

COASTAL CONSERVANCY

Staff Recommendation
March 8, 2007

MOSS LANDING SUSTAINABLE FISHING FEASIBILITY STUDY

File No. 07-009
Project Manager: Trish Chapman

RECOMMENDED ACTION: Authorization to disburse up to \$50,000 to Moss Landing Marine Laboratories to prepare a feasibility study for developing a sustainable fishing off-loading and processing facility in Moss Landing Harbor, in Monterey County.

LOCATION: Moss Landing, Monterey County.

PROGRAM CATEGORY: Urban Waterfront Restoration and Integrated Coastal and Marine Resources Protection

EXHIBITS

- Exhibit 1: Project Location and Site Map
Exhibit 2: Letters of Support
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RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31111, 31220 and 31300-31316 of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes disbursement of an amount not to exceed fifty thousand dollars (\$50,000) to Moss Landing Marine Laboratories to prepare a feasibility study for developing a sustainable fishing off-loading and processing facility in Moss Landing Harbor, subject to the condition that prior to the disbursement of funds, the Executive Officer of the Conservancy shall approve in writing a work program, budget, schedule and any contractors to be employed for these tasks.”

Staff further recommends that the Conservancy adopt the following findings:

“Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

1. The proposed project is consistent with Chapters 5.5 and 7 of Division 21 of the Public Resources Code (Sections 31220 and 31300-31316, respectively), and with the authority of the Conservancy under Section 31111 to fund feasibility studies in implementing those provisions.

2. The proposed project is consistent with the Project Selection Criteria and Guidelines adopted by the Conservancy on January 24, 2001.”
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PROJECT SUMMARY:

The proposed project would provide a \$50,000 grant to Moss Landing Marine Laboratories to conduct a feasibility study for a sustainable fishing off-loading and processing facility in Moss Landing Harbor.

Moss Landing is the largest commercial fishing port in central California; in recent years it has ranked number three statewide in terms fish landings. Over the past twenty years, the commercial fishing industry in California and at Moss Landing has declined precipitously in terms of both pounds landed and revenue generated. This decline is a result of several interrelated factors including declining fish stocks, increased regulation and restrictions on the fisheries, and a drop in the number of fisherman and vessels participating in the industry. Both statewide and at Moss Landing, there has been one notable exception to this pattern. During that period, there has been a significant increase in the landings of coastal pelagic species (CPS or “wetfish”), which include sardines, squid, mackerel, and anchovy.

There are currently four wetfish off-loading facilities in Moss Landing, two of which have been acquired by a non-fishery owner and may cease operations in the near future. Thus, despite its relative success in the past few years, the wetfish fishery in Moss Landing is threatened by the loss of dockside facilities and the secondary businesses that depend on them.

Most of the wetfish offloaded in Moss Landing goes to low value uses such as animal feed and bait. As a result, fishermen get paid a very low price per pound for these species, often less than ten cents per pound. At these rates, fisherman must land high volumes of wetfish in order to be economically viable. A low value/high volume business model such as this can lead to overfishing.

In December 2006, Moss Landing Marine Laboratories acquired a 1.5-acre property with 310 feet of dock space in Moss Landing Harbor with the intention of locating its Marine Operations Facilities on the property and on an adjacent 0.5-acre lot already owned by MLML (see Site Description). A portion of the newly acquired property currently houses one of the four wetfish off-loading facilities. MLML sees an opportunity to partner with the local fishing industry to create a sustainable fishery that could save local jobs and benefit research, education and fishing interests. MLML would like to develop the property into a multiuse marine operations facility, serving research and education co-located with a sustainable fishing off-loading facility.

The proposed project will develop recommendations for dockside off-loading and processing facilities needed to support a sustainable CPS fishery in Moss Landing. These recommendations will be based on an analysis of the feasibility of developing markets for higher value products that would increase the price per pound paid to fisherman, and allow fisherman to lower their catch rates and still maintain economic viability. The feasibility study will also include: 1) an evaluation of options for developing a public-private partnership to oversee the facility; 2) a marketing strategy; and 3) a financial analysis of the proposed facility. In addition, the study will outline opportunities for research and monitoring of the fishery that could be made possible

through development of this joint project of MLML and the Moss Landing commercial fishing industry.

MLML is a public agency operated by a consortium of seven California State University campuses and has grown international reputation for excellence in marine science research and education. MLML will partner with the Monterey Institute of International Studies (MIIS) business school and the Naval Postgraduate School (NPS) to prepare the study. MLML is also consulting with local fishermen and Environmental Defense (ED), which has been working for several years to develop market-based initiatives aimed at changing fishery management over the long term. ED has developed the idea for a California Fisheries Fund that would help transition commercial fisheries to sustainable business models. This team of organizations is well qualified to undertake the project.

