



City of Fort Bragg

416 N Franklin Street
Fort Bragg, CA 95437
Phone: (707) 961-2823
Fax: (707) 961-2802

Meeting Agenda City Council

**THE FORT BRAGG CITY COUNCIL MEETS CONCURRENTLY
AS THE FORT BRAGG MUNICIPAL IMPROVEMENT DISTRICT
NO. 1 AND THE FORT BRAGG REDEVELOPMENT SUCCESSOR
AGENCY**

Monday, March 10, 2025

6:00 PM

Town Hall, 363 N. Main Street and Via Video
Conference

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

COUNCILMEMBERS PLEASE TAKE NOTICE

Councilmembers are reminded that pursuant to the Council policy regarding use of electronic devices during public meetings adopted on November 28, 2022, all cell phones are to be turned off and there shall be no electronic communications during the meeting. All e-communications such as texts or emails from members of the public received during a meeting are to be forwarded to the City Clerk after the meeting is adjourned.

ZOOM WEBINAR INVITATION

This meeting is being presented in a hybrid format, both in person at Town Hall and via Zoom.

You are invited to a Zoom webinar!

When: March 10, 2025 06:00 PM Pacific Time (US and Canada)

Topic: CITY COUNCIL

Join from PC, Mac, iPad, or Android:

<https://us06web.zoom.us/j/83820945474>

Join via audio:

*+1 669 444 9171 (*6 mute/ unmute, *9 raise hand)*

Webinar ID: 838 2094 5474

To speak during public comment portions of the agenda via zoom, please join the meeting and use the raise hand feature when the Mayor or Acting Mayor calls for public comment on the item you wish to address.

CLOSED SESSION REPORT

AGENDA REVIEW

1. MAYOR'S RECOGNITIONS AND ANNOUNCEMENTS

2. PUBLIC COMMENTS ON: (1) NON-AGENDA, (2) CONSENT CALENDAR & (3) CLOSED SESSION ITEMS

MANNER OF ADDRESSING THE CITY COUNCIL: All remarks and questions shall be addressed to the City Council; no discussion or action will be taken pursuant to the Brown Act. No person shall speak without being recognized by the Mayor or Acting Mayor. Public comments are restricted to three (3) minutes per speaker.

TIME ALLOTMENT FOR PUBLIC COMMENT ON NON-AGENDA ITEMS: Thirty (30) minutes shall be allotted to receiving public comments. If necessary, the Mayor or Acting Mayor may allot an additional 30 minutes to public comments after Conduct of Business to allow those who have not yet spoken to do so. Any citizen, after being recognized by the Mayor or Acting Mayor, may speak on any topic that may be a proper subject for discussion before the City Council for such period of time as the Mayor or Acting Mayor may determine is appropriate under the circumstances of the particular meeting, including number of persons wishing to speak or the complexity of a particular topic. Time limitations shall be set without regard to a speaker's point of view or the content of the speech, as long as the speaker's comments are not disruptive of the meeting.

BROWN ACT REQUIREMENTS: The Brown Act does not allow action or discussion on items not on the agenda (subject to narrow exceptions). This will limit the Council's response to questions and requests made during this comment period.

WRITTEN PUBLIC COMMENTS: Written public comments received after agenda publication are forwarded to the Councilmembers as soon as possible after receipt and are available for inspection at City Hall, 416 N. Franklin Street, Fort Bragg, during normal business hours. All comments will become a permanent part of the agenda packet on the day after the meeting or as soon thereafter as possible, except comments that are in an unrecognized file type or too large to be uploaded to the City's agenda software application. Public comments may be submitted to City Clerk, cityclerk@fortbragg.com.

3. STAFF COMMENTS

4. MATTERS FROM COUNCILMEMBERS

5. CONSENT CALENDAR

All items under the Consent Calendar will be acted upon in one motion unless a Councilmember requests that an individual item be taken up under Conduct of Business.

6. DISCLOSURE OF EX PARTE COMMUNICATIONS ON AGENDA ITEMS

7. PUBLIC HEARING

When a Public Hearing has been underway for a period of 60 minutes, the Council must vote on whether to continue with the hearing or to continue the hearing to another meeting.

8. CONDUCT OF BUSINESS

8A. [25-75](#) Mill Site Master Development Agreement Phase 1 Report

- Attachments:** [Mill Site Phase 1 Development Strategy Report](#)
[Development Strategy Report Attachments](#)
[PUBLIC COMMENT Mill Site](#)
[PUBLIC COMMENT FW Please help Fort Bragg stop the Skunk Train](#)
[PUBLIC COMMENT 8A MILLSITE](#)
[Public Comment -- 3.10.25 Continued Mill Site Workshop](#)

9. CLOSED SESSION

- 9A. [25-76](#) CONFERENCE WITH LEGAL COUNSEL - Existing Litigation Pursuant to Paragraph (1) of Subdivision (d) of Gov. Code Section 54956.9 City of Fort Bragg v. Mendocino Railroad
- 9B. [25-77](#) CONFERENCE WITH LEGAL COUNSEL - Existing Litigation Pursuant to Paragraph (1) of Subdivision (d) of Gov. Code Section 54956.9 SIERRA NORTHERN RAILWAY and MENDOCINO RAILWAY v. CITY OF FORT BRAGG, United States District Court Case No. 4:24-cv-04810-JST

ADJOURNMENT

The adjournment time for all Council meetings is no later than 10:00 p.m. If the Council is still in session at 10:00 p.m., the Council may continue the meeting upon majority vote.

**NEXT REGULAR CITY COUNCIL MEETING:
6:00 P.M., MONDAY, March 24, 2025**

STATE OF CALIFORNIA)
)ss.
COUNTY OF MENDOCINO)

I declare, under penalty of perjury, that I am employed by the City of Fort Bragg and that I caused this agenda to be posted in the City Hall notice case on March 6, 2025.

Cristal Muñoz, Administrative Analyst

NOTICE TO THE PUBLIC:

DISTRIBUTION OF ADDITIONAL INFORMATION FOLLOWING AGENDA PACKET DISTRIBUTION:

- *Materials related to an item on this Agenda submitted to the Council/District/Agency after distribution of the agenda packet are available for public inspection upon making reasonable arrangements with the City Clerk for viewing same during normal business hours.*
- *Such documents are also available on the City of Fort Bragg’s website at <https://city.fortbragg.com> subject to staff’s ability to post the documents before the meeting.*

ADA NOTICE AND HEARING IMPAIRED PROVISIONS:

It is the policy of the City of Fort Bragg to offer its public programs, services and meetings in a manner that is readily accessible to everyone, including those with disabilities. Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities.

