



AGENCY: City Council
MEETING DATE: March 27, 2023
DEPARTMENT: Public Works
PRESENTED BY: John Smith
EMAIL ADDRESS: jsmith@fortbragg.com

AGENDA ITEM SUMMARY

TITLE:

Receive Report and Consider Adoption of City Council Resolution Approving Agreement for Acquisition of Six Parcels of Real Property (Assessor's Parcel Nos. 019-070-07-00, 019-070-10-00, 019-070-11-00, 019-080-14-00, 019-080-16-00 and 019-080-23-00) and Approving a Certificate of Acceptance

ISSUE:

City staff have been engaged in discussions with the Mendocino Coast Park and Recreation District (the "District") over the City's potential acquisition of six parcels (the "Property") located adjacent to Hwy 20 that the City could potentially develop for water reservoirs and recreational uses for the public. The parties have negotiated a purchase amount of \$2,420,579.00 for the Property, which amount will come from the City's Water Enterprise Fund. The parties have selected a closing date on or before March 31, 2023.

On March 22, 2023 the Fort Bragg Planning Commission made a finding that the Property's acquisition by the City is in conformance with the City's General Plan. Government Code Section 27281 requires that a deed conveying property to a governmental agency cannot be accepted for recordation without the consent of the grantee as evidenced by a Certificate of Acceptance. To effectuate this acquisition before the closing date, the City Council must approve the purchase and sale agreement and certificate of acceptance so the escrow company can record the necessary documents on or before the closing date.

ANALYSIS:

The City has been battling with water supply options for a number of years (1990's). We've looked at utilizing train cars to transport water, trucking water, solar dehumidifiers, we have reviewed over 1000 wells in the area and studied related documents of old. Potential surface water sources and water rights have been looked through, and most recently, desalination of ocean water and raw water storage options have been pursued.

The City has done a great work by completing several water projects and researched dozens of storage sites and new and innovative sources with limited success. As our existing sources continue to be impacted by our current weather patterns, staff is pushing the limits of water source opportunities and water storage to secure safe drinking water for our customers and ensure reserves for fire protection. Our City is geographically isolated, and staff makes decisions/recommendations that consider reliability and necessary resilience related to our location.

Most recently we have been searching for a location that will provide space for a large water storage project. Several properties were reviewed according to our criteria. The District property was the best fit for the project. This property consists of 582 acres (six parcels) that

AGENDA ITEM NO. 8D

are primarily zoned Timber Production/Forest Land. At just shy of one square mile, the property provides more than enough space for construction of three 45 acre foot reservoirs. These reservoirs are expected to be similar in size to that of our Summers Lane Reservoir. Three reservoirs will require approximately 30 acres of land. This proposed site provides convenient connection to infrastructure allowing gravity flow to our raw water line, conveying water to our treatment plant. Another benefit is the proximity to high power PG&E transmission lines. Our reservoirs require a floating cover to suppress algal growth and evaporation. The City's existing reservoir has a floating cover to reduce the effects of sunlight which has worked extremely well. It is our hope to install floating solar panels on the new reservoirs to reduce algal growth, evaporation and generate roughly 3 – 3.5 Mega Watts of electricity.

Potential Benefits of This Work

- Additional 44,000,000 gallons stored
- Sustainable drought tolerant water portfolio
- Resiliency/self-sustaining
- Watershed protection
- Off stream storage
- Rain capture = 760,000 gallons/inch of rain (over all four reservoirs)
- Community Fire protection – helicopter water access
- Riparian Habitat relief
- Sensitive natural communities protection
- Community Forest
- Grant funds to fulfill management and maintenance needs of the property
- Reservoir Solar cover – Floating cover to provide 3.5MW
- Coastal (County) water support set aside – TBD
- Tie in with Blue Economy

Water supply to the reservoirs

- Use existing water sources to fill reservoirs in winter months. We will have a consultant under contract to provide us with an operations plan to show reduction in overall water use by pumping during winter months when the Noyo River flows are elevated.
- To accomplish this, a pump station will be located inside the water treatment plant to pump raw water from our storage ponds at the plant. Another pump station will be located at our Newman source to pump water to the reservoirs or to the water plant.

It is the City's responsibility to deliver safe drinking water to our customers, from the source to the tap, every day. We will continue the pursuit of increasing water supply, providing a resilient and sustainable product while treading lightly. While we've experienced a few extreme droughts, we anticipate greater challenges are to come.

CEQA

The item before the Council tonight is not a “project” subject to CEQA under 14 CCR 15378(a) because approval of the Agreement has no potential to result in a direct or reasonably foreseeable indirect physical change in the environment because the purchase will result only in a change of property ownership, with no reasonably foreseeable changes to the Property or the environment in the foreseeable future for the following reasons:

- (1) All potential uses of the Property are preliminary and not binding commitments;
and
- (2) The City Council has not adopted a resolution or otherwise formally selected the site for any specific use; and
- (3) The City Council has not appropriated or otherwise authorized any expenditures toward developing or using the property for any purpose; and
- (4) Even though it may be reasonably foreseeable that the city may someday approve plans to use the property for a reservoir or recreational purposes, nothing in the Agreement commits the City to a definite course of action since there are no development plans in existence.
- (5) Any proposed future development of the Property would be subject to legally required CEQA review by the lead agency.

Additionally, 14 CCR 15004(b)(2)(A) provides that the City may “designate a preferred site for CEQA review and may enter into land acquisition agreements when the agency has conditioned the agency's future use of the site on CEQA compliance.”

For your consideration tonight is a resolution that:

1. Approves the Agreement for Acquisition of Real Property;
2. Approves the Certificate of Acceptance;
3. Makes findings that the Property’s future use is conditioned on compliance with CEQA;
4. Directs the City Manager to execute all documents to complete this transaction.

RECOMMENDED ACTION(S):

1. Approve the attached resolution.

FISCAL IMPACT:

\$2,420,579.00 from the City’s Water Enterprise Fund.

GREENHOUSE GAS EMISSIONS IMPACT:

None.

CONSISTENCY:

The Planning Commission has determined that the property acquisition is consistent with the City's General Plan. Please see the attached PC resolution and the staff report to the PC for a complete analysis.

ATTACHMENTS:

1. Resolution Approving Agreement for Acquisition of Real Property and Certificate of Acceptance
2. Agreement for Acquisition of Real Property
3. Prelim Title Report
4. Certificate of Acceptance
5. Planning Commission Staff Report
6. Planning Commission Resolution

NOTIFICATION:

1. MCRPD