



AGENCY:	City Council
MEETING DATE:	January 26, 2009
DEPARTMENT:	Administration
PREPARED BY:	L. Ruffing
DEPT. DIR. APPROVAL:	_____
CITY MGR. APPROVAL:	_____
PRESENTED BY:	L. Ruffing

## AGENDA ITEM SUMMARY

**TITLE:**

**RECEIVE REPORT AND CONSIDER ADOPTION OF CITY COUNCIL RESOLUTIONS APPROVING A MITIGATED NEGATIVE DECLARATION AND APPROVING A PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS FOR THE PURCHASE AND DEDICATION OF LAND ON THE FORMER GEORGIA-PACIFIC MILL SITE FOR FUTURE USE FOR COASTAL TRAIL, OPEN SPACE AND PARKLAND**

**ISSUE:**

For many years, the City of Fort Bragg, Georgia-Pacific, and the State Coastal Conservancy have been working together to facilitate the public acquisition of approximately 75 acres along the 3½ acres of coastline on the former Georgia Pacific Mill Site. The transaction involves the purchase by the City of approximately 34.8 acres at a price of \$4,145,000 with funds provided by a grant from the State Coastal Conservancy. This acreage includes an approximately 1.7 acre parcel at the north end of the Mill Site (known as the Glass Beach Parking & Staging Area); a 4.2 acre parcel along the central coastline of the Mill Site (known as the North Soldier Bay Headlands parcel) and a 28.9 acre parcel located on the southwesterly end of the Mill Site (known as the South Parkland parcel). The transaction also involves Georgia-Pacific dedicating to the City a swath of land along the entire coastline that is 100+ feet in width landward of the coastal bluff and approximately 42 acres in area (known as the Coastal Trail corridor).

The transfer of title to the parkland property is contingent on completion of its environmental remediation per Department of Toxic Substances Control requirements. While title to the parkland on the northern and southern portions of the Mill Site is expected to transfer in 2010, Georgia-Pacific's offer to dedicate the Coastal Trail corridor in the vicinity of the Mill Pond may not be accepted by the City for several years, pending completion of the remediation in that area.

The acquisition by the City of Fort Bragg of approximately 75 acres of coastal property on the Mill Site for park and open space purposes has numerous public benefits that will be realized in the short-term and in perpetuity. Approval of the Purchase Agreement and Joint Escrow Instructions by the City Council is a major milestone in completing the transaction.

**RECOMMENDED ACTION:**

Receive Report and Consider Adoption of City Council Resolutions as follows:

- (1) Resolution of the City of Fort Bragg Approving a Mitigated Negative Declaration Related to the Purchase and Dedication of Land on the Former Georgia-Pacific Mill Site for Future Use for Coastal Trail, Open Space and Parkland.
- (2) Resolution of the City of Fort Bragg Approving a Purchase Agreement and Joint Escrow Instructions for the Purchase and Dedication of Land on the Former Georgia-Pacific Mill

Site for Future Use for Coastal Trail, Open Space and Parkland.

**ALTERNATIVE ACTION(S):**

1. No action. Under this alternative, the purchase transaction would not proceed.
2. Provide direction to staff regarding information, analysis and/or modifications to the proposed resolutions deemed necessary to further inform the Council's action on this matter.

**ANALYSIS:**

Following closure of the Georgia-Pacific timber mill in 2002, the Fort Bragg community engaged in an intensive planning process for reuse of the 420+ acre coastal property. In 2004, the City received a planning grant from the State Coastal Conservancy and, with the assistance of a team of consultants, the Georgia Pacific Mill Site Reuse Study was prepared. Through the community planning process, the concept of acquiring coastal open space in advance of redevelopment of the Mill Site emerged. The parkland acquisition will create a tremendously valuable public amenity for future development, provide a physical framework for redevelopment of the site, and eliminate a potential source of conflict and delay for future developers. Not only will the new parkland allow Fort Bragg to reclaim its coastline, but it will provide unparalleled opportunities for economic gain based on the availability of public access to recreational and scenic resources along the coast.

In May 2004, the City Council considered various options for potential future public ownership of open space and parkland on the former Mill Site and determined that the City of Fort Bragg should assume responsibility for ownership and management of future parklands. At that time, negotiations began between Georgia-Pacific, the City, and the State Coastal Conservancy for the public acquisition of open space on the Mill Site. In March 2006, the State Coastal Conservancy approved a grant in the amount of \$4,165,000 to the City of Fort Bragg for the acquisition of the "Fort Bragg Headlands" property for the purposes of "public access, and natural resource, open space, and scenic protection."