If you need assistance to ensure your full participation, please contact the City Clerk at (707) 961-2823. Notification 48 hours in advance of any need for assistance will enable the City to make reasonable arrangements to ensure accessibility.

This notice is in compliance with the Americans with Disabilities Act (28 CFR, 35.102-35.104 ADA Title II).



City of Fort Bragg

416 N Franklin Street
Fort Bragg, CA 95437
Phone: (707) 961-2823
Fax: (707) 961-2802

Text File

File Number: 25-75

Agenda Date: 3/10/2025

Version: 1

Status: Business

In Control: City Council

File Type: Staff Report

Agenda Number: 8A.

Mill Site Master Development Agreement Phase 1 Report

Mill Site Master Development Agreement & Planning Program Phase 1 Development Strategy Report

1. Background & Work Tasks

On October 15, 2024, the City Council considered a proposal from the City Manager to pursue a ‘development agreement’ and planning program for the Mill Site in lieu of continuing with the ongoing litigation. Mendocino Railways (MR) had suggested this approach as part of a proposed litigation settlement agreement. At the request of the City Manager, a related proposal describing such a development agreement-based planning program was prepared for the City by Economic & Planning Systems, Inc. (see **Attachment 1**). Following consultations with representatives of MR and the 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 to be completed. 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 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 is 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 public engagement. During the past two months, the planning team members worked independently on given tasks 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.

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 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 25th. 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 phased of the Master Development Agreement and Planning Program.

2. Council Direction Requested

Based on the Phase 1 efforts, and given the end of the stay period, the Council must now decide 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.

- The Council's deliberations, as involving pending litigation, will occur in closed session.
- If the Council decides to seek an additional stay, then the Council will need to coordinate as appropriate with MR and the Coastal Commission.

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 effort would serve as a starting point for the subsequent phases of the process, beginning with Phase 2, which is to create a Memorandum of Understanding for the effort (as further detailed below).

3. Phase 1 Development Strategy -- Progress to Date

a. The Planning Team and Process

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 consult (Burton Miller). A City Council Ad Hoc Committee (Mayor Godeke, Councilmember Peters) was provided with 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.

b. 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 policies and obtain informal guidance from Commission staff. Formal review by the Coastal Commission will only occur as the proposed LCP Amendment is prepared and submitted and as individual Coastal Development Permits are applied for and issued.

c. Summarize 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 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 Tribal (SVBP) 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 will extend throughout the development of a formal project description for CEQA and the CEQA process.
- 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 California Fish and Wildlife (CDFW). CDFW staff asked initial questions and made some initial comments. CDFW staff have been listening and 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 the 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 will continue throughout the process and more formal directions be sought in future phases.
- Regional Water Quality Control Board (RWQCB). Consultation was initiated with the 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 will 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 is currently under review by the Coastal Commission. Noyo Center's Laboratory 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 will occur as plans for the Mill Site evolve.

d. Guiding Principles & Policies - Past and as Newly Expressed

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 additionally include new considerations resulting from ongoing consultations with other agencies, consideration of new site-specific topics, and, most recently, public comment from the February 25th Public Workshop (see **Attachment 3**).

e. Assembly of the Illustrative Plan Maps

The *Illustrative Plan*, which shows the general distribution of 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 Mendocino Railway’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 Marie Jones in 2018 in a community process, including a presentation to the California Coastal Commission.
 - Stakeholder Proposals.
 - Mendocino Railway’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 Plan incorporates and reflects careful responses to those constraints. Additional study of site constraints, including detailed site-specific archeological resources, coastal wetlands, remediation will 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 Mendocino Railway 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 with 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**).

f. Overview of MR-Requested Rail-Related Preemption Area

The *Illustrative Plan* (see **Attachment 5.1**) illustrates the extent of MR's proposed Railroad Related Uses. These areas are shown in purple and include the following:

- 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 lands for commercial and visitor serving uses. The railway loop would improve MR's operations by eliminating the current "dead end" track that requires a lot of push-pulls to turn trains around. The track would also allow MR to park the train on an east/west location parallel to Redwood Avenue where it would not interfere with pedestrian traffic between downtown and the site.
- A "trolley only" track 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. The trolley Only track would also extend south from the Skunk Station to a location just south of the Mill Pond. MR has indicated that they would not extend track elsewhere on the south end of the Mill Site unless agreed upon by the City.
- 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 a second story ocean view restaurant.

In an effort to provide clarity regarding Rail-Related Uses and Preempted Railroad Activities, MR prepared the following list of State and Local-regulated activities and federally pre-empted railroad activities:

a. State and Local-Regulated Activities:

- 1) **Construction and maintenance of non-railroad 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 railroad operations.
- 2) **Installation, maintenance, and improvement of non-railroad utilities:** This includes all work related to above- and below-ground utilities (such as electricity, water, sewage, gas, and telecommunications) that are unrelated to railroad operations.
- 3) **Installation, maintenance, and improvement of non-railroad roadways:** This includes all work related to City streets, sidewalks, and public roadways that are unrelated to railroad operations
- 4) **Parks, greenspace, and non-railroad landscaping:** This encompasses the design, creation, and maintenance of public parks, gardens, open spaces, and landscaping that are unrelated to railroad operations.
- 5) **Environmental compliance outside railroad operations:** This encompasses all state and local environmental regulations (including waste management, pollution controls, habitat preservation, and water quality) that are unrelated to railroad operations.
- 6) **Events within City limits that are unrelated to railroad 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 railroad operations.
- 7) **Activities of non-railroad millsite tenants:** This encompasses the regulation of residential and business tenants on the millsite that are not involved in railroad 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 railroads are, with certain exceptions, required to comply with building codes, railroads are not subject to preconstruction reviews or permit requirements.

b. 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, shops, 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.

g. Summary of the 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 of Fort Bragg (City) and Mendocino Railway (MR).
- Chris Hart and Burton Miller (MR team) summarized MR's vision as a bold, long-term plan. North side would be an extension of town. Future uses on the south side are less specific. Spoke to overall experience and the site as a destination. Discussed consolidation of rail-related uses (Railroad Square), railway loop, new Skunk station, extension of CBD and hotel uses in central area. Nature Center concept reflective of desire to create integrated open space connecting wetlands, ponds, daylighted creek 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 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. Explained master development agreement strategy. There will be community involvement for each decision point.

During the workshop, which included the 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**).

