



AGENCY:	City Council/RDA
MEETING DATE:	February 28, 2011
DEPARTMENT:	Community Dev'pmt
PREPARED BY:	Marie Jones
DEPT. DIR. APPROVAL:	_____
CITY MGR. APPROVAL:	_____
PRESENTED BY:	Marie Jones

AGENDA ITEM SUMMARY

TITLE:

RECEIVE REPORT, CONDUCT PUBLIC HEARING, AND CONSIDER ADOPTION OF THE FOLLOWING:

- 1. CITY COUNCIL RESOLUTION ADOPTING THE MITIGATED NEGATIVE DECLARATION AND MITIGATION MONITORING AND REPORTING PROGRAM FOR THE NOYO CENTER PROJECT;**
- 2. CITY COUNCIL RESOLUTION REVISING RESOLUTION 3375-2010 APPROVING THE APPLICATION FOR THE NATURE EDUCATION FACILITY PROGRAM FUNDS (SAFE DRINKING WATER, WATER QUALITY AND SUPPLY, FLOOD CONTROL, RIVER AND COASTAL PROTECTION BOND ACT OF 2006);**
- 3. CITY COUNCIL RESOLUTION AUTHORIZING CITY MANAGER TO EXECUTE A GRANT AGREEMENT WITH THE STATE COASTAL CONSERVANCY TO RECEIVE FUNDS FOR ACQUISITION OF PROPERTY ON THE GEORGIA-PACIFIC MILL SITE FOR THE NOYO CENTER PROJECT;**
- 4. JOINT CITY COUNCIL/REDEVELOPMENT AGENCY RESOLUTION ACCEPTING A REPAYMENT OBLIGATION FOR THE PRINCIPAL AMOUNT OF FUNDS DISBURSED UNDER THE GRANT AGREEMENT WITH THE STATE COASTAL CONSERVANCY; AND**
- 5. CITY COUNCIL RESOLUTION APPROVING PURCHASE AND SALE AGREEMENT FOR 11.64 ACRES OF PROPERTY FROM GEORGIA-PACIFIC LLC**

ISSUE:

In 2003, the City of Fort Bragg initiated a community-based planning process that identified the establishment of a marine science and education facility on the former Georgia-Pacific Mill Site as a key community goal for reuse of the site. Subsequently, the City undertook a strategic planning process for a Science and Education Center (known as the "Noyo Center for Science and Education at Fort Bragg" or "Noyo Center", for short) and prepared a Detailed Project Program for the Noyo Center. Through these planning processes and the numerous workshops and meetings regarding the Mill Site Specific Plan, an area to the south of the Wastewater Treatment Plant (WWTP) and east of the City's recently acquired parkland was identified as the appropriate location for the Noyo Center facility. Using funds from a Sustainable Communities Grant, the City hired a design team (Bauer & Wiley/Jones & Jones) to prepare conceptual site and building plans for the Noyo Center facility. The City and Sonoma State University (SSU) are working out the details of a partnership whereby SSU will operate the Noyo Center as a cold water research center and nature education facility.

In June 2010, the City submitted a Prop 84 grant application seeking \$7 million to construct the Noyo Center. Last October, the State Coastal Conservancy approved a "repayable grant" of up to \$500,000 for acquisition of approximately 11.64 acres for the Noyo Center. The

Conservancy grant requires the City and the Fort Bragg Redevelopment Agency to approve a "Repayment Agreement" that pledges the Redevelopment Agency's tax increment revenue to repay the grant. The City and the property owner, Georgia Pacific LLC, have agreed on a purchase price and the terms of the acquisition. A Mitigated Negative Declaration (MND) and Mitigation Monitoring Program (MMP) were prepared for the Noyo Center project in accordance with the California Environmental Quality Act (CEQA). The documents were circulated for public review prior to a public hearing by the Planning Commission on October 6, 2010. The Council will hold another hearing and take action on the MND and MMP prior to taking action to approve the Conservancy Grant Agreement, the Repayment Agreement, and the Purchase Agreement for the Noyo Center project.

