

Mill Site Development Strategy Report Attachments

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Attachment 1 - Mill Site Master Development Agreement Program

The City of Fort Bragg (City) and the Mendocino Railway (MR) have tentatively agreed that a formal and cooperative ‘master planning and development agreement’ approach to further development of the Mill Site is in the interest of both parties, other property owners, and the City as a whole. As a part of pursuing this cooperative approach the parties have agreed to stay the pending litigation between them, to pursue settlement discussions, including with the California Coastal Commission, which is also an intervening party in the action.

Assembling such a cooperative approach will build upon the many years of planning, environmental review, remediation, infrastructure improvement, and development that has occurred as well as the current aspirations of MR and land use and policy objectives of the City. The master ‘development agreement’ approach recommended has been used successfully in complex development projects in California for decades. Development agreements (see Cal. Gov’t Code § 65864 et seq.) are contractual agreements between a local jurisdiction and a developer(s) regarding a particular development project. Development agreements overlay standard planning and development regulations (zoning, etc.) adding a ‘vesting’ of development approvals (entitlement) and other considerations (public investments, etc.) by the local jurisdiction in trade for considerations and contributions from the developer that cannot be imposed through normal ‘police power’ development regulations or financing methods.

The proposed Mill Site Development Agreement -- given the complexities involved, will need to be approached in sequentially phased approach allowing planning and technical analyses, community engagement, negotiations, cooperation with other landowners in or adjacent to the Mill Site, and consultations with the regulating agencies in the mix including the California Coastal Commission, the Department of Toxic Substances Control (DTSC), tribal interests, etc.

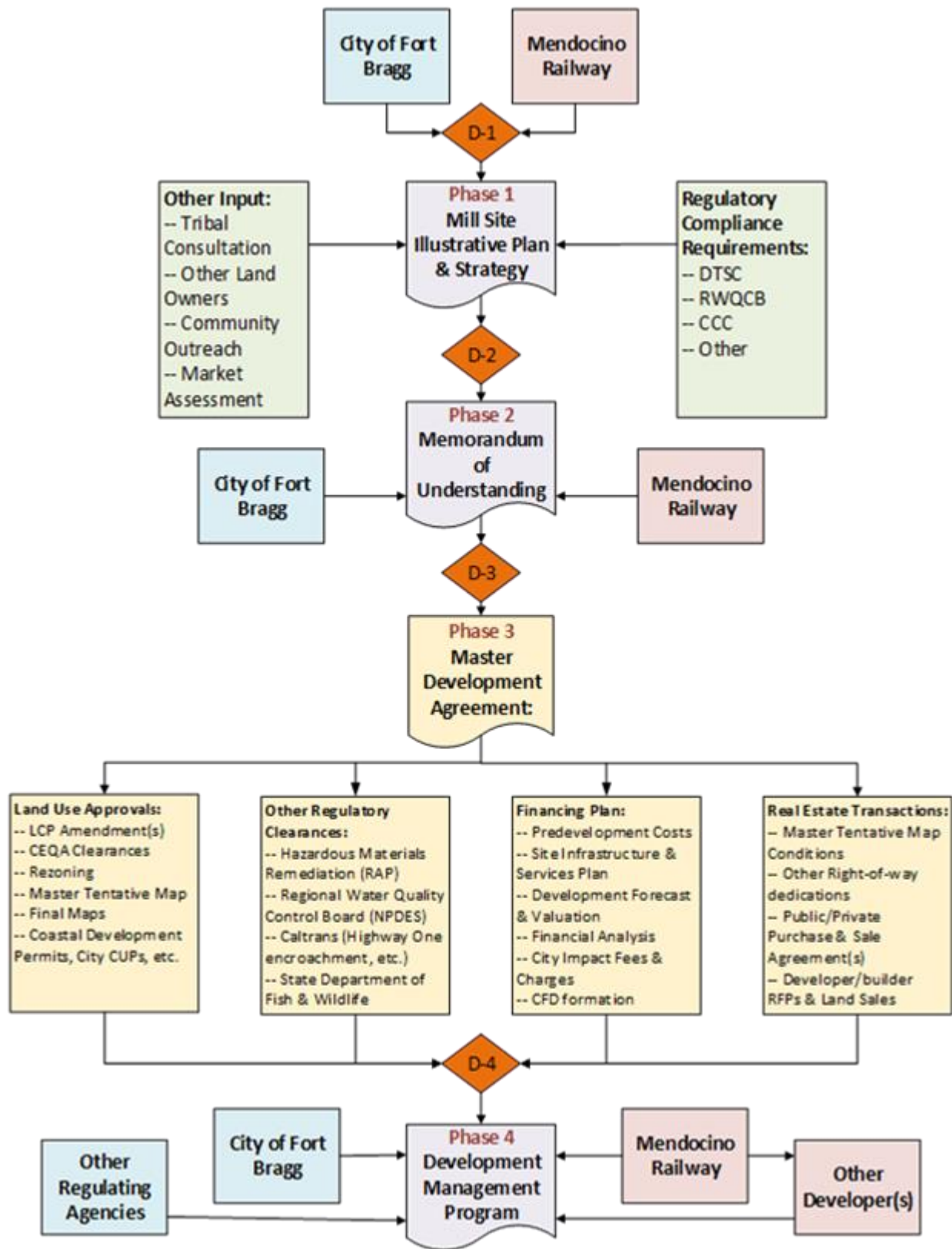
A conceptual illustration of such a phased approach to creating a Mill Site Development Agreement is shown on **Figure 1**. Our consultant, Walter Kieser, Senior Principal with the firm Economic & Planning Systems, has assembled this approach drawing upon his own and the firm’s experience with such agreements for management of large-scale development projects and development financing. Mr. Kieser also brings his historical knowledge of the Mill Site stretching back now 20 years working for the City of Fort Bragg. The illustration remains a ‘sketch’ but provides an overall sense of how such a process could be structured.

