



AGENCY:	City Council
MEETING DATE:	June 14, 2010
DEPARTMENT:	Community Dev.
PREPARED BY:	M. Jones
DEPT. DIR. APPROVAL:	_____
CITY MGR. APPROVAL:	_____
PRESENTED BY:	M. Jones

AGENDA ITEM SUMMARY

TITLE:

RECEIVE REPORT AND CONSIDER ADOPTION OF CITY COUNCIL RESOLUTION AUTHORIZING PROPOSITION 84 GRANT APPLICATION FOR MARINE CENTER FOR SCIENCE AND EDUCATION AT FORT BRAGG

ISSUE:

In 2002, the City of Fort Bragg initiated a community-based planning process that identified the establishment of a Science and Education Center on the former Georgia-Pacific Mill Site as a key community goal. In 2005, the City undertook a strategic planning process for the Noyo Center with consultant Susan Lohr which resulted in a strategic plan for the facility. In 2007, Paul Siri prepared the Detailed Project Program for the Noyo Center, which outlines the center's mission and vision, provides siting recommendations, and identifies facility and interpretation and education opportunities. From 2008 through 2010, the City held numerous workshops and meetings with the community, City Council, and the Coastal Commission regarding the Mill Site Specific Plan, which identifies an area to the south of the waste water treatment facility and east of the Coastal Trail as the appropriate location for a research and development facility. The City received a 2008 Sustainable Communities Grant from the California Pollution Prevention Financing Corporation to fund the Mill Site Specific Plan. In 2009, the City realigned the grant funds for public purpose components of the Specific Plan (e.g. the Coastal Trail, South Fort Bragg Main Street Project, and the Noyo Center design, engineering and CEQA review). In 2009, the City initiated conversations with Sonoma State University to explore the feasibility of Sonoma State operating the Noyo Center.

In May 2010, the City established a steering committee comprised of City staff, Sonoma State University staff and administrators, State Coastal Conservancy staff, and the two consultants who have assisted the City with the Noyo Center planning process to date. The steering committee has directed its efforts towards selection and management of a design team for the project and preparation of a \$7 million Prop 84 grant application to construct the Noyo Center. On June 21, 2010, City Council received the steering committee's recommendation of the team of Bauer and Wiley and Jones and Jones for the schematic design for the Noyo Center and approved a contract.

In order to submit the Prop 84 grant application which is due July 1, 2010, the City needs to:

1. Adopt a resolution for submission of the Prop 84 Grant Application (see attachment 1).
2. Complete a draft conceptual site and floor plan for the Noyo Center. The Bauer and Wiley has just completed a five day design charrette for the Noyo Center. They are preparing a site plan, floor plan and elevations for inclusion in the Prop 84 grant application.

3. Execute a letter of intent Georgia-Pacific for acquisition of the Noyo Center property. A closed session is scheduled for the Council to provide direction to negotiators regarding the letter of intent.
4. Prepare a draft, unsigned Memorandum of Understanding (MOU) with Sonoma State University for the operation of the Noyo Center facility. City staff and Sonoma State University are currently preparing a draft MOU.

RECOMMENDED ACTION:

Receive report and consider adoption of City Council resolution authorizing Proposition 84 grant application for Marine Center for Science and Education at Fort Bragg.

ALTERNATIVE ACTION(S):

Receive report and direct staff to refrain from submitting a Prop 84 grant application or revise the application.

ANALYSIS:

Staff has reviewed the Prop 84 Grant Application Guide, discussed the project at length with the program manager of the grant program from State Parks, and completed a preliminary cost estimate for construction of the facility. The program manager predicts that this grant process will be extremely competitive and that they will receive over 200 grant applications for the \$93 million in available funding. Competition is expected to be fierce for Tier A grant requests (\$3 to \$7 million), which is the level at which the City hopes to compete.

