

STAFF REPORT

DATE: JUNE 10, 2020

TO: Planning Commission

FROM: Ashley Feeney, Assistant City Manager
Sherri Metzker, Principal Planner

SUBJECT: **DAVIS INNOVATION AND SUSTAINABILITY CAMPUS (DISC)**
(Formerly called Aggie Research Campus (ARC) and
Mace Ranch Innovation Center (MRIC))
Project Application #14-54
General Plan Amendment #6-14
Prezone #4-14
Development Agreement DA #2-14
Annexation / Sphere of Influence Amendment

** The applicant has changed the name of the project to the **Davis Innovation and Sustainability Campus (DISC)**. In this report, the project shall be referred to as the DISC. The Subsequent Environmental Impact Report will still refer to the project as the Aggie Research Campus, as the change occurred too late to alter the affected documents.

I. Recommendation

Staff recommends the Planning Commission hold a public hearing on the project applications, as follows:

- a. Staff and applicant presentation on applications and public review process;
- b. Public testimony; and
- c. Deliberation and make a recommendation that the City Council should certify the Subsequent Environmental Impact Report and approve the following project applications:
 - i. General Plan Amendment, including provisions for Baseline Project Features as required by Chapter 41 of the Davis Municipal Code;
 - ii. Rezoning and Preliminary Planned Development; and
 - iii. Development Agreement.

This report is organized into the following sections:

- I. Recommendation
- II. Background (page 2)
- III. Project Description (page 6)
- IV. Advisory Commission Review and Comment (page 7)
- V. Environmental Review (page 21)
- VI. Conclusion (page 22)

II. Background

In 2008, the City Council began to evaluate the need for additional business park lands/facilities to accommodate the long-term economic growth potential in the city. In response, the Business Park Land Strategy was prepared. The study would look to the future to determine if the long-term supply of business park land was sufficient. Ultimately, it was determined it was not. Furthermore, the study also pointed out the need to annex additional contiguous lands to meet the need.

In 2010, the Innovation Park Task Force was formed to explore potential sites. With the help of UCD Studio 30, the Task Force prepared a study to identify potential sites for the innovation center. By 2014, the City had sent out Requests for Expression of Interest. From those, 3 groups responded. Responders were encouraged to submit proposals and the planning process would lead to a Measure J/R vote. The Mace Ranch Innovation Center (MRIC) application was submitted in Sept. 2014 while the Davis Innovation Center (in west Davis) was submitted in Nov. 2014. Ultimately, the Davis Innovation Center was withdrawn. The 3rd, of the original respondents never submitted, leaving only the MRIC project.

On September 19, 2017, the City Council adopted Resolution 17-125, certifying the Final Environmental Impact Report (“EIR”) for the Mace Ranch Innovation Center project (“MRIC”). The planning applications related to the EIR were subsequently put on hold. On June 11, 2019, the City received a letter from the property owners of the MRIC project site (Buzz Oates, Reynolds & Brown, and Ramco Enterprises) requesting the City recommence with processing of their innovation center application, which has been renamed as the Davis Innovation & Sustainability Campus (“DISC”). On September 30, 2019, the applicant submitted a project description and a number of other exhibits related to their application that are under review.

The applicant conveyed that they had spent the last two years conducting research on modern innovation parks, talking to industry experts, and analyzing the appropriate land uses. The applicant has decided to continue pursuing the appropriate general plan and zoning designations, as well as, an application to annex their proposed Davis Innovation & Sustainability Campus project, which is located on a 187-acre project site, immediately east of the City of Davis city limits, near the “Mace Curve”, in unincorporated Yolo County.

Guiding Principles for Davis Innovation Centers

The Council Innovation Center Subcommittee developed a set of “Guiding Principles” to better define community values and clarify community expectations for evaluating and guiding refinement of proposed Innovation Centers. Subsequently, the City Council adopted the guiding principles in December, 2014.

The guiding principles document was designed to set up a framework for evaluating proposed Innovation Centers. There are eight guiding principles included in the plan that are meant to serve as a method for evaluation of the proposed project. **Attachment #1** to this staff report summarizes each goal or requirement and explains how the project has met that goal.

The first principle in the plan is **Density**. Due to the relatively scarce amount of available land already in Davis, the proposed project should focus its guidelines to maximize density to accommodate long term business growth while considering the specific needs of tenants within the specific project. In the case of the DISC project, the proposal would maximize density over time by reducing required parking amounts, while working toward a greater use of multimodal forms of transportation. The project includes 2 parking garages, a transit station, and a plan for increasing all over Floor Area Ratios over the construction life of the project.

The second plan principle is **Sustainability**. Included in the project are a variety of sustainability commitments. For example, the proposed project includes the concept of placing storm water conveyance in swales. Many greenhouse gas reduction features have been included in the project, such as the placement of photovoltaic panels on buildings where possible and a commitment to the use of clean energy throughout the project. Residential units will be all electric. As mentioned above, the provisions for a transit station and a multimodal transportation plan are also part of the project. Ag lands used in establishing the project will be mitigated on a 2:1 basis by establishing conservation easements over other currently unprotected lands.

The third principle in the plan is **Transportation**. There is a call for connectivity between all modes of transportation. The proposal includes the construction of a bike/pedestrian undercrossing under Mace Blvd. so that people in the project area can connect to the greater Davis transportation system. Construction of a multi modal transit station will foster a greater opportunity for the use of modes of transportation other than vehicles. The reduction in parking standards and unbundling of parking for multifamily residential will also foster a greater desire among those working and living in the project to lead a car free lifestyle.

Work Environment is the fourth principle. The project includes many elements of the “work, live, play” strategy. For example, buildings will be designed to meet CalGreen and REACH building codes which will create a healthy work environment. The overall setting of the project includes walkways in green spaces, parks, outdoor gathering areas, and wildlife habitat. Finally, ancillary amenities that serve employees such as coffee shops, daycare, fitness facilities and other related uses will be readily available. There will also be an opportunity for residents to live near the workplace in one of the 850 dwelling units to be constructed in the project.

Uses are the fifth principle. The applicant has developed a list of uses that will carry out the vision of the innovation center. It is said that the project must reflect a character that is uniquely Davis while achieving a very high aesthetic standard. One key unique characteristic of Davis is its university. Given that the general concept behind this project is the opportunity for integration of the research carried out on campus and the manufacturing and further research opportunities at the DISC, this is consistent with this unique characteristic. DISC has also been planned based upon local feedback received from residents, the business community, and city commissions over the last several years. The project has been planned to incorporate characteristics represented in the Baseline Project Features that are not found in other communities and unique to Davis. The project will also be required to prepare design guidelines as part of the future entitlements to ensure the very high aesthetic standard envisioned is adhered to.

Timing and Project Phasing is the sixth principle. The applicant has been a part of the process since at least 2014. As an experienced developer, they are aware of the resources it will take to finish the project over its expected 20 year build out. The project has been designed in such a way as to phase the infrastructure needs in a logical manner without cost overburdens. The phasing approach also allows for the project to be responsive to the needs of the market and potential tenants. The residential units in the project are tied to commercial construction for an orderly buildout, bringing on housing as commercial space is developed.

The seventh principle is **Fiscal consideration and Net Community Benefit**. Economic & Planning Systems, Inc. (EPS) performed an economic and fiscal analysis of the proposed Davis Innovation & Sustainability Campus (DISC) proposed project. The analysis builds off the previously completed analysis for Mace Ranch Innovation Center proposed project, which was created by EPS in 2015.

The fiscal impact analysis estimates the net impact to the City of Davis General Fund at project buildout. Annual general fund revenues at buildout are estimated to be \$7.4 million and non-general fund revenues are estimated to be \$673,000 for a total of approximately \$8 million. Forecasted expenditures are estimated at \$2.75 million, resulting in annual revenues net of cost to the City of approximately \$5.3 million. Davis Joint Unified School District would collect \$1.37 million annually in school assessments and bond levies.

Yolo County is forecasted to collect \$691,000 in annual property taxes at buildout. The City of Davis over the total project would collect onetime fees of \$113 million, including \$77.5 million in roadway impact fees and \$14.6 million in construction tax. Other agencies would collect onetime impact fees with Yolo County receiving \$4.4 million and Davis Joint Unified School District receiving \$4.3 million at buildout.

The project fiscal analysis was reviewed and thoroughly discussed by the Finance and Budget Commission where the majority of the commission voted that they were in general agreement with the EPS analysis that forecasts the project provides a positive net fiscal impact to the City. The EPS report is included as Attachment 2. The Finance and Budget Commission Ad Hoc Subcommittee that submitted a memorandum on the analysis prior to acting is included as

Attachment 3. The EPS response memorandum is included as Attachment 4, which was presented and discussed prior to the commission acting. Their recommendations are discussed further under the commission section of the staff report.

The project Development Agreement also provides for considerable additional benefits for the community related to affordable housing, turn-key parks, additional fiscal benefits, transit improvements, infrastructure, and a variety of other community benefits. The Development Agreement is included as Attachment 12.

The eighth and final principle is to **Facilitate Collaborative Partnerships and Provide Opportunities for Increased University and Research Engagement.**

At present, there is collaboration between the business community and the University but the resource of having a world class, research and development campus has the potential to serve as a much greater resource in helping Davis diversify the local economy. The proposed project will offer the opportunity to help facilitate greater collaboration between UC Davis and private industry. Research and development is the primary focus for DISC and the project has been planned to promote a campus type of environment with spaces for people to come together, encouraging collaboration and idea sharing which is highly sought after in the innovation parks of today.

The project has planned to be consistent with the “fifth principle” discussed earlier resulting in a planned innovation park featuring characteristics that are unique to Davis. There are costs associated with many of these features that will require lease rates at the DISC project that will not be attractive for those that are motivated by finding the cheapest place to operate but rather will attract companies that see the of value of being near UC Davis for the research, and the educated workforce that comes out of the University. Certain sectors like research and development and technology-based businesses often congregate in areas where a critical mass of companies form providing an ecosystem where innovative ideas and concepts are discovered at a faster pace resulting in increased velocity of monetizing innovation in those environments. The DISC project has ben purposely planned to support this type of environment. The additional enhancements the have been placed on the project through the public process further promote this type of environment. Staff believes the proposed project, coupled with the existing community and regional assets present a compelling opportunity to facilitate partnerships, and provide opportunities for increased University and research engagement.

UC Davis is one of the few major universities in the country without a research and development park nearby. The proposed project has the potential to greatly impact the Davis economy and the greater Sacramento economy as well.

Given that staff finds that the proposed project meets the guiding principles adopted by the City Council, the project was routed to the various advisory commissions for their recommendation and comments and is now presented to the Planning Commission and City Council.

III. Project Description

The requested applications would grant land-use entitlements to allow the 228.5-acre unincorporated Mace 25, Davis Innovation & Sustainability Campus, and Mace Triangle properties to be annexed to the City of Davis and developed as a innovation center for research and development, advanced manufacturing, office, hotel, residential and agricultural uses.

The proposed 228.5 acre project site is located immediately east of Mace Blvd./the City of Davis city limits, near the “Mace Curve”, in Yolo County, approximately 2.5 miles east of downtown Davis (Assessor’s Parcel Numbers (APNs) 033-630-006, -009, -011, and -012; 033-650-009, and -026). The project consists of the proposed ±187 -acre Davis Innovation & Sustainability Campus (DISC) site, the City’s 25 acre “City Parcel” and a separate ±16.5-acre area, south of CR 32A, which has been included within the bounds of the project site for annexation purposes only. The 16 acres contain Ikeda’s Market (APN 033-630-011), a City-owned water tank and Caltrans District 3 Park-and-Ride lot (APN 033-630-006), and agricultural uses (APN 033-630-012).

The Davis Innovation & Sustainability Campus application proposes 2,654,000 square feet of innovation center/business uses and 850 residential units of varied sizes and affordability:

Office; Research & Development; Laboratory	1,510,000 sf
Advanced Manufacturing; Prototyping; Product Testing	884,000 sf
Ancillary Retail	100,000 sf
Hotel/Conference	160,000 sf (150 rooms)
Total square footage of non residential uses	2,654,000 sf
Green Space	49.2 acres*
Transit Plaza	0.6 acres
Total Project Acres	187 acres
Residential (average density 30 du/ac)	850 units
Total number of residential units	850 units (maximum)

*The Green Space total includes the 6.8-acre easement on the City Parcel, which the applicant proposes to use as an agricultural buffer area. The addition of the easement area to the 187-acre privately-owned DISC development site increases the total area of impact to 194 acres, though the general plan designation and zoning on the easement area will not be amended.

The project applicant is requesting the following entitlements for the proposed project:

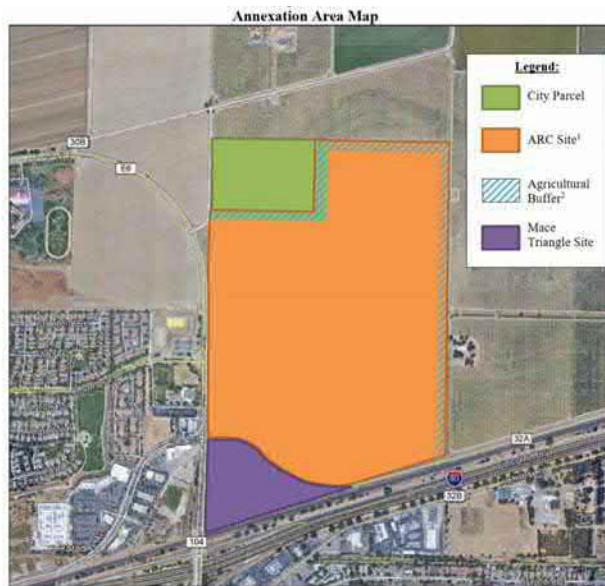
Yolo County LAFCo Approvals:

1. Combined Municipal Service Review (MSR) and Sphere of Influence (SOI) Amendment
2. Annexation

City of Davis Approvals:

3. General Plan Amendment to create a new City of Davis land use designation and assign City land use designations to the project site
4. Pre-zoning to determine the zoning in the event of subsequent annexation
5. Planned Development (PD) approvals
6. Development Agreement
7. Action by the City Council to call for an election and set the baseline features of the project.

The project site is located on the northeast corner of Mace Blvd and Interstate 80. Below is a vicinity map of the subject site.



IV. Advisory Commission Review and Comment

The following commissions have made recommendations to the Planning Commission and City Council as part of the current general plan land use and pre-zoning entitlement application process.

Commission	Dates When Met
Open Space and Habitat Commission	November 4, 2019; April 6, 2020; April 23, 2020;
Bicycle Transportation and Street Safety Commission	April 9, 2020
Social Services Commission	November 25, 2019
Recreation and Parks Commission	April 15, 2020; May 6, 2020;
Tree Commission	April 16, 2020; May 7, 2020
Natural Resources Commission	February 24, 2020; April 27, 2020; May 14, 2020; June 1, 2020
Finance and Budget Commission	April 13, 2020; May 11, 2020; May 27, 2020

The various Commission recommendations are shown in the table included in Attachment 6 with an acknowledgement as to whether or not they are included in the recommended project application. Attachment #_5 also includes the various Commission recommendations in a narrative format without the acknowledgement for readers that wish to read the summary recommendations in a more narrative format. The final decision as to which recommendations will be included in the project approvals will be made by the City Council.

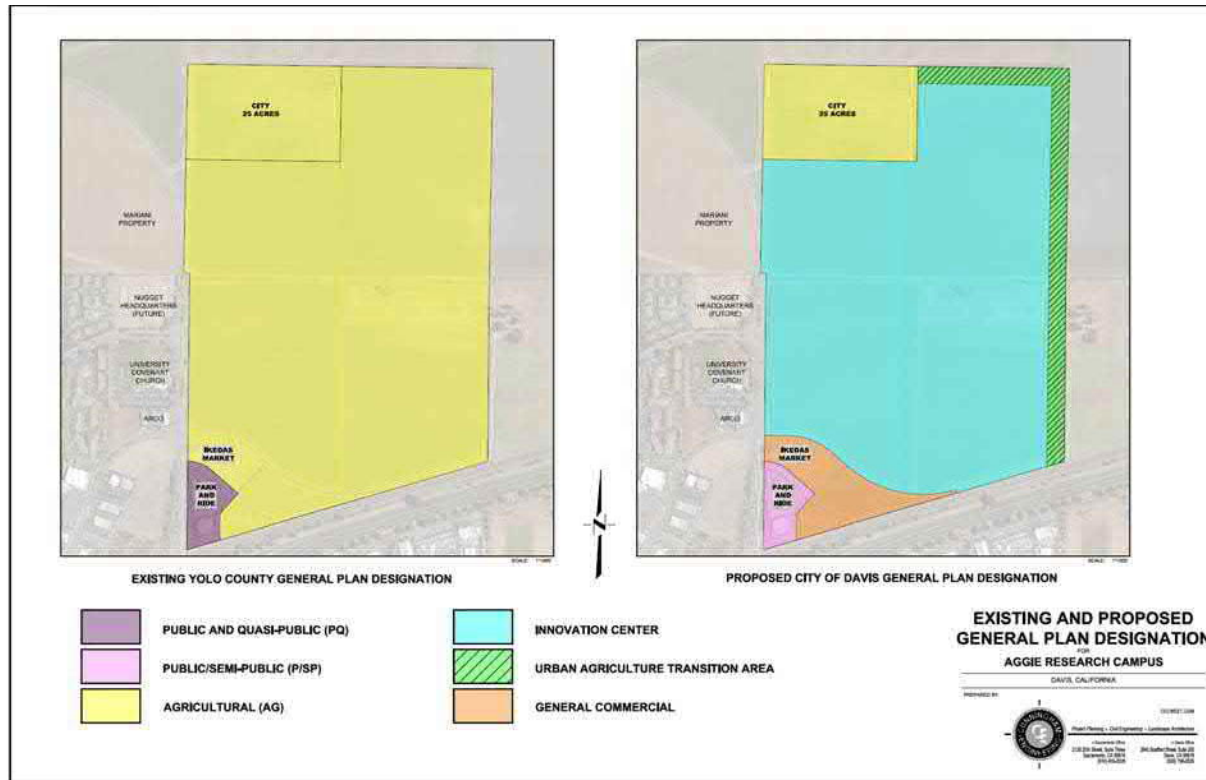
The project would require future implementing entitlements including a Tentative Subdivision Map and a Final Planned Development/Design Review, at a minimum. The project could go back to those commissions with project components specific to individual commission purview as part of the implementing entitlements should the initial land use entitlements be approved. The Tentative Subdivision Map, Final Planned Development/Design Review and/or Design Guidelines would go back to the Planning Commission.

Project Analysis & Recommendation

Preliminary Land Use Plan



General Plan Amendment



Prior to annexation of property into the city limits, the city must first establish the General Plan Land Use designations that would be placed on the property upon said annexation. In this case, the majority of the annexation is made up by the DISC property. Its proposed designation would be a newly proposed category called, “Innovation Center.” This designation will require both a text amendment to the General Plan document itself, as well as, an amendment to the General Plan Land Use diagram.

The innovation center land use description was tailored to meet the general guidelines placed by the city in its, “Guiding Principles for Davis Innovation Center(s)” approved by City Council on December 16, 2014. At the same time, the proposed land use description meets the project proposal submitted by the applicant. Therefore, staff finds that the proposed General Plan amendment is consistent with prior City Council direction (see Attachment 7 for consistency findings) and recommends approval.

The new General Plan land use designation for the City’s Mace 25 property is Agriculture, much the same as it is under the County’s current designation. Therefore, there is little to no change in the land use designation except for jurisdictional differences.

The Mace Triangle, which is located south of County Road 32A and north of Interstate 80, is included in the annexation to avoid the creation of a county island (a piece of property under county jurisdiction surrounded by incorporated property.) The City’s proposed general plan designation is a combination of General Commercial for all the properties except the city’s water

tank property and the park and ride lot. Those properties would be designated as Public/Quasi-public, which is consistent with the manner in which the county has them currently designated.



Part of the new land use designations, also includes the provision of new parks. The city’s Municipal Code and the State of California regulations (more commonly known as the Quimby Act), limit the dedication of park land to a maximum of 5 acres per thousand residents. In the case of the DISC project, there are 850 residential units requested, which equates to 11.7 acres of required parkland dedication. The applicant is proposing to provide 12.1 acres, which exceeds the requirements.

The Recreation and Parks Commission recommended that 15 acres be provided by the applicant in an effort to reduce the impact of the thousands of employees that will be working in the innovation center upon parks. The Quimby Act prohibits the dedication of parkland for non residential use. Furthermore, the Davis Municipal Code (DMC)(Section36.08.040(1.)(2.)) states that, “*the provisions of this section (Parkland dedication) shall not apply to Commercial or industrial subdivisions.*” Therefore, the City of Davis has no legal authority to require more parkland dedication unless the property is purchased from the developer or is included as part of a negotiated development agreement.

Annexation/Baseline Project Features

In the City of Davis, annexation of a property with an agricultural land use designation cannot occur without a prior vote of the people. Pending approval by the City Council, such a vote will occur in November 2020, for this proposed project. As a part of any annexation procedure, the city must first establish the proposed land use and zoning that will be applied to the property, prior to the vote of annexation.

Part of any annexation procedure in Davis includes the establishment of the project’s, “Baseline Project Features.” These are features of the proposed project, to which the applicant is committed to doing, and which are voted upon by the people of Davis. These features better describe the project and its commitments beyond the traditional land use and zoning. In the case of the DISC project, the Baseline Features are part of the General Plan Amendment resolution. Included are project goals, land use summary, and key project commitments. The commitments touch a variety of topics including housing, affordable housing, sustainability features, transit, roadway improvements, bicycle and pedestrian improvements, conservation, fiberoptic broadband internet features, financing and measurement and verification. The proposed Baseline Project Features can be found in the Draft Development Agreement as Attachment 12.

The City of Davis has spent many staff and consultant hours determining whether annexation of a consolidated 200 acre property for use as an innovation center is preferential to other alternatives, including a dispersed infill property. After much study and analysis, it has been found that there is inadequate infill property left in the city to create a true innovation center. Furthermore, the dispersal of these properties would not create the synergy that is necessary to create a true innovation center.

Pre-Zoning



Along with the pre-designation of the General Plan Land Use, an annexation application must also identify the zoning that will be applied to the property upon annexation. This is called Pre-Zoning. In this instance, all the property, except the Mace 25 city owned property, will be zoned Planned Development.

The Mace 25 property is proposed to be zoned Agriculture. The provisions of the Agriculture zone are included in Section 40.02 of the Davis Municipal Code. The Agriculture zone's permitted uses include; 1) agriculture, including any customary building and structure, and such uses as livestock ranges, animal husbandry, field crops, tree crops, nurseries and greenhouses, and other agricultural occupations as defined in this chapter, 2) ranch and farm dwellings appurtenant to a principal agricultural use and Public parks and 3) recreation areas.

The primary reason for bringing the Mace 25 parcel into the city is so that not only does the city have ownership of the parcel, it would also have jurisdiction over it as well. Today, if someone wants to use the property, it must conform to the county's regulations, even though the city owns the property.

As stated above, with the exception of the Mace 25 parcel, the balance of the property is proposed to be zoned Planned Development (PD). Within the PD zone, the permitted uses are

listed as well as other development standards. The zoning ordinance states that the PD zone is meant to offer flexibility from the rigid development standards contained in the standard zoning. An innovation center is exactly the place where such a set of standards would be most applicable. In the case of the DISC project, two areas where it is known that the project would deviate from the zoning standards is in parking and Floor Area Ratios (FAR).

Parking

The proposed parking ratios for the overall project site are less than the current requirements under the Davis Municipal Code as there is a plan for shared parking arrangements as the project is built out over time. While some transit opportunities exist today, it is expected that they will grow over time as more workers and residents move to the site. As transit opportunities grow, the need for parking is lessened.

The parking ratios for the office/commercial components of the DISC project would be a reduction from the ratios required by the City’s Municipal Code. Similarly, at a ratio of 1:0.8, the DISC project’s residential units are proposed to be parked at a standard less than the City average, and in a manner that reflects the walkability of the site and trending shifts in personal transit preferences. The overall parking ratios proposed are shown below.

DISC Project Parking Ratios

Use	Size	Ratio	Parking Spaces Provided
Office/R&D/Ancillary Retail	1,610,000 sf	1/418	3,848
Advanced Manufacturing	884,000 sf	1/707	813
Hotel	150 rooms	1/1.35 rooms	111
Commercial Total			4,772
Housing	850 units	1/0.8 units	1,086
Project Total			5,858

Sources: Institute of Transportation Engineers, Parking Generation Manual, 5th Edition (2019); Fehr & Peers, 2020.

The DISC Project would include creation of a parking reservoir to allow the allotted 4,772 nonresidential parking stalls to be distributed throughout the DISC project site as needed, rather than strict parking ratios being applied at the issuance of each building permit based upon use type. For example, if an advanced manufacturing use is more employee-dense than typical

manufacturing and, as such, requires parking for employees at a number that exceeds the 1/707 ratio shown in the table above, the proposed project may accommodate that particular user’s need. However, the 4,772-stall maximum allowed capacity within the project’s envelope would not increase; therefore, future users may be parked at a level below the allotted ratio. Effectively, the parking envelope allows the proposed project to collectively park the site as is determined necessary during buildout, based upon an evaluation of user needs and transit patterns.

It should be noted that currently, transit service is not provided at the DISC project site but is located on Mace Blvd. The City anticipates that upon buildout of the DISC Project, local transit providers would agree to provide service to the site, thereby allowing for reduced parking ratios relative to those shown in the table above. In anticipation of those transit services, the applicant has included provisions for bus stops along Mace Blvd. for the early phases of development. Given that there are already bus services on Mace Blvd., it is not difficult to expand those services over time with new facilities along the project frontage. The Development Agreement also requires the applicant to work with Yolobus and Unitrans to relocate bus stop facilities along the project frontage and internal to the project as route considerations may change during the project buildout. Furthermore, the applicant is also proposing a transit station, to be centrally located on the property (near the large park site.) Staff has been in contact with the regional bus service provider and they have indicated a willingness to work with the City over time to support the increase in ridership.

Multi-family units would have shared parking facilities within the building, identified for exclusive use of residents with assigned stalls, while single-family attached units would have private garages. Some single-family units may include two-car garages, and multi-family uses, particularly micro-units or studios, may be parked at a ratio of 0.5 stalls/1 unit. Shared parking arrangements would be permitted on-site between commercial and residential uses at appropriate locations. The shared corporate and multi-family residential parking areas would result in more efficient use of land, given that demand for business parking is greatest between 8:00 AM and 5:00 PM, five days per week, and residential parking demand peaks between 5:00 PM and 8:00 AM on weekdays and on weekends.

All off-street parking areas would be designed to incorporate shade orchards and/or solar arrays to the maximum extent feasible. Where possible, permeable surfaces would be utilized to assist in drainage and groundwater recharge. Parking areas may be converted to parking structures over time to accommodate buildout of the allowed densities, but the overall maximum will not exceed 5,858 parking spaces. On-street parking stalls would not be withdrawn from the parking envelopes available to residential or non-residential uses, as such stalls are primarily intended to accommodate visitors to the DISC project site, rather than employees or residents.

To further assist in the reduction of parking needs, the applicant has also committed to the provision of a Transportation Demand Management (TDM) program. The general concept is that TDM program would be managed by a Master Property Owner's Association. The association would be made up of all the owners of non-residential property in the project. Collectively, this group would develop, incentivize and enforce various methods to encourage the employees with the innovation campus to come to work via some method other than personal, single occupancy vehicles. Reducing the parking number, thereby reducing the availability of parking is one of the first ways to encourage employees to use some other multi modal method of going to work. It is difficult, if not impossible to define the TDM measures that would be most effective at this time. Without knowing who the actual occupants of the campus will be, where their particular mix of employees will live, and how they currently get to work, it is not practical to design an effective plan at this stage of the proposed project.

Therefore, the TDM plan is part of the Development Agreement provisions and will be evaluated and designed as each project comes on line.

Floor Area Ratio

When the City Council adopted the Guiding Principles for the innovation centers, it was hoped that the projects could reach a floor area ratio of at least 0.5. In response, the applicant prepared the Baseline Project Features site plan. With the reduction in required parking, the proposed project is expected to reach a minimum FAR of 0.7 at full buildout. There is some flexibility within the site in terms of siting the buildings, specific uses, etc., however, the uses will not be allowed to be substantially modified nor will area maximums be exceeded. In the early phases of the project, a minimum FAR of 0.4 is required as there is little opportunity for shared parking resources and transit opportunities are still evolving. FAR will increase as more phases are built because over time, as transit and transportation opportunities evolve and improve, the need for parking is lessened and the FAR will go up.

Grading and Drainage

Over the course of the project's review, one issue which has come forward several times is the use of the City's property (Howatt Ranch) as a detention basin and should said detention basin be built, the payment to the City for the soil that comes off of the property. The first issue that should be noted is that the Howatt Ranch property already has a flood easement upon it. When the Yolo Bypass is full of water due to heavy rainfall, water from the Davis area and the agricultural areas east of Davis collects on the Howatt Ranch property. The DISC project is conditioned to detain its drainage to pre-development levels, however since the drainage already accumulates on Howatt Ranch in the current condition, it will continue to do so in the post development scenario. The only difference would be that there will be more water.

One solution to the issue would be to construct a detention basin on the Howatt Ranch property. Another option would be to provide the city with a temporary pump station that could be used in such situations (to pump the water from Howatt Ranch, over the levee and into the bypass.) The applicant has not chosen an option at this point, so the EIR evaluated the environmental impacts associated with the detention basin construction so that all mitigation measures associated with that option were identified.

One issue associated with any detention basin construction is where to place the removed soil. In the case of the Howatt Ranch property, it would need to be dug down about 2.5 feet, setting aside the top soil, and replacing about 1 foot of soil in the basin. The applicant informed the hydrologist that if this option were selected, that one place the soil could go is on the project site. Given that option has the only reasonable level of assurance, that was the option studied. In other words, studying the option of taking the dirt to any other site would be speculative at this point as no one has identified the need for the soil. The DISC project does not need the excess Howatt Ranch soil. The DISC is not located in the floodplain nor does it need the Howatt Ranch soil for other purposes. It is simply a place to put the excess soil.

Since the City owns the Howatt Ranch soil, it has the ability to do with it what it chooses. If it turns out that the City or some other user has a need for the Howatt Ranch soil, in all likelihood it will be sold to that other user. As an example, often times Caltrans has the need for excess soil for road works. Another less attractive alternative would be to dump the excess soil in the land fill. If the Howatt Ranch soil is used on the DISC property, it will be blended in with the onsite soil and very little change will be noticed.

While the DISC applicant felt that expanded detention on Howatt Ranch could be an option that made sense, they recognize that this option has generated confusion and concern. The DISC applicant has agreed to a provision in the Development Agreement that recognizes their storm drainage design will not include excavation and/or import of soils from the Howatt Ranch property.

Some have felt that the DISC property needs the Howatt Ranch soil to treat expansive soils on the project site. This is not accurate. Please see Attachment 8 for an explanation from the project geotechnical engineer.

Affordable Housing

The Draft Development Agreement contains Exhibit E, which captures the affordable housing commitments that have been negotiated for the DISC project. Staff believes the affordable housing program is robust and supportable, providing affordable units in an amount that is in excess of City requirements, and unique affordable housing ownership opportunities in addition to onsite rental affordable housing.

Using the unit assumptions from the SEIR, the following affordable housing would be required for the project:

Medium Density Attached Residential Affordable Ordinance Requirement (10%)	Total Units 280 28 affordable units
Multifamily Residential (15%) Affordable Ordinance Requirement (15%)	Total Units 570 86 affordable units
Total Required Affordable Units	114 units
Total Units Proposed by DISC	153 units

To fulfill its obligation to provide affordable housing as a condition of developing any housing within the Davis Innovation and Sustainability Campus, Developer shall comply with the City of Davis's affordable housing ordinance, as currently contained in Davis Municipal Code Article 18.05, which is attached to this exhibit and incorporated by reference and which will remain applicable to the project for the term of the Development Agreement. The DISC project will be obligated to provide for affordable housing units in a manner consistent with the current City ordinance (Davis Municipal Code Article 18.05) which will vest for the project for the term of

the Development Agreement. Any residential development onsite thereafter will be subject to the then current affordable ordinance. The number of affordable units and affordability mix required is determined based upon 18.05.050(a) for ownership units, and 18.05.060(a) or (b) for rental units.

Assurance of 153 Affordable Units

Though, pursuant to City Ordinance, the number of required affordable units is determined based upon a percentage of the units with those percentages varying depending on the type of market rate housing proposed, Developer is committed to providing, through those means afforded in the Ordinance, for 153 affordable housing units, eighteen percent of the overall housing units. The commitment to 153 units exceeds the Project's obligation under the Ordinance.

Commitment to Onsite Affordable Housing

To ensure a diversity of housing affordability within the Project, Developer commits to constructing at least 125 of its affordable units onsite. The onsite affordable housing units will include 100 affordable rental units and 25 for-sale housing units. The 100 multifamily units will provide an affordability mix of 60% low and 40% very low income. The ownership housing will be affordable to moderate income households.

The 100 affordable rental units may be located in one, all-affordable project or distributed throughout mixed-income buildings. If an exclusively affordable building accommodates all 100 units, that building shall be located in manner inclusive to the site and proximate to community amenities such as parks, transit connections and/or regional bicycle pathways. Developer may work with an affordable housing developer of its choosing subject to City review to confirm that the selected affordable housing developer has demonstrated a track record of successful project delivery and management. Regardless of whether the 100 units are provided in one location or are dispersed in mixed-income apartments throughout the site, construction on all of the onsite multi-family affordable units shall commence prior to issuance of the 150th market rate residential building permit in Phase 2.

The ownership affordable housing opportunity shall be affordable to moderate income households as defined in the Ordinance. The 25 units may be built in one project or be constructed as the housing associated with each phase builds out. The for-sale affordable units shall commence construction in Phase 2.

Manner of Fulfilling the Obligation

The precise affordable housing obligation will be determined as project-level housing projects are proposed at the Project site. The type of structure and/or residential units proposed will dictate the percentage of affordable units that must be provided. It is anticipated that the calculation will be made each time a housing project is proposed onsite, which may be one or more applications per Project phase. As such, the affordable housing obligation may be fulfilled over time by numerous entities as each segment of DISC housing is proposed.

Developer may, alternatively, elect to fulfill the Project's cumulative affordable housing obligation (or a portion thereof) and allow subsequent home builders to avail themselves of credits. For instance, if Developer elects to construct 100 affordable housing units onsite in Phase 1, those units could fulfill the affordable housing obligation of subsequent market rate projects located on-site.

To expedite the development of affordable housing, if a housing project is proposed onsite that is exclusively affordable, that project is not subject to the requirement to develop commercial prior to housing or in any way tied to the development of commercial square footage as a condition precedent.

Developer's affordable housing contribution shall not be less than 153 units and at least 125 units must be constructed onsite. For the remainder of the affordable housing required of DISC which shall be no less than an additional 28 units, Developer and its successors-in-interest may elect to fulfill the affordable housing obligations through, but not limited to, any of the following methods which excludes the payment of in-lieu fees:

- Onsite construction;
- Acquisition and recordation of permanent affordability restrictions on existing housing units within the City,
- Provision of a land dedication site,
- Project individualized program, and/or
- Alternative manner such as a pledge to the City of a continuing revenue source for achieving affordable housing goals.

Mace 25

The DISC project, as proposed, is designed with and has been analyzed as including 6.8-acres of the agricultural buffer being located within an easement area on an adjacent City-owned property identified as the Mace 25. The Mace 25 had previously been analyzed in the MRIC EIR for urbanization but, in the revised Project and Subsequent EIR, this parcel retains an agricultural land use designation and will not be developed with urban uses. As proposed and analyzed, the 6.8-acre easement area would comprise a portion of the DISC project's agricultural buffer and would include drainage conveyance features, over 4 acres of native habitat and open spaces in an area designed to exclude pedestrian activity, and approximately 2.25-acres of greenway with pedestrian access and recreational trails.

In response to robust public dialogue, City proposes for the draft Development Agreement and the applicant acknowledges that no easement shall be granted unless the City analyzes its future use of the Mace 25, and finds the easement to be compatible with said future use. This may occur as part of the General Plan update but could be a lesser public planning effort such as the Mace Boulevard Corridor planning effort, or other process. In the event the City ultimately determines that the proposed 6.8-acres of agricultural buffer easement is compatible with future

plans for Mace 25, a valuation methodology is proposed in Exhibit H of the Development Agreement where this matter is discussed in greater detail.

Exhibit H of the Development Agreement further states that, despite any project entitlements, City reserves the right not to grant Developer the requested easement.

Economic Considerations

Based upon the City's consultant, EPS's independent analysis that was reviewed by the Finance and Budget Commission, the DISC project is projected to produce \$5.3 million in net positive fiscal benefits to the City of Davis on annual basis at buildout. The EPS report also identified significant economic impact through business-to-business activity and employee spending, indirect and induced benefits, on the local Davis economy and Yolo County overall. The DISC project also presents an opportunity to diversify the local economic base and providing an opportunity for major employers that will need employees that fall into a key Davis demographic that has been on a steady decline over the last decade, the 25-55 demographic (as identified in the 2017 State of the City Report). This is an important demographic in communities as they are more likely to have school age children populating local schools, tend to have greater spending habits as they are have growing needs, translating to increased revenues for merchants, restaurants and local sales tax.

The City of Davis serves as the host for the UC Davis campus which is great part of the community, offering many positive benefits but the campus is actually located in Yolo County and the City does not get the sales tax revenues for transactions on campus. The Development Agreement for the DISC project has language requiring all retail transactions on the site to record the place of sale in Davis versus another affiliated business location. Tax-exempt organizations that lease property in Davis do not pay property taxes, the DISC project has a provision that requires the developer/property owner to reimburse the City should space be leased to a tax-exempt tenant. The DISC project will also generate considerable fee and construction tax revenues over the life of the project. The Development Agreement also contains a number of attractive provisions inclusive of a land-secured assessment on market rate, ownership housing to provide additional ongoing revenues for a variety of City services.

The DISC project analysis has presented a compelling opportunity for the City to benefit from locating a research and development innovation campus within the City, contributing to the long-term fiscal health of the City. The spinoff potential of UC Davis is not being fully realized. The DISC project provides an opportunity for that to occur in the City where the fiscal benefits can be realized, rather than having a similar proposal be located in another jurisdiction adjacent to the UC Davis campus where there could be potential impacts on the City without the fiscal and economic benefits coming back to the City of Davis.

Development Agreement

The Development Agreement (DA) is a voluntary contract between the City and a developer. It provides a vested right for development of the property, and establishes obligations of both

parties. Generally, the City Council takes the lead regarding appropriate public benefits and other DA provisions. The City Council appointed an Ad Hoc Subcommittee of Mayor Pro Tempore, Gloria Partida and Councilmember, Dan Carson to provide guidance to staff in negotiating a Development Agreement for the DISC project.

The Development Agreement addresses a variety of project related issues and implementation of the Baseline Project Features. By including the implementation provisions in a Development Agreement, there is a greater understanding of the methodology under which the Baseline Project Features will be undertaken. The Development Agreement establishes applicable impact fees, connection fees, other commitments and requires approval by the City Council. Additional formatting and technical details will be incorporated in a final draft version for City Council. Important exhibits of the DA are identified below. The Draft DA is included as part of Attachment 12.

- Affordable Housing Plan – Exhibit E
- Sustainability Features – Exhibit F
- Transit, Transportation and Circulation – Exhibit G
- Habitat and Agricultural Conservation – Exhibit H
- Recreation and Wellness – Exhibit I
- Urban Forest and Landscape – Exhibit J
- Impact Fees, Credits, and Municipal Financing – Exhibit K
- Uncategorized Additional Community Benefits – Exhibit L

V. Environmental Impact Review

At build-out, DISC would include up to 2,654,000 square feet of innovation center/business uses and 850 residential units of varied sizes and affordability. More specifically, the DISC project would include space for office, research & development, laboratory, advance manufacturing, prototyping, limited supportive retail, a hotel and a conference center, and include 850 residential units to meet DISC’s anticipated housing need within the City. The DISC proposal has been planned to be in substantial conformance with the mixed-use project alternative that was analyzed in the MRIC EIR.

The City has prepared a Draft and Final Subsequent Environmental Impact Report (FSEIR) in accordance with the requirements of the California Environmental Quality Act (CEQA), the State CEQA Guidelines, the City’s procedures for the implementation of CEQA, and other applicable laws. Public participation was included in the environmental review process for the project.

The Draft SEIR identified the following environmental issue areas as having significant and unavoidable environmental impacts from implementation of the project: Aesthetics, Agricultural Resources, Air Quality, Transportation and Circulation, and Cumulative Impacts. All other

environmental issues were determined to have no impact, less than significant impacts, or less than significant impacts with mitigation measures incorporated into the project.

The DEIR was released March 13, 2020, for public review and comment. The comment period met the statutory 45-day period, closing at 5 p.m. Monday, April 27, 2020. The document remains available online at the City's website located at <https://www.cityofdavis.org/city-hall/community-development-and-sustainability/development-projects/aggie-research-campus> . at the Department of Community Development and Sustainability, and at the Davis Branch Library.

One noticed public meeting was held by the Davis Planning Commission on April 22, 2020, at 7:00 p.m. to receive comments on the Draft SEIR. During the public meeting, interested parties had the opportunity to speak and comments were captured by staff and the SEIR consultant team. Comments received at the public hearing were responded to in the Final SEIR.

The Final SEIR includes revisions, updates, and clarifications in response to public and agency comments on the Draft SEIR. The Final SEIR includes all public comments received on the Draft EIR and written responses to all of these comments. The Final SEIR document was made available on June 1, 2020 and is available at <https://www.cityofdavis.org/city-hall/community-development-and-sustainability/development-projects/aggie-research-campus> . The new information provided in the Final SEIR does not constitute "significant new information" within the meaning of CEQA so as to require recirculation of the Draft SEIR or Final SEIR.

The FEIR includes a specific discussion about the use of the Mace 25 for an agricultural buffer. Although not a CEQA issue, the comment was raised many times. Therefore, staff felt it should be addressed in the document. It is shown as master response #2 (page). In summary, staff finds that there is no legal reason not to use the Mace 25 property as an ag buffer. The applicant has proposed to compensate the city for the buffer. Ultimately, it will be up to the City Council to determine if the arrangements negotiated by staff are acceptable.

VI. Conclusion

In summary, staff recommends approval of the applications. Staff believes that the project appropriately integrates the City goals for a research and development focused innovation campus, environmental sustainability, community character, and fiscal responsibility. The proposed project, when balanced with a multitude of other policy objectives, appropriately contributes to city sustainability goals and provides needed vacant, zoned, land supply for existing businesses to grow and an attractive campus environment that is designed to attract new businesses that value the strengths that the community has to offer, and will contribute to the long-term fiscal health of the community.

ATTACHMENTS

Attachment 1- Comparison Between Guiding Principles for Davis Innovation Centers and the Davis Innovation and Sustainability Campus

Attachment 2- EPS Report

Attachment 3-Finance and Budget Commission Ad Hoc Subcommittee Memorandum

Attachment 4-EPS Response to the Finance and Budget Commission

Attachment 5-Commission Recommendations in Narrative Form

Attachment 6-Commission Recommendations to the Planning Commission and City Council

Attachment 7-General Plan Consistency Analysis

Attachment 8-Memorandum from Project Geotechnical Engineer

Attachment 9- RESOLUTION ADOPTING CEQA FINDINGS OF FACT; ADOPTING A STATEMENT OF OVERRIDING CONSIDERATIONS; ADOPTING A MITIGATION MONITORING PLAN; AND CERTIFYING THE FINAL ENVIRONMENTAL IMPACTREPORT FOR THE DAVIS INNOVATION & SUSTAINABILITY CAMPUS (FORMERLY AGGIE RESEARCH CAMPUS) PROJECT

Attachment 10-RESOLUTION OF THE CITY OF DAVIS STATING ITS INTENT TO AMEND THE CITY OF DAVIS GENERAL PLAN LAND USE ELEMENT TO ADD THE LAND USE CATEGORY “INNOVATION CENTER” AND TO AMEND THE CITY OF DAVIS LAND USE MAP TO REDESIGNATE THE PARCELS LOCATED ON THE NORTHEAST CORNER OF MACE BOULEVARD AND COUNTY ROAD 32A
(General Plan Amendment #6-14)

Attachment 11-ORDINANCE AMENDING SECTION 40.01.090 OF CHAPTER 40 OF THE CITY OF DAVIS MUNICIPAL CODE BY PREZONING APPROXIMATELY 228± ACRES (Assessor’s Parcel Numbers (APNs) 033-630-006, -009, -011, and -012; 033-650-009, and -026) LOCATED NORTHEAST OF THE INTERSECTION OF MACE BOULVDARD AND INTERSTATE 80 OF, TO PLANNED DEVELOPMENT (PD) # 4-14 UPON ANNEXATION TO THE CITY OF DAVIS AS OUTLINED IN SECTION 40.01.110 OF CHAPTER 40 OF THE DAVIS MUNICIPAL CODE

Attachment 12- AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DAVIS APPROVING THE DEVELOPMENT AGREEMENT FOR THE DAVIS INNOVATION AND SUSTAINABILITY CAMPUS PROJECT

ATTACHMENT #1

Comparison Between Guiding Principles for Davis Innovation Centers and
The Davis Innovation and Sustainability Campus Proposed Project

<p align="center">Guiding Principles for Davis Innovation Center(s) Approved by City Council December 16, 2014</p>	<p align="center">Davis Innovation & Sustainability Campus Provisions Proposed June 2020</p>
<p><u>Principle #1: Density</u></p>	
<ul style="list-style-type: none"> • Goal of at least 0.5 floor area ratio (FAR), which is consistent with the General Plan and previous business park land strategies. Increased FAR will be encouraged, but will require change to the General Plan. 	<p>The project is expected to meet a 0.9 FAR at build out through a combination of reduced parking requirements, multimodal transportation opportunities, and parking structures. The project includes a general plan amendment to increase the allowable FAR to 0.9.</p>
<ul style="list-style-type: none"> • Opportunities for densification over time (i.e. parking structures and new buildings). 	<p>It is expected that the project will be built out in about 4 phases. In the early stages of build out, projects will include ratio of parking to floor area consistent with current City standards. Ultimately, the ratios will decline as more transit options become available and workers in the project area have other options for commuting to work. There are parking structures planned for the later phases of the project as the site adds buildings and develops to its ultimate densities.</p>
<ul style="list-style-type: none"> • Building massing would include a mix of building types and heights to meet user needs, including potential for corporate headquarter buildings. 	<p>There is a large variation in the expected building types and heights in the project. Many types of users, from small start-ups to large corporate operations can locate here. There are also both taller multi-family rental housing and shorter, for-sale housing product. Similarly, zoning allows for single story advanced manufacturing buildings and larger office/R&D/laboratory space.</p>
<p><u>Principle #2: Sustainability</u></p>	
<ul style="list-style-type: none"> • Apply Low Impact Development Principles 	<p>The project includes the concepts of incorporating storm water drainage swale systems and integrates “smart street” designs to minimize paved street sections.</p>

<ul style="list-style-type: none"> • Ensure minimal greenhouse gas (GHG) impacts at the project level 	<p>Multi-modal transit is proposed through implementation of a Transit Demand Management plan, building efficiencies utilizing CalGreen Reach /green building design, and a commitment to utilize 100% renewable electricity with considerable energy production onsite and commitment to purchase electricity from renewables, striving towards net-zero goals are expected to address GHG concerns.</p>
<p>Explore opportunities to bolster the goals of the Climate Adaptation & Action Plan (CAAP)</p>	<p>The project construction must also comply with the minimum city requirement of the CalGreen energy code for buildings and has committed to use the City’s Reach Code. These requirements will certainly be met by the project and could be exceeded with integration of even more energy efficiency measures and installation of photovoltaic panels. The buildings in this project should be among the most energy efficient in the City.</p>
<p>Each site will be required to mitigate with agricultural land on a 2 to 1 acre basis, as provided for in current ordinances and regulations</p>	<p>If approved, the project will have to comply with this regulation. This commitment is also in the development agreement.</p>
<p>Discussions with Yolo County and the County Ag Commissioner will need to address the County’s Ag buffer requirements and the City standards for Ag buffers.</p>	<p>The project includes an Ag buffer across the northern and eastern edges of the property. Yolo County staff acknowledge the consultation of County Ag Commissioner in preparation of the project standards and potential for environmental impacts.</p>
<p>Careful consideration will need to be given to the design, maintenance and ownership of open space areas. Internal drainage, paseo, and pathway systems would likely be maintained by project.</p>	<p>All open space area designs will be reviewed prior to approval by the City of Davis. Upon acceptable installation, those areas will be maintained by a property owners association or by the City through a special funding source.</p>
<p>The potential budgetary impacts of any proposed City maintenance areas will be carefully evaluated in the fiscal analysis.</p>	<p>The project’s budgetary impacts have been analyzed by the City of Davis in a report prepared by Economic Planning Systems, May 2020</p>

Significant LEED (or LEED equivalent) construction and practices throughout the innovation center.	The project will be required to meet CALGreen and Energy Code compliance that will be essentially equivalent to LEEDv4 Gold. The project shall also comply with the City of Davis Reach Code, which requires a minimum 10% compliance margin above the 2019 California Building Energy Efficiency Standards (Title 24, Part 6 of the California Code of Regulations.)
Use of advanced building materials.	The project is only seeking general plan designation and zoning. Building materials will be subject of subsequent entitlements if the project is approved by the electorate.
Water conservation, recycling and reuse.	The project will utilize all native or drought tolerant plant species in project landscaping. Drainage will be accommodated in bioswales and open conveyance rather than piping to clean runoff and maximize groundwater recharge. The project will install purple pipe infrastructure and utilize non-potable water for common area landscaping with the objective to convert to reclaimed water if and when available.
Storm water treatment and flow control through bio swales that allow conjunctive uses (habitat, wetland and water quality).	The project will include bioswales throughout, including in place of traditional piped storm drains in most locations.
Use of parking and rooftops for energy generation (and possible green roofs).	The project will include solar arrays in the parking areas and on rooftops.
Usable Open Space/Habitat opportunities overlapping with the drainage systems, including pathways systems throughout with public access and interpretive exhibits.	The primary drainage system through the project site, the Mace Drainage Channel, will be enhanced with native plantings and will also include a bike trail and walking path to parallel it. The Ag Buffer surrounding the site will also include a drainage system, pathways and public access throughout the internal fifty feet.

Use of native species and drought tolerant landscaping that creates wildlife habitat value, such as native pollinators.	The project includes commitments to use native and drought tolerant plant species to create habitat value.
Greenbelt spine(s) to interconnect the nearby neighborhoods.	Greenbelts are included to connect the neighborhoods to the bike paths, which will connect to the rest of the city to the west.
Maximize interconnectedness of open spaces and minimize open space with fragmented and linear edge effects.	All the planned public open spaces are connected by greenbelts and include pedestrian pathways.
Integrate a robust urban forest for tree shade, aesthetics, carbon sequestration, and reduced heat island effects, while ensuring compatibility with PV systems.	The project includes a minimum of 1000 trees to be used within the project. The location of those trees will be evaluated with each phase of the project to ensure long term compatibility with the built environment. Applicant has been in consultation with Tree Davis and is committed to work with a qualified organization in determining the location and species of tree plantings.
Utilize planting techniques to maximize successful growth of healthy trees over time (structural soils, cantilevered sidewalks, etc...)	The project commitments include the use of structured soils and long-term maintenance programs to give the trees the maximum potential for success.
<u>Principle #3: Transportation</u>	
In addition to the obvious vehicular connections of the site to the community, even more critical are the bicycle/pedestrian/transit connections that must be made in order to integrate this site as a truly multi-modal project.	The project site contains bike/ped connections throughout the site and across Mace Blvd through an off-grade crossing and at the signalized intersection with Second Street. A Multimodal transit station will also be included in the project to allow for transfers between various modeshares. Applicant is also required to implement TDM measures with a requirement to measure and report effectiveness of programs to the City. The project is also committed to partnering with a city on an electric shuttle program connecting the project site to the train station and UCD.

<p>Applicant should develop partnerships with the City, UC Davis Unitrans, Yolo County Transit and Amtrak to create a comprehensive multi-modal system and transportation plan with safe, dynamic, well-planned automobile, bicycle, pedestrian, mass transit and emergency vehicle access connections</p>	<p>The city of Davis and the applicant have been in contact with the bus service providers obtain their feedback on the design. Additionally, the project is required to include a transportation demand management plan as each specific project is developed to provide as efficient a system as is possible. The applicant has also agreed to fund a study in collaborations with local providers to explore service expansion opportunities as ridership demand increases.</p>
<p>Integration of alternative transit (including pedestrian, bike and mass transit). Shuttles to key destinations, such as Downtown, should be explored.</p>	<p>The project includes a near-term plan to provide an electric shuttle linking the project to the UCD campus and the train depot.</p>
<p>Design for ease of bicycle, pedestrian and alternative fuel vehicular access. Infrastructure to support the current and next generation of alternative fuels/electric vehicles is expected.</p>	<p>Access for all modes are provided in the project. For example, all buildings will have electric vehicle charging stations as required by code and given priority parking locations. Project will also construct parking lots with infrastructure to provide vastly increased charging so that it may expeditiously respond to growing demand.</p>
<p>Integration of bicycle, pedestrian and transit line networks to connect nearby neighborhoods to and through the site.</p>	<p>Vehicular connections will be made through the transit networks existing and planned along Mace Boulevard at 2nd Street and Alhambra. Bike and Ped connections will be made at the Second and Mace Boulevard intersection and at the bike/ped off-grade crossing to be built near the Mace Drainage Channel as a part of the project to connect with the existing greenbelt system and constructing bicycle connections to Harper Jr. High on the inside of the Covell Blvd. curve..</p>
<p>Applicants should consider opportunities to create unique parking concepts and the exploration of alternative parking ratios, maximum parking standards, and alternatives to traditional surface parking fields (for vehicle trips that are generated, incentivize</p>	<p>The applicant has proposed a parking ratio that is less than the current parking standard in the City Zoning Ordinance. Early users in the campus will build at the current ratio of parking spaces to building square footage than later phases, with the plan for greater</p>

<p>alternative fuel vehicles, underground parking and garages, explore options for incentives NOT to drive a vehicle, evaluate placement of parking to help shape behaviors).</p>	<p>sharing among users and more use of alternative modes of transportation as the project reaches a critical mass which can support robust transit services. The development agreement and baseline features establish a target ratio at build-out which is considerably less than current standards. The project will unbundle all parking associated with its multi-family housing providing an incentive for a car free lifestyle.</p>
<p>Participating in Bike Share programs with bike parking locations that are convenient, safe and dry.</p>	<p>Bike Share programs will be part of the multimodal concept on the project site.</p>
<p>Provision of bicycle facilities that meet the demands of commuters AND visitors (convenient and secure parking, shower and locker facilities, bicycle work stations/repair shop, multi-use paths, etc...).</p>	<p>Bike facilities will be factored into the Transportation Demand Management programs for each end user. It is estimated that the project will include 2,000-2,150 bicycle parking stalls and will include bicycle lockers and changing facilities.</p>
<p><u>Principle #4: Work Environment</u></p>	
<p>An environment that is inviting and is active with activities and amenities on the evenings and weekends as well as work hours.</p>	<p>The project includes commercial and residential to ensure that the site is activated at all times rather than just during work hours. The project site will have a range of activities, including both the passive parks and the active parks, open spaces with natural habitats, walking and bicycling paths, parks programmed with sports field(s) that include lighting, complementary retail, and easy access to the downtown area via public transportation.</p>

Building designs incorporating LEED standards for healthy work environments (daylight, fresh air, good indoor air quality).	The project will be required to meet CALGreen and Energy Code compliance that will be essentially equivalent to LEEDv4 Gold. The project shall also comply with the City of Davis Reach Code, which requires a minimum 10% compliance margin above the 2019 California Building Energy Efficiency Standards (Title 24, Part 6 of the California Code of Regulations.) and exceeds LEED gold.
Ancillary amenities that serve employees such as a café, coffee shop, restaurant, copy shop and fitness center, child care (as a few examples).	Ancillary amenities will be considered as part of each employer project.
Design elements that include dual use spaces, such as recreation or gathering spaces (like amphitheater seating).	Parks and Non residential outdoor spaces will consider including dual use spaces to maximize land use.
Implement shared facilities when possible (gym facilities, etc.). Should also explore integration of meeting spaces that serve business needs during the weekdays and community needs during the evening and weekends.	Shared spaces will be considered during building design phase whenever possible. The project includes a hotel that will include conference space that will be available nights and weekends.
Green paseos interconnecting buildings.	Green paseos will interconnect buildings.
Activate outdoor spaces by designing appropriately scaled buildings with architectural character, pedestrian amenities and informal gathering areas.	Outdoor spaces including four parks and multiple courtyards will be activated with pathways, seating and outdoor eating opportunities.
Develop architectural, landscape, and hardscape aesthetic that is inspiring, preserves/increases scenic value and uses high-quality, low-maintenance materials, native species, wildlife habitat (pollinators, etc...).	All construction projects will be evaluated for their scenic value during subsequent entitlements.
Small areas throughout the site that can integrate drainage swales and parklets.	Drainage swales will be used throughout the project and will connect to parks, greenways, and landscaped buffer areas that are dispersed in and around the project site.

Have the ability to accommodate a range of desired work environments, flexible range of space, lease and ownership options reflecting an array of formal and informal work styles and settings; including flexible small co-working, incubator/accelerator spaces, meeting rooms, conference space, shared business support services and “cutting edge” business center amenities (teleconferencing etc.); specialized maker-spaces, research and development; manufacturing facilities, larger companies and corporate headquarters.	The project plan accommodates the potential for a wide range of users, both in size and arrangement.
<u>Principle #5: Uses</u>	
Warehouse uses auxiliary only to research and manufacturing	Warehousing, as a stand-alone use, is not listed as a permitted use. Warehousing of any product would only be permitted in conjunction with onsite advanced manufacturing.
Design and uses of the innovation center should be modeled after successful research centers, districts and parks across the U.S. and internationally, taking into account forward-thinking best practices.	The project has been designed by a planner with world class experience in research centers including UCSF’s Mission Bay facility.
Create both lease and business ownership opportunities in a mix of building forms that range from single story advanced manufacturing facilities to multi-story office, research and development buildings and research labs.	Both lease and ownership opportunities will exist in the project in a range of building types and forms.
Explore ownership opportunities that maximize flexibility, such as grid condominiums and flex space.	None of the identified ownership opportunities are precluded, though the Project will be developed in a manner that is market driven.
Mix of professional office, high-tech, R&D, industrial flex space, grow labs, commercial services, focused largely on expansion needs of research and technology development	The permitted uses include offices, research and development, laboratories, advanced manufacturing, and other uses to expand on R&D.
Some ancillary project-serving retail and services including gyms, childcare and recreational amenities.	Ancillary retail uses are included in the list of permitted uses not to exceed 10% of commercial space.

Hotel/conference spaces to serve the business needs of the center over time, provided they are compatible with other envisioned hotel/conference projects in Davis (such as the one proposed at Richards Blvd and I-80).	Hotel and conference space is provided which has been assumed and analyzed at 150 rooms and 160,000 square feet.
Discourage distribution centers, call centers or large-scale food processing plants.	Distribution center, call centers or large scale food processing are prohibited uses.
Minimization and careful management of heavy truck deliveries.	Uses with heavy truck deliveries shall be minimized for the balance of the site and where they may be more frequent such as advanced manufacturing, the uses are sited appropriately.
Goal is to focus on creation of research, technology and advanced manufacturing jobs, and revenue generating uses.	These are the principally permitted uses.
<u>Principle #6:</u> <u>Timing and Project Phasing</u>	
Proposed project phasing should meet with anticipated market demand for space and be adaptable to respond to changing market conditions over time. Building density, project phasing, and total job creation must consider community growth and CEQA mitigations, carefully accounting for the provision of appropriately scaled and timed infrastructure (water, sewer, roads, etc...).	Project phasing is established by a defined commercial square footage and corresponding number of residential units. Project phasing boundaries are not dictated and can be adjusted as needed to respond to market needs. All phasing and building construction impacts have been studied and will be monitored over time to ensure all impacts are mitigated. Applicant is required to conduct traffic analysis at the conclusion of each phase prior to entering the next to evaluate traffic patterns and determine which mitigations are necessary at each stage of project build-out. Water and sewer capacity has been studied and capacity has been determined to be adequate.
Phasing needs to be responsive to actual and potential tenants.	Phasing will be responsive to actual tenants.

<p><u>Principle #7: Fiscal Consideration and Net Community Benefit</u></p>	
<p>Project is expected to create net new annual revenue beyond project-based service costs.</p>	<p>The project will create new annual revenue as shown in the Economic and Planning Services Report dated May 2020.</p>
<p>Infrastructure and direct costs (construction) of the project are expected to be absorbed into the project.</p>	<p>All costs associated with the extension of infrastructure and of onsite construction will be borne by the project. Contribution to offsite improvements will be determined based upon nexus.</p>
<p>Positive economic impacts are expected to include new job creation, property taxes, sales and use taxes, transient occupancy tax (TOT), fees and permits.</p>	<p>The project is expected to generate over 5500 jobs and includes projected significant fiscal benefits to the City of Davis and the County of Yolo and economic impacts that have a positive impact regionally.</p>
<p>Consideration needs to be made for positive fiscal impacts to County revenue.</p>	<p>The EPS report projects significant positive fiscal impacts to the County of Yolo.</p>
<p>City and project proponent will balance fiscal project feasibility against revenue generation based on fiscal model and negotiated into the development agreement.</p>	<p>The fiscal project feasibility has been considered in the negotiated results of the Development Agreement</p>
<p>Project should consider formation of an assessment district above and beyond standard taxes, mitigations and impact fees to create positive ongoing revenue generation for the City (an annual per square foot charge that is assessed to owners, for example).</p>	<p>The project is project to generate significant positive fiscal benefits over the life of the project.</p>
<p>Fiscal considerations should reflect the current industry standards.</p>	<p>Fiscal analysis does reflect current industry standards.</p>
<p><u>Principle #8: Facilitate Collaborative Partnerships and Provide Opportunities for Increased University and Research Engagement</u></p>	

Strengthen University/community partnerships (Joint sense of community);	The project will offer greater opportunities for collaboration between the business community and the University to improve the sense of community in Davis.
Support research and development;	Research and development is the primary focus of the project.
Increase access to STEAM (science, technology, engineering, arts and agriculture, and math) and educational opportunities;	The retention, expansion and attraction of R&D types of businesses in Davis will increase access to STEAM opportunities.
Support UC Davis technology transfer objectives.	The construction of an innovation campus environment has the potential to enhance and accelerate the tech transfer ecosystem.
Have programs/facilities to facilitate ongoing partnerships with the community and region (a fully integrated central system).	The hotel conference facility may be utilized as a public resource. The parks and greenways will all be open to the public but privately constructed and maintained.
Project should achieve fiscal neutrality with regard to city services and provide substantial surplus annual revenue and positive economic impacts/multipliers citywide, and net community benefits (including social and environmental).	The study prepared by Economic and Planning Systems shows a significant positive fiscal benefit to the city.

ATTACHMENT #2
EPS Report

TECHNICAL MEMORANDUM

To: Ash Feeney, Sherri Metzker, and Kellie Bruton

From: David Zehnder and Tom Martens

Subject: Aggie Research Campus Economic Analysis—Pro Forma (Feasibility), Fiscal Impacts, and Economic Impacts; EPS #192109

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The Economics of Land Use



Introduction

The proposed Aggie Research Campus (Project), formerly known as the Mace Ranch Innovation Center (MRIC), which Economic & Planning Systems, Inc. (EPS) analyzed for the City of Davis (City) in 2015, has been reintroduced by the Project Applicant. Changes have been made to the Project to improve financial feasibility, provide a better fiscal impact for the City, and respond to the need for more housing.

EPS has been tasked with analyzing the current proposal's financial feasibility, fiscal impacts, and economic impacts.¹ The analysis builds on the previously completed MRIC project work, performed by EPS in 2015.

This technical memorandum describes the methodology, key assumptions, and results of each of the inter-related analyses. The detailed analytical tables are included in the appendices.

¹ The analysis included in this report is based on information collected in late-2019 and early-2020, primarily before the current COVID-19 pandemic. As the related long-term effects on any specific land uses are unknown at this time, this report is predicated on then-available information. While EPS has no reason to believe that the fundamental economic dynamics and data described in this Technical Memorandum have been altered as a result of the pandemic, it should be recognized that specific outcomes will be reliant on outside forces (e.g., viral behavior and related societal/policy responses) that cannot be predicted with certainty as economic recovery occurs.

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Background

One of the key goals of the previous MRIC project was to leverage the economic potential of the University of California and create high-quality jobs in the City. Often the University's economic spinoff potential is not realized because of a lack of adequate spaces to meet the needs of emerging businesses that then locate to other parts of the region or to the Bay Area. While the previous project sought to address this issue, the development economics were not sufficient to move the project forward. This revised plan incorporates a residential component that significantly improves the development economics while also responding to the pressing need for more housing.

Development Program

The Project, as currently proposed, includes a mix of residential and commercial development reflecting current best practices in Innovation Center development. These include higher density mixed-use nodes with urban amenities attractive to a combination of technology and creative workers. The residential program reflects a combination of medium- and high-density residential units to be constructed during the first 3 of 4 total phases. The number of residential units developable at any given time is anticipated to be dependent on meeting thresholds of completed commercial space. This analysis is based on an assumed requirement of 2,000 square feet of commercial space per residential unit.

The commercial space is proposed to include a mix of standard office space and flex/R&D space, primarily at the core of the Project, along with supporting retail space. The eastern and northern portions of the site are planned for parcels geared toward advanced manufacturing users. In addition, a hotel is planned for the Project, likely in a later phase as the on-site demand increases. The proposed development program is summarized in **Table 1** and visually represented in the illustrative site plan in **Figure 1**. A more detailed breakdown of units and square footage by phase is provided in **Appendix Table A-2**.

Table 1 Development Program

Item	Project Land Uses at Buildout				
	Acres	Dwelling Units	Average Unit Size	Building Square Feet	Hotel Rooms
Residential Land Uses					
Owner Occupied Residential					
Medium Density Residential	11.0	280	1,800	-	-
Total Owner Occupied	11.0	280			
Renter Occupied Residential					
High Density Residential	16.4	570	950	-	-
Total Renter Occupied	16.4	570			
Total All Residential Uses	27.4	850			
Nonresidential Land Uses					
Office	17.5	-	-	755,000	-
Flex/R&D	27.1	-	-	755,000	-
Advanced Manufacturing	57.2	-	-	884,000	-
Ancillary Retail	2.3	-	-	100,000	-
Hotel	7.3	-	-	160,000	150
Total Nonresidential Uses	111.5			2,654,000	150
Total All Land Uses	138.9	850		2,654,000	150

Source: City of Davis; Ramco Enterprises, Inc; EPS.

Figure 1 Aggie Research Campus Illustrative Site Plan



Source: Buzz Oates Group of Companies; Ramco Enterprises Inc.; Reynolds & Brown.

Buildout

The Project is anticipated to be built out over a multidecade timeframe. The office and flex/R&D space absorption is assumed to be spread throughout the buildout timeframe for purposes of the analysis; however, the actual absorption will be cyclical, based on market conditions over the course of the buildout. Retail space is assumed to come online at the beginning of each new phase of development for analytic purposes. Hotel development is assumed to occur during the third phase of the Project, after demand has been established and the available land area becomes more limited. It is assumed structured parking will be introduced in these later phases as the density increases, potentially coinciding with the addition of the hotel use.

As noted above, the residential buildout is anticipated to be tied to the completion of commercial space, assumed to be 2,000 square feet of commercial space per residential unit. Residential units are planned to be built during the first 3 of the 4 phases to address the urgent need for housing and to improve the Project's financial feasibility.

A summary by phase is provided in **Appendix Table A-2**; a detailed annual buildout estimate is provided in **Appendix Table A-3**.

Pro Forma (Feasibility) Analysis Summary

The pro forma analysis translates the 4 phases of the development program into a multiyear development cash flow. As general rules-of-thumb, the minimum targets for Internal Rates of Return (IRRs) are 10 percent for unleveraged and 20 percent for leveraged.² However specific thresholds vary by developer, project, and market area. Lower returns may be acceptable if project risks are minimized.

Backbone infrastructure costs are based on updated estimates for the MRIC development proposal, provided by the Project Applicant, with some elements shifted forward from Phase 2 to Phase 1 to reflect the revised program and costs escalated 20 percent, based on an evaluation provided by the Applicant's project management/civil engineering consultant.³

The office, flex/R&D, and supporting retail space are assumed to be owned and operated by the Project Applicant. Therefore, these uses are modeled to include vertical development costs, annual revenues and operating expenses, and reversion (sale) after 10 years.

² The IRR is the discount rate that equates all expected future cash flows to a present value equal to the original investment. Unleveraged IRRs, not based on debt and equity considerations, include construction costs and net operating income and generally are considered to indicate feasibility if they are in the 10 percent range. Leveraged IRRs incorporate debt and equity considerations, based on net proceeds to equity, and generally are considered to indicate feasibility if they are in the 20 percent range.

³ Project Management Applications, Inc., December, 2019.

The residential, advanced manufacturing, and hotel uses are assumed to be developed by entities other than the Project Applicant; therefore, these are modeled as land sales. Estimated residual land value calculations were developed for the residential and hotel uses based on a variety of sources. The residual land value calculations were then correlated with market comparable land sales data. Residual land value calculations are less applicable for the advanced manufacturing users because these tend to be specialized/build-to-suit facilities. Industrial land sales comparables were the basis for the advanced manufacturing values.

Each phase incorporates Community Financing District (CFD) bond funds to defray some of the backbone infrastructure cost. High-level estimates of the potential CFD funds generated by each phase are included in the analysis tables provided. In addition to the use of CFD bonds, the potential was evaluated for an Enhanced Infrastructure Financing District (EIFD) that would leverage a portion of property tax funds generated by the Project to fund infrastructure and improve returns. However, based on preliminary results, use of an EIFD does not appear necessary to meet feasibility thresholds. However, this remains an option for City (and potentially Yolo County) participation, should there be a need to expand offsite infrastructure or other amenities, for example.

Leveraged and unleveraged IRRs are provided for each of the 4 phases and the overall Project in the Cash Flow Summary in **Appendix Table A-7**. The individual phase and overall Project IRRs are shown in **Table 2** below.

Table 2 Project Rate of Return

Rate of Return Measure	IRR per Phase and Overall Project				
	Phase 1	Phase 2	Phase 3	Phase 4	Project
Unleveraged IRR	14%	17%	9%	9%	13%
Leveraged IRR	22%	28%	15%	12%	23%

Source: EPS.

Fiscal Impact Analysis Summary

The fiscal impact analysis estimates the net impact to the City’s General Fund (and other key funds) at Project buildout, based on the projected tax generation by the Project compared to the costs of providing municipal services to the Project. Property tax is a substantial source of the estimated tax revenue from the Project. While the ultimate tax-sharing terms between the City and Yolo County (County) have yet to be agreed, this analysis is based on an assumed 50/50 property tax split between the City and the County, after transferring specific funds to reflect City absorption of post-annexation responsibilities. A detailed summary of net fiscal impacts is provided in **Appendix**

Table B-1. The net fiscal impact at the end of each phase and Project buildout is shown in **Table 3**.

Table 3 Annual Net Fiscal Impact (millions)

Impact Category	Annual Project Fiscal Impact at Phase Completion (\$M)			
	Phase 1	Phase 2	Phase 3	Phase 4 / Buildout
Revenues [1]	\$1.64	\$3.81	\$6.51	\$8.05
Expenditures	\$0.66	\$1.54	\$2.17	\$2.60
Net Fiscal Impact	\$0.99	\$2.27	\$4.34	\$5.44

Source: City of Davis; EPS.

[1] Revenues include General Fund and other selected revenues that have also been included in determination of expenditures. See Appendix B tables for detail.

The one-time revenues generated by development of each phase and in total is shown in **Table 4**.

Table 4 One-Time Revenues (millions)

Impact Category	One-Time Project Revenues (\$M)				
	Phase 1	Phase 2	Phase 3	Phase 4	Total
<i>City Revenues</i>					
Permitting Fees	\$6.88	\$8.96	\$8.49	\$7.88	\$32.20
Construction Tax	\$3.45	\$4.53	\$3.87	\$2.83	\$14.69
Affordable Housing Fees	\$3.03	\$3.97	\$2.57	\$0.00	\$9.56
Other Impact Fees	\$22.51	\$32.44	\$23.75	\$25.37	\$104.06
Total City One-Time Revenues	\$35.87	\$49.89	\$38.68	\$36.08	\$160.51
<i>Other Revenues</i>					
DJUSD Impact Fee	\$1.23	\$1.64	\$1.15	\$0.34	\$4.35
County FSA Fee	\$1.24	\$1.65	\$1.19	\$0.39	\$4.47

Source: City of Davis; EPS.

Economic Impact Analysis Summary

The economic impacts include the one-time impacts (multiyear) from construction of the Project and the ongoing impacts that occur annually as a result of the operations that take place after occupancy. Within the one-time and ongoing impacts are the direct impacts from spending at the Project, the indirect impacts from business-to-business activity, and the induced impacts from employee spending elsewhere in Davis or the

County. Impacts typically are measured in terms of overall economic output, and in employment and the earnings from that employment.

The impacts for the Project were modeled for the County and the City as shown in **Table 5**.

Table 5 Economic Impacts

Impact Category	City of Davis		Yolo County	
	Direct	Total	Direct	Total
Ongoing Annual Impacts (at Buildout)				
Industry Output	\$1,588,940,136	\$1,710,074,738	\$1,588,940,136	\$2,205,350,095
Employee Compensation	\$454,388,403	\$497,520,257	\$454,388,403	\$669,871,625
Employment	5,438	6,170	5,438	9,074
Construction Impacts (during Buildout)				
Industry Output	\$542,462,284	\$570,000,613	\$609,375,692	\$812,111,762
Employee Compensation	\$322,735,415	\$331,890,412	\$347,427,772	\$412,521,531
Employment	3,704	3,883	3,932	5,141
Annual Average Employment (if 25 years)	148	155	157	206

Source: Implan; EPS.

Pro Forma Analysis Methodology and Findings

Approach

The financial feasibility analysis is based on multiyear cash flows for each phase that roll up into an overall Project annual cash flow that is used to calculate both unleveraged and leveraged rates of return, discussed below.

Site Development/Backbone Infrastructure

The site development and backbone infrastructure costs (including off-site) that were developed for the previous MRIC project provided the basis for the costs used in this analysis. In consultation with the Project Applicant’s consultant that produced the previous estimates, Project Management Applications, the cost estimates were inflated 20 percent to reflect the increases in construction labor and materials costs since the estimates were prepared in 2016. In addition, a portion of the Phase 1 site preparation and infrastructure improvement costs were allocated to Phase 2 to reflect the more even buildout pattern assumed between the phases for this Project. A summary of the infrastructure and site preparation costs can be found in **Appendix Table A-4**.

Parking

Parking costs for the office, flex/R&D, retail, and hotel uses are assumed part of the development costs borne by the Project Applicant. Residential and advanced manufacturing parking requirements are assumed to be fulfilled on their respective sites and included in the site development costs for those uses. (It is not expected to directly impact the value for the medium density and advanced manufacturing sites but will impact high density residential residual value, as discussed below.)

It is assumed that the first 2 phases will be surface-parked. As the Project density increases, it is anticipated that additional commercial use parking requirements will be met with structured parking. While the pro forma analysis currently includes the commercial use structured parking as a cost for the Project developer, alternative mechanisms, such as provision of structured parking spaces in lieu of land sale payment for the hotel use, or some other negotiated arrangement, may be used.

The parking requirements and cost assumptions for each use by phase are detailed in **Appendix Table A-5**.

Residual Land Value

The Residual Land Value calculations in **Appendix Table A-6** provide the basis for many of the costs and revenues that flow through the pro forma analysis. However, the actual calculated residual land values do not flow through the cash flows; rather, they provide a check of the revenue and expense flows for the developer-held uses and corroborate the land sale values for most of the other uses. The advanced manufacturing land sale values are solely based on comparable land sales because the specialized nature of these uses does not lend itself to standard income-based value analysis.⁴ The values used in the analysis are comparable to those of other speculative development, incorporating adjustments for both location desirability and parcel size.

For the developer-held uses, including office, flex/R&D, and retail, the vertical development costs and net operating revenues identified in the Residual Land Value table flow through to the annual cash flows for each phase.

The key assumptions included in the Residual Land Value table are discussed below.

Construction Costs

Residential Direct Costs

Medium-density residential (MDR) direct construction cost is estimated at \$146 per square foot for attached townhouse living space, while the high-density residential (HDR) direct construction cost is estimated at \$142 per square foot of multifamily structure. These estimates are derived from a combination of sources, including RS Means Online Square Foot Estimator, California Board of Equalization Assessor Handbook, and

⁴ EPS received confidential reports of land sale comparables from Kidder Mathews.

comparable projects. Both the MDR and HDR estimates reflect wood frame construction with average to above average finishes.

Residential Parking Costs

Residential construction costs include parking costs in addition to the dwelling unit cost above. MDR units are assumed to include 400 square feet of attached garage space (2 spaces), with direct construction cost of approximately \$39 per square foot. Multifamily costs include 1.0 structured parking space per unit, at 400 gross square feet per space, including circulation. Structured parking costs can vary dramatically depending on the location and configuration of the structure. With minimal physical constraints existing on the site, it is assumed that structured parking will be constructed above grade to dimensions that minimize any excessive structural or circulation costs. The assumed structured parking cost of \$31,000 per space equates to \$77.50 per square foot.

Commercial (Office/R&D/Retail/Hotel) Costs

EPS obtained access to detailed cost information for an adjacent commercial development that provides a good example for the expected costs to develop workspaces in the Project. Adjusting for land planning already in process and off-site improvements included in the comparable project land development costs produced a vertical development cost estimate of \$118 per square foot for shell workspace for the flex/R&D category, excluding permitting and development fees and soft costs. For the more standard office space, it is assumed there would be an additional \$10 per square foot in construction costs, excluding tenant improvements. Retail space is assumed to be within the office structures so the same cost-per-square-foot assumption is applied. Tenant improvements funded by the landlord for office, flex/R&D, and retail are all assumed to be \$50 per square foot, a standard amount quoted in the market. Additional tenant improvements specific to user operations (e.g., wet lab space) are assumed to be funded by end users. The direct construction cost estimate of \$155 per square foot for the hotel assumes EIFS, precast concrete, or other efficient construction method standard for mid-scale business-oriented hotel chains.

Soft Costs

Soft costs, for architectural, engineering, and other costs, are assumed to be an additional 18 percent of the direct/hard construction costs for each of the uses.

Permitting and Development Fees

EPS worked with the City to develop estimated fees per use, as shown in the Residual Land Value table, **Appendix Table A-6**.

Revenues and Expenses

The key assumptions driving the net revenues in the cash flow are discussed below.

Medium-Density For-Sale Residential

For-sale residential value is largely driven by the per-unit sales price, along with the construction cost. EPS identified 3 applicable residential developments in Davis, using Gregory Group data. The table below includes the 3 identified comparable projects and the assumed sales price for the cash flow analysis, based on reasoned judgement.

Table 6 Medium-Density For-Sale Residential Comparable Projects

Project Name	Master Plan	Developer	Type	Average Price	Average Size	Average Price / Sq. Ft.
Gala	The Cannery	The New Home Company	Attached	\$597,715	1,594	\$374.98
The Villas	None	Fouts Homes	Attached	\$892,067	2,347	\$380.09
Tilton	The Cannery	Shea Homes	Detached	\$769,662	2,678	\$287.40
ARC Assumption			TBD	\$633,600	1,800	\$352.00

Source: The Gregory Group; EPS.

High-Density Multifamily Residential

Multifamily value is a function of the Net Operating Income (NOI), which is driven by rent revenue and operating expenses. EPS identified 6 comparable apartment communities in Davis, using CoStar data. Note that many of the newest multifamily communities in Davis are senior or affordable developments, so the comparable communities include some constructed in the 1990s. The table below includes the 6 identified comparable communities and the assumed average monthly rent rate and annual operating cost for the cash flow analysis, based on reasoned judgement.

Table 7 High-Density Rental Residential Comparable Projects

Community	Location	Unit Size	Monthly Asking Rent	Monthly Rent / Sq. Ft.	Operating Expense / Unit	Operating Expense / Sq. Ft.
Seville Apartments	4501 Alhambra Drive	1,352	\$2,679	\$1.98	\$8,711	\$6.44 [1]
The U	625 Cantrill Drive	1,267	\$3,685	\$2.91	\$7,945	\$6.27 [1]
Tanglewood at Davis	1880 Cowell Blvd	1,072	\$2,132	\$1.99	na	na
The Lexington	1100 Olive Drive	1,186	\$3,241	\$2.73	na	na
Lakeshore Apartments	1175 Lake Blvd	1,187	\$2,203	\$1.86	na	na
DaVinci Apartments	1666 Da Vinci Court	1,224	\$2,218	\$1.81	\$5,863	\$4.79 [2]
ARC Assumption		950	\$2,470	\$2.60	\$7,500	\$7.89

Source: CoStar; EPS.

Office & Flex/R&D

The number of comparable rental workspace properties in Davis, with available data, is somewhat limited. However, a few good examples of newer buildings exist. The more traditional office spaces in the Project can be considered to align with Class A office properties, while the flex/R&D spaces would likely be similar to some of the Class B office spaces that have been constructed in Davis in recent years.

The table below includes 4 identified comparable rental office buildings and the per square foot average rental rate assumptions for office and flex/R&D, based on reasoned judgement.

Table 8 Office and Flex/R&D Rent Comparable Projects

Property Address	Property Type	Annual Rent	Monthly Rent	Lease Type
1590 Drew Avenue	Class A Office	\$36.00	\$3.00	Full Service Gross
1450 Drew Avenue	Class B Office	\$26.52	\$2.21	Modified Gross
501 2nd Street	Class B Office	\$28.44	\$2.37	Modified Gross
215 C Street	Class B Office	\$30.00	\$2.50	Triple Net
ARC Assumption - Office		\$35.00	\$2.92	Full Service Gross
ARC Assumption - Flex/R&D		\$28.00	\$2.33	Triple Net

Source: CoStar; EPS.

Class A office space is generally leased on Full Service Gross basis, with taxes, utilities, and common area maintenance included in the rent. The industry standard assumption is that these expenses are 30 percent of the rental income; this assumption has been incorporated into the Residual Land Value calculation.

Flex/R&D space is more commonly rented on a Triple Net (NNN) basis, meaning that all expenses are passed through to or otherwise paid by the occupant. A hybrid of these, modified gross is also common. Typically, as included services increase, so does the rental rate. For this analysis, EPS assumed a more modest rental rate net of services.

Advanced Manufacturing

A residual land value was not calculated for advanced manufacturing uses because these tend to be specialized uses customized to owner-user requirements.

Retail

The retail space is anticipated to be ancillary to the other uses on site, likely within portions of the office or flex/R&D structures. The table below provides some examples of retail rents in Davis, along with the assumed retail rental rate used in the cash flow analysis. Retail rents are typically net of operating expenses.

Table 9 Retail Rent Comparable Projects

Property Address	Name / Description	Annual Rent	Monthly Rent	Lease Type
500 1st Street [1]	Davis Commons	\$18.50	\$1.54	Retail
610 2nd Street	Small retail in office	\$60.00	\$5.00	Triple Net
801-807 2nd Street	Small retail in office	\$29.88	\$2.49	Modified Gross
305 1st Street [1]	NA	\$30.00	\$2.50	Retail
4647 2nd Street [1]	NA	\$31.50	\$2.63	Retail
ARC Assumption		\$28.00	\$2.33	Triple Net

Source: CoStar; EPS.

[1] Actual rent not reported; midpoint taken of CoStar estimated rent range.

Hotel

The hotel is assumed to be a limited service, business-oriented property. Based on rates at other similar hotels in Davis, and typical rate structures for these chains, it was assumed the property could achieve an average annual daily rate of \$180, based on the current state of the market. This class of hotel typically operates with occupancy levels around 80 percent; the analysis assumes 79 percent. Non-room revenue, departmental expenses, and other expenses as shares of room revenue were calculated based on industry standard percentages, as reported by CBRE (formerly PKF) Trends in the Hotel Industry 2017.

Hotel demand is strongly correlated with proximity to professional employment. By the third phase, when the hotel is assumed to come online, employment growth in the Project likely would induce greater demand and therefore higher room rates or occupancy levels than those currently indicated by the market.

Capitalization Rates

The revenue and expense assumptions discussed above provide the basis for calculating each property type’s NOI. Translating an income-generating property’s NOI into value is commonly done by applying industry standard capitalization rates. These reflect the relationship between NOI and sales prices currently found in the market.

While Davis is part of the larger Sacramento market area, it tends to have higher levels of demand and resulting higher land values than typically found in the metropolitan area overall. Davis property values tend to reflect valuation dynamics somewhat more similar to the East Bay than Sacramento. Therefore, published Sacramento market area capitalization rates were compared to East Bay rates to determine appropriate rates to apply to the Project in Davis. The capitalization rates for the 2 markets and those used in the Residual Land Value calculation are shown in the table below. The hotel capitalization rate is based on national data.

Table 10 Going-In Capitalization Rates for Residual Land Value Calculation

Metropolitan Market Area	Class A				Class B	
	Suburban Office	Flex Industrial	Suburban Multifamily	Neighborhood Retail	Suburban Office	Suburban Multifamily
Sacramento	6.75%	7.50%	5.00%	6.50%	7.25%	5.75%
Oakland	6.25%	6.50%	4.50%	5.75%	7.00%	5.00%
ARC Assumption	6.25%	7.00%	5.00%	6.50%	na	5.00%

Source: Integra Realty Resources, Inc.; EPS.

Comparable Land Sales

As noted above, the calculation of the different uses’ residual land values served to validate the land sale values that were included for those uses that are assumed to be vertically developed by entities other than the Project Applicant. The land sale values were obtained from conversations with brokers and others with deep knowledge of the local real estate market.

Typical land sale prices per square foot land within the following ranges:

- Residential: \$20–\$60
- Office: \$15–\$23
- Industrial: \$9–\$13
- Hotel: \$25 +/-

Community Facilities District

CFD financing was incorporated into each phase of the Project. Residential CFD rates are assumed to be 0.4 percent of assessed value. Commercial use CFD rates are assumed to be \$5,000 per acre. Both of these rates are in the middle- to lower-end of the range of CFD rates typically seen in the region.

The estimated CFD revenues, based on the assumed buildout and values for each phase, have been translated into order-of-magnitude estimates of potential bonding revenue that can be applied to each phase's backbone infrastructure cost, by discounting the revenues back to present value and subtracting out a portion of value for issuance and maintenance costs.

Multiyear Cash Flows

For each phase of the Project, each of the major cost and revenue items are projected over a multiyear timeframe in **Appendix Tables A-8 to A-11**. These cost and revenue items include:

- Site preparation and backbone infrastructure costs.
- Vertical development costs for uses held by the Project Applicant.
- Land sale revenue for uses not held by the Project Applicant.
- Net operating income for held uses.
- Reversion sale of held uses after 10 years (note reversion capitalization rates differ from going-in rates).

Each of the major revenue and expense summary lines from each phase are summarized in a cash flow roll up, **Appendix Table A-7**.

For each phase, the variables used to derive Net Unleveraged Cash Flow and Net Proceeds to Developer Equity are identified. These per phase annual metrics are combined to calculate the overall Project feasibility.

Investment Return

The feasibility is measured in terms of IRR. The IRR is the discount rate that equates all expected future cash flows to a present value equal to the original investment. Unleveraged IRRs, not based on debt and equity considerations, include construction costs and net operating income and generally are considered to indicate feasibility if they are in the 10 percent range. Leveraged IRRs incorporate debt and equity considerations, based on net proceeds to equity, and generally are considered to indicate feasibility if they are in the 20 percent range.

The overall Project IRRs are shown below:

- **Unleveraged IRR: 13%**
- **Leveraged IRR: 23%**

Phases 1 and 2 rates of return are significantly stronger than those for Phases 3 and 4 because of the impact of the additional cost of structured parking in those phases, as well as the reduced residential component in later phases.

Key Analytical Considerations

The addition of residential product to the Project has a very strong impact on overall feasibility, particularly in the earlier phases. Later phases can leverage the stronger returns from residential product in the early phases. However, reduced numbers of residential units and increased costs from structured parking in the later phases may warrant creative approaches to financing and deal structuring for completion of Project elements such as structured parking and the hotel in Phase 3.

Fiscal Impact Analysis Methodology and Findings

Approach

The fiscal impact analysis compares the estimated tax revenue to be generated by the Project to the estimated cost of providing public services to the Project. Specifically, the analysis focuses on General Fund revenues and costs because the bulk of municipal revenues generated and services required are accounted for in the General Fund.

The summary of the fiscal impact analysis is shown in **Appendix Table B-1**. As shown, the Project is estimated to have a net fiscal surplus at the completion of each phase, growing from approximately \$1 million annually at the completion of Phase 1 to more than \$5 million annually at buildout.

General Assumptions

Appendix Tables B-2 to B-6 provide general assumptions that flow throughout the analysis. These include City population and at-place employment, development program, and occupancy assumptions.

Tax Revenues

Appendix Tables B-7 to B-15 provide the calculations for the Project's estimated tax revenue generation. The method of tax revenue estimation for each subset of General Fund revenue is provided in **Appendix Table B-7**. Generally, those tax revenues that can be directly estimated for the proposed development program are referred to as the case study method. Other revenues that can be attributed to onsite residents or a combination of residents and employees are estimated using either the per capita or persons-served methodologies, respectively. For the persons-served methodology, on-site employees are counted at 50 percent of the on-site residents to account for their lower impact on municipal services and resulting costs. Revenue sources that would remain largely unaffected by the proposed Project are omitted from further analysis. **Appendix Table B-8** summarizes the estimated revenues.

