

# FISHING COMMUNITY SUSTAINABILITY PLAN

SHELTER COVE, CA | HUMBOLDT COUNTY



PUBLIC REVIEW DRAFT | NOVEMBER 2018

*Prepared by Humboldt State University and Lisa Wise Consulting, Inc. with a generous grant from the Saltonstall Kennedy Program*

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## ACKNOWLEDGMENTS

An effort of this type takes commitment, hard work and attention from many individuals. The completion of the project and the insight of the findings and final recommendations relied very heavily on the 46 individuals who participated generously in personal interviews, as well as those who attended the public workshop. Also, the research team could not have gotten very far in understanding an insider's perspective in Shelter Cove without the patience and generosity of the Advisory Committee which represented a broad cross section of the community. A special thanks to: Butch Boldt, Mike Caldwell, Jim Clary, Bill Hebbard, Jonathan Jeffers, Layne Kaufman, Carrie McMahon, Jake Mitchell, Jared Morris, Kevin Riley, Justin Robbins, John Santaella, Ken Vallotton, Pete Winkler, Estelle Fennell, and Philip Young. Recognition to both the Resort Improvement District for generously sharing their Community Center, and the Inn of the Lost Coast for continuing to share their Sinkyone Room with the fishermen, fishing community, and the research team for meeting space.

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# 1 INTRODUCTION

The Shelter Cove Fishing Community Sustainability Plan (FCSP) is the product of a strong collaborative partnership among the fishing community, Humboldt State University, civic leaders, elected officials, and local business owners and operators. The project was funded by a generous grant from Saltonstall-Kennedy Grant Program, awarded in September of 2016.

The FCSP is a powerful example of the Shelter Cove fishing community's capacity to establish key partnerships, identify opportunities and constraints, procure funding and engage in strategic planning. The FCSP culminates with a list of Recommendations which reflect the highest priorities needs aimed at the success and resilience of the fishing industry. The project takes much of its strength from including the perspective of the commercial, recreational and commercial passenger industries as well as broad cross section of the community.

The project kick-off took place in December 2016 and was characterized by an extensive community engagement process which included the formation of an Advisory Committee and meetings in May 2017 and September 2018, a Public Workshop in June of 2017 and site visits and personal interviews throughout June, July and August of 2017. The final report will be presented to the Humboldt County Board of Supervisors, Humboldt Bay Harbor Conservation and Recreation District and the Resort Improvement District. The Shelter Cove FCSP will ultimately be presented to the Pacific Fisheries Management Council (PFMC), the regional governing body for federal fisheries.

FCSPs are identified in the Magnuson-Stevens Fisheries and Conservation Act (MSA), primary federal fisheries policy, as a requirement for communities that wish to remain eligible for Limited Access Privilege Protocol Programs. The Shelter Cove fishing community saw this as an opportunity to fulfill the tenets of MSA and develop a FCSP that characterizes Shelter Cove by addressing the needs and unique synergy among commercial fishing, recreational fishing and the Commercial Passenger Fishing Vessel (CPFV) industry. At the community's discretion, the report is referred to as a Fishing Community Sustainability Plan or FCSP and identified as such throughout the report.

**The Saltonstall-Kennedy Federal Grant Program funds projects that address the needs of fishing communities, optimize economic benefits by building and maintaining sustainable fisheries, and increase other opportunities to keep working waterfronts viable.**

**The Plan fulfills the tenets in MSA in "address(ing) the social development needs of coastal communities, including those that have not historically had the resources to participate in the (Limited Access Privilege Program) fishery, for approval based on criteria developed by the Pacific Fisheries Management Council that have been approved by the Secretary and published in the Federal Register" (MSA 2007 p. 121, Stat. 3587-3588).**

## PRIMARY AIMS OF THE SHELTER COVE FCSP

- Serve the fishing community by providing an accurate, effective and easy-to-access source of data to support their efforts to promote, protect and strengthen commercial fishing in Shelter Cove
- Strengthen the relationship (social cohesion and trust) between the fishing community and elected officials, civic leaders, agencies, academia, business owners and operators and community members by providing information on the unique value and needs of the fishing industry as well as the challenges and opportunities they face
- Chart strategic actions (Recommendations) for leveraging opportunities and mitigating for and eliminating constraints to better assure a resilient future for fishermen while considering economic, environmental and social conditions as well as physical infrastructure and critical services
- Provide a forum for the voice of fishermen as well as gather participation from a broad cross section of the community to develop momentum achieve a more secure and resilient future

**The Shelter Cove FCSP Advisory Committee was made up of representatives from the commercial fishing and CPFV industry, fishing families, Resort Improvement District, and hotel/tourism.**

## APPROACH AND METHODOLOGY

As was established early in the project planning phase, and evident in the grant proposal and project scope of work, the Shelter Cove FCSP relies heavily on direct input from fishermen and a wide range of community members. To achieve this goal, the research team conducted 46 personal interviews with fishermen, business owners and operators, elected officials, and fishermen’s families to get an “insider’s” perspective. The project also included two Advisory Committee meetings and a public workshop, all aimed at assuring that the voice of the fishermen and the community was evident in the findings and the final recommendations of the Plan. The Advisory Committee also provided feedback in the draft review and edit process of the final Plan. Throughout the engagement, the project team presented updates to the Humboldt County Board of Supervisors and to the Humboldt Bay Harbor, Recreation and Conservation District and Resort Improvement District. Representatives from these groups participated in the interviews, public meetings and workshops.

The development of the FCSP also included archival research derived from state and federal databases, past and current community development and planning efforts, the U.S. Census and academic and industry sources.

## FCSP STRUCTURE

The findings from the two-year community engagement and research project are presented in seven chapters and culminate in the Recommendations and Potential Funding Sources chapters. These two chapters identify the highest priority initiatives, emphasize the community's vision for the future, and position the community to implement activities that will lead to increased resilience. These seven chapters include:

1. **Introduction.** Outlines the project, funding source, timeline, scope of work, Primary Aims, Approach and Methodology and Structure of the document. Also, includes the History and Background of fishing in Shelter Cove, and Project Setting.
2. **Economics and Markets.** Presents findings on the economic performance of U.S., West Coast and California sectors of the commercial fishing industry and ocean economy as well as trends (between 1990 and 2016) in overall and species level landings by weight, Ex Vessel Value (earnings at the dock paid to fishermen), Price per Pound, Important Fisheries and Top Species. This chapter also includes a description the contributions of the Commercial Passenger Fishing Vessel fleet, Recreational Fishing, and Tourism as well as a discussion on Employment, Industry Alliances, and Markets.
3. **Social Setting.** Describes the Social Framework and Relationships within and outside of the fishing industry, Leadership, and Summary of the Personal Interviews which highlight the community's Needs and Challenges, and Opportunities and Constraints in rank order as derived from personal interviews.
4. **Environmental Setting.** Opens with a brief description of the diverse and productive marine environment in which Shelter Cove fishermen operate and a summary of state and federal regulations that oversee the species targeted by the Shelter Cove fleet.
5. **Critical Infrastructure and Services.** Describes the presence and condition of equipment, access and services on which commercial fishermen, the CPFV and recreational fleet rely.
6. **Recommendations.** Presents a list of actions that the fishermen and a broad range of community members believe are necessary for the long-term resilience of fishing in Shelter Cove. This list is based on the input from personal interviews, public workshops, the Advisory Committee and extensive research on Economic, Social, Environmental Settings as well as the level and condition of Critical Infrastructure and Services.
7. **Potential Funding Sources.** Lists funding agencies, opportunities, and key partnerships that the community may consider to advance the initiatives aimed at a more resilient future.



*Cattle at Shelter Cove, 1907. HSU archives*



*Shelter Cove Hotel, 1909. HSU archives*



*Shelter Cove bulkhead and pier, 1907. HSU archives*

## HISTORY AND BACKGROUND

Shelter Cove is a remote, unincorporated community in Humboldt County approximately 228 miles north of San Francisco and 87 miles south of Eureka. Shelter Cove is part of California's rugged Lost Coast where the King Range drops into the Pacific Ocean. The nearest town, Redway, is 22 miles east over a two-lane mountainous road.

Shelter Cove was first inhabited by Native Americans and has been the site of seasonal fishing and shellfish collection dating back thousands of years. In the 1850s, cattle farmers established Shelter Cove Ranch, which became the cornerstone of early settlement in the area. Shelter Cove soon became a hub for passenger ships and shipping, exporting wool, hides, deerskins, sheep, fruit, eggs, butter, and, later, lumber products including tanbark extract. In 1876, approximately \$97,000 worth of goods, or more than \$2.2 million when adjusted for inflation, were exported through Shelter Cove.<sup>1</sup> In the 1880s, the Shelter Cove Warehouse Company built a 960-foot pier to streamline the loading and unloading of passengers and freight (Machi, 1984). Natural resources, tourism, and support industries remain the foundation of the economy, with a staunch population of highly self-sufficient locals and workers and visitors that shift with seasonal and market fluctuations.

Plans to develop Shelter Cove into a 4,000-home seaside resort in the 1960s led to establishment of the Resort Improvement District (RID), which installed and maintains electric, water, and sewer services. Although the subdivision project did not move forward, RID continues to provide power, water, and sanitary services to Shelter Cove.

Other agencies serving Shelter Cove include:

- Humboldt County Planning Division, which regulates development
- Humboldt County Public Works, which maintains all roads and drainage systems
- Humboldt County Sheriff's Office, which provides law enforcement
- Humboldt Bay Harbor, Recreation, and Conservation District (HBHRCD), which maintains the harbor, breakwater jetty, boat launch, and fish cleaning station

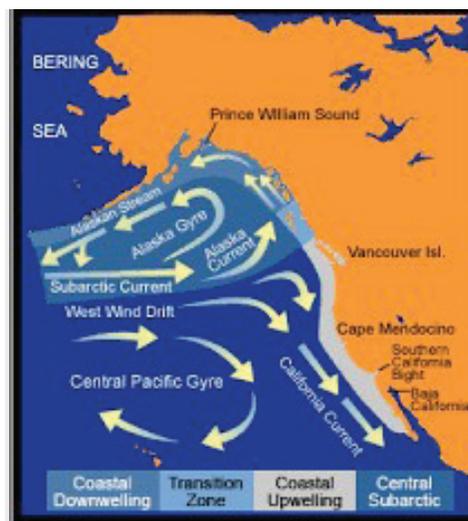
The current year-round population of Shelter Cove is approximately 410 residents, according to 2016 US Census. Of the 220 workforce-eligible residents, approximately 191 are employed, with more than half of this number self-employed.

## PROJECT SETTING

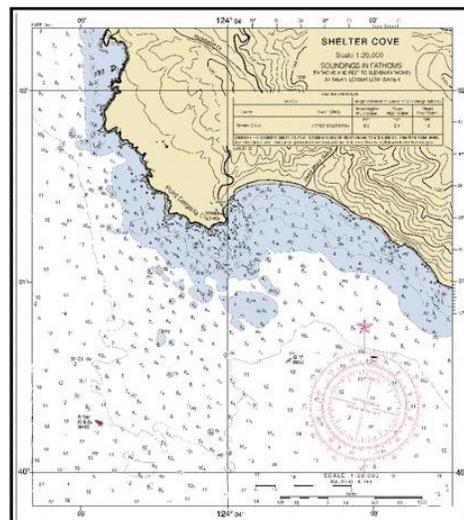
The marine ecosystem off the coast of Shelter Cove is marked by a diversity of rich marine habitats which support productive Chinook salmon, Lingcod, rockfish, and Dungeness crab fisheries. Habitats include rocky nearshore, deep and shallow reefs, soft, sandy bottom shelves, and deep water canyons, including Delgada Canyon just to the north of the point.

The region is also marked by the California Current, one of the world’s four major wind-driven upwelling systems, the other three systems being located along the west coasts of South America, and southern and northern Africa (GFNMS, 2014). This offshore transport of surface waters results in the upwelling of cold, nutrient-rich waters from depth into sunlit surface waters to support a food-rich environment and promote the growth of organisms at all levels of the marine web.

Shelter Cove harbor is naturally protected from northwestern winds, but is exposed to southerly storms. This exposure limits the feasibility of extensive over-water infrastructure, including docks and piers. A breakwater jetty provides limited protection during much of the year, but storm surge often renders the harbor unusable during the winter.



Offshore currents, NOAA



Marine topography



Delgada Canyon, NOAA



*Fishing boats in Shelter Cove, 1925, Shirley Machi*



*Shelter Cove pier, HSU archives*

## FISHING INDUSTRY

While fishing has always been a way of life in Shelter Cove as a livelihood, important food source and for recreation, it gained momentum as a commercial activity in 1925, when the San Francisco International Fish Company, the Paladini Fish Company, and the Western Fish Company joined to form the Northern California Fisheries Company, establishing fish receiving and processing facilities ice plant, and pier. In 1928, the San Francisco International Fish Company became sole owner of the facilities. At that time, fish were unloaded, processed, and shipped to San Francisco by sea. In 1930, fishermen landed as much as 140,000 pounds of salmon per day (Machi, 1984). These vessels (typically large trawlers) would return from San Francisco with basic supplies, including groceries and household goods. In 1931, San Francisco Fish Company determined that maintenance of the pier was too costly and withdrew from Shelter Cove. Due to the extreme conditions, the pier fell into disrepair, and by the late 1930s it was destroyed (Machi, 1984).

Lacking an offloading pier and processing facility, commercial fishing activity declined. The sport fishing industry emerged in the late 1940s, when the Machi family, local entrepreneurs and waterfront property owners, began renting rubber rafts to locals and tourists (Machi, 1984). Around this time, locals carved a road into the cliff, allowing vehicles to drive down to the beach (Machi, 1984). This heralded the practice of beach-launching vessels that continues today. The breakwater jetty was completed in 1980 through a grant from the Army Corps of Engineers and is now maintained by the HBHRCD. Today, commercial, charter, and recreational vessels can self launch from trailers backed into the surf by personal vehicles, and bigger boats can be towed and released in deeper water by high clearance tractors operated by the Harbor District.

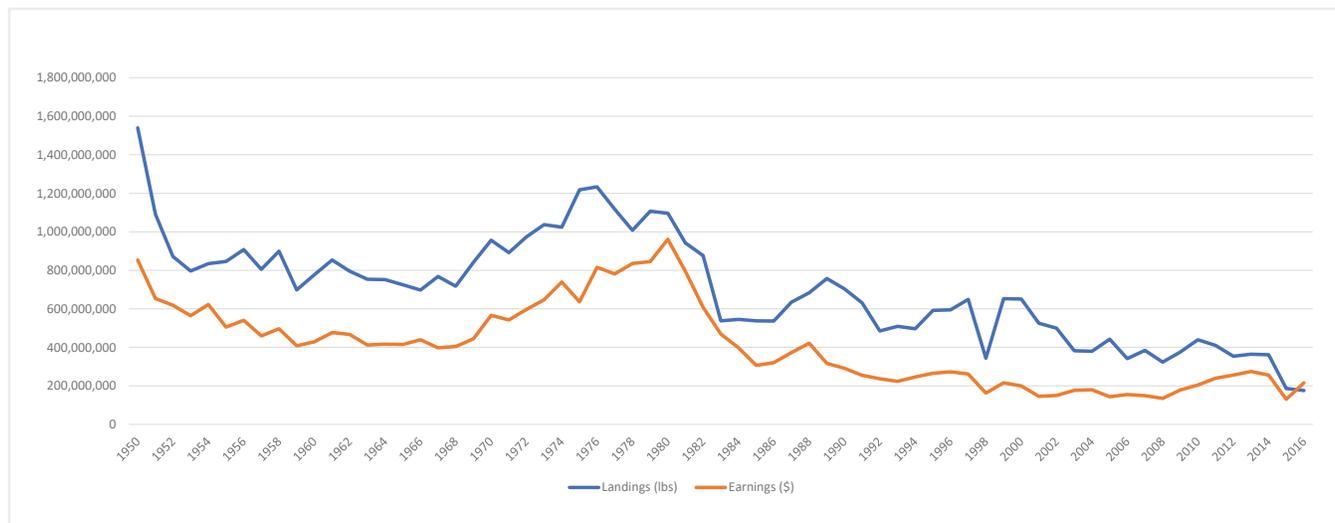
**Shelter Cove fishermen work together to get boats into and out of the water manually with “stingers,” a trailer extension to get the boat trailer onto the beach to haul out.**

A resurgence of commercial fishing occurred in the 1970s, with a fleet of small vessels, referred to as the Mosquito Fleet. Facilities and supplies for the fleet were available at Mario's Marina, including bait, fuel, tackle, and a fish receiving station and ice machine were installed at a former warehouse. A small community of fishermen and their families lived in the Shelter Cove campground in the summer to participate in the commercial fleet. Sometime in the 1970s a Shelter Cove Fishermen's Association was established to negotiate pricing with buyers at Mario's and Eureka Fisheries, and to align with the broader regional Pacific Coast Federation of Fisherman's Associations (PCFFA) to lobby for regulations affecting their local fishing grounds during the Marine Life Protection Act (MLPA) and Memorandum of Agreement (MOA) processes.

**At its peak, the Mosquito Fleet consisted of 100 – 120 boats – Commercial fisherman, personal communication, 2017**

By the late 1980s and 1990s, the introduction of stringent and often overlapping state and federal commercial fishing regulation, competition from inexpensive foreign imports, population declines in several rockfish species and shifts in consumer preferences, led to the decline of the Mosquito Fleet and much of the commercial fishing activity in California.

**STATEWIDE LANDINGS AND EARNINGS, 1950-2016**



Source: NMFS

## 1 Introduction



*Breakwater jetty, calm conditions, Shelter Cove, 2017, HSU*



*Mario Machi Memorial, Shelter Cove, 2017, HSU*

The Shelter Cove Fishermen’s Association disbanded in 1990, however emeritus members retain a strong sense of pride in what the Association was able to accomplish, in addition to a continued sense of collaboration. Shelter Cove’s commercial fishing sector contracted following the increase in regulations and reduction in fishery portfolios available to the fishermen, and reduced landings led to closure of the fish buying station in the early 1990s. In the early 2000s, regulations on rockfish eased, allowing the remaining commercial fishermen to fish on limited open-access permits. The port has struggled, however, to rebound from the major setback in the 1990s.

Despite being one of the smallest ports on the coast, commercial fishing in Shelter Cove is a significant driver of employment and investment locally and remains a contributor to California’s \$200 million in annual earnings. Moreover, potential to sustain or grow this industry remains. Several fishermen who were part of the Fishermen’s Association are still actively fishing in Shelter Cove, and commercial, charter, and recreational fishing are woven into nearly all aspects of the economy and society, touching the lives of every Shelter Cove resident.

Finally, Shelter Cove’s history and setting have featured wildly independent, tough and opportunistic players. In “The Cove,” commercial, recreational and charter fishermen face extreme conditions and rely on their wits and strength just to launch their boats. Fishing is further complicated by shifting regulations limiting when, where and how much fish they can catch. Commercial recreational and charter fishermen rely on the same services and physical infrastructure such as road conditions, bait, tackle, tractor, ice, supplies, fuel, fish cleaning station and gear and boat storage. Many Shelter Cove skippers hold commercial, Commercial Passenger Fishing Vessel (CPFV) and recreational licenses and deckhands move back and forth depending on opportunities for work. As is evident in the Shelter Cove FCSP, the fishing industry has struggled to keep fishing alive and through this project, they are charting a plan for a stronger future.....together.

## 2 ECONOMICS AND MARKETS

### INTRODUCTION

The economic performance of a fishing community is fundamental to its sustainability and an important measure of its contribution to the broader community. Revenue earned by Shelter Cove fishermen injects income into the local economy through the purchase of inputs such as ice, fuel and bait, wages for crew, purchase and repair of gear, as well as tractor launch and storage fees. The CPFV fleet and recreational fishing also contribute to the vibrancy of local employment and businesses and attract visitors who spend money on local businesses.

Economic performance can be measured by the earnings by commercial fishermen at the dock, the types and quantity of species landed, and trends over time. This data is collected by the California Department of Fish and Wildlife (CDFW) through landings receipts that are required to be completed by receiver-processors when fish are purchased at the completion of each commercial fishing trip.

Economic performance is affected by the total level of fishing activity in the industry, the mix of targeted species, broader market conditions, the types of gear used, and from relationships within and outside of the fishing community. Economics also influences a community's sense of accomplishment, material well-being, and perspective for the future.

The Shelter Cove commercial fleet is part of a vibrant industry in the U.S. that contributes substantially to Gross Domestic Product (GDP), provides a fresh, healthy source of protein, and is one of the last wild foods in the American diet.

#### SUMMARY OF ECONOMIC PERFORMANCE

Since 1990, commercial fishermen in Shelter Cove have:

- Generated more than \$4.6 million in earnings or \$173,000 per year
- Landed 1.68 million pounds of fresh, sustainably harvested seafood
- Increased price per pound by more than 300% or 3 times the State average
- Consistently outperform the State average price per pound on Dungeness crab
- Successfully adapted to increasing regulation, competition from cheap imports, and rising costs by shifting to a lower volume higher value model
- Participated in a vibrant Commercial Passenger Fishing Vessel and recreational fishing industry that draws visitors from around the State and country and contributes to the local economy (hotels, camping, restaurants, grocer, bait and tackle shops, wineries and employment)

## U.S. OCEAN ECONOMY

Fishermen in Shelter Cove contribute to a robust ocean economy in the U.S. According to the National Ocean Economics Program of the Center for the Blue Economy at the Monterey Institute of International Studies at Middlebury College (NOEP), in 2015, the marine economy accounted for \$326.5 billion or approximately 2% of the total U.S. GDP. In contrast, the output of America’s farms contributed \$136.7 billion to the 2015 GDP or approximately 1% (USDA ERS - Ag and Food Sectors and the Economy).

Year	Ocean GDP (billion)	U.S. GDP (billion)	Ocean GDP as % of U.S. GDP
2015	\$326.5	\$16.472	2%

Research from NOEP finds that the ocean-based economy supports more than 3.1 million jobs in the U.S. across numerous sectors, including fishing, tourism, construction, and transportation. Employment is typically measured through wage and salary data that does not include self-employment, such as an individual fisherman working on their own boat. According to NOEP, in 2013 approximately 132,000 people worked in self-employed positions in ocean-related jobs.

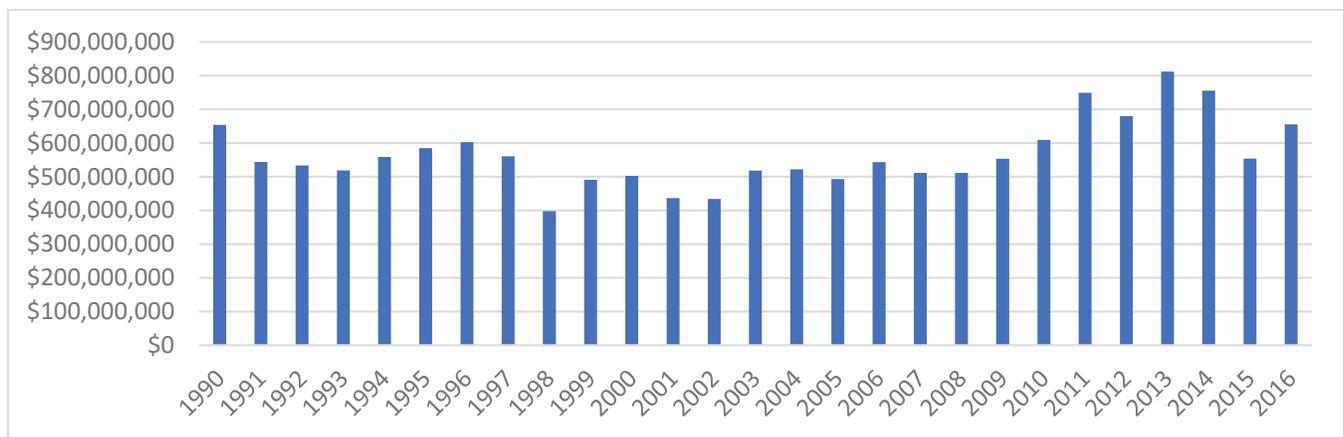
## COMMERCIAL FISHING

Commercial fishermen in Shelter Cove are part of a productive industry that generates employment and wages and provides a renewable source of protein.

**U.S. Commercial Fishing Fleet.** Commercial fishing is credited with contributing more than \$1.5 billion in U.S. GDP in 2015.

**West Coast Commercial Fishing Fleet.** West Coast commercial fishing (California, Oregon, and Washington) has generated more than \$15 billion in EVV (ex-vessel value, or gross fishing revenue) since 1990. In 2016, fishermen on the West Coast earned approximately \$655 million for their catch.