Site Description: Moss Landing Harbor is one of six developed harbors located along the Central Coast, four of which border the Monterey Bay National Marine Sanctuary. Moss Landing Harbor is sited near the center of Monterey Bay. Approximately 175 recreational boats and 200 commercial boats are berthed in the Harbor as well as marine research vessels used by the MLML and the Monterey Bay Aquarium Research Institute (MBARI). Upland land uses in the area include marine research facilities, commercial fishing and recreational boating operations, manufacturing and various visitor-serving restaurants and shops.

The MLML property is approximately 1.5 acres, with approximately 310 feet of waterfront. Currently there is a wooden pile dock that will likely be replaced with a new concrete bulkhead necessary to service MLML's research vessel. The wetfish off-loading facility is on the southern quarter of the property. The rest of the property is undeveloped, but has been used as a storage and maintenance area. The property is zoned for light-industrial use.

Directly adjacent to the property to the north is the MLML Small Boats and Research Diving Facility which is sited on a 0.5-acre lot. The property directly to the south currently houses a wetfish off-loading facility; however, this property has been purchased by MBARI which intends to phase-out the off-loading facility and remove the associated dock within the next few years. Surrounding land uses include harbor facilities, research facilities, restaurants, a State beach, and the Moss Landing Power Plant.

Project History: For the past few years, MLML has been looking for a place to berth the large research vessel that it manages on behalf of the University National Oceanographic Laboratory System (UNOLS). This boat, the Point Sur, is currently berthed in a dock owned by MBARI, but MBARI needs the space for its own boats. In 2006, Del Mar fisheries offered to sell a 1.5 acre parcel in Moss Landing Harbor to MLML. The property has sufficient dock space to house the Point Sur and is immediately adjacent to property already owned by MLML which houses its Small Boats and Research Diving Facility. In December 2006 MLML acquired the property. Because the property is large enough to house MLML's Marine Operations Facility and retain a fish off-loading facility, staff at MLML began to develop the idea of using the fish facility to promote a sustainable fishery in Moss Landing. MLML contacted Conservancy staff in September 2006 with a request for funding for a feasibility study for the project. Over the next few months MLML continued to develop the idea with input from Conservancy staff, ED, NPS and MIIS.

PROJECT FINANCING:

Coastal Conservancy	\$50,000
Moss Landing Marine Labs	<u>10,000</u>
Total Project Cost	\$50,000
MLML previous contribution (land acquisition)	\$2,300,000

The intended sources of Conservancy funds for the proposed project are an appropriation to the Conservancy from Proposition 40, the “California Clean Water, Clean Air, Safe Neighborhood Parks and Coastal Protection Act of 2002,” and an appropriation of \$1.2 million to the Conservancy from the Environmental License Plate Fund for ocean protection. The Proposition 40 funds are allocated to the Conservancy for development, restoration and protection of land and water resources in accordance with the Conservancy’s enabling legislation (Division 21 of the Public Resources Code). As discussed below, preparation of a feasibility study for a sustainable fishing off-loading and processing facility in Moss Landing is consistent with Chapters 5.5 and 7 of Division 21. The Environmental License Plate Fund may be used pursuant to the California Ocean Protection Action (COPA) and in furtherance of the protection, enhancement and restoration of fish and wildlife habitat.

At its November 28, 2006 meeting, the Ocean Protection Council authorized \$3,000,000 to be spent on projects that support sustainable fishing practices, including expansion of direct-to-consumer seafood markets, local fishing-harbor revitalization, and cooperative research. This grant would be made pursuant to the Conservancy’s authority under Division 21 of the Public Resources Code to award grants for living marine resources protection and restoration projects and activities consistent with Division 26.5 (COPA).

CONSISTENCY WITH CONSERVANCY’S ENABLING LEGISLATION:

The proposed project would be undertaken pursuant to Chapters 5.5 and 7 of the Conservancy’s enabling legislation, Public Resources Code Sections 31220, regarding integrated coastal and marine resources protection, and Sections 31300-31316 regarding urban waterfront restoration, respectively.

Section 31220(a) of the Public Resources Code authorizes the Conservancy to undertake and award grants for coastal and marine resources protection and restoration projects that meet one or more criteria of Section 31220(b). Consistent with Section 31220(b)(7) the proposed project is intended to reduce the impact of population and economic pressures on coastal and marine resources, by developing markets to support sustainable fishing. Consistent with Section 31220(b)(10) the proposed project provides for activities consistent with COPA. Specifically, the proposed project will, “foster sustainable fisheries, including... collaborative research and demonstration projects between persons who fish commercially and scientists...” (Public Resources Code Section 35650(b)(2)(B)).