Property Tax

The Project's estimated property tax generation is calculated in **Appendix Table B-9**. In addition to City General Fund property tax, estimates for County General Fund are presented. Property tax in lieu of motor vehicle license fee (VLF) revenue is tied to changes in citywide assessed value. The Project's estimated impact on the overall assessed value in the City was calculated; the resulting percentage change was applied to the current property tax in lieu of VLF to estimate the change in that tax revenue. Select Davis Joint Unified School District (DJUSD) property-based revenues are also presented.

The current allocation of property tax between the City and the County and the assumed post-annexation property tax allocation is calculated in **Appendix Table B-20** (assessed value is calculated in **Appendix Table B-21**). The analysis is based on the assumption all of the current property tax allocations for County Road District #2 and East Davis Fire District would transfer to the City because it will assume those responsibilities. The pre-ERAF allocations for County General Fund and County ACO Fund are assumed pooled together and split 50%/50% between the City and the County. Applying the overall City and County ERAF shifts post-split derives the post-ERAF tax allocation for each jurisdiction.

Transfer Tax

In **Appendix Table B-10**, the real property transfer tax is estimated by applying the transfer tax rate and the estimated annual turnover percentage to the total assessed value by property type.

Sales and Use Tax

Appendix Tables B-11 to B-13 cover sales and use tax. Sales and use taxes are generated directly onsite from retail sales and business sales⁵ and indirectly from the household spending of onsite residents and daytime spending of onsite workers that is captured in the City. The direct on-site sales are derived from business taxable sales data received from the City, cross-checked against square footage data from Costar and other sources, to produce per square foot estimates.

Household spending from onsite households is based on Bureau of Labor Statistics spending patterns applied to estimated household incomes needed to occupy the units (required household incomes are calculated in **Appendix Table B-22**). Worker daytime spending is based on worker spending survey data. Half of the taxable spending from these onsite populations is assumed captured within the City, mostly offsite in other areas of Davis. The portion of the sales that are estimated to be capture onsite (10 percent of the onsite residents' spending within the City and 30 percent of the onsite workers' daytime spending within the City) are netted out from the onsite sales estimate

⁵ Office and R&D uses are expected to generate sales and use tax from point-of-sale and business-to-business transactions. The City provided EPS with updated proprietary data among such users; EPS found the updated data consistent with previous analysis.

to avoid double counting. The 1.0 percent Bradley Burns sales tax rate and the Measure Q 1.0 percent sales tax rate are applied to the net taxable sales.

Proposition 172 public safety sales tax as a percentage of sales tax is derived from the current budget revenue estimate and applied to the net new sales tax calculated above.

Transient Occupancy Tax

Transient occupancy tax (TOT) is estimated by applying the City's 12 percent TOT rate to the estimated annual room night revenue, based on 79 percent occupancy and \$180 average nightly room rates for 150 rooms. TOT is estimated in **Appendix Table B-14**.

Public Safety Tax

The public safety tax in **Appendix Table B-15** is estimated by applying the annualized following monthly rates to the Project square footage:

- Residential: \$6.14 per built square foot and \$0.000046 per land square foot.
- Nonresidential: \$0.012622 per built square foot and \$0.000046 per land square foot.

One-Time Revenues

Appendix Tables B-23 and **B-24** include one-time revenues from City permitting, construction tax, and development impact fees, as well as the School Impact Fee and County Facilities and Services Authorization (FSA) Fee. Over the course of the Project's development, permitting fees of \$32.2 million, construction tax of \$14.7 million, and impact fees of \$113.6 million are estimated to be generated for the City. Total school impact fees of \$4.4 million and County FSA fees of \$4.5 million are also estimated. It should be noted that impact fees will off-set the Project's impacts to existing and planned public facilities, while permitting fees are generally considered to be revenue-neutral in that they offset staff resources.

Expenditures

Appendix Tables B-16 to **B-19** provide the calculations for the Project's estimated General Fund expenditures. The majority of expenditure budget line items anticipated to be impacted by the Project are calculated using a standard persons-served method. Under this approach, current General Fund adopted expenditures are divided by the population being served by those expenditures, to derive an average cost per person served multiplier that is applied to projected Project population. For this analysis the persons served include both resident population and discounted employee population. Most City services are geared toward the resident population; however, employees working in the City also generate costs, albeit at a lower rate than residents. In addition, some residents also work in the City. Therefore, the employee population has been discounted 50 percent in terms of allocation of current citywide costs and application of those costs to the Project. (The persons served is shown in **Appendix Table B-2**.)

For each of the departmental line items affected by the Project, some portion of costs are fixed and will not vary with marginal changes to the population served; therefore, a variable percentage factor has been applied to each affected line item. A 75 percent variability assumption has been applied across departments/line items. The non-variable 25 percent represents salaries for senior departmental positions and other fixed expenses that would be expected to remain unchanged with the addition of the onsite population.

Police Department and Fire Department expenditures constitute significant portions of the General Fund and have been calculated separately from the other departmental expenditures. Similar to the other departments, both Police and Fire expenditures are calculated using the persons-served method, assuming 75 percent variable costs. Proposition 172 Public Safety Sales Tax and Public Safety Tax revenues have been included in the calculation of allocable Police and Fire cost, as they are significant revenue sources and are estimated for the Project in the revenue estimate.

Key Analytical Considerations

The assumptions related to the sharing of property tax revenue, or any other revenues, between the City and the County have a significant impact on the overall fiscal effect of the Project. Major differences in the eventual agreement between the jurisdictions could significantly impact the fiscal results. In addition, any future public participation in financing structured parking or public amenities would impact the net fiscal results.

Economic Impact Analysis Methodology and Findings

Overview

Economic impact analysis measures the overall effect that an initial activity, such as spending in one industry sector, has on a region as the spending recirculates through other sectors of the local economy through additional business and household spending. A typical method for estimating these impacts is to employ input-output modeling software, such as that developed by Implan (used for this analysis). Impacts can be measured in terms of overall output, employment, or the earnings from employment.

The economic impact within a given geography is limited by its existing economic base, and therefore the ability of local businesses to respond to the needs created by the initial economic activity. Hence, a larger, more diversified regional economy will have a greater multiplier effect because it can capture more of the spin-off economic activity. The County (inclusive of Davis and the other cities), therefore, will typically experience a greater economic impact than the City alone. Similarly, the larger Sacramento metropolitan area economy, of which the County is a part, will typically experience a greater impact than the County alone because the larger region will have a deeper base of businesses to respond to the new economic activity.

Approach

The Project's economic impact analysis estimates the effect that the activity associated with the Project will have on the overall County economy (see **Appendix Tables C-1 to C-7**) and the local Davis economy (see **Appendix Tables C-8 to C-14**). For both geographies analyzed, the economic activity is categorized as either ongoing effects from the operations of the anticipated mix of occupants of the Project, or as one-time effects from the construction of the Project itself, albeit spread over many years.

In both the ongoing and one-time impacts, the initial economic activity (business operations of the Project occupants or Project construction) is referred to as the direct impact. The additional business-to-business activity within the study area that results from that direct activity is referred to as the indirect impact. An additional layer of economic impact results from worker spending that occurs in the area because of the wages from the increased economic activity, referred to as induced impact.

The direct ongoing impacts have been estimated by EPS in terms of the number of jobs in a variety of sectors likely to be represented by the occupants of the Project. The direct one-time impacts have been estimated based on the construction costs identified in the pro forma analysis. The estimated direct impacts provide the basis for calculating the indirect and induced impacts.

To provide greater transparency and flexibility to accommodate changes, the indirect and induced impacts are calculated in the **Appendix C** tables using Implan multipliers for each additional job within a sector and for every \$1 million in construction spending. Discussion of the methodologies used to estimate the direct impacts is provided below.

Assumptions

Key assumptions used for the development of direct impacts are described below.

Onsite Employment

The estimated onsite employment that drives the ongoing impacts is derived by allocating planned space between likely sector occupants and applying an assumed square feet per employee factor to derive total number of employees by sector.

Office and Flex/R&D

The office and flex/R&D uses are assumed to serve the same mix of applicable private industry sectors that are currently most represented in the eastern half of the City (ZIP Code 95618). **Table 11** below shows the 10 sectors with the highest employment in eastern Davis.

Table 11 Top 10 Employment Sectors in Eastern Davis

Implan Industry Code	Industry Sector Description	ZIP 95618 [1] Employment	Included in Projected Office/Flex Occupancy	Share of Included Industries
541	Employment and payroll of state govt, other services	2,549		
464	Scientific research and development services	1,184	Yes	44%
542	Employment and payroll of local govt, education	648		
539	Employment and payroll of state govt, education	628		
544	Employment and payroll of local govt, other services	455		
468	Marketing research and all other misc. professional, scientific, and technical svcs.	433	Yes	16%
459	Custom computer programming services	375	Yes	14%
457	Architectural, engineering, and related services	374	Yes	14%
447	Other real estate	330		
463	Environmental and other technical consulting services	296	Yes	11%

Source: Implan; EPS.

[1] The 95618 ZIP Code generally encompasses the eastern half of Davis, plus adjacent areas outside of the municipal limits.

The relative shares of the 5 most applicable sectors above are applied to the assumed distribution of Project office and flex occupants, adjusted to accommodate normal vacancy and round slight variations.

In line with the previous study and the Draft Environmental Impact Report (DEIR), the employment density is assumed to be 290 square feet per office employee and 450 square feet per flex/R&D employee.

Advanced Manufacturing

The mix of industries in the advanced manufacturing uses onsite could vary considerably depending on any significant facilities eventually constructed. However, a representative sample of non-food producing industries that currently exist in Davis has been used to provide an estimate of impacts from a cross-section of local manufacturing sectors. The sample of industry sectors include:

- Other Miscellaneous Chemical Product Manufacturing.
- Miscellaneous Nonmetallic Mineral Products Manufacturing.
- Pharmaceutical Preparation Manufacturing.
- Industrial Process Variable Instruments Manufacturing.
- Semiconductor and Related Device Manufacturing.

The included industry sectors are assumed to comprise equal shares of advanced manufacturing employment for purposes of estimating a generalized estimate of the impacts of future occupants of that space in the Project.

In line with the previous study and the DEIR, the employment density is assumed to be 800 square feet per advanced manufacturing employee.

Ancillary Retail

The mix of occupants in the ancillary retail space is assumed to be evenly split between personal services, limited service restaurants, and general merchandise stores, in addition to a modest vacancy rate to account for normal retail turnover.

In line with the previous study and the DEIR, the employment density is assumed to be 500 square feet per retail employee.

Hotel

Hotels and motels comprise a single industry sector in Implan.

In line with the previous study and the DEIR, the employment density is assumed to be 2,000 square feet per hotel employee, with 1,000 gross square feet per room. This equates to 0.5 employee per room, generally the minimum standard for a limited service hotel.

Construction

The construction costs used to estimate the one-time impacts from development of the Project are based on those included in the pro forma analysis. Refer to that section for further detail regarding development cost assumptions.

Implan categorizes construction into 10 categories. Both the medium- and high-density residential units are assumed to align more closely with multifamily construction than traditional single-family construction. For the nonresidential buildings, office, flex/R&D, ancillary retail, and hotel uses are all modeled as new commercial structures, while advanced manufacturing spaces are modeled as new manufacturing structures. Structured parking is categorized as other new nonresidential structures. The site preparation and backbone infrastructure development costs are most aligned with the Implan category for construction of new streets and bridges because of similarity of equipment, materials, and techniques.

Results

Ongoing Impacts

The estimated employment, based on the development program and the industry sectors and employee density described above, are multiplied by the Implan-generated multipliers to produce the estimates of ongoing economic impacts.

More than 5,000 jobs, with employee compensation of nearly \$500 million, are estimated to be located on site at buildout. The City will experience some economic spinoff of that direct employment, but a much greater spinoff impact will occur in other parts of the County as businesses elsewhere in the County respond to the ongoing business, employee, and household spending generated by the Project. Total County employment, including the direct onsite employment and indirect and induced employment, is

approximately 9,000 jobs annually at buildout, with compensation between \$600 million and \$700 million. (Note: County economic impacts are inclusive of City impacts.)

One-Time Impacts

The construction costs identified in the pro forma analysis are multiplied by the Implan-generated multipliers for the applicable construction sectors, noted above, to produce the estimates of one-time economic impacts.

Annual average direct construction-related employment during development of the Project is estimated to be approximately 150 jobs. Similar to the ongoing impacts, much of the indirect and induced impact resulting from the onsite activity will be felt in the larger and more diverse County economy. Annual average total direct, indirect, and induced employment in the County overall because of construction of the Project is estimated at just more than 200 jobs, with compensation of approximately \$400 million.

The one-time impacts from construction are expressed in terms of person-year jobs, where the total jobs represent the number of jobs as if each one lasted for 1 year. As an example, if a construction project lasts for 2 years, the number of people employed by it over the 2 years of construction would be half the number of person-year jobs. Conversely, if a construction project lasts half of a year, the number of people employed by it during the 6 months of construction would be double the number of person-year jobs. The Project is anticipated to be built over a multiyear timeframe; therefore, the number of people employed at any given time would only be a fraction of the total person-year jobs calculated. The one-time impact summary includes the average annual construction employment assuming buildout takes 25 years.

Key Analytical Considerations

The economic impact analysis is not subject to any significant potential adjustments based on any known variables. The primary source of variability would likely result from changes to the proportion of employment-supporting land uses or the development density of those uses; neither of which is proposed at this time.



APPENDICES:

- Appendix A: Financial Feasibility Analysis Tables
- Appendix B: Fiscal Impact Analysis Tables
- Appendix C: Economic Impact Analysis Tables

APPENDIX A: Financial Feasibility Analysis Tables

Table A-1	Development Program.....	A-1
Table A-2	Development Phasing Assumptions.....	A-2
Table A-3	Project Buildout Estimate—All Phases (2 pages)	A-3
Table A-4	Infrastructure and Site Prep Estimate.....	A-5
Table A-5	Developer-Funded Parking Assumptions (2 pages).....	A-6
Table A-6	Residual Land Value Analysis (2 pages)	A-8
Table A-7	Cash Flow Summary/Rollup—Nominal Dollars (4 pages)	A-10
Table A-8	Phase 1 Annual Development Cash Flow (2 pages)	A-14
Table A-9	Phase 2 Annual Development Cash Flow (2 pages)	A-16
Table A-10	Phase 3 Annual Development Cash Flow (2 pages)	A-18
Table A-11	Phase 4 Annual Development Cash Flow (2 pages)	A-20
Table A-12	Project Buildout Estimate—Phase 1 (2 pages)	A-22
Table A-13	Project Buildout Estimate—Phase 2 (2 pages)	A-24
Table A-14	Project Buildout Estimate—Phase 3 (2 pages)	A-26
Table A-15	Project Buildout Estimate—Phase 4 (2 pages)	A-28
Table A-16	CFD Revenue—Phase 1 (2 pages)	A-30
Table A-17	CFD Revenue—Phase 2 (2 pages)	A-32
Table A-18	CFD Revenue—Phase 3 (2 pages)	A-34
Table A-19	CFD Revenue—Phase 4 (2 pages)	A-36



**Table A-1
Aggie Research Campus
Development Program**

Item	Project Land Uses at Buildout					Development Strategy
	Acres	Dwelling Units	Average Unit Size	Building Square Feet	Hotel Rooms	
Residential Land Uses						
Owner Occupied Residential						
Medium Density Residential	11.0	280	1,800	-	-	Land Sale
Total Owner Occupied	11.0	280				
Renter Occupied Residential						
High Density Residential	16.4	570	950	-	-	Land Sale
Total Renter Occupied	16.4	570				
Total All Residential Uses	27.4	850				
Nonresidential Land Uses						
Office	17.5	-	-	755,000	-	Own & Operate
Flex/R&D	27.1	-	-	755,000	-	Own & Operate
Advanced Manufacturing	57.2	-	-	884,000	-	Land Sale
Ancillary Retail	2.3	-	-	100,000	-	Own & Operate
Hotel	7.3	-	-	160,000	150	Land Sale
Total Nonresidential Uses	111.5			2,654,000	150	
Total All Land Uses	138.9	850		2,654,000	150	

Source: City of Davis; Ramco Enterprises, Inc; EPS.

T-A

**Table A-2
Aggie Research Campus
Pro Forma Analysis
Development Phasing Assumptions**

Item	Phasing Percentages				Phasing Units/Square Feet				Cumulative Units/Square Feet			
	Phase 1	Phase 2	Phase 3	Phase 4	Phase 1	Phase 2	Phase 3	Phase 4	Phase 1	Phase 2	Phase 3	Phase 4
Phase Length (including prep)	7 Years	6 Years	6 Years	6 Years	7 Years	6 Years	6 Years	6 Years	7 Years	6 Years	6 Years	6 Years
Site Preparation Duration	2 Years	1 Years	1 Years	1 Years								
Residential Land Uses												
Owner Occupied Residential												
Medium Density Residential	31%	45%	25%	-	87	125	69	-	87	211	280	280
Total Owner Occupied					87	125	69	-	87	211	280	280
Renter Occupied Residential												
High Density Residential	32%	40%	28%	-	182	228	160	-	182	410	570	570
Total Renter Occupied					182	228	160	-	182	410	570	570
Total All Residential Uses					269	353	228	-	269	622	850	850
Nonresidential Land Uses												
Office	21%	30%	20%	29%	155,000	230,000	150,000	220,000	155,000	385,000	535,000	755,000
Flex/R&D	21%	30%	20%	29%	155,000	230,000	150,000	220,000	155,000	385,000	535,000	755,000
Advanced Manufacturing	25%	25%	25%	25%	220,000	220,000	220,000	224,000	220,000	440,000	660,000	884,000
Ancillary Retail	10%	20%	20%	50%	10,000	20,000	20,000	50,000	10,000	30,000	50,000	100,000
Hotel	-	-	100%	-	-	-	160,000	-	-	-	160,000	160,000
Total Nonresidential Uses					540,000	700,000	700,000	714,000	540,000	1,240,000	1,940,000	2,654,000
Acres					32.3	39.7	38.2	28.6	32.3	72.0	110.2	138.9
Parcels [1]					92	130	75	4	92	222	297	301

Source: City of Davis; EPS.

[1] For uses other than MDR, 1 parcel per use per phase is assumed.

**Table A-3
 Aggie Research Campus
 Pro Forma Analysis
 Project Buildout Estimate - All Phases**

Item	Total All Phases	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16
Phase		P1 Prep	P1 Prep	Phase 1	Phase 1	Phase 1	Phase 1	Phase 1	P2 Prep	Phase 2	Phase 2	Phase 2	Phase 2	Phase 2	P3 Prep	Phase 3	Phase 3
Annual Buildout																	
Residential Land Uses																	
Medium Density Residential (For Sale)	280	-	-	30	10	10	28	8	-	37	15	15	33	15	-	58	10
High Density Residential (Rental)	570	-	-	61	21	21	58	21	-	74	31	31	68	25	-	117	20
Total Annual Residential Units	850	-	-	91	31	31	86	29	-	111	46	46	101	41	-	175	30
Nonresidential Land Uses																	
Office	755,000	-	-	31,000	31,000	31,000	31,000	31,000	-	46,000	46,000	46,000	46,000	46,000	-	30,000	30,000
Flex/R&D	755,000	-	-	31,000	31,000	31,000	31,000	31,000	-	46,000	46,000	46,000	46,000	46,000	-	30,000	30,000
Advanced Manufacturing	884,000	-	-	110,000	-	-	110,000	-	-	110,000	-	-	110,000	-	-	110,000	-
Ancillary Retail	100,000	-	-	10,000	-	-	-	-	-	20,000	-	-	-	-	-	20,000	-
Hotel	160,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	160,000	-
Total Annual Nonresidential Square Feet	2,654,000	-	-	182,000	62,000	62,000	172,000	62,000	-	222,000	92,000	92,000	202,000	92,000	-	350,000	60,000
Cumulative Buildout																	
Residential Land Uses																	
Medium Density Residential (For Sale)	-	-	-	30	40	50	79	87	87	123	139	154	187	202	202	260	270
High Density Residential (Rental)	-	-	-	61	82	103	160	181	181	255	286	317	385	410	410	528	548
Cumulative Residential Units	-	-	-	91	122	153	239	268	268	379	425	471	572	612	612	787	817
Nonresidential Land Uses																	
Office	-	-	-	31,000	62,000	93,000	124,000	155,000	155,000	201,000	247,000	293,000	339,000	385,000	385,000	415,000	445,000
Flex/R&D	-	-	-	31,000	62,000	93,000	124,000	155,000	155,000	201,000	247,000	293,000	339,000	385,000	385,000	415,000	445,000
Advanced Manufacturing	-	-	-	110,000	110,000	110,000	220,000	220,000	220,000	330,000	330,000	330,000	440,000	440,000	440,000	550,000	550,000
Ancillary Retail	-	-	-	10,000	10,000	10,000	10,000	10,000	10,000	30,000	30,000	30,000	30,000	30,000	30,000	50,000	50,000
Hotel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	160,000	160,000
Cumulative Nonresidential Square Feet	-	-	-	182,000	244,000	306,000	478,000	540,000	540,000	762,000	854,000	946,000	1,148,000	1,240,000	1,240,000	1,590,000	1,650,000

Source: City of Davis, EPS.

A-3

**Table A-3
Aggie Research Campus
Pro Forma Analysis
Project Buildout Estimate - All Phases**

Item	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28
Phase	<i>Phase 3</i>	<i>Phase 3</i>	<i>Phase 3</i>	<i>P4 Prep</i>	<i>Phase 4</i>	<i>Phase 4</i>	<i>Phase 4</i>	<i>Phase 4</i>	<i>Phase 4</i>			
Annual Buildout												
Residential Land Uses												
Medium Density Residential (For Sale)	10	-	-	-	-	-	-	-	-	-	-	-
High Density Residential (Rental)	22	-	-	-	-	-	-	-	-	-	-	-
Total Annual Residential Units	33	-	-	-	-	-	-	-	-	-	-	-
Nonresidential Land Uses												
Office	30,000	30,000	30,000	-	44,000	44,000	44,000	44,000	44,000	-	-	-
Flex/R&D	30,000	30,000	30,000	-	44,000	44,000	44,000	44,000	44,000	-	-	-
Advanced Manufacturing	-	110,000	-	-	112,000	-	-	112,000	-	-	-	-
Ancillary Retail	-	-	-	-	50,000	-	-	-	-	-	-	-
Hotel	-	-	-	-	-	-	-	-	-	-	-	-
Total Annual Nonresidential Square Feet	60,000	170,000	60,000	-	250,000	88,000	88,000	200,000	88,000	-	-	-
Cumulative Buildout												
Residential Land Uses												
Medium Density Residential (For Sale)	280	280	280	280	280	280	280	280	280	280	280	280
High Density Residential (Rental)	570	570	570	570	570	570	570	570	570	570	570	570
Cumulative Residential Units	850	850	850	850	850	850	850	850	850	850	850	850
Nonresidential Land Uses												
Office	475,000	505,000	535,000	535,000	579,000	623,000	667,000	711,000	755,000	755,000	755,000	755,000
Flex/R&D	475,000	505,000	535,000	535,000	579,000	623,000	667,000	711,000	755,000	755,000	755,000	755,000
Advanced Manufacturing	550,000	660,000	660,000	660,000	772,000	772,000	772,000	884,000	884,000	884,000	884,000	884,000
Ancillary Retail	50,000	50,000	50,000	50,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Hotel	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000
Cumulative Nonresidential Square Feet	1,710,000	1,880,000	1,940,000	1,940,000	2,190,000	2,278,000	2,366,000	2,566,000	2,654,000	2,654,000	2,654,000	2,654,000

Source: City of Davis, EPS.

A-4

**Table A-4
Aggie Research Campus
Pro Forma Analysis
Infrastructure and Site Prep Estimate**

Item	Estimated Cost (2020\$)				Total
	Phase 1	Phase 2	Phase 3	Phase 4	
Earthwork	\$893,743	\$403,985	\$1,401,084	\$64,368	\$2,763,180
Sewer/Drainage	\$7,233,391	\$3,100,025	\$10,877,352	\$240,000	\$21,450,768
Roadways	\$3,787,308	\$3,186,372	\$5,205,840	\$5,395,800	\$17,575,320
Other On-Site Costs	-	\$600,000	\$1,367,712	\$180,000	\$2,147,712
Off-Site Costs	\$1,659,000	\$711,000	\$3,378,000	-	\$5,748,000
Subtotal Construction	\$13,573,442	\$8,001,382	\$22,229,988	\$5,880,168	\$49,684,980
Infrastructure/Site Prep Soft Costs at 25% Construction Plus Soft Costs	\$3,393,361 \$16,966,803	\$2,000,345 \$10,001,727	\$5,557,497 \$27,787,485	\$1,470,042 \$7,350,210	\$12,421,245 \$62,106,225
Contingency at 10%	\$1,696,680	\$1,000,173	\$2,778,749	\$735,021	\$6,210,623
Total Infrastructure and Site Prep	\$18,663,483	\$11,001,900	\$30,566,234	\$8,085,231	\$68,316,848
Agriculture Mitigation Fee [1]	\$326,021	\$401,350	\$385,730	\$289,330	\$1,402,430
Total Infrastructure, Site Prep, Ag Mitigation (rounded)	\$18,990,000	\$11,403,000	\$30,952,000	\$8,375,000	\$69,719,000

Source: City of Davis; Project Management Applications; EPS.

[1] Project size exceeds limit for in-lieu ag mitigation fee; however, mitigation assumed to have the same \$10,100 per acre cost for this analysis.

**Table A-5
Aggie Research Campus
Pro Forma Analysis
Developer-Funded Parking Assumptions**

Item	Assumption [2]	Parking Spaces				Parking Type			
		Phase 1	Phase 2	Phase 3	Phase 4	Phase 1	Phase 2	Phase 3	Phase 4
Residential Land Uses									
Owner Occupied Residential	<u>Spaces</u>								
Medium Density Residential [1]	2.0 per Unit	174	249	137	-	NA	NA	NA	NA
Total Owner Occupied									
Renter Occupied Residential	<u>Spaces</u>								
High Density Residential	1.0 per Unit	182	228	160	-	NA	NA	NA	NA
Total Renter Occupied									
Nonresidential Land Uses									
	<u>Spaces</u>								
Office	2.4 per 1,000 sq ft	371	550	359	526	Surface	Surface	Structured	Structured
Flex/R&D	2.4 per 1,000 sq ft	371	550	359	526	Surface	Surface	Structured	Structured
Advanced Manufacturing [1]	1.4 per 1,000 sq ft	311	311	311	317	NA	NA	NA	NA
Ancillary Retail	2.4 per 1,000 sq ft	24	48	48	120	Surface	Surface	Structured	Structured
Hotel	1.0 per Room	-	-	150	-	NA	NA	Structured	NA
Cost Estimate (2020\$)	<u>Cost per Space</u>								
Surface Parking	\$2,000 per space								
Structured Parking	\$31,000 per space								
Consolidated Structured Parking	Phase 3								

Source: City of Davis; EPS.

[1] Parking for each medium-density residential unit is included with each unit. Advanced manufacturing assumed to be on sold parcels with surface parking not affecting this cash flow.

[2] Parking requirements subject to further evaluation.

**Table A-5
Aggie Research Campus
Pro Forma Analysis
Developer-Funded Parking Assumptions**

Item	Assumption [2]	Surface Parking Spaces				Structured Parking Spaces			
		Phase 1	Phase 2	Phase 3	Phase 4	Phase 1	Phase 2	Phase 3	Phase 4
Residential Land Uses									
Owner Occupied Residential	<u>Spaces</u>								
Medium Density Residential [1]	2.0 per Unit	-	-	-	-	-	-	-	-
Total Owner Occupied									
Renter Occupied Residential	<u>Spaces</u>								
High Density Residential	1.0 per Unit	-	-	-	-	-	-	-	-
Total Renter Occupied									
Nonresidential Land Uses									
	<u>Spaces</u>								
Office	2.4 per 1,000 sq ft	371	550	-	-	-	-	359	526
Flex/R&D	2.4 per 1,000 sq ft	371	550	-	-	-	-	359	526
Advanced Manufacturing [1]	1.4 per 1,000 sq ft	-	-	-	-	-	-	-	-
Ancillary Retail	2.4 per 1,000 sq ft	24	48	-	-	-	-	48	120
Hotel	1.0 per Room	-	-	-	-	-	-	150	-
Cost Estimate (2020\$)	<u>Cost per Space</u>								
Surface Parking	\$2,000 per space	\$1,531,100	\$2,296,651	\$0	\$0				
Structured Parking	\$31,000 per space					\$0	\$0	\$28,382,057	\$36,339,713
Consolidated Structured Parking	Phase 3							\$64,721,770	

Source: City of Davis; EPS.

[1] Parking for each medium-density residential unit is included with each unit. Advanced manufacturing assumed to be on sold parcels with surface parking not affecting this cash flow.

[2] Parking requirements subject to further evaluation.

Table A-6
Aggie Research Campus
Pro Forma Analysis
Residual Land Value Analysis (excluding parking costs)

Item	Residential (per Unit)		Commercial and Workspaces (per Sq Ft)				Hospitality (per Room)
	MDR - For Sale	HDR - Rental	Office	R&D	Advanced Manufacturing	Ancillary Retail	Hotel
Development Assumptions							
Acres	11.0	16.4	17.5	27.1	57.2	2.3	7.3
Residential Units	280	570					
Residential Average Unit Size (gross)	1,800	950					
Commercial Square Feet			755,000	755,000	884,000	100,000	160,000
Gross Square Feet per Hotel Room							1,067
Hotel Rooms							150
Units/Sq. Ft./Rooms per Acre	25	35	43,124	27,878	15,455	43,124	20.4
Vertical Construction Cost (per Unit/Sq Ft/Room)							
Vertical Direct Construction Cost / Sq Ft [1]	\$146	\$142	\$128	\$118	na	\$128	\$155
Parking Cost [2]	\$15,552	\$31,000	-	-	na	-	-
Hard Construction Cost (including parking)	\$278,892	\$165,630	\$128.00	\$118.00	na	\$128.00	\$165,387
Soft Construction Costs at 18% of Direct	\$50,201	\$29,813	\$23.04	\$21.24	na	\$23.04	\$29,770
Permitting Cost	\$5,092	\$2,634	\$11.03	\$11.03	\$11.03	\$11.03	\$11,765
Construction Tax	\$7,146	\$3,772	\$3.97	\$3.97	\$3.97	\$3.97	\$4,235
Impact Fees							
Affordable Housing Fees [3]	\$11,250	\$11,250	-	-	-	-	-
Roadways	\$5,444	\$4,467	\$46.92	\$46.92	\$0.434	\$18.292	\$2,754
Water	\$10,362	\$1,228	\$1.390	\$1.390	\$1.884	\$11.740	\$3,166
Sewer	\$4,780	\$3,320	\$1.470	\$1.470	\$0.121	\$2.138	\$3,320
Drainage	\$305	\$85	\$0.118	\$0.118	\$0.118	\$0.118	\$85
Parks	\$4,145	\$3,827	\$0.730	\$0.730	\$0.190	\$0.730	\$3,277
Open Space	\$714	\$659	\$0.126	\$0.126	\$0.033	\$0.126	\$564
Public Safety	\$494	\$479	\$0.515	\$0.515	\$0.242	\$0.515	\$399
General Facilities	\$1,786	\$1,662	\$0.811	\$0.811	\$0.233	\$0.811	\$1,662
School Impact Fee	\$5,346	\$2,822	\$0.470	\$0.470	\$0.470	\$0.470	\$501
County FSA Fee	\$4,290	\$3,180	\$0.666	\$0.666	\$0.334	\$0.500	\$710
Other Site Improvements	-	-	-	-	na	-	-
Tenant Improvements	-	-	\$50.00	\$50.00	na	\$50.00	-
Financing Costs at 5% of Total	\$19,512	\$11,741	\$13.46	\$12.87	na	\$12.57	\$11,380
Per Unit/Room Total Vertical Const. Cost	\$409,758	\$246,569	na	na	na	na	\$238,975
Per Sq Ft Total Vertical Const. Cost	\$228	\$260	\$283	\$270	\$0	\$264	\$224
Capitalized Income Value [4]							
Average Lease Rate/Unit/Sq Ft/Mo		\$2.470	\$2.92	\$2.33		\$2.33	
Nonresidential Net Leasable			90%	90%		90%	
Less Vacancy (Percent)		5.0%	5.0%	7.0%		7.0%	
Gross Revenue Less Vacancy		\$28,158	\$30	\$23		\$23	
Less per Unit Annual Operating Expenses		\$7,500					
Less Commercial Operating Expenses (Percent) [5]			30.0%	3.0%		3.0%	
Hotel Nightly Room Rate							\$180
Hotel Occupancy Percent							79%
Hotel Non-Room Revenue Percent							5%
Hotel Total Revenue per Room							\$54,635
Hotel Departmental Expenses							23%
Hotel Undistributed Expenses & Management Fees							31%
Park/Open Space Maintenance [6]	-	\$75	\$0.08	\$0.08	-	\$0.08	\$85
CFD Special Tax	-	\$1,000	\$0.12	\$0.18	-	\$0.12	\$245
Net Annual Operating Income Per Unit/Sq Ft/Room	-	\$19,583	\$20.75	\$22.47	-	\$22.54	\$24,802
Cap Rate [7]	-	5.00%	6.25%	7.00%	-	6.75%	8.00%
Total Net Capitalized Value per Unit / Room	-	\$391,650	na	na	na	na	\$310,029
Total Net Capitalized Value per Gross Sq Ft	-	\$412	\$332	\$321	-	\$334	\$291
For-Sale Residential Unit Sales Price	\$633,600						

A-8

Table A-6
Aggie Research Campus
Pro Forma Analysis
Residual Land Value Analysis (excluding parking costs)

Item	Residential (per Unit)		Commercial and Workspaces (per Sq Ft)				Hospitality (per Room)
	MDR - For Sale	HDR - Rental	Office	R&D	Advanced Manufacturing	Ancillary Retail	Hotel
Marketing Costs at 5% of Cap. Value/Sales Price	\$31,680	\$19,603	\$16.60	\$16.05	na	\$16.69	\$15,516
Builder Profit at 5% of Cap. Value/Sales Price	\$31,680	\$19,603	\$16.60	\$16.05	na	\$16.69	\$15,516
Residual Value per Unit / Gross Sq Ft / Room	\$160,482	\$106,287	\$16.11	\$18.62	na	\$36.45	\$40,313
Residual Value per Acre	\$4,084,986	\$3,694,117	\$694,771	\$519,194	na	\$1,571,708	\$823,144
Residual Value per Sq Ft of Land	\$93.78	\$84.81	\$15.95	\$11.92	na	\$36.08	\$18.90
Sales Comparable Alternative [8]							
Market Value per Sq Ft of Land	\$46.00	\$36.00			\$14.00		\$25.00
Market Value per Acre	\$2,003,760	\$1,568,160			\$609,840		\$1,089,000
Assumed Project / Entitlement Premium	15%	15%			15%		15%
Comp Value per Acre with Premium	\$2,304,324	\$1,803,384			\$701,316		\$1,252,350
Cash Flow Land Sale Value Used	Comp	Comp	Annual CF	Annual CF	Comp	Annual CF	Comp
Cash Flow Input Value per Acre	\$2,304,324	\$1,803,384	na	na	\$701,316	na	\$1,252,350
Cash Flow Input Value per Sq Ft of Land	\$52.90	\$41.40	na	na	\$16.10	na	\$28.75
Cash Flow Input Value per Unit / Gross Sq Ft / Room	\$90,527	\$51,887	na	na	\$45.38	na	\$61,333

Source: City of Davis; RS Means; CA Board of Equalization; Costar; STR, Inc; CBRE Hotels (PKF); Integra Realty Resources; EPS.

- [1] Vertical construction cost estimates based on a combination of RS Means Online Square Foot Estimator, Board of Equalization Assessor Handbook data, and actual comparable project data. Residential assumed to align with BOE Class C-7 construction and fall within a range of RS Means costs for wood frame construction with stone veneer or fiber cement siding, adjusted for items incorporated separately into the costs, and verified against comparable projects. Office, flex/R&D, and retail costs based on actual cost data for adjacent project, adjusted for costs included elsewhere and use types. Hotel construction cost based on a combination of RS Means data for EIFS and precast concrete construction.
- [2] MDR residential parking assumed to be 400 sq. ft. wood frame garage per unit; HDR residential parking assumed to be 1 above-grade parking structure space per unit at 400 gross square feet per space including circulation.
- [3] The method for meeting the Project's affordable housing obligation are still under consideration; this representative cost is based on 15% affordable requirement, satisfied with in-lieu fee of \$75,000 per required unit, with cost allocated across all units, equating to 15% x \$75,000 per unit.
- [4] Income calculations not included for for-sale residential and advanced manufacturing, since both based on sales comparables.
- [5] R&D, advanced manufacturing and retail space all assumed to be NNN rents; operating costs included in developer NOI for these uses are administrative and non-recoverable costs only.
- [6] Park and open space maintenance cost assumed at \$6,000/acre averaging minimally programmed park space and ag buffers. Cost allocated on a per square foot basis, though acutal allocations may differ.
- [7] "Going-in" capitalization rates based on data from Integra Realty Resources, 2019 Viewpoint. Sacramento metro rates provided the basis for rates used, but rates for Davis were adjusted moderately toward East Bay rates to reflect the local market in the City of Davis.
- [8] Office, flex/R&D and retail space assumed to be owned and operated by the Project Applicant; value is calculated within the cash flows.

Note: Non-applicable input sections have been grayed out for various uses.

Table A-7
Aggie Research Campus
Pro Forma Analysis
Cash Flow Summary / Rollup - Nominal Dollars

Item	Total	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Phase 1											
Site Prep / Land Development Cost	(\$19,563,498)	(\$9,684,900)	(\$9,878,598)	-	-	-	-	-	-	-	-
Vertical Development Cost	(\$99,174,971)	-	-	(\$21,321,008)	(\$18,889,221)	(\$19,267,005)	(\$19,652,345)	(\$20,045,392)	-	-	-
Project EIFD Funds	na	-	-	-	-	-	-	-	-	-	-
Phase Potential CFD Funds	\$6,547,986	\$6,547,986	-	-	-	-	-	-	-	-	-
Land Sale Revenue	\$31,167,039	-	-	\$11,866,578	\$2,249,527	\$2,313,735	\$12,528,437	\$2,208,761	-	-	-
Net Operating Income	\$62,828,421	-	-	-	\$1,757,986	\$3,355,999	\$5,042,200	\$6,818,801	\$8,688,068	\$8,925,346	\$9,166,619
Reversion Income	\$135,611,701	-	-	-	-	-	-	-	-	-	-
Phase Net Unleveraged Cash Flow	\$117,416,678	(\$3,136,914)	(\$9,878,598)	(\$9,454,430)	(\$14,881,707)	(\$13,597,271)	(\$2,081,708)	(\$11,017,831)	\$8,688,068	\$8,925,346	\$9,166,619
Phase Unleveraged IRR	14%	14%									
Project Cost Less EIFD / CFD	\$112,190,483	-	-	-	-	-	-	-	-	-	-
Equity Contribution at 45%	(\$50,485,717)	(\$1,411,611)	(\$4,445,369)	(\$9,594,454)	(\$8,500,149)	(\$8,670,152)	(\$8,843,555)	(\$9,020,426)	-	-	-
Remaining Total Financing Amount	\$61,704,766	-	-	-	-	-	-	-	-	-	-
Permanent Loan Principal Debt Service	(\$20,910,215)	-	-	-	(\$1,915,962)	(\$2,006,970)	(\$2,102,301)	(\$2,202,160)	(\$2,306,763)	(\$2,416,334)	(\$2,531,110)
Permanent Loan Interest Debt Service	(\$22,712,229)	-	-	-	(\$2,930,976)	(\$2,839,968)	(\$2,744,637)	(\$2,644,778)	(\$2,540,175)	(\$2,430,604)	(\$2,315,828)
Reversion Less Remaining Debt	\$94,817,150	-	-	-	-	-	-	-	-	-	-
Net Proceeds to Developer Equity	\$94,704,450	(\$1,411,611)	(\$4,445,369)	\$2,272,125	(\$9,339,574)	(\$7,847,356)	\$3,880,144	(\$4,839,803)	\$3,841,130	\$4,078,407	\$4,319,681
Phase Leveraged IRR	22%	22%									
Phase 2											
Site Prep / Land Development Cost	(\$13,360,432)	-	-	-	-	-	-	-	(\$13,360,432)	-	-
Vertical Development Cost	(\$167,388,744)	-	-	-	-	-	-	-	-	(\$37,263,751)	(\$31,571,414)
Project EIFD Funds	na	-	-	-	-	-	-	-	-	-	-
Phase Potential CFD Funds	\$10,173,095	-	-	-	-	-	-	-	\$10,173,095	-	-
Land Sale Revenue	\$43,575,541	-	-	-	-	-	-	-	-	\$15,676,726	\$3,934,195
Net Operating Income	\$110,566,092	-	-	-	-	-	-	-	-	-	\$3,228,505
Reversion Income	\$236,915,594	-	-	-	-	-	-	-	-	-	-
Phase Net Unleveraged Cash Flow	\$220,481,146	-	-	-	-	-	-	-	(\$3,187,337)	(\$21,587,024)	(\$24,408,714)
Phase Unleveraged IRR	17%								17%		
Project Cost Less EIFD / CFD	\$170,576,080	-	-	-	-	-	-	-	-	-	-
Equity Contribution at 45%	(\$76,759,236)	-	-	-	-	-	-	-	(\$1,434,301)	(\$16,768,688)	(\$14,207,136)
Remaining Total Financing Amount	\$93,816,844	-	-	-	-	-	-	-	-	-	-
Permanent Loan Principal Debt Service	(\$31,792,202)	-	-	-	-	-	-	-	-	-	(\$2,913,057)
Permanent Loan Interest Debt Service	(\$34,532,011)	-	-	-	-	-	-	-	-	-	(\$4,456,300)
Reversion Less Remaining Debt	\$174,890,952	-	-	-	-	-	-	-	-	-	-
Net Proceeds to Developer Equity	\$185,949,135	-	-	-	-	-	-	-	(\$1,434,301)	(\$1,091,961)	(\$14,413,793)
Phase Leveraged IRR	28%								28%		
Phase 3											
Site Prep / Land Development Cost	(\$40,840,507)	-	-	-	-	-	-	-	-	-	-
Vertical Development Cost	(\$161,511,901)	-	-	-	-	-	-	-	-	-	-
Project EIFD Funds	na	-	-	-	-	-	-	-	-	-	-
Phase Potential CFD Funds	\$9,420,346	-	-	-	-	-	-	-	-	-	-
Land Sale Revenue	\$52,835,467	-	-	-	-	-	-	-	-	-	-
Net Operating Income	\$86,077,534	-	-	-	-	-	-	-	-	-	-
Reversion Income	\$182,710,795	-	-	-	-	-	-	-	-	-	-
Phase Net Unleveraged Cash Flow	\$128,691,734	-	-	-	-	-	-	-	-	-	-
Phase Unleveraged IRR	9%										
Project Cost Less EIFD / CFD	\$192,932,062	-	-	-	-	-	-	-	-	-	-
Equity Contribution at 45%	(\$86,819,428)	-	-	-	-	-	-	-	-	-	-
Remaining Total Financing Amount	\$106,112,634	-	-	-	-	-	-	-	-	-	-
Permanent Loan Principal Debt Service	(\$35,958,940)	-	-	-	-	-	-	-	-	-	-
Permanent Loan Interest Debt Service	(\$39,057,833)	-	-	-	-	-	-	-	-	-	-
Reversion Less Remaining Debt	\$112,557,102	-	-	-	-	-	-	-	-	-	-
Net Proceeds to Developer Equity	\$89,633,902	-	-	-	-	-	-	-	-	-	-
Phase Leveraged IRR	15%										
Phase 4											
Site Prep / Land Development Cost	(\$12,444,809)	-	-	-	-	-	-	-	-	-	-
Vertical Development Cost	(\$267,027,378)	-	-	-	-	-	-	-	-	-	-
Project EIFD Funds	na	-	-	-	-	-	-	-	-	-	-
Phase Potential CFD Funds	\$2,818,866	-	-	-	-	-	-	-	-	-	-
Land Sale Revenue	\$18,430,236	-	-	-	-	-	-	-	-	-	-
Net Operating Income	\$153,820,991	-	-	-	-	-	-	-	-	-	-
Reversion Income	\$321,945,976	-	-	-	-	-	-	-	-	-	-
Phase Net Unleveraged Cash Flow	\$217,543,881	-	-	-	-	-	-	-	-	-	-
Phase Unleveraged IRR	9%										
Project Cost Less EIFD / CFD	\$276,653,322	-	-	-	-	-	-	-	-	-	-
Equity Contribution at 45%	(\$124,493,995)	-	-	-	-	-	-	-	-	-	-
Remaining Total Financing Amount	\$152,159,327	-	-	-	-	-	-	-	-	-	-
Permanent Loan Principal Debt Service	(\$51,563,022)	-	-	-	-	-	-	-	-	-	-
Permanent Loan Interest Debt Service	(\$56,006,654)	-	-	-	-	-	-	-	-	-	-
Reversion Less Remaining Debt	\$221,349,671	-	-	-	-	-	-	-	-	-	-
Net Proceeds to Developer Equity	\$161,537,228	-	-	-	-	-	-	-	-	-	-
Phase Leveraged IRR	12%										
Project Net Unleveraged Cash Flow		(\$3,136,914)	(\$9,878,598)	(\$9,454,430)	(\$14,881,707)	(\$13,597,271)	(\$2,081,708)	(\$11,017,831)	\$5,500,732	(\$12,661,678)	(\$15,242,095)
Project Unleveraged IRR	13%										
Project Net Proceeds to Developer Equity		(\$1,411,611)	(\$4,445,369)	\$2,272,125	(\$9,339,574)	(\$7,847,356)	\$3,880,144	(\$4,839,803)	\$2,406,829	\$2,986,446	(\$10,094,113)
Project Leveraged IRR	23%										

Source: City of Davis, EPS.

Table A-7
Aggie Research Campus
Pro Forma Analysis
Cash Flow Summary / Rollup - Nominal Dollars

Item	Total	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Phase 1											
Site Prep / Land Development Cost	(\$19,563,498)	-	-	-	-	-	-	-	-	-	-
Vertical Development Cost	(\$99,174,971)	-	-	-	-	-	-	-	-	-	-
Project EIFD Funds	na	-	-	-	-	-	-	-	-	-	-
Phase Potential CFD Funds	\$6,547,986	-	-	-	-	-	-	-	-	-	-
Land Sale Revenue	\$31,167,039	-	-	-	-	-	-	-	-	-	-
Net Operating Income	\$62,828,421	\$9,411,960	\$9,661,443	-	-	-	-	-	-	-	-
Reversion Income	\$135,611,701	-	-	\$135,611,701	-	-	-	-	-	-	-
Phase Net Unleveraged Cash Flow	\$117,416,678	\$9,411,960	\$9,661,443	\$135,611,701	-	-	-	-	-	-	-
Phase Unleveraged IRR	14%										
Project Cost Less EIFD / CFD	\$112,190,483	-	-	-	-	-	-	-	-	-	-
Equity Contribution at 45%	(\$50,485,717)	-	-	-	-	-	-	-	-	-	-
Remaining Total Financing Amount	\$61,704,766	-	-	-	-	-	-	-	-	-	-
Permanent Loan Principal Debt Service	(\$20,910,215)	(\$2,651,338)	(\$2,777,276)	-	-	-	-	-	-	-	-
Permanent Loan Interest Debt Service	(\$22,712,229)	(\$2,195,600)	(\$2,069,662)	-	-	-	-	-	-	-	-
Reversion Less Remaining Debt	\$94,817,150	-	-	\$94,817,150	-	-	-	-	-	-	-
Net Proceeds to Developer Equity	\$94,704,450	\$4,565,022	\$4,814,505	\$94,817,150	-	-	-	-	-	-	-
Phase Leveraged IRR	22%										
Phase 2											
Site Prep / Land Development Cost	(\$13,360,432)	-	-	-	-	-	-	-	-	-	-
Vertical Development Cost	(\$167,388,744)	(\$32,202,842)	(\$32,846,899)	(\$33,503,837)	-	-	-	-	-	-	-
Project EIFD Funds	na	-	-	-	-	-	-	-	-	-	-
Phase Potential CFD Funds	\$10,173,095	-	-	-	-	-	-	-	-	-	-
Land Sale Revenue	\$43,575,541	\$4,039,492	\$16,068,201	\$3,856,927	-	-	-	-	-	-	-
Net Operating Income	\$110,566,092	\$6,017,242	\$8,950,698	\$12,032,533	\$15,266,495	\$15,660,218	\$16,060,621	\$16,467,825	\$16,881,955	-	-
Reversion Income	\$236,915,594	-	-	-	-	-	-	-	-	\$236,915,594	-
Phase Net Unleveraged Cash Flow	\$220,481,146	(\$22,146,109)	(\$7,828,000)	(\$17,614,377)	\$15,266,495	\$15,660,218	\$16,060,621	\$16,467,825	\$16,881,955	\$236,915,594	-
Phase Unleveraged IRR	17%										
Project Cost Less EIFD / CFD	\$170,576,080	-	-	-	-	-	-	-	-	-	-
Equity Contribution at 45%	(\$76,759,236)	(\$14,491,279)	(\$14,781,105)	(\$15,076,727)	-	-	-	-	-	-	-
Remaining Total Financing Amount	\$93,816,844	-	-	-	-	-	-	-	-	-	-
Permanent Loan Principal Debt Service	(\$31,792,202)	(\$3,051,427)	(\$3,196,370)	(\$3,348,197)	(\$3,507,237)	(\$3,673,831)	(\$3,848,337)	(\$4,031,133)	(\$4,222,612)	-	-
Permanent Loan Interest Debt Service	(\$34,532,011)	(\$4,317,930)	(\$4,172,987)	(\$4,021,160)	(\$3,862,120)	(\$3,695,526)	(\$3,521,019)	(\$3,338,223)	(\$3,146,745)	-	-
Reversion Less Remaining Debt	\$174,890,952	-	-	-	-	-	-	-	-	\$174,890,952	-
Net Proceeds to Developer Equity	\$185,949,135	(\$11,803,902)	\$2,868,437	(\$6,556,623)	\$7,897,138	\$8,290,861	\$8,691,264	\$9,098,468	\$9,512,598	\$174,890,952	-
Phase Leveraged IRR	28%										
Phase 3											
Site Prep / Land Development Cost	(\$40,840,507)	-	-	-	(\$40,840,507)	-	-	-	-	-	-
Vertical Development Cost	(\$161,511,901)	-	-	-	-	(\$67,636,065)	(\$22,776,508)	(\$23,232,038)	(\$23,696,678)	(\$24,170,612)	-
Project EIFD Funds	na	-	-	-	-	-	-	-	-	-	-
Phase Potential CFD Funds	\$9,420,346	-	-	-	\$9,420,346	-	-	-	-	-	-
Land Sale Revenue	\$52,835,467	-	-	-	-	\$38,423,460	\$2,995,629	\$3,307,860	\$8,108,518	-	-
Net Operating Income	\$86,077,534	-	-	-	-	\$2,700,579	\$4,823,867	\$7,051,667	\$9,386,641	\$11,831,514	-
Reversion Income	\$182,710,795	-	-	-	-	-	-	-	-	-	-
Phase Net Unleveraged Cash Flow	\$128,691,734	-	-	-	(\$31,420,161)	\$29,212,605	\$17,080,300	\$15,100,311	(\$8,536,494)	(\$14,783,972)	\$11,831,514
Phase Unleveraged IRR	9%										
Project Cost Less EIFD / CFD	\$192,932,062	-	-	-	-	-	-	-	-	-	-
Equity Contribution at 45%	(\$86,819,428)	-	-	-	(\$14,139,072)	(\$30,436,229)	(\$10,249,428)	(\$10,454,417)	(\$10,663,505)	(\$10,876,775)	-
Remaining Total Financing Amount	\$106,112,634	-	-	-	-	-	-	-	-	-	-
Permanent Loan Principal Debt Service	(\$35,958,940)	-	-	-	-	-	(\$3,294,847)	(\$3,451,352)	(\$3,615,291)	(\$3,787,018)	(\$3,966,901)
Permanent Loan Interest Debt Service	(\$39,057,833)	-	-	-	-	-	(\$5,040,350)	(\$4,883,845)	(\$4,719,906)	(\$4,548,179)	(\$4,368,296)
Reversion Less Remaining Debt	\$112,557,102	-	-	-	-	-	-	-	-	-	-
Net Proceeds to Developer Equity	\$89,633,902	-	-	-	(\$14,139,072)	\$7,987,231	(\$12,888,418)	(\$10,657,887)	(\$3,838,517)	(\$9,825,332)	\$3,496,317
Phase Leveraged IRR	15%										
Phase 4											
Site Prep / Land Development Cost	(\$12,444,809)	-	-	-	-	-	-	-	-	-	(\$12,444,809)
Vertical Development Cost	(\$267,027,378)	-	-	-	-	-	-	-	-	-	-
Project EIFD Funds	na	-	-	-	-	-	-	-	-	-	-
Phase Potential CFD Funds	\$2,818,866	-	-	-	-	-	-	-	-	-	\$2,818,866
Land Sale Revenue	\$18,430,236	-	-	-	-	-	-	-	-	-	-
Net Operating Income	\$153,820,991	-	-	-	-	-	-	-	-	-	-
Reversion Income	\$321,945,976	-	-	-	-	-	-	-	-	-	-
Phase Net Unleveraged Cash Flow	\$217,543,881	-	-	-	-	-	-	-	-	-	(\$9,625,944)
Phase Unleveraged IRR	9%										
Project Cost Less EIFD / CFD	\$276,653,322	-	-	-	-	-	-	-	-	-	-
Equity Contribution at 45%	(\$124,493,995)	-	-	-	-	-	-	-	-	-	(\$4,331,675)
Remaining Total Financing Amount	\$152,159,327	-	-	-	-	-	-	-	-	-	-
Permanent Loan Principal Debt Service	(\$51,563,022)	-	-	-	-	-	-	-	-	-	-
Permanent Loan Interest Debt Service	(\$56,006,654)	-	-	-	-	-	-	-	-	-	-
Reversion Less Remaining Debt	\$221,349,671	-	-	-	-	-	-	-	-	-	-
Net Proceeds to Developer Equity	\$161,537,228	-	-	-	-	-	-	-	-	-	(\$4,331,675)
Phase Leveraged IRR	12%										
Project Net Unleveraged Cash Flow		(\$12,734,149)	\$1,833,443	\$117,997,324	(\$16,153,666)	(\$13,552,387)	(\$1,019,679)	\$1,367,514	\$8,345,461	\$222,131,623	\$2,205,570
Project Unleveraged IRR	13%										
Project Net Proceeds to Developer Equity		(\$7,238,881)	\$7,682,942	\$88,260,527	(\$6,241,935)	\$16,278,092	(\$4,197,154)	(\$1,559,419)	\$5,674,081	\$165,065,620	(\$835,358)
Project Leveraged IRR	23%										

Source: City of Davis, EPS.

Table A-7
Aggie Research Campus
Pro Forma Analysis
Cash Flow Summary / Rollup - Nominal Dollars

Item	Total	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
Phase 1											
Site Prep / Land Development Cost	(\$19,563,498)	-	-	-	-	-	-	-	-	-	-
Vertical Development Cost	(\$99,174,971)	-	-	-	-	-	-	-	-	-	-
Project EIFD Funds	na	-	-	-	-	-	-	-	-	-	-
Phase Potential CFD Funds	\$6,547,986	-	-	-	-	-	-	-	-	-	-
Land Sale Revenue	\$31,167,039	-	-	-	-	-	-	-	-	-	-
Net Operating Income	\$62,828,421	-	-	-	-	-	-	-	-	-	-
Reversion Income	\$135,611,701	-	-	-	-	-	-	-	-	-	-
Phase Net Unleveraged Cash Flow	\$117,416,678	-	-	-	-	-	-	-	-	-	-
Phase Unleveraged IRR	14%										
Project Cost Less EIFD / CFD	\$112,190,483	-	-	-	-	-	-	-	-	-	-
Equity Contribution at 45%	(\$50,485,717)	-	-	-	-	-	-	-	-	-	-
Remaining Total Financing Amount	\$61,704,766	-	-	-	-	-	-	-	-	-	-
Permanent Loan Principal Debt Service	(\$20,910,215)	-	-	-	-	-	-	-	-	-	-
Permanent Loan Interest Debt Service	(\$22,712,229)	-	-	-	-	-	-	-	-	-	-
Reversion Less Remaining Debt	\$94,817,150	-	-	-	-	-	-	-	-	-	-
Net Proceeds to Developer Equity	\$94,704,450	-	-	-	-	-	-	-	-	-	-
Phase Leveraged IRR	22%										
Phase 2											
Site Prep / Land Development Cost	(\$13,360,432)	-	-	-	-	-	-	-	-	-	-
Vertical Development Cost	(\$167,388,744)	-	-	-	-	-	-	-	-	-	-
Project EIFD Funds	na	-	-	-	-	-	-	-	-	-	-
Phase Potential CFD Funds	\$10,173,095	-	-	-	-	-	-	-	-	-	-
Land Sale Revenue	\$43,575,541	-	-	-	-	-	-	-	-	-	-
Net Operating Income	\$110,566,092	-	-	-	-	-	-	-	-	-	-
Reversion Income	\$236,915,594	-	-	-	-	-	-	-	-	-	-
Phase Net Unleveraged Cash Flow	\$220,481,146	-	-	-	-	-	-	-	-	-	-
Phase Unleveraged IRR	17%										
Project Cost Less EIFD / CFD	\$170,576,080	-	-	-	-	-	-	-	-	-	-
Equity Contribution at 45%	(\$76,759,236)	-	-	-	-	-	-	-	-	-	-
Remaining Total Financing Amount	\$93,816,844	-	-	-	-	-	-	-	-	-	-
Permanent Loan Principal Debt Service	(\$31,792,202)	-	-	-	-	-	-	-	-	-	-
Permanent Loan Interest Debt Service	(\$34,532,011)	-	-	-	-	-	-	-	-	-	-
Reversion Less Remaining Debt	\$174,890,952	-	-	-	-	-	-	-	-	-	-
Net Proceeds to Developer Equity	\$185,949,135	-	-	-	-	-	-	-	-	-	-
Phase Leveraged IRR	28%										
Phase 3											
Site Prep / Land Development Cost	(\$40,840,507)	-	-	-	-	-	-	-	-	-	-
Vertical Development Cost	(\$161,511,901)	-	-	-	-	-	-	-	-	-	-
Project EIFD Funds	na	-	-	-	-	-	-	-	-	-	-
Phase Potential CFD Funds	\$9,420,346	-	-	-	-	-	-	-	-	-	-
Land Sale Revenue	\$52,835,467	-	-	-	-	-	-	-	-	-	-
Net Operating Income	\$86,077,534	\$12,122,221	\$12,417,897	\$12,718,631	\$13,024,517	-	-	-	-	-	-
Reversion Income	\$182,710,795	-	-	-	-	\$182,710,795	-	-	-	-	-
Phase Net Unleveraged Cash Flow	\$128,691,734	\$12,122,221	\$12,417,897	\$12,718,631	\$13,024,517	\$182,710,795	-	-	-	-	-
Phase Unleveraged IRR	9%										
Project Cost Less EIFD / CFD	\$192,932,062	-	-	-	-	-	-	-	-	-	-
Equity Contribution at 45%	(\$86,819,428)	-	-	-	-	-	-	-	-	-	-
Remaining Total Financing Amount	\$106,112,634	-	-	-	-	-	-	-	-	-	-
Permanent Loan Principal Debt Service	(\$35,958,940)	(\$4,155,329)	(\$4,352,707)	(\$4,559,460)	(\$4,776,035)	-	-	-	-	-	-
Permanent Loan Interest Debt Service	(\$39,057,833)	(\$4,179,868)	(\$3,982,490)	(\$3,775,736)	(\$3,559,162)	-	-	-	-	-	-
Reversion Less Remaining Debt	\$112,557,102	-	-	-	-	\$112,557,102	-	-	-	-	-
Net Proceeds to Developer Equity	\$89,633,902	\$3,787,024	\$4,082,700	\$4,383,434	\$4,689,320	\$112,557,102	-	-	-	-	-
Phase Leveraged IRR	15%										
Phase 4											
Site Prep / Land Development Cost	(\$12,444,809)	-	-	-	-	-	-	-	-	-	-
Vertical Development Cost	(\$267,027,378)	(\$111,972,202)	(\$37,620,069)	(\$38,372,470)	(\$39,139,919)	(\$39,922,718)	-	-	-	-	-
Project EIFD Funds	na	-	-	-	-	-	-	-	-	-	-
Phase Potential CFD Funds	\$2,818,866	-	-	-	-	-	-	-	-	-	-
Land Sale Revenue	\$18,430,236	\$8,884,468	-	-	\$9,545,768	-	-	-	-	-	-
Net Operating Income	\$153,820,991	-	\$5,423,708	\$9,043,357	\$12,833,045	\$16,797,129	\$20,940,074	\$21,433,836	\$21,936,096	\$22,447,010	\$22,966,736
Reversion Income	\$321,945,976	-	-	-	-	-	-	-	-	-	-
Phase Net Unleveraged Cash Flow	\$217,543,881	(\$103,087,733)	(\$32,196,361)	(\$29,329,113)	(\$16,761,107)	(\$23,125,589)	\$20,940,074	\$21,433,836	\$21,936,096	\$22,447,010	\$22,966,736
Phase Unleveraged IRR	9%										
Project Cost Less EIFD / CFD	\$276,653,322	-	-	-	-	-	-	-	-	-	-
Equity Contribution at 45%	(\$124,493,995)	(\$50,387,491)	(\$16,929,031)	(\$17,267,612)	(\$17,612,964)	(\$17,965,223)	-	-	-	-	-
Remaining Total Financing Amount	\$152,159,327	-	-	-	-	-	-	-	-	-	-
Permanent Loan Principal Debt Service	(\$51,563,022)	-	(\$4,724,618)	(\$4,949,038)	(\$5,184,117)	(\$5,430,362)	(\$5,688,305)	(\$5,958,499)	(\$6,241,528)	(\$6,538,000)	(\$6,848,555)
Permanent Loan Interest Debt Service	(\$56,006,654)	-	(\$7,227,568)	(\$7,003,149)	(\$6,768,069)	(\$6,521,824)	(\$6,263,882)	(\$5,993,687)	(\$5,710,658)	(\$5,414,186)	(\$5,103,631)
Reversion Less Remaining Debt	\$221,349,671	-	-	-	-	-	-	-	-	-	-
Net Proceeds to Developer Equity	\$161,537,228	(\$41,503,022)	(\$23,457,509)	(\$20,176,441)	(\$7,186,337)	(\$13,120,280)	\$8,987,887	\$9,481,650	\$9,983,910	\$10,494,824	\$11,014,550
Phase Leveraged IRR	12%										
Project Net Unleveraged Cash Flow		(\$90,965,512)	(\$19,778,464)	(\$16,610,482)	(\$3,736,589)	\$159,585,207	\$20,940,074	\$21,433,836	\$21,936,096	\$22,447,010	\$22,966,736
Project Unleveraged IRR	13%										
Project Net Proceeds to Developer Equity		(\$37,715,998)	(\$19,374,809)	(\$15,793,006)	(\$2,497,017)	\$99,436,821	\$8,987,887	\$9,481,650	\$9,983,910	\$10,494,824	\$11,014,550
Project Leveraged IRR	23%										

Source: City of Davis, EPS.

Table A-7
Aggie Research Campus
Pro Forma Analysis
Cash Flow Summary / Rollup - Nominal Dollars

Item	Total	Year 31	Year 32	Year 33	Year 34	Year 35
Phase 1						
Site Prep / Land Development Cost	(\$19,563,498)	-	-	-	-	-
Vertical Development Cost	(\$99,174,971)	-	-	-	-	-
Project EIFD Funds	na	-	-	-	-	-
Phase Potential CFD Funds	\$6,547,986	-	-	-	-	-
Land Sale Revenue	\$31,167,039	-	-	-	-	-
Net Operating Income	\$62,828,421	-	-	-	-	-
Reversion Income	\$135,611,701	-	-	-	-	-
Phase Net Unleveraged Cash Flow	\$117,416,678	-	-	-	-	-
Phase Unleveraged IRR	14%					
Project Cost Less EIFD / CFD	\$112,190,483					
Equity Contribution at 45%	(\$50,485,717)	-	-	-	-	-
Remaining Total Financing Amount	\$61,704,766	-	-	-	-	-
Permanent Loan Principal Debt Service	(\$20,910,215)	-	-	-	-	-
Permanent Loan Interest Debt Service	(\$22,712,229)	-	-	-	-	-
Reversion Less Remaining Debt	\$94,817,150	-	-	-	-	-
Net Proceeds to Developer Equity	\$94,704,450	-	-	-	-	-
Phase Leveraged IRR	22%					
Phase 2						
Site Prep / Land Development Cost	(\$13,360,432)	-	-	-	-	-
Vertical Development Cost	(\$167,388,744)	-	-	-	-	-
Project EIFD Funds	na	-	-	-	-	-
Phase Potential CFD Funds	\$10,173,095	-	-	-	-	-
Land Sale Revenue	\$43,575,541	-	-	-	-	-
Net Operating Income	\$110,566,092	-	-	-	-	-
Reversion Income	\$236,915,594	-	-	-	-	-
Phase Net Unleveraged Cash Flow	\$220,481,146	-	-	-	-	-
Phase Unleveraged IRR	17%					
Project Cost Less EIFD / CFD	\$170,576,080					
Equity Contribution at 45%	(\$76,759,236)	-	-	-	-	-
Remaining Total Financing Amount	\$93,816,844	-	-	-	-	-
Permanent Loan Principal Debt Service	(\$31,792,202)	-	-	-	-	-
Permanent Loan Interest Debt Service	(\$34,532,011)	-	-	-	-	-
Reversion Less Remaining Debt	\$174,890,952	-	-	-	-	-
Net Proceeds to Developer Equity	\$185,949,135	-	-	-	-	-
Phase Leveraged IRR	28%					
Phase 3						
Site Prep / Land Development Cost	(\$40,840,507)	-	-	-	-	-
Vertical Development Cost	(\$161,511,901)	-	-	-	-	-
Project EIFD Funds	na	-	-	-	-	-
Phase Potential CFD Funds	\$9,420,346	-	-	-	-	-
Land Sale Revenue	\$52,835,467	-	-	-	-	-
Net Operating Income	\$86,077,534	-	-	-	-	-
Reversion Income	\$182,710,795	-	-	-	-	-
Phase Net Unleveraged Cash Flow	\$128,691,734	-	-	-	-	-
Phase Unleveraged IRR	9%					
Project Cost Less EIFD / CFD	\$192,932,062					
Equity Contribution at 45%	(\$86,819,428)	-	-	-	-	-
Remaining Total Financing Amount	\$106,112,634	-	-	-	-	-
Permanent Loan Principal Debt Service	(\$35,958,940)	-	-	-	-	-
Permanent Loan Interest Debt Service	(\$39,057,833)	-	-	-	-	-
Reversion Less Remaining Debt	\$112,557,102	-	-	-	-	-
Net Proceeds to Developer Equity	\$89,633,902	-	-	-	-	-
Phase Leveraged IRR	15%					
Phase 4						
Site Prep / Land Development Cost	(\$12,444,809)	-	-	-	-	-
Vertical Development Cost	(\$267,027,378)	-	-	-	-	-
Project EIFD Funds	na	-	-	-	-	-
Phase Potential CFD Funds	\$2,818,866	-	-	-	-	-
Land Sale Revenue	\$18,430,236	-	-	-	-	-
Net Operating Income	\$153,820,991	-	-	-	-	-
Reversion Income	\$321,945,976	\$321,945,976	-	-	-	-
Phase Net Unleveraged Cash Flow	\$217,543,881	\$321,945,976	-	-	-	-
Phase Unleveraged IRR	9%					
Project Cost Less EIFD / CFD	\$276,653,322					
Equity Contribution at 45%	(\$124,493,995)	-	-	-	-	-
Remaining Total Financing Amount	\$152,159,327	-	-	-	-	-
Permanent Loan Principal Debt Service	(\$51,563,022)	-	-	-	-	-
Permanent Loan Interest Debt Service	(\$56,006,654)	-	-	-	-	-
Reversion Less Remaining Debt	\$221,349,671	\$221,349,671	-	-	-	-
Net Proceeds to Developer Equity	\$161,537,228	\$221,349,671	-	-	-	-
Phase Leveraged IRR	12%					
Project Net Unleveraged Cash Flow		\$321,945,976	-	-	-	-
Project Unleveraged IRR	13%					
Project Net Proceeds to Developer Equity		\$221,349,671	-	-	-	-
Project Leveraged IRR	23%					

Source: City of Davis, EPS.

Table A-8
 Aggie Research Campus
 Pro Forma Analysis
 Phase 1 Annual Development Cash Flow

Item		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Phase		<i>P1 Prep</i>	<i>P1 Prep</i>	<i>Phase 1</i>	<i>Phase 1</i>	<i>Phase 1</i>	<i>Phase 1</i>	<i>Phase 1</i>			
Inflation Factor	2.0%	1.020	1.040	1.061	1.082	1.104	1.126	1.149	1.172	1.195	1.219
Real Growth Factor	1.0%	1.010	1.020	1.030	1.041	1.051	1.062	1.072	1.083	1.094	1.105
Phase 1											
Master Developer Development Cost											
Land Development											
Site Prep and Infrastructure		\$9,684,900	\$9,878,598	-	-	-	-	-	-	-	-
Vertical Construction & Parking											
Surface Parking		-	-	\$324,963	\$331,462	\$338,092	\$344,854	\$351,751	-	-	-
Structured Parking		-	-	-	-	-	-	-	-	-	-
Medium Density Residential (For Sale)	Land Sale	-	-	-	-	-	-	-	-	-	-
High Density Residential (Rental)	Land Sale	-	-	-	-	-	-	-	-	-	-
Office	Own & Operate	-	-	\$9,300,740	\$9,486,755	\$9,676,490	\$9,870,020	\$10,067,420	-	-	-
Flex/R&D	Own & Operate	-	-	\$8,893,141	\$9,071,003	\$9,252,423	\$9,437,472	\$9,626,221	-	-	-
Advanced Manufacturing	Land Sale	-	-	-	-	-	-	-	-	-	-
Ancillary Retail	Own & Operate	-	-	\$2,802,164	-	-	-	-	-	-	-
Hotel	Land Sale	-	-	-	-	-	-	-	-	-	-
Total Vertical Construction & Parking		-	-	\$21,321,008	\$18,889,221	\$19,267,005	\$19,652,345	\$20,045,392	-	-	-
Total Development Cost		\$9,684,900	\$9,878,598	\$21,321,008	\$18,889,221	\$19,267,005	\$19,652,345	\$20,045,392	-	-	-
Land Sale Income											
Medium Density Residential (For Sale)		-	-	\$2,962,007	\$1,038,180	\$1,067,813	\$3,045,903	\$891,939	-	-	-
High Density Residential (Rental)		-	-	\$3,456,065	\$1,211,347	\$1,245,922	\$3,553,955	\$1,316,821	-	-	-
Office		-	-	-	-	-	-	-	-	-	-
Flex/R&D		-	-	-	-	-	-	-	-	-	-
Advanced Manufacturing		-	-	\$5,448,507	-	-	\$5,928,579	-	-	-	-
Ancillary Retail		-	-	-	-	-	-	-	-	-	-
Hotel		-	-	-	-	-	-	-	-	-	-
Total Sales Income		-	-	\$11,866,578	\$2,249,527	\$2,313,735	\$12,528,437	\$2,208,761	-	-	-
Net Operating Income											
High Density Residential (Rental)		-	-	-	-	-	-	-	-	-	-
Office		-	-	-	\$722,466	\$1,486,174	\$2,292,161	\$3,141,488	\$4,035,243	\$4,145,448	\$4,257,510
Flex/R&D		-	-	-	\$782,416	\$1,609,497	\$2,482,365	\$3,402,170	\$4,370,088	\$4,489,439	\$4,610,799
Advanced Manufacturing		-	-	-	-	-	-	-	-	-	-
Ancillary Retail		-	-	-	\$253,104	\$260,329	\$267,674	\$275,143	\$282,737	\$290,458	\$298,310
Hotel		-	-	-	-	-	-	-	-	-	-
Total Net Operating Income		-	-	-	\$1,757,986	\$3,355,999	\$5,042,200	\$6,818,801	\$8,688,068	\$8,925,346	\$9,166,619
Reversion Income											
	in Year	@ Cap Rate [1]									
High Density Residential (Rental)	na	na	-	-	-	-	-	-	-	-	-
Office	Year 13	6.75%	-	-	-	-	-	-	-	-	-
Flex/R&D	Year 13	7.50%	-	-	-	-	-	-	-	-	-
Advanced Manufacturing	na	na	-	-	-	-	-	-	-	-	-
Ancillary Retail	Year 13	7.25%	-	-	-	-	-	-	-	-	-
Hotel	na	na	-	-	-	-	-	-	-	-	-
Total Reversion Income			-	-	-	-	-	-	-	-	-
PHASE 1 NET ANNUAL CASH FLOW		(\$9,684,900)	(\$9,878,598)	(\$9,454,430)	(\$14,881,707)	(\$13,597,271)	(\$2,081,708)	(\$11,017,831)	\$8,688,068	\$8,925,346	\$9,166,619

Source: City of Davis; EPS.

[1] Reversion capitalization rates based on Integra Realty Resources, 2019 Viewpoint for Sacramento metro area.

A-14

**Table A-8
 Aggie Research Campus
 Pro Forma Analysis
 Phase 1 Annual Development Cash Flow**

Item		Year 11	Year 12	Year 13	Year 14
Phase					
Inflation Factor	2.0%	1.243	1.268	1.294	1.319
Real Growth Factor	1.0%	1.116	1.127	1.138	1.149
Phase 1					
Master Developer Development Cost					
Land Development					
Site Prep and Infrastructure		-	-	-	-
Vertical Construction & Parking					
Surface Parking		-	-	-	-
Structured Parking		-	-	-	-
Medium Density Residential (For Sale)	Land Sale	-	-	-	-
High Density Residential (Rental)	Land Sale	-	-	-	-
Office	Own & Operate	-	-	-	-
Flex/R&D	Own & Operate	-	-	-	-
Advanced Manufacturing	Land Sale	-	-	-	-
Ancillary Retail	Own & Operate	-	-	-	-
Hotel	Land Sale	-	-	-	-
Total Vertical Construction & Parking		-	-	-	-
Total Development Cost		-	-	-	-
Land Sale Income					
Medium Density Residential (For Sale)		-	-	-	-
High Density Residential (Rental)		-	-	-	-
Office		-	-	-	-
Flex/R&D		-	-	-	-
Advanced Manufacturing		-	-	-	-
Ancillary Retail		-	-	-	-
Hotel		-	-	-	-
Total Sales Income		-	-	-	-
Net Operating Income					
High Density Residential (Rental)		-	-	-	-
Office		\$4,371,460	\$4,487,335	-	-
Flex/R&D		\$4,734,205	\$4,859,695	-	-
Advanced Manufacturing		-	-	-	-
Ancillary Retail		\$306,294	\$314,413	-	-
Hotel		-	-	-	-
Total Net Operating Income		\$9,411,960	\$9,661,443	-	-
Reversion Income in Year @ Cap Rate [1]					
High Density Residential (Rental)	na	na			
Office	Year 13	6.75%	-	-	\$66,479,034
Flex/R&D	Year 13	7.50%	-	-	\$64,795,933
Advanced Manufacturing	na	na	-	-	-
Ancillary Retail	Year 13	7.25%	-	-	\$4,336,735
Hotel	na	na	-	-	-
Total Reversion Income			-	-	\$135,611,701
PHASE 1 NET ANNUAL CASH FLOW		\$9,411,960	\$9,661,443	\$135,611,701	-

Source: City of Davis; EPS.

[1] Reversion capitalization rates based on Integra Realty Resources, 2019 Viewpoint for Sacramento metro area.

A-15

Table A-9
Aggie Research Campus
Pro Forma Analysis
Phase 2 Annual Development Cash Flow

Item		Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17
Phase		<i>P2 Prep</i>	<i>Phase 2</i>	<i>Phase 2</i>	<i>Phase 2</i>	<i>Phase 2</i>	<i>Phase 2</i>				
Inflation Factor	2.0%	1.172	1.195	1.219	1.243	1.268	1.294	1.319	1.346	1.373	1.400
Real Growth Factor	1.0%	1.083	1.094	1.105	1.116	1.127	1.138	1.149	1.161	1.173	1.184
Phase 2											
Master Developer Development Cost											
Land Development											
Site Prep and Infrastructure		\$13,360,432	-	-	-	-	-	-	-	-	-
Vertical Construction & Parking											
Surface Parking		-	\$548,942	\$559,921	\$571,119	\$582,542	\$594,193	-	-	-	-
Structured Parking		-	-	-	-	-	-	-	-	-	-
Medium Density Residential (For Sale)	Land Sale	-	-	-	-	-	-	-	-	-	-
High Density Residential (Rental)	Land Sale	-	-	-	-	-	-	-	-	-	-
Office	Own & Operate	-	\$15,542,278	\$15,853,123	\$16,170,186	\$16,493,590	\$16,823,461	-	-	-	-
Flex/R&D	Own & Operate	-	\$14,861,147	\$15,158,370	\$15,461,537	\$15,770,768	\$16,086,183	-	-	-	-
Advanced Manufacturing	Land Sale	-	-	-	-	-	-	-	-	-	-
Ancillary Retail	Own & Operate	-	\$6,311,384	-	-	-	-	-	-	-	-
Hotel	Land Sale	-	-	-	-	-	-	-	-	-	-
Total Vertical Construction & Parking		-	\$37,263,751	\$31,571,414	\$32,202,842	\$32,846,899	\$33,503,837	-	-	-	-
Total Development Cost		\$13,360,432	\$37,263,751	\$31,571,414	\$32,202,842	\$32,846,899	\$33,503,837	-	-	-	-
Land Sale Income											
Medium Density Residential (For Sale)		-	\$4,265,975	\$1,815,672	\$1,864,267	\$4,201,784	\$1,963,935	-	-	-	-
High Density Residential (Rental)		-	\$4,977,533	\$2,118,523	\$2,175,224	\$4,902,635	\$1,892,992	-	-	-	-
Office		-	-	-	-	-	-	-	-	-	-
Flex/R&D		-	-	-	-	-	-	-	-	-	-
Advanced Manufacturing		-	\$6,433,218	-	-	\$6,963,783	-	-	-	-	-
Ancillary Retail		-	-	-	-	-	-	-	-	-	-
Hotel		-	-	-	-	-	-	-	-	-	-
Total Sales Income		-	\$15,676,726	\$3,934,195	\$4,039,492	\$16,068,201	\$3,856,927	-	-	-	-
Net Operating Income											
High Density Residential (Rental)		-	-	-	-	-	-	-	-	-	-
Office		-	-	\$1,263,519	\$2,594,673	\$3,995,175	\$5,466,780	\$7,011,283	\$7,192,104	\$7,375,993	\$7,563,005
Flex/R&D		-	-	\$1,368,366	\$2,809,980	\$4,326,696	\$5,920,415	\$7,593,081	\$7,788,907	\$7,988,055	\$8,190,585
Advanced Manufacturing		-	-	-	-	-	-	-	-	-	-
Ancillary Retail		-	-	\$596,620	\$612,589	\$628,827	\$645,339	\$662,131	\$679,207	\$696,573	\$714,234
Hotel		-	-	-	-	-	-	-	-	-	-
Total Net Operating Income		-	-	\$3,228,505	\$6,017,242	\$8,950,698	\$12,032,533	\$15,266,495	\$15,660,218	\$16,060,621	\$16,467,825
Reversion Income											
	in Year	@ Cap Rate [1]									
High Density Residential (Rental)	na	na	-	-	-	-	-	-	-	-	-
Office	Year 19	6.75%	-	-	-	-	-	-	-	-	-
Flex/R&D	Year 19	7.50%	-	-	-	-	-	-	-	-	-
Advanced Manufacturing	na	na	-	-	-	-	-	-	-	-	-
Ancillary Retail	Year 19	7.25%	-	-	-	-	-	-	-	-	-
Hotel	na	na	-	-	-	-	-	-	-	-	-
Total Reversion Income			-	-	-	-	-	-	-	-	-
PHASE 1 NET ANNUAL CASH FLOW		(\$13,360,432)	(\$21,587,024)	(\$24,408,714)	(\$22,146,109)	(\$7,828,000)	(\$17,614,377)	\$15,266,495	\$15,660,218	\$16,060,621	\$16,467,825

Source: City of Davis; EPS.

[1] Reversion capitalization rates based on Integra Realty Resources, 2019 Viewpoint for Sacramento metro area.

A-16

**Table A-9
 Aggie Research Campus
 Pro Forma Analysis
 Phase 2 Annual Development Cash Flow**

Item		Year 18	Year 19	Year 20	Year 21
Phase					
Inflation Factor	2.0%	1.428	1.457	1.486	1.516
Real Growth Factor	1.0%	1.196	1.208	1.220	1.232
Phase 2					
Master Developer Development Cost					
Land Development					
Site Prep and Infrastructure		-	-	-	-
Vertical Construction & Parking					
Surface Parking		-	-	-	-
Structured Parking		-	-	-	-
Medium Density Residential (For Sale)	Land Sale	-	-	-	-
High Density Residential (Rental)	Land Sale	-	-	-	-
Office	Own & Operate	-	-	-	-
Flex/R&D	Own & Operate	-	-	-	-
Advanced Manufacturing	Land Sale	-	-	-	-
Ancillary Retail	Own & Operate	-	-	-	-
Hotel	Land Sale	-	-	-	-
Total Vertical Construction & Parking		-	-	-	-
Total Development Cost		-	-	-	-
Land Sale Income					
Medium Density Residential (For Sale)		-	-	-	-
High Density Residential (Rental)		-	-	-	-
Office		-	-	-	-
Flex/R&D		-	-	-	-
Advanced Manufacturing		-	-	-	-
Ancillary Retail		-	-	-	-
Hotel		-	-	-	-
Total Sales Income		-	-	-	-
Net Operating Income					
High Density Residential (Rental)		-	-	-	-
Office		\$7,753,198	-	-	-
Flex/R&D		\$8,396,561	-	-	-
Advanced Manufacturing		-	-	-	-
Ancillary Retail		\$732,196	-	-	-
Hotel		-	-	-	-
Total Net Operating Income		\$16,881,955	-	-	-
Reversion Income					
	in Year	@ Cap Rate [1]			
High Density Residential (Rental)	na	na			
Office	Year 19	6.75%	-	\$114,862,199	-
Flex/R&D	Year 19	7.50%	-	\$111,954,144	-
Advanced Manufacturing	na	na	-	-	-
Ancillary Retail	Year 19	7.25%	-	\$10,099,251	-
Hotel	na	na	-	-	-
Total Reversion Income			-	\$236,915,594	-
PHASE 1 NET ANNUAL CASH FLOW		\$16,881,955	\$236,915,594	-	-

Source: City of Davis; EPS.

[1] Reversion capitalization rates based on Integra Realty Resources, 2019 Viewpoint for Sacramento metro area.

A-17

Table A-10
Aggie Research Campus
Pro Forma Analysis
Phase 3 Annual Development Cash Flow

Item		Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23
Phase		<i>P3 Prep</i>	<i>Phase 3</i>	<i>Phase 3</i>	<i>Phase 3</i>	<i>Phase 3</i>	<i>Phase 3</i>				
Inflation Factor	2.0%	1.319	1.346	1.373	1.400	1.428	1.457	1.486	1.516	1.546	1.577
Real Growth Factor	1.0%	1.149	1.161	1.173	1.184	1.196	1.208	1.220	1.232	1.245	1.257
Phase 3											
Master Developer Development Cost											
Land Development											
Site Prep and Infrastructure		\$40,840,507	-	-	-	-	-	-	-	-	-
Vertical Construction & Parking											
Surface Parking		-	-	-	-	-	-	-	-	-	-
Structured Parking		-	\$38,198,512	-	-	-	-	-	-	-	-
Medium Density Residential (For Sale)	Land Sale	-	-	-	-	-	-	-	-	-	-
High Density Residential (Rental)	Land Sale	-	-	-	-	-	-	-	-	-	-
Office	Own & Operate	-	\$11,415,084	\$11,643,386	\$11,876,254	\$12,113,779	\$12,356,054	-	-	-	-
Flex/R&D	Own & Operate	-	\$10,914,825	\$11,133,122	\$11,355,784	\$11,582,900	\$11,814,558	-	-	-	-
Advanced Manufacturing	Land Sale	-	-	-	-	-	-	-	-	-	-
Ancillary Retail	Own & Operate	-	\$7,107,643	-	-	-	-	-	-	-	-
Hotel	Land Sale	-	-	-	-	-	-	-	-	-	-
Total Vertical Construction & Parking		-	\$67,636,065	\$22,776,508	\$23,232,038	\$23,696,678	\$24,170,612	-	-	-	-
Total Development Cost		\$40,840,507	\$67,636,065	\$22,776,508	\$23,232,038	\$23,696,678	\$24,170,612	-	-	-	-
Land Sale Income											
Medium Density Residential (For Sale)		-	\$7,863,605	\$1,382,514	\$1,488,445	-	-	-	-	-	-
High Density Residential (Rental)		-	\$9,175,242	\$1,613,115	\$1,819,415	-	-	-	-	-	-
Office		-	-	-	-	-	-	-	-	-	-
Flex/R&D		-	-	-	-	-	-	-	-	-	-
Advanced Manufacturing		-	\$7,521,710	-	-	\$8,108,518	-	-	-	-	-
Ancillary Retail		-	-	-	-	-	-	-	-	-	-
Hotel		-	\$13,862,903	-	-	-	-	-	-	-	-
Total Sales Income		-	\$38,423,460	\$2,995,629	\$3,307,860	\$8,108,518	-	-	-	-	-
Net Operating Income											
High Density Residential (Rental)		-	-	-	-	-	-	-	-	-	-
Office		-	-	\$962,086	\$1,972,958	\$3,033,860	\$4,146,068	\$5,310,887	\$5,441,378	\$5,574,100	\$5,709,093
Flex/R&D		-	-	\$1,041,920	\$2,136,674	\$3,285,611	\$4,490,110	\$5,751,585	\$5,892,905	\$6,036,640	\$6,182,835
Advanced Manufacturing		-	-	-	-	-	-	-	-	-	-
Ancillary Retail		-	-	\$696,573	\$714,234	\$732,196	\$750,463	\$769,042	\$787,937	\$807,156	\$826,704
Hotel		-	-	-	-	-	-	-	-	-	-
Total Net Operating Income		-	-	\$2,700,579	\$4,823,867	\$7,051,667	\$9,386,641	\$11,831,514	\$12,122,221	\$12,417,897	\$12,718,631
Reversion Income											
	in Year	@ Cap Rate [1]									
High Density Residential (Rental)	na	na	-	-	-	-	-	-	-	-	-
Office	Year 25	6.75%	-	-	-	-	-	-	-	-	-
Flex/R&D	Year 25	7.50%	-	-	-	-	-	-	-	-	-
Advanced Manufacturing	na	na	-	-	-	-	-	-	-	-	-
Ancillary Retail	Year 25	7.25%	-	-	-	-	-	-	-	-	-
Hotel	na	na	-	-	-	-	-	-	-	-	-
Total Reversion Income			-	-	-	-	-	-	-	-	-
PHASE 1 NET ANNUAL CASH FLOW		(\$40,840,507)	(\$29,212,605)	(\$17,080,300)	(\$15,100,311)	(\$8,536,494)	(\$14,783,972)	\$11,831,514	\$12,122,221	\$12,417,897	\$12,718,631

Source: City of Davis; EPS.

[1] Reversion capitalization rates based on Integra Realty Resources, 2019 Viewpoint for Sacramento metro area.

A-18

Table A-10
Aggie Research Campus
Pro Forma Analysis
Phase 3 Annual Development Cash Flow

Item		Year 24	Year 25	Year 26	Year 27
Phase					
Inflation Factor	2.0%	1.608	1.641	1.673	1.707
Real Growth Factor	1.0%	1.270	1.282	1.295	1.308
Phase 3					
Master Developer Development Cost					
Land Development					
Site Prep and Infrastructure		-	-	-	-
Vertical Construction & Parking					
Surface Parking		-	-	-	-
Structured Parking		-	-	-	-
Medium Density Residential (For Sale)	Land Sale	-	-	-	-
High Density Residential (Rental)	Land Sale	-	-	-	-
Office	Own & Operate	-	-	-	-
Flex/R&D	Own & Operate	-	-	-	-
Advanced Manufacturing	Land Sale	-	-	-	-
Ancillary Retail	Own & Operate	-	-	-	-
Hotel	Land Sale	-	-	-	-
Total Vertical Construction & Parking		-	-	-	-
Total Development Cost		-	-	-	-
Land Sale Income					
Medium Density Residential (For Sale)		-	-	-	-
High Density Residential (Rental)		-	-	-	-
Office		-	-	-	-
Flex/R&D		-	-	-	-
Advanced Manufacturing		-	-	-	-
Ancillary Retail		-	-	-	-
Hotel		-	-	-	-
Total Sales Income		-	-	-	-
Net Operating Income					
High Density Residential (Rental)		-	-	-	-
Office		\$5,846,398	-	-	-
Flex/R&D		\$6,331,533	-	-	-
Advanced Manufacturing		-	-	-	-
Ancillary Retail		\$846,586	-	-	-
Hotel		-	-	-	-
Total Net Operating Income		\$13,024,517	-	-	-
Reversion Income					
	in Year	@ Cap Rate [1]			
High Density Residential (Rental)	na	na			
Office	Year 25	6.75%	-	\$86,613,300	-
Flex/R&D	Year 25	7.50%	-	\$84,420,444	-
Advanced Manufacturing	na	na	-	-	-
Ancillary Retail	Year 25	7.25%	-	\$11,677,051	-
Hotel	na	na	-	-	-
Total Reversion Income			-	\$182,710,795	-
PHASE 1 NET ANNUAL CASH FLOW		\$13,024,517	\$182,710,795	-	-

Source: City of Davis; EPS.

[1] Reversion capitalization rates based on Integra Realty Resources, 2019 Viewpoint for Sacramento metro area.