The illustration shows four major phases of activity and agreement, each punctuated with a ‘decision point’ (D-1, D-2, etc.) where the parties would complete their respective tasks and obligations and agree to proceed to the next phase. Key to this approach is a ‘stair-step’ procedure that keeps efforts in their proper subordinated order, allowing the resolution of issues, building of confidence and certainty, and providing a milestone-based off-ramp if agreement is not reached.

Decision Point 1 – Agree to pursue a development agreement and stay pending litigation.

The proposed approach will require agreement between the parties to pursue a potential development agreement (as can be further detailed) in good faith and agree to stay pending litigation. This provisional agreement would authorize and further define the first phase of work.
Time frame: 14 days.

Figure 1 – Master Development Agreement Illustrative Flow Diagram



Phase 1 – Millsite Development Strategy. It will be necessary to ‘get on paper’ a generalized illustration of proposed land uses, existing and future ownership of land, and the location of the

basic infrastructure serving the Site (and City), including any rail-related improvements. This high-level illustrative plan, building on prior analysis and planning proposals for the Mill Site, would generally describe the development program envisioned, the actions needed to achieve the development program, including needed outreach and agency consultations, meeting all regulatory requirements, public and private infrastructure investments required, and how, given all of this, sufficient public and private values can be created. This information, and supporting definition of terms, rights, and responsibilities, will serve as the basis of a Memorandum of Understanding (MOU) between the two parties developed in Phase 2. Time frame: 90 days.

Decision Point 2 – Agree to Prepare a Memorandum of Understanding

The Development Strategy will disclose and determine how the interests of MR and the City, as well as the California Coastal Commission (CCC), can be met and a general reckoning of all the regulatory requirements, permitting, and investments that will be required. On the basis of this information, resolution of issues, and agreement, the basic terms of a potential DA can be outlined in a MOU.

Phase 2 – Memorandum of Understanding. The terms derived from the Development Strategy (and other sources) will be structured in a non-binding document that will allow formalization of terms, related evaluation (cost and feasibility analysis, etc.) and a wholistic view of the development program, its benefits (value creation, etc.) City actions and investments, landowner and developer actions and investments, and the necessary third-party regulatory requirements and how they will be met as part of the development process will be evaluated. An overall work plan and schedule for preparation of the DA and its referenced technical components would be developed and attached to the MOU, along with a funding agreement to pay for the process. Time frame 60 days.

Decision Point 3 – Agree to Proceed with the DA and its Related Planning, Review, Financing, and Real Property Transactions

A Draft DA would be prepared early in Phase 3 based upon the MOU terms and related negotiations. Meanwhile, the substantive activities would be fully mobilized along with an agreement and commitment of funding to pay for preparation of the DA and its technical components. Settlement of the pending legal actions are proposed to occur as a component of the final approval of the DA.

Phase 3 – Development Agreement and preparation of land use approvals, other regulatory requirements, financing plan, and real estate transaction agreement. Assuming the MOU process yields an agreement to proceed with the more expansive planning, engineering, financing, and transactions, a formal DA can be initiated. It is during Phase 3 that the substantive components encompassed by the DA will be completed, building on the full breadth and depth of prior efforts. A full and detailed work program will be needed at this point as well as assembling the consultants and legal advisors needed to complete the respective plans, review, and analysis as needed to complete the four major components of the DA – 1) Land Use Approvals; 2) Regulatory Clearances; 3) Infrastructure Financing; and 4) any Real Estate Transactions (P&SA).

It is difficult at the outset to estimate the timeframe required to complete the DA and its four technical components, particularly given the requirements and influence of the regulatory agencies in the mix. However, the overall program, during each phase, will be structured to reveal and scope

the various components and related regulatory actions, thus clarifying and expediting the schedule needed to complete the work. Estimated time frame 18 months.

Decision Point 4 – Finalize and Adopt any DA

Following completion of the technical components and agreement to DA terms reflecting the technical work, regulatory requirements, feasibility testing, and execution of related agreements, a DA can be adopted, following the full public hearing process, by the City in a bundle with the development approvals, regulatory permitting, funding agreement and mechanisms, and related land transactions.

Phase 4 – Development Management Program. The terms of the DA will be played out over time including completing needed land use approvals, regulatory compliance clearances, assembling financing and related financing districts, if any, and crafting and completing any land purchases and sales, as infrastructure improvements, subdivision, and development proceeds. All of this will require creation of a project management team and a sustained, cooperative working relationship between the City, MR, landowners, the CCC and other regulatory agencies, and ‘vertical’ developers that may purchase developable land in the Mill Site, all as guided by the DA and the land use approvals. While it is difficult to forecast the vertical development stage, it will likely take many years to complete.

Attachment 2 -- Mill Site Master Development Agreement & Planning Program Phase 1 Work Program

Introduction

The 'Overview of the Proposed Master Development Agreement Process' describes a multi-pronged, cooperative approach to achieving the desired development of the Mill Site that has been the subject of previous planning, environmental remediation, and development efforts over the past 20 years. The first phase of this process is proposed to be the assembly of a 'Development Strategy'. This Strategy will, over a compressed time frame of 90 days, assemble and articulate the desired 'high-level' outcomes of the proposed cooperative planning, financing, and development efforts to be completed in subsequent components and phases of the process. At the heart of this Development Strategy will be an '*Illustrative Plan*', a visual representation of the Mill Site in its envisioned future form, showing the general location of land uses, major roads and access points, public infrastructure, open spaces and recreational facilities, and identifying the land transactions that are envisioned as may be proposed.

