



AGENCY:	City Council
MEETING DATE:	January 23, 2017
DEPARTMENT:	CDD
PRESENTED BY:	Marie Jones

AGENDA ITEM SUMMARY

TITLE:

RECEIVE REPORT AND PROVIDE DIRECTION REGARDING COASTAL TRAIL PHASE II PROJECT: (1) DESIGN, BIDDING AND TIMING; AND 2) ACCEPTANCE OF A "COMFORT LETTER" FROM DTSC IN LIEU OF "NO FURTHER ACTION LETTER" FOR TRANSFER OF TRAIL CORRIDOR

ISSUE:

For nearly a decade, the City of Fort Bragg has pursued development of a coastal trail and park along the 3½ miles of coastline on the former Georgia Pacific mill site. Phase I of the Fort Bragg Coastal Restoration and Trail Project was completed in late 2015. The completion of the central portion of the Coastal Trail Project (Phase II) has lagged behind the north and south trail alignments due to a variety of challenges, namely:

- **Remediation & Property Transfer.** Georgia Pacific's Irrevocable Offer to Dedicate (OTD) the Phase II trail corridor to the City was part of the original Coastal Trail Acquisition which was funded by a State Coastal Conservancy grant. The OTD requires that remediation of the property be completed and a "No Further Action" letter issued prior to the City accepting title to the trail corridor. Georgia Pacific (GP) will implement a Remedial Action Work Plan (RAW) to remove contaminated hotspots in the Larger Mill Pond area (also known as Operable Unit E (OU-E) in August of 2017. The Remedial Action Plan (RAP) for OU-E will be completed in 2018 following implementation of the RAW. It will establish the final remedial actions for the Mill Pond area and, after remediation is complete, DTSC will issue a "No Further Action" letter certifying that the cleanup of OU-E is complete.

Construction and public use of the Coastal Trail Phase II is planned for late 2017. Public access will be limited to the 50-foot trail corridor only. The project will include construction of property line fencing on both sides of the trail. Staff is seeking Council direction on whether to accept a "Comfort Letter" rather than the "No Further Action" letter to facilitate the transfer of the Phase II trail corridor to the City. Both DTSC and the State Coastal Conservancy are amenable to this approach.

- **Project Funding.** The City has applied for a variety of funding sources for Phase II. As of 2016, a total of \$1,216,000 in grant funding has been secured for the project, including \$450,000 in State Parks Prop 84 funding and \$766,000 in Caltrans Alternative Transportation Program (ATP) funding. The funding will be used for design, engineering and construction of the Coastal Trail Phase II Project. The Prop 84 funding must be spent by the end of 2017 and will be used to design and construct a portion of the trail. The ATP funding will not be available until 2020 and thus, some of the trail features will not be constructed until 2020. Additional funding may be necessary for further land acquisition for the Phase II parking lot and access road. Funding and timing constraints associated with the two grants necessitate Phase II being constructed in two or more sub-phases.
 - The first phase, funded with Prop 84 (\$450,000), will consist of a 0.5 mile trail alignment that will connect the north trail around the eastern edge of the mill pond to an existing asphalt road at the southeast corner of the Mill Pond. This phase will be constructed in

2017 and will enable cyclists and pedestrians to walk and bike the entire length of the coastline on the former Mill Site property.

- The second phase, to be completed with ATP funds (\$766,000) will occur in 2020 and will include construction of the trail along the southern edge of the Mill Pond to the Crow's Nest and on the trail over the beach berm. The timing for the trail alignment over the beach berm will depend in part on the timing for the remediation of the Mill Pond and the stabilization of the Mill Pond dam, as a portion of the trail is proposed to traverse the top of the dam. The City would need to acquire this property from GP, as it is not part of the original Coastal Trail acquisition. Additionally, the parking lot, plaza, restrooms, and access road and trail to Redwood Avenue may be constructed in 2020 if the City is able to acquire the additional land from GP.
- **Mill Pond dam stability uncertainty.** Georgia Pacific has completed a dam stability analysis of the Mill Pond spillway, west crib wall and north embankment. The Division of Dam Safety will not allow public access to the beach, on the spillway, or the top of the dam until they certify that repairs have been completed to ensure public safety.