RECOMMENDED ACTION:

Receive Report, Conduct Public Hearing, and Consider Adoption of the following:

1. City Council Resolution Adopting the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program for the Noyo Center Project;
2. City Council Resolution Revising Resolution 3375-2010 Approving the Application for the Nature Education Facility Program Funds (Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006);
3. City Council Resolution Authorizing City Manager to Execute a Grant Agreement with the State Coastal Conservancy to Receive Funds for Acquisition of Property on the Georgia-Pacific Mill Site for the Noyo Center Project;
4. Joint City Council/Redevelopment Agency Resolution Accepting a Repayment Obligation for the Principal Amount of Funds Disbursed Under the Grant Agreement with the State Coastal Conservancy;
5. City Council Resolution Approving Purchase and Sale Agreement for 11.64 Acres of Property from Georgia-Pacific LLC

ALTERNATIVE ACTION(S):

1. Receive report and provide additional direction to staff.

ANALYSIS:

There are five actions brought forward for consideration and action. An analysis of each action is provided below:

1. City Council Resolution Adopting the Mitigated Negative Declaration and the Mitigation Monitoring and Reporting Program for the Noyo Center Project

The attached Mitigated Negative Declaration (MND) was prepared to provide full disclosure of potentially significant environmental effects associated with the project and to identify mitigation measures that will be incorporated into the project to avoid the effects or mitigate the effects to a point of insignificance. In September 2010, a Notice of Intent to adopt a Negative Declaration (NOI) and the MND were made available for public review and circulated to State, federal and local agencies, including: the Army Corp of Engineers, the Department of Fish and Game, Coastal Commission, Coastal Conservancy, Regional Water Quality Control Board, Caltrans, and Mendocino County Air Quality Management District. Written comments were submitted by

the Air Quality Management District and the Coastal Conservancy. Minor revisions to the MND were made to address the comments of these agencies. No comments were received from the public during the public review period or at the public hearing conducted by the Planning Commission of October 6, 2010. At the Planning Commission hearing, two minor changes were made to the document as noted below (*in italicized and bold text*).

- All inactive portions of the construction site, including soil stockpiles, shall be covered, seeded, or watered until a suitable cover is established. Alternatively, apply County-approved nontoxic soil stabilizers (according to manufacturers' specifications) to all inactive construction areas (previously graded areas that remain inactive for four consecutive days). **Acceptable materials will not violate Regional Water Quality Control Board (RWQCB) or California Air Resources Board (CARB) standards.**
- Construction activities will be limited to daylight hours **and no later than 7:00 pm, Monday - Friday.**

Recirculation of the MND was not required per Public Resources Code Section 15073.5(c)(1) which establishes that recirculation of an MND is not required if mitigation measures are replaced with equal or more effective measures. In this case, the Planning Commission determined that the modified mitigation measures, as shown above, are equivalent to or more effective than the original mitigation measures.

The MND for the Noyo Center includes mitigation measures to address the typical issues that result from construction activities such as dust control, stormwater management, and construction related disturbance of biological resources. In addition, the MND analyzed and provided mitigation measures for issues unique to the Noyo Center Project such as:

- Reducing the impact of odors from the Waste Water Treatment Facility on site visitors;
- Managing the release of seawater into the Waste Water Treatment facility to minimize impacts on the system;
- Requiring proper handling and disposal of hazardous wastes associated with marine research activities;
- Reducing water use at the facility; and
- Managing marine mammal enclosures to reduce odors.

The MND identifies mitigation measures to address the construction issues, including:

- Conducting breeding bird surveys prior to commencement of construction activities.
- Monitoring the behavior of the harbor seals and sea lions during construction.
- Installing barrier fencing to avoid disturbance and protect the wetland ditch.
- Limiting soil movement and grading activities to the dry season.
- Requiring certain actions if historic, prehistoric, or archaeological deposits are uncovered during site preparation or construction activities
- Engaging in dust control during construction activities & dust control from the adjacent log deck during occupancy.
- Instituting stormwater management requirements during construction.

- Minimizing air quality impacts from construction equipment.

Mitigation measures addressing design improvements include:

- Constructing rain gardens and new wetland swales to pre-treat and infiltrate storm waters from the project development.
- Implementing water use reduction strategies such as connection to the purple pipe (recycled water) system of the sewer treatment facility.

Finally some mitigation measures address facility operations by:

- Reducing odors from the Fort Bragg Waste Water Treatment Facility.
- Requiring proper storage, use and disposal of marine research waste materials.
- Managing outdoor marine mammal and marine research facilities to reduce odors and pests.
- Establishing operator requirements for using, handling, storage, disposal and spill prevention of Hazardous Materials.
- Requiring operator compliance with NIH bio-safety.
- Establishing requirements for meeting Waste Water Treatment Plant needs with regard to type and timing of wastewater releases, especially seawater with high BOD.