An initial working version of the *Illustrative Plan* will be assembled by the City and its consultants in an expedient manner based on prior planning efforts, proposals by MR or other entities for future development of the Mill Site and vetted with MR, and in consultation with the California Coastal Commission, all of which will be done in a cooperative effort predicated on the goal toward potentially resolving (settling) pending litigation through the proposed Master Development Agreement Program. The initial *Illustrative Plan* will then be subjected to a geographically based constraints analysis. The resulting *Illustrative Plan* and constraints analysis will then be reviewed in a workshop format by other affected landowners, the key regulating agencies (California Coastal Commission, DTSC, RWQCB), and tribal representatives, seeking concurrence and recommending agreeable changes. The resulting public review *Illustrative Plan* will then be presented in a formal public engagement process and subsequently guide the more detailed, multi-pronged Master Development Agreement Program.

The *Illustrative Plan* will take advantage of the full range of existing and prior planning efforts conducted and completed by the City and reflect proposals made by MR and the other affected landowners and incorporate the input and concerns of the Coastal Commission and other regulating agencies in the mix. It is further proposed that a generalized market assessment be conducted that may include the preparation of a developer solicitation (RFQ). This outreach and market reference will be designed to test and modify the *Illustrative Plan* as may be appropriate. The resulting *Illustrative Plan* will become the reference point and guide for creating the Development Strategy – that will specify the more detailed land use planning, zoning regulations, remediation actions, environmental review, infrastructure investments and financing strategies, and identification and evaluation of the land transactions that may be involved, i.e., the four structural components of a Mill Site Development Agreement.

Guiding Principles

The preparation of the Millsite Development Strategy will be guided by the following principles:

1. Maximize Use of Existing Information, Plans, & Decisions. The prior planning and regulatory efforts by the City and landowner proposals will provide a sound basis for assembling the

Illustrative Plan. A GIS-based composite map will be prepared as a graphic illustration and measuring tool for documenting the sources assembled.

2. Consultations with Other Regulating Agencies. It is recognized that the development of the Mill Site must ultimately meet with planning and regulatory approval of the Coastal Commission and the agencies regulating hazardous materials remediation. At the preliminary stage, the City will be seeking preliminary comments and input that can help shape the plan that will ultimately be submitted for approval. Also, the Coastal Commission is a party to the pending litigation with MR and the City, and so the Coastal Commission's early input and participation is necessary to any potential successful resolution of issues in the action.
3. Engagement of Affected Property Owners and Interests. MR and other affected property owners, including tribal interests, will be engaged and consulted as the *Illustrative Plan* is assembled. This process may result in the formulation of several development scenarios, reflecting the various interests.
4. Ongoing Public Information & Engagement. The assembly of the *Illustrative Plan* and its review will include ongoing public information (through updates at each City Council meeting, regular Website posts, etc.) as well as two public workshops, including an initial workshop that presents the proposed Master Development Agreement Program and the process for assembling the *Illustrative Plan*. The resulting draft *Illustrative Plan* will be presented in a City Council Study Session with full public participation invited.
5. The City Council direction and discussions. It is proposed that the City Council will be regularly briefed regarding the ongoing effort through formation of a Council Ad Hoc Committee. Additionally, it is proposed that a standing Mill Site update be provided at each City Council meeting. Finally, it is proposed that the Council will accept the resulting Development Strategy Report as a guide for the next Phase of the Master Development Agreement Program.
6. Negotiation Confidentiality and Integrity. While the development of the *Illustrative Plan* will be an entirely public process, the pending litigation, resolving various regulatory challenges, and negotiations over possible real estate transactions, will require appropriate confidentiality and discipline throughout the process.

Phase 1 Work Tasks

Task 1 – Preliminary Review of Proposed Master DA Planning Process

The Development Strategy (and the proposed Development Agreement (DA) Process will be initiated by assembling the appropriate documents and conducting a preliminary meeting between representatives of the City and Mendocino Railway (MR) representatives, also with the anticipated participation of the California Coastal Commission. This meeting will provide for a discussion about the proposed process and in particular the actions needed to initiate and conduct the Process. The Consultant (Walter Kieser) with the firm EPS, will facilitate the meeting and recommend any resulting changes to the Work Program.

Outcome sought: Agreement to proceed with the Master DA Planning Process and specifically the Phase 1 Work Program (as may be modified as a result of the meeting). It is assumed that the stay

on pending litigation will be in place by the time this meeting occurs. Specifically, the Phase 1 Work Program, as agreed upon, will be converted to an task-oriented identification of ‘resources’ (personnel) and their initial respective commitment of time, and a related task budget adding up to a Phase 1 budget estimate.

Task 2 – Scope of Proposed Development Strategy & Commitment of Resources

Once the Process has tentatively been agreed upon, an effort to more fully scope the preparation of the proposed Development Strategy can occur along with assembling the resources (staff, consultants, agency advisors, etc.). A first-round assembly of adopted or proposed archival plans and documents, regulatory orders, agreements, etc.) will occur as a reference point and as needed to initiate preparation of the *Illustrative Plan*. City and MR will review and agree upon the Work Program, budget, timeframe, and the responsibilities of the respective parties, with the anticipated participation of the Coastal Commission.

Outcome sought: Detailed Work Program, formal assembly, commitment, and engagement of resources, and a funding agreement for the Phase 1 Development Strategy preparation.

