



AGENCY: City Council
MEETING DATE: June 15, 2019
DEPARTMENT: Community Development
PRESENTED BY: Marie Jones
EMAIL ADDRESS: mjones@fortbragg.com

AGENDA ITEM SUMMARY

TITLE:

Receive Recommendation from the Planning Commission and Provide Direction Regarding Mill Site Reuse Plan Local Coastal Program (LCP) Amendment Including: 1) Recommended Policy Changes from the Mill Site Utility Study; 2) Recommended Revision of the Land Use Plan; and 3) Recommended Use Tables and Development Standards for each Proposed Land Use

ISSUE:

Since 2017, the Planning Commission, City Council and the community have participated in 30 meetings to develop a Local Coastal Program (LCP) Amendment for submittal to the Coastal Commission. Staff has developed a summary of all workshops and City Council and Planning Commission meetings and the direction that has been provided (Attachment 8). Staff has attached the Mill Site Reuse Plan Community Survey Report (Attachment 9), so that new City Council and Planning Commission members can be well informed about the community participation and input process to date. (Both of these attachments have been attached to previous staff reports and are provided as an informational items only.)

Staff has worked over the past 19 months to incorporate the City Council and Planning Commission vision, priorities and direction into the Land Use Plan, policies and regulatory language, which together comprise the three components of the Local Coastal Program (LCP) amendment.

Staff is seeking direction regarding the location and quantity of acres that would potentially be rezoned through the adoption of a Land Use Plan for the Mill Site. This staff report provides an overview of how each land use is supported by community sentiment, a market analysis, policy priorities of the community and City Council and water supply. The staff report has also included:

1. Staff's recommended Land Use Plan; and
2. Various other Land Use Plan alternatives based on input from community members at City Meetings;

Please note that this topic will be stretched over as many City Council meetings as necessary for the Council to come to a recommendation with which you are comfortable.

On May 21, 2019, the Planning Commission discussed this item and asked many good questions of staff while starting to formulate a Land Use Plan that would be supported by a majority of commissioners. As part of that initial discussion, the Commission came to the following consensus:

1. The Commission preferred the Land Use Plan alternative with more land zoned for multi-family residential development;

2. The Commission was split on whether or not the urban reserve area on the north portion of the Mill Site should be rezoned as open space; and
3. The Commission preferred the Land Use Plan alternative that illustrated the area south of Redwood Street as Urban Reserve.
4. The Commission agreed that there is too much Industrial in the Southern District.

On June 12, 2019, the Planning Commission will discuss this item further and staff will provide an oral presentation of their recommendation to the City Council at the June 15, 2019 City Council meeting.

Staff recommends that the June 15th meeting be viewed as opportunity to ask good questions, familiarize yourself with the policy objectives of the reuse plan, market support for the various uses and water availability and make recommendations to staff regarding the Land Use Plan.

ANALYSIS:

1. OVERVIEW OF COMMUNITY INPUT

As a reminder, the Community Survey, completed by over 1,000 residents, included a question that asked respondents to prioritize four statements about the reuse of the Mill Site.

Table 1: Fort Bragg Residents: Please prioritize the following statements about the reuse of the Mill				
	Priority 1	Priority 2	Priority 3	Priority 4
It is more important to add new businesses and jobs to our community	31.68%	22.38%	27.72%	18.22%
It is more important to get well designed and sustainable projects on the site	28.32%	35.94%	26.56%	9.18%
It is more important to build more housing for our community	21.21%	26.26%	24.24%	28.28%
It is more important to limit development and maximize open space	22.44%	15.16%	18.70%	43.70%

As collated in Table 1, Fort Bragg residents placed higher priority on new jobs and business creation on the Mill Site, than on more housing or open space. The current Land Use Plan dedicates 56% of the site to open space, 23% of the site to jobs, 7% to housing and 14% to public rights of way. The community survey summary has been added as Attachment 9 to this staff report.

DRAFT LAND USE PLAN

The draft proposed Land Use Plan was developed through input from the community, and the former Planning Commission and City Council and approved by the City Council in October of 2018. In January of 2019, a new City Council and Planning Commission was seated and staff is seeking direction from the new Planning Commission and City Council regarding revisions to the Land Use Plan. The following analysis provides an overview of the October 2018 Land Use Plan, which is illustrated in the image below.

Mill Site Reuse: Land Use Map - Oct 2018



PROPOSED LAND USE (ACRES)

Over the next 30 years, the rezoned Mill Site will slowly redevelop with a mix of residential, commercial, industrial, and visitor-serving development based on: market conditions (sales and rental rates), the cost of infrastructure, the cost of construction, community sentiment and the regulatory environment. Table 2 analyzes how the October 2018 Land Use Plan would change the City's overall land inventory (acres) and the Mill Site's land inventory in terms of land dedicated to each type of zoning district. It also analyzes the proposed change in land use as a percent of the total acreage in the City.

Table 2: Existing and Proposed Zoning, Proposed % Change in Zoning By land Use, Fort Bragg Mill Site Rezone, 2018								
	Existing Zoning City Wide		Proposed Zoning Mill Site		Proposed Zoning City Wide		Proposed Change in Land Area (SF)	
Zoning: Land Uses	Acres	% Existing City	Acres	% Mill Site	Acres	% Proposed City	Acres	% Change Total
Total Undevelopable	209	11%	250	58%	459	25%	250	120%
Open Space (OS)	119	6%	79	18%	198	11%	79	66%
Parks & Recreation (PR)	90	5%	97	22%	187	10%	97	108%
Urban Reserve (UR)	0	0%	74	17%	74	4%	74	NA
Industrial	521	28%	72	17%	175	10%	-346	-66%
Heavy Industrial (IH)	56	3%	26	6%	82	5%	26	47%
Light Industrial (IL)	48	3%	20	5%	67	4%	20	42%
Timber Resources Industrial (IT)	418	23%	26	6%	26	1%	-392	-94%
Commercial	291	16%	51	12%	342	19%	51	18%
Central Business District (CBD)	51	3%	9	2%	59	3%	9	17%
Highway Commercial (CH)	104	6%	8	2%	113	6%	8	8%
Other: (V), (MSE), (CD)	136	7%	34	8%	170	9%	34	25%
Residential Total	649	35%	24	6%	673	37%	24	4%
Single Family (RL)	389	21%	5	1%	394	22%	5	1%
Multi-Family (RM, RH, RVH)	260	14%	19	4%	279	15%	19	7%
Public Right of Way ¹			31	7%			NA	
Harbor District	4	0%	0	0%	4	0%	0	0%
Public Facilities	159	9%	5	1%	164	9%	0	0%
Totals	1,833	100%	433	100%	1,817	100%	433	100%
Square Miles	2.85		0.67		2.82		0.67	

Notes: 1. Rights of way are not calculated by GIS, so no comparable data is available for the City as a whole.

In summary, adoption of the October 2018 Land Use Plan would result in:

- **Parks & Open Space.** Upon approval of the rezoning, the amount of land in the entire City dedicated to parks, open space and urban reserve would increase by 120%, from 209 acres

to 459 acres. A total of 250 acres or 58% of the Mill Site would be dedicated to parks, open space and urban reserve.

- **Industrial Zoning.** The amount of land dedicated to industrial uses in the entire City would decline by 66% (-346 acres) from 521 acres to 175 acres. A total of 413 acres of Timber Resources Industrial would be rezoned on the Mill Site for a variety of uses. The Land Use Plan would result in the retention of 72 acres (17%) on the Mill Site for industrial uses (timber resources, light industrial and heavy industrial).
- The overall amount of land dedicated to commercial uses would increase by 12% (51 acres) from 291 acres to 342 acres. The greatest growth (24 acres) would be in the “other category” which includes three new zoning districts, namely: Ocean Dependent, Mill Site Employment, and Visitor.
- The amount of land dedicated to all residential uses in Fort Bragg would increase 4% (24 acres) from 649 acres to 673 acres. Six percent of the Mill Site would be dedicated to housing.
- The total acreage dedicated to each land use now excludes land dedicated to public rights of way, which include streets, alleys, sidewalks and trail. The amount of land dedicated to rights of way would be seven percent of the site, or 31 acres for streets, alleys & sidewalks.