Table A-11
Aggie Research Campus
Pro Forma Analysis
Phase 4 Annual Development Cash Flow

Item		Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29
Phase		<i>P4 Prep</i>	<i>Phase 4</i>	<i>Phase 4</i>	<i>Phase 4</i>	<i>Phase 4</i>	<i>Phase 4</i>				
Inflation Factor	2.0%	1.486	1.516	1.546	1.577	1.608	1.641	1.673	1.707	1.741	1.776
Real Growth Factor	1.0%	1.220	1.232	1.245	1.257	1.270	1.282	1.295	1.308	1.321	1.335
Phase 4											
Master Developer Development Cost											
Land Development											
Site Prep and Infrastructure		\$12,444,809	-	-	-	-	-	-	-	-	-
Vertical Construction & Parking											
Surface Parking		-	-	-	-	-	-	-	-	-	-
Structured Parking		-	\$55,078,880	-	-	-	-	-	-	-	-
Medium Density Residential (For Sale)	Land Sale	-	-	-	-	-	-	-	-	-	-
High Density Residential (Rental)	Land Sale	-	-	-	-	-	-	-	-	-	-
Office	Own & Operate	-	\$18,854,350	\$19,231,437	\$19,616,066	\$20,008,388	\$20,408,555	-	-	-	-
Flex/R&D	Own & Operate	-	\$18,028,070	\$18,388,631	\$18,756,404	\$19,131,532	\$19,514,163	-	-	-	-
Advanced Manufacturing	Land Sale	-	-	-	-	-	-	-	-	-	-
Ancillary Retail	Own & Operate	-	\$20,010,902	-	-	-	-	-	-	-	-
Hotel	Land Sale	-	-	-	-	-	-	-	-	-	-
Total Vertical Construction & Parking		-	\$111,972,202	\$37,620,069	\$38,372,470	\$39,139,919	\$39,922,718	-	-	-	-
Total Development Cost		\$12,444,809	\$111,972,202	\$37,620,069	\$38,372,470	\$39,139,919	\$39,922,718	-	-	-	-
Land Sale Income											
Medium Density Residential (For Sale)		-	-	-	-	-	-	-	-	-	-
High Density Residential (Rental)		-	-	-	-	-	-	-	-	-	-
Office		-	-	-	-	-	-	-	-	-	-
Flex/R&D		-	-	-	-	-	-	-	-	-	-
Advanced Manufacturing		-	\$8,884,468	-	-	\$9,545,768	-	-	-	-	-
Ancillary Retail		-	-	-	-	-	-	-	-	-	-
Hotel		-	-	-	-	-	-	-	-	-	-
Total Sales Income		-	\$8,884,468	-	-	\$9,545,768	-	-	-	-	-
Net Operating Income											
High Density Residential (Rental)		-	-	-	-	-	-	-	-	-	-
Office		-	-	\$1,635,069	\$3,349,334	\$5,144,830	\$7,023,641	\$8,987,902	\$9,199,835	\$9,415,415	\$9,634,710
Flex/R&D		-	-	\$1,770,748	\$3,627,263	\$5,571,749	\$7,606,464	\$9,733,721	\$9,963,240	\$10,196,709	\$10,434,200
Advanced Manufacturing		-	-	-	-	-	-	-	-	-	-
Ancillary Retail		-	-	\$2,017,891	\$2,066,759	\$2,116,466	\$2,167,024	\$2,218,451	\$2,270,761	\$2,323,972	\$2,378,100
Hotel		-	-	-	-	-	-	-	-	-	-
Total Net Operating Income		-	-	\$5,423,708	\$9,043,357	\$12,833,045	\$16,797,129	\$20,940,074	\$21,433,836	\$21,936,096	\$22,447,010
Reversion Income											
	in Year	@ Cap Rate [1]									
High Density Residential (Rental)	na	na	-	-	-	-	-	-	-	-	-
Office	Year 31	6.75%	-	-	-	-	-	-	-	-	-
Flex/R&D	Year 31	7.50%	-	-	-	-	-	-	-	-	-
Advanced Manufacturing	na	na	-	-	-	-	-	-	-	-	-
Ancillary Retail	Year 31	7.25%	-	-	-	-	-	-	-	-	-
Hotel	na	na	-	-	-	-	-	-	-	-	-
Total Reversion Income			-	-	-	-	-	-	-	-	-
PHASE 1 NET ANNUAL CASH FLOW		(\$12,444,809)	(\$103,087,733)	(\$32,196,361)	(\$29,329,113)	(\$16,761,107)	(\$23,125,589)	\$20,940,074	\$21,433,836	\$21,936,096	\$22,447,010

Source: City of Davis; EPS.

[1] Reversion capitalization rates based on Integra Realty Resources, 2019 Viewpoint for Sacramento metro area.

A-20

Table A-11
Aggie Research Campus
Pro Forma Analysis
Phase 4 Annual Development Cash Flow

Item		Year 30	Year 31	Year 32	Year 33
Phase					
Inflation Factor	2.0%	1.811	1.848	1.885	1.922
Real Growth Factor	1.0%	1.348	1.361	1.375	1.389
Phase 4					
Master Developer Development Cost					
Land Development					
Site Prep and Infrastructure		-	-	-	-
Vertical Construction & Parking					
Surface Parking		-	-	-	-
Structured Parking		-	-	-	-
Medium Density Residential (For Sale)	Land Sale	-	-	-	-
High Density Residential (Rental)	Land Sale	-	-	-	-
Office	Own & Operate	-	-	-	-
Flex/R&D	Own & Operate	-	-	-	-
Advanced Manufacturing	Land Sale	-	-	-	-
Ancillary Retail	Own & Operate	-	-	-	-
Hotel	Land Sale	-	-	-	-
Total Vertical Construction & Parking		-	-	-	-
Total Development Cost		-	-	-	-
Land Sale Income					
Medium Density Residential (For Sale)		-	-	-	-
High Density Residential (Rental)		-	-	-	-
Office		-	-	-	-
Flex/R&D		-	-	-	-
Advanced Manufacturing		-	-	-	-
Ancillary Retail		-	-	-	-
Hotel		-	-	-	-
Total Sales Income		-	-	-	-
Net Operating Income					
High Density Residential (Rental)		-	-	-	-
Office		\$9,857,787	-	-	-
Flex/R&D		\$10,675,789	-	-	-
Advanced Manufacturing		-	-	-	-
Ancillary Retail		\$2,433,161	-	-	-
Hotel		-	-	-	-
Total Net Operating Income		\$22,966,736	-	-	-
Reversion Income					
	in Year	@ Cap Rate [1]			
High Density Residential (Rental)	na	na			
Office	Year 31	6.75%	-	\$146,041,288	-
Flex/R&D	Year 31	7.50%	-	\$142,343,847	-
Advanced Manufacturing	na	na	-	-	-
Ancillary Retail	Year 31	7.25%	-	\$33,560,841	-
Hotel	na	na	-	-	-
Total Reversion Income			-	\$321,945,976	-
PHASE 1 NET ANNUAL CASH FLOW		\$22,966,736	\$321,945,976	-	-

Source: City of Davis; EPS.

[1] Reversion capitalization rates based on Integra Realty Resources, 2019 Viewpoint for Sacramento metro area.

A-21

**Table A-12
 Aggie Research Campus
 Pro Forma Analysis
 Project Buildout Estimate - Phase 1**

Item	Total Phase 1	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13
Annual Buildout - Phase 1														
Residential Land Uses														
Medium Density Residential (For Sale)	87	-	-	30	10	10	28	8	-	-	-	-	-	-
High Density Residential (Rental)	181	-	-	61	21	21	58	21	-	-	-	-	-	-
Total Annual Residential Units	268	-	-	91	31	31	86	29	-	-	-	-	-	-
Nonresidential Land Uses														
Office	155,000	-	-	31,000	31,000	31,000	31,000	31,000	-	-	-	-	-	-
Flex/R&D	155,000	-	-	31,000	31,000	31,000	31,000	31,000	-	-	-	-	-	-
Advanced Manufacturing	220,000	-	-	110,000	-	-	110,000	-	-	-	-	-	-	-
Ancillary Retail	10,000	-	-	10,000	-	-	-	-	-	-	-	-	-	-
Hotel	0	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Annual Nonresidential Square Feet	540,000	-	-	182,000	62,000	62,000	172,000	62,000	-	-	-	-	-	-
Cumulative Buildout - Phase 1														
Residential Land Uses														
Medium Density Residential (For Sale)		-	-	30	40	50	79	87	87	87	87	87	87	87
High Density Residential (Rental)		-	-	61	82	103	160	181	181	181	181	181	181	181
Cumulative Residential Units		-	-	91	122	153	239	268	268	268	268	268	268	268
Nonresidential Land Uses														
Office		-	-	31,000	62,000	93,000	124,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000
Flex/R&D		-	-	31,000	62,000	93,000	124,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000
Advanced Manufacturing		-	-	110,000	110,000	110,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000
Ancillary Retail		-	-	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Hotel		-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Nonresidential Square Feet		-	-	182,000	244,000	306,000	478,000	540,000	540,000	540,000	540,000	540,000	540,000	540,000

Source: City of Davis, EPS.

A-22

**Table A-12
Aggie Research Campus
Pro Forma Analysis
Project Buildout Estimate - Phase 1**

(Note: 10 years collapsed; no activity.)

Item	Total Phase 1	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 30
Annual Buildout - Phase 1								
Residential Land Uses								
Medium Density Residential (For Sale)	87	-	-	-	-	-	-	-
High Density Residential (Rental)	181	-	-	-	-	-	-	-
Total Annual Residential Units	268	-	-	-	-	-	-	-
Nonresidential Land Uses								
Office	155,000	-	-	-	-	-	-	-
Flex/R&D	155,000	-	-	-	-	-	-	-
Advanced Manufacturing	220,000	-	-	-	-	-	-	-
Ancillary Retail	10,000	-	-	-	-	-	-	-
Hotel	0	-	-	-	-	-	-	-
Total Annual Nonresidential Square Feet	540,000	-	-	-	-	-	-	-
Cumulative Buildout - Phase 1								
Residential Land Uses								
Medium Density Residential (For Sale)		87	87	87	87	87	87	87
High Density Residential (Rental)		181	181	181	181	181	181	181
Cumulative Residential Units		268	268	268	268	268	268	268
Nonresidential Land Uses								
Office		155,000	155,000	155,000	155,000	155,000	155,000	155,000
Flex/R&D		155,000	155,000	155,000	155,000	155,000	155,000	155,000
Advanced Manufacturing		220,000	220,000	220,000	220,000	220,000	220,000	220,000
Ancillary Retail		10,000	10,000	10,000	10,000	10,000	10,000	10,000
Hotel		-	-	-	-	-	-	-
Cumulative Nonresidential Square Feet		540,000	540,000	540,000	540,000	540,000	540,000	540,000

lu p1

Source: City of Davis, EPS.

A-23

Table A-13
Aggie Research Campus
Pro Forma Analysis
Project Buildout Estimate - Phase 2

Item	Total Phase 2	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Annual Buildout - Phase 2														
Residential Land Uses														
Medium Density Residential (For Sale)	115	-	37	15	15	33	15	-	-	-	-	-	-	-
High Density Residential (Rental)	229	-	74	31	31	68	25	-	-	-	-	-	-	-
Total Annual Residential Units	345	-	111	46	46	101	41	-	-	-	-	-	-	-
Nonresidential Land Uses														
Office	230,000	-	46,000	46,000	46,000	46,000	46,000	-	-	-	-	-	-	-
Flex/R&D	230,000	-	46,000	46,000	46,000	46,000	46,000	-	-	-	-	-	-	-
Advanced Manufacturing	220,000	-	110,000	-	-	110,000	-	-	-	-	-	-	-	-
Ancillary Retail	20,000	-	20,000	-	-	-	-	-	-	-	-	-	-	-
Hotel	0	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Annual Nonresidential Square Feet	700,000	-	222,000	92,000	92,000	202,000	92,000	-	-	-	-	-	-	-
Cumulative Buildout - Phase 2														
Residential Land Uses														
Medium Density Residential (For Sale)		-	37	52	67	100	115	115	115	115	115	115	115	115
High Density Residential (Rental)		-	74	105	136	204	229	229	229	229	229	229	229	229
Cumulative Residential Units		-	111	157	203	304	345	345	345	345	345	345	345	345
Nonresidential Land Uses														
Office		-	46,000	92,000	138,000	184,000	230,000	230,000	230,000	230,000	230,000	230,000	230,000	230,000
Flex/R&D		-	46,000	92,000	138,000	184,000	230,000	230,000	230,000	230,000	230,000	230,000	230,000	230,000
Advanced Manufacturing		-	110,000	110,000	110,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000
Ancillary Retail		-	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Hotel		-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Nonresidential Square Feet		-	222,000	314,000	406,000	608,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000

Source: City of Davis, EPS.

A-24

**Table A-13
Aggie Research Campus
Pro Forma Analysis
Project Buildout Estimate - Phase 2**

(Note: 10 years collapsed; no activity.)

Item	Total Phase 2	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 37
Annual Buildout - Phase 2								
Residential Land Uses								
Medium Density Residential (For Sale)	115	-	-	-	-	-	-	-
High Density Residential (Rental)	229	-	-	-	-	-	-	-
Total Annual Residential Units	345	-	-	-	-	-	-	-
Nonresidential Land Uses								
Office	230,000	-	-	-	-	-	-	-
Flex/R&D	230,000	-	-	-	-	-	-	-
Advanced Manufacturing	220,000	-	-	-	-	-	-	-
Ancillary Retail	20,000	-	-	-	-	-	-	-
Hotel	0	-	-	-	-	-	-	-
Total Annual Nonresidential Square Feet	700,000	-	-	-	-	-	-	-
Cumulative Buildout - Phase 2								
Residential Land Uses								
Medium Density Residential (For Sale)		115	115	115	115	115	115	115
High Density Residential (Rental)		229	229	229	229	229	229	229
Cumulative Residential Units		345	345	345	345	345	345	345
Nonresidential Land Uses								
Office		230,000	230,000	230,000	230,000	230,000	230,000	230,000
Flex/R&D		230,000	230,000	230,000	230,000	230,000	230,000	230,000
Advanced Manufacturing		220,000	220,000	220,000	220,000	220,000	220,000	220,000
Ancillary Retail		20,000	20,000	20,000	20,000	20,000	20,000	20,000
Hotel		-	-	-	-	-	-	-
Cumulative Nonresidential Square Feet		700,000	700,000	700,000	700,000	700,000	700,000	700,000

lu p2

Source: City of Davis, EPS.

A-25

**Table A-14
 Aggie Research Campus
 Pro Forma Analysis
 Project Buildout Estimate - Phase 3**

Item	Total Phase 3	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26
Annual Buildout - Phase 3														
Residential Land Uses														
Medium Density Residential (For Sale)	78	-	58	10	10	-	-	-	-	-	-	-	-	-
High Density Residential (Rental)	160	-	117	20	22	-	-	-	-	-	-	-	-	-
Total Annual Residential Units	238	-	175	30	33	-	-	-	-	-	-	-	-	-
Nonresidential Land Uses														
Office	150,000	-	30,000	30,000	30,000	30,000	30,000	-	-	-	-	-	-	-
Flex/R&D	150,000	-	30,000	30,000	30,000	30,000	30,000	-	-	-	-	-	-	-
Advanced Manufacturing	220,000	-	110,000	-	-	110,000	-	-	-	-	-	-	-	-
Ancillary Retail	20,000	-	20,000	-	-	-	-	-	-	-	-	-	-	-
Hotel	160,000	-	160,000	-	-	-	-	-	-	-	-	-	-	-
Total Annual Nonresidential Square Feet	700,000	-	350,000	60,000	60,000	170,000	60,000	-	-	-	-	-	-	-
Cumulative Buildout - Phase 3														
Residential Land Uses														
Medium Density Residential (For Sale)		-	58	68	78	78	78	78	78	78	78	78	78	78
High Density Residential (Rental)		-	117	137	160	160	160	160	160	160	160	160	160	160
Cumulative Residential Units		-	175	205	238	238	238	238	238	238	238	238	238	238
Nonresidential Land Uses														
Office		-	30,000	60,000	90,000	120,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Flex/R&D		-	30,000	60,000	90,000	120,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Advanced Manufacturing		-	110,000	110,000	110,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000
Ancillary Retail		-	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Hotel		-	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000
Cumulative Nonresidential Square Feet		-	350,000	410,000	470,000	640,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000

Source: City of Davis, EPS.

A-26

Table A-14
Aggie Research Campus
Pro Forma Analysis
Project Buildout Estimate - Phase 3

(Note: 10 years collapsed; no activity.)

Item	Total Phase 3	Year 27	Year 28	Year 29	Year 30	Year 31	Year 32	Year 43
Annual Buildout - Phase 3								
Residential Land Uses								
Medium Density Residential (For Sale)	78	-	-	-	-	-	-	-
High Density Residential (Rental)	160	-	-	-	-	-	-	-
Total Annual Residential Units	238	-	-	-	-	-	-	-
Nonresidential Land Uses								
Office	150,000	-	-	-	-	-	-	-
Flex/R&D	150,000	-	-	-	-	-	-	-
Advanced Manufacturing	220,000	-	-	-	-	-	-	-
Ancillary Retail	20,000	-	-	-	-	-	-	-
Hotel	160,000	-	-	-	-	-	-	-
Total Annual Nonresidential Square Feet	700,000	-	-	-	-	-	-	-
Cumulative Buildout - Phase 3								
Residential Land Uses								
Medium Density Residential (For Sale)		78	78	78	78	78	78	78
High Density Residential (Rental)		160	160	160	160	160	160	160
Cumulative Residential Units		238	238	238	238	238	238	238
Nonresidential Land Uses								
Office		150,000	150,000	150,000	150,000	150,000	150,000	150,000
Flex/R&D		150,000	150,000	150,000	150,000	150,000	150,000	150,000
Advanced Manufacturing		220,000	220,000	220,000	220,000	220,000	220,000	220,000
Ancillary Retail		20,000	20,000	20,000	20,000	20,000	20,000	20,000
Hotel		160,000	160,000	160,000	160,000	160,000	160,000	160,000
Cumulative Nonresidential Square Feet		700,000	700,000	700,000	700,000	700,000	700,000	700,000

lu p3

Source: City of Davis, EPS.

A-27

**Table A-15
 Aggie Research Campus
 Pro Forma Analysis
 Project Buildout Estimate - Phase 4**

Item	Total Phase 4	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30	Year 31	Year 32
Annual Buildout - Phase 4														
Residential Land Uses														
Medium Density Residential (For Sale)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
High Density Residential (Rental)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Annual Residential Units	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonresidential Land Uses														
Office	220,000	-	44,000	44,000	44,000	44,000	44,000	-	-	-	-	-	-	-
Flex/R&D	220,000	-	44,000	44,000	44,000	44,000	44,000	-	-	-	-	-	-	-
Advanced Manufacturing	224,000	-	112,000	-	-	112,000	-	-	-	-	-	-	-	-
Ancillary Retail	50,000	-	50,000	-	-	-	-	-	-	-	-	-	-	-
Hotel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Annual Nonresidential Square Feet	714,000	-	250,000	88,000	88,000	200,000	88,000	-	-	-	-	-	-	-
Cumulative Buildout - Phase 4														
Residential Land Uses														
Medium Density Residential (For Sale)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
High Density Residential (Rental)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Residential Units	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonresidential Land Uses														
Office	-	44,000	88,000	132,000	176,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000
Flex/R&D	-	44,000	88,000	132,000	176,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000
Advanced Manufacturing	-	112,000	112,000	112,000	224,000	224,000	224,000	224,000	224,000	224,000	224,000	224,000	224,000	224,000
Ancillary Retail	-	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Hotel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Nonresidential Square Feet	-	250,000	338,000	426,000	626,000	714,000	714,000	714,000	714,000	714,000	714,000	714,000	714,000	714,000

Source: City of Davis, EPS.

A-28

**Table A-15
Aggie Research Campus
Pro Forma Analysis
Project Buildout Estimate - Phase 4**

(Note: 10 years collapsed; no activity.)

Item	Total Phase 4	Year 33	Year 34	Year 35	Year 36	Year 37	Year 38	Year 49
Annual Buildout - Phase 4								
Residential Land Uses								
Medium Density Residential (For Sale)	-	-	-	-	-	-	-	-
High Density Residential (Rental)	-	-	-	-	-	-	-	-
Total Annual Residential Units	-	-	-	-	-	-	-	-
Nonresidential Land Uses								
Office	220,000	-	-	-	-	-	-	-
Flex/R&D	220,000	-	-	-	-	-	-	-
Advanced Manufacturing	224,000	-	-	-	-	-	-	-
Ancillary Retail	50,000	-	-	-	-	-	-	-
Hotel	-	-	-	-	-	-	-	-
Total Annual Nonresidential Square Feet	714,000	-	-	-	-	-	-	-
Cumulative Buildout - Phase 4								
Residential Land Uses								
Medium Density Residential (For Sale)	-	-	-	-	-	-	-	-
High Density Residential (Rental)	-	-	-	-	-	-	-	-
Cumulative Residential Units	-	-	-	-	-	-	-	-
Nonresidential Land Uses								
Office		220,000	220,000	220,000	220,000	220,000	220,000	220,000
Flex/R&D		220,000	220,000	220,000	220,000	220,000	220,000	220,000
Advanced Manufacturing		224,000	224,000	224,000	224,000	224,000	224,000	224,000
Ancillary Retail		50,000	50,000	50,000	50,000	50,000	50,000	50,000
Hotel		-	-	-	-	-	-	-
Cumulative Nonresidential Square Feet		714,000	714,000	714,000	714,000	714,000	714,000	714,000

lu p4

Source: City of Davis, EPS.

A-29

Table A-16
Aggie Research Campus
Pro Forma Analysis
CFD Revenue - Phase 1 (2020\$)

Item	Assumption	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18
Project Assessed Value - Phase 1																			
Special Tax Levy Escalation [1]	2.0%																		
Residential Land Uses																			
	<i>Per Unit [2]</i>																		
Medium Density Residential (For Sale)	\$2,500	-	-	\$79,528	\$108,753	\$139,114	\$221,655	\$249,265	\$254,250	\$259,335	\$264,522	\$269,812	\$275,208	\$280,713	\$286,327	\$292,053	\$297,894	\$303,852	\$309,929
High Density Residential (Rental)	\$1,000	-	-	\$64,759	\$88,556	\$113,279	\$180,491	\$207,980	\$212,139	\$216,382	\$220,710	\$225,124	\$229,626	\$234,219	\$238,903	\$243,681	\$248,555	\$253,526	\$258,597
Total Annual Residential CFD Revenue		-	-	\$144,287	\$197,308	\$252,393	\$402,146	\$457,244	\$466,389	\$475,717	\$485,231	\$494,936	\$504,835	\$514,932	\$525,230	\$535,735	\$546,449	\$557,378	\$568,526
Nonresidential Land Uses																			
	<i>Per Acre [3]</i>																		
Office	\$5,000	-	-	\$3,814	\$7,781	\$11,905	\$16,191	\$20,643	\$21,056	\$21,477	\$21,907	\$22,345	\$22,792	\$23,248	\$23,713	\$24,187	\$24,671	\$25,164	\$25,667
Flex/R&D	\$5,000	-	-	\$5,900	\$12,036	\$18,416	\$25,045	\$31,933	\$32,571	\$33,223	\$33,887	\$34,565	\$35,256	\$35,961	\$36,681	\$37,414	\$38,162	\$38,926	\$39,704
Advanced Manufacturing	\$5,000	-	-	\$37,767	\$38,522	\$39,292	\$80,156	\$81,759	\$83,395	\$85,062	\$86,764	\$88,499	\$90,269	\$92,074	\$93,916	\$95,794	\$97,710	\$99,664	\$101,658
Ancillary Retail	\$5,000	-	-	\$1,230	\$1,255	\$1,280	\$1,306	\$1,332	\$1,358	\$1,386	\$1,413	\$1,442	\$1,470	\$1,500	\$1,530	\$1,560	\$1,592	\$1,623	\$1,656
Hotel	\$5,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Annual Nonresidential CFD Revenue		-	-	\$48,711	\$59,594	\$70,893	\$122,698	\$135,667	\$138,381	\$141,148	\$143,971	\$146,851	\$149,788	\$152,783	\$155,839	\$158,956	\$162,135	\$165,378	\$168,685
Total Annual CFD Revenue		-	-	\$192,998	\$256,903	\$323,286	\$524,844	\$592,912	\$604,770	\$616,865	\$629,203	\$641,787	\$654,622	\$667,715	\$681,069	\$694,691	\$708,584	\$722,756	\$737,211
NPV of CFD Revenue @ Discount Rate	6.0%	\$7,275,540																	
Less Issuance and Maintenance Costs	10.0%	(\$727,554)																	
Remaining ROM Bonding Capacity		\$6,547,986																	

Source: City of Davis, EPS.

- [1] Per unit and per acre special tax levy assumptions are in 2020\$; the escalation rate is applied to the annual special tax revenue.
- [2] Residential per unit special tax levy is equates to a conservative assumption of 0.4% of estimated average unit valuation; 0.5% is generally considered the upper limit.
- [3] Per acre special tax levy is at the lower end of the typical range of \$5,000-6,000 per acre.

A-30

Table A-16
 Aggie Research Campus
 Pro Forma Analysis
 CFD Revenue - Phase 1 (2020\$)

Item	Assumption	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
Project Assessed Value - Phase 1													
Special Tax Levy Escalation [1]	2.0%												
Residential Land Uses													
	<i>Per Unit [2]</i>												
Medium Density Residential (For Sale)	\$2,500	\$316,128	\$322,451	\$328,900	\$335,478	\$342,187	\$349,031	\$356,012	\$363,132	\$370,394	\$377,802	\$385,358	\$393,065
High Density Residential (Rental)	\$1,000	\$263,769	\$269,044	\$274,425	\$279,913	\$285,512	\$291,222	\$297,046	\$302,987	\$309,047	\$315,228	\$321,532	\$327,963
Total Annual Residential CFD Revenue		\$579,897	\$591,494	\$603,324	\$615,391	\$627,699	\$640,253	\$653,058	\$666,119	\$679,441	\$693,030	\$706,891	\$721,028
Nonresidential Land Uses													
	<i>Per Acre [3]</i>												
Office	\$5,000	\$26,181	\$26,704	\$27,238	\$27,783	\$28,339	\$28,906	\$29,484	\$30,073	\$30,675	\$31,288	\$31,914	\$32,552
Flex/R&D	\$5,000	\$40,498	\$41,308	\$42,134	\$42,977	\$43,837	\$44,713	\$45,608	\$46,520	\$47,450	\$48,399	\$49,367	\$50,355
Advanced Manufacturing	\$5,000	\$103,691	\$105,764	\$107,880	\$110,037	\$112,238	\$114,483	\$116,773	\$119,108	\$121,490	\$123,920	\$126,398	\$128,926
Ancillary Retail	\$5,000	\$1,689	\$1,723	\$1,757	\$1,792	\$1,828	\$1,865	\$1,902	\$1,940	\$1,979	\$2,019	\$2,059	\$2,100
Hotel	\$5,000	-	-	-	-	-	-	-	-	-	-	-	-
Total Annual Nonresidential CFD Revenue		\$172,059	\$175,500	\$179,010	\$182,590	\$186,242	\$189,967	\$193,766	\$197,642	\$201,594	\$205,626	\$209,739	\$213,934
Total Annual CFD Revenue		\$751,955	\$766,994	\$782,334	\$797,981	\$813,941	\$830,219	\$846,824	\$863,760	\$881,036	\$898,656	\$916,629	\$934,962
NPV of CFD Revenue @ Discount Rate	6.0%	\$7,275,540											
Less Issuance and Maintenance Costs	10.0%	(\$727,554)											
Remaining ROM Bonding Capacity		\$6,547,986											

Source: City of Davis, EPS.

- [1] Per unit and per acre special tax levy assumptions are in 2020\$; the escalation rate is applied to the annual special tax revenue.
- [2] Residential per unit special tax levy is equated to a conservative assumption of 0.4% of estimated average unit valuation; 0.5% is generally considered the upper limit.
- [3] Per acre special tax levy is at the lower end of the typical range of \$5,000-6,000 per acre.

A-31

Table A-17
 Aggie Research Campus
 Pro Forma Analysis
 CFD Revenue - Phase 2 (2020\$)

Item	Assumption	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25
Project Assessed Value - Phase 2																			
Special Tax Levy Escalation [1]	2.0%																		
Residential Land Uses																			
	<i>Per Unit [2]</i>																		
Medium Density Residential (For Sale)	\$2,500	- \$109,246	\$157,609	\$207,863	\$317,508	\$372,863	\$380,320	\$387,927	\$395,685	\$403,599	\$411,671	\$419,904	\$428,302	\$436,869	\$445,606	\$454,518	\$463,608	\$472,881	
High Density Residential (Rental)	\$1,000	- \$88,957	\$128,339	\$169,260	\$258,542	\$296,677	\$302,611	\$308,663	\$314,836	\$321,133	\$327,556	\$334,107	\$340,789	\$347,605	\$354,557	\$361,648	\$368,881	\$376,259	
Total Annual Residential CFD Revenue		- \$198,203	\$285,947	\$377,123	\$576,050	\$669,540	\$682,931	\$696,590	\$710,522	\$724,732	\$739,227	\$754,011	\$769,091	\$784,473	\$800,163	\$816,166	\$832,489	\$849,139	
Nonresidential Land Uses																			
	<i>Per Acre [3]</i>																		
Office	\$5,000	- \$6,374	\$13,003	\$19,894	\$27,056	\$34,497	\$35,187	\$35,890	\$36,608	\$37,340	\$38,087	\$38,849	\$39,626	\$40,418	\$41,227	\$42,051	\$42,892	\$43,750	
Flex/R&D	\$5,000	- \$9,860	\$20,114	\$30,774	\$41,853	\$53,362	\$54,429	\$55,518	\$56,628	\$57,761	\$58,916	\$60,094	\$61,296	\$62,522	\$63,773	\$65,048	\$66,349	\$67,676	
Advanced Manufacturing	\$5,000	- \$42,531	\$43,382	\$44,249	\$90,269	\$92,074	\$93,916	\$95,794	\$97,710	\$99,664	\$101,658	\$103,691	\$105,764	\$107,880	\$110,037	\$112,238	\$114,483	\$116,773	
Ancillary Retail	\$5,000	- \$2,771	\$2,827	\$2,883	\$2,941	\$3,000	\$3,060	\$3,121	\$3,183	\$3,247	\$3,312	\$3,378	\$3,446	\$3,515	\$3,585	\$3,657	\$3,730	\$3,804	
Hotel	\$5,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Annual Nonresidential CFD Revenue		- \$61,536	\$79,325	\$97,801	\$162,119	\$182,933	\$186,591	\$190,323	\$194,130	\$198,012	\$201,973	\$206,012	\$210,132	\$214,335	\$218,622	\$222,994	\$227,454	\$232,003	
Total Annual CFD Revenue		- \$259,739	\$365,272	\$474,924	\$738,169	\$852,473	\$869,523	\$886,913	\$904,651	\$922,744	\$941,199	\$960,023	\$979,224	\$998,808	\$1,018,784	\$1,039,160	\$1,059,943	\$1,081,142	
NPV of CFD Revenue @ Discount Rate	6.0%	\$11,303,439																	
Less Issuance and Maintenance Costs	10.0%	(\$1,130,344)																	
Remaining ROM Bonding Capacity		\$10,173,095																	

Source: City of Davis, EPS.

- [1] Per unit and per acre special tax levy assumptions are in 2020\$; the escalation rate is applied to the annual special tax revenue.
- [2] Residential per unit special tax levy is equates to a conservative assumption of 0.4% of estimated average unit valuation; 0.5% is generally considered the upper limit.
- [3] Per acre special tax levy is at the lower end of the typical range of \$5,000-6,000 per acre.

A-32

Table A-17
 Aggie Research Campus
 Pro Forma Analysis
 CFD Revenue - Phase 2 (2020\$)

Item	Assumption	Year 26	Year 27	Year 28	Year 29	Year 30	Year 31	Year 32	Year 33	Year 34	Year 35	Year 36	Year 37
Project Assessed Value - Phase 2													
Special Tax Levy Escalation [1]	2.0%												
Residential Land Uses													
	<u>Per Unit [2]</u>												
Medium Density Residential (For Sale)	\$2,500	\$482,338	\$491,985	\$501,825	\$511,861	\$522,098	\$532,540	\$543,191	\$554,055	\$565,136	\$576,439	\$587,968	\$599,727
High Density Residential (Rental)	\$1,000	\$383,784	\$391,459	\$399,289	\$407,274	\$415,420	\$423,728	\$432,203	\$440,847	\$449,664	\$458,657	\$467,830	\$477,187
Total Annual Residential CFD Revenue		\$866,122	\$883,444	\$901,113	\$919,135	\$937,518	\$956,268	\$975,394	\$994,902	\$1,014,800	\$1,035,096	\$1,055,798	\$1,076,914
Nonresidential Land Uses													
	<u>Per Acre [3]</u>												
Office	\$5,000	\$44,625	\$45,518	\$46,428	\$47,357	\$48,304	\$49,270	\$50,255	\$51,260	\$52,285	\$53,331	\$54,398	\$55,486
Flex/R&D	\$5,000	\$69,029	\$70,410	\$71,818	\$73,255	\$74,720	\$76,214	\$77,738	\$79,293	\$80,879	\$82,497	\$84,147	\$85,829
Advanced Manufacturing	\$5,000	\$119,108	\$121,490	\$123,920	\$126,398	\$128,926	\$131,505	\$134,135	\$136,818	\$139,554	\$142,345	\$145,192	\$148,096
Ancillary Retail	\$5,000	\$3,880	\$3,958	\$4,037	\$4,118	\$4,200	\$4,284	\$4,370	\$4,457	\$4,547	\$4,637	\$4,730	\$4,825
Hotel	\$5,000	-	-	-	-	-	-	-	-	-	-	-	-
Total Annual Nonresidential CFD Revenue		\$236,643	\$241,376	\$246,203	\$251,127	\$256,150	\$261,273	\$266,498	\$271,828	\$277,265	\$282,810	\$288,466	\$294,236
Total Annual CFD Revenue		\$1,102,765	\$1,124,820	\$1,147,317	\$1,170,263	\$1,193,668	\$1,217,541	\$1,241,892	\$1,266,730	\$1,292,065	\$1,317,906	\$1,344,264	\$1,371,149
NPV of CFD Revenue @ Discount Rate	6.0%	\$11,303,439											
Less Issuance and Maintenance Costs	10.0%	(\$1,130,344)											
Remaining ROM Bonding Capacity		\$10,173,095											

Source: City of Davis, EPS.

- [1] Per unit and per acre special tax levy assumptions are in 2020\$; the escalation rate is applied to the annual special tax revenue.
- [2] Residential per unit special tax levy is equates to a conservative assumption of 0.4% of estimated average unit valuation; 0.5% is generally considered the upper limit.
- [3] Per acre special tax levy is at the lower end of the typical range of \$5,000-6,000 per acre.

A-33

Table A-18
 Aggie Research Campus
 Pro Forma Analysis
 CFD Revenue - Phase 3 (2020\$)

Item	Assumption	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30	Year 31	Year 32
Project Assessed Value - Phase 3																				
Special Tax Levy Escalation [1]	2.0%																			
Residential Land Uses																				
	<u>Per Unit [2]</u>																			
Medium Density Residential (For Sale)	\$2,500	- \$193,963	\$231,759	\$272,718	\$278,172	\$283,735	\$289,410	\$295,198	\$301,102	\$307,124	\$313,267	\$319,532	\$325,923	\$332,441	\$339,090	\$345,872	\$352,789	\$359,845	\$367,042	
High Density Residential (Rental)	\$1,000	- \$157,942	\$188,718	\$223,479	\$227,948	\$232,507	\$237,157	\$241,900	\$246,738	\$251,673	\$256,707	\$261,841	\$267,078	\$272,419	\$277,867	\$283,425	\$289,093	\$294,875	\$300,773	
Total Annual Residential CFD Revenue		- \$351,905	\$420,476	\$496,196	\$506,120	\$516,242	\$526,567	\$537,099	\$547,841	\$558,797	\$569,973	\$581,373	\$593,000	\$604,860	\$616,958	\$629,297	\$641,883	\$654,720	\$667,815	
Nonresidential Land Uses																				
	<u>Per Acre [3]</u>																			
Office	\$5,000	- \$4,681	\$9,550	\$14,611	\$19,872	\$25,336	\$25,843	\$26,360	\$26,887	\$27,425	\$27,973	\$28,533	\$29,103	\$29,685	\$30,279	\$30,885	\$31,502	\$32,132	\$32,775	
Flex/R&D	\$5,000	- \$7,241	\$14,773	\$22,602	\$30,739	\$39,192	\$39,976	\$40,775	\$41,591	\$42,423	\$43,271	\$44,136	\$45,019	\$45,920	\$46,838	\$47,775	\$48,730	\$49,705	\$50,699	
Advanced Manufacturing	\$5,000	- \$47,897	\$48,855	\$49,832	\$101,658	\$103,691	\$105,764	\$107,880	\$110,037	\$112,238	\$114,483	\$116,773	\$119,108	\$121,490	\$123,920	\$126,398	\$128,926	\$131,505	\$134,135	
Ancillary Retail	\$5,000	- \$3,121	\$3,183	\$3,247	\$3,312	\$3,378	\$3,446	\$3,515	\$3,585	\$3,657	\$3,730	\$3,804	\$3,880	\$3,958	\$4,037	\$4,118	\$4,200	\$4,284	\$4,370	
Hotel	\$5,000	- \$49,435	\$50,424	\$51,432	\$52,461	\$53,510	\$54,580	\$55,672	\$56,785	\$57,921	\$59,079	\$60,261	\$61,466	\$62,696	\$63,949	\$65,228	\$66,533	\$67,864	\$69,221	
Total Annual Nonresidential CFD Revenue		- \$112,376	\$126,785	\$141,725	\$208,041	\$225,107	\$229,609	\$234,201	\$238,885	\$243,663	\$248,536	\$253,507	\$258,577	\$263,749	\$269,024	\$274,404	\$279,892	\$285,490	\$291,200	
Total Annual CFD Revenue		- \$464,281	\$547,261	\$637,921	\$714,161	\$741,349	\$756,176	\$771,300	\$786,726	\$802,461	\$818,510	\$834,880	\$851,578	\$868,609	\$885,981	\$903,701	\$921,775	\$940,210	\$959,015	
NPV of CFD Revenue @ Discount Rate	6.0%	\$10,467,051																		
Less Issuance and Maintenance Costs	10.0%	(\$1,046,705)																		
Remaining ROM Bonding Capacity		\$9,420,346																		

Source: City of Davis, EPS.

- [1] Per unit and per acre special tax levy assumptions are in 2020\$; the escalation rate is applied to the annual special tax revenue.
- [2] Residential per unit special tax levy is equates to a conservative assumption of 0.4% of estimated average unit valuation; 0.5% is generally considered the upper limit.
- [3] Per acre special tax levy is at the lower end of the typical range of \$5,000-6,000 per acre.

Table A-18
Aggie Research Campus
Pro Forma Analysis
CFD Revenue - Phase 3 (2020\$)

Item	Assumption	Year 33	Year 34	Year 35	Year 36	Year 37	Year 38	Year 39	Year 40	Year 41	Year 42	Year 43
Project Assessed Value - Phase 3												
Special Tax Levy Escalation [1]	2.0%											
Residential Land Uses												
	<i>Per Unit [2]</i>											
Medium Density Residential (For Sale)	\$2,500	\$374,383	\$381,870	\$389,508	\$397,298	\$405,244	\$413,349	\$421,616	\$430,048	\$438,649	\$447,422	\$456,371
High Density Residential (Rental)	\$1,000	\$306,788	\$312,924	\$319,182	\$325,566	\$332,077	\$338,719	\$345,493	\$352,403	\$359,451	\$366,640	\$373,973
Total Annual Residential CFD Revenue		\$681,171	\$694,794	\$708,690	\$722,864	\$737,321	\$752,068	\$767,109	\$782,451	\$798,100	\$814,062	\$830,344
Nonresidential Land Uses												
	<i>Per Acre [3]</i>											
Office	\$5,000	\$33,431	\$34,099	\$34,781	\$35,477	\$36,186	\$36,910	\$37,648	\$38,401	\$39,169	\$39,953	\$40,752
Flex/R&D	\$5,000	\$51,713	\$52,747	\$53,802	\$54,878	\$55,976	\$57,095	\$58,237	\$59,402	\$60,590	\$61,802	\$63,038
Advanced Manufacturing	\$5,000	\$136,818	\$139,554	\$142,345	\$145,192	\$148,096	\$151,058	\$154,079	\$157,160	\$160,304	\$163,510	\$166,780
Ancillary Retail	\$5,000	\$4,457	\$4,547	\$4,637	\$4,730	\$4,825	\$4,921	\$5,020	\$5,120	\$5,223	\$5,327	\$5,434
Hotel	\$5,000	\$70,605	\$72,017	\$73,458	\$74,927	\$76,426	\$77,954	\$79,513	\$81,103	\$82,725	\$84,380	\$86,068
Total Annual Nonresidential CFD Revenue		\$297,024	\$302,964	\$309,024	\$315,204	\$321,508	\$327,938	\$334,497	\$341,187	\$348,011	\$354,971	\$362,071
Total Annual CFD Revenue		\$978,195	\$997,759	\$1,017,714	\$1,038,068	\$1,058,830	\$1,080,006	\$1,101,606	\$1,123,638	\$1,146,111	\$1,169,033	\$1,192,414
NPV of CFD Revenue @ Discount Rate	6.0%	\$10,467,051										
Less Issuance and Maintenance Costs	10.0%	(\$1,046,705)										
Remaining ROM Bonding Capacity		\$9,420,346										

Source: City of Davis, EPS.

- [1] Per unit and per acre special tax levy assumptions are in 2020\$; the escalation rate is applied to the annual special tax revenue.
- [2] Residential per unit special tax levy is equated to a conservative assumption of 0.4% of estimated average unit valuation; 0.5% is generally considered the upper limit.
- [3] Per acre special tax levy is at the lower end of the typical range of \$5,000-6,000 per acre.

A-35

Table A-19
 Aggie Research Campus
 Pro Forma Analysis
 CFD Revenue - Phase 4 (2020\$)

Item	Assumption	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30	Year 31	Year 32	Year 33	Year 34	Year 35	Year 36	Year 37
Project Assessed Value - Phase 4																			
Special Tax Levy Escalation [1]	2.0%																		
Residential Land Uses																			
	<i>Per Unit [2]</i>																		
Medium Density Residential (For Sale)	\$2,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
High Density Residential (Rental)	\$1,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Annual Residential CFD Revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonresidential Land Uses																			
	<i>Per Acre [3]</i>																		
Office	\$5,000	-	\$7,732	\$15,774	\$24,134	\$32,822	\$41,848	\$42,685	\$43,539	\$44,409	\$45,298	\$46,203	\$47,128	\$48,070	\$49,032	\$50,012	\$51,012	\$52,033	\$53,073
Flex/R&D	\$5,000	-	\$11,961	\$24,400	\$37,332	\$50,771	\$64,734	\$66,028	\$67,349	\$68,696	\$70,070	\$71,471	\$72,900	\$74,358	\$75,846	\$77,363	\$78,910	\$80,488	\$82,098
Advanced Manufacturing	\$5,000	-	\$54,921	\$56,019	\$57,139	\$116,564	\$118,896	\$121,274	\$123,699	\$126,173	\$128,697	\$131,270	\$133,896	\$136,574	\$139,305	\$142,091	\$144,933	\$147,832	\$150,788
Ancillary Retail	\$5,000	-	\$8,787	\$8,962	\$9,142	\$9,324	\$9,511	\$9,701	\$9,895	\$10,093	\$10,295	\$10,501	\$10,711	\$10,925	\$11,144	\$11,366	\$11,594	\$11,826	\$12,062
Hotel	\$5,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Annual Nonresidential CFD Revenue		-	\$83,400	\$105,155	\$127,747	\$209,482	\$234,988	\$239,688	\$244,482	\$249,371	\$254,359	\$259,446	\$264,635	\$269,927	\$275,326	\$280,832	\$286,449	\$292,178	\$298,022
Total Annual CFD Revenue		-	\$83,400	\$105,155	\$127,747	\$209,482	\$234,988	\$239,688	\$244,482	\$249,371	\$254,359	\$259,446	\$264,635	\$269,927	\$275,326	\$280,832	\$286,449	\$292,178	\$298,022
NPV of CFD Revenue @ Discount Rate	6.0%																		
Less Issuance and Maintenance Costs	10.0%																		
Remaining ROM Bonding Capacity																			

Source: City of Davis, EPS.

- [1] Per unit and per acre special tax levy assumptions are in 2020\$; the escalation rate is applied to the annual special tax revenue.
- [2] Residential per unit special tax levy is equated to a conservative assumption of 0.4% of estimated average unit valuation; 0.5% is generally considered the upper limit.
- [3] Per acre special tax levy is at the lower end of the typical range of \$5,000-6,000 per acre.

A-36

Table A-19
Aggie Research Campus
Pro Forma Analysis
CFD Revenue - Phase 4 (2020\$)

Item	Assumption	Year 38	Year 39	Year 40	Year 41	Year 42	Year 43	Year 44	Year 45	Year 46	Year 47	Year 48	Year 49
Project Assessed Value - Phase 4													
Special Tax Levy Escalation [1]	2.0%												
Residential Land Uses													
	<i>Per Unit [2]</i>												
Medium Density Residential (For Sale)	\$2,500	-	-	-	-	-	-	-	-	-	-	-	-
High Density Residential (Rental)	\$1,000	-	-	-	-	-	-	-	-	-	-	-	-
Total Annual Residential CFD Revenue		-	-	-	-	-	-	-	-	-	-	-	-
Nonresidential Land Uses													
	<i>Per Acre [3]</i>												
Office	\$5,000	\$54,135	\$55,217	\$56,322	\$57,448	\$58,597	\$59,769	\$60,965	\$62,184	\$63,427	\$64,696	\$65,990	\$67,310
Flex/R&D	\$5,000	\$83,740	\$85,414	\$87,123	\$88,865	\$90,643	\$92,455	\$94,304	\$96,191	\$98,114	\$100,077	\$102,078	\$104,120
Advanced Manufacturing	\$5,000	\$153,804	\$156,880	\$160,018	\$163,218	\$166,483	\$169,812	\$173,209	\$176,673	\$180,206	\$183,810	\$187,487	\$191,236
Ancillary Retail	\$5,000	\$12,303	\$12,549	\$12,800	\$13,056	\$13,318	\$13,584	\$13,856	\$14,133	\$14,415	\$14,704	\$14,998	\$15,298
Hotel	\$5,000	-	-	-	-	-	-	-	-	-	-	-	-
Total Annual Nonresidential CFD Revenue		\$303,982	\$310,062	\$316,263	\$322,588	\$329,040	\$335,621	\$342,333	\$349,180	\$356,163	\$363,287	\$370,552	\$377,963
Total Annual CFD Revenue		\$303,982	\$310,062	\$316,263	\$322,588	\$329,040	\$335,621	\$342,333	\$349,180	\$356,163	\$363,287	\$370,552	\$377,963
NPV of CFD Revenue @ Discount Rate	6.0%	\$3,132,073											
Less Issuance and Maintenance Costs	10.0%	(\$313,207)											
Remaining ROM Bonding Capacity		\$2,818,866											

Source: City of Davis, EPS.

- [1] Per unit and per acre special tax levy assumptions are in 2020\$; the escalation rate is applied to the annual special tax revenue.
- [2] Residential per unit special tax levy is equated to a conservative assumption of 0.4% of estimated average unit valuation; 0.5% is generally considered the upper limit.
- [3] Per acre special tax levy is at the lower end of the typical range of \$5,000-6,000 per acre.

A-37

APPENDIX B:

Fiscal Impact Analysis Tables

Table B-1	Estimated Annual General Fund Revenue and Expenditure Summary at Buildout	B-1
Table B-2	General Assumptions	B-2
Table B-3	Project Land Use Assumptions.....	B-3
Table B-4	Estimated Occupied Land Uses: Base Development Program.....	B-4
Table B-5	Estimated Residential and Employee Population: Base Development Program	B-5
Table B-6	Fiscal Impact Analysis Assumptions	B-6
Table B-7	Revenue-Estimating Procedures	B-7
Table B-8	Estimated Annual Project Revenues at Buildout	B-8
Table B-9	Estimated Annual Property Tax Revenue	B-9
Table B-10	Real Property Transfer Tax Revenue	B-10
Table B-11	Estimated Annual Taxable Sales and Use Tax Revenue.....	B-11
Table B-12	Estimated Annual Taxable Sales from Proposed Development, Hybrid Market Support Method	B-12
Table B-13	Estimated Annual Taxable Sales from Nonresidential Development	B-13
Table B-14	Estimated Annual Transient Occupancy Tax Revenue	B-14
Table B-15	Estimated Annual Public Safety Tax Revenue	B-15
Table B-16	Expenditure-Estimating Procedures.....	B-16
Table B-17	Estimated Annual Expenditures at Buildout	B-17
Table B-18	Estimated Annual Fire Department Operating and Maintenance Expenditures	B-18
Table B-19	Estimated Annual Police Department Operating and Maintenance Expenditures	B-19
Table B-20	Preliminary Property Tax Allocations	B-20
Table B-21	Estimated Assessed Valuation at Buildout: Base Development Program	B-21
Table B-22	Average Income and Retail Expenditures for Residential Units.....	B-22
Table B-23	One-Time Fees by Phase	B-23
Table B-24	Development Program and One-Time Fees	B-24



Table B-1
Aggie Research Campus
Fiscal Impact Analysis
Estimated Annual General Fund Revenue and Expenditure Summary (2020\$)

Item	Annual Fiscal Impacts [1]			
	Phase 1	Phase 2	Phase 3	Buildout
Annual General Fund Revenues [2]				
Property Taxes [3]	\$651,000	\$1,517,000	\$2,228,000	\$2,723,000
Property Tax In-Lieu of Vehicle License Fees	\$217,000	\$505,000	\$742,000	\$907,000
Property Transfer Tax	\$2,000	\$5,000	\$7,000	\$7,000
Sales and Use Taxes	\$464,000	\$1,063,000	\$1,564,000	\$2,229,000
Transient Occupancy Tax	\$0	\$0	\$934,000	\$934,000
Business License Tax	\$26,000	\$62,000	\$87,000	\$104,000
Municipal Service Tax	\$44,000	\$103,000	\$145,000	\$174,000
Franchise Fees	\$25,000	\$58,000	\$82,000	\$99,000
Charges for Services	\$35,000	\$81,000	\$111,000	\$111,000
Community Services Revenue	\$19,000	\$44,000	\$61,000	\$61,000
Fines and Forfeitures	\$6,000	\$14,000	\$20,000	\$24,000
Total General Fund Revenues	\$1,489,000	\$3,452,000	\$5,981,000	\$7,373,000
Other Annual Non-General Fund Revenues [2] [4]				
Gas Tax Revenues	\$15,000	\$36,000	\$49,000	\$49,000
Parks Maintenance Tax	\$19,000	\$45,000	\$64,000	\$76,000
Prop. 172 Public Safety Sales Tax	\$16,000	\$38,000	\$56,000	\$79,000
Public Safety Tax	\$103,000	\$236,000	\$360,000	\$469,000
Total Other Non-General Fund Revenues	\$153,000	\$355,000	\$529,000	\$673,000
Total General Fund and Non-General Fund Revenues	\$1,642,000	\$3,807,000	\$6,510,000	\$8,046,000
Annual General Fund Expenditures [5]				
City Attorney	\$2,000	\$4,000	\$6,000	\$7,000
City Council	\$2,000	\$6,000	\$8,000	\$10,000
City Manager's Office	\$42,000	\$99,000	\$140,000	\$168,000
Administrative Services	\$34,000	\$80,000	\$112,000	\$135,000
Community Dev. & Sustainability	\$32,000	\$76,000	\$107,000	\$128,000
Parks and Community Services [6]	\$127,000	\$298,000	\$419,000	\$504,000
Fire	\$136,000	\$319,000	\$448,000	\$538,000
Police	\$225,000	\$528,000	\$742,000	\$892,000
Public Works - Engineering and Transportation	\$26,000	\$61,000	\$86,000	\$103,000
Public Works - Utilities and Operations	\$30,000	\$69,000	\$98,000	\$117,000
Total General Fund Expenditures	\$656,000	\$1,540,000	\$2,166,000	\$2,602,000
Annual General Fund Surplus/(Deficit)	\$986,000	\$2,267,000	\$4,344,000	\$5,444,000
Other Annual Revenues [7]				
DJUSD Bond Debt Funds	\$195,000	\$455,000	\$668,000	\$817,000
DJUSD Parcel Tax	\$79,000	\$191,000	\$256,000	\$260,000
DJUSD CFD #1	\$68,000	\$155,000	\$223,000	\$252,000
DJUSD Subtotal	\$342,000	\$801,000	\$1,147,000	\$1,329,000
County (General Fund) Property Tax Revenue	\$165,000	\$385,000	\$565,000	\$691,000

Source: EPS.

Note: All values are rounded to the nearest \$1,000.

[1] Revenues and expenditures at completion of each phase (cumulative) and buildout.

[2] See Table B-1 for details on revenue estimating procedures.

[3] Property tax allocation shown at 50% City/50% County split, as shown in Table B-20.

[4] Reflects additional revenues used to fund General Fund expenditures.

[5] See Table B-16 for details on expenditure estimating procedures.

[6] The Project will include 49.2 acres of privately maintained parks and open space, reducing the Project's actual burden on City parks expenditures; however, the full potential expenditure burden is included in this analysis, without offset for the privately maintained facilities.

[7] DJUSD allocation of 1% property tax not included since any gains offset by adjustments to State funding; participation in CFD #2 to be determined.

**Table B-2
 Aggie Research Campus
 Fiscal Impact Analysis
 General Assumptions**

Item	Assumption
General Assumptions	
Base Fiscal Year [1]	FY 2019-20
City of Davis Demographic Characteristics [2]	
City of Davis Population [3]	69,761
City of Davis Employees [4]	27,897
Employee Adjustment Factor	0.50
City of Davis Persons Served [5]	83,710

Source: California Department of Finance; ESRI Business Analyst Online; EPS.

- [1] Reflects the FY 2019-20 City of Davis budget adopted by City Council. Revenues and expenditures are in 2019 dollars. This Analysis does not reflect changes in values resulting from inflation or appreciation.
- [2] Used to estimate average citywide revenues and expenditures in Table B-1 and Table C-1, respectively.
- [3] Based on population estimates from the California Department of Finance (DOF) data for January 1, 2019.
- [4] Based on the ESRI BAO Business Summary for 2019. This number is significantly larger than previous estimates, which may be due to a combination of those earlier estimates relying on early post-recession data and the relocation of UC administrative employment into off-campus office space.
- [5] Defined as total City population plus half of total City employees.

B-2

**Table B-3
Fiscal Impact Analysis
Aggie Research Campus
Project Land Use Assumptions**

Item	Project Land Uses - Phase 1				Project Land Uses - Phase 2				Project Land Uses - Phase 3				Project Land Uses at Buildout			
	Acres	Dwelling Units	Building Square Feet	Hotel Rooms	Acres	Dwelling Units	Building Square Feet	Hotel Rooms	Acres	Dwelling Units	Building Square Feet	Hotel Rooms	Acres	Dwelling Units	Building Square Feet	Hotel Rooms
Residential Land Uses																
Owner Occupied Residential																
Medium Density Residential	3.4	87	-	-	8.3	211	-	-	11.0	280	-	-	11.0	280	-	-
Total Owner Occupied	3.4	87	-	-	8.3	211	-	-	11.0	280	-	-	11.0	280	-	-
Renter Occupied Residential																
High Density Residential	5.2	182	-	-	11.8	410	-	-	16.4	570	-	-	16.4	570	-	-
Total Renter Occupied	5.2	182	-	-	11.8	410	-	-	16.4	570	-	-	16.4	570	-	-
Total All Residential Uses	8.7	269	-	-	20.1	622	-	-	27.4	850	-	-	27.4	850	-	-
Nonresidential Land Uses																
Office	3.6	-	155,000	-	8.9	-	385,000	-	12.4	-	535,000	-	17.5	-	755,000	-
Flex/R&D	5.6	-	155,000	-	13.8	-	385,000	-	19.2	-	535,000	-	27.1	-	755,000	-
Advanced Manufacturing	14.2	-	220,000	-	28.5	-	440,000	-	42.7	-	660,000	-	57.2	-	884,000	-
Ancillary Retail	0.2	-	10,000	-	0.7	-	30,000	-	1.2	-	50,000	-	2.3	-	100,000	-
Hotel	-	-	-	-	-	-	-	-	7.3	-	160,000	150	7.3	-	160,000	150
Total Nonresidential Uses	23.6	-	540,000	-	51.9	-	1,240,000	-	82.8	-	1,940,000	150	111.5	-	2,654,000	150
Total All Land Uses	32.4	269	540,000	-	72.1	622	1,240,000	-	110.3	850	1,940,000	150	139.0	850	2,654,000	150

Source: City of Davis; EPS.

Table B-4
Aggie Research Campus
Fiscal Impact Analysis
Estimated Occupied Land Uses: Base Development Program

Land Use	Vacancy Rate Assumption [1]	Occupied Dwelling Units and Building Square Feet			
		Phase 1	Phase 2	Phase 3	Buildout
Residential (Units)					
MDR - Owner-Occupied	5.0%	82	201	266	266
HDR - Renter-Occupied	5.0%	173	390	542	542
Total Residential		256	591	808	808
Commercial (Sq. Ft.)					
Office/Flex/R&D					
Office	7.0%	144,150	358,050	497,550	702,150
Flex/R&D	7.0%	144,150	358,050	497,550	702,150
Total Office/Flex/R&D		288,300	716,100	995,100	1,404,300
Advanced Manufacturing [2]	5.0%	209,000	418,000	627,000	839,800
Retail					
Ancillary Retail	5.0%	9,500	28,500	47,500	95,000
Total Retail		9,500	28,500	47,500	95,000
Hotel/Conference	-	-	-	160,000	160,000
Total Commercial Sq. Ft.		506,800	1,162,600	1,829,600	2,499,100

Source: City of Davis; EPS.

[1] Vacancy rate assumption based on a review of vacancy rates over the last 9 years (2010-2018) for land uses in the City of Davis. Data collected from CoStar as of third quarter, 2019. Flex vacancy for the Project assumed the same as office, lower than actual citywide average flex vacancy which is impacted by obsolete properties.

[2] Manufacturing vacancy assumed to result from idling and reconfiguration periods.

**Table B-5
Aggie Research Campus
Fiscal Impact Analysis
Estimated Residential and Employee Population**

Land Use	Assumption [1]	Resident and Employee Population			
		Phase 1	Phase 2	Phase 3	Buildout
Residential	<i>Persons/DU</i>	<i>Residents</i>	<i>Residents</i>	<i>Residents</i>	<i>Residents</i>
MDR - Owner-Occupied	2.64	218	530	702	702
HDR - Renter-Occupied	2.16	374	842	1,170	1,170
Total Residential		592	1,372	1,872	1,872
Commercial					
Office/Flex/R&D	<i>Sq. Ft./Employee</i>	<i>Employees</i>	<i>Employees</i>	<i>Employees</i>	<i>Employees</i>
Office	290	497	1,235	1,716	2,421
Flex/R&D	450	320	796	1,106	1,560
Total Office/Flex/R&D		817	2,030	2,821	3,982
Advanced Manufacturing	800	261	523	784	1,050
Retail					
Ancillary Retail	500	19	57	95	190
Total Retail		19	57	95	190
Hotel/Conference	2,000	0	0	80	80
Total Commercial Employment		1,098	2,610	3,780	5,301
Persons Served [2]		<i>Persons Served</i>	<i>Persons Served</i>	<i>Persons Served</i>	<i>Persons Served</i>
		1,141	2,677	3,762	4,523

Source: City of Davis; CoStar; EPS.

[1] Refer to Table B-6 for assumption sources.

[2] Persons Served is defined as the total project area population plus half of the total project area employees to account for the lower impact of non-resident persons.

**Table B-6
Aggie Research Campus
Fiscal Impact Analysis
Fiscal Impact Assumptions**

Land Use	Estimated Average Assessed Value [1]	Turnover Rate [2]	Average Persons Per Dwelling Unit [3]	Sq. Ft./ Employee [4]
Residential				
	<i>Per Unit</i>			
MDR - Owner-Occupied	\$633,600	6.7%	2.64	-
HDR - Renter-Occupied	\$391,650	0.0%	2.16	-
Commercial (Sq. Ft.)				
	<i>Per Sq. Ft.</i>			
Office/Flex/R&D				
Office	\$332	0.0%	-	290
Flex/R&D	\$321	0.0%	-	450
Advanced Manufacturing	\$250	0.0%	-	800
Retail				
Ancillary Retail	\$334	0.0%	-	500
Hotel/Conference	\$291	0.0%	-	2,000

Source: City of Davis; Urban Land Institute (ULI); ESRI; CoStar; EPS.

- [1] Commercial and residential values based on market research conducted using current brokerage listings for similar land uses in the City and broader Sacramento Region, interviews with local real estate professionals, and calculations of residual land value incorporating all of the above.
- [2] Based on EPS research on real property turnover rates in the Sacramento Region.
- [3] Average persons per dwelling unit from the City of Davis.
- [4] Sq. ft. per employee based on data from existing development in the 2nd Street Corridor and Interland Urban Research Park, Urban Land Institute (ULI), and subscription-based data (ESRI, CoStar).

**Table B-7
 Aggie Research Campus
 Fiscal Impact Analysis
 Revenue-Estimating Procedures (2020\$)**

Item	Estimating Procedure	Case Study Reference	FY 2019-20 Adopted Revenues	Service Population [1]	Adjustment Factor [2]	Revenue Multiplier
General Fund Revenues						
Property Taxes	Case Study	Table B-9	\$15,454,824	NA	-	-
Property Tax In-Lieu of Vehicle License Fees	Case Study	Table B-9	\$6,762,000	NA	-	-
Property Transfer Tax	Case Study	Table B-10	\$200,000	NA	-	-
Sales and Use Taxes	Case Study	Table B-11	\$16,226,000	NA	-	-
Transient Occupancy Tax	Case Study	Table B-14	\$2,518,400	NA	-	-
Business License Tax	Per Person Served	-	\$1,928,400	83,710	100%	\$23.04
Municipal Service Tax	Per Person Served	-	\$3,224,500	83,710	100%	\$38.52
Franchise Fees	Per Person Served	-	\$1,824,403	83,710	100%	\$21.79
Intergovernmental	[3]	-	\$172,650	NA	-	-
Charges for Services	Per Capita	-	\$4,136,749	69,761	100%	\$59.30
Community Services Revenue	Per Capita	-	\$2,257,819	69,761	100%	\$32.37
Fines and Forfeitures	Per Person Served	-	\$450,000	83,710	100%	\$5.38
Use of Money & Property	[3]	-	\$1,367,319	NA	-	-
All Other Revenue	[3]	-	\$4,822,990	NA	-	-
Total General Fund Revenues			\$61,346,054			
Other Non-General Fund Revenues [4]						
Gas Tax Revenues	Per Capita	-	\$1,809,375	69,761	100%	\$25.94
Parks Maintenance Tax	Per Person Served	-	\$1,414,700	83,710	100%	\$16.90
Prop. 172 Public Safety Sales Tax	Case Study	Table B-11	\$577,211	NA	-	-
Public Safety Tax	Case Study	Table B-15	\$3,558,975	NA	-	-
Total Non-General Fund Other Revenues			\$7,360,261			
Total General Fund and Other Non-General Fund Revenues			\$68,706,315			

Source: City of Davis FY 2019-20 Adopted Budget; EPS.

[1] Represents Citywide residents or persons served as shown in Table B-2.

[2] Adjustment factors have not been applied to revenue estimates; 100% of the per capita or per person multipliers applied.

[3] Non-General Fund revenue categories that are affected by the introduction of new employees and residents resulting from the project used partially to fund expenditures included in the analysis.

[4] Reflects additional revenues used to fund General Fund expenditures.

**Table B-8
 Aggie Research Campus
 Fiscal Impact Analysis
 Estimated Annual Project Revenues (2020\$)**

Revenues	Total Revenues			
	Phase 1	Phase 2	Phase 3	Buildout
General Fund Revenues [1]				
Property Taxes	\$651,000	\$1,517,000	\$2,228,000	\$2,723,000
Property Tax In-Lieu of Vehicle License Fees	\$217,000	\$505,000	\$742,000	\$907,000
Property Transfer Tax	\$2,000	\$5,000	\$7,000	\$7,000
Sales and Use Taxes	\$464,000	\$1,063,000	\$1,564,000	\$2,229,000
Transient Occupancy Tax	\$0	\$0	\$934,000	\$934,000
Business License Tax	\$26,000	\$62,000	\$87,000	\$104,000
Municipal Service Tax	\$44,000	\$103,000	\$145,000	\$174,000
Franchise Fees	\$25,000	\$58,000	\$82,000	\$99,000
Charges for Services	\$35,000	\$81,000	\$111,000	\$111,000
Community Services Revenue	\$19,000	\$44,000	\$61,000	\$61,000
Fines and Forfeitures	\$6,000	\$14,000	\$20,000	\$24,000
Total General Fund Revenues	\$1,489,000	\$3,452,000	\$5,981,000	\$7,373,000
Other Non-General Fund Revenues				
Gas Tax Revenues	\$15,000	\$36,000	\$49,000	\$49,000
Parks Maintenance Tax	\$19,000	\$45,000	\$64,000	\$76,000
Prop. 172 Public Safety Sales Tax	\$16,000	\$38,000	\$56,000	\$79,000
Public Safety Tax	\$103,000	\$236,000	\$360,000	\$469,000
Total Non-General Fund Other Revenues	\$153,000	\$355,000	\$529,000	\$673,000
Total General Fund and Other Non-General Fund Revenues	\$1,642,000	\$3,807,000	\$6,510,000	\$8,046,000
Other Select Revenues [2]				
DJUSD Bond Debt Funds	\$195,000	\$455,000	\$668,000	\$817,000
DJUSD Parcel Tax	\$79,000	\$191,000	\$256,000	\$260,000
DJUSD CFD #1	\$68,000	\$155,000	\$223,000	\$252,000
DJUSD Subtotal	\$342,000	\$801,000	\$1,147,000	\$1,329,000
County (General Fund) Property Tax Revenue	\$165,000	\$385,000	\$565,000	\$691,000

Source: City of Davis FY 2019-20 Adopted Budget; EPS.

Note: Values are rounded to the nearest \$1,000.

[1] Refer to Table B-1 for details regarding revenue categories. Revenue categories not included in analysis have been omitted.

[2] DJUSD allocation of 1% property tax not included since any gains offset by adjustments to State funding.

**Table B-9
Aggie Research Campus
Fiscal Impact Analysis
Estimated Annual Property Tax Revenue (2020\$)**

Item	Assumptions/ Source	Formula	Annual Property Tax Revenues			
			Phase 1	Phase 2	Phase 3	Buildout
Property Tax Revenue (1% of Assessed Value)						
Assessed Value (2019\$)	Table B-21	a	\$288,044,065	\$670,887,945	\$985,644,878	\$1,204,789,150
Property Tax Revenue (1% of Assessed Value)	1.00%	$b = a * 1.00\%$	\$2,880,441	\$6,708,879	\$9,856,449	\$12,047,892
Estimated Property Tax Allocation City General Fund [1]	22.61%	$c = b * 22.61\%$	\$651,136	\$1,516,571	\$2,228,092	\$2,723,477
Allocation to Other Entities County (General Fund)	5.73%	$d = b * 5.73\%$	\$165,111	\$384,562	\$564,985	\$690,602
Other Agencies/ERAF		$e = b - c - d$	\$2,064,194	\$4,807,746	\$7,063,371	\$8,633,812
Property Tax In-Lieu of Motor Vehicle In-Lieu Fee Revenue (VLF)						
Total Citywide Assessed Value [2]		f	\$8,980,290,461	\$8,980,290,462	\$8,980,290,463	\$8,980,290,464
Total New Assessed Value		$g = a + f$	\$9,268,334,526	\$9,651,178,407	\$9,965,935,341	\$10,185,079,614
Percent Change in AV		$h = a / f$	3.21%	7.47%	10.98%	13.42%
Property Tax In-Lieu of VLF [3]	\$6,762,000	$i = h * \$6,762,000$	\$216,892	\$505,167	\$742,173	\$907,185
Select DJUSD Revenues [4]						
Bond Debt Funds						
2000 General Obligation Bonds	0.0120%	$j = a * 0.0120\%$	\$34,565	\$80,507	\$118,277	\$144,575
2018 General Obligation Bonds	0.0558%	$k = a * 0.0558\%$	\$160,729	\$374,355	\$549,990	\$672,272
Total DJUSD Bond Levy			\$195,294	\$454,862	\$668,267	\$816,847
Parcel Tax						
Assumed Number of Parcels [5]		l	92	222	297	301
Measure G DJUSD Parcel Tax	\$198.00	$m = l * \$198$	\$18,216	\$43,956	\$58,806	\$59,598
Measure H DJUSD Parcel Tax	\$664.14	$m = l * \$664$	\$61,101	\$147,439	\$197,250	\$199,906
Total DJUSD Parcel Tax			\$79,317	\$191,395	\$256,056	\$259,504
DJUSD CFD #1 [6]						
Single Family Units [7]		n	87	211	280	280
Apartment Units [7]		o	182	410	570	570
Commercial/Industrial Acreage		p	23.6	51.9	82.8	111.5
Single Family Fees	\$248.94	$q = n * \$248.94$	\$21,608	\$52,626	\$69,703	\$69,703
Apartment Fees	\$124.47	$r = o * \$124.47$	\$22,703	\$51,082	\$70,948	\$70,948
Commercial/Industrial Fees (per 1/4 acre)	\$248.94	$s = p * 4 * \$248.94$	\$23,521	\$51,684	\$82,457	\$110,982
Total DJUSD CFD #1 Fees			\$67,832	\$155,392	\$223,108	\$251,633

Source: City of Davis; Yolo County; DJUSD; EPS.

- [1] For assumptions and calculation of the estimated property tax allocation, refer to Table B-20. The eventual tax allocation between the City of Davis and Yolo County may be different.
 [2] Reflects final assessed valuation for FY 2019. Includes Citywide secured, unsecured, homeowner exemption, and public utility rolls, inflated 2 years at 5.1%, the rate of growth between FY 2019 and FY 2020 citywide assessed values as provided by the County Auditor Controller.
 [3] Property tax in-lieu of VLF amount taken from FY 2019-20 Approved City Budget. See Table B-7.
 [4] DJUSD allocation of 1% property tax not included since any gains offset by adjustments to State funding.
 [5] For uses other than MDR, 1 parcel per use per phase is assumed.
 [6] Participation in CFD #2 to be determined.
 [7] CFD #1 fees are applied at single family and apartment rates; MDR units assumed to be townhouse which are applied the single family fee.

Table B-10
Aggie Research Campus
Fiscal Impact Analysis
Real Property Transfer Tax Revenue (2020\$)

Description	Source/ Assumption	Assessed Value				Annual Transfer Tax			
		Phase 1	Phase 2	Phase 3	Buildout	Phase 1	Phase 2	Phase 3	Buildout
Rate per \$1,000 of AV	\$1.10								
Property Turnover Rate (% per year) [1]									
Residential Owner-Occupied	6.7%								
Residential Renter-Occupied	0.0%								
Nonresidential	0.0%								
Annual Transfer Tax Revenue									
Residential									
Owner-Occupied		\$54,996,480	\$133,943,040	\$177,408,000	\$177,408,000	\$4,033	\$9,822	\$13,010	\$13,010
Renter-Occupied		\$71,436,972	\$160,733,187	\$223,240,538	\$223,240,538	\$0	\$0	\$0	\$0
Total Residential Land Uses		\$126,433,452	\$294,676,227	\$400,648,538	\$400,648,538	\$4,033	\$9,822	\$13,010	\$13,010
Nonresidential		\$159,568,141	\$371,457,067	\$577,603,022	\$793,977,698	\$0	\$0	\$0	\$0
Total Annual Transfer Tax Revenue						\$4,033	\$9,822	\$13,010	\$13,010
Yolo County Share of Annual Transfer Tax (at 50%)						\$2,017	\$4,911	\$6,505	\$6,505
City of Davis Share of Annual Transfer Tax (at 50%)						\$2,017	\$4,911	\$6,505	\$6,505

Source: City of Davis; EPS.

[1] For-sale residential turnover equals 15-year average resale; multifamily and nonresidential property excluded from transfer tax estimate due to typically long holding periods for these properties.

Table B-11
Aggie Research Campus
Fiscal Impact Analysis
Estimated Annual Taxable Sales and Use Tax Revenue (2020\$)

Item	Formula	Source/ Assumptions	Annual Taxable Sales Revenue at Buildout			
			Phase 1	Phase 2	Phase 3	Buildout
Estimated Annual Taxable Sales						
Annual Taxable Sales from New HH/Employee Expenditures	<i>a</i>	Table B-12	\$5,636,329	\$13,235,709	\$18,571,716	\$22,222,558
Net Annual Taxable Sales from Onsite Nonresidential Uses	<i>b</i>	Table B-13	\$17,553,101	\$39,892,227	\$59,621,485	\$89,225,233
Annual Taxable Sales from Total Net New Development	$c = a + b$		\$23,189,430	\$53,127,936	\$78,193,201	\$111,447,790
Annual Sales Tax Revenue						
Bradley Burns Sales Tax Rate		1.0000%				
Measure Q Sales Tax Rate [1]		1.0000%				
Total City Sales Tax Revenue	$d = c * 2\%$	2.0000%	\$463,789	\$1,062,559	\$1,563,864	\$2,228,956
Gross Proposition 172 Public Safety Sales Tax Revenue [2]	$f = d * 3.56\%$	3.56%	\$16,498	\$37,799	\$55,632	\$79,291

B-11 Source: City of Davis; Yolo County; California State Board of Equalization; EPS.

[1] Measure Q is a 1% general sales and use tax rate that supports the General Fund and continues indefinitely.

[2] Calculated as the ratio of Proposition 172 Public Safety Tax revenue to total sales tax revenue based on the FY 2019-20 Budget. Any variation in the relationship between Proposition 172 Public Safety Tax revenue and total sales tax revenue affecting the estimate of this revenue source is estimated to be nominal.

Table B-12
Aggie Research Campus
Fiscal Impact Analysis
Estimated Annual Taxable Sales from Proposed Development, Hybrid Market Support Method (2020\$)

Annual Taxable Sales from Market Support	Assumption	Annual Taxable Sales Revenue from Market Support			
		Phase 1	Phase 2	Phase 3	Buildout
Annual Taxable Sales from New Households					
Residential Development [1]					
MDR - Owner-Occupied		87	211	280	280
HDR - Renter-Occupied		182	410	570	570
Total Residential Development		269	622	850	850
Retail Expenditures [2]					
Owner-Occupied Residential per Household	\$29,000				
Renter-Occupied Residential per Household	\$22,000				
Owner-Occupied Residential Household Spending		\$2,517,200	\$6,130,600	\$8,120,000	\$8,120,000
Renter-Occupied Residential Household Spending		\$4,012,800	\$9,028,800	\$12,540,000	\$12,540,000
Total Retail Expenditures		\$6,530,000	\$15,159,400	\$20,660,000	\$20,660,000
Taxable Sales from New Households					
Est. Retail Capture Rate within the City of Davis [3]	50%				
Total Taxable Sales from New Households		\$3,265,000	\$7,579,700	\$10,330,000	\$10,330,000
Total Annual Taxable Sales from Market Support Within the City of Davis					
Estimated Share Onsite (Within the Project)	10%				
Estimated Share Offsite (Outside the Project)	90%				
Estimated Total Annual Taxable Sales Onsite (Within the Project)		\$326,500	\$757,970	\$1,033,000	\$1,033,000
Estimated Total Annual Taxable Sales Offsite (Outside the Project)		\$2,938,500	\$6,821,730	\$9,297,000	\$9,297,000
Annual Taxable Sales from New Employees					
Taxable Sales from New Employment					
New Employees [4]		1,098	2,610	3,780	5,301
Project Residents Assumed to Work Onsite [5]		110	253	346	346
Net New Employees (Excluding Project Residents Assumed to Work Onsite)		988	2,357	3,434	4,955
Average Daily Taxable Sales per New Employee [6]	\$20.00				
Work Days per Year	240				
Est. Retail Capture Rate within the City of Davis [3]	50%				
Total Taxable Sales from Net New Employees		\$2,371,329	\$5,656,009	\$8,241,716	\$11,892,558
Total Annual Taxable Sales from Market Support Within the City of Davis					
Estimated Share Onsite (Within the Project)	30%				
Estimated Share Offsite (Outside the Project)	70%				
Estimated Total Annual Taxable Sales Onsite (Within the Project)		\$711,399	\$1,696,803	\$2,472,515	\$3,567,767
Estimated Total Annual Taxable Sales Offsite (Outside the Project)		\$1,659,930	\$3,959,206	\$5,769,201	\$8,324,790
Total Annual Taxable Sales from Market Support Within the City of Davis					
Estimated Total Annual Taxable Sales Onsite (Within the Project)		\$1,037,899	\$2,454,773	\$3,505,515	\$4,600,767
Estimated Total Annual Taxable Sales Offsite (Outside the Project)		\$4,598,430	\$10,780,936	\$15,066,201	\$17,621,790
Total Onsite and Offsite		\$5,636,329	\$13,235,709	\$18,571,716	\$22,222,558

Source: U.S. Department of Labor, Bureau of Labor Statistics; City of Davis; EPS.

- [1] Refer to Table B-3.
- [2] Refer to Table D-3 for assumptions related to average household retail expenditures by residential unit.
- [3] Estimated retail capture rate within the City of Davis is based on EPS's qualitative appraisal of retail establishments within and outside of the City of Davis.
- [4] Refer to Table B-5 for employee estimates.
- [5] One-third of project employed residents assumed to work onsite. Ratio of 1.22 workers per housing units for Davis, calculated based on the American Community Survey, were applied to the total Project housing units; then 1/3 of these were assumed to work onsite.
- [6] Based on the International Council of Shopping Centers' 2012 study "Office Worker Retail Spending in the Digital Age" for suburban areas with retail opportunities and adjusted to reflect Davis' retail mix.

Table B-13
Aggie Research Campus
Fiscal Impact Analysis
Estimated Annual Taxable Sales from Nonresidential Development (2020\$)

Item	Annual Taxable Sales per Sq. Ft. [1]	Occupied Building Sq. Ft. [2]				Annual Taxable Sales Revenue from Nonresidential Development			
		Phase 1	Phase 2	Phase 3	Buildout	Phase 1	Phase 2	Phase 3	Buildout
Annual Taxable Sales from Onsite Nonresidential Development									
Office/Flex/R&D									
Office	\$20	144,150	358,050	497,550	702,150	\$2,883,000	\$7,161,000	\$9,951,000	\$14,043,000
Flex/R&D	\$20	144,150	358,050	497,550	702,150	\$2,883,000	\$7,161,000	\$9,951,000	\$14,043,000
Total Office/Flex/R&D		288,300	716,100	995,100	1,404,300	\$5,766,000	\$14,322,000	\$19,902,000	\$28,086,000
Manufacturing	\$50	209,000	418,000	627,000	839,800	\$10,450,000	\$20,900,000	\$31,350,000	\$41,990,000
Retail									
Ancillary Retail	\$250	9,500	28,500	47,500	95,000	\$2,375,000	\$7,125,000	\$11,875,000	\$23,750,000
Total Retail		9,500	28,500	47,500	95,000	\$2,375,000	\$7,125,000	\$11,875,000	\$23,750,000
Hotel/Conference	\$0	0	0	160,000	160,000	\$0	\$0	\$0	\$0
Public/Nonprofit	\$0	0	0	0	0	\$0	\$0	\$0	\$0
Total Annual Taxable Sales from Onsite Nonresidential Development		506,800	1,162,600	1,829,600	2,499,100	\$18,591,000	\$42,347,000	\$63,127,000	\$93,826,000
Less Total Annual Taxable Sales from Market Support (within the Project) [3]						\$1,037,899	\$2,454,773	\$3,505,515	\$4,600,767
Annual Taxable Sales less Market Support						\$17,553,101	\$39,892,227	\$59,621,485	\$89,225,233
Less Shift of Sales from Existing Regional and Community Retail to the Project [4]						\$0	\$0	\$0	\$0
Net Total Nonresidential Taxable Sales						\$17,553,101	\$39,892,227	\$59,621,485	\$89,225,233

Source: City of Davis; California Board of Equalization (BOE); CoStar; March 2015 Mace Ranch Innovation Center Urban Decay Analysis, ALH Urban & Regional Economics; EPS.

- [1] Annual taxable sales per sq. ft. based on taxable sales data collected from existing development in the 2nd Street Corridor and Interland University Research Park. Data is based on annual retail and nonretail business-to-business taxable sales by land use category over the last 5 years (2010-2018), as provided by the City of Davis. In addition, EPS consulted published taxable sales data from CA BOE (calendar year 2018), estimated occupied nonretail building square footage from CoStar, published reports citing taxable sales per square foot for nonretail uses, and private subscription services, such as Bizminer.
- [2] For vacancy rate assumptions, refer to Table B-4.
- [3] Estimated in Table B-12.
- [4] Reflects a 0% shift predicated on March 2015 Urban Decay Analysis completed by ALH Economics which concluded that development of the project's retail component is not likely to result in long-term retail sales diversions relevant to the existing retail base.

Table B-14
Aggie Research Campus
Fiscal Impact Analysis
Estimated Annual Transient Occupancy Tax (TOT) Revenue (2020\$)

Item	Formula	Assumption	Annual TOT Revenue			
			Phase 1	Phase 2	Phase 3	Buildout
Hotel Rooms	<i>a</i>		-	-	150	150
Annual Rooms Available	$b = a * 365$	365	-	-	54,750	54,750
Occupancy Rate	<i>c</i>	79%				
Average Daily Room Rate	<i>d</i>	\$180				
City of Davis TOT Rate	<i>e</i>	12%				
Annual Transient Occupancy Tax (Rounded)	$f = b * c * d * e$		\$0	\$0	\$934,254	\$934,254

B-14 Source: Smith Travel Research; EPS.

**Table B-15
Aggie Research Campus
Fiscal Impact Analysis
Estimated Annual Public Safety (Parcel) Tax Revenue (2020\$)**

Item	Assumption	Units / Sq. Ft. / Land Area			
		Phase 1	Phase 2	Phase 3	Buildout
Residential Units					
Units					
MDR - Owner-Occupied		87	211	280	280
HDR - Renter-Occupied		182	410	570	570
Total Residential Units		269	622	850	850
Land Area					
MDR - Owner-Occupied		130,200	317,100	420,000	420,000
HDR - Renter-Occupied		273,600	615,600	855,000	855,000
Total Residential Land Area		403,800	932,700	1,275,000	1,275,000
Base Residential Tax Rate per Unit [1]	\$73.68				
Lot Size Tax Rate per Sq. Ft. [2]	\$0.00055				
Total Residential Public Safety Tax Revenue		\$20,058	\$46,329	\$63,332	\$63,332
Commercial					
Square Feet					
Office		155,000	385,000	535,000	755,000
Flex/R&D		155,000	385,000	535,000	755,000
Advanced Manufacturing		220,000	440,000	660,000	884,000
Ancillary Retail		10,000	30,000	50,000	100,000
Hotel		-	-	160,000	160,000
Total Nonresidential Use Sq. Ft.		540,000	1,240,000	1,940,000	2,654,000
Land Area					
Office		442,857	1,100,000	1,528,571	2,157,143
Flex/R&D		310,000	770,000	1,070,000	1,510,000
Advanced Manufacturing		440,000	880,000	1,320,000	1,768,000
Ancillary Retail		40,000	120,000	200,000	400,000
Hotel		-	-	640,000	640,000
Total Nonresidential Use Land Area		1,232,857	2,870,000	4,758,571	6,475,143
Commercial Tax Rate per Sq. Ft. [3]	\$0.15				
Lot Size Tax Rate per Sq. Ft. [2]	\$0.00055				
Total Commercial Public Safety Tax Revenue		\$82,471	\$189,400	\$296,467	\$405,560
Total Public Safety Tax Revenue		\$102,529	\$235,729	\$359,799	\$468,892

Source: City of Davis; EPS.

[1] \$6.14/month x 12.

[2] \$0.000046/month x 12.

[3] \$0.012622/month x 12.

Table B-16
Aggie Research Campus
Fiscal Impact Analysis
Expenditure-Estimating Procedures (2020\$)

Expenditure Category	Estimating Procedure	Case Study Reference	FY 2019-20 City Adopted Expenditures	Service Population [1]	Variable Adjustment Factor [2]	Expenditure Multiplier
General Fund Expenditures						
City Attorney	Per Person Served	-	\$170,217	83,710	75%	\$1.53
City Council	Per Person Served	-	\$239,105	83,710	75%	\$2.14
City Manager's Office	Per Person Served	-	\$4,141,687	83,710	75%	\$37.11
Administrative Services	Per Person Served	-	\$3,329,348	83,710	75%	\$29.83
Community Dev. & Sustainability	Per Person Served	-	\$3,171,085	83,710	75%	\$28.41
Parks and Community Services	Per Person Served	-	\$12,442,258	83,710	75%	\$111.48
Fire	Case Study	Table B-18	\$11,215,787	NA	NA	NA
Police	Case Study	Table B-19	\$19,945,541	NA	NA	NA
Public Works - Engineering and Transportation	Per Person Served	-	\$2,537,107	83,710	75%	\$22.73
Public Works - Utilities and Operations	Per Person Served	-	\$2,893,433	83,710	75%	\$25.92
Capital Improvements	[3]	-	\$9,007,648	NA	NA	NA
Debt Service	[3]	-	\$214,021	NA	NA	NA
RDA Successor Agency	[3]	-	\$0	NA	NA	NA
Nondepartmental	[3]	-	(\$827,239)	NA	NA	NA
Total General Fund Expenditures			\$68,479,998			
General Fund Reserve			(\$7,133,944)			
Total General Fund (Incl. General Fund Reserve)			\$61,346,054			

B-16

Source: City of Davis FY 2019-20 Adopted Budget; EPS.

[1] Represents Citywide residents or persons served as shown in Table B-2.

[2] Adjustment factors made in consultation with the City of Davis. Represents the percentage of expenditures estimated to be impacted by new growth (i.e.: percent of departmental expenses that are variable and therefore impacted by development versus fixed expenses that are not affected by development).

[3] This expenditure category is not expected to be impacted by the project and is omitted from this analysis.

Table B-17
Aggie Research Campus
Fiscal Impact Analysis
Estimated Annual Expenditures (2020\$)

Expenditures	Annual Net Expenditures			
	Phase 1	Phase 2	Phase 3	Buildout
General Fund Expenditures				
City Attorney	\$2,000	\$4,000	\$6,000	\$7,000
City Council	\$2,000	\$6,000	\$8,000	\$10,000
City Manager's Office	\$42,000	\$99,000	\$140,000	\$168,000
Administrative Services	\$34,000	\$80,000	\$112,000	\$135,000
Community Dev. & Sustainability	\$32,000	\$76,000	\$107,000	\$128,000
Parks and Community Services [1]	\$127,000	\$298,000	\$419,000	\$504,000
Fire	\$136,000	\$319,000	\$448,000	\$538,000
Police	\$225,000	\$528,000	\$742,000	\$892,000
Public Works - Engineering and Transportation	\$26,000	\$61,000	\$86,000	\$103,000
Public Works - Utilities and Operations	\$30,000	\$69,000	\$98,000	\$117,000
Total General Fund Expenditures	\$656,000	\$1,540,000	\$2,166,000	\$2,602,000

Source: City of Davis; EPS.

[1] Parks expenditures due to onsite population is somewhat overstated since onsite residents and workers will be served by onsite park and open space area that will be privately maintained.

B-17

Table B-18
Aggie Research Campus
Fiscal Impact Analysis
Estimated Annual Fire Department Operating and Maintenance Expenditures (2020\$)

Item	City of Davis FY 2019-20 Budget	Assumption	Adjusted City of Davis FY 2019-20 Budget	Annual Fire Expenditures			
				Phase 1	Phase 2	Phase 3	Buildout
Annual City Fire Dept. Expenditures [1]		<i>Adj. Factor</i>					
General Fund Fire Dept. Expenditures	\$11,215,787	100%	\$11,215,787				
Prop. 172 Public Safety Sales Tax Revenues	\$577,211	50%	\$288,605				
Public Safety Tax Revenues	\$3,558,975	50%	\$1,779,488				
Total Annual Fire Department Expenditures	\$15,351,973		\$13,283,880				
Citywide Persons Served		83,710					
Citywide Fire Expenditures per Persons Served		\$159					
Adjustment Factor (Percent Variable) [2]		75%					
Citywide Variable Fire Expenditures per Person Served		\$119					
B-18 Project Persons Served				1,141	2,677	3,762	4,523
Total Annual Fire Department Expenditures				\$135,776	\$318,639	\$447,737	\$538,260

Source: City of Davis; EPS.

[1] Assumes annual City Fire Department expenditures are funded with half of Proposition 172 Sales Tax and half of Public Safety tax revenues, in addition to other General Fund Revenues, per the City of Davis.

[2] The adjustment factor is the share of departmental expenses that are variable and therefore impacted by development versus fixed expenses that are not affected by development.

Table B-19
Aggie Research Campus
Fiscal Impact Analysis
Estimated Annual Police Department Operating and Maintenance Expenditures (2020\$)

Item	City of Davis FY 2019-20 Budget	Assumption	Adjusted City of Davis FY 2019-20 Budget	Annual Police Expenditures			
				Phase 1	Phase 2	Phase 3	Buildout
Annual City Police Dept. Expenditures [1]		<i>Adj. Factor</i>					
General Fund Police Dept. Expenditures	\$19,945,541	100%	\$19,945,541				
Prop. 172 Public Safety Sales Tax Revenues	\$577,211	50%	\$288,605				
Public Safety Tax Revenues	\$3,558,975	50%	\$1,779,488				
Total Annual Police Department Expenditures	\$24,081,727		\$22,013,634				
Citywide Persons Served		83,710					
Citywide Police Expenditures per Person Served		\$263					
Adjustment Factor (Percent Variable) [2]		75%					
Citywide Variable Police Expenditures per Person Served		\$197					
B-19 Project Persons Served				1,141	2,677	3,762	4,523
Total Annual Police Department Expenditures				\$225,004	\$528,039	\$741,975	\$891,988

Source: City of Davis; EPS.

