank and acknowledge the entire fishing community, skippers, deckhands, dockworkers, related business owners, drivers, and baiters. Several individuals went out of their way to make themselves available to answer our questions and to help confirm our findings. We would like to thank and acknowledge Jeremiah O'Brien, Tom Hafer, Tom Roff, Mark Tognazzini, Rob Seitz, John French, Fred Cefalu, Reed Hawkins and the entire MBCFO. A special thanks to Lori French and Tiffany Seitz of the Central Coast Women for Fisheries (CCFW).

The City of Morro Bay project management team of Eric Endersby and Rick Algert was engaged from the pursuit of the grant, to the review and approval of the individual sections of the report. We thank them and acknowledge their personal and professional dedication to the project. We would also like to thank City of Morro Bay intern Emma Schoppe who made significant contributions in shaping and editing the document, and Andrea Lueker who extended her unwavering support of the project from its inception.

The following individuals from the working waterfront contributed generously to our numerous phone calls, emails and visits, Giovanni DeGarimore of Giovanni's Fish Market, Chris Battle of Santa Monica Seafoods, Jerry Cottril of Jerry's Marine, Sharon Moore of Virg's Landing, Neal Maloney of Morro Bay Oyster Company, George Trevelyn of Grassy Bar Oyster Company, Paul Van Beurden of Dutchman's Seafood House, Margie Hurd of SLO Fresh Catch, Jeff Eckles of Chairman of the Waterfront Leaseholders, and Dana McLish of the Morro Bay Yacht Club. We would also like to thank and acknowledge Craig Shultz and John DiNunzio in their capacity at the Morro Bay Chamber of Commerce. Thanks to Adrienne Harris, Executive Director of the Morro Bay National Estuary Program for her insightful input and Michael Bell, Senior Project Director of The Nature Conservancy.

The fishing communities in Morro Bay and Port San Luis are considered by many to be inseparable. To that end, we would like to thank Steve McGrath, Harbor Manager Port San Luis Harbor District and Dave Kirk, Commissioner, Board of Harbor Commissioners, Port San Luis Harbor District for their support and input on the Morro Bay CSP.

Finally, we would like to thank each member of the Morro Bay City Council for their foresight in seeking and winning the grant and commitment throughout the project.

EXECUTIVE SUMMARY

In May of 2012, the City of Morro Bay was awarded a National Fish and Wildlife Foundation (NFWF) grant to develop Community Sustainability Plans (CSP) for the City of Morro Bay and the City of Monterey. The NFWF Fisheries Innovation Fund grant provided funds for these two communities to consider the economic, social and environmental implications of their fishing industries and working waterfronts.

CSPs are cited in the Magnuson Stevens Fishery Conservation and Management Act (MSA) as a requirement for communities that wish to remain eligible to participate in programs such as Individual Transferable Quota (ITQ) that was instituted in the federal groundfish fishery in 2011. The MSA is the overriding law for all federal fisheries in the U.S. This CSP is seen by leaders in Morro Bay as an opportunity to assess current baseline conditions and plan strategically for a stable and vibrant fishing industry and waterfront infrastructure.

The Morro Bay CSP assesses critical infrastructure and services, quantifies the number of jobs generated by the fishing industry, addresses synergies with tourism, aquaculture and recreational fishing, and distinguishes fishing's prominent role in Morro Bay's cultural identity and marine stewardship. The CSP relies heavily on input from the fishing community and local civic leaders gained through dozens of personal interviews and site visits. The Morro Bay CSP culminates with recommendations aimed at the implementation of projects with greatest priority and potential economic, environmental and social return.

The Morro Bay CSP began with a kick-off meeting that included fishing industry representatives and project

COMMUNITY MEETING

City of Morro Bay

Fishing Community Sustainability Plan

The City of Morro Bay was awarded a National Fish and Wildlife Foundation grant to work closely with local fishing industry stakeholders and interested community members to assess the performance of the industry, build on past work, and develop strategies for economic, social, and environmental sustainability.

A kick off meeting will be held on January 7, from 6:00 pm - 7:30 pm, at the Morro Bay Veteran's Hall (209 Surf Street).

What:
City of Morro Bay
Fishing Community
Sustainability Plan
Kick off Public Meeting

When:
Monday, January 7, 2013
6:00 PM - 7:30 PM

Where:
Morro Bay Veteran's Hall
209 Surf Street
Morro Bay, CA 93442
Phone: 805.772.6254



This first meeting is intended to inform the community of the goals of the project, identify opportunities for participation, and answer questions.

The public is invited and encouraged to attend.

If you have any questions, feel free to contact the City of Morro Bay Harbor Department: Rick Alger at 805.252.7514 or Eric Emery at 805.772.6254; or Lisa Wise Consulting at 805.955.1345.

lisa wise consulting, inc.
planning resources environmental

AECOM CAL POLY

Poster notice for first public meeting for the Morro Bay Community Sustainability Plan project.

managers from the City of Morro Bay on November 26, 2012 and a Public Meeting and presentation on January 7, 2013. Throughout the project, the Consultant Team, led by Lisa Wise Consulting, Inc. (LWC) conducted one-on-one interviews with over 35 representatives from the fishing community (retired and active), City Council, local business community, marine dependent businesses, conservation NGOs and City staff. LWC also interviewed representatives from ports, harbor districts and marinas in Port San Luis, Half Moon Bay, Monterey, San Diego, Santa Barbara and the San Joaquin Delta, as well as the Port of San Francisco and Port of Los Angeles. The community outreach also included representatives from fuel cooperatives throughout the U.S. and site visits to boatyard facilities in Moss Landing and Port San Luis.

