



AGENCY: City Council
MEETING DATE: July 20, 2019
DEPARTMENT: Community Development
PRESENTED BY: Marie Jones
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AGENDA ITEM SUMMARY

TITLE:

Receive Report and Provide Direction to Staff 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 Mill Site

ISSUE:

Since 2017, the Planning Commission, City Council and the community have participated in 33 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 Coastal Land Use and Development Code (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 who have communicated that: 1) the Urban Reserve zoning may be problematic; and 2) the City must designate an area for low cost visitor serving accommodations; and
2. Staff and the Planning Commission's recommendation for proceeding with review of proposed changes to the CLUDC.

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 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 former visitor serving area at the western terminus and south of Redwood Street as Urban Reserve.
4. The Commission agreed that the October 2018 plan had 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).

On June 15, 2019, the new City Council discussed the Land Use Plan for the first time and provided the following direction to staff:

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 the Noyo Center redesign process;
5. Approve the amount and reconfiguration of housing; and
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 further discussion:

7. Light Industrial zoning east of Oak on Alder Street;
8. The location of Industrial zoning on the south portion of the Mill Site, allowable land uses within industrial zones;
9. Skunk Train proposal; and
10. Redwood Street Promenade.

The City Council's June 2019 draft Land Use Plan is attached (Attachment 1).

1. CITY COUNCIL LAND USE PLAN & REVISED BUILD OUT ANALYSIS

Table 1 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. In summary, adoption of the City Council June 2019 Land Use Plan would result in:

- **Parks, Open Space & Urban Reserve.** Upon rezoning, land dedicated to parks, open space and urban reserve throughout the City 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.

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	

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 City Council's consideration.

SOME THOUGHTS ABOUT INDUSTRIAL ZONING

- The City has a shortage of land 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	Welding Shops; Paper Product Manufacturing.
▪ Artisan/craft product manufacturing	
▪ Brewery/restaurant	▪ 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.
▪ Boat and ship construction, repair, maintenance	
▪ Construction contractor base	▪ Media production
▪ Fish processing	▪ Printing and publishing
▪ Laboratory - Analytical, testing	▪ Research and development (R&D)
▪ Manufacturing/processing - Cannabis	▪ Storage - Warehouse, indoor storage
▪ Manufacturing/processing - Light: Clothing and Fabric Product Manufacturing, Electronics, Equipment, and Appliance Manufacturing; Food and Beverage Product Manufacturing; Furniture and Fixtures Manufacturing; Metal Products Fabrication, Machine and	▪ 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 may require compensation.

- 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

- Coastal Commission staff have serious reservations about the Urban Reserve zoning. Per multiple conversation with Coastal Commission staff, they have expressed uncertainties about the Urban Reserve zoning and the “Big Idea” policy of the Land Use Element of the Coastal General Plan due to code section 30108.5 of the Coastal Act, 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.

If the City decides to proceed with the Urban Reserve zoning (and/or the Big Idea policy), Coastal Commission staff cannot predict how the Coastal Commission will react, as nothing like this has been forwarded to them in the past. Coastal Commission staff has indicated that the Commission may not accept the zoning designation or the policy, which could mean that the City would have to revise the Land Use Plan and all of the associated background reports and resubmit the application. This would take at least an additional year. Therefore, staff recommends that the Urban Reserve zoning designation be removed from the Land Use Plan.

The City can address this issue in a variety of ways, including the following courses of action:

1. The City could proceed with rezoning the Urban Reserve now with a mix of zoning districts, such as open space, residential, commercial and industrial zoning.
2. The City could rezone the Urban Reserve area as Public Facilities zoning, which provides for a similar though more constrained array of uses as Urban Reserve; it would not include the higher pay private sector activities. Public Facilities zoning would provide the City with the ability to rezone the site in the future, as public facilities zoned land also has a low value. Additionally, the Big Idea policy will need to be abandoned and replaced with an appropriate FAR. When asked, Coastal Commission staff felt that Public Facilities zoning for this area would be acceptable.

Both City staff and the Planning Commission recommend a combination of the above approaches. Consequently, in the Planning Commission’s recommended Land Use Plan, most of the urban reserve has been changed to Public Facilities zoning while some is recommended for open space, parks, and residential zoning.

