

CITY OF SANTA BARBARA WATERFRONT DEPARTMENT

MEMORANDUM

Date: July 16, 2009
To: Harbor Commission
From: John N. Bridley, Waterfront Director
Subject: **Five-Year Review of Uses in the Harbor Commercial Zone**

RECOMMENDATION: That Harbor Commission:

- A. Review the extent and nature of the uses in the Harbor and shoreline area of the Harbor Commercial Zone per Municipal Code section 28.70.030; and
- B. Recommend to the Planning Commission that the present mix of uses will ensure that the Harbor remains a working Harbor.

BACKGROUND:

Municipal Code section 28.70.030 (Attachment 1) mandates that "At least once every five (5) years from March 30, 1993, the Board of Harbor Commissioners shall review the extent and nature of the uses existing in the Harbor and shoreline area of the Harbor Commercial Zone (HC Zone) and make a recommendation to the Planning Commission regarding the adequacy of ocean-dependent uses (Harbor primary uses) in relation to ocean-related and visitor-serving uses (Harbor secondary uses) in order to assure that the Harbor remains a working harbor". The report is also forwarded to the California Coastal Commission.

EXECUTIVE SUMMARY:

The 1996 Harbor Master Plan identified and defined "Ocean Dependant" / "Ocean Related" and "Visitor Serving" uses as being the primary uses allowable in the HC Zone. This report summarizes the existing uses in the HC Zone to ensure that the Harbor is remains within the guidelines established in the Harbor Master Plan (HMP) and within the scope of the Zoning Ordinance.

This report reviews lease changes, marina slip uses, commercial fishing and other harbor area businesses uses.

DISCUSSION:

OCEAN DEPENDENT USES

The Harbor includes 21 ocean-dependent uses occupying 197,540 square feet of space. (Attachment 2). Aliotti Fish Company, a squid processor that unloaded and shipped squid from the City Pier in 2004, has ceased operations.

New and expanded uses

In July 2006 the Santa Barbara Fish Market moved out of a tiny space at 117-F Harbor Way into a 736 square foot space formerly occupied by Harbor Bait & Tackle at 117-A Harbor Way. The fish market has grown from a small fish cleaning room to facilitate the Saturday morning open-air fishermen's market into a seven-day per week retail and wholesale fish processing operation.

In January 2008 the Department completed construction of three large vessel berths in a previously undeveloped area of the Harbor that had been leased to government research vessels for 40-50 years. The new "Mediterranean mooring" style berths are 28 feet wide and can accommodate three vessels up to 85 feet in length. The NOAA research vessel *Shearwater* occupies the west berth, and the middle berth is occupied by the vessel "Philippa" owned by Voyage Partners, LLC. The east berth is intended to be used by the Stearns Wharf Passenger Loading Ramp whale watching concession but is being held off the market until either Captain Don's Cruises resumes whale watching operations or a better qualified operator can be located through a public Request for Proposals (RFP) process. Currently the berth is being used to accommodate visiting vessels.

OCEAN RELATED USES

Currently there are 13 ocean-related uses in approximately 18,232 square feet of space (Attachment 3).

The Chandlery Building remodel /expansion at 132 Harbor Way was completed in mid 2005 and West Marine reoccupied the building and resumed retail operations in July 2005. At that time the Waterfront Department administration offices were consolidated with the Harbor Patrol offices.

Fred Gamble, doing business as Channel Crossings Press, vacated his offices on the second floor of the Marine Center Building at 125 Harbor Way. Following an RFP selection process, marine surveyor Mike Pyzel leased suite 23 in March 2008.

Office suite 24, formerly occupied by Channel Crossings Press, was leased to existing tenant Sunset Kidd Yacht Sales in September 2008.

Other Lease Changes

Following an RFP selection process, Chandlery Yacht Sales signed a lease for three formerly vacant offices on the ground floor of the Marine Center Building at 125 Harbor Way, suites 3, 4 and 5.

The Chandlery continues to lease approximately 734 square feet of second floor office space located at 132-B Harbor Way an administration/ business office, with no retail

sales permitted. The lease agreement allows the tenant to sublease; currently the Chandlery subleases the second floor offices to Harbor View Realty and Investments.

VISITOR SERVING USES

Currently there are 15 visitor-serving uses occupying 24,384 square feet in the Harbor (Attachment 4).

In 2005 Verizon signed a 5-year lease agreement with four 5-year options to provide a cell site to improve cellular telephone coverage to the Waterfront area. The harbor area formerly had substandard cell phone reception and the addition of the cell site greatly improved cell phone reception for harbor users. Additionally, the site generates over \$18,000 in lease revenue per year.