Task 3 – Preparation of the Illustrative Plan & Development Strategy

3.1: *Overview*

The ‘overview’ will describe the purpose of the Development Strategy and its component elements and how it will influence the subsequent phases of the DA Process. Specifically, the scope of each element will be developed in a manner that can lead to the necessary technical and engagement efforts.

3.2: *Assembly and Review of Planning and Regulatory Document Archive.*

As noted above, the *Illustrative Plan* and Development Strategy will be fully informed by the body of existing adopted plans and regulations and archival proposed plans and regulations, prior MR submittals, all in the context of the existing circumstances. These efforts include:

- The original draft City/GP Specific Plan that followed four years of work and was shelved in 2012 when the cost-recovery litigation for the remediation became GP’s primary focus;
- A revision of City/GP Specific Plan that was prepared by Marie Jones in 2018 and went through a community process (including a presentation to the Coastal Commission when they met here in Fort Bragg. This plan was ‘shelved’ when MR purchased the north half of the Mill Site;
- MR’s prior draft land use plan for the north half of the Mill Site;
- Plans submitted by members of the Fort Bragg community over time (Noyo Headlands Unified Design Group, John Gallo, Grassroots Institute, etc.); and
- Plans/alternatives for the Mill Pond area, including work done to evaluate the feasibility of restoring the Maple Creek and Alder Creek drainages/wetlands.

3.3: *Base Mapping and Constraints Analysis*

A GIS-based mapping system will be assembled that includes a working scale base map of the Mill Site, identification of and mapping of recognized development constraints including natural features, remediation-related constraints, resource conservation areas, etc. A map layer that spatially documents the adopted and archival proposed plans and regulations will also be prepared. As an example, constraints will include a map layer showing areas on the Mill Site that are subject to deed covenants that restrict future uses, require ongoing groundwater monitoring, etc.

3.4: *Draft Illustrative Plan & Vision for the Mill Site*

At the highest level, the City, MR, the Coastal Commissions and the other affected landowners and the public will be encouraged to express their ideal vision for the Mill Site including specific goals and related objectives in full view of adopted plans and regulations, archival plans and regulations and the development constraints as presently documented. These goals and objectives will be drafted and reviewed in stakeholder consultations, a series of formal ‘workshop’ style meetings where each party brings forth their respective goals and objectives towards achieving an integrated single Vision. Once the documentation is compiled, the EPS team can analyze it and clarify where there is alignment and where there are potentially conflicting components.

Following this effort, an informal meeting of City representatives (ad-hoc Council committee and City Manager), MR representatives (preferably without respective legal representation) can be convened, with anticipated participation from the Coastal Commission, to work through the areas where there may be a lack of alignment. While ideally, a single integrated vision could be achieved, there may be some components of the preliminary *Illustrative Plan* where “alternative scenarios” are prepared for subsequent community input, as may be directed by the ad hoc committee.

3.5 *Initial Regulating Agency Consultation*

This early consultation with the DTSC, CCC and RWQCB will be conducted between the consultant team and the individual agencies to present and review the *Illustrative Plan* and to gain insights regarding related review and regulatory procedures and requirements. At this point we are only trying to gain clarity about the regulatory issues, requirements and procedures to accurately reflect and present them at the first community workshop.

3.6 *Landowner Consultations*

The other landowners will be engaged in a consultant-led workshop format to present and discuss the *Illustrative Plan*. The other landowners include:

- The Native American housing parcel and engagement of broader tribal interests. (Given the government-to-government aspects of the tribal consultations, the ad hoc committee should lead this effort.);
- The City properties (Wastewater Treatment Facility and the Noyo Headlands Park).
- The Noyo Center for Marine Science (11.6-acre undeveloped parcel with big plans for a marine science education and research campus (the “Ocean Science Center”). The Noyo Center has been engaged in an in-depth conceptual planning process for its Ocean Science Center facility for the past year. Its planning efforts have occurred in consultation with the City and an environmental review and permitting process will begin in early 2025.

3.7 Public Engagement Process

The broader public of Fort Bragg will be engaged and consulted regarding the *Illustrative Plan* and the Vision, as they have been initially articulated through cooperation of the City, MR, the Coastal Commission, other regulatory agencies, and other affected landowners and tribal interests. General public information regarding the process will begin immediately (press release, Council agenda item, website announcement, etc.). At least one formal, facilitated community workshop will be conducted to introduce the proposed DA Process and in particular the proposed *Illustrative Plan* and vision for the Mill Site. The resulting input will be taken into account and a revised *Illustrative Plan* and vision will be prepared for a presentation at a City Council Study Session where public testimony will be received.

Task 4 Specifications for the MOU and Development Agreement

Completion and review of the *Illustrative Plan* and Development Strategy will lead to preparation of a summary *Development Strategy Report* that will provide the technical basis for scoping and initiating the subsequent technical phases of the DA Process. The Report will be a descriptive of and review relevant documents and information, subject to review and refinement as the process proceeds into the Phase 2 effort where general agreement and direction will be documented in int proposed Memorandum of Understanding, including but not limited to the following topics.

4.1 Specification of Land Use Plans & Regulations

The *Illustrative Plan* will be evaluated to determine the planning regulatory actions necessary to convert it into a formal land use plan and related 'project description' as needed for the environmental review process. The resulting Land Use Plan will be the basis for the required amendment to the Local Coastal Program and related regulatory actions by the City including rezoning, master tentative map, etc., all building on prior efforts, as may be applicable.

