



# **Crescent City Harbor District**

## **Municipal Service Review & Sphere of Influence Update**

Adopted August 23, 2021



## **Del Norte Local Agency Formation Commission**

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### **Acknowledgements**

LAFCo staff would like to thank the contributors to this Municipal Service Review. Input instrumental in completing this report was provided by Tim Petrick, Crescent City Harbor CEO/Harbormaster and Charlie Helms, former CEO/Harbormaster and other District staff and Commissioners. This report would not have been possible without the District's assistance. In addition, Del Norte County provided valuable assistance and information.

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# INTRODUCTION

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The Del Norte Local Agency Formation Commission (LAFCo) conducts municipal service reviews (hereafter referred to as “service reviews”) to assess existing and future public service conditions for cities and special districts within Del Norte County. This service review allows LAFCo, local agencies, and the public to better understand how public services are provided by the Crescent City Harbor District (CCHD or District). This chapter provides a background of the service review requirements and an overview of the process and methodology of the review.

## Municipal Service Review Determinations

Government Code § 56430 requires LAFCo to conduct a review of municipal services provided in the county by region, sub-region or other designated geographic area, as appropriate, for the service or services to be reviewed, and prepare a written statement of determinations with respect to each of the following topics:

1. Growth and population projections for the affected area;
2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence;
3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies (including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence);
4. Financial ability of agencies to provide services;
5. Status of, and opportunities for, shared facilities;
6. Accountability for community service needs, including governmental structure and operational efficiencies; and
7. Any other matter affecting or related to effective or efficient service delivery, as required by Commission policy.

State Guidelines and Commission policies encourage stakeholder cooperation in the municipal service review process. It also provides a basis to evaluate, and make changes to Spheres of Influence, if appropriate.

## Sphere of Influence Determinations

A Sphere of Influence (SOI) is a LAFCo-approved plan that designates an agency’s probable physical boundary and service area. Spheres are planning tools used to provide guidance for individual boundary change proposals and are intended to encourage efficient provision of organized community services, discourage urban sprawl and premature conversion of agricultural and open space lands, and prevent overlapping jurisdictions and duplication of services.

LAFCo is required to establish SOIs for all local agencies and enact policies to promote the logical and orderly development of areas within the SOIs. Furthermore, LAFCo must update those SOIs

every five years. For a SOI update, LAFCo is required to conduct a Municipal Services Review (MSR) and adopt related determinations. It must also make the following SOI determinations:

1. The present and planned land uses in the area, including agricultural and open-space lands;
2. The present and probable need for public facilities and services in the area;
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide;
4. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency; and
5. The present and probable need for public facilities and services related to sewers, municipal or industrial water, or structural fire protection of any disadvantaged unincorporated communities within the existing sphere of influence (effective July 1, 2012).

## Review Methods

The following information was considered in the development of this service review:

- Agency-specific data: responses to LAFCo Requests for Information.
- Land Use and Del Norte County General Plan and Zoning data: Del Norte County Planning Division and GIS webpage.
- Demographic data: U.S. Census Bureau; Department of Finance; CA Water Resources Board.
- Finances: budgets, rates and fees.
- Personal Communications with District staff.
- Other Reports: Draft CCHD Land Use Plan

Information gathered was analyzed and applied to make the required determinations. All information gathered for this report is filed by LAFCo for future reference.

## California Environmental Quality Act

The California Environmental Quality Act (CEQA) is contained in Public Resources Code § 21000 et seq. Public agencies are required to evaluate the potential environmental effects of their actions. MSRs are statutorily exempt from CEQA pursuant to § 15262 (feasibility or planning studies) and categorically exempt pursuant to CEQA Guidelines § 15306 (information collection). CEQA requirements are applicable to SOI Updates. The CEQA lead agency for SOI Updates is most often LAFCo, unless an agency has initiated an SOI expansion or update.

# CRESCENT CITY HARBOR DISTRICT

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## Overview

The Crescent City Harbor District (CCHD or District) is located on the Northern California Coast adjacent to the City of Crescent City, approximately 20 miles south of the Oregon border. Crescent City Harbor is located in Crescent Bay, just south of town, both on lands granted by the State Lands Commission to the Harbor District and lands owned fee and title by the District. The Harbor is protected by a 4,100-foot outer breakwater, a 1,200-foot inner breakwater, and a 2,400-foot sand barrier, all of which combine to create the only “harbor of refuge” between Humboldt and Coos Bay. The Harbor is a shallow-draft critical harbor of refuge that supports both commercial and sport fishing, and recreational boating. The District was formed November 10, 1931 to assume responsibility for improvements, maintenance, and management of the Crescent City Marina and related harbor facilities.

The District supports commercial fishing activities, which play a vital role in the Del Norte County economy. The Crescent City Harbor serves as a commercial boat basin for salmon, shrimp, tuna, cod, and Dungeness crab fishing vessels, as well as a basin for recreational watercraft. The Harbor is also home to multiple fishing and non-fishing related businesses and Harbor District offices. The District leases several commercial buildings and businesses located upon District owned land surrounding the harbor.

Crescent City and Del Norte County is in a state of transition from resource production to a tourism and recreation services-based economy. The 2006 Crescent City Harbor District Master Plan emphasizes the District’s intention to retain and improve existing harbor facilities in support of commercial fishing and recreational boating, while expanding coastal related visitor serving uses in the Harbor. These uses have the potential of generating the revenue necessary to keep the District economically viable, sustaining its ability to meet its mandates under the State Tidelands Grant and the California Coastal Act. The Tidelands Grant to the Harbor District by the state of California mandates specific functions that the District must guarantee for public use including the development of a public harbor to meet the needs of the people of the State and the provision of recreational and visitor-serving uses within the granted lands.