[1] Based on the assumption annual City Police Department expenditures are funded with half of Proposition 172 Sales Tax and half of Public Safety tax revenues, in addition to other General Fund Revenues, according to the City of Davis.

[2] The adjustment factor is the share of departmental expenses that are variable and therefore impacted by development versus fixed expenses that are not affected by development.

**Table B-20
 Aggie Research Campus
 Fiscal Impact Analysis
 Preliminary Property Tax Allocations**

Fund/Agency	Pre-Annexation		Post-Annexation			
	Property Tax Allocation [1] TRA 061-003	Subject to Split	Transfer to City	50/50 Split		Other Taxing Entities
				City of Davis General Fund	Yolo County General Fund	
City/County Tax Sharing Assumption [2]				50%	50%	
Total Property Tax Allocation	100.0000%					
Funds for Analysis						
County General Fund	32.1584%	x		16.0792%	16.0792%	
County ACO Fund	1.3180%	x		0.6590%	0.6590%	
County Road District #2	2.3429%		x	2.3429%	-	
East Davis Fire District	10.3070%		x	10.3070%	-	
Total Taxing Entities for Analysis	46.1264%			29.3882%	16.7382%	
Other Taxing Entities						
County Library	2.9878%			-	-	2.9878%
County Schools	3.3291%			-	-	3.3291%
Davis Cemetery District	0.3893%			-	-	0.3893%
Sacto-Yolo Mosquito & Vector Control	0.9268%			-	-	0.9268%
Yolo County Flood Control District	1.0923%			-	-	1.0923%
Yolo County Resources Conservation District	0.0439%			-	-	0.0439%
Davis Joint Unified School District	40.1260%			-	-	40.1260%
Los Rios Community College District	4.9785%			-	-	4.9785%
Total Other Taxing Entities	53.8736%			-	-	53.8736%
Shift to Educational Revenue Augmentation Fund (ERAF) [3]				23.0798%	65.7542%	
City and County Post ERAF General Fund Allocations				22.6054%	5.7321%	

Source: Yolo County; EPS.

[1] Pre-ERAF allocations.

[2] Preliminary tax sharing assumption, subject to negotiations between the City and County. Additional tax sharing assumptions evaluated in sensitivity scenarios.

[3] Assumes increment subject to sharing will be pooled prior to shift to ERAF using County and City ERAF shift. Splits shown based on estimated citywide split and TRA split; actual splits between agencies and ERAF shift applicable to each will depend on final tax sharing agreement terms. City and County ERAF shifts based on West Davis Active Adult Community annexation.

B-20

Table B-21
Aggie Research Campus
Fiscal Impact Analysis
Estimated Assessed Valuation (2020\$)

Item	Rounded Value per Unit/Sq. Ft. [1]	Units / Square Feet				Assessed Value			
		Phase 1	Phase 2	Phase 3	Buildout	Phase 1	Phase 2	Phase 3	Buildout
Residential (Units)	<i>Per Unit</i>	<i>Units</i>	<i>Units</i>	<i>Units</i>	<i>Units</i>				
Owner-Occupied Residential	\$633,600	87	211	280	280	\$54,996,480	\$133,943,040	\$177,408,000	\$177,408,000
Renter-Occupied Residential	\$391,650	182	410	570	570	\$71,436,972	\$160,733,187	\$223,240,538	\$223,240,538
Total Residential		269	622	850	850	\$126,433,452	\$294,676,227	\$400,648,538	\$400,648,538
Commercial Land Use	<i>Per Sq. Ft.</i>	<i>Sq. Ft.</i>	<i>Sq. Ft.</i>	<i>Sq. Ft.</i>	<i>Sq. Ft.</i>				
Office/Flex/R&D									
Office	\$332	155,000	385,000	535,000	755,000	\$51,465,174	\$127,832,851	\$177,637,858	\$250,685,201
Flex: R&D/Office	\$321	155,000	385,000	535,000	755,000	\$49,764,077	\$123,607,547	\$171,766,332	\$242,399,216
Total Office/Flex/R&D		310,000	770,000	1,070,000	1,510,000	\$101,229,251	\$251,440,398	\$349,404,189	\$493,084,417
Manufacturing	\$250	220,000	440,000	660,000	884,000	\$55,000,000	\$110,000,000	\$165,000,000	\$221,000,000
Retail									
Ancillary Retail	\$334	10,000	30,000	50,000	100,000	\$3,338,890	\$10,016,669	\$16,694,449	\$33,388,898
Total Retail		10,000	30,000	50,000	100,000	\$3,338,890	\$10,016,669	\$16,694,449	\$33,388,898
Hotel/Conference	\$291	0	0	160,000	160,000	\$0	\$0	\$46,504,383	\$46,504,383
Total Commercial Sq. Ft. (Secured)		540,000	1,240,000	1,940,000	2,654,000	\$159,568,141	\$371,457,067	\$577,603,022	\$793,977,698
Unsecured Assessed Value [1]						\$2,042,472	\$4,754,650	\$7,393,319	\$10,162,915
Total Proposed Land Uses						\$288,044,065	\$670,887,945	\$985,644,878	\$1,204,789,150

Source: EPS.

[1] Unsecured assessed value equals 1.28% of non-residential secured assessed value for FY 2019-20.

Table B-22
Aggie Research Campus
Fiscal Impact Analysis
Average Income and Retail Expenditures for Residential Units (2020\$)

Residential Land Use	Dwelling Units	Estimated Home Value/ Monthly Rent [1]	Estimated Annual Housing Costs [2]	Estimated Household Income [3]	Taxable Expenditures as a Percentage of Income [4]	Annual Taxable Expenditures per Household (Rounded) [5]
Average Household Income						
Owner-Occupied Residential	280	\$633,600	\$49,000	\$140,000	21%	\$29,000
Renter-Occupied Residential	570	\$2,470	\$30,000	\$86,000	25%	\$22,000

Source: City of Davis; EPS.

- [1] Residential owner-occupied value and renter-occupied rent rate based on market comparables.
- [2] Annual mortgage based on a 6%, 30-year fixed rate mortgage with a 20% down payment and 2% for annual taxes and insurance. Values have been rounded to the nearest thousand dollars.
- [3] Assumes mortgage lending guidelines allow no more than 35% of income dedicated to mortgage payments, taxes and insurance. Assumes renters pay 35% of income in rent.
- [4] Taxable expenditures as a percentage of income derived from the 2018 BLS Consumer Expenditure Survey.
- [5] Average retail expenditures per household used to estimate annual sales tax revenues, as shown in Table B-12.

B-22

**Table B-23
Aggie Research Campus
Fiscal Impact Analysis
One-Time Fees by Phase**

Item	One-Time Revenues by Phase				Total Project
	Phase 1	Phase 2	Phase 3	Phase 4	
City Permitting Fees	\$6,879,000	\$8,956,000	\$8,491,000	\$7,875,420	\$32,201,420
City Construction Tax	\$3,452,000	\$4,529,000	\$3,871,000	\$2,834,580	\$14,686,580
City Impact Fees					
Affordable Housing	\$3,029,000	\$3,967,000	\$2,567,000	-	\$9,563,000
Roadways	\$16,111,000	\$23,741,000	\$16,037,000	\$21,657,000	\$77,546,000
Water	\$2,086,000	\$2,860,000	\$2,448,000	\$1,621,000	\$9,015,000
Sewer	\$1,524,000	\$2,098,000	\$1,866,000	\$781,000	\$6,269,000
Drainage	\$106,000	\$140,000	\$111,000	\$84,000	\$441,000
Parks	\$1,333,000	\$1,781,000	\$1,662,000	\$400,000	\$5,176,000
Open Space	\$230,000	\$307,000	\$286,000	\$69,000	\$892,000
Public Safety	\$348,000	\$471,000	\$388,000	\$307,000	\$1,514,000
General Facilities	\$769,000	\$1,042,000	\$948,000	\$450,000	\$3,209,000
Total City Impact Fees	\$25,536,000	\$36,407,000	\$26,313,000	\$25,369,000	\$113,625,000
School Impact Fee [1]	\$1,232,000	\$1,638,000	\$1,146,000	\$336,000	\$4,352,000
County FSA Fee	\$1,237,000	\$1,649,000	\$1,192,000	\$393,000	\$4,471,000

Source: City of Davis; EPS.

[1] The School Impact Fee could be exempted if the Project joins CFD #2, to be determined.

Note: All values are rounded to the nearest \$1,000.

B-23

Table B-24
Aggie Research Campus
Fiscal Impact Analysis
Development Program and One-Time Fees

Item	Project Uses						
	MDR	HDR	Office	R&D	Advanced Manufacturing	Ancillary Retail	Hotel
Development Program	<i>Units</i>	<i>Units</i>	<i>Sq. Ft.</i>	<i>Sq. Ft.</i>	<i>Sq. Ft.</i>	<i>Sq. Ft.</i>	<i>Rooms</i>
Phase 1	87	182	155,000	155,000	220,000	10,000	-
Phase 2	125	228	230,000	230,000	220,000	20,000	-
Phase 3	69	160	150,000	150,000	220,000	20,000	150
Phase 4	-	-	220,000	220,000	224,000	50,000	-
Total Program	280	570	755,000	755,000	884,000	100,000	150
Fees Per Unit/Sq Ft/Room	<i>per Unit</i>	<i>per Unit</i>	<i>per Sq. Ft.</i>	<i>per Sq. Ft.</i>	<i>per Sq. Ft.</i>	<i>per Sq. Ft.</i>	<i>per Room</i>
City Permitting Fees	\$5,092	\$2,634	\$11.03	\$11.03	\$11.03	\$11.03	\$11,765
City Construction Tax	\$7,146	\$3,772	\$3.97	\$3.97	\$3.97	\$3.97	\$4,235
City Impact Fees							
Affordable Housing	\$11,250	\$11,250	-	-	-	-	-
Roadways	\$5,444	\$4,467	\$46.920	\$46.920	\$0.434	\$18.292	\$2,754
Water	\$10,362	\$1,228	\$1.390	\$1.390	\$1.884	\$11.740	\$3,166
Sewer	\$4,780	\$3,320	\$1.470	\$1.470	\$0.121	\$2.138	\$3,320
Drainage	\$305	\$85	\$0.118	\$0.118	\$0.118	\$0.118	\$85
Parks	\$4,145	\$3,827	\$0.730	\$0.730	\$0.190	\$0.730	\$3,277
Open Space	\$714	\$659	\$0.126	\$0.126	\$0.033	\$0.126	\$564
Public Safety	\$494	\$479	\$0.515	\$0.515	\$0.242	\$0.515	\$399
General Facilities	\$1,786	\$1,662	\$0.811	\$0.811	\$0.233	\$0.811	\$1,662
School Impact Fee [1]	\$5,346	\$2,822	\$0.470	\$0.470	\$0.470	\$0.470	\$501
County FSA Fee	\$4,290	\$3,180	\$0.666	\$0.666	\$0.334	\$0.500	\$710

B-24

Source: City of Davis; EPS.

[1] The School Impact Fee could be exempted if the Project joins CFD #2, to be determined.

APPENDIX C: Economic Impact Analysis Tables

Table C-1	Summary of Yolo Economic Impacts— Ongoing and One-Time	C-1
Table C-2	Yolo Ongoing Employment Impact Estimate—At Buildout.....	C-2
Table C-3	Yolo One-Time Construction Impact Estimate—All Phases	C-3
Table C-4	Yolo Ongoing Impact Employment Inputs	C-4
Table C-5	Yolo One-Time Impact Construction Spending Inputs	C-5
Table C-6	Yolo Ongoing Impacts—Economic Impact per Job for Relevant Sectors.....	C-6
Table C-7	Yolo One-Time Impacts—Economic Impact per \$1,000,000 in Construction Spending.....	C-7
Table C-8	Summary of Davis Economic Impacts— Ongoing and One-Time	C-8
Table C-9	Davis Ongoing Employment Impact Estimate—At Buildout	C-9
Table C-10	Davis One-Time Construction Impact Estimate—All Phases	C-10
Table C-11	Davis Ongoing Impact Employment Inputs	C-11
Table C-12	Davis One-Time Impact Construction Spending Inputs	C-12
Table C-13	Davis Ongoing Impacts—Economic Impact per Job for Relevant Sectors.....	C-13
Table C-14	Davis One-Time Impacts—Economic Impact per \$1,000,000 in Construction Spending.....	C-14



**Table C-1
 Aggie Research Campus
 Economic Impact Analysis
 Summary of Yolo Economic Impacts - Ongoing and One-Time (2020\$)**

Impact Category	Economic Impacts			Total
	Direct	Indirect	Induced	
Ongoing Annual Impacts (at Buildout)				
Industry Output	\$1,588,940,136	\$445,463,311	\$170,946,648	\$2,205,350,095
Employee Compensation	\$454,388,403	\$162,724,944	\$52,758,277	\$669,871,625
Employment [1]	5,438	2,572	1,064	9,074
One-Time Construction Impacts				
Industry Output	\$609,375,692	\$87,249,389	\$115,486,682	\$812,111,762
Employee Compensation	\$347,427,772	\$29,429,345	\$35,664,414	\$412,521,531
Employment [2]	3,932	491	718	5,141

Source: Implan; EPS.

[1] Includes all full and part time jobs.

[2] Represents total job years lasting over the duration of the project. For instance, 1 laborer employed for 2 years during construction activity would represent 2 job years.

C-1

Table C-2
Aggie Research Campus
Economic Impact Analysis
Yolo Ongoing Employment Impact Estimate - At Buildout

Uses and Assumed Occupant Sectors [1]	Implan Industry Code	Direct Effect			Indirect Effect			Induced Effect		
		Output	Employment	Earnings	Output	Employment	Earnings	Output	Employment	Earnings
Office										
Scientific Research and Development Services	464	\$284,889,721	1,041	\$100,341,343	\$102,955,653	625	\$37,994,433	\$37,114,082	229	\$11,452,288
Marketing Research and Misc. Professional, Scientific, and Technical	468	\$24,040,304	391	\$14,022,072	\$5,584,006	39	\$2,139,367	\$6,595,496	43	\$2,039,445
Custom Computer Programming Services	459	\$53,085,348	391	\$29,618,882	\$13,372,915	102	\$5,805,449	\$9,486,207	59	\$2,926,716
Architectural, Engineering, and Related Services	457	\$69,919,851	391	\$30,111,457	\$19,007,283	144	\$7,878,432	\$10,486,700	66	\$3,236,634
Environmental and Other Technical Consulting Services	463	\$22,684,264	260	\$15,174,378	\$5,266,646	39	\$2,252,264	\$5,404,983	34	\$1,669,287
Office Total		\$454,619,488	2,473	\$189,268,132	\$146,186,503	949	\$56,069,944	\$69,087,467	431	\$21,324,370
Flex/R&D										
Scientific Research and Development Services	464	\$183,595,598	671	\$64,664,421	\$66,349,199	403	\$24,485,301	\$23,917,964	148	\$7,380,363
Marketing Research and Misc. Professional, Scientific, and Technical	468	\$15,492,640	252	\$9,036,447	\$3,598,582	25	\$1,378,703	\$4,250,431	28	\$1,314,309
Custom Computer Programming Services	459	\$34,210,557	252	\$19,087,724	\$8,618,101	65	\$3,741,289	\$6,113,333	38	\$1,886,106
Architectural, Engineering, and Related Services	457	\$45,059,460	252	\$19,405,161	\$12,249,138	93	\$5,077,211	\$6,758,096	43	\$2,085,831
Environmental and Other Technical Consulting Services	463	\$14,618,748	168	\$9,779,044	\$3,394,061	25	\$1,451,459	\$3,483,211	22	\$1,075,763
Flex/R&D Total		\$292,977,003	1,594	\$121,972,796	\$94,209,080	612	\$36,133,964	\$44,523,035	278	\$13,742,372
Advanced Manufacturing										
Other Miscellaneous Chemical Product Manufacturing	185	\$171,189,369	221	\$41,510,861	\$31,352,298	159	\$10,355,777	\$14,462,001	91	\$4,463,612
Miscellaneous Nonmetallic Mineral Products Manufacturing	214	\$100,416,802	221	\$20,953,651	\$22,413,917	117	\$7,518,566	\$7,568,589	46	\$2,335,362
Pharmaceutical Preparation Manufacturing	172	\$355,429,880	221	\$30,547,071	\$91,680,067	382	\$26,680,256	\$15,079,168	93	\$4,652,373
Industrial Process Variable Instruments Manufacturing	314	\$57,221,943	221	\$13,793,059	\$14,229,381	82	\$6,047,234	\$5,071,742	31	\$1,564,419
Semiconductor and Related Device Manufacturing	307	\$136,389,407	221	\$26,942,934	\$40,558,766	239	\$18,022,159	\$11,810,231	73	\$3,643,198
Advanced Manufacturing Total		\$820,647,402	1,105	\$133,747,576	\$200,234,429	979	\$68,623,992	\$53,991,732	334	\$16,658,965
Ancillary Retail										
Other Personal Services	520	\$1,861,337	62	\$2,488,490	\$355,370	2	\$116,941	\$985,990	6	\$304,787
Limited Service Restaurants	510	\$5,153,606	62	\$1,597,013	\$1,410,419	9	\$497,879	\$584,206	4	\$180,320
Retail - General Merchandise Stores	411	\$5,116,018	62	\$2,072,645	\$1,291,064	8	\$532,087	\$672,645	4	\$207,498
Ancillary Retail Total		\$12,130,962	186	\$6,158,148	\$3,056,854	19	\$1,146,907	\$2,242,841	14	\$692,604
Hotel										
Hotels and Motels	507	\$8,565,281	80	\$3,241,751	\$1,776,446	14	\$750,138	\$1,101,573	7	\$339,967
Hotel Total		\$8,565,281	80	\$3,241,751	\$1,776,446	14	\$750,138	\$1,101,573	7	\$339,967
Total Ongoing Economic Impact		\$1,588,940,136	5,438	\$454,388,403	\$445,463,311	2,572	\$162,724,944	\$170,946,648	1,064	\$52,758,277

Source: Implan; EPS.

Table C-3
Aggie Research Campus
Economic Impact Analysis
Yolo One-Time Construction Impact Estimate - All Phases

Project Uses / Development Activity	Implan Sector Equivalent	Implan Industry Code	Direct Effect			Indirect Effect			Induced Effect		
			Output	Employment	Earnings	Output	Employment	Earnings	Output	Employment	Earnings
Residential											
Medium Density Residential	Construction of New Multifamily Residential	58	\$78,089,760	529	\$46,275,316	\$7,667,310	50	\$2,721,439	\$15,349,546	95	\$4,740,768
High Density Residential	Construction of New Multifamily Residential	58	\$94,409,314	639	\$55,946,143	\$9,269,660	60	\$3,290,178	\$18,557,364	115	\$5,731,516
Total Residential			\$172,499,074	1,168	\$102,221,459	\$16,936,970	110	\$6,011,617	\$33,906,910	210	\$10,472,284
Non-Residential											
Office	Construction of New Commercial Structures	55	\$134,390,000	849	\$71,618,767	\$20,697,311	112	\$6,863,714	\$24,375,774	152	\$7,528,211
Flex/R&D	Construction of New Commercial Structures	55	\$126,840,000	802	\$67,595,240	\$19,534,541	105	\$6,478,112	\$23,006,348	143	\$7,105,277
Advanced Manufacturing	Construction of New Manufacturing Structures	51	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0
Ancillary Retail	Construction of New Commercial Structures	55	\$17,800,000	112	\$9,485,929	\$2,741,366	15	\$909,101	\$3,228,579	20	\$997,114
Hotel	Construction of New Commercial Structures	55	\$24,808,000	157	\$13,220,614	\$3,820,663	21	\$1,267,021	\$4,499,696	28	\$1,389,686
Total Non-Residential			\$303,838,000	1,920	\$161,920,551	\$46,793,881	252	\$15,517,949	\$55,110,398	343	\$17,020,288
Parking											
Commercial Structured Parking [1]	Construction of Other New Nonres. Structures	56	\$64,721,770	611	\$58,075,508	\$14,430,348	82	\$4,904,678	\$18,615,455	116	\$5,747,688
Land Development											
Site Prep / Roadways / Infrastructure	Construction of New Streets and Bridges	54	\$68,316,848	233	\$25,210,254	\$9,088,190	47	\$2,995,101	\$7,853,920	49	\$2,424,154
Total One-Time Economic Impact			\$609,375,692	3,932	\$347,427,772	\$87,249,389	491	\$29,429,345	\$115,486,682	718	\$35,664,414

Source: City of Davis; Implan; EPS.

[1] Structured parking excludes high density residential parking structures, included as part of the cost of residential construction.

**Table C-4
Aggie Research Campus
Economic Impact Analysis
Yolo On-Going Impact Employment Inputs**

Uses and Assumed Occupant Sectors [1]	Implan Industry Code	Estimated Space Share	Project Square Feet by Phase					Estimated Sq. Ft. per Employee [2]	On-Site Employment by Phase				
			Phase 1	Phase 2	Phase 3	Phase 4	All Phases		Phase 1	Phase 2	Phase 3	Phase 4	All Phases
Office													
Scientific Research and Development Services	464	40.0%	62,000	92,000	60,000	88,000	302,000	290	214	317	207	303	1,041
Marketing Research and Misc. Professional, Scientific, and Technical	468	15.0%	23,250	34,500	22,500	33,000	113,250	290	80	119	78	114	391
Custom Computer Programming Services	459	15.0%	23,250	34,500	22,500	33,000	113,250	290	80	119	78	114	391
Architectural, Engineering, and Related Services	457	15.0%	23,250	34,500	22,500	33,000	113,250	290	80	119	78	114	391
Environmental and Other Technical Consulting Services	463	10.0%	15,500	23,000	15,000	22,000	75,500	290	53	79	52	76	260
Frictional Vacancy	na	5.0%	7,750	11,500	7,500	11,000	37,750	na	-	-	-	-	-
Office Total			155,000	230,000	150,000	220,000	755,000		508	753	491	721	2,473
Flex/R&D													
Scientific Research and Development Services	464	40.0%	62,000	92,000	60,000	88,000	302,000	450	138	204	133	196	671
Marketing Research and Misc. Professional, Scientific, and Technical	468	15.0%	23,250	34,500	22,500	33,000	113,250	450	52	77	50	73	252
Custom Computer Programming Services	459	15.0%	23,250	34,500	22,500	33,000	113,250	450	52	77	50	73	252
Architectural, Engineering, and Related Services	457	15.0%	23,250	34,500	22,500	33,000	113,250	450	52	77	50	73	252
Environmental and Other Technical Consulting Services	463	10.0%	15,500	23,000	15,000	22,000	75,500	450	34	51	33	49	168
Frictional Vacancy	na	5.0%	7,750	11,500	7,500	11,000	37,750	na	-	-	-	-	-
Flex/R&D Total			155,000	230,000	150,000	220,000	755,000		327	486	317	464	1,594
Advanced Manufacturing													
Other Miscellaneous Chemical Product Manufacturing	185	20.0%	44,000	44,000	44,000	44,800	176,800	800	55	55	55	56	221
Miscellaneous Nonmetallic Mineral Products Manufacturing	214	20.0%	44,000	44,000	44,000	44,800	176,800	800	55	55	55	56	221
Pharmaceutical Preparation Manufacturing	172	20.0%	44,000	44,000	44,000	44,800	176,800	800	55	55	55	56	221
Industrial Process Variable Instruments Manufacturing	314	20.0%	44,000	44,000	44,000	44,800	176,800	800	55	55	55	56	221
Semiconductor and Related Device Manufacturing	307	20.0%	44,000	44,000	44,000	44,800	176,800	800	55	55	55	56	221
Frictional Vacancy	na	0.0%	-	-	-	-	-	na	-	-	-	-	-
Advanced Manufacturing Total			220,000	220,000	220,000	224,000	884,000		275	275	275	280	1,105
Ancillary Retail													
Other Personal Services	520	31.0%	3,100	6,200	6,200	15,500	31,000	500	6	12	12	31	62
Limited Service Restaurants	510	31.0%	3,100	6,200	6,200	15,500	31,000	500	6	12	12	31	62
Retail - General Merchandise Stores	411	31.0%	3,100	6,200	6,200	15,500	31,000	500	6	12	12	31	62
Frictional Vacancy	na	7.0%	700	1,400	1,400	3,500	7,000	na	-	-	-	-	-
Ancillary Retail Total			10,000	20,000	20,000	50,000	100,000		19	37	37	93	186
Hotel													
Hotels and Motels	507	100.0%	-	-	160,000	-	160,000	2,000	-	-	80	-	80
Hotel Total			-	-	160,000	-	160,000		-	-	80	-	80
Total			540,000	700,000	700,000	714,000	2,654,000		1,129	1,551	1,200	1,558	5,438

Source: City of Davis; Implan; EPS.

[1] The included sectors may or may not represent the eventual space occupants, but are the largest applicable sectors currently found in the project ZIP Code, 95618, encompassing the eastern half of the City of Davis. Office and flex space occupant shares represent the existing relative size of the included sectors in the ZIP Code.

[2] Square feet per employee are typical industry norms, which were used in the previous analysis. Hotel square feet per employee equals approximately 0.5 employee per room, the minimum standard for a limited service property.

Table C-5
 Aggie Research Campus
 Economic Impact Analysis
 Yolo One-Time Impact Construction Spending Inputs

Project Uses / Development Activity	Implan Sector Equivalent	Implan Industry Code	Project Square Feet / Units / Spaces by Phase					Estimated Cost per Sq. Ft. / Unit / Space (2020\$)	Estimated Construction Cost by Phase (2020\$)				
			Phase 1	Phase 2	Phase 3	Phase 4	All Phases		Phase 1	Phase 2	Phase 3	Phase 4	All Phases
Residential													
Medium Density Residential	Construction of New Multifamily Residential	58	87	125	69	-	280	\$278,892	\$24,207,826	\$34,749,943	\$19,131,991	-	\$78,089,760
High Density Residential	Construction of New Multifamily Residential	58	182	228	160	-	570	\$165,630	\$30,210,980	\$37,763,726	\$26,434,608	-	\$94,409,314
Total Residential			269	353	228	-	850		\$54,418,806	\$72,513,669	\$45,566,599	-	\$172,499,074
Non-Residential													
Office	Construction of New Commercial Structures	55	155,000	230,000	150,000	220,000	755,000	\$178	\$27,590,000	\$40,940,000	\$26,700,000	\$39,160,000	\$134,390,000
Flex/R&D	Construction of New Commercial Structures	55	155,000	230,000	150,000	220,000	755,000	\$168	\$26,040,000	\$38,640,000	\$25,200,000	\$36,960,000	\$126,840,000
Advanced Manufacturing	Construction of New Manufacturing Structures	51	220,000	220,000	220,000	224,000	884,000	na	-	-	-	-	-
Ancillary Retail	Construction of New Commercial Structures	55	10,000	20,000	20,000	50,000	100,000	\$178	\$1,780,000	\$3,560,000	\$3,560,000	\$8,900,000	\$17,800,000
Hotel	Construction of New Commercial Structures	55	-	-	160,000	-	160,000	\$155	-	-	\$24,808,000	-	\$24,808,000
Total Non-Residential			540,000	700,000	700,000	714,000	2,654,000		\$55,410,000	\$83,140,000	\$80,268,000	\$85,020,000	\$303,838,000
Parking													
Commercial Structured Parking [1]	Construction of Other New Nonres. Structures	56	-	-	916	1,172	2,088	\$31,000	-	-	\$28,382,057	\$36,339,713	\$64,721,770
Land Development													
Site Prep / Roadways / Infrastructure	Construction of New Streets and Bridges	54	na	na	na	na	na	na	\$18,663,483	\$11,001,900	\$30,566,234	\$8,085,231	\$68,316,848
Total									\$128,492,289	\$166,655,568	\$184,782,890	\$129,444,944	\$609,375,692

Source: City of Davis; Implan; EPS.

[1] Structured parking excludes high density residential parking structures, included as part of the cost of residential construction.

**Table C-6
 Aggie Research Campus
 Economic Impact Analysis
 Yolo On-Going Impacts - Economic Impact per Job for Relevant Sectors**

Sector Description	Implan Industry Code	Direct Effect			Indirect Effect			Induced Effect		
		Output	Employment	Earnings	Output	Employment	Earnings	Output	Employment	Earnings
Scientific Research and Development Services	464	\$273,570	1.00	\$96,354	\$98,865	0.60	\$36,485	\$35,639	0.22	\$10,997
Marketing Research and Misc. Professional, Scientific, and Technical	468	\$61,560	1.00	\$35,906	\$14,299	0.10	\$5,478	\$16,889	0.11	\$5,222
Custom Computer Programming Services	459	\$135,936	1.00	\$75,845	\$34,244	0.26	\$14,866	\$24,291	0.15	\$7,494
Architectural, Engineering, and Related Services	457	\$179,044	1.00	\$77,107	\$48,672	0.37	\$20,174	\$26,853	0.17	\$8,288
Environmental and Other Technical Consulting Services	463	\$87,132	1.00	\$58,286	\$20,230	0.15	\$8,651	\$20,761	0.13	\$6,412
Other Miscellaneous Chemical Product Manufacturing	185	\$774,613	1.00	\$187,832	\$141,866	0.72	\$46,859	\$65,439	0.41	\$20,197
Miscellaneous Nonmetallic Mineral Products Manufacturing	214	\$454,375	1.00	\$94,813	\$101,420	0.53	\$34,021	\$34,247	0.21	\$10,567
Pharmaceutical Preparation Manufacturing	172	\$1,608,280	1.00	\$138,222	\$414,842	1.73	\$120,725	\$68,232	0.42	\$21,051
Industrial Process Variable Instruments Manufacturing	314	\$258,923	1.00	\$62,412	\$64,386	0.37	\$27,363	\$22,949	0.14	\$7,079
Semiconductor and Related Device Manufacturing	307	\$617,147	1.00	\$121,914	\$183,524	1.08	\$81,548	\$53,440	0.33	\$16,485
Other Personal Services	520	\$30,022	1.00	\$40,137	\$5,732	0.04	\$1,886	\$15,903	0.10	\$4,916
Limited Service Restaurants	510	\$83,123	1.00	\$25,758	\$22,749	0.14	\$8,030	\$9,423	0.06	\$2,908
Retail - General Merchandise Stores	411	\$82,516	1.00	\$33,430	\$20,824	0.13	\$8,582	\$10,849	0.07	\$3,347
Hotels and Motels	507	\$107,066	1.00	\$40,522	\$22,206	0.17	\$9,377	\$13,770	0.09	\$4,250

Source: Implan; EPS.

C-6

Table C-7
Aggie Research Campus
Economic Impact Analysis
Yolo One-Time Impacts - Economic Impact per \$1,000,000 in Construction Spending

Sector Description	Implan Industry Code	Direct Effect			Indirect Effect			Induced Effect		
		Output	Employment	Earnings	Output	Employment	Earnings	Output	Employment	Earnings
Construction of New Multifamily Residential	58	\$1,000,000	6.77	\$592,591	\$98,186	0.64	\$34,850	\$196,563	1.22	\$60,709
Construction of New Commercial Structures	55	\$1,000,000	6.32	\$532,917	\$154,009	0.83	\$51,073	\$181,381	1.13	\$56,018
Construction of New Manufacturing Structures	51	\$1,000,000	5.51	\$476,597	\$171,243	0.93	\$55,858	\$160,267	1.00	\$49,489
Construction of Other New Nonresidential Structures	56	\$1,000,000	9.44	\$897,310	\$222,960	1.26	\$75,781	\$287,623	1.79	\$88,806
Construction of New Streets and Bridges	54	\$1,000,000	3.41	\$369,020	\$133,030	0.69	\$43,841	\$114,963	0.71	\$35,484

Source: Implan; EPS.

C-7

**Table C-8
 Aggie Research Campus
 Economic Impact Analysis
 Summary of Davis Economic Impacts - Ongoing and One-Time (2020\$)**

Impact Category	Economic Impacts			Total
	Direct	Indirect	Induced	
Ongoing Annual Impacts (at Buildout)				
Industry Output	\$1,588,940,136	\$102,021,483	\$19,113,120	\$1,710,074,738
Employee Compensation	\$454,388,403	\$36,986,485	\$6,145,369	\$497,520,257
Employment [1]	5,438	612	120	6,170
One-Time Construction Impacts				
Industry Output	\$542,462,284	\$9,102,242	\$18,436,086	\$570,000,613
Employee Compensation	\$322,735,415	\$3,222,364	\$5,932,633	\$331,890,412
Employment [2]	3,704	56	123	3,883

Source: Implan; EPS.

[1] Includes all full and part time jobs.

[2] Represents total job years lasting over the duration of the project. For instance, 1 laborer employed for 2 years during construction activity would represent 2 job years.

C-8

Table C-9
Aggie Research Campus
Economic Impact Analysis
Davis Ongoing Employment Impact Estimate - At Buildout

Uses and Assumed Occupant Sectors [1]	Implan Industry Code	Direct Effect			Indirect Effect			Induced Effect		
		Output	Employment	Earnings	Output	Employment	Earnings	Output	Employment	Earnings
Office										
Scientific Research and Development Services	464	\$284,889,721	1,041	\$100,341,343	\$41,635,542	229	\$14,459,448	\$3,788,892	21	\$1,217,674
Marketing Research and Misc. Professional, Scientific, and Technical	468	\$24,040,304	391	\$14,022,072	\$1,414,110	12	\$482,343	\$1,555,180	12	\$500,862
Custom Computer Programming Services	459	\$53,085,348	391	\$29,618,882	\$2,138,371	16	\$855,018	\$1,013,990	8	\$325,855
Architectural, Engineering, and Related Services	457	\$69,919,851	391	\$30,111,457	\$4,910,649	43	\$2,063,966	\$1,275,726	8	\$410,215
Environmental and Other Technical Consulting Services	463	\$22,684,264	260	\$15,174,378	\$1,334,095	10	\$556,011	\$911,840	5	\$293,440
Office Total		\$454,619,488	2,473	\$189,268,132	\$51,432,767	310	\$18,416,785	\$8,545,628	53	\$2,748,046
Flex/R&D										
Scientific Research and Development Services	464	\$183,595,598	671	\$64,664,421	\$26,831,794	148	\$9,318,311	\$2,441,730	13	\$784,724
Marketing Research and Misc. Professional, Scientific, and Technical	468	\$15,492,640	252	\$9,036,447	\$911,315	8	\$310,844	\$1,002,227	8	\$322,778
Custom Computer Programming Services	459	\$34,210,557	252	\$19,087,724	\$1,378,061	10	\$551,012	\$653,460	5	\$209,996
Architectural, Engineering, and Related Services	457	\$45,059,460	252	\$19,405,161	\$3,164,640	28	\$1,330,111	\$822,135	5	\$264,361
Environmental and Other Technical Consulting Services	463	\$14,618,748	168	\$9,779,044	\$859,750	7	\$358,318	\$587,630	3	\$189,106
Flex/R&D Total		\$292,977,003	1,594	\$121,972,796	\$33,145,561	200	\$11,868,595	\$5,507,182	34	\$1,770,963
Advanced Manufacturing										
Other Miscellaneous Chemical Product Manufacturing	185	\$171,189,369	221	\$41,510,861	\$2,073,707	13	\$771,964	\$1,753,182	11	\$563,793
Miscellaneous Nonmetallic Mineral Products Manufacturing	214	\$100,416,802	221	\$20,953,651	\$2,332,993	15	\$805,980	\$702,232	4	\$225,672
Pharmaceutical Preparation Manufacturing	172	\$355,429,880	221	\$30,547,071	\$5,517,334	24	\$1,694,765	\$907,517	7	\$291,501
Industrial Process Variable Instruments Manufacturing	314	\$57,221,943	221	\$13,793,059	\$2,182,395	15	\$1,054,714	\$397,614	2	\$127,689
Semiconductor and Related Device Manufacturing	307	\$136,389,407	221	\$26,942,934	\$4,311,487	27	\$2,026,338	\$818,381	4	\$262,840
Advanced Manufacturing Total		\$820,647,402	1,105	\$133,747,576	\$16,417,915	95	\$6,353,761	\$4,578,926	29	\$1,471,495
Ancillary Retail										
Other Personal Services	520	\$1,861,337	62	\$2,488,490	\$110,170	1	\$28,022	\$222,363	1	\$71,600
Limited Service Restaurants	510	\$5,153,606	62	\$1,597,013	\$324,140	2	\$93,381	\$67,509	1	\$21,708
Retail - General Merchandise Stores	411	\$5,116,018	62	\$2,072,645	\$191,473	1	\$62,074	\$61,298	1	\$19,691
Ancillary Retail Total		\$12,130,962	186	\$6,158,148	\$625,783	4	\$183,477	\$351,170	2	\$112,999
Hotel										
Hotels and Motels	507	\$8,565,281	80	\$3,241,751	\$399,456	4	\$163,867	\$130,214	1	\$41,866
Hotel Total		\$8,565,281	80	\$3,241,751	\$399,456	4	\$163,867	\$130,214	1	\$41,866
Total Ongoing Economic Impact		\$1,588,940,136	5,438	\$454,388,403	\$102,021,483	612	\$36,986,485	\$19,113,120	120	\$6,145,369

Source: Implan; EPS.

Table C-10
Aggie Research Campus
Economic Impact Analysis
Davis One-Time Construction Impact Estimate - All Phases

Project Uses / Development Activity	Implan Sector Equivalent	Implan Industry Code	Direct Effect			Indirect Effect			Induced Effect		
			Output	Employment	Earnings	Output	Employment	Earnings	Output	Employment	Earnings
Residential											
Medium Density Residential	Construction of New Multifamily Residential	58	\$78,089,760	529	\$46,275,316	\$954,096	7	\$353,616	\$2,735,031	18	\$880,174
High Density Residential	Construction of New Multifamily Residential	58	\$94,409,314	639	\$55,946,143	\$1,153,487	8	\$427,517	\$3,306,611	22	\$1,064,117
Total Residential			\$172,499,074	1,168	\$102,221,459	\$2,107,583	16	\$781,133	\$6,041,642	40	\$1,944,291
Non-Residential											
Office	Construction of New Commercial Structures	55	\$134,390,000	849	\$71,618,767	\$2,359,997	13	\$813,964	\$4,171,116	28	\$1,342,285
Flex/R&D	Construction of New Commercial Structures	55	\$126,840,000	802	\$67,595,240	\$2,227,413	13	\$768,236	\$3,936,784	27	\$1,266,875
Advanced Manufacturing	Construction of New Manufacturing Structures	51	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0
Ancillary Retail	Construction of New Commercial Structures	55	\$17,800,000	112	\$9,485,929	\$312,582	2	\$107,810	\$552,466	4	\$177,786
Hotel	Construction of New Commercial Structures	55	\$24,808,000	157	\$13,220,614	\$435,649	2	\$150,255	\$769,976	5	\$247,782
Total Non-Residential			\$303,838,000	1,920	\$161,920,551	\$5,335,641	30	\$1,840,265	\$9,430,342	64	\$3,034,728
Parking											
Commercial Structured Parking [1]	Construction of Other New Nonres. Structures	56	\$64,721,770	611	\$58,075,508	\$1,640,575	10	\$594,309	\$2,942,358	19	\$946,622
Land Development											
Site Prep / Roadways / Infrastructure	Construction of New Streets and Bridges	54	\$1,403,440	5	\$517,897	\$18,443	0	\$6,658	\$21,745	0	\$6,993
Total One-Time Economic Impact			\$542,462,284	3,704	\$322,735,415	\$9,102,242	56	\$3,222,364	\$18,436,086	123	\$5,932,633

Source: City of Davis; Implan; EPS.

[1] Structured parking excludes high density residential parking structures, included as part of the cost of residential construction.

**Table C-11
Aggie Research Campus
Economic Impact Analysis
Davis On-Going Impact Employment Inputs**

Uses and Assumed Occupant Sectors [1]	Implan Industry Code	Estimated Space Share	Project Square Feet by Phase					Estimated Sq. Ft. per Employee [2]	On-Site Employment by Phase				
			Phase 1	Phase 2	Phase 3	Phase 4	All Phases		Phase 1	Phase 2	Phase 3	Phase 4	All Phases
Office													
Scientific Research and Development Services	464	40.0%	62,000	92,000	60,000	88,000	302,000	290	214	317	207	303	1,041
Marketing Research and Misc. Professional, Scientific, and Technical	468	15.0%	23,250	34,500	22,500	33,000	113,250	290	80	119	78	114	391
Custom Computer Programming Services	459	15.0%	23,250	34,500	22,500	33,000	113,250	290	80	119	78	114	391
Architectural, Engineering, and Related Services	457	15.0%	23,250	34,500	22,500	33,000	113,250	290	80	119	78	114	391
Environmental and Other Technical Consulting Services	463	10.0%	15,500	23,000	15,000	22,000	75,500	290	53	79	52	76	260
Frictional Vacancy	na	5.0%	7,750	11,500	7,500	11,000	37,750	na	-	-	-	-	-
Office Total			155,000	230,000	150,000	220,000	755,000		508	753	491	721	2,473
Flex/R&D													
Scientific Research and Development Services	464	40.0%	62,000	92,000	60,000	88,000	302,000	450	138	204	133	196	671
Marketing Research and Misc. Professional, Scientific, and Technical	468	15.0%	23,250	34,500	22,500	33,000	113,250	450	52	77	50	73	252
Custom Computer Programming Services	459	15.0%	23,250	34,500	22,500	33,000	113,250	450	52	77	50	73	252
Architectural, Engineering, and Related Services	457	15.0%	23,250	34,500	22,500	33,000	113,250	450	52	77	50	73	252
Environmental and Other Technical Consulting Services	463	10.0%	15,500	23,000	15,000	22,000	75,500	450	34	51	33	49	168
Frictional Vacancy	na	5.0%	7,750	11,500	7,500	11,000	37,750	na	-	-	-	-	-
Flex/R&D Total			155,000	230,000	150,000	220,000	755,000		327	486	317	464	1,594
Advanced Manufacturing													
Other Miscellaneous Chemical Product Manufacturing	185	20.0%	44,000	44,000	44,000	44,800	176,800	800	55	55	55	56	221
Miscellaneous Nonmetallic Mineral Products Manufacturing	214	20.0%	44,000	44,000	44,000	44,800	176,800	800	55	55	55	56	221
Pharmaceutical Preparation Manufacturing	172	20.0%	44,000	44,000	44,000	44,800	176,800	800	55	55	55	56	221
Industrial Process Variable Instruments Manufacturing	314	20.0%	44,000	44,000	44,000	44,800	176,800	800	55	55	55	56	221
Semiconductor and Related Device Manufacturing	307	20.0%	44,000	44,000	44,000	44,800	176,800	800	55	55	55	56	221
Frictional Vacancy	na	0.0%	-	-	-	-	-	na	-	-	-	-	-
Advanced Manufacturing Total			220,000	220,000	220,000	224,000	884,000		275	275	275	280	1,105
Ancillary Retail													
Other Personal Services	520	31.0%	3,100	6,200	6,200	15,500	31,000	500	6	12	12	31	62
Limited Service Restaurants	510	31.0%	3,100	6,200	6,200	15,500	31,000	500	6	12	12	31	62
Retail - General Merchandise Stores	411	31.0%	3,100	6,200	6,200	15,500	31,000	500	6	12	12	31	62
Frictional Vacancy	na	7.0%	700	1,400	1,400	3,500	7,000	na	-	-	-	-	-
Ancillary Retail Total			10,000	20,000	20,000	50,000	100,000		19	37	37	93	186
Hotel													
Hotels and Motels	507	100.0%	-	-	160,000	-	160,000	2,000	-	-	80	-	80
Hotel Total			-	-	160,000	-	160,000		-	-	80	-	80
Total			540,000	700,000	700,000	714,000	2,654,000		1,129	1,551	1,200	1,558	5,438

Source: City of Davis; Implan; EPS.

[1] The included sectors may or may not represent the eventual space occupants, but are the largest applicable sectors currently found in the project ZIP Code, 95618, encompassing the eastern half of the City of Davis. Office and flex space occupant shares represent the existing relative size of the included sectors in the ZIP Code.

[2] Square feet per employee are typical industry norms, which were used in the previous analysis. Hotel square feet per employee equals approximately 0.5 employee per room, the minimum standard for a limited service property.

Table C-12
 Aggie Research Campus
 Economic Impact Analysis
 Davis One-Time Impact Construction Spending Inputs

Project Uses / Development Activity	Implan Sector Equivalent	Implan Industry Code	Project Square Feet / Units / Spaces by Phase					Estimated Cost per Sq. Ft. / Unit / Space (2020\$)	Estimated Construction Cost by Phase (2020\$)				
			Phase 1	Phase 2	Phase 3	Phase 4	All Phases		Phase 1	Phase 2	Phase 3	Phase 4	All Phases
Residential													
Medium Density Residential	Construction of New Multifamily Residential	58	87	125	69	-	280	\$278,892	\$24,207,826	\$34,749,943	\$19,131,991	-	\$78,089,760
High Density Residential	Construction of New Multifamily Residential	58	182	228	160	-	570	\$165,630	\$30,210,980	\$37,763,726	\$26,434,608	-	\$94,409,314
Total Residential			269	353	228	-	850		\$54,418,806	\$72,513,669	\$45,566,599	-	\$172,499,074
Non-Residential													
Office	Construction of New Commercial Structures	55	155,000	230,000	150,000	220,000	755,000	\$178	\$27,590,000	\$40,940,000	\$26,700,000	\$39,160,000	\$134,390,000
Flex/R&D	Construction of New Commercial Structures	55	155,000	230,000	150,000	220,000	755,000	\$168	\$26,040,000	\$38,640,000	\$25,200,000	\$36,960,000	\$126,840,000
Advanced Manufacturing	Construction of New Manufacturing Structures	51	220,000	220,000	220,000	224,000	884,000	na	-	-	-	-	-
Ancillary Retail	Construction of New Commercial Structures	55	10,000	20,000	20,000	50,000	100,000	\$178	\$1,780,000	\$3,560,000	\$3,560,000	\$8,900,000	\$17,800,000
Hotel	Construction of New Commercial Structures	55	-	-	160,000	-	160,000	\$155	-	-	\$24,808,000	-	\$24,808,000
Total Non-Residential			540,000	700,000	700,000	714,000	2,654,000		\$55,410,000	\$83,140,000	\$80,268,000	\$85,020,000	\$303,838,000
Parking													
Commercial Structured Parking [1]	Construction of Other New Nonres. Structures	56	-	-	916	1,172	2,088	\$31,000	-	-	\$28,382,057	\$36,339,713	\$64,721,770
Land Development													
Site Prep / Roadways / Infrastructure	Construction of New Streets and Bridges	54	na	na	na	na	na	na	\$326,108	\$403,488	\$384,515	\$289,330	\$1,403,440
Total									\$110,154,914	\$156,057,156	\$154,601,171	\$121,649,042	\$542,462,284

Source: City of Davis; Implan; EPS.

[1] Structured parking excludes high density residential parking structures, included as part of the cost of residential construction.

C-12

Table C-13
Aggie Research Campus
Economic Impact Analysis
Davis On-Going Impacts - Economic Impact per Job for Relevant Sectors

Sector Description	Implan Industry Code	Direct Effect			Indirect Effect			Induced Effect		
		Output	Employment	Earnings	Output	Employment	Earnings	Output	Employment	Earnings
Scientific Research and Development Services	464	\$273,570	1.00	\$96,354	\$39,981	0.22	\$13,885	\$3,638	0.02	\$1,169
Marketing Research and Misc. Professional, Scientific, and Technical	468	\$61,560	1.00	\$35,906	\$3,621	0.03	\$1,235	\$3,982	0.03	\$1,283
Custom Computer Programming Services	459	\$135,936	1.00	\$75,845	\$5,476	0.04	\$2,189	\$2,597	0.02	\$834
Architectural, Engineering, and Related Services	457	\$179,044	1.00	\$77,107	\$12,575	0.11	\$5,285	\$3,267	0.02	\$1,050
Environmental and Other Technical Consulting Services	463	\$87,132	1.00	\$58,286	\$5,124	0.04	\$2,136	\$3,502	0.02	\$1,127
Other Miscellaneous Chemical Product Manufacturing	185	\$774,613	1.00	\$187,832	\$9,383	0.06	\$3,493	\$7,933	0.05	\$2,551
Miscellaneous Nonmetallic Mineral Products Manufacturing	214	\$454,375	1.00	\$94,813	\$10,557	0.07	\$3,647	\$3,178	0.02	\$1,021
Pharmaceutical Preparation Manufacturing	172	\$1,608,280	1.00	\$138,222	\$24,965	0.11	\$7,669	\$4,106	0.03	\$1,319
Industrial Process Variable Instruments Manufacturing	314	\$258,923	1.00	\$62,412	\$9,875	0.07	\$4,772	\$1,799	0.01	\$578
Semiconductor and Related Device Manufacturing	307	\$617,147	1.00	\$121,914	\$19,509	0.12	\$9,169	\$3,703	0.02	\$1,189
Other Personal Services	520	\$30,022	1.00	\$40,137	\$1,777	0.01	\$452	\$3,587	0.02	\$1,155
Limited Service Restaurants	510	\$83,123	1.00	\$25,758	\$5,228	0.03	\$1,506	\$1,089	0.01	\$350
Retail - General Merchandise Stores	411	\$82,516	1.00	\$33,430	\$3,088	0.02	\$1,001	\$989	0.01	\$318
Hotels and Motels	507	\$107,066	1.00	\$40,522	\$4,993	0.05	\$2,048	\$1,628	0.01	\$523

Source: Implan; EPS.

C-13

Table C-14
Aggie Research Campus
Economic Impact Analysis
Davis One-Time Impacts - Economic Impact per \$1,000,000 in Construction Spending

Sector Description	Implan Industry Code	Direct Effect			Indirect Effect			Induced Effect		
		Output	Employment	Earnings	Output	Employment	Earnings	Output	Employment	Earnings
Construction of New Multifamily Residential	58	\$1,000,000	6.77	\$592,591	\$12,218	0.09	\$4,528	\$35,024	0.23	\$11,271
Construction of New Commercial Structures	55	\$1,000,000	6.32	\$532,917	\$17,561	0.10	\$6,057	\$31,037	0.21	\$9,988
Construction of New Manufacturing Structures	51	\$1,000,000	5.51	\$476,597	\$17,720	0.12	\$6,135	\$25,480	0.17	\$8,198
Construction of Other New Nonresidential Structures	56	\$1,000,000	9.44	\$897,310	\$25,348	0.16	\$9,183	\$45,462	0.30	\$14,626
Construction of New Streets and Bridges	54	\$1,000,000	3.41	\$369,020	\$13,141	0.08	\$4,744	\$15,494	0.10	\$4,983

Source: Implan; EPS.

C-14

ATTACHMENT 3

**FINANCE AND BUDGET COMMISSION AD HOC SUBCOMMITTEE
MEMORANDUM**

Ad Hoc Subcommittee of Finance and Budget Commission
Submittal on Aggie Research Campus (ARC)

To: City Planning Staff, City Finance Staff, and Council Liaisons Carson and Partida
From: Douglas Buzbee, Raymond Salomon, and Michelle Weiss

Date: May 17, 2020

We appreciate the opportunity to spend more time synthesizing the inputs we received on the EPS Fiscal Impact report and are providing in this memo three parts:

- **Part One** consists of a set of essential questions that may require some work on the part of EPS or City Staff. We are asking for the information we believe is essential to provide a comprehensive picture of the fiscal impact of this development proposal. We would appreciate responses to these questions in time to be included in the FBC packet for our May 27th meeting.
- **Part Two** consists of comments for the City Council and Planning staff that relate to financial matters that are relevant to negotiating the Development Agreement.
- **Part Three** consists of additional comments relative to economic or fiscal matters.

Part One - Questions:

- **Number of Employees:** We would like to ask EPS to review the data around number of City of Davis employees as it appears that the number is inflated by UC Davis employees working on campus which is outside the city limits. If this number is inflated then we would ask for the model to be re-run with a more accurate persons served calculation, See Table B-2.
- **Reconciliation:** The 2015 fiscal Impact analysis by EPS of the then “MRIC” revealed a less favorable fiscal picture than the ARC 2020 analysis. We recognize that there are some differences in the projects, but could EPS provide a financial reconciliation of the difference between the two? We stress the term high-level as we are focused more on differences in assumptions and methodology rather than exact numbers. We seek an explanation that conveys the essence of the difference between the two projects fiscally.
- **Non-Profit:** While there is no explicit mention of either UCD or another non-profit, and therefore tax exempt organization, as a key tenant for the ARC, there appears to be a strong

desire as witnessed by the naming of the development as “Aggie” to show an affiliation in some way with UCD. When questioned the EPS team believed that the marketing pull of a UC as a tenant would more than offset any revenue loss, but they did not model UCD or any non-profit in the mix. In addition, major commercial and industrial firms often seek substantial property tax abatements and other incentives in exchange for bringing jobs to an area. Therefore, we suggest that EPS model a 5%, as they did with the MRIC analysis, and a 10% mix of non-profit or tax-exempt entities.

- **Property Valuation:** We would like to see a more conservative assumption for property valuation given both the substantial increase from the MRIC property value per square foot modeling and present economic realities. We would also like to see support for the valuations (e.g., anything that may have been gathered for the property valuations in the model that may have been obtained as part of model development).
- **Affordable Housing:** The analysis assumes the payment of fees in lieu of including affordable housing. We would like to see a scenario in which rather than paying the fee, affordable housing in line with city guidance/requirements is included in the analysis.
- **Capital Replacement Costs:** During the presentation, EPS discussed with the FBC the possibilities to account for, and ultimately reserve funds for, the future costs of repair and replacement of project infrastructure such as roads, sewer and drainage infrastructure (e.g. lift stations), park and street lighting, and landscaping. Possibilities discussed included a maintenance/repair/replacement CFD, a landscape and lighting district, and an owners’ association that would reserve funds for infrastructure replacement. What is EPS's recommendation on how the City should account and reserve funds for long-term capital repair and replacement of project infrastructure?
- **Property Tax:** Property tax is an important component of the analysis as it represents 45% of project revenue at build-out. We would like to see a more conservative split of allocated property tax for all elements of property tax (i.e., including the East Davis Fire District and the County Road District #2) done with a 50/50 city county split.
- **Capital Improvement Costs:** We would like to see the effect of adding Capital Improvement Costs to the model as the ARC project would result in more people being served by the infrastructure and amenities of the city. Further the addition of these people would result in additional wear and tear. Our suggestion for modeling this would be to take 5.4% (4,523 additional people divided by 83,710 people served = 5.4%) of the Capital Improvement budget as an expenditure. We are certainly open to other ways to model this.
- **Variable Costs:** We would like to see the effect of modeling city department costs at 100% (vs. 75%) of the average per person costs given:
 - Overhead costs and other fixed costs would likely increase due to the effect of increased volume (e.g., more wear and tear on facilities, more equipment required due to the number of employees).
 - While it is true, for example, that there would still be a single police chief, it’s also likely that s/he (and his/her managers and support staff) would reasonably seek a salary

increase reflecting a larger department with more employees, more responsibility, and peer comparators from cities of greater size.

- **Substitution:** We would like to see the potential substitution modeled as the SEIR indicated that more than 313,000 sq. ft. of existing space would potentially become vacant as a result of competition from the ARC (page 3-181). The SEIR further noted *“ALH Economics concluded that the illustrative analysis suggests that regardless of the amount of space, some increment of existing office and industrial space is at risk of sustained vacancy following development of the ARC Project.”* (page 3-182).
- **Developer Financial Sensitivity:** We believe that it would help the city in negotiating to understand the sensitivity of the analysis to additional capital investment at each stage of the project. For example, what is the effect of \$5M of additional investment at the beginning phase. Understanding the effect of changes to the project on the developer’s return could prove very useful.

Part Two – Development Agreement (DA):

- **Compensation:** There are a number of city assets, including 6.8 acres of City open space, being utilized by the applicant. We would expect to see in the DA an external appraisal of any assets and fair market compensation for them.
- **Tax Exempt Organizations:** We suggest that the City protect itself from any property tax reduction by writing in language to the development agreement to shield the city from lease or acquisition by entities exempt from paying property taxes.
- **Uncertainty:** While the overall project on both a leveraged and an unleveraged basis look to have a healthy return for the developers, in the EPS report they state that “Phases 1 and 2 rates of return are significantly stronger than for those of Phases 3 and 4.” We suggest that the City assess any risk here to best ensure that the project gets built out over the >20 year time horizon so that Davis gets the full fiscal benefits. One way to do that would be to consider a different phasing of the housing perhaps moving more into the latter phases to provide the target return in all phases.

Part Three – Other:

- **COVID-19:** We recognize that the EPS analysis was done prior to the global pandemic and that it would be very difficult to forecast the effects of COVID-19 on the model. However, it is our new reality and tough to ignore. Unless it is believed that a full economic recovery will take place prior to completion (and thus property tax valuation of the initial construction) it’s reasonable to assume follow-on effects in the overall economy will affect at least initial demand for ARC

property, and thus the underlying valuation. As property tax increases are capped at 2% regardless of any increase in the value of the underlying property (i.e., as a result of economic recovery), any shortfalls in initial valuation would roll through the financial model.

- **Semiconductor Manufacturing:** Calling out semiconductor manufacturing as a potential onsite user of the advanced manufacturing site did raise concerns from citizens as it does involve potentially toxic and carcinogenic chemicals albeit it can be “clean” manufacturing if removal of potential hazards is done correctly. While not specifically part of a DA, the city may want to be sure that any additional costs for safety and inspection and training of fire personnel if such an entity were to be part of ARC, were borne by others and not passed on to the city.
- **Impact Fees:** FBC has no way to assess that the impact fees and construction taxes outlined in Table 4 of the EPS report are sufficient to cover future costs such as the roadway improvements. We assume that the city will do appropriate analysis on these to ensure that is a “good deal” for the city.
- **Innovation:** Members of the FBC who are actively engaged with innovation specifically around technology believe there is not much in the proposal to encourage innovation. Specifically, how it helps small business (1-50 employees) especially those working on technology transfer. It would be good to tie this to other initiatives in the city for innovation/entrepreneurship perhaps by negotiating a portion of the build out to be designated to incubate new entrepreneurs and start-ups based in Davis.

ATTACHMENT 4
EPS RESPONSE TO THE FINANCE AND BUDGET COMMISSION

DRAFT RESPONSE MEMORANDUM

To: Ash Feeney, Sherri Metzker, and Kellie Bruton
From: David Zehnder and Tom Martens
Subject: Response to FBC ARC Ad Hoc Subcommittee Questions
(with revised Base Case)
Date: May 27, 2020

The Economics of Land Use



EPS has reviewed the questions provided by the ARC Ad Hoc Subcommittee regarding the ARC Fiscal Impact Analysis that was presented on May 11, 2020. Your comments and our discussion on these matters is reflected in some of the answers as noted in the memorandum. EPS's answers to each of the questions included in Part 1 of the document are provided below.

- 1. Number of Employees:** We would like to ask EPS to review the data around number of City of Davis employees as it appears that the number is inflated by UC Davis employees working on campus which is outside the city limits. If this number is inflated then we would ask for the model to be re-run with a more accurate persons served calculation, See Table B-2.

EPS Response

Employment measurements can either track employed residents, also referred to as employed labor force, or they can track what is known as "at-place" employment. Employed resident/labor force figures are based on where job holders or potential job holders live, regardless of where they work, while at-place employment figures are based on where job-holders work, regardless of where they live. The Persons-Served calculation uses an at-place employment estimate to account for the working population within the city, sometimes referred to as daytime population.

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At-place employment data for sub-county geographies is neither as readily available nor as frequently updated by collecting agencies as employed resident data; therefore, private data subscription services, such as ESRI/BAO, are frequently relied upon for updated estimates, particularly at the sub-county level. As one of the best regarded such data subscription services, ESRI/BAO was utilized by EPS for both the 2015 MRIC analysis and the current ARC analysis.

However, EPS has followed up with ESRI and its subsequent internal review identified an anomaly in the data it relied upon; specifically, what appears to be a “shell” company with a Davis address. The ESRI employment estimate has not been updated since this issue was identified, so a decision was made to use the same employment number that was used in the 2015 MRIC analysis. All fiscal impact analysis has subsequently been re-run using the 2015 employment number in the determination of Persons Served.

Using the 2015 City of Davis employment number to calculate the citywide Persons Served results in an increase of City expenditures of \$37,000 at the end of Phase 1, increasing to \$148,000 at Project buildout. Revenues increased slightly as well due to the change (\$28,000 at buildout). The net fiscal impact at buildout is reduced from a surplus of \$5.44 million annually to \$5.32 million annually. The revised net fiscal impact summary table is shown in **Table 1** below.

Table 1. Revised Net Fiscal Impact

Impact Category	Annual Project Fiscal Impact at Phase Completion (\$M)			
	Phase 1	Phase 2	Phase 3	Phase 4 / Buildout
Revenues [1]	\$1.65	\$3.82	\$6.53	\$8.07
Expenditures	\$0.69	\$1.63	\$2.29	\$2.75
Net Fiscal Impact	\$0.96	\$2.20	\$4.25	\$5.32

Source: City of Davis; EPS.

- 2. Reconciliation:** The 2015 Fiscal Impact Analysis by EPS of the then “MRIC” revealed a less favorable fiscal picture than the ARC 2020 analysis. We recognize that there are some differences in the projects, but could EPS provide a financial reconciliation of the difference between the two? We stress the term high-level as we are focused more on differences in assumptions and methodology rather than exact numbers. We seek an explanation that conveys the essence of the difference between the two projects fiscally.

EPS Response

Two of the largest components of the increased revenue from the Project over MRIC are Property Taxes and Sales and Use Taxes, as described below.

Property Tax

The residential component of the current Project contributes an additional \$400 million in assessed value that was not part of MRIC. Office and R&D valuation is about \$177 million more than MRIC due to a combination of higher rents found in the market and an additional 150,000 square feet.

In addition to the increased valuation estimate, the City's assumed allocation of the ad valorem tax revenue is significantly higher, based on the experience gained in the recent West Davis Active Adult Retirement Community (WDAARC) annexation. The previous MRIC analysis did not include the County Road District #2 allocation or the East Davis Fire District allocation. In the WDAARC annexation both of these funds, comprising over 12 percent of the ad valorem tax levy, were transferred to the City General Fund. The same conditions would apply to the ARC annexation, so these funds have been assumed transferred to the City.

Additionally, the MRIC analysis split the County General Fund and ACO Fund between the City and County after removing the County's ERAF share, which is significant. The City and County have considerably different ERAF shifts and the City portion of the divided funds would be subject to the City's ERAF shift rate, not the County's.

The total property tax revenue to the City increased from \$381,000 in the 2015 MRIC analysis to \$2.7 million in the current ARC analysis, a total increase of \$2.3 million in gross revenue to the City. The increase in assessed valuation accounts for 15 percent of the increase in property tax revenue to the City, with the bulk due to the City's increased share of the ad valorem tax.

Sales and Use Tax

Sales and Use Tax revenues have increased from \$993,000 (\$744,000 plus \$248,000 in property tax in-lieu of sales tax "Triple Flip" reimbursement) in the MRIC analysis to about \$2.2 million in the current ARC analysis. Retail sales within the Project are roughly the same as the MRIC analysis, with a somewhat higher assumed sales volume per square foot offsetting a reduction in retail square footage. The addition of new household spending citywide from the Project's residential units provides an additional \$17 million in taxable sales off-site. However, the overall amount subject to Sales and Use Tax has only increased from \$99 million to \$111 million between 2015 and 2020. The primary driver for the increase in Sales and Use Tax is the addition of Measure Q, which essentially doubled the City's sales tax rate. When the MRIC analysis was completed, Measure Q's predecessor, Measure O, was omitted due to its approaching sunset date. Measure Q will run throughout the Project timeline.

These changes in total result in an increase of gross revenues to the City of \$1.2 million above what had been forecasted in the MRIC 2015 analysis.

- 3. Non-Profit:** While there is no explicit mention of either UCD or another non-profit — and therefore tax exempt organization — as a key tenant for the ARC, there appears to be a strong desire as witnessed by the naming of the development as "Aggie" to

show an affiliation in some way with UCD. When questioned, the EPS team believed that the marketing pull of UC as a tenant would more than offset any revenue loss, but EPS did not model UCD or any non-profit in the mix. In addition, major commercial and industrial firms often seek substantial property tax abatements and other incentives in exchange for bringing jobs to an area. Therefore, we suggest that EPS model a 5 percent, as was done with the MRIC analysis, and a 10 percent mix of non-profit or tax-exempt entities.

EPS Response

EPS tested the 10 percent non-profit or tax-exempt scenario by reducing 10 percent of the square footage of office and R&D space that generates property tax as well as business-to-business sales and use tax revenues. Revenues generated by the residential units, the retail space, and the advanced manufacturing were assumed unaffected. Additionally, municipal expenditures were not adjusted; however, it is possible some of these could shift to other entities depending on the tax-exempt occupant. By the end of Phase 4 (buildout), the 10 percent tax-exempt scenario results in a reduction of property tax revenue from \$2.723 million to \$2.611 million, and a reduction of sales and use tax revenue from \$2.229 million to \$2.173 million. The net fiscal surplus declines from \$0.96 million to \$0.91 million at the end of Phase 1, and from \$5.32 million to \$5.12 million at buildout. The 5 percent scenario would halve those reductions.

In discussions with City staff, they noted that the city-county-campus MOU signed in 2018 contains provisions ending master leases of residential property and halting any further loss of property taxes from the ones that exist. Staff further noted to hedge against this for new projects where a Development Agreement is requested, several recently negotiated Development Agreements contain a provision requiring the developer/property owner to record a covenant on title stipulating a permanent obligation for the property owner to make payments to the City in lieu of the City's share of otherwise-required property taxes in the event that the Property is acquired or master leased by an entity exempt from payment of property taxes. The developer has publicly acknowledged this and committed to such a provision being part of the Development Agreement. This is consistent with the Ad Hoc Subcommittee suggestion that such provisions be included in a DA for ARC.

- 4. Property Valuation:** We would like to see a more conservative assumption for property valuation given both the substantial increase from the MRIC property value per square foot modeling and present economic realities. We would also like to see support for the valuations (e.g., anything that may have been gathered for the property valuations in the model that may have been obtained as part of model development).

EPS Response

Reducing the overall property valuation by 10 percent across uses reduces the property tax by \$65,000 at the end of Phase 1 and by \$272,000 at Project buildout, reducing the net fiscal surplus from \$5.32 million at buildout to \$4.95 million. Further sensitivity testing with residential valuation remaining the same and non-residential valuation reduced by 20 percent reduces the property tax by \$71,000 at the end of Phase 1 and by \$348,000 at Project buildout, reducing the net fiscal surplus from \$5.32 million at buildout to \$4.86 million.

The inputs into the calculation of value are in Table A-6, the Residual Land Value Calculation that was used in the Pro Forma Analysis. For most of the commercial uses in the analysis, the property valuation is determined using a capitalized income approach. Rent is a key driver of value for this. The rents assumed in the analysis are \$2.92 per square foot per month (\$35 annually) for office space and \$2.33 per square foot per month (\$28 annually) for flex/R&D and retail space. The office uses are modeled assuming full-service rents, with a corresponding deduction of operating expenses equal to 30 percent of rent from the net operating income.

The Technical Memorandum that accompanied the analysis includes key recent comparables. Supplemental information for the office and flex/R&D space includes the following: Rents for space comparable to the proposed flex/R&D use at ARC can be found in a few properties on Drew Avenue in Davis, with asking rates of \$30 per square foot annually for buildings ranging from 14 to 30 years old. Other comparable locations include a newer office building on 2nd Street at G Street in Davis with recent lease rates ranging from \$30 to \$44 per square foot, and current asking rent of \$34 per square foot. Elsewhere in the market, office space that is currently being marketed to similar types of tenants anticipated for ARC can be found in the Ice Blocks project on R Street in Midtown, Sacramento. Spaces there are asking \$36 to \$44 annually per square foot.

The advanced manufacturing uses are valued using the same per square foot value used in the 2015 MRIC analysis. These uses can vary significantly in value depending on the user, so the conservative assumption was used.

The residential sales prices and rents are based on the sales and rental comparables listed in the Technical Memorandum that accompanied the analysis.

Development costs and land prices in Davis are not conducive to attracting businesses seeking the lowest operating costs. Rather, businesses that seek to be in Davis do so for specific reasons, such as proximity to educated workers and related businesses. The Project is intended to build on these attributes and attract tenants that value being near UC Davis and being part of a R&D focused campus environment.

- 5. Affordable Housing:** The analysis assumes the payment of fees in lieu of including affordable housing. We would like to see a scenario in which rather than paying the fee, affordable housing in line with city guidance/requirements is included in the analysis.

EPS Response

The decision to use the in-lieu fee for purposes of financial feasibility was made in conjunction with City staff, since it represents the level of financial commitment required of a developer to meet the City's affordable housing requirements. The purpose behind using a fee number was to apply an affordable housing cost to the project. The actual method for meeting the affordable housing requirement can have many variations but will be determined during the planning/approvals process. According to our discussions with the City, this is a policy matter that relates to land-use and housing policy, which are the purview of other advisory commissions. The Baseline Project Features and the Development Agreement will resolve how the project complies with this requirement.

- 6. Capital Replacement Costs:** During the presentation, EPS discussed with the FBC the possibilities to account for, and ultimately reserve funds for, the future costs of repair and replacement of project infrastructure such as roads, sewer and drainage infrastructure (e.g. lift stations), park and street lighting, and landscaping. Possibilities discussed included a maintenance/repair/replacement CFD, a landscape and lighting district, and an owners' association that would reserve funds for infrastructure replacement. What is EPS's recommendation on how the City should account and reserve funds for long-term capital repair and replacement of project infrastructure?

EPS Response

Most capital replacement costs in the City are covered on a pay-as-you-go basis and it is assumed that any extra repair and replacement burden ARC residents and workers place on infrastructure throughout the city would be funded similarly. Establishing a requirement for a separate reserve fund for infrastructure for each development project would tie up funds that could be used to meet a higher priority for city needs. The sizeable fiscal surplus could be used to support these costs, as well as help the City to address its current shortfall. EPS recommends using the pay-as-you-go basis considering the sizable fiscal surplus the Project is expected to produce.

- 7. Property Tax:** Property tax is an important component of the analysis as it represents 45% of project revenue at build-out. We would like to see a more conservative split of allocated property tax for all elements of property tax (i.e., including the East Davis Fire District and the County Road District #2) done with a 50/50 city county split.

EPS Response

There has been a Davis annexation example since the MRIC analysis was completed, the West Davis Active Adult Community (WDAAC). In that annexation, East Davis Fire District and County Road District #2 Funds were allocated to the City and the same outcome is anticipated with the ARC annexation, since the annexation would remove the property from these two districts. State annexation policy links the allocation of tax revenues with the provision of public services that would be supported by those revenues. By way of example, since the City of Davis would bear the responsibility for providing fire services for ARC after annexation, it is a reasonable assumption for it to be allocated the property tax revenues to support this obligation. The county, in contrast, would not bear any responsibility for fire protection if annexation occurs. It would be illogical and problematic for it to receive fire district revenues once the land was annexed to the City of Davis.

EPS does recognize that the outcomes for a tax-sharing agreement has the possibility to differ from the 50/50 split included in the analysis. In conversations with staff, given past negotiations that resulted in a 50/50 split, this is the assumption that is recommended for the analysis. For the current County General Fund and ACO Fund, three scenarios for the split between City and County were tested: 40 percent City / 60 percent County; 50 percent City / 50 percent County (base case); and 60 percent City / 40 percent County. Property tax scenario impacts to final net fiscal impacts are presented in **Table 2** below.

Table 2. Property Tax Split Comparison

Impact Category	Annual Project Fiscal Impact at Phase Completion (\$M)			
	Phase 1	Phase 2	Phase 3	Phase 4 / Buildout
Expenditures	\$0.69	\$1.63	\$2.29	\$2.75
40 City / 60 County Split				
Revenues	\$1.57	\$3.65	\$6.28	\$7.76
Net Fiscal Impact	\$0.88	\$2.03	\$3.99	\$5.01
50 City / 50 County Split - Base Case				
Revenues	\$1.65	\$3.82	\$6.53	\$8.07
Net Fiscal Impact	\$0.96	\$2.20	\$4.25	\$5.32
60 City / 40 County Split				
Revenues	\$1.72	\$4.00	\$6.79	\$8.39
Net Fiscal Impact	\$1.03	\$2.37	\$4.50	\$5.64

Source: City of Davis; EPS.

- 8. Capital Improvement Costs:** We would like to see the effect of adding Capital Improvement Costs to the model as the ARC project would result in more people being served by the infrastructure and amenities of the city. Further the addition of

these people would result in additional wear and tear. Our suggestion for modeling this would be to take 5.4% (4,523 additional people divided by 83,710 people served = 5.4%) of the Capital Improvement budget as an expenditure. We are certainly open to other ways to model this.

EPS Response

Allocating the cost of capital expenditures to the Project on a Persons Served basis, in the same manner as they are for various operating expenditures would reduce the net fiscal surplus at buildout by \$386,000; with a resulting fiscal surplus of \$4.94 million. The Project also pays development impact fees to offset impact of new development on existing infrastructure and facilities. As discussed at the May 11 FBC hearing, the assumptions for the Project modeling not only cover future maintenance of internal infrastructure but also is forecasted to contribute revenues that could be used to address infrastructure deficiencies elsewhere in the City. Additionally, roadway maintenance would be required in the rest of the city regardless of the new persons at ARC. A fair portion of that is likely due to students, faculty and staff that do not reside or work within the City of Davis. The Project's fiscal surplus can help fund some of that expense.

- 9. Variable Costs:** We would like to see the effect of modeling city department costs at 100% (vs. 75%) of the average per person costs given:
- Overhead costs and other fixed costs would likely increase due to the effect of increased volume (e.g., more wear and tear on facilities, more equipment required due to the number of employees).
 - While it is true, for example, that there would still be a single police chief, it's also likely that s/he (and his/her managers and support staff) would reasonably seek a salary increase reflecting a larger department with more employees, more responsibility, and peer comparators from cities of greater size.

EPS Response

The decision was made in consultation with City staff to use a standard assumption of 75 percent variability in municipal expenditures, to reflect the fact that not all departmental cost items would be impacted by the Project. The analysis assumes that city services would be provided efficiently and effectively to ARC residents and workers. The proposal to model all costs at 100%, is to assume much higher costs to provide City services, is not justified. Most city departments have fixed costs that do not change as the city grows and variable costs that do change along with its population. The question proposes that the City assume that no departmental costs are fixed and thus that 100% of the average cost of providing services to each person served be allocated to the ARC project. The model assumes that about 25% of departmental costs are fixed and 75% are variable, which EPS believes to be the reasonable and appropriate way to model this.

However, to test the impact of different levels of variability, some alternative assumptions were used in the fiscal impact model. These included a scenario with Police and Fire at 100 percent variability, with the other departments remaining at 75 percent, and a more extreme scenario with all departments modeled at 100 percent variability. The results of the sensitivity analysis are shown in **Table 3** below.

Table 3. Expenditure Variability Comparison

Impact Category	Annual Project Fiscal Impact at Phase Completion (\$M)			
	Phase 1	Phase 2	Phase 3	Phase 4 / Buildout
Revenues	\$1.65	\$3.82	\$6.53	\$8.07
Base Case - 75% Variable Costs				
Expenditures	\$0.69	\$1.63	\$2.29	\$2.75
Net Fiscal Impact	\$0.96	\$2.20	\$4.25	\$5.32
Police and Fire at 100% Variable				
Expenditures	\$0.82	\$1.92	\$2.71	\$3.25
Net Fiscal Impact	\$0.83	\$1.90	\$3.83	\$4.82
All Cost Categories at 100% Variable				
Expenditures	\$0.93	\$2.17	\$3.05	\$3.67
Net Fiscal Impact	\$0.72	\$1.65	\$3.48	\$4.41

Source: City of Davis; EPS.

10. Substitution: We would like to see the potential substitution modeled as the SEIR indicated that more than 313,000 sq. ft. of existing space would potentially become vacant as a result of competition from the ARC (page 3-181). The SEIR further noted "ALH Economics concluded that the illustrative analysis suggests that regardless of the amount of space, some increment of existing office and industrial space is at risk of sustained vacancy following development of the ARC Project." (page 3-182).

EPS Response

We believe it is highly unlikely that 313,000 sq. ft. would become vacant at the same time. For that scenario to occur, the SEIR states that half of all innovation sector tenants currently located in Davis would need to relocate to ARC. Aside from the obligations of these entities' 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. 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 vacancy rates, suggesting that current conditions inhibit potential economic activity within the city.

City staff also noted that the Davis Downtown Business Association and Davis Chamber of Commerce submitted letters of support to the FBC. These organizations are comprised of business and property owners in the City. These two organizations would raise cannibalization if they were concerned with it as their members have a direct stake in that situation. 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.

11. Developer Financial Sensitivity: We believe that it would help the city in negotiating to understand the sensitivity of the analysis to additional capital investment at each stage of the project. For example, what is the effect of \$5M of additional investment at the beginning phase. Understanding the effect of changes to the project on the developer’s return could prove very useful.

EPS Response

To test the impact of changes to capital investment, additions were made to the upfront capital costs in the pro forma analysis. The amount added to upfront capital cost by phase for each sensitivity test is shown in **Table 4** below, with the resulting leveraged and unleveraged IRRs.

Table 4. Financial Return Sensitivity Tests

Rate of Return Measure	Phase 1	Phase 2	Phase 3	Phase 4	Overall
Base Case					
Unleveraged IRR	13.7%	17.0%	9.3%	8.9%	13.3%
Leveraged IRR	22.2%	28.3%	14.9%	11.6%	22.5%
\$5 Million Added Cost Phase 1 Only					
Unleveraged IRR	12.3%	17.0%	9.3%	8.9%	12.7%
Leveraged IRR	19.2%	28.3%	14.9%	11.6%	20.6%
\$5 Million Added Cost Each Phase					
Unleveraged IRR	12.3%	15.7%	8.5%	8.4%	12.1%
Leveraged IRR	19.2%	25.3%	13.0%	10.7%	19.7%
\$10 Million Added Cost Phases 1 & 2					
Unleveraged IRR	11.1%	14.6%	9.3%	8.9%	11.5%
Leveraged IRR	16.8%	23.0%	14.9%	11.6%	18.0%

Source: EPS.

It should be noted that the development costs in Phase 3 and Phase 4 include the construction of parking garages. It is likely that Transit Demand Management tools coupled with future transit options would result in less parking demand than what is modeled. The Project will be incentivized to explore other tools before constructing a parking garage. The Project pro forma modeling anticipates parking garage construction in Phase 3 to be \$28 million and in Phase 4 to be \$36 million (both in

2020\$). Should those requirements be reduced by 50%, the overall IRR improves significantly for those respective phases as demonstrated in **Table 5**, below.

Table 5. Parking Financial Return Sensitivity Test

Rate of Return Measure	Phase 1	Phase 2	Phase 3	Phase 4	Overall
Base Case					
Unleveraged IRR	13.7%	17.0%	9.3%	8.9%	13.3%
Leveraged IRR	22.2%	28.3%	14.9%	11.6%	22.5%
50% Parking Cost Reduction Phases 3 & 4					
Unleveraged IRR	13.7%	17.0%	12.2%	11.2%	14.2%
Leveraged IRR	22.2%	28.3%	23.0%	15.2%	23.4%

Source: EPS.

Additional Responses

COVID—19 Impact

It is very difficult to say at this time what the impact of COVID-19 will be on the fiscal impact of the Project. The fiscal impact has been analyzed at the end of each of the four phases, all in 2020 dollars and based on the 2019-20 Budget. Following a slower start than originally anticipated, the Project could be operating as projected by the time Phase 1 is complete. Since the fiscal analysis is in constant dollars, any delay in and of itself will not impact the results.

In an exceedingly pessimistic scenario, where Phase 1 values are only 80 percent of their pre-COVID projections, overall values by the end of Phase 4 would be back to 98 percent, assuming that Phases 2 through 4 were at their previous estimates of value. While the Phase 1 net fiscal impact from such a scenario would be a net surplus of \$0.78 million instead of \$0.96 million, by the end of Phase 4, the surplus is \$5.26 million instead of \$5.32 million.

Semiconductor Manufacturing

There has been some misinterpretation regarding the industry sectors that were included in the estimate of economic impact multipliers for the advanced manufacturing use. The sectors were chosen to be representative of industries representing the high-tech sector. Their inclusion does not imply that they are planned or recommended, but to provide samples of industry behavior in terms of employment and subsector purchasing behavior. The impact multipliers of these comparable industries were averaged together to develop a set of multipliers to estimate of the impact of advanced manufacturing uses.

City staff noted that should the City desire to potentially allow for this use, tools such as a Conditional Use Permit could be required to ensure a higher level of scrutiny is applied to ensure no public nuisance or safety hazards are presented. This is a land-use planning matter that is of the purview of the Planning Commission and City Council.

ATTACHMENT 5
COMMISSION RECOMMENDATIONS IN NARRATIVE FORM

Commission Meeting Summary in Narrative Format

Open Space and Habitat Commission Meeting Summary

At the November 4, 2019 Open Space and Habitat meeting, the Commission was asked to approve the proposed list of open space and habitat elements. At that meeting, the Commission approved the following motion:

“The Open Space and Habitat Commission recommends that, if the City Council approves the Aggie Research Campus project, the following project features should be included in the project’s “Baseline Project Features” and/or Development Agreement:

1. The agricultural mitigation land should be located within the Davis Planning Area;
2. The east side of the east-west channel should be natural like the rest of the channel;
3. Native plants should predominate the channel and agricultural buffer;
4. Burrowing owl habitat should be on the northwest segment of the agricultural buffer, pending confirmation from the City’s wildlife biologist;
5. The agricultural buffer and east-west channel should be managed for habitat;
6. The east-west channel must have a public access easement;
7. Trees and pollinator habitat should be disbursed throughout the site, including in parking areas; and
8. If the agricultural buffer remains on the “Mace 25” site, the agricultural buffer should be wider.

In addition, the Open Space and Habitat Commission recommends that (1) one of the project’s “Conditions of Approval” should be that the project come back to the Open Space and Habitat Commission before approval of appropriate final entitlements, and (2) environmental documents should come back to the Open Space and Habitat Commission during the 90-day comment period and after the Response to Comments period.”

On a motion by Commissioner Allen, seconded by Commissioner Huber, the Open Space and Habitat Commission voted 6-0-0-0 to approve the following motion at a special meeting on April 23, 2020 (Ayes – Allen, Huber, Klineberg, Millstein, Shaw, Vayssieres; Noes – none; Absent – None; Abstentions – none):

“In addition to the recommendations given by the Open Space and Habitat Commission on November 4, 2019, the Commission further recommends the following:

1. The Open Space and Habitat Commission does not recommend the ARC project as currently proposed, because it will result in the substantial net loss of the following noteworthy combination of open space values:

- Prime agricultural land (96.6% classified as Farmland of Local Importance, including approximately 141 acres of Prime Farmland),
- Open space on the City’s perimeter (“Urban Fringe”),
- Potential habitat for sensitive species such as Swainson’s hawk (California Threatened), burrowing owl (Species of Special Concern), and white-tailed kite (Fully Protected) (“Biological Resources”),
- Views of significant landmarks, namely the Sierra Nevada and the Sacramento skyline (“Scenic Resources”) and aesthetic qualities more generally,
- Open space and habitat opportunities on seven of the entire City-owned twenty-five acres in the Northwest corner of the site (“Mace 25”), and
- Open space and habitat opportunities on the Howatt-Clayton Ranch, proposed as water runoff storage.

The Open Space and Habitat Commission urges the City Council to strongly factor in the loss of these open space values in the Council’s decision-making process. If the ARC project were to remove the ag buffer from the Mace 25 property and to include a developer-financed habitat enhancement project on the disturbed area of Howatt Ranch, the Commission would be willing to revisit its decision.

[Note this is similar to a resolution passed by the OSHC on March 7, 2016].

2. The Open Space and Habitat Commission (OSHC) reiterates its January 7, 2019 recommendations regarding the future use of the City’s Mace 25 parcel (Attachment 2).

3. The Open Space and Habitat Commission recommends that the City’s 25 acres of open space just to the east of the Mace curve and northwest of the proposed ARC site (Mace 25) either not be annexed to the City, or if they are annexed, that they are given an "Agriculture" and/or "Natural Habitat Area" General Plan Land Use Designation.

4. The Open Space and Habitat Commission recommends the following language be included in the development agreement and baseline features for the ARC Project as currently proposed:

City-owned land shall not be utilized in any manner, including but not limited to conveyance of easements or transfer in fee title, to fulfill any component of the project’s agricultural,

open space and/or potential habitat impact mitigation obligations. City-owned land shall also not be utilized for the purposes of meeting the project's off-site stormwater conveyance and/or storage needs. This prohibition includes but is not limited to the "Mace 25" parcel and the "Howatt/Clayton Ranch" properties.

If the ARC project were to remove the ag buffer from the Mace 25 property and to include a developer-financed habitat enhancement project on the disturbed area of Howatt Ranch, the Commission would be willing to revisit its decision.

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5. The Open Space and Habitat Commission recommends the following, slightly modified from language from the Draft ARC SEIR (Page 3-14), be included in the baseline features for the ARC Project:

The agricultural buffer for the ARC Project would include planned and natural spaces, utilized in part for drainage swales, on-site detention, bio swales, visual and noise attenuation, and owl habitat, as well as cycling and pedestrian trails. The 22.6-acre agricultural buffer would abut active agricultural operations located along the north and east sides of the site.

The project applicant, in consultation with a biological expert, would build three artificial burrow complexes for burrowing owls within the agricultural buffer along the perimeter of the ARC Site. The burrow complexes would be located within the 150-foot wide agricultural buffer, but not within the drainage swales, or the 50-foot wide agricultural transition area, where bike paths, community gardens, and other potential uses could occur. A burrowing owl site management plan would be prepared consistent with applicable portions of the Yolo HCP/NCCP.

In recognition of the fact that burrowing owls require relatively short vegetation with sparse shrubs and taller vegetation and burrows for nesting, the ARC Project will implement the following measures within the external 100-foot buffer area to ensure that the existing and created habitat within this area will be beneficial for burrowing owls:

- *Reduce or cluster trees to allow large expanses of grassland within the buffer,*
- *Implement seasonal mowing, or preferably, stock grazing of grassland areas in the buffer to maintain short grass height preferred by burrowing owls,*
- *Preserve any California ground squirrels that colonize the buffer grasslands, including their burrows, and*
- *Establish the three artificial burrow systems currently proposed in the buffer area. The buffer on the north side of the ARC Site, east of CR 104 is a particularly suitable location to establish one or more of the artificial burrows. Nearby, occupied burrowing complexes exist along CR 104, on the Mace Boulevard curve, and along CR 30B.*

6. The Open Space and Habitat Commission recommends that the agricultural buffer as currently required under 40A.01.050 be included as a baseline project feature for the ARC Project.
-

7. The Open Space and Habitat Commission recommends that the following mitigation measure be included in the Development Agreement for the project:

In the event that an active burrowing owl burrow is discovered within the proposed development limits of the Aggie Research Campus (Project) site. If the Project will result in the permanent loss of active burrowing owl burrows, a qualified biologist should prepare a mitigation and monitoring plan in accordance with CDFW's Staff Report on Burrowing Owl Mitigation (2012). The Mitigation and Monitoring Plan should be submitted for CDFW review and approval prior to the start of Project activities. The Mitigation and Monitoring Plan should include the permanent protection of occupied burrowing owl habitat, at a mitigation to impacts ratio acceptable to CDFW, through a conservation easement deeded to a non-profit conservation organization or public agency with a conservation mission, for the purpose of conserving burrowing owl habitat and prohibiting activities incompatible with burrowing owl use. Habitat should not be altered or destroyed on the Project site, and burrowing owls should not be excluded from burrows until mitigation lands have been legally secured and are managed for the benefit of burrowing owls according to Department-approved management, monitoring and reporting plans; and the endowment or other long-term funding mechanism is in place or security is provided until these measures are completed.

8. The Open Space and Habitat Commission recommends that the burrowing owl habitat area is distinct from the drainage swale in the ag buffer and that the bike paths should be situated so that they are not negatively impacting the burrowing owl habitat. Both of these recommendations should be in the Development Agreement.

Social Services Meeting Summary

At the December 16, 2019 Social Services Commission meeting, the commission was asked to make a recommendation on the Aggie Research Campus project's affordable housing proposal, which proposed providing the number of affordable units and affordability mix required by Municipal Code Article 40.05.050 (a) for ownership units and 18.05.060(a) or (b) for rental units, regardless of whether subsection (b) is extended in ordinance past May 31, 2020. Essentially, the applicant's proposal was that the affordable housing requirements as they stand today would be applicable to the project over the project build-out or Development Agreement term providing certainty relative to their obligations.

The majority of the Social Services Commission ultimately approved the following motion:

“The City require the builder to comply with the affordable housing requirements at the time of construction with a strong preference for onsite affordable units.”

The applicant has since modified their affordable housing program to include a number of additional considerations, inclusive of onsite units which is discussed later in the report under the Development Agreement section.

Natural Resources Commission

At the February 24, 2020, Natural Resources Commission meeting, the commission was asked to make a recommendation on a document entitled, *Aggie Research Campus Environmental Sustainability Guiding Principles*. The applicant proposes that these principles will set the framework under which all future development in the campus will be evaluated for their sustainability features. The NRC provided feedback and determined that they needed more information. Subsequently, it was determined that the item would be discussed again at the April 27, 2020 meeting. On May 14, 2020, the NRC recommended the following Baseline Project Features,

Proposed Environmental Sustainability Baseline Features for Aggie Research Campus

The City of Davis (City) Natural Resources Commission (NRC) met on April 27, 2020 to discuss the proposed Aggie Research Campus (ARC) Project (Project). At this meeting, the NRC formed a subcommittee to propose environmental sustainability features (features) for the Project with consideration given to the applicant’s Environmental Sustainability Guiding Principles. These features were reviewed with the full NRC at a special meeting on May 14, 2020. During the meeting, the NRC voted unanimously to submit the features—following revision by the subcommittee based on feedback received during the meeting—to the City Council and City Staff, with a recommendation for the revised features to be included in “Baseline Project Features” submitted for voter approval of the Project pursuant to a Measure R vote. The revised features are printed below. Note that following the NRC’s regularly scheduled May meeting (moved to June 1, 2020 due to Memorial Day), the NRC expects to submit an addendum to this document recommending additional environmental sustainability features related to transportation demand management.