A lease agreement was signed with Brophy & Sons (Brophys) for the office located at 125 Harbor Way #22, formerly occupied by marine surveyor Harry Davis. Brophys currently occupies the adjacent office space 14 and 15. The office is used for the on-site management of Brophy Brothers Restaurant operations.

Following an RFP selection process, a second floor office space at 125 Harbor Way, suite 21 was leased to Nicholas Ise, doing business as Marina Network. The business offers two computer workstations with internet access, color and black and white printers, color scanner, fax service and copy machine, web design services and wireless internet service for the harbor area.

The lease for the retail clothing store formerly occupied by Breakwater T's at 119-C Harbor Way was assigned to Brophy & Sons, Inc., in late 2004. Now known simply as "The Store at Brophys", the clothing store has proven to be a successful venture for the owners.

Additionally, the lease for the 198 square foot restaurant known as Sushi Go-Go was assigned in 2006 to Kyung and Sarah Wang. In keeping with the Department's lease assignment procedures, no changes to the business terms or permitted uses of the lease were allowed.

STEARNS WHARF USES

The 1980 Coastal Development Permit for rehabilitating Stearns Wharf states that the "building area will be utilized predominantly for visitor serving commercial uses..." The Wharf remains predominantly visitor serving (Attachment 5). There are currently 16 businesses operating on Stearns Wharf. Blue Edge Parasailing ceased operating in November 2005. Additionally, Captain Don's Cruises is no longer offering whale watching trips from the Stearns Wharf passenger loading ramp.

The Santa Barbara Museum of Natural History received a Coastal Development Permit in March 2002 to demolish the Nature Conservancy and Sea Center buildings and

replace them with a two story, 6,327 square foot building with new public restrooms accessible from the exterior, south side of the building. The Ty Warner Sea Center re-opened in April 2005.

Santa Barbara Shellfish Co. received a Coastal Development Permit to expand its trash enclosure and add four bench-style outdoor dining tables in August 2005.

Lease Changes

Following an RFP selection process in 2005, Coastal Treasures filled the second floor, 610 square foot vacancy left by Waterfront Art Gallery at 217-E Stearns Wharf. The gift shop use is consistent with the zoning for Stearns Wharf. The Ty Warner Sea Center also leased a vacant second floor office space at 219-E Stearns Wharf following an RFP process.

Several lease assignments occurred on Stearns Wharf during the 2004-2008 time period, but the assignments represented a change in ownership and not in permitted uses. The lease assignments included the following:

1. Wharf Bait & Tackle, 232 Stearns Wharf, assigned to Reggie Drew in May 2005;
2. Old Wharf Trading Company and Topside, 217-A, 217-B, and 217-D Stearns Wharf, assigned to Patrick Hartmann in April 2006;
3. Mother Stearns Candy Company, 219-B Stearns Wharf, assigned to Neil and Judi Bruskin in May 2006; and
4. Char West and Great Pacific Ice Cream Company, 219-A Stearns Wharf and 221 Stearns Wharf, assigned to Francisco Aguilera in March 2008.

Expiring Leases & Vacancies

Nineteen harbor leases and three Stearns Wharf leases will expire during the next five years. It is expected that most of the tenants will want to renew. During the leasing process, the Department will evaluate each business use in accordance with the Harbor Master Plan and City lease criteria.

The Department has one vacancy, a 190 square foot space at 117-F Harbor Way, adjoining the Minnow Café. The Department has offered the space to the Minnow Café and the operator is in the process of determining whether it will be financially feasible for the space to be incorporated into the restaurant operation.

COMMERCIAL FISHING

There are a variety of commercial fisheries that operate out of the harbor. The most valuable of these fisheries include sea urchin, lobster, crab, halibut, white seabass, sea cucumber, and ridgeback shrimp.

The value of commercial fishing landings in Santa Barbara was \$7 million in 2004, increasing to \$7.2 million in 2008. This increase can be attributed to the rising cost of seafood.

Commercial fishing was given priority status in the Harbor Master Plan. Action DEP-2.4 of the HMP states, "Strive to maintain a minimum of 19% of the slips for commercial fishing by giving priority for newly created slips to commercial fishermen on the then current waiting list." The Waterfront Department has continued to maintain a limited number of slips designated exclusively for commercial fishing vessels on Fish Float North, Fish Float South and Marina 1-A at discounted rates.

