Economic & Planning Systems, Inc.
The Economics of Land Use

MILL SITE DEVELOPMENT STRATEGY

DRAFT REPORT

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City of Fort Bragg

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Introduction

On October 15, 2024, the Fort Bragg City Council considered a proposal from the City Manager to pursue a master development agreement and planning program for the Mill Site in lieu of continuing with the ongoing litigation[1]. Mendocino Railway (MR) had suggested this approach as part of a proposed litigation settlement agreement. At the request of the City Manager, a proposal describing such a development agreement-based planning program was prepared for the City of Fort Bragg (City) by Economic & Planning Systems, Inc. This collaborative and comprehensive approach was recommended by the consultant given current circumstances and the body of earlier planning efforts and the desire of the City and MR to establish a renewed planning effort needed to mobilize redevelopment of the Mill Site. This Report presents the results of the first phase of this effort and provides a recommended approach for the second phase of the Master Development Agreement Program. Supporting Attachments are included in the **Report Appendix**.

Overview of the Master Development Agreement and Planning Program

Assembling a development agreement-based planning program will build upon many years of planning, environmental review, remediation, infrastructure improvement, and development that has occurred as well as the current aspirations of MR and land use and policy objectives of the City.

The master development agreement approach recommended has been successfully used in numerous complex development projects in California for decades. Development agreements (see Cal. Gov't Code § 65864 et seq.) are contractual agreements between a city or county and a developer(s) regarding a particular development planning area or project. Development agreements overlay standard planning and development regulations (zoning, etc.) adding a 'vesting' of development approvals (entitlement) and other considerations (public investments, etc.) by the local jurisdiction in trade for considerations and contributions benefiting the public from the developer that cannot be imposed through normal 'police power' development regulations or financing methods (see **Attachment 1**).

[1] The City's interest in settling the litigation with a durable agreement pertains to clarifying land use authority for development on the Mill Site, as needed to move forward with a multi-year planning and development process.

The proposed Mill Site Master Development Agreement, given the complexities involved, would need a phased approach allowing planning and technical analyses, community engagement, negotiations, cooperation with other landowners in or adjacent to the Mill Site, and consultations with the regulating agencies in the mix including the California Coastal Commission, the Department of Toxic Substances Control (DTSC), tribal interests, federal rail regulators, etc.

The Mill Site Master Development Agreement would encompass four key elements:

- Land Use Approvals. Development of the Mill Site will require a range of planning approvals including an amendment to the Local Coastal Program and related CEQA clearance, creation of a master subdivision map, Coastal Development Permits (for individual development projects) and other City approvals (use permits, design review, etc.). These plans and regulatory efforts would occur in parallel with the Development Agreement. The key link being the 'vesting' of entitlements, i.e., making the approved plans and development regulations durable (not subject to future change by the City) for a specified, typically long-term period.
- Other Regulatory Clearances. A variety of permits would be required by third party agencies. The Development Agreement can, in cooperation with these agencies, specify how and when activities needed to achieve these clearances occur and how they would be funded.
- Infrastructure Financing Plan. The Development Agreement would include terms related to the provision of infrastructure, including phasing and reference to improvement programs, and how infrastructure would be funded. Through the Development Agreement, the City can agree to form land secured financing districts (assessment districts, Community Facility Districts, etc.), and cooperative financing including the use of tax increment financing through an Enhanced Infrastructure Financing District, pursuing state and federal grants, etc. Formation of such financing districts is often specified in the Development Agreement and linked to completion of Land Use Approvals.
- Supporting Real Estate Transactions. It is likely that Mill Site development would involve the purchase, sale, or exchange of real property among the parties to the Development Agreement. The Development Agreement can set forth the terms surrounding any sale, lease, exchange, or disposal of real property. Examples of such transactions on the Mill Site include lot line adjustments, dedications of rights-of-way and easements, as needed to conform to the land use designation boundaries and road network, open space parcels, and Pond area parcels.

The City Council started consideration of the proposed Master Development Agreement and Planning Program at its meeting on October 15, 2024. At this meeting, in addition to a general presentation and discussion of the Program, the City Council approved seeking a stay of the litigation and moving forward with the Consultant work program and contract for the Phase 1 Development Strategy effort. At the meeting, public comments were received regarding the Program and the Council's pending decisions.

Following consultations with representatives of MR and California Coastal Commission staff, the City and MR agreed to seek a stay of the pending litigation from the Court allowing time to complete the first phase of the work program. The Court agreed to stay the litigation for a period of 90 days beginning on November 28, 2024, and concluding on March 4, 2025.

The City then entered into a contract with Economic & Planning Systems, Inc. (Consultant) to complete the first phase (Phase 1) of the proposed Master Development Agreement and Planning Program (see **Attachment 2**) which was intended to assemble and further develop an 'illustrative plan and planning framework' for the Mill Site through a process of collaboration with MR, coordination with the Coastal Commission, consultations with other agencies and entities, and active public engagement. During January, February, and March of 2025, the planning team members worked independently on given tasks, including consultations with affected agencies and organizations, and met regularly to share information and further develop the *Illustrative Plan* and planning framework. During this time, several iterations of a working draft *Illustrative Plan* were prepared for continued review and refinement purposes.

Phase 1 Development Strategy Key Issues Addressed

In addition to reflecting prior planning efforts for the Mill Site the planning team focused on resolving *four* key issues, including:

1. The configuration of the proposed natural area that will encompass the Mill Pond and related wetland area, and the delineation of two new parks in the southern district for active and passive recreation;
2. More precise delineation of the locations and definition of rail-related facilities;
3. The circulation network of roadways, and multiuse trails connecting to the rest of the city and the open space, parks, and the Coastal Trail corridor; and
4. Detailing the potential future uses in the southern district and focusing on mixed-use zoning opportunities to meet both housing and employment needs.

This work was completed in anticipation of a community workshop where the resulting draft *Illustrative Plan*, along with supporting materials, could be presented and public comments and questions received. The community workshop was held in Fort Bragg on February 25, 2025. The meeting was well attended by more than 100 residents and livestreamed on the City's website. The public comments that were received and documented provide substantial input for the subsequent phases of the Master Development Agreement and Planning Program. Additional community input was received as public comment at two City Council meetings, held on October 15, 2024, and March 10, 2025.

Phase 1 Development Strategy Preparation

Coordination with Mendocino Railway

The coordination with MR began with an agreement to pursue a stay in the litigation and to jointly participate and fund needed consultant support. In addition to supporting the City's efforts, MR engaged its urban design and planning consultant in the effort. The City and MR agreed to the overall scope of work proposed and provided technical guidance as the effort unfolded.

The Planning Team

At the inception of the Phase 1 effort, following the initial agreement between the City and MR to seek a planning alternative to the pending litigation and proceed with the Phase 1 effort, a planning team was assembled that included City Manager Whippy, EPS staff (Walter Kieser) and sub-consultants (Marie Jones, Linda Ruffing, and Vanessa Blodgett), and MR (Chris Hart) and their planning and design consultant (Burton Miller). A City Council Ad Hoc Committee (Mayor Godeke, Councilmember Peters) was provided regular updates regarding the ongoing technical efforts as guided by the Phase 1 Work Program.

Members of the planning team were assigned specific tasks as defined in the Phase 1 Work Program and then collaborated informally and met as a group regularly to review the assigned work products. This collaborative effort was technical, focusing on the assembly of the *Illustrative Plan* and supporting documentation and preparing materials for the consultation process and public workshop.

Coordination with California Coastal Commission

During the preparation of the *Illustrative Plan* and as part of the broader effort to consult with affected agencies and entities, the planning team has been in contact with Coastal Commission staff informing them about the Master Development Agreement and Planning Process, and sharing documents, including versions of the *Illustrative Plan* as it evolved over the past several months. Comments received from Commission staff were considered by the planning team as the *Illustrative Plan* and the planning framework was further developed, in general. While there has been an effort to conform with Coastal Act and General Plan requirements and obtain informal guidance from Commission staff, formal review by the Coastal Commission will only occur when proposed a Local Coastal Program (LCP) Amendment is prepared and submitted and in response to individual Coastal Development Permit applications.

Summary of Consultation with Other Agencies and Tribal Interests

Consultation with agencies and tribes is still in the early stages and will continue throughout the Master Development Agreement and Planning Process.

- Tribal Interests. Given the deep history of the Mill Site as part of Pomo culture, it is particularly important to respect, reflect, and celebrate this history and the interests of living descendants. The following includes a brief synopsis of agency and tribal consultation activities to date. The initial *Illustrative Plan* and circulation plan were shared with Sherwood Valley Band of Pomo Indians (SVBP) Tribal Preservation Officer, who brought the plan forward to SVBP Tribal Council for discussion. The team is working with SVBP to set up a formal consultation process, which would extend throughout the development of a formal project description for CEQA and the CEQA process. The potential for a Pomo Cultural Center on the Mill Site will be further discussed as the planning efforts continue.
- Caltrans (State Department of Transportation). The initial *Illustrative Plan* and circulation plan were shared with Caltrans. Caltrans is assembling an internal team to discuss the plan and provide formal feedback which may include a scheduled meeting to discuss the project and a formal letter at a later time. At this time the representative of Caltrans expressed some concern about the Maple Street access onto the Mill Site.
- State Department of Fish and Wildlife. The *Illustrative Plan* was shared with the California Department of Fish and Wildlife (CDFW) whose staff asked initial questions and made comments. CDFW staff will continue to listen in on workshops and will collect comments from the community about the project. They will provide formal comments once the site land use plan and program are more fully defined through a complete project description as part of any CEQA process.
- State Department of Toxic Substances Control (DTSC). Consultation was initiated with DTSC's project manager for the Mill Site remediation to provide an overview of the Master Development Agreement and Planning Program, to discuss the interface of it and DTSC's ongoing planning process for the Operable Unit-E Remedial Action Plan (i.e., clean-up of the Mill Pond and other on-site ponds), and to discuss the potential for creek daylighting in conjunction with Mill Pond remediation. Consultation with DTSC would continue throughout the process and more formal directions would be sought in future phases.
- Regional Water Quality Control Board (RWQCB). Consultation was initiated with North Coast RWQCB staff to provide an overview of the Master Development Agreement and Planning Program and to discuss the scope of the agency's regulatory oversight regarding environmental remediation, stormwater management, wetlands protection and creek daylighting. Additional

consultation with the RWQCB would occur at appropriate points throughout the planning process.

- Noyo Center for Marine Science. The City and the Noyo Center are actively engaged in discussions regarding various aspects of Noyo Center's proposed Ocean Science Center campus on its 11.6-acre parcel (adjacent to MR's property in the south part of the Mill Site). An LCP amendment for the Noyo Center parcel (as well as the Noyo Headlands Park parcel, and the Native American residential parcel) was recently approved by the Coastal Commission. Noyo Center 's La-bone-atory project on the Ocean Science Center property is expected to break ground later this year. As neighbors on the Mill Site, Noyo Center and MR have identified opportunities to work together for positive outcomes. Continued engagement with the Noyo Center would occur as plans for the Mill Site evolve.
- Federal and State agencies regulating railways. Rail-related facilities proposed by MR that fall under jurisdiction of federal and state agencies such as the Federal Railroad Administration. Surface Transportation Board and the California Public Utilities Commission would necessitate consultation during the planning process to ensure consistency with their regulations.

Guiding Principles & Policies

As a companion to the *Illustrative Plan* and to create a planning framework for subsequent planning efforts, the Guiding Principles originally prepared in 2019 were updated and detailed. These new Guiding Principles & Policies have been derived from the earlier planning effort in 2017 through 2019 and include new considerations resulting from ongoing consultations with other agencies, consideration of new site-specific topics, and, most recently, public comments from the February 25th Public Workshop (see **Attachment 3**).

Assembly of the Illustrative Plan Maps

The *Illustrative Plan*, which shows a preliminary and general distribution of potential future land uses on the Mill Site, has been derived from over 20 years of planning efforts for the Mill Site primarily relying on work by the City involving public meetings, supporting consulting efforts and most recently, interactions with MR and its planning and design consultants. Key underpinnings and components of the *Illustrative Plan* include:

- *Planning Legacy and Foundation.* The current "in-progress" *Illustrative Plan* is underpinned by, and builds upon, the extensive heritage of prior planning efforts; a range of technical studies and site constraints and opportunities analysis; stakeholder mission statements; and MR's visioning concepts, first expressed and presented in a Special Joint Session of the City Council and Planning Commission, September 21, 2019.

