

ERRATUM TO FINAL EIR AGGIE RESEARCH CAMPUS

INTRODUCTION

This Erratum to the Final Environmental Impact Report (EIR) for the Aggie Research Campus project has been prepared to provide responses to one (1) additional public comment letter that was inadvertently omitted in the Final EIR released to the public on June 1, 2020. The omission is a result of a clerical error, and as will be shown below, the public comments do not raise new issues, nor do they require changes to the analysis or conclusions contained within the EIR, which remains adequate.

CHANGES TO THE FINAL ENVIRONMENTAL IMPACT REPORT

Page 2-720 of the Final EIR is hereby revised to include the comment letter on the following page (Letter 84) and associated responses.

It is also noted that the spelling of the commenter's last name is hereby corrected in this Erratum for Letter 59 as follows: Dan Ray~~athome~~.

Dan Ray
2504 Bueno Drive
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Letter 84

April 24, 2020
Sherri Metzker, Principal Planner
City of Davis Department of Community Development and Sustainability
23 Russell Boulevard
Davis, CA 95616

Via e-mail to: smetzker@cityofdavis.org
Re Inadequacies of the Aggie Research Campus draft SEIR

Dear Ms. Metzker:

I have reviewed the draft EIR on the business park and multifamily housing complex proposed at the intersection of Mace Boulevard and County Road 32A. I find it inadequate in its consideration of alternatives, its discussion of urban and economic decay and conflicts with the general plan, and in its opportunities for meaningful public involvement.

84-1 **MY QUALIFICATIONS.** By way of introduction, I am a recently retired planner and a lifetime member of the American Institute of Certified Planners, the professional association of land use planners. Over the course of my career, I have overseen preparation of dozens of CEQA documents and reviewed and commented on scores more. Moreover, I'm old enough to recall CEQA's passage and early implementation, including the hope that it would improve decision making about our environment by "identifying both the significant effects of proposed projects and the feasible alternatives or feasible mitigation measures which will avoid or substantially lessen such significant effects (Public Resources Code sec 21002). Fostering "informed decision making and public participation" is a key to the law's effectiveness (CEQA Guidelines section 15126.6).

84-2 The draft report fails in fulfilling these intentions, because it does not fully describe the alternatives available to the city to meet office space, manufacturing, and housing objectives that the project purports to advance, misdescribes changes in circumstances affecting the environmental setting of the project and its alternatives subsequent to certification of its initial EIR, does not fully describe the project's effects, and does not fully convey comments received during scoping of the document. Because of the corona-virus shutdown of city offices and the public library, important information underlying the EIR is unavailable to some members of the public and opportunities for involvement are constrained. City staff has not responded to requests for information. A veneer of legalisms is not a pretext for failing to fulfill these fundamental purposes of the EIR.

84-3 **THE INFILL ALTERNATIVE IS IMPROPERLY DISMISSED.** Among the significant changes in circumstances since certification of the Final MRIC EIR is the drafting of the Downtown Davis Specific Plan. The draft SEIR acknowledges the Downtown Davis Specific Plan in several sentences, but fails to assess how it facilitates alternatives that can help attain many of the project's objectives:

Space is available for office/R&D development. Enough land is or will be available on existing commercially- or industrially-zoned parcels or through the Downtown Davis Specific Plan to accommodate 1.6-2.0 million square feet of the office and commercial space proposed to be accommodated at the project site. The Downtown Davis Specific Plan would provide space for

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construction of 450,000 square feet of office space (SEIR p 3-309), much of which is anticipated to be office/R&D oriented. The draft SEIR reports that there are an additional 124 acres of vacant commercially-zoned land within the city. According to the city's Business Park Land Strategy¹, 11 of these sites, not including the former ConAgra site, are large or medium sites totaling over 100 acres that can accommodate 1.2-1.5 million square feet of office or commercial space. At a rate of 128,000 to 175,000 square feet of office/R&D space absorbed annually for an innovation center, as forecast in BAE Urban Economics *Economic Evaluation of Innovation Park Proposals*², these available sites, including those available through implementation of the draft Downtown Davis Specific Plan, could accommodate over a decade's worth of office and R&D development. The draft Downtown Davis Specific Plan can also accommodate the hotel and 1000 new residential units by 2040³. Even more land for office and R&D development may become available should bankrupt PG&E or its successor choose to repurpose its underutilized east Davis corporation yard.

