MILL SITE LCP AMENDMENT

BUILDOUT ANALYSIS 2018

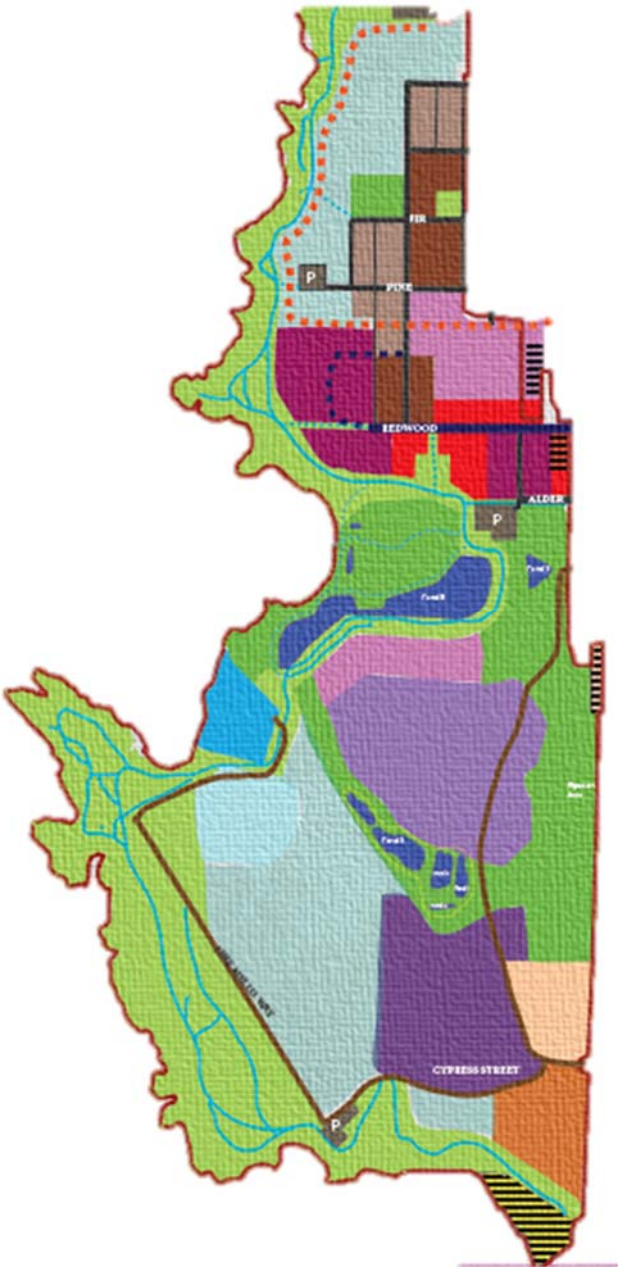

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Table of Contents

1. PURPOSE

This Buildout Analysis identifies how much development could occur given proposed zoning changes to the City's Zoning Map and proposed land use standards for the proposed Mill Site LCP Amendment. This buildout analysis has the following 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 goal's and vision for the ultimate level and amount of development on the site.

2. The maximum buildout analysis will be used to quantify on and off site impacts for the Coastal Commission CEQA equivalent analysis, including:

    a. Public service needs (police, fire, hospital, school, solid waste, etc); and
    b. On-site utility requirements (water & sewer lines and pump stations, stormwater management, etc.); and
    c. Of-site utility requirements (water supply & storage, sewage treatment, PG&E); and
    d. The potential impacts of existing zoning and the proposed rezoning on local and highway 1 and highway 20 traffic conditions.

    The maximum buildout will be analyzed in depth by Coastal Commission staff and the City to ensure that the City has sufficient utility infrastructure and capacity to serve all possible Mill Site development.

3. To inform the City Council, Planning Commission and Coastal Commission of the likely and maximum buildout of the Mill Site given current zoning and related impacts on public services, n and off site utilities and highway traffic.

