

Fort Bragg Mill Site Master Development Agreement Phase 1 Work Program: Development Strategy Preparation

Introduction

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

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

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). All 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 Millsite 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.

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.

5. 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 in order 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. 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 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 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 get a 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.