### CALIFORNIA-OREGON-WASHINGTON COMMERCIAL FISHING EVV, 1990 – 2016

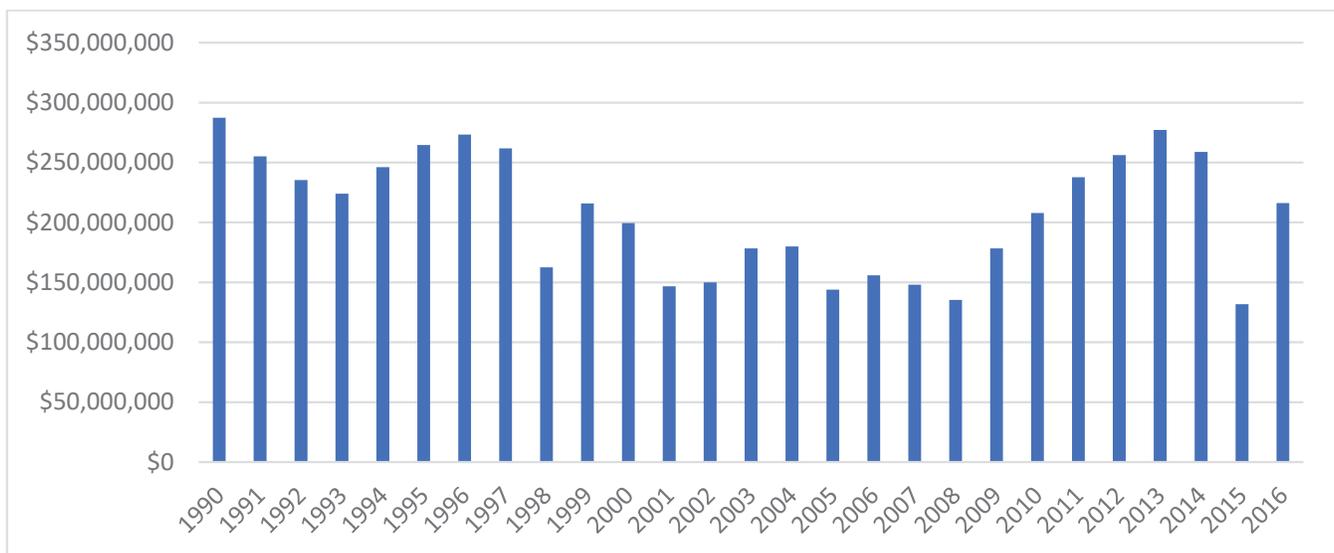


Source: NMFS

**Commercial Fishing in California.** The Shelter Cove fleet is part of commercial fishing industry in California which generated more than \$200 million in earnings at the dock in 2016, according to the National Marine Fisheries Service (NMFS). Each dollar earned by fishermen represents wages for skippers, deckhands, dock workers, employees in the processing plants, purchases of ice, fuel, and supplies at local businesses, slip fees, insurance, and earnings for mechanics and other related businesses.

A fuller impact of commercial fishing earnings can be measured by the COFHE economic impact model created by Hackett et al. (2009). The model generates a comprehensive set of multiplier values that can be used to estimate the total economic impact of commercial fishing to California, by fishery and by geographic area. Multipliers are typically around 1.5 at the County level, due to greater economic leakage from purchase of non-local inputs and are typically around 2.0 at the State level. From those multipliers it is estimated that, in California, each dollar earned at the dock generates roughly twice that value through the ripple or multiplier effect (The Economic Structure of California’s Commercial Fisheries, S. Hackett, et al, 2009).

#### CALIFORNIA COMMERCIAL FISHING EVV, 1990 – 2016



Source: NMFS

Despite the significance in economic contributions of the commercial and recreational fishing industries, those industries are often overlooked and misunderstood. This work is intended, in part, to raise awareness among civic leaders, elected officials, regulators, industry participants and the public about fishing’s contribution to local communities and the overall economy. The work is also aimed at giving industry participants and industry managers tools to chart progress, anticipate changes, and make adjustments to better assure a robust and on-going fishing industry.

Key economic measures in the commercial fishing industry include EVV, landings by weight, price per pound, species diversity, employment, availability and condition of related physical infrastructure and connections to markets. Formal and informal relationships within the fishing and working industries, as well as with civic leaders, agencies, academia, and tourism, are also important measures of socio-economic performance and capability and are addressed in more detail in the Social Setting Chapter.

## INDICATORS OF SUSTAINABILITY

### PERFORMANCE METRICS AND INDICATORS IN SHELTER COVE, CA

Indicator	Metric
Production	Landings by weight
Revenue (Gross)	Earnings at the doc, Ex Vessel Value (EVV)
Production Value	Price per Pound
Diversity	Relative Species Weight and Earnings
Employment	Number of Jobs, Job Types and wages
Industry Landscape	Presence and condition of critical physical infrastructure and services
Awareness	Level of waterfront tourism, demand for product, consideration in policymaking
Trends	Change in metrics over time

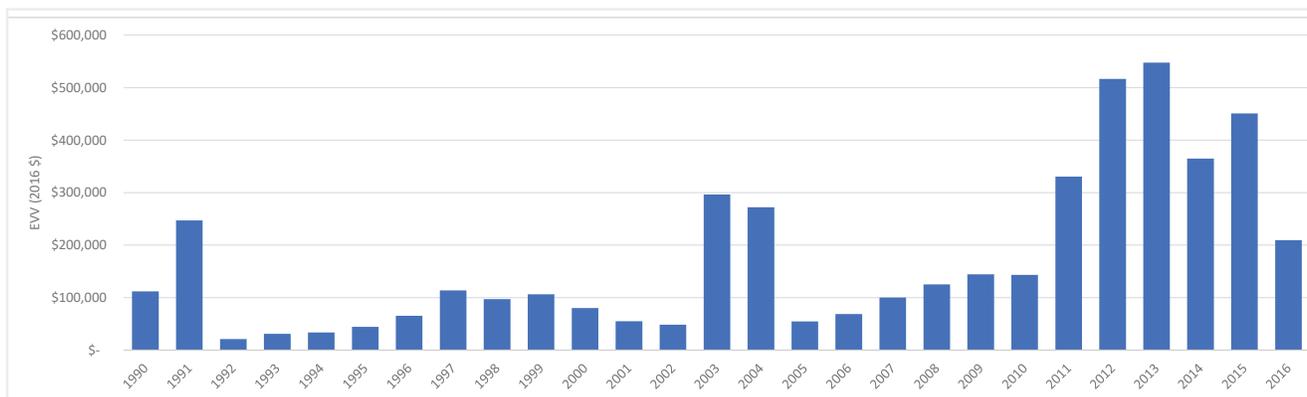
## SHELTER COVE, LANDINGS, EARNINGS, PRICE PER POUND, AND PARTICIPATION

Applying the COFHE economic multiplier, it can be estimated that commercial fishing in Shelter Cove has resulted in roughly \$7 million in total economic impact to Humboldt County, and roughly \$10 million to the California economy since 1990.

*Note: all dollar figures in this section have been adjusted for inflation to 2016 levels unless otherwise indicated.*

**Overall Earnings.** Shelter Cove commercial fishermen have generated a total of \$4.68 million in EVV since 1990, at an average of approximately \$173,000 per year. Earnings in Shelter Cove rose more than 400% between a low in 2005 of less than \$50,000 to \$209,000 in 2016. Since 2011, annual overall earnings in Shelter Cove have exceeded earnings in the 1990s, peaking at more than \$500,000 in 2012 and \$545,000 in 2013, a 27-year high.

SHELTER COVE EVV - ALL SPECIES, 1990 - 2016

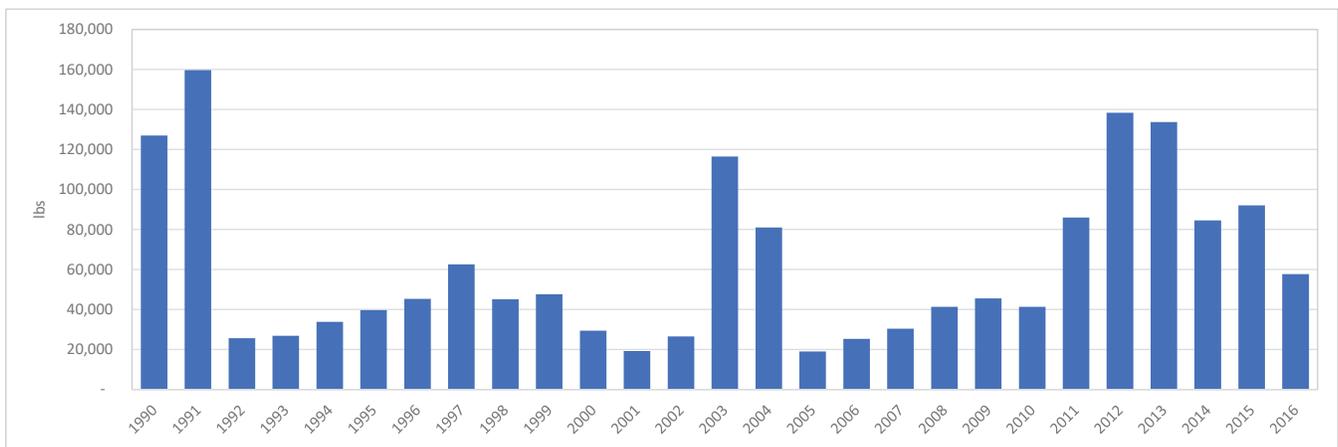


Source: CDFW

**Overall Participation and Average Earnings per Participant.** Researchers at Humboldt State University found that the number of participants in the fishing industry in Shelter Cove between 1992 and 2014 has fluctuated from lows of 7 individuals to a high of 24 individuals in 2014. Revenue has also fluctuated, climbing from a low in 2005 to a 23-year high in 2013, when the average earning per boat was nearly \$15,000. These numbers are adjusted to for inflation to 2010 levels.

**Overall Landings.** Since 1990, commercial fishermen in Shelter Cove have landed more than 1.68 million pounds of seafood. Landings dropped in the early 1990s, from nearly 160,000 pounds in 1991 to approximately 25,000 in 1992 and remained low despite spikes to 116,000 pounds in 2003 and 80,000 pounds in 2004. Since 2005, landings have risen steadily, peaking in 2012 at 138,000 pounds, followed by another strong showing in 2013 of nearly 134,000 pounds. In 2016, Shelter Cove fishermen landed 57,000 pounds of seafood, an approximate 300% increase from lows in 2005.

**SHELTER COVE LANDINGS - ALL SPECIES, 1990 - 2016**

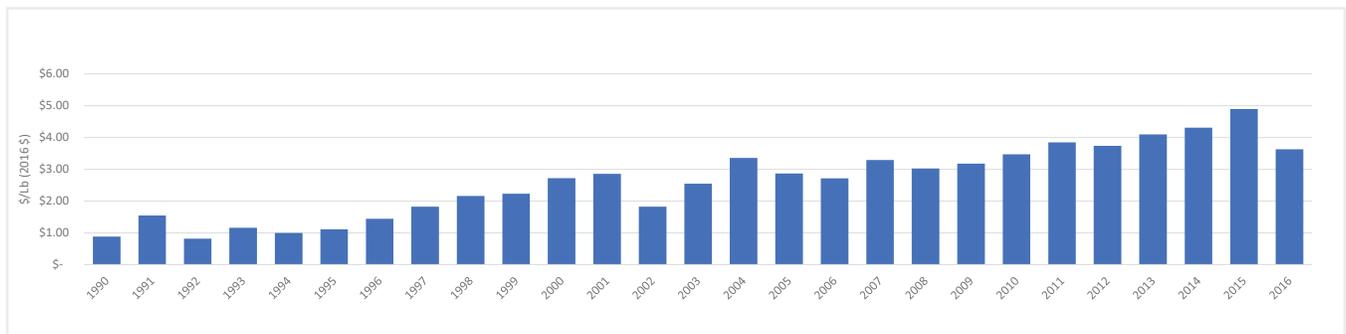


Source: CDFW

**At \$3.63, Shelter Cove commercial fishermen outpace the California state average of \$1.20 per pound by more than 200%.**

**Overall Price Per Pound.** Price per pound is a key economic performance metric that reflects the effectiveness of the commercial fishing fleet in capturing value for their landings while adapting to ever-changing supply, demand, and regulatory conditions. Price per pound also reflects the fisheries in which the local fleet engages. Shelter Cove commercial fishing fleet’s participation in lower volume, higher value fisheries like Dungeness crab and rockfish have resulted in a consistent rise in the last 27 years from \$0.88 in 1990 to \$3.63 in 2016, an increase of more than 300%.

**SHELTER COVE PRICE PER POUND - ALL SPECIES, 1990 - 2016**



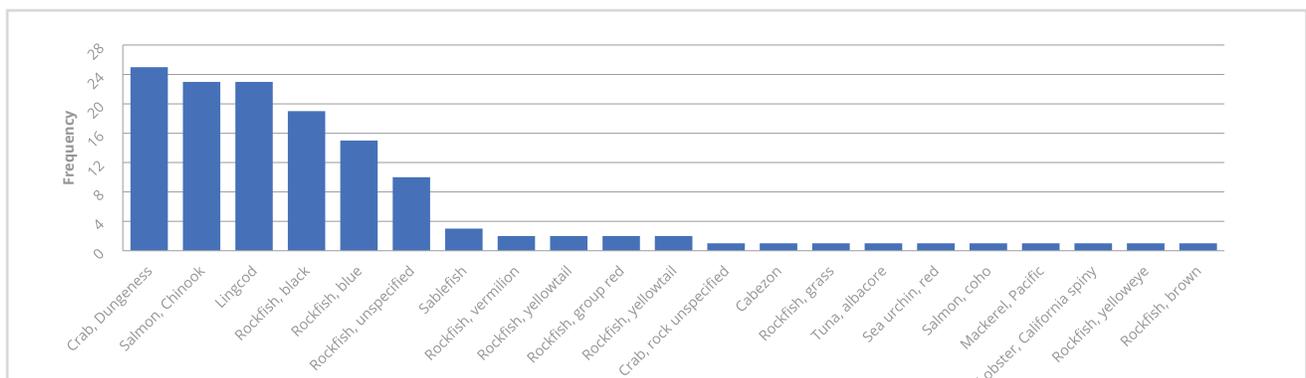
Source: CDFW

**IMPORTANT FISHERIES**

Regulations, markets, ocean conditions, and fish stocks are constantly changing. The ability to adapt to changing conditions is an indicator of the commercial fishing industry’s resilience and value. The species illustrated below have been an important part of the Shelter Cove’s economy and earnings for commercial fishermen and fishing families.

**Species Diversity.** Shelter Cove remains highly dependent on a few key fisheries, including Dungeness crab, Chinook salmon, various rockfish, and lingcod.

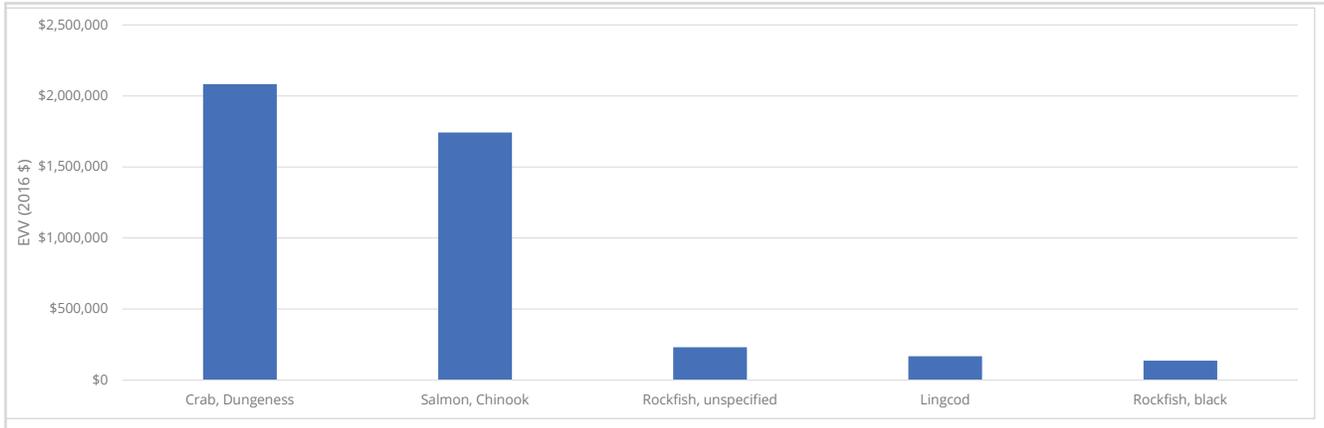
**FREQUENCY AT WHICH A SPECIES RANKS IN TOP 5 EARNING SPECIES, 1990- 2016**



Source: CDFW

**Top Species.** The five highest value fisheries in Shelter Cove since 1990 are Dungeness crab, Chinook salmon, unspecified rockfish, lingcod, and black rockfish. Together, these fisheries have resulted in earnings at the dock of \$4.36 million or 93% of all earnings during the 27-year study period. Heavy reliance on a limited number of species exposes the fishing community to higher degrees of risk from regulatory changes and fluctuations in markets and fish stocks.

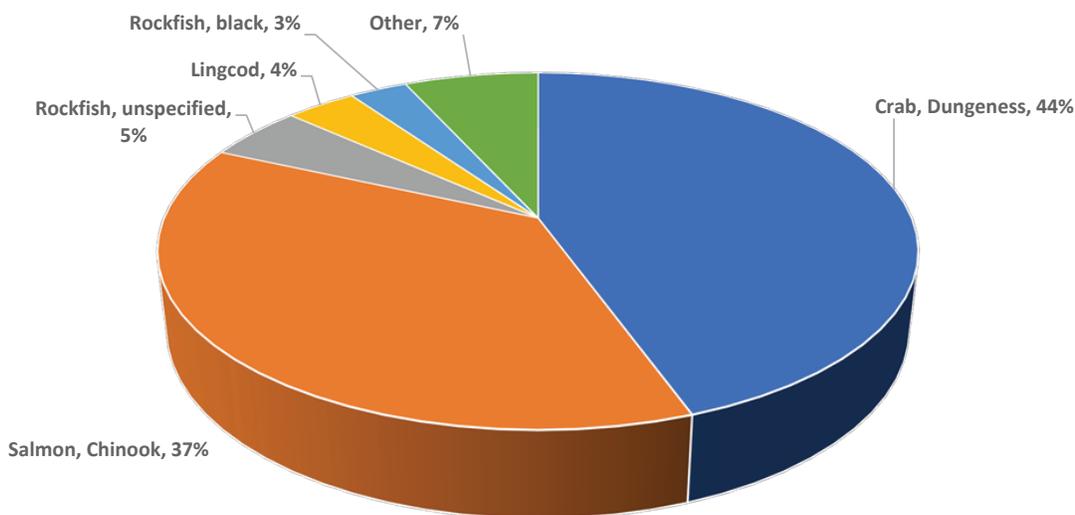
**SHELTER COVE, TOP 5 EARNING SPECIES, 1990 – 2016**



Source: CDFW

**Top Species Distribution.** Between 1990 and 2016, Dungeness crab and Chinook salmon brought in the majority of earnings in Shelter Cove, with 44% from Dungeness crab and 37% from Chinook salmon. Unspecified rockfish represented 5% of total earnings, Lingcod 4%, and black rockfish represented 3%.

**TOP SPECIES DISTRIBUTION BY EVV, 1990 - 2016**



Source: CDFW

**Price Per Pound by Species.** Price per pound varies annually and across species. From 1990 to 2016 the most stable species was black rockfish, which ranged from \$0.62 per pound in 1991 to \$2.53 in 2015. The most volatile species was Chinook salmon, which ranged from \$1.96 per pound in 2002 to \$8.15 per pound in 2016.

**SHELTER COVE, TOP 5 SPECIES AVERAGE PRICE PER POUND, 1990 – 2016**



Source: CDFW

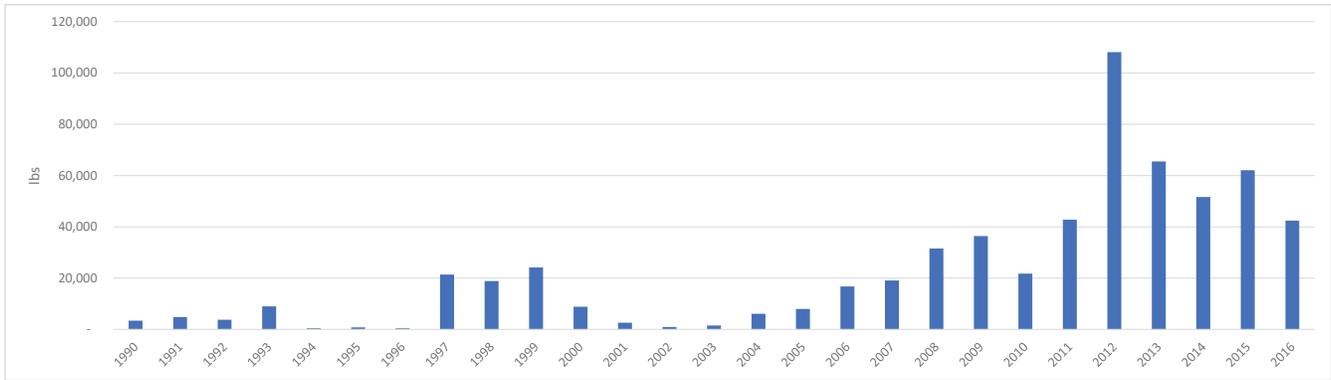
**Fishermen on the West Coast generated \$214 in EVV from Dungeness crab in 2016, with nearly 40%, or \$83 million, generated from landings in California.**

**Dungeness Crab.** Dungeness crab is one of the most valuable West Coast commercial fisheries, generating nearly \$4 billion in EVV in California, Oregon, and Washington since 1990. Approximately 99% of the Dungeness crab consumed in the U.S. market comes from domestic sources and landings have followed a cyclical pattern for nearly 50 seasons. Coast-wide, harvests have ranged from 8 million to 54 million pounds, peaking approximately every 10 years (Pacific States Marine Fisheries Commission, Tri-State Dungeness crab Report).

Shelter Cove is situated in the middle of the most productive Dungeness crab grounds on the West Coast, which stretches from Morro Bay to the Canadian border. Between 1990 and 2016, Dungeness crab was one of the top 5 species landed in Shelter Cove every year except 1996 and 2002.

Since 1990, commercial Dungeness crab fishermen in Shelter Cove have generated more than \$2 million making it their single highest earning fishery. The amount of Dungeness crab, and resulting EVV, follow a cyclical pattern that is due, in part, to the nature of the fishery and ongoing fishery regulation efforts.

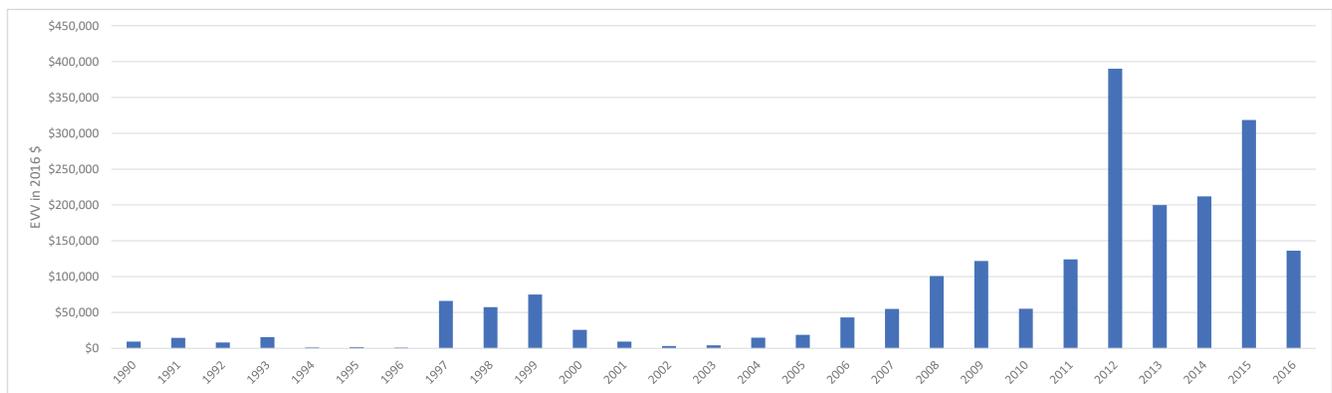
**DUNGENESS CRAB LANDINGS, 1990 – 2016**



Source: CDFW

Dungeness crab landings have trended up from a low of 927 pounds in 2002 to over 42,000 pounds in 2016. Landings spiked in 2012 to a 27-year high at 108,000 pounds.