4.2 Remediation Requirements

The earlier consultations with DTSC, CCC and RWQCB and any other regulatory agencies, and continued dialogue between the City, MR and CCC, will hopefully lead to a proposed action plan for resolving outstanding issues regarding the final clean-up of the Mill Pond and for reaching necessary solutions regarding how needed remediation will be funded, including alternatives for funding. It will be important to accurately identify the status of the remediation and the necessary steps to complete RAP approved for OU-E (Operable Unit E - the Mill Pond area). The public will need to be assured that there will be plenty of community process during the environmental review process.

4.3 Infrastructure Requirements and Financing Strategy

Substantial infrastructure improvements will be required to achieve the *Illustrative Plan* and vision. This task will define the components of infrastructure and assemble prior efforts to define and evaluate infrastructure needs in the context of the *Illustrative Plan*. While cost estimates will be the result of subsequent design and engineering efforts, a general sense of costs can be estimated at this point that can lead to identification of funding options, including the proposed land-secured financing (Mello-Roos Community Facilities District), existing City impact fee programs, grant sources, etc. The first City/GP Specific Plan process (2012) included civil engineering work to define the necessary infrastructure to support redevelopment of the Mill Site that can serve as a reference point for this work.

4.4 *Real Property Transactions*

The *Illustrative Plan* will also identify the tentatively agreed upon 'end state' for property ownership in the Mill Site, reflecting any land trades, purchase and sales, and dedications that derive from the master tentative map. It is recognized that there presently exists no agreement regarding various transaction proposals; in this task, an effort will be made to resolve an agreeable plan for potential real property transactions (and the related conditions, covenants, and restrictions that may need to be applied). Existing examples of potential real property transactions include:

- Transfer of Mill Pond/central park area (i.e., OU-E) to City of Fort Bragg, after remediation.
- Transfer of Maple Creek and Alder Creek corridors for open space/habitat purposes.
- Transfer of a wildlife corridor connecting forested/wetland areas along Main Street to the coast.
- The Noyo Center has expressed interest in acquiring a small parcel that adjoins the Noyo Center property and would accommodate an alternative road access around the southeast boundary of their parcel.

4.5. *Project Description & CEQA Process*

The foregoing tasks, as assembled, can lead to the preparation of a provisional 'project description' as commonly understood and required as part of CEQA review (preparation of an EIR). In this instance it is appropriate and recommended that a 'programmatic' EIR be prepared that encompasses all the aspects of the Development Strategy that would likely require CEQA clearance. There will also be an evaluation of the need for NEPA clearance; if so, it would make sense to consolidate the environmental review for the OU-E RAP with the environmental review for the initial Mill Site entitlements. NEPA clearance might be needed as well.

4.6. *Proposed DA Procedural Steps*

The proposed Development Agreement is a contractual form built upon statutory authority and numerous examples of how master development plans are achieved through a cooperative 'public-private' approach to development. This task would review and refine the proposed procedural steps and the specific content of each step.

4.7. *Anticipated Roles and Responsibilities of the Parties*

The final task of the Development Strategy, building upon all the tasks described above, will be to describe the anticipated roles and responsibilities of the parties in completing the four elements of the DA including the land use approvals, the regulatory clearances, any financing plan, and any real estate transactions.

Attachment 3 --Mill Site Master Development Agreement Program Guiding Principles and Policies

Connections, Views, Open Space and Access

- Extend the City street grid into the site. (2019)
- Create multiuse trail connections to Noyo Headland park and other new parks.
- Retain public view corridors to the ocean through the Mill Site. (2019)
- Allow for daylighting of Maple Creek. (2019)
- Maximize Public Access and Recreation (CCC Goal 1)
- Protect and Enhance Coastal Resources (Wetlands, Archaeological Resources, Environmentally Sensitive Habitat, etc.). (CCC Goal 2)
- Enhance coastal access and recreational opportunities through access points, visitor attractions, parks and recreational facilities, and visitor parking as needed.

Pomo Culture and History

- Engage in formal tribal consultation during master development agreement process.
- Celebrate Pomo Cultural History in planning and design
- Pursue creating a Pomo Indian Heritage Village/Visitor Center and/or Cultural Center.

Expand Downtown and Economic Vitality

- Extend the downtown commercial district into the Mill Site. (2017)
- Provide visitor-serving uses and compact mixed-use residential development within the extension of the Central Business District. (2017)
- Extend Redwood Avenue to integrate Downtown and the Mill Site to include uses complementary to the CBD, Skunk Train experience, and Coastal Trail - not to compete with the CBD.

Housing Needs and Opportunities

- Establish zoning for residential and visitor-serving uses in the Northern District. (2019)
- Provide a range of housing types, unit sizes, affordability, and densities to serve Fort Bragg's housing needs.
- Housing densities and form (height, bulk and mass) should be sensitive to, and compatible with, the fabric of the City.

Economic Development

- Create new living-wage job opportunities on the Mill Site. (2019)
- North Mill Site – extend and enhance the City's existing downtown urban form focusing on housing and visitor-serving uses with near-term development potential.
South Mill Site – provide sites that are suitable for a mix of commercial, institutional, industrial and residential uses.
- Establish zoning for jobs and a more diversified economy in the Southern District (light industrial, education, visitor-serving, R&D, and office space). (2019)
- Create economic diversity – consider science/biomedical, technology, education, remote-work, Blue Economy – “big idea” uses.
- Allow residential use in the Southern District in conjunction with job growth on the site.