An infill alternative can meet most of the City's objectives:

- Right sized. These existing sites and planned downtown development opportunities meet many of the objectives spelled out in the draft SEIR (p. 3-5). They can accommodate space for research/incubator startups because, although some of the sites are not large, many of the businesses the city hopes to attract are expected to also be small, independent entrepreneurs. Others existing sites are larger, able to accommodate more established companies.
- UC Davis proximity. By focusing office and R&D space in downtown Davis and existing sites, an infill alternative would strengthen partnerships with UC Davis, which is a 3 minute bicycle ride and a 5 minute walk to downtown rather than the 20 minute bus or bicycle ride to the project site, according to Google maps.
- Suitable for many uses. Together, existing commercially and industrially zoned properties and downtown R&D space can accommodate many types of uses that could proposed on the project site. With its easy access to UCD, the new hotel proposed in the draft Downtown Davis Specific Plan and 100s of existing hotel rooms, the downtown is also capable of hosting the corporate travelers and educational conferences proposed at the project site. The diversity of uses and spaces downtown and other suitably-zoned sites facilitates the "live, work, play" concept and create the opportunity for interaction and cross pollination that the city seeks.
- Superior planning and design. The form-based zoning of the draft Downtown Davis Specific Plan coupled with the high standards of Davis' planning processes will facilitate the superior site planning, architectural design, traffic management, and environmental controls the city seeks.

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¹ <http://economic-development.cityofdavis.org/Media/Default/Documents/PDF/CityCouncil/Innovation-Park-Task-Force-Committee/Documents/Final-Business-Park-Land-Strategy-2010-10-27.pdf>

² April 11, 2016 Staff Report to the Finance and Budget Committee regarding MRIC Project – annualized Fiscal Impact analysis and Land Economics Analysis

³ <file:///C:/Users/Daniel/Documents/Dan's%20word%20files/DraftDowntownDavisSpecific.pdf>

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- Smart circulation. The walk- and bike-ability of the downtown and existing Davis neighborhoods will internalize trips and minimize impacts on local roadways, especially already overburdened Mace Boulevard and Second Street, which would become high traffic routes from UCD through quiet east Davis neighborhoods to the project site.

Agricultural and seed research facilities, like those illustrated by the pretty pictures of greenhouses in project promotional materials, are already allowed at the project site and elsewhere in Yolo County agricultural zones by use permit⁴. Many opportunities for siting them are available. No annexation nor general plan and zoning amendment is needed to accommodate them. Only the advanced manufacturing uses proposed at the project site would be ill-suited for some infill sites.

As a reasonable alternative, an infill alternative must be fully evaluated. The CEQA Guidelines section 15126.6 is not a shield behind which the evaluation of an infill alternative can be hidden. The guidelines aren't an ironclad rule governing the nature or scope of the alternatives. Rather, the selection of alternatives ought to be guided by the rule of reason⁵. The guidelines require consideration of "reasonable alternatives to the project, or to the location of the project, which would feasibly attain most of the basic objectives of the project but would avoid or substantially lessen any of the significant effects of the project" (CEQA Guidelines section 15126.6).

Because an EIR must identify ways to mitigate or avoid the significant effects that a project may have on the environment (Public Resources Code Section 21002.1), the discussion of alternatives must focus on alternatives to the project or its location that are capable of avoiding or substantially lessening significant effects of the project. The guidelines require consideration of these alternatives even if they would impede to some degree the attainment of the project objectives or would be more costly. Rather, the alternatives must include those that could feasibly accomplish most of the basic objectives of the project and could avoid or substantially lessen one or more of the significant effects. While the guidelines allow consideration of whether the proponent can reasonably acquire, control or otherwise have access to the alternative site (or the site is already owned by the proponent), they neither require that consideration nor make it the primary criterion for alternative evaluation.

As demonstrated above, an infill alternative, including consideration of opportunities provided by the draft Downtown Davis Specific Plan, can meet most of the city's basic objectives, in many cases better than the project as proposed. That the infill alternative isn't able to accommodate all the project's proposed development on a single 200 acre site is no defense (whether or not the City has ever endorsed that objective), because the infill alternative can lessen or avoid impacts on agriculture, transportation, land use, and urban decay. The guidelines also require that evaluation of potential alternatives consider general plan consistency, other plans, and jurisdictional boundaries⁶. which In this case the proposed project violates by requiring a general

⁴ <https://www.yolocounty.org/home/showdocument?id=50634>

⁵ Citizens of Goleta Valley v. Board of Supervisors (1990) 52 Cal.3d 553 and Laurel Heights Improvement Association v. Regents of the University of California (1988) 47 Cal.3d 376

⁶ Citizens of Goleta Valley v. Board of Supervisors (1990) 52 Cal.3d 553; see Save Our Residential Environment v. City of West Hollywood (1992) 9 Cal.App.4th 1745, 1753, fn. 1.

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plan amendment, conflicting with the County's agricultural general plan designation for the site, and requiring changes in both the city's sphere of influence and annexation of the property. No evidence supports a conclusion that an infill alternative, including development facilitated by the draft Downtown Davis Specific Plan, is *infeasible*.