**DUNGENESS CRAB EVV, 1990 – 2016**



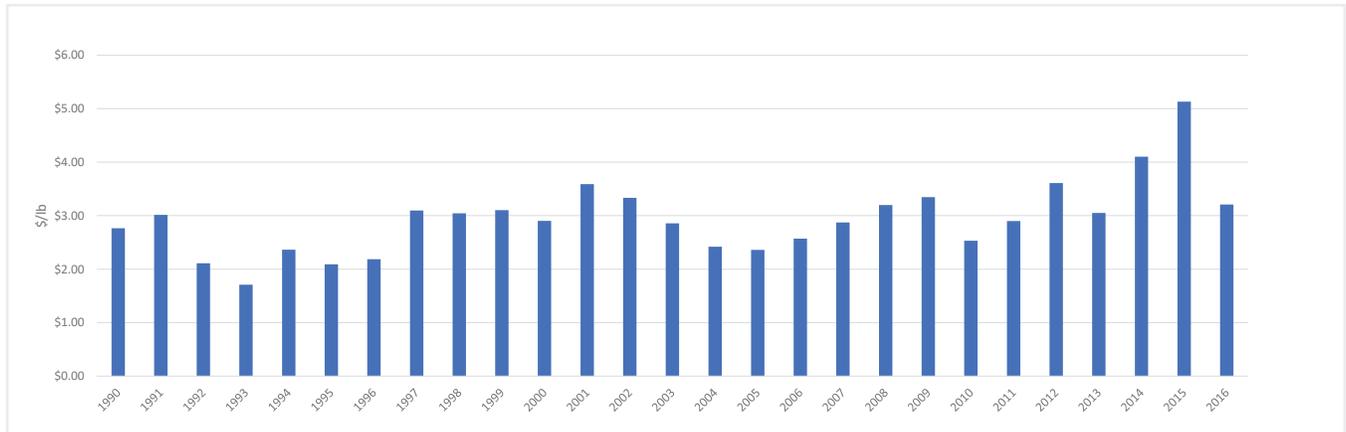
Source: CDFW

Earnings from Dungeness crab in Shelter Cove followed a similar pattern as landings, with significant activity starting in the late 1990s, a dip in 2002 of just over \$3,000 to \$136,000 in 2016 and spikes of more than \$390,000 in 2012 and \$318,000 in 2015. Shelter Cove fishermen attribute the decrease in 2016 to regulatory closures due to a shortened season because of the presence of domoic acid.

The average price per pound for Dungeness crab ranged from a low of \$1.71 per pound in 1993 to \$5.13 per pound in 2015. Fishermen earned an average of \$3.21 per pound for Dungeness crab in 2016. Overall, price per pound for Dungeness crab has increased 86% since 1990.

2 Economics and Markets

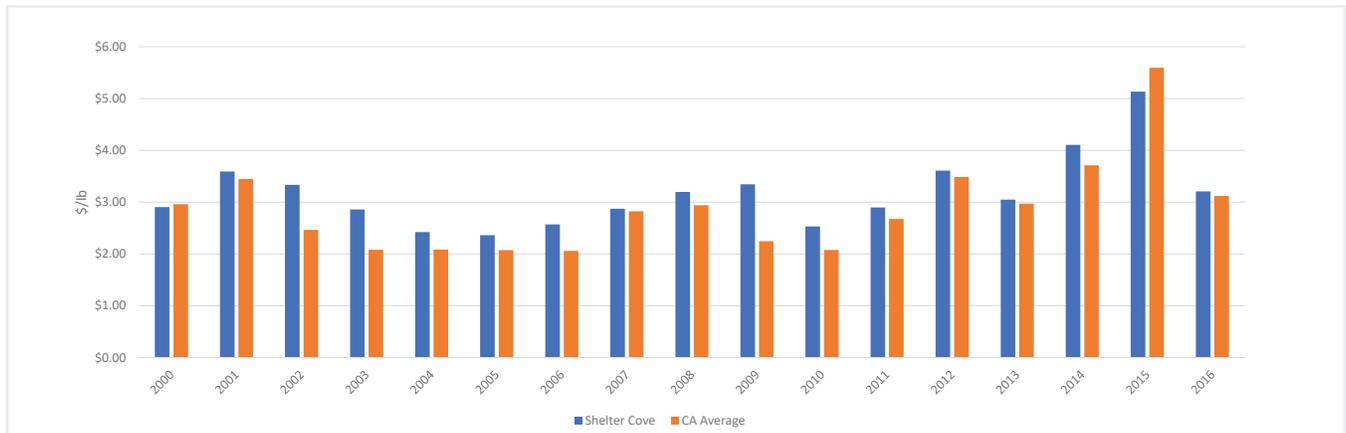
DUNGENESS CRAB PRICE PER POUND, 1990 – 2016



Source: CDFW

For the past 17 years, from 2000 – 2016, the price per pound for Dungeness crab landed in Shelter Cove has been higher than the state average in all but two years. The greatest difference occurred in 2009, when the average price per pound for Dungeness crab in Shelter Cove was \$3.35/lb., compared to \$2.25/lb. for the state, a difference of 49%. In 2016, the average price per pound for Dungeness crab landed in Shelter Cove was \$3.21, compared to \$3.12 per pound statewide.

DUNGENESS CRAB PRICE PER POUND, 2000 – 2016



Source: CDFW

**Chinook Salmon.** Chinook salmon has been an important fishery in Shelter Cove for nearly a century. Landings have varied widely due to population dynamics and regulatory restrictions, including years where the fishery was closed completely.

The salmon season in California is marked by closed and open periods based on fish stock data. The Shelter Cove fleet had a total of 123 open days in 2016, 22 days in 2017, and is expected to be 62 days in 2018. The shifting and uncertain nature of the fishery makes it difficult for commercial fishermen to maintain market connections and plan their fishing season. Many commercial fishermen have retained their permits for as long as possible despite the closures, but today there are only a few that remain in Shelter Cove.

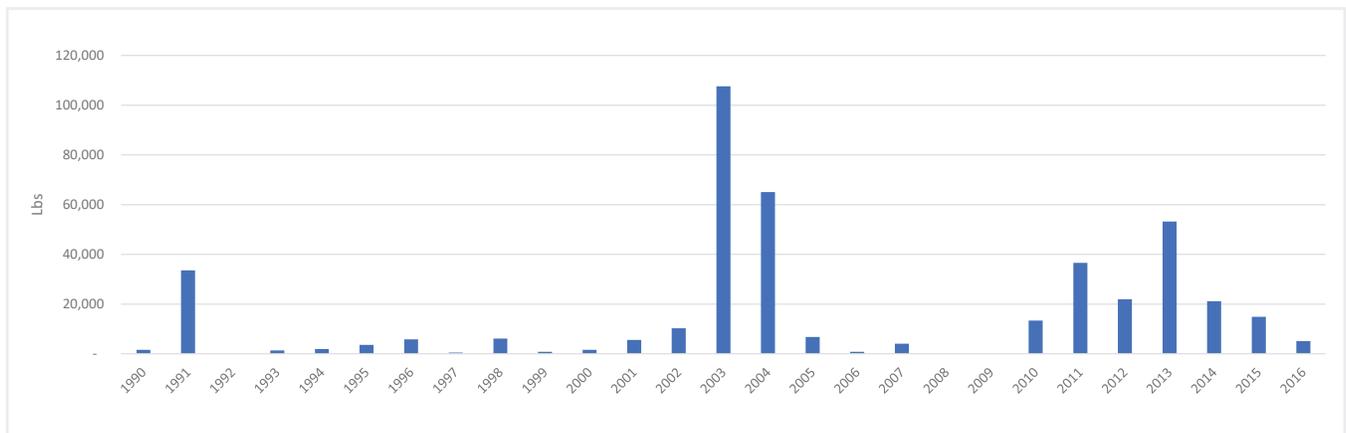
Since the fishery’s latest closure in 2008 and 2009, commercial fishermen in Shelter Cove have landed approximately 166,000 pounds of Chinook salmon.

**The vibrancy in the salmon season directly influences the amount of recreational and CPFV activity in Shelter Cove. Stronger salmon seasons mean more visitors, more employment opportunities and more local economic activity.**



*Tractor launch at Shelter Cove, 2017, HSU*

**CHINOOK SALMON LANDINGS, 1990 – 2016**

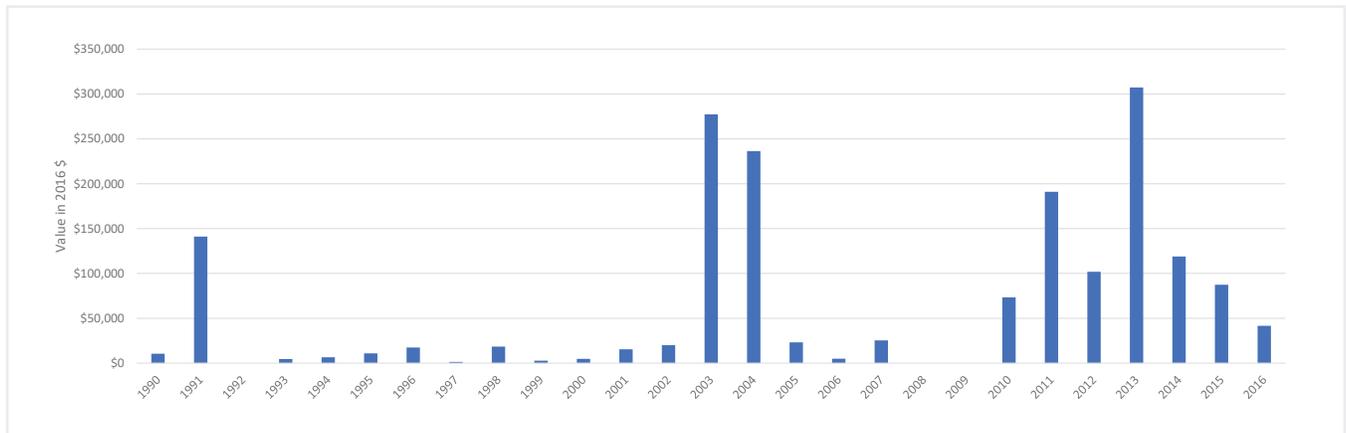


*Source: CDFW*

## 2 Economics and Markets

In Shelter Cove, Chinook salmon represented more than \$1.7 million in earnings since 1990, with more than half of that since the closures in 2008 and 2009. In 2016, commercial fishermen in Shelter Cove earned \$41,678 from salmon landings.

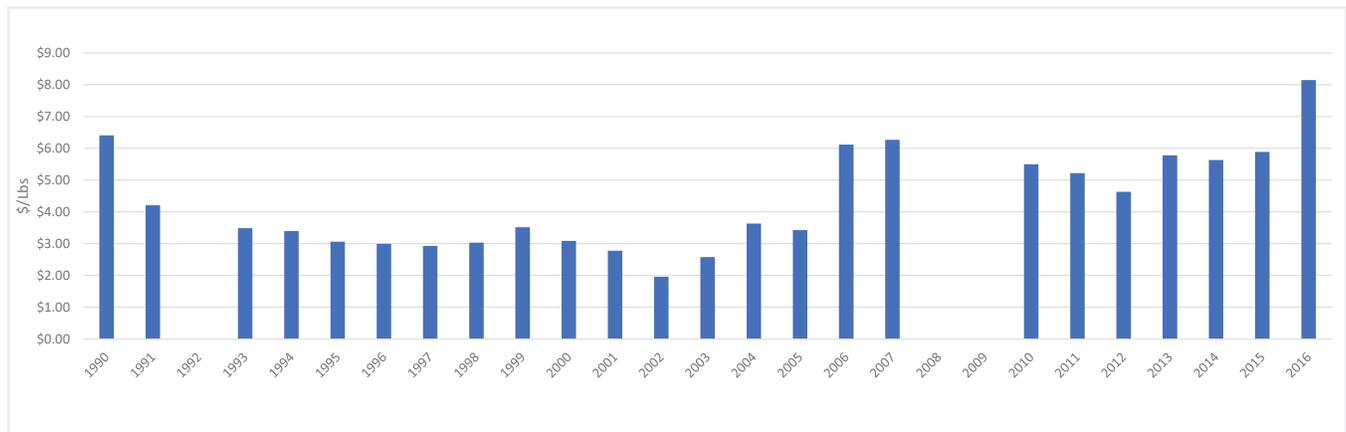
### CHINOOK SALMON EVV, 1990 – 2015



Source: CDFW

The average price per pound for Chinook Salmon between 1990 and 2015 was \$4.12. While landings in 2015 and 2016 were the lowest since the most recent (2008, 2009) closures, the price per pound was the highest. In 2015, the price per pound commercial fishermen earned at the dock for Chinook salmon was \$5.88, and the 2016 price was \$8.18, the highest during the last 27 years.

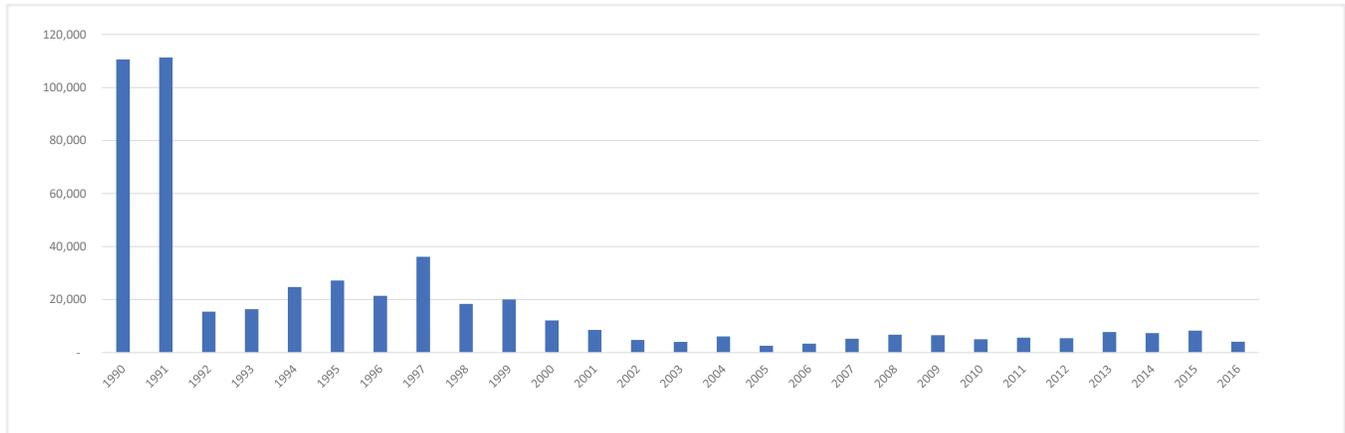
### CHINOOK SALMON PRICE PER POUND, 1990 – 2016



Source: CDFW

**Rockfish.** As a group, rockfish make up 30% of all landings by weight and 12% of total earnings in Shelter Cove. Rockfish landings fell dramatically in the early 1990s, from a high of more than 111,000 pounds in 1991, to a 27-year low in 2005 of 2,568 pounds. Since 2005, commercial fishermen in Shelter Cove have slowly and steadily increased landings with over 8,000 pounds in 2015 and over 4,000 pounds in 2016. Landings in this fishery are managed by a quota system that heavily restricts smaller operations and those without a strong presence in the regulatory process like Shelter Cove. Shelter Cove fishermen participate in the Open Access sector and describe the quantity to which they have access as “poverty quota”. Even small increases in Open Access Quota can mean a large impact in Shelter Cove and represent potential for growth.

**ALL ROCKFISH LANDINGS, 1990 – 2016**

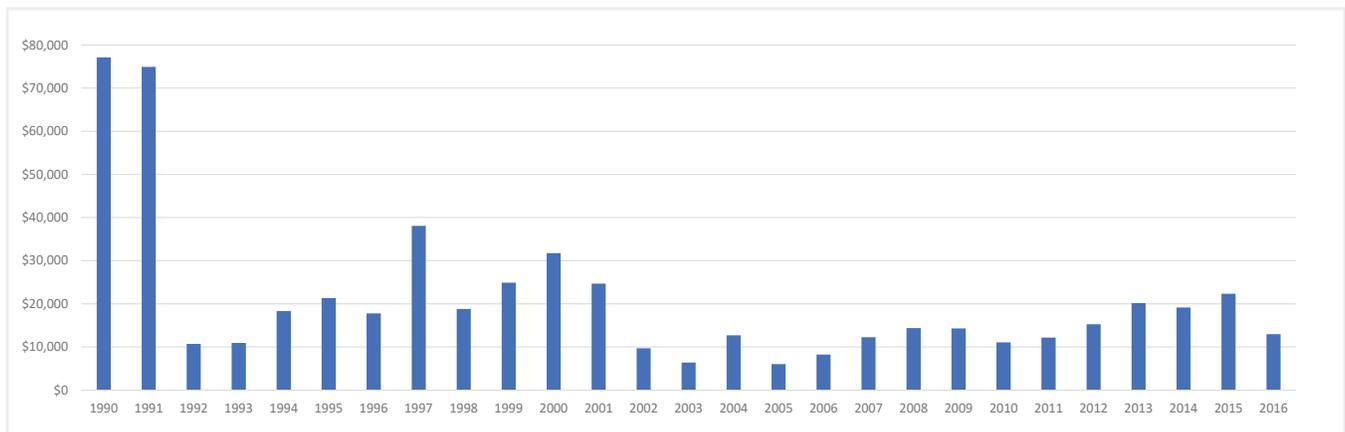


Source: CDFW

Since 1990, Shelter Cove fishermen have earned more than \$566,000 from rockfish. Earnings for commercial rockfish fishermen in Shelter Cove dropped from a 27-year high in 1990 to a low of just over \$6,000 in 2005. Earnings have trended upwards steadily, with a high of over \$22,000 in 2015 and nearly \$13,000 in 2016.

**The commercial fleet in Shelter Cove targets more than 30 species of rockfish using hook and line, primarily, which produces very little bycatch or disturbance to bottom habitat.**

**ALL ROCKFISH EARNINGS, 1990 – 2016**

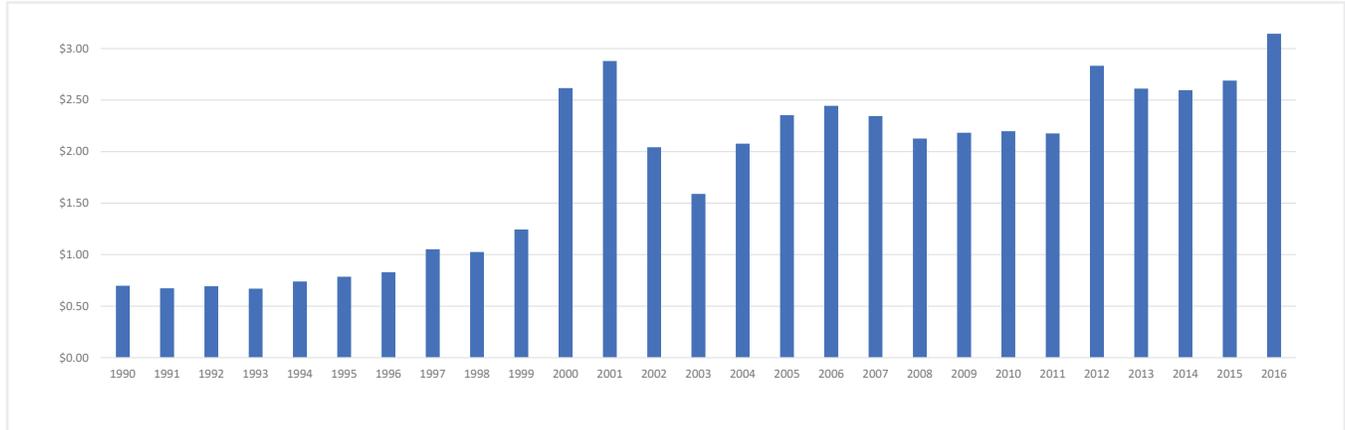


Source: CDFW

## 2 Economics and Markets

While landings from rockfish in Shelter Cove have decreased over time, earnings have increased. Commercial fishermen in Shelter Cove have taken rockfish from a relatively higher volume, lower value fishery to a lower volume, higher value fishery. The average price per pound for rockfish in the 1990s was \$0.84 per pound. Between 2000 – 2009, the average price per pound jumped to \$2.27, and since 2010, the price per pound has averaged \$2.61. In 2016, the average price per pound for rockfish was \$3.14.

### ALL ROCKFISH PRICE PER POUND, 1990 – 2016

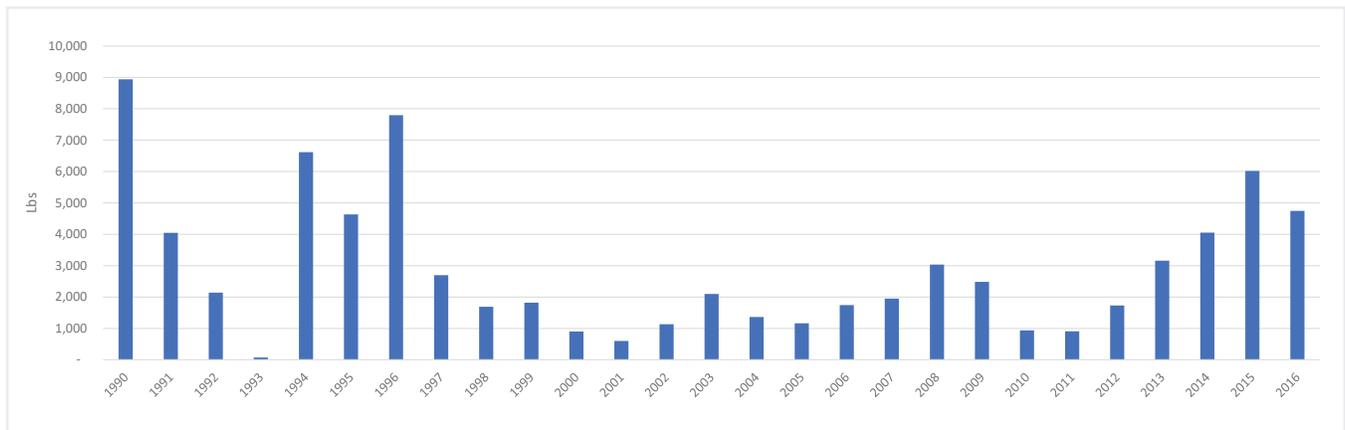


Source: CDFW

**In Shelter Cove, Lingcod and Rockfish fisheries are closely linked in that they are fished with the same gear and often landed together.**

**Lingcod.** Lingcod is the fourth-highest earnings species in Shelter Cove since 1990. It was one of the top five landed species in all but four of the past 27 years. Landings have varied widely from year to year, depending on ocean conditions, fish stocks, and regulatory fluctuations. NOAA declared lingcod overfished in 1999, and enacted strict catch limits that drove lingcod landings in Shelter Cove down from approximately 7,800 pounds in 1996 to 900 pounds in 2000. The Pacific Fishery Management Council (PFMC) instituted a 10-year rebuilding plan that reduced allowable catches, raised the minimum size limit, and limited fishing to half the year. Fish stocks recovered quickly, and the species was declared rebuilt in 2005, although catch limits did not increase immediately. While there were dips in 2010, 2011 and 2012, landings have risen gradually from a 27-year low of 602 in 2001 pounds to over 4,700 pounds in 2016.