The grant pursuit process and project management was led by the City of Morro Bay (City) and Rick Alget, former City Harbor Director and Eric Endersby, current Harbor Director. The Consultant Team was made up of LWC as project manager and economics and community engagement lead; Dr. Mike Downs (Ph.D Anthropology) and ethnographer Stephen Weidlich of AECOM providing input and direction on the social and socio-cultural components of the project; and Dr. Dean Wendt, Associate Dean of the Cal Poly College of Science and Math and Director of the Center for Marine Coastal Sciences, providing guidance and input on environmental data gathering, assessment and reporting.

The report is structured in seven chapters: 1) Introduction, 2) Critical Infrastructure and Services, followed by 3) Economic Setting which includes Rents and Wharfages, Tourism and Aquaculture 4) Environmental Setting and 5) Social Setting. The report culminates with 6) Recommendations and 7) Potential Funding Sources.

PROJECT SETTING

Morro Bay is equidistant from Los Angeles and San Francisco on the coast of California. Fishing grounds off Morro Bay are marked by a diversity of productive habitats including deep canyons, underwater seamounts, soft sand and mud bottoms and rocky nearshore areas. The port has a rich fishing heritage dating back before the founding of the City in the late 19th century. Native people inhabited Morro Bay for centuries, with evidence of their reliance on fishing in middens scattered along the coast.

Commercial activity grew in the early 1900s with the development of a commercial abalone fishery. By the 1930s there were robust sardine, groundfish, salmon, and albacore fisheries in Morro Bay. By this time there was also an active Commercial Passenger Fishing Vessel (CPFV) fleet serving thousands of visitors and locals annually. By the 1960s and 1970s, with the establishment of the MSA, the 200 mile Economic Exclusion Zone (EEZ) and the political



Photo: Capt. Ed Ewing oversees the construction of a trawl net at the MBCFO storage and gear maintenance facility.

and regulatory shift toward securing American fishing dominance in the EEZ, Morro Bay had become a vibrant and productive fishing port, led primarily by the trawl fleet. This vibrancy was complemented by on-shore industry including fish processing, offloading facilities, ice production, seafood buyers, and fuel facilities. Along with the establishment of critical physical infrastructure was a formalization of the social infrastructure. The Morro Bay Commercial Fishermen's Organization (MBCFO) was formed in 1974 and provides leadership, a more concerted voice in fishing related issues, and represents the diversity of fisheries and fishing operations in Morro Bay. By the 1990s and with the influx of inexpensive foreign imports, changes in consumer preferences, the collapse of several groundfish species and heightened regulatory oversight, the industry experienced a downturn. Total ex-vessel value (EVV) or earnings at the dock fell from approximately \$8.5 million in 1990 to \$1.9 million in 2007. However, since 2007, landings in Morro Bay have rebounded steadily to over \$6.3 million in 2012. The fishing community in Morro Bay has accomplished this through hard work, ingenuity, the ability to plan and collaborate with diverse partners and pervasive leadership.

The Morro Bay fishing community is very capable and insightful, and in conjunction with the City and with diverse partners like the State of California, academia and conservation NGOs, has engaged in extensive and consistent strategic planning marked by the 2007 MBCFO Dock Business Plan, 2008 Morro Bay/Port San Luis Commercial Fisheries Business Plan, 2009 Groundfish Threshold Analysis, and Commercial Fishery Economic Impact Reports in 2011, 2012 and 2013.

CRITICAL INFRASTRUCTURE AND SERVICES

Morro Bay maintains much of the critical infrastructure on which a vibrant fishing industry relies, such as a high quality, high-capacity ice facility, fuel facility, four offloading hoists and buyer stations, truck access, bait and baiting service, docks, slips and piers, live fish tanks, dry storage, chandlery and a well-dredged harbor.

Facilities and services that are lacking and identified as priorities by the fishing community, such as a boatyard and haulout facility, processing and cold/freezer storage, are included in recommendations herein.

ECONOMIC FINDINGS

The Morro Bay fishing community and broader working waterfront is a vibrant mix of complementary activities and industries, including commercial fishing, recreational fishing, tourism and aquaculture. The working waterfront and a working commercial fishing port are valuable and unique resources and create a strong link to the County's \$1.2 billion tourism industry.

