

Balloon Track future before voters again in Eureka

Allison White/The Times-Standard

Posted: 10/25/2010 01:14:17 AM PDT

Tensions ran high roughly a decade ago when the zoning of the Balloon Track property in Eureka first went to voters, but the same stage does not seem to be set for the upcoming November election.

Some say Eureka has never really recovered from the polarizing impact of 1999's Measure J, which asked voters to approve a zoning change for the Balloon Track property, a 43-acre former rail yard located south of Old Town, to allow for a Wal-Mart.

This year's Measure N asks voters a similar question -- to change the site's zoning from public to a mixed-use zoning. If approved and adopted, the change would allow for a recently proposed development that includes a Home Depot.

Measure J was met with a grassroots campaign to keep out Wal-Mart, and it also received a resounding no from Eureka voters during a special election that bitterly divided the community. So far, no group has formed to come out against Measure N, and the measure will join two other city measures and a number of elected positions up for grabs on the November ballot.

If approved, Measure N would change the zoning to allow for a project called the Marina Center by property owner Clean Up Eureka VI, a Security National subsidiary owned by businessman Rob Arkley. As proposed, the Marina Center is a mixed-use development anchored by a Home Depot with residential, office and retail space and an 11-acre wetland reserve.

* The Balloon Track's first ballot measure

When Wal-Mart

proponents were moving toward putting the zoning change to an election in 1999, some city staff were surprised. Community Development Director Sidnie Olson was a senior planner for the city and had been discussing with Wal-Mart developers the process they would need to go through to move the project forward.

After several meetings, city staff recommended the developers go with a Victorian design and apply for a local coastal program amendment to change the zoning to light industrial.

"Next thing we know is -- Bam! They're circulating a petition," Olson said.

The petition gained enough signatures and became Measure J for a special election in August 1999. The measure would have changed the site to commercial zoning, instead of the light industrial the city recommended. Light industrial would have given the city more options if the Wal-Mart development fell through or went out of business.

"We were surprised when the initiative came down, and doubly surprised they wanted commercial zoning," Olson said.

But the move to put the zoning change on the ballot was not altogether surprising.

City Manager David Tyson, then employed as the city's assistant city manager, said the project did not have enough votes on the city council. At best, it would have been a 3-2 split against, which is why Wal-Mart chose to go "directly to voters."

"It was a very divisive property and project," and the property continues to be, Tyson said.

A group of Eureka citizens opposed to the idea of a Wal-Mart in their city decided to fight the measure. Former Assemblywoman Patty Berg headed up the Think Twice campaign, before she ran for the Assembly seat, to face off its counterpart in a battle for voters. Wal-Mart spent about \$235,000 to convince Eureka residents that its store was right for the city, compared to the roughly \$50,000 raised by Think Twice members.

Berg said that a common Wal-Mart tactic at the time was to have a special election in a community during the summer when people are often on vacation or not anticipating a trip to the ballot box. Local voter turnout was about 50 percent that year, and Eureka was one of the first small towns to take on Wal-Mart and win.

"We were the Victorian seaport, and we weren't going to be manipulated," she said.

Berg said she and others were united against the big box store tromping into Eureka because it had a reputation for low wages, being a poor employer and destroying independently owned businesses. They didn't want to see local businesses forced to close, both in Eureka and in other areas of Humboldt County.

"The heart and soul of our community is small business," Berg said. "It's part of the fabric of this community."

On the other side of the debate were those that wanted to bring in Wal-Mart specifically, along with residents who wanted to bring a boost to the local economy in the form of jobs and increased sales tax revenue. Former Eureka Mayor Nancy Flemming was in favor of the development, but was a non-voting member of the council and could not sway the council's decision to not support Measure J.

"People feel strongly one way or another about development, and I personally think it will benefit the city," Flemming said.

Although she said she prefers developers to go through the normal route of getting city council and planning commission approval to make a zoning change, that isn't always possible anymore. Especially when a property is in the coastal zone and subject to even more scrutiny.