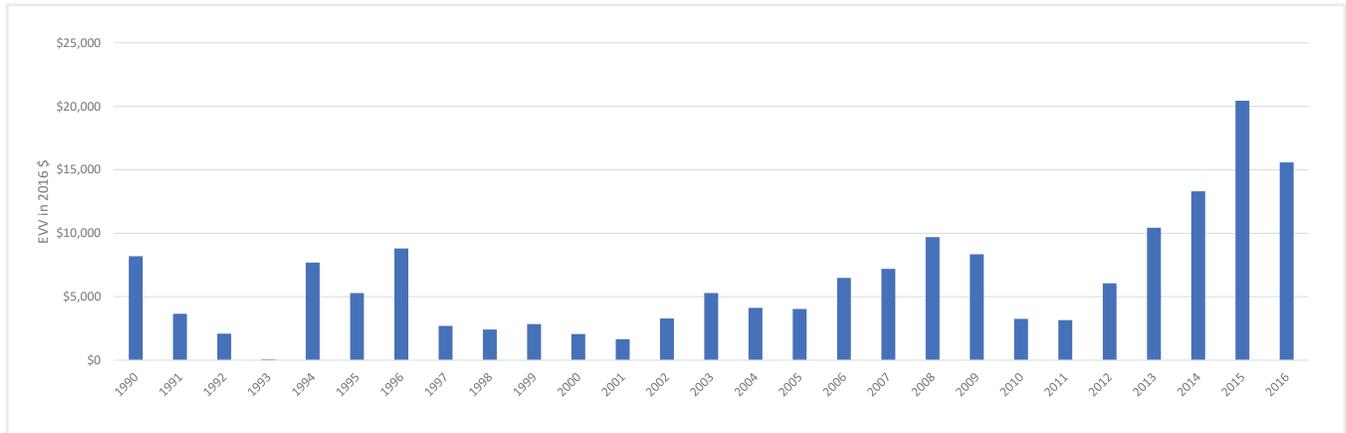
### LINGCOD LANDINGS, 1990 – 2016



Source: CDFW

Earnings for commercial lingcod fishermen have risen steadily between 2001 and 2016. Commercial fishermen marked a 27-year high of more than \$20,000 in 2015 and another strong year in 2016 at \$15,500.

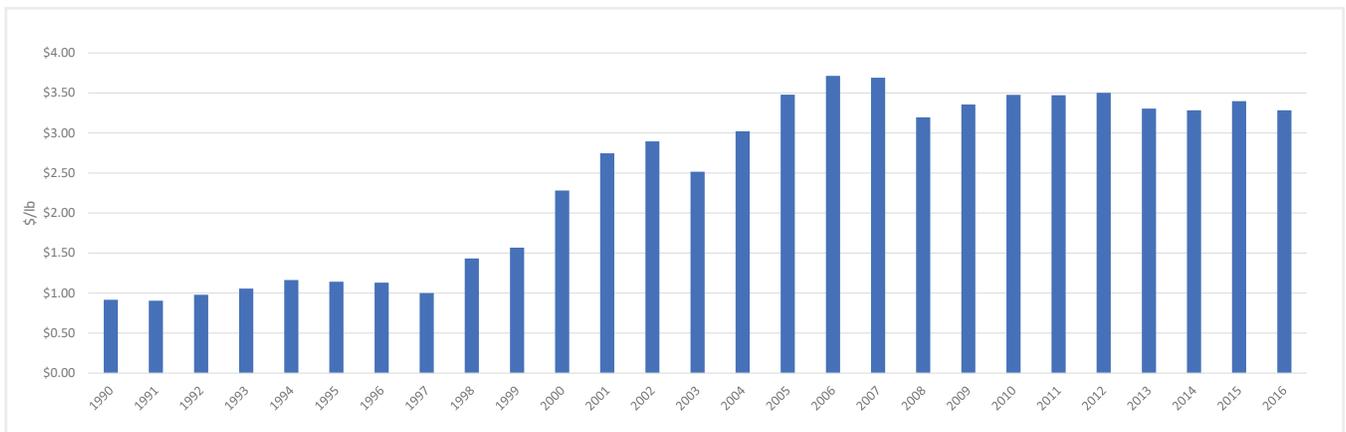
**LINGCOD EVV, 1990 – 2016**



Source: CDFW

The average price per pound for lingcod in Shelter Cove has risen steadily from \$0.90 per pound in 1990 to \$3.28 in 2016, over 350%.

**LINGCOD PRICE PER POUND, 1990 – 2016**



Source: CDFW

Shelter Cove's rugged and remote location are key differentiating features and part of its attraction. This remoteness makes connecting to distribution routes a challenge. However, commercial fishermen have adapted by making the 20-mile drive to Redway or holding their catch at a mooring before making the drive or connecting with a buyer.

## MARKETS

Due to Shelter Cove's remote location, market opportunities for commercial fishermen are limited to local sales or connecting to broader distribution networks. Those connections mean driving 45 minutes over a winding mountain road which is often restricted to one lane to Redway or beyond. Facilities for commercial fishermen to locally process, freeze and/or store their catch in cold storage, and attract buyers to the Cove, would potentially lessen the economic disadvantage of Shelter Cove's remoteness from broader markets.

For example, commercial Dungeness crab fishermen who sell their catch to NorCal Seafood Inc. from Oakland, CA, depend on meeting the buyer in Redway. Driving from Shelter Cove to Redway takes fishermen away from the water and from the maintenance of their boats and gear. Shelter Cove crab boats "day fish," return to port each evening, often making multiple trips per day to check their traps. Many Shelter Cove fishermen have adapted to these challenges by collecting their daily catch until they have enough to warrant the drive to Redway or to attract a buyer.

The commercial rockfish fishery is a year-round fishery, and a critical opportunity for fishermen to maintain a consistent and viable business in the face of restricted seasons, such as salmon closures or the closures and delayed starts in the Dungeness crab fishery. Unlike some ports on the West Coast, Shelter Cove does not have a market for live rockfish due to the lack of a holding tank (chilled, aerated), or appropriate means to transport live fish to a buyer. Live rockfish are in high demand in the San Francisco and Los Angeles markets, primarily for the Asian restaurant trade, and attract a much higher price per pound.

One Shelter Cove family buys rockfish and salmon, when it is available, and transports the seafood to the Bay Area in marine coolers packed with ice for sale at their retail fish market and at a weekly farmer's market in San Rafael, CA. This fish buying operation is known locally as the "white vans" for their fleet of vans used to transport the catch. They pick up rockfish at the Marina property and provide flake ice to the fishermen from whom they buy.

Commercial salmon fishermen have also adapted by driving their catch to buyers in Redway or working with buyers who come to Shelter Cove when landings or market conditions warrant. The inconsistency of the salmon fishery due to regulatory closures has made maintaining markets a growing challenge for commercial fishermen, particularly considering year-around availability and competition from lower priced farmed salmon.

**Direct-to-Market Sales.** The ability to sell directly off the boat and to local restaurants or retailers represents a potential growing opportunity for the Shelter Cove commercial fleet given the difficulties to attract buyers and access distribution routes. Direct sales typically yield a higher price per pound and give fishermen greater control but require a First Receiver's License, management of transactions, and a contact list and system for alerting buyers when fishermen have seafood for sale. This is an important concept, giving fishermen more control and strengthening the link with the community but takes fishermen off the water and away from the maintenance of gear and boat.

In 2017-2018 two new restaurants opened in Shelter Cove, making for three possible venues for fishermen to sell catch directly in Shelter Cove. There is no fish market in Shelter Cove. While direct-sales may be an emerging opportunity, fishermen report that it is a challenging market. Local restaurants do not have extensive cold storage and only request a small amount of landings each week. In its current form the local direct market is not likely to be able to absorb a large portion of Shelter Cove's catch.

**A buildup at salmon farms has had a pronounced dampening effect on global salmon prices. For example, December prices for Norwegian farmed Atlantic salmon were 30% below the equivalent period in 2016. (FAO Analysis and Information on World Fish Trade, 03/21/2018)**



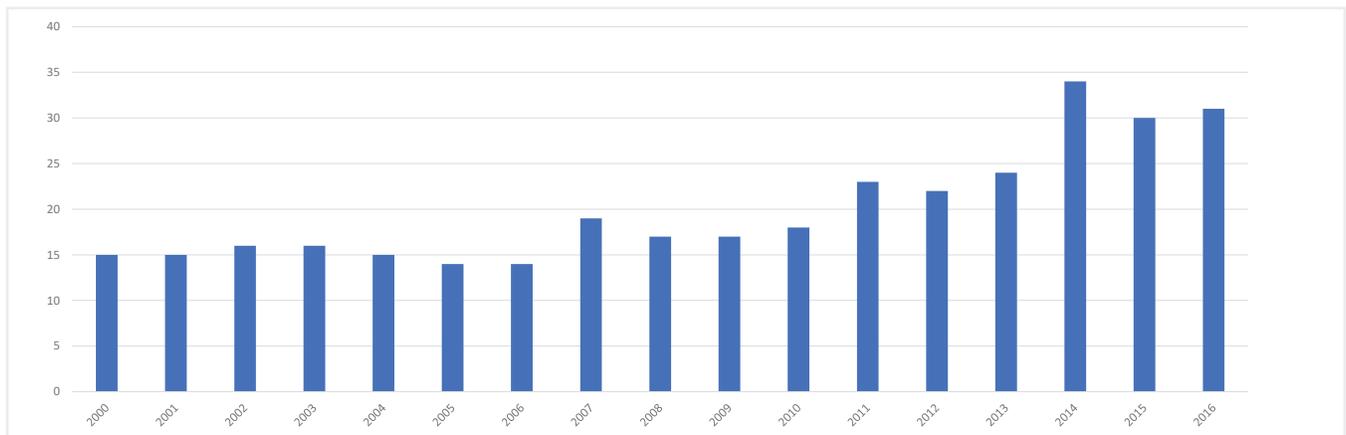
*Shelter Cove General Store, LWC 2017*

### CHARTER (CPFV), RECREATIONAL FISHING AND TOURISM

Shelter Cove supports a small but dedicated CPFV industry which has been impacted by rising operating costs, changing trends in recreational spending, and regulations including the Marine Protected Areas. Despite contraction in the industry, CPFV opportunities are a strong part of the community and economy. Visitors who come to Shelter Cove to participate in the CPFV fishery contribute to local jobs and wages and to local businesses. They also help promote Shelter Cove as a beautiful place to visit with abundant marine resources.

There were 31 CPFVs operating in the North Coast from Fort Bragg to Crescent City in 2016. That is double the number of CPFVs that were reported in 2000. Three of those vessels, or approximately 10% of all North Coast CPFV operations, are based in Shelter Cove. The industry is closely connected to tourism, employment, and commercial fishing, drawing visitors to the area, providing employment for deckhands, and serving as an alternative income source for skippers that hold both commercial and CPFV licenses. CPFV boats rely on the same infrastructure and services as the commercial fleet, including the boat yard and tractor service. Since the CPFV fleet in Shelter Cove has at times dropped to below three participants, due to confidentiality we cannot access CPFV data for the port specifically. However, we can review trends in CPFV vessels, passengers, and landings for the North Coast region, which includes the ports from Cape Mendocino to the Oregon border.

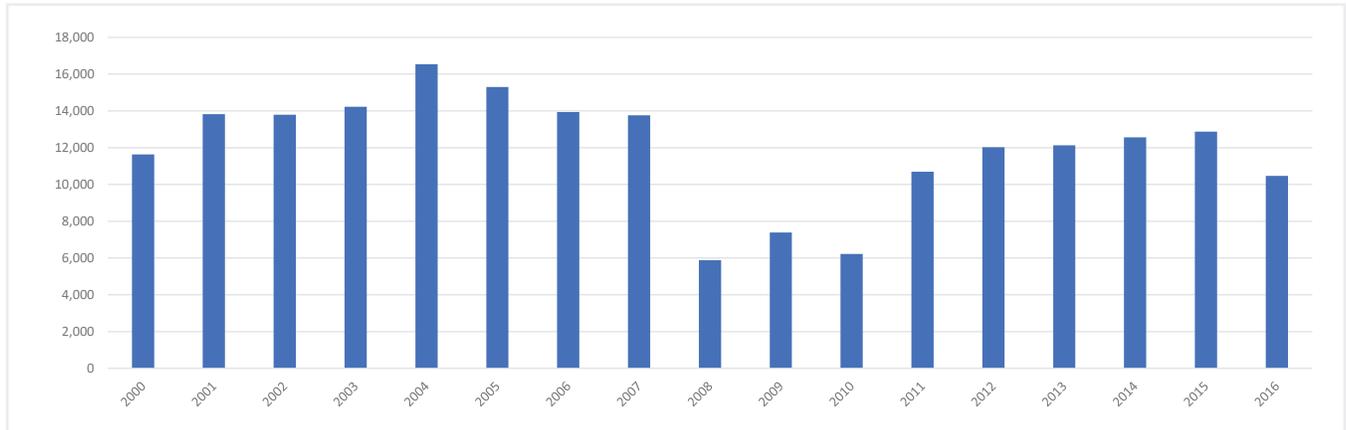
#### NORTH COAST COMMERCIAL PASSENGER FISHING VESSELS, 2000 - 2016



Source: CDFW

While the number of vessels participating in the charter fishing industry has increased over the past 15 years, the number of people fishing on CPFVs has fluctuated due to economic conditions and changing preferences in recreational activity. Participation rates dipped during the 2008 – 2010 economic crisis but increased every year between 2011 and 2015. More than 10,000 people participated in CPFV trips on the North Coast in 2016.

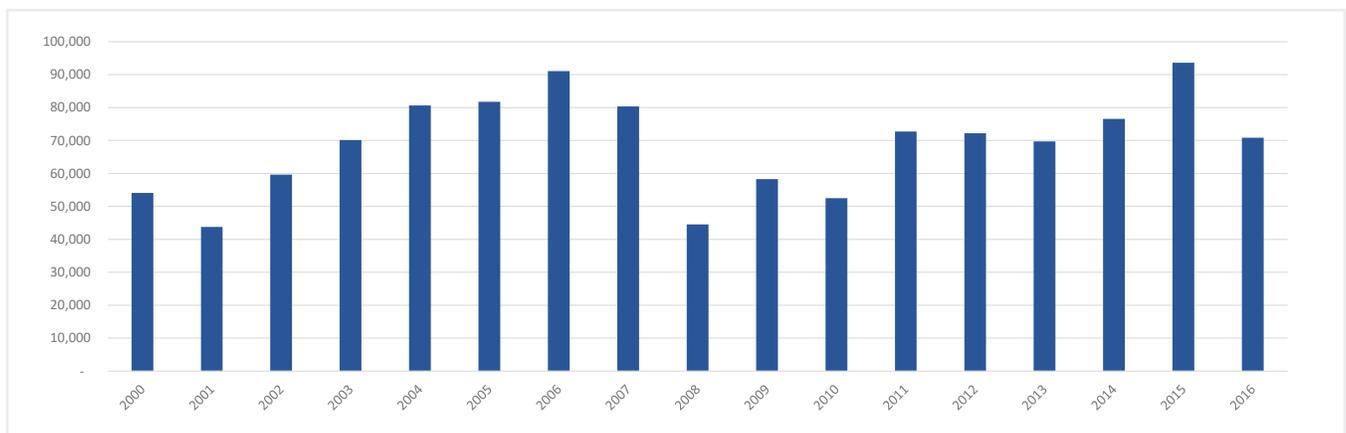
**NORTH COAST COMMERCIAL PASSENGER FISHING PARTICIPANTS, 2000 - 2016**



Source: CDFW

Total CPFV landings were 70,800 pounds in 2016, a slight reduction from 2015, but still among the highest in the past 17 years. When the recession hit in 2008, landings fell from more than 80,000 pounds in 2007 to around 44,500 pounds.

**NORTH COAST CPFV LANDINGS PER YEAR, 2000 - 2016**

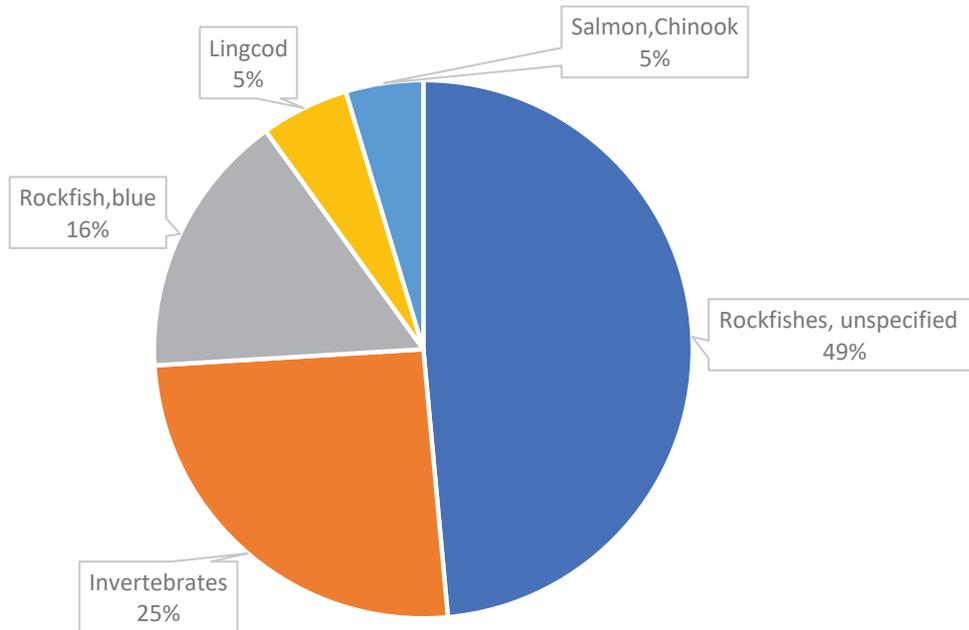


Source: CDFW

## 2 Economics and Markets

CPFVs target many of the same species as the commercial industry. The top species caught by CPFVs on the North Coast are reported to be unspecified rockfish, invertebrates (including Dungeness crab and red sea urchin), blue rockfish, Chinook salmon, and lingcod.

### TOP 5 CPFV SPECIES BY POUND, 2000 - 2016



Source: CDFW

The price for a charter fishing trip ranges from \$75 to \$350 per person, depending on the length of the trip and the species targeted. With more than 10,000 people fishing on CPFVs on the North Coast in 2016, the direct economic impact was between \$780,000 and \$3.6 million. The National Marine Fisheries Service estimated in 2013 that sales by charter fishing companies in the North Coast were \$4.37 million.

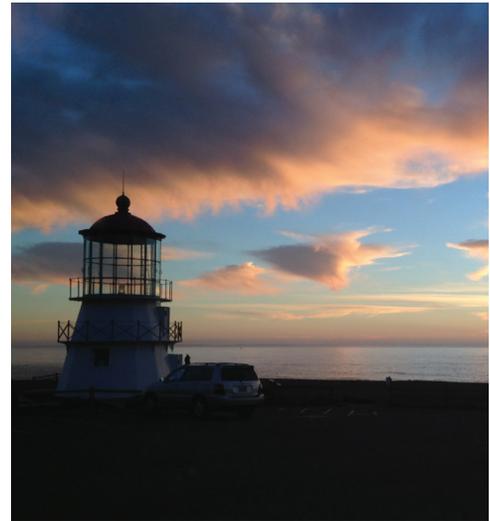
In 2013, the most recent year for which data is available, the National Marine Fisheries Service estimated that recreational fishing in the North Coast supported 30 jobs on charter boats, 82 jobs in private boat rental businesses, and 46 jobs serving shore fishing. These estimates include full and part time employment.

CPFV participants also contribute to the larger economic impact of fisheries-related tourism.

**Tourism.** Tourism is a large part of the Shelter Cove economy. Commercial and recreational fishing attracts visitors from around the State and around the country. Fishing related tourism generates revenue that sustains the local stores, restaurants, hotels, campgrounds and short-term vacation rental activity. Hotel owners estimate that fewer tourists visit Shelter Cove for activities such as fishing or surfing than they did in the early 1990s, but the tourism industry is working to promote water-related tourism by advertising charter fishing and whale-watching opportunities. Hotel operators see the working waterfront as a draw for tourists, noting that improved facilities and access to the water would also encourage more recreational fishermen to visit Shelter Cove. Recreational fishermen from all over the state travel to Shelter Cove with their own boats to fish in the beautiful and abundant setting. During season openers, like salmon, vessels from out of the area line up for tractors, waiting to be launched. Shelter Cove also hosts the “Gimme Shelter” rockfish kayak tournament Memorial Day weekend, a Fish Festival and a halibut derby which draw visitors and cement the reputation of a community that is synonymous with fishing and abundance.

There are five hotels in Shelter Cove, an RV park and campground, numerous vacation rentals and several other campgrounds inland toward Highway 101. The fish cleaning station provides a place for recreational and charter fishermen to clean their catch. Two additional restaurants opened in Shelter Cove in early 2018, which provide further choice for residents and tourists, as well as creating additional potential markets for fishermen.

Sunset Magazine called the region famous for being the last stretch of untamed coast.



*Shelter Cove, HSU 2017*

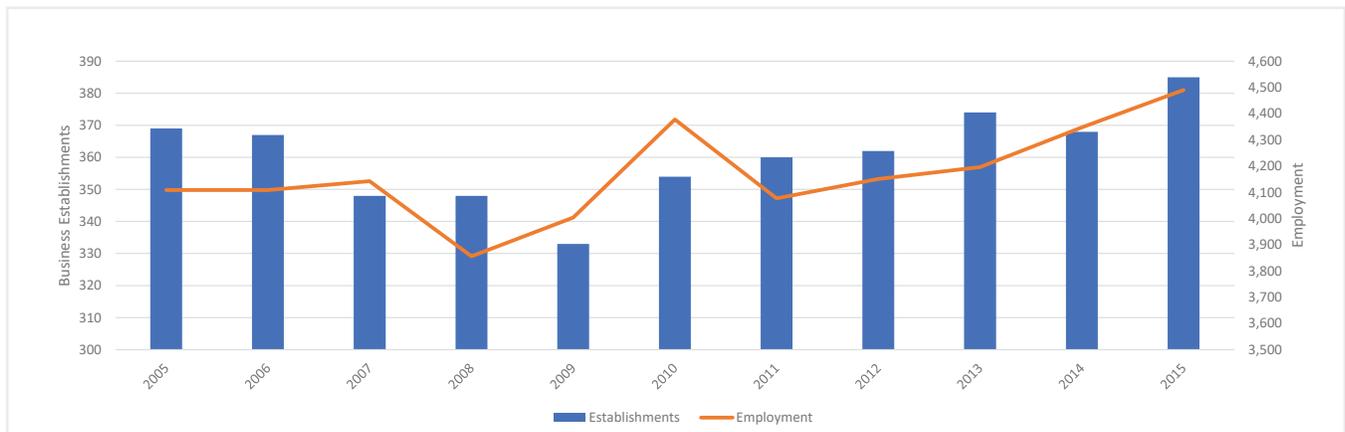
## EMPLOYMENT

While a relatively small percentage of the County’s ocean-related jobs are in Shelter Cove, fishing and ocean-related industries provide employment opportunities for local mechanics and boat and gear repair, haul-out services, bait and tackle, and distribution, that support the commercial and recreational fleet.

According to the National Ocean Economics Program, there were approximately 385 fishing-related business establishments in Humboldt County in 2015, employing nearly 4,500 people. This includes employment in all industries that are dependent on the ocean, including fish processing, marine construction, and boat building. This does not include unincorporated self-employment, which is defined as any person working for themselves without a company structure.

The number of fishing-related businesses in Humboldt County decreased from 374 in 2013 to 368 in 2014, while the number of people employed increased by approximately 150, showing that while there was consolidation in ocean-dependent businesses, the businesses that remained open grew. Employment grew by an additional 142 in 2015, for a total of 4,490 jobs in ocean-related industries in the County.

**HUMBOLDT COUNTY FISHING-RELATED BUSINESSES, 2005 – 2015**

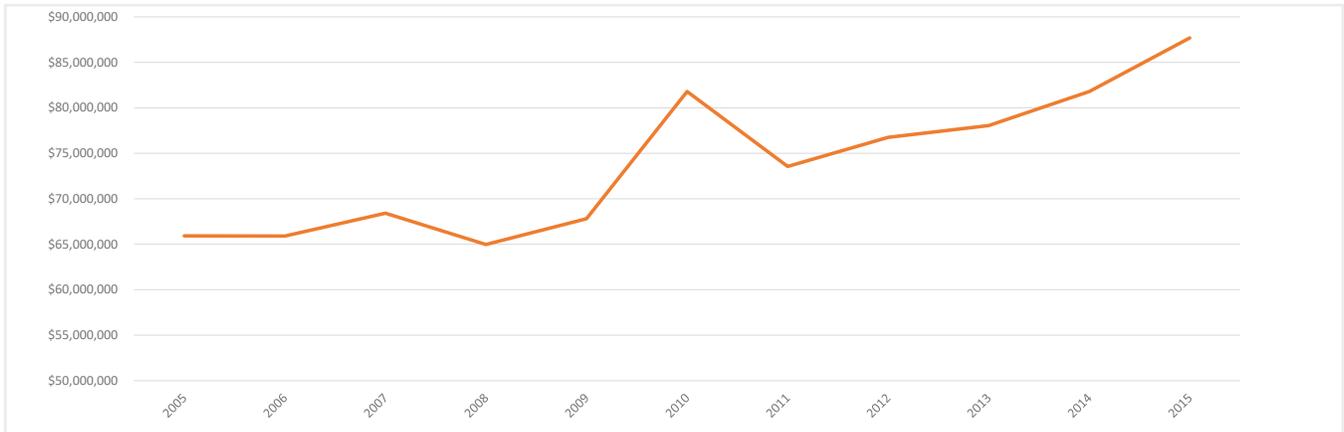


Source: NOEP

**Currently the economy of Southern Humboldt County is dominated by the cannabis industry spurred by legalization of recreational marijuana in 2016. Commercial or CPFV fishing could be important employment avenues for individuals displaced by the changing demands of the cannabis industry. Additionally, the small-scale and seasonal nature of commercial fishing could fit in well as part-time or side work for those also involved in cannabis production.**

There were 4,490 people employed in ocean and waterfront-related jobs in Humboldt County in 2015, resulting in an average annual salary of \$19,500, including all part time and seasonal workers. This is compared to an average median earnings of \$30,000 per full-time, year-round employed individual in Shelter Cove.