The charts below graphically illustrate the proposed zoning changes. Figure 1 illustrates the portion of land that is dedicated to each new zoning district on the Mill Site. Overall 35% of the site will be rezoned for commercial, industrial and residential development, the remaining 65% will be reserved for parks & recreation, open space, urban reserve and public rights of way.

Question 5 below illustrates the community’s sentiment on this topic as captured through the Mill Site survey.

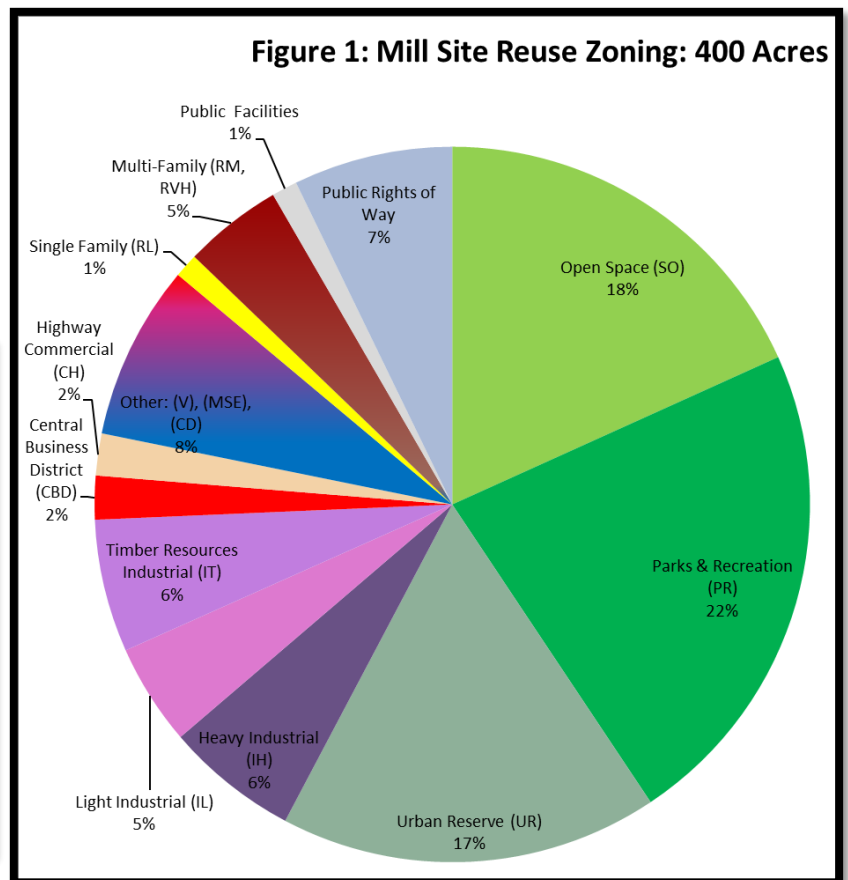
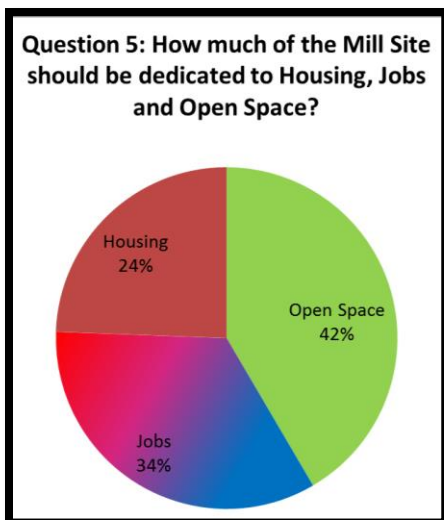
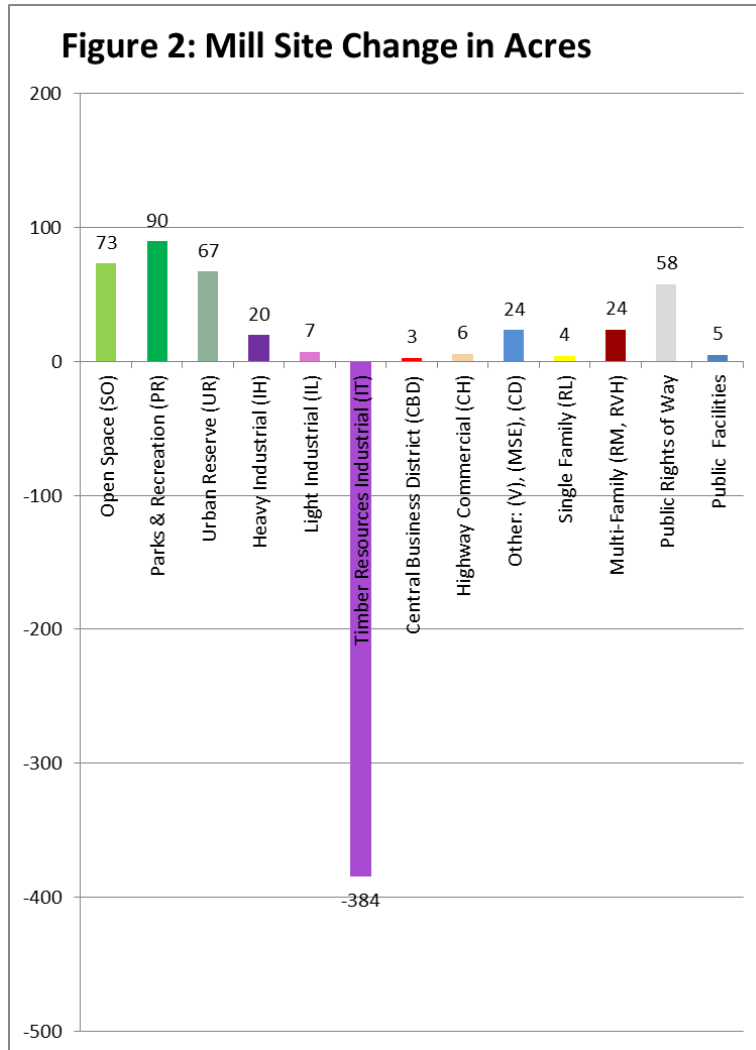


Figure 2 illustrates the net change in zoning districts (in acres) for the Mill Site. It clearly illustrates the significant loss in Timber Resources Industrial zoning and its replacement with a mix of zoning districts.



The proposed rezone of the Mill Site would significantly increase the citywide amount and proportion of land that is dedicated to parks and open space, slightly increase the land zoned for commercial and industrial uses (except for timber resource uses), and result in a very minor increase in the amount of land dedicated to housing.

2. RECONSIDERATION OF THE LAND USE PLAN

The City Council may want to reconsider proposed zoning for portions or all of the Mill Site. Staff has provided some tools below to help inform you in your deliberations. Key features to consider as you think through the Land Use Plan include:

1. Market Support. How much market support and long term demand is there for the proposed land uses and zoning districts? Is there too much land dedicated to some zoning districts? Maybe not enough dedicated to others?
2. Policy Goals. Not all land uses achieve all policy goals. For example, hotels provide needed City revenues while industrial property provides needed employment. Staff has prepared a draft policy outcomes table that illustrates which zoning districts achieve which policy goals.
3. Good planning Practices. The Mill Site Reuse Plan should follow the principles of Smart Growth, land use compatibility, fiscal impacts, and development feasibility as described below.
4. Water Demand. The new city reservoir has significantly reduced the City's water constraint. There are many ways to look at water use and buildout and staff has summarized the results of three different methodologies for the City Council's education and information.