2. BACKGROUND

3.1 COMMUNITY PARTICIPATION

Since January 2017, the City has held 25 community Planning Commission and City Council meetings and workshops regarding the Mill Site Reuse Plan. Attachment 1 provides a summary

of all workshops and City Council and Planning Commission meetings and major direction provided.

3.2 OVERVIEW OF COMMUNITY SURVEY

The Community Survey, completed by over 1,200 residents, included questions that asked respondents to prioritize four statements about the reuse of the Mill Site. 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 proposed Land Use Plan rezones 56% of the site to open space, 23% of the site to jobs, 7% to housing and 14% to public rights of way.

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%

3.3 MILL SITE COMMUNITY VISION

The vision for the reuse of the Mill Site:

> *Over the next 20 years, reuse of the Mill Site should help support Fort Bragg as a working town with a diversified economy and good jobs, and a healthy, sustainable community with open space, parks and natural communities. New development on the Mill Site should enhance Fort Bragg's role as an economic and cultural center for the Mendocino Coast.*

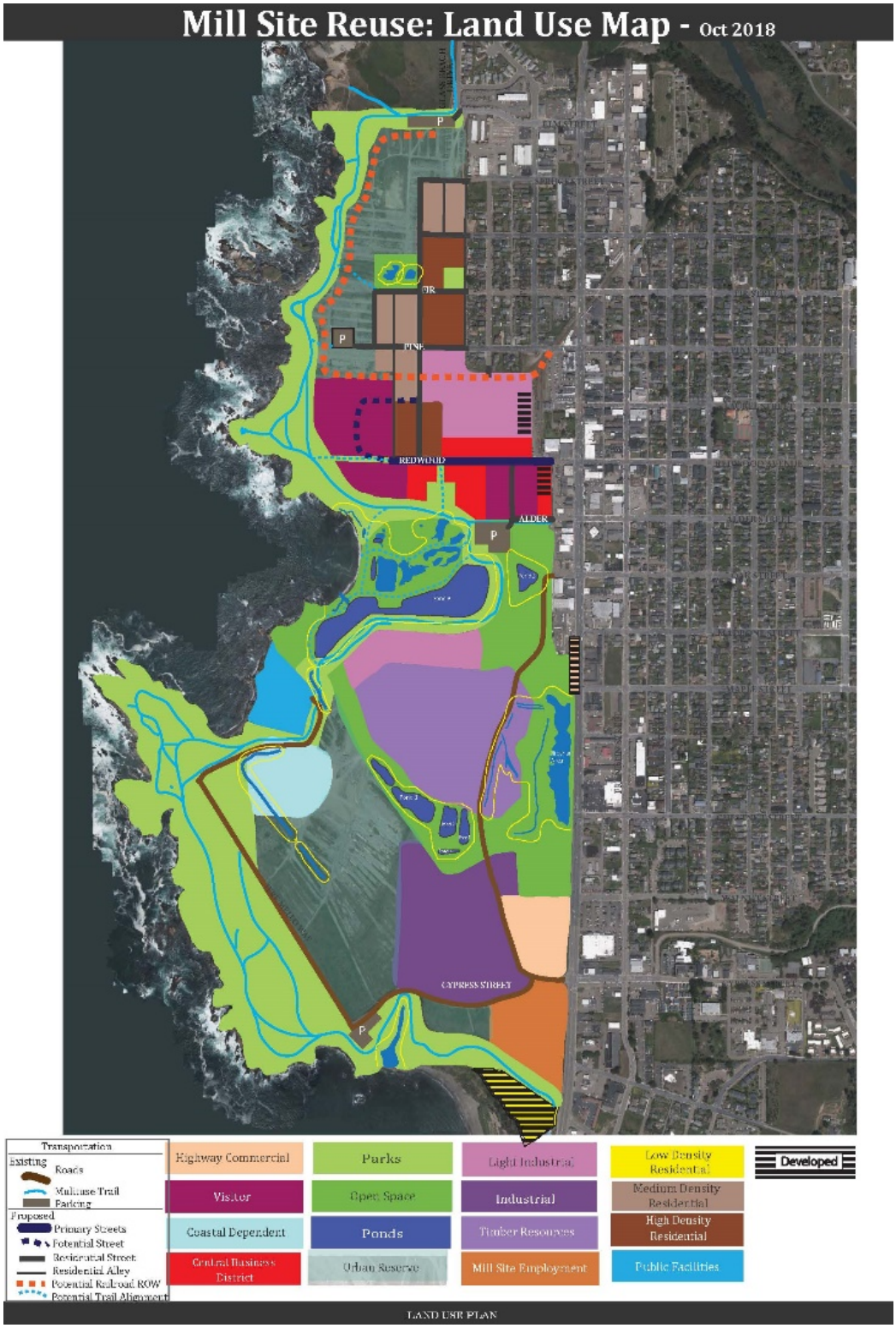
The following adopted principles establish a framework for the reuse of the Mill Site:

1. Establish a coastal park with a multi-use trail and other parks.
2. Create new job opportunities on the Mill Site.
3. Establish zoning for residential & visitor serving uses in the Northern District.
4. Establish zoning for jobs in the Southern District (light industrial, education, visitor serving, R & D, and office space).
5. Provide for visitor services along Redwood Ave.
6. Establish an Urban Reserve to preserve part of the site for a future planning effort.
7. Incorporate smart growth practices such as compact design, mixed-use development, and higher density residential development adjacent to the City's central business district.
8. Require sustainable development practices such as low impact development and green building.

9. Require high quality design for all development.
10. Retain public view corridors to the ocean.
11. Allow for daylighting of Maple Creek.
12. Extend the City street grid onto the site, as feasible.

3.4 MILL SITE REUSE LAND USE PLAN

The final Land Use Plan includes a mix of open space, industrial, residential and visitor serving zoning as illustrated in Figure 1 below.



3. BUILDOUT ANALYSIS METHODOLOGY

This Buildout Analysis includes four complementary analyses as detailed below.

1. **Maximum Buildout - Existing Zoning.** The Mill Site's current zoning includes a mix of Timber Resources Industrial, Heavy Industrial, Central Business District and Highway Commercial zoning. The Maximum buildout analysis for existing zoning provides an overview of total maximum buildout for the site given existing zoning.

2. **Maximum Buildout - Mill Site Reuse Plan.** Calculation of the maximum development amount includes utilization of development regulations and coastal resource limitations to define the maximum legally feasible development, as follows:
    a. Land use regulations, which constrain development and include (from most to least limiting): building massing limitations (Floor Area Ratio), lot coverage, parking requirements, height limits, setback requirements and landscaping requirements.
    b. Coastal Resources limitations which constrain development and include: wetlands, ESHA, culturally sensitive locations and the buffers associated with these sensitive areas.

    Attachment 3 provides the detailed spread sheets for this buildout analysis.

3. **Realistic Buildout Mill Site Reuse Plan.** Maximum buildout is rarely realized, as property owners typically seek to develop their property to meet their needs and City approvals rarely result in maximum allowable buildout for a parcel. All projects on the Mill Site will require Coastal Development Permit review, which further restrains development. The realistic buildout analysis was developed by sampling existing developments in Fort Bragg, by zoning district, to get a real world FAR. This analysis uses the average/typical actual Floor Area ratio (FAR) buildout of existing parcels and applies the realistic FAR to the proposed zoning acreage on the Mill Site to determine likely future buildout. This analysis is in Attachment 4 and is the "real word" realistic future buildout.

4. **Realistic Buildout Mill Site Reuse Plan by 2050.** This methodology utilizes the realistic buildout numbers identified in buildout scenario 2 above and maps them over a likely development timeframe of five year increments through 2050, given current and likely market forces and past development trends. This methodology identifies how market forces influence the actual buildout and is the most realistic analysis of true buildout potential.

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 development outcome for the site. Assumptions are noted in the notes section of each buildout scenario.

4. Proposed Land Use Changes

Table 2 explores the changes in the City's overall zoning inventory and the Mill Site zoning in terms of land (acres) dedicated to each zoning distruct. 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 the proposed rezoning of the Mill Site rezoning would result in:

1. **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 120% (250 acres), 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.