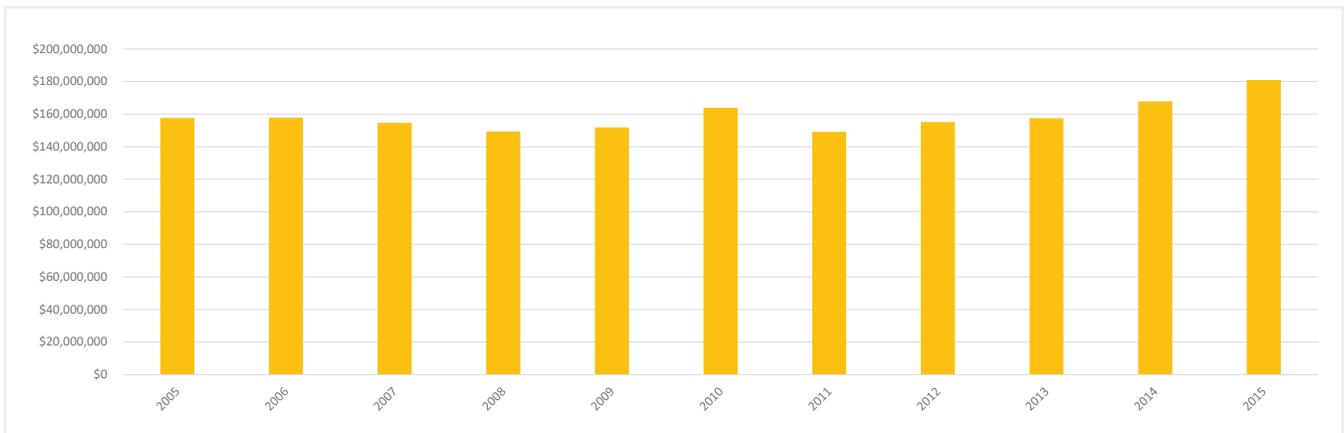
**HUMBOLDT COUNTY FISHING COMMUNITY AVERAGE ANNUAL WAGES, 2005 – 2015**



Source: NOEP

Shelter Cove fishermen contribute to a vibrant and valuable industry in Humboldt County. The GDP created by Humboldt County’s ocean-dependent industries increased by nearly 15% between 2005 and 2015. The NOEP data is adjusted to 2015 levels. GDP spiked in 2010 at nearly \$164 million, which corresponded to a similar spike in employment and wages. GDP, employment, and wages fell in 2011, but have all grown steadily since 2012. In 2015, GDP from ocean-dependent industries was \$180.1 million.

**HUMBOLDT COUNTY FISHING-RELATED GDP, 2005 – 2015**



Source: NOEP

## KEY TAKEAWAYS

**Part of a Powerful Industry:** Commercial fishing in Shelter Cove is part of a \$200 million annual industry in California which generates thousands of jobs, millions of dollars in wages and fees, and provides a healthy, sustainable source of protein.

**Economic Driver:** The Shelter Cove commercial fleet has generated \$4.6 million since 1990 at an average of \$173,000 per year, an important component of the local economy. CPFV and recreational fisheries also generate jobs, wages and investment and are important drivers of local tourism.

**Successful Adaptation:** While overall landings and earnings have declined due to increasing regulation, competition from inexpensive imports, rising costs, and changes in consumer preferences, commercial fishermen in Shelter Cove have increased their price per pound threefold, outpacing the state average by the same percentage.

**Commercial Fishing Participation and Earnings:** Since 1990 there has been a fluctuation in the number of active fishermen in Shelter Cove and in recent years, the port has seen some of the highest levels of participation in the past two decades. Gains such as these contribute to the fishing industry's sustainability. There is room for growth in the commercial fisheries and the industry offers a potential employment opportunity for those living in the Southern Humboldt region.

**Challenges to Sales and Distribution:** Economic success hinges on commercial fishermen having access to markets to sell their catch. Local restaurant purchases, and direct sales are encouraging, but the commercial fishing industry needs to develop better approaches to processing, cold and freezer storage, attracting buyers, or moving their product to Redway without losing time on the water or away from maintenance of their boats of gear.

## 3 SOCIAL SETTING

### INDUSTRY SOCIAL FRAMEWORK AND RELATIONSHIPS

Due to its location and rugged setting, Shelter Cove has experienced considerable insulation from outside influence and has consequently evolved as a close-knit community. Shelter Cove is located in the heart of the “Lost Coast” of California, given its name due to the steep, inaccessible, and undeveloped nature of that portion of the coast. Shelter Cove is 230 miles from San Francisco and 87 miles from Eureka, the largest city in Humboldt County. The town is bounded on the East by the King Range and the Shasta-Trinity Forest. Adding to that, the last 25 miles into Shelter Cove is reached by a winding, single lane road which is prone to washouts and disrepair.

The adjacent 35-mile long, 68,000-acre stretch of coastal wilderness that engulfs the small harbor has helped to foster a sense community and cohesion within the town. The community has long maintained a sense of pride in relation to their self-reliance and “outsider” status. Residents pride themselves on being part of the history of the commercial fishing “Mosquito Fleet” that historically operated out of Shelter Cove, where fishermen had to launch their own boats and fish out of small vessels in often challenging ocean conditions. The relative isolation has created some social challenges in terms of access to markets in which to sell their catch and to acquire necessary goods and services for fishing. Shelter Cove is also unincorporated and a great distance from the county seat in Eureka. The distances and remoteness have added to the difficulty creating and maintaining relationships with elected officials and civic leaders who could help to address community needs. Nevertheless, Shelter Cove remains a viable fishing community that supports a small-vessel, family owned and operated commercial fleet, several charter fishing operations, and attracts recreational fishermen from all over the state. Further, it attracts tourists who seek the breathtaking setting and access to the surrounding area. Seasonal visitors typically quadruple the population in summer months.

**“We are at the mercy of the road being open.” (Personal interview, Shelter Cove, July, 2017)**



*Fishing vessel transported by tractor, HSU 2017*

The PFMC is one of eight regional Councils that oversees all federal fisheries in the U.S. and has jurisdiction over the 317,690 square mile exclusive economic zone off Washington, Oregon and California.



Personal Interview, LWC 2017

Because of the remoteness of Shelter Cove, fishermen are particularly dependent on the limited physical infrastructure of the harbor. Resources that are available at other ports, such as a chandlery, cold storage, ice production, seafood processor, fish buyers, offloader with a hoist, over-the-water launch facility, and relatively convenient access to welders, mechanics and bait services are lacking at Shelter Cove. In their place, fishermen maintain their operations by self-launching from trailers or with a tractor service that hauls boats into and out of the water at the beach, a small fish cleaning station, a nearby boat storage facility, limited access to tackle and gear and at least a two hour round trip drive for everything else. Additionally, there is no cold storage, freezer or ice facility in Shelter Cove, which means fishermen need to negotiate sales and transport their catch as soon as possible. Because of infrastructure limitations, Humboldt County has been classified as “most vulnerable” of all commercial fishing communities in the region: Pacific Fishery Management Council (PFMC) and National Marine Fisheries Service (NMFS). 2006. Proposed Acceptable Biological Catch and Optimum Yield Specifications and Management Measures for the 2007- 2008 Pacific Coast Groundfish Fishery, and Amendment 16-4: Rebuilding Plans for Seven Depleted Pacific Coast Groundfish Species; Final Environmental Impact Statement Including Regulatory Impact Review and Initial Regulatory Flexibility Analysis. Pacific Fishery Management Council, Portland, Oregon. October 2006.

A formal social framework within the fishing community, represented by a once active fishing organization was disbanded in the early 1990s and relationships with organizations outside the community are limited or lacking in Shelter Cove. As such, the needs and contributions of Shelter Cove may not have been adequately voiced in a unified manner to the Humboldt Bay Harbor, Recreation and Conservation District (HBHRCD), Pacific Fishery Management Council (PFMC), California Department of Fish and Wildlife (CDFW), Pacific States Marine Fishery Commission (PSMFC), NMFS, Humboldt County Board of Supervisors and other political or fishery regulatory entities. While fishermen are engaged in strategic planning and relationship building as is evidenced in this project, there is also an atmosphere of apathy toward generating greater solidarity within the Shelter Cove fishing community. This apathy is built up through years of disfranchisement as fishing regulations increased and became increasingly complex. “Fishermen just

don't want to get involved" expressed one commercial fisherman in the FCSP interview process. Another stated that, "This place is pretty hard to get anyone to do anything."

## ALLIANCES, TRUST, AND COMMUNITY COHESION

Cultivating sustainability within a fishing community, whether at the economic, environmental, or social level, begins through the formation of positive relationships between fishermen and civic leaders, regulatory agencies, and academia. The level of trust between fishermen and management entities, governmental and non-governmental, indexes the cohesion local fishing community and the degree to which beneficial partnerships can be formed. Opportunities to acquire funding for critical infrastructure upgrades, to develop business plans, and to manage resources effectively are more attainable when the level of trust within the fishing community and with outside entities is high.

Management entities, civic leaders, regulatory agencies, and academia, are more trusted if they have a history of ongoing, meaningful, and effective engagement with fishermen and the fishing community. Conversely, fishermen act more effectively if they can consolidate opinions and form a unified voice. This is often achieved through a fishermen's association.

## RELATIONSHIP WITH HBHRCD

The HBHRCD has a long history of acquisition of resources and management of infrastructure for Shelter Cove and is responsible for the maintenance of and improvements to the marina and physical facilities. The HBHRCD oversees development and operation of the marina, including the boat launch and beach, as well as the protection of its natural resources for Humboldt Bay and its tributaries. The HBHRCD also provides tractors and operators, assesses fees for the boat launch service and self-launches, and for monthly boat storage. The HBHRCD has managed the Mario's Marina property, which is critical to fishermen, since December 2016. As of August 2018 they have announced that they will no longer be providing this service. Boat Launch service by the HBHRCD will end in January 2019.

Fishermen in Shelter Cove have generally felt that Shelter Cove was a low priority for the HBHRCD, because of the distance (2-hour drive) from HBHRCD headquarters on Woodley Island, difficult access, substantial competing responsibilities in Eureka, and that Shelter Cove was made up of smaller scale fishing operations. As one informant notes, "We are out of sight, out of mind (for the Harbor District). It feels like we were dropped!" An HBHRCD employee states, "The District is spread thin."

On a positive note, the HBHRCD has recently invested in upgrading the tractor service and the fish cleaning station, which has been welcomed by fishermen as they are viewed as critical to the commercial and recreational fishing industries. One informant noted, "The Harbor District has been good at getting grants for Shelter Cove." Additionally, in March 2018, the HBHRCD released a public Request for Proposals (RFP) for the

**The recent upgrades and proposed improvements to Shelter Cove represent an improvement in the relationship with the HBHRCD and while fishermen are cautious, the improved communication is positive.**

The PCFFA is the largest and most active trade association of commercial fishermen on the West Coast and has led the fishing industry in protecting the rights of fishermen and fishing communities since 1976.

operation of the boat launching services, fish cleaning facility, and boat storage site. In 2017, the Harbor District began the process of developing a new facility in three phases: 1) new fish cleaning facility, 2) office with shop/storage area, and 3) market/retail space. This is also, cautiously, seen as an improvement in the relationship with the HBHRCD and addresses high priority concerns of fishermen, business owners and operators and civic leaders in Shelter Cove. However, the HBHRCD's announcement to pull out of the boat launch facility at the beginning of 2019 means added challenges for fishing in Shelter Cove.

### RELATIONSHIPS AMONG LOCAL FISHERMEN

Overall, the fishing community, comprised of charter, recreational, and commercial fishermen have common, acknowledged goals, and these sectors communicate and work well together. There is also an expression of respect and good relationships among these groups as everyone relies on the same launch facilities, access to ice and fuel and supplies and benefits from Shelter Cove's abundant resources. Many skippers hold commercial and recreational licenses and deckhands move back and forth from commercial to charter operations as well as fish on their own, recreationally. As such, the level of trust among this group is the highest reported in a study conducted by HSU in 2017 on the Socioeconomics of North Coast Fisheries.

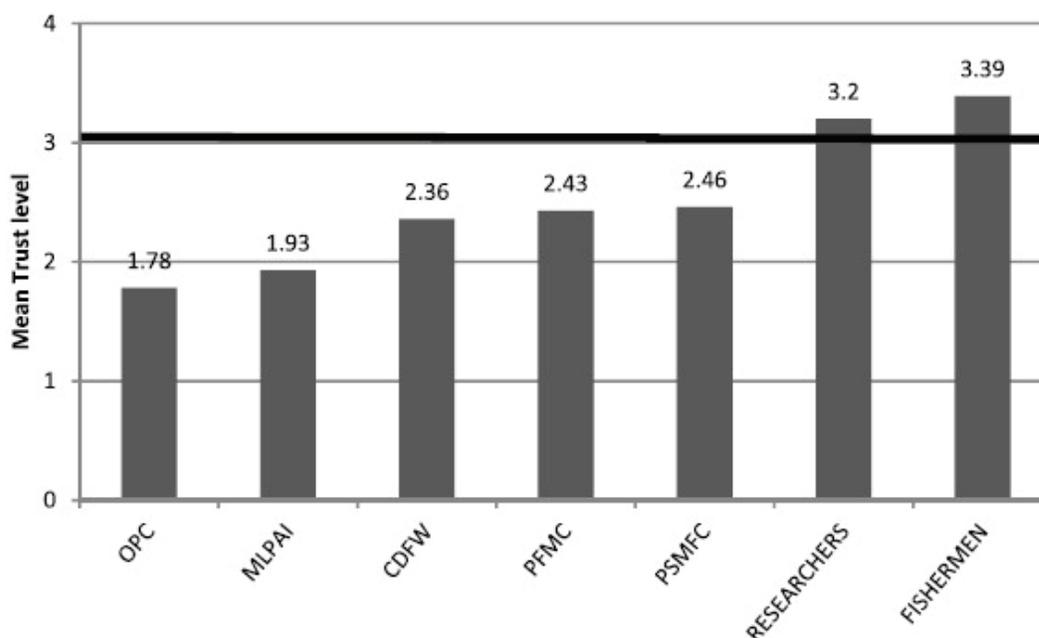
Additionally, between the late 1970s and early 1990s there was an active Fisherman's Association in Shelter Cove. The Association focused on providing a concerted voice for fishermen's equipment and supply needs as well as funding lobbying efforts for greater fishing access and against closures. The Association's collaboration with the Pacific Coast Federation of Fisherman's Association (PCFFA) is generally attributed with halting regulatory closures directly in front of the launch site and Point Delgada. Remaining, emeritus members of the Shelter Cove association retain a strong sense of pride of what the Association was able to accomplish and the camaraderie and sense of independence it generated.



Humboldt County Logo

## RELATIONSHIP WITH CIVIC LEADERS AND ELECTED OFFICIALS

Because there has been a lack of a concerted voice in Shelter Cove, communication with civic leadership and elected officials, primarily the County Board of Supervisors (HCBOS), has been inconsistent or lacking. As part of this project, the HCBOS has been more involved and aware of fishing in Shelter Cove, from supporting the grant and commenting on the scope of work to hearing agenda items on project progress. Also, the second District supervisor, who represents Shelter Cove, was an active member of the Fishermen Advisory Council, participated in workshops, public meetings and interviews, and provided an opportunity for the Shelter Cove fishing industry to communicate more directly on issues in the County that affect them. Expanding and strengthening this relationship will be an important factor in Shelter Cove's future.



*HSU Study, 2017*

## RELATIONSHIPS WITH FISHERY REGULATORY AGENCIES

While communication with CDFW wardens who work with fishermen in Shelter Cove is generally congenial, the local fleet has little interface with regulatory agencies. Many see closures and other fishery regulations as coming from a "black box." A 2017 study by HSU researchers revealed that fisherman trust in fisheries regulatory agencies is low throughout the California North Coast. Fishermen reported that their level of trust in CDFW, PFMC, Pacific States Marine Fisheries Commission (PSMFC), and the Marine Life Protection Act Initiative (MLPAL) was below neutral while trust in university researchers and other fishermen was slightly above neutral.

In general, there is a sense in the community of a growing structural marginalization of fishermen from the regulatory and management decisions and actions. One of the project's interview respondents noted, "It feels like California does not want the [fishing] industry here." The sense of disenfranchisement that Shelter Cove fishermen feel is not unique to the area but rather mirrors sentiments among other small-scale and artisanal fishing communities (Port of San Diego Commercial Fisheries Revitalization Plan, LWC, 2011).

## RELATIONSHIP WITH ACADEMIA

The proximity of Humboldt State University (HSU) to Shelter Cove and relationships with researchers through various projects has been very positive. Fishermen have collaborated on several projects and in research with HSU, including but not limited to Socioeconomic of North Coast Fisheries in the Context of Marine Protected Area (MPA) Formation (2017) as well as this Fishing Community Sustainability Plan. HSU and Shelter Cove also collaborate in the North Coast California Collaborative Fisheries Research Program which marries researchers to charter captains, recreational anglers, and volunteers to monitor fish population in and near MPAs.

## RELATIONSHIP WITHIN THE LOCAL COMMUNITY

The greater community views a strong link between the town of Shelter Cove and the fishing industry. Generally, there is a sense that community members work to help each other. One local resident stated during the public workshop that fishermen “are very generous with common acts.” As part of the personal interviews, one fisherman was adamant that fishing groups (commercial, recreation and charter) “are not separate”, but rather share knowledge of local resources and work to support each other and the community. There is also a shared understanding and closeness generated by the special nature of Shelter Cove and its isolation from larger communities. As was also mentioned consistently by fishermen, business owners, elected officials and locals was their precarious and common dependency on the main road, which is a considered “a life line.”

## CULTURAL AND SOCIAL SUSTAINABILITY

At one time in the 1980s, Shelter Cove was a bustling, small harbor for the “Mosquito Fleet,” a collection of some 100 small commercial vessels that came to Shelter Cove during the fishing season to target salmon, along with other species. At this time, Shelter Cove had a local fish buyer and fish were sold locally or trucked out to other markets. Shelter Cove also had an active fishing association. Starting in the early 1990s and with increasing closures in the groundfish and salmon fisheries, the port has seen a significant contraction of the fleet and an exodus of fishermen from the industry. In particular, the decline in the groundfish stock and subsequent restructuring of this fishery coupled with salmon closures in the Klamath Management Zone, brought about changes to the face of the Shelter Cove commercial and recreational fishing industry.

**Greying of the Fleet** or increasing average age of fishermen operating out of Shelter Cove directly relates to the social sustainability of the fishing community. According to Hackett, Richmond and Chen (2017) the average age of the Shelter Cove fleet is approximately 55.6 years, with 30.8 years of experience. For comparison purposes, the 2017 BLS Labor Force Statistics from the Current Population Survey reports that in the U.S. the average age in Agriculture, forestry, fishing, and hunting to be 42.2, Mining, quarrying, and oil and gas extraction, 42.6, Construction, 42.6, and Manufacturing, 44.5 years of age. Shelter Cove has the second highest average age of the six ports on the North Coast, suggesting that the port is uniquely vulnerable in this area.

The high average age suggests that as current fishermen are getting older, fewer new and younger individuals are entering the local fishery. Graying of the fleet can mean a break in the succession or passing

down of fishing knowledge and investments, including but not limited to vessels, gear, and licenses to the next generation. Graying of the fleet was listed as one of the top concerns among stakeholders in the community engagement effort.

Factors that undermine recruitment to the fishing industry in Shelter Cove include:

- Employment preferences
- Competition with other, more profitable, industries in the area, including the cannabis industry.
- Perceived barriers to upward mobility, and earning potential
- Restrictions on the transference of limited access permits and catch-share privileges, based on historical participation and licensing.

#### AVERAGE AGE OF YEARS OF EXPERIENCE COMMERCIAL FISHING SHELTER COVE, 2013

Fishery	Number of Respondents	Average Age	Average Years of Experience
Crab: trap	5	47.6	25.6
Nearshore: hook and line	4	70.3	38.3
Salmon: troll	5	52.0	30
All target fisheries	9	55.6	30.8

*Derived from Hackett, Richmond and Chen. 2017*

## COMMUNITY PERSPECTIVE AND PARTICIPATION

This fishing community sustainability planning project was born out of a close relationship with HSU researchers on the 2017 Socioeconomics of North Coast Fisheries in the Context of Marine Protected Area Formation and the community's realization that cataloging existing conditions and strategy development was critical to Shelter Cove fishing community's future. Preliminary concerns on the part of Shelter Cove fishermen:

1. Increasingly limited access to fishing areas and untenable quotas,
2. Lack of new participants entering the industry, and
3. Lack of control over key components of the industry such as the launch road, fish cleaning station, and tractor service.

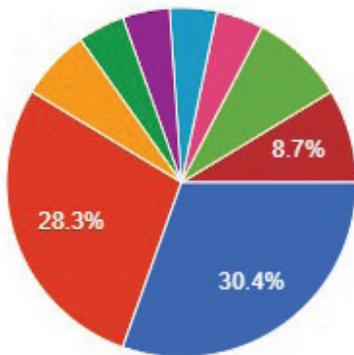
Through this project, the community took the opportunity to identify and prioritize 13 critical needs. They are listed in this chapter and form the basis of the final Recommendations.

Throughout the project, the Shelter Cove community was responsive to questions posed by the team, in writing and in conversation, and meetings and workshops were well attended. The Advisory Committee was generous with time and information, and they brought broad perspective to the project.

As stated in the grant proposal for the project and the scope of work, input from the community is of primary importance and drives key findings and recommendations. As such the community outreach

Advisory Committee meetings were held in Shelter Cove on May 31, 2017 and June 5, 2018.

Personal interviews were held over June, July and August of 2017.



- Recreational fisherman
- Commercial fisherman
- CPFV (Charter) captain
- CPFV (Charter) deckhand
- Tourism: hotel, cafe, etc
- Fish buyer
- Fishing family member
- government staff
- elected official

effort included community meetings and personal interviews with commercial and charter fishermen, fishing families, deckhands, local business owners and operators, local civic leaders and elected officials and interested citizens. Outreach efforts included:

**Two (2) Advisory Committee Meetings** where representatives of the fishing and local business community, CBoS and RID met with the project team to ensure that the planning process was truly constituent driven. The Advisory Committee was made up of 13 representatives from commercial and recreational fishermen, CPFV operators, fishing families, hotel owner/operator, Resort Improvement District (RID) and the County Board of Supervisors. In the first meeting, members gave input into the project design and identified the top challenges facing Shelter Cove. At the second meeting, they identified and prioritized actions needed to strengthen the commercial fishing industry and how those actions should appear in this report as Recommendations.

**46 Personal Interviews** to gather community members perspectives on the strengths, weaknesses, and potential future of the port. The interviews centered around four primary questions:

1. What is going well in Shelter Cove,
2. What needs improvement and
3. What have you seen in other ports that help to strengthen the fishing industry?
4. If you had \$5 million to make improvements to the local fishing industry, how would you invest it?



Advisory Committee Meeting, September 2017, HSU 2017

The questions were designed to enable the respondent to drive the interview in a conversational style. Each interview took about 45 minutes and offered excellent insight into the needs and strengths of the industry, “personality” of the community and consensus across diverse respondents.

The Public Workshop was held on September 29, 2017.

**Public Workshop** which attracted 26 individuals including Shelter Cove residents, representative from RID, commercial fishermen, and CPFV operators and crew. Attendees at the interactive event offered written and spoken input on their perspective of the highest priority opportunities and constraints facing the fishing community associated with economics, infrastructure and the unique community.