The City will be obligated to comply with all the mitigation requirements enumerated in the MND and the Mitigation Monitoring and Reporting Program (MMRP). The MMRP will be used by City staff to ensure that all the mitigation measures outlined in the MND are implemented as the project moves forward. Specifically, the MMRP outlines each mitigation measure, identifies the parties responsible for implementation, and establishes a timeline for implementation.

Please see the attached resolution for City Council adoption of the Mitigated Negative Declaration and the Mitigation Monitoring and Reporting Program for the Noyo Center Project (Attachment 1).

3. City Council Resolution Revising Resolution 3375-2010 Approving the Application for the Nature Education Facility Program Funds (Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006)

State Parks staff who are overseeing the Prop 84 grant process for the Nature Education Facility Program Funds have requested that the City submit a modified City Council resolution authorizing submittal of the grant application for the Noyo Center Project. The revised resolution is intended to more clearly identify the partnership between the City and SSU with regard to the Noyo Center facility. Items 7 and 8 under the “be it resolved” section are new text which addresses how the obligation to operate the facility would transfer to SSU. Specifically, the two new sections certify that: (a) It is the City’s intent to transfer the grant contract obligations to SSU upon successful completion of the construction phase of the Noyo Center Project, should the grant be awarded; and (b) The City will comply with the grant contract provisions through project completion for 30 years, or until the State approves the transfer of the project property and grant contract obligations to SSU, whichever is earlier.

Please see attached revised resolution approving the Proposition 84 application (Attachment 2).

4. City Council Resolution Authorizing City Manager to Execute a Grant Agreement with the State Coastal Conservancy to Receive Funds for Acquisition of Property on the Georgia-Pacific Mill Site for the Noyo Center Project

In 2010, the State Coastal Conservancy approved a “repayable” grant to the City of Fort Bragg for up to \$500,000 for the purchase of the Noyo Center site. Subsequently the property was appraised at \$250,000 and closing costs are estimated at an additional \$38,000, so the Grant Agreement amount was amended to \$288,000. The grant agreement requires repayment of the grant amount as follows: \$125,000 shall be repaid in 2013; \$125,000 shall be repaid in 2014, and \$38,000 shall be repaid in 2015.

Prior to disbursement of funds and close of escrow on the Noyo Center property, the Department of Toxic Substances Control (DTSC) must indicate in writing that the no further actions are necessary in terms of environmental remediation for the property to be used for the intended purpose. Acquisition of the property must occur no later than June 2013. Utilization of the Coastal Conservancy funds will result in covenants being placed on the deed restricting use of the property to open space, public access, passive recreation, and marine education and research. If the City does not obtain funds for construction of the Noyo Center either now or in the future, the parcel will serve as an addition to the Coastal Trail and Parkland. Please see the attached City Council resolution authorizing the City Manager to execute the Coastal Conservancy Grant Agreement (Attachment 3).

5. Joint City Council/Redevelopment Agency Resolution Accepting a Repayment Obligation for the Principal Amount of Funds Disbursed Under the Grant Agreement with the State Coastal Conservancy

The proposed Noyo Center site is located within the Fort Bragg Redevelopment Area and is part of the blighted Georgia-Pacific Mill Site property. The acquisition of land and the construction of the Noyo Center will provide public benefit to the Redevelopment Project Area by helping to eliminate blight and stimulate economic development. The proposed project site is on the westernmost edge of the blighted property and the acquisition and eventual construction of the Noyo Center will reduce the blighting conditions of the Mill Site. Due to the current economic recession, the City has no other funds for financing the acquisition of the land other than Redevelopment Agency revenues. The payment of funds for the acquisition of land is consistent with the Redevelopment Agency’s implementation plan adopted pursuant to Health & Safety Code Section 33490.