Proposed environmental sustainability features for the Aggie Research Campus Project

Recommended for inclusion in “Baseline Project Features” submitted for voter approval of the Project pursuant to a Measure R vote

Measurement and Verification

To ensure accurate tracking and reporting of achievement of Project sustainability goals and obligations, the Developer will establish a Master Owners Association (MOA) for the Project that reports to the City and is responsible for measurement of, verification of, and assuring compliance with Project sustainability obligations and mitigation measures. The MOA will prepare and submit for City approval a Sustainability and Mitigation Monitoring Reporting Plan. Per the Plan, the MOA will prepare and submit to the City annual reports that describe progress

towards meeting sustainability goals and obligations and implementing mitigation measures, including all relevant provisions in the Project’s baseline features. Annual reports will also indicate what actions will be taken in the following year to meet phased actions as part of the sustainability goals and obligations and mitigation measures.

Energy Efficiency and Usage

The developer shall commit to minimizing carbon emissions by maximizing production of clean energy onsite and ensuring that all Project structures consume 100 percent clean energy. “Clean energy” is defined as energy derived from technologies eligible for California’s Renewables Portfolio Standard (RPS). In addition, the Developer shall commit to the following measures:

- The Project shall meet and exceed Title 24, Cal Green Tier 1 and the City of Davis Residential and Commercial Energy Reach Code standards in effect at the time of permitting of each phase of the Project. The Reach Code aims to promote energy efficiency within the City of Davis through the use of energy-efficient building standards and is intended to ensure LEED Gold equivalency or better.
- The Developer shall enter into a purchase and sale agreement with Valley Clean Energy (and/or another electric utility company) for all power produced by the Project in excess of on-site demand. This agreement shall ensure that all power generated but not used onsite is used locally.
- If, after maximizing energy efficiency and on-site production of clean energy, the energy demand of Project structures exceeds the energy produced on-site, then the Developer shall purchase power from solely renewable sources such as Valley Clean Energy’s “UltraGreen” 100 percent renewable and 100 percent carbon-free service (or equivalent) to offset the deficit. This requirement will be continued for the lifetime of the Project by building owners.
- All onsite residential units shall be all-electric (i.e., shall not include natural-gas service) and shall be designed to the standards of the Residential Energy Reach Code.
- All onsite commercial buildings shall be all-electric. Fossil fuels (e.g., natural gas, propane) shall only be allowed for manufacturing processes as specified by a tenant. As mechanisms become available to reduce or offset carbon emissions from manufacturing processes fed by fossil fuels, the MOA shall require implementation of these mechanisms to reduce emissions in a timeline consistent with the City’s Climate Action and Adaptation Plan (CAAP). Volumes and types of fossil fuels used onsite, as well as opportunities to reduce emissions, shall be included in each annual report prepared and submitted by the MOA.
- Building and site development shall incorporate passive heating and cooling design measures to the extent feasible so as to reduce overall energy demand.
- All onsite buildings (commercial and residential) shall achieve zero net carbon for the building envelope—including heating, ventilation and air conditioning (HVAC), and lighting—with onsite renewables and storage.
- Photovoltaics (PV)—or other future comparable technology for deriving useful power onsite from renewable energy sources—shall be installed on structures and in parking

areas, to the greatest extent practicable. Note that this provision is not intended to and shall not substantially interfere with Project requirements for tree canopy.

- The Project shall achieve net-zero energy for outdoor lighting through the use of onsite PV or similar technology.
- In anticipation of improved solar-connected energy storage, the Project shall be designed and pre-wired for future microgrid capacity and energy storage.

Parking Lots and Internal Streets

The desired outcomes of design features for the Project's parking lots and internal streets shall be to: (1) encourage a mode shift from Single Occupancy Vehicles (SOVs) to walking, bicycling, public transit, private transit, ridesharing, carsharing, carpooling, and/or micromobility; (2) encourage use of zero-emission vehicles (e.g., electric vehicles) where SOV use is necessary as well as in any alternative transportation service that relies on passenger vehicles; (3) reduce runoff and heat-island effects amplified by parking lots; and (4) reduce adverse visual, aesthetic, and quality-of-life impacts of working and living near parking lots. To further these desired outcomes, the developer shall implement the following features in its parking areas and/or along the Project's internal roadway system:

- Low-impact development (LID) features, such as bioswales and permeable pavement, shall be implemented to the extent practicable in all streets and surface-level parking to capture and filter runoff and maximize groundwater recharge. Piping of runoff shall be discouraged and only implemented where necessary.
- Stormwater shall be retained onsite using swales, ponds, or other appropriate facilities, consistent with City stormwater regulations and system capacity. Stormwater facilities necessary to meet these regulations must be located on-site or on another privately-owned property incorporated within City boundaries.
- All parking surfaces or street-adjacent sidewalks that use or are conducive to tree shading will use structured soil or suspended substrate to allow successful tree-root development. The developer shall size the area of each pavement-treatment site to accommodate the maximum size of a tree that could reasonably be accommodated on that site.
- Landscaping shall provide 80 percent shading of pedestrian walkways and off-street bike paths. At least 50 percent parking-lot shading shall be achieved through either shade trees or PV arrays. Compliance with these requirements shall be demonstrated at the time of building by securing permits for adequate PV arrays and/or by consulting with a certified arborist on a tree-planting and -maintenance strategy expected to achieve the desired shading area within 15 years of planting. Failure to meet shading requirements shall be considered a code violation and subject to penalty until remedied. Progress towards meeting the shading requirement shall be included in each Annual Report.
- Parking preference and priority shall be given to carpool vehicles and electric vehicles (EVs). Only carpool and EV parking shall be allowed adjacent to buildings in spots not designated for disabled persons. Spots designated for disabled persons shall not be restricted to particular vehicle types.
- All stalls designated for EVs shall have Level 2 charging stations pre-installed.

- All commercial and residential parking areas shall be EV ready, equipped with infrastructure designed to facilitate installation of EV charging stations as demand grows. This infrastructure will include electrical panels, conduit/raceways, overprotection devices, wires, and pull boxes and will be designed to support vehicle-grid integration. On-site demand for EV charging shall be reported in each year's Annual Report.
- All housing shall include one Level 2 EV charger per unit or, if a multifamily building is provided parking at a ratio of less than 1:1, one Level 2 EV charger per parking stall. Townhomes, if built to accommodate two vehicles, will be prewired to allow for the installation of a second charger.
- All commercial parking for non-electric SOVs shall be paid parking. To encourage occasional bus use, no discounts for monthly parking versus daily parking will be allowed.
- The Project shall be exempt from parking minimums otherwise required by the City for new development. Specifically, the minimum number of parking spots necessary for the Project shall be informed by the Project's TDM plan rather than general minimum parking requirements.

Landscaping and Water Conservation

To reduce Project demand on groundwater and potable water and to provide appropriate habitat for native species, the developer shall commit to the following measures:

- All Project landscaping shall be adapted for climate change, drought resistant, pollinator friendly, and maintained organically.
- Native and drought-tolerant plants shall predominate the plant palette. A diversity of native habitats—including but not limited to riparian and California oak savanna—shall be maintained throughout the Project site, primarily but not exclusively within the agricultural buffer and along the drainage channel.
- Turf shall be strongly discouraged and used only in areas (such as “The Oval” or organized sports fields) programmed for activities that require turf.
- The Developer shall engage with the Center for Land Based Learning, the UC Davis Arboretum, or other local expert(s) to design and manage its open and landscaped buffer areas. Landscape plans shall be subject to City review, including review by the Open Space and Habitat Commission and the Tree Commission.
- All runoff shall be captured, conveyed, and detained onsite in a series of bioretention facilities and similar devices intended to filter the runoff, maximize groundwater recharge, and provide deep watering for onsite vegetation.
- The Developer shall install infrastructure suitable for conveying non-potable water to meet all landscape irrigation demands. The Developer shall convert this system to reclaimed/greywater water if and when such service is made available.
- All greywater shall be reused onsite where practical and permissible. The Developer shall install infrastructure (including two-way valves and piping) to support use of greywater from laundry facilities in all townhomes. The Developer shall also identify opportunities for using greywater in multi-family housing and commercial buildings, and shall install infrastructure needed to pursue such opportunities. The MOA shall review proposed uses of greywater to prevent pollution. The MOA may require owners

to revisit/update proposed plans for greywater reuse in the future, and may require installation of additional infrastructure as appropriate.

Housing

Housing is included in the Project to maximize environmental benefits of mixed-use development. Specifically, including housing alongside commercial buildings and workplaces encourages walking and biking as commuting options, reduces air-quality impacts, and reduces the Project's overall carbon footprint. To further increase the sustainability benefits of onsite housing, the Developer shall commit to the following:

- All Project housing shall be medium- and high-density, incorporating 15–50 units per acre. No single-family detached housing will be permitted.
- Housing shall be designed to meet the housing needs of the anticipated Project workforce and shall not resemble student-oriented housing found elsewhere in the City. No unit shall include more than three bedrooms. No rental apartment shall include more than two bedrooms.
- Housing construction shall be directly linked to the development of commercial space at a ratio of no more than one dwelling unit per 3,000 square feet of nonresidential space¹. This linkage will correlate the availability of housing with the creation of jobs which will maximize ARC employee occupancy of the housing.
- To provide an opportunity for a car-free lifestyle, parking associated with multifamily rental housing will be unbundled. Multifamily rental units will be charged for parking separate from rent.
- To minimize transportation emissions, the Developer shall strive to maximize the number of Project housing units occupied by individuals working onsite. To this end, the Developer shall require employer master leasing of all rental housing and ownership of a portion of the single-family housing units and require employment for residency. These requirements shall be dependent upon a minimum firm size, to be designated by the City.

Recycling and Waste Disposal

- All buildings and facilities shall participate in a mandatory, site-wide recycling and compost program to be managed by the MOA. Building maintenance staff will be trained in best practices for maximizing commercial recycling.
- All common areas that include disposal options managed by the MOA shall include solid-waste disposal cans, recycling cans, and compost bins.

Mitigation Measures

The project shall comply with and ensure public or private funding and completion within a two-year period for all Mitigation Measures identified in the Approved Mitigation, Monitoring, and Reporting Plan.

¹ The ratio of one dwelling unit per 3,000 square feet is different ratio than the Developer-proposed one dwelling unit per 2,000 square feet. This directly ties housing to the proposed square footage in each phase of the ARC development, to ensure that housing growth is better matched with job growth at the site.

Implementation

Concurrent with the approval of a Final Planned Development and Site Plan and Architectural Review for any structure located at ARC, a Sustainability Implementation Plan shall be developed and implemented to ensure compliance with the Environmental Sustainability Baseline Features to the satisfaction of the City.

Bicycle Transportation and Street Safety Commission

The Bicycle Transportation and Street Safety Commission (BTSSC) met on April 9, 2020 to provide comments and feedback on the Davis Innovation & Sustainability Campus SEIR Transportation and Circulation chapter. This section of the SEIR fully examines the range of impacts to the City's transportation network, including vehicles, bicycles, and pedestrian. Ultimately, the BTSSC agreed with the recommendations of the Transportation Section of the SEIR with the following motion, *The BTSSC recommends support of the SEIR and do not offer additional comments at this time. We recommend the City Council certify the SEIR in its current form. BTSSC supports Transportation Demand Management proposal submitted for the commission meeting on April 9, 2020. Motion carries, 6-1 (Edelman dissenting)* Therefore, there are no recommendations from the BTSSC in Attachment #2

Recreation and Parks Commission

The City of Davis Recreation and Park Commission met on April 15, 2020, to receive a presentation and solicit community input related to Parks, Greenways, and Recreational Amenities Proposed for the Aggie Research Campus (ARC) Project. At the Commission meeting on April 15, 2020, the Commission voted to create a sub-committee of the Commission to make recommendations to the City Council concerning specific "Baseline Project Features" to be included in the project exhibits and plans submitted for voter approval pursuant to Measure R. The sub-committee met and completed its task.

The Recreation and Park Commission reconvened on May 6, 2020, and solicited additional public comment concerning the Project. Ultimately the Commission voted to adopt the below (A) Proposed "Baseline Project Features" and (B) Proposed Recommendations for submission to City Council and the Planning Commission.

A. Proposed "Baseline Project Features"

1. Onsite Park Details – Developer will ensure public access through a recorded easement to a minimum of 15 acres of onsite parks. Of the minimum of 15 acres of onsite parks, a neighborhood park of a minimum of 7.5 net acres of contiguous park land will be established in accordance with the City of Davis Parks and Recreation Master Plan. The parks will be designed and maintained to meet the needs of the residents who reside at the project site, and will include children playgrounds and picnic facilities with adequate shading, public art, natural/landscaped areas, and multi-use open fields. This neighborhood park will include a softball / multi-use field that meets the field of play regulations appropriate for youth and adult organized softball for use by employees and

residents of the project site, as well as Davis community sports programs, and will include permanent spectator seating, dugouts, fencing, and lights for use at night and in the evening. The neighborhood park will be completed in Phase 1, and within 3 months from when the first person occupies a residential unit at the project site. All use of the onsite parks, including rental by Davis residents, will be managed by the City of Davis Parks and Community Services Department in accordance with City Council Policy for rental and use of city facilities. The City of Davis shall be entitled to charge and collect a fee for the reserved use of the onsite parks.

2. Park Construction and Design – Developer will be responsible to construct all onsite parks and open space, and will consult with the City of Davis Recreation and Park Commission as well as City of Davis Parks and Community Services Department concerning all programming and equipment installed in the onsite parks. The parks will be designed in accordance with best practices so as to provide a safe place for City residents to recreate, including, as necessary, appropriate measures to protect park visitors from nearby roadways. The Developer agrees to receive approval from the Parks and Community Services Department on all final park designs and programming.
3. Park Maintenance – Developer will ensure that all maintenance associated with onsite parks and open spaces will meet or exceed the standards expected as Class-A commercial facilities in perpetuity, and will further meet or exceed all operative City of Davis maintenance standards for parks, including but not limited to the City of Davis Integrated Pest Management Policies and Procedures, as those policies and procedures may be amended from time-to-time, as well as the ban imposed by the City of Davis on the use of glysohate in City parks. Developer agrees that all maintenance costs associated with meeting the foregoing standards will be assumed by Developer and/or by the ARC Master Owners' Association, and to the extent that the City is required to expend its own resources to meet the standards agreed to herein that the City shall be entitled to compensation from Developer and/or ARC Master Owners' Association for the value of City's resources so expended.
4. Peripheral Trail – Developer will ensure public access through fee or easement to a 7.5 acre peripheral trail that will run along the perimeter of the Project site and which will include a walking path and a class 1 bike trail. At least a material portion of either the walking path or the class 1 bike trail must be completed in Phase 1, and within 3 months from when the first commercial tenant occupies the site so as to provide recreational opportunities for the employees who will work at the site. The trail will also be open to residents of the site and the public at large.
5. Turf Usage – Parks and recreational areas will minimize the use of natural grass turf while balancing the needs of certain sporting activities.

6. Off-Grade Bicycle Crossing – A class 1 bike trail will parallel the Mace Drainage Channel, be serviced by an off-grade crossing of Mace Blvd, connect with the City easement located east of the Project site, and will enhance overall regional bicycling connections.

B. Proposed Recommendations

7. Strain on City Facilities – The residents of the 850 residential units and the 6,000 employees will undoubtedly further the strain on existing City resources. The Commission recommends that City Council require, either as a Baseline Project Feature or as part of a Developer Agreement, that the Developer agrees to make a financial contribution to a parks development fund, in addition to park impact or construction tax fees, for the City to use on projects identified in the Masterplan Park Update, on infrastructure updates, or on other high-priority projects.
8. Skateboarding Facilities – As the project will eliminate any future use of the “Davis Ditch” unauthorized, but frequently used skateboarding area on the Southeast corner of the project site, the Developer should be required to contribute toward a future skatepark or improvement as identified in the Masterplan Park Update.
9. Private Ownership – The Commission is concerned that the private ownership of land proposed to be used as a public park via easement presents potentially novel issues related civil liberties. For example, will private security or local police have jurisdiction to patrol the parks? Will citizens have a right to protest on this sort of privately owned public park lands in the same way as they would on traditional City-owned park land? The Commission encourages City Council to work with the City Attorney to fully analyze these concerns so as to ensure the protection of residents’ civil liberties.
10. Municipal Arts – The Commission encourages City Council to have a discussion with the Developer about an appropriate plan for creating spaces for public art within the Project. The Commission proposes that the Developer be required to make a financial contribution to public arts to be managed through the City’s internal processes for selecting and installing public art in accordance with City standards.

Tree Commission

The City of Davis Tree Commission met on April 16, 2020, to receive a presentation and solicit community input related to trees and landscaping proposed for the Aggie Research Campus (ARC) Project. At the Commission meeting on April 15, 2020, the Commission voted to create a sub-committee of the Commission to make recommendations to the City Council concerning specific “Baseline Project Features” to be included in the project exhibits and plans submitted for

voter approval pursuant to Measure R. The sub-committee met and completed its task. On May 7, 2020, the Tree Commission voted to recommend approval of the following:

Tree Commission Recommendations for Aggie Research Center (ARC) Business Park

Overview

- I. Measure R Baseline Project Features
- II. Other Tree Commitments for Inclusion in Development Agreement
- III. Burrowing Owls Statement

I. Measure R Baseline Project Features

- A. Tree Quantity - The Aggie Research Center (ARC) Business Park development will have a minimum of 4,000 trees, as defined in the City of Davis Tree Ordinance, provided by the developer with the following goals
 - 1. Bike paths: 80% canopy coverage after 15 years
 - 2. Parking lots: 50% canopy coverage after 15 years or solar arrays at the time of lot construction
 - 3. Manufacturing area: 15% minimum canopy coverage after 15 years
 - 4. Housing, mixed-use, office R&D and commercial areas, including hotels: 30% canopy coverage after 15 years
 - 5. Parks: 30% minimum canopy coverage after 15 years
 - 6. Bike paths to the west of the project, if built as part of ARC proposal, will have 80% canopy coverage after 15 years and will be in addition to the 4,000 tree requirement for the development.

- B. Best Practices - The project will have a Tree Management Plan. The Tree Management Plan will allow for each tree to have an assigned number to easily locate and identify specified trees.
 - 1. There shall be habitat and species diversity in the AG buffer. Species should be a mix of valley oak woodland, grassland/burrowing owl habitat, and seasonal wetlands swales.
 - 2. Tree plantings must include drought tolerant and climate-ready trees. There will be a minimum of 200 locally native *Quercus sp.*, Oak trees.

3. In the open space area along the east/west ditch, through the middle of the proposed project shall include at minimum 50% California central valley native riparian tree species.

4. There will be hedgerows planted with native species including *Heteromeles arbutifolia*, Toyon, *Ceanothus sp.*, Ceanothus, *Arctostaphylos sp.*, Manzanita, *Fremontodendron californicum*, Fremontodendron, *Cercis sp.*, Redbud, and *Rhamnus californica*, Coffeeberry, especially on the edge of the 50-foot portion of the AG buffer.
5. A preference for permeable paving throughout the project.

C. Tree Planting Specifications and Irrigation

1. Structural soil and/or suspended substrate pavement shall be used in parking lots.
2. A preference for permeable paving is highly recommended around trees.
3. When planting in parking areas or along paved walkways, developer will size pavement treatment area to adequately accommodate the tree varietal's intended size.
4. All tree plantings must comply with ANSI A300 Standards and be inspected before backfilling.
5. Irrigation is required and must be indicated on the landscape plans.

D. Phasing of Tree Planting

1. Inner 50 feet of Ag buffer (public access and bike path area) to have all tree planting in early part of Phase 1, including those trees that will provide 80% shade for bike path
2. Riparian area on drainage channel to be completed in Phase 1
3. Trees for the large park on central west side of development to be in Phase 1 with park completion
4. Outer 100 feet of ag buffer to be planted in Phase 2

E. Follow-up Tree Care Guarantees for Success

1. Developer or successor to pay the City for arborist services to annually monitor all trees in the project. (indefinitely)
2. Financial penalties to be specified in development agreement and determined at the start of each phase.

3. The tree maintenance in the Ag buffer shall be funded by a special assessment district as is described under 40A.01.050e “The city reserves its right to form a special benefit assessment district, or other applicable district as is permitted under state law, and to maintain the agricultural buffer and transition area once the land is improved, dedicated, and annexed.” The district will include the entirety of the ARC business park.

F. Inspection Protocol

1. Robust annual inspection and documentation protocol to ensure the City of Davis Tree Ordinance is followed. This inspection includes tree canopy, irrigation needs, and any need to adjust, fix, prune, and/or replant any trees.
2. Every stage of the development will be reviewed by the Tree Commission.

II. Other Tree Commitments for Inclusion in Development Agreement

A. Consequences - Immediate financial consequences, shall be determined if the trees are not planted or trees are not being maintained per the tree management plan for the property. Consequences should incentivize initial compliance.

B. Reimbursement Protocol to City from Developer

1. Developer will reimburse the city for the full cost of both initial plantings and the annual follow-up care.
2. City shall inspect the plantings prior to accepting the project.
3. The Full Cost of Care includes the City Arborist’s time to undertake the review of the trees and/or the cost to supervise an outside Arborist hired by the City (possibly subcontracted by Tree Davis) to undertake the review of the trees.
4. Cost of any new trees and their proper follow-up for the next phase of tree life.

C. Extra Costs - Incurred when the Developer/Contractor/Etc. allow for improper plantings that have not been signed-off as having any of the following:

1. The proper tree planted
2. The proper sod and groundcover installed

3. The proper standards for width and depth of dirt hole size for specified tree
4. The proper follow-up tags assigned for next Phase of Tree Life

D. Phase of Tree Life

1. Each tree is assigned a unique identifier number that provides the following tree information:
 - a. Name
 - b. Unique specifications determined by planting-to-spec details (Parking lot vs. suspended pavement vs. structural soil)
 - c. Location within the development
 - d. Phases
 - e. Progression
 - f. Replacement, if needed
 - g. Photo documentation
2. Allowed under approval by City Arborist and/or City hired Arborist
Photos must include:
 1. Tree Unique Identifier Number - shown large enough to read.
 2. Hole depth and width shown along with a measuring stick - from two angles with root ball in place but not covered showing proper hole width and depth
 3. Root ball Cleared - shown from different angles that circling roots are cleared
 4. Root crown showing after dirt is filled in hole
 5. New Stakes
 6. Root ball right depth
 7. Nursery stakes removed
 8. Tree Canopy

III. Burrowing Owls Statement - The City of Davis Tree Commission is sympathetic to burrowing owls but find it to be the Open Space and Habitat Commission and Natural Resource Commission purview to oversee burrowing owl protection and our tree recommendations and requirements should be understood and implemented to fit with those other commission recommendations for burrowing owl protections.

Finance and Budget Commission

The Finance and Budget Commission (FBC) met on three times to review the proposed DISC project and ultimately to provide comments and feedback the on *Davis Innovation & Sustainability Campus Economic Analysis*. The first meeting focused on a project overview and answering specific questions. The second meeting included a presentation by the City's consultant Economic Planning Systems (EPS) on the economic and fiscal analysis that had been prepared for the project. The analysis was thoroughly discussed and an ad hoc subcommittee was established to generate a memorandum that laid out various questions and comments for response, and also items the FBC wished the Planning Commission and City Council to consider. The third meeting included a prepared response that EPS and staff collaborated on, along with a presentation addressing the FBC Ad Hoc Subcommittee questions. The EPS economic and fiscal analysis for the project is included as Attachment 2. The FBC Ad Hoc Subcommittee memorandum is included as Attachment 3. The EPS response to the Ad Hoc Subcommittee memorandum is included as Attachment 4.

By a vote of 4-3 (Ayes: Jacobs, Buzbee, Neville, Weiss Nay: Beeman, Salomon, Sufi) the FBC took an action noting that the FBC generally agrees with the EPS analysis that forecasts that the project provides a positive net fiscal impact to the City; and will include ad hoc subcommittee report and EPS responses; and urge Council to consider parts 2 and 3 as the city negotiates the final development agreement.

Part Two – Development Agreement (DA):

- **Compensation:** There are a number of city assets, including 6.8 acres of City open space, being utilized by the applicant. We would expect to see in the DA an external appraisal of any assets and fair market compensation for them.
- **Tax Exempt Organizations:** We suggest that the City protect itself from any property tax reduction by writing in language to the development agreement to shield the city from lease or acquisition by entities exempt from paying property taxes.
- **Uncertainty:** While the overall project on both a leveraged and an unleveraged basis look to have a healthy return for the developers, in the EPS report they state that “Phases 1 and 2 rates of return are significantly stronger than for those of Phases 3 and 4.” We suggest that the City assess any risk here to best ensure that the project gets built out over the >20 year time horizon so that Davis gets the full fiscal benefits. One way to do that would be to consider a different phasing of the housing perhaps moving more into the latter phases to provide the target return in all phases.

Part Three – Other:

- COVID-19: We recognize that the EPS analysis was done prior to the global pandemic and that it would be very difficult to forecast the effects of COVID-19 on the model. However, it is our new reality and tough to ignore. Unless it is believed that a full economic recovery will take place prior to completion (and thus property tax valuation of the initial construction) it's reasonable to assume follow-on effects in the overall economy will affect at least initial demand for ARC property, and thus the underlying valuation. As property tax increases are capped at 2% regardless of any increase in the value of the underlying property (i.e., as a result of economic recovery), any shortfalls in initial valuation would roll through the financial model.
- Semiconductor Manufacturing: Calling out semiconductor manufacturing as a potential onsite user of the advanced manufacturing site did raise concerns from citizens as it does involve potentially toxic and carcinogenic chemicals albeit it can be “clean” manufacturing if removal of potential hazards is done correctly. While not specifically part of a DA, the city may want to be sure that any additional costs for safety and inspection and training of fire personnel if such an entity were to be part of ARC, were borne by others and not passed on to the city.
- Impact Fees: FBC has no way to assess that the impact fees and construction taxes outlined in Table 4 of the EPS report are sufficient to cover future costs such as the roadway improvements. We assume that the city will do appropriate analysis on these to ensure that is a “good deal” for the city.
- Innovation: Members of the FBC who are actively engaged with innovation specifically around technology believe there is not much in the proposal to encourage innovation. Specifically, how it helps small business (1-50 employees) especially those working on technology transfer. It would be good to tie this to other initiatives in the city for innovation/entrepreneurship perhaps by negotiating a portion of the build out to be designated to incubate new entrepreneurs and start-ups based in Davis.

ATTACHMENT 6
COMMISSION RECOMMENDATIONS TO THE
PLANNING COMMISSION AND CITY COUNCIL

Open Space and Habitat Commission

<p>“The Open Space and Habitat Commission recommends that, if the City Council approves the Davis Innovation & Sustainability Campus project, the following project features should be included in the project’s “Baseline Project Features” and/or Development Agreement</p>	<p>Project Proposal Response to Commission Recommendation</p>
<p>OSH1. The agricultural mitigation land should be located within the Davis Planning Area;</p>	<p>Section 40A.03 of the Davis Municipal Code requires 2:1 mitigation and gives locational requirements.</p> <p><u>Included in the Baseline Project Features:</u> At full build-out, developer shall have purchased agricultural conservation easements over 342 acres of local agricultural lands, thereby ensuring their preservation consistent with City Ordinance and subject to City approval.</p>
<p>OSH2. The east side of the east-west channel should be natural like the rest of the channel</p>	<p><u>Included in the Baseline Project Features:</u></p> <p>Restore and enhance the portion of the Mace Drainage Channel onsite utilizing native riparian vegetation while maintaining its drainage conveyance function.</p>
<p>OSH3. Native plants should predominate the channel and agricultural buffer</p>	<p><u>Included in the Baseline Project Features:</u></p> <p>A diversity of native habitats shall be disbursed and managed throughout the site, primarily within the agricultural buffer and along the channel, including but not limited to riparian, California oak savanna, and native prairie grasslands. The agricultural buffer shall include areas densely vegetated and sparsely vegetated to accommodate nesting and foraging opportunities for a variety of species.</p>

<p>OSH4. Burrowing owl habitat should be on the northwest segment of the agricultural buffer, pending confirmation from the City’s wildlife biologist;</p>	<p><u>Included in the Baseline Project Features:</u></p> <p>Install artificial burrowing owl dens in the agricultural buffer in consultation with a qualified biologist.</p>
<p>OSH5. The agricultural buffer and east-west channel should be managed for habitat</p>	<p>The primary purpose of the east-west channel is for drainage and as such it must be periodically dredged etc. to maintain flood protection. However, Project commits to enhance the channel and restore habitat value with peripheral plantings in consultation with the Center for Land Based Learning.</p> <p>The agricultural buffer will be utilized for several purposes amongst which is the creation of habitat with a commitment to utilize primarily native and drought tolerant plant species and to establish a variety of native habitats for both nesting and foraging. The Project emphasizes habitat for the Burrowing Owls and includes three dens.</p>
<p>OSH6. The east-west channel must have a public access easement</p>	<p><u>Included in the Baseline Project Features:</u></p> <p>The Project requires inclusion of greenways meeting City’s definition. The Baseline Project Features map identifies a publicly accessible greenway along the channel. Project figures identify a walking path and class 1 bike lane.</p>
<p>OSH7. Trees and pollinator habitat should be disbursed throughout the site, including in parking areas;</p>	<p><u>Included in the Baseline Project Features:</u></p> <p>Native and drought tolerant plants shall predominate the plant palette. Valley Oaks or other local native oak species will be significantly incorporated into the agricultural buffer area.</p>
<p>OSH8. If the agricultural buffer remains on the “Mace 25” site, the agricultural buffer should be wider.</p>	<p>The width of the buffer was analyzed in the Davis Innovation & Sustainability Campus EIR. It was determined that the 150 foot buffer is adequate if certain provisions are met. Nevertheless, City has not entered into any easement with Developer yet and has the discretion to insist upon a wider buffer during future negotiations.</p>

<p>OSH9.One of the project’s “Conditions of Approval” should be that the project come back to the Open Space and Habitat Commission before approval of appropriate final entitlements.</p>	<p>If a component of future entitlements is within the purview of the commission, that component may be sent to the OSHC at the discretion of Council.</p>
<p>OSH10 The Open Space and Habitat Commission does not recommend the ARC project as currently proposed, because it will result in the substantial net loss of the following noteworthy combination of open space values:</p> <ul style="list-style-type: none"> • Prime agricultural land (96.6% classified as Farmland of Local Importance, including approximately 141 acres of Prime Farmland), • Open space on the City’s perimeter (“Urban Fringe”), • Potential habitat for sensitive species such as Swainson’s hawk (California Threatened), burrowing owl (Species of Special Concern), and white-tailed kite (Fully Protected) (“Biological Resources”), • Views of significant landmarks, namely the Sierra Nevada and the Sacramento skyline (“Scenic Resources”) and aesthetic qualities more generally, • Open space and habitat opportunities on seven of the entire City-owned twenty-five acres in the Northwest corner of the site (“Mace 25”), and • Open space and habitat opportunities on the Howatt-Clayton Ranch, proposed as water runoff storage. <p>The Open Space and Habitat Commission urges the City Council to strongly factor in the loss of these open space values in the Council’s decision-making process. If the ARC project were to remove the ag buffer from the Mace 25 property and to</p>	<p>The project has been recommended for approval by staff. These comments will be forwarded to the decision makers for their consideration.</p>

<p>include a developer-financed habitat enhancement project on the disturbed area of Howatt Ranch, the Commission would be willing to revisit its decision.</p>	
<p>OSH11 The Open Space and Habitat Commission (OSHC) reiterates its January 7, 2020 recommendations regarding the future use of the City’s Mace 25 parcel.</p>	<p>The January 7, 2020 recommendations are addressed in OSH1 through OSH9.</p>
<p>OSH12 The Open Space and Habitat Commission recommends that the City’s 25 acres of open space just to the east of the Mace curve and northwest of the proposed ARC site (Mace 25) either not be annexed to the City, or if they are annexed, that they are given an "Agriculture" and/or "Natural Habitat Area" General Plan Land Use Designation.</p>	<p>The Mace 25 property is proposed to be zoned Agriculture.</p>
<p>OSH13 The Open Space and Habitat Commission recommends the following language be included in the development agreement and baseline features for the ARC Project as currently proposed:</p> <p><i>City-owned land shall not be utilized in any manner, including but not limited to conveyance of easements or transfer in fee title, to fulfill any component of the project’s agricultural, open space and/or potential habitat impact mitigation obligations. City-owned land shall also not be utilized for the purposes of meeting the project’s off-site stormwater conveyance and/or storage needs. This prohibition includes but is not limited to the “Mace 25” parcel and the “Howatt/Clayton Ranch” properties.</i></p> <p>If the ARC project were to remove the ag buffer from the Mace 25 property and to include a developer-financed habitat enhancement project on the disturbed area of Howatt Ranch, the Commission would be willing to revisit its decision.</p>	<p>This comment has been taken into consideration as the draft Development Agreement was negotiated. Language related to this concern is addressed in the draft Development Agreement, Exhibit H.</p>

OSH 14 The Open Space and Habitat

Commission recommends the following, slightly modified from language from the Draft ARC SEIR (Page 3-14), be included in the baseline features for the ARC Project:

The agricultural buffer for the ARC Project would include planned and natural spaces, utilized in part for drainage swales, on-site detention, bio swales, visual and noise attenuation, and owl habitat, as well as cycling and pedestrian trails. The 22.6-acre agricultural buffer would abut active agricultural operations located along the north and east sides of the site.

The project applicant, in consultation with a biological expert, would build three artificial burrow complexes for burrowing owls within the agricultural buffer along the perimeter of the ARC Site. The burrow complexes would be located within the 150-foot wide agricultural buffer, but not within the drainage swales, or the 50-foot wide agricultural transition area, where bike paths, community gardens, and other potential uses could occur. A burrowing owl site management plan would be prepared consistent with applicable portions of the Yolo HCP/NCCP.

In recognition of the fact that burrowing owls require relatively short vegetation with sparse shrubs and taller vegetation and burrows for nesting, the ARC Project will implement the following measures within the external 100-foot buffer area to ensure that the existing and created habitat within this area will be beneficial for burrowing owls:

- *Reduce or cluster trees to allow large expanses of grassland within the buffer, Implement seasonal mowing,*

This comment is referred to the decision makers as a possible substitute mitigation measure.

<p><i>or preferably, stock grazing of grassland areas in the buffer to maintain short grass height preferred by burrowing owls,</i></p> <ul style="list-style-type: none"> • <i>Preserve any California ground squirrels that colonize the buffer grasslands, including their burrows, and</i> • <i>Establish the three artificial burrow systems currently proposed in the buffer area. The buffer on the north side of the ARC Site, east of CR 104 is a particularly suitable location to establish one or more of the artificial burrows. Nearby, occupied burrowing complexes exist along CR 104, on the Mace Boulevard curve, and along CR 30B.</i> 	
<p>OSH15 The Open Space and Habitat Commission recommends that the agricultural buffer as currently required under 40A.01.050 be included as a baseline project feature for the ARC Project.</p>	<p>The Agricultural Buffer on the project perimeter is a baseline project feature and a requirement of the Davis Municipal Code.</p>
<p>OSH16. The Open Space and Habitat Commission recommends that the following mitigation measure be included in the Development Agreement for the project:</p> <p>In the event that an active burrowing owl burrow is discovered within the proposed development limits of the Aggie Research Campus (Project) site. If the Project will result in the permanent loss of active burrowing owl burrows, a qualified biologist should prepare a mitigation and monitoring plan in accordance with CDFW's Staff Report on Burrowing Owl Mitigation (2012). The Mitigation and Monitoring Plan should be submitted for CDFW review and approval prior to the start of Project activities. The Mitigation</p>	<p>Endangered species are protected by Federal and State Law. The developer will be required to comply with the law in the event burrowing owls are found on or near the property prior to construction.</p>

<p>and Monitoring Plan should include the permanent protection of occupied burrowing owl habitat, at a mitigation to impacts ratio acceptable to CDFW, through a conservation easement deeded to a non-profit conservation organization or public agency with a conservation mission, for the purpose of conserving burrowing owl habitat and prohibiting activities incompatible with burrowing owl use. Habitat should not be altered or destroyed on the Project site, and burrowing owls should not be excluded from burrows until mitigation lands have been legally secured and are managed for the benefit of burrowing owls according to Department-approved management, monitoring and reporting plans; and the endowment or other long-term funding mechanism is in place or security is provided until these measures are completed.</p>	
<p>OSH17 The Open Space and Habitat Commission recommends that the burrowing owl habitat area is distinct from the drainage swale in the ag buffer and that the bike paths should be situated so that they are not negatively impacting the burrowing owl habitat. Both of these recommendations should be in the Development Agreement.</p>	<p>The features necessary for the protection of the burrowing owls will be included in the design for the Agricultural Buffer, and will be evaluated by a professional wildlife biologist at the time the improvement plans for the Ag Buffer is prepared.</p>

Social Services Commission

<p>“The Social Services Commission recommends that, if the City Council approves the Davis Innovation & Sustainability Campus project, the following project features should be included in the project’s “Baseline Project Features” and/or Development Agreement</p>	<p>Project Proposal Response to Commission Recommendation</p>
<p>SSC1. The City require the builder to comply with the affordable housing requirements at the time of construction with a strong preference for onsite affordable units.”</p>	<p><u>Included in the Baseline Project Features:</u> The project will provide for no less than 153 affordable housing units through the use of those methods identified in City Ordinance and subject to Council approval.</p> <p>At least 100 of the Project’s affordable housing units will be constructed on-site. See Development Agreement for details.</p>

Natural Resources Commission

<p>The NRC voted unanimously to submit the following features—following revision by the subcommittee based on feedback received during the meeting—to the City Council with a recommendation for these features to be included in “Baseline Project Features” submitted for voter approval of the Project pursuant to a Measure R vote.</p>	<p>Project Proposal Response to Commission Recommendation</p>
<p><u>NRC1.</u> To ensure accurate tracking and reporting of achievement of Project sustainability goals and obligations, the Developer will establish a Master Owners Association (MOA) for the Project that reports to the City and is responsible for measurement of, verification of, and assuring compliance with Project sustainability obligations and mitigation measures. The MOA will prepare and submit for City approval a Sustainability and Mitigation Monitoring Reporting Plan. Per the Plan, the MOA will prepare and submit to the City annual reports that describe progress towards</p>	<p><u>Included in the Baseline Project Features:</u> Measurement and verification of compliance with sustainability provisions will be monitored by the Master Owners Association (MOA) with outcomes submitted to the City in biennial reports.</p> <p>The Commission has more detail in the recommended contents of the report and suggest that it be done annually. The applicant proposal is biennial reports. However, Development Agreements are subject to annual reports and the sustainability</p>

<p>meeting sustainability goals and obligations and implementing mitigation measures, including all relevant provisions in the Project’s baseline features. Annual reports will also indicate what actions will be taken in the following year to meet phased actions as part of the sustainability goals and obligations and mitigation measures.</p>	<p>commitments are in the DA so, at a minimum the items will be heard annually with more robust reporting every other year.</p>
<p>NRC2.The developer shall commit to minimizing carbon emissions by maximizing production of clean energy onsite and ensuring that all Project structures consume 100 percent clean energy. “Clean energy” is defined as energy derived from technologies eligible for California’s Renewables Portfolio Standard (RPS).</p>	<p><u>Included in the Baseline Project Features:</u> Project’s electricity demand shall be fueled by 100% clean energy either generated onsite or purchased from a 100% renewable program such as Valley Clean Energy’s “UltraGreen” program.</p>
<p>NRC3.The Project shall meet and exceed Title 24, Cal Green Tier 1 and the City of Davis Residential and Commercial Energy Reach Code standards in effect at the time of permitting of each phase of the Project. The Reach Code aims to promote energy efficiency within the City of Davis through the use of energy-efficient building standards and is intended to ensure LEED Gold equivalency or better.</p>	<p><u>Included in the Baseline Project Features:</u> Housing units will be all-electric, not include natural gas, and utilize the City’s Residential Energy Efficiency “Reach” Green Building Code for construction.</p> <p>Cal Green Tier 1 was not found to be cost effective and is therefore not required. The current Non Residential Reach code does not include an all electric provision and could require a cost effectiveness study and California Energy Commission review.</p>
<p>NRC4. The Developer shall enter into a purchase and sale agreement with Valley Clean Energy (and/or another electric utility company) for all power produced by the Project in excess of on-site demand. This agreement shall ensure that all power generated but not used onsite is used locally.</p>	<p>The developer has agreed to enter into an agreement. However, it cannot be ensured that all power will be used locally.</p>
<p>NRC5. If, after maximizing energy efficiency and on-site production of clean energy, the energy demand of Project structures exceeds the energy produced on-site, then the Developer shall purchase power from solely renewable sources such as Valley Clean Energy’s “UltraGreen” 100 percent renewable and 100 percent carbon-free service (or equivalent) to offset the deficit. This requirement will be continued for the lifetime of the Project by building owners.</p>	<p>Project’s electricity demand shall be fueled by 100% clean energy either generated onsite or purchased from a 100% renewable program such as Valley Clean Energy’s “UltraGreen” program</p>

<p>NRC6. All onsite residential units shall be all-electric (i.e., shall not include natural-gas service) and shall be designed to the standards of the Residential Energy Reach Code.</p>	<p><u>Included in the Baseline Project Features:</u> Housing units will be all-electric, not include natural gas, and utilize the City’s Residential Energy Efficiency “Reach” Green Building Code for construction.</p>
<p>NRC7. All onsite commercial buildings shall be all-electric. Fossil fuels (e.g., natural gas, propane) shall only be allowed for manufacturing processes as specified by a tenant. As mechanisms become available to reduce or offset carbon emissions from manufacturing processes fed by fossil fuels, the MOA shall require implementation of these mechanisms to reduce emissions in a timeline consistent with the City’s Climate Action and Adaptation Plan (CAAP). Volumes and types of fossil fuels used onsite, as well as opportunities to reduce emissions, shall be included in each annual report prepared and submitted by the MOA.</p>	<p>Requiring all electric is not consistent with the City of Davis Non-Residential Reach Code. The recommendation goes beyond our Reach Code and could require a cost effectiveness study and California Energy Commission review. Furthermore, it is anticipated that certain desired laboratory and advanced manufacturing uses may need natural gas or other fuel sources.</p>
<p>NRC8. Building and site development shall incorporate passive heating and cooling design measures to the extent feasible so as to reduce overall energy demand.</p>	<p><u>Included in the DA Sustainability Section:</u> Buildings shall be designed to incorporate passive heating and cooling so as to reduce overall energy demands.</p>
<p>NRC9. All onsite buildings (commercial and residential) shall achieve zero net carbon for the building envelope—including heating, ventilation and air conditioning (HVAC), and lighting—with onsite renewables and storage.</p>	<p>Developer has indicated that it has feasibility concerns with this request particularly in the early phases.</p>
<p>NRC10. Photovoltaics (PV)—or other future comparable technology for deriving useful power onsite from renewable energy sources—shall be installed on structures and in parking areas, to the greatest extent practicable. Note that this provision is not intended to and shall not substantially interfere with Project requirements for tree canopy.</p>	<p><u>Included in the Baseline Project Features:</u> In furtherance of the commitment to utilize 100% renewable energy, the installation of photovoltaics or future renewable energy technology will be required on every conducive structure; e.g. greenhouses would not be conducive, to the greatest extent practicable.</p>
<p>NRC11. The Project shall achieve net-zero energy for outdoor lighting through the use of onsite PV or similar technology.</p>	<p><u>Included in the Baseline Project Features:</u> Achieve net zero for outdoor lighting.</p>

<p>NRC12. In anticipation of improved solar-connected energy storage, the Project shall be designed and pre-wired for future microgrid capacity and energy storage.</p>	<p>No microgrid is included.</p>
<p>NRC13. Low-impact development (LID) features, such as bioswales and permeable pavement, shall be implemented to the extent practicable in all streets and surface-level parking to capture and filter runoff and maximize groundwater recharge. Piping of runoff shall be discouraged and only implemented where necessary.</p>	<p><u>Included in the Baseline Project Features:</u> Runoff shall be captured and conveyed onsite in a series of bioswales intended to filtrate and clean the run-off and maximize groundwater recharge. <u>Dev Agreement Ex. G</u> All streets and surface-level parking shall utilize low-impact development (LID) features, such as bioswales, to capture and filter runoff and to maximize groundwater recharge. Piping of runoff will be discouraged and only utilized when necessary.</p>
<p>NRC14. Stormwater shall be retained onsite using swales, ponds, or other appropriate facilities, consistent with City stormwater regulations and system capacity. Stormwater facilities necessary to meet these regulations must be located on-site or on another privately-owned property incorporated within City boundaries.</p>	<p>The City of Davis requires (via local regulation) that all stormwater be detained onsite and released at predevelopment levels. The stormwater flow works it's way to the Howatt Ranch area where if the Yolo Bypass is full of water, the water on the western side of the levee has nowhere to go and begins ponding on the Howatt Ranch property. This is an existing condition to which the Project will contribute. The EIR lays out options for dealing with the ponding, none of which can occur on site or on another privately owned property within the City boundaries as the flow is away from the city.</p>
<p>NRC15. All parking surfaces or street-adjacent sidewalks that use or are conducive to tree shading will use structured soil or suspended substrate to allow successful tree-root development. The developer shall size the area of each pavement-treatment site to accommodate the maximum size of a tree that could reasonably be accommodated on that site.</p>	<p><u>Included in the Baseline Project Features:</u> Trees planted in parking areas or street-adjacent shall use structured soil or suspended substrate to allow successful tree root development. Developer shall size pavement treatment areas to accommodate the anticipated size(s) of the various tree varieties.</p>

<p>NRC16. Landscaping shall provide 80 percent shading of pedestrian walkways and off-street bike paths. At least 50 percent parking-lot shading shall be achieved through either shade trees or PV arrays. Compliance with these requirements shall be demonstrated at the time of building by securing permits for adequate PV arrays and/or by consulting with a certified arborist on a tree-planting and -maintenance strategy expected to achieve the desired shading area within 15 years of planting. Failure to meet shading requirements shall be considered a code violation and subject to penalty until remedied. Progress towards meeting the shading requirement shall be included in each Annual Report.</p>	<p><u>Development Agreement Ex. G</u> Landscaping shall provide 80% shading of pedestrian walkways and off-street Class I bike paths. 50% parking lot shading shall be achieved through either shade trees or photovoltaic arrays. These requirements shall be demonstrated at building permit for PV or shall be achieved within 15 years of planting for areas shaded by trees. Failure to meet shading requirements shall be considered a code violation and subject to penalty until remedied.</p> <p>Staff recommends that the applicant meet the City’s Tree Ordinance requirements for shading.</p>
<p>NRC17. Parking preference and priority shall be given to carpool vehicles and electric vehicles (EVs). Only carpool and EV parking shall be allowed adjacent to buildings in spots not designated for disabled persons. Spots designated for disabled persons shall not be restricted to particular vehicle types.</p>	<p><u>Development Agreement Ex. G:</u> Parking preference and priority will be given to high occupancy vehicles (HOV) and electric vehicles (EV). Aside from handicap parking, only HOV and EV parking shall be allowed adjacent to buildings. All stalls designated for EV will have charging stations pre-installed.</p>
<p>NRC18. All stalls designated for EVs shall have Level 2 charging stations pre-installed.</p>	<p>The Current City of Davis REACH code requires Level 2 EV stations but can be satisfied with some Level 1 EV stations under particular circumstances.</p> <p>Staff recommends application of the City’s Ordinance.</p>
<p>NRC19. All commercial and residential parking areas shall be EV ready, equipped with infrastructure designed to facilitate installation of EV charging stations as demand grows. This infrastructure will include electrical panels, conduit/raceways, overprotection devices, wires, and pull boxes and will be designed to support vehicle-grid integration. On-site demand for EV charging shall be reported in each year’s Annual Report.</p>	<p>The Current City of Davis REACH code requires parking areas to have a ratio of EV stalls. Not every stall is required to be EV ready.</p> <p>Staff recommends application of the City’s Ordinance.</p> <p><u>Development Agreement Ex. G:</u></p>

	All commercial parking areas will be designed with infrastructure to allow for the installation of EV charging stations.
NRC20. All housing shall include one Level 2 EV charger per unit or, if a multifamily building is provided parking at a ratio of less than 1:1, one Level 2 EV charger per parking stall. Townhomes, if built to accommodate two vehicles, will be prewired to allow for the installation of a second charger.	<p>Under the Current City of Davis REACH code, Single Family Residential developments are required to pre-install 8 Gauge wiring to support Level 2 electric vehicle charging.</p> <p>Multifamily housing is required to have a ratio of EV parking stalls. Not every stall is required to be EV ready.</p> <p>Staff recommends application of the City’s Ordinance.</p>
NRC21. All commercial parking for non-electric SOVs shall be paid parking. To encourage occasional bus use, no discounts for monthly parking versus daily parking will be allowed.	<p>Market analysis indicates that the market will not bear paid parking for commercial in Davis.</p> <p>DA Ex. 12: Developer commits that when the market will bear parking fees, such fees will be implemented with proceeds supporting TDM measures.</p>
NRC22. The Project shall be exempt from parking minimums otherwise required by the City for new development. Specifically, the minimum number of parking spots necessary for the Project shall be informed by the Project’s TDM plan rather than general minimum parking requirements.	<p><u>Included in the Baseline Project Features:</u> Parking for commercial uses may be constructed on the Project site not to exceed 4,772 parking stalls and residential shall not exceed 850. All commercial parking areas shall include infrastructure to accommodate the installation of photovoltaics and the accommodation of electric vehicle charging. City and Developer shall seek to further reduce on-site parking through the development of a Transportation Demand Management Plan, with the target being 4,340 total parking stalls, which reflects a nearly 25 percent reduction.</p>
NRC23. All Project landscaping shall be adapted for climate change, drought resistant, pollinator friendly, and maintained organically.	<p><u>Included in the Baseline Project Features:</u> Native and drought tolerant plants shall predominate the plant palette. Valley Oaks or other local native oak species will be significantly incorporated into the agricultural buffer area.</p>

<p>NRC24. Native and drought-tolerant plants shall predominate the plant palette. A diversity of native habitats—including but not limited to riparian and California oak savanna—shall be maintained throughout the Project site, primarily but not exclusively within the agricultural buffer and along the drainage channel.</p>	<p><u>Included in the Baseline Project Features:</u> A diversity of native habitats shall be disbursed and managed throughout the site, primarily within the agricultural buffer and along the channel, including but not limited to riparian, California oak savanna, and native prairie grasslands. The agricultural buffer shall include areas densely vegetated and sparsely vegetated to accommodate nesting and foraging opportunities for a variety of species.</p>
<p>NRC25. Turf shall be strongly discouraged and used only in areas (such as “The Oval” or organized sports fields) programmed for activities that require turf.</p>	<p><u>Development Agreement Ex. J:</u> Turf will be strongly discouraged and utilized only in areas programmed for activities such as the Oval.</p>
<p>NRC26. The Developer shall engage with the Center for Land Based Learning, the UC Davis Arboretum, or other local expert(s) to design and manage its open and landscaped buffer areas. Landscape plans shall be subject to City review, including review by the Open Space and Habitat Commission and the Tree Commission.</p>	<p><u>Development Agreement Ex. J:</u> Developer shall engage with Tree Davis, the Center for Land Based Learning, the Davis Arboretum, or other local expert(s) to design and manage its open and landscaped buffer areas. Through the adoption of design guidelines, landscape plans will be subject to City review, including the Open Space and Habitat Commission and the Tree Commission.</p>
<p>NRC27. All runoff shall be captured, conveyed, and detained onsite in a series of bioretention facilities and similar devices intended to filter the runoff, maximize groundwater recharge, and provide deep watering for onsite vegetation.</p>	<p><u>Included in the Baseline Project Features</u> Runoff shall be captured and conveyed onsite in a series of bioswales intended to filtrate and clean the run-off and maximize groundwater recharge.</p>
<p>NRC28. The Developer shall install infrastructure suitable for conveying non-potable water to meet all landscape irrigation demands. The Developer shall convert this system to reclaimed/greywater water if and when such service is made available.</p>	<p><u>Included in the Baseline Project Features</u> Infrastructure to accommodate reclaimed water, i.e. “purple pipe,” shall be installed in anticipation of future service..</p>

<p>NRC29. All greywater shall be reused onsite where practical and permissible. The Developer shall install infrastructure (including two-way valves and piping) to support use of greywater from laundry facilities in all townhomes. The Developer shall also identify opportunities for using greywater in multi-family housing and commercial buildings, and shall install infrastructure needed to pursue such opportunities. The MOA shall review proposed uses of greywater to prevent pollution. The MOA may require owners to revisit/update proposed plans for greywater reuse in the future, and may require installation of additional infrastructure as appropriate.</p>	<p><u>Included in the Baseline Project Features</u></p> <p>Utilize non-potable (well or recycled) water for all common landscaping areas managed by the Master Owners Association.</p> <p>Developer expressed concerns with the use of grey water given the nature of uses which may occur onsite.</p>
<p>NRC30All Project housing shall be medium- and high-density, incorporating 15–50 units per acre. No single-family detached housing will be permitted.</p>	<p><u>Included in the Baseline Project Features</u></p> <p>All housing shall be medium- and high-density with a minimum median density of 30 units per acre. No single-family detached housing will be permitted.</p>
<p>NRC31Housing shall be designed to meet the housing needs of the anticipated Project workforce and shall not resemble student-oriented housing found elsewhere in the City. No unit shall include more than three bedrooms. No rental apartment shall include more two bedrooms.</p>	<p><u>Included in the Baseline Project Features</u></p> <p>A maximum of 850 units of housing designed to accommodate the needs of the DISC worker shall be permitted onsite. The housing will be a mix of rental and for-sale with a density range of 15 to 50 units per acre. Residential units will range from studio to three-bedroom. Product types will be multi-family, condominiums or townhomes.</p> <p>DISC residences will not be dormitory-style housing found elsewhere in the City but may include micro units, studios, one-to-three bedroom apartments, condos and townhomes. No home will be greater than three bedrooms.</p>

<p>NRC32 Housing construction shall be directly linked to the development of commercial space at a ratio of no more than one dwelling unit per 3,000 square feet of nonresidential space². This linkage will correlate the availability of housing with the creation of jobs which will maximize DISC employee occupancy of the housing.</p> <p>¹ The ratio of one dwelling unit per 3,000 square feet is different ratio than the Developer-proposed one dwelling unit per 2,000 square feet. This directly ties housing to the proposed square footage in each phase of the DISC development, to ensure that housing growth is better matched with job growth at the site.</p>	<p><u>Included in the Baseline Project Features</u></p> <p>Commercial development shall precede housing construction; there must be 200,000 square feet of job space before any homes. Housing construction will be contingent upon the construction of commercial space at a ratio of one home per 2,000 square feet of nonresidential space. This direct correlation between the development of housing and the creation of jobs will maximize DISC employee occupancy of the housing.</p>
<p>NRC33 To provide an opportunity for a car-free lifestyle, parking associated with multifamily rental housing will be unbundled. Multifamily rental units will be charged for parking separate from rent.</p>	<p><u>Included in the Baseline Project Features</u></p> <p>Parking associated with multifamily housing will be unbundled, providing an opportunity for a car-free lifestyle.</p>
<p>NRC34 To minimize transportation emissions, the Developer shall strive to maximize the number of Project housing units occupied by individuals working onsite. To this end, the Developer shall require employer master leasing of all rental housing and ownership of a portion of the single-family housing units and require employment for residency. These requirements shall be dependent upon a minimum firm size, to be designated by the City.</p>	<p>This request jeopardizes overall project feasibility and is more than the market will bear.</p>
<p>NRC35 All buildings and facilities shall participate in a mandatory, site-wide recycling and compost program to be managed by the MOA. Building maintenance staff will be trained in best practices for maximizing commercial recycling.</p>	<p><u>Development Agreement Ex. F:</u></p> <p>All buildings and facilities will participate in a mandatory, site-wide, recycling program that will be managed by the Master Owners Association. Building maintenance staff will be trained in best practices for maximizing</p>

² The ratio of one dwelling unit per 3,000 square feet is different ratio than the Developer-proposed one dwelling unit per 2,000 square feet. This directly ties housing to the proposed square footage in each phase of the ARC development, to ensure that housing growth is better matched with job growth at the site.

	commercial recycling and will emphasize paper and cardboard recycling.
NRC36 All common areas that include disposal options managed by the MOA shall include solid-waste disposal cans, recycling cans, and compost bins.	<u>Development Agreement Ex. F</u> All common areas that include disposal options managed by the Master Owners Association will include solid waste disposal cans, recycling cans, and compost bins.
NRC37 The project shall comply with and ensure public or private funding and completion within a two-year period for all Mitigation Measures identified in the Approved Mitigation, Monitoring, and Reporting Plan.	This recommendation does not align with the way in which the mitigations are structured. Several impacts associated with the project do not arise until the latter phases. As such, it is inappropriate to mitigate for impacts that do not exist.
NRC38 Concurrent with the approval of a Final Planned Development and Site Plan and Architectural Review for any structure located at DISC, a Sustainability Implementation Plan shall be developed and implemented to ensure compliance with the Environmental Sustainability Baseline Features to the satisfaction of the City.	<u>Development Agreement Ex. F</u> Concurrent with the approval of a Final Planned Development and Site Plan and Architectural Review for any structure located at DISC, a Sustainability Implementation Plan shall ensure compliance with these Sustainability Guiding Principles to the satisfaction of the City.

“The Recreation and Parks Commission recommends that, if the City Council approves the Davis Innovation & Sustainability Campus project, the following project features should be included in the project’s “Baseline Project Features” and/or Development Agreement	Project Proposal Response to Commission Recommendation
RPC 1 Onsite Park Details – Developer will ensure public access through a recorded easement to a minimum of 15 acres of onsite parks. Of the minimum of 15 acres of onsite parks, a neighborhood park of a minimum of 7.5 net acres of contiguous park land will be established in accordance with the City of Davis Parks and Recreation Master Plan.	The project must comply with the provisions of the Quimby Act, which is codified in Davis Municipal Code Section 36.08.040. As such, the project is required to dedicate 11.14 acres of parkland. The applicant has proposed to dedicate 12.8 acres which exceeds its obligation. The city does not have to authority ask for more park acreage unless

	<p>agreed to as part of a Development Agreement.</p> <p>The park locations have been laid out on the land use plan</p>
<p>RPC 2 The parks will be designed and maintained to meet the needs of the residents who reside at the project site, and will include children playgrounds and picnic facilities with adequate shading, public art, natural/landscaped areas, and multi-use open fields. This neighborhood park will include a softball / multi-use field that meets the field of play regulations appropriate for youth and adult organized softball for use by employees and residents of the project site, as well as Davis community sports programs, and will include permanent spectator seating, dugouts, fencing, and lights for use at night and in the evening.</p>	<p><u>Included in the Baseline Project Features</u></p> <p>Open space, greenbelts, courtyards and parks, including the agricultural buffer area, will comprise approximately 49 acres or ¼ of the DISC site. The open space and park areas will include programmed and passive gathering spaces, miles of new pedestrian and bicycle trails and facilities, sports fields, and vegetated landscape buffers. The ultimate park design and programming will be reviewed by the Recreation & Park Commission when the park design details come forward.</p>
<p>RPC3 The neighborhood park will be completed in Phase 1, and within 3 months from when the first person occupies a residential unit at the project site. All use of the onsite parks, including rental by Davis residents, will be managed by the City of Davis Parks and Community Services Department in accordance with City Council Policy for rental and use of city facilities. The City of Davis shall be entitled to charge and collect a fee for the reserved use of the onsite parks.</p>	<p><u>Included in the Baseline Project Features</u></p> <p>The central park located on Mace Boulevard and the off-grade crossing of Mace Boulevard shall be constructed in Phase 2.</p> <p>Improvements to the Mace Drainage Channel, the accompanying east/west class 1 bike trail and the parks south of the channel will be commenced in Phase 2.</p>
<p>RPC4 <u>Park Construction and Design</u> – Developer will be responsible to construct all onsite parks and open space, and will consult with the City of Davis Recreation and Park Commission as well as City of Davis Parks and Community Services Department concerning all programming and equipment installed in the onsite parks.</p>	<p><u>Development Agreement Ex. I:</u></p> <p>Programming of the parks will be determined collaboratively by Developer and City recognizing the unique nature of the Project site. Sports fields will be included to accommodate both local athletic leagues and onsite leagues. If so desired by the City during the programming of onsite parks, lighting for the sports field shall be included. Any and all programming which may result in impacts not previously contemplated shall be subject to appropriate environmental review prior to action and implementation.</p>

<p>RPC5 The parks will be designed in accordance with best practices so as to provide a safe place for City residents to recreate, including, as necessary, appropriate measures to protect park visitors from nearby roadways. The Developer agrees to receive approval from the Parks and Community Services Department on all final park designs and programming.</p>	<p><u>See above</u></p>
<p>RPC6 <u>Park Maintenance</u> – Developer will ensure that all maintenance associated with onsite parks and open spaces will meet or exceed the standards expected as Class-A commercial facilities in perpetuity, and will further meet or exceed all operative City of Davis maintenance standards for parks, including but not limited to the City of Davis Integrated Pest Management Policies and Procedures, as those policies and procedures may be amended from time-to-time, as well as the ban imposed by the City of Davis on the use of glysophate in City parks.</p>	<p><u>Included in the Baseline Project Features</u> Form a financing district to pay for the maintenance and upkeep of all publicly accessible park, greenbelt and open spaces.</p> <p><u>Development Agreement Ex. I:</u> Developer will retain ownership of park and greenbelt spaces and, accordingly, shall be responsible to construct and maintain all onsite parks and open spaces, relieving the City of a considerable financial burden.</p>
<p>RPC7 Developer agrees that all maintenance costs associated with meeting the foregoing standards will be assumed by Developer and/or by the DISC Master Owners’ Association, and to the extent that the City is required to expend its own resources to meet the standards agreed to herein that the City shall be entitled to compensation from Developer and/or DISC Master Owners’ Association for the value of City’s resources so expended.</p>	<p><u>See above</u></p>
<p>RPC8 <u>Peripheral Trail</u> – Developer will ensure public access through fee or easement to a 7.5 acre peripheral trail that will run along the perimeter of the Project site and which will include a walking path and a class 1 bike trail. At least a material portion of either the walking path or the class 1 bike trail must be completed in Phase 1, and within 3 months from when the first commercial tenant occupies the site so as to provide recreational opportunities for the employees who will work at the site. The trail will also be open to residents of the site and the public at large.</p>	<p><u>Included in the Baseline Project Features</u> Develop a minimum of 2.75 miles of publicly accessible bike lanes and walking paths on-site</p> <p>Improvements to the Mace Drainage Channel, the accompanying east/west class 1 bike trail and the parks south of the channel will be commenced in Phase 2.</p> <p>The agricultural buffer and associated peripheral bicycle and pedestrian trail shall be constructed in segments concurrent with</p>

	adjacent development. The peripheral trail and bike path will be completed in Phase 3.
<u>RPC9 Turf Usage</u> – Parks and recreational areas will minimize the use of natural grass turf while balancing the needs of certain sporting activities.	<u>Development Agreement Ex. J:</u> Turf will be strongly discouraged and utilized only in areas programmed for activities such as the Oval.
<u>RPC10 Off-Grade Bicycle Crossing</u> – A class 1 bike trail will parallel the Mace Drainage Channel, be serviced by an off-grade crossing of Mace Blvd, connect with the City easement located east of the Project site, and will enhance overall regional bicycling connections.	<u>Included in the Baseline Project Features</u> Construct a grade separated bicycle and pedestrian crossing of Mace Boulevard connecting to local and regional trails. Develop a minimum of 2.75 miles of publicly accessible bike lanes and walking paths on-site.
<u>RPC11 Strain on City Facilities</u> – The residents of the 850 residential units and the 6,000 employees will undoubtedly further the strain on existing City resources. The Commission recommends that City Council require, either as a Baseline Project Feature or as part of a Developer Agreement, that the Developer agrees to make a financial contribution to a parks development fund, in addition to park impact or construction tax fees, for the City to use on projects identified in the Masterplan Park Update, on infrastructure updates, or on other high-priority projects.	Developer is making a commitment to contribute to fund municipal services.
<u>RPC12 Skateboarding Facilities</u> – As the project will eliminate any future use of the “Davis Ditch” unauthorized, but frequently used skateboarding area on the Southeast corner of the project site, the Developer should be required to contribute toward a future skatepark or improvement as identified in the Masterplan Park Update.	Pursuant to the DA, programming will be determined in collaboration with City Parks Department and subject to City review. If at such time the City determines that skateboarding is a top priority, it will seek such a facility from the Developer onsite.

<p>RPC13 Private Ownership – The Commission is concerned that the private ownership of land proposed to be used as a public park via easement presents potentially novel issues related civil liberties. For example, will private security or local police have jurisdiction to patrol the parks? Will citizens have a right to protest on this sort of privately owned public park lands in the same way as they would on traditional City-owned park land? The Commission encourages City Council to work with the City Attorney to fully analyze these concerns so as to ensure the protection of residents’ civil liberties.</p>	<p>Project will grant City a public access and recreation easement over the park and greenway features. Permitting unencumbered public access to the park areas should afford the public all rights it has in any City-owned park.</p>
<p>RPC14 Municipal Arts – The Commission encourages City Council to have a discussion with the Developer about an appropriate plan for creating spaces for public art within the Project. The Commission proposes that the Developer be required to make a financial contribution to public arts to be managed through the City’s internal processes for selecting and installing public art in accordance with City standards.</p>	<p><u>There is no plan for public art, however it could be incorporated into the project with future entitlements</u></p>

<p>“The Tree Commission recommends that, if the City Council approves the Davis Innovation & Sustainability Campus project, the following project features should be included in the project’s “Baseline Project Features” and/or Development Agreement</p>	<p>Project Proposal Response to Commission Recommendation</p>
<p>TC1 Tree Quantity - The Davis Innovation and Sustainability Campus development will have a minimum of 4,000 trees, as defined in the City of Davis Tree Ordinance, provided by the developer with the following goals</p>	<p><u>Included in the Baseline Project Features</u> The site shall accommodate a minimum of 1,000 trees for shading and carbon benefits. The maintenance and growth of all onsite trees will be monitored by a third-part arborist and failure to meet tree obligations (i.e. number and shading requirements) will be subject to penalty.</p>

<p>TC2 Bike paths: 80% canopy coverage after 15 years</p>	<p>Development Agreement Ex. G: Landscaping shall provide 80% shading of pedestrian walkways and off-street Class I bike paths. 50% parking lot shading shall be achieved through either shade trees or photovoltaic arrays. These requirements shall be demonstrated at building permit for PV or shall be achieved within 15 years of planting for areas shaded by trees. Failure to meet shading requirements shall be considered a code violation and subject to penalty until remedied.</p>
<p>TC3 Parking lots: 50% canopy coverage after 15 years or solar arrays at the time of lot construction</p>	<p><u>See above.</u></p>
<p>TC4 Manufacturing area: 15% minimum canopy coverage after 15 years</p>	<p><u>Project does not identify shade canopy based upon use type. Project shall comply with City standards for shading unless otherwise specified.</u></p>
<p>TC5 Housing, mixed-use, office R&D and commercial areas, including hotels: 30% canopy coverage after 15 years</p>	<p><u>See above</u></p>
<p>TC6 Parks: 30% minimum canopy coverage after 15 years</p>	<p><u>See above.</u></p>
<p>TC7 Bike paths to the west of the project, if built as part of DISC proposal, will have 80% canopy coverage after 15 years and will be in addition to the 4,000 tree requirement for the development.</p>	<p>The City has design standards for bike paths that will dictate shading requirements offsite.</p>
<p>TC8 The project will have a Tree Management Plan. The Tree Management Plan will allow for each tree to have an assigned number to easily locate and identify specified trees.</p>	<p><u>Included in the Baseline Project Features</u> The site shall accommodate a minimum of 1,000 trees for shading and carbon benefits. The maintenance and growth of all onsite trees will be monitored by a third-party arborist and failure to meet tree obligations (i.e. number and shading requirements) will be subject to penalty.</p>

<p>TC9 There shall be habitat and species diversity in the AG buffer. Species should be a mix of valley oak woodland, grassland/burrowing owl habitat, and seasonal wetlands swales.</p>	<p><u>Included in the Baseline Project Features</u> A diversity of native habitats shall be disbursed and managed throughout the site, primarily within the agricultural buffer and along the channel, including but not limited to riparian and California oak savanna. The agricultural buffer shall include areas densely vegetated and sparsely vegetated to accommodate nesting and foraging opportunities for a variety of species.</p> <p>Install artificial burrowing owl dens in the agricultural buffer in consultation with a qualified biologist.</p>
<p>TC10 Tree plantings must include drought tolerant and climate-ready trees. There will be a minimum of 200 locally native <i>Quercus sp.</i>, Oak trees.</p>	<p><u>Included in the Baseline Project Features</u> Native and drought tolerant plants shall predominate the plant palette. Valley Oaks or other local native oak species will be significantly incorporated into the agricultural buffer area.</p>
<p>TC11 In the open space area along the east/west ditch, through the middle of the proposed project shall include at minimum 50% California central valley native riparian tree species.</p>	<p><u>Included in the Baseline Project Features</u> Restore and enhance the portion of the Mace Drainage Channel onsite utilizing native riparian vegetation while maintaining its drainage conveyance function.</p>
<p>TC12 There will be hedgerows planted with native species including <i>Heteromeles arbutifolia</i>, Toyon, <i>Ceanothus sp.</i>, Ceanothus, <i>DISCtostaphylos sp.</i>, Manzanita, <i>Fremontodendron californicum</i>, Fremontodendron, <i>Cercis sp.</i>, Redbud, and <i>Rhamnus californica</i>, Coffeeberry, especially on the edge of the 50-foot portion of the AG buffer.</p>	<p>The planting of hedgerows is identified within the agricultural buffer. The landscape plans will be a part of Final Planned Development and subject to City review at that time.</p>
<p>TC13 A preference for permeable paving throughout the project.</p>	<p><u>Development Agreement Ex. G:</u> All streets and surface-level parking shall utilize low-impact development (LID) features, such as bioswales, to capture and filter runoff and to maximize groundwater recharge. Piping of runoff will be discouraged and only utilized when necessary.</p>

<p>TC14 Tree Planting Specifications and Irrigation</p> <p>Structural soil and/or suspended substrate pavement shall be used in parking lots. A preference for permeable paving is highly recommended around trees.</p> <p>When planting in parking areas or along paved walkways, developer will size pavement treatment area to adequately accommodate the tree varietal's intended size. All tree plantings must comply with ANSI A300 Standards and be inspected before backfilling.</p> <p>Irrigation is required and must be indicated on the landscape plans.</p>	<p><u>Included in the Baseline Project Features</u></p> <p>Trees planted in parking areas or street-adjacent shall use structured soil or suspended substrate to allow successful tree root development. Developer shall size pavement treatment areas to accommodate the anticipated size(s) of the various tree varieties.</p>
<p>TC15 Phasing of Tree Planting</p> <p>Inner 50 feet of Ag buffer (public access and bike path area) to have all tree planting in early part of Phase 1, including those trees that will provide 80% shade for bike path</p> <p>Riparian area on drainage channel to be completed in Phase 1</p> <p>Trees for the large park on central west side of development to be in Phase 1 with park completion</p> <p>Outer 100 feet of ag buffer to be planted in Phase 2</p> <p style="text-align: center;">•</p>	<p><u>Included in the Baseline Project Features</u></p> <p>The agricultural buffer and associated peripheral bicycle and pedestrian trail shall be constructed in segments concurrent with adjacent development. The peripheral trail and bike path will be completed in Phase 3.</p> <p>Improvements to the Mace Drainage Channel, the accompanying east/west class 1 bike trail and the parks south of the channel will be commenced in Phase 2.</p> <p>The central park located on Mace Boulevard and the off-grade crossing of Mace Boulevard shall be constructed in Phase 2.</p>
<p>TC16 Follow-up Tree Care Guarantees for Success</p> <p>Developer or successor to pay the City for arborist services to annually monitor all trees in the project. (indefinitely)</p> <p>Financial penalties to be specified in development agreement and determined at the start of each phase.</p>	<p><u>Included in the Baseline Project Features</u></p> <p>Developer will establish a Master Owners Association which reports to the City biennially and is responsible for measurement, verification and assuring compliance with Project baseline features, sustainability obligations and mitigation measures.</p>

<p>The tree maintenance in the Ag buffer shall be funded by a special assessment district as is described under 40A.01.050e “The city reserves its right to form a special benefit assessment district, or other applicable district as is permitted under state law, and to maintain the agricultural buffer and transition area once the land is improved, dedicated, and annexed.” The district will include the entirety of the DISC business park.</p>	<p>The site shall accommodate a minimum of 1,000 trees for shading and carbon benefits. The maintenance and growth of all onsite trees will be monitored by a third-part arborist and failure to meet tree obligations (i.e. number and shading requirements) will be subject to penalty.</p>
<p>TC17 Inspection Protocol Robust annual inspection and documentation protocol to ensure the City of Davis Tree Ordinance is followed. This inspection includes tree canopy, irrigation needs, and any need to adjust, fix, prune, and/or replant any trees. Every stage of the development will be reviewed by the Tree Commission.</p>	<p><u>Included in the Baseline Project Features</u> The maintenance and growth of all onsite trees will be monitored by a third-part arborist and failure to meet tree obligations (i.e. number and shading requirements) will be subject to penalty.</p>
<p>TC18 Immediate financial consequences, shall be determined if the trees are not planted or trees are not being maintained per the tree management plan for the property. Consequences should incentivize initial compliance.</p>	<p><u>See above</u></p>
<p>TC19 Reimbursement Protocol to City from Developer Developer will reimburse the city for the full cost of both initial plantings and the annual follow-up care. City shall inspect the plantings prior to accepting the project. The Full Cost of Care includes the City Arborist’s time to undertake the review of the trees and/or the cost to supervise an outside Arborist hired by the City (possibly subcontracted by Tree Davis) to undertake the review of the trees. Cost of any new trees and their proper follow-up for the next phase of tree life.</p>	<p><u>See above</u></p>

<p>TC20 Extra Costs - Incurred when the Developer/Contractor/Etc. allow for improper plantings that have not been signed-off as having any of the following:</p> <ol style="list-style-type: none"> 5. The proper tree planted 6. The proper sod and groundcover installed 7. The proper standards for width and depth of dirt hole size for specified tree 8. The proper follow-up tags assigned for next Phase of Tree Life 	<p><u>See above</u></p>
<p>TC21 Phase of Tree Life</p> <ol style="list-style-type: none"> 3. Each tree is assigned a unique identifier number that provides the following tree information: <ol style="list-style-type: none"> h. Name i. Unique specifications determined by planting-to-spec details (Parking lot vs. suspended pavement vs. structural soil) j. Location within the development k. Phases l. Progression m. Replacement, if needed n. Photo documentation 4. Allowed under approval by City Arborist and/or City hired Arborist Photos must include: <ol style="list-style-type: none"> 1. Tree Unique Identifier Number - shown large enough to read. 2. Hole depth and width shown along with a measuring stick - from two angles with root ball in place but not covered showing proper hole width and depth 3. Root ball Cleared - shown from different angles that circling roots are cleared 	<p>This type of programmatic detail is not typically included in a land use based application.</p>

<ul style="list-style-type: none"> 4. Root crown showing after dirt is filled in hole 5. New Stakes 6. Root ball right depth 7. Nursery stakes removed 8. Tree Canopy 	
<p>TC22 Burrowing Owls Statement - The City of Davis Tree Commission is sympathetic to burrowing owls but find it to be the Open Space and Habitat Commission and Natural Resource Commission purview to oversee burrowing owl protection and our tree recommendations and requirements should be understood and implemented to fit with those other commission recommendations for burrowing owl protections.</p>	<p><u>Included in the Baseline Project Features</u></p> <p>Install artificial burrowing owl dens in the agricultural buffer in consultation with a qualified biologist</p>

<p>“The Finance and Budget Commission <i>urges Council to consider comments FBC1 through FBC7 as the city negotiates the final development agreement and considers the project.</i></p>	<p>Project Proposal Response to Commission Recommendation</p>
<p>FBC1 Compensation: There are a number of city assets, including 6.8 acres of City open space, being utilized by the applicant. We would expect to see in the DA an external appraisal of any assets and fair market compensation for them.</p>	<p>If the City Council ultimately chooses approve an easement, compensation would be required as specified in Exhibit H of the Draft Development Agreement.</p>
<p>FBC2 Tax Exempt Organizations: We suggest that the City protect itself from any property tax reduction by writing in language to the development agreement to shield the city from lease or acquisition by entities exempt from paying property taxes.</p>	<p>Provided for in Draft Development Agreement Section 201(7).</p>
<p>FBC3 Uncertainty: While the overall project on both a leveraged and an unleveraged basis look to have a healthy return for the developers, in the EPS report they state that “Phases 1 and 2 rates of return are</p>	<p>The developer has maintained that the overall projected returns that are projected in the project are attractive for them to move forward with the project. The housing allocation has been spread to housing the</p>

<p>significantly stronger than for those of Phases 3 and 4.” We suggest that the City assess any risk here to best ensure that the project gets built out over the >20 year time horizon so that Davis gets the full fiscal benefits. One way to do that would be to consider a different phasing of the housing perhaps moving more into the latter phases to provide the target return in all phases.</p>	<p>workforce as well as help fund early infrastructure.</p>
<p>FBC4</p> <p>COVID-19: We recognize that the EPS analysis was done prior to the global pandemic and that it would be very difficult to forecast the effects of COVID-19 on the model. However, it is our new reality and tough to ignore. Unless it is believed that a full economic recovery will take place prior to completion (and thus property tax valuation of the initial construction) it’s reasonable to assume follow-on effects in the overall economy will affect at least initial demand for ARC property, and thus the underlying valuation. As property tax increases are capped at 2% regardless of any increase in the value of the underlying property (i.e., as a result of economic recovery), any shortfalls in initial valuation would roll through the financial model.</p>	<p>Given the length of the project buildout forecast, it is likely that the project will see several economic cycles. The project still has implementing entitlements to proceed with, infrastructure and building design and permitting. These items take time to work through and it is likely that reassessments of property values will begin as the local economy is on a path to recovery. Senility analysis was also conducted as part of FBC comments that were received on this matter and the project still produced a significant, positive fiscal benefit for the City.</p>
<p>FBC5</p> <p>Semiconductor Manufacturing: Calling out semiconductor manufacturing as a potential onsite user of the advanced manufacturing site did raise concerns from citizens as it does involve potentially toxic and carcinogenic chemicals albeit it can be “clean” manufacturing if removal of potential hazards is done correctly. While not specifically part of a DA, the city may want to be sure that any additional costs for safety and inspection and training of fire personnel if such an entity were to be part of ARC, were borne by others and not passed on to the city.</p>	<p>Should the City desire to potentially allow for this use, tools such as a Conditional Use Permit could be required to ensure a higher level of scrutiny is applied to ensure no public nuisance or safety hazards are presented. This is a land-use planning matter that is of the purview of the Planning Commission and City Council.</p>

<p>FBC6</p> <p>Impact Fees: FBC has no way to assess that the impact fees and construction taxes outlined in Table 4 of the EPS report are sufficient to cover future costs such as the roadway improvements. We assume that the city will do appropriate analysis on these to ensure that is a “good deal” for the city.</p>	<p>The City will collect development impact fees and construction taxes over the course of the project buildout. The fees are updated from time-to-time with the next update anticipated to occur after the upcoming General Plan update. The project will continue to be subject to updated impact fee and construction tax rates over the course of the buildout.</p>
<p>FBC7</p> <p>Innovation: Members of the FBC who are actively engaged with innovation specifically around technology believe there is not much in the proposal to encourage innovation. Specifically, how it helps small business (1-50 employees) especially those working on technology transfer. It would be good to tie this to other initiatives in the city for innovation/entrepreneurship perhaps by negotiating a portion of the build out to be designated to incubate new entrepreneurs and start-ups based in Davis.</p>	<p>The project will is anticipated to provide a variety of different space sizes and configurations to suit a number of different user needs. The applicant has been advised of this comment for a response and a potential proposal.</p>

ATTACHMENT 7
GENERAL PLAN CONSISTENCY ANALYSIS

<p style="text-align: center;">General Plan Goals, Policies, Actions</p>	<p style="text-align: center;">DISC Compliance</p>
<p>Policy LU A.3 Require a mix of housing types, densities, prices and rents, and designs in each new development area.</p>	<p>The project provides 850 new residential units, in a density range of 15 to 50 dwelling units per acre. It is expected that there will be a mix of attached single family townhomes and stacked apartments</p>
<p>Policy LU A.4 Allow home occupations, home offices and live/work uses by right where appropriate provided that the home occupation is compatible with the surrounding neighborhoods and does not cause significant negative impacts on the surrounding neighborhoods.</p>	<p>Home occupations are an allowed use in the Planned Development.</p>
<p>Policy LU A.5 Require neighborhood greenbelts in all new residential development areas. Require that a minimum of 10 percent of newly-developing residential land be designated for use as open space primarily for neighborhood greenbelts.</p>	<p>The total property is 187 acres, of which, XX acres are designated as open space, primarily to be used as greenbelts.</p>
<p>Policy LU G.1 Business parks should include sophisticated land planning, high quality architectural and landscape design, building flexibility, a variety of amenities and environmental controls.</p>	<p>All buildings constructed in the business park are subject to Design Review and must include the design elements listed in the applicable zoning.</p>
<p>Policy LU H.1 University-Related Research Parks should include sophisticated land use planning, high quality architectural and landscape design, building flexibility, a variety of amenities and environmental controls.</p>	<p>The land use plan is a sophisticated arrangement of uses designed to act in coordination to promote a thought provoking and stimulating environment where innovation can occur.</p>
<p>Policy LU 1.1 Recognize that the edge of the urbanized area of the City depicted on the land use map under this General Plan represents the maximum extent of urbanization through 2010, unless modified through the Measure J process.</p>	<p>The Aggie Research Campus project is subject to the Measure J/R process.</p>

General Plan Goals, Policies, Actions	DISC Compliance
Policy LU 1.4 Establish a distinct permanent urban edge which shall be defined by an open space, hedgerows, tree rows, similar landscape features, passive recreation spaces, buffer containing transitional agricultural uses, or similar elements.	The project is designed with an agricultural buffer, designed to provide a distinct edge between the business park and the rural areas beyond. The Ag Buffer will include natural landscaping, Tree rows or other similar features an a bike/walking trail around it.
Policy LU 1.6 For developments that are on the edge of City, a minimum of a 150-foot wide urban agricultural transition area is required.	The project has a 150 foot agricultural buffer.
Policy LU 1.7 Plan for the timing and costs of infrastructure when developing new areas. The planning process shall include working with public transit providers and the Davis Joint Unified School District.	Each phase of development will include working with transit providers to determine the preferred location for improvements and with the Davis Joint Unified School District for payment for fees.
Policy LU 3.1 Create an efficient system of planning and zoning.	The proposed zoning is a requested entitlement.
Goal #1: Davis will provide a comprehensive, integrated, connected transportation system that provides choices between different modes of transportation.	The project is designed to accommodate a multi-modal system that includes, buses, bicycles, share cars, pedestrians, and vehicles that are well connected to the larger transportation system.
Goal #3: Davis will provide a safe and convenient Complete Street network that meets the needs of all users, including children, families, older adults, and people with disabilities.	The project will include a complete street system to connect with the larger citywide system.
Goal #4: Davis will strengthen its status as a premier bicycling community in the nation by continuing to encourage bicycling as a healthy, affordable, efficient, and low-impact mode of transportation accessible to riders of all abilities, and by continuously improving the bicycling infrastructure.	The bicycle infrastructure within the project not only includes on road striping and signage, but a below grade crossing of Mace Boulevard. The undercrossing will allow bicycles and pedestrians to safely cross Mace Boulevard without interference from traffic.
Policy TRANS 2.2 (Goals: 1,2,3,4). Implement state-of-the-art street design solutions to improve bicycle/pedestrian access, comfort, and safety	(See Goal #4 above)

General Plan Goals, Policies, Actions	DISC Compliance
Policy TRANS 2.3 (Goals: 2,3). Apply best practices in sustainability to new streets and redesigns of existing streets/corridors	The proposed project will include complete street designs
Policy TRANS 2.4 (Goal: 3). As part of the initial project review for any new project, a project specific traffic study may be required. Studies shall identify impacted transportation modes and recommend mitigation measures designed to reduce these impacts to acceptable levels.	An in depth traffic analysis has been prepared for the Aggie Research Campus. The study includes all modes and has recommendations for mitigation measures to reduce the impacts to acceptable levels.
Policy TRANS 2.5 (Goals: 1,2,3,4). Create a network of street and bicycle facilities that provides for multiple routes between various origins and destinations.	The project streets are formed into a grid like pattern that connect to Mace Boulevard and County Road 32.
Policy TRANS 2.7 (Goal: 2). Minimize impacts of vehicle traffic on local streets to maintain or enhance livability of the neighborhoods. Consider traffic calming measures along collector and minor arterial streets, where appropriate and feasible, to slow speeds	The project mitigation measures require the study of impacts on local streets as construction projects come on line and the construction of traffic calming devices as necessary.
Policy TRANS 3.1 (Goals: 1,2). Facilitate the provision of convenient, reliable, safe, and attractive fixed route, commuter, and demand responsive public transportation that meets the needs of the Davis community, including exploring innovative methods to meet specialized transportation needs	The City of Davis will continue to work with public transportation providers as the project builds out to provide the most up to date system available to the residents and employees who will live and work in the project area.
Policy TRANS 3.3 (Goals: 1,2). Require new development to be designed to maximize transit potential	The project is designed to accommodate transit along Mace Boulevard and to provide a transit hub within the project boundaries.

<p align="center">General Plan Goals, Policies, Actions</p>	<p align="center">DISC Compliance</p>
<p>Policy TRANS 4.2 (Goals: 1,2,3,4). Develop a continuous trails and bikeway network for both recreation and transportation that serves the Core, neighborhoods, neighborhood shopping centers, employment centers, schools and other institutions; minimize conflicts between pedestrians, bicyclists, equestrians, and automobiles; and minimize impacts on wildlife. Greenbelts and separated bike paths on arterials should serve as the backbone of much of this network.</p>	<p>The project includes a network of on street bike paths, as well as, a trail system designed to traverse the center of the property, along the Mace Channel, and around and through the Ag Buffer surrounding the property.</p>
<p>Policy TRANS 4.3 (Goals: 1,2,3,4). Continue to build transportation improvements specifically targeted at bicycles. Refer to Bicycle Plan and Transportation Implementation Plan for list of bicycle-related projects.</p>	<p>(See Goal #4 above)</p>
<p>Policy TRANS 4.5 (Goals: 1,2,3,4). Establish and implement bicycle parking standards for new developments and significant redevelopment.</p>	<p>The project zoning includes provisions for meeting the city’s parking standards for bicycles.</p>
<p>Policy TRANS 4.6 (Goals: 1,2,3,4). Provide safe and convenient pedestrian access to all areas of the city</p>	<p>Pedestrian access is provided throughout the property through a series of trails crossing and surrounding the project site.</p>
<p>Policy TRANS 4.7 (Goal: 4). Develop a system of trails around the edge of the city and within the city for recreational use and to allow pedestrians and bicyclists to reach open space and natural areas</p>	<p>The project includes a system of trails around the perimeter of the site connecting to the west via the signalized intersection at Second Street and a new undercrossing of Mace Boulevard, and to the east via County Road 32.</p>
<p>Policy TRANS 5.1 (Goals: 1,2). Use parking management techniques to efficiently manage motor vehicle parking supply and promote sustainability</p>	<p>The project parking plan is designed to construct more parking in the early stages of the project and as more of the total project is constructed, other option for transportation will be more readily available. Therefore, the overall number of required parking spaces per square foot will drop over time.</p>

General Plan Goals, Policies, Actions	DISC Compliance
Policy TRANS 5.2 (Goals: 1,2,3,4). Existing and future off-street parking lots in development should contribute to the quality of the urban environment and support the goals of this chapter to the greatest extent possible	All parking lots will contribute to the quality of the environment by providing the minimum amount necessary and by making the same parking lots available for solar energy production with carports.
Policy TRANS 6.3 (Goal: 1). Address Davis' transportation needs as a major regional destination	The project will have a Transportation Demand Management Plan for each user in the project. The plan will require working with transportation providers as the project site will be a major regional destination.
GOAL UD 2. Maintain an aesthetically pleasing environment and manage a sustainable community forest to optimize environmental, aesthetic, social and economic benefits	The project will plant over 1000 trees throughout the project site, as well as, other additional landscaping. The project management will be required to maintain the landscaping.
Policy UD 2.1 Preserve and protect scenic resources and elements in and around Davis, including natural habitat and scenery and resources reflective of place and history.	The natural habitat of the burrowing owls will be incorporated into the northerly portion of the property, as appropriate.
Policy UD 2.2 Maintain and increase the amount of greenery, especially street trees, in Davis, both for aesthetic reasons and to provide shade, cooling, habitat, air quality benefits, and visual continuity.	The project includes a minimum of 1000 trees, that will be planted throughout the property including along streets. A maintenance project is included in the project provisions.
Policy UD 2.4 Create affordable and multi-family residential areas that include innovative designs and on-site open space amenities that are linked with public bicycle/pedestrian ways, neighborhood centers and transit stops.	A minimum of 100 affordable housing units and hundreds of multifamily residential areas are included on the project site. Those projects will be situated so as to benefit from bicycle and pedestrian ways, neighborhood centers and transit stops.
GOAL HOUSING 1. Promote an adequate supply of housing for people of all ages, income, lifestyles and types of households consistent with General Plan policies and goals.	The project provides 850 residential dwelling units, for people of varying incomes, lifestyles and types of households.