## PRIORITIES OF NEEDS AND KEY ISSUES

Input gathered through public workshops, personal interviews and meetings with the Advisory Committee conducted as a part of the FCSP project reveal a consensus about the prioritization of needs and key issues to build greater resilience in the fishing industry in Shelter Cove. Thirteen primary issues were identified, with variation in magnitude of importance. These issues and needs are:

1. Fishing Association or Organization & Political Engagement
2. Reliable, Sustainable Launch System
3. Processing, cold storage, and ice facility
4. Fish Cleaning Station
5. Greater Control Over Marina Property
6. Traffic/Circulation/Parking Improvements
7. Maintenance of Boat Ramp
8. Market Evaluation/Exploration
9. Road Condition/Maintenance
10. Recruit/Retain New Fishermen
11. Access to Commercial Fish stocks
12. Habitat Restoration & Protection
13. Promotion of Tourism and Recreational Fishing



Participants at the Public Workshop held September 2017, HSU 2017

Other items that the community identified as warranting further research and attention are: Low Interest Loans for Fishermen, Bait, Tackle, Boatyard Improvements, Fish Market, Kayak/Surfboard Rentals, Security, Mooring, Market for Fish Carcasses and Fishing Waste.

## KEY TAKEAWAYS

- **Strategic Planning:** The Shelter Cove fishing community has shown the capacity to identify opportunities and constraints, develop key partnerships, successfully pursue funding and engage in substantive strategic planning as is evidenced by this FCSP.
- **Fierce Independence:** Shelter Cove's remote and rugged location has given rise to a capable and fiercely independent fishing industry but it has made connections to distribution and employment markets, close communication with regional decision makers and access to goods and services difficult.
- **Strong Alliances:** Alliances among the Shelter Cove fishing community, with academia and the community at large are strong and the level of trust relatively high. Alliances and the level of trust with fishery regulators, local civic leaders, elected officials and the HBHRCD are lower, although there have been recent improvements.
- **Greying of the Fleet:** The community has voiced concern, which has been confirmed by academic research, that the active fishermen are getting older and there is a lack of new and young entrants into the local fishing industry.
- **Strong Community Support:** A wide range of respondents participated in this project: commercial, recreation and charter fishermen, local business owners and operators, fishing families, representatives from the RID and CBoS. Input was gathered through personal interviews, public workshops and meetings of an Advisory Committee. From these efforts, consensus was achieved on 13 Recommendations aimed at greater sustainability for the Shelter Cove fishing industry.

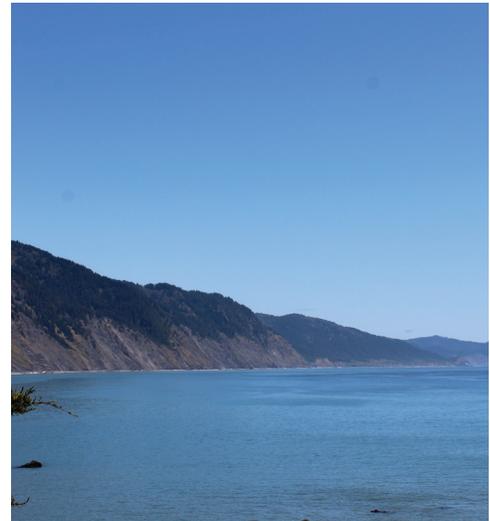
## 4 ENVIRONMENTAL SETTING

Shelter Cove fishermen have access to one of the richest marine ecosystems on the planet. The West Coast of the North America is the setting of the California Current, one of the world's four major wind-driven upwelling systems, which produces nutrient-rich waters and supports a rich environment and organisms at all levels. Within close access to Shelter Cove, there are an array of habitats which sustain robust Chinook salmon, Lingcod, rockfish, and Dungeness crab fisheries. Those habitats include rocky nearshore, deep and shallow reefs, sandy bottoms, sea mounts, shelves, and deep-water canyons, including Delgada Canyon just to the north which reaches a depth of 600 feet.

The ocean access point for Shelter Cove fishermen is on the south side of an outcrop called Point Delgada at the southernmost part of Humboldt County's coastline. Shelter Cove is the only port in the center of 110 miles of coastline with Eureka's harbors to the north, and Noyo Harbor to the south.

Inshore of this coastline is part of a special designation by the California Environmental Protection Agency to insure water quality. This Area of Special Biological Significance (ASBS) is made up of 33 miles along the coast within the Kings Range State Marine Reserve. ASBS are monitored for point discharges into the ocean and these areas are maintained by the State Water Resources Control Board. This designation restricts the placement of the fish cleaning station and the disposal of the byproducts of cleaning fish.

This area is known as the "Lost Coast" referring to the challenging access by land or sea, and minimal development. The steep and rugged coastal range presents an obstacle formed by geologic activity. The San Andreas fault runs through the Lost Coast. To the north the unique Mendocino Triple Junction, where the Gorda Plate, Pacific Plate, and North American Plate all collide, is also expressed in its submarine features.



*Shelter Cove Coast, HSU 2017*

**Geology and erosion will dictate the context of Shelter Cove's future.**

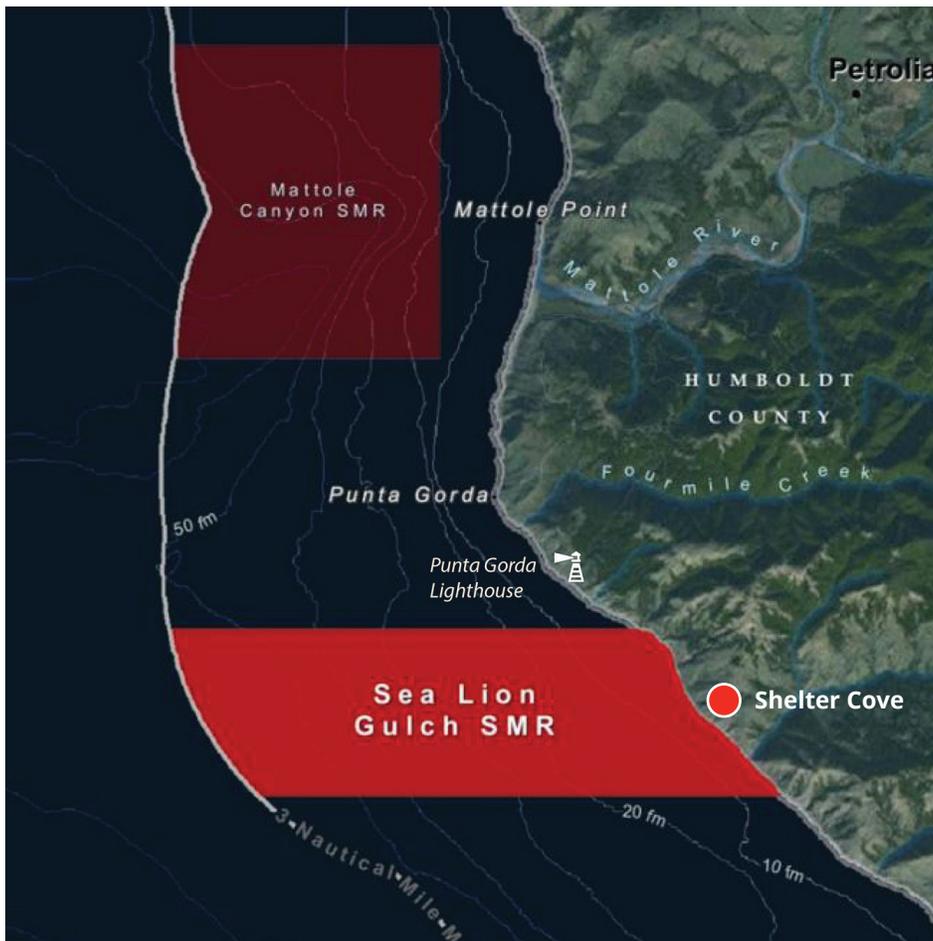
## SIGNIFICANT LAND AND SEASCAPE FEATURES

**Point Delgada** shapes the port of Shelter Cove which is sheltered from north winds and swells. The approach to the harbor from the coastal bluffs is down a steep road to the beach and to the boat access below. Erosion is constantly compromising the bluffs along the beach north and south of this access point. The access road is a landmark feature and remains despite the relentless erosion.

**Delgada Canyon** is a deep submarine formation which hosts rich fishing grounds. The canyon begins south of the boat access point near the shore at a depth of approximately 180m and trends offshore reaching a depth of over 900m.

**Horse Mountain Creek** delineates the northern boundary for salmon fishery. It is also referred to as the 40' 05" line that Shelter Cove Fishermen's Association was successfully able to lobby for to hold their salmon fishing grounds in the 1970s.

**Punta Gorda** is part of the western-most point of California located in an even more remote area of the Lost Coast. Shelter Cove fishermen, with their smaller boat sizes, have limited access to this location because of its exposure to powerful winds and seas. While it remains a coveted day trip for charter and commercial fishermen, it is ultimately regulated by the harsh environmental conditions.



Sea Lion Gulch State Marine Reserve, CDFW

## REGULATORY ENVIRONMENT

How fishermen are regulated in their interaction with this rich environment impacts the economic performance of fishing in Shelter Cove as well as the sense of wellbeing and the community's perspective of the future.

Fishing in Shelter Cove is very low impact, small scale, and sustainable by its design. While Shelter Cove fishermen rely heavily on Dungeness crab and Chinook salmon, they also target dozens of other species. Reliance on a diversity of fisheries mean fishermen use a diversity of gear types on a diversity of ocean habitats and rely on a diversity of markets.

The profile of the Shelter Cove fisherman is marked by a small "trailerable" vessels, typically less than 30 feet with very low storage capacity. Shelter Cove fishermen typically conduct "day trips" of several hours, and use of traps, trolling, hook and line and rod and reel. These gear types create little or no habitat disturbance and generate very low bycatch. Also, every species landed in Shelter Cove is regulated with State or Federal management oversight, which includes spatial closures, limits on landings, gear restrictions, seasonal closures, size and sex restrictions, quota-based management and strict reporting requirements. Many of the target fisheries in Shelter Cove are managed with Fishery Management Plans (FMP), which rely on the best available science and stock assessments to define management measures. These are all hallmarks of a sustainable fishery and the costs of compliance fall primarily on fishermen.

The most significant regulatory hurdles facing Shelter Cove fishermen are the management of the West Coast groundfish fishery and the small amount of quota available to small scale operations as well as closures and uncertainty in the salmon fishery.

Commercial and recreational fishermen face a maze of regulation including spatial closures, seasonal closures, gear restrictions, quotas, participation limited by the availability of permits (limited access) and others, described here.

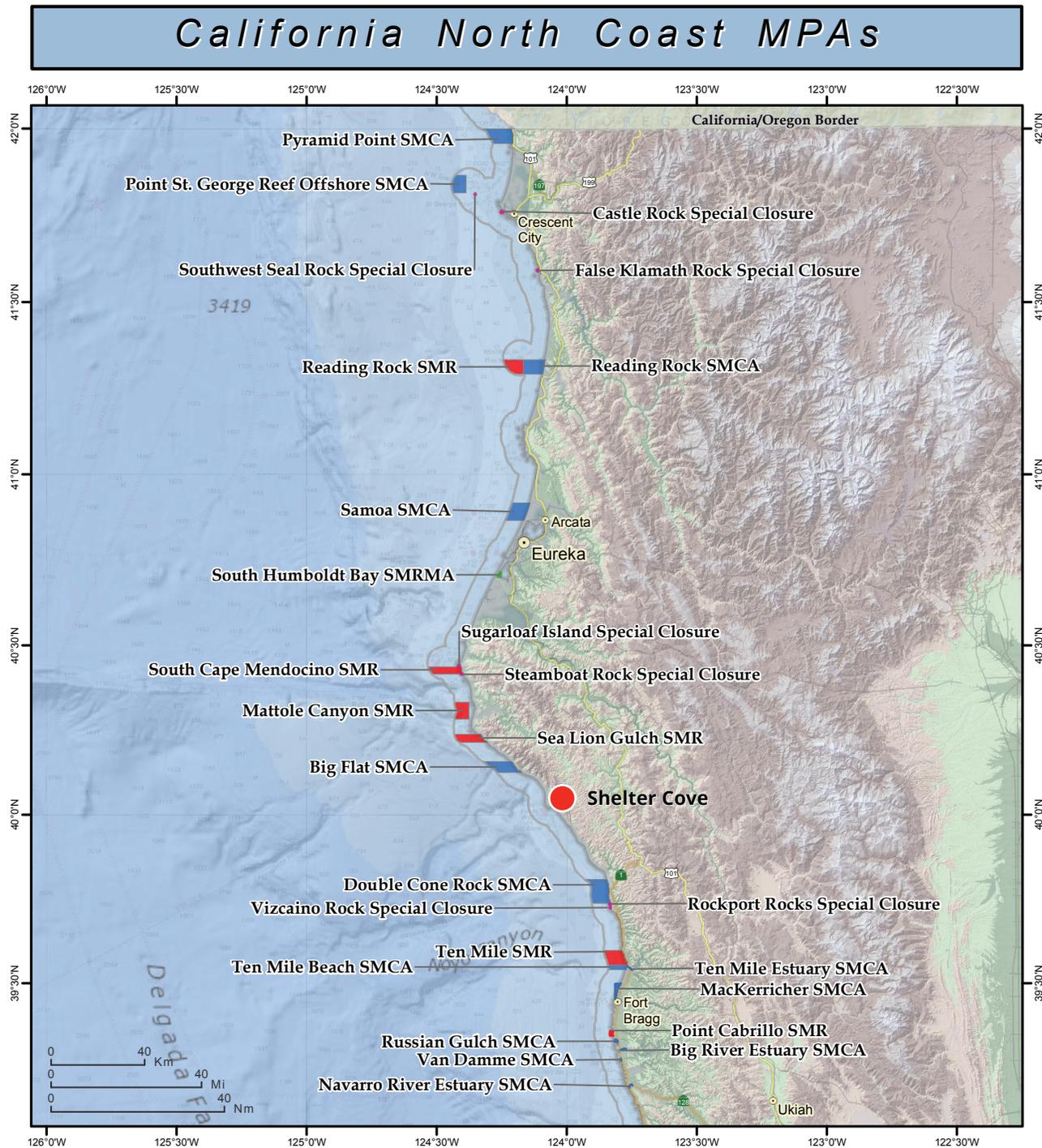
**In a 2009 article published in Science, Rebuilding Global Fisheries, leading fishery population biologists Boris Worm and Ray Hillborn assessed 10 ecosystems around the world and concluded that fishery management measures in California are among the most successful in increasing biomass or fishery abundance above the long-term average.**

**In January 2016, NOAA Fisheries published, U.S. Fisheries Management Clears High Bar for Sustainability Based on New Assessment, a peer-reviewed self-assessment that found the U.S. federal fisheries management system meets all FAO guidelines for sustainability:**

- **Complying with national and international laws.**
- **Developing and abiding by documented management approaches with frameworks at national or regional levels.**
- **Incorporating uncertainty into stock reference points and catch limits while taking actions if those limits are exceeded.**
- **Taking into account the best scientific evidence in determining suitable conservation and management measures with the goal of long-term sustainability.**
- **Restoring stocks within reasonable timeframes.**

#### 4 Environmental Setting

Between Fort Bragg and the Oregon border, there are 20 protected areas which cover approximately 137 square miles, or about 13 percent of northern California state waters. Of those, there are 19 Marine Protected Areas (MPAs) and one Marine Recreational Management Area. Seven special closures are also managed as part of the region's complement of MPAs. Many of the MPAs were established on traditionally productive fishing grounds and have profound negative impacts on commercial, recreational and CPFV fishermen. The following table summarizes the area designations managed within the northern portion of the statewide MPA network, primary grounds for anyone fishing out of Shelter Cove:



California North Coast Map, CDFW, Marine Region GIS Lab, 2013

Number	Type	Description
6	State Marine Reserve (SMR)	An MPA designation that prohibits damage or take of all marine resources (living, geologic, or cultural) including recreational and commercial take
11	State Marine Conservation Area (SMCA)	An MPA designation that may allow some recreational and/or commercial take of marine resources (restrictions vary)
1	State Marine Recreational Management Area (SMRMA)	An MMA designation that limits recreational and commercial take of marine resources while allowing for legal waterfowl hunting to occur; provides subtidal protection equivalent to an MPA (restrictions vary)
7	Special Closure	An area designated by the Fish and Game Commission that prohibits access or restricts boating activities in waters adjacent to sea bird rookeries or marine mammal haul-out sites (restrictions vary)

California Department of Fish and Wildlife, Northern California Marine Protected Areas, <https://www.wildlife.ca.gov/conservation/marine/mpas/network/northern-california>

## REGULATION BY SPECIES

Fishermen in Shelter Cove face area closures like MPAs that impact all fishermen, as well as restrictions on land as a result of the region's ASBS designation. As Dungeness crab, Chinook salmon, and rockfish make up over 90% of the earnings between 1990 and 2016, a description of the management measures of these species provides a picture of the intensity at which fishery resources are protected, and the Shelter Cove fleet's contribution to a sustainable industry.

As an ASBS, land-based activities of commercial and recreational fishermen in Shelter Cove are subject to California EPA restrictions on point discharges, water quality and the disposal of byproducts of cleaning fish.

## DUNGENESS CRAB

Dungeness crab represents 44% of the total earning for Shelter Cove commercial fishermen between 1990 and 2016. Dungeness crab is regulated by the California Department of Fish and Wildlife (CDFW) in concert with the governor-appointed California Fish and Game Commission. Dungeness crab fishermen must comply with seasonal closures, size, sex, and gear restrictions, trap limits, permit requirements and strict reporting requirements.

**Seasonal Closures.** The northern California season opens December 1 and continues through July 15, although additional adaptive closures may occur at the beginning or throughout the season. Commercial fishing for Dungeness crab is closed from July 16 through November 30. In 2016, the Dungeness crab fishery was closed for nearly 3 months by Office of Environmental Health Hazard Assessment (OEHHA) and

The recreational Dungeness crab fishery is managed through seasonal and area closures, gear restrictions, size limits, and a limit on the number of crabs that may be possessed. Either sex may be taken in the recreational fishery. The size limit is 5.75 in. across the widest part of the carapace and the bag/possession limit is 10.



*Dungeness Crab, HSU 2017*

California Department of Fish and Wildlife (CDFW) due to elevated levels of a naturally occurring toxin, domoic acid.

**Restricted Access/Trap Limits.** The number of fishermen and the number of traps they can deploy is regulated by a trap limit program. There are 556 permit holders in the state. Every Dungeness crab fishermen must hold a permit and report all landings, earnings, and identify where the crab where caught to CDFW through fish tickets.

**Trap Construction/Design.** Each trap must have an escape port that allows the escape of sublegal (size) animals and a destruct device made from untreated cotton twine which will release captured crabs should the trap become lost.

**Sex.** Only male crabs may be retained in the commercial fishery (protecting the reproductive potential of the populations). All females must be immediately released and are left to reproduce throughout their life span.

**Size.** Minimum legal take size limit is 6.25 inches across the widest part of the carapace. Undersized animals escape through escape ports which are required in trap design or sorted and thrown back. This assures that the crab will have at least one year of reproduction.

The recreational Chinook salmon fishery is restricted to June 1 through September 30 with closures in August, daily bag limit of 2 fish and no more than two single-point, single-shank barbless hooks shall be used and no more than one rod per angler when fishing for salmon or fishing from a boat with salmon on board.

## CHINOOK SALMON

Chinook salmon represents 37% of all commercial earnings in Shelter Cove from 1990 to 2016. While NOAA declared the Chinook salmon fishery rebuilt after a complete closure in 2008 and 2009, landings have ranged widely, and the closure in the Klamath Management Zone in 2017 has heightened uncertainty on the future of this fishery. Much of the pressure on salmon stocks has come from degradation of breeding and rearing habitat in coastal fresh water streams. As is evident in the Recommendations, the Shelter Cove community has prioritized attention on protection and restoration of salmon breeding and rearing habitat. On the water, commercial Chinook salmon fishermen must comply with seasonal and adaptive (mid-season) closures, restrictions on days of the week, total number of fish, size, gear, total number of fish as well as landing restrictions.

**Seasonal Closures.** In 2017, the area just south of Shelter Cove (to Pt. Arena) was open from September 1 through September 30, five days per week, Friday through Tuesday. Fishing for Chinook salmon outside of these periods was prohibited.

**Quota.** The fishery closes once 3,000 fish are caught or the “calendar” end of the season (end of September), whichever comes first. Also, fishermen are limited to 60 fish per open period.

**Gear Restrictions.** Single point, single shank barbless hooks are required. No more than 6 lines are allowed per vessel when trolling, and barbless circle hooks are required when fishing with bait and by any means other than trolling.

**Landing Restrictions.** All salmon caught in the area must be landed between the Oregon/California border and Pt. Arena, and within 24 hours of any closure of the fishery.

**Size.** Minimum size limit, 27 inches total length.

The commercial Chinook salmon fishery is managed through the Pacific Coast Salmon Fishery Management Plan (FMP), which guides management of salmon fisheries in Federal waters (3 to 200 nautical miles) off the coast of Washington, Oregon, and California.

The FMP includes conservation objectives and status determination criteria for major salmon stocks that ensure salmon populations are able to produce maximum sustained yield on a continuing basis and support fishing communities coastwide. The FMP contains allocation provisions to ensure that salmon resources are shared fairly among various user groups and regions. The FMP also contains a management framework that allows fishing seasons to be set and managed in a fair and efficient manner (Pacific Fisheries Management Council). Also, state and federal regulators, scientist and industry representative contribute to a Stock Assessment and Fishery Evaluation (SAFE) Document which compiles critical data on the salmon fishery.



*Shelter Cove Coast, HSU 2017*

Many Shelter Cove fishermen referred to the current commercial rockfish catch limits as “poverty quota”.

Boat based recreational rockfish anglers face daily bag limits, size and depth restrictions and seasonal closures.

The recreational Lingcod fishery is open to boat-based anglers from March 1 through December 31. Lingcod may only be taken or possessed in waters less than 360 feet deep. The daily bag and possession limit is 2 fish, with a minimum size limit of 22 inches total length.

## ROCKFISH (GROUNDFISH)

Black rockfish and unspecified rockfish made up approximately 8% of the total earnings of Shelter Cove fishermen in the 27-year period between 1990 and 2016. Through the Nearshore Fishery Management Plan (NFMP), the California Department of Fish and Wildlife manages 19 species of rockfish, including the most abundant caught in Shelter Cove. The goals of the NFMP are:

- Ensure long-term resource conservation and sustainability
- Employ science-based decision-making
- Increase constituent involvement in management
- Balance and enhance socio-economic benefits
- Identify implementation costs and sources of funding

Through the NFMP, California Department of Fish and Wildlife (CDFW) sets annual quotas for the fishery which fishermen claim pose a financial challenge for commercial fishermen, as limits are set so low that the return for the value of the fish does not cover costs of fuel, deckhand or a day’s labor.

## LINGCOD

Frequently landed species like Lingcod, Vermillion Rockfish, Sablefish and Yellowtail rockfish are managed by the federal Groundfish Fishery Management Plan (GFMP) which was established in 1982 and managed through a joint effort among the CDFW, NOAA Fisheries Service, the states of Oregon and Washington and the Pacific Fishery Management Council (PFMC). Like the NFMP, the GFMP aims to ensure long-term resource sustainability and economic, recreational, cultural and social benefits.

There are several “sectors” within the Groundfish Fishery: Limited Entry Groundfish Trawl, Limited Entry Fixed Gear and Open Access. A quota is set for each species for each sector, and fishing for any species must cease once their quota is reached. Most fishermen in Shelter Cove are in the Open Access category for which receives the lowest quota. Many Shelter Cove fishermen referred to the current commercial rockfish catch limits as “poverty quota.”

## RECOVERY SUCCESSES

As of 2001, 44 species have been declared rebuilt in the United States as a result of successful management plans and hard work by commercial fishermen. Twelve of those species are on the West Coast of the U.S. and 10 in California. In the near future, three more are expected to join the list, including Cowcod, Pacific Ocean perch, and Yelloweye rockfish. Shelter Cove fishermen have contributed to these recovery successes through compliance to regulations and hard work.