Sustainable, Resilient, and Beautiful Development

- Incorporate smart growth practices, such as compact design, mixed-use development, and higher density residential development adjacent to the City's Central Business District. (2019)
- Require sustainable development practices, such as low-impact development and green building. (2019)
- Require high quality design for all development. (2019)

Attachment 4 -- Mill Site Master Development Agreement Program

Mill Site Planning Formative Elements

1. **Establish Land Use Sub-Areas** -- The essence of a land use plan is the spatial expression, a mosaic, of sub-areas where various land uses will be located and will interact with each other internally and with surrounding existing land uses.
2. **Distinguish the North Mill Site Area from the South Mill Site Area** -- The North Mill Site area is best thought of as an extension and enhancement to the City's existing downtown urban form, focusing on housing and visitor-serving uses with near-term development potential while the expansive South Mill Site Area has longer range potential for a variety of uses including larger format commercial, industrial, and institutional uses along with visitor-serving and residential uses.
3. **Determine Individual Land Use Types & Mix** -- Planning for the Mill Site has always assumed a mix of residential, commercial, visitor serving, and industrial areas in addition to coastal access uses (e.g., parking), and conservation uses. While the Plan can envision a desired mix of use types, development densities and quantities, the market will always determine what gets built. Lacking a 'ready market', flexibility and strategy are necessary, taking advantage of current market conditions while creating value and incentivizing development for which there may not be a current market.
4. **Resolve and Reflect Development Constraints.** A range of site-specific and area-wide development constraints will affect the location and scale of new development. While some of these constraints have been reflected in the Illustrative Plan, others will be revealed during the formal planning process.
5. **Create Community and Real Estate Value** -- The key to successful development of the Mill Site given its large swath of development land and lacking a fully developed market demands 'creating value'. Such value begins with public investments (e.g., the coastal trail) and through good planning, establishing development entitlements and permits, improving existing amenities, investment in needed infrastructure, and other development readiness investments as needed to attract investors and builders.
6. **Enhance Coastal Access** -- The Coastal Trail and adjacent parks and open spaces will remain the central amenity of the Mill Site. The Land Use Plan for the Mill Site will further improve the Coastal Trail and other existing public access facilities by providing additional access points, visitor attractions, and expanding parking where and if needed.
7. **Infrastructure Needs & Capacity** -- Development of the Mill Site will require a full range of urban infrastructure that will shape and be constructed concurrent with development activity. This infrastructure includes roadways, water, sewer, drainage, and power utilities. This infrastructure will be 'tuned' to the precise needs determined in the formal planning process. Infrastructure funding will be derived from private equity, development fees and charges, land secured special taxes and assessments. Potential City sources include grant funding, utility rates, property tax increments, and bonds.

Attachment 5.1 – Mill Site Illustrative Plan Map



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Mill Site Master Development Agreement Program

Public Comments from February 25th Public Workshop

The City of Fort Bragg held a public workshop on February 25, 2025, to receive public comments and questions regarding the Mill Site Illustrative Plan and Phase I Development Strategy. The following is a paraphrased transcript of the comments and questions presented.

PUBLIC COMMENTS:

- Concerns about MR having equal standing with City; does low price MR paid for property result in property tax fraud. City should report to Assessor, State Board of Equalization, Attorney General, Grand Jury, IRS.
- With regard to process, drop previous assumptions, opinions, prejudices. Join together to be stewards of this place. How much, what kind of growth? What we do now will have permanent effect on community. Do this to build a sense of community, not adversarial.
- Previously, Planning Commission and City Council unanimously accepted a land use map for future development of Mill Site. In DA, developer should acknowledge that they will allow local/state regulation for health and safety and if they will be subject to local and state regulatory agencies.
- Excited about curtain being pulled back on headlands. Opportunity to make something very special. Love the idea of bikes, trolleys, walking pedestrians. Great testimony to reducing the carbon footprint that community can embrace.
- What we are seeing is not an alternative vision. Whole site is not cleaned up to residential standards. Mill Pond has not been adequately characterized. Dam is in danger of collapse. Consider earthquakes, tsunami, sea level rise. Runoff is polluting area. Great vision: coastal Pomo cultural center.
- Who is on City Council ad hoc committee? Tess knows a lot about CEQA. Important to clean-up Mill Site completely.

Responses:

- Mayor Godeke: Mill Site ad hoc committee is comprised of Councilmember Peters, Mayor Godeke. Committee previously was Councilmember Rafanen and Godeke.
- Torgny Nilsson (MR): Purchase price for mill site included land for liability swap. Costs for remediation of Mill Pond could be well over \$60M. Purchase was approved by the court as reflecting fair market value of property. MR has never wavered from saying that it will follow all applicable laws. Railroads are the most regulated entity in the nation. Only areas MR wants preemption for are shown in purple on Illustrative Plan plus the trolley.
- Robert Pinoli (MR): State Board of Equalization regulates taxation of railroad property, not County assessor. There was a reassessment, but value was not escalated exponentially because there are no improvements.