The resolution (see attachment 1) approving the Statewide Nature Education Facility Program application includes four certifications:

- Applicant has or will have available, prior to commencement of any work on the project included in this application, sufficient funds to complete the project should the grant be awarded;
- Applicant has or will have sufficient funds to operate and maintain the project;
- Applicant has reviewed, understands, and agrees to the General Provisions contained in the contract shown in the Grant Administration Guide;
- The project is consistent with the applicable City planning document (i.e., existing and proposed Local Coastal Program).

This staff report provides information and analysis addressing the required certifications.

Certification 1: Certifies that said applicant has or will have available, prior to commencement of any work on the project included in this application, the sufficient funds to complete the project should this grant be awarded.

The total project budget is estimated at slightly over \$7 Million. Staff worked with the project architects through the design charrette process to develop a budget and it is continuing to be refined. The final budget submitted under the Prop 84 grant application will be prepared by the project architects and cost estimator. The City presently has two funding sources for the project namely, \$125,000 from a Sustainable Communities Grant (for the schematic design and CEQA

analysis); and \$25,000 of from the Redevelopment Project Fund for in-kind staff time and consultant work associated with the project. The project will be "value engineered" to ensure that costs do not exceed available funds.

Site acquisition cannot be funded by the Prop 84 grant. The City does not need to have acquisition funds at the time of application. However, in order to receive Prop 84 funding, the City will have to enter into escrow for the site by November of 2010. The City and Georgia-Pacific have agreed to prepare an appraisal to establish a value for the property. Coastal Conservancy staff has agreed to take a funding request for the acquisition to their Board in October. If Conservancy funds are awarded, they may be structured as a loan to the Redevelopment Agency rather than a grant. Acquisition of the Noyo Center site could be contingent on the City obtaining the Prop 84 grant.

Certification 2: The City has or will have sufficient funds to operate and maintain the project

A preliminary operating budget for the facility has been prepared based on information from a number of feasibility studies for other aquarium/lab facilities, annual reports from other similar facilities, the expertise of Noyo Center steering committee, and staff research into existing operating costs for similar facilities. Potential sources of income for the facility include: entrance fees, lab user fees, lectures & workshops, facility rental for events & meetings, membership dues, fundraising and grants, and gallery sales. Operating costs include payroll, advertising & promotion, insurance, rent for support facility, operating supplies, miscellaneous expenses, utilities and marine life support, repair, and maintenance. It is likely that the facility will have a modes operating deficit in the first 5-10 years of its existence and then will either break even or generate excess funds.

The City and SSU will work together to obtain grant funds, foundation funds, or funds from private donors to cover the initial operating deficit. The draft MOU with Sonoma State University establishes SSU's sole responsibility for operation of the facility, thus transferring any responsibility for the initial operating deficit to SSU. If the grant is awarded, the City will not begin to incur any costs unless and until the MOU with SSU is fully executed.

Certification 3: The City has reviewed, understands, and agrees to the General Provisions contained in the contract shown in the Grant Administration Guide.

City staff has reviewed the general provisions of the contract shown in the Grant Administration Guide. The general provisions set forth reasonable requirements regarding the use of funds to complete the grant scope described in the application within the grant timeframe. The contract requires the City to comply with all applicable state and local laws when undertaking the project. The contract also covers all relevant issues such as reimbursement, termination, fiscal records, reporting requirements, indemnity, use of facilities, severability, liability, etc.

Staff identified one general provision of the contract that could be problematic for the City, namely that project funding may be canceled if funding for any fiscal year is reduced or deleted by the budget act, executive order, the legislature, etc. Given recent issues with reimbursement for other State bond-funded activities, staff recommends that a similar clause be inserted in any multi-year construction contracts that the City signs with contractors.

Certification 4: The project is consistent with the applicable City planning document (existing and proposed Local Coastal Program)

The project is consistent with the applicable City planning documents (both the existing and proposed Local Coastal Program). As zoning administrator for the City of Fort Bragg, the Community Development Director has determined that the project is consistent with the existing LCP if it is permitted as an accessory use of a nature preserve and/or a public facility. These are designated permitted uses in the Timber Resources Industrial (TRI) zone. Coastal Commission staff has been provided the rationale for allowing the proposed use in the TRI zone and no objections have been raised.