### 44 Stocks Rebuilt as of December 31, 2017



44 Stocks Rebuilt as of December 31, 2017, NOAA

## KEY TAKEAWAYS

- **Robust Marine Environment:** The marine environment off Shelter Cove contains some of the richest waters on the West Coast of the U.S. It is marked by the California Current, the upwelling of nutrient rich water that supports an abundance of marine organisms, as well as Delgada Canyon and creeks that support breeding habitat.
- **Low Impact:** Fishing in Shelter Cove is primarily comprised of small operations of trailerable boats under 30 feet and the use of traps and hook and line which causes little habitat disturbance and bycatch.
- **Heavily Regulated:** All the top fisheries in Shelter Cove face state and federal restrictions aimed at maintaining healthy fish stocks and include spatial closures, limits on size, sex and season, quotas and daily bag limits, restrictions on gear construction and the number of hooks, traps and fishing poles as well as permits and reporting requirements.
- **Globally Recognized Best Management Practices:** Fishermen in Shelter Cove are some of the most heavily regulated in the world. Leading scientists have found that management measures in California are among the most successful in increasing biomass or fishery abundance above the long-term average.
- **Fishermen Bear the Cost of Compliance:** The burden of compliance with management measures falls on fishermen: to find alternative, productive fishing grounds, sort catch by size and sex, refrain from fishing during seasonal closures and assure that the regulations are clearly understood with gear and permits in order.
- **Recovery Successes:** Management measures have been extremely successful on the West Coast, which supported the rebuilding of 12 species since 2004, many which are landed in Shelter Cove.

# 5 CRITICAL INFRASTRUCTURE AND SERVICES

## INTRODUCTION

Like other working waterfront communities, fishing in Shelter Cove has been subject to significant change: increasing and shifting regulations, competition from inexpensive imports, consolidation of processing and distribution, demand from consumers that prioritizes constant supply regardless of seasons and concomitant downsizing of the fleet. Despite these pressures, Shelter Cove's working waterfront remains a key component of the local economy, through the generation of wages, earnings, fees and spending on supplies, as well as support of physical infrastructure and services that support the area's recreation and tourism industries. The working waterfront is also foundational to the community's ties to the past and its very identity.

Commercial and charter fishing are the primary working waterfront activities in Shelter Cove, along with recreational fishing and activities like beach hiking, picnics, kayaking, paddle boarding, and surfing. Though the fishing activity expands and contracts with the seasons, changes in the economy, regulations and access to fish stocks, the level of related built and social infrastructure in Shelter Cove has remained minimal, particularly when compared to other California and West Coast ports. However, the port identity is proudly linked to its small-scale and minimal status. The vessels operating out of Shelter Cove are small enough to launch by tractor or off a trailer. Despite the port's small size fishing remains a large part of the area's social and cultural identity.

**“There are some really good people who have a heart to help each other down there [in Shelter Cove]”  
(Personal interview, Shelter Cove, December 2017)**

Shelter Cove commercial fishermen have traditionally pursued a handful of species with a diversity of gear, including Dungeness crab with traps, rockfish and lingcod with hook-and-line, and salmon troll, with reduced landings over the past few decades. The physical and service infrastructure has evolved to parallel these landings and adapt to the decreased demand. As a result, fishermen must travel to more distant locations such as Eureka, Lake County, or even as far south as Sausalito (221 miles) to purchase and service gear and vessels. As no seafood buyers, processors or distributors serve the local fleet, fishermen sell their catch locally, which represents a small percentage, or negotiate with outside buyers and drive a minimum round trip of two hours to Highway 101 to hand off their catch to be sent to Eureka or Fort Bragg.

The commercial fishing industry shares its dependency on the physical infrastructure with recreational anglers, who target halibut, salmon, and rockfish, along with Albacore tuna (when conditions are right). Recreational fishermen either book a charter trip on one of three local, licensed CPFV operators or come to Shelter Cove with their own vessel and gear to launch at the jetty site. Recreational anglers contribute to the local economy through spending on lodging, meals, alcoholic beverages, gifts, supplies, and, in some cases, patronizing the charter fishing industry.

## IMPORTANT COMPONENTS OF THE COMMERCIAL AND RECREATIONAL FISHERIES SUPPORT SECTOR

**The fishing community in Shelter Cove is extremely resilient and has adapted successfully to the remoteness, rugged conditions and lack of infrastructure.**

Fishermen in any port are reliant on key infrastructure, primarily cold and freezer storage, ice, chandlery, seafood processor, fish buyers, offloader with a hoist, boat and gear storage, slips or moorings, convenient boat launch and haulout facilities and relatively convenient access to welders, mechanics, electronics/ electricians and bait services, many which are lacking at Shelter Cove (see Table 1, below). In their place, Shelter Cove fishermen maintain their operations with a tractor service that hauls boats into and out of the water at the beach, a small “do it yourself” fish cleaning station, a nearby boat storage facility, a limited selection of tackle and gear, and at least a two-hour roundtrip drive for everything else.

In 2017, Hackett, Richmond, and Chen developed an inventory of the major infrastructure components found in Shelter Cove. An updated table shows current conditions

### IMPORTANT COMPONENTS OF THE MARINE FISHERIES SUPPORT SECTOR: SHELTER COVE

Service or Product	Number	Description
Boat Storage and Washdown Yard	1	-
Gear supplier	2	Located in Garberville (approx. 45 minutes)
Welding shop	0	-
Marine electronics sales/service	0	-
Marine engine repair	0	-
Marine fabricator/machine shop	0	-
Vessel maintenance/repair and/or sales	0	-
Refrigeration specialist	0	-
Airport	1	Small airstrip for light, privately owned planes
RV park/campground	1	Often used by visiting recreational anglers
Charter fishing service	1-3	Attract numerous visiting anglers
Restaurants/hotel/motel	Several	Seasonally at full capacity, quiet in winter
Tackle shops/outfitters	1	Light tackle is available at the local campground
Processors/distributors/buyers	0	Absence of buyers said to constrain commercial activity
Harbors/marinas	1	Small public access facility with breakwaters

*Adapted from Hackett, Richmond, and Chen (2017)*

**Access to the Water.** For any fishing concern, sustainability means some level of control over critical infrastructure and services, perhaps most importantly, access to the launch site. While fishermen in Shelter Cove are incredibly tough and adaptable, launching their vessels from trailers in hip-deep surf, and connecting with buyers in Eureka and accessing supplies over 80 miles away, one of the greatest risks they face is control of the road to the beach. The property on which the access road is situated is owned by a private individual who does not live in the U.S., who has not shown a great interest in selling the property and does not have a strong connection with the local fishing industry.

Separate from the access road, the Marina property owner is currently in a lease agreement with the HBHRCD for an initial 5-year term through 2021 for the property which includes: tractor launch service, boat storage area, charter boat license and commercial boat license to charge facility use, Marina building commercial operations with right to sublet, fish purchasing station, and operation and maintenance of the fish cleaning station. The initial term requires the lessee to conduct certain tasks in lieu of lease payments that prepare this property for the development. This agreement includes a renewal option of 3- five year terms, and 2-ten year terms, as well as “Rights of First Refusal” where the HBHRCD can have the first option to purchase the Marina property. This temporary control of the Marina property by HBHRCD has neutralized the uncertainty of the future of the property and access to the water for the near future, but it does not solve nor solidify the future for the access to the water for the fishermen, community, and the general public.



*HBHRCD Fish Cleaning Station plans shows the boatyard storage, trailer parking, fish cleaning station, and road access to boat launch and jetty.*

**Boatyard.** Boatyards are instrumental in working harbors. They provide space and service for fishermen to conveniently repair and service their vessels and get back out on the water. Most fisheries-based boatyards along the California coast are located in larger ports where a greater number of and larger vessels can help offset the cost of maintaining the yard. In Shelter Cove, most fishermen repair or service their vessels on their own for small repairs or haul their boat to Eureka for larger repairs. There is one boatyard area in Shelter Cove where fishermen can store their boats and have access to fresh water. The area is not paved and there is no security or lighting.

**Gear Supplier.** Basic fishing gear, including line and hardware, can be purchased at the Shelter Cove Campground kiosk or Shelter Cove General Store. Because this supply is limited, aimed primarily at the recreational angler, commercial and charter boat fishermen often need to travel to Garberville (50 miles) where there are two small shops with tackle, or Eureka (87 miles) where there are multiple tackle shops with bait, to satisfy their gear needs.

**Welding Shop.** Welding is considered a critical service in a port because fishermen rely on keeping their vessels and trailers in tip top condition, which often requires welding, as do improvements like building or adding to a wheelhouse. Shelter Cove lacks a welding shop. Some local fishermen have small welding machines but must travel out of Shelter Cove for larger repairs.

**Marine electronics sales and service.** There are no marine electronics sales or service shops in the vicinity, in part due to the low demand given the size of the fishing fleet. Also, recreational anglers come to Shelter Cove with their gear and electronics ready upon arrival. Local fishermen, by contrast, must travel to Eureka, Fort Bragg, or further to find the necessary electronic equipment or for repairs.

**Marine engine repair.** Shelter Cove fishermen must be self-reliant in repairing their own engines. While there is one independent engine mechanic in the area, for larger or more complicated projects they must travel to Eureka or Fort Bragg or further.

**Airport.** While the road into Shelter Cove from the Highway is difficult and there are restrictions on commercial truck size, nearby, on Highway 101 (at Richardson Grove), Shelter Cove does have a municipal airport. The Shelter Cove Airport has one runway with an area of 50 acres, accommodating small, charter crafts. Shelter Cove Resort Improvement District operates the airport, along with the 9-hole golf course surrounding it. Improvements were made to the runway and the airport in December, 2011, with funds from Caltrans and the Resort Improvement District No. 1.

**RV Park/Campground.** Shelter Cove is home to Shelter Cove RV and Campground and Deli which offers RV sites with full and partial hookups, tent sites, and rental cabins. Other coastal campgrounds are found to the north and south in Kings Range National Conservation Area (managed by the Bureau of Land Management) and south on Highway 101 in Westport. Several campsites are located further inland near Garberville and Myers Flat.

**Charter Fishing Service.** Three Coast Guard-approved charter fishing operations serve Shelter Cove. The charter fleet generates jobs for deckhands, earnings for skippers and spending in local businesses.

**Restaurants/Motels/Hotels.** Shelter Cove has five hotels/motels, Tides Inn, Shelter Cove Oceanfront Inn, Mario's Marina Hotel, Spyglass Inn at Shelter Cove, and Inn of the Lost Coast, an array of vacation rentals and several restaurants, critical for serving the seasonal visitors and making Shelter Cove an attractive and welcoming place to visit. Two new restaurants opened in the past year, increasing the tourism capacity Shelter Cove.

**Tackle Shops and Outfitters.** The Shelter Cove Campground & Deli and nearby Shelter Cove General Store sell light gear and recreational bait. Fishermen rely heavily on two tackle and marine supply shops (or chandleries) in Garberville, a 45-minute drive from Shelter Cove or they must travel to shops two hours away in Eureka.

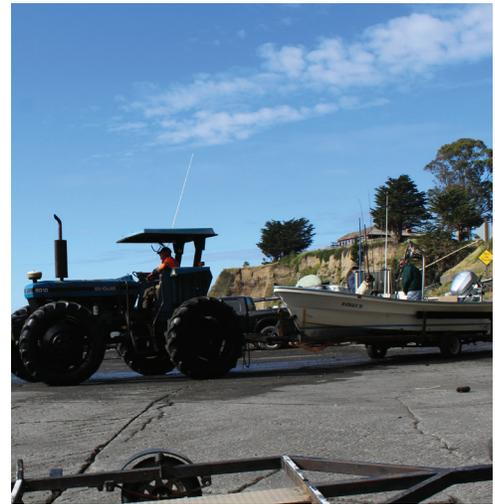
**Buyers, Processors and Connection to Distribution Routes.** Besides one occasional seafood buyer that operates out of what are referred to as the "white vans", no permanent or consistent seafood buyers or commercial seafood processing services are present at Shelter Cove. The fish cleaning station is designated for recreational fish cleaning. For seafood sales, commercial fishermen must connect with buyers who

are willing to travel to the Cove or make the drive to Highway 101 or further. The extremely narrow, winding road between Redway and Shelter Cove and restrictions on Highway 101 at Richardson's Grove, prohibit trucks that typically serve the seafood industry and make the physical connection to markets even more difficult.

**Fish Cleaning Station.** The HBRCRD has assisted with the operation of the existing fish cleaning station since 1988, which is located on a bluff, approximately 200 feet above the ocean adjacent to the boat launching facility. Currently, recreational fishermen clean their catch on a table and direct fish waste into a central chute. The chute leads to a commercial grinder that grinds the fish waste and discharges directly offshore via an approximately 225-foot suspended pipe. The fish cleaning station has served the recreational fishery for 29 years and has become indispensable to the Shelter Cove economy. The existing Shelter Cove fish waste discharge pipe is located in the King Range National Conservation Area, Area of Special Biological Significance (ASBS). ASBS's are intended to afford special marine life protection by banning waste discharges within these designated areas. In 2010 the California State Water Resources Control Board (SWRCB) denied a HBHRCRD requested conditional waiver to allow for the continuation of fish waste discharges; and SWRCB reemphasized that the HBHRCRD must move forward to cease the fish cleaning station discharges into the ASBS as mandated by the California Ocean Plan. Since 2010, HBHRCRD has been working with the Shelter Cove community and resource agencies to identify the most feasible solution to ending fish waste discharge without incurring economic damage to the community. The HBHRCRD received a California Ocean Protection Council grant in 2016 to assist with development of the proposed project, a new fish cleaning station facility.

**Harbor and Marinas.** Shelter Cove has no docks, slips, and only a few seasonal moorings. Because of the lack of this traditional infrastructure and services, fishing is limited to day-trips, wherein vessels travel to sea in the morning and return to harbor to be hauled out later in the day.

**Jetty.** Shelter Cove as a small-craft harbor features a stone and cement jetty that juts out into the ocean and curves enough to create a breakwater and a protective area that facilitates small vessel launch and haul out. The jetty is extremely important to the Cove; without it, the commercial, recreational, and charter



*Tractor Launch, HSU 2017*



*Fish Cleaning Station, HSU 2017*

**The Shelter Cove jetty protects the Cove from potentially dangerous ocean conditions.**

fishing industries could not operate. Moreover, it is a landmark and a feature that attracts recreational anglers who fish from it. Over the years, the breakwater has suffered degradation from the harsh environment, and the community has considered rebuilding and/or shoring up on its original footprint. In 2006, the HBHRCD hired marine-structural engineers, Moffatt & Nichol to conduct engineering studies with funding from the State Department of Boating and Waterways. Results of the analysis of the breakwater condition found the jetty to be “eroded and in need of repair.”

Fishermen also pointed out that, occasionally, debris (sediment, rocks and man-made material) needs to be cleared to keep the launch area safe and able to accommodate access. The jetty maintenance also needs to include the dredging of the area from the skirting of the cement boat ramp along the inshore side of the jetty so that trailer wheels don’t get stuck on rocks while launching vessels.

**Offloading.** There are no mechanical offloading facilities at Shelter Cove; neither a dock nor hoist. Commercial fishermen instead haul their catch ashore in their vessel and offload by hand.

**Ice.** There is no place in Shelter Cove to obtain commercial-scale ice. Storage and transport of seafood requires ice, whether you are a recreational or commercial fishermen or consumer. Ice is only available in consumer-scale amounts at Shelter Cove Campground & Deli and the Shelter Cove General Store and supplies often run out in the summer months. Procuring ice and supplies in Shelter Cove requires a greater investment of time and effort outside of fishing than one might find in other ports.

“These tractors are not designed to be immersed in salt water everyday....they need a lot of maintenance” (personal interview, Shelter Cove, July, 2017)

**Boat and Gear Storage.** As Shelter Cove has no docks or permanently available moorings, fishermen store their vessels on their trailers in the Shelter Cove Marina property, managed by HBHRCD, or haul their boats home after fishing.

**Fuel.** The only marine (diesel) fueling facility in Humboldt County is located in Eureka. Most of the Shelter Cove fleet uses outboard motors which take gasoline and they fill containers at gas stations and transport the fuel to their boats. Gasoline is available at the Shelter Cove General Store.

**Boat Launch and Haulout.** The launch service, comprised of two tractors operating along a narrow boat ramp, runs on a first-come, first-serve basis 7 days a week seasonally, from 6:00 am to evening, or when the last boat returns. Charter vessels are given priority in the service. The launch service monitors VHF-FM channel 68, so that a craft can signal in advance, when it is ready to return to harbor. While the service has recently operated more consistently, tractor break downs, repairs and maintenance can delay service for hours or even days.

Until late 2016, the launch service was managed by private entities which proved to be inconsistent and a major challenge for all fishermen. In 2016, the Harbor District took over the



Boat Storage, HSU 2017

staffing and maintenance of the launch service and the situation has improved, for which many fishermen have expressed gratitude. However, at the writing of this report, the HBHRCD has decided that they will no longer be able to provide this service and have issued an RFP. With no solution as of Oct 2018, the local fishermen are banding together to develop a response.

**Transportation.** There is only one way in and out of Shelter Cove by land via the Briceland and Shelter Cove Road. The 21.5-mile trip takes about 45 minutes in dry, clear conditions in a passenger car. The road is twisty, potholed, prone to washouts and narrows to one lane in several spots. The road plays into almost every decision that commercial fishermen make on markets and procuring gear and supplies and impacts visitor access. One fisherman admitted that they were “at the mercy of the road” while many see the road as a “blessing,” limiting too close a contact with the fast pace of the “outside” world. On busy fishing days, circulation and safety are issues with tractors, cars, and pedestrians moving around without much wayfinding signage or clearly marked parking or footpaths.



*Beach at Shelter Cove with tractor launch, HSU 2017*

**“I’m not a big advocate for change but I want to see the best for our fishermen” (personal interview, Shelter Cove, July, 2017)**

## OVERSIGHT, MANAGEMENT, AND FUNDING

U.S. ports and harbors are challenged by high costs associated with maintaining the waterfront infrastructure. Many ports find it difficult to generate the revenue necessary to repair or upgrade old bulkheads, wharfs, and piers, or to dredge. Shelter Cove’s infrastructure is maintained by the Humboldt Harbor, Recreation, and Conservation District, which funds and administers harbor repairs and upgrades. Shelter Cove is also overseen by the Resort Improvement District No. 1 and the Shelter Cove Sewer and Other Facilities Maintenance District.

While Shelter Cove has the advantage of minimal infrastructure to maintain, to date, it lacks sufficient revenue generation to help support the extent of funding needed for the tractor service and maintenance, upgrades to the jetty and other related items like ice and cold storage.

The Humboldt Harbor, Recreational, and Conservation District has managed Shelter Cove since the 1970s, when was commissioned to solve a fish waste problem. The involvement grew to include oversight of the boat ramp and jetty. The Harbor District entered a 30-year lease with the owner of the marina property and have cleaned up the property and developed a tractor station with a (tractor) driver. The Harbor District also released a public Request for Proposals for site operation and services of the boat launching services, fish cleaning facility, and boat storage with plans for the development of a new Marina Building that includes a fish cleaning facility, office with shop and storage area, and market and retail space. Unfortunately, no suitable responses were received and the HBHRCD will cease providing the boat launch service in January of 2019. This puts all fishing Shelter Cove in an extremely vulnerable position.

## KEY TAKEAWAYS

- **High Reliance on Physical Infrastructure:** Like other fishing communities, Shelter Cove is heavily reliant on physical infrastructure and services, starting with access to the beach and launch site.
- **Highly Resilient and Adaptable:** Unlike many other fishing communities, Shelter Cove fishermen have adapted to operating without docks or moorings, without a fixed, over-the-water boat launch, without ice production, cold storage, fuel dock, processor or fish buyer and a two-hour roundtrip to the nearest Highway.
- **Access to Beach, Sound Jetty, Launch Service, Ice and Cold Storage are Critical:** To assure greater resilience, the Shelter Cove fishing industry needs control/surety on access to the boat ramp road, a sound jetty, a consistent launch service, better connections to seafood buyers and access to ice, cold storage and larger-scale processing facilities.
- **Successful Adaptation:** Several critical services and key infrastructure resources are in place in Shelter Cove and represent the local fishing industry's ability to develop and maintain important partnerships, such as the launch service, fish cleaning station, boat storage, supplies, jetty, visitor serving businesses and the local community.
- **Fishing is Critical Part of Shelter Cove:** Despite the lack of many important features of physical infrastructure and services, the Shelter Cove fishing industry remains a driver of employment, earnings, a draw for tourism and a pillar of the community's identity.

## 6 RECOMMENDATIONS

The recommendations developed in the Shelter Cove Fishing Community Sustainability Plan represent the highest priority concerns of Shelter Cove fishermen, fishing families, the business community and local civic leaders and are the culmination of feedback gained from hours of personal interviews, public workshops, and meetings of an advisory committee. The recommendations are aimed at leveraging existing opportunities, addressing weaknesses and ultimately contributing to the sustainability of fishing in Shelter Cove. The recommendations are also founded in local social, environmental, regulatory and physical infrastructure conditions as presented in the preceding chapters of this FCSP. The recommendations represent a blueprint for the investment of limited resources and are geared toward implementation. As such, they include potential funding sources that could financially support the address of the top 13 issues.

Ultimately this project is evidence of the Shelter Cove fishing community's capability to:

- Identify needs;
- Develop key partnerships;
- Attain grant funding; and
- Plan for the future.

The recommendations are presented here in order of priority on the following pages.

**The findings and recommendations in this project are a result of input from a broad cross section of the community, starting with the fishing industry, local civic leaders and elected officials, local business owners and operators and interested citizens.**



*Shelter Cove, HSU 2017*

Priority Issue	Discussion	Recommendation
1	<p><b>Key Concepts:</b> To survive and prosper, the fishing community needs to be informed of and have a voice in decisions that affect their operations, from local planning decisions to those involving regional fishing regulations. However, fishing is a time and energy consuming business. (If fishermen are not spending long hours on the water, they are mending gear, maintaining their vessels or working hard to promote and distribute their catch.) The Shelter Cove fishing community may be best represented by pooling their efforts and forming an association. An association can hold more weight than an individual or loose group of individuals and be more effective in attracting funding, developing partnerships, and ultimately influencing decision makers. An association may make initiating and/or participating in many of the FCSP recommendations easier and more effective. It will also be easier for an association to hire someone to attend meetings, make public comment, and handle communications.</p>	<p><b>Form a Commercial or Fisherman’s Organization or Women for Fisheries Group.</b></p> <p>Examples/case studies:</p> <ul style="list-style-type: none"> <li>• Central Coast Women for Fisheries (<a href="http://www.womenforfish.org/">http://www.womenforfish.org/</a>)</li> <li>• Morro Bay Commercial Fisherman’s Organization (<a href="https://www.mbcfo.com/">https://www.mbcfo.com/</a>)</li> </ul> <p>Potential Support and Funding Sources: Dues, grants. Consider partnerships with local small business, non-profit assistance, and potential funding sources:</p> <ul style="list-style-type: none"> <li>• Humboldt Area Foundation</li> <li>• North Coast Small Business Development Center</li> <li>• Redwood Region Economic Development Loans</li> <li>• Western Foundation Center</li> <li>• Community Fisheries Network (<a href="http://www.communityfisheriesnetwork.org/fishermen/">http://www.communityfisheriesnetwork.org/fishermen/</a>)</li> </ul>
2	<p><b>Key Concepts:</b> It is unlikely that Shelter Cove will build a pier or launch ramp in the short- or medium-term. While the community may explore the feasibility of moorings in more detail, as long as fishermen are launching from the beach, the maintenance of the present fleet of tractors and building sufficient staff of qualified operators should be one of the highest priorities. Without a reliable launch service, fishing out of Shelter Cove would be nearly impossible.</p>	<p><b>Secure a needs assessment.</b> If a needs assessment of the current conditions and potential alternatives is available, it should be updated, if not a new one should be considered. (An assessment should address number of launches per day, typical vessel types and sizes, tractor options and their operational performance to determine the types and how many tractors are needed and cost. Determine how many FTEs (hours and qualifications) are needed to operate and maintain the tractors. Consider partnerships among public and private entities to ensure that there are qualified tractor operators and mechanics onsite.</p>
3	<p><b>Key Concepts:</b> The fish cleaning station is part of the user experience in Shelter Cove, serving recreational fishermen and CPFV clientele. The current fish cleaning station is functional. A cold storage or freezer facility could help the community store offal as bait and or hold offal for a longer period and facilitate disposal with an agricultural or other entity.</p>	<p><b>Explore the possibilities of partnering with a local agricultural entity to collect offal for fertilizer.</b></p> <p>The commercial fishing industry should continue to pursue alternatives to acquire freezer/cold storage capacity which would enable the storage of offal/discard as bait and/or holding offal/discard for more efficient pickups or drop offs.</p> <p>The fishing community should continue working with the Harbor District to maintain the current fish cleaning station.</p>