MR then participated in an Ad Hoc Committee process 2020-2021, to refine North Mill Site land use designations and boundaries, and a Coastal Trail "buffer". A next-iteration Plan was prepared to illustrate proposed refinements consistent with Ad Hoc Committee direction. Planning resource documents included:

- *Mill Site Specific Plan Preliminary Draft* January 2012 City and Georgia-Pacific
- Plan Revision prepared by City staff in 2018 in a community process, including a presentation to the California Coastal Commission
- Stakeholder Proposals
- MR's prior plan iterations for North Mill Site
- Technical studies for Mill Pond improvements
- Creek Daylighting Concepts

- *Constraints and Opportunities Analysis*. As noted above, research, analysis and a resultant understanding of known constraints has informed planning efforts to date. The *Illustrative Plan* incorporates and reflects careful responses to those constraints. Additional study of site constraints, including detailed site-specific archeological resources, coastal wetlands, and remediation would continue and be completed as part of the Master Development Agreement and Planning processes.
- *Mill Site Planning Formative Elements*. As part of developing the *Illustrative Plan*, a series of seven 'formative elements' were identified. These formative elements reflect key factors to be considered as a part of Mill Site planning and development (see **Attachment 4**).
- *Illustrative Plan Framework Elements*. The *Illustrative Plan* is the product of an in-depth, broad-based collaborative coordination process with MR and its Planning Consultant, and City staff/City consultant team. The *Illustrative Plan's* purpose is to serve as an example or explanation, designed to clarify, demonstrate, and to provide visual features intended to explain. It is a long-term vision that serves to inform/guide decisions and actions, while adhering to defined principles (e.g., Mill Site Reuse Guiding Principles) by using a structure of interconnected elements, a long-term vision in which future options are not foreclosed, and in which every move builds toward a greater goal (see **Attachment 5.1)**.

Several of the "interconnected elements" are illustrated in the Open Space Network | Access and Circulation diagram: development parcels and land use; open space; coastal access, Coastal Trail; Nature Center Discovery Trail; South Parks Path (multi-use); Redwood Avenue Extension; street access; railway and trolley (see **Attachment 5.2**).

Mendocino Railway Rail-Related Area

The *Illustrative Plan* illustrates the extent of MR's proposed Railroad Related Uses, which would be areas where MR is generally expected to engage in activities and uses to which it claims preemption from State and local review authority.

Affected Parcels and Corridors

The rail-related parcels and corridors are proposed as follows:

- Parcel R4 "Railroad Square." This area is immediately west of the existing Skunk Train station, railyard and roundhouse. It includes the Dry Shed building from the former Mill operation. MR envisions this area to be used for future rail-related uses including equipment storage in the Dry Shed.
- Parcel R7 "Skunk Station." MR has a vision of relocating the Skunk Train Station on this parcel, south of Redwood Avenue. This would allow for a larger, more functional station with sufficient space for administrative offices, storage, etc. Convenient and central parking would be provided to allow passengers to "park once" to ride on the train and visit other uses in the downtown area.
- A loop of tracks is proposed in the central area, encompassing the Railroad Square and Skunk Station areas as well as land for non-rail-related commercial and visitor serving uses. The railway loop would improve MRs operations by eliminating the current "dead end" track that requires a lot of push-pulls to turn trains around. The tracks would also allow MR to park the train in an east/west location parallel to Redwood Avenue where it would not interfere with pedestrian traffic between downtown and the site.
- Track for only trolleys is envisioned by MR, extending from the loop to a "Glass Beach Station" on the north end of the site. The track would be setback from Noyo Headlands Park.
- Track for only trolleys is also planned to extend south from the Skunk Train Station. MR has indicated that they are willing to commit to only building this track with approval by the City and agreement on the location.
- Parcel R1 "Glass Beach Station" on the north end of the site is envisioned as a secondary station for the proposed on-site trolley and would include boarding platform, ticket booth, offices, restrooms, and a second story ocean view restaurant.

To provide clarity regarding Rail-Related Uses and Claimed Preempted Railroad Activities, MR prepared the following list of State and Local-regulated activities and claimed federally pre-empted railroad activities:

State and Local-Regulated Activities:

1) **Construction and maintenance of non-rail facilities.** This includes the development, renovation, and maintenance of buildings such as hotels, restaurants, bars, retail stores, residential housing, and other commercial or public facilities that are unrelated to rail operations.

2) **Installation, maintenance, and improvement of non-rail utilities:** This includes all work related to above- and below-ground utilities (such as electricity, water, sewage, gas, and telecommunications) that are unrelated to rail operations.

3) **Installation, maintenance, and improvement of non-rail roadways:** This includes all work related to City streets, sidewalks, and public roadways that are unrelated to rail operations.

4) **Parks, greenspace, and non-rail landscaping:** This encompasses the design, creation, and maintenance of public parks, gardens, open spaces, and landscaping that are unrelated to rail operations.

5) **Environmental compliance outside rail operations:** This encompasses all state and local environmental regulations (including waste management, pollution controls, habitat preservation, and water quality) that are unrelated to rail operations.

6) **Events within City limits that are unrelated to rail operations:** This refers to the permitting and regulation of public or private events such as festivals, markets, parades, and community gatherings that occur within City boundaries and that are not related to rail operations.

7) **Activities of non-rail Mill Site tenants:** This encompasses the regulation of residential and business tenants on the Mill Site that are not involved in rail operations.

8) **Compliance with building and zoning codes:** This encompasses construction projects, renovations, and land uses to ensure compliance with local building codes, zoning laws, and safety regulations. While federally preempted railroads are, with certain exceptions, required to comply with building codes and are subject to local inspection, such railroads are not subject to preconstruction reviews or permit requirements.

Claimed Federally Preempted Railroad Activities:

1) **Development and operations related to railroad tracks, signals, and crossings:** This includes construction, maintenance, and improvements of railroad infrastructure such as ties, rail, other track materials, switches, and crossings. Street/lane closures are coordinated with the City.

2) **Development and operations related to railroad facilities:** This includes the construction, maintenance, and improvement of stations, yards, workshops, transloading facilities, and ancillary facilities.

3) **Construction, maintenance, and operation of railroad equipment:** This includes the construction, maintenance, repair, and operation of railroad equipment such as freight/passenger equipment, maintenance of way equipment, transloading equipment, as well as any noise, horns, and emissions relating thereto.

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Community Workshop and Council Meeting Public Input

A key objective of the Development Strategy was to solicit active community input regarding the proposed Master Development Agreement and Planning Program and specifically to provide comments on the draft *Illustrative Plan*. While many aspects of the *Illustrative Plan* were derived from earlier planning efforts, a community workshop provided a current opportunity to react and provide recommendations regarding the *Illustrative Plan* and supporting materials, with more community input to be gathered in subsequent planning efforts.

February 25th Community Meeting Public Comments

The City of Fort Bragg held a public workshop on February 25, 2025, to present the draft *Illustrative Plan* and Framework and to receive public comments and questions regarding the ongoing collaborative planning effort and the resulting *Illustrative Plan*.

- Mayor Jason Godeke and City Manager Isaac Whippy provided a brief overview of this collaborative planning process as a framework for decision-making regarding future reuse of the Mill Site, which parties are pursuing in lieu of continued litigation between the City and MR.
- Chris Hart and Burton Miller (MR team) summarized MR's vision as a bold, long-term plan including the following key components: North side would be an extension of town. Future uses on the south side are less specific. Consolidation of rail-related uses (Railroad Square), railway loop, new Skunk station, extension of CBD and hotel uses in central area. Nature Center concept is reflective of the desire to create integrated open space connecting wetlands, ponds, and daylighted creeks with Discovery Trail loop. In the south, a mix of uses is contemplated including industrial, commercial, mixed use and residential. The trolley is envisioned as an electric, low impact alternative to rail, connecting development.
- Walter Kieser (consultant) discussed the complexity of Mill Site development process, long timeframes, infrastructure requirements, and costs. He explained the master development agreement strategy. There will be community involvement for each decision point.

The workshop included an opportunity for informal conversations with the planning team, adding 'post-it' comments on the wall maps and materials presented, and formal comments and questions. During the three-hour workshop, there was lively discussion and interaction between the assembled public, the planning team, the City Council and MR representatives. A transcript of the Public Comments has been prepared (see **Attachment 6)**. A summary of the 'post-it' notes, placed on the wall maps and other displays, was also prepared (see **Attachment 7**).

March 10th City Council Meeting

The City Council held a noticed public meeting on March 10, 2025, to receive a presentation of the Illustrative Plan and Development Strategy Report. The meeting was well attended and following a staff presentation and comments from MR representatives, public comments were received. Approximately 25 members of the public provided comments with testimony taking two hours. A summary of these public comments was prepared (see **Attachment 8**). Following the public comments, the City Council made individual comments and asked questions of staff and MR representatives.

Based on the Phase 1 efforts, and given the end of the stay period, the Council was faced with deciding how to proceed, i.e., whether to continue with the proposed Master Development Agreement and Planning Program or to allow the litigation process to resume. Following this discussion, the Council majority agreed to seek an extension of the litigation stay and to proceed with the proposed Phase 2 effort.

In parallel with the City's deliberations, there was continuing coordination with MR and the Coastal Commission, as their concurrence was needed to seek Court action to stay the litigation for three additional months or longer, in order to provide the parties with the opportunity to negotiate a potential settlement agreement in parallel with the proposed Phase 2 planning effort Memorandum of Understanding (MOU).

If the Council opts to continue forward with the Master Development Agreement and Planning Program, the *Illustrative Plan*, Guiding Principles, and other results of the Phase 1 Development Strategy would serve as a starting point for the subsequent phases of the process, beginning with Phase 2, which would be to create a MOU.

Phase 2 Memorandum of Understanding

The *Illustrative Plan*, Guiding Principles, and other data and information assembled as part of the Phase 1 Development Strategy would provide a foundation for negotiation of a Memorandum of Understanding (MOU) in Phase 2. The proposed MOU would establish a general framework, analysis, and agreements needed to proceed with the proposed Master Development Agreement and Planning Program. The proposed MOU would be a non-binding agreement between the City and MR and may reference and incorporate related agreements with other agencies and entities, all geared toward identifying key terms and conditions, testing feasibility, identifying roles and responsibilities, and resolving the general structure and approach of the subsequent Master Development Agreement (a binding contractual agreement) and its related planning components.

Linkage to the Lawsuit Settlement

The effort to settle pending litigation, based on the Development Strategy *Illustrative Plan* and Guiding Principles, would occur in parallel with the preparation of the MOU. It is presumed that such a settlement, involving the City, MR, and the Coastal Commission, would occur during the Phase 2 MOU negotiations. Proceeding with the Phase 3 Master Development Agreement and Planning Components effort would likely be dependent on settling the City vs. MR lawsuit.

The parallel settlement of the lawsuit and subsequent completion and approval of the MOU would lead to the formal initiation of the Phase 3 Master Development Agreement Planning Process, when actual planning approvals would be processed, involving the full round of review by affected agencies, community engagement, environmental review, and formal adoption by the City.

Memorandum of Understanding Process

The preparation and negotiation of the MOU would include ongoing Council oversight and community engagement. The technical preparation of the MOU components would occur as a cooperative effort between the City (with assembled consultants and legal advisors) and MR, along with its planning and legal team, and augmented, as may be necessary, by input from the involved regulating agencies and affected entities. It is expected that the City Council Ad Hoc Committee would continue to provide oversight and that there would be regular updates to the entire Council and public throughout the agreed upon duration of the stay and any additional time needed to complete, review, and adopt the MOU.

The MOU would focus on a variety of topics that address the overall feasibility of Mill Site development from a physical, regulatory, and financial perspective. It is designed to flush out any 'fatal flaws' limitations and constraints to achieving the vision presented in the *Illustrative Plan*, prior to launching the substantial, time-consuming, and costly effort of developing a Master Development Agreement, land use plan and related regulations and requirements.

Once assembled in draft form, the resulting MOU would be formally presented and reviewed in a public hearing by the City Council and following public comments, and would be approved, or rejected at the Council's discretion. Adoption of the MOU would set in motion the formal preparation of the Master Development Agreement and its four constituent technical components (planning and entitlement, regulatory clearances, infrastructure financing, and real property transactions).

The MOU process would be pursued as a set of five serial topics, as presented below. Each topic would be structured to include formal staff and applicant working meetings, related technical efforts, preparation of draft documents, and throughgoing public and Council review, step-by-step.

MOU Topic #1: MOU Initiating Actions

1. ***Negotiating a Settlement Agreement for the Pending Lawsuit***

   The purpose of the Phase 1 effort was to create an *Illustrative Plan* and planning framework that provides a planning-based approach as an alternative to and incentive for settling the pending legal action. The planning team would support the legal team regarding technical aspects and planning references for the settlement, as noted above, including:

   - A conceptual agreement regarding the regulation of claimed rail related properties/uses/buildings and the claimed preemption of local jurisdiction and a process to ensure that applicable public health and safety standards will be applied.

   - The supporting terms, conditions, and timeline for settlement of the pending lawsuit(s) that can evolve from settlement agreement negotiations between the City, MR, and the Coastal Commission.

   It is presumed that the legal team would work in parallel with other technical aspects of the MOU with the goal of reaching a settlement within the 90-day extended stay that ends on July 1, 2025. It is likely that the MOU may require more time than this 90-day period.

2. ***Accepting the Illustrative Plan and Planning Framework***

   The *Illustrative Plan*, Guiding Principles, and planning framework prepared during Phase 1 should be accepted by the City Council and MR as a general guideline for future planning efforts while recognizing that changes will likely occur as new information becomes available, additional community input is received, and the planning process continues. This action should include any related input from the Coastal Commission and the affected agencies and organizations that have been and will continue to be consulted as a part of the process.