"California has almost made this a necessity," Flemming said.

Those for and against Measure J worked from February to August using advertisements, debates and town hall meetings to try to win over voters. During a town hall meeting in the Eureka Municipal Center, Wal-Mart brought employees from its Crescent City store to testify that the company had been kind to them, while citizens on either side spoke out.

The crowd at the Municipal Center was divided, and then-Community Development Director Kevin Hamblin said that the Wal-Mart issue overall proved to be extremely polarizing.

"Before, there didn't seem to be two opposing sides (in Eureka). Now everything in the city is controversial, and it's split 50/50," Hamblin said, adding, "It was the first big issue that divided the community."

Hamblin said he was also caught in the 1999 crossfire -- in an effort to clear up some misconceptions about the issue, opponents of Measure J assumed he was defending Wal-Mart's position. But he said he was just trying to battle misinformation about the site and the proposal, including that some opponents of the measure called the Balloon Track "waterfront property." Strictly speaking, none of that property touches Humboldt Bay, and it is separated from the water by a street and other parcels.

Another item of contention was that some felt Wal-Mart was trying to get around the law by taking the zoning change to the ballot box in the first place. Hamblin said that he can understand that some people felt the developers were bypassing some of the process, but the initiative is a legal way to change the zoning. The Eureka Mall zoning was approved through such a process.

"It seemed like every single day there was more misinformation," Hamblin said. "Unfortunately, my job was trying to clear that up."

Both sides fought for the advantage -- Think Twice maintained an aggressive campaign and Wal-Mart developers spent their own funds on a pro-Measure J campaign and also made a few missteps, including a botched phone survey and miscommunication with contractors who started work illegally.

When the final vote was tallied during the August 1999 special election, Measure J failed with about 61 percent of the votes cast against the measure.

Berg still remembers the moment she got the call from the Humboldt County Election's Office with the results -- for her, it was a moment of victory.

"I love what we called it -- the Think Twice campaign -- because in the end, that's what people did," Berg said. "They thought twice."

* Then and Now

Fast forward 11 years and the Balloon Track doesn't look much different than it did when Measure J fell to the wayside and Wal-Mart developers packed up and left Humboldt County. But the city around it has changed in the interim, and Measure N will be asking a similar, yet different, question this November.

Olson said the type of zoning change that Measure N is putting to voters would change the Balloon Track from the public zoning to a mixed use zoning, not the commercial zoning that Wal-Mart requested with Measure J.

The zoning change requests are different, but one similarity remains between the two measures: Both Measure N and Measure J were fueled by proposed controversial projects. However, the passing of such a measure cannot approve a project, only change the property zoning. Much like Wal-Mart, however, the Marina Center proposal has been highly debated and is in the public eye as the zoning change proposal goes to voters.

”How do you ask somebody to disengage from their mind what they know about the project?” Olson asked.

Some opponents to Measure J were against the change to commercial zoning, not just to Wal-Mart, Olson said. They felt that if the Wal-Mart project had fallen through, the commercial zoning would have limited future development options as opposed to a light industrial zoning.

The length of time the Balloon Track property has been vacant and failed efforts to develop it in the past has had an impact on some current voters. Mantova's Two Street Music co-owner Anthony Mantova calls his section of the historic area “the Wild West of Old Town” -- his storefront is one of the last between the east side of Old Town and the more industrial and under-developed section of the area.

”Any semblance of economic development, anything to give us a hint of growth would benefit the city,” he said. “I don't even care what ends up there.”

Mantova said that the city needs to be more welcoming to new business, be it big or small, as Eureka is developing a reputation of beating down new developments. The site of the Balloon Track property is a prime example of city residents taking sides and stopping development.

”If it's Eureka politics, it'll be contentious,” he said.

Local businesses can compete with the likes of Wal-Mart and Home Depot, because Eureka and Humboldt County businesses are innovative and make higher quality products, Mantova said.