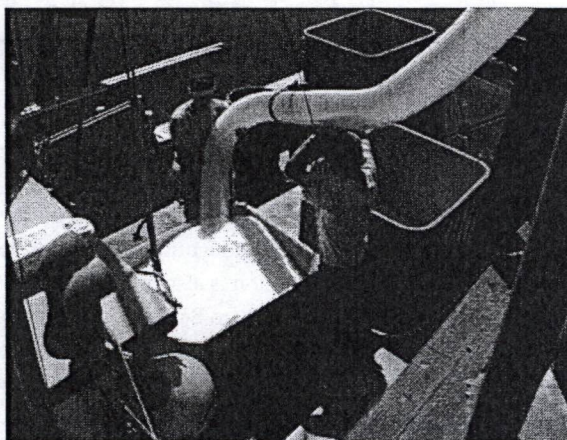
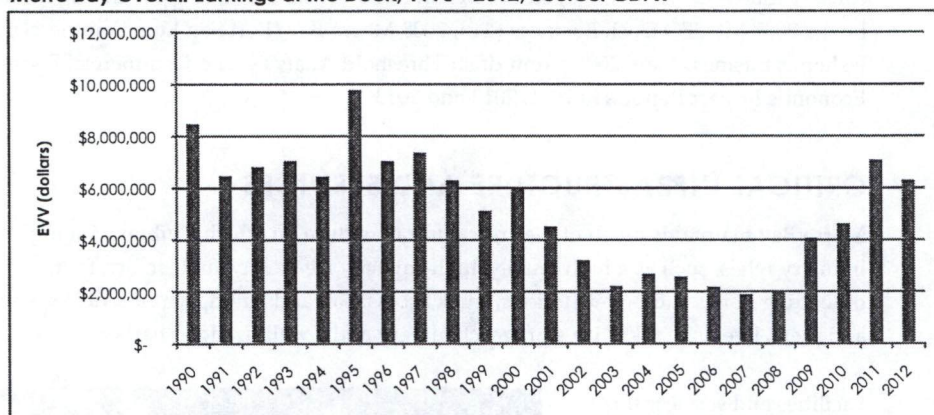


Photo: Ice pumped into the hold of a hook and line vessel, Morro Bay Municipal Dock.

Key economic indicators and metrics in the fishing community, those that provide a perspective into the industry's performance, include earnings at the dock for fishermen or ex-vessel value (EVV). EVV has climbed from a 20 year low in 2007 of under \$2 million to over \$6.3 million in 2012. Steady and or growing EVV is an indicator of economic resilience and well being. That the earnings are spread across a broad range of fishery types, aimed at differing habitats using different gear, is another indicator of sustainability. Fishermen in Morro Bay target spot prawn, Pacific hagfish and sablefish with traps, groundfish with hook and line and trawl, squid with purse seine nets, swordfish with drift gillnets, and salmon by surface troll. Commercial fishing activity indicators such as vessel IDs, fish tickets and trips are on the rise. The number of fishing trips as measured by the Department of Fish and Wildlife has risen from 3,712 in 2008 to 5,889 in 2012. Each trip represents potential wages for crew and skippers, and the purchase of fuel, ice, and supplies as well as landings at the dock. The fishing industry supports between 170 and 194 jobs on the water, on the docks and in the local processing plant. New and returning participants is another key economic indicator. An industry that can attract new players will ultimately be in a better position over the long run. In the last 4 years there have been 17 new and returning fishermen in Morro Bay and numerous new and returning vessels.

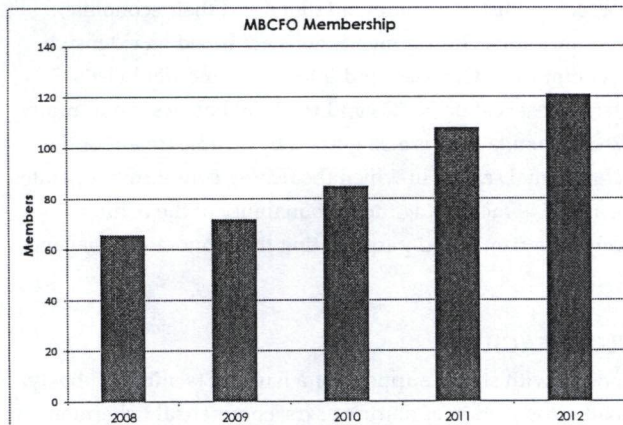
Morro Bay Overall Earnings at the Dock, 1990 - 2012, Source: CDFW



SOCIAL FINDINGS

The Morro Bay fishing community has maintained a strong sense of social cohesion, self organization and leadership, as evidenced by the formation of the Morro Bay Commercial Fisherman's Organization in 1974 and its current membership of over 100 members. Social cohesion is also evidenced by the fishing industry's strong relationships with City of Morro Bay staff and civic leaders, the aquaculture industry, local merchants, and with the Commercial Passenger Fishing Vessel fleet, skippers and deckhands switching back and forth. The fishing fleet has strong ties to the academic community and has engaged in collaborative research with California Polytechnic State University and other institutions for decades. The fishing community has also shown effective communication capabilities, attracting support in the form of grant funding from the California Coastal Conservancy, National Fish and Wildlife Foundation, the Central Coast Joint Cable Fishery Liaison Committee as well as Environmental Defense Fund and The Nature Conservancy. The recent formation and successes of the Central Coast Women for Fisheries is further evidence of the

community's ability to self organize, attract funding, support fishermen and fishing families, and educate the general public.



Morro Bay is an active participant in the regulatory arena for over 40 years and participation, particularly at the Pacific Fishery Management Council level has been substantial as the federal groundfish fishery began transitioning to a quota-based management system in 2003. Participation in the management process, strong relationships within and outside the community, and capable leadership add to a sense of accomplishment and hope for the future, hallmarks of a sustainable human system.

ENVIRONMENTAL FINDINGS

The Morro Bay fishing community has successfully transitioned from a larger fleet reliant on trawl and large volumes of landings to a smaller fleet profile with a wide diversity of species and gear types. Diversity has implications throughout the triple bottom line equation but in the case of environmental indicators, pressures on marine resources are more widely distributed, reducing the intensity of impact on any one species or habitat type and giving systems better opportunity to function and recover.