3. ***Agreeing to the Scope and Budget for the Memorandum of Understanding***

   The MOU is designed and intended to proactively address the key decisions and terms that are involved with the proposed Development Agreement, the planning approvals, infrastructure requirements, phasing, and funding, completing remediation of the Pond Areas (and other locations that require additional remediation) and identifying any land transactions between the City and MR that are part of achieving the desired pattern of development. The City and MR would need to assemble and approve a formal scope of work for the MOU that describes the process and serves as a basis for retaining needed consultant support and technical cooperation between the City and MR.

   The preparation of the MOU would require a range of technical efforts that can be assigned to City staff, City consultants, or MR representative and their consultants, in parallel with the legal matters involved, including those related to settlement of the litigation and the structure of the development agreement. The tasks listed above provide a basis for the development of a MOU Work Program, a related budget, and an agreement regarding funding of the MOU preparation effort.

MOU Topic #2: Land Use Planning Context and Approach

The core of the MOU would address aspects of the land use planning and regulation on the Mill Site. The matter is complex given the large scale and varied factors affecting development potential and constraints affecting different portions of the Mill Site. These planning factors influence when something is built, what gets built, where it is built, how it is built, what it looks like and who it will serve. While the Illustrative Plan is the starting point for community discussions/ decisions (that includes the community, the City, property owners, and the Coastal Commission) it is an LCP amendment that over the longer term must be designed and sited according to City regulations and procedures to receive development permits.

1. ***Establishing an Optimal Approach to the Land Use Designations***

   An agreement should be reached regarding the approach to establishing land use approvals and related environmental review including the appropriate mix and timing of an LCP amendment, CEQA and/or NEPA review, applicable zoning districts and rezoning, LCP amendment policy language, Development Agreement terms, master tentative map and final map terms, fees, etc.

2. ***Creating Value and Responding to Market Opportunities***

   The key to a successful Master Development Agreement involving a large swath of developable land and lacking a fully developed market such as the Mill Site is 'creating value'. Value is created through good planning, establishing development entitlements and permits, improving existing amenities, and other development readiness investments as needed to attract investors and builders to the site. Value creation begins with removing or managing constraints such as the remediation requirements, infrastructure capacity or service deficiencies, and creating amenities. The initial development entitlements and related environmental clearances also create value as they render the site 'development ready'. As example, early completion of the proposed Skunk Train and other rail related elements could provide a catalyst for new development and enhance destination image and identity.

3. ***Further Clarifying and Conforming to Coastal Commission Policies***

   The Coastal Act favors development projects in the Coastal Zone that serve priority uses as defined by the Coastal Act which include visitor serving uses, open space, parks, coastal access, and coastal dependent uses. The Coastal Act also includes policies to protect open space and natural communities, ensuring adequate City services to support proposed uses.

4. ***Precedent Images and Concept Studies to Better Communicate Planning and Design Opportunities and Intent***

   Building upon Guiding Principles & Policies; Planning Legacy and Foundation; Constraints and Opportunities Analysis; Formative and Framework Elements; and Stakeholder Input (Agency and Public), studies and exhibits will be developed to illustrate opportunities and planning and design intent, to catalogue proposed open space components, building elements (type, character, scale), and Railroad Core features. Precedent images will explore and illustrate a range of proposed and candidate uses to better communicate intended qualities and attributes. Concept-level site-planning and design studies will illustrate the composition and organization, of buildings, public space and landscape. Studies may include the proposed Open Space Network/ Public Amenities; Nature Center; Pomo Indian Cultural Center; Railroad Core; Residential Prototypes/Densities; and potential Specialty Commercial,

Industrial, and Institutional uses. The Precedent Images and Concept Studies will serve to illustrate how proposed land uses and facilities might appear and to inform planning and design policy.

5. ***Continued Cooperation with Other Regulating Agencies***

   Continuing coordination is needed with other regulating agencies to achieve a more precise definition for achieving regulatory permits, remediation requirements for the Mill Pond and related wetland areas, and possible upgrades in remediation as necessary to support future uses. The liaison and discussions that have occurred during Phase 1 would be continued and enhanced as may be appropriate.

6. ***Linking the Pace and Scale of 'Development Readiness' to Realistic Market Demand-Driven Development Opportunities***

   It will be valuable to conduct a long-range market forecast for the Mill Site development given known conditions and identification of potential 'anchor' institutional, commercial, and industrial uses, particularly those related to the unique circumstances and opportunities created by the Mill Site development opportunities. Continued market research, industry innovation sectors, and direct marketing to desired end-users should all be in the mix. For any project to proceed, there must be sufficient market demand to cover the cost of development and make a return on investment(s) in land, pre-development planning and entitlement, and marketing. On-site and City infrastructure is needed to develop the site including streets, sidewalks, storm drain systems, water and sewer lines. Improvements to the City's capacity to provide water and sewer services are needed to fund- the costs to complete environmental remediation and other site-specific mitigation measures, as well as the cost of vertical construction and related site improvements.

7. ***Further Resolving Site-Specific Development Constraints***

   Some areas of the Mill Site may be undevelopable due to site-specific constraints that will need to be more precisely mapped. Wetlands, rare plants and rare plant communities, and archaeological resources all pose development constraints. Indeed, the City's Coastal General Plan restricts new development within a 50- to 100-foot perimeter of any area with environmentally sensitive resources, cultural resources or wetlands. Also, development may be prohibited or constrained in coastal view corridors. Not all wetlands have been mapped, and the location of protected plant populations can change over time, so while some areas of the *Illustrative Plan* show potential for development, that potential may not be fully realized if wetlands or rare plants or cultural resources are found on a specific location during the development review process.

8. ***Conforming and Where Appropriate Modifying the City's Zoning Ordinance and Related Regulations***

   City land use planning designations applied to the Mill Site set development standards such as height limits, setbacks, building mass (FAR), and other use-related conditions, including maximum and minimum density (units per acre), maximum building size, and requirements for landscaping, lighting, parking, etc. The application of existing standards will likely result in development that is similar in scale and scope to existing development within the city, which typically utilizes 20% to 40% of a parcel for the building footprint. The zoning code also generally determines allowable land uses in each zoning district and whether a use permit is required. The City's design guidelines set minimum and preferred design criteria for buildings, accessory structures, parking areas, landscaping, signage and more. Most new developments require design review approval from the Planning Commission to proceed.

MOU Topic #3: Clarifying and Documenting Infrastructure Requirements and Financing Strategy

Building upon prior engineering evaluation and infrastructure needs assessments, it would be necessary to document, to the degree possible at this early stage of planning, the infrastructure and related facilities needed to serve Mill Site development. The following items would be included in this effort:

1. ***A Preliminary Site Improvement Program***

   The Mill Site's basic public infrastructure needed to support planned development should be identified, building upon prior evaluations of the site's infrastructure needs, including location and phasing, and identification of financing sources as needed to pay for improvements.

2. ***Framework for an Agreement Regarding Private and Public Funding Mechanisms***

   This may include the use of special tax supported bonds (CFD), and grant sources that may be available. It is typical that substantial private equity investment will be necessary, especially in the early stages of 'value creation' on the Mill Site as needed to improve the land value or special tax capacity for debt financing.

3. ***A Financial Feasibility Study***

   Building upon the foundational technical efforts, a financial feasibility study should be prepared that links new development and related increases in property value to the phased program of needed site preparation and infrastructure and related private and public sources and investment. Meeting basic development feasibility criteria would be necessary prior to moving on to Phase 3, the formal planning process, as described above.

MOU Topic #4: Mapping out the Functions and Terms of the Master Development Agreement

The Master Development Agreement and Planning Program envisions a primary role for negotiating and adopting a development agreement for the Mill Site. The fundamental purpose of the Development Agreement would be to strengthen assurances needed to accomplish the beneficial redevelopment of the Mill Site in conformance with the land use plan. These assurances include 'vesting' of development rights for the entire site, providing long term certainty for the landowners and developers that they would be able to build what has been approved. The development agreement can also include the City's willingness to create various land/real estate-based financing mechanisms such as the Mello Roos Community Facility District. As an exchange for these benefits, the Developer would offer various concessions toward public benefits that cannot otherwise be required through the normal land use regulatory process.

The development agreement envisioned would be a 'master' agreement, i.e., it would cover the entire Mill Site and encompass all the various aspects of the development approval, investment, and management process going forward.

MOU Topic #5: Identifying Special Real Estate Land Transactions

This topic involves identification of any large land transactions between the City, MR, or other landowners that underpin and define future development including ownership of parklands and open space, ownership of the Pond and surrounding natural area, and lot line adjustments needed to precisely align parcel boundaries to infrastructure locations (e.g., roadway alignments) and related irrevocable offers of dedication. This effort should be completed in coordination with the preparation of a Subdivision Map Act compliant Master Tentative Map for the Mill Site that will, as proposed, divide the Mill Site into a set of large sub-areas that conform to the emerging land use plan use designations and phasing.

Phase 3 Master Development Agreement and Planning and Development Approvals

Following public review of the MOU a decision can be taken by the City Council regarding proceeding with the next Phase of the Master Development Agreement Program, as described in the original Program Proposal (see **Attachment 1**). Phase 3 is where the substantial efforts required for successful reuse and redevelopment of the Mill Site will occur, including: 1) determining and creating the needed land use approvals (and related environmental review); 2) achieving other regulatory approvals including those related to hazardous materials remediation; 3) completing an infrastructure facilities and financing plan, and 4) establishing agreements regarding any real property transactions that are needed to support the overall reuse and redevelopment effort.

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Appendices

Mill Site Master Development Agreement Program Proposal

The City of Fort Bragg (City) and the Mendocino Railway (MR) have tentatively agreed that a formal and cooperative 'master planning and development agreement' approach to further development of the Mill Site is in the interest of both parties, other property owners, and the City as a whole. As a part of pursuing this cooperative approach the parties have agreed to stay the pending litigation between them, to pursue settlement discussions, including with the California Coastal Commission, which is also an intervening party in the action.

Assembling such a cooperative approach will build upon the many years of planning, environmental review, remediation, infrastructure improvement, and development that has occurred as well as the current aspirations of MR and land use and policy objectives of the City. The master 'development agreement' approach recommended has been used successfully in complex development projects in California for decades. Development agreements (see Cal. Gov't Code § 65864 et seq.) are contractual agreements between a local jurisdiction and a developer(s) regarding a particular development project. Development agreements overlay standard planning and development regulations (zoning, etc.) adding a 'vesting' of development approvals (entitlement) and other considerations (public investments, etc.) by the local jurisdiction in trade for considerations and contributions from the developer that cannot be imposed through normal 'police power' development regulations or financing methods.

The proposed Mill Site Development Agreement -- given the complexities involved, will need to be approached in sequentially phased approach allowing planning and technical analyses, community engagement, negotiations, cooperation with other landowners in or adjacent to the Mill Site, and consultations with the regulating agencies in the mix including the California Coastal Commission, the Department of Toxic Substances Control (DTSC), tribal interests, etc.

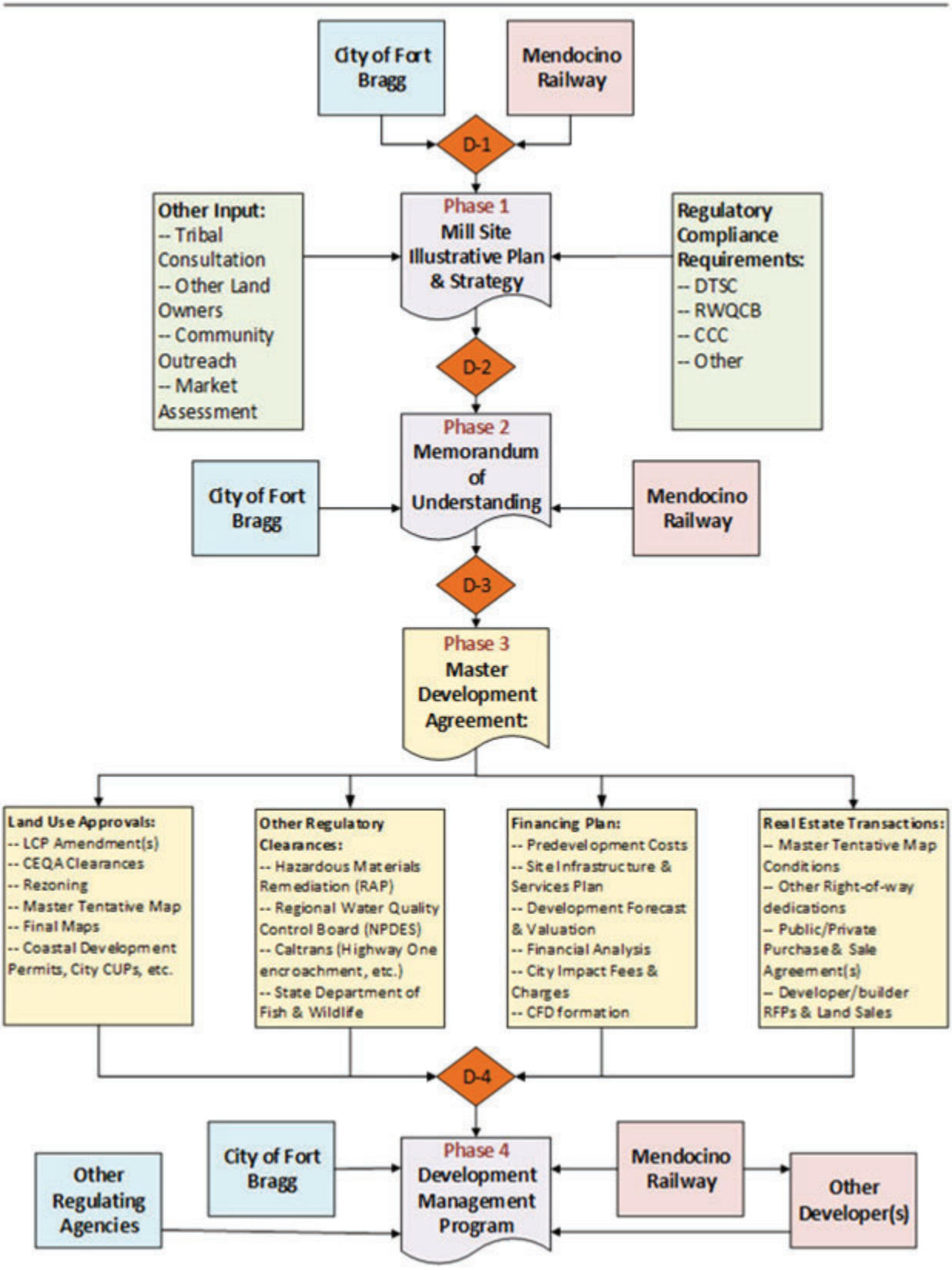
A conceptual illustration of such a phased approach to creating a Mill Site Development Agreement is shown on **Figure 1**. Our consultant, Walter Kieser, Senior Principal with the firm Economic & Planning Systems, has assembled this approach drawing upon his own and the firm's experience with such agreements for management of large-scale development projects and development financing. Mr. Kieser also brings his historical knowledge of the Mill Site stretching back now 20 years working for the City of Fort Bragg. The illustration remains a 'sketch' but provides an overall sense of how such a process could be structured.