5. Memorandum of Understanding (MOU) Work Plan and Timeline

The *Illustrative Plan*, Guiding Principles, and other assembled data and information as part of the Phase 1 Development Strategy will provide the Framework for seeking agreements needed to proceed with the proposed Development Agreement and Planning Program. The proposed Memorandum of Understanding (MOU) will be a non-binding agreement between the City and the applicant (Mendocino Railways) and may incorporate related agreements with other agencies and entities, to establish key terms and conditions, roles and responsibilities, and a preliminary project description of the development program (quantified types and amounts of land uses).

The negotiation and approval of the MOU would lead to the formal initiation of a master development agreement planning process. The key components addressed in the MOU should include:

- a. Overview of Master Development Agreement 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).

The proposed Mill Site Development Agreement given the complexities involved will need to be approached in 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, etc.

The Mill Site Master Development Agreement will encompass four key elements of Mill Site Planning and Development:

- Land Use Approvals. Development of the Mill Site will require a range of planning approvals including an amendment to the Local Coastal Plan and related CEQA (EIR) clearance, rezoning, 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 development and other regulations, i.e., making the approved plans and zoning regulations durable (not subject to future change by the City) for a specified period, usually 20 years or more.
- Other Regulatory Clearances. A variety of permits will 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 will be funded.
- Infrastructure Financing Plan. The Development Agreement will include terms related to the provision of infrastructure, including phasing and reference to improvement programs, and how infrastructure will be funded. The Development Agreement can also vest (grandfather) the City's development impact fees and other charges. 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 often parallel the Development Agreement and completion of the Land Use Approvals.
- Supporting Real Estate Transactions. It is likely that Mill Site development will 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 the sale, lease, lease, exchange, or disposal of real property. Examples of such transactions on the

Mill Site include lot line adjustments to existing parcels as needed to conform to the land use designation boundaries and road network, open space parcels, and Pond area parcels.

- b. Memorandum of Understanding Scope of Work. As a step toward a decision toward formally proceeding with the Master Development Agreement Planning Program the MOU may include:
- 1) Adopting the *Illustrative Plan* and Planning Framework as a guide for future planning efforts. A formal agreement between the parties and commitment to the Framework Plan as a starting point for subsequent formal planning, regulatory, financing, and supporting real estate transactions.
 - 2) Resolving and settling the pending lawsuit. The entire purpose of the Phase 1 effort has been to create an *Illustrative Plan* and Planning Framework that provide an alternative to and incentive for settling the pending legal action. Key components of this effort include:
 - A conceptual agreement regarding the regulation of rail related properties/uses/buildings and the preemption of local jurisdiction and process to ensure that related public health and safety standards will be applied.
 - The 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.
 - 3) Establishing the optimal approach to completing the Land Use Approvals. An agreement regarding the approach to establishing land use approvals and related environmental review including the appropriate mix and timing of the LCP amendment, CEQA review, applicable zoning districts and rezoning, LCP Amendment policy language, Development Agreement terms, master tentative map and final map terms fees, etc.
 - 4) Identifying and Exploring the Factors Influencing Development and Implementing Land Use Planning and Regulatory Actions:
 - Creating Value and Responding to Market Opportunities -- The key to a successful Master Plan involving a large swath of development 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 development entitlements resulting from the Master Plan and related environmental clearances also create value as they render the site 'development ready'.
 - Linking the pace and scale of 'development readiness' to realistic development opportunities in concert with broader local, regional, and national economic conditions. 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, marketing, on-site and City infrastructure needed to develop/install new infrastructure on the site such as streets, sidewalks, storm drain systems, water and sewer lines and improve City's capacity to provide water and sewer services, funding the costs to complete environmental remediation and

other site-specific mitigation measures, and last but not least, the cost of vertical construction and related site improvements.

- Conducting long range market forecasting 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.
- Cooperating with other regulating agencies to achieve a more precise definition as needed for achieving regulatory permits remediation requirements for the Mill Site Pond areas and possible upgrades in remediation where necessary to support future uses.
- Further resolving site-specific development constraints. Some areas of the Mill Site are undevelopable due to site-specific constraints which 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 prohibits new development within 50 to 100 feet of any area with environmentally sensitive resources, cultural resources or wetlands. Also, development is prohibited or constrained in coastal view corridors. Not all wetlands have been mapped, and the location of rare plant populations can change over time, so while some areas of the *Illustrative Plan* show potential for development, that potential cannot be fully realized if wetland or rare plants or cultural resources are found on a specific location during the development review process.
- Further clarifying and conforming to Coastal Commission policies for development projects 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, ensure adequate city services to support proposed development, and a wide variety of other topics.
- Conforming and where appropriate modifying the City’s zoning ordinance and related regulations which set development standards such as height limits, setbacks, building mass (FAR), maximum and minimum density (units per acre), maximum building size, and requirements for landscaping, lighting, parking, etc. The application of the existing standards will 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 determines allowable land uses in each zoning district and if 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 in order to proceed.

The above 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, the property owner, and the Coastal Commission) regarding the LCP Amendment, over the longer-term

new development must be designed and sited according to City regulations and procedures to receive development permits.

- 5) Clarifying and documenting infrastructure requirements and financing strategy. Building on prior engineering evaluation and infrastructure needs assessments, it will be necessary to document, to the degree possible at this stage of planning, the infrastructure and related facilities needed to serve Mill Site development. The following items will be included in this effort:
 - An initial Site Improvement Program (basic public infrastructure needs), linkage of these improvements to development location and phasing, and identification of financing sources as needed to pay for improvements.
 - An agreement regarding private and public funding mechanisms including 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.
 - A financial feasibility study building upon the foundational technical efforts 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 will be a necessary prior to moving on to the Phase 3, the formal planning process, as described above.
 - 6) Identifying special real estate land transactions 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.
- c. Developing a Budget and Committing Funding for MOU Preparation. The preparation of the MOU will require a range of technical efforts that can be assigned to consultants. Given legal matters involved, including those related to settlement of the litigation and the structure of the development agreement, legal advisors will be required. The tasks listed above can provide a basis for development a Work Program, a related budget, and an agreement regarding funding of the MOU preparation effort.
 - d. Memorandum of Understanding Process. The preparation and negotiation of the MOU will 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, 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 will be regular updates to the entire Council and public throughout the agreed upon Stay period needed to complete the MOU. Given the technical work involved a six-month period for the additional stay is recommended.

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 comment, approved, remanded, or rejected at the Council's discretion. Adoption of the MOU would set in motion the formal preparation of the development agreement and its four constituent technical components (planning and entitlement, regulatory clearances, infrastructure financing, and real property transactions).