The Morro Bay marine environment is rich and diverse. The habitats in which the local fishermen operate are marked by steep canyons, rocky in shore habitats, soft and sandy bottoms, sea mounts and the steep continental shelf. How fishing activity is managed or controlled is a prominent environmental sustainability indicator. Every species targeted by the Morro Bay fleet is overseen by state or federal regulators and include one or several spatial or temporal closures, gear restrictions, trap limits or quota based management, and are guided by management plans and science-driven stock assessments. Due to the resilience of the marine environment, efforts of the fishing community and effective management measures, many impacted species, those targeted by Morro Bay fishermen, have regained healthy population levels such as thresher shark, swordfish, salmon, Petrale sole, sablefish and several species of rockfish (bocaccio, dark-blotched, cowcod).

KEY RECOMMENDATIONS

The CSP culminates with a focused list of recommendations and their economic, environmental and social implications. Recommendations are based on extensive guidance from the fishing community, City staff and interviews and field visits conducted with civic leaders, conservation NGOs and the local business community. The development of the Recommendations is also guided by an assessment of the economic, social and environmental setting in which the fishing community operates. The recommendations are aimed at facilitating the sustainability of the fishing community and the working waterfront, and perpetuating the economic, social and environmental return.

BOATYARD AND HAULOUT FACILITY

The community has responded with strong support for a haulout facility and boatyard to serve the needs of a broad cross section of marine users: commercial fishermen, recreational boaters, the CPFV fleet, Coast Guard and Harbor Department. All of these entities haul their vessels out of the water for regular maintenance and major repairs. The community also understands that such a facility is needed so that City can react appropriately to protect the sensitive estuary in the event of an oil (or other hazardous liquid) leak from a compromised or derelict vessel.

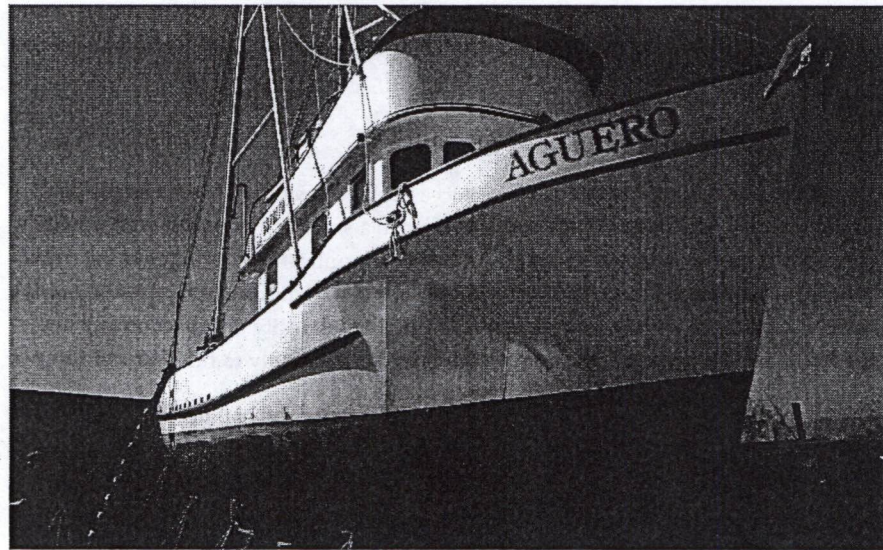


Photo: The Aguero, a Morro Bay albacore vessel at Gravelle's Boatyard, Moss Landing for bottom maintenance.

FUEL

The current fuel facility has large capacity underground tanks and an over the water fuel dock and dispensing facility that are compliant with state (SB989) and federal standards. The fuel dock at 1099 Embarcadero provides convenient and consistent access to gas and diesel for the entire fleet. The fuel business is marked by high volume and low margins and the City, the lease holder and fishermen have struggled with pricing. The City should continue to negotiate with the lease holder and investigate approaches for lower prices to fishermen while maintaining a viable return for the operator.

REFRIGERATION AND DEEP FREEZE FACILITIES

Identified as a need in the 2008 Morro Bay / Port San Luis Commercial Fisheries Business Plan, refrigerator and freezer storage would give fishermen a place to store bait and baited gear, making their operations more efficient and enabling faster trip turn-arounds and the ability to hold fish for longer periods to meet market demand and obtain (potentially) better pricing.

PROMOTION AND MARKETING

Morro Bay has a unique and valuable fishing community profile with small scale, family-owned fishing operations, many of them multi-generational and in an environmentally striking setting. There was general agreement among respondents that better promotion and marketing of the fishing community would add to seafood sales and increase earnings at the dock and better invigorate the waterfront and overall Morro Bay economy.

REGULATION AND COMMUNITY PARTICIPATION

Co-management, or participation of the City and fishing community in the development of regulation is considered a hallmark of sustainability. The City and fishing community should continue to take a proactive approach in securing the success of its fishermen and working waterfront as it has in the development of the Morro Bay Community Quota Fund (MBQF) and by supporting measures aimed at reducing costs to fishermen associated with regulatory compliance and protecting legislation such as Measure D.

BERTH AND SLIPS

Safe and convenient options to secure boats is essential to the fishing industry and a healthy working waterfront and should not be reduced.