The illustration shows four major phases of activity and agreement, each punctuated with a 'decision point' (D-1, D-2, etc.) where the parties would complete their respective tasks and obligations and agree to proceed to the next phase. Key to this approach is a 'stair-step' procedure that keeps efforts in their proper subordinated order, allowing the resolution of issues, building of confidence and certainty, and providing a milestone-based off-ramp if agreement is not reached.

Decision Point 1 – Agree to pursue a development agreement and stay pending litigation.

The proposed approach will require agreement between the parties to pursue a potential development agreement (as can be further detailed) in good faith and agree to stay pending litigation. This provisional agreement would authorize and further define the first phase of work.
Time frame: 14 days.

Figure 1 – Master Development Agreement Illustrative Flow Diagram



Phase 1 – Millsite Development Strategy. It will be necessary to 'get on paper' a generalized illustration of proposed land uses, existing and future ownership of land, and the location of the basic infrastructure serving the Site (and City), including any rail-related improvements. This high-level illustrative plan, building on prior analysis and planning proposals for the Mill Site, would generally describe the development program envisioned, the actions needed to achieve the development program, including needed outreach and agency consultations, meeting all regulatory requirements, public and private infrastructure investments required, and how, given all of this, sufficient public and private values can be created. This information, and supporting definition of terms, rights, and responsibilities, will serve as the basis of a Memorandum of Understanding (MOU)between the two parties developed in Phase 2. Time frame: 90 days.

Decision Point 2 – Agree to Prepare a Memorandum of Understanding

The Development Strategy will disclose and determine how the interests of MR and the City, as well as the California Coastal Commission (CCC), can be met and a general reckoning of all the regulatory requirements, permitting, and investments that will be required. On the basis of this information, resolution of issues, and agreement, the basic terms of a potential DA can be outlined in a MOU.

Phase 2 – Memorandum of Understanding. The terms derived from the Development Strategy (and other sources) will be structured in a non-binding document that will allow formalization of terms, related evaluation (cost and feasibility analysis, etc.) and a wholistic view of the development program, its benefits (value creation, etc.) City actions and investments, landowner and developer actions and investments, and the necessary third-party regulatory requirements and how they will be met as part of the development process will be evaluated. An overall work plan and schedule for preparation of the DA and its referenced technical components would be developed and attached to the MOU, along with a funding agreement to pay for the process. Time frame 60 days.

Decision Point 3 – Agree to Proceed with the DA and its Related Planning, Review, Financing, and Real Property Transactions

A Draft DA would be prepared early in Phase 3 based upon the MOU terms and related negotiations. Meanwhile, the substantive activities would be fully mobilized along with an agreement and commitment of funding to pay for preparation of the DA and its technical components. Settlement of the pending legal actions are proposed to occur as a component of the final approval of the DA.

Phase 3 –Development Agreement and preparation of land use approvals, other regulatory requirements, financing plan, and real estate transaction agreement. Assuming the MOU process yields an agreement to proceed with the more expansive planning, engineering, financing, and transactions, a formal DA can be initiated. It is during Phase 3 that the substantive components encompassed by the DA will be completed, building on the full breadth and depth of prior efforts. A full and detailed work program will be needed at this point as well as assembling the consultants and legal advisors needed to complete the respective plans, review, and analysis as needed to complete the four major components of the DA – 1) Land Use Approvals; 2) Regulatory Clearances; 3) Infrastructure Financing; and 4) any Real Estate Transactions (P&SA).

It is difficult at the outset to estimate the timeframe required to complete the DA and its four technical components, particularly given the requirements and influence of the regulatory agencies in the mix. However, the overall program, during each phase, will be structured to reveal and scope the various components and related regulatory actions, thus clarifying and expediting the schedule needed to complete the work. Estimated time frame 18 months.

Decision Point 4 – Finalize and Adopt any DA

Following completion of the technical components and agreement to DA terms reflecting the technical work, regulatory requirements, feasibility testing, and execution of related agreements, a DA can be adopted, following the full public hearing process, by the City in a bundle with the development approvals, regulatory permitting, funding agreement and mechanisms, and related land transactions.

Phase 4 – Development Management Program. The terms of the DA will be played out over time including completing needed land use approvals, regulatory compliance clearances, assembling financing and related financing districts, if any, and crafting and completing any land purchases and sales, as infrastructure improvements, subdivision, and development proceeds. All of this will require creation of a project management team and a sustained, cooperative working relationship between the City, MR, landowners, the CCC and other regulatory agencies, and 'vertical' developers that may purchase developable land in the Mill Site, all as guided by the DA and the land use approvals. While it is difficult to forecast the vertical development stage, it will likely take many years to complete.

Mill Site Master Development Agreement & Planning Program
Phase 1 Work Program: Development Strategy Preparation

Introduction

The 'Overview of the Proposed Master Development Agreement Process' describes a multi-pronged, cooperative approach to achieving the desired development of the Mill Site that has been the subject of previous planning, environmental remediation, and development efforts over the past 20 years. The first phase of this process is proposed to be the assembly of a 'Development Strategy'. This Strategy will, over a compressed time frame of 90 days, assemble and articulate the desired 'high-level' outcomes of the proposed cooperative planning, financing, and development efforts to be completed in subsequent components and phases of the process. At the heart of this Development Strategy will be an '*Illustrative Plan*', a visual representation of the Mill Site in its envisioned future form, showing the general location of land uses, major roads and access points, public infrastructure, open spaces and recreational facilities, and identifying the land transactions that are envisioned as may be proposed.

An initial working version of the *Illustrative Plan* will be assembled by the City and its consultants in an expedient manner based on prior planning efforts, proposals by MR or other entities for future development of the Mill Site and vetted with MR, and in consultation with the California Coastal Commission, all of which will be done in a cooperative effort predicated on the goal toward potentially resolving (settling) pending litigation through the proposed Master Development Agreement Program. The initial *Illustrative Plan* will then be subjected to a geographically based constraints analysis. The resulting *Illustrative Plan* and constraints analysis will then be reviewed in a workshop format by other affected landowners, the key regulating agencies (California Coastal Commission, DTSC, RWQCB), and tribal representatives, seeking concurrence and recommending agreeable changes. The resulting public review *Illustrative Plan* will then be presented in a formal public engagement process and subsequently guide the more detailed, multi-pronged Master Development Agreement Program.

The *Illustrative Plan* will take advantage of the full range of existing and prior planning efforts conducted and completed by the City and reflect proposals made by MR and the other affected landowners and incorporate the input and concerns of the Coastal Commission and other regulating agencies in the mix. It is further proposed that a generalized market assessment be conducted that may include the preparation of a developer solicitation (RFQ). This outreach and market reference will be designed to test and modify the *Illustrative Plan* as may be appropriate. The resulting *Illustrative Plan* will become the reference point and guide for creating the Development Strategy – that will specify the more detailed land use planning, zoning regulations, remediation actions, environmental review, infrastructure investments and financing strategies, and identification and evaluation of the land transactions that may be involved, i.e., the four structural components of a Mill Site Development Agreement.

Guiding Principles

The preparation of the Millsite Development Strategy will be guided by the following principles:

1. Maximine Use of Existing Information, Plans, & Decisions. The prior planning and regulatory efforts by the City and landowner proposals will provide a sound basis for assembling the *Illustrative Plan*. A GIS-based composite map will be prepared as a graphic illustration and measuring tool for documenting the sources assembled.

2. Consultations with Other Regulating Agencies. It is recognized that the development of the Mill Site must ultimately meet with planning and regulatory approval of the Coastal Commission and the agencies regulating hazardous materials remediation. At the preliminary stage, the City will be seeking preliminary comments and input that can help shape the plan that will ultimately be submitted for approval. Also, the Coastal Commission is a party to the pending litigation with MR and the City, and so the Coastal Commission's early input and participation is necessary to any potential successful resolution of issues in the action.

3. Engagement of Affected Property Owners and Interests. MR and other affected property owners, including tribal interests, will be engaged and consulted as the *Illustrative Plan* is assembled. This process may result in the formulation of several development scenarios, reflecting the various interests.

4. Ongoing Public Information & Engagement. The assembly of the *Illustrative Plan* and its review will include ongoing public information (through updates at each City Council meeting, regular Website posts, etc.) as well as two public workshops, including an initial workshop that presents the proposed Master Development Agreement Program and the process for assembling the *Illustrative Plan*. The resulting draft *Illustrative Plan* will be presented in a City Council Study Session with full public participation invited.

5. The City Council direction and discussions. It is proposed that the City Council will be regularly briefed regarding the ongoing effort through formation of a Council Ad Hoc Committee. Additionally, is proposed that a standing Mill Site update be provided at each City Council meeting. Finally, it is proposed that the Council will accept the resulting Development Strategy Report as a guide for the next Phase of the Master Development Agreement Program.

6. Negotiation Confidentiality and Integrity. While the development of the *Illustrative Plan* will be an entirely public process, the pending litigation, resolving various regulatory challenges, and negotiations over possible real estate transactions, will require appropriate confidentiality and discipline throughout the process.

Phase 1 Work Tasks

Task 1 – Preliminary Review of Proposed Master DA Planning Process

The Development Strategy (and the proposed Development Agreement (DA) Process will be initiated by assembling the appropriate documents and conducting a preliminary meeting between representatives of the City and Mendocino Railway (MR) representatives, also with the anticipated participation of the California Coastal Commission. This meeting will provide for a discussion about the proposed process and in particular the actions needed to initiate and conduct the Process. The Consultant (Walter Kieser) with the firm EPS, will facilitate the meeting and recommend any resulting changes to the Work Program.

Outcome sought: Agreement to proceed with the Master DA Planning Process and specifically the Phase 1 Work Program (as may be modified as a result of the meeting). It is assumed that the stay on pending litigation will be in place by the time this meeting occurs. Specifically, the Phase 1 Work Program, as agreed upon, will be converted to an task-oriented identification of 'resources' (personnel) and their initial respective commitment of time, and a related task budget adding up to a Phase 1 budget estimate.

Task 2 – Scope of Proposed Development Strategy & Commitment of Resources

Once the Process has tentatively been agreed upon, an effort to more fully scope the preparation of the proposed Development Strategy can occur along with assembling the resources (staff, consultants, agency advisors, etc.). A first-round assembly of adopted or proposed archival plans and documents, regulatory orders, agreements, etc.) will occur as a reference point and as needed to initiate preparation of the *Illustrative Plan*. City and MR will review and agree upon the Work Program, budget, timeframe, and the responsibilities of the respective parties, with the anticipated participation of the Coastal Commission.

Outcome sought: Detailed Work Program, formal assembly, commitment, and engagement of resources, and a funding agreement for the Phase 1 Development Strategy preparation.

Task 3 – Preparation of the Illustrative Plan & Development Strategy

3.1: Overview

The 'overview' will describe the purpose of the Development Strategy and its component elements and how it will influence the subsequent phases of the DA Process. Specifically, the scope of each element will be developed in a manner that can lead to the necessary technical and engagement efforts.

3.2: Assembly and Review of Planning and Regulatory Document Archive.

