



CITY COUNCIL STAFF REPORT

TO: City Council **DATE:** August 25, 2025

DEPARTMENT: Community Development Department

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AGENDA TITLE: Mill Site Reuse: A Draft Land Use Plan for Feedback and Direction

RECOMMENDATION

Provide general feedback on the draft Land Use Plan in the following areas:

1. **Development vs. Open Space**
 - Does the plan set aside the right amount of land for development?
 - Should there be more parks and open space, or more land for homes and businesses?
 2. **Types of Uses**
 - Does the plan have the right mix of housing, commercial, and industrial areas?
 - Should more space be dedicated to one type over another?
 3. **Coastal Priorities**
 - Does the plan protect what matters most along our coast—like habitat, ocean views, open space, public access, coastal-dependent industries, and visitor-serving uses?
 - If not, what changes would you suggest?
 4. **What's Missing?**
 - Is there anything important you feel the plan has left out?
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BACKGROUND

With the stay in the lawsuit, City staff and the Consultant team have been working closely with Mendocino Railway (MR) to further refine the Illustrative Plan and advance discussions about the future of the Mill Site. The alternative to prolonged litigation is to collaboratively shape a land use plan that reflects community priorities, regulatory requirements, and economic realities. This cooperative approach provides an opportunity to move beyond legal disputes and instead focus on finding a shared path forward for the reuse of the Mill Site. Over the past several months, this process has helped shape a Draft Land Use Plan that builds on prior community input while incorporating updated direction from key stakeholders.

The City will present the Draft Land Use Plan to the Coastal Commission during their September 2025 meeting in Fort Bragg. This meeting is an opportunity for the City Council

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and the public to provide feedback on the Draft Land Use Plan, which will then be conveyed to the Coastal Commission in advance of their meeting. Our hope is to gather early input from both the City Council and the Coastal Commission regarding the level and intensity of proposed development and the plan's responsiveness to City priorities and Coastal Act requirements, prior to undertaking significant further studies (market analysis, feasibility analysis, etc.). Going forward, the Land Use Plan will continue to evolve through consultation with public agencies, the Tribe, the community, the City Council, and the Planning Commission, as well as through the results of detailed technical analyses—including buildout, market, and feasibility analyses; infrastructure cost studies; traffic analysis; and biological studies.

The background on this project is quite voluminous, as follows:

- Between 2008 and 2012 the City of Fort Bragg, the community, and Georgia Pacific (GP) engaged in a collaborative process to prepare a Specific Plan for the rezoning and eventual redevelopment of the property for other uses. But the planning process stopped in 2012, when GP withdrew its Specific Plan application due to a lawsuit related to remediation costs. This process included countless community workshops and City Council meetings and much of the work product from this process informed the City led planning process for the Mill Site that followed.
- Between January 2017 and 2019, the City held over 30 community and City Council meetings and workshops regarding the Mill Site Reuse Plan and had completed about 80% of an LCP amendment when the effort was abandoned due to personal changes at the City and the lawsuit between the City and Mendocino Railroad. This was a considerable community and City effort, and much of these materials will be reused for this 2025 LCP amendment effort.

While the applicant's proposed Land Use Plan builds upon this prior work it is also different in many respects. Image 1 illustrates MR's 2025 Land Use Plan and Image 2 below illustrates the 2019 Land Use Plan. (See also Attachments 1 and 2)

The following list summarizes the primary differences between the two plans.

1. On the north district of the Mill Site, the 2025 Land Use Plan includes about the same amount of land proposed for residential development. However, instead of setting aside the westerly portion of the site as Urban Reserve it proposes that it be zoned as parks and open space. Urban Reserve was a zoning district recommended by City Council in the 2019 Land Use Plan to allow a future City Council to rezone a portion of the site in the future. The intention was to phase the land use planning process. However Coastal Commission staff indicated that this was not a viable zoning approach and is requiring the City to submit an LCP amendment to rezone the entirety of the site.
2. In the Central District, the 2025 Land Use Plan includes more space dedicated to an extension of the Central Business District, less land proposed for hotel uses and more land zoned for parks and Railroad uses than the 2019 Land Use Plan.
3. In the southern district, MR's Land Use Plan differs the most from the 2019 Plan:
 - a. It dedicates land to commercial development which had been designated as Urban Reserve, which as noted above is no longer permissible.

- b. It includes more land zoned for visitor serving uses and general commercial development.
 - c. It has less land dedicated to industrial uses.
 - d. It explicitly includes residential and live work development opportunities which were not included in the 2019 Land Use Plan.
 - e. It includes three new small recreational parks.
 - f. It has reduced the amount of space dedicated to open space and it has zoned some areas as General Commercial which include seasonal wetlands.
- See Attachments 1 and 2

It is also important to note that MR's 2025 Land Use Plan currently includes many key changes (recommended by the City Manager and the Consultant Team), relative to their initial January submittal (Attachment 3) as follows:

- 1. Zoning districts were added throughout the plan.
- 2. In the North District:
 - a. The residential zone was reduced in size to the same area as the 2019 Land Use Plan.
 - b. The trolley line was relocated from the west to the eastern side of MR's parcel.
 - c. Some of a street grid was reinserted from the 2019 Land Use Plan.
- 3. In the Central District
 - a. A parking area located west of the proposed train station was changed into a park.
 - b. A parking area to the north and south of Pond 5 was changed into Highway Commercial zoning.
- 4. In the Southern District
 - a. Three parks were added.
 - b. Zoning was added to the plan.