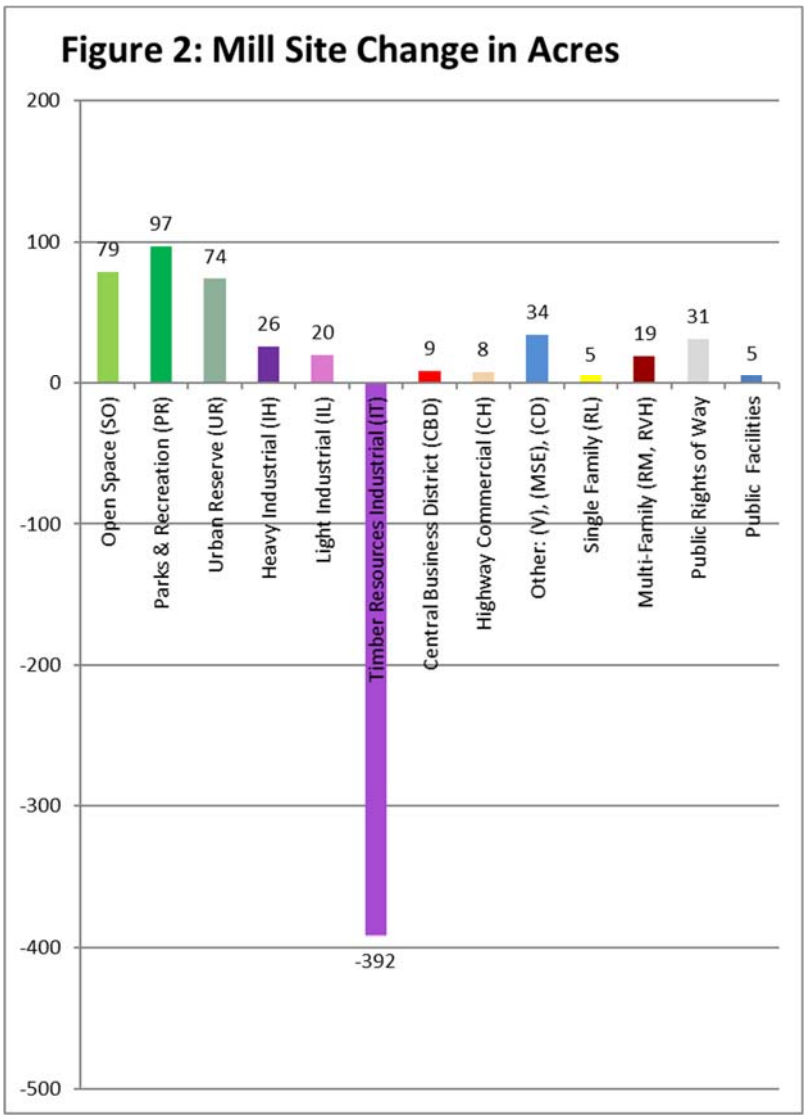
2. **Industrial Zoning.** The amount of land dedicated to industrial uses would decline by 66% (-346 acres) from 521 acres to 72 acres, as 413 acres of Timber Resources Industrial will be rezoned for a variety of uses. At the end of the rezoning process, 72 acres or 17% of the Mill Site would be retained for industrial uses (timber resources, light industrial and heavy industrial).
3. 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.
4. 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.
5. 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 70% will be reserved for parks & recreation, open space, unban reserve and public rights of way.

The Question 5 graph, illustrates that the community supports more housing and than the plan provides (as captured through the Mill Site community 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 will 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 minor increase in the amount of land dedicated to residential uses.



5. MAXIMUM BUILDOUT ANALYSIS

5.1 EXISTING MILL SITE ZONING – MAXIMUM BUILDOUT ANALYSIS

As illustrated in Table 3, the current Mill Site zoning would allow a maximum buildout of 4.6 million SF of industrial development and 250,000 SF of commercial development for a total buildout of 5 million square feet. At maximum buildout the Mill Site could accommodate up to 9,000 jobs.

