Trouble on the Waterfront: The Plight of Eureka's Tidelands

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In 1968, Lawrence Lazio, president of Tom Lazio Fish Company, sought to expand and improve the company's property at the foot of C Street in the City of Eureka on Humboldt Bay. There was a fish processing plant, as well as the famous Lazio's Restaurant, and he wanted to add a parking lot and other refurbishments. When he went to procure a loan for the improvements, the bank refused his application due to a "cloud" over his title to the property. In other words, his was not the only claim to that particular piece of land. This hitch in a property owner's development plans ultimately led to an expensive legal battle. By July 1976, when the litigation first entered the court room, property owners all along the northern shore between Commercial and K Streets were contending with the City of Eureka, as well as the State of California, for control of the waterfront and the right to any potential revenue.

The beginning of the trouble on Eureka's waterfront stretched all the way back to the incorporation of the town, which in 1856 was little more than a smattering of buildings perched on the edge of Humboldt Bay. Little though it may have been, the new town's advantageous location provided the promise of growing into a bustling seaport that could boast an impressive lead in the lumber and shipping industries. Perhaps this was just what the State of California had in mind when granting the town stewardship of its tideland areas for the express purpose of distributing it among the current mill owners on the waterfront.

Rather than assuring Eureka's economic development, this maneuver paved the way for a self-serving city council to allow much of Eureka's coveted waterfront to pass into the possession of a few men, namely those mill owners who were occupying the lands when they were offered for sale. Private ownership of the tidelands, combined with indefinite property boundaries and an ever-changing tideline, has had a ripple effect that continues to hamper the development of said waterfront some 150 years later.

¹ Jerry Willis, "The First Attempts to End the Alienation of Eureka's Waterfront," research paper, History 299 (Humboldt State University, 1969), 2-3.

In the case Lazio v. City of Eureka, the defense argued that the city had no legal right to sell the lands that were granted into its stewardship by the State of California, due to the vague wording of the original grant and other contemporary legislation which left much to individual interpretation. As tidelands these areas were important for shipping, transportation and fishing, and therefore they should have remained in the city's possession. Further, even if waterfront owners established legal ownership, the original property boundaries had shifted with the tides over the years and owners had been building on real estate that still rightfully belonged to the city. The ties between Eureka's waterfront and its economic development made these issues significant not only to the individual waterfront property owners, but to the entire city, and they provide a context for understanding similar struggles throughout the state.

On 13 March 1857, the State of California granted to Eureka all the tidelands within its corporate borders, including the state's "right, title and interest... in and to all [such] lands."² Section two of this grant outlined the means by which the city could subdivide and sell such lands by first offering it to the current occupiers of the property at no more than one dollar per "front" foot, and then, if said lots weren't purchased, they were to be offered at public auction.³ A stipulation on the size of the tideland lots was that they would only stretch out into the bay to a point where the water was not over six feet deep at low tide.⁴

² "An Act," *Humboldt Times*, 4 April 1857.

³ *Ibid*. The issue of whether towns or citizens of towns located on public lands could be evicted or have the land subdivided and sold out from under them had come up some years before and perhaps prompted the discussion and eventual passing of this act. It was mentioned in *Humboldt Times*, 7 June 1856.

^{4 &}quot;Ibid.

In order to properly carve up the lots for transfer to private ownership, the city hired J. S. Murray in August of 1857 to survey the waterfront and determine the borders of each lot.⁵ According to a research paper written by Jerry Willis for a history course at Humboldt State College in 1969, Murray did not go about his task in a "forthright" manner.⁶ It appeared that his survey was a copied and enlarged portion of an unofficial map James T. Ryan made shortly after landing in Humboldt Bay in May 1850, which contained neither street names nor block numbers.⁷ In addition, no effort was made to establish any kind of marker in the bay itself at the six foot depth line.⁸

Over time, waste from the mills, dumped ballast and silt began to fill in the channel around the wharves. Waterfront owners built right on top of this fill in order to reach the shifting shoreline. In August 1870, the Humboldt Bay Board of Harbor Commissioners was established to address growing concern over the legality of the new wharves and developments extending so far into the bay. The channel off Eureka's north shore was a valuable transportation corridor and it was important to keep it navigable for that purpose. The Board commissioned a new survey by W. H. Fauntleroy, a captain with the United States Lighthouse Department, to determine where the six foot depth line was at that time. When some of the wharves were rebuilt to reflect the new "Fauntleroy Line," a few of them were extended nearly

⁵ Minutes of Town of Eureka Board of Trustees, 17 August 1857 (excerpt, p. 9-10 of Revised Minutes).