<p style="text-align: center;">General Plan Goals, Policies, Actions</p>	<p style="text-align: center;">DISC Compliance</p>
<p>Policy HOUSING 1.3 Encourage the construction of housing to meet the needs of single persons and households with children with extremely low, very low, and low incomes.</p>	<p>The project is required to comply with the provisions of the City of Davis affordable housing provisions.</p>
<p>GOAL HOUSING 2. Provide housing that is affordable for residents with low paying jobs, fixed incomes and pensions</p>	<p>The project is required to comply with the provisions of the City of Davis affordable housing provisions.</p>
<p>Policy HOUSING 4.2 Provide housing opportunities for the local workforce in the Davis area.</p>	<p>The project is providing 850 residential units in close proximity to over 5000 jobs.</p>
<p>GOAL ED 3. Retain existing businesses and encourage new ones as means to increase higher paying jobs, create greater job diversification, and create a more balanced economy for all economic segments of the community, while also maintaining the City's fiscal and environmental integrity.</p>	<p>The project is designed pursuant to a study commissioned by the City of Davis, wherein it was determined that there is insufficient vacant land available for existing Davis companies to grow and new companies to relocate to Davis. This project will expand Davis's economic diversity and contribute to the fiscal integrity while maintaining the environmental integrity.</p>
<p>Policy WATER 1.2 Require water conserving landscaping.</p>	<p>The project will have to comply with the Model Water Efficiency in Landscaping Ordinance, which is designed to conserve water by using appropriate plantings. .</p>
<p>Policy WATER 3.2 Coordinate and integrate design, construction, and operation of proposed stormwater retention and detention facilities City-wide, to minimize flood damage potential and improve water quality.</p>	<p>The Mace Drainage Channel is part of the easternmost portion of the existing City's drainage system. The project will improve the channel with landscaping to enhance its appearance and will construct a detention basin at the eastern property line to control run off timing. The design will also assist with improving the water quality by slowing the flow and allowing the sediments to settle to the bottom.</p>
<p>GOAL C&T 3. Develop an awareness that Davis is a city that understands and supports high technology communications.</p>	<p>A major fiber optic transmission line is located in the railroad right of way, south of the project site. The project applicants plan to make use of this transmission line to supply the entire campus with high quality technological communications.</p>

<p align="center">General Plan Goals, Policies, Actions</p>	<p align="center">DISC Compliance</p>
<p>GOAL POS 1. Provide ample, diverse, safe, affordable and accessible parks, open spaces and recreation facilities and programs to meet the current and future needs of Davis' various age and interest groups and to promote a sense of community, pride, family and cross-age interaction</p>	<p>The project includes 12.7 acres of park lands that will be programed by the City of Davis to meet the needs of all ages and interests.</p>
<p>Policy POS 1.2 Provide informal areas for people of all ages to interact with natural landscapes, and preserve open space between urban and agricultural uses to provide a physical and visual edge to the City.</p>	<p>The project is designed with an agricultural buffer, designed to provide a distinct edge between the business park and the rural areas beyond. The Ag Buffer will include natural landscaping, tree rows or other similar features such as a bike/walking trail around it.</p>
<p>Policy POS 1.5 Attempt to provide all city residents with convenient access to parks and recreation programs and facilities.</p>	<p>The largest proposed park is located near Mace Blvd., which provides direct access to the remainder of the city. In total, all the proposed parks are located in close proximity to the residential uses.</p>
<p>Policy POS 1.7 Use all available mechanisms for preservation of open space.</p>	<p>The project includes mitigation of Ag Land for the development of the project site. Therefore, the applicant will have to place an easement over the mitigation properties to preserve them as open space.</p>
<p>GOAL POS 2. Develop an Urban Agricultural Transition Area around Davis</p>	<p>The project is designed with an agricultural buffer, designed to provide a distinct edge between the business park and the rural areas beyond. The Ag Buffer will include natural landscaping, tree rows or other similar features such as a bike/walking trail around it.</p>
<p>GOAL POS 3. Identify and develop linkages, corridors and other connectors to provide an aesthetically pleasing and functional network of parks, open space areas, greenbelts and bike paths throughout the City.</p>	<p>The project has a series of greenways, open spaces, and other connections within the property. It connects to the balance of the city through a bike underpass, bicycle infrastructure planned for Mace Boulevard, which lead to other open spaces throughout the city.</p>

General Plan Goals, Policies, Actions	DISC Compliance
Policy POS 3.1 Require creation of neighborhood greenbelts by project developers in all residential projects, in accordance with Policy LU A.5.	The project contains 3 acres of greenbelts, meeting Policy LU A.5.
Policy POS 3.2 Develop a system of greenbelts and accessways in new non-residential development areas.	The project contains 3 acres of greenbelts and approximately 49 acres of open space in the project.
GOAL POS 4. Distribute parks, open spaces and recreation programs and facilities throughout the City.	The project contributes its share of parks and open spaces, which are designed to be properly spaced throughout the project site, thereby contributing to the ultimate distribution throughout the City
Policy POS 6.2 Require dedication of land and/or payment of an in-lieu fee for park and recreational purposes as a condition of approval for subdivisions, as allowed by the Quimby Act (Government Code 66477).	The project contains 12.7 acres of parkland, which is more than the required 11.4 acres required under the Quimby Act. (Govt. Code 66477)
Policy HAB 1.2 Enhance and restore natural areas and create new wildlife habitat areas.	The Mace Drainage Channel will be restored with native plantings to provide additional habitat while maintaining its flood control purposes.
Policy ENERGY 1.5 Encourage the development of energy-efficient subdivisions and buildings.	The housing within the project will be all electric to reduce its carbon footprint. The non residential portions of the project will obtain much of their energy needs from onsite solar arrays or clean energy sources.
GOAL HAZ 1. Provide flood protection which minimizes potential damage, while enhancing recreational opportunities and wildlife habitats and water quality.	The Mace Drainage Channel is part of the easternmost portion of the City’s existing drainage system. The project will improve the channel with landscaping to enhance its appearance and will construct a detention basin at the eastern property line to control run off timing and ease down stream flooding impacts.
Policy HAZ 1.2 Continue to provide flood control improvements that are sensitive to wildlife habitat and open space preservation .	See Goal Haz 1 above.

ATTACHMENT 8
MEMORANDUM FROM PROJECT GEOTECHNICAL ENGINEER

The upper 1½ to 2 feet across the site were observed to be disturbed/soft/loose during the time of our study; this is likely due the historical agricultural use of the site (e.g. discing) and seasonal moisture fluctuations of the soil. To mitigate the disturbed soils, relatively shallow excavation (referred to as over-excavation in our report) of the exposed soils would likely be required within structural areas (e.g. building pads, exterior flatwork, pavements, etc.). For example, if the thickness of disturbed soil is 2 feet below existing site grades, we would recommend excavating 1 foot of the existing grade. Following excavation of the existing grade, we would recommend processing (mixing and moisture conditioning) the upper 1 foot of the excavated grade and compacting the processed soils. The 1 foot that was originally excavated can then be restored with onsite soils or approved, imported soils. Whatever material used would need to be placed as engineered fill (moisture conditioned and compacted). This would reduce the potential of settlement due to disturbed/soft soils. As noted on page 17 of our Preliminary Geotechnical Engineering Report (PGER), onsite soils or approved imported soils would be suitable materials to restore the example excavation described above, provided the material is placed as engineered fill. The actual depth of excavation to mitigate against disturbed soils would need to be determined during a design-level study. If design grades for development happen to be lower than existing site grades, it is possible that excavation of the existing grade is not necessary to mitigate disturbed soils.

Another issue is that the surface and near-surface clay soils at the site possess a significant expansion potential. This means the clay soils have the potential of generating significant expansion pressures on structural elements due to the shrinking and swelling of clays soils caused by fluctuating moisture contents (e.g. clay shrink when dry and expands when wet). Surface and near-surface expansive clay soils are common in the local area (e.g. Davis, Woodland, Natomas, other parts of Sacramento, etc.). As it is stated in our PGER, the surface and near-surface expansive clay soils encountered at the site are not considered suitable for direct support of concrete slabs in their current condition. To mitigate the expansion potential of the clay soils, the surface and near surface clay soils could be replaced with approved, imported, very low to low expansive soils (e.g. granular/sandy/gravelly soils) or the onsite clay soils can be lime-treated to reduce the expansion potential of the untreated clay soils. Both of these alternatives are common mitigation measures when dealing with expansive soil. Specific details regarding these alternatives would be included in a design-level study, which should be prepared prior to preparing design-level plans. Please note that we would only provide alternatives to mitigate such soil expansion issues. At the end, the owner decides which alternative is better suited for their particular project.

Regarding the use of approved imported soils to mitigate the expansion potential of the onsite clay soils, it should be noted that while replacing expansive clay soils with very low to low expansive soils would be an acceptable mitigation alternative, the import source would need to be evaluated to verify that the import material meet the required very low to low expansive criteria. Surface and near-surface soils in the immediate local area (e.g. neighboring agricultural land) likely also consist of expansive clay soils that don't meet the very low to low expansive criteria for imported soil. Regarding the use of lime-treatment to mitigate expansion of onsite soils, a specific lime spread rate that would effectively reduce the expansion potential of the onsite clay soils would be included in a design-level report. It is our opinion adequate lime-treatment would change the expansive nature of the clay soils to a very low to low expansion potential.

To summarize: Our PGER does not conclude that the project site absolutely requires approved imported soils to mitigate the expansion of the onsite clay soils; this is just an alternative. As stated in our PGER, lime-treatment of the onsite clay soils is also an acceptable alternative. Both of these alternatives are common in geotechnical engineering practice. My experience with similar projects is that lime-treatment of the clay soils under areas to support concrete slabs-on-grade is the more feasible alternative to mitigate the significant expansion potential possessed by onsite clay soils. This is due to the potential challenge of finding an adequate import source and due to the cost of hauling the import material to the site.

Please note that all of the above is preliminary. A design-level study that includes more detailed/specific recommendations would be required for specific development at the site. If the site is split into several developments, each development (site) would require a stand-alone design-level study. This may or may not result in modified recommendations. Site-specific recommendation would depend on the condition of the site soils and the location of proposed improvements (e.g. buildings, other structures, etc.)

ATTACHMENT 9

**RESOLUTION ADOPTING CEQA FINDINGS OF FACT;
ADOPTING A STATEMENT OF OVERRIDING CONSIDERATIONS; ADOPTING A
MITIGATION MONITORING PLAN; AND CERTIFYING THE FINAL
ENVIRONMENTAL IMPACTREPORT FOR THE DAVIS INNOVATION
& SUSTAINABILITY CAMPUS
(FORMERLY AGGIE RESEARCH CAMPUS) PROJECT**

RESOLUTION NO. 2020-XX

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DAVIS CERTIFYING THE FINAL SUBSEQUENT ENVIRONMENTAL IMPACT REPORT FOR THE AGGIE RESEARCH CAMPUS PROJECT, ADOPTING FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, ADOPTING A STATEMENT OF OVERRIDING CONSIDERATIONS, AND ADOPTING OF THE MITIGATION MONITORING AND REPORTING PROGRAM

WHEREAS, an Environmental Impact Report (“EIR”) was prepared by the City of Davis in connection with the formerly proposed Mace Ranch Innovation Center (MRIC) Project, which proposed the annexation of approximately 229 acres, comprised of the 212-acre MRIC site (including a 25-acre City-owned property) and 16.5-acre Mace Triangle site, both located immediately east of the City of Davis city limits, near the “Mace Curve,” in unincorporated Yolo County, approximately 2.5 miles east of Downtown Davis. The MRIC Project included the build-out of up to 2,654,000 square feet of innovation center uses and dedication of 64.6 acres of green space on the 212-acre site. The City included the Mace Triangle Site within the project boundaries and evaluated development of up to 71,056 square feet of general commercial uses. The MRIC EIR also analyzed with equal weight a Mixed-Use Alternative, which provided the same non-residential square footage and land uses but included up to 850 workforce housing units; and

WHEREAS, at the applicant’s request, on September 19, 2017, the MRIC Project was brought before the City Council for consideration and certification of the EIR without concurrent consideration to approve a project, and the City Council adopted Resolution 17-125, certifying the Final MRIC EIR (State Clearinghouse # 2014112012); and

WHEREAS, in 2019, the applicant proposed a revised project, referred to as “Aggie Research Campus” (subsequently renamed as “Davis Innovation and Sustainability Campus”) that is substantially similar to the Mixed-Used Alternative analyzed in the MRIC EIR. The proposed Aggie Research Campus (“ARC”) Project involves the same 229-acre annexation area as the MRIC Project, located immediately east of the City of Davis city limits, near the “Mace Curve,” in unincorporated Yolo County, approximately 2.5 miles east of Downtown Davis. The Project would include development of the 194-acre ARC site with approximately 2,654,000 square feet of innovation center/business uses, up to 260,000 square feet of which may be developed with supportive commercial uses, and 850 workforce housing units. The SEIR also evaluates the future development of up to 71,056 square feet of general commercial uses on the 16.5-acre Mace Triangle site. The Project requires the following approvals from the City of Davis: General Plan Amendment, prezone, development agreement, and action by the City Council to set the baseline features of the project and call for an election. In addition, the Project requires Yolo County Local Agency Formation Commission (LAFCO) review and approval of a Combined Municipal Service Review (MSR) and Sphere of Influence (SOI) Amendment in order to bring the 229-acre project site within the City of Davis’s SOI; annexation of the entire 229-acre project site into the City of

Davis; and detachment of the entire 229-acre project site from the East Davis County Fire Protection District. The City will need to issue additional discretionary approvals for the ARC Project prior to any on-site development being allowed (collectively, the “ARC Project”); and

WHEREAS, pursuant to the California Environmental Quality Act (Public Resources Code sections 21000, *et seq.*) (“CEQA”) and the State CEQA Guidelines (14 Cal. Code Regs. sections 15000, *et seq.*) (“CEQA Guidelines”), the City is the lead agency for the Project; and

WHEREAS, CEQA encourages “tiering” EIRs for a sequence of actions so that later EIRs build on information in previous EIRs (Public Resources Code sections 21068.5 and 21093; CEQA Guidelines section 15152(d)); and

WHEREAS, in situations where a lead agency has certified an EIR for a project, and then the project is modified, the lead agency may prepare an addendum, a supplement to an EIR, or a subsequent EIR, depending on the nature of the modifications. Because substantial changes have occurred with respect to circumstances under which the project would be undertaken, thus requiring major revisions of the previous EIR in select sections due to the involvement of new significant effects of substantial increase in the severity of previously identified significant effects, the City, as lead agency, decided to prepare a Subsequent Environmental Impact Report (“SEIR”) for the ARC Project, which would tier off of the MRIC EIR; and

WHEREAS, on December 2, 2019, the City conducted a public comment meeting to provide information on the ARC Project and to receive comments on the range of issues to be addressed in the SEIR. The City also accepted written comments from public agencies and the general public from December 2, 2019, to December 16, 2019; and

WHEREAS, the City subsequently contracted for the independent preparation of a Draft Subsequent Environmental Impact Report (the “Draft SEIR”) (SCH #2014112012) for the ARC Project, including all necessary technical studies and reports in support of the Draft SEIR; and

WHEREAS, on March 13, 2020, the Draft SEIR for the ARC Project was completed and a Notice of Availability (“NOA”) was issued. In accordance with CEQA and the CEQA Guidelines section 15105, the City circulated the NOA and Draft SEIR, with its appendices, to the public, responsible and trustee agencies, and other interested parties for a 45-day public comment period, from March 13, 2020, through April 27, 2020; and

WHEREAS, on April 22, 2020 the Planning Commission conducted a web-based public workshop on the Draft SEIR. The Draft SEIR was also reviewed by the City of Davis Bicycle, Transportation, and Safety Street Commission on April 9, 2020; by the Natural Resources Commission on April 27, 2020; and by the Open Space and Habitat Commission on April 6 and April 23, 2020; and

WHEREAS, the City prepared written responses to all comments timely received on the Draft SEIR, and those responses to comments are incorporated into the Final Subsequent Environmental Impact Report (the “Final SEIR”). The responses to comments were distributed to all public agencies that submitted comments on the Draft SEIR at least 10 days prior to certification of

the Final SEIR. The written responses to comments have been made available for public review on the City's website; and

WHEREAS, the Final SEIR for the ARC Project includes the analysis in the Draft SEIR, with clarifications, revisions, and corrections to the Draft SEIR. The Final SEIR also consists of all appendices to the Draft SEIR and Final SEIR, the Comments and Responses to Comments on the Draft SEIR, and the Mitigation Monitoring and Reporting Program; and

WHEREAS, on June 10 and June 17, 2020, the Planning Commission of the City of Davis held a study session and a duly noticed public hearing to review and consider the Final SEIR and the proposed ARC Project, and voted to recommend that the City Council certify the Final SEIR, make CEQA findings, adopt a Statement of Overriding Considerations, and adopt Mitigation Monitoring and Reporting Program; and

WHEREAS, on _____, the City Council held a duly noticed public hearing on the proposed ARC Project and received presentations from staff, the SEIR consultant, and the applicant; asked and received questions and received answers and information; and heard and considered additional public testimony.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Davis hereby finds as follows:

Section 1. The City Council hereby finds that the above recitals are true and correct, and hereby incorporates them herein as though set forth in full by this reference.

Section 2. The City Council hereby finds that agencies and interested members of the public have been afforded ample notice and opportunity to comment on the Final SEIR and the ARC Project.

Section 3. The findings made in this Resolution are based upon the information and evidence set forth in the Final SEIR and upon other substantial evidence that has been presented at the hearings and in the record of the proceedings. The Final SEIR, staff reports, technical studies, appendices, plans, specifications, and other documents and materials that constitute the record of proceedings on which this Resolution is based are on file for public examination during normal business hours at the Department of Community Development and Sustainability, City of Davis, 23 Russell Boulevard, Suite 2, Davis, California, 95616. The custodian of records is the City of Davis Department of Community Development and Sustainability. Each of these documents is incorporated herein by reference.

Section 4. CEQA Guidelines Section 15091 requires that the City, before approving the Project, make one or more of the following written finding(s) for each significant effect identified in the Final EIR, accompanied by a brief explanation of the rationale for each finding:

(a) Changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental effects as identified in the final EIR; or,

(b) Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency; or,

(c) Specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or project alternatives identified in the final EIR.

Section 5. The required findings are set forth in Exhibit A (Findings of Fact and statement of Overriding Considerations), attached hereto and incorporated herein by reference.

(a) Environmental impacts identified as significant and unavoidable in the Final EIR are described in Exhibit A, Section III.

(b) Environmental impacts identified in the Final EIR as less than significant with mitigation imposed are described in Exhibit A, Section IV.

(c) Environmental impacts identified in the Final EIR as having no impact, a less than significant impact, or a less than cumulatively considerable impact without mitigation are described in Exhibit A, Section V.

(d) Findings related to significant irreversible environmental changes, growth-inducing impacts, and energy consumption are set forth in Exhibit A, Sections VI, VII, and VIII.

(e) Alternatives to the Project that might eliminate or reduce significant environmental impacts are described in Exhibit A, Section IX.

Section 6. Prior to taking action, the City Council has heard, been presented with, reviewed, and considered the information and data in the record, including oral and written testimony presented to it for and during public hearings. The City's independent environmental consultants and City staff reviewed and analyzed the comments received on the ARC Project's environmental review. No comments or any additional information submitted to the City have produced any substantial new information requiring additional environmental review or re-circulation of the SEIR under CEQA because no new significant environmental impacts were identified, nor was any substantial increase in the severity of any previously disclosed environmental impacts identified.

Section 7. The City Council, pursuant to Guidelines Section 15090, certifies that (1) the Final SEIR reflects the City's independent judgement and analysis; (2) the Final SEIR was presented to, and reviewed and considered by, the Planning Commission and the City Council; (3) the City reviewed and considered the information contained in the Final SEIR; and (4) the Final SEIR has been completed in compliance with CEQA.

Section 8. The City Council hereby adopts the Findings of Facts within Exhibit A.

Section 9. CEQA Guidelines Section 15093 requires that if a project will cause significant unavoidable adverse impacts, the City must adopt a Statement of Overriding Considerations prior to approving the project. The Statement of Overriding Considerations is

contained within Exhibit A, Section X. For project-level and cumulative significant and unavoidable impacts to aesthetics and visual resources, agricultural resources, air quality, greenhouse gas emissions, and transportation and circulation; and cumulative significant and unavoidable impacts to fire protection services, the City Council hereby adopts the Statement of Overriding Considerations. The City Council finds that each of the overriding benefits by itself would justify proceeding with the proposed ARC Project despite any significant unavoidable impacts identified in the Final EIR or alleged to be significant in the record of proceedings.

Section 10. Pursuant to Public Resources Code Section 21081.6, the City Council hereby adopts the Mitigation Monitoring and Reporting Program, attached hereto as Exhibit B and incorporated herein by reference, adopts each mitigation measure set forth therein, and imposes each mitigation measure as a condition of the proposed Project's approval.

Section 11. The City Clerk shall certify to the passage, approval, and adoption of this Resolution, and shall cause this Resolution and its certification to be entered into the administrative record.

PASSED AND ADOPTED by the City Council of the City of Davis on this ___ day of _____, 2020, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Mayor

ATTEST:

City Clerk

EXHIBIT A

- FINDINGS OF FACT AND STATEMENT OF OVERRIDING CONSIDERATION FOR THE

- AGGIE RESEARCH CAMPUS PROJECT

REQUIRED UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT
(Public Resources Code, Section 21000 et seq)

- I. INTRODUCTION

The California Environmental Quality Act (CEQA) requires the City of Davis (City), as the CEQA lead agency to: 1) make written findings when it approves a project for which a subsequent environmental impact report (SEIR) was certified, and 2) identify overriding considerations for significant and unavoidable impacts identified in the SEIR.

These findings explain how the City, as the lead agency, approached the significant and potentially significant impacts identified in the SEIR prepared for the Aggie Research Campus Project (proposed project). The statement of overriding considerations identifies economic, social, technological, and other benefits of the project that override any significant environmental impacts that would result from the project.

As required under CEQA, the SEIR describes changes to the project, adverse environmental impacts of the project, and mitigation measures and alternatives that would substantially reduce or avoid those impacts. The information and conclusions contained in the SEIR reflect the City's independent judgment regarding the potential adverse environmental impacts of the project.

The Final SEIR (which includes the introduction to the Final SEIR, comments on the Draft SEIR, responses to comments on the Draft SEIR, and revisions to the Draft SEIR) for the project examined the following alternatives to the project that were not chosen as part of the approved project:

- No Project (No Build) Alternative;
- Reduced Site Size Alternative;
- Reduced Project Alternative;
- Off-Site Alternative A (Davis Innovation Center Site);
- Off-Site Alternative B (Covell Property); and
- Mixed-Use Alternative.

The Findings of Fact set forth below ("Findings") are presented for adoption by the City Council (Council) as the City's findings under CEQA (Public Resources Code, §21000 et seq.) and the CEQA Guidelines (California Code of Regulations, Title 14, § 15000 et seq.) relating to the project. The Findings provide the

Findings of Fact and Statement of Overriding Consideration

written analysis and conclusions of this Council regarding the project’s environmental impacts, mitigation measures, and alternatives to the project.

With respect to a project for which significant impacts are not mitigated to a less-than-significant level, a public agency, after adopting proper findings, may nevertheless approve the project if the agency first adopts a statement of overriding considerations setting forth the specific reasons why the agency found that the project’s “benefits” rendered “acceptable” its “unavoidable adverse environmental effects.” (CEQA Guidelines, §§ 15093, 15043, subd. (b); see also Pub. Resources Code, § 21081, subd. (b).) The California Supreme Court has stated, “[t]he wisdom of approving any development project, a delicate task which requires a balancing of interests, is necessarily left to the sound discretion of the local officials and their constituents who are responsible for such decisions. The law as we interpret and apply it simply requires that those decisions be informed, and therefore balanced.” (*Citizens of Goleta Valley v. Board of Supervisors*, 216 Cal. App 3d (1989), at p. 576.) The SEIR for the Aggie Research Campus Project¹ concluded the project would create significant and unavoidable impacts with regard to Aesthetics and Visual Resources, Agricultural and Forest Resources, Air Quality, Greenhouse Gas Emissions, Transportation and Circulation, and Cumulative Impact areas; thus, a Statement of Overriding Considerations is required. The Statement of Overriding Considerations set forth below, in this Council’s view, justify approval of the project, despite its environmental effects.

- **II. GENERAL FINDINGS AND OVERVIEW**
- **Procedural Background**

An EIR for the formerly proposed Mace Ranch Innovation Center (MRIC) Project was prepared by the City of Davis, and at the applicant’s request, brought before Davis City Council for consideration to certify the document without concurrent consideration to approve a project. On September 19, 2017, the City Council adopted Resolution 17-125, certifying the Final MRIC EIR (State Clearinghouse # 2014112012) for the MRIC Project (“Certified MRIC EIR”). In 2019, the applicant team chose to bring forward a mixed-use project that is substantially similar to the Mixed-Use Alternative evaluated in the Certified MRIC EIR at an equal-weight to the MRIC Project. The equal-weight analysis of the Mixed-Use Alternative is contained in Chapter 8 of the Certified MRIC EIR. As part of the applicant’s current proposal, referred to as “Aggie Research Campus” (ARC), minor changes to the Mixed-Use Alternative have been proposed.

In situations when a lead agency has certified an EIR for a project, and then the project is modified, requiring additional environmental review, the lead agency may prepare a subsequent EIR (SEIR). Substantial changes have occurred with respect to circumstances under which the project would be undertaken, thus, requiring major revisions of the previous EIR in select sections due to either the involvement of new significant effects (e.g., construction NO_x emissions) or substantial increase in the severity of previously identified significant effects (circulation system effects), though such is the case for

¹ Subsequent to circulation of the SEIR, the project was renamed “Davis Innovation and Sustainability Campus” but for purposes of this document, the project will be referred to as the Aggie Research Campus or ARC.

Findings of Fact and Statement of Overriding Consideration

a small subset of environmental topics. As a result, the City of Davis, as the CEQA lead agency, has prepared a SEIR for the ARC Project.

While preparation of a new Notice of Preparation (NOP) and subsequent scoping meeting are not required for a subsequent EIR or supplemental EIR, 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. As a result, the City held a public comment meeting for the proposed ARC Project on December 2, 2019.

The Draft SEIR contains a description of changes to the project, description of the environmental setting, identification of project impacts, and mitigation measures for impacts found to be significant, as well as an analysis of project alternatives, identification of significant irreversible environmental changes, growth-inducing impacts, and cumulative impacts, referencing the Certified MRIC EIR as applicable. The Draft SEIR identifies issues determined to have no impact or a less-than-significant impact, and provides detailed analysis of significant impacts. Comments received at the December 2, 2019 public comment meeting were considered in preparing the analysis in the Draft EIR.

The City of Davis published a public Notice of Availability (NOA) for the SEIR on March 13, 2020, inviting comment from the general public, agencies, organizations, and other interested parties. The NOA was filed with the State Clearinghouse and the County Clerk, was posted on the City's website, and was mailed to surrounding properties pursuant to the public noticing requirements of CEQA. The Draft SEIR was available for public review and comment from March 13, 2020 through April 27, 2020.

The City received 81 comment letters regarding the Draft EIR from public agencies, organizations, and members of the public during the public comment period. This also includes comments received from City Commission meetings, including the Open Space and Habitat Commission, Natural Resources Commission, and the Planning Commission. In accordance with CEQA Guidelines Section 15088, a Final SEIR was prepared that responded to the written comments received. The Final SEIR document and the Draft SEIR, as amended by the Final SEIR, constitute the Final SEIR.

• **Record of Proceedings and Custodian of Record**

For purposes of CEQA and the findings set forth herein, the record of proceedings for the City's findings and determinations consists of the following documents and testimony, at a minimum:

- The Final Mace Ranch Innovation Center Project EIR.
- The Aggie Research Campus Project Final SEIR, which consists of the Draft SEIR, comment letters on the Draft SEIR, responses to comments, revisions made to the Draft SEIR text, Mitigation Monitoring and Reporting Program, and technical materials cited in the document.
- All non-draft reports and memoranda prepared by the City of Davis and consultants in relation to the SEIR.

Findings of Fact and Statement of Overriding Consideration

- Minutes of the discussions regarding the project and/or project components at public hearings held by the City.
- Staff reports associated with Planning Commission and City Council meetings on the project.
- Those categories of materials identified in Public Resources Code Section 21167.6.

The City Clerk is the custodian of the administrative record. The documents and materials that constitute the administrative record are available for review at the City of Davis Office of the City Clerk at: 23 Russell Boulevard, Suite 1, Davis, CA 95616.

● **Consideration of the Environmental Impact Report**

In adopting these Findings, this Council finds that the Final SEIR was presented to this Council, the decision-making body of the lead agency, which reviewed and considered the information in the Final SEIR prior to approving the ARC Project. By these findings, this City Council ratifies, adopts, and incorporates the analysis, explanation, findings, responses to comments, and conclusions of the Final SEIR. The City Council finds that the Final SEIR was completed in compliance with CEQA. The Final SEIR represents the independent judgment and analysis of the City.

● SEVERABILITY

If any term, provision, or portion of these Findings or the application of these Findings to a particular situation is held by a court to be invalid, void, or unenforceable, the remaining provisions of these Findings, or their application to other actions related to the Aggie Research Campus Project, shall continue in full force and effect unless amended or modified by the City.

● **III. FINDINGS REGARDING SIGNIFICANT AND UNAVOIDABLE IMPACTS**

● **A. AESTHETICS AND VISUAL RESOURCES**

● **1. IMPACTS RELATED TO DEGRADATION OF THE EXISTING VISUAL CHARACTER OR QUALITY OF THE PROJECT SITE AND ITS SURROUNDINGS (SEIR IMPACT 3-2).**

(a) Potential Impact. The potential for the project to cause a substantial adverse impact to the visual character of the project site is discussed on pages 3-36 through 3-38 of the Draft SEIR.

- (b) Findings. Significant and unavoidable. Changes or alterations have been required in, or incorporated into, the project which attempt to avoid or substantially lessen this significant environmental effect as identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(1)). However, the impact would still remain significant and unavoidable. Specific economic, legal, social, technological, or other considerations, as identified in the SEIR, make infeasible additional mitigation measures or project alternatives identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(3).)

Findings of Fact and Statement of Overriding Consideration

- (c) Explanation. Based upon the SEIR and the entire record before this City Council, this City Council finds impacts related to the degradation of visual character of the project site cannot be mitigated to a less-than-significant level. Implementation of the ARC Project would introduce new buildings and land uses that substantially increase density and building heights on the ARC Site as compared to existing conditions. The proposed residential buildings would be a maximum of 85 feet in height, and would be clustered along Mace Boulevard and in the center of the site. The office/R&D buildings for the ARC Project would be up to 65 feet tall. The ARC Project advanced manufacturing uses would be limited to a maximum height of 45 feet, although certain features extending to a height of up to 65 feet would be permitted. Landscaping and agricultural buffers would be included for the ARC Project, and the project would be required to comply with the City's Design Guidelines. However, the ARC Project would convert what is currently an agricultural field to commercial and residential uses, and would accordingly alter the visual character and quality of the site and its surroundings. Impacts resulting from development of land uses other than the current agricultural use would be considered a significant change in the visual character or quality of the site.

As discussed in the Draft SEIR, the development of the project site would have the potential to substantially degrade the visual quality of the site as viewed from I-80 and sections of Mace Boulevard, even with implementation of landscaping improvements and compliance with the Design Guidelines. No feasible mitigation measures to further reduce the impact have been identified. Alternatives that would reduce this impact were examined in the EIR; however, the City Council determined that each of the alternatives are infeasible for the reasons set forth in Section IX.

Mitigation Measure(s).

None feasible.

• B. AGRICULTURAL AND FOREST RESOURCES

1. IMPACTS RELATED TO THE CONVERSION OF PRIME FARMLAND, UNIQUE FARMLAND, OR FARMLAND OF STATEWIDE IMPORTANCE (IMPORTANT FARMLANDS) TO NON-AGRICULTURAL USE, AS SHOWN ON THE MAPS PREPARED PURSUANT TO THE FARMLAND MAPPING AND MONITORING PROGRAM OF THE CALIFORNIA RESOURCES AGENCY (SEIR IMPACT 3-5).

- (a) Potential Impact. The potential for the project to cause a substantial adverse impact related to the conversion of farmland to non-agricultural use is discussed on pages 3-41 through 3-43 of the Draft SEIR.
- (b) Findings. Significant and unavoidable with mitigation incorporated. Changes or alterations have been required in, or incorporated into, the project which attempt to avoid or substantially lessen this significant environmental effect as identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(1)). However, the impact would still remain significant and unavoidable. Specific economic, legal, social, technological, or other considerations, as

Findings of Fact and Statement of Overriding Consideration

identified in the SEIR, make infeasible additional mitigation measures or project alternatives identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(3).)

- (c) Explanation. Based upon the SEIR and the entire record before this City Council, this City Council finds impacts related to the conversion of farmland to non-agricultural use under the ARC Project cannot be mitigated to a less-than-significant level. As discussed in the Draft EIR, the ARC site includes approximately 159 acres of Prime Farmland and 39 acres of Farmland of Statewide Importance, a substantial portion of which would be converted to urban uses with buildout of the ARC Project. Unlike the MRIC Project, the ARC Project would not include any urban development on the 25-acre City-owned property to the northwest of the ARC Site, which is currently designated as Prime Farmland. Thus, the ARC Project would result in slightly reduced agricultural conversion compared to the MRIC Project, but would still involve the conversion of Prime Farmland and Farmland of Statewide Importance to non-agricultural uses.

With regard to potential impacts related to excavation of an off-site detention basin, the Draft SEIR discusses (pg. 3-168) two possible engineering solutions to address the ARC Project's projected increase in total volume of runoff from the ARC Site and the Mace Triangle Site during major storm events: an off-site replacement storage area or a small pump station. The applicant's preferred location for the off-site pond (APN 033-300-015), adjacent to the Yolo Bypass levee, is considered Farmland of Local Importance,² which is not considered an agricultural resource for CEQA purposes. Pursuant to Public Resources Code Section 21060.1, CEQA addresses Prime Farmland, Farmland of Statewide Importance, and Unique Farmland. The other two City-owned properties being considered are considered Prime Farmland.

Should the replacement storage option be selected, the temporary excavation of the detention basin would not result in the conversion of farmland and agricultural mitigation would not be required. This is because the lowered area would be relatively shallow, approximately 1-foot deep, depending on the footprint selected, and approximately 100 acres in size. The maximum excavation should be limited to 2.5 feet. Topsoil would be removed and stockpiled, the selected area excavated to the design depth, and the topsoil then spread back over the lowered field. Excavation would be completed during Phase 1 over a relatively short period of 30 to 45 days, following which the field would be returned with the same slopes so that irrigation would continue in a manner similar to existing conditions and the property could remain in ongoing agricultural use; the area would only be inundated during periodic, large storm events during the winter season. In short, the land would not be permanently converted to a non-agricultural use (see Yolo County Surface Mining Ordinance, Section 10-5.525).

² California Department of Conservation, Division of Land Resource Protection. *Yolo County Important Farmland 2016 Map*. July 2017.

Findings of Fact and Statement of Overriding Consideration

Mitigation Measure(s). The following mitigation measures are prescribed to mitigate the impact of farmland conversion on the ARC Site:

ARC Project

- 3-5(a) *Prior to initiation of grading activities for each phase of development at the ARC Site, the project applicant for the ARC Site shall set aside in perpetuity, at a minimum ratio of 2:1 of active agricultural acreage, an amount equal to the current phase. The applicant may choose to set aside in perpetuity an amount equal to the remainder of the ARC Site instead of at each phase. The agricultural land shall be located elsewhere in unincorporated Yolo County, through the purchase of development rights and execution of an irreversible conservation or agricultural easement, consistent with Section 40A.03.025 of the Davis Municipal Code. The location and amount of active agricultural acreage for the proposed project is subject to the review and approval by the City Council. The amount of agricultural acreage set aside shall account for farmland lost due to the conversion of the ARC Site, as well as any off-site improvements, including but not necessarily limited to the off-site sewer pipe. The amount of agricultural acreage that needs to be set aside for off-site improvements shall be verified for each phase of the ARC Project during improvement plan review. Pursuant to Davis Code Section 40A.03.040, the agricultural mitigation land shall be comparable in soil quality with the agricultural land whose use is being changed to nonagricultural use. The easement land must conform with the policies and requirements of LAFCo including a LESA score no more than 10 percent below that of the project site. The easement instrument used to satisfy this measure shall comply with Section 40A.030.060 of the City's Municipal Code.*
- 3-5(b) *The ARC Master Owners' Association (MOA) shall encourage, and exercise control over, interim agricultural operations on-site through specific terms of agricultural leases. Terms shall specify duration of leases and require each new leasee to coordinate with the Yolo County Agricultural Commissioner to determine appropriate types of agricultural crops and uses for urban/ag interface areas. The MOA shall work cooperatively with the farmer(s) to minimize incompatibilities between ongoing agricultural operations on-site and ARC businesses, such that the ARC Site can continue to be farmed successfully until the ARC Project is fully built out. Minimization measures should include the appropriate timing of on-site agricultural operations (i.e., use of equipment) to avoid early morning or nighttime noise generation; prohibiting disking operations during periods of high winds; minimization of pesticide applications; etc.*

Mace Triangle

None required.

Findings of Fact and Statement of Overriding Consideration

Implementation of Mitigation Measures 3-5(a) and 3-5(b) would reduce the ARC Project's impact related to conversion of Prime Farmland and Farmland of Statewide Importance. While implementation of the measures above would reduce the impact through preservation of agricultural land at a 2:1 ratio, the impact would not be reduced to a less-than-significant level due to the fact that active agricultural land would still be permanently converted to urban uses. Consistent with the Davis General Plan EIR, feasible mitigation measures do not exist to reduce the above impact to a less-than-significant level. No other feasible mitigation measures to further reduce the impact have been identified. Alternatives that would reduce this impact were examined in the EIR; however, the City Council determined that each of the alternatives are infeasible for the reasons set forth in Section IX. Therefore, the impact would remain significant and unavoidable (Draft SEIR, pg. 3-42).

- 2. RESULT IN THE LOSS OF FOREST OR AGRICULTURAL LAND OR CONVERSION OF FOREST OR AGRICULTURAL LAND TO NON-FOREST OR NON-AGRICULTURAL USE (SEIR IMPACT 3-7).
 - (a) Potential Impact. The potential for the project to cause a substantial adverse impact to agricultural land is discussed on pages 3-44 through 3-45.
 - (b) Findings. Significant and unavoidable with mitigation incorporated. Changes or alterations have been required in, or incorporated into, the project which attempt to avoid or substantially lessen this significant environmental effect as identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(1)). However, the impact would still remain significant and unavoidable. Specific economic, legal, social, technological, or other considerations, as identified in the SEIR, make infeasible additional mitigation measures or project alternatives identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(3).)
 - (c) Explanation. Based upon the SEIR and the entire record before this City Council, this City Council finds impacts related to the loss of agricultural land cannot be mitigated to a less-than-significant level. As discussed in the Draft SEIR, because the ARC Site is in agricultural use, agricultural mitigation is required for the development of the site with urban uses. The ARC Project would be required to preserve agricultural land at a 2:1 ratio, consistent with City of Davis Code requirements. In addition, although the Mace Triangle properties are not currently in agricultural use, the easternmost parcel, and a portion of the Ikeda's parcel, have been used for such purposes in the recent past. Accordingly, these undeveloped portions of the Mace Triangle would also be subject to agricultural mitigation per the City Code..

Mitigation Measure(s). The following mitigation measures are prescribed to mitigate the impact:

ARC Project

3-7(a) Implement Mitigation Measures 3-5(a) and (b).

Mace Triangle

Findings of Fact and Statement of Overriding Consideration

3-7(b) *Prior to initiation of grading activities for APN 033-630-012 or APN 033-630-011 within the Mace Triangle Site, the future project applicant(s) shall set aside in perpetuity, at a minimum ratio of 2:1 of active agricultural acreage, the following approximate acreages of protected farmland for agricultural purposes:*

- *APN 033-630-011 (Ikeda's): Mitigate conversion of approximately 2.5 acres at a 2:1 ratio = 5 acres*
- *APN 033-630-012 (Easternmost Parcel): Mitigate conversion of approximately 8.4 acres at a 2:1 ratio = 16.8 acres*

The agricultural land shall be elsewhere in unincorporated Yolo County, through the purchase of development rights and execution of an irreversible conservation or agricultural easement, consistent with Section 40A.03.025 of the Davis Municipal Code. The location and amount of active agricultural acreage for the proposed project is subject to the review and approval by the City Council. The amount of agricultural acreage set aside shall account for farmland lost due to the conversion of the Mace Triangle Site as well as any off-site improvements. Pursuant to Davis Code Section 40A.03.040, the agricultural mitigation land shall be comparable in soil quality with the agricultural land whose use is being changed to nonagricultural use. The easement land must conform with the policies and requirements of LAFCo including a LESA score no more than 10 percent below that of the Mace Triangle Site. The easement instrument used to satisfy this measure shall comply with Section 40A.03.060.

Mitigation Measures 3-7(a) and (b) set forth the agricultural land mitigation requirements in Davis Zoning Code, Chapter 40A.03, on which future development on the ARC site and agricultural/fallow portions of the Mace Triangle Site shall be conditioned. While implementation of these measures would reduce the above-identified impact through preservation of agricultural land at a 2:1 ratio, the impact would not be reduced to a less-than-significant level due to the fact that active agricultural land would still be permanently converted to urban uses. Consistent with the Davis General Plan EIR, feasible mitigation measures do not exist to reduce the above impact to a less-than-significant level. No other feasible mitigation measures to further reduce the impact have been identified. Alternatives that would reduce this impact were examined in the EIR; however, the City Council determined that each of the alternatives are infeasible for the reasons set forth in Section IX. Therefore, the impact would remain significant and unavoidable (Draft SEIR, pg. 3-45).

• C. AIR QUALITY

- 1. VIOLATE ANY AIR QUALITY STANDARD OR CONTRIBUTE SUBSTANTIALLY TO AN EXISTING OR PROJECTED AIR QUALITY VIOLATION DURING OPERATIONS, AND A CONFLICT WITH OR OBSTRUCTION ON IMPLEMENTATION OF APPLICABLE AIR QUALITY PLANS (SEIR IMPACT 3-11).

Findings of Fact and Statement of Overriding Consideration

- (a) Potential Impact. The potential for the project to violate any air quality standards or conflict with an air quality plan during project operations is discussed on pages 3-57 through 3-61 of the Draft SEIR.
- (b) Findings. Significant and unavoidable with mitigation incorporated. Changes or alterations have been required in, or incorporated into, the project which attempt to avoid or substantially lessen this significant environmental effect as identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(1)). However, the impact would still remain significant and unavoidable. Specific economic, legal, social, technological, or other considerations, as identified in the SEIR, make infeasible additional mitigation measures or project alternatives identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(3).)
- (c) Explanation. Based upon the SEIR and the entire record before this City Council, this City Council finds impacts related to air quality during project operations cannot be mitigated to a less-than-significant level. As discussed in the Draft SEIR, emissions related to operations of the ARC Project, as well as operations of a potential future buildout scenario for the Mace Triangle Site, were modeled in CalEEMod. Emissions of ROG, NO_x, and PM₁₀ would exceed the applicable YSAQMD thresholds of significance under the existing plus project conditions. Accordingly, the ARC Project would result in a contribution to the region's nonattainment status of ozone and PM, and could violate an air quality standard or contribute substantially to an existing or projected air quality violation, and a significant impact would occur.

Mitigation Measure(s). The following mitigation measure is prescribed to mitigate the impact:

ARC Project and Mace Triangle

3-11 *Prior to issuance of any entitlement or permit, the project applicant shall work with the City of Davis, the YSAQMD, and/or other air districts within the region (as appropriate) to develop and implement a strategy to mitigate ROG and NO_x, and PM₁₀. The strategy must reduce emissions from project operation to levels at or below the applicable YSAQMD thresholds of significance to the maximum extent feasible. Feasible on-site actions to reduce emissions shall receive highest priority for implementation. Emissions that cannot be reduced through on-site actions shall be mitigated through off-site action. The strategy and all actions shall be subject to review and approval by the City in consultation with the YSAQMD, and, if applicable, the air quality management district or air pollution control district within which the off-site mitigation project is located. On-site actions may include, but shall not be limited to the following:*

- *Reducing the total amount of paved area within the ARC Site in order to reduce off-gassing, emissions from restriping and painting, and the urban heat island effect;*
- *Using concrete or other non-emitting materials for parking lots instead of asphalt;*

Findings of Fact and Statement of Overriding Consideration

- *Reducing vehicle trips through implementation of a Traffic Demand Management program, such as that required in Mitigation Measure 3-72(a);*
- *Using passive heating and cooling systems for buildings;*
- *Using natural lighting in buildings to the extent practical;*
- *Installing mechanical air conditioners and refrigeration units that use non-ozone depleting chemicals;*
- *Providing electric outlets outside of buildings, sufficient to allow for use of electric landscaping equipment;*
- *Hiring landscaping companies that use primarily electric landscaping equipment;*
- *Using zero-VOC paints, finishes, adhesives, and cleaning supplies on all buildings on the project site;*
- *Employing vehicle fleets that use only cleaner-burning fuels;*
- *Prohibiting the installation of natural gas fueled space and water heating equipment, and/or other large appliances such as ranges and stoves, within portions of the project; and*
- *Providing electrical vehicle charging stations in excess of local and/or State standards in each phase of the project.*

Off-site actions may include, but shall not be limited to, the following:

- *Retrofitting stationary sources such as back-up generators or boilers with new technologies that reduce emissions;*
- *Replacing diesel agriculture water pumps with alternative fuels;*
- *Funding projects within an adopted bicycle/pedestrian plan;*
- *Replacing non-USEPA wood-burning devices with natural gas or USEPA-approved fireplaces;*
- *Providing energy efficiency upgrades at government buildings;*
- *Installing alternative energy supply on buildings;*
- *Replacing older landscape maintenance equipment with newer, lower-emission equipment;*
- *Payment of mitigation fees into an established air district emissions offset program.*

The Reduction Strategy shall include requirements to ensure that the Reduction Strategy document is enforceable and measurable. A mechanism for oversight, monitoring and reporting through the project Master Owners Association (MOA) to the City shall be included as a part of the strategy. Because ROG, NO_x, and PM₁₀ are pollutants of regional concern, the emissions reductions for these pollutants may occur anywhere within the lower Sacramento Valley Air Basin (e.g., within YSAQMD, the Sacramento Metropolitan Air Quality Management District, or the Placer County Air Pollution Control District).

Findings of Fact and Statement of Overriding Consideration

In General, emissions reduction measures implemented for development within the ARC Site shall use the following prioritization:

- *First Priority – building specific actions;*
- *Second priority – onsite (within ARC Site) actions;*
- *Third priority – community based (within Davis) actions;*
- *Fourth priority – within YSAQMD jurisdiction;*
- *Fifth priority – within the Sacramento Federal Nonattainment Area; and*
- *Sixth priority – within California.*

Implementation of Mitigation Measure 3-11 would ensure that project-related operational emissions are reduced to the maximum extent feasible. However, significant uncertainty exists as to the degree to which the individual emissions reduction actions can be implemented in the ARC Project. No other feasible mitigation measures to further reduce the impact have been identified. Alternatives that would reduce this impact were examined in the EIR; however, the City Council determined that each of the alternatives are infeasible for the reasons set forth in Section IX. Consequently, given the uncertainty of implementation of the above mitigation measures, and similar to the conclusions reached for the MRIC Project, the impact of the ARC Project is anticipated to remain significant and unavoidable. (Draft SEIR, pg. 3-60).

• D. GREENHOUSE GAS (GHG) EMISSIONS AND ENERGY

- 1. GENERATE GHG EMISSIONS, EITHER DIRECTLY OR INDIRECTLY, THAT MAY HAVE A SIGNIFICANT IMPACT ON THE ENVIRONMENT (SEIR IMPACT 3-37).
 - (a) Potential Impact. The potential for the project to generation GHG emissions that may have a significant impact on the environment is discussed on pages 3-137 through 3-142 of the Draft SEIR.
 - (b) Findings. Significant and unavoidable with mitigation incorporated. Changes or alterations have been required in, or incorporated into, the project which attempt to avoid or substantially lessen this significant environmental effect as identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(1)). However, the impact would still remain significant and unavoidable. Specific economic, legal, social, technological, or other considerations, as identified in the SEIR, make infeasible additional mitigation measures or project alternatives identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(3).)
 - (c) Explanation. Based upon the SEIR and the entire record before this City Council, this City Council finds impacts related to GHG emissions cannot be mitigated to a less-than-significant level. As discussed in the Draft SEIR, construction of the ARC Project is anticipated to result in emissions that would exceed the 1,100 MTCO₂e/year threshold during each full year of construction for Phase 1. Due to the emission of GHGs in excess of the threshold of

Findings of Fact and Statement of Overriding Consideration

significance, construction of the ARC Project could generate GHG emissions that may have a significant effect on the environment.

In addition, the SIER analyzed the total annual GHG emissions, including annual operational GHG emissions and amortized construction GHG emissions, associated with the ARC Project. The ARC Project under existing plus project conditions would result in operational emissions of 34,458.11 MTCO₂e/year, with emissions increasing to 37,992.07 MTCO₂e/year with consideration of amortized construction GHG emissions. The emissions from agricultural activity on the site amount to 267.69 MTCO₂e/year. Accordingly, the ARC Project would result in 37,724.31 MTCO₂e/year total net new emissions, which would still be considered a substantial net increase in GHG emissions as compared to those currently emanating from the project site. The portions of the Mace Triangle Site that are assumed for future development as part of this analysis do not currently experience activities resulting in emissions of GHGs; consequently, all 1,115.89 MTCO₂e/year of anticipated emissions would be considered net new emissions. Net emissions from both the ARC Project and potential future development of the Mace Triangle Site are considered a significant impact on the environment.

Mitigation Measure(s). The following mitigation measures are prescribed to mitigate the impact:

ARC Project

3-37(a) *Implement Mitigation Measures 3-11, 3-72(a), and 3-72(b).*

Mace Triangle

3-37(b) *Implement Mitigation Measure 3-11.*

Implementation of Mitigation Measures 3-72(a) and (b) would include a large number of actions that would reduce impacts related not only to air quality and transportation, respectively, but also GHG emissions. Mitigation Measures 3-72(a) and (b) require development and implementation of a Transportation Demand Management (TDM) program for the entire ARC Project. The effect of the strategies included in the TDM program would result in a reduction in overall vehicle miles traveled (VMT). In addition, Mitigation Measure 3-38(a), below, has been supplemented with examples of additional feasible measures that would reduce VMT and that were proposed in comments on the Draft SEIR. A recommendation was also made to provide an electric shuttle service to transport passengers between the ARC Project site and Downtown Davis or a similar location that would encourage the use of alternative transportation. The applicant has included this commitment in the recently released Sustainability Guiding Principles for the project, which will be included in the project's Development Agreement between the City and the applicant (see Response to Comment 11-42). Because GHG emissions are proportional to VMT, any reductions in VMT would result in reductions in GHG emissions.

Findings of Fact and Statement of Overriding Consideration

However, the ultimate efficacy of the mitigation measures is speculative at this time. Considering that the ultimate reduction in GHG emissions resulting from Mitigation Measure 3-38(a) and Mitigation Measures 3-72(a) and (b) cannot currently be quantified, project-related GHG emissions would still be considered a substantial increase as compared to those currently emanating from the project site. No other feasible mitigation measures to further reduce the impact have been identified. Alternatives that would reduce this impact were examined in the EIR; however, the City Council determined that each of the alternatives are infeasible for the reasons set forth in Section IX. Therefore, the impact would remain significant and unavoidable. (Draft SEIR, pg. 3-142).

- 2. CONFLICT WITH AN APPLICABLE PLAN, POLICY, OR REGULATION ADOPTED FOR THE PURPOSE OF REDUCING THE EMISSIONS OF GHGs (SEIR IMPACT 3-38).
 - (a) Potential Impact. The potential for the project to conflict with an applicable plan, policy, or regulation related to reducing GHG emissions is discussed on pages 3-143 through 3-147 of the Draft SEIR.
 - (b) Findings. Significant and unavoidable with mitigation incorporated. Changes or alterations have been required in, or incorporated into, the project which attempt to avoid or substantially lessen this significant environmental effect as identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(1)). However, the impact would still remain significant and unavoidable. Specific economic, legal, social, technological, or other considerations, as identified in the SEIR, make infeasible additional mitigation measures or project alternatives identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(3).)
 - (c) Explanation. Based upon the SEIR and the entire record before this City Council, this City Council finds impacts related to conflicts with a GHG reduction plan cannot be mitigated to a less-than-significant level. As discussed in the Draft SEIR, the City of Davis has adopted a Climate Adaptation & Action Plan (CAAP), which is a citywide GHG reduction program for operational GHG emissions of existing and proposed developments in the City. Since adoption of the City's CAAP, the City has accelerated the desired date of net carbon neutrality to the year 2040. Accordingly, a project's compliance with the City's goal of net carbon neutrality by the year 2040 can be used to assess a project's consistency with the applicable plans, policies, and regulations related to reducing emissions of GHG in the City. Based on the results of project modeling, net new emissions from development of the ARC Site in the year 2035 would equal 37,724.31 MTCO₂e/year, and net new emissions from development of the Mace Triangle Site would equal 1,115.89 MTCO₂e/year. Between the year 2035 and 2040, operational emissions would be expected to decrease slightly, as a result of increased sourcing of grid-supplied electricity from renewable resources, decreased emissions from mobile sources as a result of improvements in statewide vehicle fleets, technologic advances, and other factors. However, the project would not meet the City's target of net carbon neutrality by the year 2040. Similarly, potential future development at the Mace Triangle Site

Findings of Fact and Statement of Overriding Consideration

is not anticipated to meet the City's target of net carbon neutrality by the year 2040. Thus, implementation of the ARC Project could conflict with an applicable plan, policy, or regulation adopted for the purpose of reducing the emissions of GHG, resulting in a significant impact.

Mitigation Measure(s). The following mitigation measures are prescribed to mitigate the impact:

ARC Project

3-38(a) Prior to issuance of building permits, each individual development of the ARC Project shall demonstrate consistency with the City's Climate Action and Adaptation Plan by demonstrating a fair-share reduction of GHG emissions towards an ARC Project-wide reduction goal of 37,724.31 MTCO₂e/yr, which would achieve carbon neutrality. Individual projects may choose one of the following methods for complying with this goal:

- 1. Individual future developments undergoing Design Review, may prepare a Carbon Neutrality Plan for review and approval by the City's Department of Community Development and Sustainability. The Carbon Neutrality Plan must demonstrate the individual development's compliance with the City's net carbon neutrality goal for the year 2040. Compliance with the City's net carbon neutrality goal shall be demonstrated through the use of CalEEMod, or another method or model accepted for this purpose by the City, to demonstrate that emissions from the individual development, to the extent feasible, would reach a level of carbon neutrality by the year 2040.*
- 2. If a project applicant chooses not to prepare a Carbon Neutrality Plan, the applicant must demonstrate that the individual development provides a fair-share contribution towards the ARC Project-wide emissions reductions need of 37,724.31 MTCO₂e/yr, to the extent feasible. A fair-share contribution is to be made based on the total acreage proposed for development in any given project subject to Design Review, as compared to the entire area of development proposed within the ARC Site as a whole. For the purposes of this mitigation measure, areas not anticipated for development, such as parks, open spaces, and agricultural buffer areas, are not included in the total development acreage. Therefore, the total development area, is considered to be 156.4 acres. Considering the total development area, a hypothetical ten-acre project would represent 6.4 percent of the total development area and would be required to show a GHG emissions reduction, savings, or off-set, of 2,414.36 MTCO₂e/yr from the emissions modeled herein, which would represent 6.4 percent of the total 37,724.31 MTCO₂e/yr reduction required for the project area as a whole. Proof of the fair-share GHG emissions reductions shall be submitted to the City's Department of Community Development and Sustainability.*

Findings of Fact and Statement of Overriding Consideration

Examples of measures that may be used by future development projects in either of the above options include, but are not limited to, the following:

- *Trip and/or VMT reductions due participation in a Transportation Demand Management program or similar program;*
- *Electrifying loading docks to reduce emissions from engine idling of Transport Refrigeration Units;*
- *Inclusion of on-site renewable energy beyond the level anticipated in this analysis;*
- *Institution of a composting and recycling program in excess of local standards;*
- *Implementation of an Urban Forestry Management Plan or tree planting programs;*
- *Use of energy efficient street lighting fixtures;*
- *Limit the installation of natural gas infrastructure and appliances;*
- *Provide electric-vehicle charging stations in excess of minimum requirements;*
- *Construct separated on-site paths for alternative vehicles such as electric scooters, electric skateboards, and electric bicycles;*
- *Construct dedicated parking spaces for carsharing services;*
- *Require commercial tenants at the project site to provide transit subsidies to employees;*
- *Implement relevant measures from Mitigation Measure 3-11; and*
- *Purchase of off-site mitigation credits.³*

In general, GHG reduction measures implemented for development within the ARC Site shall use the following prioritization:

- *First priority – building specific actions;*
- *Second priority – onsite (within ARC Site) actions;*
- *Third priority – community based (within Davis) actions;*
- *Fourth priority – pay GHG reduction fees (carbon offsets) into a qualified existing local program, if one is in place; and*
- *Fifth priority – other demonstrated method of reducing emissions.*

Thus, as development progresses within the project area, each individual development would be required to show GHG emissions reductions in keeping with the project-wide reduction requirement. Emissions reductions shall be demonstrated prior to issuance of building permits for each development within the ARC Site.

³ Purchase of off-site mitigation credits shall be negotiated with the City and YSAQMD at the time that credits are sought by future construction within the project areas.

Findings of Fact and Statement of Overriding Consideration

Mace Triangle

3-38(b) *Prior to issuance of building permits, each individual development at the Mace Triangle Site shall demonstrate consistency with the City's Climate Action and Adaptation Plan by demonstrating a fair-share reduction of total GHG emissions generated at buildout of the Mace Triangle Site. This SEIR preliminarily estimates that full buildout of the Mace Triangle Site, not including construction emissions, would generate 1,115.89 MTCO₂e/yr. Full operational and construction emissions shall be calculated for each individual development, at such time project level details are available, as required below:*

- *Individual future developments undergoing Design Review, may prepare a Carbon Neutrality Plan for review and approval by the City's Department of Community Development and Sustainability. The Carbon Neutrality Plan must demonstrate the individual development's compliance with the City's net carbon neutrality goal for the year 2040. Compliance with the City's net carbon neutrality goal shall be demonstrated through the use of CalEEMod, or another method or model accepted for this purpose by the City, to demonstrate that emissions from the individual development, to the extent feasible, would reach a level of carbon neutrality by the year 2040.*

Examples of measures that may be used by future development projects include, but are not limited to, the following:

- *Trip and/or VMT reductions due participation in a Transportation Demand Management program or similar program;*
- *Electrifying loading docks to reduce emissions from engine idling of Transport Refrigeration Units;*
- *Inclusion of on-site renewable energy beyond the level anticipated in this analysis;*
- *Institution of a composting and recycling program in excess of local standards;*
- *Implementation of an Urban Forestry Management Plan or tree planting programs;*
- *Use of energy efficient street lighting fixtures;*
- *Limit the installation of natural gas infrastructure and appliances;*
- *Implement relevant measures from Mitigation Measure 3-11; and*
- *Purchase of off-site mitigation credits.⁴*

⁴ Purchase of off-site mitigation credits shall be negotiated with the City and YSAQMD at the time that credits are sought by future construction within the project areas.

Findings of Fact and Statement of Overriding Consideration

In general, GHG reduction measures implemented for development within the ARC Site shall use the following prioritization:

- *First priority – building specific actions;*
- *Second priority – onsite (within ARC Site) actions;*
- *Third priority – community based (within Davis) actions;*
- *Fourth priority – pay GHG reduction fees (carbon offsets) into a qualified existing local program, if one is in place; and*
- *Fifth priority – other demonstrated method of reducing emissions.*

Thus, as development progresses within the Mace Triangle Site, each individual development would be required to show GHG emissions reductions in keeping with the project wide reduction requirement. Emissions reductions shall be demonstrated at the time of submittal for building permits for each development within the Mace Triangle Site.

Implementation of Mitigation Measures 3-38(a) and 3-38(b) have been prepared to attain consistency with the City's CAAP, and have been supplemented with examples of additional feasible measures proposed in comments on the Draft SEIR. In addition, a recommendation was made to provide an electric shuttle service to transport passengers between the ARC Project site and Downtown Davis or a similar location that would encourage the use of alternative transportation. The applicant has included this commitment in the recently released Sustainability Guiding Principles for the project, which will be included in the project's Development Agreement between the City and the applicant (see Response to Comment 11-42).

With implementation of the mitigation, the anticipated operational GHG emissions would be reduced or off-set to a level of net carbon neutrality as buildout of the ARC site and the Mace Triangle Site progresses. Considering that with full implementation of Mitigation Measure 3-38(a) and 3-38(b), operational emissions would be reduced to a level of carbon neutrality, implementation of the ARC Project and potential future buildout of the Mace Triangle would not conflict with the City's CAAP and recently adopted resolution related to carbon neutrality by the year 2040 and the impact would be less than significant. However, several factors affect the certainty with which the efficacy of the following mitigation can be addressed. For instance, technologies may not exist in time to ensure that early phases of the ARC Project can meet the emissions reductions requirements on-site. Should off-site mitigation measures or the purchase of carbon off-sets be required to meet the emissions reduction requirements, the future availability of off-site mitigation or off-sets is speculative. Due to the speculative nature of the full implementation of Mitigation Measure 3-38(a) and 3-38(b), the potential exists that operational emissions would not be reduced sufficient to reach net carbon neutrality, and, similar to the MRIC Project, implementation of the project would result in a significant and unavoidable impact. (Draft SEIR, pg. 3-144). No other feasible mitigation measures to further reduce the impact have been identified. Alternatives that would reduce

Findings of Fact and Statement of Overriding Consideration

this impact were examined in the EIR; however, the City Council determined that each of the alternatives are infeasible for the reasons set forth in Section IX.

• E. TRANSPORTATION AND CIRCULATION

- 1. CONFLICT WITH A PROGRAM, PLAN, ORDINANCE, OR POLICY ADDRESSING THE CIRCULATION SYSTEM UNDER EXISTING PLUS PROJECT CONDITIONS (SEIR IMPACT 3-70).
 - (a) Potential Impact. The potential for the project to conflict with a program, plan, ordinance, or policy addressing the circulation system under Existing Plus Project conditions is discussed on pages 3-228 through 3-248 of the Draft SEIR.
 - (b) Findings. Significant and unavoidable with mitigation incorporated. Changes or alterations have been required in, or incorporated into, the project which attempt to avoid or substantially lessen this significant environmental effect as identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(1)). However, the impact would still remain significant and unavoidable. Certain measures are within the responsibility and jurisdiction of another public agency, and can and should be adopted by such other agency. (State CEQA Guidelines, Section 15091(a)(2)). In addition, specific economic, legal, social, technological, or other considerations, as identified in the SEIR, make infeasible additional mitigation measures or project alternatives identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(3).)
 - (c) Explanation. Based upon the SEIR and the entire record before this City Council, this City Council finds impacts related to a conflict with a plan, ordinance, or policy addressing the circulation system under Existing Plus Project conditions cannot be mitigated to a less-than-significant level. As described more fully in the SEIR, the significance of traffic-related impacts was analyzed in the SEIR based on both LOS and VMT. The City finds that it is important to include an LOS-based analysis in order to provide a meaningful comparison between the LOS analysis in the Certified MRIC EIR and the analysis in the SEIR, to consider whether there are physical improvements needed to further the current LOS-based General Plan policies, and because the Draft SEIR was released for public review before July 1, 2020 when VMT analysis becomes required. In particular, it would not be possible to compare the MRIC Project's impacts related to a conflict with a program, plan, ordinance, or policy addressing the circulation system, which were analyzed using LOS in the Certified MRIC EIR, against the impacts of the ARC Project if the SEIR considered only VMT. The SEIR also included an analysis of impacts based on VMT, which is discussed in Section 3 below (SEIR Impact 3-72).

Per the City of Davis General Plan Transportation Element, LOS E is the minimum acceptable LOS for the majority of intersections within the City, and for each City-operated study intersection in the study area. Per the Yolo County General Plan, LOS C is the minimum acceptable LOS in the unincorporated county, except as specified on designated roadways. LOS D is the minimum acceptable LOS for CR 32A. For the I-80 mainline and ramp terminal

Findings of Fact and Statement of Overriding Consideration

intersections LOS F is considered the design operating goal, however, significant traffic impacts may occur when project traffic causes impacts such as increased peak hour traffic volume or off-ramp queues to spill onto the freeway. (Draft SEIR pg. 227)

As discussed in the Draft SEIR, the intersections along Mace Boulevard at Alhambra Drive and 2nd Street are currently at LOS C or better under Existing No Project conditions, but would degrade to LOS F with the addition of ARC Project traffic during the AM and PM peak hours. The additional employee and residential growth from the ARC Project would generate new peak period vehicle trips that would contribute to existing and future LOS F conditions on the I-80 mainline, and the proposed project would also add several hundred new peak hour vehicle trips between the project site and the I-80/CR 32A interchange located to the east of the project site. Therefore, a significant impact would occur to the circulation system under Existing Plus Project Conditions.

Mitigation Measure(s). The following mitigation measures are prescribed to mitigate the impact:

ARC Project and Mace Triangle

3-70(a) *In conjunction with submittal of a final planned development, or tentative map, whichever occurs first, for each phase of development, the Master Owners' Association (MOA) for the Project, or applicant (i.e., Mace Triangle project), shall submit a focused traffic impact study to determine if any of the below-listed intersection and roadway improvements are required based on the additional traffic generated by the development phase. The focused traffic study shall address the impact of adding the individual phase of development to existing plus other approved/pending development projects. Existing conditions should represent conditions present at the time of each study. The traffic study shall use the current version of the City travel demand forecasting model available at the time of the study, and the traffic operations analysis methods utilized in this SEIR. If operations are found to have declined to unacceptable levels based on the relevant criteria under Standards of Significance, the project applicant shall construct physical improvements or pay its fair share as described prior to the issuance of the first certificate of occupancy for the first building in that phase.*

Intersection improvements

If any of the identified improvements require Caltrans or Yolo County approval, the applicant shall make a good faith effort to work with Caltrans and/or Yolo County and the City for the purpose of identifying and implementing physical improvements to the network which have a nexus to the project's impact.

Findings of Fact and Statement of Overriding Consideration

1. Southbound Mace Boulevard: Extend the second eastbound/southbound lane from Harper Junior High School to Alhambra Drive. Add a third southbound lane from 2nd Street to connect with the dedicated right-turn lane onto the I-80 WB on-ramps.
2. Northbound Mace Boulevard: Extend the third northbound lane from the I-80 WB off-ramps to connect with a new northbound “trap” right-turn lane at the Mace Boulevard/2nd Street/CR 32A intersection. Add a second northbound/westbound lane from 2nd to the Harper Junior High School signalized intersection.
3. Mace Boulevard/Chiles Road and Chiles Road/I-80 EB Off-Ramp Intersections: This pair of tightly spaced intersections (situated 450 feet apart) requires signal coordination/timing adjustments and a lane reassignment on the eastbound Chiles Road approach to Mace Boulevard due to the heavy project-related off-ramp volume during the AM. peak hour. Modifying the eastbound through lane to a shared left/through lane would require the east and west approaches to operate with split phasing. Signal coordination (particularly critical during the AM peak hour) would synchronize the green interval for the I-80 off-ramp movement with the eastbound approach on Chiles Road at Mace Boulevard to facilitate the flow of motorists off of I-80. The signal would be modified to operate the southbound left-turn and westbound right-turn during a shared overlap phase. This modification would also require the prohibition of southbound U-turns.
4. I-80 Eastbound Loop On-Ramp: This on-ramp consists of a single entry lane from southbound Mace Boulevard, which widens to a metered general purpose lane and an unmeted HOV bypass lane. During the PM peak hour, the addition of project trips would cause queue spillback from the ramp meter onto the overpass, thereby causing queue spillback to extend further upstream. The recommended modification from an unmeted HOV bypass lane to a metered general purpose lane was found to provide more ramp metering storage, and reduced effects on the surface street. Similar modifications have been considered by Caltrans elsewhere in the Sacramento region.
5. Mace Boulevard/2nd Street/CR 32A Intersection: Modify the northbound approach to add a “trap” right-turn lane. Modify the westbound approach to two left-turn lanes and a shared through-right lane. Modify westbound CR 32A between this intersection and the adjacent CR 32A/Mace Park-and-Ride/West ARC Driveway intersection to two through lanes.
6. Mace Boulevard/Alhambra Drive/South ARC Driveway Intersection: Modify the westbound approach to two left-turn lanes and a shared through-right lane. Provide a southbound left-turn lane, two through lanes, and a right-turn lane.
7. Mace Boulevard/CR 30B/North ARC Driveway Intersection: Install a traffic signal. Provide a southbound left-turn lane and two through lanes. Provide a northbound through lane and shared through-right lane.

Findings of Fact and Statement of Overriding Consideration

8. CR 32A/Mace Park-and-Ride/West ARC Driveway Intersection: Install a traffic signal. Provide a southbound left-turn lane and a shared through-right lane. Provide an eastbound left-turn lane.
9. UPRR at-grade rail crossing improvements: Reconfigure the existing at-grade crossing to improve safety and traffic functionality. Pending the outcome of the Yolo County, Union Pacific Railroad, and City of Davis planning efforts, the UPRR track/CR 32A crossing could eventually be converted from an at-grade crossing to a grade-separated crossing. A near-term improvement prior to provision of the grade separation could consist of relocating the CR32A/CR 105 intersection about 200 feet to the north and installing double gates on the south approach to the grade crossing in order to improve safety and traffic functionality at the grade crossing.
10. I-80/CR 32A interchange improvements: Construct capacity improvements at the CR 32 interchange and along CR 32A to allow this interchange to serve more project traffic.

3-70(b) *At the time of the issuance of the first certificate of occupancy and as a component of the ARC TDM program (refer to Mitigation Measure 3-72(a)), the Master Owners' Association (MOA) for the Project shall establish the baseline peak hour I-80 mainline vehicle trips by which to determine the project's change to peak hour I-80 vehicle trips. Baseline AM and PM peak hour vehicle trips on I-80 shall be calculated on the following segments:*

1. *Between Pedrick Road and Kidwell Road*
2. *Between Richards Boulevard and Mace Boulevard*
3. *Between Mace Boulevard and Chiles Road*
4. *East of Chiles Road (i.e., the Yolo Causeway)*

During the annual TDM reporting, the MOA shall determine the number of AM and PM peak hour project vehicle trips that utilize I-80 on the segments listed above. In instances where these figures exceed baseline levels by five percent or more, the MOA shall institute TDM strategies to reduce project-related peak hour vehicle trips on I-80. The implementation of TDM strategies shall reduce peak hour project vehicle trips on I-80 to an amount less than five percent of baseline levels, to the extent feasible.

TDM strategies that would reduce peak hour vehicle trips on I-80 include strategies to reduce commute and business vehicle trips to and from ARC using I-80. If these TDM strategies are not sufficient to reduce peak hour trips to baseline levels, additional TDM measures or adjustments to existing measures shall be implemented, as needed to reduce peak hour trips to an amount less than five percent of baseline levels.

3-70(c) *The applicant shall contribute a proportional share to the local contribution portion of freeway improvement projects to construct carpool lanes on I-80 between Richards Boulevard and West Sacramento. Responsibility for*

Findings of Fact and Statement of Overriding Consideration

implementation of this mitigation measure shall be assigned to the ARC and Mace Triangle on a fair share basis.

Examples of additional feasible measures that would reduce VMT and that were proposed in comments on the Draft SEIR were also incorporated into Mitigation Measure 3-38(a). In addition, a recommendation was made to provide an electric shuttle service to transport passengers between the ARC Project site and Downtown Davis or a similar location that would encourage the use of alternative transportation. The applicant has included this commitment in the recently released Sustainability Guiding Principles for the project, which will be included in the project's Development Agreement between the City and the applicant (see Response to Comment 11-42).

If the listed mitigation measures were implemented, the significant impacts would be reduced to a less-than-significant level for the local intersections, but not the freeway mainline. However, elements of several of the improvements listed in Mitigation Measure 3-70(a) would occur within Caltrans, Yolo County, and/or UPRR rights-of-way and would be subject to final approval and actions by other agencies. Moreover, because the remaining fair share contributions needed for the construction of those mitigation measure elements requiring the ARC Project's fair share contribution have not been identified by the relevant lead agency, fair share payment by the project applicant would not ensure construction. Finally, the improvements to Mace Boulevard change pending the outcome of the Mace Boulevard Corridor Plan. Therefore, the implementation and effectiveness of the mitigation measures cannot be guaranteed. Due to uncertainties regarding the ability for the aforementioned mitigation measures to reduce impacts, the impact would remain significant and unavoidable with development of the ARC Project. (Draft SEIR, pg. 3-246).

- NO OTHER FEASIBLE MITIGATION MEASURES TO FURTHER REDUCE THE IMPACT HAVE BEEN IDENTIFIED. ALTERNATIVES THAT WOULD REDUCE THIS IMPACT WERE EXAMINED IN THE EIR; HOWEVER, THE CITY COUNCIL DETERMINED THAT EACH OF THE ALTERNATIVES ARE INFEASIBLE FOR THE REASONS SET FORTH IN SECTION IX. 2. IMPACTS TO LOCAL NEIGHBORHOOD STREET TRAFFIC (SEIR IMPACT 3-71).
 - (a) Potential Impact. The potential for the project to cause a substantial adverse impact to local neighborhood street traffic is discussed on pages 3-249 through 3-250 of the Draft SEIR.
 - (b) Findings. Significant and unavoidable with mitigation incorporated. Changes or alterations have been required in, or incorporated into, the project which attempt to avoid or substantially lessen this significant environmental effect as identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(1)). However, the impact would still remain significant and unavoidable. Specific economic, legal, social, technological, or other considerations, as identified in the SEIR, make infeasible additional mitigation measures or project alternatives identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(3).)

Findings of Fact and Statement of Overriding Consideration

(c) Explanation. Based upon the SEIR and the entire record before this City Council, this City Council finds impacts related to local neighborhood traffic under cannot be mitigated to a less-than-significant level. The Davis General Plan includes policy direction (Policy TRANS 2.7) to minimize impacts of vehicle traffic on local streets to maintain or enhance livability of the neighborhoods. As discussed in the Draft SEIR, the ARC Project would add peak hour trips to Alhambra Drive or Covell/Mace Curve. In order to address increased traffic in residential neighborhoods, the General Plan recommends that traffic calming measures be considered along collector and minor arterial streets, where appropriate and feasible, to slow speeds. While the following mitigation measure would require the applicant to prepare a neighborhood traffic calming plan, and implement traffic calming measures within the residential areas, west of the project site, successful implementation of such a plan cannot be guaranteed. No other feasible mitigation measures to further reduce the impact have been identified. Alternatives that would reduce this impact were examined in the EIR; however, the City Council determined that each of the alternatives are infeasible for the reasons set forth in Section IX. Therefore, this is considered a significant and unavoidable impact.

Mitigation Measure(s). The following mitigation measure is prescribed to mitigate the impact:

ARC Project

3-71 *Prior to final map approval, the project applicant shall fund the development of a neighborhood traffic calming plan, the City shall consider adoption of the plan, and the applicant shall fund implementation of the plan. The traffic calming plan will address the potential for the ARC Project to increase peak hour traffic volumes on local streets, including Monarch Lane, Temple Drive, Tulip Lane, Baywood Lane, Whittier Drive, Manzanita Lane, Alegre Way, and Arroyo Avenue. The traffic calming plan will also address the potential for the ARC Project to increase vehicle speeds on collector and minor arterial streets, including Alhambra Drive, Loyola Drive, 2nd Street, 5th Street, East 8th Street, Chiles Road, and Cowell Boulevard. The purpose of the plan will be to minimize, to the extent feasible, the potential for the ARC Project to increase peak hour traffic volumes on local streets and 85th percentile speeds on collector and minor arterial streets, through the use of measures proven in other neighborhoods and jurisdictions to achieve these goals, such as narrow points, neighborhood traffic circles, speed humps, stop signs (where warranted), narrow lane striping, and others. Implementation of a comprehensive traffic calming plan will incentivize traffic to use major routes such as I-80, East Covell Boulevard, Mace Boulevard, and 2nd Street, and avoiding using residential streets as cut-through routes.*

Mace Triangle

None required.

Findings of Fact and Statement of Overriding Consideration

With implementation of Mitigation Measure 3-71, the impact would be reduced. However, successful implementation of the neighborhood traffic calming plan cannot be assured due to uncertainties regarding what measures will ultimately be included in the plan, whether the plan will be approved, and whether the plan will be effective at completely eliminating the use of the affected roadways by project traffic. No other feasible mitigation measures to further reduce the impact have been identified. Alternatives that would reduce this impact were examined in the EIR; however, the City Council determined that each of the alternatives are infeasible for the reasons set forth in Section IX. Therefore, this impact is considered significant and unavoidable. (Draft SEIR, pg. 3-250).

- 3. INCREASE IN VEHICLE MILES TRAVELED (SEIR IMPACT 3-72).
 - (a) Potential Impact. The potential for the project to cause a substantial increase in VMT is discussed on pages 3-250 through 3-258 of the Draft SEIR.
 - (b) Findings. Significant and unavoidable with mitigation incorporated. Changes or alterations have been required in, or incorporated into, the project which attempt to avoid or substantially lessen this significant environmental effect as identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(1)). However, the impact would still remain significant and unavoidable. Specific economic, legal, social, technological, or other considerations, as identified in the SEIR, make infeasible additional mitigation measures or project alternatives identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(3).)
 - (c) Explanation. Based upon the SEIR and the entire record before this City Council, this City Council finds impacts related to VMT cannot be mitigated to a less-than-significant level. As discussed in the Draft SEIR, the ARC Project is considered to result in a significant impact if the project-generated VMT per service population exceeds any of the three thresholds of significance set forth in the SEIR, relative to existing local or regional VMT per service population averages.

The proposed ARC Project and future buildout of the Mace Triangle are estimated to generate 309,000 VMT and 10,800 VMT, respectively, under Existing Plus Project conditions on a typical weekday. The ARC Project would generate an estimated 39.2 VMT per service population, which is comprised of expected number of residents and employees, under Existing Plus Project conditions. Using conservative methodology, project-generated VMT per service population would measure below the VMT per service population generated by the City of Davis and by the City of Davis with UC Davis, but would measure above the VMT per service population generated by the SACOG region. Therefore, the ARC Project would exceed the three VMT thresholds of significance set forth in the SEIR, and a significant impact could occur.

Mitigation Measure(s). The following mitigation measures are prescribed to mitigate the impact:

ARC Project

Findings of Fact and Statement of Overriding Consideration

3-72(a) *Prior to issuance of the first building permit in the first phase of development, the applicant shall develop a TDM program for the entire ARC Project, including any anticipated phasing, and shall submit the TDM program to the City Department of Public Works for review and approval. The TDM program must be designed to achieve the following.*

1. *Reduce trips to achieve one and five-tenths (1.5) Average Vehicle Ridership (AVR) in accordance with Davis Municipal Code Section 22.15.060; and*
2. *Reduce project-generated VMT such that the project achieves all three VMT significance criteria.*

The Master Owner's Association (MOA) shall be responsible for implementing the TDM Program.

(a) The MOA shall be responsible for funding and overseeing the delivery of trip reduction/TDM proposed programs and strategies to achieve the project-generated VMT and AVR objectives, which may include, but are not limited to, the following:

- (1) Establishment of carpool, buspool, or vanpool programs;*
- (2) Vanpool purchase incentives;*
- (3) Cash allowances, passes or other public transit subsidies and purchase incentives;*
- (4) Low emission vehicle purchase incentives/subsidies;*
- (5) Parking management strategies including limiting parking supply, as may be determined appropriate through subsequent traffic studies for each phase; charging parking fees; unbundling parking costs; and providing parking cash-out programs;*
- (6) Full or partial parking subsidies for ridesharing vehicles;*
- (7) Preferential parking locations for ridesharing vehicles;*
- (8) Computerized commuter rideshare matching service;*
- (9) Guaranteed ride-home program for ridesharing;*
- (10) Alternative workweek and flex-time schedules;*
- (11) Telecommuting or work-at-home programs;*
- (12) On-site lunch rooms/cafeterias;*
- (13) On-site commercial services such as banks, restaurants, groceries, and small retail;*
- (14) On-site day care facilities;*
- (15) Bicycle programs including bike purchase incentives, storage, maintenance programs, and on-site education program;*
- (16) Car share and bike share services;*
- (17) Enhancements to Unitrans, YoloBus, or other regional bus service;*
- (18) Enhancements to Capitol Corridor or other regional rail service;*
- (19) Enhancements to the citywide bicycle network;*
- (20) Dedicated employee housing located either on-site or elsewhere in the City of Davis;*

Findings of Fact and Statement of Overriding Consideration

- (21) Designation of an on-site transportation coordinator for the project;*
 - (22) Implement a fair value commuting program where fees charged to single-occupancy vehicle (SOV) commuters (e.g., through parking pricing) are tied to project vehicle trip reduction targets and fee revenue is rebated to non-SOV commuters, or other pricing of vehicle travel and parking;*
 - (23) Support management strategies (e.g., pricing, vehicle occupancy requirements) on roadways or roadway lanes, particularly I-80 over the causeway;*
 - (24) Contribute to a VMT mitigation bank or exchange to support VMT reductions elsewhere in the City or region; and*
 - (25) Change the project to increase project trip internalization (e.g., decrease employment uses and/or increase residential uses).*
- (b) Single-phase development projects shall achieve project-generated VMT and AVR targets within five (5) years of issuance of any certificate of occupancy. Multi-phased projects shall achieve the project-generated VMT and AVR targets for each phase within three (3) years of the issuance of any certificate of occupancy.*
- (c) In conjunction with final map approval, recorded codes, covenants and restrictions (CC&Rs) shall include provisions to guarantee adherence to the TDM objectives and perpetual operation of the TDM program regardless of property ownership, inform all subsequent property owners of the requirements imposed herein, and identify potential consequences of nonperformance.*

Each space use agreement (i.e., lease document) shall also include TDM provisions for the site as a means to inform and commit tenants to, and participate in, helping specific applicable developments meet TDM performance requirements.

- (d) Ongoing reporting:*
- (1) Annual TDM Report. The MOA for the Project shall submit an annual status report on the TDM program to the City Department of Public Works beginning a year after the issuance of any certificate of occupancy and continuing until full project buildout. Data shall be collected in October of each year and the Annual Report submitted by December 31st of each year. The report shall be prepared in the form and format designated by the City, which must either approve or disapprove the program.*
 - i. The TDM performance reports shall focus on the trip reduction incentives offered by the project, their effectiveness, the estimated greenhouse gas (GHG) emissions generated by the*

Findings of Fact and Statement of Overriding Consideration

project, and the methods by which a continued trajectory towards carbon neutrality in 2040 can be achieved consistent with Mitigation Measure 3-38(a). The report shall:

- Report the project-generated VMT levels attained;*
 - Report the AVR levels attained;*
 - Verify the TDM plan incentives that have been offered;*
 - Describe the use of those incentives offered by employers;*
 - Evaluate why the plan did or did not work to achieve the AVR targets and explain why the revised plan is more likely to achieve the AVR target levels;*
 - List additional incentives which can be reasonably expected to correct deficiencies;*
 - Evaluate the feasibility and effectiveness of trip reduction/TDM program and strategies, as implemented;*
 - Estimate the GHG emissions generated by project transportation operations; and*
 - Identify off-setting GHG credits to be secured by the project to achieve carbon neutrality.*
- ii. The MOA shall develop and implement an annual monitoring program to determine if project-generated VMT and AVR targets are being met. The monitoring program could include employee travel surveys, traffic counts at project site ingress/egress points, and other relevant information.*
- iii. If the project-generated VMT and/or AVR targets are not met for any two consecutive years, the applicant or current owner(s) of the site will contribute funding to be determined in a separate study toward the provision of additional or more intensive travel demand management programs, such as enhanced regional transit service to the site, employee shuttles, and other potential measures.*
- iv. In the event that other TDM objectives are not met as documented in the Annual Monitoring Report submitted by December 31st of each year, the MOA shall:*
- Submit to the City within thirty (30) days of submittal of the annual report, a list of TDM measures that will be implemented to meet the TDM objectives within one hundred eighty (180) days of submittal of annual report. At the end of the one-hundred-eighty-day period, the MOA shall submit a revised performance report to determine compliance with TDM objectives. No further measures will be necessary if the TDM objectives are met.*

Should the TDM objectives not be satisfied by the end of the one-hundred-eighty-day period, the MOA shall pay a TDM penalty fee to the City in an amount determined by resolution of the City Council. Said penalty fee may be used to provide new transit service and/or subsidize existing transit service, construct bicycle facilities, and/or improve street capacity through construction of physical

Findings of Fact and Statement of Overriding Consideration

improvements to be selected by the City of Davis from the list of area-wide improvements identified in the City's CIP.

Mace Triangle

3-72(b) Prior to issuance of a building permit for development within the Mace Triangle Site, each applicant shall develop a TDM program coordinated with, and compliant with, the requirements of the ARC TDM program and any pre-existing TDM programs on the Mace Triangle Site. The program shall be submitted to the City Department of Public Works for review and approval. This includes achievement of the same trip reduction requirements, GHG-reducing transportation strategies, and monitoring and reporting requirements as the ARC, as set forth in Mitigation Measure 3-72(a). This may be satisfied by joining the ARC TDM program as a participating member.

Implementation of Mitigation Measures 3-72(a) and (b) would reduce project-generated VMT per service population by instituting a TDM program to reduce external vehicle trips generated by the ARC Project, as well as future development of the Mace Triangle Site. However, the effectiveness of the TDM strategies is not known and subsequent vehicle trip reduction effects cannot be guaranteed. Existing evidence indicates that the effectiveness of TDM strategies with regards to vehicle trip reduction can vary based on a variety of factors, including the context of the surrounding built environment (e.g., urban versus suburban) and the aggregate effect of multiple TDM strategies deployed together. Moreover, many TDM strategies are not just site-specific, but also rely on implementation and/or adoption by private entities (e.g., elective use of carpool program by office building tenants). Furthermore, a portion of the TDM strategies may prove to be economically infeasible.

Examples of additional feasible measures that would reduce VMT and that were proposed in comments on the Draft SEIR were incorporated into Mitigation Measure 3-38(a). In addition, a recommendation was made to provide an electric shuttle service to transport passengers between the ARC Project site and Downtown Davis or a similar location that would encourage the use of alternative transportation. The applicant has included this commitment in the recently released Sustainability Guiding Principles for the project, which will be included in the project's Development Agreement between the City and the applicant (see Response to Comment 11-42).

No other feasible mitigation measures to further reduce the impact have been identified. Alternatives that would reduce this impact were examined in the EIR; however, the City Council determined that each of the alternatives are infeasible for the reasons set forth in Section IX. Due to uncertainties regarding the ability for the mitigation measures to reduce VMT impacts to less-than-significant levels, VMT impacts would be considered significant and unavoidable. (Draft SEIR, pg. 3-254).

- 4. IMPACTS TO PEDESTRIAN AND BICYCLE FACILITIES (SEIR IMPACT 3-75).

Findings of Fact and Statement of Overriding Consideration

- (a) Potential Impact. The potential for the project to cause a substantial adverse impact to pedestrian and bicycle facilities is discussed on pages 3-260 through 3-268 of the Draft SEIR.
- (b) Findings. Significant and unavoidable with mitigation incorporated. Changes or alterations have been required in, or incorporated into, the project which attempt to avoid or substantially lessen this significant environmental effect as identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(1)). However, the impact would still remain significant and unavoidable. Certain measures are within the responsibility and jurisdiction of another public agency, and can and should be adopted by such other agency. (State CEQA Guidelines, Section 15091(a)(2)). In addition, specific economic, legal, social, technological, or other considerations, as identified in the SEIR, make infeasible additional mitigation measures or project alternatives identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(3).)
- (c) Explanation. Based upon the SEIR and the entire record before this City Council, this City Council finds impacts related to bicycle and pedestrian facilities cannot be mitigated to a less-than-significant level. As discussed in the Draft SEIR, the ARC Project would provide a bike path within the 50-foot transition zone of the agricultural buffer, which would connect to the existing Class II bike lane on CR 32A, at the project's southeastern corner. It would also construct a grade-separated bicycle and pedestrian crossing off of Mace Boulevard north of Alhambra Drive, and a proposed off-street bike path along the west side of Mace Boulevard, just north of Alhambra Drive, to the existing path along the frontage of Harper Junior High School. Finally, the applicant is also considering to include a Class 1 shared-use path due west from the proposed grade-separated bicycle and pedestrian crossing, which would run along the southern boundary of the property inside the Mace Curve.

However, the increase in vehicle trips on CR 32A resulting from the ARC Project could adversely affect bicycle flow along CR 32A between CR 105 and the access to the causeway bicycle path. Due to increases in bicycle, pedestrian, and vehicle trips generated by the ARC Project within the vicinity of the ARC Site, transportation facilities that require mixing of vehicles, bicyclists, and pedestrians would experience increases in the competition for physical space between the modes and, in turn, an increase in the potential for conflicts involving bicyclists and pedestrians. Such conditions could diminish the safety and performance of bicycle and pedestrian facilities, particularly at locations where bicyclists and pedestrians experience long crossing distances, long exposure times, uncontrolled conflicts with high-speed vehicular traffic, or blockages due to queued vehicles. As discussed in the SEIR, the ARC Project's contributions to such conditions would be substantial at the Mace Boulevard/Alhambra Drive, Mace Boulevard/2nd Street/CR 32A, Mace Boulevard/I-80 WB Ramps, Mace Boulevard/I-80 EB Ramps, Mace Boulevard/Chiles Road, and CR 32A locations. As such, implementation of the ARC Project could result in a significant impact related to bicycle facilities.