As noted above, the *Illustrative Plan* and Development Strategy will be fully informed by the body of existing adopted plans and regulations and archival proposed plans and regulations, prior MR submittals, all in the context of the existing circumstances. These efforts include:

- The original draft City/GP Specific Plan that followed four years of work and was shelved in 2012 when the cost-recovery litigation for the remediation became GP's primary focus;
- A revision of City/GP Specific Plan that was prepared by Marie Jones in 2018 and went through a community process (including a presentation to the Coastal Commission when they met here in Fort Bragg. This plan was 'shelved' when MR purchased the north half of the Mill Site;
- MR's prior draft land use plan for the north half of the Mill Site;
- Plans submitted by members of the Fort Bragg community over time (Noyo Headlands Unified Design Group, John Gallo, Grassroots Institute, etc.); and
- Plans/alternatives for the Mill Pond area, including work done to evaluate the feasibility of restoring the Maple Creek and Alder Creek drainages/wetlands.

3.3: Base Mapping and Constraints Analysis

A GIS-based mapping system will be assembled that includes a working scale base map of the Mill Site, identification of and mapping of recognized development constraints including natural features, remediation-related constraints, resource conservation areas, etc. A map layer that spatially documents the adopted and archival proposed plans and regulations will also be prepared. As an example, constraints will include a map layer showing areas on the Mill Site that are subject to deed covenants that restrict future uses, require ongoing groundwater monitoring, etc.

3.4: Draft Illustrative Plan & Vision for the Mill Site

At the highest level, the City, MR, the Coastal Commissions and the other affected landowners and the public will be encouraged to express their ideal vision for the Mill Site including specific goals and related objectives in full view of adopted plans and regulations, archival plans and regulations and the development constraints as presently documented. These goals and objectives will be drafted and reviewed in stakeholder consultations, a series of formal 'workshop' style meetings where each party brings forth their respective goals and objectives towards achieving an integrated single Vision. Once the documentation is compiled, the EPS team can analyze it and clarify where there is alignment and where there are potentially conflicting components.

Following this effort, an informal meeting of City representatives (ad-hoc Council committee and City Manager), MR representatives (preferably without respective legal representation) can be convened, with anticipated participation from the Coastal Commission, to work through the areas where there may be a lack of alignment. While ideally, a single integrated vision could be achieved, there may be some components of the preliminary *Illustrative Plan* where "alternative scenarios" are prepared for subsequent community input, as may be directed by the ad hoc committee.

3.5 Initial Regulating Agency Consultation

This early consultation with the DTSC, CCC and RWQCB will be conducted between the consultant team and the individual agencies to present and review the *Illustrative Plan* and to gain insights regarding related review and regulatory procedures and requirements. At this point we are only trying to gain clarity about the regulatory issues, requirements and procedures to accurately reflect and present them at the first community workshop.

3.6 Landowner Consultations

The other landowners will be engaged in a consultant-led workshop format to present and discuss the *Illustrative Plan*. The other landowners include:

- The Native American housing parcel and engagement of broader tribal interests. (Given the government-to-government aspects of the tribal consultations, the ad hoc committee should lead this effort.);
- The City properties (Wastewater Treatment Facility and the Noyo Headlands Park).
- The Noyo Center for Marine Science (11.6-acre undeveloped parcel with big plans for a marine science education and research campus (the "Ocean Science Center"). The Noyo Center has been engaged in an in-depth conceptual planning process for its Ocean Science Center facility for the past year. Its planning efforts have occurred in consultation with the City and an environmental review and permitting process will begin in early 2025.

3.7 Public Engagement Process

The broader public of Fort Bragg will be engaged and consulted regarding the *Illustrative Plan* and the Vision, as they have been initially articulated through cooperation of the City, MR, the Coastal Commission, other regulatory agencies, and other affected landowners and tribal interests. General public information regarding the process will begin immediately (press release, Council agenda item, website announcement, etc.). At least one formal, facilitated community workshop will be conducted to introduce the proposed DA Process and in particular the proposed *Illustrative Plan* and vision for the Mill Site. The resulting input will be taken into account and a revised *Illustrative Plan* and vision will be prepared for a presentation at a City Council Study Session where public testimony will be received.

Task 4 Specifications for the MOU and Development Agreement

Completion and review of the *Illustrative Plan* and Development Strategy will lead to preparation of a summary *Development Strategy Report* that will provide the technical basis for scoping and initiating the subsequent technical phases of the DA Process. The Report will be a descriptive of and review relevant documents and information, subject to review and refinement as the process proceeds into the Phase 2 effort where general agreement and direction will be documented in int proposed Memorandum of Understanding, including but not limited to the following topics.

4.1. Specification of Land Use Plans & Regulations

The *Illustrative Plan* will be evaluated to determine the planning regulatory actions necessary to convert it into a formal land use plan and related 'project description' as needed for the environmental review process. The resulting Land Use Plan will be the basis for the required amendment to the Local Coastal Program and related regulatory actions by the City including rezoning, master tentative map, etc., all building on prior efforts, as may be applicable.

4.2 Remediation Requirements

The earlier consultations with DTSC, CCC and RWQCB and any other regulatory agencies, and continued dialogue between the City, MR and CCC, will hopefully lead to a proposed action plan for resolving outstanding issues regarding the final clean-up of the Mill Pond and for reaching necessary solutions regarding how needed remediation will be funded, including alternatives for funding. It will be important to accurately identify the status of the remediation and the necessary steps to complete RAP approved for OU-E (Operable Unit E - the Mill Pond area). The public will need to be assured that there will be plenty of community process during the environmental review process.

4.3 Infrastructure Requirements and Financing Strategy

Substantial infrastructure improvements will be required to achieve the *Illustrative Plan* and vision. This task will define the components of infrastructure and assemble prior efforts to define and evaluate infrastructure needs in the context of the *Illustrative Plan*. While cost estimates will be the result of subsequent design and engineering efforts, a general sense of costs can be estimated at this point that can lead to identification of funding options, including the proposed land-secured financing (Mello-Roos Community Facilities District), existing City impact fee programs, grant sources, etc. The first City/GP Specific Plan process (2012) included civil engineering work to define the necessary infrastructure to support redevelopment of the Mill Site that can serve as a reference point for this work.

4.4 Real Property Transactions

The *Illustrative Plan* will also identify the tentatively agreed upon 'end state' for property ownership in the Mill Site, reflecting any land trades, purchase and sales, and dedications that derive from the master tentative map. It is recognized that there presently exists no agreement regarding various transaction proposals; in this task, an effort will be made to resolve an agreeable plan for potential real property transactions (and the related conditions, covenants, and restrictions that may need to be applied). Existing examples of potential real property transactions include:

- Transfer of Mill Pond/central park area (i.e., OU-E) to City of Fort Bragg, after remediation.
- Transfer of Maple Creek and Alder Creek corridors for open space/habitat purposes.
- Transfer of a wildlife corridor connecting forested/wetland areas along Main Street to the coast.
- The Noyo Center has expressed interest in acquiring a small parcel that adjoins the Noyo Center property and would accommodate an alternative road access around the southeast boundary of their parcel.

4.5. Project Description & CEQA Process

The foregoing tasks, as assembled, can lead to the preparation of a provisional 'project description' as commonly understood and required as part of CEQA review (preparation of an EIR). In this instance it is appropriate and recommended that a 'programmatic' EIR be prepared that encompasses all the aspects of the Development Strategy that would likely require CEQA clearance. There will also be an evaluation of the need for NEPA clearance; if so, it would make sense to consolidate the environmental review for the OU-E RAP with the environmental review for the initial Mill Site entitlements. NEPA clearance might be needed as well.

4.6. Proposed DA Procedural Steps

The proposed Development Agreement is a contractual form built upon statutory authority and numerous examples of how master development plans are achieved through a cooperative 'public-private' approach to development. This task would review and refine the proposed procedural steps and the specific content of each step.

4.7. Anticipated Roles and Responsibilities of the Parties

The final task of the Development Strategy, building upon all the tasks described above, will be to describe the anticipated roles and responsibilities of the parties in completing the four elements of the DA including the land use approvals, the regulatory clearances, any financing plan, and any real estate transactions.

Mill Site Master Development Agreement Program
Guiding Principles and Policies

Connections, Views, Open Space and Access

- Extend the City street grid into the site. (2019)
- Create multiuse trail connections to Noyo Headland park and other new parks.
- Retain public view corridors to the ocean through the Mill Site. (2019)
- Allow for daylighting of Maple Creek. (2019)
- Maximize Public Access and Recreation (CCC Goal 1)
- Protect and Enhance Coastal Resources (Wetlands, Archaeological Resources, Environmentally Sensitive Habitat, etc.). (CCC Goal 2)
- Enhance coastal access and recreational opportunities through access points, visitor attractions, parks and recreational facilities, and visitor parking as needed.

Pomo Culture and History

- Engage in formal tribal consultation during master development agreement process.
- Celebrate Pomo Cultural History in planning and design
- Pursue creating a Pomo Indian Heritage Village/Visitor Center and/or Cultural Center.

Expand Downtown and Economic Vitality

- Extend the downtown commercial district into the Mill Site. (2017)
- Provide visitor-serving uses and compact mixed-use residential development within the extension of the Central Business District. (2017)
- Extend Redwood Avenue to integrate Downtown and the Mill Site to include uses complementary to the CBD, Skunk Train experience, and Coastal Trail - not to compete with the CBD.

Housing Needs and Opportunities

- Establish zoning for residential and visitor-serving uses in the Northern District. (2019)
- Provide a range of housing types, unit sizes, affordability, and densities to serve Fort Bragg's housing needs.
- Housing densities and form (height, bulk and mass) should be sensitive to, and compatible with, the fabric of the City.

Economic Development

- Create new living-wage job opportunities on the Mill Site. (2019)
- North Mill Site – extend and enhance the City's existing downtown urban form focusing on housing and visitor-serving uses with near-term development potential.
  South Mill Site – provide sites that are suitable for a mix of commercial, institutional, industrial and residential uses.
- Establish zoning for jobs and a more diversified economy in the Southern District (light industrial, education, visitor-serving, R&D, and office space). (2019)
- Create economic diversity – consider science/biomedical, technology, education, remote-work, Blue Economy – "big idea" uses.
- Allow residential use in the Southern District in conjunction with job growth on the site.

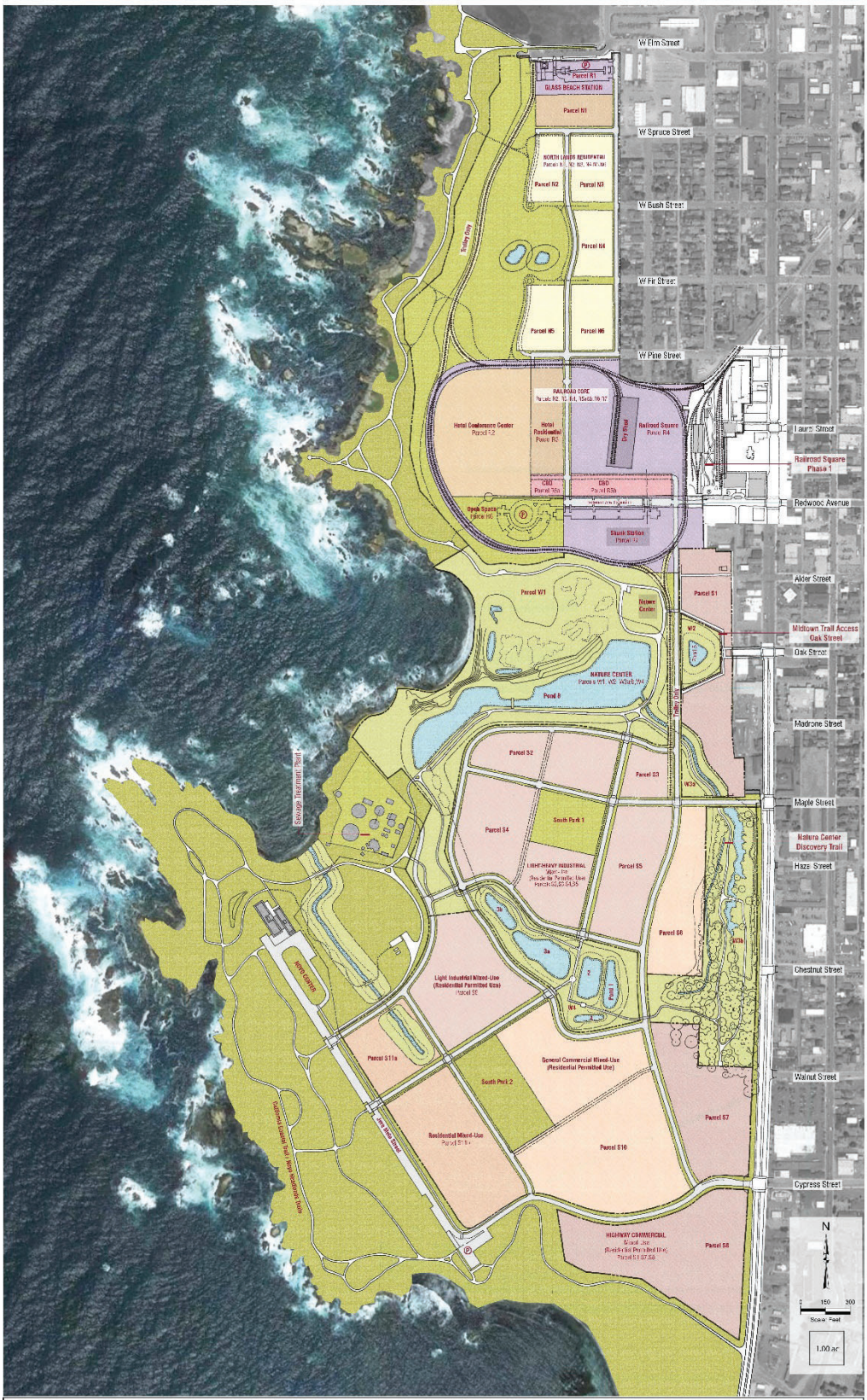
Sustainable, Resilient, and Beautiful Development