Section 31220(c) requires that projects include a monitoring and evaluation component. The Conservancy will review the feasibility study and monitor progress towards implementation.

The proposed project would also be undertaken pursuant to Chapter 7 (Public Resources Code Sections 31300-31315) regarding the restoration of urban waterfronts. Section 31300 states that California's urban waterfronts are in need of restoration in order to be the vital economic and cultural component of the community they once were, and that the encouragement of planned private sector development in these areas is a benefit to the citizens of the state, as well as the local citizenry in affected urban waterfront areas. Consistent with this legislative finding, the proposed project would develop a plan for dockside facilities needed to support a long-term sustainable, economically viable wetfish fishery in Moss Landing.

The Conservancy is authorized, under Section 31307, to award grants to public agencies for the restoration of urban coastal waterfront areas; under Section 31315, to administer the distribution of state funds for the improvement of fishing harbors on public trust lands; under Section 31316, to award grants for the development of amenities and infrastructure compatible with the preservation and restoration of ocean and coastal resources; and under Section 31111, to fund and award grants for feasibility studies in implementing these priorities. Consistent with Section 31308, the recommended amount of the Conservancy's grant is based on the total amount of funding available for urban waterfront projects, the fiscal resources of the applicant, and the urgency of the project relative to other eligible urban waterfront projects.

**CONSISTENCY WITH CONSERVANCY'S
STRATEGIC PLAN GOAL(S) & OBJECTIVE(S):**

Consistent with **Urban Waterfront Goal 3 Objective B**, the proposed project will implement a project that supports commercial fishing.

**CONSISTENCY WITH CONSERVANCY'S
PROJECT SELECTION CRITERIA & GUIDELINES:**

The proposed project is consistent with the Conservancy's Project Selection Criteria and Guidelines adopted January 24, 2001, in the following respects:

Required Criteria

1. **Promotion of the Conservancy's statutory programs and purposes:** See the "Consistency with Conservancy's Enabling Legislation" section above.
2. **Consistency with purposes of the funding source:** See the "Project Financing" section above.
3. **Support of the public:** The proposed project has considerable support from the local fishing industry including, Voices of the Bay, Fishing Education Pilot program, the Project Management Institute, and the Fisherman's Alliance. In addition, the proposed project is supported by local universities and local marine research organizations.
4. **Location:** The proposed project would be located within the coastal zone of Monterey County.
5. **Need:** MLML's primary function is as a marine research and education facility. As such, it has very limited funding to contribute to the necessary studies. MLML's primary

contribution to the project would be the property and staff involvement in developing and managing the facilities.

6. **Greater-than-local interest:** The proposed project could benefit the wetfish fishery throughout Monterey Bay and the Central Coast by offering a viable alternative to the high volume/low value business model currently being practiced by commercial fisherman.

Additional Criteria

7. **Urgency:** MLML just recently acquired the property and is now in the site planning phase. There is currently an opportunity to plan for a joint research and commercial fishing off-loading facility. However, if the study is not completed within the next nine months, that opportunity will likely be lost.
8. **Innovation:** The sustainable off-loading and processing facilities that will be addressed in this plan will be innovative for several reasons. First, it will demonstrate how the CPS fishery can move towards higher value products and markets and thus promote sustainable fishing. It will also provide a unique opportunity for MLML scientists and commercial fisherman to partner together on fisheries research. And finally, the public private partnership that is expected to oversee the facility will demonstrate how the public sector can work together with the commercial fishing industry.
9. **Readiness:** MLML and its partners at MIIS and NPS are ready to start the project immediately.

CONSISTENCY WITH LOCAL COASTAL PROGRAM POLICIES:

The North County Land Use Plan is the adopted Local Coastal Program for this portion of Monterey County. Chapter 5.3 of the plan addresses commercial fishing. Key Policy 5.3.1 states, “The County encourages the maximum development of commercial fishing and recreational boating facilities at Moss Landing; consistent with the conservation of the area's wetlands, dunes and other natural resources.” General Policy 5.3.2.1 more specifically states that, “Commercial fishing facilities shall be protected and, where feasible, upgraded...” The proposed project is consistent with these policies because it will develop a plan to improve dockside facilities for commercial fishing.

COMPLIANCE WITH CEQA:

The proposed project is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15262 of 14 Cal. Code of Regulations in that it involves only feasibility or planning studies for possible future actions which the Conservancy has not approved, adopted, or funded. Staff will file a “Notice of Exemption” upon approval of the project.