



AGENCY: Council/Redevelopment Agency
MEETING DATE: November 26, 2007
DEPARTMENT: Administration
PREPARED BY: L. Ruffing
DEPT. DIR. APPROVAL: _____
CITY MGR. APPROVAL: _____
PRESENTED BY: L. Ruffing

AGENDA ITEM SUMMARY

<p>TITLE: RECEIVE UPDATE ON GEORGIA-PACIFIC MILL SITE SPECIFIC PLAN</p>
<p>ISSUE: In order to integrate the environmental remediation of the Georgia-Pacific Mill Site property with the planning for its future redevelopment, a specific plan is needed. On September 22, 2007 and November 7, 2007, the City Council/Redevelopment Agency received updates on the remediation process. This item is agendized to provide an update regarding the initiation of the Mill Site Specific Plan process.</p>
<p>RECOMMENDED ACTION: Receive Update on Georgia-Pacific Mill Site Specific Plan</p>
<p>ALTERNATIVE ACTION(S): No action by the Council/Agency is needed at this time.</p>
<p>ANALYSIS: Since the Georgia-Pacific (GP) timber mill in Fort Bragg ceased operations in 2002, a considerable amount of effort has been made to envision and plan for future redevelopment of the 425-acre Mill Site property. The fact that the Mill Site encompasses a full one-third of the land area within the City of Fort Bragg and spans 3½ miles of coastline makes redevelopment of the property of paramount importance to the Fort Bragg community.</p> <p>In 2003, the City initiated a community planning process to involve local residents in exploring a vision for reuse of the Mill Site and to investigate the economic viability of potential reuse opportunities. The planning process culminated in three primary products that focus on reuse of the Mill Site: (1) a set of “community-based planning principles” to guide development of the Mill Site; (2) a land use framework that describes potential reuse options and conceptual development areas that meet both community and market-based criteria; and (3) a map and an acquisition plan for public open space along the coast of the Mill Site. After completing the Mill Site Reuse Study, in March 2005, the Fort Bragg City Council/Redevelopment Agency adopted a “Statement of Position” that summarizes the City’s objectives for reuse of Mill Site as defined through the community planning process.</p> <p>Over the past two and a half years, the City and GP have been working collaboratively on several aspects of the Mill Site reuse project, including negotiation of terms for the public acquisition of parkland along the coastline with a \$4.165 million grant from the State Coastal Conservancy, and involvement in the environmental remediation process with the Department of Toxic Substances Control (DTSC) as the lead agency.</p>

In addition, the City and GP have initiated the “specific plan process” for the Mill Site two times during this period. In 2005, the City and GP agreed to begin a planning process and a bus tour and public workshop were held in the fall to kick-off the planning effort. In December 2005, GP was acquired by Koch Industries and the specific plan process was suspended for nearly a year. In late 2006, GP and the City again agreed to initiate the specific plan process and a Memorandum of Understanding was drafted that outlined the roles and responsibilities of each party and a Request for Proposals was prepared to solicit consultant services. In February 2007, GP hired Brooks Street as a development consultant and, shortly thereafter, GP requested that the specific plan process be delayed for six months while Brooks Street prepared an analysis of development opportunities. Now, finally, and at long last—the City and GP are prepared to move forward with the specific plan (again).

BASIC OBJECTIVES FOR MILL SITE SPECIFIC PLAN

This matter is presented to the Council to review the basic objectives of the specific plan and to discuss a proposed management framework for the specific plan effort. The following discussion points were prepared by Walter Kieser of Economic & Planning Systems. Mr. Kieser has been advising the City and GP regarding the planning and entitlement process for the Mill Site since 2004 and he consistently has advised both parties that a “cooperative planning process” that respects both market realities and community objectives is essential to ensuring successful redevelopment of the Mill Site. City and GP team members have been working to define what that cooperative process will look like. The following “discussion points” have been reviewed and agreed upon by GP, City staff, and the Council’s ad hoc committee members, as basic underlying tenets of the planning process:

1. Respect Established Public Objectives for the Mill Site

The City Council adopted a “Statement of Position” regarding the City of Fort Bragg’s future vision for the Georgia Pacific Mill Site in April 2005 following a year-long community-based planning process and the preparation of a Georgia Pacific Mill Site Reuse Study (September 2004). These documents provide an overall set of the City’s objectives for the Mill Site, reflecting community sentiments, and substantial technical analysis. These basic objectives are anticipated to serve as a guide for subsequent planning efforts; providing a starting point and framework.