PROCESSING

Fishermen and the representatives from the City have consistently asked if seafood processing closer to the Embarcadero would give the industry greater control and provide a net benefit with an increase of jobs and return from expanded activities throughout the value chain. There is currently some processing capacity at local seafood retailers and restaurants and Santa Monica Seafoods has a plant in Atascadero (15 miles east), recently acquired from Central Coast Seafoods. A greater diversity of processing options could benefit fishermen and the community. As such, the community should consider a feasibility analysis for a local processing facility.

VEHICLE ACCESS

Vehicle access is constrained but sufficient at present, however continued expansion in the industry may warrant circulation improvements to ensure seafood landed at Morro Bay gets to processing plants, buyers and the market efficiently. Any reduction in the access of large trucks to offloading facilities should be avoided.

MANAGING SEA LEVEL RISE

Sea level rise poses a risk to nearly all facilities serving the fishing community and waterfront in Morro Bay, particularly during high tides and storm events. The City is actively engaged in efforts to understand and address the risk through an update of the Local Coastal Program (LCP). The LCP update is being funded by a Sea Level Rise Adaptation Grant from the Ocean Protection Council (OPC). The City should continue

to pursue actions and strategies outlined in the LCP update to better protect citizens and valuable waterfront infrastructure.

IMPLEMENT AND UPDATE

From the onset of the project, the fishing community stressed that they wanted the CSP to focus on the promotion and implementation of high priority issues. In general, the fishing community believes that they have engaged in effective strategic planning and it is time to focus on implementation. As such, the fishing community and the City should work together to link recommendations to potential funding sources and consider the next steps in the development of a boatyard and haulout facility, freezer/cold storage facility, promotion and marketing, and the on-going development of the Community Quota Fund. The CSP should be distributed as widely as possible in the community and made available on the City, MBCFO, Chamber of Commerce and other related websites. The CSP also should be updated when feasible and progress in the industry should be compared against the benchmarks within.

POTENTIAL FUNDING SOURCES

There are over 20 potential funding sources listed in the CSP, from grants and loans to the formation of special districts. Funding sources include state, federal and local sources as well as public-private partnerships and conservation NGOs.

APPENDICES

A summary of the extensive research on the boatyard and haulout facility and fuel facility and options are included in the appendices as they are too detailed for the main document but may provide guidance to the City and the fishing community when considering implementation alternatives.

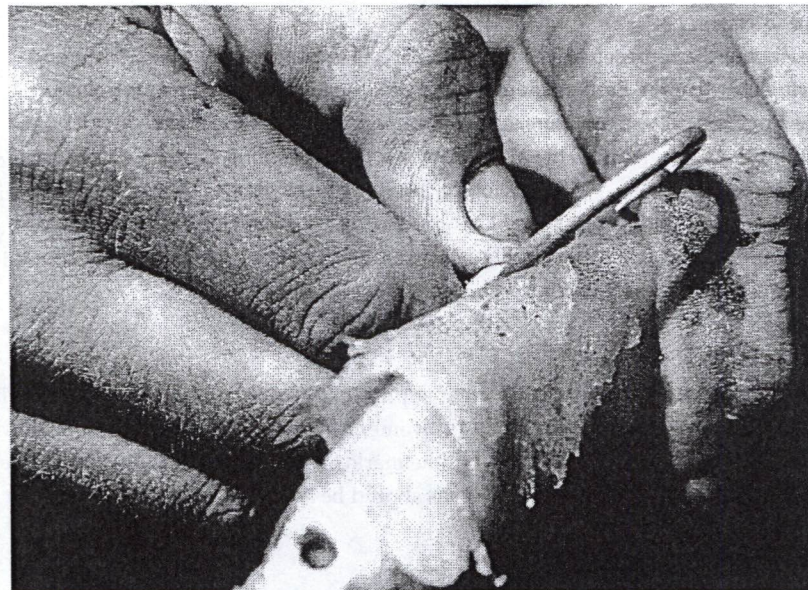
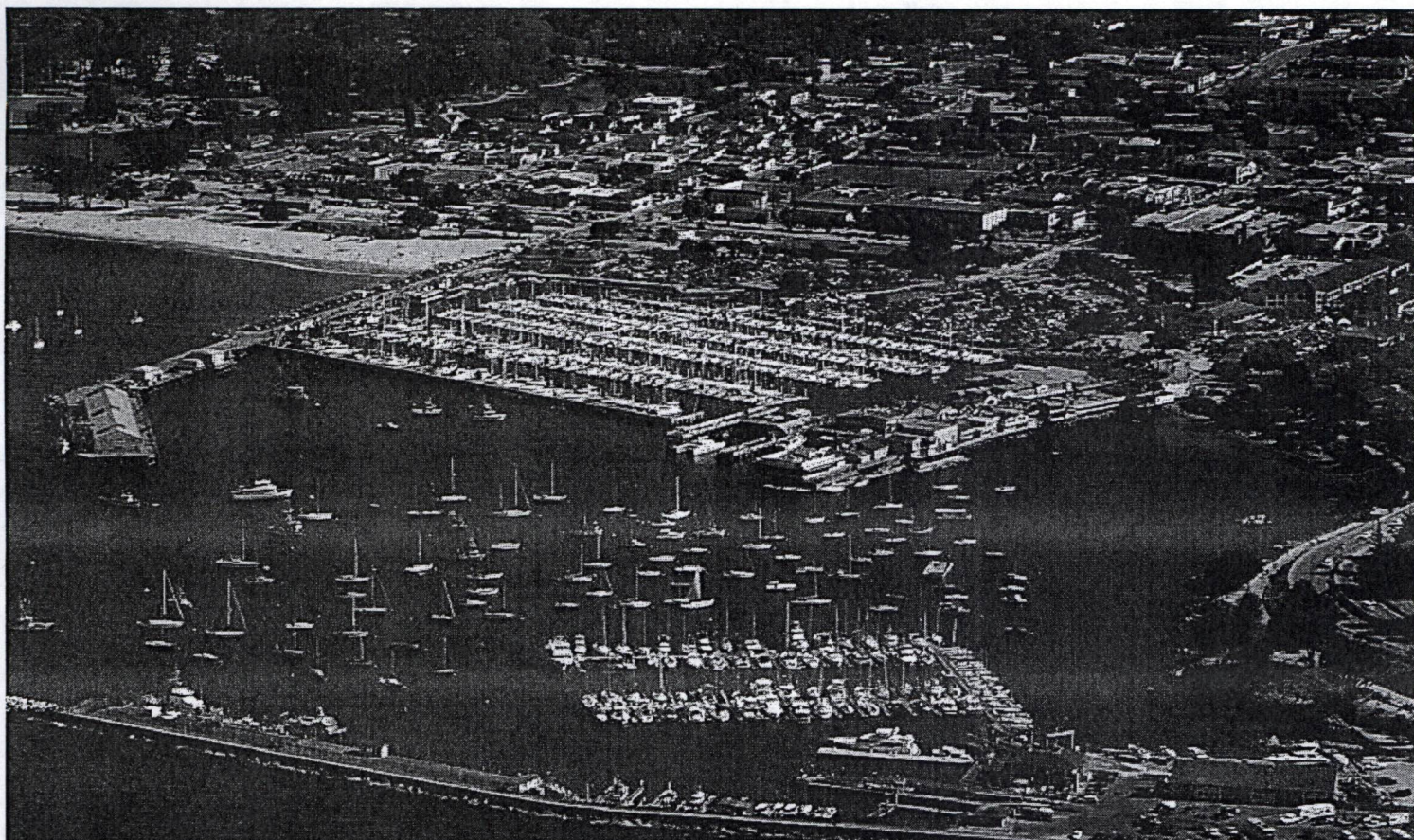