THE PROJECT UNDERMINES EFFORTS TO PREVENT OF URBAN AND ECONOMIC DECAY. The draft SEIR errs when it asserts that the project will not contribute to urban and economic decay. A reason underlying this error is the failure to acknowledge the preparation of the draft Downtown Davis Specific Plan as a significant change in circumstances affecting the project. Another reason is its failure to compare an infill alternative to the proposed project.

Those of us who live in Davis can observe the changes in downtown. Diverse retailers serving residents and students, including clothing, home supplies, restaurants at a variety of price points, and professional services, are being replaced with low value food services serving primarily university students. Circulation is impaired. More and more Davis residents avoid downtown in favor of retailers in peripheral shopping centers. Too many storefronts are vacant.

The draft Downtown Davis Specific Plan identifies fundamental weaknesses undermining the downtown's future vitality. These include a lack of regional identity and relevance, an economy in transition, weak urban design, inadequate housing, and outmoded infrastructure. The solution that the draft Downtown Davis Specific Plan proposes for this downtown decay is more intense and carefully designed development, guided by simplified form-based zoning and more modern circulation options. As described above, among the plan's outcomes would be 450,000 square feet of office space, much of which is anticipated to be R&D oriented, 150,000 square feet of retail commercial space, and a 150-room hotel.

84-4

The proposed project would undermine the draft Downtown Davis Specific Plan and its efforts to sustain a vital downtown by drawing much of this potential development away from the downtown to a freeway-oriented business park on Davis' periphery. For example, the R&D oriented office and laboratory space proposed in the project could absorb all the demand for such space projected in downtown Davis and other existing Davis neighborhoods for the first critical decade of the Downtown Davis Specific Plan. The proposed project would also draw away retail uses and housing that might otherwise be associated with this downtown office and R&D development, because as the draft SEIR notes, these retail and housing uses respond to additional internal demand generated by the project. For example, despite the draft SEIR's hope that the project's retail uses would not compete with downtown or neighborhood shopping centers, would workers and residents of the proposed project prefer shops and restaurants in downtown Davis if they are 20 minutes away from their worksite and homes on the city's periphery?

The draft SEIR concedes some of the project's contribution to urban and economic decay. For example, the draft SEIR posits that 313,000 square feet of space occupied by Davis' R&D/technology oriented business may relocate from currently occupied space to the proposed project, abandoning about a seventh (14 percent) of the City's currently occupied office and industrial space⁷. This contribution to urban decline is also verified by ALH Economics' finding that an "increment of existing office and industrial space is at risk of sustained vacancy" following the proposed project's development (draft SEIR p. 3-182). According to the MRIC draft

⁷ See Tables 16 and 17 in <https://www.cityofdavis.org/home/showdocument?id=7985>

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EIR, even more vacancies at currently leased office space could occur if UC Davis relocates offices from currently leased space to the project site⁸.

By undermining the future vitality of downtown Davis, as envisioned in the draft Downtown Davis Specific Plan, and causing the vacancy of about a seventh of the city's existing occupied industrial and office space, the project will contribute to urban and economic decay, contrary to the draft SEIR's assertion that it will not (p. 3-181).

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Perhaps the draft SEIR's conclusion relies on its hope that the owners of Davis' industrial and office space will happily expend their "financial wherewithal" on continued maintenance of buildings vacated by tenants relocating to the project, "until such time as additional demand was generated due to economic growth and expansion". No evidence buttresses this expectation. Certainly, the current corona virus-induced economic panic, accompanied by forecasts of a years-long Depression worse than that of the 1930s, is no harbinger of the SEIR's optimistic forecast.

Alternatives and mitigations proposed in the draft SEIR are not adequate to avoid this damage. An infill alternative could avoid them, but as noted above the draft SEIR improperly fails to evaluate it. A mitigation measure that required phasing of the project to pace its buildout with development of downtown Davis office space and vacancy rates in other office and industrial space in Davis may be helpful but is not considered. Both measures deserve study before the SEIR is finalized. The sole measure that is proposed, to require a subsequent demonstration that there is sufficient demand for the proposed project's hotel to justify its construction, is insufficient because it does not prevent hotel development at the site that captures demand that would otherwise contribute to the feasibility of a downtown hotel and the vitality of downtown Davis, as envisioned in the draft Downtown Davis Specific Plan. This measure should be revised accordingly.

THE PROJECT'S FUNDAMENTAL CONFLICTS WITH DAVIS' GENERAL PLAN ARE UNASSESSED. CEQA's guidelines require consideration of conflicts with an applicable land use plan, policy, or regulation of an agency with jurisdiction over the project including the general plan⁹. The draft SEIR, like the its predecessor Mace Ranch EIR, fails in describing these conflicts because its focuses on only detailed provisions of Davis' general plan, while avoiding discussion of the plan's underlying principles.