2. Integrate Hazardous Materials Remediation and Specific Plan Proceedings

There is a close and reciprocal connection between the proposed Specific Plan and the ongoing DTSC-administered remediation process. Remediation is necessary to proceed with reuse and the reuse of the site to a mix of urban uses and public spaces will generate value that will help fund remediation activities. The City has recognized this connection by invoking the Polanco Act, which creates standing for the City in the remediation process and also provides useful indemnities for subsequent landowners. Accordingly, the Specific Plan, environmental review, and remediation work programs should be carefully integrated to mutually inform decisions and analysis, to efficiently utilize resources, to avoid ongoing conflicts, and to assure that outcomes are internally consistent and complementary.

3. Continue Public Involvement in Planning Process

The citizens of Fort Bragg and the surrounding North Coast region have maintained a keen interest in the redevelopment of the Mill Site. The Georgia Pacific Mill Site Reuse Study relied heavily on an extensive public outreach program and since publication of the Study, the City has held numerous public workshops, hearings, and information items regarding reuse of the Mill Site. It is anticipated that a formal public participation effort will continue to be a part of the entitlement process, following standard City procedures for such efforts. The public participation effort will be specified in the consultant solicitation documents and work programs (RFP) and will be expected to include informal information sessions, public workshops, and regularly scheduled public information meetings.

4. Cooperative Management of Planning Process

The City and Georgia Pacific have a substantial and mutual interest in achieving a vital reuse project on the Mill Site. It is also the case that a purely “publicly-driven” or purely “privately-driven” planning process may not be possible for a host of reasons. Accordingly, a cooperative management of the planning process will be established that respects the interests, responsibilities, and capabilities of the City and Georgia Pacific. This cooperative approach is proposed to maximize technical efficiency, minimize time required, and avoid duplication of effort by members of the planning team.

5. Create a Functional, Flexible and Realistic Specific Plan

A fundamental component of the Mill Site reuse and entitlement process is the creation of a Specific Plan. Specific plans, while their general contents are defined in the Planning Law, have varied greatly in form and content. As there is no single definition or prototypical form, it will be imperative to clearly define form, content, and function of the Mill Site Specific Plan. The key to this definition is the nature of the development opportunity. In some instances, specific plans are adopted for development areas with a clearly defined development program and short-term development expectations. As such these plans are often quite detailed and prescriptive, serving, as they do as zoning regulations for the territory included. In other cases, the development program and absorption is typically much less clear, given the impediments imposed by redevelopment or development. Consequently, specific plans often may be designed to provide flexibility in programming, land use, and phasing of development.

In the case of the Mill Site, the development program is less well-defined primarily because there is not a “ready market” for all of the types and scale of desired land uses, and also the site remediation effort, which will influence development decisions given the geographic variation of clean-up requirements on the site. Thus it may take many years for future land uses to be fully realized. Given this relatively long range development horizon is anticipated that the Specific Plan will need to be less prescriptive than some specific plans, allowing flexibility regarding specific land use prototypes, density, and design. The Specific Plan may provide a useful tool in establishing guidelines and policies that can address the need for flexibility with the clarity necessary to conduct meaningful technical analysis and minimize the need for subsequent approvals.

6. Promote Regulatory Clarity and Certainty

A key aspect of local economic development and attracting desirable private investment over time is regulatory clarity and certainty. We have the opportunity in the Specific Plan to create such certainty by minimizing the need for subsequent analysis and discretionary land use approvals. Vesting rights through vesting tentative maps or development agreements also offer a way to clarify and secure development rights.