On March 23rd 2016, City Council provided direction for the Phase II Coastal Trail design, which included the proposed locations of trail alignments to be located around the mill pond (and over the beach berm), access road and the location of the parking lot. This direction is illustrated in Attachment 1 and summarized below:

- Complete the trail alignment from the south end of the North Trail to the southeast corner of the Mill Pond with the Prop 84 funds in 2017.
- Obtain vehicular access to the Phase II trail from the downtown, preferably at Redwood Avenue as this provides a signalized intersection close to downtown. City Council also considered access from Alder Street but this access was not preferred due to distance from downtown and the lack of a signalized intersection. GP has expressed an initial preference for access for Oak Street.
- The City Council selected the large asphalt area located south of the old drying sheds for the parking lot location, as it provides: closer access to the visitor, excellent views, more parking and will be less expensive to acquire and develop. Council also considered a parking lot location due west of the Fire Station on GP property located between Alder and Oak Streets. This location was not preferred by Council because of traffic flow challenges.
- Complete the multi-use trail over the beach berm and around the southern edge of the Mill Pond, as feasible, given funding and site constraints.
- Consider installing stairs to the beach from the beach berm if possible.

I.L. Welty and Associates has completed the 100% plans and specifications for the portion of Phase II of the coastal trail that stretches around the east side of the Mill Pond (connecting the existing north and south Coastal Trail segments) and the parking lot. The first portion of the project is anticipated to go out to bid in February and to be constructed in summer of 2017. Based on the engineer's estimate, the City has sufficient grant funding from Prop 84 to construct this portion of the trail in 2017.

The design and engineering for the portion of the trail over the beach berm, the stairs to the beach, and the access road would not be completed until the City has more information about dam stability and the property has been acquired.

RECOMMENDED ACTION:

Provide Direction Regarding Coastal Trail Phase II Project, Including:

- Project Design, Bidding and Timing;
- Acceptance of a Comfort Letter by DTSC for the Transfer of the Phase II Trail Alignment.

ALTERNATIVE ACTION(S):

None needed. Staff is seeking direction.

ANALYSIS:**Land Transfer & Comfort Letter for 50' wide trail corridor.**

The Department of Toxics and Substances Control (DTSC) has agreed to prepare a “comfort letter” to allow the City to transact on the acquisition of the Phase II trail alignment (see Attachment 2). A comfort letter is commonly used prior to completion of remediation in order to provide a future property owner with assurance that the parcel will be remediated to a level appropriate for the final use.

As the granting agency for the property acquisition, the State Coastal Conservancy’s standards must be met for the property transfer. The Coastal Conservancy had initially required a “no further action” letter from DTSC for the transfer of the property to the City. A “no further action” letter can only be issued by the Department of Toxics and Substances Control upon the implementation of the Remedial Action Plan (RAP) for the parcel. The implementation of the three RAPs for the Operable Units C, D and E, through which the trail traverses, will not be completed in time to issue a “no further action” letter prior to commencement of trail construction in 2017.

- A “no further action” letter will be issued in fall of 2017 for OU-C and OU-D, after remediation activities are completed in August 2017. Unfortunately, this is well after the time that the City would begin construction of the trail, and so would occur too late for the timely transfer of the property.
- Additionally the RAP for OU-E will not be completed until sometime in 2018, with implementation to follow, which is, again, too late for the timely transfer of the Phase II alignment that traverses OU-E.

DTSC has completed sufficient site characterization of the proposed Phase II trail corridor parcel in order to identify required remediation actions based on contamination levels and exposure pathways for chemicals of concern. DTSC has determined that there are no areas within the proposed Phase II trail corridor parcel which require remediation; the trail alignment is already safe for passive recreational uses. Therefore, DTSC has agreed to issue the Comfort Letter, if requested by the City. DTSC has indicated that land use controls in the form of a deed restriction limiting use of the site to passive recreational activities will be placed on the property as part of the implementation of the OU-E RAP. Issuance of the Comfort Letter would allow the City to execute the OTD and take possession of the Phase II trail corridor parcel prior to implementation of the RAPs for OU-C, OU-D and OU-E.