84-5

A useful summary of the major visions, goals and policies in the general plan is provided in the Mayor's and city manager's *State of the City* report¹⁰: Key provisions relevant to the project include:

- Davis should remain a small, University-oriented town surrounded by farmland, greenbelt and natural habitat areas and preserves.

⁸ http://documents.cityofdavis.org/Media/Default/Documents/PDF/CDD/ED/projects/Innovation-Centers/Mace-Ranch/Draft-EIR/4.10_Land%20Use%20and%20Urban%20Decay.pdf

⁹ <https://resources.ca.gov/CNRALegacyFiles/ceqa/docs/ab52/final-approved-appendix-G.pdf>.

¹⁰ <https://www.cityofdavis.org/home/showdocument?id=7985>

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- The urban land uses designated on the General Plan land use map only contain the amount of land needed to accommodate the internally generated needs of its residents and the regional fair-share housing need.
- The Core would remain the retail/cultural/office center for the entire community designed at a pedestrian scale.
- University-related research businesses, administrative offices, and manufacturers using non-nuisance processes would be encouraged to locate in Davis.
- All resources would be preserved, conserved and enhanced or restored, if feasible, including prime farmland, natural habitat, historic, archaeology, scenic, water, air, minerals, parks, trees, drainage channel/ponds.

Many Davis' leaders and residents express this vision even more succinctly by saying "Davis should grow up, not out". These visions and goals reflect core values of most Davis' residents.

The draft SEIR fails to disclose the project's fundamental inconsistencies with many of these visions or to assess how alternatives, including the neglected infill alternative, could better achieve these general plan goals:

- By developing an off-ramp-oriented business park and housing development on the city's periphery, beyond the city's approved sphere of influence, it undermines the vision that Davis would remain a small, University-oriented town surrounded by farmland, greenbelt and natural habitat areas and preserves.
- By seeking to attract subsidiaries of larger, more established companies in Sacramento and/or the Bay area¹¹, attracting larger increments of office and industrial space, and drawing to Davis businesses located in other regional locations like Woodland and West Sacramento¹², the project conflicts with the general plan provisions that planned land uses should accommodate only the internally generated needs of Davis' residents.
- By undermining the vitality of the downtown and the implementation of the draft Downtown Davis Specific Plan, the project frustrates the vision that the core would remain the retail/cultural/office center for the entire community.
- The project converts prime farmland that is planned and zoned for continued agricultural use, rather than preserving and conserving it.

In its analysis of land use and planning, the draft SEIR emphasizes the picayune while neglecting the big picture. Other alternatives, including the reduced site size, the reduced project, and the improperly neglected infill alternative all better pursue the goal of encouraging University-related research businesses, administrative offices, and manufacturers to locate in Davis without the conflicts with the general plan's major visions, goals and policies that are inherent in the project proposed.

¹¹ P. 3-5 in

<http://documents.cityofdavis.org/Media/CityCouncil/Documents/PDF/CDD/Aggie%20Research%20Campus/20200427%20SEIR%20NOA/Aggie%20Research%20Campus%20Draft%20Subsequent%20EIR.pdf>

¹² P. 3-182 at

<http://documents.cityofdavis.org/Media/CityCouncil/Documents/PDF/CDD/Aggie%20Research%20Campus/20200427%20SEIR%20NOA/Aggie%20Research%20Campus%20Draft%20Subsequent%20EIR.pdf>

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84-6

INADEQUATE PUBLIC INVOLVEMENT. State and local officials' orders to stay at home and avoid non-essential activities have hindered public involvement in the review of the draft SEIR. The public library that holds hard copies of the draft SEIR, its predecessors, and many background reports is closed, as are city offices, preventing careful review of SEIR by the seven percent of Davis residents who lack broadband internet¹³ and those who are uncomfortable with computers. Communication and organizing among those interested in the draft SEIR is difficult, frustrated by the ban on table space at the farmers' market where community organizations might identify others concerned about the report, the closure of many conference rooms that might be used for gatherings to coordinate review of the project, and a ban on many meetings where reviews of the report could be shared, fact checked, and refined. Meetings of relevant city commissions occur only via teleconference, with constrained opportunities for public participation and inaccessible to those without broadband. Proceeding with review of such a significant project despite these limitations fails to meet CEQA's goal of fostering informed decision making and public participation.

84-7

Scoping comments ignored. On December 2, 2019, I attended an event billed by the city as a CEQA scoping meeting for the project, which was to provide opportunities to review the proposed project exhibits and submit written or oral comments on the scope of the SEIR¹⁴. I submitted written and oral comments about the scope of the SEIR at that meeting, which are neither reflected in scope of the draft now being circulated nor reported in the draft SEIR's Appendix A. I can only wonder how many others' input has been ignored in preparation of the draft SEIR.

Had the City heeded the suggestions I submitted then, many of the draft SEIR's inadequacies could have been avoided.