7. Integrate Diverse Aspects of Mill Site Redevelopment

The Specific Plan is linked to a range of related and concurrent planning activities which may include the Remedial Action Plan (as noted in item 2, above), a General Plan Amendment, various infrastructure studies, a Redevelopment Plan Amendment, an infrastructure financing plan, a master vesting tentative subdivision map, and a development agreement. These discretionary approvals will be subject to review under the California Environmental Quality Act (CEQA), and it is anticipated that the development likely will require preparation of an environmental impact report (EIR). Finally, the Specific Plan and subsequent development will be subjected to the Coastal Development Permit of the California Coastal Act. Throughout this planning and environmental review process it will be essential that these efforts are fully integrated both technically and procedurally to maintain consistency between the remediation activities and the planning and entitlement process, while minimizing potential delays or iterations.

8. Internalize Public Investment Costs

The City of Fort Bragg, as a small city, has limited financial resources, and together, Georgia Pacific and the City will consider opportunities to phase infrastructure and service needs with the reuse of the Mill Site in a manner consistent with City policies and standards. An infrastructure financing plan will explore the project's requirements for major infrastructure improvements and how these improvements can be funded. A fiscal analysis will evaluate the City's operating costs and the revenues generated by the Mill Site over time. There may be opportunities related to reuse of the Georgia Pacific Mill Site to improve infrastructure and municipal service capacity serving the entire City including domestic water supply, sewage treatment, stormwater runoff, and capacity and streetscape improvements to Main Street.

9. Include Public Financial Incentives

Because of the substantial public interest in reuse of the Mill Site and the desire to achieve a number of community-serving facilities (e.g. parks and open space) the City is pursuing funding sources including amendments to its Redevelopment Project Area that will provide tax increment financing of certain public improvements on the Mill Site as a part of the area's development. Grants for public-benefit aspects of the project have also been pursued and the City will continue doing so. Other financing districts may also be desirable and facilitate timely construction of infrastructure. Accordingly, Georgia Pacific and the City will explore opportunities to form land secured financing district(s) for the Mill Site such as a Mello-Roos Community Facilities District (CFD). Mill Site-related improvements will also be considered for inclusion in other City-wide financing mechanisms such as the Public Facilities Fee, as may be appropriate.

PROPOSED COLLABORATIVE MANAGEMENT OF MILL SITE SPECIFIC PLAN

Over the past several months, a considerable amount of effort has gone in to defining a management structure which will enable Georgia Pacific representatives and its entitlement consultants (collectively, the “GP Team”) and the City of Fort Bragg (“City”) to take a collaborative approach in the processing of the Specific Plan and entitlements necessary for the development of the Mill Site. The GP Team envisions an entitlement process that is integrated with the remediation process development objectives. At the same time, both the City and the GP Team recognize:

- the need to preserve the integrity of the public planning process including continuation of the public participation effort,
- the City’s authority to make determinations in accordance with CEQA,
- the City’s authority to make land use policy changes (e.g., General Plan amendments), and the City’s authority to consider specific development applications.

Collaborative Process

The approach to the redevelopment of the Mill Site would reflect the mutual interest of the City and GP to achieve successful redevelopment of the property and the community’s vision that has been established by the Community Planning Process. Both parties’ interests would be recognized in the process. Coordination of the planning process would be informed by a clearly delineated set of “steps” agreed to by both City Staff and the GP Team in this process and recognition of the logical linkages between these steps.

Proposed Management Structure

The proposed management structure would consist of a Mill Site Coordinating Committee and a team of consultants responsible for the planning of the Mill Site development, the entitlement process, and the environmental review as highlighted below:

- **Proposed Mill Site Coordinating Committee Structure:** The Coordinating Committee would be composed of three members of the GP Team and three members of the City of Fort Bragg staff. The Coordinating Committee would be co-chaired by the City Manager and the GP Team Project Director (the “Co-Chairs”). The Coordinating Committee may seek guidance from other staff members, consultants, and legal advisors as deemed necessary by the Co-Chairs.
- **Decision-Making Roles.** The Specific Plan Consulting Team will be responsible for preparation of the Specific Plan under the direction of the Coordinating Committee. Georgia Pacific will be responsible for preparing and submitting the project applications to the City and other agencies. The City, through its participation in the Coordinating Committee, may identify alternative site plans and design features to be considered as part of the Specific Plan. City Staff ultimately will be responsible for the review and processing of the Mill Site entitlement applications and the Specific Plan. The Coordinating Committee will be responsible for making decisions about the Mill Site planning and entitlement process as further described below. The Planning Commission and City Council will retain the final decision-making authority with respect to all City of

Fort Bragg discretionary approvals.