The District prepared a Coastal Land Use Plan (LUP) that is in the process of being certified by the California Coastal Commission. The Harbor LUP is implemented through Harbor-specific County zoning districts and policies. The prior Harbor LUP was originally certified by the California Coastal Commission in 1987 as an independent geographic segment of the County’s LUP covering the Harbor Area. The 2020-21 LUP update includes land use designations that will help support the District’s transition from a more resource-based economy to one that provides more opportunities for visitors while continuing to value commercial and recreational fishing.

The California Coastal Act emphasizes support for coastal-dependent uses (i.e. those uses that must have a waterfront site in order to exist), and coastal-related, visitor-serving, recreation, and commercial uses. Harbor District policies and programs that carry out the administrative mandates

of the State are encompassed in the Crescent City Harbor District Harbor Master Plan, the Del Norte County Local Coastal Program, and the City of Crescent City Local Coastal Plan for the Harbor Dependent and Harbor Related planning areas.

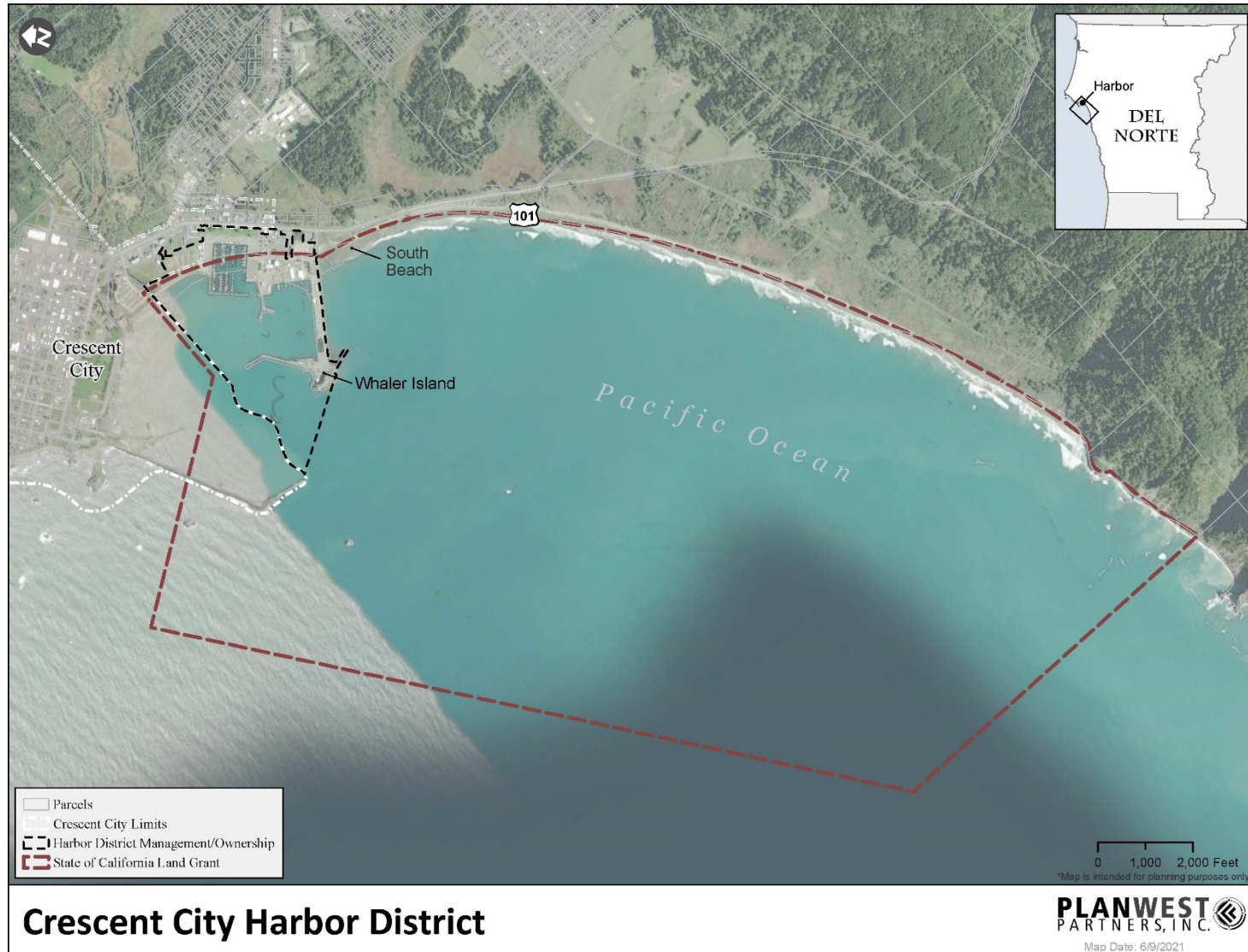
**Table 1: Crescent City Harbor District Agency Profile**