Some issues identified by the Consultant Team have not yet been resolved in the 2025 Land Use Plan, including:

- 1. Parcel S8 was illustrated as open space in prior Land Use Plans due to seasonal coastal act wetlands on this parcel.
- 2. Residential is not a permitted use in the light industrial zoning district.
- 3. Connections are shown on and to the Coastal Trail, which do not currently exist. If they are on the map they will become a requirement of the developer.
- 4. The future Noyo Center building should not be illustrated on the Land Use Plan as it is not part of the LCP amendment and is not approved.
- 5. The Coastal General Plan requires the continuation of the City's street grid onto the site. W. Fir Street Alder Street are not continued onto the site.
- 6. The train tracks and road alignment between Ponds 5 and Ponds 8 are located within the 50-foot wetland buffer which will likely be problematic.



Figure 2: 2019 Land Use Plan

To jump start City Council dialogue and thoughts about the 2025 Land Use Plan, please find excerpted below some preliminary input from Coastal Commission and Caltrans staff which was obtained through our ongoing consultation process.

Preliminary Coastal Commission Staff Feedback

Coastal Commission staff provided the following preliminary feedback excerpted input regarding the June 2025 Land Use Plan:

- Prioritizing Coastal-Dependent Uses. Coastal dependent industrial uses and aquaculture are priority uses under Coastal Act sections 30222.5, 302555, and 30260. The Land Use Plan should incorporate provisions to prioritize these priority uses on those lands capable of accommodating these uses, for example by considering designations and/or zoning options for coastal-dependent uses and aquaculture uses (in particular because the status quo is aquaculture is currently an allowed use on Timber Resources Industrial lands throughout the Mill Site). Lands adjacent to the runway (Parcels S11a and S11b) and the Noyo Center (parcel S9) might be an appropriate area to consider for prioritizing coastal dependent and coastal related uses (aquaculture, visitor serving, pedestrian-oriented, etc.). Any Residential uses allowed on lands reserved for priority uses should be subordinate to those uses.
- Coastal Access. Consider whether it makes sense to Define access points to the coastal trail at railroad track loop, including how will crossings be accomplished. Consider whether additional streets and/or trail access make sense, especially if the existing LCP includes directives for additional or improved access in certain areas.
- Parks and Open Space. Consider the Coastal Commission's earlier feedback on prior versions of the Land Use Plan (received at earlier briefings to the Commission) which included guidance to "increase the amount of open space." The 2025 Land Use Plan does not include additional open space over earlier versions.
- Highlight Visitor-Serving Component of Mixed Uses. Along Jere Melo Way, there's a Mixed Use/Residential Designation that is currently undefined, which includes a visitor-serving component. This should be highlighted in the land use plan with a (for example) "Waterfront Commercial" type of zoning (per Coastal Act sections 30213, 30221, 30222, 30223, and 30224) to prioritize visitor serving uses, especially uses that support recreation, commercial recreation, and boating support facilities. Currently the City uses the CH zoning to prioritize visitor-serving uses along Highway 1, so this is a similar concept along this strip, which is near the coastal trail so would be inviting for coastal trail users to visit businesses along this stretch.
- Creek Daylighting/Riparian Buffers. The creek daylighting issue has been a long-standing vocalized goal of the community for the site. Consider ensuring there is adequate room for a minimum 100-foot riparian buffer along a future riparian corridor restoration for daylighted Maple and Alder Creek alignments. Consider adjusting areas now shown as general commercial and light industrial in the area south of Pond 8 and minimizing the number of road crossings to maximize future opportunities for future daylighting and restoration.
- Visual Resources. Per Coastal Act section 30251 new development should protect public views to and along the ocean and scenic coastal areas, minimize the alteration

of natural landforms, be visually compatible with the character of surrounding areas, and, where feasible, restore and enhance visual quality in visually degraded areas. To this end, consider visual design standards for development that is visible from the coastal trail and public streets, and possible height restrictions and/or design requirements in certain areas or requirements for a visual study in certain areas.

- Traffic. When considering density and land use designations, consider traffic capacity and limitations under the Coastal Act that Highway 1 in rural areas (just outside the city limits) remain a scenic two-lane road (Coastal Act section 30254).
- Subdivisions. It is important to keep subdivision parcels big so Coastal Act wetlands can be protected if they are discovered during the planning and development process.
- Coastal Trail Resiliency. Consider sea level rise and future erosion risk along the coastal trail and where needed consider reserving lands for inland trail migration.