⁶ Jerry Willis, "The First Attempts to End the Alienation of Eureka's Waterfront," research paper, History 299 (Humboldt State College, 1969), 2.

⁷ Eureka v. McKay & Co. 123 Cal. 666 (1898-1899).

⁸ Norton Steenfott, interview by Jerry Willis, Eureka, CA, 5 November 1969.

⁹ Weekly Humboldt Times, 9 April 1870.

¹⁰ *Ibid.*, 8 November 1870.

twenty-five feet further into the bay, suggesting quite a difference in the tideline from Murray's "1857" survey to Fauntleroy's survey of 1870.¹¹

Now that there was a new line and, for all intents and purposes, new land, the issue of ownership needed to be re-determined. The mill owners insisted that it was obviously their land. ¹² In return for keeping "title to their claim," they expected to pay no more than the purchase price per foot for the difference between the two surveys. ¹³ Eventually, the Town Council, comprised of four mill owners out of five members, ¹⁴ decided to put the property between the two survey lines up for sale ¹⁵ and permitted the owners to legalize their claims for a dollar or less per "front" foot. ¹⁶

After the auction, Eureka retained only a few hundred feet of its waterfront, mainly in the form of rights-of-way that connected perpendicular city streets to the shoreline.¹⁷ Only five of these were developed into public wharves, those at the foot of C, F, I, J and O Streets respectively, and only three of these were of any "lasting commercial importance."¹⁸

As the years went by, the tideline continued to change, as tidelines are wont to do in the face of the continued fill build-up along the wharves. Eventually the mill owners came to the realization that even their extended wharfage had become inadequate for long-haul shipping vessels. In 1881, the Army Corp of Engineers, funded by the federal government, dredged the

¹¹ Daily Humboldt Times, 25 April 1874.

¹² Weekly Humboldt Times, 8 November 1873.

¹³ Northern Independent, 12 October 1871.

¹⁴ Weekly Humboldt Times, 22 June 1872.

¹⁵ *Ibid.*, 23 August 1873.

¹⁶ Ibid.

¹⁷ Eureka Board of Trustees, *Minutes, 1856-1969* (Arcata, CA: Humboldt State University Microform Collection), microfilm, 16 July 1857.

¹⁸ Jerry Willis, "The First Attempts to End the Alienation of Eureka's Waterfront," research paper, History 299 (Humboldt State University, 1969), 8.

bay for the first time to the tune of \$81,000.¹⁹ However, even this was a temporary solution, for by the late 1890s, the Eureka Channel was nearly back to the way it had been before being dredged.²⁰

This was not good for Eureka's lumber industry. In the early days of lumbering on Humboldt Bay, most of the sailing craft that frequented the northern California coast were specifically designed for the shallow waters and shifting sands of "bar harbors," like that of Eureka's north shore, where the changing underwater topography made navigation difficult for deep water ships. However, these small craft were of limited capacity and not really suited to long journeys on the open sea. With an increase in production, more and more companies began using larger vessels that didn't have to stop in San Francisco and unload so that product could be trans-shipped to distant markets.²¹ That was expensive and, with the use of larger ships, unnecessary. Eureka's waterfront faced the abandonment of its mills in favor of those located at more accessible spots further south on Humboldt Bay, such as Bucksport, if it failed to maintain its channels and improve its wharfage.

Despite the detriment the changing waterway posed to Eureka's mills, the town was unlikely to get any more free help from the Army Corp of Engineers. By this point the government had become wary of the expense of maintaining waterways whose waterfront facilities were under private control.²² If Eureka couldn't get its waterfront under municipal control, it faced a drastic reduction in business. The town needed access to and at least minimal

¹⁹ Report of the Chief of Engineer, *Annual Reports of the War Department*, 1882. I (Washington, DC, 1882): 317.

²⁰ Report of Chief of Engineers, *Annual Reports of the War Department, 1899,* I (Washington, DC, 1899): 560.

²¹ Jerry Willis, "The First Attempts to End the Alienation of Eureka's Waterfront," research paper, History 299 (Humboldt State University, 1969), 14.

²² Labor News, 27 May 1916.

control of the entire length of its waterfront in order to conduct its own improvements of navigation and wharfage so that it could keep pace with the growing lumber industry.