<b>Formation</b>	
<b>Agency Name</b>	Crescent City Harbor District
<b>Date of Formation</b>	November 10, 1931
<b>Enabling Legislation</b>	Harbors and Navigation Code §7080-7090
<b>Contact</b>	
<b>Contact</b>	Tim Petrick, Interim CEO/Harbormaster
<b>Alternate Contact</b>	
<b>E-mail</b>	tpetrick@ccharbor.com
<b>Website</b>	<a href="http://www.ccharbor.com">www.ccharbor.com</a>
<b>District Office</b>	101 Citizens Dock Road Crescent City, CA 95531
<b>Mailing Address</b>	101 Citizens Dock Road Crescent City, CA 95531
<b>Phone</b>	(707) 464-6174 <b>Fax:</b> (707) 465-3535
<b>Governance</b>	
<b>Governing Body</b>	Board of Harbor Commissioners
<b>Board Meetings</b>	First and third Tuesday of each month at 2:00 p.m. PST
<b>Staffing</b>	12 full-time and 6 part-time employees
<b>Services and Facilities</b>	
<b>Services Provided</b>	Operation and maintenance of docks, piers, slips, and facilities for the promotion and accommodation of commerce, navigation, fisheries, and public recreation including: boat slip rentals, equipment rentals and services, harbor dredging and maintenance, open space, recreation, and preservation areas, public facilities, rents and concessions, roads and parking.
<b>Areas Served</b>	Crescent City Harbor, Del Norte County, City of Crescent City
<b>Facilities</b>	Harbor lands and infrastructure including, inner and outer boat basins, public facilities, commercial buildings, recreation facilities.

## Boundary and Sphere of Influence

The District Boundary, which is countywide, also serves as the District's Sphere of Influence (SOI). The District owns and controls both land and tideland properties at Crescent Bay, bounded by Crescent City to the west, South Beach to the east, the Highway 101 corridor to the north, and Whaler's Island and the breakwater to the south. The District ownership encompasses roughly 150 acres of land and 4,200 acres of aquatic recreational area, Figure 1.

Figure 1. Crescent City Harbor District Management/ Ownership





## Accountability and Governance

The Harbor District Board of Commissioners is comprised of five members, each elected by Del Norte County voters. Each Commissioner serves a four-year term and receives an annual stipend of \$7,200.00, paid in twice monthly payments, less standard payroll taxes.

The Commissioners appoint a Harbormaster, who directs staff in the day-to-day operations of the Harbor. The District employs twelve full-time and six part-time employees to provide services and maintain the Harbor. District staff includes five full-time and two part time administrative staff, four full-time maintenance staff, one full-time and four part-time security staff and two full-time RV Park administrators. The Harbor District typically hires two part-time Maintenance Team workers for the summer season, but in light of decreased seasonal demand for District Services due to the COVID-19 Pandemic, the District did not hire seasonal workers during summer 2020. The District Office is open and staffed Monday through Friday between 7:30 a.m. and 4:30 p.m.

The Board meets on the first and third Tuesdays of each month at 2:00 p.m. The meetings are held at the Harbor District Office, 101 Citizens Dock Road, Crescent City. Meeting agendas are published 72 hours in advance of the meeting and are posted at the District Office and on the District's website.

**Table 2: Crescent City Harbor District Board of Commissioners**

Board Member	Title	Term Expiration
Brian L. Stone	President	December 2024
G. Wesley White	Secretary	December 2024
Gerhard Weber	Commissioner	December 2022
Rick Shepherd	Commissioner	December 2022
Harry Adams	Commissioner	December 2024

The District demonstrated full accountability and transparency in its disclosure of information and cooperation with Del Norte LAFCo during the MSR process. The District responded to the questionnaires and cooperated with the document requests.

# POPULATION AND LAND USE

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## Land Use

On March 9, 2021 the Del Norte County Board of Supervisors unanimously adopted a Local Coastal Program Amendment for the Crescent City Harbor area composed of a comprehensive Harbor Land Use Plan as well as updates to the harbor-specific zoning districts of the Countywide Implementation Plan. The Harbor Coastal Land Use Plan is a document that formalizes a long-term vision for the physical evolution of the harbor area and outlines goals, policies, and programs to guide future development of the harbor.

The LUP update must undergo final certification by the California Coastal Commission. The proposed land use/zoning designations support visitor serving and recreational land uses within the District that allow more flexibility in accommodating diverse uses within the Harbor Area. The proposed Harbor LUP includes four Harbor-specific land use classifications: Harbor Dependent Marine Commercial (HDMC), Harbor Dependent Recreational (HDR), Harbor Visitor Serving Commercial (HVSC) and Harbor Greenery (HG). These proposed land use designations can be seen in Figure 2.

**Figure 2: Crescent City Harbor – Coastal Land Use Designations**



## Population and Growth

The harbor area does not have permanent residences within the District's jurisdiction. However, the District does lease land to RV parks, which accommodates RV units for extended stays. The District can also accommodate live aboard vessels for fees established in the adopted fee schedule.

According to the U.S. Census, the total Del Norte County population was 28,610 in 2010 and estimated at 27,828 in the 2014-2018 American Community Survey 5-year population estimate, which is an approximately 2.7% population decrease<sup>1</sup>. California Department of Finance projections also show similar population decreases throughout the MSR planning period. However, it should be noted that the County population has historically fluctuated, and future population increases are also likely.

## Disadvantaged Unincorporated Communities

LAFCo is required to evaluate water service, sewer service, and structural fire protection within disadvantaged unincorporated communities as part of this service review, including the location and characteristics of any such communities. A disadvantaged unincorporated community (DUC) is defined as any area with 12 or more registered voters where the annual median household income is less than 80 percent of the statewide annual median household income (pursuant to Government Code Section 56033.5 and Water Code Section 79505.5).

According to the 2014-2018 American Community Survey 5-Year Estimates, the California median household income (MHI) was \$71,228. The Del Norte countywide MHI is \$45,258, which places it at 64% of the California MHI. With only one incorporated city, Crescent City, most of the County's population exists in unincorporated communities that qualify as "disadvantaged".