Mill Site Development Strategy Report Attachments

Attachment 1 – Master Development Agreement Program

Attachment 2 – Phase 1 Development Strategy Work Program

Attachment 3 – Planning Principles & Policies

Attachment 4 – Formative Elements

Attachment 5 – Illustrative Plan and Open Space and Circulation Network Maps

Attachment 6 – Transcript of Public Comments Received at Community Workshop

Attachment 1 - Mill Site Master Development Agreement Program

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.

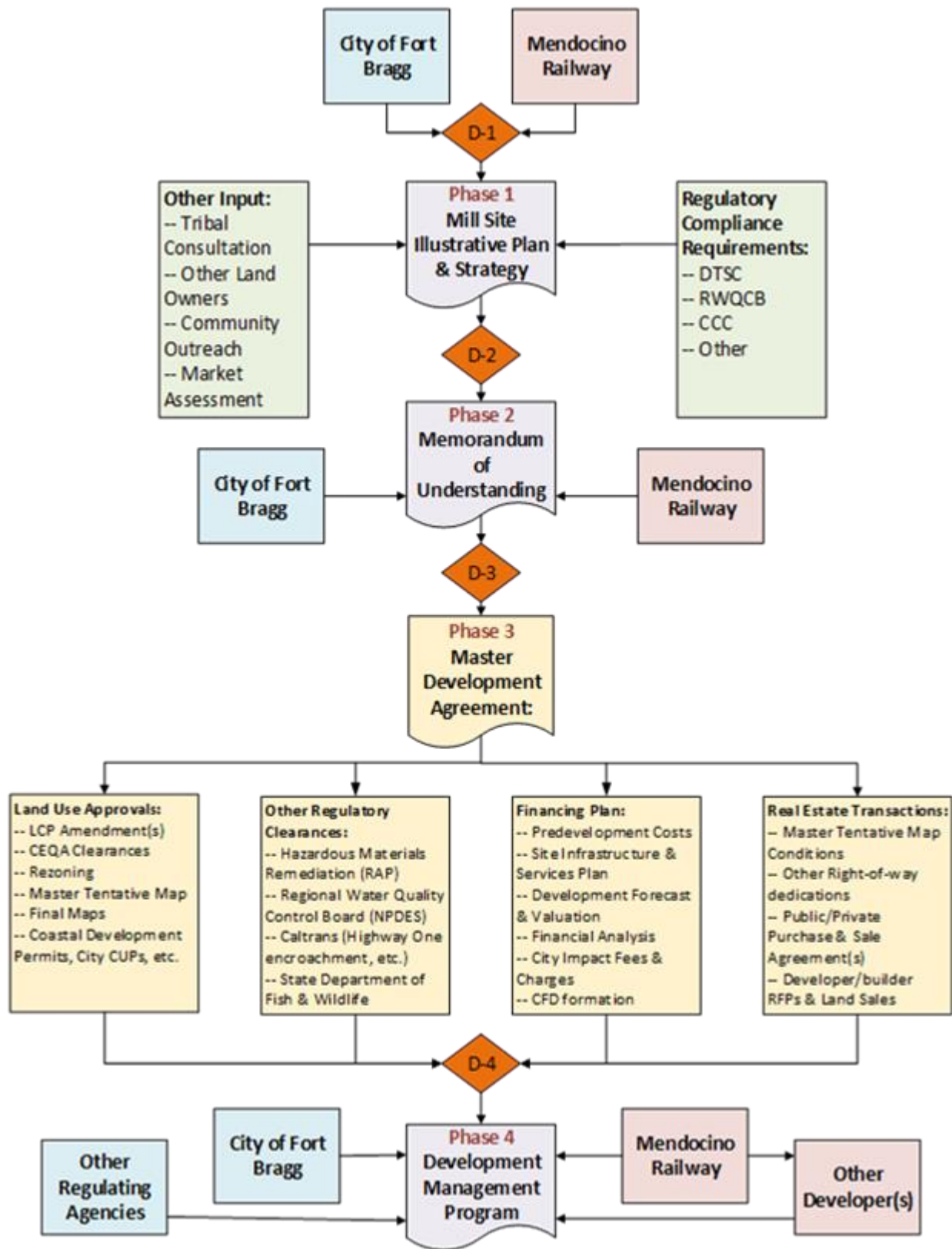
A conceptual illustration of such a phased approach to creating a Mill Site Development Agreement is shown on **Figure 1**. Our consultant, Walter Kieser, Senior Principal with the firm Economic & Planning Systems, has assembled this approach drawing upon his own and the firm’s experience with such agreements 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.

Attachment 2 -- Mill Site Master Development Agreement & Planning Program Phase 1 Work Program

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. Maximize 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, it 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.

Attachment 3 --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)

Attachment 4 -- 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.

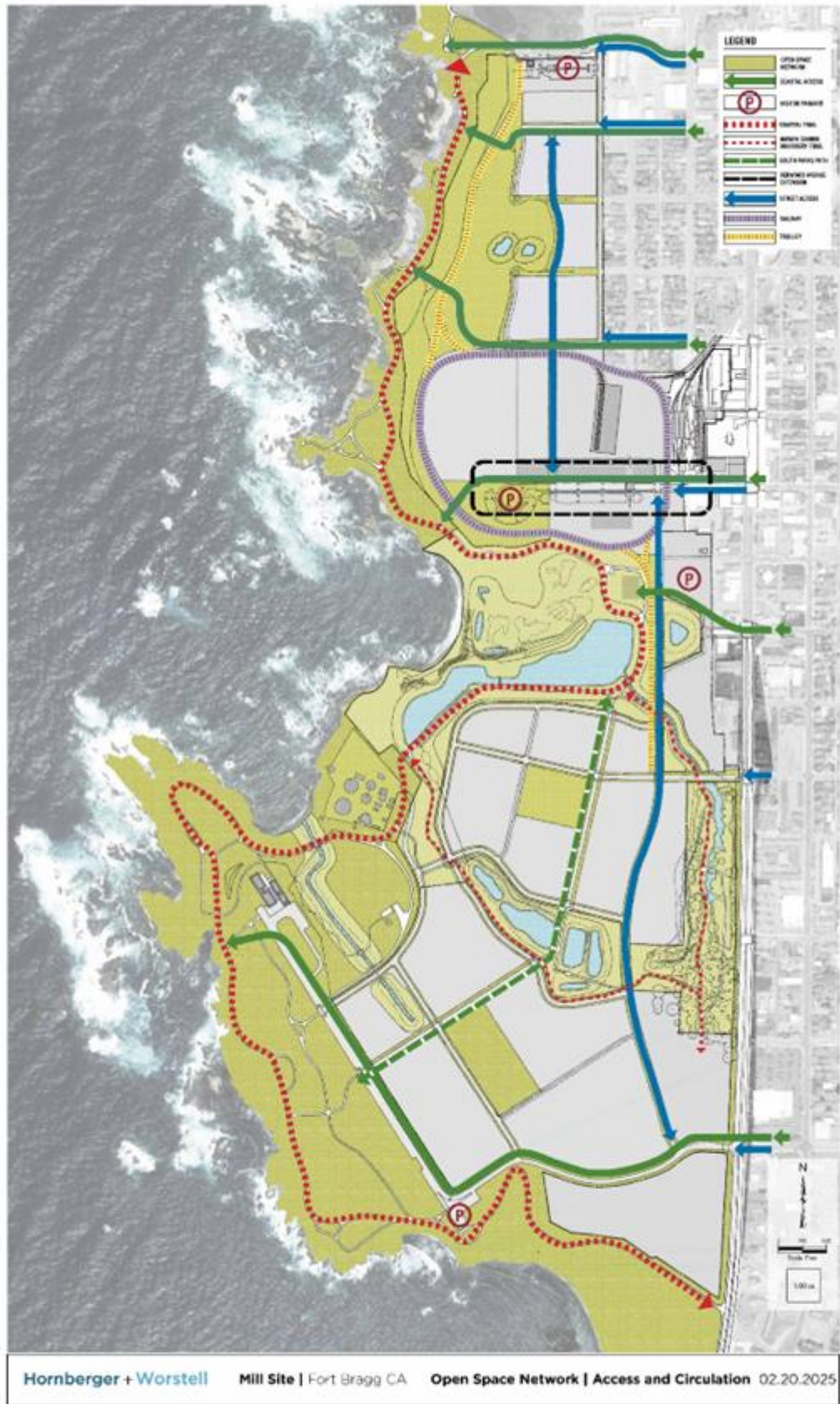
Attachment 5.1 – Mill Site Illustrative Plan Map