Mitigation Measure(s). The following mitigation measures are prescribed to mitigate the impact:

Findings of Fact and Statement of Overriding Consideration

ARC Project and Mace Triangle

3-75(a) *Prior to issuance of the first certificate of occupancy of the ARC Project, the applicant shall construct the following proposed off-site bicycle and pedestrian facilities to the satisfaction of the Public Works Department, as described in the ARC Project description and shown on the ARC Site plan:*

- 1) *Grade-separated bicycle and pedestrian crossing of Mace Boulevard north of Alhambra Drive*
- 2) *Class I shared-use path on the west side of Mace Boulevard between proposed grade-separated crossing and Harper Junior High School*
- 3) *Pedestrian and landscaping improvements on the access road between the Mace Park-and-Ride and CR 32A*

Responsibility for implementation of this mitigation measure shall be assigned to the ARC Project and Mace Triangle on a fair share basis.

3-75(b) *Prior to issuance of the first certificate of occupancy of the ARC Project, the applicant shall contribute fair share funding to cover their proportionate cost of the following improvements:*

- 1) *Widen CR 32A between CR 105 and the Causeway Bicycle Path Access to meet Yolo County standards for a two-lane arterial (14-foot travel lanes and 6-foot shoulder/on-street bike lanes).*
- 2) *Westbound bicycle crossing improvements at the existing at-grade railroad crossing at CR 32A and CR 105. Potential improvements include a marked bicycle crossing for westbound bicyclists with advanced warning devices for vehicle traffic. These improvements would facilitate westbound bicyclists continuing west onto the shared-use path located between the UPRR mainline and I-80 (e.g., to the west of CR 105). As noted earlier, Yolo County, together with Union Pacific and the City of Davis, are currently evaluating potential modifications to this at-grade crossing to reduce the potential for conflicts with rail operations. Therefore, the ultimate improvements constructed at this crossing should be consistent with the preferred modifications identified in this County-led study.*
- 3) *Eastbound bicycle crossing improvements for bicyclists turning left from CR 32A onto the causeway shared-use path. Potential improvements include the installation of a marked crossing on the east leg of the CR 32A/I-80 WB off-ramp intersection and construction of a two-way path on the north side of CR 32A between the CR 32A/I-80 WB off-ramp intersection and the entrance to the causeway path.*

Implementation of these improvements, or a set of improvements of equal effectiveness, would improve bicycle facilities on CR 32A by reducing the potential for bicycle-vehicle conflicts.

Findings of Fact and Statement of Overriding Consideration

3-75(c) *The project applicant shall identify and construct complete streets improvements on the Mace Boulevard corridor, including the following actions:*

- 1) *Prior to approval of the first tentative subdivision map for the ARC Project, the applicant shall fund and complete (in conjunction with City staff) a corridor plan for the Mace Boulevard corridor between Harper Junior High School and Cowell Boulevard. At a minimum, the corridor plan shall identify complete streets improvements that achieve the following goals:*
 - a. *Provide safe and comfortable access for pedestrian and bicyclists*
 - b. *Minimize the potential for bicycle-vehicle and pedestrian-vehicle conflicts*
 - c. *Provide fast and efficient transit operations*
 - d. *Minimize cut-through traffic on residential roadways*
 - e. *Avoid operating conditions that degrade roadway safety (e.g., off-ramp queue spillback to freeway mainline)*

The corridor plan shall be prepared to the satisfaction of the City of Davis Public Works Department and be approved by the City of Davis City Council. The corridor plan should include a thorough public engagement process to understand the transportation priorities of the surrounding community. This should include an initial hearing before the Planning Commission and the Bicycling, Transportation, and Street Safety Commission (BTSSC) to solicit initial input and a second hearing for review of the draft plan.

- 2) *In conjunction with submittal of a final planned development or tentative map, whichever occurs first, for each ARC Project phase, the MOA for the ARC Project shall submit a focused transportation impact study for the phase under review. This could be the same study as required under Mitigation Measure 3-70(a), but must also include the information set forth in this measure. The study shall document current conditions at the time and identify the anticipated transportation system effects associated with the development proposed for the phase under review and the necessary transportation system improvements to ameliorate these effects in accordance with the methods and significance thresholds used in this transportation impact analysis. Improvements should be consistent with the complete streets goals and improvements identified in the Mace Boulevard Corridor Plan to be funded and completed by the applicant as described above. The study shall also address the degree to which improvements would address any significant impacts caused by the ARC Project at buildout as identified in the Transportation Impact Analysis prepared for the ARC Project by Fehr & Peers (2020). Potential improvements include, but are not limited to, the following:*

Findings of Fact and Statement of Overriding Consideration

- a. *Improvements to on- and off-street bicycle facilities on Mace Boulevard and connecting roadways, including Covell Boulevard, Alhambra Drive, 2nd Street, CR 32A, and Chiles Road.*
- b. *Improvements to bicycle and pedestrian crossings at the following intersections:*
 - i. *Mace Boulevard/Alhambra Drive;*
 - ii. *Mace Boulevard/2nd Street/CR 32A;*
 - iii. *Mace Boulevard/I-80 WB Ramps;*
 - iv. *Mace Boulevard/I-80 EB Ramps; and*
 - v. *Mace Boulevard/Chiles Road.*

Crossing improvements shall reduce the potential for bicycle-vehicle and pedestrian-vehicle conflicts and provide for safe and comfortable access for pedestrians and bicyclists. Potential crossing improvements include, but are not limited to bike lane conflict markings, intersection crossing markings, reductions to crossing distances, and physically separating bicyclists from vehicles (e.g., conversion to a protected intersection). Additionally, crossing improvements shall include the modification of existing channelized right-turn lanes to either a) remove and replace the lanes with standard right-turn lanes, or b) retrofit the lanes to reduce vehicles speeds and increase yield compliance rates.

Improvements identified in the focused transportation impact study should achieve the following performance measures:

- a. *Reduce the number and/or severity of bicycle-vehicle and pedestrian-vehicle conflict points at intersections, at intersection approaches, and on roadway segments.*
- b. *Eliminate otherwise anticipated increases in transit travel times and/or adverse changes to transit on-time performance that would be caused by the ARC Project in accordance with standards established by Unitrans, Yolobus, and other potential future transit operators.*
- c. *Eliminate otherwise anticipated adverse effects to emergency vehicle response times that would be caused by the ARC Project in accordance with standards established by the City of Davis Fire and Police Departments.*
- d. *Eliminate otherwise anticipated increases in cut-through traffic on residential roadways that would be caused by the ARC Project.*
- e. *Eliminate otherwise anticipated vehicle queuing that would be caused by the ARC Project that would adversely affect roadway safety, including off-ramp queue spillbacks to the freeway mainline, queue spillbacks that block bicycle and/or pedestrian facilities, and queue spillbacks that exceed available turn pocket storage and block adjacent through travel lanes.*

Findings of Fact and Statement of Overriding Consideration

The focused transportation impact study should also identify the funding and implementing responsibilities for each improvement, including whether the improvement should be constructed by the applicant or if the applicant should contribute fair share funding to cover their proportionate cost for the improvements. The applicant shall construct the improvement and/or contribute fair share funding prior to the issuance of the first certificate of occupancy for each project phase under review.

Implementation of Mitigation Measures 3-75(a), (b), and (c) would reduce potentially significant impacts associated with bicycle facilities to a less-than-significant level by supporting bicycling to and from the ARC Site and reducing conflicts between bicycles and other travel modes. However, elements of each mitigation measure would occur within Caltrans, Yolo County, and/or UPRR rights-of-way and would be subject to final approval and actions by others. Moreover, because the remaining fair share contributions needed for the construction of those mitigation measure elements requiring the ARC Project's fair share contribution have not been identified by the relevant lead agency, fair share payment by the project applicant would not ensure construction. Finally, the ultimate improvements resulting from Mitigation Measure 3-75(c) are subject to change pending the outcome of the Mace Boulevard Corridor Plan. Therefore, the implementation and effectiveness of the mitigation measures cannot be guaranteed.

No other feasible mitigation measures to further reduce the impact have been identified. Alternatives that would reduce this impact were examined in the EIR; however, the City Council determined that each of the alternatives are infeasible for the reasons set forth in Section IX. Due to uncertainties regarding the ability for the aforementioned mitigation measures to reduce impacts to bicycle and pedestrian facilities, bicycle and pedestrian facility impacts would remain significant and unavoidable. (Draft SEIR, pg. 3-264).

- 5. IMPACTS TO TRANSIT SERVICES (SEIR IMPACT 3-76).
 - (a) Potential Impact. The potential for the project to cause a substantial adverse impact to transit services is discussed on pages 3-268 through 3-271 of the Draft SEIR.
 - (b) Findings. Significant and unavoidable with mitigation incorporated. Changes or alterations have been required in, or incorporated into, the project which attempt to avoid or substantially lessen this significant environmental effect as identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(1)). However, the impact would still remain significant and unavoidable. Certain measures are within the responsibility and jurisdiction of another public agency, and can and should be adopted by such other agency. (State CEQA Guidelines, Section 15091(a)(2)). In addition, specific economic, legal, social, technological, or other considerations, as identified in the SEIR, make infeasible additional mitigation measures or project alternatives identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(3).)

Findings of Fact and Statement of Overriding Consideration

- (c) Explanation. Based upon the SEIR and the entire record before this City Council, this City Council finds impacts related to transit services cannot be mitigated to a less-than-significant level. As discussed in the Draft SEIR, the ARC Project would introduce new residential, office, manufacturing, and retail land uses that are situated in close proximity to the current transit stops (at Mace Boulevard/2nd Street) for the A, O, P, Q, and Z bus routes operated by Unitrans. While the ARC Project is expected to increase ridership on Unitrans routes that serve the ARC Site, it would not cause a demand above the level of service which is provided or planned.

The ARC Project would cause substantial increases to vehicle travel demand and peak hour delay on roadways within the ARC Site vicinity. Affected roadways include Mace Boulevard, Alhambra Drive, and 2nd Street, all of which are utilized by Unitrans routes serving the project site. Since Unitrans service would experience increases to peak hour delays at a level commensurate with general vehicle traffic, the project would cause adverse effects to Unitrans travel times and on-time performance. Reductions to route-level and systemwide on-time performance caused by the project would require Unitrans to restructure service or increase operating costs in order to maintain acceptable on-time performance thresholds. The adverse impacts to transit operations, particularly along the Mace Boulevard corridor, is considered a significant impact.

Mitigation Measure(s). The following mitigation measures are prescribed to mitigate the impact:

ARC Project and Mace Triangle

3-76(a) *Prior to the approval of improvement plans of the first ARC Project phase, the project applicant shall fund and construct new bus stops with turnouts on both sides of Mace Boulevard at the new primary project access point at Alhambra Drive. The project applicant shall prepare design plans, to be reviewed and approved by the City Public Works Department, and construct bus stops with shelters, paved pedestrian waiting areas, lighting, real time transit information signage, and pedestrian connections between the new bus stops and all buildings on the ARC Site. Responsibility for implementation of this mitigation measure shall be assigned to the ARC Project and Mace Triangle on a fair share basis. Upon completion of the ARC Project transit plaza, in consultation with Unitrans and Yolobus, the bus stops shall be moved to the ARC transit plaza at the expense of the ARC Project applicant.*

3-76(b) *Implement Mitigation Measure 3-75(c).*

Implementation of Mitigation Measures 3-76(a) and (b) would reduce potential significant impacts associated with transit service and facilities by supporting transit use to and from the project site and minimizing adverse effects to transit operations that would be caused by the ARC Project. However, elements of Mitigation Measure 3-75(c), as implemented by Mitigation Measure 3-76(b), would occur within Caltrans rights-of-way and would be subject to final

Findings of Fact and Statement of Overriding Consideration

approval and actions by others. In addition, the ultimate improvements resulting from Mitigation Measure 3-75(c) are subject to change pending the outcome of the Mace Boulevard Corridor Plan process described in Mitigation Measure 3-75(c). Therefore, the implementation of the mitigation measures and their effectiveness cannot be guaranteed. No other feasible mitigation measures to further reduce the impact have been identified. Alternatives that would reduce this impact were examined in the EIR; however, the City Council determined that each of the alternatives are infeasible for the reasons set forth in Section IX. Therefore, impacts to transit service and facilities, transit service and facility impacts would be considered significant and unavoidable. (Draft SEIR, pg. 3-271).

• F. CUMULATIVE IMPACTS

- 1. CUMULATIVE IMPACTS RELATED TO LONG-TERM CHANGES IN VISUAL CHARACTER OF THE REGION (SEIR IMPACT 3-85).
 - (a) Potential Impact. The potential for the project to cause substantial cumulative impacts related to long-term changes in visual character of the region is discussed on pages 3-285 through 3-286 of the Draft SEIR.
 - (b) Findings. Significant and unavoidable. Feasible changes or alterations to the project which attempt to avoid or substantially lessen this significant environmental effect are not available as identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(1)). However, the impact would still remain significant and unavoidable. Specific economic, legal, social, technological, or other considerations, as identified in the SEIR, make infeasible additional mitigation measures or project alternatives identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(3).)
 - (c) Explanation. Based upon the SEIR and the entire record before this City Council, this City Council finds impacts related to cumulative aesthetic changes to the region cannot be mitigated to a less-than-significant level. As discussed in the Draft SEIR, impacts to changes in visual character resulting from development of the ARC Project and the undeveloped Mace Triangle properties would combine with related impacts resulting from development of the buildout of vacant lands within the City limits per their Davis General Plan land use designations, as well as other pending development. The combined effects of cumulative development would lead to a significant cumulative impact with respect to changes in visual character within the cumulative geographic setting. The ARC Project's and Mace Triangle's incremental contribution toward this significant cumulative impact would be approximately 204 acres, which would be cumulatively considerable.

Mitigation Measure(s).

None Available.

Findings of Fact and Statement of Overriding Consideration

Buildout of the ARC Project and the undeveloped portions of the Mace Triangle would combine with other development to represent a significant change in the visual character of the cumulative geographic context. Although compliance with the City's General Plan policies and the future Design Guidelines for the ARC Project would help to minimize impacts, feasible mitigation measures are not available to reduce this project's incremental contribution toward the cumulative change in the existing visual character or quality of the Davis area to a less-than-significant level. Alternatives that would reduce this impact were examined in the EIR; however, the City Council determined that each of the alternatives are infeasible for the reasons set forth in Section IX. Therefore, the impact would remain cumulatively considerable and significant and unavoidable. (Draft SEIR, pg. 3-286).

- 2. IMPACTS RELATED TO CUMULATIVE LOSS OF AGRICULTURAL LAND (SEIR IMPACT 3-87).
 - (a) Potential Impact. The potential for the project to cause a cumulative loss of agricultural land is discussed on pages 3-288 through 3-289 of the Draft SEIR.
 - (b) Findings. Significant and unavoidable with mitigation incorporated. Changes or alterations have been required in, or incorporated into, the project which attempt to avoid or substantially lessen this significant environmental effect as identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(1)). However, the impact would still remain significant and unavoidable. Specific economic, legal, social, technological, or other considerations, as identified in the SEIR, make infeasible additional mitigation measures or project alternatives identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(3).)
 - (c) Explanation. Based upon the SEIR and the entire record before this City Council, this City Council finds impacts related to cumulative loss of agricultural land cannot be mitigated to a less-than-significant level. As discussed in the Draft SEIR, annexation of the ARC Site and Mace Triangle and redesignation of the properties for urban development would result in the conversion of agricultural land, requiring mitigation per City of Davis Municipal Code requirements. Development of other cumulative projects, such as the West Davis Active Adult Community Project and the Nishi Student Apartments Project, the sites of which are primarily active agricultural sites, would result in related impacts associated with conversion of farmland. The combined effects of this cumulative development scenario would lead to a significant cumulative impact on agricultural resources within the cumulative geographic setting. Although the ARC Project, in combination with other cumulative development on sites in agricultural use, would be required to set aside agricultural mitigation acreage at a 2:1 ratio (2 acres of agricultural land for every acre impacted), thereby minimizing the effects of agricultural land conversion, the cumulative impact, as well as the ARC Project's incremental contribution, would be cumulatively considerable.

Mitigation Measure(s). The following mitigation measure is prescribed to mitigate the impact:

ARC Project and Mace Triangle

Findings of Fact and Statement of Overriding Consideration

3-87 *Implement Mitigation Measures 3-5(a) and (b), and 3-7(b).*

While Mitigation Measure 3-87 would require the ARC Project to set aside two acres of agricultural land for every acre of agricultural land impacted, the result is nevertheless a net loss of agricultural land. Consistent with the Davis General Plan EIR and the Certified MRIC EIR, feasible mitigation measures do not exist to reduce the above impact to a less-than-significant level. Alternatives that would reduce this impact were examined in the EIR; however, the City Council determined that each of the alternatives are infeasible for the reasons set forth in Section IX. Therefore, the impact would remain cumulatively considerable and significant and unavoidable. (Draft SEIR, pg. 3-289).

- 3. A CUMULATIVELY CONSIDERABLE NET INCREASE OF ANY CRITERIA POLLUTANT (SEIR IMPACT 3-88).
 - (a) Potential Impact. The potential for the project to cause a cumulatively considerable net increase of any criteria pollutant is discussed on pages 3-289 through 3-296 of the Draft SEIR.
 - (b) Findings. Significant and unavoidable with mitigation incorporated. Changes or alterations have been required in, or incorporated into, the project which attempt to avoid or substantially lessen this significant environmental effect as identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(1)). However, the impact would still remain significant and unavoidable. Specific economic, legal, social, technological, or other considerations, as identified in the SEIR, make infeasible additional mitigation measures or project alternatives identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(3).)
 - (c) Explanation. Based upon the SEIR and the entire record before this City Council, this City Council finds impacts related to a cumulatively considerable increase in criteria pollutant emissions cannot be mitigated to a less-than-significant level. The Sacramento Valley Air Basin (SVAB) is a nonattainment area for ozone and PM. As discussed in the Draft SEIR, the ARC Project, alone and in combination with Mace Triangle, would generate criteria air pollutant emissions of ROG, NO_x, and PM₁₀ in excess of the applicable thresholds of significance. All feasible mitigation measures available to reduce the Project's emissions of criteria pollutants have been required, as described in Section C.1. Overall, buildout of the ARC Project and the Mace Triangle Site in conjunction with cumulative buildout would result in a substantial increase in regional emissions from what has been anticipated for the area. Because the project would result in emissions of criteria pollutants in excess of YSAQMD's thresholds of significance, and because emissions of criteria pollutants from the ARC Project are anticipated to result in an increased average incidence of health risks per year, the ARC Project is considered to result in a cumulatively considerable net increase in health risks due to criteria pollutants.

Mitigation Measure(s). The following mitigation measure is prescribed to mitigate the impact:

Findings of Fact and Statement of Overriding Consideration

ARC Project and Mace Triangle

3-88 Implement Mitigation Measure 3-11.

Implementation of Mitigation Measure 3-88 would reduce operational emissions of criteria pollutants. Additional feasible mitigation measures to further reduce the ARC Project's operational emissions of ROG, NO_x, and PM₁₀ to below the applicable threshold of significance are not currently available and no threshold exists for health effects of criteria pollutants. Alternatives that would reduce this impact were examined in the EIR; however, the City Council determined that each of the alternatives are infeasible for the reasons set forth in Section IX. Therefore, the above impact would remain cumulatively considerable and significant and unavoidable. (Draft SEIR, pg. 3-296).

- 4. CUMULATIVE IMPACTS RELATED TO GHG EMISSIONS AND GLOBAL CLIMATE CHANGE (SEIR IMPACT 3-93).
 - (a) Potential Impact. The potential for the project to cause a cumulative impact related to GHG emissions and global climate change is discussed on pages 3-303 through 3-304 of the Draft SEIR.
 - (b) Findings. Significant and unavoidable with mitigation incorporated. Changes or alterations have been required in, or incorporated into, the project which attempt to avoid or substantially lessen this significant environmental effect as identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(1)). However, the impact would still remain significant and unavoidable. Specific economic, legal, social, technological, or other considerations, as identified in the SEIR, make infeasible additional mitigation measures or project alternatives identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(3).)
 - (c) Explanation. Based upon the SEIR and the entire record before this City Council, this City Council finds impacts related to cumulative GHG emissions cannot be mitigated to a less-than-significant level. Based on the cumulative nature of global climate change, emissions from a project must be considered in the context of that project's contribution to cumulative global GHG emissions. As discussed in the Draft SEIR, the ARC Project would result in a substantial increase in GHG emissions as compared to existing levels associated with the site, and the project's GHG emissions would not meet the reduction targets of the Davis CAAP, as accelerated by recent City of Davis resolutions.

Implementation of Mitigation Measures 3-11, 3-38(a), and 3-72(a) and (b) of this SEIR would reduce the ARC Project's operational GHG emissions, but the level to which such reductions would occur cannot be determined at this time. Similarly, Mitigation Measure 3-38(b) would reduce emissions from potential future buildout of the Mace Triangle Site; however, due to the speculative nature of future development at the Mace Triangle Site, the ultimate levels at which future emissions reductions could occur is speculative.

Findings of Fact and Statement of Overriding Consideration

The build out of the ARC Project will occur over many years, and future regulations that may be in place in the year 2040 could substantially reduce project-related GHG emissions at that time. For instance, should future regulations prohibit the installation of natural gas infrastructure or require an increase in the amount of electric vehicle charging infrastructure within the ARC Site, emissions resulting from project operations could be reduced below the levels presented herein. Due to such regulatory uncertainties, as well as uncertainties related to the actual buildout of the ARC Project as well as the Mace Triangle Site, and potential GHG emissions reductions due to sustainability features of each development, the full GHG reductions that would be realized on-site are speculative at this time. The future availability of carbon off-set credits that provide ongoing carbon off-sets (as opposed to one-time off-sets) also cannot be determined at this time. Consequently, carbon off-sets sufficient to meet the requirements of the mitigation included in this SEIR may not be available in sufficient levels or at a reasonable financial cost to meet the demand of future phases of the ARC Project or the Mace Triangle. For this reason, and because the ARC Project's GHG emissions cannot be shown to be reduced to net zero by 2040 with certainty at this time, the ARC Project's GHG emissions would be cumulatively considerable.

Mitigation Measure(s). The following mitigation measures are prescribed to mitigate the impact:

ARC Project

3-93(a) *Implement Mitigation Measure 3-11, 3-38(a), and 3-72(a) and (b).*

Mace Triangle

3-93(b) *Implement Mitigation Measure 3-38(b).*

Implementation of Mitigation Measures 3-93(a) and 3-93(b) would reduce the GHG emissions associated with the ARC Project, but not to a less-than-significant level. No other feasible mitigation measures to further reduce the impact have been identified. Alternatives that would reduce this impact were examined in the EIR; however, the City Council determined that each of the alternatives are infeasible for the reasons set forth in Section IX. Therefore, the impact would remain cumulatively considerable and significant and unavoidable. (Draft SEIR, pg. 3-304).

- 5. CUMULATIVE IMPACTS TO FIRE PROTECTION SERVICES FROM THE PROPOSED PROJECT IN COMBINATION WITH FUTURE DEVELOPMENTS IN THE CITY OF DAVIS (SEIR IMPACT 3-102).
 - (a) Potential Impact. The potential for the project to cause cumulative impacts to fire protection services is discussed on pages 3-316 through 3-318 of the Draft SEIR.
 - (b) Findings. Significant and unavoidable with mitigation incorporated. Changes or alterations have been required in, or incorporated into, the project which attempt to avoid or substantially lessen this significant environmental effect as identified in the SEIR. (State CEQA

Findings of Fact and Statement of Overriding Consideration

Guidelines, Section 15091(a)(1)). However, the impact would still remain significant and unavoidable. Specific economic, legal, social, technological, or other considerations, as identified in the SEIR, make infeasible additional mitigation measures or project alternatives identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(3).)

- (c) Explanation. Based upon the SEIR and the entire record before this City Council, this City Council finds cumulative impacts related to fire protection facilities cannot be mitigated to a less-than-significant level. The closest fire station to the ARC Site is Station 33, located at 425 Mace Boulevard, approximately 0.50-mile south of the ARC Site. Station 33 currently provides fire protection and emergency medical services to the site and its vicinity, as well as back-up response to Station 31 in the downtown core. The ARC Project would introduce 850 residential units to a site which currently does not contain housing. As discussed in the Draft SEIR, the ARC Project could exacerbate the existing response time deficiency experienced in certain areas of the City of Davis, if Station 33 is already responding to an incident on the ARC Site and is not able to provide back-up to already impacted areas. The ARC Project's incremental impact, then, should be considered a secondary, or indirect cumulative impact, to fire protection services. In conclusion, the ARC Project, in combination with past, present, and probable future projects, will result in a significant cumulative impact to fire protection services; and the project's incremental contribution would be cumulatively considerable.

Mitigation Measure(s). The following mitigation measure is prescribed to mitigate the impact:

ARC Project and Mace Triangle

3-102 Prior to issuance of building permits for each phase of development, the project applicant shall contribute the project's fair share funding towards one of the following mitigation options, as determined by the City of Davis Department of Community Development and Sustainability and Davis Fire Department:

- 1. Construct a fourth fire station within the City of Davis.*
- 2. Modify existing Davis fire facilities, which may include renovation of existing fire stations.*

Once the mitigation option is selected, the identified improvement project(s) shall be included in the City's Capital Improvement Program and the City's Fire Impact Fee updated accordingly. In addition, each improvement project shall be subject to its own environmental review process, unless the improvement can be determined by the City to be exempt from CEQA.

The above impact could be reduced to a less-than-significant level if one of the above two mitigation options within Mitigation Measure 3-102 is implemented. However, successful implementation of each mitigation option cannot be assured, as the full amount of funding for the improvement(s) has not been secured, nor programmed into an identified improvement program. As a result, the project's incremental contribution to this significant

Findings of Fact and Statement of Overriding Consideration

impact, similar to the MRIC Project, would remain cumulatively considerable and significant and unavoidable. (Draft SEIR, pg. 3-318).

No other feasible mitigation measures to further reduce the impact have been identified. Alternatives that would reduce this impact were examined in the EIR; however, the City Council determined that each of the alternatives are infeasible for the reasons set forth in Section IX.

- 6. CONFLICT WITH A PROGRAM, PLAN, ORDINANCE OR POLICY ADDRESSING THE CIRCULATION SYSTEM UNDER CUMULATIVE PLUS PROJECT CONDITIONS (SEIR IMPACTS 3-104).
 - (a) Potential Impact. The potential for the project to conflict with a program, plan, ordinance or policy addressing the circulation system under Cumulative Plus Project conditions is discussed on pages 3-318 through 3-329 of the Draft SEIR.
 - (b) Findings. Significant and unavoidable with mitigation incorporated. Changes or alterations have been required in, or incorporated into, the project which attempt to avoid or substantially lessen this significant environmental effect as identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(1)). However, the impact would still remain significant and unavoidable. Certain measures are within the responsibility and jurisdiction of another public agency, and can and should be adopted by such other agency. (State CEQA Guidelines, Section 15091(a)(2)). In addition, specific economic, legal, social, technological, or other considerations, as identified in the SEIR, make infeasible additional mitigation measures or project alternatives identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(3).)
 - (c) Explanation. Based upon the SEIR and the entire record before this City Council, this City Council finds impacts related to a conflict with a program, plan, ordinance or policy addressing the circulation system under Cumulative Plus Project conditions cannot be mitigated to a less-than-significant level. As discussed in the Draft SEIR, many of the study intersections would operate at LOS F under cumulative conditions, even without the project. The addition of the ARC Project would cause LOS F conditions, or would worsen already projected LOS F conditions, by five seconds or more at 11 study intersections. The project would create or exacerbate vehicle queue spillbacks on I-80 offramps, would exacerbate unacceptable intersection operations at the I-80/County Road 32A interchange under Existing Plus Project conditions, and would generate new peak period vehicle trips that would contribute to cumulative LOS F conditions at these interchange ramp terminal intersections. Finally, the ARC Project would generate new peak period vehicle trips that would contribute to cumulative LOS F conditions on portions of I-80 in Yolo and Solano Counties. Based on the above, the ARC Project's incremental contribution to cumulative circulation system impacts under Cumulative Plus Project Conditions would be cumulatively considerable.

Mitigation Measure(s). The following mitigation measures are prescribed to mitigate the impact:

Findings of Fact and Statement of Overriding Consideration

ARC Project and Mace Triangle

3-104(a) *Implement Mitigation Measure 3-70(a).*

3-104(b) *Implement Mitigation Measure 3-70(b).*

3-104(c) *Implement Mitigation Measure 3-70(c).*

The potential operational enhancements listed in Mitigation Measure 3-70(a), implemented through Mitigation Measure 3-104(a) would serve to improve operations at the impacted facilities under Cumulative Plus Project conditions. However, it is important to note that Mitigation Measure 3-70(a) requires the applicant to work in good faith with Caltrans, Yolo County, and the City to identify feasible physical improvements to the roadway network for purposes of improving operational performance. In addition, the implementation of TDM strategies would reduce vehicle travel to and from the ARC Site on I-80 and lessen the project's contribution to unacceptable LOS F conditions on I-80. However, as discussed above in Section E.3, the level of delay reduction associated with TDM strategies is uncertain.

No other feasible mitigation measures to further reduce the impact have been identified. Alternatives that would reduce this impact were examined in the EIR; however, the City Council determined that each of the alternatives are infeasible for the reasons set forth in Section IX. Therefore, the project's incremental contribution to cumulative circulation system impacts would remain cumulatively considerable and significant and unavoidable. (Draft SEIR, pg. 3-329).

- 7. IMPACTS RELATED TO A CUMULATIVE INCREASE IN VEHICLE MILES TRAVELED (SEIR IMPACT 3-105).
 - (a) Potential Impact. The potential for the project to cause a cumulative increase in VMT is discussed on pages 3-329 through 3-330 of the Draft SEIR.
 - (b) Findings. Significant and unavoidable with mitigation incorporated. Changes or alterations have been required in, or incorporated into, the project which attempt to avoid or substantially lessen this significant environmental effect as identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(1)). However, the impact would still remain significant and unavoidable. Certain measures are within the responsibility and jurisdiction of another public agency, and can and should be adopted by such other agency. (State CEQA Guidelines, Section 15091(a)(2)). In addition, specific economic, legal, social, technological, or other considerations, as identified in the SEIR, make infeasible additional mitigation measures or project alternatives identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(3).)
 - (c) Explanation. Based upon the SEIR and the entire record before this City Council, this City Council finds impacts related to VMT under Cumulative Plus Project conditions cannot be mitigated to a less-than-significant level. As discussed in the Draft SEIR and in Section E.3 above, the ARC Project would cause a significant impact to VMT under Existing Plus Project Conditions, as project-generated VMT per service population measured above the applicable

Findings of Fact and Statement of Overriding Consideration

significance thresholds relative to existing local and regional VMT per service population averages. The VMT impact analysis for Existing Plus Project conditions applies to Cumulative Plus Project conditions as well. Therefore, the ARC Project's cumulative VMT impact would be considered significant.

Mitigation Measure(s). The following mitigation measures are prescribed to mitigate the impact:

ARC Project

3-105(a) Implement Mitigation Measure 3-72(a).

Mace Triangle

3-105(b) Implement Mitigation Measure 3-72(b).

Implementation of Mitigation Measures 3-72(a) and (b), as implemented by Mitigation Measures 3-105(a) and (b), would reduce project-generated VMT per service population by instituting a TDM program to reduce external vehicle trips generated by the ARC Project. However, the effectiveness of the TDM strategies is not known and subsequent vehicle trip reduction effects cannot be guaranteed. Existing evidence indicates that the effectiveness of TDM strategies with regards to vehicle trip reduction can vary based on a variety of factors, including the context of the surrounding built environment (e.g., urban versus suburban) and the aggregate effect of multiple TDM strategies deployed together. Moreover, many TDM strategies are not just site specific, but also rely on implementation and/or adoption by private entities (e.g., elective use of carpool program by office building tenants). Due to uncertainties regarding the ability for the aforementioned mitigation measure to reduce cumulative VMT impacts to less-than-significant levels, cumulative VMT impacts would remain significant and unavoidable. (Draft SEIR, pg. 3-330).

No other feasible mitigation measures to further reduce the impact have been identified. Alternatives that would reduce this impact were examined in the EIR; however, the City Council determined that each of the alternatives are infeasible for the reasons set forth in Section IX.

- 8. CUMULATIVE IMPACTS TO PEDESTRIAN, BICYCLE, AND TRANSIT FACILITIES (SEIR IMPACT 3-106).
 - (a) Potential Impact. The potential for the project to cause impacts to pedestrian, bicycle, and transit facilities under Cumulative Plus Project conditions is discussed on pages 3-330 through 3-332 of the Draft SEIR.
 - (b) Findings. Significant and unavoidable with mitigation incorporated. Changes or alterations have been required in, or incorporated into, the project which attempt to avoid or substantially lessen this significant environmental effect as identified in the SEIR. (State CEQA

Findings of Fact and Statement of Overriding Consideration

Guidelines, Section 15091(a)(1)). However, the impact would still remain significant and unavoidable. Specific economic, legal, social, technological, or other considerations, as identified in the SEIR, make infeasible additional mitigation measures or project alternatives identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(3).)

- (c) Explanation. Based upon the SEIR and the entire record before this City Council, this City Council finds cumulative impacts related to pedestrian, bicycle, and transit facilities cannot be mitigated to a less-than-significant level. As discussed in the Draft SEIR, under cumulative conditions, only modest increases in background bicycle and pedestrian activity would occur within the vicinity of the ARC Site, while more substantial increases in background vehicle traffic would occur due to growth elsewhere in and around Davis. However, growth in background vehicle traffic would not materially change the adverse effects to bicycle and pedestrian that would be attributable to the ARC Project. Therefore, the ARC Project-specific bicycle and pedestrian impact analysis and mitigation measures provided in Impact 3-75, discussed above in Section E.4, would similarly apply to cumulative plus project conditions.

Under cumulative conditions, the substantial increases in background vehicle traffic due to growth elsewhere in and around Davis, together with the substantial increase in vehicle traffic caused by the ARC Project, would cause adverse effects to transit operations by increasing transit service delay and running times. While the major factor contributing to significant degradation of the pedestrian, bicycle, and transit systems in the cumulative condition will be increase in background traffic, the ARC Project's incremental contribution to significant pedestrian, bicycle, and transit impacts is conservatively considered to be cumulatively considerable.

Mitigation Measure(s). The following mitigation measure is prescribed to mitigate the impact:

3-106 Implement Mitigation Measures 3-75(a) thru (c) and 3-76(a) and (b).

Implementation of Mitigation Measures 3-75(a), (b), and (c), as implemented through Mitigation Measure 3-106, would reduce potentially significant impacts associated with pedestrian, bicycle, and facilities to a less-than-significant level by supporting walking, bicycling, and transit to and from the ARC Site and reducing conflicts with other travel modes. Implementation of Mitigation 3-76 would reduce the significant impact related to transit to a less-than-significant level by requiring the project applicant to fund and construct new bus stops with turnouts on both sides of Mace Boulevard at Alhambra Drive, until such time that the ARC transit plaza is completed.

However, elements of each mitigation measure would occur within Caltrans, Yolo County, and/or UPRR rights-of-way and would be subject to final approval and actions by others. Therefore, the implementation and effectiveness of the mitigation measures cannot be guaranteed, and impacts to bicycle and pedestrian facilities would remain significant and unavoidable. (Draft SEIR, pg. 3-331).

Findings of Fact and Statement of Overriding Consideration

No other feasible mitigation measures to further reduce the impact have been identified. Alternatives that would reduce this impact were examined in the EIR; however, the City Council determined that each of the alternatives are infeasible for the reasons set forth in Section IX.

• IV. FINDINGS REGARDING SIGNIFICANT IMPACTS WHICH ARE MITIGATED TO A LESS-THAN-SIGNIFICANT LEVEL

A. AESTHETICS AND VISUAL RESOURCES

- 1. CREATE A NEW SOURCE OF SUBSTANTIAL LIGHT OR GLARE THAT WOULD ADVERSELY AFFECT DAY OR NIGHTTIME VIEWS IN THE AREA (SEIR IMPACT 3-3).
 - (a) Potential Impact. The potential for the project to create new sources of substantial light or glare is discussed on pages 3-38 through 3-39 of the Draft SEIR.
 - (b) Findings. Less than significant with mitigation incorporated. (Draft SEIR, pg. 3-39). Changes or alterations have been required in, or incorporated into, the proposed project which avoid or substantially lessen the significant environmental effects as identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(1)). The City further finds that the change or alteration in the project or the requirement to impose the mitigation as a condition of project approval is within the jurisdiction of the City to require, and that this mitigation is appropriate and feasible.
 - (c) Explanation. The ARC Project would introduce new sources of light and glare where none currently exist due to lighting and windows associated with the inclusion of residential units and offices. Mitigation Measure 3-3 would require the preparation and approval of a lighting plan, which would be designed to limit the light emanating from the windows of proposed residences and offices onto off-site properties, and would comply with the Davis Municipal Code. Any remaining impacts related to light or glare after the implementation of the mitigation measure would not be significant.

Mitigation Measure(s). The following mitigation measure is prescribed to mitigate the impact:

ARC Project and Mace Triangle

- 3-3 *In conjunction with submittal of improvement plans for the Mace Triangle and each phase of development for the ARC Site, the applicant shall submit a lighting plan to the Department of Community Development and Sustainability for review and approval. The lighting plan shall be designed to limit light trespass and glare onto off-site properties to a reasonable level through the use of shielding, directional lighting methods (including, but not limited to, fixture location and height), and application of a low-emissivity coating on exterior glass surfaces of proposed structures. If low-emissivity coating is used, the low-emissivity coating*

Findings of Fact and Statement of Overriding Consideration

shall reduce the reflection of visible light that strikes the exterior glass and prevent interior light from being emitted brightly through the glass. The Plan shall comply with Chapter 6 of the Davis Municipal Code - Article 8: Outdoor Lighting Control.

- 2. CONFLICT, OR CREATE INCONSISTENCY, WITH ANY APPLICABLE PLAN, POLICY, OR REGULATION ADOPTED FOR THE PURPOSE OF AVOIDING OR MITIGATING ENVIRONMENTAL EFFECTS RELATED TO AESTHETICS AND VISUAL RESOURCES (SEIR IMPACT 3-4).
 - (a) Potential Impact. The potential for the project to conflict with any applicable plan, policy, or regulation adopted for the purpose of avoiding or mitigating environmental effects related to aesthetic resources is discussed on pages 3-39 through 3-40 of the Draft SEIR.
 - (b) Findings. Less than significant with mitigation incorporated. (Draft SEIR, pg. 3-40). Changes or alterations have been required in, or incorporated into, the proposed project which avoid or substantially lessen the significant environmental effects as identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(1)). The City further finds that the change or alteration in the project or the requirement to impose the mitigation as a condition of project approval is within the jurisdiction of the City to require, and that this mitigation is appropriate and feasible.
 - (c) Explanation. Impacts related to conflicts with plans, policies, or regulations related to aesthetics and visual resources were evaluated in the Certified MRIC EIR and determined to be less than significant with mitigation. Similarly, for the ARC Project, the implementation of Mitigation Measure 3-4 would ensure that the future design guidelines encourage incorporation of various design measures, consistent with General Plan policy direction (e.g., street trees and high-quality design materials per Policies UD 2.2 and 2.6). Any remaining impacts related to the aforementioned impact after the implementation of the mitigation measure would not be significant.

Additional City of Davis housing policies and regulations are applicable to the residential component to the ARC Project. These additional housing policies and regulations are evaluated in the appropriate sections of this SEIR, namely, the Land Use and Urban Decay section (Impact 3-55), and the Population and Housing section (Impact 3-63).

Mitigation Measure(s). The following mitigation measure is prescribed to mitigate the impact:

ARC Project and Mace Triangle

3-4 *At or prior to final planned development, or tentative map submittal, whichever occurs first, the applicant shall submit landscape and architectural details to the Department of Community Development and Sustainability showing the following:*

Landscaping

Findings of Fact and Statement of Overriding Consideration

- *Research/office/R&D and manufacturing areas shall have access connections at regular intervals along the perimeter of the project area to adjacent bike and pedestrian pathways and easily-accessible, landscaped pedestrian and bicycle access between various areas.*
- *Arterial and collector streets shall have planted medians, but with widths sized to accommodate tree and shrub plantings. Medians on collector streets shall be limited to locations where the median contributes to a specific purpose or solves a specific problem, such as enhancing an entry, calming traffic, or providing a needed pedestrian refuge at intersections. Removal of street trees to accommodate an increase in vehicular traffic shall occur only as a last resort, after review by appropriate boards and commissions.*
- *Trees that are planted in the future shall have wide canopies, sufficient to eventually provide, at maturity, at least 50 percent shade coverage of the pavement area of local streets and 30 percent shade coverage of the pavement area of collector and arterial streets.*

Architecture

- *A scale transition between intensified land uses and adjoining lower intensity land uses shall be provided, as applicable.*
- *Taller buildings shall be stepped back at upper levels in areas with a relatively smaller-scale character.*
- *Buildings shall be varied in size, density and design.*
- *Stored materials, goods, parts or equipment shall be screened from adjacent public streets or highways.*
- *Loading facilities shall be designed as an integral part of the building(s) which they serve and shall be located in an inconspicuous manner.*
- *Roof mounted equipment shall be screened from view of any ground level area accessible to the general public.*
- *Trash enclosures, noise generating equipment, and other nuisances shall be adequately screened or located away from any adjacent residential use.*

• B. AGRICULTURAL AND FOREST RESOURCES

- 1. INVOLVE OTHER CHANGES IN THE EXISTING ENVIRONMENT WHICH, DUE TO THEIR LOCATION OR NATURE, COULD RESULT IN CONVERSION OF FARMLAND TO NON-AGRICULTURAL USE OR CONVERSION OF FOREST LAND TO NON-FOREST USE (SEIR IMPACT 3-8).
 - (a) Potential Impact. The potential for the project to involve the conversion of farmland to non-agricultural use is discussed on pages 3-46 through 3-49 of the Draft SEIR.
 - (b) Findings. Less than significant with mitigation incorporated. (Draft SEIR, pg. 3-49). Changes or alterations have been required in, or incorporated into, the proposed project which avoid or substantially lessen the significant environmental effects as identified in the SEIR. (State CEQA

Findings of Fact and Statement of Overriding Consideration

Guidelines, Section 15091(a)(1)). The City further finds that the change or alteration in the project or the requirement to impose the mitigation as a condition of project approval is within the jurisdiction of the City to require, and that this mitigation is appropriate and feasible.

- (c) Explanation. Impacts related to other changes in the existing environment which could result in conversion of Farmland were determined to be significant and unavoidable for the MRIC Project. The ARC Project would incorporate agricultural buffers along the perimeter of the site, which will include a pedestrian/bike path to be located approximately 120 feet from the nearest possible distance at which any ground rig spraying of pesticides might occur. The majority of ARC Project residences would be setback from agricultural operations at distance greater than 300 feet although one residential area would be within 300 feet from agricultural operations to the east. However, the implementation of Mitigation Measure 3-8(a) would ensure that potential for pesticide drift is reduced through the implementation of barrier plantings and utilization of a windscreen. In addition, Mitigation Measure 3-8(b) would require the utilization of a windscreen along the bicycle/pedestrian trail, similar to Mitigation Measure 3-8(a), or an agreement with the neighboring property owner pursuant to which the agricultural operator provides notice of which pesticide application will occur within 300 feet of the trail. Any remaining impacts related to the conversion of Farmland to non-agricultural use after the implementation of the mitigation measures would not be significant.

Mitigation Measure(s). The following mitigation measures are prescribed to mitigate the impact:

ARC Project

3-8(a) Prior to the construction of residential uses within 300 feet of neighboring orchards, the ARC Project applicant shall mitigate for potential pesticide drift through the implementation of barrier plantings. The applicant shall utilize the Natural Resources Conservation Services⁵ best practices for establishing an appropriate windscreen between residential structures and adjacent agricultural operations to the satisfaction of the Yolo County Agricultural Commissioner. Written confirmation of compliance shall be provided to the Community Development and Sustainability Director prior to issuance of residential building permit within 300 feet of neighboring agriculture.

3-8(b) Prior to the public use of the recreational bicycle and pedestrian trails located within the agricultural transition area, the ARC Project applicant shall mitigate for potential pesticide drift. Mitigation shall be achieved pursuant to utilization of a

⁵ See Natural Resources Conservation Service, *Windbreak/Shelterbelt Establishment, Conservation Practice Job Sheet 380*. April 2013. As noted, when used as a living screen, windbreaks control views, reduce noise, and intercept airborne particulate matter, chemicals and odors.

Findings of Fact and Statement of Overriding Consideration

windscreen in a manner consistent with MM 3-8(a). Alternatively, applicant shall enter into an agreement with the neighboring property owner pursuant to which the agricultural operator provides notice to the ARC Project applicant or the MOA of the days on which pesticide application will occur and the applicant shall close the recreational trails during the period in which pesticides are applied within 300 feet of the trail. Notice of closure shall be provided by the MOA to disseminate to employees and residences, and closure notice shall be posted at all points of access onto the impacted portion of trail during the period of pesticide application.

Mace Triangle

None required.

• C. AIR QUALITY

- 1. VIOLATE ANY AIR QUALITY STANDARD OR CONTRIBUTE SUBSTANTIALLY TO AN EXISTING OR PROJECTED AIR QUALITY VIOLATION DURING CONSTRUCTION (SEIR IMPACT 3-10).
 - (a) Potential Impact. The potential for the project to violate any air quality standards during construction is discussed on pages 3-53 through 3-57 of the Draft SEIR.
 - (b) Findings. Less than significant with mitigation incorporated. (Draft SEIR, pg. 3-57). Changes or alterations have been required in, or incorporated into, the proposed project which avoid or substantially lessen the significant environmental effects as identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(1)). The City further finds that the change or alteration in the project or the requirement to impose the mitigation as a condition of project approval is within the jurisdiction of the City to require, and that this mitigation is appropriate and feasible.
 - (c) Explanation. Like the MRIC Project, development of the ARC Project would occur over four phases. Using conservative assumptions, unmitigated construction-related emissions would not exceed the YSAQMD's thresholds of significance for ROG or PM₁₀. For NO_x, the implementation of Mitigation Measure 3-10 would reduce the construction-related emissions from an unmitigated annual maximum of 12.19 tons/year to a mitigated maximum of 9.75 tons/year, which would be below the YSAQMD's applicable threshold. Consequently, with implementation of the Mitigation Measure 3-10, construction-related emissions would be below the YSAMQD's applicable threshold of significance. Any remaining impacts related to violating any air quality standard or contributing substantially to an existing or projected air quality violation during construction after the implementation of the mitigation measure would not be significant.

Mitigation Measure(s). The following mitigation measure is prescribed to mitigate the impact:

Findings of Fact and Statement of Overriding Consideration

ARC Project and Mace Triangle

3-10 *Prior to approval of any grading or demolition plans, the project applicant shall show on the plans via notation that the contractor shall ensure that the heavy-duty off-road vehicles (50 horsepower or more) to be used in the construction project, including owned, leased, and subcontractor vehicles, will achieve a project wide fleet average 20 percent NO_x reduction compared to the year 2023 California Air Resources Board (CARB) fleet average. A fleet average reduction of less than 20 percent may only be acceptable when the project applicant has demonstrated, to the satisfaction of the City's Department of Community Development and Sustainability, that the achieved reductions would be sufficient to ensure that project-related emissions would remain below YSAQMD's thresholds.*

In addition, all off-road equipment operating at the construction site must be maintained in proper working condition according to manufacturer's specifications. Idling shall be limited to 5 minutes or less in accordance with the Off-Road Diesel Fueled Fleet Regulation as required by CARB. Clear Signage regarding idling restrictions should be placed at the entrances to the construction site.

Portable equipment over 50 horsepower must have either a valid District Permit to Operate (PTO) or a valid statewide Portable Equipment Registration Program (PERP) placard and sticker issued by CARB.

● D. BIOLOGICAL RESOURCES

- 1. IMPACTS RELATED TO SPECIAL-STATUS PLANT SPECIES (SEIR IMPACT 3-15).
 - (a) Potential Impact. The potential for the project to result in impacts related to special-status plant species is discussed on pages 3-80 through 3-85 of the Draft SEIR.
 - (b) Findings. Less than significant with mitigation incorporated. (Draft SEIR, pg. 3-84). Changes or alterations have been required in, or incorporated into, the proposed project which avoid or substantially lessen the significant environmental effects as identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(1)). The City further finds that the change or alteration in the project or the requirement to impose the mitigation as a condition of project approval is within the jurisdiction of the City to require, and that this mitigation is appropriate and feasible.
 - (c) Explanation. Similar to the MRIC Project, the ARC Project's impacts to special-status plant species would be mitigated to a less than significant level upon implementation of Mitigation Measure 3-15. Although special-status plants were not identified within the Study Area during protocol floristic botanical surveys in 2015 and 2019, the USFWS only considers plant surveys

Findings of Fact and Statement of Overriding Consideration

to be valid for three years. Should project construction not occur within three years from the date of the survey, construction activity could impact special-status plant species that may have colonized the project site. Mitigation Measure 3-15 requires the applicant to retain a qualified botanist to conduct a botanical survey during spring (April to May) and fall (July to September), during the evident and identifiable periods for special-status plants with potential to occur on the site. Any special-status plants that are within the limits of grading for on- or off-site improvements shall be propagated to suitable habitat in designated open space areas, or for the Mace Triangle, another pre-approved location. As such, impacts related to the disturbance of special-status plant species would be reduced to a less-than-significant level with implementation of mitigation.

Mitigation Measure(s). The following mitigation measure is prescribed to mitigate the impact:

ARC Project and Mace Triangle

3-15 *To ensure avoidance and minimization of potential impacts to special-status plant species, the following measures shall be implemented:*

- *Prior to initiation of any ground disturbance activities occurring after August 7, 2022, for the Mace Triangle and for each phase of the ARC Project, the applicant shall retain a qualified botanist to conduct a botanical survey during spring (April to May) and fall (July to September), during the evident and identifiable periods for special-status plants with potential to occur on the site. The botanical survey must also cover all potential utility line alignments and any other off-site work required for any phase of development. The survey shall be submitted to the City of Davis Department of Community Development and Sustainability for review. If special-status plants are not identified within the areas proposed for disturbance, further mitigation is not required for that phase.*
 - *Any special-status plants that are within the limits of grading for on- or off-site improvements shall be propagated to suitable habitat in designated open space areas, or for the Mace Triangle, another pre-approved location. The propagation shall be overseen by a qualified botanist, approved by the City of Davis Department of Community Development and Sustainability and CDFW. The botanist shall identify the location to receive the plants, identify the methods of propagation, and oversee the work.*
- - 2. IMPACTS TO VALLEY ELDERBERRY LONGHORN BEETLE (SEIR IMPACT 3-16).
 - (a) Potential Impact. The potential for the project to result in impacts to the valley elderberry longhorn beetle is discussed on pages 3-85 through 3-89 of the Draft SEIR.

Findings of Fact and Statement of Overriding Consideration

- (b) Findings. Less than significant with mitigation incorporated. (Draft SEIR, pg. 3-87). Changes or alterations have been required in, or incorporated into, the proposed project which avoid or substantially lessen the significant environmental effects as identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(1)). The City further finds that the change or alteration in the project or the requirement to impose the mitigation as a condition of project approval is within the jurisdiction of the City to require, and that this mitigation is appropriate and feasible.
- (c) Explanation. Similar to the MRIC Project, the ARC Project's impacts to valley elderberry longhorn beetle (VELB) would be mitigated to a less than significant level upon implementation of Mitigation Measure 3-16. VELB habitat is not located within the Stormwater biological study area (BSA), but five elderberry shrub localities occur within the ARC BSA. There is a potential for at least one location (EB Shrub #2) to be impacted by the ARC Project's off-site sewer line improvements, depending upon the method of pipe installation and whether or not the Northerly Sewer Line option is selected. The locations of the elderberry shrubs within the ARC BSA are such that the ARC Project would have an impact to VELB. Implementation of Mitigation Measure 3-16 would mitigate potential impacts to less than significance by requiring the applicant to obtain coverage under the Yolo HCP/NCCP for on-site, and potentially off-site, infrastructure work, which shall include the payment of any applicable Yolo HCP/NCCP fees and implementation of Yolo HCP/NCCP Avoidance and Minimization Measure AMM-12 (Minimize Take and Adverse Effects on Habitat of Valley Elderberry Longhorn Beetle) to the satisfaction of the City and the Yolo Habitat Conservancy. .

Mitigation Measure(s). The following mitigation measure is prescribed to mitigate the impact:

ARC Project

3-16 *To ensure avoidance and minimization of impacts to VELB, the project applicant for the ARC Site shall obtain coverage under the Yolo HCP/NCCP for on-site, and as may be determined necessary by Yolo Habitat Conservancy, for off-site infrastructure work, for each phase of development. In addition to payment of any applicable HCP/NCCP fees, the applicant shall implement Yolo HCP/NCCP Avoidance and Minimization Measure AMM-12 (Minimize Take and Adverse Effects on Habitat of Valley Elderberry Longhorn Beetle) to the satisfaction of the City and the YHC. AMM-12 provides:*

- The project proponent will retain a qualified biologist who is familiar with valley elderberry longhorn beetle and evidence of its presence (i.e., exit holes in elderberry shrubs) to map all elderberry shrubs in and within 100 feet of the project footprint with stems that are greater than one inch in diameter at ground level. To avoid take of valley elderberry longhorn beetle fully, the project proponent will maintain a buffer of at least 100 feet from any elderberry shrubs with stems greater than one inch in diameter at ground level. A lesser buffer may be applied in some*

Findings of Fact and Statement of Overriding Consideration

circumstances, as described in AMM-1 (Establish Buffers) of the Yolo HCP/NCCP.

- *For elderberry shrubs that cannot be avoided with a designated buffer distance as described above, the qualified biologist will quantify the number of stems one inch or greater in diameter to be affected, and the presence or absence of exit holes. The Conservancy will use this information to determine the number of plants or cuttings to plant on a riparian restoration site to help offset the loss, consistent with Section 6.4.2.4.1, Valley Elderberry Longhorn Beetle. Additionally, prior to construction, the project proponent will transplant elderberry shrubs identified within the project footprint that cannot be avoided.*
- *Transplantation will only occur if a shrub cannot be avoided and, if indirectly affected, the indirect effects would otherwise result in the death of stems or the entire shrub. If the project proponent chooses, in coordination with a qualified biologist, not to transplant the shrub because the activity would not likely result in death of stems of the shrub, then the qualified biologist will monitor the shrub annually for a five-year monitoring period. The monitoring period may be reduced with concurrence from the wildlife agencies if the latest research and best available information at the time indicates that a shorter monitoring period is warranted. If death of stems at least one inch in diameter occurs within the monitoring period, and the qualified biologist determines that the shrub is sufficiently healthy to transplant, the project proponent will transplant the shrub as described in the following paragraph, in coordination with the qualified biologist. If the shrub dies during the monitoring period, or the qualified biologist determines that the shrub is no longer healthy enough to survive transplanting, then the Conservancy will offset the shrub loss consistent with the preceding paragraph.*
- *The project proponent will transplant the shrubs into a location in the HCP/NCCP reserve system that has been approved by the Conservancy. Elderberry shrubs outside the project footprint but within the 100-foot buffer will not be transplanted.*
- *Transplanting will follow the following measures:*
 1. *Monitor: A qualified biologist will be on-site for the duration of the transplanting of the elderberry shrubs to ensure the effects on elderberry shrubs are minimized.*
 2. *Timing: The project proponent will transplant elderberry plants when the plants are dormant, approximately November through the first two weeks of February, after they have lost their leaves. Transplanting during the non-growing season will reduce shock to the plant and increase transplantation success.*
 3. *Transplantation procedure:*

Findings of Fact and Statement of Overriding Consideration

- a. *Cut the plant back three to six feet from the ground or to 50 percent of its height (whichever is taller) by removing branches and stems above this height. Replant the trunk and stems measuring one inch or greater in diameter. Remove leaves that remain on the plants.*
- b. *Relocate plant to approved location in the reserve system, and replant as described in Section 6.4.2.4.1, Valley Elderberry Longhorn Beetle.*

Mace Triangle

None required.

- 3. IMPACTS TO GIANT GARTER SNAKE (SEIR IMPACT 3-17).
 - (a) Potential Impact. The potential for the project to result in impacts to giant garter snake is discussed on pages 3-89 through 3-94 of the Draft SEIR.
 - (b) Findings. Less than significant with mitigation incorporated. (Draft SEIR, pg. 3-91). Changes or alterations have been required in, or incorporated into, the proposed project which avoid or substantially lessen the significant environmental effects as identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(1)). The City further finds that the change or alteration in the project or the requirement to impose the mitigation as a condition of project approval is within the jurisdiction of the City to require, and that this mitigation is appropriate and feasible.
 - (c) Explanation. Impacts to giant garter snake (GSS) would be mitigated to a less than significant level upon implementation of Mitigation Measure 3-17. GSS was not observed during any of the biological surveys of the ARC BSA or Stormwater BSA. Suitable habitat for GGS within the Mace Drainage Channel (MDC) is currently lacking; however, according to the City's Wildlife Resource Specialist, suitable habitat has been present in the past. The possibility exists that more favorable habitat conditions may return during sustained average rainfall years, or with a change in crop type and associated irrigation runoff on adjacent fields, which may occur over the long-term buildout of the proposed ARC Project. In addition, a significant GGS source population exists within the Yolo Bypass and Willow Slough Bypass, which increases the possibility of the snake being present, whether resident or vagrant, in the MDC. With respect to the potential off-site volume storage pond improvement area, north of the Railroad Channel and west of the Yolo Bypass, some areas within these survey boundaries are within 200 feet of potential GGS aquatic habitat, and are thus within the snake's upland dispersal range, although these areas consist of farm roads and tilled agricultural fields that are unlikely to be occupied by GGS during the GGS active season. During the winter inactive season, GGS could seek refuge in burrows and cracks in the upland habitat. If an off-site volume storage pond is constructed within the southern portion of the BSA, near the Railroad Channel, the possibility exists for GGS to be adversely impacted should GGS occur in this upland habitat.

Findings of Fact and Statement of Overriding Consideration

Implementation of Mitigation Measure 3-17 would mitigate potential impacts to GGS to less than significance, by requiring the applicant to obtain coverage under the Yolo HCP/NCCP for on-site, and potentially off-site, infrastructure work, which shall include the payment of any applicable Yolo HCP/NCCP fees and implementation of Yolo HCP/NCCP Avoidance and Minimization Measure AMM-15 (Minimize Take and Adverse Effects on Habitat of Giant Garter Snake) to the satisfaction of the City and the Yolo Habitat Conservancy. .

Mitigation Measure(s). The following mitigation measure is prescribed to mitigate the impact:

ARC Project

3-17 To ensure avoidance and minimization of impacts to GGS, the project applicant for the ARC Project shall obtain coverage under the Yolo HCP/NCCP for on-site, and as may be determined necessary by Yolo Habitat Conservancy, for off-site infrastructure work, for each phase of development. In addition to payment of any applicable HCP/NCCP fees, the applicant shall implement Yolo HCP/NCCP Avoidance and Minimization Measure AMM-15 (Minimize Take and Adverse Effects on Habitat of Giant Garter Snake) to the satisfaction of the City and the YHC. AMM-15 provides:

The project proponent will avoid effects on areas where planning-level surveys indicate the presence of suitable habitat for giant garter snake. To avoid effects on giant garter snake aquatic habitat, the project proponent will conduct no in-water/in-channel activity and maintain a permanent 200-foot non-disturbance buffer from the outer edge of potentially occupied aquatic habitat (see Figure 3-12).

If the project proponent cannot avoid effects of construction activities, the project proponent will implement the measures below to minimize effects of construction projects (measures for maintenance activities are described after the following bulleted list).

- Conduct preconstruction clearance surveys using USFWS-approved methods within 24 hours prior to construction activities within identified giant garter snake aquatic and adjacent upland habitat. If construction activities stop for a period of two weeks or more, conduct another preconstruction clearance survey within 24 hours prior to resuming construction activity.*
- Restrict all construction activity involving disturbance of giant garter snake habitat to the snake's active season, May 1 through October 1. During this period, the potential for direct mortality is reduced because snakes are expected to move and avoid danger.*

Findings of Fact and Statement of Overriding Consideration

- *In areas where construction is to take place, encourage giant garter snakes to leave the site on their own by dewatering all irrigation ditches, canals, or other aquatic habitat (i.e., removing giant garter snake aquatic habitat) between April 15 and September 30. Dewatered habitat must remain dry, with no water puddles remaining, for at least 15 consecutive days prior to excavating or filling of the habitat. If a site cannot be completely dewatered, netting and salvage of giant garter snake prey items may be necessary to discourage use by snakes.*
- *Provide environmental awareness training for construction personnel, as approved by the Conservancy. Training may consist of showing a video prepared by a qualified biologist, or an in-person presentation by a qualified biologist. In addition to the video or in-person presentation, training may be supplemented with the distribution of approved brochures and other materials that describe resources protected under the Yolo HCP/NCCP and methods for avoiding effects.*
- *A qualified biologist will prepare a giant garter snake relocation plan which must be approved by the Conservancy prior to work in giant garter snake habitat. The qualified biologist will base the relocation plan on criteria provided by CDFW or USFWS, through the Conservancy.*
- *If a live giant garter snake is encountered during construction activities, immediately notify the project's biological monitor and USFWS and CDFW. The monitor will stop construction in the vicinity of the snake, monitor the snake, and allow the snake to leave on its own. The monitor will remain in the area for the remainder of the work day to ensure the snake is not harmed or, if it leaves the site, does not return. If the giant garter snake does not leave on its own, the qualified biologist will relocate the snake consistent with the relocation plan described above.*
- *Employ the following management practices to minimize disturbances to habitat:*
 - *Install temporary fencing to identify and protect adjacent marshes, wetlands, and ditches from encroachment from construction equipment and personnel.*
 - *Maintain water quality and limit construction runoff into wetland areas through the use of hay bales, filter fences, vegetative buffer strips, or other accepted practices. No plastic, monofilament, jute, or similar erosion-control matting that could entangle snakes or other wildlife will be permitted.*

Ongoing maintenance covered activities by local water and flood control agencies typically involve removal of vegetation, debris, and sediment from water conveyance canals as well as resloping, rocking, and stabilizing the canals that

Findings of Fact and Statement of Overriding Consideration

serve agricultural water users. Maintenance of these conveyance facilities can typically occur only from mid-January through April when conveyance canals and ditches are not in service by the agency, although some drainages are used for storm conveyance during the winter and are wet all year. This timing is during the giant garter snake's inactive period. This is when snakes may be using underground burrows and are most vulnerable to take because they are unable to move out of harm's way. Maintenance activities, therefore, will be limited to the giant garter snake's active season (May 1 to October 1) when possible. All personnel involved in maintenance activities within giant garter snake habitat will first participate in environmental awareness training for giant garter snake, as described above for construction related activities. To minimize the take of giant garter snake, the local water or flood control agency will limit maintenance of conveyance structures located within modeled giant garter snake habitat (Appendix A, Covered Species Accounts) to clearing one side along at least 80 percent of the linear distance of canals and ditches during each maintenance year (e.g., the left bank of a canal is maintained in the first year and the right bank in the second year). To avoid collapses when re-sloping canal and ditch banks composed of heavy clay soils, clearing will be limited to one side of the channel during each maintenance year.

For channel maintenance activities conducted within modeled habitat for giant garter snake, the project proponent will place removed material in existing dredged sites along channels where prior maintenance dredge disposal has occurred. For portions of channels that do not have previously used spoil disposal sites and where surveys have been conducted to confirm that giant garter snakes are not present, removed materials may be placed along channels in areas that are not occupied by giant garter snake and where materials will not re-enter the canal because of stormwater runoff.

Modifications to this AMM may be made with the approval of the Conservancy, USFWS, and CDFW. This includes any modifications needed to ensure compliance with the City's existing agreement with CDFW regarding maintenance of the Mace Drainage Channel.

Mace Triangle

None required.

- 4. IMPACTS TO BURROWING OWL (SEIR IMPACT 3-18).
 - (a) Potential Impact. The potential for the project to result in impacts to burrowing owl is discussed on pages 3-95 through 3-104 of the Draft SEIR.

Findings of Fact and Statement of Overriding Consideration

- (b) Findings. Less than significant with mitigation incorporated. (Draft SEIR, pg. 3-100). Changes or alterations have been required in, or incorporated into, the proposed project which avoid or substantially lessen the significant environmental effects as identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(1)). The City further finds that the change or alteration in the project or the requirement to impose the mitigation as a condition of project approval is within the jurisdiction of the City to require, and that this mitigation is appropriate and feasible.
- (c) Explanation. Impacts to burrowing owl would be mitigated to a less than significant level upon implementation of Mitigation Measure 3-18. The ARC Project would consist of a reduced development footprint, as compared to the MRIC Project, due to the exclusion of the City's 25-acre property. The amount of burrowing owl habitat impacted would therefore be less than for the MRIC Project. However, suitable burrowing owl habitat does exist within the ARC BSA and Stormwater BSA, within the Urban Ruderal land cover type on the Mace Triangle Site, and along the potential Class 1 trail along the inside of the Mace Curve Property. Furthermore, a portion of the 6.8-acre agricultural buffer area could be considered impacted acreage where suitable habitat exists. Impacts to burrowing owl habitat would only occur within the Stormwater BSA if the off-site storage pond alternative is selected for the ARC Project rather than the pump station alternative, as discussed in more detail in the Chapter 3.3 of the SEIR.

Implementation of Mitigation Measure 3-18 would mitigate the potential impacts to burrowing owl to less than significance, by requiring the applicant to obtain coverage under the Yolo HCP/NCCP for on-site, and potentially off-site, infrastructure work, which shall include the payment of any applicable Yolo HCP/NCCP fees and implementation of Yolo HCP/NCCP Avoidance and Minimization Measure AMM-18 (Minimize Take and Adverse Effects on Western Burrowing Owl) to the satisfaction of the City and the Yolo Habitat Conservancy.

Mitigation Measure(s). The following mitigation measure is prescribed to mitigate the impact:

ARC Project and Mace Triangle

- 3-18 To ensure avoidance and minimization of impacts to Western Burrowing Owl, the project applicant for the ARC shall obtain coverage under the Yolo HCP/NCCP for on-site, and as may be determined necessary by Yolo Habitat Conservancy, for off-site infrastructure work, for each phase of development. In addition to payment of any applicable HCP/NCCP fees, the applicant shall implement Yolo HCP/NCCP Avoidance and Minimization Measure AMM-18 (Minimize Take and Adverse*

Findings of Fact and Statement of Overriding Consideration

Effects on Western Burrowing Owl) to the satisfaction of the City and the YHC. AMM-18⁶ provides:

The project proponent will retain a qualified biologist to conduct planning-level surveys and identify western burrowing owl habitat (as defined in Appendix A of the Yolo HCP/NCCP, Covered Species Accounts) within or adjacent to (i.e., within 500 feet of) a covered activity. If habitat for this species is present, additional surveys for the species by a qualified biologist are required, consistent with CDFW guidelines (Yolo HCP/NCCP, Appendix L).

If burrowing owls are identified during the planning-level survey, the project proponent will minimize activities that will affect occupied habitat as follows. Occupied habitat is considered fully avoided if the project footprint does not impinge on a non-disturbance buffer around the suitable burrow. For occupied burrowing owl nest burrows, this non-disturbance buffer could range from 150 to 1,500 feet (Table 3-17, Recommended Restricted Activity Dates and Setback Distances by Level of Disturbance for Burrowing Owls), depending on the time of year and the level of disturbance, based on current guidelines (California Department of Fish and Game 2012).

Table 3-17			
Recommended Restricted Activity Dates and Setback Distances by Level of Disturbance for Burrowing Owls Time of Year Level of Disturbance (feet) from Occupied Burrows			
Time of Year	Level of Disturbance (feet) from Occupied Burrows		
	Low	Medium	High
<i>April 1 – August 15</i>	<i>600</i>	<i>1,500</i>	<i>1,500</i>
<i>August 16 – October 15</i>	<i>600</i>	<i>600</i>	<i>1,500</i>
<i>October 16-March 31</i>	<i>150</i>	<i>300</i>	<i>1,500</i>

The Yolo HCP/NCCP generally defines low, medium, and high levels of disturbances of burrowing owls as follows.

- *Low: Typically 71-80 dB, generally characterized by the presence of passenger vehicles, small gas-powered engines (e.g., lawn mowers, small chain saws, portable generators), and high tension power lines. Includes electric hand tools (except circular saws, impact wrenches and similar). Management and enhancement activities would typically fall under this category. Human activity in the immediate vicinity of burrowing owls*

⁶ Per Table 5-2(b) of the HCP/NCCP, no injury or mortality of individuals would occur with application of avoidance and minimization measures (Final HCP/NCCP, pp. 5-21 to 5-25).

Findings of Fact and Statement of Overriding Consideration

would also constitute a low level of disturbance, regardless of the noise levels.

- Moderate: Typically 81-90 dB, and would include medium- and large-sized construction equipment, such as backhoes, front end loaders, large pumps and generators, road graders, dozers, dump trucks, drill rigs, and other moderate to large diesel engines. Also includes power saws, large chainsaws, pneumatic drills and impact wrenches, and large gasoline-powered tools. Construction activities would normally fall under this category.
- High: Typically 91-100 dB, and is generally characterized by impacting devices, jackhammers, compression (“jake”) brakes on large trucks, and trains. This category includes both vibratory and impact pile drivers (smaller steel or wood piles) such as used to install piles and guard rails, and large pneumatic tools such as chipping machines. It may also include large diesel and gasoline engines, especially if in concert with other impacting devices. Felling of large trees (defined as dominant or subdominant trees in mature forests), truck horns, yarding tower whistles, and muffled or underground explosives are also included. Very few covered activities are expected to fall under this category, but some construction activities may result in this level of disturbance.

The project proponent may qualify for a reduced buffer size, based on existing vegetation, human development, and land use, if agreed upon by CDFW and USFWS (California Department of Fish and Game 2012).

If the project does not fully avoid direct and indirect effects on nesting sites (i.e., if the project cannot adhere to the buffers described above), the project proponent will retain a qualified biologist to conduct preconstruction surveys and document the presence or absence of western burrowing owls that could be affected by the covered activity. Prior to any ground disturbance related to covered activities, the qualified biologist will conduct the preconstruction surveys within three days prior to ground disturbance in areas identified in the planning-level surveys as having suitable burrowing owl burrows, consistent with CDFW preconstruction survey guidelines (Yolo HCP/NCCP, Appendix L, Take Avoidance Surveys). The qualified biologist will conduct the preconstruction surveys three days prior to ground disturbance. Time lapses between ground disturbing activities will trigger subsequent surveys prior to ground disturbance.

If the biologist finds the site to be occupied by western burrowing owls during the breeding season (February 1 to August 31), the project proponent will avoid all nest sites, based on the buffer distances described above, during the remainder of the breeding season or while the nest is occupied by adults or young (occupation includes individuals or family groups that forage on or near the site following fledging). Construction may occur inside of the disturbance buffer during the breeding season if the nest is not disturbed and the project proponent develops

Findings of Fact and Statement of Overriding Consideration

an AMM plan that is approved by the Conservancy, CDFW, and USFWS prior to project construction, based on the following criteria:

- *The Conservancy, CDFW, and USFWS approves the AMM plan provided by the project proponent.*
- *A qualified biologist monitors the owls for at least three days prior to construction to determine baseline nesting and foraging behavior (i.e., behavior without construction).*
- *The same qualified biologist monitors the owls during construction and finds no change in owl nesting and foraging behavior in response to construction activities.*
- *If the qualified biologist identifies a change in owl nesting and foraging behavior as a result of construction activities, the qualified biologist will have the authority to stop all construction related activities within the non-disturbance buffers described above. The qualified biologist will report this information to the Conservancy, CDFW, and USFWS within 24 hours, and the Conservancy will require that these activities immediately cease within the non-disturbance buffer. Construction cannot resume within the buffer until the adults and juveniles from the occupied burrows have moved out of the project site, and the Conservancy, CDFW, and USFWS agree.*
- *If monitoring indicates that the nest is abandoned prior to the end of nesting season and the burrow is no longer in use by owls, the project proponent may remove the non-disturbance buffer, only with concurrence from CDFW and USFWS. If the burrow cannot be avoided by construction activity, the biologist will excavate and collapse the burrow in accordance with CDFW's 2012 guidelines to prevent reoccupation after receiving approval from the wildlife agencies.*

If evidence of western burrowing owl is detected outside the breeding season (December 1 to January 31), the project proponent will establish a non-disturbance buffer around occupied burrows, consistent with Table 3-17, as determined by a qualified biologist. Construction activities within the disturbance buffer are allowed if the following criteria are met to prevent owls from abandoning important overwintering sites:

- *A qualified biologist monitors the owls for at least three days prior to construction to determine baseline foraging behavior (i.e., behavior without construction).*
- *The same qualified biologist monitors the owls during construction and finds no change in owl foraging behavior in response to construction activities.*
- *If there is any change in owl roosting and foraging behavior as a result of construction activities, these activities will cease within the buffer.*
- *If the owls are gone for at least one week, the project proponent may request approval from the Conservancy, CDFW, and USFWS for a qualified*

Findings of Fact and Statement of Overriding Consideration

biologist to excavate and collapse usable burrows to prevent owls from reoccupying the site if the burrow cannot be avoided by construction activities. The qualified biologist will install one-way doors for a 48-hour period prior to collapsing any potentially occupied burrows. After all usable burrows are excavated, the buffer will be removed and construction may continue.

Monitoring must continue as described above for the nonbreeding season as long as the burrow remains active.

A qualified biologist will monitor the site, consistent with the requirements described above, to ensure that buffers are enforced and owls are not disturbed. Passive relocation (i.e., exclusion) of owls has been used in the past in the Plan Area to remove and exclude owls from active burrows during the nonbreeding season (Trulio 1995). Exclusion and burrow closure will not be conducted during the breeding season for any occupied burrow. If the Conservancy determines that passive relocation is necessary, the project proponent will develop a burrowing owl exclusion plan in consultation with CDFW biologists. The methods will be designed as described in the species monitoring guidelines (California Department of Fish and Game 2012) and consistent with the most up-to-date checklist of passive relocation techniques. This may include the installation of one-way doors in burrow entrances by a qualified biologist during the nonbreeding season. These doors will be in place for 48 hours and monitored twice daily to ensure that the owls have left the burrow, after which time the biologist will collapse the burrow to prevent reoccupation. Burrows will be excavated using hand tools. During excavation, an escape route will be maintained at all times. This may include inserting an artificial structure, such as piping, into the burrow to prevent collapsing until the entire burrow can be excavated and it can be determined that no owls are trapped inside the burrow. The Conservancy may allow other methods of passive or active relocation, based on best available science, if approved by the wildlife agencies. Artificial burrows will be constructed prior to exclusion and will be created less than 300 feet from the existing burrows on lands that are protected as part of the reserve system.

- 5. IMPACTS TO SWAISON'S HAWK (SEIR IMPACT 3-19).
 - (a) Potential Impact. The potential for the project to result in impacts to Swainson's hawk is discussed on pages 3-104 through 3-108 of the Draft SEIR.
 - (b) Findings. Less than significant with mitigation incorporated. (Draft SEIR, pg. 3-106). Changes or alterations have been required in, or incorporated into, the proposed project which avoid or substantially lessen the significant environmental effects as identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(1)). The City further finds that the change or alteration in the project or the requirement to impose the mitigation as a condition of project approval is

Findings of Fact and Statement of Overriding Consideration

within the jurisdiction of the City to require, and that this mitigation is appropriate and feasible.

- (c) Explanation. Impacts to Swainson's hawk would be mitigated to a less-than-significant level upon implementation of Mitigation Measure 3-19. Since the certification of the MRIC EIR, the Yolo/NCCP has been adopted, which implements a regional strategy for protecting Swainson's hawk nesting and foraging habitat. Suitable nesting and foraging habitat for Swainson's hawk exists within the ARC BSA and Stormwater BSA, and along I-80, Mace Boulevard, Chiles Road, and portions of the MDC and Railroad Channel. . Impacts to foraging habitat would only occur within the Stormwater BSA if the off-site storage pond alternative is selected for the ARC Project rather than the pump station alternative, as discussed in more detail in Chapter 3.3 of the SEIR. Implementation of Mitigation Measure 3-19 would mitigate the potential impacts to Swainson's hawk to less than significance, by requiring the applicant to obtain coverage under the Yolo HCP/NCCP for on-site, and potentially off-site, infrastructure work, which shall include the payment of any applicable Yolo HCP/NCCP fees and implementation of Yolo HCP/NCCP Avoidance and Minimization Measure AMM-16 (Minimize Take and Adverse Effects on Habitat of Swainson's Hawk and White-Tailed Kite) to the satisfaction of the City and the Yolo Habitat Conservancy..

Mitigation Measure(s). The following mitigation measure is prescribed to mitigate the impact:

ARC Project and Mace Triangle

3-19 To ensure avoidance and minimization of impacts to Swainson's hawk and their habitat, the project applicant for the ARC, or the Mace Triangle as applicable, shall obtain coverage under the Yolo HCP/NCCP for on-site, and as may be determined necessary by Yolo Habitat Conservancy, for off-site infrastructure work, for each phase of development. In addition to payment of any applicable HCP/NCCP fees, the applicant shall implement Yolo HCP/NCCP Avoidance and Minimization Measure AMM-16 (Minimize Take and Adverse Effects on Habitat of Swainson's Hawk and White-Tailed Kite) to the satisfaction of the City and the YHC. AMM-16⁷ provides:

The project proponent will retain a qualified biologist to conduct planning-level surveys and identify any nesting habitat present within 1,320 feet of the project footprint. Adjacent parcels under different land ownership will be surveyed only if access is granted or if the parcels are visible from authorized areas.

⁷ Per Table 5-2(b) of the HCP/NCCP, no injury or mortality of individuals would occur with application of avoidance and minimization measures (Final HCP/NCCP, pp. 5-21 to 5-25).]

Findings of Fact and Statement of Overriding Consideration

If a construction project cannot avoid potential nest trees (as determined by the qualified biologist) by 1,320 feet, the project proponent will retain a qualified biologist to conduct preconstruction surveys for active nests consistent with guidelines provided by the Swainson's Hawk Technical Advisory Committee (2000), between March 15 and August 30, within 15 days prior to the beginning of the construction activity. The results of the survey will be submitted to the Conservancy and CDFW. If active nests are found during preconstruction surveys, a 1,320-foot initial temporary nest disturbance buffer shall be established. If project related activities within the temporary nest disturbance buffer are determined to be necessary during the nesting season, then the qualified biologist will monitor the nest and will, along with the project proponent, consult with CDFW to determine the best course of action necessary to avoid nest abandonment or take of individuals. Work may be allowed only to proceed within the temporary nest disturbance buffer if Swainson's hawk are not exhibiting agitated behavior, such as defensive flights at intruders, getting up from a brooding position, or flying off the nest, and only with the agreement of CDFW and USFWS. The designated on-site biologist/monitor shall be on-site daily while construction-related activities are taking place within the 1,320-foot buffer and shall have the authority to stop work if raptors are exhibiting agitated behavior. Up to 20 Swainson's hawk nest trees (documented nesting within the last 5 years) may be removed during the permit term, but they must be removed when not occupied by Swainson's hawks.

For covered activities that involve pruning or removal of a potential Swainson's hawk nest tree, the project proponent will conduct preconstruction surveys that are consistent with the guidelines provided by the Swainson's Hawk Technical Advisory Committee (2000). If active nests are found during preconstruction surveys, no tree pruning or removal of the nest tree will occur during the period between March 1 and August 30 within 1,320 feet of an active nest, unless a qualified biologist determines that the young have fledged and the nest is no longer active.

- 6. IMPACTS TO RAPTORS, NESTING BIRDS, OR OTHER BIRDS PROTECTED UNDER THE MBTA (SEIR IMPACT 3-20).
 - (a) Potential Impact. The potential for the project to result in impacts to raptors, nesting birds, or other birds protected under the MBTA is discussed on pages 3-108 through 3-114 of the Draft SEIR.
 - (b) Findings. Less than significant with mitigation incorporated. (Draft SEIR, pg. 3-111). Changes or alterations have been required in, or incorporated into, the proposed project which avoid or substantially lessen the significant environmental effects as identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(1)). The City further finds that the change or alteration in

Findings of Fact and Statement of Overriding Consideration

the project or the requirement to impose the mitigation as a condition of project approval is within the jurisdiction of the City to require, and that this mitigation is appropriate and feasible.

- (c) Explanation. Impacts to raptors, nesting birds, or other birds protected under the MBTA would be mitigated to a less than significant level upon implementation of Mitigation Measures 3-20(a) through 3-20(c). Suitable nesting and foraging habitat for special-status birds and non-special status birds protected under the MBTA exists within the Study Area. Impacts to foraging habitat would only occur within the Stormwater BSA if the off-site storage pond alternative is selected for the ARC Project rather than the pump station alternative, as discussed in more detail in Chapter 3.3 of the SEIR. While only white-tailed kite and tricolored blackbird are species covered under the Yolo HCP/NCCP, the applicant's payment of the Land Cover fees will help address impacts to all of these species' habitats.

Implementation of Mitigation Measures 3-20(a) and 3-20(b) would mitigate the potential impacts to raptors, nesting birds, and other birds protected under the MBTA less than significance, by requiring the applicant to obtain coverage under the Yolo HCP/NCCP for on-site, and potentially off-site, infrastructure work, which shall include the payment of any applicable Yolo HCP/NCCP fees and implementation of Yolo HCP/NCCP Avoidance and Minimization Measure AMM-16 (Minimize Take and Adverse Effects on Habitat of Swainson's Hawk and White-Tailed Kite) and AMM-21 (Minimize Take and Adverse Effects on Habitat of Tricolored Blackbird) to the satisfaction of the City and the Yolo Habitat Conservancy. Mitigation Measure 3-20(c) would require specific survey requirements for Northern harrier, mountain plover, Modesto song sparrow and other migratory birds, and avoidance and minimization measures to be implemented if such species are found. Overall, impacts related to raptors, nesting birds, or other birds protected under the MBTA under the ARC Project would be less-than-significant with mitigation.

Mitigation Measure(s). The following mitigation measures are prescribed to mitigate the impact:

ARC Project

- 3-20(a) *White-tailed kite. To ensure avoidance and minimization of impacts to White-Tailed Kite, the project applicant for the ARC Project shall obtain coverage under the Yolo HCP/NCCP for on-site, and as may be determined necessary by Yolo Habitat Conservancy, for off-site infrastructure work, for each phase of development. In addition to payment of any applicable HCP/NCCP fees, the applicant shall implement Yolo HCP/NCCP Avoidance and Minimization Measure AMM-16 (Minimize Take and Adverse Effects on Habitat of Swainson's Hawk and White-Tailed Kite) to the satisfaction of the City and the YHC. AMM-16 provides:*

The project proponent will retain a qualified biologist to conduct planning-level surveys and identify any nesting habitat present within 1,320 feet of the

Findings of Fact and Statement of Overriding Consideration

project footprint. Adjacent parcels under different land ownership will be surveyed only if access is granted or if the parcels are visible from authorized areas.

If a construction project cannot avoid potential nest trees (as determined by the qualified biologist) by 1,320 feet, the project proponent will retain a qualified biologist to conduct preconstruction surveys for active nests consistent, with guidelines provided by the Swainson's Hawk Technical Advisory Committee (2000), between March 15 and August 30, within 15 days prior to the beginning of the construction activity. The results of the survey will be submitted to the Conservancy and CDFW. If active nests are found during preconstruction surveys, a 1,320-foot initial temporary nest disturbance buffer shall be established. If project related activities within the temporary nest disturbance buffer are determined to be necessary during the nesting season, then the qualified biologist will monitor the nest and will, along with the project proponent, consult with CDFW to determine the best course of action necessary to avoid nest abandonment or take of individuals. Work may be allowed only to proceed within the temporary nest disturbance buffer if white-tailed kite are not exhibiting agitated behavior, such as defensive flights at intruders, getting up from a brooding position, or flying off the nest, and only with the agreement of CDFW and USFWS. The designated on-site biologist/monitor shall be on-site daily while construction-related activities are taking place within the 1,320-foot buffer and shall have the authority to stop work if raptors are exhibiting agitated behavior.

For covered activities that involve pruning or removal of a potential white-tailed kite nest tree, the project proponent will conduct preconstruction surveys that are consistent with the guidelines provided by the Swainson's Hawk Technical Advisory Committee (2000). If active nests are found during preconstruction surveys, no tree pruning or removal of the nest tree will occur during the period between March 1 and August 30 within 1,320 feet of an active nest, unless a qualified biologist determines that the young have fledged and the nest is no longer active.

- 3-20(b) *Tricolored blackbird. To ensure avoidance and minimization of impacts to Tricolored Blackbird, the project applicant for the ARC Project shall obtain coverage under the Yolo HCP/NCCP for on-site, and as may be determined necessary by Yolo Habitat Conservancy, for off-site infrastructure work, for each phase of development. In addition to payment of any applicable HCP/NCCP fees, the applicant shall implement Yolo HCP/NCCP Avoidance and Minimization Measure AMM-21 (Minimize Take and Adverse Effects on Habitat of Tricolored Blackbird) to the satisfaction of the City and the YHC. AMM-21 provides:*

Findings of Fact and Statement of Overriding Consideration

The project proponent will retain a qualified biologist to identify and quantify (in acres) tricolored blackbird nesting and foraging habitat (as defined in Appendix A of the Yolo HCP/NCCP, Covered Species Accounts) within 1,300 feet of the footprint of the covered activity. If a 1,300-foot buffer from nesting habitat cannot be maintained, the qualified biologist will check records maintained by the Conservancy (which will include CNDDDB data, and data from the tricolored blackbird portal) to determine if tricolored blackbird nesting colonies have been active in or within 1,300 feet of the project footprint during the previous five years. If there are no records of nesting tricolored blackbirds on the site, the qualified biologist will conduct visual surveys to determine if an active colony is present, during the period from March 1 to July 30, consistent with protocol described by Kelsey (2008).

Operations and maintenance activities or other temporary activities that do not remove nesting habitat and occur outside the nesting season (March 1 to July 30) do not need to conduct planning or construction surveys or implement any additional avoidance measures.

If an active tricolored blackbird colony is present or has been present within the last five years within the planning-level survey area, the project proponent will design the project to avoid adverse effects within 1,300 feet of the colony site(s), unless a shorter distance is approved by the Conservancy, USFWS, and CDFW. If a shorter distance is approved, the project proponent will still maintain a 1,300-foot buffer around active nesting colonies during the nesting season but may apply the approved lesser distance outside the nesting season. Adjacent parcels under different land ownership will be surveyed only if access is granted or if the parcels are visible from authorized areas.

ARC Project and Mace Triangle

3-20(c) Northern harrier, mountain plover, Modesto song sparrow and other migratory birds. The project applicant shall implement the following measures to avoid or minimize impacts to migratory birds and other protected bird species during on- and off-site construction:

- If any site disturbance or construction activity for any phase of development begins outside the February 1 to August 31 breeding season, a preconstruction survey for active nests shall not be needed.*
- If any site disturbance or construction activity for any phase of development is scheduled to begin between February 1 and August 31, a qualified biologist shall conduct a preconstruction survey for active nests from publicly accessible areas within 14 days prior site disturbance or construction activity for any phase of development. The survey area shall*

Findings of Fact and Statement of Overriding Consideration

cover the construction site and the area surrounding the construction site, including a 100-foot radius for MBTA birds, and a 250-foot radius for birds of prey. If an active nest of a bird of prey, MBTA bird, or other CDFW-protected bird is not found, then no further mitigation measures are necessary. The preconstruction survey shall be submitted to the City of Davis Department of Community Development and Sustainability for review.

- *If an active nest of a bird of prey, MBTA bird, or other CDFW-protected bird is discovered that may be adversely affected by any site disturbance or construction or an injured or killed bird is found, the project applicant shall immediately:
 - o *Stop all work within a 100-foot radius of the discovery.*
 - o *Notify the City of Davis Department of Community Development and Sustainability.*
 - o *Do not resume work within the 100-foot radius until authorized by the biologist.*
 - o *The biologist shall establish a minimum 250-foot Environmentally Sensitive Area (ESA) around the nest if the nest is of a bird of prey, and a minimum 100-foot ESA around the nest if the nest is of an MBTA bird other than a bird of prey. The ESA may be reduced if the biologist determines that a smaller ESA would still adequately protect the active nest. No work may occur within the ESA until the biologist determines that the nest is no longer active.**

- 7. IMPACTS TO RIPARIAN HABITAT OR OTHER SENSITIVE NATURAL COMMUNITY IDENTIFIED IN LOCAL OR REGIONAL PLANS, POLICIES, AND REGULATIONS OR BY THE CDFW OR USFWS (SEIR IMPACT 3-21).
 - (a) Potential Impact. The potential for the project to result in impacts to riparian habitat or other sensitive natural community identified in local or regional plans, policies, and regulations or by the CDFW or USFWS is discussed on pages 3-114 and 3-115 of the Draft SEIR.
 - (b) Findings. Less than significant with mitigation incorporated. (Draft SEIR, pg. 3-115). Changes or alterations have been required in, or incorporated into, the proposed project which avoid or substantially lessen the significant environmental effects as identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(1)). The City further finds that the change or alteration in the project or the requirement to impose the mitigation as a condition of project approval is within the jurisdiction of the City to require, and that this mitigation is appropriate and feasible.
 - (c) Explanation. Similar to the MRIC Project, the ARC Project's impacts to riparian habitat or other sensitive natural community identified in local or regional plans, policies, and regulations or

Findings of Fact and Statement of Overriding Consideration

by the CDFW or USFWS would be mitigated to a less-than-significant level upon implementation of Mitigation Measure 3-21. The only feature within the Study Area that contains sensitive natural habitats, albeit limited in nature, is the MDC. Implementation of Mitigation Measure 3-21 mitigate potential impacts to less than significance by requiring the applicant to notify CDFW pursuant to Section 1602 of the Fish and Wildlife Code, prior to conducting any non-maintenance work within the bed and banks of the MDC for any phase of development. If CDFW determines that a Streambed Alteration Agreement (SAA) is necessary, the applicant would be required to obtain a SAA and comply with all conditions of that Agreement, including the payment of any applicable Yolo HCP/NCCP fees. Overall, impacts to riparian habitat or other sensitive natural community identified in local or regional plans, policies, and regulations or by the CDFW or USFWS would be less-than-significant with mitigation.