Priority Issue	Discussion	Recommendation
4a Ice Facility	<p><b>Key Concepts:</b> Ice is a critical need on every fishing vessel, whether CPFV, recreational or commercial. It is also essential for commercial fishermen to sell directly to the public and for any fisherman or consumer to pack fish for travel or distribution.</p>	<p><b>Conduct a needs assessment for an ice machine.</b> Determine how much ice is needed per day/week/month, and what type of system would be appropriate to meet those needs and (potentially) address cold storage in the short run. i.e. container-integrated systems. Determine water and power capacity in Shelter Cove when assessing options. In the long run evaluate more permanent solutions such as a stand-alone ice plant/machine. Evaluate alternative management entities: private; public; fishermen co-op. Whether the ice machine is owned and operated by a public, cooperative or private entity, assure (through a lease agreement or other) that ice is accessible to all users.</p> <p>Options for relatively small ice machines for relatively small investment (draw from ice study) could be appropriate as a first step. While a smaller ice machine may be more costly per unit of ice, it requires a smaller up-front investment.</p> <p>Potential Funding Source: USDA (Local and Regional Food Systems Grant Program), State Coastal Conservancy, National Fish and Wildlife Foundation.</p>
4b Cold Storage	<p><b>Key Concepts:</b> Currently there are no options for the fishing fleet to hold or store whole or processed seafood or bait except for small-scale home refrigerators or ice coolers. The ability to store or hold fish would give the fleet an advantage with local and regional distribution and/or attracting outside buyers.</p>	<p><b>Determine approximate cold storage capacity (space and temperature) needs.</b> Explore cost of an industrial freezer or small food service unit initially. Also, consider options for used equipment and options for ownership and management/operations, public, cooperative, or private entity, assure (through a lease agreement or other) that it is accessible to all users. Operating costs and loan payback can be supported by user fees.</p> <p>Potential Funding Sources, Partnerships: USDA (Local and Regional Food Systems Grant Program), State Coastal Conservancy, Ocean Protection Council (Sustainable fisheries grants), National Fish and Wildlife Foundation, California Natural Resources Agency (<a href="http://resources.ca.gov/docs/bonds_and_grants/Agency_Grants_and_Loans_January_2018.pdf">http://resources.ca.gov/docs/bonds_and_grants/Agency_Grants_and_Loans_January_2018.pdf</a>), Land and Water Conservation Fund, etc.. Explore synergies with other industries: agriculture, marijuana, hunting.</p>

6 Recommendations

Priority Issue		Discussion	Recommendation
4c	Processing	<p><b>Key Concepts:</b> In order to add value to and increase demand for their catch, commercial fishermen need access to processing. Processing will increase markets and opportunities for commercial fishermen by enabling the sale of fillets and consumer-ready packaging directly to restaurants, retailers and consumers and get more locally-caught, sustainable fish on seafood consumers’ plates.</p>	<p><b>Explore options for developing a small-scale processing operation or for delivering locally caught seafood to nearby processors, including Eureka.</b></p>
5	Greater Control over Marina Property	<p><b>Key Concepts:</b> Presently, decisions about and improvements to the marina property are made by a private landowner and the Harbor District (HD).</p> <p>Shelter Cove fishermen do not have involvement in or control over the key parts of the marina property.</p> <p>The marina property is owned and controlled by a private landowner who does not live in the region (or country). The HD is engaged in a lease with this private landowner. Shelter Cove fishermen do not have involvement in or control over property that is crucial for the functioning of the waterfront. This creates a vulnerability.</p>	<p><b>The fishing community should work closely with the Harbor District on planning for the Marina property and consider lease agreements, easements, or even land purchases. The fishing community should also consider creating an Ad Hoc Marina Property Committee or create a fishing community organization or association that participate in decisions about the harbor, provide representation on the Harbor District Board, and help secure funding for projects.</b></p>
6	Traffic, Circulation and Parking Improvements	<p><b>Key Concepts:</b> For fishing businesses to be viable, fishermen, crew, and passengers need easy access to the launch site, boat yard, fish cleaning station, work areas and parking.</p>	<p><b>Consider a parking, circulation, and pedestrian study initiated by the fishing community.</b></p> <p>Potential Funding Sources: Humboldt County, Harbor District</p>
7	Boat Ramp Maintenance	<p><b>Key Concepts:</b> Maintenance of the boat ramp ensures safe and reliable access to the beach for fishermen to launch vessels and is critical to the existence of the fishing industry in Shelter Cove.</p>	<p><b>Conduct a technical analysis.</b> SHORT TERM - If a technical assessment of the current conditions and potential alternatives is available, it should be updated; if not a new one should be considered. (The fishing community should recommend/insist that a technical analysis be conducted that considers the current condition of the launch ramp, potential alternatives for upgrades improvements, and benefits it would provide. MEDIUM/LONG TERM - The community should identify a preferred alternative and work with the County, Harbor District, and permitting agencies to attract funding and implement upgrades/expansion.</p>

Priority Issue		Discussion	Recommendation
8a	Market Evaluation Opportunities	<b>Key Concepts:</b> Shelter Cove is defined by its rugged shoreline, remoteness, connection to the ocean, self-sufficiency of its residents, and fishing. However, there is no market to buy or consume local fish (consistently or conveniently). Providing access to locally-caught seafood through a local fish market gives fishermen an additional option for selling their catch, could increase income for local fishermen and reduce the need/costs/logistics of developing relationships with outside buyers and delivering it over the hill. Until the market is established, another option is allowing fishermen to sell directly off their boats.	<b>Continue to focus on establishing a local buyer, processor and fish market. Continue working with local restaurants and consider a locally caught promotional program or co-marketing opportunities with local agriculture programs that emphasize sustainability and locally produced food.</b>  Potential Funding Sources: USDA (Local and Regional Food Systems Grant Program), State Coastal Conservancy, Ocean Protection Council (Sustainable fisheries grants), National Fish and Wildlife Foundation, California Natural Resources Agency ( <a href="http://resources.ca.gov/docs/bonds_and_grants/Agency_Grants_and_Loans_January_2018.pdf">http://resources.ca.gov/docs/bonds_and_grants/Agency_Grants_and_Loans_January_2018.pdf</a> ), Land and Water Conservation Fund, etc. Explore synergies with other industries: agriculture, marijuana, local makers (honey, flowers, bakery).
8b	Fish Buyer	<b>Key Concepts:</b> For a business to be sustainable and competitive it requires reasonable and consistent access to a market, preferably a diverse market. Currently there is no concerted attention from a market in Shelter Cove to buy their fish.	<b>Attract a seafood buyer.</b> The fishing industry should continue working with buyers that visit the Cove and make pick ups in Redlands and continue efforts to attract a fish buyer(s) that visits regularly or is located in Shelter Cove. The fishing community should also continue supporting the Harbor District in their efforts to establish and fish market with cold and freezer storage and ice as part of this effort.
9	Road Condition and Maintenance	<b>Key Concepts:</b> A double lane, sinuous road that washes out during heavy storms is a constraint that will likely not change or change much over the long term. The critical factor is to ensure that the road is open for as much of the year as possible.	<b>Continue to work with the County to assure the upkeep, maintenance and expansion of the road.</b> Assure that in all discussions of the road the voices and representation of all marine-dependent users is included and known). The fishing community should include and work closely with the hotel/motel and other businesses in their efforts to assure the road is maintained, improved, and expanded. Pressure should/could be in the form of written comments, attendance at BoS meetings and public comment, working closely with BoS, individually and with candidates for open seats to assure they know the significance of the road to the Shelter Cove economy and entire community.
10	Recruit and Retain New Participants	<b>Key Concepts:</b> Recruitment of participants in the SC fishing fleet is undermined by a perception that other professions bring greater economic rewards.	<b>Consider education and vocational training programs which promote commercial fishing.</b>

6 Recommendations

Priority Issue		Discussion	Recommendation
11a	Access to Commercial Fish Resources	<b>Key Concepts:</b> Many fishermen from SC point to the challenge of heavy restrictions out of proportion for small-scale fishing operations.	<b>Commercial fisherman in Shelter Cove should, to the extent possible, attend regulatory meetings, submit written comments to local, state and federal regulators, and local officials to make their needs known. The fleet should continue working with the PCFFA to fight for reasonable regulations and consider working with Eureka and Trinidad to form a Humboldt County Community Quota Fund to maintain access to fish stocks and keep them in the community.</b>
11b	Regulation and Government	<b>Key Concepts:</b> The fishing community needs to be engaged in the decision-making if the process is going to serve them. Fishermen are at a disadvantage as time spent on meetings and crafting responses to potential regulation means time away from fishing, mending gear, maintaining their boat and selling their catch. The key on this issue is to find a way to make sure fishermen's voice is heard in local and regional policy and regulatory processes.	<b>Explore partnerships on key issues with other local and regional ports that could strengthen Shelter Cove's input/influence.</b> These tasks may be supported through the formation of a commercial fishing association or organization which pools resources of the fishing industry. An association may also better attract partnerships and funding, and through dues and grants could potentially fund a part time position to represent the industry at meetings and formulate spoken and written responses to legislation that could affect the industry. (examples: FBGA, MBCFO, PSLCFA). Comments from an association could be more powerful than an individual or loose group of individuals. Presence, participation, written and spoken comments are all part of making sure that goals, policies, programs, and regulation include the needs of local commercial fishermen in local planning and in the regional regulatory process (PFMC).
12	Habitat Restoration and Protection	The decline in the salmon stock through the degradation of habitat.	<b>Support efforts and legislation aimed at protection and rehabilitation of salmon in the entire watersheds not just the coast.</b>
13	Tourism and Recreational Fishing	<b>Key Concepts:</b> Recreational fishing and CPFV make up a large part of the participatory tourism of Shelter Cove, and complement hiking, camping, and pristine, breathtaking beaches. Local or regional tourism boards.	<b>Assure that if a fishing association organization is formed, the recreational fishing community is included to the extent possible.</b> Many of their needs/concerns overlap with the commercial and CPFV fleet. Work with the County to better promote recreational fishing and tourism opportunities in print and on social media. More visitors mean more potential demand for locally-caught fish, more income and employment local business ownership opportunities and ultimately a stronger voice in government and regulation.
Other		Low Interest Loans (CFF) Bait Tackle Kayak Surfboard Rentals Security Moorings Market for Fish Carcasses	These items were identified as important and needing further attention and opportunities that should be considered, when feasible.

## 7 POTENTIAL FUNDING SOURCES

To meet the sense of urgency and address the community's desire to make positive change for fishing in Shelter Cove, the following funding sources are provided in addition to those in the Recommendations section. The list is not intended to be a final statement but to help the community start a dialogue about financial support of some of the highest priority needs.

### NORTHERN CALIFORNIA COMMUNITY LOAN FUND (FORMERLY CALIFORNIA FISHERIES FUND)

Established in 2008, the California Fisheries Fund (CFF) has lent nearly \$4.8 million in small loans to fishermen, processors, distributors, ports, communities and non-profits for a variety of projects, including the establishment of quota banks and quota share purchases, installation and expansion of dockside infrastructure, gear and gear testing projects, vessels purchases, value added programs and marketing. The CFF is transferring their operation to the Northern California Community Loan Fund, a mission-driven organization that will continue to focus on lending to commercial fishermen and fishing communities in their efforts to increase stability and value.

<https://www.nccf.org/>

### CALIFORNIA COASTAL CONSERVANCY

The Coastal Conservancy's offers various funding opportunity aimed at restoration, protection and public access projects along the California coast. They recently funded a Community Sustainability Plan in Fort Bragg.

<http://scc.ca.gov/category/grants/>

### CALIFORNIA SEA GRANT

California Sea Grant programs are structured around healthy marine ecosystems, sustainable resource use, coastal community development, new technology, and education, training and public information. Strategic goals include working with stakeholders to resolve conflicts over resource-use, creating social and economic incentives to encourage the preservation and sustainable use of marine resources, and promoting vibrant coastal economies. Sea Grant has funded research, internships, aquaculture, storm/sea level change adaptation programs and projects on fisheries habitat, marine reserves, and the groundfish trawl fishery.

[www.csgc.ucsd.edu/FUNDING/IndxFunding.html](http://www.csgc.ucsd.edu/FUNDING/IndxFunding.html)

## COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

Operated by the California Department of Housing and Community Development, the purpose of the CDBG program is to create or retain jobs for low-income workers. This program provides funding for economic development projects, public infrastructure improvements, as well as housing and community related projects and activities.

<http://www.hcd.ca.gov/grants-funding/active-funding/cdbg.shtml>

## COMMUNITY FOOD PROJECTS COMPETITIVE GRANTS PROGRAM

The U.S. Department of Agriculture's (USDA) Community Food Projects (CFP) Competitive Grants Program is a major funding source for community-based food and agriculture projects nationwide. The CFP program is administered by the Cooperative State Research Extension and Education Services (CSREES) of the USDA and receives \$5 million per year in mandatory funding. Community Food Projects should be designed to:

- Meet the food needs of low-income people,
- Increase the self-reliance of communities in providing for their own food needs, and
- Promote comprehensive responses to local food, farm, and nutrition issues.

Projects may also be funded if they meet specific state, local, or neighborhood food and agriculture needs for:

- Infrastructure improvement and development,
- Planning for long-term solutions, or
- The creation of innovative marketing activities that mutually benefit agricultural producers and low-income consumers.

Private nonprofit organizations are eligible to receive funding directly, but collaborations with multiple stakeholders or with public and private for-profit entities are recommended.

<https://nifa.usda.gov/funding-opportunity/community-food-projects-cfp-competitive-grants-program>

## MOORE FOUNDATION

While the Moore Foundation typically works with conservation NGOs, they are dedicated to advancing environmental conservation and cutting-edge scientific research. The Marine Conservation Initiative focuses on area-based management and fisheries management reform. The program is slated to run through 2024 and focuses on the West Coast of the U.S. along with British Columbia and the North American Arctic. High priority targets for this Initiative are: managing the range of human uses and establishing frameworks for the enduring health of marine ecosystems. This includes science synthesis, data integration and modernization, economic incentives for sustainable activities, technological solutions for transparency and accountability, community-based monitoring of ecosystem health, stakeholder engagement and constituency building, leadership and capacity development, sustainable financing mechanisms and strategic communications. The Foundation has made significant contributions to the California Fisheries Fund, Cape Cod Commercial Hook Fisherman's Association, The Nature Conservancy and the Environmental Defense Fund with programs aimed at commercial fishery reform.

[www.moore.org](http://www.moore.org)

## NATIONAL FISH AND WILDLIFE FOUNDATION

The National Fish and Wildlife Federation's Fisheries Innovation Fund (FIF) was launched in 2010 and provides funding for improving capacity in fishing communities, including promoting participation in community-supported fishing associations; reducing bycatch; and improving fishery-related data collection and quantity for use in science, management and business purposes. The Fisheries Innovation Fund releases two requests for proposals (RFPs) each year to work towards sustainable fisheries in the United States: Fisheries Innovation Fund RFP and an Electronic Monitoring and Reporting Grant Program RFP. The FIF Request for Proposals (RFP) is typically due in May and cited the following objectives:

- Promote full utilization of Annual Catch Limits and minimize bycatch of overfished species and/or endangered, threatened, and candidate species;
- Develop and implement market, research, training, or strategic planning measures to build capacity and improve sustainability of U.S. fishing businesses and communities;
- Support improvements to recreational fisheries conservation and management;
- Support implementation of marine aquaculture.

<http://www.nfwf.org/fisheriesfund/Pages/home.aspx>

## NEW RESOURCES BANK (NRB)

New Resources Bank, strengthened by their merger with publicly-trade Amalgamated Bank in May 2018, is a mission-driven lender that specializes in funding businesses and organizations that contribute to environmental and social sustainability. NRB has worked with Ilwaco Fish Company and Wild Planet to facilitate their growth and capacity.

<https://www.newresourcebank.com/>

## NOAA FISHERIES FINANCE PROGRAM

The NOAA Fisheries Finance Program is a direct government loan program funded by Congress to provide long-term loans to aquaculture, mariculture, and commercial fisheries industries. There is no minimum or maximum loan amount, but it cannot exceed 80 percent of the eligible project's cost. The loan interest rate is fixed at two percent over the U.S. Treasury's cost of funds with loan maturities up to 25 years and no early pay-off penalties. A one-time filing/commitment fee equal to half of one percent of the proposed loan amount is required at the time the application is filed.

[www.nmfs.noaa.gov/mb/financial\\_services/ffp.htm](http://www.nmfs.noaa.gov/mb/financial_services/ffp.htm)

## THE NATURE CONSERVANCY AND THE ENVIRONMENTAL DEFENSE FUND

These conservation NGOs have worked with California fishermen on sustainable fishing issues in the State and should be considered potential partners, particularly on projects associated with the Limited Entry Trawl ITQ fishery.

[www.edf.org/oceans/catch-shares](http://www.edf.org/oceans/catch-shares)

[www.nature.org/ourinitiatives/regions/northamerica/unitedstates/california/howwework/central-coast-groundfish-project.xml](http://www.nature.org/ourinitiatives/regions/northamerica/unitedstates/california/howwework/central-coast-groundfish-project.xml)

## RESOURCES LEGACY FOUNDATION

The Resources Legacy Fund, through their Oceans Program has 3 areas of focus:

**Sustainable Fisheries Fund** – Promotes fishery and stakeholder participation internationally in the Marine Stewardship Council certification process primarily by providing targeted grants to improve fishing practices and support participation in the certification process.

**California Fisheries Improvement Strategy** – Works to enable important California state managed fisheries to meet global standards for sustainability and good management by 2024.

**California Coastal Program** – Seeks to support and strengthen the governance, protection, and conservation of California's coastal zone and state waters.

<http://resourceslegacyfund.org/>

## SALTONSTALL-KENNEDY GRANT

The Saltonstall-Kennedy (S-K) Grant Program is a competitive program administered by the National Marine Fisheries Service (NMFS) of the National Oceanic and Atmospheric Administration (NOAA). Through grants and cooperative agreements, the program provides funding assistance for research and development projects that benefit the U.S. fishing industry. Program priorities vary from year to year and projects that primarily involve business start-up or infrastructure development are not eligible.

*<https://www.fisheries.noaa.gov/national/funding-and-financial-services/saltonstall-kennedy-grant-program-application-process-and-deadlines>*

## SEA PACT

Sea Pact is a coalition of seafood industry leaders who strive to advance environmentally sustainable fisheries and aquaculture practices and provide the building blocks of a long term and sustainable seafood industry by financially contributing to improve the fishing and fish farming systems from which they procure. With periodic grants (Letters of Interest due in August), Sea Pact aims to select a project in line with their goals, including fishery and aquaculture improvement projects, habitat restoration efforts, scientific research and other related work. Areas of focus include:

- Social Responsibility
- Aquaculture
- Fisheries Management
- Traceability
- Special species of interest: Squid

*<http://www.seapact.org/projects.html>*

## U.S. SMALL BUSINESS ADMINISTRATION (SBA)

The U.S. Small Business Administration (SBA) offers a variety of loan programs for very specific purposes, including:

- The 7(a) Loan Program includes financial help for businesses with special requirements. For example, funds are available for loans to businesses that handle exports to foreign countries, and for other very specific purposes. Qualifying businesses may use proceeds to purchase land or buildings, and/or to cover new construction as well as expansion or conversion of existing facilities.

*<https://www.sba.gov/blogs/sbas-7a-loan-program-explained>*

## 7 Potential Funding Sources

- The 504 Loan Program provides approved small businesses with long-term, fixed-rate financing used to acquire fixed assets for expansion or modernization. 504 Loans are typically structured with SBA providing 40% of the total project costs, a participating lender covering up to 50% of the total project costs, and the borrower contributing 10% of the project costs. Under certain circumstances, a borrower may be required to contribute up to 20% of the total project costs. To be eligible for a 504 Loan, businesses must be operated for profit and fall within the size standards set by the SBA. Under the 504 Program, a business qualifies if it has a tangible net worth not more than \$15 million, and an average net income of \$5 million or less after federal income taxes for the preceding two years prior to application.

<https://www.sba.gov/offices/headquarters/ofa/resources/4049>

### CALIFORNIA MARITIME INFRASTRUCTURE BANK AND AUTHORITY

The California Maritime Infrastructure Bank and Authority services financing for ports and harbors and provides lease financing for infrastructure used by ports and port tenants. The Bank and Authority is not a commercial bank, and only member authorities may participate in financing programs. The California Maritime Infrastructure Bank and Authority can provide access to capital markets, act as a clearing house for multiple funding tools (grant, loans, etc.) and has the authority to form Joint Power agreements. As such, Shelter Cove would likely need to participate in a broader regional or county infrastructure project and identify breakwater, launch and processing facility improvements.

<http://www.californiamaritimeinfrastructureauthority.org>

### ECONOMIC DEVELOPMENT ADMINISTRATION (EDA)

The EDA is part of the U.S. Department of Commerce. EDA investment programs that may be appropriate for Shelter Cove include Planning and Local Technical Assistance where the EDA assists eligible recipients in developing economic development plans and studies designed to build capacity and guide the economic prosperity and resiliency of an area or region. The Planning program helps support organizations, including District Organizations, Indian Tribes, and other eligible recipients, with Short Term and State Planning investments designed to guide the eventual creation and retention of high-quality jobs, particularly for the unemployed and underemployed in the Nation's most economically distressed regions. The Local Technical Assistance program strengthens the capacity of local or State organizations, institutions of higher education, and other eligible recipients to undertake and promote effective economic development programs through projects such as feasibility studies and impact analyses.

<https://www.eda.gov/funding-opportunities/>

## INFRASTRUCTURE STATE REVOLVING FUNDS (ISRF) AND I-BANK LOANS

ISRF provides low cost financing from the California Infrastructure and Economic Development Bank (IBANK) to public agencies for infrastructure projects with loan terms of up to 30 years to be repaid with local tax revenues. Loan amounts range from \$250,000 to \$10 million per year, with a maximum of \$20 million per jurisdiction. Eligible projects which could have relevance in Shelter Cove include:

- Goods movement-related infrastructure
- Port facilities, public transit
- Sewage collection and treatment
- Solid waste collection and disposal
- Industrial, utility and commercial

<http://www.ibank.ca.gov/infrastructure-state-revolving-fund-isrf-program/>

## COMMUNITY LENDING

Under the federal Community Reinvestment Act (1977), depository institutions are required to help meet the credits needs of the community in which they operate. Many banks have community-lending programs. For example, Wells Fargo has a Community Lending division that provides interim construction financing for community development commercial real estate projects. Wells Fargo offers construction loans, permanent loans, bond financing, and letters of credit to developers and public agencies.

## GENERAL OBLIGATION BONDS

General Obligation Bonds may be sold by a public entity that has the authority to impose ad valorem taxes. Ad valorem taxes are based on an assessed value of real property and must be approved by a two-thirds majority vote of the people. Primary use of this tax is to acquire and improve public property.

## COMMUNITY FACILITIES DISTRICT (CFD)

A CFD or Mello-Roos District is an area where a special property tax on real estate, in addition to the normal property tax, is imposed on those real property owners within a Community Facilities District. These districts seek public financing through the sale of bonds for the purpose of financing public improvements and services. The property tax paid is used to make the payments of principal and interest on the bonds. The services and improvements that CFDs can finance include streets, sewer systems and other basic infrastructure, police protection, fire protection, ambulance services, schools, parks, libraries, museums and other cultural facilities. By law, the CFD is also entitled to recover expenses needed to form the CFD and administer the annual special taxes and bonded debt.

## INFRASTRUCTURE FINANCING DISTRICT (IFD)

The Infrastructure Financing District Act of 1990 authorizes Cities and Counties to create IFDs, voluntarily divert tax revenues to the IFD for up to 30 years, and issue bonds to finance regional scale public improvement projects in previously undeveloped areas. Other general provisions of the act include:

- Financed projects must provide benefits to an area larger than the IFD
- Financed projects must have a useful life of 15 years or longer
- Property in an IFD does not have to be blighted
- IFDs cannot overlap existing Redevelopment Project Areas

IFDs can Finance the Purchase, Construction, Expansion, Rehabilitation, Seismic Retrofit or Improvement of streets and highways, ramps and bridges, transit facilities, parking facilities, water and sewer projects, solid waste facilities, flood control, child care facilities, parks, recreational facilities and libraries, and residential dwellings. IFDs cannot finance operations such as on-going maintenance, services and repairs, or operating costs.

## WATER RESOURCES REFORM AND DEVELOPMENT ACT AND THE HARBOR MAINTENANCE TRUST FUND

With the recent passing of the Water Resources Reform and Development Act (WRRDA) (H.R. 3080), \$8.2 billion has been authorized for port, dam, and flood protection and environmental projects throughout the country, largely to be administered by the Army Corps of Engineers. Within this bill are provisions for the expanded use of the Harbor Maintenance Trust Fund, intended for the operation and maintenance of harbors and ports. The Trust Fund can be used for maintenance dredging, dredged material disposal areas, jetties, and breakwaters.

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