In 1897, mill owner and ex-Town Councilman, David Evans, promised in his mayoral campaign to implement a railroad line that would run through the town connecting all the wharves in order to unite Eureka's waterfront for improvement of wharfage.²³ The development of the rail lines in Humboldt County allowed the lumber industry to retrieve its raw materials from farther and farther away and then deliver them directly to the mills.²⁴ Once elected, Evans tried to impress upon the mill owners that a common carrier rail line was in everyone's best interest. Connecting all the mills and making the necessary improvements to the individual wharves would boost business. However, the mill owners saw this as a means for the city to control them.²⁵ Tracks were laid in Eureka anyway, but this was done by a number of different rail companies, and lines didn't always connect.²⁶

Although Evans did not achieve his intended goal of a common rail carrier, his call to improve the waterfront did raise the question of ownership but, as Willis points out, "no attempts to regain control of any portion of it by legal or legislative action occurred."²⁷ The issue began to fade out of the public eye until the Socialist Party began campaigning for the

²³ Jerry Willis, "The First Attempts to End the Alienation of Eureka's Waterfront," research paper, History 299 (Humboldt State University, 1969), i.

²⁴ Lynwood Carranco and Henry L. Sorenson, *Steam in the Redwoods* (Idaho: Caxton Printers, 1988).

²⁵ Jerry Willis, "The First Attempts to End the Alienation of Eureka's Waterfront," research paper, History 299 (Humboldt State University, 1969), 13-14.

²⁶ Lynwood Carranco and John T. Labe, *Logging the Redwoods* (Idaho: Caxton Printers, 1975).

²⁷ Jerry Willis, "The First Attempts to End the Alienation of Eureka's Waterfront," research paper, History 299 (Humboldt State University, 1969), i.

mayoral seat in 1911.²⁸ They asked again and again for legal ownership of the waterfront to be determined.²⁹

This was not solely a Socialist Party issue, and a wave of similar legal actions to regain municipal tidelands throughout the state prompted State Senator William Kehoe to attempt to recover some property that had been sold as "Swamp and Overflow Lands."³⁰ The Swamp Lands Act, a California statute passed in 1858 which echoed the federal law passed in 1850, was vague in its distinction between various inundated lands, and tidelands, which were important for navigation of shipping lanes, were sometimes sold as swamp or overflowed lands.³¹ Kehoe stated that the lands in question were really "tide lands and heretofore not subject to purchase by individuals."³² However, Senator Kehoe was advised to wait for what was to become the landmark decision in the California Fish Case before pursuing the matter further.³³

In 1913, it was decided in *People v. California Fish Company* that "the tide lands belong to the people and... the state had no right to sell them."³⁴ Looking back, this seems like the perfect opening for Senator Kehoe to have moved forward with his legislation, but he was informed that "some property owners thought it inadvisable to raise the question of tide land ownership."³⁵ Nothing was done, and the issue again faded out of public view.

It is very probable that the property owners who did not want to stir up the issue of the California Fish Case decision were the same men who, after the Fauntleroy survey was

²⁸ Jerry Willis, "The First Attempts to End the Alienation of Eureka's Waterfront," research paper, History 299 (Humboldt State University, 1969), i.

²⁹ Ibid.

³⁰ Humboldt Chamber of Commerce, *Minutes*, 19 December 1912.

³¹ General Laws of the State of California: From 1850 to 1864, Inclusive (San Francisco, CA: Bancroft, 1897).

³² Humboldt Chamber of Commerce, *Minutes*, 4 January 1914.

³³ Daily Humboldt Times, 4 January 1914.

³⁴ People v. California Fish Company, 166 Cal. 582 (1913-1914).

³⁵ Daily Humboldt Times, 4 January 1914.

conducted, orchestrated a means for buying up the new land that appeared at the edge of their properties. Regardless of whether they were the very same individuals, it is easy to see how the influence of the property owners in the town government created barriers that separated Eureka from her waterfront.

In the wake of the California Fish Case, the issue of who owned Eureka's tidelands languished for several decades, until Lawrence Lazio was denied his loan. In order to quiet title—that is, to "quiet" anyone else's claims to the property—Lazio filed a complaint against the City of Eureka through the California State Supreme Court.³⁶

City Attorney Melvin Johnsen, realizing the depth of the issue, turned to the law firm of Nossaman, Krueger and Marsh in Los Angeles for help.³⁷ Of course, that kind of help didn't come cheap, so the City Council decided to ask the state government for funding. Senator Randolph Collier proposed a bill to grant Eureka \$250,000.³⁸ Measure SB 1008 was finally approved in October of 1971, but as a loan that the city had to begin paying back starting in 1974.³⁹

To make matters more complicated, more waterfront owners in similar situations, along with their title companies, joined Lazio's struggle to quiet title. By the end of the first phase of the trial, both sides had committed a lot of money to the process, and the state government was again called upon to ease the burden on the city's taxpayers. State Assemblyman Barry Keene

³⁶ "The long and tangled history of the Eureka tidelands litigation," *Arcata Union,* 30 November 1978.