Table 3 - Maximum Buildout Analysis - Existing Mill Site Zoning (2018)

Zoning	Land Area (acres)	Existing Development (SF)	Existing Uses	Streets (acres) [1]	Developable Land (acres)	Developable Land (SF)	FAR	Maximum Buildout (SF)
GP Owned Commercial Property								
Highway Commercial	2.8	1,236	One SFR	1.0	1.82	79,279	0.40	31,712
Central Business District	4.4	16,804	Office Building & Corp Yard	1.5	2.86	124,582	2.00	249,163
Subtotal	**7.2**	**18,040**						**280,875**
Jobs [2]		**15**						**234**
GP Owned Indutrial Property								
Heavy Industrial	8.7	6,645	Office Buildings	1.3	7.40	322,126	0.40	128,850
Timber Resources Industrial	308.0	79,216	4 SFR & Dry Shed 4	46.2	261.84	11,405,696	0.40	4,562,278
Subtotal	**316.7**	**85,861**						**4,691,129**
Jobs		**160**						**8,768**
City Owned Property								
Public Facilities	4.0	77,000	WWTF	0.1	3.9		NA	77,000
Timber Resources Industrial	110.0	2,000	Noyo Headlands Park & Noyo Center	5.5	104.5		NA	2,000
Subtotal	**114.0**	**79,000**						**79,000**
Jobs		**12**						**12**
Total Area	**437.9**							
Total Development (SF)		**182,901**						**5,051,004**
Total Jobs		**188**						**9,015**

1. This analysis assumes the following percentages for streets 35% for commercial zones; 15% for Industrial zones; and 2% to 5% for open space and parks. This reflects the existing allocation of land use to streets in the city of Fort Bragg.

2. Jobs/SF data from USGBC Building Are Per Employee by Business Type and US Energy Informtaion Administration Commercial Buildings Emnergy Consumption Survey. Jobs multipliers include the following: Assumes 1 job/1200 SF for CH and CBD, 1 job/535 SF for IH and IT

In the late 1990s the Georgia-Pacific Lumber Company operated a Redwood mill and employed 2,000 full time workers in approximately 470,000 SF of industrial buildings. Currently the site has some 182,000 SF of existing development, of which about 120,000 SF are in use.

5.2 Proposed Mill Site Zoning - Maximum Buildout Analysis

As shown in Attachment 3 and as summarized in Table 3, the Maximum Buildout Analysis identifies the potential for significant new development on the Mill Site for the proposed Land Use Plan. If each parcel is developed to the maximum legal limit (a very unlikely scenario) Land Use Plan buildout would result in: 250 acres of parks, open space & urban reserve, 618 units of housing, and 3,700 new jobs. Total development would include 293 hotel rooms, 1.2 million SF of commercial and institutional development, and 1.2 million SF of industrial development.

Table 3: Maximum Development Potential For Proposed Land Use Plan		
Total Parks and Open Space (acres)	250	Acres
Total Housing Units	618	Units
Total Housing (Square Feet)	664,260	SF
Industrial Development (SF)	1,251,566	SF
Commercial & Insitutional (SF)	1,225,023	SF
Total Hotel Rooms	293	Rooms
Total Jobs	3,729	Jobs
Total Development	**3,140,849**	SF

As previously mentioned, maximum buildout (3.1 million SF) would not happen in the real world, as actual development is influenced by a wide variety of factors including: 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 buildout for the proposed Land Use Plan (3.1 million SF) is considerably less that the maximum buildout for the existing zoning at the site (5 million SF).*

The maximum development scenario is a worst case scenario, but it is not "real world." The Most Likely Buildout Scenario, below, includes realistic real world limitations on development and considers existing Fort Bragg development types.

6. Alternative Build out Scenarios

6.1 Most Likely Buildout

As shown in Attachment 4 and as summarized in Table 4 below, the Most Likely Buildout analysis applies the average of existing development (buildout per acre for each zoning district within the rest of Fort Bragg) to the Mill Site zoning districts. The most likely development scenario illustrates how the Mill Site would build out if the development intensity was similar to existing development throughout the City. The "most likely" buildout scenario shows that likely future development would be significantly less than the Maximum Buildout Analysis above.