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

© 2025 Hornberger + Worstell. All rights reserved. This document is for informational purposes only and does not constitute an offer or any other financial product. Please contact your advisor for more information.

Attachment 5.2 – Mill Site Illustrative Plan Open Space & Circulation Network



All drawings are the property of Hornberger + Worstell, LLC. No part of this drawing may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopying, recording, or by any information storage and retrieval system, without the prior written consent of Hornberger + Worstell, LLC.

Mill Site Master Development Agreement Program

Public Comments from February 25th Public Workshop

The City of Fort Bragg held a public workshop on February 25, 2025, to receive public comments and questions regarding the Mill Site Illustrative Plan and Phase I Development Strategy. The following is a paraphrased transcript of the comments and questions presented.

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. Noone 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 in 1882 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.

The Forrester Building

301- 309 E. Redwood Ave.
Fort Bragg, CA 94357
707-633-4366

www.theforresterbuilding.com
cynthsumner@gmail.com

randy@tuellreynolds.com

City of Fort Bragg

3/9/2025

Fort Bragg City Council

As owners and operators of the Forrester Building, an 11,000 square foot mixed-use property located in the Central Business District of Fort Bragg since 2019, we have developed a vested interest in the region's development. Although our primary residence is situated along the Russian River, we maintain a part-time presence in Fort Bragg and are committed to fostering community growth through honest communication and mutual respect.

It is our understanding that development of the Mill Site is an inevitable occurrence, and that the current owner's status as a federally regulated railroad may serve as a deterrent to large-scale national or global development. The City of Fort Bragg faces pressing needs for housing across all economic levels and the establishment of a diversified and sustainable economic base. We believe that these objectives can only be achieved through collaborative efforts towards a long term vision that provides for its residents and the environment. Therefore, we respectfully request the City of Fort Bragg to: 1) Issue a formal statement of facts addressing the recurring public concerns regarding the Mill Site, thereby mitigating the dissemination of divisive misinformation, and 2) Publicly acknowledge the necessary symbiotic relationship between the City and the Mill Site owner, emphasizing the importance of integrity and transparency to achieve a mutually beneficial, strong and sustainable future.

Cynthia Sumner Randy Tuell

Weaver, Amber

From: City Clerk
Sent: Monday, March 10, 2025 8:33 AM
To: Weaver, Amber
Subject: FW: Please help Fort Bragg stop the Skunk Train

From: Andy Wellspring <andywellspring@gmail.com>
Sent: Friday, March 7, 2025 8:06 PM
To: Effie.Turnbull-Sanders@coastal.ca.gov; Caryl.Hart@coastal.ca.gov; Susan.Lowenberg@coastal.ca.gov; Ann.Notthoff@coastal.ca.gov; Linda.Escalante@coastal.ca.gov; mike.wilson@coastal.ca.gov; Katie.Rice@coastal.ca.gov; Paloma.Aguirre@coastal.ca.gov; Meagan.Harmon@coastal.ca.gov; Roberto.Uranga@coastal.ca.gov; Justin.Cummings@coastal.ca.gov; Matt.Omalley@coastal.ca.gov; ExecutiveStaff@coastal.ca.gov
Cc: Jared Huffman <jaredhuffman64@gmail.com>; Mike McGuire <senator.mcguire@senate.ca.gov>; Jason Godeke <godekejason@gmail.com>; Albin-Smith, Tess <talbinsmith@fortbragg.com>; Rafanan, Marcia <mrafanan@fortbragg.com>; Peters, Lindy <lpeters2@fortbragg.com>; City Clerk <cityclerk@fortbragg.com>; bos@mendocinocounty.gov; Julia Krog <krogj@mendocinocounty.gov>; george reinhardt <georeinhardt@comcast.net>
Subject: Please help Fort Bragg stop the Skunk Train

Dear CCC Staff,

I am a concerned citizen living in Mendocino County near the town of Fort Bragg, CA. Please do everything in your power to stop the Skunk Train from taking ownership of the old millsite and adjacent lands it has falsely claimed through eminent domain. They are not a real railroad and the courts have shown this, yet the Skunk Train persists spending countless money to defend their illegal claim on the land, and we can't tell if they will ever run out of money. The legal costs will become too high for our local area to stop them and we need the support of the State of California to stop this illegal land takeover by the Skunk Train corporation. Please marshal your resources in Sacramento to ensure that the crooks at the Skunk Train do not succeed in their goal, but that rather the people of California will prevail and finally have full access to the coast of a coastal city.

The State of California could support, and I urge you to fully support, the plans laid forth jointly by the City of Fort Bragg and the Sherwood Valley Band of Pomo Indians to establish housing and open space on the land currently being illegally claimed by the Skunk Train corporation. The joint plan was well thought-out and was the will of the people. Only the State of California has the resources to ensure the Skunk Train is stopped and the original plan can prevail, and you, the CCC, are the key State Agency to make the right thing happen in this situation.