This staff report explores all of these complexities in more detail below.

ECONOMICS OF LAND USE PLAN

The City hired Economic Planning Systems (EPS) in 2005 to complete a market analysis in order to identify market support for new development ideas for the Mill Site. The goal of the analysis was to ensure sufficient market demand and support for the proposed Specific Plan Land Use Plan. That study is attached as Attachment 1.

The study includes the following key findings, which remain germane today:

- The market support for new hotels and residential development is high and these two development types form the primary "market making" component of the Mill Site reuse and provide the most value to the redevelopment process.
- The market analysis identified strong market support for up to 400 units of new housing, 220+ hotel rooms, 50,000 SF of retail, 30,000 SF of office, 20,000 SF of light industrial and 36,000 SF of other uses.

Clearly portions of the economy have changed since this study was completed; for example, the demand for generic retail space has declined due to market saturation by internet-based retailing, while the demand for industrial space has increased as many businesses are actively seeking industrial space in Fort Bragg (North Coast Brewing Company, cannabis manufacturing, etc.). However, overall the general tenants of the market report remain true today. The market primarily supports new hotels and residential development on the Mill Site, because this is where demand is greatest for new development. Other uses of the site will depend on specific businesses holding an interest in relocating to Fort Bragg or within Fort Bragg to the Mill Site. At this time a number of businesses have expressed an interest in relocating to the Mill Site including: North Coast Brewing Company, The Skunk Train, Harvest Market, Savings Bank of Mendocino County, Sport Chrysler Jeep Dodge and others.

Based on past trends, the current Land Use Plan will zone for two times as much industrial and commercial land as is likely to be absorbed over the next 30 years. The Land Use Plan provides appropriate zoning for residential and hotel development. The City Council should decide if it wants to zone for more industrial and commercial capacity than is likely to be needed over the next 30 years. If City Council directs, staff can complete or contract to complete an update to this 15-year old market analysis. This could illuminate additional information to the City Council.

LAND USE PLAN POLICY OBJECTIVES

The proposed land uses in the Land Use Plan meet various policy objectives for the community as generally summarized in Table 3 below.

- Four of the land uses form the primary market for the redevelopment of the site, and these include: visitor, residential, highway commercial and light industrial. There is strong market demand for these land uses that can support the costs associated with reuse of the site, including developing needed infrastructure and responding to the relatively high cost of construction in Fort Bragg.
- Some land uses will result in increased tax revenues for the City of Fort Bragg, primarily uses associated with Visitor (TOT) and Highway Commercial (sales Tax).
- Other zoning districts will create opportunities for quality jobs (Light Industrial, Mill Site Employment, Heavy Industrial, Timber Resources Industrial and Urban Reserve's Big Idea).
- Only two zoning districts will contribute to solving the City's housing crunch, namely residential and Central Business District.
- Additionally, five zoning categories meet Coastal Act requirements for priority coast uses.

Table 3: Policy Objectives Mill Site Reuse Plan							
	Policy Objectives						
	Enhance	Increase	Create	Expand	Increase	Provide	Coastal Act
	Market	Tax	Quality	Housing	Visitor	Community	Priority Use
Zoning	Value	Revenues	Jobs	Options	Experience	Amenity	
Primary Market							
Visitor	XX	XX			XX	X	XX
Residential	XX			XX			
Highway Commercial		XX			X	X	X
Light Industrial	X	X	XX				
Subordinate Market							
Central Business District				X	X	X	X
Mill Site Employment		X	XX				
Heavy Industrial			X				
Timber Resources Industrial			X				
Urban Reserve - Big Idea	X	X	XX			X	
Coastal Dependent					XX	XX	XX
Public Open Space					X	XX	X
Source: Community Development Department, 2019							

The City Council may want to use these policy objectives, consider which policy objectives matter more to the future of the community, and make recommendations to revise the Land Use Plan accordingly. Staff recommends a balanced approach focused on enhancing the market value of the site, creating quality jobs, expanding housing, increasing tax revenues and providing community amenities. Based on these priorities, the Land Use Plan should include at a minimum zoning with the following designations: Visitor, Residential, Light Industrial, Urban Reserve, Highway Commercial and Open Space. Less critical zoning categories include: CBD, Mill Site Employment and Timber Resources Industrial zoning districts.

SMART GROWTH AND GOOD PLANNING

This section explores some basic tenants of good land use planning for the City Council's consideration, including Smart Growth, Use Compatibility, Development Feasibility, and the fiscal impact of the proposed Land Use Plan on the City's financial position. Each of these topics is explored further below:

Smart Growth - Smart growth is an approach to development that encourages a mix of building types and uses, diverse housing and transportation options, development within existing neighborhoods, and community engagement. The 11 principles below are considered the foundation of a smart growth approach:

1. **Mix land uses** – Mixing land uses means building homes, offices, schools, parks, shops, restaurants, employers and other types of development near one another. This alternative includes a good mix of uses.
2. **Take advantage of compact design** – Compact design means making more efficient use of land that has already been developed. Encouraging development to grow up, rather than out, is one way to do this. Infill development—building on empty or formerly developed parcels (such as the Mill Site)—is another. This is preferable to encouraging development in the County where vacant natural land is typically developed far from services resulting in habitat destruction, and more vehicle miles traveled and social isolation.
3. **Create a range of housing opportunities and choices** – Building quality housing for families of all life stages and income levels is an integral part of a smart growth approach. Adding housing in and adjacent to commercial districts can breathe new life into these neighborhoods in evenings and on weekends. By offering a variety of new housing options, smart growth can improve families' economic opportunities, reduce cost of living, and reduce how much time is spent commuting each day.
4. **Create walkable neighborhoods** – Walkable neighborhoods are in high demand because walking is a convenient, affordable, and healthy way to get around. Walkable places are created in part by mixing land uses and taking advantage of compact design, but are activated by smart street design that makes walking practical, safe and convenient.
5. **Foster distinctive, attractive communities with a strong sense of place** – Making the Mill Site a unique, interesting place that reflects the values, culture, and heritage of the people who live in Fort Bragg will ensure that the project has the greatest staying power. By incorporating natural features (such as the Coastal Trail, Maple Street wetland and lowland area), historic structures (Dry Shed 4, the round house, Guest House Museum), public art (murals, artist

benches and more to come) and place making can help distinguish Fort Bragg, attract new businesses and visitors, and support the vibrant community for the people who already live there.

6. **Preserve open space, natural beauty, and critical environmental areas** – Preserving open spaces like wetlands and parks is both an environmental and economic issue. Residents and visitors alike want access to natural recreation areas, which translates into demand for housing and tourism and improves our city's ability to attract employers. Preserving open spaces can also make our community more resilient, protecting it from wind, providing erosion control, protecting water quality, and protecting animal and plant habitats.
7. **Direct development towards existing communities** – Developing within existing communities—rather than building on previously undeveloped land—makes the most of the investments we've already made in roads, bridges, water pipes, and other infrastructure, while strengthening local tax bases and protecting open space.
8. **Provide a variety of transportation choices** – Safe and convenient biking and walking infrastructure, and an effective road network will help Fort Bragg attract talent, new businesses and improve the day-to-day lives of our residents.
9. **Make development decisions predictable, fair, and cost effective** – Local and out-of-town developers will play a crucial role in how the Mill Site is ultimately built out. By creating a supportive environment for development of innovative, pedestrian-oriented, mixed-use projects, government can provide smart growth leadership for the private sector.
10. **Encourage community and stakeholder collaboration in development decisions** – Smart growth is only possible with the inclusion of the perspective of everyone with a vested interest in the Mill Site. Smart growth is about building a future for Fort Bragg that everyone can participate in, and gathering the ideas and feedback of community members is the only way to do that. This does not mean that everyone gets their way: it does mean that the Planning Commission and City Council should listen to all the input (from workshops, online surveys, meetings) before deciding how to proceed. An inclusive and equitable process will give the Mill Site Reuse Plan built-in support and staying power.
11. **Compatibility of Uses.** The key legal rationale for land use regulations and zoning is to ensure compatibility between adjacent uses. Thus, generally, louder and more disruptive uses (such as heavy industrial) should not be located adjacent to residential uses, as this creates conflicts between the land uses. Likewise, it is wise to transition from single family residential to medium density residential prior to zoning for high density residential.

