



AGENCY:	City Council
MEETING DATE:	January 11, 2021
DEPARTMENT:	Administration
PREPARED BY:	S. McCormick
PRESENTED BY:	S McCormick / T Miller

AGENDA ITEM SUMMARY

TITLE:

Receive Report and Discuss Local Coastal Program Update Process and Process For Reuse of the Former Georgia Pacific Mill Site

BACKGROUND:

The Georgia Pacific lumber mill closed in 2002. The City of Fort Bragg and the property owner, Georgia Pacific (GP), engaged in a collaborative process to plan for the eventual redevelopment of the property for other uses between the closure of the lumber mill in 2002 and 2012. GP funded all City and consultant costs associated with preparation of the Mill Site Specific Plan, including all associated studies and documents. This planning process stopped in 2012, when GP withdrew its Specific Plan application to rezone the site in order to focus attention on the remediation of the site, and because the City was drawn into a lawsuit between GP and OfficeMax regarding cost-recovery for cleanup efforts.

On February 6, 2017, City Council and the Planning Commission held a joint meeting to discuss how to move forward with rezoning and planning efforts for the reuse of the Mill Site. The City Council and the Planning Commission supported the removal of Coastal General Plan policy requirements that a Specific Plan be prepared to rezone property on the Mill Site (Policies LU-7.1 and LU-7.2), and instead to complete a comprehensive community-based planning process. In August 2018, the Coastal Commission certified the LCP amendment replacing the requirement for a specific plan with revisions to the introductory text of the Coastal General Plan Land Use Element, Policies LU-7.1, LU-7.2, C-2.10, and Coastal Land Use and Development Code (CLUDC) Section 17.94.030(C).

The City restarted the community planning process in September 2017 with all-day open houses that included mini workshops, workshops at a Fort Bragg Rotary Club meeting, a Chamber of Commerce mixer, a Coastal Mendocino Association of Realtors meeting, hosting a table at the Farmer's Market, as well as two online community surveys.

Over the course of two years, City Council, Planning Commission and the community considered new land use zones, development regulations, infrastructure requirements, sustainability, open space, circulation, design guidelines, and more. A draft of proposed changes to the Coastal General Plan was submitted to Coastal Commission staff for review and comment, which Coastal Commission staff responded to on August 30, 2019. Staff responded to the Coastal Commission comments and provided revisions in December 2019. Drafts of several supporting studies were also submitted and received Coastal Commission staff comments, such as a Sea Level Rise analysis, visual analysis, visitor serving accommodations evaluation and a build-out analysis (although the build-out analysis became quickly out of date as the Land Use Map kept evolving). Staff turnover, staff reductions and the City's ongoing response to the pandemic reduced the resources available to work on the Mill Site Reuse Project.

Staff is providing this report as an update and is seeking direction from City Council on how to best move forward.

ISSUE:

There are several factors to consider when contemplating how the City might move forward with reuse of the Mill Site and to process a comprehensive LCP amendment to update land use policies and regulations:

- New ownership of the northern portion of the site by Mendocino Railway;
- Ongoing environmental remediation by GP; and
- Complexity of LCP amendment.

Mendocino Railway. On September 21, 2019, City Council and Planning Commission received a presentation by representatives of Mendocino Railway depicting a concept Master Plan for the area between Elm Street and Redwood Avenue (Attachment 1 – September 2019 Mill Site North Proposal). Since this time the concept has morphed into a phased development initially utilizing train cars for residences and lodging. Mendocino Railway shared their current proposal with the Mill Site Ad Hoc Committee on November 30, 2020.

Environmental Remediation. Between 2012 and 2020, GP completed a number of milestones in the remediation of the Mill Site under the oversight of California’s Department of Toxic Substances Control (DTSC), including completion of Remedial Action Plans (RAPs) for Operable Units C and D (OUC and OUD) and a Remedial Action Plan (RAP) for OUE (Attachment 2 – DTSC Update May 2018 and Attachment 3 – DTSC Update December 2020).

In October 2020, GP submitted the final RAP to DTSC involving OUE and Pond 8, based on the September 2019 Feasibility Study for OUE, which was recently approved. The City is identified as the Lead Agency for the related environmental review (Attachment 4 – DTSC Letter December 2020). The City anticipates an Environmental Impact Report (EIR) will be necessary to complete the environmental review process pursuant to the California Environmental Quality Act (CEQA), and will solicit requests for proposals from qualified firms in early 2021.

