ADDRESSING RAILROAD-RELATED USES IN THE MOU, DA & LCP AMENDMENT

Defining the Geographic Extent of Railroad-Related Uses

The *Illustrative Plan* (see **Attachment 3.1**) illustrates the geographical extent of MR's proposed Railroad-Related Uses. These areas are shown in purple and include the following:

- Parcel R4 "Railroad Square." This area is immediately west of the existing Skunk Train station, railyard and roundhouse. It includes the Dry Shed building from the former Mill operation. MR envisions this area to be used for future rail-related uses including equipment storage in the Dry Shed, and possibly some retail and other uses that are not railroad-related.
- Parcel R7 "Skunk Station." MR has a vision of relocating the Skunk Train station to a portion of this parcel, south of Redwood Avenue. This would allow for a larger, more functional station with sufficient space for administrative offices, storage, etc. Convenient and central parking would be provided to allow passengers to "park once" to ride on the train and visit businesses in the downtown area.
- A dual loop of tracks is proposed in the central area, encompassing the Railroad Square and Skunk Station areas as well as areas zoned for commercial, visitor serving, residential and open space. The railway loop would improve MRs operations by eliminating the current "dead end" track that requires a series of push-pulls to turn trains around. The track would also allow MR to park the train south of the developed areas on an east/west alignment parallel to Redwood Avenue, where it would not interfere with pedestrian and vehicular traffic between downtown and the site. MR has also expressed a long-range vision for their "Iron Sherpa" project that would offer visitors a 5-day hiking experience from Willits to Fort Bragg with retrofitted train cars providing lodging along the trail each night, culminating with a last night's stay in the retrofitted train cars parked on the outer track, facing the ocean.
- A "Trolley Only" track is envisioned by MR for an all-electric trolley that would travel to a "Glass Beach Station" on the north end of the mill site. The track would be located adjacent to (and east of) a new north-south street along the West Street alley. The “Trolley Only” track could also extend south from the new Skunk Station to a location just south of the Mill Pond. MR has indicated that they would not extend track elsewhere on the south end of the Mill Site unless the City supports an extension.
- Parcel R1 "Glass Beach Station" on the north end of the site is envisioned as a secondary station for the proposed on-site trolley and would include a second story ocean view restaurant.

Defining Railroad-Related Uses

In an effort to provide clarity regarding Railroad-Related Uses, MR prepared the following list of uses and activities:

1) **Development and operations related to railroad tracks, signals, and crossings:** This includes construction, maintenance, and improvements of railroad infrastructure such as ties, rail, other track materials, switches, and crossings. Street/lane closures are coordinated with the City.
2) **Development and operations related to railroad facilities:** This includes the construction, maintenance, and improvement of stations, yards, shops, transloading facilities, and ancillary facilities.
3) **Construction, maintenance, and operation of railroad equipment:** This includes the construction, maintenance, repair, and operation of railroad equipment such as freight/passenger equipment, maintenance of way equipment, transloading equipment, as well as any noise, horns, and emissions relating thereto.

Defining Non-Railroad-Related Uses

The following list identifies the types of uses for which MR proposes that the City's Local Coastal Program (LCP) policies, regulations and building codes would apply. As part of the MOU, the City and MR will work to clearly define the term "unrelated to railroad operations."

1) **Construction and maintenance of non-railroad facilities.** This includes the development, renovation, and maintenance of buildings such as hotels, restaurants, bars, retail stores, residential housing, and other commercial or public facilities that are unrelated to railroad operations.
2) **Installation, maintenance, and improvement of non-railroad utilities:** This includes all work related to above- and below-ground utilities (such as electricity, water, sewage, gas, and telecommunications) that are unrelated to railroad operations.
3) **Installation, maintenance, and improvement of non-railroad roadways:** This includes all work related to City streets, sidewalks, and public roadways that are unrelated to railroad operations
4) **Parks, greenspace, and non-railroad landscaping:** This encompasses the design, creation, and maintenance of public parks, gardens, open spaces, and landscaping that are unrelated to railroad operations.
5) **Events within City limits that are unrelated to railroad operations:** This refers to the permitting and regulation of public or private events such as festivals, markets, parades, and community gatherings that occur within City boundaries and that are not related to railroad operations.
6) **Activities of non-railroad millsite tenants:** This encompasses the regulation of residential and business tenants on the millsite that are not involved in railroad operations.
7) **Environmental compliance outside railroad operations:** This encompasses all state and local environmental regulations (including waste management, pollution controls, habitat preservation, and water quality) that are unrelated to railroad operations.

The City and MR are working to establish an agreement (which will be outlined in an MOU and codified in an LCP amendment and a Development Agreement) to define Railroad-Related Uses, Non-Railroad-Related Uses and the regulatory framework for those activities. A description of the potential approach follows.

Potential Framework For Regulating Railroad-Related Uses & Activities

Premise

- For Railroad-Related Uses only, MR and the City have discussed a process whereby MR would comply with State and local regulations (such as building codes, development standards in the City's zoning ordinance, and resource protection policies in the City's LCP), while maintaining its exemption from requirements to obtain permits from local (City) and State (Coastal Commission).
- The City and MR would agree that all Non-Railroad-Related Uses would be subject to City permitting, including for mixed-use projects (such as a train station with a restaurant), wherein the station would not require a permit, but the restaurant would be subject to all permitting.

The City and MR could potentially achieve the above outcome as described below.

City's Permitting Process

As background, the City currently administers the following permits for development in the Coastal Zone. This list helps illustrate the range of permits that the City currently administers for other development.

