



AGENCY: Planning Commission
MEETING DATE: July 10, 2019
DEPARTMENT: Community Development
PRESENTED BY: Marie Jones
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AGENDA ITEM SUMMARY

TITLE:

Receive Report and Provide a Recommendation to City Council Regarding the Mill Site Reuse Plan Local Coastal Program (LCP) Amendment, Including: the Land Use Plan and Use Tables for each Proposed Land Use with a Focus on the Southern Portion of the Site

ISSUE:

Since 2017, the Planning Commission, City Council and the community have participated in 32 meetings to develop a Local Coastal Program (LCP) Amendment for submittal to the Coastal Commission. Staff has worked over the past 20 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.

Per the request of the City Council, Staff is seeking direction regarding the location and quantity of acres that would potentially be rezoned as industrial through the adoption of a Land Use Plan for the Mill Site. This staff report provides an overview of:

1. The demand for land with industrial zoning in Fort Bragg;
2. The value of industrial zoning districts for job creation;
3. An overview of the Land use Tables for industrial land uses on the Mill Site; and
4. Relevant definitions for each land use type from the definitions section of the CLUDC.

This staff report also explores;

1. The current status of the Land Use Plan, including two significant recommended changes based on discussions with Coastal Commission staff; and
2. Staff recommendation for proceeding with the review of proposed changes to the Coastal Land Use Development Code.

ANALYSIS:

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

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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 discussed this item further and developed a draft Land Use Plan, which illustrated majority consensus, areas without agreement (outlined in orange), and minority view points (bullseye mark). The Planning Commission's preferred Land Use Plan is attached (Attachment 1).

On June 15th, the new City Council discussed the Land Use Plan for the first time and provided the following direction to staff: After deliberating, the Council came to consensus on the following revisions to the Planning Commission's draft Land Use Plan:

1. Create a 150' wildlife corridor from Redwood to Glass Beach Drive along the east side of the Coastal Trail;
2. Zone the area of trees across from Starbucks as Open Space;
3. Move the Central Business District parking lot closer to town;
4. Approve the shift to the west for the Noyo Center for Marine Science parcel, depending on further discussion of Noyo Center redesign;
5. Approve the housing reconfiguration and amount;
6. Approve the Light Industrial reconfiguration in the Central Business District only.

The City Council directed that the following items to be brought back to City Council for:

7. Further discussion of Light Industrial zoning east of Oak on Alder Street;
8. Further discussion regarding the location of Industrial zoning on the south portion of the Mill Site, allowable land uses willing industrial zones; and
9. Special discussion with the Skunk Train owners regarding their proposal including a discussion of the Redwood Street Promenade.

The City Council's current preferred Land Use Plan is attached (Attachment 2). Zoning areas of the Land Use Plan that are still under discussion are outlined in Orange. Staff encourages the Planning Commission to discuss these areas and provide a recommendation to the City Council.

CITY COUNCIL LAND USE PLAN & REVISED BUILD OUT ANALYSIS

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 **City Council's June 2019 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 1: Existing and Proposed Zoning, Mill Site Reuse Plan, June 2019