But not all Eureka business owners are convinced. Old Town Antique Lighting owner Ken Norman was opposed to Wal-Mart in 1999 and is also not in favor of plans for another big corporate store.

”Big box stores such as Home Depot have a detrimental effect on the communities they come into,” Norman said.

The jobs created by such conglomerates often come at the cost of destroying small businesses, he said. If there really is a need for such a store, properties that are already developed should be suitable. But even so, those do not make up the heart of Eureka like locally-owned businesses do, he said.

”It's better to keep our city core thriving and alive and vigorous than to pull out to the strip malls and megastores on the outskirts of town,” Norman said.

Other business owners who opposed the 1999 Measure J are not necessarily opposed to Measure N. Linen Closet owners Vickie Eichelberger and Patricia McBride Costanzo were vehemently against Wal-Mart coming to Eureka, but the prospect of the Marina Center project and a Home Depot is not as big of a concern.

”When you hit that low, everything else seems fine,” McBride Costanzo said.

Normally, they don't get involved in local politics, but they took exception to Measure J. They said their opposition to a Wal-Mart development was not based on the idea of increased competition, but how the company had a reputation for doing business poorly. With the upcoming ballot measure, the two women aren't planning to get involved one way or the other.

”If it happens, it happens,” McBride Costanzo said. “We'll still do what we do. You can't dwell on the past.”

For others, the fear of a Wal-Mart trying again in Eureka is still real. In an attempt to mitigate some fears of the big box, city staff added a “discount superstore exclusion” to Measure N. The wording of the zoning exclusion has stood up against legal challenges in other areas, Olson said. Cities cannot exclude specific stores in zoning code, and the exclusion would prevent discount stores with a full grocery department from taking residence.

But it wouldn't necessarily stop a Wal-Mart.

Citizens for Real Economic Growth spokesman Neal Latt said it was a misleading move to include that exclusion in the proposed zoning change. It would not likely block a Wal-Mart, which is how it comes across, Latt said.

Security National Properties Vice President Randy Gans said in an e-mail that the company has no plans to bring in Wal-Mart to the Marina Center, especially because locals already proved in 1999 that is not what they want.

One aspect missing from the Measure N political debate is a Think Twice equivalent. No group has stepped forward and registered to raise funds in opposition to Measure N, but one group has formed in favor of it.

Berg said that much of the issue in 1999 was the proposed Wal-Mart. She refuses to step foot into any of the discount giant's stores out of principle, but she has been to a Home Depot store. The corporate hardware retailer would likely not create the jobs it promises, but instead replace small business jobs, Berg said. There doesn't seem to be as much of a uniform distaste for Home Depot stores, and the other aspects of the most recent project proposal might work well.

"The Marina Center project doesn't not have value," Berg said.

Security National and Home Depot decided to work together to put a branch in Eureka because many people leave the area to visit those stores, Gans said in an e-mail.

"But most importantly, they were chosen because of their long-standing history as a good employer with excellent benefit programs offered to both full and part-time employees," he said.

There are also local and regional businesses interested in the office space that will overlook the bay and the restaurant space, along with several light manufacturing businesses inquiring about the 65,000 square feet of planned industrial space, Gans said.

* Measure N as a message

When Security National representatives asked the Eureka council in May to take on the proposed zoning change and put the question to voters, they said it was in hopes of sending a message to the California Coastal Commission. The message if it passes: Eureka wants the Balloon Track property developed, and they want the Marina Center project.

The coastal commission must approve the zoning change before it will amend the local coastal program, whether it be approved through the city or the voters, because the property is in the coastal zone. Gans said the process of getting the necessary permits with the commission and other agencies keeps hitting road blocks and nets of bureaucracy -- commissioners and other agencies need to know what local people want.

It will also help "ensure that when this project is built, it is a source of pride for the city," Gans told the council in May.

The voice and opinion of Eureka residents is also important to the development of the Marina Center, said Security National co-owner Cherie Arkley.

"What do you want the Balloon Track to look like in five years?" Arkley asked at the May council meeting. "I want to know what the citizens think."