Sincerely,
s/ Dan Ray

Attachment:

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¹³ <https://www.census.gov/quickfacts/daviscitycalifornia>

¹⁴ <https://www.cityofdavis.org/city-hall/community-development-and-sustainability/development-projects/aggie-research-campus>

LETTER 84: DAN RAY

Response to Comment 84-1

The comment is introductory and provides information focused on the commenter's planning-related experience.

Response to Comment 84-2

The commenter's reference to the EIR not fully describing the alternatives available to the city to meet office space, manufacturing, and housing objectives would appear to refer to the commenter's more specific concerns regarding the Infill Alternative, which are addressed in Master Response #4 of the Final SEIR, and Response to Comment 84-3 below.

Contrary to the comment, the Draft SEIR does not "misdescribe" changes in circumstances affecting the environmental setting of the project and its alternatives subsequent to certification of its initial EIR. For example, changes in circumstances referenced in later portions of the comment letter include the Downtown Davis Specific Plan. Page 3-180 of the Draft SEIR discuss the Downtown Davis Specific Plan under the "Changes in Circumstances" header. Impacts 3-54 and 3-99 of the Draft SEIR describe the draft Downtown Davis Specific Plan, including the hotel, retail, and innovation type space included in the draft Specific Plan. This comment provides no evidence to support the claim that the Draft SEIR incorrectly describes changes in circumstances.

The commenter alleges that the Draft SEIR does not fully describe the project's effects. No specific evidence is provided to support this claim, unless the commenter is referring to his urban decay comments further in the comment letter. The commenter's urban decay concerns are addressed in Master Response #5 of the Final SEIR and Response to Comment 84-4 below.

The comment alleges that because of the corona-virus shutdown of city offices and the public library, important information underlying the EIR is unavailable to some members of the public. The City of Davis has made every effort to make the EIR available to the public through electronic means, including posting the EIR on the City's website, publication of a Notice of Availability (NOA) in the Davis Enterprise to notify the public of the availability of the Draft SEIR, and posting the NOA in the County Clerk's Office. These means meet the legal requirements for notice of availability of a draft EIR and are consistent with what other jurisdictions are doing during the corona-virus pandemic.

Response to Comment 84-3

The comment correctly notes that the draft Downtown Davis Specific Plan includes space for construction of 450,000 square feet of office space, much of which is anticipated to be office/R&D oriented. However, the comment overlooks important considerations when assessing other commercially- or industrially-zoned parcels throughout the City. These considerations are discussed in detail in Master Response #4, and repeated here in part (Please refer to Master Response #4 for a full discussion):

On January 8, 2019, the City Council received a report on undeveloped property in the City of Davis in the context of potential economic development opportunities. The inventory, at that time, included 27 parcels, totaling 124.51 acres of vacant, privately held commercially-zoned land within the City limits. This inventory does not account for City-owned properties, potential commercially viable property(ies) outside the City limits, nor does it attempt to identify those properties which may be commercially-zoned and developed within the City limits but underutilized and pose potential redevelopment opportunities (such as the much discussed PG&E corporation yard site, for example). As shown in the map attached to that report, the largest single parcel totals 27.48 acres and is adjacent to the Sutter Davis Hospital. The largest group of contiguous parcels is along 2nd Street, with five parcels totaling 27.57 acres.

As shown in Figure 3-2 of the ARC Draft SEIR, just the research and development and manufacturing uses encompass approximately 101.9 acres of the 194-acre development site. The vacant 27-acre sites would only be able to accommodate about 26 percent of the proposed project square footage. The lack of large, contiguous parcels of land would not provide sufficient flexibility for an “infill” alternative to accommodate businesses that need a large space initially, or prefer to have access to adjacent property for future growth. This is supported by the Business Park Land Strategy prepared by the City of Davis in 2010, even though at that time, a total of 44 vacant sites within city limits were identified as suitable for business growth, with a total acreage of 227.9 acres.

As mentioned above, this number has been substantially reduced to 27 sites, comprising approximately 125 acres. Yet, even assuming the number of sites available in 2010, the City’s Business Park Land Strategy (BPLS) determined that only eight of the 44 sites could be considered “High Quality.” Out of these eight High Quality sites, four are no longer available due to development since 2010, including The Cannery, DMG Mori-Seiki, and a 1.6-acre site along 2nd Street. Furthermore, an additional High Quality site is the location of the University Research Park project site, a proposed project which is anticipated to be brought before the Davis decision-makers within the next month. High Quality, or “Class A” sites, as they are referred to in the BPLS, have the following characteristics:

“Class A” Sites:

Category	Typical Characteristics
<i>Site Characteristics</i>	Size: Medium (4-15 acres), Large (15 – 50 acres), or Very Large (>50 acres) Shape: Shape & depth definitely does not affect development potential Expandability: One or more adjacent vacant parcels for site assemblage and/or future business expansion
<i>Location/ Access</i>	Easy freeway access, on major arterial (or equivalent), high visibility
<i>Surrounding Uses</i>	Surrounding uses either are or are likely to be similar or compatible
<i>Strengths/Challenges</i>	Other site strengths/challenges contributing to “Class A” designation

Source: BPLS, Technical Report, Table 31, 2010.