Zoning: Land Uses	Existing Zoning City Wide		Proposed Zoning Mill Site		Proposed Zoning City Wide		Proposed Change in Land Area (SF)	
	Acres	% Existing City	Acres	% Mill Site	Acres	% Proposed City	Acres	% Change Total
Total Undevelopable	209	11%	285	68%	494	27%	285	136%
Open Space (OS)	119	6%	78	19%	197	11%	78	66%
Parks & Recreation (PR)	90	5%	128	31%	218	12%	128	142%
Urban Reserve (UR)	0	0%	79.3	19%	79	4%	79	NA
Industrial	521	28%	51	12%	155	8%	-367	-70%
Heavy Industrial (IH)	56	3%	0	0%	56	3%	0	0%
Mill Site Industrial (IMS)	0	0%	18	4%	18	1%	18	NA
Light Industrial (IL)	48	3%	33	8%	81	4%	33	70%
Timber Resources Industrial (IT)	418	23%	0	0%	0	0%	-418	-100%
Commercial	291	16%	38	9%	329	18%	38	13%
Central Business District (CBD)	51	3%	2	0%	52	3%	2	3%
Highway Commercial (CH)	104	6%	8	2%	112	6%	8	7%
Other: (V), (MSE), (CD)	136	7%	28	7%	164	9%	28	21%
Residential Total	649	35%	25	6%	674	37%	25	4%
Single Family (RL)	389	21%	5	1%	394	22%	5	1%
Multi-Family (RM, RH, RVH)	260	14%	20	5%	280	15%	20	8%
Public Right of Way¹	NA		14	3%	14	1%	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%	418	100%	1,830	100%	418	100%
Square Miles	2.85		0.65		2.84		0.65	

In summary, adoption of the June 2019 Land Use Plan would result in:

- **Parks, Open Space & Urban Reserve.** Upon rezoning, land dedicated to parks, open space and urban reserve would increase by 136%, from 209 acres to 495 acres. 285 acres or 68% of the Mill Site would be dedicated to parks, open space and urban reserve.
- **Industrial Zoning.** Land dedicated to industrial uses in the City would decline by 70% (-367 acres) from 521 acres to 155 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 51 acres (12%) on the Mill Site for industrial uses (timber resources, light industrial and heavy industrial).
- **Commercial Zoning.** Land dedicated to commercial uses would increase by 9% (38 acres) from 291 acres to 329 acres. The greatest growth (28 acres) would be in the “other category” which includes three new zoning districts, namely: Ocean Dependent, Mill Site Employment, and Visitor.
- **Residential Zoning.** Land zoned for residential uses would increase 4% (24 acres) from 649 acres to 673 acres. Six percent (25 acres) of the Mill Site would be dedicated to housing.

2. FURTHER CONSIDERATION OF THE LAND USE PLAN

At the most recent City Council meeting staff was directed to bring back the Land Use Plan for additional discussion about the southern district as well as additional information about the value of industrial zoning and the urban reserve. Staff has developed some thoughts below for the Planning Commissioner's consideration when considering the Southern District of the Mill Site.

SOME THOUGHTS ABOUT INDUSTRIAL ZONING

- The City has a shortage of land that is zoned industrial. The supply of industrial space in Fort Bragg is tight and demand is relatively high as many businesses are actively seeking industrial space, including: North Coast Brewing Company, the Skunk Train, cannabis manufacturing, industrial arts, wood workers, and auto repair and detailing.
- Industrial Zoning Results in Quality Jobs. Land zoned for industrial uses will help the City to create and attract quality jobs and increase the City's tax base. While the number and type of jobs depends on the exact type of company, generally land which is zoned industrial results in roughly 20 jobs per acre upon development (average FAR of .25 and a jobs ratio of 1 job per 530 SF of building). Thus, the City Council's current Land Use Plan would result in about 830 new jobs over the next 25 years or about 33 new jobs per year.
- Typical businesses that are permitted in industrial zones include the following:
 - Agricultural product processing
 - Artisan/craft product manufacturing
 - Brewery/restaurant
 - Boat and ship construction, repair, maintenance
 - Construction contractor base
 - Fish processing
 - Laboratory - Analytical, testing
 - Manufacturing/processing - Cannabis
 - Manufacturing/processing – Light; which includes Clothing and Fabric Product Manufacturing, Electronics, Equipment, and Appliance Manufacturing; Food and Beverage Product Manufacturing; Furniture and Fixtures Manufacturing; Furniture and Fixtures Manufacturing; Metal Products Fabrication, Machine and Welding Shops; Paper Product Manufacturing.
 - Manufacturing/processing - Medium intensity: Lumber and Wood Product Manufacturing, Machinery Manufacturing, Motor Vehicles and Transportation Equipment, Stone and Cut Stone Product Manufacturing, Structural Clay and Pottery Product Manufacturing.
 - Media production
 - Printing and publishing
 - Research and development (R&D)
 - Storage - Warehouse, indoor storage
 - Wholesaling and distribution
 - School - Specialized education/training
 - Live/work unit
- Industrial zoning is part of the smart growth vision for the Mill Site Reuse Plan. It makes the site a mixed-use area. Industrial zoning districts are essential if Fort Bragg wants to remain a working town, which is a major component of the vision for the reuse of the site:

Mill Site Reuse Vision: 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 and parks. New development on the Mill Site should enhance Fort Bragg's role as an economic and cultural center for the Mendocino Coast.

- Industrial zoning provides excellent flexibility for later rezoning. If the City Council chooses to rezone land that is zoned industrial to another use in the future, it would be relatively easy to do, as industrial zoning is not a Coastal Act priority use. By contrast, Coastal Act priority uses such as open space and visitor serving would be very difficult to rezone to a different use in the future. And as a corollary, if the City zones “too much” industrial it would be relatively easy to rezone it as every other zoning category would be considered an up-zone. Down zoning property is more difficult because it can be considered a “taking” of property, which must be compensated. As portions of the Mill Site are sold, each parcel must have a net neutral rezone (in terms of land value) or the City could be in a takings law suit.
- Industrial Zoning provides predictable and fair land use decisions. Eliminating industrial zoning and placing it as an allowable use in the urban reserve could result in difficulties. This approach would make planning decisions less predictable, as manufacturing businesses would have to purchase a larger piece of property, go through a relatively complex and unpredictable project planning process compared with establishing themselves in an industrial zoning district.

SOME THOUGHTS ABOUT URBAN RESERVE ZONING

- Urban Reserve provides flexibility for planning Fort Bragg’s future. The purpose of the Urban Reserve zoning district is to reserve a portion of the Mill Site for future City Councils to respond to future needs of the community. Fort Bragg changes very slowly and it will likely take 20 years to build out the areas of the Mill Site that are proposed for rezoning from this process. It is difficult for the City to plan effectively 30 of 50 years into the future.
- Urban Reserve provide for a relatively limited types of land uses in a very limited scale. Less than 100,000 SF of development would be permissible through the Big Idea policy on 79 acres of Urban Reserve (which equates to an FAR of 0.02). Proposed land uses are focused on businesses with higher paid positions and short-term uses which won’t impact future reuse and rezoning opportunities. These uses include the following:
 - Agricultural product processing
 - Artisan/craft product manufacturing
 - Brewery/restaurant
 - Boat and ship construction, repair, maintenance
 - Laboratory - Analytical, testing
 - Research and development (R&D)
 - Manufacturing/processing – Light; which includes Clothing and Fabric Product Manufacturing, Electronics, Equipment, and Appliance Manufacturing; Food and Beverage Product Manufacturing; Furniture and Fixtures Manufacturing; Furniture and Fixtures Manufacturing; Metal Products Fabrication, Machine and Welding Shops; Paper Product Manufacturing.
 - Manufacturing/processing - Medium intensity: Lumber and Wood Product Manufacturing, Machinery Manufacturing, Motor Vehicles and Transportation Equipment, Stone and Cut Stone Product Manufacturing, Structural Clay and Pottery Product Manufacturing.
 - Library, museum
 - Meeting facility, public or private
 - School, College, Specialized education/training
 - Caretaker quarters
 - Public safety facility
 - Equestrian facility
 - Sports and active recreation facility