The California Department of Water Resources has mapped communities that are at or below 80 percent of the annual median household income by using census data for each county. According to this data, the communities of Smith River, Hiouchi, Gasquet, Klamath, and parts of the incorporated City of Crescent City are classified as disadvantaged within Del Norte County. The District does not provide any of the three basic services - water, sewer, or structural fire protection; therefore, the District is not responsible for assuring that these services are adequately provided to communities that meet the DUC thresholds.

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<sup>1</sup> U.S. Census QuickFacts. Del Norte County, CA.  
<https://www.census.gov/quickfacts/fact/table/delnortecountycalifornia/PST045218#PST045218>

# SERVICES & INFRASTRUCTURE

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## Services Overview

The District currently provides the following services:

- Boat Slip Rentals
- Equipment Rentals and Services
- Harbor Dredging and Maintenance
- Open Space, Recreation, and Preservation Areas
- Public Facilities
- Rents and Concessions
- Roads and Parking

## Infrastructure Overview

A series of natural disasters, including 2006 and 2008 winter storms and 2006 and 2011 tsunamis, badly damaged portions of the District's infrastructure. As a result, it was determined that all docks and pilings in the inner boat basin should be replaced. Infrastructure was replaced over a three-year period and the new Inner Boat Basin was designed to withstand a 50-year tsunami event. The District began reconstruction of the inner boat basin in May 2012 and it was dedicated in March 2014. The District funded required repairs through FEMA and Cal OES disaster funds, grants, and loans.

The District obtained a Regional Surface Transportation Program (RSTP) Grant for California Coastal Trail extension from Citizens Dock Road along starfish Way to Anchor Way in the amount of \$472,657. Ballot Measure C, a transient occupancy tax (TOT), for tourist and short-term vacation lodging located in Del Norte County – excluding the City of Crescent City – was passed in 2018. The County's existing TOT was increased by 2% and a new TOT on RV Parks was established. Prior to the passage of the ballot measure, RV Parks in the County were exempt from TOT. The proceeds of the 2% increase and the new 2% levy go to the Harbor District to pay the USDA Rural Development Loan. The County reimbursed the Harbor District in the sum of \$164,000 – the total that had been collected from the new TOT – in March of 2020 to help offset the September 2019 loan payment of \$262,000.

Additionally, the District has re-roofed numerous facilities since 2015:

- Car wash facility and two-bay garage on Harbor District property at 730 South U.S. Hwy 101,
- Harbor District Maintenance Storage Garage and Shops.
- Administration building at Redwood Harbor Village RV Park at 159 Starfish Way.
- Building at 201 Citizens Dock Road, the old Englund Marine building, and stripped and refinished the concrete floors.
- Damaged sections of Alber Seafoods at 161 Starfish Way.
- Fashion Blacksmith building located at 121 Starfish Way.
- Harbor District Office located at 101 Citizens Dock Road.

In addition, the District repaired roadway on Anchor Way near the Chart Room restaurant and by the vacant lot at the corner of Starfish and Anchor Way.

Other District Infrastructure projects include:

- A Solar Power Project that consists of rooftop solar panels and solar carports on the southern edge of the marina parking lot.
- Design for replacement of 300 feet of steel sheet pile seawall located at the eastern end of Citizens Dock.

## **INNER BOAT BASIN**

The inner boat basin is the main berthing marina for commercial and pleasure crafts in the Harbor. The inner boat basin slips are rented on a daily, monthly, semi-annual, and annual basis. The Crescent City Harbor District boasts a new, state-of-the-art marina, with modern amenities for both commercial fisherman and recreational boaters. All facilities within the reconstructed Inner Boat Basin are ADA accessible. The inner boat basin marina has 240 slips which range in size from 30 feet to 70 feet with side-tie availability for vessels up to 100 feet. The harbor is dredged to a 12 foot depth.

As discussed in the Infrastructure Overview, the docks and pilings in the inner boat basin were severely damaged by a tsunami on November 15, 2006 and before that damage could be repaired, they were completely destroyed by a tsunami on March 11, 2011. These two tsunamis also damaged the seawall and the rock slope protection surrounding the inner boat basin. As a result of this substantial amount of damage, the inner boat basin has been fully reconstructed to withstand a 50-year tsunami event, primarily with disaster assistance funds from CalOES, as well as funds from FEMA. Thirty inch diameter piles, enclosed in HDPE sleeves, were driven from twenty one to thirty seven feet into the bedrock. “H” dock is designed as a wave and current attenuator with many closely spaced piles to disrupt tsunami flow patterns within the harbor.

## **OUTER BOAT BASIN**

This area which has historically served recreational boaters and sports fishing operations during the summer months is located along the west side of the Anchor Way Groin and on the north side of the breakwater leading out from Whaler’s Island. The outer boat basin includes the boat launch ramp that is built into the Anchor Way Groin. Because there is sufficient capacity in the reconstructed inner boat basin to service all the recreational vessels, and because installing and maintaining the floating docks in the outer boat basin is expensive, the District decided not to install these temporary docks. In the future, should demand warrant it, the District may install new, modern floating docks in the outer boat basin.