Photo: Baiting of a barbless circle hook used by hook and line fishermen, baiting facility, Morro Bay. Photo courtesy of Marigee Bacolod.



CITY OF MONTEREY

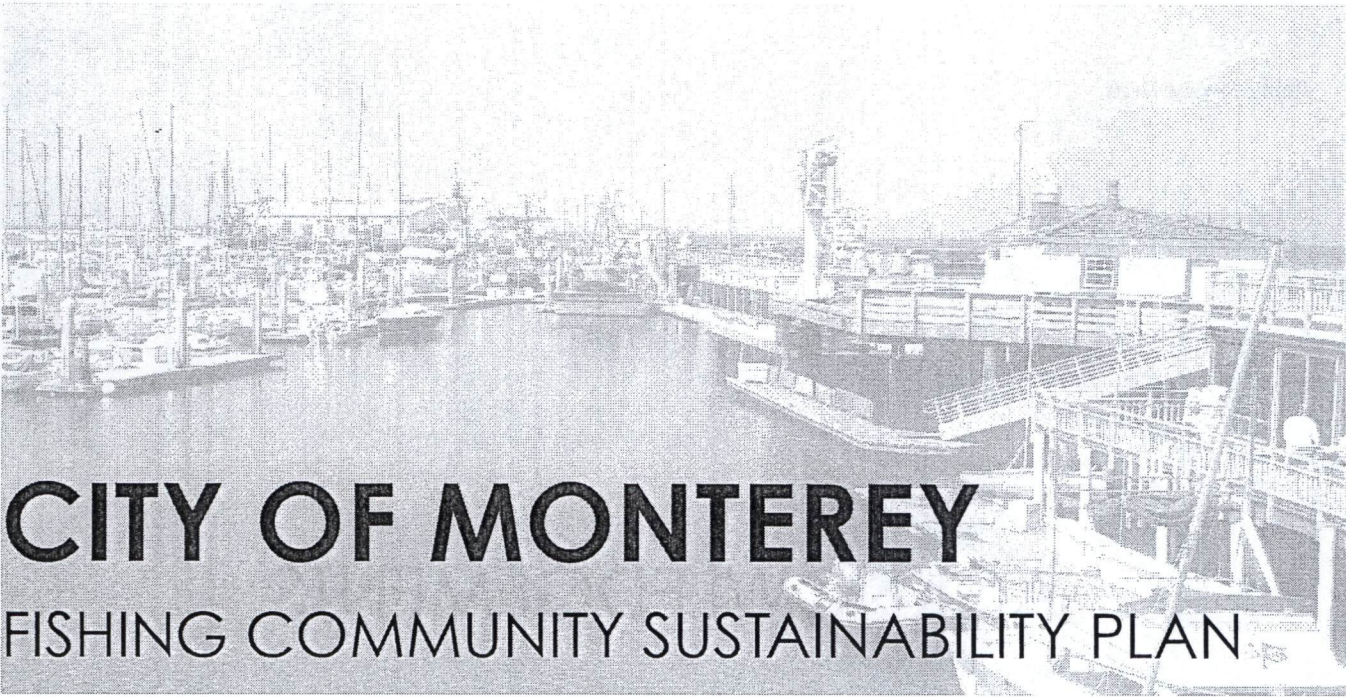
FISHING COMMUNITY SUSTAINABILITY PLAN

PUBLIC REVIEW DRAFT | September 2013

Prepared by:
Lisa Wise Consulting, Inc.
with
AECOM
California Polytechnic State University, San Luis Obispo