SOME THOUGHTS ABOUT PUBLIC FACILITIES ZONING

- Public Facilities zoning provides flexibility for planning Fort Bragg's future. The Public Facilities zoning district would accommodate future rezoning. Retaining some acres of the Mill Site as Public Facilities zoning reduces the value of this property due to the relatively few uses that are permissible within this zoning district. Similar to industrial zoning, Public Facilities zoning would allow the City to complete a combination of up- and down-zoning of this property to include a mix of: commercial, residential, open space and parks at some later date if it chose to do so.
- Public Facilities zoning provides relatively limited public-serving land uses. Proposed land uses are focused on activities and uses which provide a public purpose or are short-term. These uses include the following:
 - Animal keeping
 - Nature preserve
 - Campground
 - Fairgrounds
 - Hiking/riding trail
 - Park, playground
 - School, college, university, trade
 - Health/fitness facility
 - Sports and active recreation facility (indoor and outdoor)
 - Library, museum
 - Meeting facility, public or private
 - Theater
 - Caretaker quarters
 - Medical services - Clinic, urgent care
 - Medical services – Hospital
 - Accessory Recycling - Small facility
 - Accessory Storage - Warehouse, indoor storage
 - Accessory Storage - Outdoor
 - Office - Accessory
 - Office – Government
 - Adult day care
 - Child day care center
 - Emergency shelter
 - Residential care facility
 - Public safety facility
 - Parking facility, public or commercial
 - Pipeline or transmission line
 - Telecommunications facility
 - Transit station
 - Utility facility

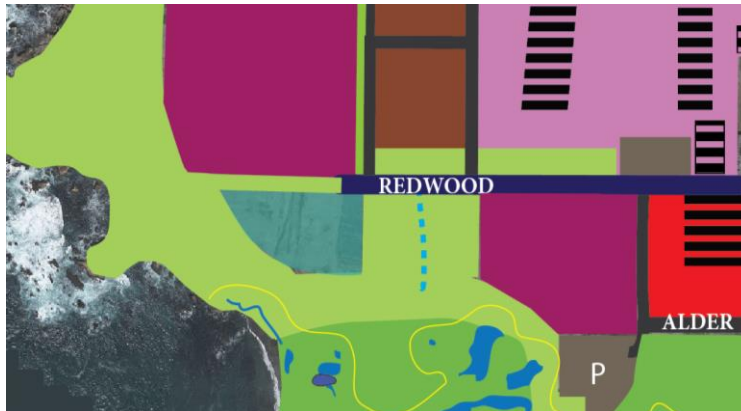
PLANNING COMMISSION'S RECOMMENDATION

On July 10, 2019 the Planning Commission (PC) met to discuss the Land Use Plan and the use tables with a specific focus on the south side of the site and prepared a new revised Land Use Plan (Attachment 2). The PC started their review of the Land Use Plan by incorporating the input of Commissioner Logan, who was absent from their last meeting. This resulted in final decisions for the unresolved zoning districts of the Land Use Plan from the last discussion including:

1. Designate the Urban Reserve north of Spruce Street as Parks and Recreation zoning. The discussion around this change focused on protection of resources, views and open space in this area.



2. Replace CBD zoning extension with a promenade. The PC's discussion centered on protecting the downtown core from further economic weakening and disinvestment.