- Incorporate smart growth practices, such as compact design, mixed-use development, and higher density residential development adjacent to the City's Central Business District. (2019)
- Require sustainable development practices, such as low-impact development and green building. (2019)
- Require high quality design for all development. (2019)

Mill Site Master Development Agreement Program
Mill Site Planning Formative Elements

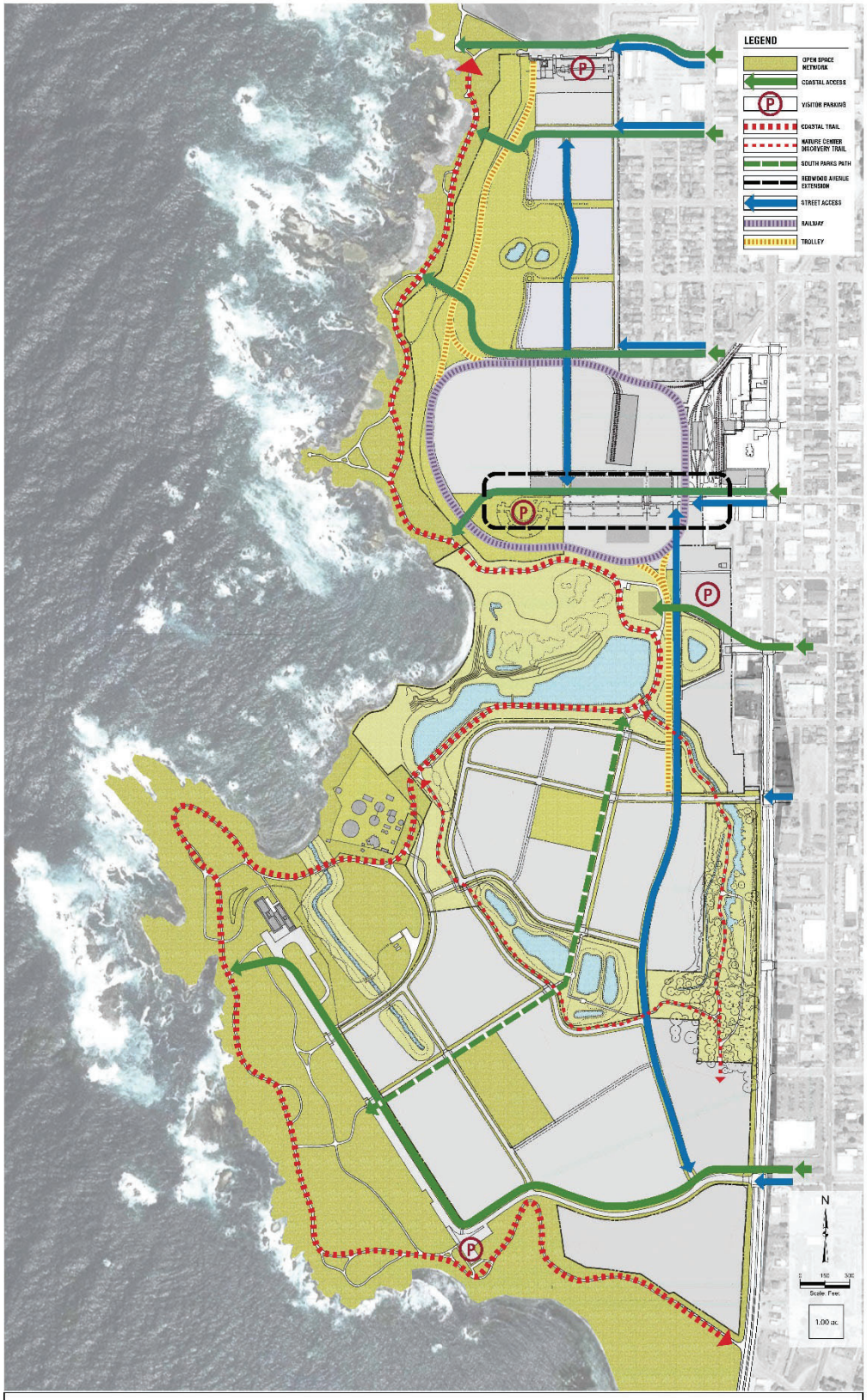
1. **Establish Land Use Sub-Areas** -- The essence of a land use plan is the spatial expression, a mosaic, of sub-areas where various land uses will be located and will interact with each other internally and with surrounding existing land uses.
2. **Distinguish the North Mill Site Area from the South Mill Site Area** -- The North Mill Site area is best thought of as an extension and enhancement to the City's existing downtown urban form, focusing on housing and visitor-serving uses with near-term development potential while the expansive South Mill Site Area has longer range potential for a variety of uses including larger format commercial, industrial, and institutional uses along with visitor-serving and residential uses.
3. **Determine Individual Land Use Types & Mix** -- Planning for the Mill Site has always assumed a mix of residential, commercial, visitor serving, and industrial areas in addition to coastal access uses (e.g., parking), and conservation uses. While the Plan can envision a desired mix of use types, development densities and quantities, the market will always determine what gets built. Lacking a 'ready market', flexibility and strategy are necessary, taking advantage of current market conditions while creating value and incentivizing development for which there may not be a current market.
4. **Resolve and Reflect Development Constraints**. A range of site-specific and area-wide development constraints will affect the location and scale of new development. While some of these constraints have been reflected in the Illustrative Plan, others will be revealed during the formal planning process.
5. **Create Community and Real Estate Value --** The key to successful development of the Mill Site given its large swath of development land and lacking a fully developed market demands 'creating value'. Such value begins with public investments (e.g., the coastal trail) and through good planning, establishing development entitlements and permits, improving existing amenities, investment in needed infrastructure, and other development readiness investments as needed to attract investors and builders.
6. **Enhance Coastal Access** -- The Coastal Trail and adjacent parks and open spaces will remain the central amenity of the Mill Site. The Land Use Plan for the Mill Site will further improve the Coastal Trail and other existing public access facilities by providing additional access points, visitor attractions, and expanding parking where and if needed.
7. **Infrastructure Needs & Capacity** -- Development of the Mill Site will require a full range of urban infrastructure that will shape and be constructed concurrent with development activity. This infrastructure includes roadways, water, sewer, drainage, and power utilities. This infrastructure will be 'tuned' to the precise needs determined in the formal planning process. Infrastructure funding will be derived from private equity, development fees and charges, land secured special taxes and assessments. Potential City sources include grant funding, utility rates, property tax increments, and bonds.

Mill Site Illustrative Plan Map



Hornberger + Worstell | **Mill Site** | Fort Bragg CA | **Illustrative Plan For Discussion** | 02.20.2025

Mill Site Illustrative Plan Open Space and Circulation Network



Mill Site Master Development Agreement & Planning Program
Public Comments from February 25th Public Workshop

The City of Fort Bragg held a fully noticed (as a City Council meeting) public workshop on February 25, 2025 to receive public comment and questions regarding the Master Development Agreement Program and the results of the Phase 1 Development Strategy.

PUBLIC COMMENTS:

- Concerns about MR having equal standing with City; does low price MR paid for property result in property tax fraud. City should report to Assessor, State Board of Equalization, Attorney General, Grand Jury, IRS.
- With regard to process, drop previous assumptions, opinions, prejudices. Join together to be stewards of this place. How much, what kind of growth? What we do now will have permanent effect on community. Do this to build a sense of community, not adversarial.
- Previously, Planning Commission and City Council unanimously accepted a land use map for future development of Mill Site. In DA, developer should acknowledge that they will allow local/state regulation for health and safety and if they will be subject to local and state regulatory agencies.
- Excited about curtain being pulled back on headlands. Opportunity to make something very special. Love the idea of bikes, trolleys, walking pedestrians. Great testimony to reducing the carbon footprint that community can embrace.
- What we are seeing is not an alternative vision. Whole site is not cleaned up to residential standards. Mill Pond has not been adequately characterized. Dam is in danger of collapse. Consider earthquakes, tsunami, sea level rise. Runoff is polluting area. Great vision: coastal Pomo cultural center.
- Who is on City Council ad hoc committee? Tess knows a lot about CEQA. Important to clean-up Mill Site completely.

Responses:

- Mayor Godeke: Mill Site ad hoc committee is comprised of Councilmember Peters, Mayor Godeke. Committee previously was Councilmember Rafanen and Godeke.
- Torgny Nilsson (MR): Purchase price for mill site included land for liability swap. Costs for remediation of Mill Pond could be well over $60M. Purchase was approved by the court as reflecting fair market value of property. MR has never wavered from saying that it will follow all applicable laws. Railroads are the most regulated entity in the nation. Only areas MR wants preemption for are shown in purple on Illustrative Plan plus the trolley.
- Robert Pinoli (MR): State Board of Equalization regulates taxation of railroad property, not County assessor. There was a reassessment, but value was not escalated exponentially because there are no improvements.

PUBLIC COMMENTS:

- Like acknowledgment of Native American history. MR should donate profits to Pomo because they were forced off of the land. They have a spiritual connection. We owe it to them to give a percentage of profit. Concept should go to ocean and allow for ceremonial participation, sacred space. Need more affordable housing for young families, housing should allow children and pets.
- Appreciation for openness to moving forward. The plans need to start from the ground up. Need to understand are limitations of land. For example, hat further remediation is necessary to remediate to residential standards? What about habitat areas, creek daylighting, stormwater runoff? Support giving land back to native folks. What ratio of uses best serves our needs? Tourism is unstable choice upon which to base an economy. Discretionary spending is the first to go. Need jobs, good incomes in order for younger generation to return and stay. Tourism is unstable, we need to diversify the coast economy and bring jobs for families.
- Question re: buildings in purple zones, and the Stations at Glass Beach and the Dry Sheds. Is MR willing to agree that they will follow City, State, County permitting and inspection requirements for these areas. If so, would that be different from non-purple zoned areas on site? If so, how would it be different and why? When property was purchased by MR, you agreed that there would be substantial clean-up. How long will that take? Interest in making it beautiful now.
- People have different priorities. As community, not clear about what we want to get out of the Mill Site. My #1 priority is to replace the economic engine that we lost when the Mill closed. How do we do it, what do we care about, what's important to us? Fort Bragg is on very shaky economic grounds. Tourism is one leg of a 3 legged stool. Create a bullet point list of things that matter to us. How do we preserve the land, how do we create community. Most of what people say are values that we all share. Not a conflict. It's a matter of prioritizing.
- Area has so much history, natives, railroad, chopping down old growth forests. Lots that we can learn from. We could be the Redwood Riviera. The opportunity to develop this property is amazing. Want beautiful buildings, not cookie-cutter. Support protecting the train system. We can manifest something truly wonderful. This is a beautiful area. Think about the future: emergencies, keeping the runway, the economy. Botanical drugs. Natural pharmaceuticals.

Responses:

- Marie Jones (consultant): With regard to remediation: Mill Site was cleaned up to accommodate future uses envisioned at the time the clean-up was approved. Big piece that isn't done is remediation of Mill Pond complex. There is community interest in daylighting creeks. A Remedial Action Plan has been prepared and submitted to DTSC. DTSC will consider community acceptance. The Coastal Commission, Dept. of Fish & Wildlife and Water Quality Control Board will all have a role in regulating clean-up of the Mill Pond. MR is required to get a Coastal Development Permit through the City for the project.
- Tgorny Nilsson (MR)**:** Federal pre-emption for railroads. OSHA, FRA, DOT, CPUC, STB. Railroads are required to follow local building codes but are not subject to local authority. We welcome local inspectors to come see what we are doing.
- Robert Pinoli (MR): Clean-up plans and other documentation related to remediation is available on DTSC's digital document repository - Envirostor.

- Chris Hart (MR): Need to support existing tourism economy and diversify existing economy. Plan provides space for light, heavy industrial. MR has had a lot of meetings with the Sherwood Valley Band of Pomo. Housing needed at all income-levels. Plan will provide for a range of housing prices. MR has bought 3 different buildings for employee housing. Community can't just be Bay Area retirement home. Need homes for young people.
- Walter Kieser (consultant)**:** Question about replacing economic engine. Need a space for people to invest and build things. If people can't afford to live here, there will be no workers for that industry. Where are we going to build, and where are my employees going to live.