Upon adoption of the proposed Mill Site Specific Plan and associated Local Coastal Program amendment, the proposed Noyo Center site will be rezoned for up to a 50,000 SF science and education facility. The LCP amendment will also include supporting policies and specific use regulations for the development of a Science and Education facility. These changes to the LCP will clearly allow the development of the project with a Use Permit and a Coastal Development permit.

FISCAL IMPACT:

The fiscal impacts of award of the Proposition 84 grant and subsequent construction of the proposed Noyo Center for Science and Education include a potential operating deficit and/or potential operating surplus associated with operation of the Center. The City expects that development of the Noyo Center will result in increased TOT and retail sales tax revenues related to increased visitors to Fort Bragg.

IMPLEMENTATION/TIMEFRAMES:

Implementation steps include the following:

- Winter 2010: notification of Prop 84 grant award
- Summer 2011: completion of CEQA review and permitting for project
- Summer 2013: completion of construction drawings
- Fall 2013: bidding & award
- Spring 2014 – Fall 2015: construction
- 2016: Facility operation

ATTACHMENTS:

1. Resolution

NOTIFICATION:

1. Matt Gerhart, Coastal Conservancy
2. Sheila Semans, Coastal Conservancy
3. Diana Knigge, Georgia-Pacific
4. Claudia Luke, Sonoma State University
5. Karina Nielsen, Sonoma State University
6. Susan Lohr
7. Paul Sir

City Clerk's Office Use Only

Agency Action Approved Denied Approved as Amended

Resolution No.: _____ Ordinance No.: _____

Moved by: _____ Seconded by: _____

Vote: _____

Deferred/Continued to meeting of: _____

Referred to: _____

PREPARED BY: M. Jones

DOCUMENT REVIEWED BY:

■ Finance Manager

■ City Attorney

■ City Clerk

N/A
via email
✓

RESOLUTION NO. ____-2010

RESOLUTION OF THE FORT BRAGG CITY COUNCIL APPROVING THE APPLICATION FOR NATURE EDUCATION FACILITY PROGRAM FUNDS *Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006*

WHEREAS, the State Department of Parks and Recreation has been delegated the responsibility by the Legislature of the State of California for the administration of the Nature Education Facilities Program, setting up necessary procedures governing the Application; and

WHEREAS, said procedures established by the State Department of Parks and Recreation require the applicant to certify by resolution the approval of application(s) before submission of said application(s) to the State; and

WHEREAS, the applicant will enter into a contract with the State of California to complete the PROJECT should this grant be awarded;

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby:
Approves the filing of an application for the Noyo Center for Marine Science and Education and

1. Certifies that said applicant has or will have available, prior to commencement of any work on the project included in this application, the sufficient funds to complete the project should this grant be awarded; and
2. Certifies that the applicant has or will have sufficient funds to operate and maintain the project; and
3. Certifies that the applicant has reviewed, understands, and agrees to the General Provisions contained in the contract shown in the Grant Administration Guide; and
4. Certifies that this project is consistent with the applicable City planning document (existing and proposed Local Coastal Program); and
5. Delegates the authority to the City Manager to conduct all negotiations, sign and submit all documents, including, but not limited to applications, agreements, amendments, and payment requests, which may be necessary for the completion of the project; and
6. Agrees to comply with all applicable federal, state and local laws, ordinances, rules, regulations and guidelines.

The above and foregoing Resolution was introduced by Councilmember _____, seconded by Councilmember _____, and passed and adopted at a regular meeting of the City Council of the City of Fort Bragg held on the 14th day of June, 2010, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

**DOUG HAMMERSTROM,
Mayor**

ATTEST:

**Cynthia M. VanWormer, CMC
City Clerk**