The remaining three High Quality sites comprise only 44.2 acres.

Therefore, to develop an infill alternative that includes square footage of the magnitude anticipated for the ARC project would require use of sites throughout the City that the BPLS considers less than high quality. It is important to note that a large portion of the ARC site itself was identified

as a “Potential External Business Park Location”.¹⁵ Furthermore, the ARC site would appear to meet the characteristics of High Quality/Class A sites in the BPLS, as follows. The site is considered “very large”; has easy freeway access, is located on a major arterial, and has high visibility given its proximity to the Mace Boulevard/I-80 Interchange; and surrounding uses are likely to be compatible, considering the project’s conceptual design and mitigation measures included in the ARC SEIR.

Further, that fact there will be additional non-residential space available in the Downtown Davis Specific Plan in the cumulative horizon, does not address the factors explained in Master Response #4 pertaining to issues posed by spreading innovation center uses out across multiple disparate parcels. The 450,000 sf of potentially available space within the draft Downtown Specific Plan represents only approximately 17 percent of the non-residential square footage in the ARC. As noted in Master Response #4:

Research shows that innovation centers are most successful when they provide a range of spaces that address the diverse needs of a variety of tenants in terms of age, size, and industry sector. While existing infill parcels may provide space for some small tenants, the parcels would not adequately satisfy the needs of larger tenants. This is supported by the Economic Evaluation of Innovation Park Proposal, prepared by BAE Urban Economics, which states in reference to the City’s vacant land inventory:¹⁶

In addition, the remaining sites are relatively small in size and would likely not be suitable to accommodate larger developments that would be capable of supporting effective regional (i.e., at least covering Northern California) business recruitment campaigns and to accommodate relocation of larger companies, or smaller companies that are planning for substantial growth in the future and therefore desire expansion space.

In addition, dispersed infill development poses strong challenges to the financing of specialized facilities such as wetlabs and clean rooms, which are necessary for large companies and small startups that typically lease portions of a larger specialized facility. In addition, infill development would lack the support services that can be provided through the centralized management of a true, concentrated innovation center, such as incubator facilities, networking breakfasts, and workshops. Therefore, the alternative was determined infeasible and dismissed from consideration.

The portion of the comment pertaining to PG&E’s potential to repurpose its underutilized east Davis corporation yard is addressed in Master Response #4. As noted in the master response:

According to the BPLS Technical Report Appendix Chapter 6, the PG&E site (Site 45) is 25.8 acres with a “high” development potential of approximately 260,000 square feet, substantially less than that of the proposed ARC project. Even if the PG&E site were to be combined with the three remaining High Quality sites identified in the BPLS, the total “high” development potential would be 828,716 sf, representing only approximately 31 percent of the ARC project’s non-residential square footage. Moreover, the PG&E site may be considered more appropriate as a residential mixed-use project, serving as a downtown

¹⁵ City of Davis, *Business Park Land Strategy Technical Report* [Figure 10, pg. 120]. October 27, 2010.

¹⁶ BAE Urban Economics. *City of Davis Economic Evaluation of Innovation Park Proposals*. July 9, 2015, pg. 7.

extension. PG&E has not indicated any desire to abandon their property and in fact are looking to make some improvements to it.

Given PG&E's recent indication that it is considering improvements to the property, it would be speculative to assume the PG&E site may be available for commercial use. "If, after thorough investigation, a Lead Agency finds that a particular impact is too speculative for evaluation, the agency should note its conclusion and terminate discussion of the impact." (CEQA Guidelines § 15145.)

The commenter refers to the CEQA Guidelines, stating that the "...guidelines also require that evaluation of potential alternatives consider general plan consistency, other plans, and jurisdictional boundaries. which In [sic] this case the proposed project violates by requiring a general plan amendment, conflicting with the County's agricultural general plan designation for the site, and requiring changes in both the city's sphere of influence and annexation of the property."