³⁷ Ibid.

³⁸ "Collier Passes City Tideland Bill," *Times-Standard,* 11 August 1971. The City Council originally attempted to keep this information from the public, but the local media called them out.

³⁹ "City gets loan of \$250,000," *Times-Standard*, 28 October 1971.

introduced measure AB 925, which provided the city with a loan for a further \$750,000 and forgave the original \$250,000.⁴⁰ It was approved in the fall of 1977.⁴¹

The funds from measure AB 925 were appropriated from the Oil and Gas Revenue of the City of Long Beach's tidelands.⁴² Part of AB 925 was that a portion of the revenue garnered from future developments of property regained by the city was to be put into a fund for the improvement and preservation of the city's tidelands after the loan was paid off.⁴³

Too often left in the dark about the funding issues of the litigation by the city council, Eurekans began to question the intelligence of pursuing the course. The question of why the city didn't simply drop this fruitless endeavor was asked repeatedly in the local papers. 44

Johnsen tried to explain that the city couldn't give up. 45 He pointed out that the main reason the state was willing to give the city money was because if the city didn't regain control of its waterfront, originally granted them by the state, then the state planned to step in and reclaim the property for itself. 46 If private control of the waterfront was difficult for the city, state control would have been even worse because the city would no longer have access to any possible revenue.

The first phase of the trial, which began 12 June 1976, was to determine whether the current property owners were the legal owners of those portions of the waterfront.⁴⁷ Judge

⁴⁰ "Eureka is closer to tidelands help," *Times-Standard*, 11 August 1977.

⁴¹ "The long and tangled history of the Eureka tidelands litigation," *Arcata Union,* 30 November 1978.

⁴² "Eureka is closer to tidelands help," *Times-Standard*, 11 August 1977.

⁴³ Ibid.

⁴⁴ Louise Freeman, "Tidelands," letter to the editor, *Times-Standard*, 4 June 1979.

⁴⁵ "What of the state in tidelands case?" *Times-Standard*, 18 August 1978.

⁴⁶ Ibid

⁴⁷ "June 12 scheduled as trial date for Eureka tidelands litigation," *Times-Standard*, 23 April 1976.

Thomas Kongsgaard of Napa⁴⁸ decided in favor of the owners and title companies.⁴⁹ They had, after all, been paying taxes on those properties for a hundred years.

The second phase of the trial was to determine where exactly the six foot depth at low tide line was in 1857 and how much of a difference that was from the current line.⁵⁰ The beginning of this phase was delayed by more than a year so that the city could obtain surveys from the United States Coast Guard in order to estimate the six foot depth at low tide line of the 1850s by comparing measurements from different ports along the coast.⁵¹ The *Times-Standard* reported that the prosecution found the city's methods unscientific.⁵² They argued that there was no real way to determine the original measurements.⁵³

The decision of this phase was also delayed. The city had struck an agreement with some of the waterfront owners, and Judge Kongsgaard encouraged the rest of the owners to settle out of court.⁵⁴ A settlement was indeed reached with the rest of the owners and their title companies in September of 1979, but the Eureka City Council did not vote to approve it until July of 1980.⁵⁵ It was a further six months before the end of the litigation was finalized before Judge Kongsgaard, who had presided over the case for seven years.⁵⁶

⁴⁸ A judge was chosen from outside the county due to the fact that the judges residing within the county were too closely tied to either the prosecution or the defense.

⁴⁹ "The long and tangled history of the Eureka tidelands litigation," *Arcata Union,* 30 November 1978.

⁵⁰ Ibid.

⁵¹ *Ibid.*

⁵² "Tideland: scientific methods challenged," *Times-Standard*, 2 August 1978.

⁵³ Ibid.

⁵⁴ George Cox, "Progress in tidelands dispute hinges on proposed settlement," *Times-Standard*, 1 November 1978.

⁵⁵ "The long and tangled history of the Eureka tidelands litigation," *Arcata Union,* 30 November 1978.

⁵⁶ Ibid.