The acquisition has taken longer than initially expected due, in part, to the complexities of the environmental remediation process for the Mill Site. Nevertheless, the parks planning and acquisition process has been a model of interagency collaboration and cooperation. On the remediation front, the Department of Toxic Substances Control, North Coast Regional Water Quality Control Board, California Coastal Commission, Department of Fish & Game, and other regulatory and trustee agencies have worked diligently to process approvals for the remediation of "Operable Unit A" which comprises the coastal trail and parkland acquisition area. In parallel with the remediation process, a collaborative planning effort for the Mill Site parklands has proceeded with participation by the National Park Service Rivers, Trails, and Conservation Assistance (RTCA) program, State Parks, State Coastal Conservancy, Mendocino Land Trust, the City, Georgia-Pacific, and many other community participants. The City has received a federal appropriation of \$750,000 through the efforts of Congressman Mike Thompson, and those funds are designated for design, engineering, environmental review, permitting, and initial construction of improvements on the new parkland.

The City, Georgia-Pacific, and the State Coastal Conservancy have worked diligently for many months on the terms and conditions of the purchase agreement for the parkland. Georgia-

Pacific signed the agreement earlier this month and it is now brought forward for Council consideration and approval. In order to approve the agreement, the Council must first adopt a resolution approving a Mitigated Negative Declaration for the coastal trail and parkland (Attachment 1). The resolution finds that the Mitigated Negative Declaration that was prepared by the Department of Toxic Substances Control (DTSC) for the Operable Unit A Remedial Action Plan and Feasibility Study (OU-A RAP) as was considered by the Fort Bragg Redevelopment Agency prior approval of the OU-A RAP is the appropriate environmental review document for the Purchase Agreement and Joint Escrow Instructions. Secondly, the Council must adopt a resolution approving the Purchase Agreement and Joint Escrow Instructions for the Purchase and Dedication of Land on the Former Georgia-Pacific Mill Site for Future Use for Coastal Trail, Open Space, and Parkland (Attachment 2). The Purchase Agreement and Joint Escrow Instructions are attached to the Resolution. The Agreement includes numerous exhibits and sub-exhibits and the Council is advised that minor modifications to the attached legal descriptions will be made based upon the City's detailed review of the legal descriptions and consistent with the agreed upon parcel boundaries.

**FISCAL IMPACT:**

The City has been awarded a \$4,165,000 grant from the State Coastal Conservancy for the proposed acquisition of the Mill Site coastal trail and parkland. The grant includes \$20,000 to cover the City's closing costs for the transaction. Upon completion of the purchase transaction, the City will need to continue to seek funds for development of a coastal trail and other park amenities on the parkland. Ownership of the parkland also entails long-term management and maintenance obligations and the City will need to identify on-going revenue sources to offset the costs associated with these activities.

**IMPLEMENTATION/TIMEFRAMES:**

After the Purchase and Sale Agreement is signed, the following steps are necessary to complete the transaction:

1. Approval of Coastal Development Permit Amendment for Operable Unit A by California Coastal Commission (hearing is scheduled in February 2009)
2. Obtain State Coastal Conservancy authorization of extension of Grant Agreement No. 05-007 (Conservancy staff will begin this process in February 2009)
3. Complete environmental remediation of Operable Unit A (Georgia Pacific expects to perform the work in Spring-Summer 2009)
4. Obtain "No Further Action Letter" for Operable Unit A from Department of Toxic Substance Control (anticipated in Fall 2009)
5. Complete escrow and transfer title to City (anticipated by June 2010).

**ATTACHMENTS:**

1. **Resolution** Approving a Mitigated Negative Declaration Related to the Purchase Agreement and Joint Escrow Instructions for the Purchase and Dedication of Land on the Former Georgia-Pacific Mill Site for Future Use for Coastal Trail, Open Space and Parkland
2. **Resolution** Approving a Purchase Agreement and Joint Escrow Instructions for the Purchase and Dedication of Land on the Former Georgia-Pacific Mill Site for Future Use for Coastal Trail, Open Space and Parkland

**NOTIFICATION:**

1. Chip Hilarides, Georgia Pacific
2. Matt Gerhart, State Coastal Conservancy
3. Heidi Dickerson, Congressman Mike Thompson's Office
4. Bob Merrill, California Coastal Commission
5. Denise Tsuji, DTSC

**City Clerk's Office Use Only**

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:	_____		