- **Committee Responsibilities.** The Mill Site Coordinating Committee would be responsible for overseeing the following tasks:
 - Provide technical oversight for the planning process to assure that related tasks are effectively completed.
 - Participate in the selection and management of the Specific Plan Consultant Team retained by Georgia-Pacific.
 - Participate in the selection of, and coordination with, the EIR Consultant Team to be retained and managed by the City of Fort Bragg.
 - Participate in the selection and management of the sustainability consultant retained by the City of Fort Bragg.
 - Develop and administer budgets for consulting services.
 - Assure continuity of public information and community-based planning process.
 - Provide periodic updates to the City Council and Planning Commission regarding key milestones.
- **Team Coordination.** The Coordinating Committee would schedule monthly team meetings with the Coordinating Committee and Specific Plan Consultant Team, EIR Consultant Team, and/or other development consultants, as may be appropriate.
- **Other Agency Coordination.** Development of the Mill Site will be subject to multi-agency involvement including, but not limited to, the Coastal Commission, Coastal Conservancy, Department of Toxic Substances Control (DTSC), State Water Resources Control Board (SWRCB), North Coast Regional Water Quality Control Board (RWQCB), California Department of Fish & Game (CDFG), National Marine Fisheries Service (NMFS or NOAA Fisheries), U.S. Army Corps of Engineers (Corps) and U.S. Fish & Wildlife Service (USFWS). Accordingly, the Coordinating Committee will be primarily responsible for coordinating communications with such other agencies, and for directing consultant team communications with agency representatives.
- **Entitlement Decisions.** All decisions concerning the adequacy of the EIR, the entitlements, review and decisions regarding the Specific Plan, and other discretionary decisions regarding the development of the Mill Site and related commitments of City resources (e.g., Redevelopment Agency participation) will be made solely by the Fort Bragg Planning Commission and City Council in accordance with the Fort Bragg Municipal Code and State law.

Staff will be meeting with the GP Team on November 27th to develop an action plan for assembling a team of consultants to begin preparation of a Specific Plan. In addition, we will be preparing a schedule for the Specific Plan and all of the “parallel activities” that are interconnected with the planning effort (i.e., environmental review; site remediation; Redevelopment Plan Amendment; water supply management plan; etc.). We will provide regular “Mill Site Updates” to the Council/Agency as the planning process proceeds and will seek direction from the Council, as appropriate, along the way.

Finally, it is noted that City staff is coordinating with staff from the California Pollution Control Financing Authority's Sustainable Communities Grant & Loan Program (SCGL) regarding the \$350,000 grant that recently was awarded to the City of Fort Bragg. The grant is intended to assist the City in its efforts to plan for smart and sustainable growth and development on the Mill Site. Assuming GP continues to proceed with the specific plan process as outlined above, the grant funds will be used to focus on "sustainable" features of the specific plan. Alternatively, if the currently proposed, collaborative, GP-sponsored planning effort falters, the funds could be used to continue to move planning process forward.

FISCAL IMPACT:

The item is agendized to allow for Council/Agency discussion of the Mill Site Specific Plan and process. No actions with a financial impact will be taken.

IMPLEMENTATION/TIMEFRAMES:

Assuming Council's concurrence with the "coordinating committee" management structure presented herein, work will begin immediately to assemble a team of consultants to work on the specific plan. The planning effort will begin in earnest in January 2008, and we will be better prepared to provide a preliminary schedule for the various tasks involved at that time.

ATTACHMENTS:

1. None

NOTIFICATION:

1. Carol Stephens, GP
2. Alicia Guerra, Cox-Castle-Nicholson
3. Bridgette DeShields, BBL
4. Walter Kieser, EPS
5. Steve Mattas, Meyers-Nave

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