CUE VI and Citizens for a Better Eureka are currently involved in litigation with the coastal commission regarding the cleanup of contaminants at the site.

Humboldt County Supervisor Bonnie Neely, who also chairs the California Coastal Commission, said she is unsure if a voter-supported zoning change in the coastal zone is given any more weight than a city-approved zoning change. However, when such decisions are made at the ballot box, it makes it harder to adjust later, she said. All changes to the zoning of that property must then be made by votes. A Pebble Beach project was held up due to such an issue, she said.

"It couldn't move forward because if there was one small change, it would have been a waste of money and time," Neely said.

The coastal commission's main concern is the cleanup of the site, she said.

The message might not be as loud and clear as those in favor of the measure hope it will be, said real estate expert and San Diego Planning Commissioner Robert Griswold. The coastal commission is the final arbitrator and the "800 pound gorilla" for any changes to local coastal programs, he said. Commissioners are more likely to consider what is best for state citizens as a whole than what the citizens of Eureka want.

A voter-approved measure does not have a history of carrying more weight before coastal commissioners.

”They are totally independent, and it will be a minor influence, if not none at all, in my experience,” Griswold said.

Security National and CUE VI also hope Measure N will speed up the process of getting the zoning change approved if voters agree. However, Councilwoman Linda Atkins said the city was not the entity slowing down the process and that using the ballot measure to circumvent the planning commission and the council would only prolong the process.

City staff are unsure if the typical process would have gone through faster. If planning and other city departments had enough time and were fully staffed, it might have been faster to go through the city, Olson said. But with budget cuts in recent years and staff reductions, it might have also dragged somewhat.

City staff are still involved in the project, but there is less work to be done.

”The amount of staff time involved is considerably less with a ballot measure,” Olson said.

The council put Measure N on the ballot, which sets it apart from Wal-Mart's proposal. In 1999, a citizen initiative was circulated to gather signatures and then was submitted to be put on the ballot as Measure J in a special election. For Measure N, Security National developers requested the council vote to put it on the November ballot, which is a regular election.

Having the city take it on means it is subject to normal project regulations and the costs associated with those, including California Environmental Quality Act standards. Citizen initiatives such as Measure J are not set to the same standards and are not paid for by the city. In an effort to get the Eureka council to approve Measure N for the ballot, Arkley wrote the city a check for \$30,000 -- the estimated cost to the city to process the measure.

During discussions before the council took up Measure N, Councilman Larry Glass offered to instead put an advisory measure on the ballot that would ask voters if they liked the Marina Center project as proposed. Atkins and Glass then proposed to expedite the process with the Eureka Planning Commission to get the zoning change approved that way.

An advisory measure would be less costly to the city, take less time and still allow voters a voice.

Gans said that wasn't good enough. It wouldn't be a “strong enough” message to the coastal commission.

Citizens for Real Economic Growth sees it differently. Latt said he suspects Security National is really just looking for an out with this property, and changing the zoning from mostly public would make it an easier sell. Wal-Mart might be a potential buyer, since only a larger corporation could afford to receive the permits needed to cleanup the site, settle litigation and then develop the property, Latt said.

The change in zoning could potentially make it easier to sell, but that isn't necessarily a bad thing. From a real estate perspective, Griswold said that although Security National could be looking at selling the property, land owners don't normally change the zoning of a property “for the fun of it.”

”It's actually a good sign that they're willing to invest,” he said. “They're betting things will be better down the road.”

The fallow state of the property probably means the current zoning isn't appropriate, Griswold said. Whether a property's zoning is changed through the ballot or the city doesn't impact the value.

The fact that the property has languished unused and vacant for so long has some worried it will only get progressively harder to build something there. Hamblin said both Measure J and Measure N stirred up so much controversy that it will make it much harder to develop there in the future, if this process doesn't move forward.

”If that's stopped, my grandkids will see the Balloon Track as it is now,” Hamblin said.

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