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CITY OF MONTEREY

FISHING COMMUNITY SUSTAINABILITY PLAN

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Appendix A: Potential Grant and Loan Funding Sources	

ACKNOWLEDGEMENTS

The Monterey Fishing Community Sustainability Plan (CSP) was a larger undertaking than expected. The work is especially significant as the first CSP in California, and we are confident it will help to establish precedence and serve as a model to subsequent CSPs.

Components of the Monterey fishing industry, economics, infrastructure and regulatory issues have been reported on over time, but an overarching assessment was long overdue. The Individual Transferable Quota (ITQ) fishery and requirements of the Magnuson-Stevens Act were a motivator, however project managers and civic leaders understood that, given opportunities in the market and on the regulatory stage, a bigger statement was needed. Collaboration, input, and the guidance from several individuals made this work possible by providing information not available elsewhere, drawing upon and sharing their own experiences. Our team was struck by and extremely grateful for the generous and very warm treatment we received from the entire Monterey fishing community.

While all the contributors are too many to list, we would like to acknowledge the following individuals who generously shared their time and went well above and beyond what was expected: Steve Scheiblaue, City of Monterey Harbormaster; Rick Algert, former Harbor Director of Morro Bay, Special Projects – Fisheries; the entire Monterey City Council; Commercial Fishermen, Mike Ricketts, Giovanni Nevoloso, John Pennisi, Joe Pennisi, Joe Lucido, Jiri Nozicki, Jerry Welte, Frank Davi, Bill Ward, Mike McCorkle, commercial seafood processors; Pete Guglielmo, Joe Roggio, Sal Tringali, and Robbie Torrise; Gino Pennisi, Elaine Pennisi, Joe Pennisi Sr. and the entire Pennisi family; Trevor Fay of the Monterey Abalone Company; Rick Marvin and Sam Rashkin, City of Monterey Housing and Property Division; Elizabeth Caraker, Kimberly Cole and Chip Rerig of the City's Plans and Public Works Department; and the City Council's Waterfront Subcommittee.

We would also like to acknowledge the input of Barb Meister, Public Affairs Director for the Monterey Bay Aquarium; Karen Grimmer, Deputy Superintendent at NOAA's Monterey Bay National Marine Sanctuary Program; Huff McGonigal of Fathom Consulting; and Melissa Stevens, (currently) The Nature Conservancy. Finally, thank you to Mary Alice Fettis and Sal Tedesco of the Fisherman's Wharf Association, Allen Lovewell and Oren Frey of Fresh Catch Monterey, and Noelle White of State Senator Bill Monning's office.

If we have missed anyone, it is not due to ingratitude but poor memory on our part.

EXECUTIVE SUMMARY

In mid 2012, the Cities of Monterey and Morro Bay were awarded a National Fish and Wildlife Foundation grant to develop Community Sustainability Plans (CSP), one for each City. Community Sustainability Plans are cited in the Magnuson Stevens Act (MSA) as one potential method to avoid negative impacts in small fishing communities of the newly instated catch share program.

The Monterey CSP takes a broad approach to understanding the economic, social and environmental implications of fishing and makes recommendations to improve the performance and sustainability of the entire industry. A further motivation for the project was to fulfill federal requirements under the catch share or Individual Transferable Quota (ITQ) structure imposed in the groundfish fishery in 2011.

Ultimately the CSP addresses the question: Does commercial fishing have a future in Monterey? Findings in the CSP clearly indicate that it does, and that that future may be assured, stabilized, and even grown by adopting key community-driven recommendations.

The Monterey Fishing Community Sustainability Plan takes a "triple bottom line" approach and consists of six chapters: **1) Introduction, 2) Economics, 3) Environmental Setting and 4) Social Setting and concludes with 5) Recommendations and 6) Potential Funding Sources.**

Emphasis on the project was placed on an open, constituent driven process that included three public meetings, dozens of field visits, and almost 40 group and one-on-one interviews with approximately 80 business and civic leaders, City staff, conservation organizations, fishery-related concessionaires, processors and fishermen across a variety of fisheries. Data was also gathered from the California Department of Fish and Wildlife, the National Marine Fisheries Service, Pacific Fisheries Information Network (PacFIN), National Ocean Economics Program, the U.S. Census and the Bureau of Labor Statistics, among others.

The overriding federal fishing policy, the Magnuson Stevens Act (MSA) has been revised to protect overfished species, emphasize stock rebuilding plans and consider new management regimes such as catch share programs.

Groundfish is an enormously valuable fishery in Monterey. Of the over \$70 million that fishermen have generated at the dock in earnings between 1990 and 2011, over \$19 million can be attributed to groundfish.

Findings include:

ECONOMIC Commercial fishing in Monterey has generated over \$70 million in earnings at the dock between 1990 and 2011 and with the recreational fishing fleet, supports over 750 jobs and millions of dollars in tourism-related spending. In 2011, earnings generated by commercial fishermen topped \$6 million and Monterey was 30th in the Nation, out of approximately 1,500 ports, in landing some 25 million pounds of seafood on Municipal Wharf II.