If each Mill Site parcel is developed to the average level of development in Fort Bragg, the proposed Land Use Plan buildout would result in: 250 acres of parks, open space & urban reserve; 315 units of housing, and 1,895 new jobs. Total development would include 293 hotel rooms, 775,000 SF of commercial & institutional development, and 460,000 SF of industrial development.

Table 4: Most Likely Development Potential For Proposed Land Use Plan		
Total Parks and Open Space (acres)	250	Acres
Total Housing Units	315	Units
Total Housing (Square Feet)	361,236	SF
Total Square Feet of Industrial Development	460,313	SF
Total Square Feet of Commercial & Institutional	775,763	SF
Total Hotel Rooms	293	Rooms
Total Jobs	1,895	Jobs
Total Development	**821,549**	**SF**

6.2 Likely Buildout By 2050

This buildout analysis predicated on the fact that development occurs relatively slowly in fort Bragg due to its extreme isolation from major job centers and transportation corridors. Observed development trends have been used to prediction future development rates based on estimated future demand for new housing, hotels, industrial development, etc. However, real estate market predictions, especially extending forward to 2050 are uncertain. Housing prices and job growth are particularly volatile in Fort Bragg and our economy goes through cyclical recessions and growth cycles which are more pronounced and lag those of the State as a whole. Additionally, past development trends for housing, job growth and commercial and

industrial development in Fort Bragg, may not accurately predict future development on the Mill Site as the Mill Site has exceptional views and is a huge undeveloped site. General barriers to development in Fort Bragg will also constrain the re-development on the Mill Site, and include: the high cost of installing infrastructure on the Mill Site, a relatively unskilled and low education labor pool, the high cost of transportation, the weather, and the relatively high cost of housing.

Table 5 provides a timeline for projected buildout, given past and current development trends and anticipated future market conditions and development trends. The analysis is based on the following historic trends and assumptions:

I. Historically about 15 new single family homes and ADU's are built in Fort Bragg per year, and one larger multifamily development of around 50 units is built every five years. This realistic buildout analysis assumes twice this historic housing development to account for new housing for employees of new business on the Mill Site and to address pent up demand for housing. The single family units would continue to be constructed off the Mill Site, as the Land Use Plan does only includes four acres of zoning for single family development and this parcel is already developed (Noyo Point Rd Native American Community).

II. Past development trends indicate that about 25,000 SF of commercial/institutional space is built every five years in Fort Bragg. This analysis assumes 50% more commercial and institutional development than this historic trend and is predicated on the relocation of the Hospital onto the Mill Site or some other large institutional development such as a small college and/or the full development of the Noyo Center for the Marine Research.

III. Past hotel trends indicate that one hotel of 50 rooms is built in Fort Bragg about every five years (except for during recessions).

IV. Approximately 10,000 SF of Industrial space is constructed every five years in Fort Bragg currently, however due to the limited land zoned for light and heavy industrial uses in Fort Bragg, there may be significant pent up demand for new industrial development. The analysis assumes more than three times the historical amount of development and thus is very generous.

v. New development on the Mill Site will likely reduce development in the remainder of the City, as the Mill Site provides exceptional views, good parcel size and new infrastructure. The analysis assumes that development in other areas of the City will decline to less than 50 percent of current and historic levels.

Thus the buildout analysis in Table 5 is optimistic relative to past development trends in Fort Bragg.

Given the challenges to economic development in Fort Bragg (travel distance, shipping costs, workforce availability, cost of housing, etc.) and the challenges associated with Mill Site Development (absence of streets, sewer and water infrastructure, etc.) the total projected job and business growth through 2050 is anticipated to be slow. As noted in Table 5 the rate of buildout would be correspondingly slow with much of the potential development (from the Most Likely Buildout scenario) unrealized by 2050. Indeed through 2050, the market would support only about 90,000 SF of commercial development on the Mill Site, 157,000 SF of institutional development (if the Hospital is relocated to the Mill Site or some other large institutional use opens on the Mill Site), and about 110,000 SF of industrial development. Most of the possible housing units (395) would be developed by 2050.