The commenter appears to misrepresent the CEQA Guidelines. As can be seen from reviewing CEQA Guidelines Section 15126.6(f)(1), *Feasibility*, consideration of general plan consistency, other plans, and jurisdictional boundaries has to do with determining feasibility of *alternative sites*, and has no bearing on proposed project considerations. In other words, "An agency considering a development project may accordingly rely on adopted land use policies and other regulations when assessing whether an alternative site earmarked for another use is infeasible and need not be studied in a project EIR...The fact that an alternative site may require a legislative enactment or other discretionary action to accommodate a project is not, however, dispositive in all cases."¹⁷

Response to Comment 84-4

The commenter's concerns related to urban decay are addressed in Master Response #5 of the Final SEIR. Master Response #5 provides ample evidence that the proposed project would not undermine the draft Downtown Davis Specific Plan and its efforts to sustain a vital downtown by drawing much of this potential development away from the downtown to a freeway-oriented business park on Davis' periphery. However, it should be noted that drawing businesses away from the downtown is not in and of itself a physical environmental impact requiring analysis under CEQA. In reference to urban decay, the appropriate focus of CEQA is sustained vacancy leading to physical blight of a property (see Master Response #5 for the SEIR's definition of urban decay). As noted in Master Response #5,

In addition, the proposed on-site uses are unlikely to result in a substantial number of vacancies in similar uses elsewhere in the City that could lead to physical environmental effects such as urban decay. Aside from the obligations of existing innovation sector tenants' existing lease terms, there is no reason to believe they would incur the fit-out and moving costs of relocating to ARC unless they had compelling reasons.¹⁸ It should be noted that if they had such compelling reasons, they could also be candidates for relocation or expansion out of the City entirely due to lack of viable space options, if not for the presence of ARC. Additionally, that scenario assumes no other firms beside the ones already existing in Davis – at their present size – would be looking to occupy office/R&D space in the market. The Interland/Research Center Drive and 2nd Street areas have extremely low

¹⁷ Stephen L. Kostka and Michael H. Zischke. Practice Under the California Environmental Quality Act, Second Edition (March 2019), section 15.29.

¹⁸ EPS. Response to FBC ARC Ad Hoc Subcommittee Questions. May 27, 2020.

vacancy rates, suggesting that current conditions inhibit potential economic activity within the city. The Davis Downtown Business Association and Davis Chamber of Commerce submitted letters of support to the City's Finance and Budget Commission. These organizations are comprised of business and property owners in the City. The lack of concern for cannibalization by the business community and the support of these organizations further demonstrates that there is a need for additional space.

Regarding the demand for proposed office, laboratory, R&D and manufacturing uses, local and regional commercial real estate experts believe there is sufficient demand within and beyond the City of Davis for the proposed office and industrial uses associated with the ARC Project and other pending projects proposing similar uses, such as Aggie Square and the Woodland Tech Park. (https://www.youtube.com/watch?v=B_7DLsJqZyw). Barry Broom indicates that demand in Yolo County from both the medical research and technology sectors has been sustained despite COVID-19. Furthermore, the commercial opportunities available at the project site for existing Davis businesses are not intended to lure users out of existing space, but could be an opportunity to allow certain mid-sized businesses to continue to grow and expand in Davis rather than leaving to neighboring jurisdictions, which is a pattern that the City has witnessed, that, in part, led to its desire to pursue an innovation center. Relocation and expansion of these existing businesses within Davis would open existing commercial buildings for growing start-ups looking for mid-sized office and unable to find adequate space in a constrained market like Davis.⁸

Furthermore, the ALH report, as cited in the Certified Final EIR and in the Draft SEIR, concluded that, although the MRIC Project (which contains the same amount of non-residential square footage as the ARC Project) could result in some office and industrial vacancies within the City, the City's existing measures to prevent the onset of deterioration or decay would remain effective. Market analysis indicates that, due to demand and constrained supply of office space, vacancies are unlikely to be prolonged. Moreover, existing office and industrial property owners are primarily major institutional or private real estate companies that would have the financial wherewithal to maintain their properties during vacancies. As noted in the ALH Report:

Because the office and industrial market in Davis is generally supply constrained, especially for spaces totaling 10,000 square feet or more, there are limited other examples of office or industrial properties experiencing prolonged vacancy in Davis. However, the examples cited above indicate that when they occur, prolonged vacancies are well maintained and do not exhibit characteristics indicative of urban decay. This information, along with property owner incentives, suggests the potential for other properties to be well maintained during periods of prolonged vacancy if prolonged vacancy occurs. ALH Economics therefore concludes that the office and industrial components of the Project and cumulative projects are not anticipated to cause adverse physical impacts leading to urban decay, despite the anticipated potential of some prolonged existing office and industrial base vacancies.

(ALH Report, p. 42.)

It is also noted that the ALH report reviewed the scant examples of long-term office and industrial vacancies in Davis and found that the properties were well-maintained and do not exhibit visible signs of decay.¹⁹

The commenter questions the SEIR's optimistic forecast that any vacant properties will be subject to continued maintenance to prevent urban decay, in light of the corona-virus pandemic. As stated in Master Response #5, it is unknown how long the current COVID-19 related recession will last. Given the current lack of information concerning the extent and duration of COVID-19 pandemic and the associated current recession, predicting the ability or wherewithal of property owners to invest in long-term property maintenance requires a substantial amount of speculation. "If, after thorough investigation, a Lead Agency finds that a particular impact is too speculative for evaluation, the agency should note its conclusion and terminate discussion of the impact." (CEQA Guidelines § 15145.)