PUBLIC COMMENTS:

- Commentor worked on remediation in Sacto. GeoTracker website has info for remediation areas across the state. Mill Site was economic engine for decades. Clean-up requirements are different for commercial vs residential uses. Mind-boggling how much money goes into clean-up.
- Does MR own the property? Attorney said that they paid $60M but only $1.23M is documented. MR claims to be public utility and exempt from City and Coastal Commission permitting requirements. Clearly, they are not, they are an excursion/entertainment train not a public utility. MR and the City are in court over this issue, it's been put on hold. It is premature to be making plans. The plans are clearly MR plans, not those of the community.
- Mill Site has great potential. This coast deserves the best. Inspiring to be here. Education is a way to show how we love the coast. Give back to community. Exploratorium. Surrounding that with community, retirement community, daycare, parks. Focus on taking care of people here. Show how we love this community. Bring nature back. Educate kids. Raise the standard of living. When you build, use quality products. Make development outstanding and inspire others to be in community. History of community. Let's rebuild that in a more beautiful and respectful way.
- Economy really needs help. The headlands is the future. Tourism economy is important. Diversifying the economy is important. Remote workers have huge potential to boost economy. One way to attract, is to have it be a world-class destination. Need to do it right on the Mill Site.
- Alternatives for Mill Pond remediation include transferring sediments to Kettleman City. Or leaving it there. Treat sediments with latest technologies. Consider hybrid model for clean-up.
- If there is ability for people to work together, there will be more concessions on both sides. Trusting City and MR to be wise and responsible. I have 15 things to be changed about illustrated plan. All for the better.

Responses:

- Tgorny Nilsson (MR): Purchase involved cash and land for taking on the cleanup liability. Clean-up could be as much as $60M. GP offered same purchase terms to anybody. No one else willing to clean up the Mill Pond. Approved by local court. MR has tourist, freight, commuter components, including new contract for freight. We have wanted to open tunnel for years-Coastal Commission has prevented us. City has submitted documents claiming that we are a public utility.

PUBLIC COMMENTS:

- With humility, grace, politeness- we will get through this. Coastal Trail is magnificent. Have vision folks. Come together. Bend, but don't break. Done with fighting. I pray for this community all the time. To quote my father: "Fort Braggers are tough. They were raised on fish head soup."
- This is a world class stretch of Pacific Ocean. Tremendous opportunity. Pleading that we might do something beautiful. Be a model for the world. Develop with highest quality materials. Include open space and wild space. Also okay with doing ecological restoration. Appreciate the opportunity that we have to make decisions.
- Have opinion, a voice. Opening of Coastal Trail provided a safe place to walk. Has opened up a whole new world to this community. When was last time a City had the opportunity to do the things that you have an opportunity to do. Vision of the Noyo Center. Go on their website. Local College. Arcata Marsh; Petaluma - wetlands adjacent to wastewater treatment area.
- Where is water coming from. Don't see anything for solar, wind. Electricity should be underground. Smell shadow at WWTF - something has to be done. Amazing opportunity. Do it in a positive, generous manner.
- Consider having an area that's like a sports complex, race track. Race cars on 1/4 mile track. Or pump track for kids. Recreation facility zoning.
- Proud of City. Evolving, moving forward. If you work with nature, things that need to be done can be done inexpensively. Need more parking at Glass Beach (where nature turns trash to treasure).
- We have to meet the needs of the future. Need to work very closely with the Sherwood Valley Band and the coastal Pomo community at Noyo. They are the foundation of this community. They will put you on the road to greatness.
- Do not overbuild. Tell the story. Want to be a magnet, need hotels, need creeks daylighted.
- Cultural Center for Pomos could be center stone of Mill Site - real draw. Different from something like Disneyland.

Responses:

- John Smith (City Public Works Director): City is currently undertaking $72 Million in water projects. With water meter project, expect to find savings of about 20 million gallons per year. New potential sources. Recycled water feasibility study - $500k to see if we can reuse treated wastewater. Desal buoy (12 month pilot project; in water in June). Scalable. Water Plant - $12M project for efficiencies. Reservoirs, additional 135 AF of water storage. Will help with dilution requirements for recycled water project. Can discharge water from reservoirs to reduce impacts on river. Largest rain capture device around. Will have a challenge discharging all that water. Also looking into stormwater reuse.
- Marie Jones (consultant): The planning process will involve the tribes; formal government to government consultation. Have contacted Sherwood Valley Tribal Historic Preservation Officer Valerie Stanley. Tribal Council will likely ask for consultation. Process is multi-pronged and will include Caltrans, CDFW, CCC, DTSC… bring everybody along together.
- Councilmember Albin-Smith: Reminder to put your suggestions on the plans on the wall.

- Councilmember Peters**:** Federal Railroad Act was passed in1882 to give railroads power of eminent domain to take whatever land they wanted, with devastating consequences to native tribes.

PUBLIC COMMENTS:

- Should have net zero energy buildings. Be very ambitious, do something very special. Where is focus on science and education. Build on that idea. No one has mentioned climate change. Wake up. We can be sequesters of carbon. Build with thoughts about what climate change will bring us. Droughts, atmospheric rivers. There is too much development. There should be much left for nature. Pomo community supports creek daylighting, traditional cultural practices.
- Concern about federal pre-emption. Purple area on map. Diesel locomotives, 100 decibel train horn. Comfortable with trolley. Climate change issue, when stuff changes - then all the rules go out the window. Population of Mendocino County could more than double with climate refugees in coming decades. Plan for influx of large numbers of people.
- Gratitude to city government. This is the most beautiful place on earth. Sacred coast. Local zoning is extremely important.
- Skunk Train is not a common carrier. Purple areas should not be exempted from compliance. Cannot rely on federal government to regulate.
- Need more of this kind of process. Every couple of months. Let's make Fort Bragg continually be amazing forever.
- Can somebody on Skunk address Tier 3, 4 engines. Is Sierra Railroad developing hydrogen engines? Could be educational opportunity.
- Vision of having Mill Site be fantastic place for visitors and community. Economy to attract with remote workers. Vision for it to still be quiet and peaceful. To remain beautiful as bluffs recede. Hotel should be moved back 200'. Or transfer development rights elsewhere in City or County. Skunk station, events venue. Not having north-south corridor would reduce traffic, increase serenity. Think outside of box for south parcel. Intentionally kept things vague for big idea. Do south parcel later? Do transfer of development rights with Noyo Center, move that back. Eventually move WWTF back too.
- Should abide by rules of decorum. Lindy's comments to Tgorny were not appropriate. Maybe someone else needs to be appointed to Mill Site committee
- Be sure to thank GP for selling us coastal trail. Very generous. Should be plaque thanking them for having that opportunity.

Responses:

- Robert Pinoli (MR): MR has grant to replace 3 tier zero diesel locomotives with 3 tier 4 low emission locomotives here in Fort Bragg. Sister Company, Sierra Northern Railway has 36 tier 4 locomotives. Also building one fuel cell locomotive in Sacramento area. Federal Railroad Commission inspects 3-4 times a year with California Public Utilities Commission and Transportation Safety Administration. MR was first railway in nation to use 100% biodiesel. Only one in entire nation building a hydrogen locomotive.

- Chris Hart (MR): In response to comments about leaving open space: 44% of land in north area is planned for open space. Trying to make it a welcoming environment for people to visit. Needs to be beautiful. Spent a lot of time in 2019/2020 working with the Council's ad hoc committee.
- Marie Jones (consultant): In previous plan, identified urban reserve on south end - an area for the big idea. Coastal Commission feedback was that area will need a land use classification. If we leave it with Current zoning (Timber Resources Industrial) a lumber mill would be a permitted use which might not be compatible.

PUBLIC COMMENTS:

- West Street/Weller District. Concerned about impacts on views from neighborhood. Grass along GP fence needs to be mowed. Fire danger.
- Need local jurisdiction over the entire Mill Site. We voted for the City Council. We trust them. Lobbying for local jurisdiction.
- Support concept of small mill, targeted micro-mill on south end of Mill Site.

Responses:

- Chris Hart (MR): City staff doesn't have expertise to know how railroads run. Local regulation of railroad uses is ambitious, doesn't exist. Simple noble idea; it's hard.
- Isaac Whippy (City Manager): Thank community for participation/feedback. On March 10, City Council study session is scheduled. Can email comments to City Manager, Mayor.

Fort Bragg Mill Site Master Development Agreement - Phase I
February 25, 2025 Community Workshop

POST-IT NOTES SUMMARY

WHAT DO YOU LIKE ABOUT THE PLAN?

Residential above the commercial buildings is perfect	At least we're here, talking, tonight.
Integrating our Noyo Center into the main area plan- not set only aside - integration of our treasures. History, botanical gardens, mushrooms, whales, native American history, small educational pavilions can be incorporated into some designated development areas.	I like that you offered to take the trolley off the plan- this hopefully will not be a Knotts Berry Farm on sacred land.
There are more coast access points	An electric jitney is a good idea.
#1. Very excited about the Noyo Center. 2. Nature center. 3. Discovery trail loop. 4. Daylighting creeks	We need to be known for something, do it.

WHAT WOULD YOU CHANGE?

No train to Glass Beach. I'd like to see a trolley that travels further south along Highway 1 and is free to locals	No trolleys and trains
No train. Too noisy, too much pollution. No one would use convention center or hotel w/ train circling.	No trolleys, no light industry, no housing. Leave it to nature, coastal trails, Noyo Center, Pomo Center
No mini city	No trolley
The proposed trains will have a negative impact on coastal areas	More Open Space
More open space	Trolley to go further south, paralleling Safeway.
The train sounds like an amusement park. Why here on the ocean bluffs?	No Railroad circle activity
More environmental preservation	A lot more open space, lower density building
No hotel/convention center. Focus instead on opportunities for young adults- marine science, a culinary school with ocean view student-operated restaurants, etc.	I can see an advantage to expanding the railroad to a "Railroad Square" but not the railroad loop. Too noisy and impactful for the coastal environment. An electric trolley may be valuable depending on cost and where it is located.
It is too much.	Housing density is too much for such a small town
All buildings must be 100% green. We can be a model for CA and the world.	Historical Indigenous Pomo site(s) should be at the forefront of new developed land and not be pushed out of sight, to be enveloped around.
Save half for Nature	World class coast; no idea why we'd overdevelop with such ho-hum buildings?!

Maintaining a quiet, unrestricted walkway along the ocean without any tram or train is vital. The distractions of a trolley will be detrimental to experiencing our coastal retreat walk.	Did we forget about sea level changes and big weather? This is too much coastal development.
No new railroad tracks. The citizens want quiet zones for the tracks that exist.	

WHAT WOULD YOU LIKE TO SEE ON THE MILL SITE?

Would like to see convention space identified	High density, affordable housing is a must.
Local Zoning compliance for all parts	Workforce housing
How about an aquarium? Educational, aspirational? Retirement community development. Small spaces than large community areas: gardening, dancing/exercise space.	Daylight streams, create riparian park
PG&E/Sonoma Clean Power involvement in development of a larger grid to support development of the property.	A Pomo museum and area for sacred Pomo celebrations is vital. This was the land they were forced off of. This area designated for honoring the Pomo will help heal the land.
More cost-effective alternatives to energy resources: wind turbine, seawater turbine, solar.	Emphasis on broadly-useful, well-paved trail with sufficient access points, including parking. Concern for aquatic pollution and clean up. Restoration of native vegetation should be well thought-out.
New (fireproof) building construction materials	Coastal Pomo Cultural Center. from Branden Roscoe. Information provided to City Council.
Solar-powered lighting and emergency phone stations along the nature paths	A beautiful example of functional beauty. Pulling the curtain back to a vista of the Pacific with living and active use.
Do not dismiss events venue so quickly. Look at Newport, OR performing arts center. There are already 5 major events based in Mendo which bring hundreds of thousands of dollars and bring people from all over west coast. Build it and they will come. Especially when it is 110 degrees inland. Suggestion: hotel site to include event center.	Rails around the whole site. Civic center for big events. hotel, housing for low income, less building on the north side. Work with the Pomo to take over contaminated land (ask them). City helps get clean up for land given to Pomo in return - a cultural center.
Retirement Community (progressive: independent to assisted living. full service)	Indigenous sites should be at least commemorated/better yet, restored for use of first people of the area.
Retirement/senior living homes; childcare; family homes; park space; coastal agriculture. Quantum Exploratorium	Importance of new economic development. Marine research; coastal alternative energy systems; redwood/wildlife research education facility; cannabis research
Science education	Plan might include emergency medical station: nurse/paramedic, etc.
More, not less open space for everyone around developments. Small dwellings, not McMansions. More space along the headlands because the ocean will keep eroding the slopes	Start filing permits, change the zoning.

Will the workers who build this make a living wage. Healthcare, or an apprenticeship program for the workforce	We need more housing
Multi-level retirement facility offering robust independent living, assisted living, rehabilitation services and memory care.	