There is uncertainty as to the future of Fort Bragg Redevelopment Agency due to the governor’s proposal to eliminate all redevelopment agencies in the State, thus acceptance of the reimbursement obligations by the Redevelopment Agency may not ensure that the City will retain redevelopment funds to repay this obligation if the State eliminates redevelopment agencies. Assuming redevelopment funds are available, they will be utilized to repay the “grant” as follows: \$125,000 shall be repaid in both 2013 and 2014, and \$38,000 shall be repaid in 2015. Barring State legislation seizing Agency revenues, the Agency has sufficient tax increment revenues to repay this loan given existing obligations and projections of revenues and expenses. Please see the attached resolution accepting the repayment obligations for the Coastal Conservancy Grant Agreement (Attachment 4).

6. City Council Resolution Approving Purchase and Sale Agreement for 11.64 Acres of Property from Georgia-Pacific LLC

The attached Purchase and Sale Agreement (PSA) includes the conditions and indemnifications for the purchase of the Noyo Center site by the City of Fort Bragg. The PSA provides for:

- a. A purchase price of \$250,000.
- b. The acquisition of an approximately 11.64 acre parcel located on the Mill Site and described in a survey attached to the PSA (Exhibit A-1).
- c. The recordation of and Offer to Dedicate (OTD) and terms specified by the conservancy for the acquisition and use of Conservancy Grant for open space, public access, passive recreation and marine education and research (Exhibit B).
- d. A temporary Access Easement Agreement that provides for vehicular and pedestrian access from the Cypress Street Gate along the runway and to the parcel (Exhibit C).
- e. The requirement that DTSC issues a "no further action" letter confirming that the no remedial action is required to be performed on the property.
- f. Use restrictions imposed on the property through the OTD that include the intent to develop the Noyo Center for the study of marine and terrestrial environments and the education of the public regarding the same.
- g. A restriction on the City's ability to create or initiate exactions, assessments fees or other monetary obligations for the operation of the facility on the seller.

The PSA also provides for limitations on liability and warranty of the property condition. Please see attached resolution approving the PSA for the Noyo Center site (Attachment 5).

FISCAL IMPACT:

Acquisition of the Noyo Center site will result in the expenditure of approximately \$250,000 for site acquisition and additional dollars (~\$38,000) for pre-acquisition due diligence activities (preparation of the MND, site appraisal, negotiation of purchase and sale agreement, development of legal description for the property, etc.). These funds are not eligible for reimbursement through the Proposition 84 Nature Education Facilities grant application if awarded. However, they will be funded through the Coastal Conservancy repayable grant and become a future debt obligation of the Fort Bragg Redevelopment Agency.

IMPLEMENTATION/TIMEFRAMES:

The implementation steps and rough timeframe outlined below assume that the City will successfully obtain a Proposition 84 grant award.

Design & Engineering of Facility: 2010 - 2014

- Completion of Schematic Design - Preliminary Plans - Completed
- CEQA Review - Mitigated Negative Declaration - Completed
- Award of Prop 84 grant
- Design Review & Coastal Development Permit
- Facility Design & Engineering
- Develop Interpretive Exhibit Design

Construction & Manufacture 2013 - 2017

- Project Bidding & Contract Process

- Groundbreaking
- Site Work & Foundation
- Building Enclosure & Interior Finishes
- Manufacture & Install Interpretive Exhibits
- Grand Opening

ATTACHMENTS:

1. City Council **Resolution** Adopting Mitigated Negative Declaration and Mitigation Monitoring & Reporting Program for Noyo Center Project (includes Mitigated Negative Declaration for Noyo Center Project)
2. City Council **Resolution** Revising Resolution 3375-2010 Approving the Application for the Nature Education Facilities Program Funds (Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006)
3. City Council **Resolution** Authorizing City Manager to Execute a Grant Agreement with the State Coastal Conservancy to Receive Funds for Acquisition of Property from Georgia-Pacific LLC for the Noyo Center Project
4. Joint City Council/Redevelopment Agency **Resolution** Accepting a Repayment Obligation for the Principal Amount of Funds Disbursed Under the State Coastal Conservancy Grant
5. City Council **Resolution** Approving Purchase and Sale Agreement for 11.64 Acres of Property from Georgia-Pacific LLC
6. Public Hearing **Notice**

NOTIFICATION:

1. Joel Gerwein, Jack Judkins, Matt Gerhart- State Coastal Conservancy
2. Diana Knigge, Tim Murphy- Georgia Pacific LLC
3. Claudia Luke, Karina Nielson- Sonoma State University
4. Noyo Center Distribution List
5. Georgia Pacific Distribution List

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: _____