The commenter makes reference to the ARC project drawing housing away from the downtown that might otherwise be part of the Downtown Davis Specific Plan. This concern is addressed by the fact that the proposed ARC housing is intended to meet its fair share of employee-generated housing demand within the City, and not demand created by future growth in other areas of the City. The remaining share of ARC employee-generated housing within the City could, in part, be met by housing within the Downtown Davis Specific Plan, but other housing stock is also projected in the City that could meet the ARC's remaining need. For example, SACOG's 2020 MTP/SCS estimates that between 2016 and 2040, the City of Davis will add 3,800 housing units, inclusive of Nishi and the "Core Area Specific Plan", and 1,630 new employees. Also contributing to the 3,800 new housing units estimated by SACOG are accessory dwelling units on mid-sized lots, small-scale infill throughout the City, and the Cannery site.

The commenter also refers to the draft SEIR's "hope" that the project's retail uses would not compete with downtown or neighborhood shopping centers. Rather than being a "hope", the Draft SEIR includes a mitigation measure (MM 3-54(a)) requiring that, in conjunction with submittal of any final planned development for the ARC Project that includes ancillary retail uses, an analysis shall be submitted to the City of Davis Department of Community Development and Sustainability, which shall demonstrate that the proposed ancillary retail development will not exceed the anticipated demand increase from new employees and residents. If the analysis cannot demonstrate that the proposed amount of ancillary retail space will not outpace project-generated demand, then the ancillary retail uses shall be removed from the final planned development, or scaled back to be commensurate with the projected project-generated demand. This mitigation measure is sufficient to ensure that the ARC project will not result in adverse urban decay effects to downtown retail businesses.

The last portion of the comment articulates the commenter's concern regarding the Draft SEIR's mitigation measure related to potential hotel-related urban decay impacts (MM 3-54(b)). Mitigation Measure 3-54(b) requires that prior to approval of the final planned development for the proposed ARC hotel, the applicant shall demonstrate to the City's satisfaction that there is sufficient unmet demand from a combination of hotel demand from ARC Project employees and businesses and/or hotel demand from elsewhere within the Davis marketplace to support the hotel space for which the building permit is requested. The language of the mitigation measure appropriately ensures that the proposed ARC site would not compete with existing hotels to the extent that these hotels could go out of business and the associated properties be subject to prolonged vacancies and physical blight. The mitigation measure is focused on preventing urban decay and is not required to ensure no direct competition with future, as-yet-unbuilt, hotel proposals.

¹⁹ See page 6 of the ALH report, which is Appendix H of the Certified Final EIR.

Response to Comment 84-5

Regarding the commenter's concerns about general plan consistency, please see Responses to Comments 11-22 and 40-3 of the Final SEIR, and for the majority of policies referenced by the commenter, which are not environmental issues requiring analysis under CEQA, please refer to the staff report prepared for the Planning Commission, available at:

<http://documents.cityofdavis.org/Media/Default/Documents/PDF/CityCouncil/Planning-Commission/Agendas/2020/2020-06-10/05-Davis-Innovation-and-Sustainability-Campus-Project-optimized.pdf>

See Attachment 7 to the staff report, General Plan Consistency Analysis.

Response to Comment 84-6

Please see Response to Comment 84-2. Using the commenter's data, it can be seen that a remarkable percentage of Davis residents (approximately 93%) live in households with a broadband internet subscription, and thus, have access to the ARC environmental documents. Furthermore, persons with disabilities may not be able to access physical locations for document review purposes. CEQA was enacted in 1970, prior to internet, when a much smaller segment of a given population would have been notified of environmental document availability for review, and when the documents were typically made available at only a few select locations (e.g., City Hall, library). Thus, it can be seen that, if we are to use the commenter's figures, the fact that around 93% of the residents of Davis could access the ARC environmental documents, does not support the notion that CEQA's goal of fostering informed decision making and public participation was violated.

Response to Comment 84-7

The Final SEIR (Letter 59) includes a few hand-written comment letters provided at the informal scoping meeting held on December 2, 2019, in addition to the scoping comments already included in Appendix A to the Draft SEIR. The City does not have record of receiving any additional hand-written comment letters. As noted on page 1-6 of the Draft SEIR, the scoping meeting was voluntary and not required for the project because this is a subsequent draft EIR. Nevertheless, the City of Davis chose to hold a meeting to receive comments on the range of issues that the public believes should be studied in the subsequent environmental document, much like an initial scoping meeting for new projects under CEQA review.