LCP Amendment. A Local Coastal Program (LCP) is comprised of a Land Use Plan (LUP) and Implementation Program (IP). The City’s LUP includes the Coastal General Plan and Land Use Map, while the City’s IP includes the Coastal Land Use and Development Code and Zoning District Map. Fort Bragg’s LCP reflects the unique characteristics of our community, while also addressing regional and statewide interests, and conforms with Coastal Act goals and policies.

Although an LCP grants the City permitting authority over most development, the Coastal Commission retains permanent jurisdiction on tidelands, submerged land, public trusts and acts on appeals from certain local decisions. In addition, California’s Coastal Commission reviews and approves any amendment to a certified LCP.

The City of Fort Bragg’s most recent LCP was certified in 2008 and is outdated. It is a big undertaking to simply review existing land use policies and regulations under the lens of the City’s existing land use map; it becomes a much more complex endeavor to include rezoning Timber Industrial on the Mill Site. This is due to the fact that rezoning involves numerous background studies, to understand build-out, capacity of City services, sea level rise, financial feasibility, etc., in order specify the appropriate location, type, and scale of new uses of land and provide measures to implement the plan.

ANALYSIS:

The City enlisted professional services from an outside planning firm to review the City’s rezoning efforts to date and provide potential approaches to both process a comprehensive LCP amendment and rezone the Mill Site. Staff recommends Council consider moving forward in three separate, independent LCP amendments in order to simplify the process. All parts can progress at the same time, however no part

is interdependent. City staff has conferred with Coastal Commission staff regarding submittal of multiple LCP amendment applications and Coastal Commission staff is supportive of this approach. Below is a list of the three components, in no particular order.

1. Process an LCP amendment to update the City's Coastal General Plan (the certified LUP) and Coastal Land Use and Development Code (the certified IP) that are unrelated to the Mill Site. Numerous updates are needed to clean up existing issues, simplify the documents, and bring the documents into alignment with the City's Inland regulations and State law. For example: (a) updates to CEQA section; (b) non-conforming signs and structures; (c) cannabis businesses; (d) animal keeping; (e) revisions to use tables; (f) storm water and low impact development; (g) live work; (h) mixed-use development; (i) inclusionary housing; (j) housing element; (k) parking requirements; (l) accessory dwelling units; (m) single family use in existing structures in commercial districts that have the appearance of a residence; (n) accessory structures; (o) vacation rentals.
2. Require Mendocino Railway to submit a Master Plan to the City for consideration and approval by the City and processing of the subsequent LCP amendment application to the California Coastal Commission. A Master Plan is a planning tool that typically covers a smaller, more localized area or single site, and includes a graphic conceptual layout, including allowable land uses and expected development. A Master Plan will also include zoning regulations and development standards. Those portions of the Master Plan that meet the definition of an LUP and IP and implement the Coastal Act at the local level will be submitted to the Coastal Commission as an amendment to the currently certified LCP.

Mendocino Railway's LCP amendment application would only be approved if Planning Commission and Coastal Commission determine the LUP portion of the amendment is in conformance with the Chapter 3 policies of the Coastal Act, and the IP portion is consistent with and adequate to carry out the City's certified LUP. Mendocino Railway would work directly with staff from Coastal Commission and the City, incurring all costs associated with the preparation of the Master Plan, including the associated CEQA document and subsequent LCP amendment application.

3. Develop an approach to reuse the southern portion of the Mill Site as a separate LCP amendment. It might be best to do this after the EIR is completed for the GP RAP and remediation is better understood for Pond 8. The resulting project could impact potential development of this area and future landowners. Furthermore, there was less community consensus about how the southern portion should be developed, so additional public meetings and potential Ad Hoc meetings will be necessary.

RECOMMENDED ACTION:

This report is designed to provide an opportunity for the community and the City Council to consider and discuss approaches to update City regulations in the Coastal Zone and reuse of the Mill Site and provide staff direction or request additional information.

ALTERNATIVE ACTION(S):

N/A

FISCAL IMPACT:

The City was recently awarded a Community Development Block Grant (CDBG) in the amount of \$100,000 and a grant from the U.S Department of Commerce Economic Development Association (EDA) in the amount of \$137,500 for planning reuse of the Mill Site. The grant funds are available now

and would help to cover staff time and consultant costs associated with preparation of necessary background studies, such as the evaluation of City water rights, resources, storage, treatment and distribution system, or a draft Development Impact Study.

General Plan Maintenance Fee Funds set aside for long range planning may also be utilized to process the LCP amendment to update current land use policies and regulations as identified in the City's existing coastal zone land use map.