Preliminary Caltrans Staff Feedback

Caltrans staff have provided the following excerpted general input regarding the June 2025 Land Use Plan:

- The prior project plan included a continuous parallel route to the west of State Route 1. The new circulation plan should also illustrate one route that runs parallel to State Route 1 from north to south through the project site (entering at Elm Street and exiting at Cypress Street) or demonstrate through a transportation impact study that the impact on the operation of State Route 1 is less than significant.
- The alley behind West Street should be evaluated, as an option, as a full-service road and utilized as part of the circulation system. This could serve as a route through the site that is parallel to State Route 1. Alternatively, the north south route one block to the west could be extended to Elm Street, as well as extend south.
- The circulation plan would benefit from another plan layer that illustrates all bicycle and pedestrian facilities on the site. The bicycle and pedestrian plan on the site should connect to the bicycle routes of the City's Bicycle Master Plan and existing bicycle facilities. The road network within the development should accommodate both bike and pedestrian traffic and include a level of traffic stress (LTS) target of 1 for bicyclists (comfortable for all ages and abilities). This is to accommodate and encourage bicycling for transportation. Sidewalks should be generous in width to allow pedestrians to walk side-by-side comfortably without having to break rank to dodge light standards, mailboxes, signposts, etc. Ideally, the sidewalks would feature a physical separation from the traffic/parking lanes via a landscape strip. Pedestrian scale lighting is also desirable.
- Redwood Avenue should be shown as an east-west road on the circulation map to connect to the north and south area of the Mill Site, or demonstrate through a transportation impact study that termination of Redwood Avenue does not negatively impact circulation on the site and on State Route 1. In the map presented to Caltrans, Redwood Avenue terminates at the project site and feeds into a parking lot.
- Please clarify if Alder Street will connect to the north-south road on the Mill Site. The illustrative Plan seems to show Alder Street terminating at the site plan boundary.

The Consultant Team has also started the consultation with the Sherwood Valley Band of Pomo (SVBP), which has formally requested Government consultation on this project with the City of Fort Bragg as well as Section 106 Consultation with federal agencies. The City consultation process will begin in September after the election of the new tribal chair. The tribe will have additional feedback and input into the process and they are accorded a special role in zoning changes where cultural resources may be impacted.

As you formulate your responses to the questions posed at the beginning of this staff report, please remember that the Zoning Map is just one part of the LCP amendment. It will define the geographical area of uses that are permitted within each zoning district. The LCP Amendment will also include Land Use Policies, which are broadly written and interpreted by City Staff and the Planning Commission to define and describe development outcomes and conditions (they are in the General Plan); and changes to the zoning ordinance, which are narrowly written and include strictly applicable requirements for development. All three components will come forward to City Council and the Planning Commission over the coming year for public hearings, discussion and direction.

ENVIRONMENTAL ANALYSIS

A programmatic EIR will be prepared for this project when it is considered for submission by the City of Fort Bragg to the Coastal Commission.

FISCAL IMPACT

An LCP amendment process for this project would be funded through a Development Deposit Account paid by the developer. The City would be the applicant for the LCP Amendment to the Coastal Commission.

PUBLIC OUTREACH

The City hosted a well-attended public workshop on February 25, 2025, which drew over 100 participants and was livestreamed to expand accessibility. In addition, public input has been received during City Council meetings held on October 15, 2024, March 10, 2025, and June 9th, 2025. These forums have provided valuable feedback that has helped to inform this staff report. This project is controversial with many people speaking out against various aspects of the project and others speaking out in support of various aspects of the project.

NEXT STEPS

The LCP Amendment process is likely to take two to three years and include the following tasks.

1. Negotiate a Memorandum of Understanding between the City of Fort Bragg and Mendocino Railroad.
2. Continue to engage tribes and various public agencies in ongoing consultation.

3. Hold community workshops and public meetings with the Planning Commission and City Council over the coming year to inform the preparation of an LCP Amendment Application for the Coastal Commission's Consideration.
4. Consultants will prepare studies needed for the environmental review of this project (biological and wetland study, traffic analysis, etc.).
5. EIR consultant will prepare an EIR for the project.
6. Upon completion of the EIR the Planning Commission and City Council will consider the LCP applications for submittal to the Coastal Commission.
7. If approved by the City the application will be submitted to the Coastal Commission.
8. The Coastal Commission will review and consider the application and may require modifications for compliance with the Coastal Act.
9. The City Council will formally adopt all regulatory changes (Zoning Map, General Plan Policies and Zoning Code Amendments) as required by the Coastal Commission.
10. LCP amendment process is complete.

ATTACHMENTS

1. 2025 Land Use Plan
2. 2019 Land Use Plan
3. 2024 MR Land Use Plan

NOTIFICATION

- Mill Site
- Housing
- Jobs
- Community Development
- Parks & Recreation