COMMENTS ON PLANS & DOCUMENTS

Should have events venue that you can see over from CBD. Station should be NE of here.	Moving hotel back 200 feet, allows us to move tracks back 200 feet.
Daylight Alder Creek as well	What moderate to heavy industries--not! There are needs for these?? Not on these treasured acres. Job creation does not require mod-heavy industry.
No tracks! Low impact roads	Given what Nilsson said, does this whole purple area qualify for federal preemption? If so, no train on the mill site!
No train tracks	How much would new retail development west of Hwy 1 affect current downtown businesses? I don't think we have population base to support a large new development
100 decibel train horn next to Coastal Trail, diesel soot?	What agencies will permit and regulated "rail related" development such as proposed Glass Beach Station and MR's reuse of the existing mill buildings for rail-related activity. Is this different from other development?
No tracks anywhere. Electric jitney sure.	What agencies will permit and inspect all of the map areas colored in purple? Is that any different from permitting and inspections in other areas? why?
More Open Space - away from toxic pond	Will the City and the railway create a review board for all future development of the property, or will developers have control of the parcels they purchase for development
Remove high density housing east of hotel and move hotel back	

GENERAL COMMENTS

Why develop in the first place? Why housing (other than as a profitable money grab?)	Has there been any thoughts of letting Pomo elders see to the environmental aspects? What would it look like for them to decide and dictate where things should be?
I'm wondering just why we need this huge infringement on our coast?	The current jobs advertised by the Skunk Train pay $18.75/hr- not nearly a living wage here. Will jobs at this new coastal disneyland be any better? Who is this really for?
It's our coast (said every osprey, hawk, shorebird, snake, and human kind)	Adding housing=adding population. Our recreation fields are already at capacity. Where will our kids play sports and recreate?

When someone shows you who they area, believe them the first time	How much would the overall labor cost? How would we integrate the architecture from old to new to not have a classism-fueled architecture wall?
I appreciate you want to be successful in a way that includes your community. It has been a long journey- less is always more. I appreciate you are asking. I will be hopeful that you can listen and take action with respect.	I am a 25-year old local that volunteers with ALRFD as an EMT. My whole generation works 2+ jobs and we still can't afford to live. New workers can't support our communities. EMS is dying out and we can't afford to take care of you or ourselves.
Given local population trends, how much new housing?	In case of an emergency (medical, fire, shooting) what would be the evacuation route for this future housing? Will there be more EMS jobs on site? Example: on-site basic first aid, helicopter pad, nature guards?
Good ideas, good intentions. Thinking about what can benefit the people who live here full-time. Need more Gen Z perspective.	What is your plan for all the pine trees that line the Hwy 1 into town? They obstruct our view of our coastline - that is a beautiful thing - But not with so much development.
Are we creating San Diego or are we looking at why people come to Ft Bragg? They come to get away from "so much development" Simplify- look at Denmark for housing concepts.	I am a climate refugee. I own a finance agency and want to live here. My business is 100% digital. A huge crowd is right behind me. You need a sense of urgency!
Skunk train should fix the tunnel to make it easier for people to get here	

Fort Bragg Mill Site Master Development Agreement - Phase 1
March 10, 2025 Fort Bragg City Council Meeting Summary

1. PUBLIC COMMENTS

RE: Continuance of Stay of Litigation

- Only thing on table tonight is to ask for a continuance of the stay. Process that invites early/quick solution. Demographic and market analysis needs to be redone. Wants process to go forward slowly and mindfully with lots of study and due diligence. Discussion about what the decision points are on the diagram.
- Supports continuing effort, extending the stay - even if we have to go to court later. A negotiated agreement is a more flexible way to address these issues. Might win, might lose. It's all about the details. Have to get it right; have to be super thorough. Not harmed by another month or too. Concerned about how the City is pursuing the litigation. Won't reverse the eminent domain. Federal courts are not bound by State court decisions.
- Thank you for having the grace to do a stay. Appreciate seeing people working together on this. Fighting it out will poison the well. Empower our citizens instead of trying to disempower.
- CCC filed an opposition to the initial stay. City filed its complaint in 2021. MR has delayed discovery, etc. Extending stay would prejudice City and CCCs duty to protect the coast.
- We're not ready to proceed past Phase 1. MOU formalizing development plan. So much more analysis that needs to be done. Don't know what we're doing on the southern half. Big idea: figure out what we are going to do and phase it. What is the vision. What are the jobs. Have a slew of ideas on how to work together to meet mutual goals. Don't know where Coastal Commission stands. Delay decision D1 for 90 days while we work together.

RE: Settlement of Litigation

- MR does not connect to the interstate rail system; therefore they have no federal preemption.
- At beginning of litigation, issue was whether the City has authority to enforce State and local laws pertaining to the RR. Not a planning issue. CCC has intervened as a party. Question of law- who has jurisdiction over the RR. Any attempt to go forward with planning is a failed and doomed option. It is courts job to define what is the law, how is it applied. If you move forward on presumption of what that law means, then you are acting on shifting sands. Whatever you negotiate will have no meaning b/c MR can simply reassert that you are preempted. Can only regulate if you have ability to enforce.

- MOU Phase 2 is fraught with problems. Will you resolve a pending lawsuit with this MOU. Can be no federal preemption for these people. This is not a federally controlled railroad.
- If you were a railroad, would you reach out to City and CCC for permits if you didn't have to?
- Duty to citizens to weigh development proposals independently and not as a co-proponent of those proposals. MR involved in determining what happens on Mill site. Outsize influence because of litigation. Not a fair process to the citizens. Principled stand in filing/pursuing lawsuit. If abandoned, that money is for naught. If you think you are going to make a settlement, put it on a public agenda, let public weigh in on whether suit should be settled.
- Lawsuit is about MR submitting to jurisdiction of City and CCC. Move forward with lawsuit. Do not ask for continuance of stay.
- Arguing about whether the Skunk can do what it wants without us having any say. Like the plan for development. See lots of rooms for comments, shaping it. Lawsuit is about what if? what if something bad happens? what if we agree on something, but they back out? I haven't seen any of that. Arguing about who has power, not what they want to do. We have to have some economic development out of that property. How are we going to do it? There's nothing that prevents us from legal action in the future. How long will this go on? Suspect that reason to go on is to prevent property from being developed. Opposed to that.
- Question of preemption. MDA is best way to deal with it. We can negotiate all of those things. We can decide where the tracks go. Reasonable investment backed expectation. A lot of flexibility in MDA. Need more education, public participation. Negotiate details in agreement.
- Process has potential of MR getting something that they want before the City gets what they want in return. Not the usual MDA process.
- Concern about underlying assumption, one set of rules under jurisdictions of State/City; and another set of rules that would not be under the jurisdiction of the city or state.
- Don't understand why MR doesn't want to get permits on 10% of the property. Lawsuit gives you opportunity to do discovery. Will have facts to base decision on. That is important. Put process of development planning on hold. CCC is not on board. Put planning process on hold

RE: Master Development Agreement (MDA)

- Is MOU legally binding? No. MDA is legally binding and enforceable.
- MDA should pro-actively think about full range of potential uses.
- Have the Skunk's vision of an illustrative plan. Not the community vision. More community input required to achieve that. Have a fantastic opportunity.

- No mention of inspections relating to building permits, what about noisy events? would a second floor restaurant need health department permits?
- Put egos aside and get things done. Buffer zone of railway. Set it back. Interpret it. Need convention center, like Asilomar. Bring jobs/people here. Talk to Pomo.
- Support MDA. Support electric trolley.
- Illustrative Plan is different from previous versions. Can RR continue to designate more property as exempt? Zoning for south end; allowing for different uses. Concerned that there will be too much residential and not enough job creation.
- MDA process seems like the way to go. Concern that entire process is premature. Council needs additional information. Support skunk train going forward in compliance with all applicable local, state and federal requirements. Gather full information from court proceedings. Settlement agreement can happen at any time.
- Stipulation; should not use train horn on Mill Site. 100 db train horn. Plume coming out from Skunk Train area. Should show restricted area on the map.
- Agree with concept of buffer. Support local jurisdiction. Should go slowly. Workshops. More post-it notes, community input. Strongly disagree with any exemption from Coastal Commission. Community land trust should be included in housing out there. Grade separation; different gauge for trolley.
- NorCal Carpenters Union. Labor standards on MDA. Prevailing wages, health care benefits, apprenticeship programs.
- Enthusiastically support this process. We can work these things out. City needs to take a leadership role. Lawsuit is being treated in an unfair way. Do not back down. Importance of getting all of the work that property owner wants to do permitted, should not be sloughed aside. Education, science, Asilomar, not luxury housing. Should daylight creeks. Conciliatory tone is where we have to go as a community.
- 15-minute city. walking, cycling, public transport. Set an example. Can be adapted to rural areas.

RE: Community Participation

- Marry in haste; repent it in leisure. Process needs to be transparent and inclusive. One meeting does not constitute meaningful public input. Devil is in the details. More than proforma public participation is essential. How is the public to have meaningful input going forward. Involvement is needed as it takes place, not after it has been negotiated and agreed upon. Public input is essential. Add the public as a stakeholder. Create a CAC.
- Division, demonization, fighting. Need to transcend that and hold ourselves, each other, institutions accountable. Continue the process. Make sure that what we're doing is creative. Difference between fusion and fission. Move forward in good faith.
- Need to come together as community to find right solution for headlands. Would like to work with all interested parties towards those ends. See wisdom on every side. Idea= to recognize that we are suddenly at the end of Phase 1; agree on conceptual

plan. Way too prematurely. Propose to ask judge for 90 day delay. I don't think we have time or money to see this out. Need to start making decisions. Develop collaborative relationships.

- Process should include first reading of action items, with action at following meeting. Gives people more time. Would make a difference in terms of community input.
- Suggest more information about when meetings around mill site are coming up. Newsletter. Mail as part of public outreach. Wants more community involvement.

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2. STAFF REPORT

Noted receipt of emails, letters, public comments. Have begun consultation with tribes, agencies, nearby property owners. Still building trust; lots of additional study needed including market analysis, infrastructure. Illustrative Plan is a starting point to draw comments, critique.

The first Decision Point (D1) in this process was to seek a 3-month stay of the litigation and to initiate a planning process.

We're now at D2 - is it worth exploring a planning-based solution at a higher level of detail? If so, a stay of 6 months is recommended. During this phase, a Memorandum of Understanding (MOU) will be prepared with ongoing public dialogue. Contents of MOU are detailed in Phase 1 report. Phase 2 will provide some time to get into details

- further development of the plan
- how infrastructure gets paid for
- what markets are driving these types of uses
- Is development feasible; is it adequate to support infrastructure
- regulatory framework; LCP Amendment; how does this work conceptually

D3 - would be a decision on whether to move forward with Master Development Agreement (MDA) which is at least a 2 year process. The mDA would address planning, land use entitlements, remediation, financing, plan-related land transactions

D4 - sets in motion Development Management program. Don't have ready market. This would be a function of the City for many years to be manage various aspects of Mill Site development.

Staff's recommendation is to seek an additional stay of the litigation, to move forward with Phase 2, and to continue to explore a planning based-approach.

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3. COMMENTS FROM MENDOCINO RAILWAY

May 1, 2004 - MR reopened Skunk Train. Have participated in planning process for Mill Site in past and support current process. No agreements on contents of land use plan. Lots of education; conversation; comparing notes. Far from done. Will take time to resolve details. City/community need to have confidence in MR and vice versa.

MR has made concessions. Of the 300 acres of land, 7.5% would be used for railroad specific projects. Remaining 270 acres would be developed under City's normal processes. Illustrative Plan shows locations of where rail facilities would be located. Rather than trains, electric trolleys. Would only extend trolley track on south Mill Site if city agrees to it.

In response to questions regarding oversight agencies for railways:

Federal Railroad Administration (FRA):

- inspections (3-4x/year)
- records; compliance certification documents
- locomotives, passenger, freight - equipment
- tracks and supporting infrastructure
- steam locomotives
- bridges- all railways required to have a bridge program - annual independent 3rd party inspection

State CPUC:

- track and infrastructure
- motive power
- operating practices
- crossings/signals

CalFire:

- clean spark arrestors
- compliant on vegetation management

Transportation Security Administration:

- comes to Fort Bragg on regular basis
- Look for credible reports; signalized crossings within FB. If crossing gates were down for any reason other than a train coming through
- Safety/security training
- Work with local jurisdictions, police, sheriff, highway patrol
- have a map that represents 300 acres; less than 10% purple

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4. Q&A BY CITY COUNCILMEMBERS

- What sort of assurances do we have from Coastal Commission? Are they okay with what we are doing? Response from staff: Have been in dialogue with staff; legal team has had conversations as well. Renewed engagement with CCC as a result of this process. Material conversations are happening. CCC will be meeting in closed session.
- How legally binding is MDA? Response from staff: MDA is a contractual agreement. Performance measures will be baked into it. Enforcement remedies included in MDA.

- Are we putting cart before the horse? Zone it, then they come with permits and they build it? Response from staff: Timber Resources Industrial is current zoning. Going forward, need to rezone before development occurs.
- What is an excursion railroad and do excursion railways have the same level of oversight? Response from MR: There are examples of scenic railways that don't submit to same inspections as us.
- Who regulates permitting for buildings? Response from MR: for rail operations, have state and federal oversight for buildings. Contractors are not exempt from what the law is. Have to be knowledgeable on building codes. Need to be built to those standards. Exempted from getting permits. Not exempted from the laws. Would be fine to have City come in and see what is going on; advise us. Can do that moving forward. Have offered it.
- Concerns about certain aspects of the map. Is MR willing to work with community and Council and alter that map or is that map the final map? Response from MR: Map is far from finished. There are some things that are important to MR.