Attachment 5: Realistic Buildout Analysis 2012-2050

Year	2020	2025	2030	2035	2040	2045	2050	Total Jobs	Total Market Support	Proposed Zoning	
Rest of City of Fort Bragg - New Construction											
Residential - Single Family Density	30	30	25	25	15	15	10		**150**		Units
Residential - Multifamily Units	45	25	25	20	20	-	-		**135**		Units
Total Housing Units	75	55	50	45	35	15	10		**285**		
Hotel Rooms & Jobs	-	45	-	30	-	45	-	96	**120**		Rooms
Commercial (square Feet & jobs)	15,000	5,000	5,000	10,000	5,000	5,000	10,000	110	**55,000**		SF
Institutional, Health Care, Hospitals, Schools…	3,000	8,000	4,000	8,000	4,000	8,000	4,000	78	**39,000**		SF
Industrial	3,000	5,000	2,000	4,000	2,000	4,000	2,000	37	**22,000**		SF
Total Business: Jobs & Square Feet of Development								321	**116,000**		
Jobs Housing Balance								1.13			
Mill Site Specific Plan Area - New Construction											
Residential - Medium Density Units	4	30	30	20	12	-			**96**	**133**	Units
Residential - High Density Units	-	60	60	75	50	48			**293**	**302**	Units
Total Housing Units	4	90	90	95	62	48	-		**389**	**434**	
Hotel Rooms	-		50		40	-	50	112	**140**	**293**	Rooms
Commercial (SF)	-	30,000	10,000	20,000	10,000	15,000	5,000	182	**90,818**	**1,055,023**	SF
Institutional, Health Care, Hospitals, Schools (SF)	-	20,000	90,000	10,000	5,000	12,000	20,000	314	**157,000**	**170,000**	SF
Industrial (SF)	-	25,000	25,000	10,000	25,000	10,000	15,000	183	**110,000**	**1,251,566**	SF
Total Business: Jobs & Square Feet of Development								791	**357,818**		
Jobs Housing Balance								2.03			
Entire City of Fort Bragg - New Construction											
Residential - Medium Density Units	34	60	55	45	27	15	10		**246**		Units
Residential - Multifamily Units	45	85	85	95	70	48	-		**428**		Units
Total Housing Units	79	145	140	140	97	63	10		**674**		
Hotel Rooms & Jobs	-	45	50	30	40	45	50	208	**260**		Rooms
Commercial (square Feet & jobs)	15,000	35,000	15,000	30,000	15,000	20,000	15,000	292	**145,818**		SF
Institutional, Health Care, Hospitals, Schools…	3,000	28,000	94,000	18,000	9,000	20,000	24,000	392	**196,000**		SF
Industrial	3,000	30,000	27,000	14,000	27,000	14,000	17,000	220	**132,000**		SF
Total Business: Jobs & Square Feet of Development								1,112	473,818		
Jobs Housing Balance								1.65			

Notes:

Past residential development trends in the City amount to approximately 15 new single family and ADU's per year, and one larger multifamily development of around 50 units every five years. This analysis doubles demand in order to house employees of new business on the Mill Site. In otherwords the redevlopment of the MIll Site would create demand for housing on the MIll Site.

Past commercial development trends indicate that about 14,300 SF of commercial space is built per year.

Past hotel trends indicate that about one hotel of 50 rooms is built every five years.

Approximately 10,000 SF of Industrial space is constructed every five years.

New development on the Mill Site may reduce development in the remainder of the City, as the Mill Site provides exceptional views, good parcel size and new infrastructure.

7. Build Out Analysis Conclusions

The proposed Land Use Plan will effectively rezone sufficient property for all future anticipated uses and market demand for a thirty year build out period (2050). It would rezone an excess of industrial and commercial land, given predictions about future demand.