A definition of eligibility standards for "commercial fishing" status was developed and articulated in Council Resolution No. 07-041. In summary, to transfer into, occupy, or remain in a designated commercial fishing slip requires:

- Slipholder and vessel must both have a commercial fishing permit issued by the California Department of Fish and Game;
- Slipholder must be able to document at least \$15,000 income from commercial fishing over a two-year period;
- As designated "commercial fishing" slips on Fish Float North, Fish Float South and Marina 1-A become vacant, they will be assigned to the next qualified commercial fisherman on the waiting list. If no such applicant is available on the waiting list, the slip will be assigned to a qualified commercial fisherman following an advertised lottery.

SLIP USES

Approximately 9% (100) of harbor slips are used by commercial fishing vessels, 88% (993) are occupied by recreational vessels and 4% (40) are miscellaneous use such as visitor berthing, yacht brokerage slips, and slips for federal and local government vessels.. Approximately 97 slips are used by persons who live aboard their vessels, a decrease of 16 since 2004. Currently there is no wait list for liveaboard permits and the permits are available at the Harbor Patrol office for \$140 per month.

Approximately 30 designated slips are reserved for vessels visiting the Harbor. In addition to these slips, Harbor Patrol makes permitted slips available as visitor slips when resident vessels leave the Harbor for extended periods. Visitor slips are used by both commercial and pleasure boats. An average of 89 slips have been available for visitor's use each month during the last five years. Over the past five years, an average of 21% of the visitor slips were used by commercial vessels and 44% were used by pleasure boats.

Permitted Mooring Area

In 2006 the City implemented a permitted mooring area east of Stearns Wharf, the goal of which is to reduce the number of vessel groundings on East Beach and provide

additional opportunity for individuals seeking mooring space in City waters. Via a series of 3 public lotteries, 36 of 46 mooring sites have been assigned. Mooring permits cost \$250 per year.

Beach Permits

West Beach permits are issued to owners of outrigger canoes, small sailboats (monohull boats up to 16 feet in length) and rowing dories for \$250 per vessel per year. The permits allow the owner to store a vessel adjacent to the SB Seashell Association lease area.

Catamaran Beach permits allow owners of catamarans to store their vessels on a designated area of Leadbetter Beach, just West of the Santa Barbara Yacht Club, between March and October. The permits cost \$200 per vessel per season and a maximum of 65 are issued at any time.

OTHER HARBOR AREA USES

Business Activity Permits (BAP) are issued to businesses operating in the Harbor that do not have a fixed place of business in the harbor and are not subject to a lease or license. The BAP policy was established to:

1. Promote business throughout the Harbor area in a safe, orderly, and professional manner;
2. Encourage the offering of essential marine related services;
3. Increase the opportunities for small businesses that have no fixed place of business or lease in the Harbor.

There are approximately 72 businesses presently operating under Business Activity Permits. These businesses provide services such as boat detailing, engine repair, marine canvas, rigging, underwater maintenance, varnishing, and woodworking. Additionally, a maximum of 12 of the permits are held by Coast Guard licensed six-passenger charter operators who provide diving, fishing, and sailing opportunities to their clients. Staff believes the availability of a wide range of dockside services contributes significantly to the working nature of the Harbor.

UPCOMING USE ISSUES

WEST BEACH FEASIBILITY REPORT

The Waterfront Department, working together with Redevelopment Agency staff and Pat Saley & Associates will undertake a planning feasibility process involving West Beach. This process is, in part, a phase of the ongoing Pedestrian Improvement Project along Cabrillo Boulevard and the area between the harbor and wharf. Funding for the planning process and report will be paid by Redevelopment Agency funds.

The purpose of this planning process will be to evaluate the feasibility of expanding public use, recreational activities and the possibility of structures on West Beach. The process will also update the Harbor Master Plan along with comparing City and Coastal Act goals and policies pertaining to uses on the beach. The initial part of the process will focus on the community's interests and recreational needs for the area. All stakeholders, neighbors and user groups will be encouraged and invited to attend.

SUMMARY

Staff believes that the current mix of uses is adequate to ensure that the harbor remains a working harbor.

The Department's lease and slip management policies and procedures will help ensure that Waterfront leases will continue to be consistent with the Harbor Master Plan and will help to preserve the working Harbor.

- Attachments:
1. M.C. Chapter 28.70 – Harbor Commercial Zone
 2. Ocean Dependent Uses
 3. Ocean Related Uses
 4. Visitor Serving Uses
 5. Stearns Wharf Uses
 6. Site Map – Harbor Area
 7. Site Map – Stearns Wharf

Prepared by: Breanne Boyd, Property Management Specialist