Please help us, so this scam railroad is not able to set a dangerous precedent in California and so that this town can improve housing without having a new corporate landlord steal the land and pay nothing for it, then build housing for us and rent it back to us at exorbitant rates. This land has already been stolen too many times. It's time for it to be returned to the will of local Tribal people and non-Tribal residents, NOT be controlled by a corporation that has only shown it's proclivity to shirk laws protecting public safety and the environment, and those that govern when eminent domain can actually be enacted- all fueled by the owner's greed.

Thank you,
Andy Wellspring

Weaver, Amber

From: Whippy, Isaac
Sent: Monday, March 10, 2025 11:27 AM
To: Weaver, Amber; Paoli, Diana
Subject: FW: 8A Millsite Master Development Agreement | Mendocino Railway | Public Comment

From: Jessica Morsell <jessicamorsell@yahoo.com>
Sent: Monday, March 10, 2025 11:23 AM
To: Godeke, Jason <JGodeke@fortbragg.com>; Whippy, Isaac <iwhippy@fortbragg.com>
Subject: 8A Millsite Master Development Agreement | Mendocino Railway | Public Comment

Dear City Council:

I am writing concerning the decision you plan to make on Monday, March 10 about whether to continue working with Mendocino Railway on the proposed Master Development Agreement and Planning Program or to allow the litigation process to resume. If you choose to pursue the Master Development Agreement, I urge you to consider the following, in order to protect against bad outcomes:

Contrary to Mendocino Railway's claims, it is not currently entitled to any exemption from local and state oversight. Nor is it entitled to use the power of eminent domain. Only trains that connect to the interstate rail system enjoy these privileges. Please do not voluntarily cede Fort Bragg's oversight and permitting authority for any portion of the mill site property. Mendocino Railway should be subject to the same rules that any other developer would be.

Mendocino Railway has said it would like to take control of the train tracks that connect Willits to the interstate rail system. Prominent California politicians oppose this, but state politicians don't have the authority to decide it. It's a federal matter. We must assume that Mendocino Railway might yet reconnect to the interstate system, in which case its railroad operations would become federally preempted. It would also then be a common carrier, required to provide transport to any paying customer.

Mendocino Railway has been vague about plans for the south side of the mill site, but they have previously voiced interest in both building a biomass gasification facility and in carrying gravel to the mill site by train and then shipping it by barge. Gravel sounds innocuous, but associated dust is a health hazard. Perhaps more concerning, as a common carrier, Mendocino Railway could be required to ship other commodities as well. For years, coal interests have unsuccessfully sought a new marine export facility on the West Coast, including recently out of Humboldt Bay. With shifting trade relations between the US and Canada, the pressure to find new shipping routes off the west coast is mounting as large quantities of US coal are currently routed through Canadian ports. There are also plans underway to develop a massive wood-pellet biomass industry in

California, with export by sea to Europe and Asia. Fort Bragg could become subject to toxic coal dust, the fire hazard of wood pellets, and unhealthy diesel fumes from barges. Although this is considered far fetched by many here in Fort Bragg, it is very important that any Master Development Agreement be written in a way that protects against these dangerous outcomes.

A cautionary tale: In 2013, the City of Oakland entered into a development agreement for a new marine export terminal. The developer verbally assured the city that coal would not be part of the project. But in 2015, it was reported that in fact millions of tons of Utah coal were to be transported to that terminal by rail and then shipped to Asia. In 2016, Oakland passed an ordinance banning coal from the city, but it was too late. They had already signed the development agreement without expressly prohibiting coal. The developer sued the city for breach of contract, and litigation is still ongoing. Fort Bragg's development agreement should anticipate potential dangers like coal and address them expressly. The Humboldt Bay Harbor, Recreation and Conservation District has also passed an anti-coal ordinance; the District and the City of Oakland might both be able to advise Fort Bragg on how to craft an enforceable prophylactic measure of its own.

The Ventura County Transportation Commission might also offer advice. They reached an agreement with Mendocino Railway affiliate Sierra Northern Railway that restricted the storage of rail cars used to transport hazardous materials. That agreement additionally prohibited Sierra Northern from attempting to use eminent domain in the county. Fort Bragg should insist on a similar prohibition for Mendocino Railway.

As mentioned, Mendocino Railway has voiced interest in building a gasification plant on the mill site, using technology under development by its affiliate, Sierra Energy. They've said they aspire to use municipal waste for a feedstock, but county inspections of their prototype facility suggest that so far they may not have managed to make garbage viable. They were testing woody waste and coke as well, and then in 2024 took down the prototype gasifier for reengineering. If they were to build a gasification plant in Fort Bragg, it seems possible they'd use wood-pellet biomass for the feedstock. Although wood pellets have been greenwashed as a climate solution, overall they've been found to be similar to fossil fuels in terms of air pollution and climate impact.

Not only has Mendocino Railway angered locals many times, but its affiliates have shown themselves to be untrustworthy bullies and bad neighbors in other communities where they operate. Do not assume they will be considerate or keep their word. Any Master Development Agreement should be written with specific language that proactively protects the interests of the City of Fort Bragg and its people.

Sincerely,

Jessica Morsell-Haye
Fort Bragg, Ca

From: [Christopher Law](#)
To: [City Clerk](#)
Subject: Public Comment - March 10 City Council Meeting - Mill Site Litigation
Date: Monday, March 10, 2025 3:15:56 PM

Fort Bragg City Council:

I'm a resident of Fort Bragg and am writing to urge the City Council to continue its litigation against the Skunk Train.

It has been encouraging to see the City of Fort Bragg prioritize health and the environment by combating the fiction promoted by Skunk Train that it is a so-called "public utility," and therefore not subject to state and local oversight. I'm concerned that the City is moving too quickly away from this principled stand without thoroughly considering the downsides of ceding its jurisdiction.

Mendocino Railway's plans, as laid out in the Mill Site Development Strategy Report, make it even more important to ensure its activities are subject to state and local regulation because the Railway intends to expand its activities to what it calls a "Rail-Related Preemption Area." This area would operate exclusively under federal jurisdiction, including an expanded train station, a new trolley station at Glass Beach, and tracks that cut across the site.

The Report states that "railroads are not subject to preconstruction reviews or permit requirements." Local and state regulators would have no authority over railroad facility activities outlined in Section 3(f) of the Report, including the "construction, maintenance, and improvement of stations, yards, shops, transloading facilities, and ancillary facilities." Nor would there be local and state oversight over the "construction, maintenance, repair, and operation of railroad equipment" including "noise, horns, and emissions relating thereto."