Mendocino Railway would bear the costs of the Master Plan and the subsequent LCP amendment associated with their Northern portion of the property.

CONSISTENCY:

The City's 2014 Economic Development Strategy specifically includes rezoning and the eventual reuse of the Mill Site as a high priority project. The project must comply with the City's Coastal General Plan in order to be certified by the Coastal Commission. This will require modification of the Coastal General Plan.

IMPLEMENTATION/TIMEFRAMES:

Below are estimated timelines for each of the proposed LCP amendments:

1. **Existing Coastal Zone.** Preparation, adoption and implementation of a comprehensive LCP amendment to include the current existing land uses of the City's coastal zone could be accomplished in the following timeframes:
 - 2021: Update General Plan Elements, omitting Mill Site specific policies, and submit draft to Coastal Commission staff for review and comments.
 - 2021: Update Coastal Land Use and Development Code (CLUDC) to reflect changes made to the Inland Land Use and Development Code (2016), address new regulatory changes since 2016, and any other changes set forth by the City Council. Submit to Coastal Commission staff for review and comments.
 - 2021/2022: Address comments and provide additional analysis as required by Coastal Commission staff. At this point, it is difficult to determine whether or not additional studies would be requested. That said, it is estimated that within a year of submitting a complete application, a hearing would be scheduled before the Coastal Commission for certification.

2. **Northern Portion of Site.** The timeline and process of developing a Master Plan for consideration and approval by the City and Coastal Commission would be driven by the applicant, Mendocino Railway.
 - Update/complete related resource studies for an environmental review, pursuant to CEQA, and develop Master Plan application for submission to the City for permitting.
 - The City anticipates that an EIR will be necessary and will solicit requests for proposals from qualified firms to review application documents, hold EIR scoping session, and prepare draft EIR.
 - Hold public hearing on Master Plan and associated EIR. Identify portions of plan that are necessary to include in an LCP amendment in order to prepare and submit LCP amendment to Coastal Commission.

3. **Southern Portion of Mill Site.** Numerous background studies have been completed in the City's effort to rezone the Mill Site. That said, several more background studies and additional analysis will be needed. Currently, a Traffic Study is being completed, and professional services are being

obtained to prepare an economic development feasibility study. Other important issues to address include the evaluation of City water rights, resources, storage, treatment and distribution system, a draft Development Impact Study and utilities/infrastructure. The City has received \$100,000 of CDBG grant funding, however additional funding sources will need to be identified. Funding will determine how quickly the LCP amendment can be processed.

- 2021: Complete Traffic Study
- 2021: Complete Economic Development Feasibility Study
- 2021-2022: Development Impact Study
- 2021-2022: Evaluate water rights, resources, storage, treatment and distribution centers.
- 2021 and beyond: Develop land use map to rezone southern portion of Mill Site. Obtain funding for and update resource studies for EIR, complete EIR RFP process, hold EIR scoping session, and prepare draft EIR. Hold public hearing on LCP amendment application, including adoption of EIR, and submit to Coastal Commission.

Georgia Pacific has submitted a Remedial Action Plan (RAP) to DTSC based on the recently approved Final Feasibility Study for Operable Unit E (OUE), which is anticipated to be released in the coming weeks. This area includes Mill Pond 8 located near the center of site and remedial activities will require an EIR as part of the permitting process. The City will be acting as lead agency for the environmental review.

- 2021: DTSC releases a Remedial Action Plan (RAP) for OUE
- 2021-2022: Complete EIR RFP process, hold EIR scoping session, and prepare draft EIR.
- 2022-2023: Hold public hearing for permitting of identified project involving the remediation of OUE, including adoption of associated EIR and approval of coastal development permit
- 2023 and beyond: Implement project related to remedial activities in OUE

ATTACHMENTS:

1. October 2019 Mill Site North Proposal
2. DTSC Update May 2018
3. DTSC Update December 2020
4. DTSC Letter December 8, 2020

NOTIFICATION:

1. Notify Me Subscriber Lists: Mill Site Reuse; Georgia Pacific Site Remediation; Coastal Trail; Economic Development Planning; Fort Bragg Downtown Businesses; CDBG Activities
2. Sherwood Valley Band of Pomo, Tribal Chairman Melanie Rafanan & THPO Tina Sutherland
3. Coastal Commission Supervising Analyst, Cristin Kenyon
4. Georgia Pacific, Dave Massengill
5. Spring Pond West, Tom Honer & Jennifer Bosma
6. Mendocino Railway, Chris Hart & Michael Hart
7. Noyo Center for Marine Science Executive Director, Shelia Semans