Fiscal Impact of Mill Site Redevelopment for the City's Budget

Reuse of the Mill Site should have a net zero or a net positive fiscal impact on the City. Specifically, the zoning map should include a balance of fiscally beneficial uses (hotels, retail and large employers) as well as uses that are generally cost centers for the City (parks, open space and housing). The land use plan should include sufficient land for two first-class hotels adjacent to the Coastal Trail, some zoning for highway commercial (retail) and zoning for larger companies (light industrial, industrial and Mill Site Employment) in order to achieve a net positive fiscal impact. Once the Planning Commission and City Council settles on a Land Use Plan, staff will complete a fiscal impact analysis and based on that analysis, the Planning Commission and City Council may decide to further revise the Land Use Plan if necessary.

Jobs/Housing Match

As a well-planned mixed-use neighborhood, the Mill Site should improve the balance of jobs and housing in Fort Bragg. Currently, Fort Bragg has more housing than it does jobs, and yet it is a job center on the coast. This is because the community has over the years transitioned from a blue color town to a tourism town and now is trending towards a retirement community. Improving the overall jobs/housing balance for Fort Bragg as a whole is important for three reasons:

1. New housing is needed to ensure that there is sufficient workforce housing to accommodate employees that work for new businesses on the Mill Site. If the City does not zone sufficient land for housing, new businesses will not be able to open or expand onto the Mill Site because there is not sufficient workforce housing in our community to support additional job development. The current housing imbalance places enormous stresses on the region's employers by limiting the pool of workers employers can hire and or attract who live within a reasonable commuting distance.
2. Locating both housing and employment on the Mill Site can help reduce travel distances and commute times for employees, thereby reducing traffic and green house gas emissions.
3. The City has a housing shortage, especially in multi-family and workforce housing. This housing imbalance has occurred in part because more of the City's single family homes are being purchased by out of area retirees, who easily out-price Fort Bragg families; and because vacation rentals and second homes have displaced many workers.

Staff will complete a Jobs/Housing balance analysis for the draft Land Use Plan that has a majority consensus from the City Council and Planning Commission.

Development Feasibility

The redevelopment of the Mill Site will require the future developer(s) to finance significant new infrastructure including streets, curbs, sidewalks, drainage, water distribution, sewer collection, electrical service and various community amenities such as parks and paths. Staff will prepare an estimate of these costs once the Planning Commission and the City Council settle on the Land Use Plan. However, the cost is anticipated to be significant and will need to be financed through a special tax district or some other infrastructure financing mechanism. It is important to align areas slated for new development by rezoning land as close as possible to existing infrastructure in order to reduce infrastructure costs and improve development feasibility. Development feasibility will also be impacted by a number of other forces including: constriction costs, financing costs, market demand, rents, sales prices, predictability of development and many other factors. Many of these factors fluctuate through time as the economy changes and with these changes development may speed up, slow down and even stall on the Mill Site depending on market conditions and costs over time. Staff will complete a development feasibility analysis for the Final Land Use Plan that has a majority consensus from the City Council and Planning Commission.

BUILDOUT ANALYSIS & WATER USE

Purpose

Staff completed a Buildout Analysis to identify how much development could occur given the Land Use Plan and proposed zoning changes. The buildout analysis has two primary purposes:

1. To identify maximum buildout, likely buildout, and a realistic timeframe for buildout, so that the community, the City Council and Planning Commission can discuss the potential for development and make any desired adjustments to the proposed Land Use Plan and/or development standards (Floor Area Ratio, Lot Coverage) to reflect the Council's and Commission's goals and vision for the ultimate level and amount of development on the site.
2. To quantify public service needs (police, fire, hospital, school) and utility (water, sewer, stormwater drainage, solid waste, transportation) for the site. The final Buildout Analysis will be used by various consultants to complete analyses of the potential impact of the proposed rezoning and LCP Amendment on the environment and by the Coastal Commission to process the LCP amendment.

The completed buildout analysis was shared with the City Council last fall and is attached as Attachment 3. This staff report and workshop uses the Buildout Analysis to frame the discussion around the impact of buildout on water demand and supply and revisions to the Land Use Plan. The staff report specifically explores water demand to determine if the City has sufficient water to serve maximum buildout of the Land Use Plan.

The Public Works department has developed a comprehensive water model to determine how much new development can be accommodated within the City given the additional water storage which has been added to the City's water system in the past four years. Two large new water storage features have been added, namely Summers Lane Reservoir (15 million gallons) and the new treated water tank (1.5 million gallons). The City diverts water from three water sources, and in extreme drought conditions (once every 50 years) there may not be enough water in these surface water sources to serve demand. The new water storage facilities are intended to supplement water supply when the City surface water sources may have less supply. The analysis by Public Works has determined that even in a 50-year drought, the new water storage facilities would allow the City to serve an additional 65 to 75% increase in water demand over 2015 water demand (water demand during drought conditions with water conservation measures) and 47% over current (2018) water demand. In other words, the City can accommodate an additional 40 to 65% increase in new development.

BUILDOUT & WATER DEMAND METHODOLOGY

The Coastal Commission required the City to complete two different buildout analyses for the Land Use Plan:

1. **Maximum Buildout & Water Analysis for the Entire City.** Calculation of the maximum development amount includes utilization of development regulations to define the maximum legally feasible development given all zoning and parcels in the City of Fort Bragg. This is a theoretical buildout which will never be reached as most of the City is covered in existing development. The maximum buildout can be thought of as if a huge earthquake or tsunami were to destroy all buildings in Fort Bragg, and if every property owner then rebuilt their properties to the maximum extent allowed by the zoning ordinance – e.g. the maximum building height, number of stories, and building massing achievable given regulations. The maximum buildout will never be realized as development projects are influenced significantly

by market support, user goals, aesthetics, regulatory requirements and the discretionary planning permit review process. The Maximum Buildout includes all potential development both on and off the Mill Site after the rezoning. Likewise, the water analysis includes the increase in water consumption based on this buildout. This analysis is in Attachment 5.

2. **Maximum Buildout and Water Demand Analysis for all Coastal Dependent Uses in the City.** This analysis is similar to the above analysis but limited to only coastal dependent uses which include: Highway Commercial, Ocean Dependent and Visitor Serving Zoning districts. Again the assumption with the buildout is that there must be sufficient water to serve maximum coastal dependent development throughout the City. The Coastal Commission has requested this buildout scenario in order to require a General Plan policy that would reserve water storage capacity for coastal dependent uses. This analysis is in Attachment 6.

The City will want to ensure that it has sufficient water to serve the realistic buildout of all vacant and very underutilized lots in the City as well as a realistic buildout of all development on the Mill Site, so the City has also completed the following buildout analysis for City Council's information.