Given the Trump Administration's aggressive rollback of regulatory action on environmental and public health issues, the City Council should continue doing everything in its power to ensure that state and local authorities are in charge of the Skunk Train's activities in such a sensitive and important coastal area.

Rather than rush into a development agreement process conditioned on settlement terms that would allow Mendocino Railway to escape state and local oversight, the City would better serve the public by favorably resolving the question of federal preemption instead of kicking the can down the road for future generations.

Sincerely,

Christopher Law

MAR 10 2025

4:21pm

March 10, 2025

Dear Fort Bragg City Council,

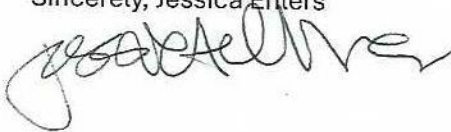
I am writing to give support of the development of the Georgia Pacific site. I have lived in Fort Bragg for 40 years. I am a daughter, a wife and mother among other things. ~~I have lived here for 40 years.~~

In my academic and professional life, I have studied things that contribute to mental illness and addiction. People who don't have places to live and meaningful work are at much higher risk for complications of both. I believe we are already seeing the consequences of this situation in our community. It's up to you to decide how we will move forward by building up the infrastructure with our town for us, our children and the children who will come after.

I don't think I am overstating that since the loss of logging and fishing, Fort Bragg has been contracting at an ever-faster rate. I hope, Dear Council- that we say yes to the opportunity to develop into something more sustainable that will fortify our capacity to live here.

Thank you for your diligence and your willingness.

Sincerely, Jessica Ehlers



Jessica Ehlers, LCSW
335 East Fir Street
Fort Bragg, CA 95437
(707) 357-4019
jessica@jessicaehlers.com

Paoli, Diana

From: potrero_enterprises@mcn.org
Sent: Monday, March 10, 2025 10:11 AM
To: City Clerk; Whippy, Isaac
Cc: Cherry Brill Alena; potrero_enterprises@mcn.org
Subject: Mill Site Development Comments
Attachments: Fort Bragg Community Needs in Relation to Mill Site Development.docx

We attended the public meeting to restart the discussions between the Skunk train and FTB City last month and wished to weigh in on some of our opinions.

Many thanks for your efforts!

Rick and Cherry

Fort Bragg Community Needs in Relation to Mill Site Development

Cherry Elliott and Rick Alena are Fort Bragg residents living near the proposed development and who are most interested in a development that benefits the community and allows future growth.

Fort Bragg Community Needs should drive Mill Site development and associated efforts

- The community is isolated geographically and has limits on water. These factors limit increased population and even temporary (tourist) accommodations.
 - Transportation constraints
 - Water constraints
- The community is in need of transportation improvements
 - Within Fort Bragg (public transport is limited, Hwy 1 is always busy)
 - To surrounding cities (Ukiah and Willits are major health care providers)
- The community will benefit from a more diverse economy.
- The community is in need of affordable housing.
- The community is in need of jobs that pay higher than minimum wage
- The community needs jobs and activities that appeal to young people
- The community needs better health care in Fort Bragg. Current trend is to move health services to Ukiah and Willits.
- The community needs to maintain its focus on outdoor activity and nature. How many people come here for the fresh air, mountains and seacoast? They all need accommodations and food which is currently a major economic driver for this City.
- The community needs to attract events that fit the character of the region, its residents and visitors.

Mill Site Development Produces the Following General Benefits and Costs

- Addresses certain economic growth approaches for the City of Fort Bragg
 - Local Jobs
 - Diverse business
- Addresses housing growth as well
- Could potentially address transportation between Fort Bragg and Willits
- Does not adequately address transportation issues, particularly increased traffic in the Hwy 1 Main Street corridor
- Does not adequately address integration of the new businesses and building construction with the existing Fort Bragg businesses and infrastructure.
- The City of Fort Bragg will see significant new costs for roads, water and sewer due to this development. What are the cost estimates and who will pay for them?

From: [City of Fort Bragg](#)
To: [Paoli, Diana](#)
Subject: Email contact from Fort Bragg, CA
Date: Monday, March 10, 2025 1:03:05 PM

Message submitted from the <Fort Bragg, CA> website.

Site Visitor Name: Jessica Ehlers
Site Visitor Email: jessica@jessicaehlers.com

March 10, 2025

Dear Fort Bragg City Council,

I am writing to give support of the development of the Georgia Pacific site. I have lived in Fort Bragg for 40 years. I am a daughter, a wife and mother among other things. I have lived here for 40 years.

In my academic and professional life, I have studied things that contribute to mental illness and addiction. People who don't have places to live and meaningful work are at much higher risk for complications of both. I believe we are already seeing the consequences of this situation in our community. It's up to you to decide how we will move forward by building up the infrastructure with our town for us, our children and the children who will come after. I don't think I am overstating that since the loss of logging and fishing, Fort Bragg has been contracting at an ever-faster rate. I hope, Dear Council- that we say yes to the opportunity to develop into something more sustainable that will fortify our capacity to live here.

Sincerely, Jessica Ehlers

Jessica Ehlers, LCSW
335 E Fir Street
Fort Bragg CA 95437
(707) 357-4019

From: [Jacob Patterson](#)
To: [City Clerk](#)
Subject: Public Comment -- 3/10/25 CC Mtg., Continued Mill Site Workshop
Date: Thursday, March 6, 2025 2:26:23 PM

City Council,

As you may recall, I have consistently advocated for a development agreement process to address the various community and landowner concerns about future development on the Mill Site. I still believe such a process is the right path forward; however, after the first workshop meeting, I am concerned that it isn't being handled well and might be a little off track (or off-the-rails, if you prefer a train theme). Like many others, I have been concerned that the substantive discussions about this process have been going on behind closed doors with limited public participation only to be presented for our collective review after a lot of controversial details have been addressed only privately

My fears were compounded when I learned that the team working on this process is already compromised by apparent conflicts of interest and disproportionate participation from land-owning parties with their own agenda, including the head of the Noyo Center's board now working as part of the so-called neutral consultant team jointly hired by the City and the Railway. It is entirely appropriate for a stakeholder to advocate for their own interests and objectives through the public planning process but they shouldn't be involved in crafting what is being presented as the City's work and should participate on an even footing with all public participants. Likewise, for the railway itself. It is fine and appropriate for them to advocate for their entity's objectives but who is looking out for the needs and overall concerns of the community and the public at large? The City should be representing our interests but I am not seeing enough of that so far. (It may be there in some way, it just isn't clear to me that it is the case.)