## **EQUIPMENT RENTALS**

The District can provide gear storage, pump vessels, dispose of waste oil or oily bilge water, provide launch ramp access, and provide the equipment necessary to maneuver vessels to and from the Harbor waters. Such equipment can be rented for fees defined in the adopted fee schedule and includes:

- Forklift

- Mobile Crane
- Port Boat (towing)
- Public Hoist
- Laydays

## **HARBOR DREDGING AND MAINTENANCE**

The open water planning areas located at the mouth of the inner boat basin, in and around the Citizen's Dock, the outer boat basin, and the working waterfront areas of the Harbor core need regular maintenance dredging or the operation and use of these facilities will become extremely limited in the future. The District has an existing upland site that was previously used for dewatering of dredge materials. However, no material has been removed from the dredge dewatering area since the U.S. Army Corps of Engineers (USACE) placed approximately 90,000 cubic yards of dredged material there. The site cannot be used until that material is removed, and it is the responsibility of USACE to remove the dredged material.

The US Army Corps of Engineers dredged the Federal Channel in 2019-20 and the dredged material was deposited in the Whaler Island Groin. USACE, through its Dredged Material Management Plan team, is investigating, along with EPA cooperation, the re-opening of SF-1 a dredged material site 3 miles offshore Crescent City. In addition, the District is working with an USACE project team on the establishment of a Ten Year Dredge Plan and the associated permit which will allow dredging in the Inner Boat Basin. The District is also looking into other dredge material disposal and reuse options.

## **OPEN SPACE, RECREATION, AND PRESERVATION AREAS**

The District is making great progress towards increasing visitor serving infrastructure. The District contracted with PND Engineers in 2018 for the design of a Harbor District Vertical Evacuation Center/Tsunami Learning Center with a cost estimate ranging from \$8.8 million to \$10.6 million and for design for a Marine Mammal Viewing Piers with construction estimates of +/- \$250,000.

### **Highway 101 Frontage**

The Harbor District's Highway 101 Frontage extends from the inner boat basin to the motel at the Highway 101 and Anchor Way intersection. The portion adjacent to the inner boat basin is a tree-studded green open space with some signage and harbor entry monuments. There is also a green space adjacent to the motel at Highway 101 and Anchor Way. These green spaces are designated "Harbor Greenery" (HG) in the County LCP update.

### **Western Uplands Area**

The Western Uplands planning area is located in the westernmost section of the Harbor overlooking a sandy beach to the south. It is comprised of an outdoor storage area and a 5.3-acre site that is used for the dewatering of dredge materials. The storage area has potential for other uses, including visitor-serving development.

## **Whaler's Island**

Whaler's Island used to be an isolated rocky island off the crest of Crescent Bay until it was connected to the Harbor by the Anchor Way Groin. Surfers and other personal water craft users can access a small cove on the east side of the Anchor Way Groin, and there is an informal trail that leads hikers over Whaler's Island and out to views of open-water. There is also a small cove that serves as a put-in facility for kayakers on the northeast side of the island.

## **PUBLIC FACILITIES**

### **Anchor Way Groin**

The Anchor Way Groin contains fill that extends out from the Harbor land mass south to Whaler's Island. This groin contains a number of facilities and serves as a platform for the outer boat basin, the boat launch ramp, and the restrooms and parking areas that serve it.

### **Citizen's Dock**

The Citizen's Dock is the only public pier in Crescent City Harbor that is managed by the District. The pier is used primarily for loading and unloading operations of fishing vessels. It does not afford much of an opportunity for public fishing directly from the pier.

The Dock splits into two legs at its mid-point with one configuring to the west and the other to the southwest. The southwest portion of the dock holds five small buildings used by commercial fishing operations to unload their catch. The leg pointing directly west is home to the two-story icehouse which provides flake ice to the fishing fleet. Two small fish unloading buildings are adjacent to the icehouse.

### **Harbormaster/District Office and Restroom Buildings**

The District's office is located along Citizen's Dock Road, just south of the inner boat basin. This building serves as the administrative headquarters of the District. A new ADA compliant restroom facility with showers, a laundry facility and fish cleaning station was constructed adjacent to the inner boat basin with a grant from the Wildlife Conservation Board.

## **RENTS AND CONCESSIONS**

The District derives a substantial part of its current revenues from the rents paid by lessees and other businesses operating on Harbor District property, including tenants, licensees, permit holders and other private users authorized by the District.

### **Boat Repair and Marine Supply Shops**

The District leases the Harbor's boat repair facility to Fashion Blacksmith, Inc. Boat repair and building takes place in 2 large bays within the building and also occupies the large yard between the building and the shiplift "Syncrolift" at the adjacent dock. Fashion Blacksmith is a full service shipyard with a shiplift 100 feet long and 34 feet wide, with a maximum 275 long ton lifting capacity. The District contracted with Stover Engineering for a Marine Storage facility on Starfish way across from Fashion Blacksmith.

The District also leases a nearby space to Englund Marine Supply, a related use that sells marine supplies. Englund Marine recently completed construction of a greatly expanded retail and

warehouse facility along the east side of Citizen's Dock Road. The District has improved the retail ambiance along Citizen's Dock Road, to attract new retail customers and allow for new uses for the existing building occupied by Englund Marine.

### **Fuel Docks**

A boating fuel terminal is present on Citizen's Dock that is currently being leased to Renner Petroleum.

### **Restaurants and Retail**

Situated in the Central Harbor is a cluster of buildings with retail uses including the Fisherman Wives Hall and the Coast Redwoods Art Association. The Chart Room Restaurant, an important income generator for the District, resides on Anchor Way Groin. The District purchased an existing building overlooking Crescent Beach and renovated it into a full service restaurant for lease. The Chart Room and Schmidt's House of Jambalaya are located along Anchor Way. Crescent Seafood off of Citizen's Dock Road, at the end of Marine Way, offers a dockside fish market selling the local catch as well as a variety of other food. The District leased the vacant building at 170 Marine Way to Crescent Seafood, a seafood market and restaurant - which started operations in 2016.