3. **Maximum Buildout of Vacant City Parcels & Land Use Plan.** This analysis examines the maximum buildout of all vacant City parcels, given past and present development trends and maximum buildout of the Mill Site Land Use Plan. This analysis, while unlikely to be realized, provides a realistic "worst case" scenario of the development of vacant parcels both on and off the Mill Site. The worst case scenario development is then translated into net new water demand for maximum new development on and off the Mill Site. This analysis is in Attachment 7 and represents a worst case analysis of future buildout and water use.

It is important to remember that each buildout analysis is based on assumptions and standard industry multipliers. None of the buildout scenarios is a perfect predictor of the future. However, the "Realistic Buildout by 2050" is grounded in market predictions and thus is the most realistic. Assumptions are noted in the notes section of each buildout scenario.

BUILDOUT AND WATER DEMAND ANALYSIS RESULTS

Analysis 1: Maximum Buildout & Water Demand for the Entire City

As shown in Attachment 5, the Maximum Buildout Analysis would result in a very different City than we currently inhabit. Overall there would be a 144% increase in water use if every parcel within the City, except for the Mill Site, was built out to the maximum available centimeter. If the maximum buildout of the current Mill Site Land Use Plan is included, total water demand would increase by an additional 26% for a total water use increase of 170% over current water use.

As previously mentioned, maximum buildout would never happen in the real world, as it would require the destruction of the existing built environment and redevelopment at maximum buildout. In real life development is influenced by a wide variety of factors including: the market value of existing structures versus the cost of replacing those structures, market support, the vision and business needs of the property owner, the availability/cost of capital to finance development, limitations on development due to the presence of coastal resources on the property (rare plants, cultural resources, public access, etc.), limitations placed on development through CEQA mitigations (due

to water availability, visual resources, traffic impacts, etc.) and limitations placed on a project through the permitting process.

The maximum development scenario is an intellectual exercise. It is not “real world.” Unsurprisingly, the City does not currently have sufficient water storage to serve the hypothetical maximum buildout scenario either on or off of the Mill Site. City staff informed the Coastal Commission of the results of the buildout scenario, and the Coastal Commission staff requested that the City complete this same analysis for Coastal Dependent uses only which is completed in Analysis 2 below.

Analysis 2: Maximum Buildout and Water Demand Analysis for Coastal Dependent Uses in the Coastal Zone

Attachment 6 has been prepared so that the Coastal Commission could be assured that there is sufficient water storage capacity to serve all potential future development potential of every square inch of property which is zoned for coastal dependent uses within the Coastal Zone. The Coastal Commission is primarily concerned with ensuring that the public has access to coastal dependent uses, which include: Visitor, Highway Commercial, Open Space and Harbor zoning districts. As illustrated in Attachment 4, maximum buildout of these zoning districts in the Coastal Zone would result in an 8% increase in water use. Maximum buildout of these zoning districts on the Mill Site would result in a 10% increase in water use for a total maximum increase in water use of 18% over existing water use. If the Coastal Commission requires the City to preserve sufficient water storage to ensure the maximum buildout of all Coastal Dependent uses (in the Coastal Zone), there would be water capacity to accommodate an additional 60% increase in water demand from other development in the Coastal Zone. A water reservation policy could be worded as one of the policies below:

Sample Water Policy X: Preserve Water Storage Capacity for Coastal Dependent uses. Eighteen Percent (X gallons/day) of water storage capacity shall be reserved for Coastal Dependent Uses within the Coastal Zone. As new coastal dependent development occurs, the amount of water used by the new development shall be subtracted from reserved water capacity.

Sample Water Policy Y: Non-Coastal Dependent uses may only be approved if sufficient water for full buildout of all Coastal Dependent uses. Prior to approval of any new non-coastal dependent development within the Coastal Zone, the review authority must first determine that the City has sufficient water storage to serve maximum buildout of all Coastal Dependent zoning districts within the Coastal Zone (Highway Commercial, Visitor, Open Space, Coastal Dependent and Central Business District).

Analysis 3: Maximum Buildout of Vacant Parcels & Maximum Buildout Mill Site

Attachment 7 is an analysis that has been developed so that City Council can ensure that there is sufficient water to serve maximum future development needs both on and off the Mill Site. As shown in Attachment 7, the analysis applies maximum permissible development to vacant parcels throughout Fort Bragg and to the vacant Mill Site parcels by zoning district per the Land Use Plan (10-2018). If each vacant parcel in the City is developed to the maximum level of development feasible (per each zoning district), the buildout of all vacant parcels would result in a 12 percent increase in water use. If each Mill Site parcel is developed to the maximum level of development, the buildout would result in a 24 percent increase in water use or a total 36% increase in water use.

This water demand analysis illustrates that the reuse of the Mill Site per the current Land Use Plan can be accommodated given current water storage and water rights, which would allow a conservative 65% increase in water use.

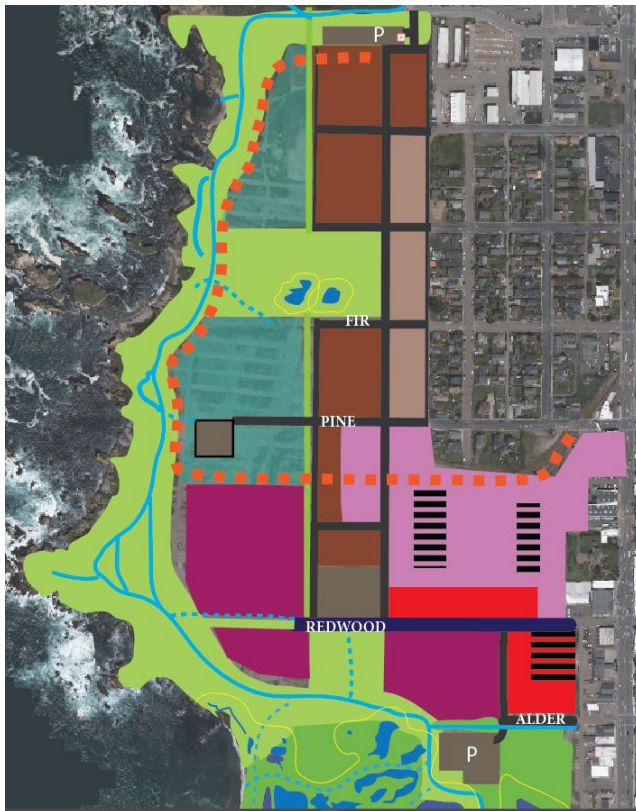
LAND USE PLAN ALTERNATIVES

The Land Use Plan has been revised multiple times over the past 22 months, per Council and Planning Commission direction. In total, the Land Use Plan has gone through at least ten significant revisions in response to direction received from the City Council and the Planning Commission. This is an opportunity to reopen this discussion so that the new City Council can weigh in on policy priorities.

Alternative 1 - Staff Prepared Land Use Plan for North Mill Site

Staff has prepared an alternative Land Use Plan (Alternative 1) based on good planning practices and community input. Please see Land Use Plan Alternative 1 below for the North Mill Site.