- Hiking/riding trail
- Park, playground
- Theater
- Medical services - Clinic, urgent care
- Medical services - Hospital
- Office - Accessory
- Office - Government
- Urban Reserve zoning lowers the property value and provides flexibility for later rezoning. Retaining some acres of the Mill Site as Urban Reserve reduces the value of this property due to the limits on development. Similar to industrial zoning, the Urban Reserve zoning would allow the City to complete a combination of up-zoning and or down-zoning of this property to include a mix of: commercial, residential, open space and parks. However any future rezoning would have to be part of a comprehensive planning process (like the one we are current engaged in) as required by the Coastal Commission.
- Coastal Commission staff have some reservations about the Urban Reserve zoning. Per a conversation with Coastal Commission staff, they has expressed some misgivings about the Urban Reserve zoning and may require the City to rezone the entire Mill Site at this time. Due to code section 30108.5 which reads as follows:

Land use plan means the relevant portions of a local governments general plan, or local coastal element which are sufficiently detailed to indicate the kinds, location, and intensity of land uses, the applicable resource protection and development policies and, where necessary, a listing of implementing actions.

The Urban Reserve zoning indicates the location and kinds of land use but not the intensity. The intensity is defined by the Big Idea policy and has a limitation on amount but not a clear identification of where that intensity would be located. The City could address this concern in a variety of ways, including one or more of the following courses of action:

1. The City could eliminate the “Big Idea” policy and instead establish a low FAR for the urban reserve in order to regulate the intensity of land use development across this zoning district. A low FAR might be .05 to .01.
2. The City could proceed with rezoning the remainder of the site now with a mix of uses, including open space, residential, commercial and industrial. Staff has prepared a draft Land Use Plan for the southern portion of the site to start the conversation in case the Planning Commission choses this route to develop a recommended Land Use Plan to the City Council (see Attachment 3).
3. The City could rezone the Urban Reserve area as Public Facilities zoning, which allows a similar array of activities as Urban Reserve, however it would not include the higher pay private sector activities. This rezoning would provide the City with the ability to rezone the site in the future, as public facilities zoned land also has a low value. An appropriate FAR would need to be selected. Coastal Commission staff felt that Public Facilities zoning for this area could be acceptable.

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 4. 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.

Please consider these Land Use Tables at this time and formulate a recommendation to City Council. Additionally, staff has added a definitions for all the land uses in the Land Use Table in Attachment 3). These definitions are excerpted from our CLUDC Section 10.

RECOMMENDED ACTION:

Provide preliminary direction regarding land use zoning for the southern half of the Mill Site and the Land Use Tables.

ALTERNATIVE ACTION(S):

None.

FISCAL IMPACT:

Staff time is covered by a combination of grants and General Plan Maintenance fee funding. 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:

Staff has revised the schedule based on the additional time required by City Council and Planning Commission to provide direction.

LCP Amendment Task	Status
Prepare a Land Use Plan (zoning map) for the LCP amendment.	Under Revision
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.	100% 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.	Revised 6-2019
Prepare a summary of current lower cost visitor serving facilities, including: room inventory, revenue per available room, occupancy rates.	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.	Fall 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.	Fall 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.	Fall 2019
Botanical Analysis.	Summer 2020
Prepare and submit the LCP Amendment application with all attachments and analysis.	10/2019 –2/2020
Coastal Commission Review & Analysis of LCP Amendment. One year statutory review period.	2/2020– 2/2021
Submission of “Friendly Modifications” by the Coastal Commission to the City of Fort Bragg.	2/2021
City consideration of “Friendly Modifications” and negotiations with Coastal Commission regarding modifications. Six month statutory review period.	2/2021 –8/2021

Adoption of LCP Amendment by Coastal Commission and City of Fort Bragg.	8/2021 – 12/2021
New regulations and policies become law and applicants can submit development project permit applications for review and consideration by the Planning Commission.	2/2022

ATTACHMENTS:

1. Planning Commission’s Preferred Land Use Plan 6-12-2019
2. City Council’s Preferred Land Use Plan 6-15-2019
3. Land Use Plan for Southern Part of Mill Site Given Coastal Commission input
4. Draft Land Use Tables
5. Land Use Definitions

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