### **RV Parks**

The northeastern harbor area includes two existing RV parks: the 117-space Harbor RV Anchorage Park, accessed from Starfish Way, and the 125-space Bayside RV Park which is accessed from either Highway 101 or Citizen's Dock Road. The District contracted with the Bud Surles Consulting Group in 2016 to create plan for re-development of the RV Park at the northeast corner of Starfish and Anchor Way, currently named Redwood Harbor Village, and for a tent/yurt/ camping cabin site at the northwest corner of Starfish and Anchor Way. The new design was delivered in 2017.

### **Seafood Processing Buildings**

The District owns a number of fish processing buildings associated with the Harbor that have not been used to capacity for some time. On the southwest corner of the Harbor are the Safe Coast Seafoods, Inc. building and Pacific Choice building, which are two of the largest buildings on the site.

## **ROADS AND PARKING**

Vehicle access to the Harbor is provided at three locations off of Highway 101: Anchor Way, Neptune Way, and Citizen's Dock Road. Citizen's Dock Road is the main access roadway and serves as the primary Harbor entryway from Highway 101. It serves the Central Harbor area and Citizen's Dock. Anchor Way provides secondary access to and defines the southern border of the Harbor. Anchor Way provides direct access to the boat launch, and Neptune Way also provides secondary access to the Harbor and is located between the two other access roads.

Crescent City Harbor has substantial parking space. Parking and net repair areas surround the inner boat basin. There is ample parking to adequately accommodate existing and future parking needs.



## Infrastructure Needs and Deficiencies

The District has made significant progress towards implementing many of the goals outlined in the Master Plan including completing numerous infrastructure improvements in recent years. The District has also actively pursued new business opportunities to expand coastal related visitor serving uses in the Harbor to generate revenue. ADA accessibility improvements were made as the District remodeled buildings at 170 Marine Way and 110 Anchor Way; however the District Office requires renovation to meet ADA requirements.

## Other Service Providers

The City of Crescent City maintains the water distribution system within the Harbor area, other than individual service lines to Harbor owned facilities. The water lines presently serving the Harbor are adequately sized to meet the needs of future development with simple lateral extensions. The District's wastewater is collected and treated by the City's WWTP.

The County of Del Norte provides general governmental services – which includes social services, emergency services, planning, public works, county roads and parks, etc. – to the unincorporated areas of Del Norte County. The City of Crescent City provides similar general governmental services within city limits.

## Shared Facilities

The District took the lead coordinating and obtaining funding for the design of a multi-agency visitor center at the corner of Citizen's Dock Road and Highway 101. In partnership with 16 local, state, and federal agencies the District facilitated multiple community meetings to gauge interest and commitment to a visitor center. The District received a grant from the California State Wildlife Conservation Board for the visitor center design plans, which have been completed. Funding for visitor center construction has not been secured at this time.

## FINANCES

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### Budget

The District's primary revenue sources are Commercial Leases including rents and concession, inner/outer boat basin rentals and RV Park Income. The District also receives significant income from property taxes and assessments. Primary expenditures include payroll expenses and utilities. Capital expenditures vary widely between years and can be a significant expense depending upon needed repairs and improvements. In addition to the operating revenues and expenses shown below, the District was awarded several grants since the last MSR approval in 2015 including an RSTP Grant for extension of CA Coastal Trail in the amount of \$472,657.

**Table 3. Crescent City Harbor District Income & Expenses**

	Actual 2017-18	Actual 2018-19	Adopted 2019-20	Adopted 2020-21
<b>Operating Income</b>				
Marina/Administration	-	\$52,518	\$47,125	\$26,814
Harbor Services: Launching, day use fees, travelift use, transient and other services	\$140,750	\$32,207	\$26,150	\$27,688
Marina Inner/Outer Docks	\$384,175	\$637,868	\$593,500	\$501,715
Commercial Leases including rents and concessions	\$624,000	\$620,279	\$543,500	\$557,772
RV Park income	\$266,707	\$415,872	\$396,100	\$666,036
<b>Total Operating Income</b>	<b>\$1,415,632</b>	<b>\$1,808,744</b>	<b>\$1,559,250</b>	<b>\$1,779,025</b>
<b>Non-Operating Income<sup>1</sup></b>				
Property Taxes and assessments	\$343,655	\$311,023	\$520,000	\$402,076
Interest income	\$11,768	\$21,981	\$25,600	\$18,009
Other revenue	\$0	\$0	\$500,000	\$530,000
<b>Total Non-Operating Income</b>	<b>\$355,423</b>	<b>\$333,004</b>	<b>\$1,045,600</b>	<b>\$950,085</b>
<b>Total Income</b>	<b>\$1,771,055</b>	<b>\$2,141,748</b>	<b>\$2,604,850</b>	<b>\$2,729,110</b>
<b>Expenses</b>				
<b>Operating Expenses</b>				
Office/Marina	\$298,833	\$298,684	\$311,510	\$254,888
Fuel	\$12,000	\$19,821	\$18,600	\$20,727
Payroll Expenses and Taxes	\$909,176	\$773,748	\$957,879	\$832,286
Commissioners/Retirees	\$6,000	\$152,375	\$153,476	\$161,726
Professional Fees	\$190,600	\$95,751	\$135,500	\$183,937
Repairs & Maintenance – materials & services	\$94,000	\$66,459	\$48,875	\$88,937
Operating Supplies	\$43,778	\$98,798	\$100,730	\$103,118
Utilities	\$289,594	\$339,473	\$309,988	\$349,811
Consulting	\$80,000	\$18,316	\$25,000	\$19,881
Travel, Training & Meetings	\$12,000	\$14,033	\$25,000	\$27,490
<b>Total Operating Expenses</b>	<b>\$1,935,981</b>	<b>\$1,877,457</b>	<b>\$2,086,557</b>	<b>\$2,042,801</b>
<b>Non-Operating Expenses</b>				
Depreciation	\$3,726,601	\$2,794,951	\$2,700,000	\$3,875,664
RV TOT Tax	\$0	\$0	\$0	\$727
Election Cost	\$0	\$13,040	\$0	\$12,000
Other Expense	\$6,000	\$0	\$29,000	\$0
Capital Expenditure	\$300,000	\$27,709	\$143,000	\$104,007
Interest Expense	-	\$80,000	\$80,000	-
<b>Total Non-Operating Expense</b>	<b>\$306,000</b>	<b>\$2,915,700</b>	<b>\$2,972,000</b>	<b>\$3,992,398</b>
<b>Total Expenses (excluding depreciation)</b>	<b>\$2,241,981</b>	<b>\$1,998,206</b>	<b>\$2,358,557</b>	<b>\$2,159,535</b>
<b>Net Total (Deficit) excluding depreciation</b>	<b>(\$470,926)</b>	<b>\$143,542</b>	<b>\$246,293</b>	<b>\$569,575</b>