PUBLIC COMMENTS:

- Like acknowledgment of Native American history. MR should donate profits to Pomo because they were forced off of the land. They have a spiritual connection. We owe it to them to give a percentage of profit. Concept should go to ocean and allow for ceremonial participation, sacred space. Need more affordable housing for young families, housing should allow children and pets.
- Appreciation for openness to moving forward. The plans need to start from the ground up. Need to understand are limitations of land. For example, hat further remediation is necessary to remediate to residential standards? What about habitat areas, creek daylighting, stormwater runoff? Support giving land back to native folks. What ratio of uses best serves our needs? Tourism is unstable choice upon which to base an economy. Discretionary spending is the first to go. Need jobs, good incomes in order for younger generation to return and stay. Tourism is unstable, we need to diversify the coast economy and bring jobs for families.
- Question re: buildings in purple zones, and the Stations at Glass Beach and the Dry Sheds. Is MR willing to agree that they will follow City, State, County permitting and inspection requirements for these areas. If so, would that be different from non-purple zoned areas on site? If so, how would it be different and why? When property was purchased by MR, you agreed that there would be substantial clean-up. How long will that take? Interest in making it beautiful now.
- People have different priorities. As community, not clear about what we want to get out of the Mill Site. My #1 priority is to replace the economic engine that we lost when the Mill closed. How do we do it, what do we care about, what's important to us? Fort Bragg is on very shaky economic grounds. Tourism is one leg of a 3 legged stool. Create a bullet point list of things that matter to us. How do we preserve the land, how do we create community. Most of what people say are values that we all share. Not a conflict. It's a matter of prioritizing.
- Area has so much history, natives, railroad, chopping down old growth forests. Lots that we can learn from. We could be the Redwood Riviera. The opportunity to develop this property is amazing. Want beautiful buildings, not cookie-cutter. Support protecting the train system. We can manifest something truly wonderful. This is a beautiful area. Think about the future: emergencies, keeping the runway, the economy. Botanical drugs. Natural pharmaceuticals.

Responses:

- Marie Jones (consultant): With regard to remediation: Mill Site was cleaned up to accommodate future uses envisioned at the time the clean-up was approved. Big piece that isn't done is remediation of Mill Pond complex. There is community interest in daylighting creeks. A Remedial Action Plan has been prepared and submitted to DTSC. DTSC will consider community acceptance. The Coastal Commission, Dept. of Fish & Wildlife and Water Quality Control Board will all have a role in regulating clean-up of the Mill Pond. MR is required to get a Coastal Development Permit through the City for the project.
- Tgorny Nilsson (MR): Federal pre-emption for railroads. OSHA, FRA, DOT, CPUC, STB. Railroads are required to follow local building codes but are not subject to local authority. We welcome local inspectors to come see what we are doing.
- Robert Pinoli (MR): Clean-up plans and other documentation related to remediation is available on DTSC's digital document repository - Envirostor.
- Chris Hart (MR): Need to support existing tourism economy and diversify existing economy. Plan provides space for light, heavy industrial. MR has had a lot of meetings with the Sherwood

Valley Band of Pomo. Housing needed at all income-levels. Plan will provide for a range of housing prices. MR has bought 3 different buildings for employee housing. Community can't just be Bay Area retirement home. Need homes for young people.

- Walter Kieser (consultant): Question about replacing economic engine. Need a space for people to invest and build things. If people can't afford to live here, there will be no workers for that industry. Where are we going to build, and where are my employees going to live.

PUBLIC COMMENTS:

- Commentor worked on remediation in Sacto. GeoTracker website has info for remediation areas across the state. Mill Site was economic engine for decades. Clean-up requirements are different for commercial vs residential uses. Mind-boggling how much money goes into clean-up.
- Does MR own the property? Attorney said that they paid \$60M but only \$1.23M is documented. MR claims to be public utility and exempt from City and Coastal Commission permitting requirements. Clearly, they are not, they are an excursion/entertainment train not a public utility. MR and the City are in court over this issue, it's been put on hold. It is premature to be making plans. The plans are clearly MR plans, not those of the community.
- Mill Site has great potential. This coast deserves the best. Inspiring to be here. Education is a way to show how we love the coast. Give back to community. Exploratorium. Surrounding that with community, retirement community, daycare, parks. Focus on taking care of people here. Show how we love this community. Bring nature back. Educate kids. Raise the standard of living. When you build, use quality products. Make development outstanding and inspire others to be in community. History of community. Let's rebuild that in a more beautiful and respectful way.
- Economy really needs help. The headlands is the future. Tourism economy is important. Diversifying the economy is important. Remote workers have huge potential to boost economy. One way to attract, is to have it be a world-class destination. Need to do it right on the Mill Site.
- Alternatives for Mill Pond remediation include transferring sediments to Kettleman City. Or leaving it there. Treat sediments with latest technologies. Consider hybrid model for clean-up.
- If there is ability for people to work together, there will be more concessions on both sides. Trusting City and MR to be wise and responsible. I have 15 things to be changed about illustrated plan. All for the better.

Responses:

- Tgorny Nilsson (MR): Purchase involved cash and land for taking on the cleanup liability. Clean-up could be as much as \$60M. GP offered same purchase terms to anybody. Noone else willing to clean up the Mill Pond. Approved by local court. MR has tourist, freight, commuter components, including new contract for freight. We have wanted to open tunnel for years- Coastal Commission has prevented us. City has submitted documents claiming that we are a public utility.

PUBLIC COMMENTS:

- With humility, grace, politeness- we will get through this. Coastal Trail is magnificent. Have vision folks. Come together. Bend, but don't break. Done with fighting. I pray for this community all the time. To quote my father: "Fort Braggers are tough. They were raised on fish head soup."
- This is a world class stretch of Pacific Ocean. Tremendous opportunity. Pleading that we might do something beautiful. Be a model for the world. Develop with highest quality materials.

Include open space and wild space. Also okay with doing ecological restoration. Appreciate the opportunity that we have to make decisions.