3. Eliminate the industrial zoning on the back side of Mendo Mill. Open space zoning was preferred for this area.

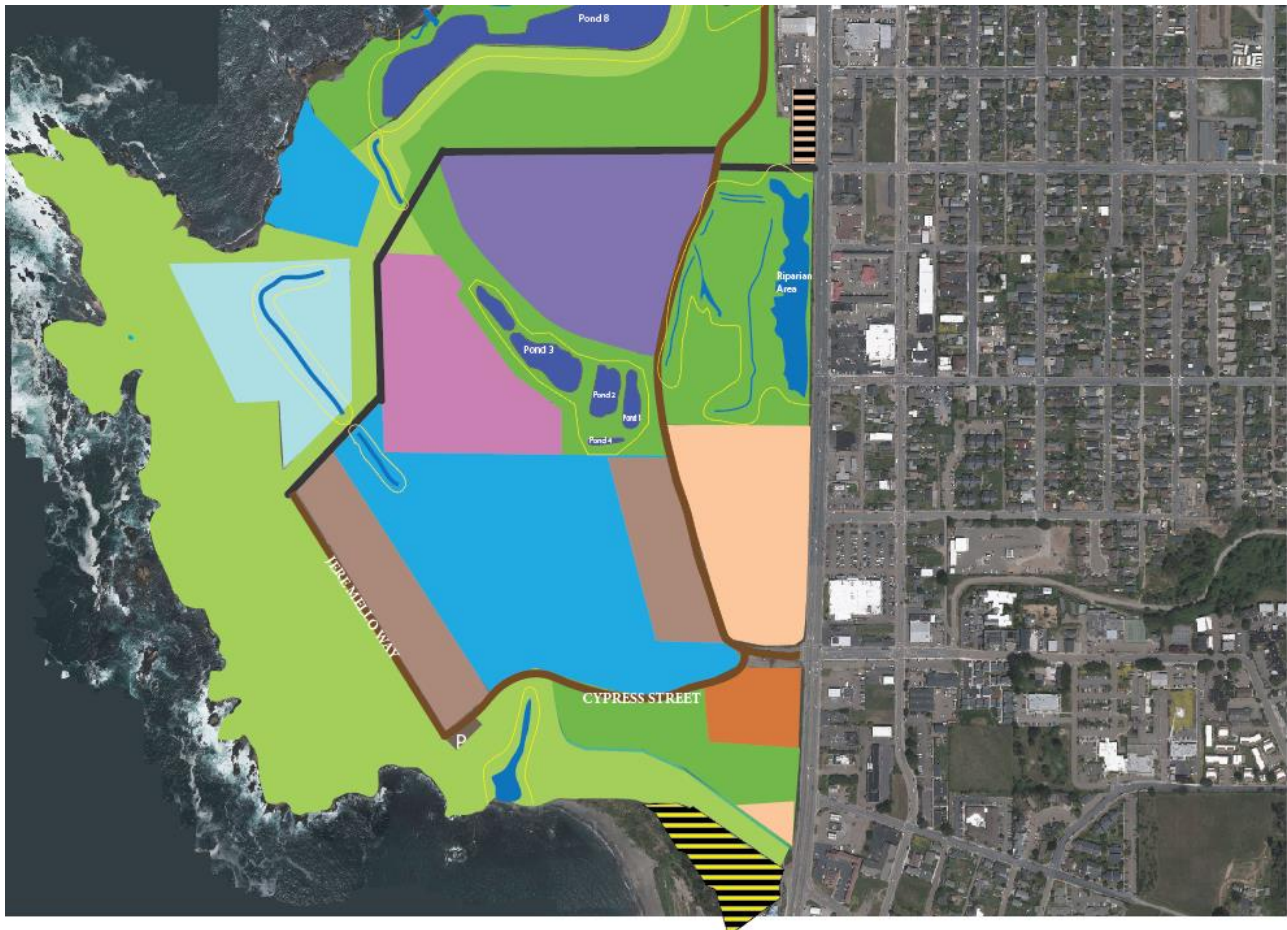


Additionally, the Planning Commission discussed the proposed zoning of the southern portion of the Mill Site at length and made the following recommendations to City Council:

1. Zone the area just south of the Mill Pond as open space or parks (11 acres). Parks would allow community events in the area such as Paul Bunyan Days, the circus, etc. This would add an addition 11 acres of parks and/or open space to the site.
2. Consolidate the light industrial adjacent to the Noyo Center site. Expand the zoning for the Noyo Center so that if the entity is able to acquire property in the future it will have the correct zoning to expand.
3. Rezone the majority of the Urban Reserve on the south side as Public Facilities (31 acres) in order to allow a college, hospital and other public facilities in this area.
4. Rezone about 13.5 acres of Urban Reserve for medium density housing. The vision for this housing is that it could: 1) provide workforce housing for a future hospital or school, 2) add value to the property, and 3) help the City address its housing shortage.
5. Retain Highway Commercial zoning halfway up the block between Walnut and Chestnut Streets (12 acres). The intent of the Planning Commission is to allow the property owner to make a later case during the Coastal Development Permit review process for development in this area given the Coastal Commission's strict regulations regarding tree removal. It was noted that some of

the trees in the area are invasive, some are very old and none are rare or special status.