DTSC, the Coastal Conservancy and the City’s environmental consultant, Glenn Young of TRC (see Attachment 3) have all agreed that a Comfort Letter is an appropriate and acceptable instrument to facilitate the transfer of the property to the City. The Coastal Conservancy has indicated that they would accept the Comfort Letter issued by DTSC in lieu of the “No Further Action” letter for the property transfer (see Attachment 4).

If the City Council chooses not to utilize the Comfort Letter for site acquisition, DTSC could issue a “no further action” letter only if the City completes a “decision document” for the “no further action”

area. The acceptable decision document in this case would be a Preliminary Endangerment Assessment (PEA) focused on just the proposed Trail Alignment parcel. A PEA would be a significant work product: it would consolidate all of the site investigation and risk assessment data for the trail alignment, from the OU-E, -C and -D Site Investigation and Risk Assessment reports. The cost to prepare a PEA would be between \$30,000 and \$40,000. If Council would like the City to proceed with a PEA, direction should be given to do so tonight, as the production and approval of this document will take from four to six months which will delay the start of construction for the middle section of the Coastal Trail. Staff has not identified a funding source for this activity.

Land Transfer for Parking Lot and Access Road

At this time, Georgia Pacific has indicated that they are not interested in transacting with the City for the parking lot and the access road from Main Street. GP may be more inclined to transact on the transfer of land for a parking lot and access road at some point in the future, perhaps once they start subdividing and selling other parcels for development or upon completion of the remediation of Operable Unit E (OU-E). This timing may coincide with Phase III of the Coastal Trail which is anticipated for construction in 2020, based on availability of Caltrans ATP funding.

Maple Creek. The construction of the Phase II Coastal Trail project will not interfere with potential future day lighting of Maple Creek. The cost of installing the multi-use trail in the area proposed by NUDGE for a day lighted Maple Creek would be about \$10,800 (for a 100 foot width). Staff recommends that this trail segment be installed now as this is in an area of un-compacted soil that would likely become very muddy in the winter and spring.

CEQA Review and Permitting. The City circulated and adopted a Subsequent EIR (SEIR) for construction of the Fort Bragg Coastal Trail Phase II, through the Mill Pond area, to connect the north and south alignments of the trail over the beach berm and around the Mill Pond. When CEQA and the Coastal Development Permit (CDP) were approved, the City did not anticipate including a parking lot or access road to downtown as part of the project and these components of the project were not analyzed. Thus the CEQA document and the CDP, Use Permit and Design Review permit will have to be amended to reflect this change, once a road alignment and parking area is agreed to with GP. These documents can be prepared in-house prior to 2020, when the second portion of the Phase II Coastal Trail is slated to start.

FISCAL IMPACT:

The total Phase II Coastal Trail budget for design, engineering and construction is approximately \$1.2 million. The City currently has \$1,216,000 in secured funding for the project. Completion of Phase II will result in increased park maintenance and security costs, however these increased costs will be offset by revenues from the recently passed Measure AA Transient Occupancy Tax increase. Overall, the Coastal Trail is expected to make the City and downtown a more desirable destination for tourists and thus will contribute to City revenues through increased visitor stays and retail spending.

CONSISTENCY:

The project is consistent with the Coastal General Plan, Coastal Land Use and Development Code and the City's Economic Development Strategy, which all envision coastal access along the former Mill Site property.

IMPLEMENTATION/TIMEFRAMES:

Construction of a portion of Phase II is anticipated in 2017, with the remainder of Phase II occurring in 2020.

ATTACHMENTS:

1. Coastal Trail - Phase II Conceptual Plan
2. Coastal Trail - Phase II Property Acquisition Alignment
3. Memo from Glenn Young Regarding use of Comfort Letter for the transfer of the Phase II Coastal Trail Alignment
4. Email from State Coastal Conservancy confirming that a Comfort Letter is acceptable to the Coastal Conservancy

NOTIFICATION:

1. Coastal Trail interested parties list

City Clerk's Office Use Only

Agency Action	<input type="checkbox"/> Approved	<input type="checkbox"/> Denied	<input type="checkbox"/> Approved as Amended
Resolution No.:	_____ Ordinance No.: _____		
Moved by:	_____ Seconded by: _____		
Vote:	_____		
<input type="checkbox"/> Deferred/Continued to meeting of:	_____		
<input type="checkbox"/> Referred to:	_____		