- Have opinion, a voice. Opening of Coastal Trail provided a safe place to walk. Has opened up a whole new world to this community. When was last time a City had the opportunity to do the things that you have an opportunity to do. Vision of the Noyo Center. Go on their website. Local College. Arcata Marsh; Petaluma - wetlands adjacent to wastewater treatment area.
- Where is water coming from. Don't see anything for solar, wind. Electricity should be underground. Smell shadow at WWTF - something has to be done. Amazing opportunity. Do it in a positive, generous manner.
- Consider having an area that's like a sports complex, race track. Race cars on 1/4 mile track. Or pump track for kids. Recreation facility zoning.
- Proud of City. Evolving, moving forward. If you work with nature, things that need to be done can be done inexpensively. Need more parking at Glass Beach (where nature turns trash to treasure).
- We have to meet the needs of the future. Need to work very closely with the Sherwood Valley Band and the coastal Pomo community at Noyo. They are the foundation of this community. They will put you on the road to greatness.
- Do not overbuild. Tell the story. Want to be a magnet, need hotels, need creeks daylighted.
- Cultural Center for Pomos could be center stone of Mill Site - real draw. Different from something like Disneyland.

Responses:

- John Smith (City Public Works Director): City is currently undertaking \$72 Million in water projects. With water meter project, expect to find savings of about 20 million gallons per year. New potential sources. Recycled water feasibility study - \$500k to see if we can reuse treated wastewater. Desal buoy (12 month pilot project; in water in June). Scalable. Water Plant - \$12M project for efficiencies. Reservoirs, additional 135 AF of water storage. Will help with dilution requirements for recycled water project. Can discharge water from reservoirs to reduce impacts on river. Largest rain capture device around. Will have a challenge discharging all that water. Also looking into stormwater reuse.
- Marie Jones (consultant): The planning process will involve the tribes; formal government to government consultation. Have contacted Sherwood Valley Tribal Historic Preservation Officer Valerie Stanley. Tribal Council will likely ask for consultation. Process is multi-pronged and will include Caltrans, CDFW, CCC, DTSC... bring everybody along together.
- Councilmember Albin-Smith: Reminder to put your suggestions on the plans on the wall.
- Councilmember Peters: Federal Railroad Act was passed in 1882 to give railroads power of eminent domain to take whatever land they wanted, with devastating consequences to native tribes.

PUBLIC COMMENTS:

- Should have net zero energy buildings. Be very ambitious, do something very special. Where is focus on science and education. Build on that idea. No one has mentioned climate change. Wake up. We can be sequesters of carbon. Build with thoughts about what climate change will bring us. Droughts, atmospheric rivers. There is too much development. There should be much left for nature. Pomo community supports creek daylighting, traditional cultural practices.

- Concern about federal pre-emption. Purple area on map. Diesel locomotives, 100 decibel train horn. Comfortable with trolley. Climate change issue, when stuff changes - then all the rules go out the window. Population of Mendocino County could more than double with climate refugees in coming decades. Plan for influx of large numbers of people.
- Gratitude to city government. This is the most beautiful place on earth. Sacred coast. Local zoning is extremely important.
- Skunk Train is not a common carrier. Purple areas should not be exempted from compliance. Cannot rely on federal government to regulate.
- Need more of this kind of process. Every couple of months. Let's make Fort Bragg continually be amazing forever.
- Can somebody on Skunk address Tier 3, 4 engines. Is Sierra Railroad developing hydrogen engines? Could be educational opportunity.
- Vision of having Mill Site be fantastic place for visitors and community. Economy to attract with remote workers. Vision for it to still be quiet and peaceful. To remain beautiful as bluffs recede. Hotel should be moved back 200'. Or transfer development rights elsewhere in City or County. Skunk station, events venue. Not having north-south corridor would reduce traffic, increase serenity. Think outside of box for south parcel. Intentionally kept things vague for big idea. Do south parcel later? Do transfer of development rights with Noyo Center, move that back. Eventually move WWTF back too.
- Should abide by rules of decorum. Lindy's comments to Tgorny were not appropriate. Maybe someone else needs to be appointed to Mill Site committee
- Be sure to thank GP for selling us coastal trail. Very generous. Should be plaque thanking them for having that opportunity.

Responses:

- Robert Pinoli (MR): MR has grant to replace 3 tier zero diesel locomotives with 3 tier 4 low emission locomotives here in Fort Bragg. Sister Company, Sierra Northern Railway has 36 tier 4 locomotives. Also building one fuel cell locomotive in Sacramento area. Federal Railroad Commission inspects 3-4 times a year with California Public Utilities Commission and Transportation Safety Administration. MR was first railway in nation to use 100% biodiesel. Only one in entire nation building a hydrogen locomotive.
- Chris Hart (MR): In response to comments about leaving open space: 44% of land in north area is planned for open space. Trying to make it a welcoming environment for people to visit. Needs to be beautiful. Spent a lot of time in 2019/2020 working with the Council's ad hoc committee.
- Marie Jones (consultant): In previous plan, identified urban reserve on south end - an area for the big idea. Coastal Commission feedback was that area will need a land use classification. If we leave it with Current zoning (Timber Resources Industrial) a lumber mill would be a permitted use which might not be compatible.

PUBLIC COMMENTS:

- West Street/Weller District. Concerned about impacts on views from neighborhood. Grass along GP fence needs to be mowed. Fire danger.
- Need local jurisdiction over the entire Mill Site. We voted for the City Council. We trust them. Lobbying for local jurisdiction.
- Support concept of small mill, targeted micro-mill on south end of Mill Site.

Responses:

- Chris Hart (MR): City staff doesn't have expertise to know how railroads run. Local regulation of railroad uses is ambitious, doesn't exist. Simple noble idea; it's hard.
- Isaac Whippy (City Manager): Thank community for participation/feedback. On March 10, City Council study session is scheduled. Can email comments to City Manager, Mayor.