6. Rezone the Urban Reserve area south of Cypress Street as Open Space (7.6 acres).
7. Retain existing highway commercial zoning on a small parcel (0.5 acres) adjacent to Noyo Point Road. It was noted that rezoning this parcel to open space might be considered a taking.



DRAFT LAND USE TABLES

Staff developed draft Land Use Tables for the Mill Site Reuse Plan (Attachment 3). The proposed Land Use Tables include the incorporation of changes made to the Inland Land Use and Development Code in 2014, which rationalized the Land use tables by eliminating use categories that were illegal and outdated, and allowing more uses in different zoning districts consistent with the City's current development patterns. The revised use tables also include uses for the new zoning districts on the Mill Site (Visitor, Coastal Dependent, Mill Site Employment, Mill Site Industrial, Urban Reserve). 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. Changes in green are recommended revisions by the Planning Commission.
3. All columns with the column header highlighted in yellow are existing zoning districts that are located on the Mill Site.

The Planning Commission discussed the Land Use Tables and agreed with staff recommendations with the following modifications.

Commercial Uses Land Use Table – Recommended Changes

1. Allow Brewer/Restaurant, Bar-Tavern and Night Club with a Use Permit in the Visitor (V) zoning district.
2. Add Equipment Rental to Visitor and Ocean Dependent (OD), as various tourist oriented equipment rental may be appropriate here. Staff recommends that this be labeled as accessory equipment rental to distinguish it from rental of tools and heavy equipment, and that accessory equipment rental be permitted in all commercial zoning districts.
3. Add Urgent Care clinic to allowable uses in the Highway Commercial (CH) zoning district.
4. Add vacation rental unit as a Use permit use in the Visitor (V) zoning district.

Special Districts Land Use Table – Recommended Changes

5. Add camping as a permissible use in Open Space (OS) and/or Public Facilities (PF) zoning districts. The Coastal Commission requires that at least 20% of new accommodations be low cost affordable accommodations. Camping facilities would help the City achieve this goal, otherwise each hotel will have to include 20 percent of rooms as low cost accommodations, which would be expensive to monitor.
6. Staff recommended that fairgrounds be added as a permitted use in Parks and Recreation and Public Facilities zoning districts, and the Planning Commission concurred.
7. Add college, university, trade school to the school category to clarify that all are possible in Public Facilities zoning.

Please consider these Land Use Tables at this time and provide direction to staff. Additionally, staff has added definitions for all the land uses in the Land Use Table (Attachment 4). These definitions are excerpted from our CLUDC Section 10.

Finally, as the City moves forward with changes to the CLUDC, staff recommended and the Planning Commission concurred that, as the body which must implement the CLUDC for land use decisions, the Planning Commission should complete a thorough review of all proposed changes to the CLUDC prior to the City Council's consideration. Proposed changes will then be submitted in their entirety to the City Council for consideration. As the Planning Commission's role is the day to day interpretation and application of the zoning ordinance, the Planning Commission recommends that they move forward on a comprehensive review and that the City Council consider the results of that comprehensive review at the end of the process. Staff anticipates that the Planning Commission can review and provide input on the CLUDC over a four-month period (two chapters a month) and that the City Council may be able to review all the proposed changes in two meetings at the end of this cycle. This could be a more efficient use of the City Council's time and energies.

RECOMMENDED ACTION:

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

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.

CLIMATE CHANGE & GREEN HOUSE GAS (GHG) IMPLICATIONS

As a smart growth project, the reuse of the Mill Site with compact mixed use development will overall result in much lower green house gas emissions than comparable development in a more suburban single zoning setting. Generally, locating compact higher density residential development adjacent to downtown and employment centers, as this proposed project would, will reduce vehicle miles traveled and GHG emissions. The visitor accommodations, to the degree that they result in more visitors to the coast, will result in increased GHG emissions. The impact of commercial and industrial development will be better understood on a project by project basis. The majority of the project site will likely not be impacted by Sea Level rise for many years, as most of the site is located on a bluff top at least 40 feet above the mean high tide.

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 7-10-2019
2. City Council's Preferred Land Use Plan 6-15-2019
3. Draft Land Use Tables
4. 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