<sup>1</sup> Not including grant income.

Source: FY 2017-18, 2018-19 Actual and 2019-20, 2020-2021 Adopted Budgets from District.

Ballot Measure C, a transient occupancy tax (TOT), for tourist and short-term vacation lodging located in Del Norte County was passed in 2018. The County's existing TOT was increased by 2% and a new TOT on RV Parks was established by the ballot measure. Prior to the ballot measure's passage, RV Parks in the County were exempt from TOT. The proceeds of the 2% increase and the new 2% levy go to the Harbor District to pay the USDA Rural Development Loan. The County reimbursed the Harbor District in the sum of \$164,000 – the total that had been collected from the new TOT – in March, 2020 to help offset the District's September 2019 loan payment.

## Service Rates

The District has an adopted fee schedule establishing fees and charges for services and use of District facilities (Ordinance No.'s 42, 43, and 44). The fee schedule covers services such as copies, showers, laundry, late fees, clerical, concession, forklift, public hoist, travelift, moorage, and live aboard fees.

## Audits

The most recent audit covers FY 2017-18 and was prepared by Donald R. Reynolds, CPA in accordance with the requirements of the State Controller's Office. The District reported total revenues, total expenses, and District's change in net position are included in the Audit.

## Loans and Debts

The District received federal financing in the form of a loan from the US Department of Agriculture (USDA) Rural Development for Harbor reconstruction in 2012 for \$5,424,000. The loan matures in 2052 and an estimated payment schedule can be seen in Table 4 below. The period from 2024 through the end of the loan period in 2052 gives an average annual payment of about \$174,460. The District has not incurred any other debts.

**Table 4: USDA Rural Development Debt Service**

Fiscal Years	Principal	Interest	Total Debt Service
2018-19	\$78,085	\$182,390	\$260,475
2019-20	\$80,818	\$178,450	\$259,268
2020-21	\$83,647	\$174,372	\$258,019
2021-22	\$86,575	\$170,151	\$256,726
2022-23	\$89,605	\$165,785	\$255,390
2023-24 to 2051-52	\$4,666,203	\$2,176,715	\$6,842,918
Total Estimated Payments	\$5,084,933	\$3,047,863	\$8,132,796

Source: FY 2017-18 Audited Financial Statements

# MUNICIPAL SERVICE REVIEW DETERMINATIONS

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This chapter addresses the requirements of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (California Government Code Section 56430). As part of the municipal service review process, LAFCo is required to make written statements of determinations in each of the categories listed below.

## **1) Growth and population projections**

According to the Census, the total population in Del Norte County was 27,507 in 2000 and 28,610 in 2010. The Del Norte County population grew at a rate of 4.0 percent between the 2000 and 2010 census, or at an annual growth rate of 0.4 percent. The County will likely continue to develop at current rates of 0.4 percent per year, putting the County population at approximately 30,987 in 2030.

The Del Norte County population was estimated at 27,828 in the 2014-2018 American Community Survey 5-year population estimate, which is an approximately 2.7% population decrease<sup>2</sup>. California Department of Finance projections also show similar population decreases throughout the MSR planning period. However, it should be noted that the County population has historically fluctuated, and future population increases are also likely.

## **2) The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the Sphere of Influence**

The bulk of Del Norte County's population exists in unincorporated communities that qualify as disadvantaged including the communities of Smith River, Hiouchi, Gasquet, Klamath, and parts of the incorporated City of Crescent City. Because the District does not provide water, sewer or structural fire protection services, the District is not responsible for assuring that these services are adequately provided to communities that meet the DUC thresholds.

## **3) Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies**

The District's Master Plan encourages and plans for increased usage of harbor facilities and services. The District has made significant progress towards implementing many of the goals outlined in the 2006 Master Plan including completing numerous infrastructure improvements in recent years. These improvements include, but are not limited to, reconstructed inner boat basin to resist a 50-year tsunami, breakwater repairs, new restroom facility with fish cleaning station, inner boat basin promenade, and other repairs related to storm and tsunami damage. The District

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<sup>2</sup> U.S. Census QuickFacts. Del Norte County, CA.  
<https://www.census.gov/quickfacts/fact/table/delnortecountycalifornia/PST045218#PST045218>

has also completed recreational, commercial and visitor serving improvements intended to accommodate an increase in usage of the District's public facilities and services.