The original settlement, arranged before the end of the second phase of the trial, was made between the city and Robert Halvorsen of Halvorsen Lumber Products along with an interested developer by the name of Don Murrish.⁵⁷ It was agreed that the City of Eureka would receive:

500 feet of waterfront property between K and M streets; an agreement to purchase two additional parcels in the same area; an area for waterfront pedestrian esplanade from M Street east to the foot of Y Street; all of Daby Island, and a 100-foot wide environmental protection area along a part of Eureka Slough. 58

In exchange for his concessions to the city, Halvorsen was granted free title to the rest of his property so that he and Murrish could go ahead with their development plans.⁵⁹

The details of the settlement that ended the case, the one which the city made with Lazio and the rest of those involved, seems to have been agonized over. The city did not approve the settlement for nearly a year.⁶⁰ The final documentation included several stipulations. A waterfront boundary line would be established to separate public and private property.⁶¹ Property owners, including Lazio, agreed to concede the property on the northern side of this line to the city.⁶² In exchange, they had the option to fill in and reclaim land between the waterfront line and the high-water mark on the southern side.⁶³ The city would also purchase portions of parcels equaling \$181,000, and the property owners would be able to

⁵⁷ George Cox, "Progress in tidelands dispute hinges on proposed settlement," *Times-Standard*, 1 November 1978.

⁵⁸ Ibid.

⁵⁹ Ibid.

⁶⁰ "The long and tangled history of the Eureka tidelands litigation," *Arcata Union,* 30 November 1978.

⁶¹ "Tidelands case finally ends," *Times-Standard*, 2 July 1980.

⁶² "Agreement for the settlement of a dispute relating to land within the Hubmodlt Bay area (Commercial-K Streets area, City of Eureka)," exhibit no. 1361, *Lazio v. City of Eureka*, (1980).

⁶³ Ibid.

lease the lands north of the waterfront line for 15-year terms.⁶⁴ The relatively short lease terms allowed the city access to the property for repairs or improvements at least every 15 years.

Robert Krueger, an attorney with Nossaman, Krueger and Marsh, said that he felt that an official ruling might have favored the city, but that the settlement provided immediate relief to a long-standing difficulty for Eureka.⁶⁵

And what, if anything has come of Eureka's waterfront today? The city was in the middle of a primary election campaign when I first moved to this area in late 2005. The candidates for County Supervisor lamented the neglected waterfront and attempted to win the hearts of their constituents by promising the improvement of the shoreline for the benefit and enjoyment of all.

Had nothing happened in the previous twenty-five years? Well, some things had happened. Various citizens had contributed to the construction of public venues on lands which were acquired by the city as a result of the litigation. Robert Halvorsen planned to build a hotel and commercial center that eventually dwindled to become Halvorsen Park. The Adornis desired to improve a particular piece of property which later became the Adorni Center. An amphitheater was built. Plans were made for an improved public promenade.

Other things happened, too. In response to yet another bid to ease the city's financial burden, Governor Schwartzenegger decided that the City of Eureka should continue to pay on a loan that was already paid off, instead of letting that money go into the city's tidelands fund.⁶⁶ Because the period of repayment was never officially attached to the documentation of the loan

⁶⁴ "Tidelands case finally ends," *Times-Standard*, 2 July 1980.

⁶⁵ Ibid

⁶⁶ "Governor swamps Eureka loan cut-off," *Times-Standard*, 23 September 2005.

measure, the governor decided that the city must continue to pay with interest regardless of the fact that the original amount has long since been surpassed.⁶⁷

Due to the conflicting interests created by its convoluted system of ownership and control, development on Eureka's waterfront continues to proceed in fits and starts. Over the years several promising projects have been presented that seem to have gained momentum only to die on the drawing board. The issue of what sort of development is best for the area becomes more involved as time progresses. The one-hundred-fifty-year struggle over which industry will dominate the waterfront has been complicated by competing desires for the bolstering of Eureka's economy and the protection of Humboldt Bay's ecological niche.

A number of factors, such as the vagueness of government dictates and the complication of local politics, created a multigenerational problem. Mismanagement of the tidelands on Eureka's northern border has cost the city years of revenue from a lack of development, not to mention the legal fees and the continued repayment of the aforementioned loan. Much of this difficulty stems from the fact that the implications of policy for future generations were often ignored, a rampant trend in California, as well as in the federal government. If these issues are to be prevented in the future, government officials must learn to look ahead when introducing public policy.

The tangled history of Eureka's tidelands presents us with a prime opportunity to understand how our actions create a ripple effect that can travel through many generations. Especially now, when much of the modern world is grappling with the negative effects of past policy, it is important to keep in mind how what we do today will shape the world of our children and grandchildren.

⁶⁷ "Governor swamps Eureka loan cut-off," *Times-Standard*, 23 September 2005.

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