To illustrate, we have the first draft of the land use map component of the illustrative plan and it included details that are aligned with the private proposals of the interested landowners but not the community consensus or even past council direction. Two prominent examples are the conceptual layout of the proposed Noyo Center, which includes changes to the air strip that were already rejected outright as well as changes to the access road to the sewer plant that were also not supported by the City Council. Similarly, the map shows the central mill pond in OUE remaining in place and subdivided into two ponds, which has been proposed by the railway (and will coincidentally remove the existing dam around the pond from the oversight of the California Department of Water Resources' (DWR's) Division of Safety of Dams (DSOE). There is broad community objection to that proposal as well and yet it shows up on the map paired with the daylighting on only Maple Creek leaving off similar daylighting efforts of Alder Creek. Why are these private proposals from the interested landowners directly participating in the closed door discussions, which also have not been conceptually approved by the City Council on behalf of the community, been included in the draft illustrative plan proposals, particularly the specific aspects that have already been rejected? That shouldn't be the case, IMO.

Anyway, I think a development agreement process is the best way to move forward and resolve the underlying concerns and disputes but that process needs to be objective, neutral and focused on the overall community good, not the private interests of involved interested parties. So far, I am not seeing that but I am hopeful that if/when we continue with this

process, we keep our focus on the good of the overall community and not just on those with the loudest voices or the deepest pockets.

On a related note, I think it is important to recognize that abandoning a cooperative development agreement approach in favor of litigation followed by usual planning processes would likely delay any meaningful development on the Mill Site for another decade. Why should we have to wait many more years to get started with what most view as very necessary growth (at least if done thoughtfully) to battle it out in court when we can resolve our underlying concerns through the flexible development agreement process? We shouldn't if that is what is at stake. That said, this process needs to be managed well and that appears to need improvement before people can feel comfortable with this cooperative rather than adversarial direction.

Regards,

--Jacob

February 27, 2025

RECEIVED

MAR 03 2025

City of Fort Bragg
Finance Department

Dear City Councilmembers and City Manager,

At the Millsite Workshop the other night, the maps and presentations of possible development plans were certainly impressive and full of hope. There are so many possibilities, it was exciting to see.

I listened to the many comments and responses that were made, which covered a wide range of suggestions and concerns. My own concern, shared by many others, is whether any negotiated settlement of the current paused lawsuit will require all millsite development to follow the same rules that any other development in town has to follow. That also seems to have been the crux of the lawsuit.

When that question, in many forms, was brought up, the response was that the Mendocino Railroad had provided assurances, even in writing, that they would, indeed, abide by those rules, except for in those areas designated as specifically railroad related and thus federally governed. It is my concern that any verbal or written statement could be, in the future, disregarded by the invocation of the railroad's federal status on any millsite area they chose to expand into. Trust is one thing, but circumstances can change. Mergers or acquisitions can happen. Train management, City Council composition, and economic conditions can change. Any of these would affect the dynamic and what is agreed upon now might be challenged somewhere down the line despite any agreements made today. It is in the interest of both Mendocino Railway and particularly the City, to make sure this is done right.

For instance, on the maps provided and in the railroad's presentation, there was to be an expansion of the railroad's downtown station footprint, including the building of a new station and a track loop. I believe it was stated that everything inside the loop will be considered under federal railroad jurisdiction. That's quite an increase of area from their current operation. Personally, that design concept seems to be a reasonable move and good for both railroad and City, but is the Railroad arbitrarily doing that expansion or can it only be done with the City's approval? If it's at their discretion only, what's to prevent them from exercising that same discretion anywhere else? If it's allowed to happen once, it sets a precedent for further expansions, again at their discretion, without the City's approval. That's what so many people are worried about. The question is, absent a definitive judgement in the lawsuit, will there be an ironclad legally binding

contract signed to prevent the railroad from changing their mind about compliance with any agreement that's reached? A simple memorandum of understanding is not enough. In addition, penalties for any breach should be included that are harsh enough to deter the temptation to step over the line.

Is it even possible to construct such a contract? I don't know, I'll admit to being pretty ignorant about the law. But I know that both parties want to settle this somehow and stop spending money on the legal process. However, there is obviously a reason that the railroad has spent so much time and money on the question of whether they are a public railway. This could have been settled long ago, but I'm sure there's something in their long term plans that will require they remain a public railway. You all know that, too, or you wouldn't have pursued the lawsuit for so long. I admire your foresight and persistence so far and hope that diligence continues.

But we seem to be on the verge of changing direction. Personally, I believe that the continued pursuit and successful conclusion of the lawsuit process in the City's favor would ensure that cooperation is mandatory, or be a strong point in any future litigation. At the very least, though, if everyone insists on dropping the lawsuit, I would suggest, if possible, that it would be requested to be dismissed without prejudice so that a case could start again at its current place in the court progression if legal action winds up being needed in the future. The City has leverage now, don't throw it away for the sake of expediency.

I know that what I'm saying here isn't anything you haven't already considered, but the prize is so very tantalizing and close that it can distract from the dangers that might lie ahead. While trusting the City's current representation, I still recommend that an outside second opinion about any agreement be sought.

As was mentioned a number of times during the presentation, the development on the millsite will be a very long term process. Many of you, probably all of you, will no longer be in your positions further on down the road. The decisions you make now will be your legacy and have huge implications for the future of Fort Bragg. I hope you will tread wisely and carefully.

Mark Taylor
Fort Bragg



City of Fort Bragg

416 N Franklin Street
Fort Bragg, CA 95437
Phone: (707) 961-2823
Fax: (707) 961-2802

Text File

File Number: 25-76

Agenda Date: 3/10/2025

Version: 1

Status: Consent Agenda

In Control: City Council

File Type: Staff Report

Agenda Number: 9A.

CONFERENCE WITH LEGAL COUNSEL - Existing Litigation Pursuant to Paragraph (1) of Subdivision (d) of Gov. Code Section 54956.9 City of Fort Bragg v. Mendocino Railroad



City of Fort Bragg

416 N Franklin Street
Fort Bragg, CA 95437
Phone: (707) 961-2823
Fax: (707) 961-2802

Text File

File Number: 25-77

Agenda Date: 3/10/2025

Version: 1

Status: Consent Agenda

In Control: City Council

File Type: Staff Report

Agenda Number: 9B.

CONFERENCE WITH LEGAL COUNSEL - Existing Litigation Pursuant to Paragraph (1) of Subdivision (d) of Gov. Code Section 54956.9 SIERRA NORTHERN RAILWAY and MENDOCINO RAILWAY v. CITY OF FORT BRAGG, United States District Court Case No. 4:24-cv-04810-JST