SOCIAL The Monterey fleet has formed sophisticated alliances with the agricultural industry, is represented in the regulatory process and has strong support and visibility in the community. Since the 1930s, Monterey is known the world over as a working waterfront and fishing port, which plays an important link with the present and contributes to a unique and valuable sense of place.

ENVIRONMENTAL Every species landed in Monterey falls under State or Federal management oversight and all of the top fisheries are guided by Fishery Management Plans, with catch limits set on the best available science. Fishermen also face spatial closures, gear restrictions, seasonal closure, quota-based management and strict reporting requirements, all hallmarks of a sustainable fishery.

Another key finding is that a major component of a thriving Monterey fishing port is a reliance on a diversity of fisheries, which translates to a diversity of gear types operating on a diversity of habitats and relying on a diversity of markets. In this way, if one fishery is down due to movement of fish stocks, population cycles, regulatory measures or market conditions, another fishery may compensate, leveling out the impacts and assuring that infrastructure and jobs are preserved and rents are paid. Monterey relies on spot prawn, salmon, groundfish, Market squid, Pacific sardines, halibut and Dungeness crab to make up its landings and earnings.

Recommendations in the CSP are based on findings on economic, social and environmental background and existing conditions and extensive input and guidance from the community. As such, this Plan suggests a path forward for Monterey's historic commercial fisheries.

For the sake of the Executive Summary, key Recommendations to the City Council are summarized and grouped by type:

PERFORMANCE-BASED ZONING AND BUSINESS ALLIANCES THAT SUPPORT COMMERCIAL FISHING

These recommendations would create dedicated zoning by right for commercial fishing activities on Municipal Wharf II, and suggest that a special "business district", similar to what exists for Cannery Row and Fishermen's Wharf, would benefit the commercial fishing industry. Most funding for this district's activities would come from increases in landing fees, as well as contributions from other businesses which have a stake in preserving fresh seafood landings in Monterey. Funds could be invested in promotional events, increasing public awareness of the sustainability and value of Monterey's fisheries, and in developing and maintaining fishery-related

Fishing related groups like the Alliance of Communities for Sustainable Fishing (ACSF) is an indicator of the fishing industry's ability to inform its members, participate in the regulatory process and promote the benefits of a healthy fishing industry.

The Community Sustainability Plan is not intended to prescribe, outside of the rigorous processes in place by various State and federal agencies, new species or ecosystem-based management measures.

physical infrastructure. This concept also suggests that growing formal relationships among the commercial fishing, agriculture, business, and hospitality industries in Monterey County would benefit all.

ENHANCE FISHERIES INFRASTRUCTURE ON MUNICIPAL WHARF II

Several infrastructural improvements could contribute significantly to the success of the Monterey fisheries industry. These include the creation of a wider truck turnaround area, likely in the center of Wharf II; increasing the availability of crushed or flake ice, either through agreements with Wharf II concessionaires or by installing a City-owned ice machine; an additional public hoist on Wharf II for fish and gear handling; and continued efforts to engage lower cost methods by which Wharf II is maintained.

SUPPORT THE DEVELOPMENT OF A COMMUNITY QUOTA FUND

This particular recommendation is directed at the groundfish fishery, one of Monterey's high volume fisheries that sustains physical infrastructure and employment.

Change to the management of the groundfish fishery in 2011 to an ITQ structure is aimed at improved environmental and economic performance, by allowing, in part, the sale and purchase of groundfish quota. This has created a situation where fish that have been historically caught and landed in Monterey may not be available should the quota be sold to other ports or entities. Loss of access to groundfish would reduce activity on Municipal Wharf II, and the fishing industry and City's ability to maintain physical infrastructure, and contribute to the visitor-serving economy which relies on a working waterfront and fresh, local seafood. A Community Quota Fund is a legal, federally-recognized entity that can acquire, hold and manage groundfish quota for a community or region. Recommendations in the CSP include taking steps to support the development of such a Fund.

CONCEPTS FOR RENTS AND WHARFAGE

Preliminary concepts are presented for consideration by the City Council and further discussion with current and potential Wharf II concessionaires. One approach for increased performance and sustainability on Wharf II would be to keep base rents for warehouse and pump house building space at its current modest rate, but increase and differentiate wharfage. Wharfage is a fee levied by the City based on the amount of seafood landed or trucked to a tenant's facility. In this approach, income to the City would be more consistent with changing levels of income to fishermen and concessionaires. Increased wharfage revenue could be dedicated in large part to maintenance of the common areas, with a smaller amount going into a fund to better promote the industry, or engage in physical infrastructure improvements or expansion.

APPENDIX A: POTENTIAL GRANT AND LOAN FUNDING SOURCES

This CSP presents information of grant and loan programs that may be appropriate to support fisheries related projects and the Recommendation herein.

The CSP should be considered a living document, and benchmark against which the fishing industry and the community can measure and adjust the performance of key economic, social and environmental indicators. The CSP offers a strategy for the future, and as such will need to be updated and refreshed as the future will certainly offer unexpected opportunities and constraints. The CSP is also meant as an educational and promotional tool for strengthening the dialogue among the fishing industry, regulators, conservation NGOs, and the community of Monterey.