Alt 1: Staff Recommendation North



Existing



Staff's alternative includes the following adjustments:

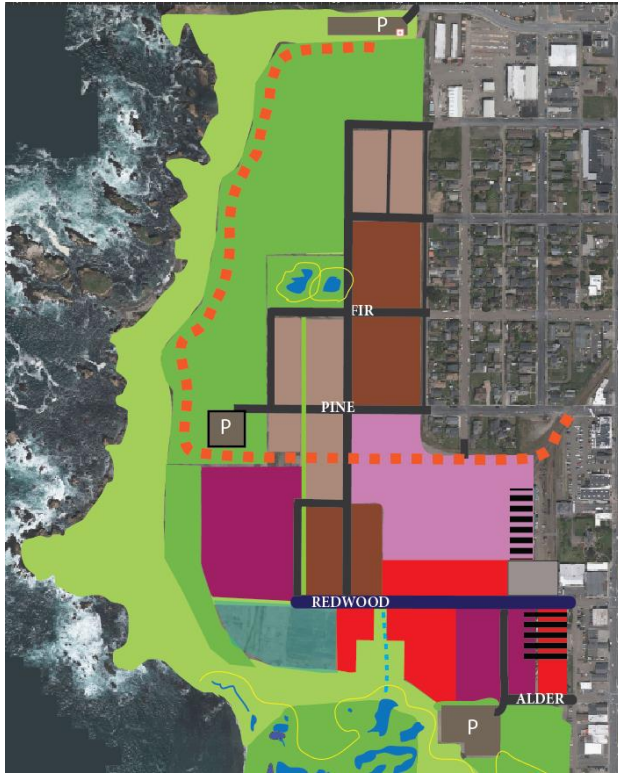
- A better transportation/circulation system. A complete extension of the City grid onto the site from Elm Street to Pine Street, which will allow for effective north-south and east-west traffic. It also includes a separated north-south pedestrian/bicycle path. Additionally, it completes the existing half block at West Street onto the Mill Site to retain the block size and alleyway rhythm of the existing City.

- Additional open space. Staff recommends a larger Redwood Street park and a larger park from Pond 9 to the Coastal Trail. Both of these open spaces will serve to more effectively tie new development to the Coastal Trail and the natural beauty of the site. Staff also views the eventual rezoning of the entire urban reserve into open space as inevitable due to the extensive deposits of cultural resource sites in this area.
- Replace some of the CBD zoning with Visitor Serving zoning. The City's existing downtown continues to suffer from divestment due to the popularity of online retailing. A further expansion of the CBD onto the Mill Site will further exacerbate this issue. Staff recommends replacing the CBD extension with Visitor Serving zoning which would allow for hotels, restaurants and bars, but not new retail.
- Expansion of Light Industrial zoning. Staff recommends that the light industrial zoning be extended off site to include the existing Skunk Train and brewery facilities and parking lot. This would allow the brewery to operate as a conforming use and would ease expansion and redesign of their existing facility.
- Medium Density Residential adjacent to existing Single Family Residential. Staff recommends that the westernmost blocks of Fort Bragg, which are all half blocks, be extended onto the Mill Site with one-half block depth of medium density residential zoning. This will provide for compatibility between residential development on the Mill Site and the west Fort Bragg neighborhood.
- Reconfiguration of housing into a neighborhood. Staff's recommended land use plan also reconfigures 5.5 blocks of housing along the northwest Glass Beach Drive. This makes for a more effective neighborhood and adds about 0.5 blocks of additional residential development to the site.
- Downtown Parking Lot. Staff recommends that a downtown parking area be explicitly added to the Land Use Plan.

Policy Implications of Staff Recommended Land Use Plan	Policy Area
Net increase of 6 additional acres of open space (from 68.4 to 74 acres).	+ Community Amenity
Net increase of 7 acres for Coastal Act priority uses: 6 acres of open space and 1 acre of Visitor	+ Coastal Act Priority Use
Linear greenway	+ Coastal Act Priority Use, + Transportation alternative
Additional sales tax revenues of \$46,000 per year	+ Fiscal Impact
15 additional jobs	+ Jobs
An additional 20 units of housing	+ Housing

ALTERNATIVE 2 - NORTH MILL SITE OPEN SPACE CORRIDOR

Open Space Corridor



Existing Plan



The LUP modification would result in the following general policy implications:

Switch Urban Reserve to Open Space. This revision would change the zoning for a 24-acre area from Urban Reserve to Open Space. The total amount of urban reserve on the Mill Site would drop from 67 acres to 43 acres. Zoning this area as open space may not result in the development of a public park because the property is privately owned. For it to become a public park the City would need to purchase it from the property owner at fair market value. This additional open space would result in 20 more acres of land dedicated to Coastal Dependent uses, which would please the Coastal Commission. Additionally, the area currently zoned as Urban Reserve provides limited development opportunities due to resource challenges (archeological sites) in this area. This change would not have an impact on housing or jobs in the near term.

Policy Implications of Increasing Open Space Zoning	Policy Area
Net increase of 24 additional acres of open space (from 68.4 to 92 acres).	+ Community Amenity
Net increase of 20 acres for Coastal Act priority uses.	+ Coastal Act Priority Use

Possible wildlife corridor for animals and birds that may travel from Glass Beach to the Mill Pond area.	+ Coastal Act Priority Use
Protects cultural resources sites.	+ Coastal Act Priority Use
If open space is transferred to City, increase maintenance costs \$50,000/year.	- Fiscal impact

Reduce Visitor zoning. The area dedicated to Visitor (hotel) zoning would be reduced from 17.5 acres to 11.5 acres. The elimination of the Visitor zoning at the south end of Redwood Avenue would eliminate the best hotel site on the Mill Site. It would also result in relatively little development value for the eventual owner of the largest parcel on the site (150 acres), which stretches from the south side of Redwood all the way to the Cypress Street gate. This change would result in 30 fewer jobs and unrealized revenues of \$300,000 in Transient Occupancy Taxes.

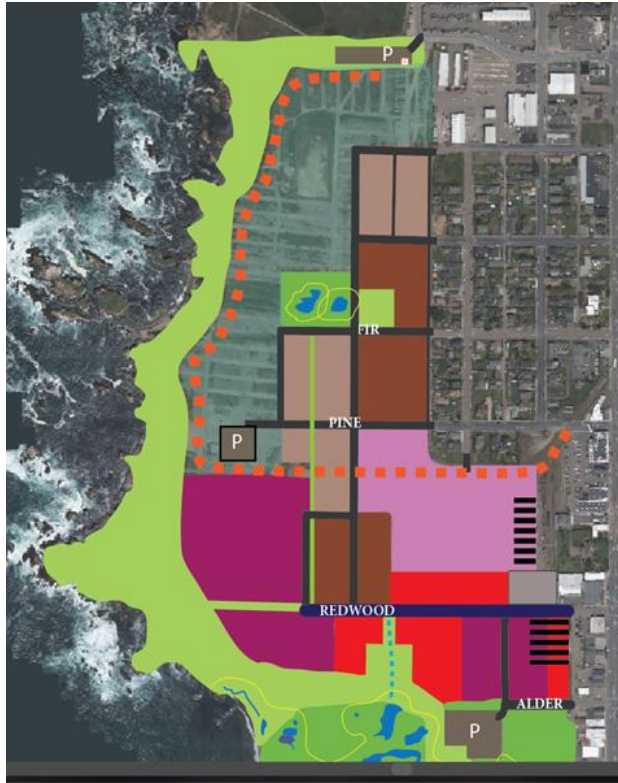
Policy Implications of Reducing Visitor Zoning	Policy Area
30 fewer hotel jobs. Total Mill Site hotel jobs would decrease from 78 to 48 jobs.	- Jobs
Decrease TOT revenue by \$303,000 per year, from \$817,000 to \$514,000.	- City Revenue
Decrease the overall market value and the redevelopment feasibility of two very large parcels.	- Market value and Developability

ALTERNATIVE 3 - NORTH MILL SITE INCREASE HOUSING AND OPEN SPACE

Increase Housing & Open Space



Existing



The above map includes 6 additional acres for housing while retaining 13 acres for hotels (Visitor). This version would also convert Urban Reserve into Open Space zoning. The LUP modification would result in the following general policy implications:

Policy Implications of Increasing Open Space zoning	Policy Goals
Net increase of 21 acres of open space (from 68.4 to 79 acres).	+ Public Amenity
Net increase of 21 acres for Coastal Act priority uses.	+ Coastal Act
If open space is transferred to City, increase maintenance costs by \$50,000/year.	- City Revenue
Protect cultural resources sites.	+ Coastal Act
Policy Implications of Reducing Visitor Zoning	
Add a maximum of 72 additional multi-family residential units.	+ Housing
Increases the overall market value and the redevelopment feasibility of one very large parcel.	+ Market Value + Developability

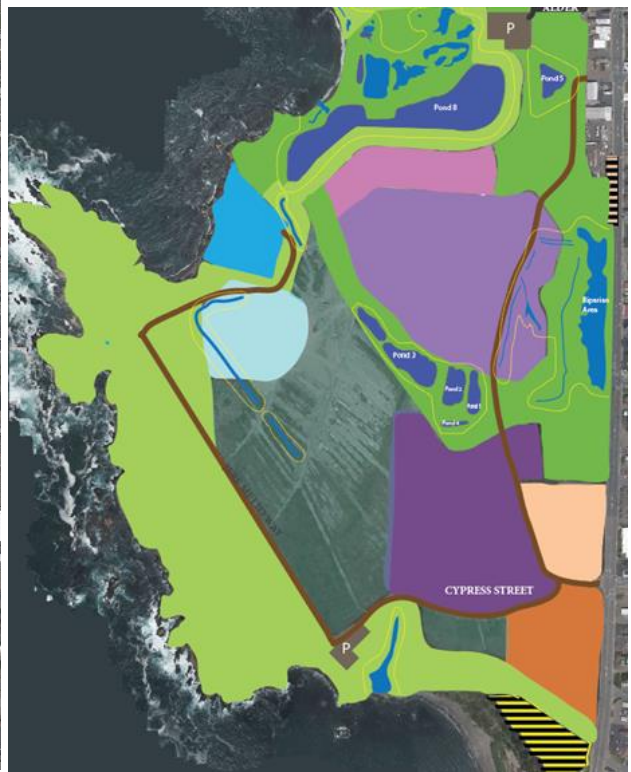
ALTERNATIVE 4 – LAND USE PLAN FOR SOUTH MILL SITE

Staff has prepared an alternative Land Use Plan (Alternative 4) based on good planning practices and community input.

Alt 4: Alternative South



Existing



This Land Use Plan includes the following changes:

- **Compatible Land Uses.** The plan segregates non-compatible uses geographically, by concentrating industrial uses along an east-west axis on the southern side of the Mill Site. This provides for larger areas of Urban Reserve which will have more flexibility for rezoning later.
- **Reduce and combine land zoned for industrial purposes.** Staff recommends that Timber Resources zoning be removed from the zoning map and that instead lumber mills be allowed with a use permit in the Heavy Industrial zoning district. Additionally, staff recommends that the amount of land zoned for heavy industrial be reduced to 20 acres and relocated to the area of the old planer, as this area is the most impacted of the site by asphalt and concrete.
- **Relocate Light Industrial zoning from south of the Mill Pond to south of Ponds 1-4.** Relocating the Light Industrial away from the Mill Pond will allow for a buffer or Urban Reserve between the Coastal Trail and development in the Heavy Industrial zoning district. It will also provide for the installation of an effective water and sewer loop from Cypress Street, through the Light Industrial to the Noyo Center and the Waste Water Treatment Facility and back east across the Heavy Industrial to Main Street.
- **Relocate Ocean Dependent zoning to the west.** The Noyo Center organization is seeking

to locate their ocean education and research facility closer to the ocean between the runway and their current site. This Land Use Plan includes zoning that would accommodate this change.

- **New street network on the South Mill Site.** Staff recommends that a new system of streets be added to the South Mill Site, which includes pulling the road that goes to the Sewer Treatment Plant back behind the Noyo Center site and a new road would connect the Heavy Industrial zoning district to the Cypress Street extension.
- **Development to the west of Mendo Mill.** Mendo Mill backs up onto the Mill Site and an area that is heavily impacted by asphalt and concrete. Staff recommends that this area be considered for development ,as it is heavily impacted and adjacent to infrastructure. Staff has indicated this area in white. A number of uses might be compatible with this area: live/work, light industrial or highway commercial.

Policy Implications of Staff's Recommended Land Use Plan	Policy Implications
This revision would result in a 26-acre reduction of industrial land and 225 fewer industrial jobs upon development. However, the market for industrial is probably not strong enough to absorb all of this industrially-zoned land within the next 30 years, so the actual impact would probably be less than 225 jobs.	- Jobs
Provide needed protection of a wetland area that is otherwise probably not developable.	+ Open Space
Decrease the land zoned Mill Site Employment from 9.5 acres to 4 acres, which would result in up to 213 fewer well-paid potential jobs upon development. The market for this zoning district is fairly strong.	- Jobs

ALTERNATIVE 5 - SOUTH MILL SITE DECREASE INDUSTRIAL AND MILL SITE EMPLOYMENT

Reduce Amount of Industrial



Existing



This LUP revision significantly reduces the amount of the site that would be rezoned for industrial uses, by consolidating the area zoned for Heavy Industrial with the area zoned for Timber Resources Industrial. Furthermore, the eastern edge of the consolidated Heavy Industrial zoning district has been shaved in order to preserve the wetlands and wetland buffers to the east of the existing access road (note red circle). In this alternative, a lumber mill could be a permitted use in the Heavy Industrial zoning district. This alternative cuts the area zoned for Mill Site employment from 8 acres to 4 acres.

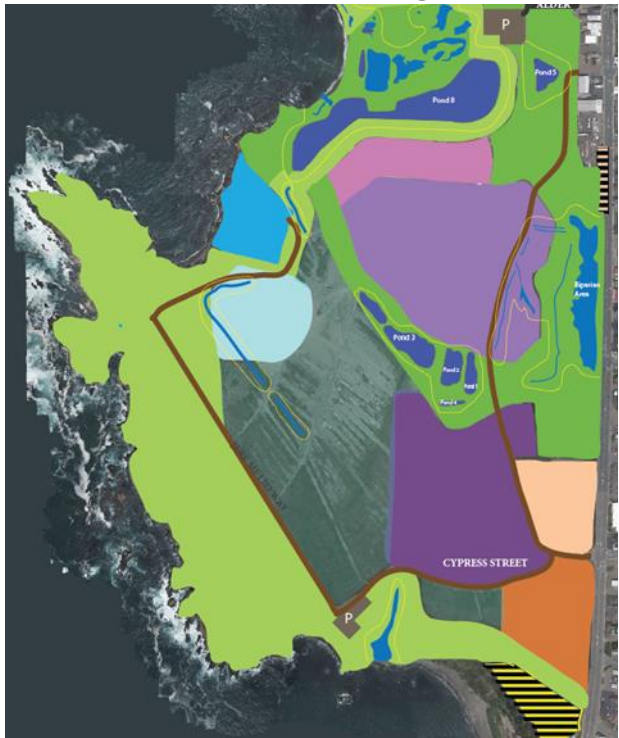
Policy Implications of Reducing Industrial Zoning	Policy Implications
This revision would result in a 28-acre reduction of industrial land and 255 fewer industrial jobs upon development. However, the market for industrial is probably not strong enough to absorb all of this industrially-zoned land within the next 30 years, so the actual impact would probably be less than 255 jobs.	- Jobs
Provide needed protection of a wetland area that is otherwise probably not developable.	+ Open Space
Decrease the land zoned Mill Site Employment from 9.5 acres to 4 acres, which would result in up to 213 fewer well-paid potential jobs upon development. The market for this zoning district is fairly strong.	- Jobs

ALTERNATIVE 6 - SOUTH MILL SITE REVISION AS MIXED USE

Mixed Use & Reduced Industrial



Existing



This LUP revision includes mixed use (residential, industrial, commercial and open space) on the southern portion of the Mill Site. It would significantly reduce the amount of the site that would be rezoned for industrial uses, by consolidating the area zoned for Heavy Industrial with the area zoned for Timber Resources Industrial. Light Industrial has been moved from a location adjacent to the Coastal Trail to an area adjacent to the Coastal Dependent area (Noyo Center). This area could be used for industrial uses or a technical college in support of the Noyo Center. Also the Noyo Center site has been reconfigured to better meet their needs and the access roads in this area have been relocated away from the bluff for better circulation. The proposed areas of development front Ponds 1 through 4, which would make for good separation between the uses and support the restoration of this area.