- **Coastal Development Permit.** A coastal development permit protects coastal resources (biological, wetland, cultural, public views, public access, water quality, storm water quality, etc.) while prioritizing visitor serving uses.
- **Use Permit**. A use permit ensures compatibility between a new use and existing neighboring uses where there is the potential for conflict between uses (noise, glare, traffic, odors, etc.).
- **Design Review Permit.** The intent of design review is to ensure that new development follows the City's design guidelines with regard to materials, finishes, colors and other architectural details.
- **Variance.** A variance allows a project to proceed without compliance with one or more development standards of the code under narrow, legally prescribed circumstances.
- **Sign Permit**. Signs are regulated for size, location, height, color, lighting and appearance.
- **Limited Term Permit.** Limited term permits regulate special events and other short-term activities, which are not otherwise permissible within a zoning district.
- **Zoning Clearance.** This is not a permit per se. For all projects, including those which don't require planning permits, City staff conducts an administrative review to ensure that a proposed project complies with the zoning code prior to issuance of a building permit for construction.

- **Building Permit.** This permit ensures that new development complies with applicable building, plumbing, mechanical and electrical codes. Building permits are enforced through a series of building inspections that culminate in a certificate of occupancy.

There are two alternative mechanisms by which the above premise (permit exemption with compliance) can be achieved.

Alternative A – Establish Permit Exemptions in the LCP Amendment

a. The City could designate Railroad-Related Uses as a "permitted use" by right in the use tables in Chapter 2 of the Coastal Land Use and Development Code (CLUDC). This would exempt such uses from the requirement for a Use Permit.

b. The City could include a specific exemption for Railroad-Related Uses under CDP exemptions in Chapter 7 of the CLUDC. There are already limited specific project types which are exempt from CDPs (maintenance and repair, public utilities, improvements to a single-family residence, temporary events). It may be easiest to exempt Railroad-Related Uses as a type of public utility.

c. The City could exempt Railroad-Related Uses from the requirement to obtain Design Review in Chapter 7 of the CLUDC.

d. The City could exempt railroad activities from the requirement for a Sign Permit in Chapter 3 of the CLUDC.

e. The LCP amendment could include a map overlay illustrating the agreed to area of exemption and a General Plan policy which describes the purpose and extent of the exemption.

Zoning compliance could be secured as follows:

a. MR would submit a set of project plans (site plan, floor plans, elevations, grading plan, landscaping plan, etc.) and any necessary background studies to demonstrate project compliance with State and local regulations. Background studies could include one or more of the following as relevant to the proposed project: biological/wetland analysis, archaeological analysis, traffic study, soils analysis, visual analysis, stormwater management plan, SWIPP, soils management plan for DTSC, etc.

b. City staff would prepare a zoning letter for the project in consultation with relevant State and local agencies. The zoning letter may identify requirements that the proposed project does not address (i.e., items that would be special conditions in a normal permitting process) and recommend steps for the project to achieve compliance.

c. MR would submit a set of building plans to the County Building Department or a third-party firm, for a plan-check review and sign-off.

d. MR would construct their project with periodic inspections by City, County and/or third-party inspectors to ensure that the project is constructed in conformance with State and local regulations.

e. If the project does not comply with the Building Code or the recommendations in the zoning letter, the City or County staff would provide MR with a correction letter. If the noncompliance results in a health or safety concern, either a stop work order would be issued or the CPUC would be requested to assist with enforcement.

Alternative B – Permit Exemptions through Specific Use Regulations in the Zoning Amendment (LCP)

This alternative is much like Alternative A, as explained above, but would include an additional step.

Through the LCP amendment process, the City, MR and the Coastal Commission would establish specific regulations for Railroad-Related Uses. This would give the City and MR an opportunity to establish procedures in the LCP for ensuring compliance with regulations, without issuance of permits, and to identify and define specific use-related issues for Railroad-Related Uses which might require additional regulations.

Once these standards are developed, the Use Tables would include an S (Standards) next to all railroad-related facilities, instead of a P (for Permitted) and a new chapter would be added to the City's zoning code which outlines the required steps for compliance with the City's certified LCP. This process would not require permits but would provide a clear roadmap for a modified compliance process for Railroad-Related Uses.

Mixed Projects (railroad/commercial)

All non-railroad components, of a mixed project which includes both a Railroad-Related Uses (such as a train station) and Non-Railroad-Related Uses (such as a restaurant, or other commercial components), would be required to get all necessary permits from the City and a building permit from the County. As these mixed projects could also include shared facilities (parking lots, landscaping, elevators, bathrooms, foundations, walls, roofs, etc.), the City would regulate the Non-Railroad-Related components of the shared facilities. One way to accomplish this would be for the LCP Amendment and DA to require that:

a. The Non-Railroad-Related Uses would be regulated along with signage, required parking and a proportional share of landscaping (per SF) through the required permitting (CDP, Use Permit, Design Review) process.

b. The components of a shared structure (shell) that impact structural safety of the non-railroad components of the mixed project would be regulated through a building permit.

Enforcement

The City and MR are in discussions regarding enforcement mechanisms. Methods of enforcement will be addressed in the Development Agreement and codified elsewhere.

California Environmental Quality Act

It is worth noting that projects that are ministerial and don't require permits, including those on the above list of Railroad-Related Uses, may be exempt from the California

Environmental Quality Act (CEQA). However, during the LCP amendment process an EIR will be prepared which would examine the potential environmental impacts of projects that could be permitted by right. The normal course of action is to make an LCP amendment "self-mitigating" through this process. In other words, the LCP would include regulations to mitigate potential environmental impacts to a less than significant level. As MR's projects would comply with the LCP amendment, presumably potential significant environmental impacts would be addressed in the development plans.