#### **4) Financial ability of agencies to provide services**

The District's primary revenue sources are rents and concessions and inner boat basin rentals; primary expenditures are payroll expenses and utilities. The District has also been successful at obtaining grant funds for the design and construction of numerous recreational and visitor serving improvements. The primary financial challenge is servicing the new debt incurred to complete the reconstruction and improvement projects. It is imperative that the District attract more visitors and new businesses.

With completion of reconstruction of the inner boat basin, the projects funded by the Coastal Conservancy and Wildlife Conservation Board, and the projects funded internally by its own funds, the District believes it is positioned for success into the future. The District intends to actively pursue new business opportunities to expand coastal related visitor serving uses in the Harbor that have the promise of generating revenue.

#### **5) Status of, and opportunities for, shared facilities**

The District took the lead coordinating and obtaining funding for the design of a multi-agency visitor center at the corner of Citizen's Dock Road and Highway 101. In partnership with 16 local, state, and federal agencies the District facilitated multiple community meetings to gauge interest and commitment to a visitor center. The District received a grant from the California State Wildlife Conservation Board for the visitor center final design plans, which have been completed. Funding for visitor center construction has not been secured at this time.

#### **6) Accountability for community service needs, including governmental structure and operational efficiencies**

The District is governed by a five-member Board of Commissioners, elected by voters in Del Norte County. The District employs 12 full-time and six part-time employees including a CEO/Harbormaster. The District holds public meetings in accordance with the Brown Act. District staff can be reached by phone, email, or at the district office during normal business hours.

#### **7) Any other matter related to effective or efficient service delivery, as required by commission policy**

None.

# SPHERE OF INFLUENCE DETERMINATIONS

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## Sphere of Influence Status

The District's sphere is coterminous with the District boundary and the Del Norte County boundary; there is no opportunity to expand the sphere and therefore no recommended changes. In determining the SOI of each local agency, the commission shall consider and prepare a written statement of its determinations with respect to each of the categories listed below.

### **1) Present and planned land uses in the area, including agricultural and open-space lands.**

The current sphere is coterminous with the District boundary, which encompasses the entire County including the entire unincorporated area of Del Norte County and the incorporated City of Crescent City. Land uses within the District boundaries are subject to the Del Norte County General Plan and Crescent City General Plan. Del Norte County is comprised of approximately 683,500 acres, of which approximately 192,357 acres (28 percent) are privately owned and 489,697 acres (72 percent) are publicly owned.

The District prepared a Coastal Land Use Plan (LUP) that is in the process of being certified by the California Coastal Commission. The Harbor LUP is implemented through the Countywide Implementation Plan (IP), with Harbor-specific zoning districts and public access policies included in Title 21 Coastal Zoning, Chapter 21.47. The LUP update includes land use designations that help support the District's transition from a resource-based economy to one that provides more opportunities for visitors while continuing to value commercial and recreational fishing.

### **2) Present and probable need for public facilities and services in the area.**

The Harbor District provides a variety of public harbor related facilities and services that support commercial, recreational and visitor serving uses. The Harbor serves as a commercial boat basin for salmon, shrimp, tuna, cod, and Dungeness crab fishing vessels, as well as a basin for recreational watercraft. The Harbor is also home to multiple fishing and non-fishing related businesses and Harbor District offices. The District leases several commercial buildings and businesses located upon District owned land surrounding the harbor. The District operates and provides services within the only harbor of refuge between Humboldt Bay and Coos Bay; the need for harbor related facilities and services will continue in the future.

### **3) Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.**

The District's Master Plan (2006) encourages and plans for increased usage of harbor facilities and services. The District has made significant progress towards implementing many of the goals outlined in the Master Plan including completing numerous infrastructure improvements in recent years. These improvements include, but are not limited to, reconstructed inner boat basin to resist a 50-year tsunami, breakwater repairs, new restroom facility with fish cleaning station, inner boat basin promenade, and other repairs related to storm and tsunami damage. The District has also

completed recreational, commercial and visitor serving improvements intended to accommodate an increase in usage of the District's public facilities and services.

- 4) Existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.**

The District serves all of Del Norte County including unincorporated communities and the City of Crescent City. No areas of social or economic interest are known that are not already being served by the District.

- 5) For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere.**

The bulk of Del Norte County's population exists in unincorporated communities that qualify as disadvantaged including the communities of Smith River, Hiouchi, Gasquet, Klamath, and parts of the incorporated City of Crescent City. Because the District does not provide water, sewer or structural fire protection services, the District is not responsible for assuring that these services are adequately provided to communities that meet the DUC thresholds.

## REFERENCES

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*Crescent City Harbor Coastal Land Use Plan*. Approved by County Board of Supervisors, March 2021.

*Crescent City Harbor District Audited Financial Statements, June 30, 2018*. Prepared by Donald R. Reynolds, CPA.

Del Norte LAFCo MSR and SOI Update Information Questionnaire for the Crescent City Harbor District. Completed by Charlie Helms, Harbormaster, May 29, 2020 (on file with Del Norte LAFCo).

RRM Design Group. January 2006. *Crescent City Harbor Master Plan*.

U.S. Census QuickFacts. Del Norte County, CA.

<https://www.census.gov/quickfacts/fact/table/delnortecountycalifornia/PST045218#PST045218>