Policy Implications of Reducing Industrial Zoning	Policy Implications
This revision would result in a 39 acre reduction of industrial land and 257 fewer industrial jobs upon development. However, the market for industrial is probably not strong enough to absorb all of this industrially-zoned land within the next 30 years, so the actual impact would probably be less than 257 jobs.	- Jobs
8 acres for new housing would result in an additional 120 units of housing in the future.	+ Housing + Market value

Provide needed protection of a wetland area that is otherwise probably not developable.	+ Open Space
Decrease the land zoned Mill Site employment from 9.5 acres to 4 acres, which would result in up to 213 fewer well-paid potential jobs upon development. The market for this zoning district is fairly strong.	- Jobs
Improved developability of the site by concentrating development along one east-west access and thereby decreasing infrastructure installation costs.	+ Market Value + Developability

DRAFT LAND USE TABLES

Staff has developed draft Land Use Tables for the Mill Site Reuse Plan. These Land Use Tables are attached as Attachment 10. These Land Use Tables incorporate changes to the Land Use Tables which were adopted by City Council in 2014 for the Inland Land Use and Development Code as well as new use tables for the new zoning districts on the Mill Site (Visitor, Coastal Dependent, Mill Site Employment).

As you review the tables please note that:

1. All columns that are highlighted in yellow are new zoning districts with staff recommended permitting requirements for different types of uses within each of the new zoning districts.
2. All columns with the column header highlighted in yellow are existing zoning districts that are located on the Mill Site.

Staff is not seeking direction on these Land Use Tables at this time. They have been added as an informational item only.

RECOMMENDED ACTION:

Please review the above concept plans, ask questions of staff and provide preliminary direction regarding one or more Land Use Plans or hybrids.

ALTERNATIVE ACTION(S):

None.

FISCAL IMPACT:

The City was awarded a Community Development Block Grant (CDBG) in the amount of \$50,000, a Coastal Commission grant of \$100,000, and a \$48,000 MCOG grant for this LCP amendment. Additionally, the City has a General Plan Maintenance Fund, funded through building permit fees, that may be used for costs associated with the LCP Amendment.

As City Council and the Planning Commission further refine a final Land Use Plan and LCP Amendment, staff will prepare a fiscal analysis to identify if the overall Mill Site Reuse will have a net positive fiscal impact on Fort Bragg.

CONSISTENCY:

The City's 2014 Economic Development Strategy specifically includes rezoning and the eventual

reuse of the Mill Site as a high priority project. The project must comply with the City's Coastal General Plan in order to be certified by the Coastal Commission. This may require modification of one or more policies of the Coastal General Plan prior to submittal of an LCP amendment.

IMPLEMENTATION/TIMEFRAMES:

There are a number of next steps for the Mill Site LCP amendment process, which will necessitate ongoing meetings and workshops to obtain additional input, collaboration and direction from the City Council, Planning Commission and the community in order to complete the task list included in the first part of this report. See table below.

LCP Amendment Task	Status
Prepare a Land Use Plan (zoning map) for the LCP amendment.	Drafted 10/2018
Prepare supporting maps, including: parcel lines, existing development, wetlands, transportation and access constraints.	Completed 10/2018
Revise the Coastal General Plan to include relevant policies for the LCP amendment.	80% Complete
Revise the Coastal Land Use and Development Code to include relevant policies for the LCP amendment.	50% Complete
Determine the "maximum buildout" scenario for the proposed Land Use Plan based on development regulations (height limits, parking requirements, floor area ratios, lot coverage, open space requirements and setbacks) for each zoning district.	Completed 10/2018 Will need to be revised if the Land Use Plan is revised
Prepare a summary of current lower cost visitor serving facilities, including: room inventory, revenue per available room, occupancy rates, etc.	Completed 9/2018
Climate change study: sea level rise and bluff top vulnerability & impact of Mill Site development on Climate Change.	Completed 11/2018
Tsunami study.	Completed 2007
Visual Analysis of Land Use Plan and analysis of how the Citywide Design Guidelines would be revised and implemented on site to reduce visual impacts.	Completed 12/2018
Prepare an analysis of the City's capacity to serve future development, including: water, sewer, drainage, etc.	Underway. Will need to be revised if the Land Use Plan is revised.

Prepare a Fiscal Impacts Analysis of the fiscal impact (revenues and expenses) on the City of the proposed buildout of the Mill Site. This analysis will explore total potential revenues and expenses related to the buildout of the Mill Site.	Spring 2019
Prepare a Feasibility Study for the Mill Site Buildout. This analysis will explore the cost of development and anticipated revenues and determine in a general sense if development on the Mill Site is feasible.	Spring 2019
Transportation study, including availability of parking to serve coastal access and the effects of the project on the capacity of Highway 1 and Highway 20 both within and outside of City Limits.	Summer of 2019 Will be prepared once Land Use plan is finalized and traffic volumes are up in the summer
Botanical Analysis.	Summer 2019
Prepare and submit the LCP Amendment application with all attachments and analysis.	4/2018 –6/2019
Coastal Commission Review & Analysis of LCP Amendment. One year statutory review period.	6/2019 – 5/2020
Submission of “Friendly Modifications” by the Coastal Commission to the City of Fort Bragg.	6/2020
City consideration of “Friendly Modifications” and negotiations with Coastal Commission regarding modifications. Six month statutory review period.	6/2020 –12/2020
Adoption of LCP Amendment by Coastal Commission and City of Fort Bragg.	1/2021 – 3/2021
New regulations and policies become law and applicants can submit development project permit applications for review and consideration by the Planning Commission.	4/2021

ATTACHMENTS:

1. EPS Mill Site Specific Plan Market Study 2005 - **NEW ITEM PLEASE REVIEW**
2. Mill Site Reuse Plan Buildout Analysis (2018) – Old item provided for information purposes
3. Table 1: Water Analysis Maximum Buildout City and Mill Site (2019) **NEW ITEM PLEASE REVIEW**
4. Table 2: Water Analysis Maximum Coastal Dependent Uses City and Mill Site (2019) **NEW ITEM PLEASE REVIEW**
5. Table 1: Mill Site Water Use Maximum Buildout **NEW ITEM PLEASE REVIEW**

6. Table 2: Mill Site Water Use Maximum Buildout Coastal Dependent Uses **NEW ITEM PLEASE REVIEW**
7. Table 3: Water Analysis Maximum Vacant City Lots and Mill Site (2019) **NEW ITEM PLEASE REVIEW**
8. City Council Workshop & Meetings - Summary of Direction – Old Item Informational Only
9. Mill Site Reuse Plan Community Survey (2017) - Old Item Informational Only
10. Draft Land Use Tables – **NEW ITEM PLEASE REVIEW**

NOTIFICATION:

1. Notify Me Subscriber List: Georgia Pacific Site Plan
2. Georgia Pacific Site Remediation Notify Me Subscriber List
3. Dave Massengill, Georgia Pacific Corporation
4. Sherwood Valley Band of Pomo Tribal Chairman Mike Knight & THPO Tina Sutherland
5. Cristin Kenyon, California Coastal Commission