Mitigation Measure(s). The following mitigation measure is prescribed to mitigate the impact:

ARC Project

3-21 The project applicant for the ARC Site shall implement the following measure to avoid or minimize impacts to the Mace Drainage Channel:

- *Prior to conducting non-maintenance work within the bed and banks in the Mace Drainage Channel for any phase of development, as applicable, the project applicant for the ARC Site shall notify CDFW pursuant to Section 1602 of the Fish and Wildlife Code. If CDFW determines that a Streambed Alteration Agreement (SAA) is necessary, the applicant shall obtain a SAA and comply with all conditions of that Agreement, including the payment of any applicable Yolo HCP/NCCP fees. Compliance with the SAA shall be ensured by the City of Davis Department of Community Development and Sustainability. This does not apply to City maintenance work within the Mace Drainage Channel, for which the City already has an agreement with CDFW.*

Mace Triangle

None required.

- 8. CONFLICT, OR CREATE AN INCONSISTENCY, WITH ANY APPLICABLE BIOLOGICAL RESOURCES PLAN, POLICY, OR REGULATION ADOPTED FOR THE PURPOSE OF AVOIDING OR MITIGATING AN ENVIRONMENTAL EFFECT (SEIR IMPACT 3-26).
 - (a) Potential Impact. The potential for the project to conflict, or create an inconsistency, with any applicable biological resources plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect is discussed on pages 3-118 through 3-120 of the Draft SEIR.

Findings of Fact and Statement of Overriding Consideration

- (b) Findings. Less than significant with mitigation incorporated. (Draft SEIR, pg. 3-319). Changes or alterations have been required in, or incorporated into, the proposed project which avoid or substantially lessen the significant environmental effects as identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(1)). The City further finds that the change or alteration in the project or the requirement to impose the mitigation as a condition of project approval is within the jurisdiction of the City to require, and that this mitigation is appropriate and feasible.
- (c) Explanation. Impacts related to a conflict or inconsistency with an applicable biological resources plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect would be mitigated to a less-than-significant level upon implementation of Mitigation Measure 3-26. Like the MRIC Project, the ARC Project is generally consistent with the applicable plan, policies, or regulations adopted for the purpose of avoiding or mitigating environmental effects related to biological resources. Additional urban development within the Mace Triangle in the future would be subject to further City review in connection with discretionary entitlements, which would ensure consistency with applicable plans, policies, or regulations. Any potential impacts would be reduced to less than significance with the implementation of Mitigation Measure 3-26, which would ensure that that the ARC Project's buffer/drainage features would be wildlife friendly natural places. Furthermore, compliance with the Yolo HCP/NCCP requires payment of Land Cover fees to facilitate the Plan's conservation strategy, which includes protection of habitat reserve areas. Therefore, impacts related to conflicting, or creating an inconsistency, with any applicable biological resources plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect would be mitigated to a less-than-significant level.

Mitigation Measure(s). The following mitigation measure is prescribed to mitigate the impact:

ARC Project

- 3-26 *At or prior to final planned development, or tentative map submittal, whichever occurs first, the applicant shall submit a design plan for the proposed on-site buffer/drainage features to the Department of Community Development and Sustainability and the Department of Public Works for review and approval. The design plan shall demonstrate how the buffer/drainage features will be wildlife friendly natural spaces, with respect to details such as plant types, detention slopes, etc. In addition, should staff determine that in order to meet the City's stated objectives for urban agricultural transition areas (UATA), as well as drainage and safety, the proposed buffer design shall be modified to concentrate the proposed buffer and drainage areas to the northern and eastern boundaries of the project site, in order to establish wider UATA segments.*

Mace Triangle

Findings of Fact and Statement of Overriding Consideration

None required.

● E. CULTURAL RESOURCES

- 1. CAUSE A SUBSTANTIAL ADVERSE CHANGE IN THE SIGNIFICANCE OF A HISTORICAL RESOURCE (SEIR IMPACT 3-27).
 - (a) Potential Impact. The potential for the project to cause a substantial adverse change in the significance of a historical resource is discussed on pages 3-121 through 3-123 of the Draft SEIR.
 - (b) Findings. Less than significant with mitigation incorporated. (Draft SEIR, pg. 3-122). Changes or alterations have been required in, or incorporated into, the proposed project which avoid or substantially lessen the significant environmental effects as identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(1)). The City further finds that the change or alteration in the project or the requirement to impose the mitigation as a condition of project approval is within the jurisdiction of the City to require, and that this mitigation is appropriate and feasible.
 - (c) Explanation. Similar to the MRIC Project, the ARC Project's impacts related to a substantial adverse change in the significance of a historical resource will be mitigated to a less-than-significant level upon implementation of Mitigation Measure 3-27. Archival research associated with the MRIC location identified two historic resources that may be at least partly within the area associated with the proposed off-site sewer alignment: the William Seward Wright Home and Farm (standing) and the William Robert Wright Family House (demolished). In addition to the standing structures, the Certified MRIC EIR concluded that historic-period artifacts or subsurface remains may be present within the area. Far Western's field survey and records search at the Northwest Information Center did not identify evidence of historic resources or sites on any of the Mace Triangle Site parcels. The ARC Project would consist of development over much of the same site as the MRIC Project, excluding most of the 25-acre City-owned parcel to the northwest of the ARC Site. Implementation of Mitigation Measure 3-27 requires site-specific measures, which would reduce any potential impacts to a less-than-significant level.

Mitigation Measure(s). The following mitigation measure is prescribed to mitigate the impact:

ARC Project

- 3-27 *If the northerly off-site sewer alignment is selected for the ARC Project, then prior to approval of design-level improvement plans for the off-site sewer pipe, the applicant shall retain a qualified archaeologist to design and implement a cultural study, the intent of which shall be to identify and investigate any subsurface historic remains within the northerly portion of the sewer pipe construction limits.*

Findings of Fact and Statement of Overriding Consideration

Because of the potential for fragile prehistoric remains within this area, the evaluation shall include only metal detection and hand excavation. Metal detection should include a complete sweep of the APE adjacent to the farm structures, to test for subsurface features. Hand excavation should include testing of the metal detection finds. If no subsurface features are uncovered, no additional cultural investigations will necessary. If, on the other hand, structural remains are found, the investigation shall continue as formal evaluation to determine their eligibility for the California Register of Historical Resources. This shall include, at a minimum, additional exposure of the feature(s), and photo-documentation and recordation. If the evaluation determines that the features do not have sufficient data potential to be eligible for the California Register, no additional work should be required. However, if data potential exists – e.g., there is an intact feature – it will be necessary to mitigate any project impacts. The evaluation shall be submitted to the Davis Department of Community Development and Sustainability for review.

If it is determined that standing structures associated with the William Seward Wright house and farm are within, or immediately adjacent to, the off-site sewer APE, a qualified architectural historian shall conduct an evaluation of those structures for their potential eligibility for the California Register of Historical Resources. The evaluation should include a full assessment of the structures, archival research to confirm the age, occupants, and historic uses of the structures, and the dates and extent of any renovations that might impact the structures' historic integrity. Should the structures be determined to be eligible for the California Register, pursuant to Public Resources Code Section 5024.1, Title 14 CCR, Section 4852, any mitigation measures provided in the architectural historian's report shall be followed. Should the structures be determined ineligible for the California Register, no further consideration shall be required. The evaluation shall be submitted to the Davis Department of Community Development and Sustainability for review.

Mitigation of impacts might include avoidance of further disturbance to the resources through project redesign. If avoidance is determined to be infeasible, additional data recovery excavations shall be conducted for the resources, to collect enough information to exhaust the data potential of those resources. Impacts to the standing structures shall be mitigated through recordation to the standards of the National Park Service's Historic American Buildings Survey (HABS), as determined by the qualified architectural historian.

Mace Triangle

None required.

Findings of Fact and Statement of Overriding Consideration

- 2. CAUSE A SUBSTANTIAL ADVERSE CHANGE IN THE SIGNIFICANCE OF AN ARCHAEOLOGICAL RESOURCE PURSUANT TO SECTION 15064.5 (SEIR IMPACT 3-28).
 - (a) Potential Impact. The potential for the project to cause a substantial adverse change in the significance of an archaeological resource pursuant to Section 15064.5 is discussed on pages 3-123 through 3-126 of the Draft SEIR.
 - (b) Findings. Less than significant with mitigation incorporated. (Draft SEIR, pg. 3-124). Changes or alterations have been required in, or incorporated into, the proposed project which avoid or substantially lessen the significant environmental effects as identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(1)). The City further finds that the change or alteration in the project or the requirement to impose the mitigation as a condition of project approval is within the jurisdiction of the City to require, and that this mitigation is appropriate and feasible.
 - (c) Explanation. Similar to the MRIC Project, the ARC Project's impacts related to a substantial adverse change in the significance of an archaeological resource will be mitigated to a less-than-significant level upon implementation of Mitigation Measures 3-28(a) through 3-28(c). A prehistoric archaeological site is purported to exist at the approximate terminus of the northerly off-site sewer pipe alignment, along CR 30, within the environs of the existing farm/ranch complex. Native American consultation pursuant to SB 18 did not yield any information regarding archaeological resources within the area. An assessment of the potential for buried archaeological deposits indicated that the northwestern corner of the parcel and the north/south-oriented potential route for the sanitary sewer main are sensitive for buried prehistoric archaeological resources; however, the high sensitivity area in the northwestern corner falls primarily within the 25-acre City-owned property, which would not be developed under the ARC Project. Nonetheless, small areas of high archeological sensitivity may extend into portions of the agricultural buffer, where disturbance would occur during buffer establishment.

If the applicant selects the northerly off-site sewer pipe alignment, then installation of the sewer pipe could result in adverse effects to archaeological resources should a prehistoric site be present within the limits of construction. Because of the potential for subsurface remains, additional work should be conducted in the area at the location of the purported prehistoric site, if the northerly sewer alignment is selected as the preferred off-site sewer alignment. Conversely, if the project proponent chooses the east-west alignment of the off-site sewer line, the prehistoric site will not be within the area; and thus, further investigation will not be required. In the latter case, only the northwestern corner of the ARC site will require subsurface testing for archaeological remains because, based upon soils analysis and historic waterway alignments, this area has been determined to have a high potential for buried archaeological deposits.

Implementation of Mitigation Measures 3-28(a) and 3-28(b) would mitigate potential impacts to less than significance by requiring the applicant to retain a qualified archaeologist to design

Findings of Fact and Statement of Overriding Consideration

and implement an archeological study if development occurs within the areas designated as having “high” sensitivity for buried sites or if the northerly off-site sewer alignment is selected for the ARC Project. Given the largely disturbed nature of the 16.58-acre Mace Triangle Site, the possibility for encountering archaeological resource deposits during future construction of the Mace Triangle is limited. However, in the unlikely event that archaeological resource deposits are encountered during future construction at the Mace Triangle Site or at the ARC Site, implementation of Mitigation Measure 3-28(c) would ensure that impacts to archaeological resources would be less than significant by requiring the applicant to cease all work and retain an archeologist to evaluate the finds.

Mitigation Measure(s). The following mitigation measures are prescribed to mitigate the impact:

ARC Project

3-28(a) Prior to approval of any on- and/or off-site improvement plans for development within the areas designated as having “high” sensitivity for buried sites per Figure 7 of the “Archaeological Survey Report for the Proposed Davis Innovation Center: Mace Ranch Location”, prepared by Far Western Anthropological Research Group, the applicant shall retain a qualified archaeologist to design and implement an archeological study, the intent of which shall be to identify and investigate any subsurface archaeological remains within the northwestern portion of the ARC Site. The subsurface sampling methodology outlined in the study shall be sufficient to enable the qualified archaeologist to define the physical extent and nature of any artifact-bearing deposits should they be discovered. Because of the potential for fragile prehistoric remains, the evaluation should include only hand excavation. Hand excavation should include placement of a series of small shovel probes across the site to look for prehistoric artifacts and features. If artifact-bearing deposits are not uncovered, additional cultural investigations are not required. If artifact-bearing features are found, the investigation shall continue as formal evaluation to determine their eligibility for the California Register of Historical Resources. This shall include, at a minimum, hand excavation of larger control units and analysis of the artifact assemblage(s). If the evaluation determines that the artifacts do not have sufficient data potential to be eligible for the California Register, additional work shall not be required. However, if data potential exists – e.g., there is an intact feature with a large and varied artifact assemblage – necessary mitigation measures shall be implemented to alleviate any project impacts. The evaluation shall be submitted to the Davis Department of Community Development and Sustainability for review.

Mitigation of impacts might include avoidance of further disturbance to the resources through project redesign. If redesign is not feasible, additional data

Findings of Fact and Statement of Overriding Consideration

recovery excavations shall be conducted for the archaeological resources, to collect enough information to exhaust the data potential of those resources.

- 3-28(b) *If the northerly off-site sewer alignment is selected for the ARC Project, then prior to approval of design-level improvement plans for the off-site sewer pipe, the applicant shall retain a qualified archaeologist to design and implement an archeological study, the intent of which shall be to identify and investigate any subsurface archaeological remains within the northerly portion of the sewer pipe construction limits. The subsurface sampling methodology outlined in the study shall be sufficient to enable the qualified archaeologist to define the physical extent and nature of any artifact-bearing deposits should they be discovered. Because of the potential for fragile prehistoric remains, the evaluation should include only hand excavation. Hand excavation should include placement of a series of small shovel probes across the site to look for prehistoric artifacts and features. If artifact-bearing deposits are not uncovered, additional archaeological investigations are not required. If artifact-bearing features are found, the investigation shall continue as formal evaluation to determine their eligibility for the California Register of Historical Resources. This shall include, at a minimum, hand excavation of larger control units and analysis of the artifact assemblage(s). If the evaluation determines that the artifacts do not have sufficient data potential to be eligible for the California Register, additional work shall not be required. However, if data potential exists – e.g., there is an intact feature with a large and varied artifact assemblage – necessary mitigation measures shall be implemented to alleviate any project impacts. The evaluation shall be submitted to the Davis Department of Community Development and Sustainability for review.*

Mitigation of impacts might include avoidance of further disturbance to the resources through project redesign. If redesign is not feasible, additional data recovery excavations shall be conducted for the archaeological resources, to collect enough information to exhaust the data potential of those resources.

ARC Project and Mace Triangle

- 3-28(c) *If any prehistoric or historic artifacts, or other indications of archaeological resources are found during grading and construction activities, all work within the vicinity of the find shall cease and the applicant shall retain an archaeologist meeting the Secretary of the Interior's Professional Qualifications Standards in prehistoric or historical archaeology, as appropriate, to evaluate the finds. If the resource is determined to be eligible for inclusion in the California Register of Historical Resources and project impacts cannot be avoided, data recovery shall be undertaken. Data recovery efforts can range from rapid photographic documentation to extensive excavation depending upon the physical nature of the*

Findings of Fact and Statement of Overriding Consideration

resource. The degree of effort shall be determined at the discretion of a qualified archaeologist and should be sufficient to recover data considered important to the area's history and/or prehistory. This language of this mitigation measure shall be included on any future grading plans, utility plans, and subdivision improvement drawings approved by the City for the ARC Site and/or 16.49-acre Mace Triangle Site.

- 3. DIRECTLY OR INDIRECTLY DESTROY A UNIQUE PALEONTOLOGICAL RESOURCE OR UNIQUE GEOLOGIC FEATURE ON THE PROJECT SITE (SEIR IMPACT 3-29).
 - (a) Potential Impact. The potential for the project to directly or indirectly destroy a unique paleontological resource or unique geologic feature on the project site is discussed on page 3-126 of the Draft SEIR.
 - (b) Findings. Less than significant with mitigation incorporated. (Draft SEIR, pg. 3-126). Changes or alterations have been required in, or incorporated into, the proposed project which avoid or substantially lessen the significant environmental effects as identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(1)). The City further finds that the change or alteration in the project or the requirement to impose the mitigation as a condition of project approval is within the jurisdiction of the City to require, and that this mitigation is appropriate and feasible.
 - (c) Explanation. Similar to the MRIC Project, the ARC Project's impacts related to directly or indirectly destroying a unique paleontological resource or unique geologic feature on the project site would be mitigated to a less-than-significant level upon implementation of Mitigation Measure 3-29. Although the potential for paleontological resources to be impacted during construction is considered remote, unknown resources could be encountered during excavation activities. Implementation of Mitigation Measure 3-29 requires specific performance standards to be met in the event that resources are encountered during ground-disturbing activity, including a halt to all work in the immediate vicinity of the discovery until inspected by an archeological monitor or paleontologist. Such mitigation which would ensure that potential impacts to paleontological resources would be reduced to a less-than-significant level.

Mitigation Measure(s). The following mitigation measure is prescribed to mitigate the impact:

ARC Project and Mace Triangle

- 3-29 *If any vertebrate bones or teeth are found by the construction crew, the contractor shall cease all work in the immediate vicinity of the discovery until an on-site archaeological monitor, if present, inspects the discovery; if none is present, or if recommended by the monitor, a professional paleontologist shall evaluate the find. If deemed significant with respect to authenticity, completeness,*

Findings of Fact and Statement of Overriding Consideration

preservation, and identification, the resource(s) shall then be salvaged and deposited in an accredited and permanent scientific institution (e.g., UCMP), where it will be properly curated and preserved for the benefit of current and future generations. The language of this mitigation measure shall be included on any future grading plans, utility plans, and subdivision improvement drawings approved by the City for the ARC Site and/or 16.49-acre Mace Triangle Site, where excavation work will be required.

- 4. DISTURB ANY HUMAN REMAINS, INCLUDING THOSE INTERRED OUTSIDE OF FORMAL CEMETERIES (SEIR IMPACT 3-30).
 - (a) Potential Impact. The potential for the project to disturb any human remains, including those interred outside of formal cemeteries is discussed on pages 3-126 through 3-127 of the Draft SEIR.
 - (b) Findings. Less than significant with mitigation incorporated. (Draft SEIR, pg. 3-127). Changes or alterations have been required in, or incorporated into, the proposed project which avoid or substantially lessen the significant environmental effects as identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(1)). The City further finds that the change or alteration in the project or the requirement to impose the mitigation as a condition of project approval is within the jurisdiction of the City to require, and that this mitigation is appropriate and feasible.
 - (c) Explanation. Similar to the MRIC Project, the ARC Project's impacts related to the disturbance of any human remains, including those interred outside of formal cemeteries, would be mitigated to a less-than-significant level upon implementation of Mitigation Measure 3-30. As discussed in the SEIR, the Sacred Lands File failed to indicate the presence of Native American cultural resources in the immediate area of the MRIC Site, and Far Western did not detect any evidence for human remains or burials within the area. The ARC Project would include development of the same site, excluding the 25-acre City-owned property. Although human remains or evidence thereof was not identified within the area, the potential for unknown human remains to be discovered during construction cannot be eliminated given the known prehistoric occupation of the vicinity by Native American tribes. If any bone is uncovered that may be human during construction, Mitigation Measure 3-30 requires that further disturbance not occur in the vicinity until the Yolo County Coroner has made findings as to origin. Remains are to be left in place until a final decision has been made as to treatment and disposition. If the remains are Native American, the California Native American Heritage Commission (NAHC) and the Yocha Dehe Wintun Nation shall be notified within 24 hours. Implementation of Mitigation Measure 3-30 would ensure that potential impacts to human remains would be reduced to a less-than-significant level.

Mitigation Measure(s). The following mitigation measure is prescribed to mitigate the impact:

Findings of Fact and Statement of Overriding Consideration

ARC Project and Mace Triangle

3-30 *During construction, if bone is uncovered that may be human, further disturbance shall not occur within 100 feet of the vicinity of the find(s) until the Yolo County Coroner has made the necessary findings as to origin. (California Health and Safety Code Section 7050.5) Further, pursuant to California PRC Section 5097.98(b), remains shall be left in place and free from disturbance until a final decision as to the treatment and disposition has been made. If the Yolo County Coroner determines the remains to be Native American, the California Native American Heritage Commission (NAHC), located in Sacramento, and the-Yocha Dehe Wintun Nation shall be notified within 24 hours. The NAHC and Yocha Dehe Wintun Nation must then identify the "most likely descendant(s)" (MLD). The landowner shall engage in consultations with the MLD. The MLD shall make recommendations concerning the treatment of the remains within 48 hours, as provided in PRC 5097.98.*

● F. GEOLOGY, SOILS, AND MINERAL RESOURCES

- 1. RESULT IN SUBSTANTIAL SOIL EROSION OR LOSS OF TOPSOIL (SEIR IMPACT 3-33).
 - (a) Potential Impact. The potential for the project to result in substantial soil erosion or loss of topsoil is discussed on pages 3-129 and 3-130 of the Draft SEIR.
 - (b) Findings. Less than significant with mitigation incorporated. (Draft SEIR, pg. 3-129). Changes or alterations have been required in, or incorporated into, the proposed project which avoid or substantially lessen the significant environmental effects as identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(1)). The City further finds that the change or alteration in the project or the requirement to impose the mitigation as a condition of project approval is within the jurisdiction of the City to require, and that this mitigation is appropriate and feasible.
 - (c) Explanation. Similar to the MRIC Project, the ARC Project's impacts related to substantial soil erosion or loss of topsoil will be mitigated to a less-than-significant level upon implementation of Mitigation Measure 3-33. The ARC Project includes utility excavation and recompaction of a portion of the ARC Site soils. In addition, during earthwork operations, existing soils must be completely removed to expose firm undisturbed soil. Such earthwork activities could result in the exposure of loose soil to wind and/or water. Eroded soils could then be inadvertently transported into off-site drainage facilities. The Mace Triangle Site does not contain any open channels and the Park-and-Ride lot would not be disturbed as part of the project. Future disturbance of topsoil within the Mace Triangle Site is anticipated to be limited to any future development at the Ikeda's Market parcel and the easternmost vacant parcel. Mitigation Measure 3-33 requires the project proponent shall submit a Notice of Intent (NOI) and Storm Water Pollution Prevention Plan (SWPPP) to the RWQCB in accordance with the NPDES General Construction Permit requirements. Mitigation Measure 3-33 would reduce the

Findings of Fact and Statement of Overriding Consideration

potential for, and mitigate risks associated with, substantial erosion or loss of topsoil during project construction.

Mitigation Measure(s). The following mitigation measure is prescribed to mitigate the impact:

ARC Project and Mace Triangle

3-33 *Prior to initiation of any grading activities for each phase of development at the ARC Site, or Mace Triangle Site, the project proponent shall submit a Notice of Intent (NOI) and Storm Water Pollution Prevention Plan (SWPPP) to the RWQCB in accordance with the NPDES General Construction Permit requirements. The SWPPP shall be designed to control pollutant discharges utilizing Best Management Practices (BMPs) and technology to reduce erosion and sediments. BMPs may consist of a wide variety of measures taken to reduce pollutants in stormwater runoff from the project site. Measures shall include temporary erosion control measures (such as silt fences, staked straw bales/wattles, silt/sediment basins and traps, check dams, geofabric, sandbag dikes, and temporary revegetation or other groundcover) that will be employed to control erosion from disturbed areas. Final selection of BMPs will be subject to approval by the City of Davis and the RWQCB. The SWPPP will be kept on site during construction activity and will be made available upon request to representatives of the RWQCB.*

- 2. BE LOCATED ON A GEOLOGIC UNIT OR SOIL THAT IS UNSTABLE, OR THAT WOULD BECOME UNSTABLE AS A RESULT OF THE PROJECT, AND POTENTIALLY RESULT IN LATERAL SPREADING, SUBSIDENCE, LIQUEFACTION, OR COLLAPSE (SEIR IMPACT 3-34).
 - (a) Potential Impact. The potential for the project to be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in lateral spreading, subsidence, liquefaction, or collapse is discussed on pages 3-130 through 3-132 of the Draft SEIR.
 - (b) Findings. Less than significant with mitigation incorporated. (Draft SEIR, pg. 3-132). Changes or alterations have been required in, or incorporated into, the proposed project which avoid or substantially lessen the significant environmental effects as identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(1)). The City further finds that the change or alteration in the project or the requirement to impose the mitigation as a condition of project approval is within the jurisdiction of the City to require, and that this mitigation is appropriate and feasible.
 - (c) Explanation. Like the MRIC Project, the ARC Project's impacts related to its location on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in lateral spreading, subsidence, liquefaction, or collapse, will be

Findings of Fact and Statement of Overriding Consideration

mitigated to a less-than-significant level upon implementation of Mitigation Measures 3-34(a) and 3-34(b). WKA concluded that the potential for liquefaction of the soils or post-liquefaction settlement beneath the ARC Site is low and impacts would be less than significant. However, the potential for the buildings constructed under the ARC Project to be subjected to geologic effects or hazards, including unstable soils, exists. Mitigation Measure 3-34(a) would require preparation of a design-level geotechnical engineering report prior to final design approval and the issuance of building permits. The report would be required to address compaction specifications and subgrade preparation of on-site soil, structural foundations, grading practices, and expansive/unstable soils. Mitigation Measure 3-34(b) would similarly require preparation of a design-level geotechnical engineering report prior to any future development within the Mace Triangle Site. Implementation of Mitigation Measures 3-34(a) and 3-34(b) would ensure that impacts related to being located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in lateral spreading, subsidence, liquefaction, or collapse are reduced to a less-than-significant level.

Mitigation Measure(s). The following mitigation measures are prescribed to mitigate the impact:

ARC Project

3-34(a) Prior to final design approval and issuance of building permits for each phase of the project, the project applicant for the ARC Site shall submit to the City of Davis Building Inspection Division, for review and approval, a design-level geotechnical engineering report produced by a California Registered Civil Engineer or Geotechnical Engineer. The report shall include the recommendations in the report entitled Preliminary Geotechnical Engineering Report, Mace Ranch Innovation Center, dated January 20, 2015 unless it is determined in the design-level report that one or more recommendations need to be revised. The design-level report shall address, at a minimum, the following:

- *Compaction specifications and subgrade preparation for on-site soils;*
- *Structural foundations, including retaining wall design (if applicable);*
- *Grading practices; and*
- *Expansive/unstable soils, including fill.*

Design-level recommendations shall be included in the foundation and improvement plans and approved by the Davis Public Works Department prior to issuance of any building permits.

Mace Triangle

3-34(b) Prior to final design approval and issuance of building permits for future on-site development, the future project applicant for the Mace Triangle Site shall submit

Findings of Fact and Statement of Overriding Consideration

a site-specific, design-level geotechnical report produced by a California Registered Geotechnical Engineer to the City of Davis Building Inspection Division for review and approval. The geotechnical report shall include, but would not be limited to, an analysis of the on-site geologic and seismic conditions, including soil sampling and testing. Recommendations shall be included regarding project design measures to avoid risks to people and structures, including compliance with the latest CBC regulations, structural foundations, and grading practices.

- 3. BE LOCATED ON EXPANSIVE SOIL, AS DEFINED IN TABLE 118-1-B OF THE UNIFORM BUILDING CODE (1994), CREATING SUBSTANTIAL RISKS TO LIFE OR PROPERTY (SEIR IMPACT 3-35).
 - (a) Potential Impact. The potential for the project to be located on expansive soil, as defined in Table 118-1-B of the Uniform Building Code (1994), creating substantial risks to life or property is discussed on pages 3-132 and 3-133 of the Draft SEIR.
 - (b) Findings. Less than significant with mitigation incorporated. (Draft SEIR, pg. 3-133). Changes or alterations have been required in, or incorporated into, the proposed project which avoid or substantially lessen the significant environmental effects as identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(1)). The City further finds that the change or alteration in the project or the requirement to impose the mitigation as a condition of project approval is within the jurisdiction of the City to require, and that this mitigation is appropriate and feasible.
 - (c) Explanation. As for the MRIC Project, the ARC Project's impacts related to expansive soils, would be mitigated to a less-than-significant level upon implementation of Mitigation Measures 3-35(a) and 3-35(b). As discussed in the Draft SEIR, laboratory testing of clay soils revealed the near-surface soils of the ARC Site are of high to very high plasticity, and near-surface soils collected from the upper four feet possess a "medium" to "very high" expansion potential. While a site-specific geotechnical report has not been prepared for the Mace Triangle Site, findings are expected to be similar as to those for the neighboring ARC Site, given the close proximity of the two sites. Mitigation Measures 3-35(a) and 3-35(b) require implementation of Mitigation Measures 3-34(a) and 3-34(b). As noted above, Mitigation Measures 3-34(a) and 3-34(b) would require preparation of design-level geotechnical engineering reports prior to development of the ARC Site or the Mace Triangle Site. Accordingly, the implementation of Mitigation Measures 3-35(a) and 3-35(b) would ensure that impacts related expansive soils are reduced to a less-than-significant level.

Mitigation Measure(s). The following mitigation measures are prescribed to mitigate the impact:

ARC Project

3-35(a) Implement Mitigation Measure 3-34(a).

Findings of Fact and Statement of Overriding Consideration

Mace Triangle

3-35(b) *Implement Mitigation Measure 3-34(b).*

• G. GREENHOUSE GAS EMISSIONS AND ENERGY

- 1. IMPACTS RELATED TO ENERGY ASSOCIATED WITH OPERATIONS (SEIR IMPACT 3-40).
 - (a) Potential Impact. The potential for the project to result in impacts related to energy associated with operations is discussed on pages 3-150 through 3-154 of the Draft SEIR.
 - (b) Findings. Less than significant with mitigation incorporated. (Draft SEIR, pg. 3-154). Changes or alterations have been required in, or incorporated into, the proposed project which avoid or substantially lessen the significant environmental effects as identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(1)). The City further finds that the change or alteration in the project or the requirement to impose the mitigation as a condition of project approval is within the jurisdiction of the City to require, and that this mitigation is appropriate and feasible.
 - (c) Explanation. Impacts related to energy associated with operations will be mitigated to a less-than-significant level upon implementation of Mitigation Measure 3-40. As discussed in the Draft SEIR, buildout of the ARC Project would result in an increase in energy demand and usage within the City, including building energy usage and transportation energy usage. As compared to the MRIC Project, the ARC Project would involve operational energy consumption for the same amount of non-residential uses, including data centers, but would also introduce 850 residential uses. However, since certification of the MRIC EIR, the California Building Standards Code (CBSC) has been updated twice to include improvements in the energy efficiency requirements of new development. In addition, the City of Davis requires new developments to meet the Tier 1 standards of the CalGreen Code, and the applicant has committed to providing at least 50 percent of the ARC Project's energy demand through the incorporation of on-site renewable energy generation systems. The ARC Project is also anticipated to include the use of shading and passive solar techniques that would further contribute to reductions in energy demand.

The ARC Project would be expected to consume a maximum of 13.64 GWh per year, and 34,607,340 kBTU per year, although this may be an overestimation given that buildout is anticipated over approximately 20 or more years, and the California Energy Efficiency Strategic Plan has identified that all new commercial buildings constructed after 2030 shall be zero net energy. Operations of the Mace Triangle Site would be anticipated to consume 0.13 GWh of electricity and 728,812 kBTU/year of natural gas per year.

With regard to transportation energy, the ARC Project is anticipated to result in increased VMT, but would also include measures that would support alternatively fueled vehicles and alternative modes of transportation, such as electric vehicle charging stations, the

Findings of Fact and Statement of Overriding Consideration

implementation of a TDM Program, and bicycle and pedestrian infrastructure. By including residential development and a mixture of various types of non-residential uses, the ARC Project would also encourage future employees to live and work within or in close proximity to the site, thereby encouraging forms of transportation other than single-family vehicles. The incorporation of such measures and programs would ensure that the ARC Project would not result in an inefficient, wasteful, or unnecessary consumption of energy.

As was concluded for the MRIC Project, the ARC Project would only be anticipated to result in a wasteful, inefficient, or unnecessary usage of energy if future potential data centers are not designed to maximize energy efficiency. Implementation of Mitigation Measure 3-40 would require the preparation of an Energy Management Plan for non-residential buildings, which would reduce impacts related to the inefficient or wasteful use of energy during operations to a less-than-significant level.

Mitigation Measure(s). The following mitigation measure is prescribed to mitigate the impact:

ARC Project and Mace Triangle

3-40 Prior to issuance of building permits for non-residential buildings that include data centers, the applicant shall submit an Energy Management Plan to the City of Davis Department of Community Development and Sustainability demonstrating compliance with principles for energy management for data centers, which could include, but not be limited to the following:

- *IT Systems;*
- *Air Management;*
- *Centralized Air Handling;*
- *Cooling Plant Optimization;*
- *On-Site Generation;*
- *Uninterruptible Power Supply Systems.*

Other energy efficient technologies and best practices that are available at the time construction drawings are submitted could be included in the Energy Management Plan as well, such as any measures described by US Department of Energy Center of Expertise for Energy Efficiency in Data Centers.

• H. HAZARDS AND HAZARDOUS MATERIALS

- 1. CREATE A SIGNIFICANT HAZARD TO THE PUBLIC OR THE ENVIRONMENT THROUGH REASONABLY FORESEEABLE UPSET AND ACCIDENT CONDITIONS INVOLVING THE RELEASE OF HAZARDOUS MATERIALS INTO THE ENVIRONMENT ASSOCIATED WITH POTENTIAL ON-SITE TANKS, WELL, OR SOIL CONTAMINATION (SEIR IMPACT 3-43).

Findings of Fact and Statement of Overriding Consideration

- (a) Potential Impact. The potential for the project to create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions is discussed on pages 3-157 through 3-162 of the Draft SEIR.
- (b) Findings. Less than significant with mitigation incorporated. (Draft SEIR, pg. 3-160). Changes or alterations have been required in, or incorporated into, the proposed project which avoid or substantially lessen the significant environmental effects as identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(1)). The City further finds that the change or alteration in the project or the requirement to impose the mitigation as a condition of project approval is within the jurisdiction of the City to require, and that this mitigation is appropriate and feasible.
- (c) Explanation. The ARC Project would involve development over the same site as the MRIC Project, excluding the 25-acre City-owned property. As such, the same potential on-site hazards would occur, including abandoned tanks or wells or contaminated soils, and can be mitigated to less than significant levels. With implementation of Mitigation Measures 3-43(a) through 3-43(c), the ARC Project would not create a hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials related to nearby uses or potential soil contamination. Any remaining impacts after the implementation of the mitigation measure would not be significant.

Mitigation Measure(s). The following mitigation measures are prescribed to mitigate the impact:

ARC Project

- 3-43(a) Prior to any ground disturbance activities within 50 feet of a well on the ARC Site, the applicant shall hire a licensed well contractor to obtain a well abandonment permit for any wells not anticipated to be used from the Yolo County Environmental Health Services Department, and properly abandon the on-site wells, pursuant to review and approval by the City Engineer and the Yolo County Environmental Health Services Department.*
- 3-43(b) If any debris is encountered within the former canal on APN 033-630-009 during construction activities, as shown on the construction plans for the ARC Site, the contractor shall contact the project applicant, who shall retain the services of a qualified environmental hazard firm, to evaluate the debris to determine whether it poses any environmental contamination risks. A written evaluation shall be submitted to the City of Davis Department of Community Development and Sustainability. If the debris is trash or other non-hazardous material, then the contractor shall dispose of the debris and no further mitigation shall be required. If the debris is associated with signs of soil staining or odors indicative of hazardous materials, the environmental hazard firm shall conduct additional evaluation, including but not necessarily limited to soil sampling. If soil samples*

Findings of Fact and Statement of Overriding Consideration

detect concentrations of hazardous materials above applicable Regional Screening Levels (RSL), then the soils shall be remediated and disposed of at a landfill licensed to accept hazardous waste. If constituent concentrations are below RSLs, then no further mitigation shall be necessary.

Mace Triangle

3-43(c) In conjunction with submittal of a final planned development and/or tentative map for any parcel in the Mace Triangle property, the applicant shall submit a Phase I Environmental Site Assessment for that parcel, which shall evaluate on-site conditions, including but not limited to the presence of any wells, evidence of soil staining, or odors indicative of hazardous substances.

In addition, due to the past agricultural operations on the easternmost parcel, a soil sampling program shall be implemented to assess potential agrichemical impacts to surface soil within the easternmost parcel, as follows:

A soil sampling and analysis workplan shall be submitted for approval to Yolo County Environmental Health Department. The sampling and analysis plan will meet the requirements of the Department of Toxic Substances Control Interim Guidance for Sampling Agricultural Properties (2008).

If the sampling results indicate the presence of agrichemicals that exceed commercial screening levels, a removal action workplan shall be prepared in coordination with Yolo County Environmental Health Department. The removal action workplan shall include a detailed engineering plan for conducting the removal action, a description of the onsite contamination, the goals to be achieved by the removal action, and any alternative removal options that were considered and rejected and the basis for that rejection. A no further action letter will be issued by County Health for the proposed commercial development upon completion of the removal action. The removal action shall be deemed complete when the confirmation samples exhibit concentrations below the commercial screening levels, which will be established by the agencies.

If any stained soil or odor-impacted areas are encountered during the Phase I ESA, then soil sampling of these areas shall be included in the above soil sampling workplan, and depending upon the sampling results, included in the removal action workplan as well.

• I. HYDROLOGY AND WATER QUALITY

- 1. SUBSTANTIALLY ALTER THE EXISTING DRAINAGE PATTERN OF THE SITE OR AREA, OR CREATE OR CONTRIBUTE RUNOFF WATER WHICH WOULD EXCEED THE CAPACITY OF EXISTING OR PLANNED

Findings of Fact and Statement of Overriding Consideration

STORMWATER DRAINAGE SYSTEMS, OR SUBSTANTIALLY INCREASE THE RATE OR AMOUNT OF SURFACE RUNOFF IN A MANNER THAT WOULD RESULT IN FLOODING ON- OR OFF-SITE (SEIR IMPACT 3-47).

- (a) Potential Impact. The potential for the project to substantially alter existing drainage patterns, contribute runoff water which would exceed the capacity of stormwater drainage systems, or create substantial surface runoff is discussed on pages 3-165 through 3-174 of the Draft SEIR.
- (b) Findings. Less than significant with mitigation incorporated. (Draft SEIR, pg. 3-172). Changes or alterations have been required in, or incorporated into, the proposed project which avoid or substantially lessen the significant environmental effects as identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(1)). The City further finds that the change or alteration in the project or the requirement to impose the mitigation as a condition of project approval is within the jurisdiction of the City to require, and that this mitigation is appropriate and feasible.
- (c) Explanation. Impacts related to substantial alteration of the existing drainage pattern were determined to be less-than-significant with mitigation for the MRIC Project. As the development footprint of the ARC Project would be reduced by approximately 25-acres as compared to the MRIC Project, the ARC Project would result in an approximately 12 percent decrease in disturbance area but an estimated 11 percent increase in imperviousness. Landscaping and agricultural buffers would be included, similar to the MRIC Project. The ARC Project's volume of runoff is anticipated to be similar to the Mixed-Use Alternative in the Certified MRIC EIR, and would have a greater volume of runoff as compared to the MRIC Project. The increased volume could be addressed by off-site replacement storage, a pump station, or some other acceptable engineering alternative, as approved by the City. In addition, the increased runoff volume resulting from Mace Triangle development would also need to be addressed, similar to ARC Project, by constructing off-site replacement storage, installing a pump station, or implementing another acceptable engineering solution.

Implementation of Mitigation Measures 3-47(a) through 3-47(c), which require the submittal of design-level drainage reports for approval by the City, would reduce a less-than-significant level any impacts associated with substantially altering the existing drainage pattern of the site or area, creating or contributing runoff water which would exceed the capacity of existing or planned stormwater drainage systems, and substantially increasing the rate or amount of surface runoff in a manner that would result in flooding on- or off-site. Any remaining impacts related to runoff after the implementation of the mitigation measures would not be significant.

Mitigation Measure(s). The following mitigation measures are prescribed to mitigate the impact:

ARC Project

Findings of Fact and Statement of Overriding Consideration

3-47(a) *In conjunction with submittal of the first final planned development for the ARC Site, a design-level drainage report shall be submitted to the City of Davis Public Works Department for review and approval. The drainage report shall identify specific storm drainage design features to control the 100-year, 24-day increased runoff from the project site to ensure that the rate of runoff leaving the developed ARC Site does not exceed the original Mace Drainage Channel (MDC) design capacity of 260 cfs. This may be achieved through: on-site conveyance and detention facilities, off-site detention or retention facilities, channel modification, or equally effective measures to control the rate and volume of runoff.*

The design-level drainage report shall include off-site drainage facilities sufficient to detain and control the increased runoff volume when the flow from the MDC into the Yolo Bypass is blocked by high water levels in the Bypass. Preliminary estimates of increased runoff volumes are 78 acre-feet. The final amount of runoff volume to be detained would be determined with the design-level drainage report. This could result in detaining run-off volume for an extended time period. During this time period, additional large storms could occur; thus, the proposed detention storage facilities shall also be able to manage (detain with a controlled release) the 100-year, 24-hour storm event.

The design-level drainage report shall also include design for detaining and controlling the increased run-off volume from the Mace Triangle Site. Preliminary estimates of increased runoff volumes are as much as 7 acre-feet. The final amount of runoff volume to be detained would be determined with the design-level drainage report prepare for the ARC Site.

Design-level recommendations provided in the drainage report shall be included in the improvements plans prior to their approval by the Davis Public Works Department.

3-47(b) *Prior to approval of the Phase 1 improvement plans for the ARC Site, the Public Works Department shall ensure that the plans include the development of the Phase 2 MDC improvements. The Phase 2 improvements shall consist of removal of the two 24-inch corrugated metal pipes in order to provide a continuous channel between the Phase 1 and Phase 2 improvements.*

Mace Triangle

3-47(c) *In conjunction with submittal of each final planned development for the Mace Triangle Site, a design-level drainage report for the development shall be completed and submitted to the City of Davis Public Works Department for review and approval. The drainage report shall identify specific storm drainage design features to control the 100-year, 24-hour increased runoff from the project site. This may be achieved through: onsite conveyance and detention facilities, offsite*

Findings of Fact and Statement of Overriding Consideration

detention or retention facilities, channel modification, or equally effective measures to control the rate and volume of runoff.

The design-level drainage report shall include off-site drainage facilities sufficient to detain and control the increased run-off volume when the flow from the Mace Drainage Channel into the Yolo Bypass is blocked by high water levels in the Bypass. Preliminary estimates of increased runoff volumes for the Mace Triangle Site are as much as 7 acre-feet. The final amount of runoff volume to be detained for each proposed development would be determined with the design-level drainage report. This could result in detaining run-off volume for an extended time period. During this time period, additional large storms could occur; thus, the proposed detention storage facilities shall also be able to manage (detain with a controlled release) the 100-year, 24-hour storm event.

Design-level recommendations provided in the drainage report shall be included in the improvement plans prior to their approval by the Davis Public Works Department.

- 2. VIOLATE ANY WATER QUALITY STANDARDS OR WASTE DISCHARGE REQUIREMENTS, PROVIDE SUBSTANTIAL ADDITIONAL SOURCES OF POLLUTED RUNOFF, OR OTHERWISE SUBSTANTIALLY DEGRADE WATER QUALITY THROUGH EROSION DURING CONSTRUCTION (SEIR IMPACT 3-48).
 - (a) Potential Impact. The potential for the project to violate any water quality standards or waste discharge requirements is discussed on pages 3-174 through 3-175 of the Draft SEIR.
 - (b) Findings. Less than significant with mitigation incorporated. (Draft SEIR, pg. 3-175). Changes or alterations have been required in, or incorporated into, the proposed project which avoid or substantially lessen the significant environmental effects as identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(1)). The City further finds that the change or alteration in the project or the requirement to impose the mitigation as a condition of project approval is within the jurisdiction of the City to require, and that this mitigation is appropriate and feasible.
 - (c) Explanation. Impacts related to violation of water quality standards during construction were determined to be less-than-significant with mitigation for the MRIC Project. Development of the Project would occur on the same site, excluding most of the 25-acre City-owned property. While the ARC Project would result in the potential to create or contribute additional sources of polluted runoff, violate water quality standards or waste discharge requirements, or otherwise degrade water quality during construction activities, impacts can be mitigated to less than significant levels, similar to the MRIC Project. Development at the ARC Site and possible future development at the Mace Triangle Site would be required by the State to obtain a Construction General Permit. Compliance with the Permit would require the applicant to file a Notice of Intent (NOI) with the SWRCB and prepare a SWPPP prior to construction, which would incorporate BMPs in order to prevent, or reduce to the greatest

Findings of Fact and Statement of Overriding Consideration

feasible extent, adverse impacts to water quality from erosion and sedimentation. Compliance with Mitigation Measure 3-48, which requires a SWPPP and implementation of BMPs during construction, would ensure that the projects' impacts to water quality during construction would be less than significant. Any remaining impacts related to water quality standards after the implementation of the mitigation measure would not be significant

Mitigation Measure(s). The following mitigation measure is prescribed to mitigate the impact:

ARC Project and Mace Triangle

3-48 *Prior to initiation of any ground disturbing activities, the project applicant(s) for each discretionary development application shall prepare a Stormwater Pollution Prevention Plan (SWPPP), and implement Best Management Practices (BMPs) that comply with the General Construction Stormwater Permit from the Central Valley RWQCB, to reduce water quality effects during construction. Such BMPs may include: temporary erosion control measures such as silt fences, staked straw bales/wattles, silt/sediment basins and traps, check dams, geofabric, sandbag dikes, and temporary revegetation. The SWPPP shall be kept on-site and implemented during construction activities and shall be made available upon request to representatives of the City of Davis and/or RWQCB.*

• J. LAND USE AND URBAN DECAY

- 1. ECONOMIC AND SOCIAL CHANGE AND/OR EFFECT THAT RESULT IN URBAN DECAY (SEIR IMPACT 3-54).
 - (a) Potential Impact. The potential for the project to cause economic and social change that result in urban decay is discussed on pages 3-181 through 3-184 of the Draft SEIR.
 - (b) Findings. Less than significant with mitigation incorporated. (Draft SEIR, pg. 3-183). Changes or alterations have been required in, or incorporated into, the proposed project which avoid or substantially lessen the significant environmental effects as identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(1)). The City further finds that the change or alteration in the project or the requirement to impose the mitigation as a condition of project approval is within the jurisdiction of the City to require, and that this mitigation is appropriate and feasible.
 - (c) Explanation. Impacts related to urban decay were determined to be less-than-significant with mitigation for the MRIC Project. The ARC Project consists of buildout on the same site as the MRIC Project, excluding the 25-acre City-owned property, and would consist of 2,654,000 sf of R&D, manufacturing, ancillary retail, and hotel/conference uses, as well as 850 residential units. While time has passed since the Urban Decay analysis was performed for the MRIC by ALH Urban & Regional Economics, the original findings are generally conservative and

Findings of Fact and Statement of Overriding Consideration

reasonably anticipated to remain applicable. The office and industrial components of the ARC Project 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. In addition, the ARC Project's planned retail component would not cause or contribute to urban decay, as existing retailers are not anticipated to close as a result of the ARC Project. Implementation of Mitigation Measure 3-54(a) requires 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, which shall demonstrate that the proposed ancillary retail development will not exceed the anticipated demand increase from new employees to ensure that the project's ancillary retail space would not lead to urban decay. With respect to the proposed hotel on the ARC Site, since the ALH analysis was prepared a new hotel has been constructed proximate to the project site, and the Downtown Davis Specific Plan includes the potential for an additional 150,000 sf of hotel space. While this is a change in circumstances, Mitigation Measure 3-54(b) prohibits the applicant from building the on-site hotel until the applicant demonstrates, to the City's satisfaction, that there is sufficient unmet demand from ARC Project employees and businesses and/or hotel demand from elsewhere within the Davis marketplace to support the hotel. This measure which would ensure that the project's hotel would not lead to urban decay. Any remaining impacts related to urban decay after the implementation of the mitigation measures would not be significant.

Mitigation Measure(s). The following mitigation measures are prescribed to mitigate the impact:

ARC Project

3-54(a) 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. The demonstration to the City may be premised upon the number of employees (and/or residents) on-site, the commercial (and/or residential) square footage developed, or other factors relevant to the generation of on-site demand. 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.

3-54(b) Prior to approval of the final planned development for the proposed 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 objective

Findings of Fact and Statement of Overriding Consideration

of this requirement is to ensure that the hotel developed within the ARC Project will not re-allocate demand from existing Davis hotels, but will instead help the City to provide new hotel offerings that will satisfy currently unmet demand.

Mace Triangle

None required.

● K. TRANSPORTATION AND CIRCULATION

- 1. IMPACTS ASSOCIATED WITH CONSTRUCTION VEHICLE TRAFFIC (SEIR IMPACT 3-74).
 - (a) Potential Impact. The potential for the project to result in impacts associated with construction vehicle traffic is discussed on pages 3-259 through 3-260 of the Draft SEIR.
 - (b) Findings. Less than significant with mitigation incorporated. (Draft SEIR, pg. 3-260). Changes or alterations have been required in, or incorporated into, the proposed project which avoid or substantially lessen the significant environmental effects as identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(1)). The City further finds that the change or alteration in the project or the requirement to impose the mitigation as a condition of project approval is within the jurisdiction of the City to require, and that this mitigation is appropriate and feasible.
 - (c) Similar to the MRIC Project, construction of the ARC Project would generate trips by employees and a variety of construction-related vehicles, and would cause disruptions to the transportation network near the project site, including the possibility of temporary lane closures, street closures, sidewalk closures, and bikeway closures. However, implementation of Mitigation Measure 3-74, which requires submittal of a Construction Traffic Control Plan, would ensure that construction activities associated with the ARC Project would result in a less-than-significant and temporary traffic impact. Any remaining impacts related to construction vehicle traffic after the implementation of the mitigation measure would not be significant.

Mitigation Measure(s). The following mitigation measure is prescribed to mitigate the impact:

ARC Project and Mace Triangle

- 3-74 *Prior to any construction activities for the ARC and Mace Triangle Sites, the project applicant shall prepare a detailed Construction Traffic Control Plan and submit it for review and approval by the City Department of Public Works. The applicant and the City shall consult with Yolo County, Caltrans, Unitrans, Yolobus, and local emergency service providers for their input prior to approving the Plan. The Plan shall ensure that acceptable operating conditions on local roadways and freeway*

Findings of Fact and Statement of Overriding Consideration

facilities are maintained during construction. At a minimum, the Plan shall include:

- *The number of truck trips, time, and day of street closures;*
- *Time of day of arrival and departure of trucks;*
- *Limitations on the size and type of trucks;*
- *Provision of a staging area with a limitation on the number of trucks that can be waiting;*
- *Provision of a truck arrival and departure plan that maintains acceptable peak hour roadway operations, in accordance with the relevant significance thresholds established in this Final SEIR;*
- *Provision of a truck circulation pattern that minimizes impacts to existing vehicle traffic during peak traffic flows and maintains safe bicycle circulation;*
- *Minimize use of CR 32A by construction truck traffic;*
- *Prior to certificate of occupancy or acceptance of any public improvement by the city, the developer shall resurface and/or repair any damage to roadways that occurs as a result of construction traffic;*
- *Provision of driveway access plan so that safe vehicular, pedestrian, and bicycle movements are maintained (e.g., steel plates, minimum distances of open trenches, and private vehicle pick up and drop off areas);*
- *Maintain safe and efficient access routes for emergency vehicles;*
- *Manual traffic control when necessary;*
- *Proper advance warning and posted signage concerning street closures; and*
- *Provisions for bicycle, pedestrian, and transit access and safety.*

A copy of the Construction Traffic Control Plan shall be submitted to local emergency response agencies and these agencies shall be notified at least 14 days before the commencement of construction that would partially or fully obstruct roadways.

• L. UTILITIES

- 1. WOULD THE PROJECT RESULT IN A DETERMINATION BY THE WASTEWATER TREATMENT PROVIDER WHICH SERVES OR MAY SERVE THE PROJECT THAT IT HAS ADEQUATE CAPACITY TO SERVE THE PROJECT'S PROJECTED DEMAND IN ADDITION TO THE PROVIDER'S EXISTING COMMITMENTS (SEIR IMPACT 3-80).
 - (a) Potential Impact. The potential for the project to result in impacts to wastewater treatment capacity is discussed on pages 3-278 through 3-282 of the Draft SEIR.

Findings of Fact and Statement of Overriding Consideration

- (b) Findings. Less than significant with mitigation incorporated. (Draft SEIR, pg. 3-281). Changes or alterations have been required in, or incorporated into, the proposed project which avoid or substantially lessen the significant environmental effects as identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(1)). The City further finds that the change or alteration in the project or the requirement to impose the mitigation as a condition of project approval is within the jurisdiction of the City to require, and that this mitigation is appropriate and feasible.
- (c) Explanation. Impacts related to wastewater treatment capacity were determined to be less-than-significant with mitigation for the MRIC Project. For the ARC Project, wastewater treatment would continue to be provided by the City's waste water treatment plan (WWTP). Based on the analysis completed by West Yost Associates for the Mixed-Use Alternative, adequate average dry weather flow (ADWF) capacity exists at the WWTP to accommodate the ARC Project at General Plan buildout conditions. Although the biochemical oxygen demand (BOD) loading capacity at the WWTP is also anticipated to be sufficient to accommodate the ARC Project and General Plan projects approved since 2015, the SEIR takes a conservative approach and requires compliance with Mitigation Measure 3-80(a) to ensure such is the case prior to approval of improvement plans for Phases 2 through 4 of the ARC Project. Implementation of Mitigation Measures 3-80(a) through 3-80(c) would ensure that impacts related to wastewater collection and treatment are reduced to a less-than-significant level. Any remaining impacts related to wastewater treatment capacity after the implementation of the mitigation measure would not be significant

Mitigation Measure(s). The following mitigation measures are prescribed to mitigate the impact:

ARC Project

3-80(a) Prior to approval of improvement plans for Phase 2 of development, and all subsequent phases, the applicant shall provide funding for the City to perform a WWTP analysis to identify the then-current City of Davis WWTP BOD loading capacity. If the WWTP analysis determines that adequate BOD loading capacity exists at the WWTP to serve the ARC Project phase under review, further action is not required for the phase under review. If the analysis finds that the WWTP BOD loading capacity is not sufficient to serve the particular development phase under review, that phase of development shall not be approved until a plan for financing and constructing additional BOD loading capacity improvements has been prepared and approved, the additional BOD loading capacity improvements have been constructed, and the City Engineer has verified that sufficient capacity exists to serve said phase.

3-80(b) The applicant shall provide for annual wet-weather monitoring of the existing off-site 42-inch or 21-inch sanitary sewer line, depending upon which off-site sewer alignment is chosen for the project, over the course of project buildout to confirm

Findings of Fact and Statement of Overriding Consideration

that there is capacity within the line to serve the ARC Project, in combination with existing and future projected General Plan buildout. If the wet weather monitoring fails to confirm capacity within the chosen existing sanitary sewer line, the applicant shall either upsize the existing sewer line, subject to reimbursement, or install a parallel line, subject to review and approval by the City Engineer.

- 3-80(c) *If the applicant pursues a connection to the existing 8-inch sewer line in Mace Boulevard to serve Phase 1 of the ARC Project, then prior to approval of Improvement Plans for Phase 1, the applicant shall prepare and submit to the Davis Public Works Department, a sewer study, which shall determine the available capacity in the 8-inch sewer pipe in Mace Boulevard. If the 8-inch line has adequate capacity for Phase 1 of the ARC Project, then no further mitigation is needed. If the sewer study determines that the 8-inch line does not have adequate capacity to serve Phase 1, then the applicant shall upsize the sewer pipe within Mace Boulevard, or pursue construction of the northerly or easterly off-site sewer pipe connection alternative. The design of the sewer pipe improvements shall be reviewed and approved by the City Engineer prior to approval of Phase 1 Improvement Plans.*

Mace Triangle

None required.

● M. CUMULATIVE IMPACTS

- 1. CUMULATIVE IMPACTS RELATED TO THE CREATION OF NEW SOURCES OF LIGHT OR GLARE ASSOCIATED WITH DEVELOPMENT OF THE PROPOSED PROJECT IN COMBINATION WITH FUTURE BUILDOUT IN THE CITY OF DAVIS (SEIR IMPACT 3-86).
 - (a) Potential Impact. The potential for the project to cumulatively contribute to new sources of light or glare is discussed on pages 3-286 through 3-288 of the Draft SEIR.
 - (b) Findings. Less than significant with mitigation incorporated. (Draft SEIR, pg. 3-288). Changes or alterations have been required in, or incorporated into, the proposed project which avoid or substantially lessen the significant environmental effects as identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(1)). The City further finds that the change or alteration in the project or the requirement to impose the mitigation as a condition of project approval is within the jurisdiction of the City to require, and that this mitigation is appropriate and feasible.
 - (c) Explanation. With mitigation, cumulative impacts related to the creation of new sources of light or glare were found to be less than cumulatively considerable for the MRIC Project. Similarly, although the ARC Project's effects related to new sources of light and glare, in combination with related effects of other cumulative development, could be significant, the

Findings of Fact and Statement of Overriding Consideration

ARC Project's incremental contribution would be rendered less than cumulatively considerable through its compliance with City Code requirements and Mitigation Measure 3-86. Any remaining impacts related to cumulative light and glare after the implementation of the mitigation measure would not be significant.

Mitigation Measure(s). The following mitigation measure is prescribed to mitigate the impact:

ARC Project and Mace Triangle

3-86 *Implement Mitigation Measure 3-3.*

- 2. CUMULATIVE LOSS OF HABITAT IN THE CITY OF DAVIS AREA FOR SPECIAL-STATUS SPECIES (SEIR IMPACT 3-89).
 - (a) Potential Impact. The potential for the project to contribute to the cumulative loss of habitat in the City of Davis for special-status species is discussed on pages 3-297 through 3-301 of the Draft SEIR.
 - (b) Findings. Less than significant with mitigation incorporated. (Draft SEIR, pg. 3-301). Changes or alterations have been required in, or incorporated into, the proposed project which avoid or substantially lessen the significant environmental effects as identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(1)). The City further finds that the change or alteration in the project or the requirement to impose the mitigation as a condition of project approval is within the jurisdiction of the City to require, and that this mitigation is appropriate and feasible.
 - (c) Explanation. Cumulative impacts related to habitat loss were determined to be cumulatively considerable and significant and unavoidable for the MRIC Project. However, at the time of the MRIC Project analysis, a regional conservation strategy for habitat protection was not in place. As discussed in the SEIR, the Yolo Habitat Conservation Plan/Natural Community Conservation Plan (Yolo HCP/NCCP) was completed in 2018 and implementation began in 2019. The Yolo HCP/NCCP provides coverage for impacts associated with development of the proposed ARC Site. In consideration of the beneficial effects of the Yolo HCP/NCCP, the conclusions of the Yolo HCP/NCCP EIS/EIR, and the ARC Project and Mace Triangle's compliance with the Yolo HCP/NCCP, as required by Mitigation Measure 3-89, the ARC Project's and Mace Triangle's incremental contribution to cumulative biological resources impacts would be less-than-cumulatively considerable. Any remaining impacts related to the cumulative loss of special-status species habitat after the implementation of the mitigation measure would not be significant.

Mitigation Measure(s). The following mitigation measure is prescribed to mitigate the impact:

ARC Project and Mace Triangle

Findings of Fact and Statement of Overriding Consideration

3-89 *Implement Mitigation Measures 3-16, 3-17, 3-18, 3-19, 3-20(a-c), and 3-21.*

- 3. CUMULATIVE LOSS OF CULTURAL RESOURCES (SEIR IMPACT 3-91).
 - (a) Potential Impact. The potential for the project to result in the cumulative loss of cultural resources is discussed on page 3-302 of the Draft SEIR.
 - (b) Findings. Less than significant with mitigation incorporated. (Draft SEIR, pg. 3-302). Changes or alterations have been required in, or incorporated into, the proposed project which avoid or substantially lessen the significant environmental effects as identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(1)). The City further finds that the change or alteration in the project or the requirement to impose the mitigation as a condition of project approval is within the jurisdiction of the City to require, and that this mitigation is appropriate and feasible.
 - (c) Explanation. Cumulative impacts related to cultural resources were determined to be less-than-cumulatively considerable with mitigation for the MRIC Project. The area of high archeological sensitivity falls primarily within the 25-acre City-owned property, which would be excluded from development under the ARC Project. Nevertheless, the implementation of Mitigation Measures 3-91(a) and 3-91(b) requires site-specific protection consistent with the California Health and Safety Code and the California Public Resources Code in the event archaeological resources are found during construction. Mitigation Measures 3-91(a) and (b) will ensure that the ARC Project's incremental contribution towards the cumulative impact to cultural resources would be less than cumulatively considerable with implementation of mitigation. Any remaining impacts related to the cumulative loss of cultural resources after the implementation of the mitigation measure would not be significant.

Mitigation Measure(s). The following mitigation measures are prescribed to mitigate the impact:

ARC Project

3-91(a) *Implement Mitigation Measures 3-28(a) and (b).*

ARC Project and Mace Triangle

3-91(b) *Implement Mitigation Measure 3-28(c).*

- 4. CUMULATIVE IMPACTS ASSOCIATED WITH INCREASES IN VOLUME RUNOFF AND EFFECTS TO ON- AND OFF-SITE FLOODING WITHIN THE CITY OF DAVIS PLANNING AREA (SEIR IMPACT 3-96).
 - (a) Potential Impact. The potential for the project to contribute to cumulative impacts associated with increases in runoff volume and flooding is discussed on page 3-307 of the Draft SEIR.

Findings of Fact and Statement of Overriding Consideration

- (b) Findings. Less than significant with mitigation incorporated. (Draft SEIR, pg. 3-307). Changes or alterations have been required in, or incorporated into, the proposed project which avoid or substantially lessen the significant environmental effects as identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(1)). The City further finds that the change or alteration in the project or the requirement to impose the mitigation as a condition of project approval is within the jurisdiction of the City to require, and that this mitigation is appropriate and feasible.
- (c) Explanation. Cumulative impacts related to volume runoff and flooding were determined to be less-than cumulatively considerable with mitigation for the MRIC Project. Although the combined runoff effects of the ARC Project, along with other cumulative development in the watersheds draining to Willow Slough and the Yolo Bypass, would be considered significant, the ARC Project would be required to mitigate individual incremental increases in volume, so as to ensure that increases in ponding on off-site properties does not occur as a result of cumulative development. Similar to the MRIC Project, with implementation of Mitigation Measure 3-96, the ARC Project's incremental contribution to cumulative hydrology impacts would be considered less than cumulatively considerable. Any remaining cumulative hydrology impacts after the implementation of the mitigation measure would not be significant.

Mitigation Measure(s). The following mitigation measure is prescribed to mitigate the impact:

ARC Project and Mace Triangle

3-96 Implement Mitigation Measures 3-47(a) through 3-47(c).

- 5. CUMULATIVE URBAN DECAY (SEIR IMPACT 3-99).
 - (a) Potential Impact. The potential for the project to result in cumulative urban decay is discussed on pages 3-308 through 3-311 of the Draft SEIR.
 - (b) Findings. Less than significant with mitigation incorporated. (Draft SEIR, pg. 3-311). Changes or alterations have been required in, or incorporated into, the proposed project which avoid or substantially lessen the significant environmental effects as identified in the SEIR. (State CEQA Guidelines, Section 15091(a)(1)). The City further finds that the change or alteration in the project or the requirement to impose the mitigation as a condition of project approval is within the jurisdiction of the City to require, and that this mitigation is appropriate and feasible.
 - (c) Explanation. Cumulative impacts related to urban decay were determined to be less-than-cumulatively considerable with mitigation for the MRIC Project. The cumulative analysis conducted for the Mixed-Use Alternative's office/industrial space, in combination with other similar cumulative development, determined that the Mixed-Use Alternative's incremental contribution to urban decay of these spaces would not be cumulatively considerable. With

Findings of Fact and Statement of Overriding Consideration

respect to the ARC Project, competition from other innovation centers within the region will not result in the project site being underutilized or allowed to languish. Rather, the project and the extension of on-site infrastructure would be phased to ensure that sufficient market demand exists prior to the development of each individual phase of the project. 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.

As discussed in the SEIR and Master Response to Comment #5, the ALH report concluded that, although the MRIC 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. 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. office and industrial uses. For the retail and hotel sectors, the project's incremental contribution to cumulative urban decay impacts on the retail and hotel sectors is not anticipated. However, in an effort to ensure sufficient cumulative demand exists for the ARC Project hotel and retail space, implementation of Mitigation Measure 3-99 would require the applicant to demonstrate that the project's incremental contribution to cumulative urban decay impacts would be considered less than cumulatively considerable, as part of a showing that there is unmet demand for the proposed retail or hotel use. Any remaining impacts related to cumulative urban decay after the implementation of the mitigation measure would not be significant.

Mitigation Measure(s). The following mitigation measure is prescribed to mitigate the impact:

ARC Project

3-99 Implement Mitigation Measures 3-54(a) and 3-54(b).

Mace Triangle

None required.

- 6. CUMULATIVE WASTEWATER TREATMENT AND COLLECTION SYSTEM IMPACT (SEIR IMPACT 3-108).
 - (a) Potential Impact. The potential for the project to result in cumulatively considerable impacts to wastewater treatment and collection is discussed on pages 3-332 through 3-336 of the Draft SEIR.
 - (b) Findings. Less than significant with mitigation incorporated. (Draft SEIR, pg. 3-335). Changes or alterations have been required in, or incorporated into, the proposed project which avoid or substantially lessen the significant environmental effects as identified in the SEIR. (State

Findings of Fact and Statement of Overriding Consideration

CEQA Guidelines, Section 15091(a)(1)). The City further finds that the change or alteration in the project or the requirement to impose the mitigation as a condition of project approval is within the jurisdiction of the City to require, and that this mitigation is appropriate and feasible. (c)Explanation. Cumulative impacts related to wastewater treatment were determined to be less-than cumulatively-considerable with mitigation for the MRIC Project. Based on flow considerations, the analysis in the SEIR demonstrates that the WWTP would have the capacity to accommodate flows from all future General Plan buildout development, plus the flows from approved/pending GPA project. However, based on BOD loading considerations, adequate WWTP capacity does not exist to fully accommodate the proposed cumulative projects not anticipated in the General Plan. The WWTP would have the capacity to accommodate flows from all future General Plan buildout development, plus the flows from approved/pending General Plan Amendment (GPA) projects. However, based on BOD loading considerations, adequate WWTP capacity does not exist to fully accommodate the proposed cumulative projects not anticipated in the General Plan. Implementation of Mitigation Measures 3-108 would ensure that the ARC Project's wastewater effects, in combination with related effects from cumulative development, would result in a less than cumulatively considerable impact to the City's wastewater system. Any remaining cumulative impacts wastewater treatment and collection after the implementation of the mitigation measure would not be significant.

Mitigation Measure(s). The following mitigation measure is prescribed to mitigate the impact:

ARC Project

3-108 *Implement Mitigation Measures 3-80(a) through (c).*

Mace Triangle

None Required.

- **V. FINDINGS REGARDING THOSE ENVIRONMENTAL EFFECTS WHICH ARE FOUND TO HAVE NO IMPACT OR IMPACTS THAT ARE LESS THAN SIGNIFICANT OR LESS THAN CUMULATIVELY CONSIDERABLE**

Specific impacts within the following categories of environmental effects were found to be less than significant as set forth in more detail in the SEIR.

Aesthetics and Visual Resources: The following specific impact was found to be less-than-significant in the Draft SEIR: 3-1.

Agricultural and Forest Resources: The following specific impacts were found to be less-than-significant in the Draft SEIR: 3-6 and 3-9.

Findings of Fact and Statement of Overriding Consideration

Air Quality: The following specific impacts were found to be less-than-significant in the Draft SEIR: 3-12, 3-13, and 3-14.

Biological Resources: The following specific impacts were found to be less-than-significant in the Draft SEIR: 3-22, 3-23, 3-24, and 3-25.

Cultural Resources: The following impact was found to be less than significant in the Draft SEIR: 3-31.

Geology, Soils, and Mineral Resources: The following impacts were found to be less-than-significant in the Draft SEIR: 3-32 and 3-36.

Greenhouse Gas Emissions and Energy: The following specific impacts were found to be less-than-significant in the Draft SEIR: 3-39 and 3-41.

Hazards and Hazardous Materials: The following specific impacts were found to be less-than-significant in the Draft SEIR: 3-42, 3-44, 3-45, and 3-46.

Hydrology and Water Quality: The following specific impacts were found to be less-than-significant in the Draft SEIR: 3-49, 3-50, 3-51, and 3-52.

Land Use and Urban Decay: The following specific impacts were found to be less-than-significant in the Draft SEIR: 3-53 and 3-55.

Noise and Vibration: The following specific impacts were found to be less-than-significant in the Draft SEIR: 3-56, 3-57, 3-58, 3-60, and 3-61. Impact 3-59 was found to have no impact.

Population and Housing: The following specific impacts were found to be less-than-significant in the Draft SEIR: 3-62 and 3-63.

Public Services and Recreation: The following specific impacts were found to be less-than-significant in the Draft SEIR: 3-64, 3-65, 3-66, 3-67, 3-68, 3-69.

Transportation and Circulation: The following specific impacts were found to be less-than-significant in the Draft SEIR: 3-73 and 3-77.

Utilities: The following specific impacts were found to be less-than-significant in the Draft SEIR: 3-78, 3-79, 3-81, 3-82, 3-83, and 3-84.

Specific cumulative impacts within the following categories of environmental effects were found to be less than significant or less than cumulatively considerable as set forth in more detail in the Draft SEIR.

Cumulative Impacts: The following specific impacts were found to be less than cumulatively considerable: 3-90, 3-92, 3-94, 3-95, 3-97, 3-98, 3-100, 3-101, 3-103, 3-107, and 3-109.

Each of the above impacts are less than significant or less than cumulatively considerable for one or more of the following reasons:

Findings of Fact and Statement of Overriding Consideration

The SEIR determined that the impact is less than significant for the project.

The SEIR determined that the project would have a less than cumulatively considerable contribution to the cumulative impact.

The SEIR determined that the impact is beneficial (would be reduced) for the project.

The SEIR determined that the cumulative impact was fully addressed in the General Plan EIR and that the project would not result in new or expanded cumulative impacts.

● VI. FINDINGS REGARDING SIGNIFICANT IRREVERSIBLE ENVIRONMENTAL CHANGES

Pursuant to Section 15126.2(d) of the CEQA Guidelines, an EIR must identify any significant irreversible environmental outcomes that could result from the implementation of a proposed project. These may include current or future uses of nonrenewable resources. CEQA requires that irretrievable commitments of resources should be evaluated to ensure that such current consumption is justified. The project's significant irreversible environmental changes are addressed in Section 6.3 of Chapter 6, Statutorily Required Sections, of the Certified MRIC EIR, and in Section 2.7 of Chapter 2 of the Draft SEIR. The Significant Irreversible Environmental Changes addressed in Section 6.3 of the Certified EIR remain applicable to the ARC Project with respect to use of nonrenewable resources and irretrievable commitments of nonrenewable resources.

As discussed in the Certified MRIC EIR, for the purposes of the EIR analysis, the required evaluation of this topic is addressed from three perspectives:

1. Use of nonrenewable resources that would commit future generations;
2. Irreversible damage from environmental accidents; and
3. Irretrievable commitments of nonrenewable resources to justify current consumption.

Each of the perspectives was discussed in the Certified MRIC EIR as provided below:

● 1. USE OF NONRENEWABLE RESOURCES THAT WOULD COMMIT FUTURE GENERATIONS

Conversion of agricultural land to urban uses would be considered use of nonrenewable resources. The projected build out for the proposed project is approximately 2040, or 20 years, which will result in a commitment of future generations to an urban use for the 229-acre project site. The project site is planned for agricultural use in the City of Davis General Plan and Yolo County General Plan. As such, the project includes a request for a General Plan Amendment to redesignate the site for innovation center uses.

● 2. IRREVERSIBLE DAMAGE FROM ENVIRONMENTAL ACCIDENTS

The proposed project would not involve uses in which irreversible damage could result from potential environmental accidents. For the proposed project, such accidents would be primarily associated with release of, or exposure to, hazardous materials. As discussed in Section 4.8,

Findings of Fact and Statement of Overriding Consideration

Hazards and Hazardous Materials, of the Certified MRIC EIR, and Impacts 3-42 and 3-43 of the Draft SEIR, there is a limited potential for hazardous materials to be released into the environment during construction and operation of the proposed project. All such potential risks can be mitigated to a less-than-significant level through implementation of mitigation measures set forth in this EIR.

- 3 IRRETRIEVABLE COMMITMENTS OF NONRENEWABLE RESOURCES

Construction of the proposed project would involve consumption of building materials and energy, some of which are nonrenewable or locally limited natural resources (e.g., fossil fuels). Nonrenewable resources used for the proposed project could no longer be used for other purposes. Consumption of building materials and energy is associated with any development in the region, and these commitments of resources are not unique or unusual to the proposed project. The main resource consumption of proposed project would be of energy, fuel, and wood and metal building materials that would be used for construction of the buildings. As discussed in Section 4.7, Greenhouse Gas Emissions and Energy, of the Certified MRIC EIR, and Impacts 3-39 and 3-40 of the Draft SEIR, development would not be expected to involve an unusual commitment of these resources, nor would it be expected to consume any of these resources in a wasteful manner.

- VII. FINDINGS REGARDING GROWTH-INDUCING IMPACTS

State CEQA Guidelines Section 15126.2(e) requires an EIR to evaluate the potential growth-inducing impacts of a proposed project. Specifically, an EIR must discuss the ways in which a proposed project could foster economic or population growth, or the construction of additional housing, either directly or indirectly, in the surrounding environment. Growth can be induced in a number of ways, including the elimination of obstacles to growth, or by encouraging and/or facilitating other activities that could induce growth. Examples of projects likely to have growth-inducing impacts include extensions or expansions of infrastructure systems beyond what is needed to serve project-specific demand, and development of new residential subdivisions or office complexes in areas that are currently only sparsely developed or are undeveloped.

The ARC Project would meet its housing need within the City by providing up to 850 residential, workforce units (see Impact 3-62 of the Draft SEIR for additional discussion). As a result, the fair share of ARC employee housing demand within the City of Davis would be met on-site rather than the surrounding SACOG region. In addition, the ARC Project would provide secondary environmental benefits associated with on-site residential opportunities, such as reduced VMT on regional roadways, as well as potentially reducing the amount of regional residential development needed to support the employees generated from the ARC Project. Overall, impacts related to population growth as a result of the ARC Project would be less than significant.

Findings of Fact and Statement of Overriding Consideration

● VIII. FINDINGS REGARDING ENERGY CONSUMPTION

In order to ensure energy implications are considered in project decisions, Public Resources Code Section 21100(b)(3) and CEQA Guidelines Appendix F require a discussion of the potential energy impacts of project, with particular emphasis on avoiding or reducing inefficient, wasteful, and unnecessary consumption of energy. Pursuant to Public Resources Code Section 21100(b)(3) and CEQA Guidelines Appendix F, the Draft SEIR addressed energy impacts in Chapter 3, Aggie Research Campus Analysis, specifically under Impacts 3-39, 3-40, and 3-41 beginning on page 3-147 of the Draft SEIR.

Appendix F identifies several potential sources of energy conservation impacts, which are listed as follows and discussed in detail in the Draft SEIR:

- The project's energy requirements and its energy use efficiencies by amount and fuel type for each stage of the project including construction, operation, maintenance and/or removal.
- The effects of the project on local and regional energy supplies and on requirements for additional capacity.
- The effects of the project on peak and base period demands for electricity and other forms of energy.
- The degree to which the project complies with existing energy standards.
- The effects of the project on energy resources.
- The project's projected transportation energy use requirements and its overall use of efficient transportation alternatives.

As discussed in the Draft SEIR, construction of the proposed project would result in a short-term increase in energy consumption, and operations of the proposed project would involve an increase in energy consumption. However, the proposed project would comply with all applicable standards and regulations regarding energy conservation and fuel efficiency, which would ensure that the future uses would be designed to be energy efficient to the maximum extent practicable. In addition, implementation of Mitigation Measure 3-40 would require submittal and implementation of an Energy Management Plan should any non-residential buildings include data centers, to further reduce impacts to energy consumption. Accordingly, the proposed project would not be considered to result in a wasteful, inefficient, or unnecessary usage of energy, and impacts related to operational energy would be considered less than significant. The City finds that the analysis within the Draft SEIR is consistent with and meets the requirements of Appendix F of the State CEQA Guidelines regarding energy conservation.

● IX. REVIEW AND REJECTION OF PROJECT ALTERNATIVES

The State CEQA Guidelines Section 15126.6 mandates that every EIR evaluate a no-project alternative, plus a feasible and reasonable range of alternatives to the project or its location. Six alternatives were developed based on City of Davis staff and City Council input, input from the public during the NOP review period, and the technical analysis performed to identify the environmental effects of the proposed project. Alternatives provide a basis of comparison to the project in terms of beneficial, significant, and unavoidable impacts. This comparative analysis is used to consider reasonable feasible options for minimizing environmental consequences of a project.

Typically, where a project causes significant impacts and an EIR is prepared, the findings must discuss not only how mitigation can address the potentially significant impacts but whether project alternatives can

Findings of Fact and Statement of Overriding Consideration

address potentially significant impacts. Where all significant impacts can be substantially lessened, particularly to a less-than-significant level, solely by adoption of mitigation measures, the lead agency, in drafting its findings, has no obligation to consider the feasibility that project alternatives might reduce an impact, even if the alternative would mitigate the impact to a greater degree than the proposed project, as mitigated (Public Resources Code Section 21002; *Laurel Hills Homeowners Association v. City Council* (1978) 83 Cal.App.3d 515, 521. *Kings County Farm Bureau v. City of Hanford* (1990) 221 Cal.App.3d 730-733; *Laurel Heights Improvement Association v. Regents of the University of California* (1988) 47 Cal.3d 376, 400-403).

Because not all significant effects can be substantially reduced to a less-than-significant level either by adoption of mitigation measures or by standard conditions of approval, the following section considers the feasibility of the project alternatives as compared to the proposed project.

As explained below, these findings describe and reject, for reasons documented in the SEIR and summarized below, each one of the project alternatives, and the City finds that approval and implementation of the proposed Aggie Research Campus Project is appropriate. The evidence supporting these findings is presented in Chapter 7.0 of the MRIC Draft EIR and Chapter 2 of the ARC Draft SEIR.

Findings of Fact and Statement of Overriding Consideration

• A. IDENTIFICATION OF PROJECT OBJECTIVES

As described above, an EIR is required to identify a “range of potential alternatives to the project [which] shall include those that could feasibly accomplish most of the basic purposes of the project and could avoid or substantially lessen one or more of the significant effects.” Chapter 3.0 of the Draft SEIR identifies the project’s goals and objectives. The project objectives include:

1. Expediently provide a suitable space in which to retain existing local businesses, and to attract and grow innovative high-value added, technology-oriented companies.
2. Provide an integrated, high-quality campus-like environment offering a variety of commercial lot sizes that will respond to the current and future needs of technology start-ups, industry leaders, research and development, and products manufacturing firms; allowing for a full range of research to market uses.
3. Develop a strategic mix of residential unit types and sizes on-site, including affordable housing, as required by City Ordinance, introduced in phases to coincide with the creation of jobs.
4. Provide sufficient land to meet the demand in Davis for innovation centers over a 25-year time horizon.
5. Utilize land immediately adjacent to the City boundary with adequate and easily-extended infrastructure, including but not limited to fiber optics and the roll-out of 5G providing high-speed internet capable of serving technology-sector needs.
6. Develop a critical mass of users at a given location sufficient to render economically feasible the delivery of infrastructure necessary for development to occur.
7. Contribute to both job creation and tax base enhancement while supporting the University of California, Davis as a research institution.
8. Utilize a site with existing access to I-80 for the convenience and benefit of employees, collaborators, suppliers, and goods movement.
9. Support and build upon the City of Davis’s existing successes by offering a logical extension to the 2nd Street technology corridor.
10. Develop an aesthetically pleasing site plan and architectural building design that incorporates energy and water efficiency, provides for non-automotive forms of transit, and is situated to receive and utilize recycled water when available.
11. Create a viable retail component, including hotel and conference center, which will primarily serve the needs of the innovation center, increase retail-related employment opportunities and contribute to tax revenue generation.
12. Encourage recreation and non-automotive modes of transportation by creating trail connections and improvements that enhance and encourage pedestrian/bicycle circulation and connectivity between the ARC Site and surrounding areas.
13. Preserve and protect agriculture through the planning and development of property which will result in a distinct permanent urban edge.
14. Provide a business-oriented site design with a complementary mix of land uses that will encourage user interaction, collaboration, and the exchange of ideas, thereby serving as a catalyst to rapidly achieve economic growth.
15. Reflect the feedback captured through the Innovation Park Task Force’s planning, research and outreach, and incorporate as many of the consensus concepts as are feasible.

Findings of Fact and Statement of Overriding Consideration

City Objectives for Innovation Centers

The City of Davis proposes to achieve the following objectives with a new innovation center. These reflect findings of the 2010 Business Park Land Strategy; Innovation Park Task Force, 2012, Davis Innovation Center Report (Studio 30); adopted 2012 Dispersed Innovation Strategy; the 2014 Davis Innovation Center Request for Expressions of Interest (RFEI) and 2014 Guiding Principles for Davis Innovation Center(s).

1. Land and Building Supply

- a. Position City to capture greater share of local/regional business growth. (Studio 30 report, Sect. 3 pgs. 15-20)
 - *Most remaining small, dispersed sites in the City are not adequate to meet needs of growing businesses and mid-sized companies. The Innovation Centers studied by Studio 30 for the Davis Innovation Center Report averaged around 200 acres in size and offer a variety of parcel sizes and ownership opportunities, flexible use/size of space and lease terms; and physical and virtual business support services allowing successful businesses to remain as they grow.*
- b. Provide expansion capability for the City suitable in location and size for larger innovation centers with potential to accommodate commercial and research facilities. (Studio 30 & RFEI)
- c. Maintain a steady supply of developable land for future business development to meet needs of growing businesses and accommodate medium-scale and large scale (~150 employees) businesses over a long-term 20+/- year period. (BPLS)
 - *A 200-acre innovation center supporting several million sf of development could accommodate such business growth over a long-term 20+/- year period (Studio 30 and RFEI).*
- d. Provide a mix of building types, sizes and heights meeting needs of new startups and growing mid-sized companies, including potential for headquarter buildings. (RFEI)
- e. Increase the supply of flexible business space. (Studio 30)
- f. Take into account the specific needs of any identified or targeted tenants.

2. Density

Due to the relative scarcity of developable land in Davis, an innovation center should focus on guidelines to maximize density to accommodate long-term business growth while taking into account the specific needs of identified tenants within the specific project where applicable. The review process must be cautious to not impose unilateral requirements solely for the sake of achieving "density", without consideration of other objectives.

- a. Maximize density to accommodate long-term business growth offering flexible space (scalability) and viable range of space options.
- b. Goal of at least 0.5 floor area ratio (FAR).
- c. Pursue opportunities for densification over time (i.e. parking structures and new buildings).

3. Sustainability

- a. Apply Low Impact Development Principles.
- b. Ensure minimal GHG impacts at the project level.

Findings of Fact and Statement of Overriding Consideration

- c. Allow flexibility and adaptation over the project lifespan and as new building techniques and energy production technologies emerge, explore opportunities to bolster the goals of the Climate Adaptation & Action Plan. (CAAP)
 - d. Comply with the minimum City requirement of the CalGreen Tier 1 energy code for buildings.
 - e. Mitigate with agricultural land on a 2 to 1 acre basis.
 - f. Budgetary impacts of any proposed City maintenance areas will be carefully evaluated in the fiscal analysis.
 - g. Utilize energy and resource efficient design, materials, operations and infrastructure.
 - h. Integrate open space and habitat opportunities.
 - i. Maximize the use of trees and native landscaping.
4. Transportation
- a. Establish bicycle/pedestrian connectivity.
 - b. Develop partnerships with the City, UC Davis Unitrans, Yolo County Transit and Amtrak.
 - c. Create a comprehensive multi-modal system and transportation plan with safe, dynamic, well-planned automobile, bicycle, pedestrian, mass transit and emergency vehicle access connections.
5. Work Environment
- a. Provide facilities and services that support innovation. (Studio 30)
 - i. Provide a built environment and operations offering the ability to draw a critical mass of innovators and creative synergy enabling opportunities for ongoing formal and informal interdisciplinary connections.
 - ii. Provide a flexible range of desired work environments, small co-working, incubator/accelerator spaces, specialized maker-spaces, meeting/conference rooms, research and development, manufacturing facilities, larger companies and corporate headquarters.
 - iii. Include elements of "work, live, play" that encourage an engaged and inviting workplace, including ancillary amenities and activities that serve employees such as mixed use, cafés, coffee shop, restaurant, copy shop, recreation, fitness center, child care (as a few examples). (Studio 30)
 - iv. Provide shared business support services and "cutting edge" business center amenities (teleconferencing etc.) including broadband fiber connectivity.
 - v. Provide design elements that include dual use spaces, and shared facilities such as recreation, meeting, and gathering spaces (like amphitheater seating) that serve business needs during the weekdays and community needs during the evening and weekends.
 - b. Accommodate a range of lease and ownership options reflecting an array of formal and informal work styles and settings.
 - c. Use building designs incorporating LEED standards for healthy work environments (daylight, fresh air, good indoor air quality).
6. Uses
- a. Support research and development; manufacturing facilities, larger companies and corporate headquarters.

Findings of Fact and Statement of Overriding Consideration

- b. Focus largely on expansion needs of research and technology development and creation of research, technology and advanced manufacturing jobs, and revenue generating uses.
 - c. Provide a mix of professional office, high-tech, R&D, industrial flex space, grow labs, commercial services.
 - d. Provide some ancillary project-serving retail and services.
 - e. Target hotel/conference spaces to serve the business needs of the innovation center over time.
 - f. Allow warehouse uses auxiliary only to research and manufacturing.
 - g. Discourage distribution centers, call centers or large-scale food processing plants.
 - h. Minimize and carefully manage heavy truck deliveries.
7. Timing and Project Phasing
- a. Demonstrate sufficient resources to ensure completion of the project.
 - b. Phasing should meet with anticipated market demand for space and be adaptable to respond to changing market conditions over time.
 - c. Building density, project phasing, and total job creation must consider community growth and CEQA mitigations.
 - d. Phasing needs to be responsive to actual and potential tenants.
8. Fiscal Consideration and Net Community Benefit
- a. Achieve fiscal neutrality with regard to City services.
 - b. Provide substantial surplus annual revenue.
 - c. Provide positive economic impacts/multipliers citywide, and net community benefits (including social and environmental).
9. Partnerships
- a. Facilitate technology and business development.
 - b. Facilitate collaborative partnerships.
 - c. Provide opportunities for increased university and research engagement.
 - d. Increase access to STEAM (science, technology, engineering, arts and agriculture, and math) and educational opportunities.

Mace Triangle Site Objectives

- 1. Avoid becoming an unincorporated island.
- 2. Avoid becoming an agricultural island.
- 3. Create opportunity to expand existing agricultural retail business.
- 4. Complement existing and future urban uses.
- 5. Allow for efficient master planning of infrastructure and services.

● **B. ALTERNATIVES CONSIDERED BUT DISMISSED**

Consistent with CEQA, primary consideration was given to alternatives that could reduce significant impacts, while still meeting most of the basic project objectives.

Findings of Fact and Statement of Overriding Consideration

As stated in Guidelines Section 15126.6(c), among the factors that may be used to eliminate alternatives from detailed consideration in an EIR are:

- Failure to meet most of the basic project objectives;
- Infeasibility; or
- Inability to avoid significant environmental impacts.

Guidelines Section 15126.6(f)(1) further explains that the factors that may be taken into account when addressing the feasibility of alternatives include site suitability, economic viability, availability of infrastructure, general plan consistency, other plans or regulatory limitations, jurisdictional boundaries (projects with a regionally significant impact should consider the regional context), and whether the proponent can reasonably acquire, control, or otherwise have access to the alternative site (or the site is already owned by the proponent). No one of these factors establishes a fixed limit on the scope of reasonable alternatives.

One alternative was considered but dismissed from detailed analysis in the EIR. The alternative is discussed below, along with the reason(s) for dismissal.

Infill Alternative

The Infill Alternative was dismissed from further analysis in the Final MRIC EIR based on infeasibility. This alternative would not fulfill the objectives of the applicant or the City. As noted on pages 7-16 through 7-19 of Chapter 7, Alternatives Analysis, of the Final MRIC EIR, adequate vacant land designated and zoned appropriately for the project and owned, or available for acquisition, by the project applicant does not exist to develop the proposed project. While a meaningful amount of vacant land may be zoned for development within the City of Davis, the collection of acres, spread over numerous non-contiguous sites that are controlled by multiple different owners, does not represent a viable alternative to a master planned innovation center, such as the ARC.

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 or 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 that are 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

Findings of Fact and Statement of Overriding Consideration

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. While this does not include the PG&E Corp Yard, and said site was identified as a “Business Park Opportunity Site” in the BPLS, the site was not formally included in the vacant land inventory assessed in the BPLS. The BPLS Technical Report notes that the PG&E site presents significant development challenges and is subject to community land use priorities.⁸ 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.

It is important to note that a large portion of the ARC Site itself was identified as a “Potential External Business Park Location”.⁹ 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,

⁸ City of Davis. *Business Park Land Strategy Technical Report* [pg. 117]. October 27, 2010.

⁹ City of Davis, *Business Park Land Strategy Technical Report* [Figure 10, pg. 120]. October 27, 2010.

Findings of Fact and Statement of Overriding Consideration

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.

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:¹⁰

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 Infill Alternative was determined infeasible and dismissed from consideration.

• C. ALTERNATIVES ANALYSIS IN EIR

Pursuant to Section 15126.6 of the CEQA Guidelines, the EIR considered six alternatives to the proposed project. The potential alternatives were screened against a set of criteria. The criteria addressed two primary topics: the ability of the alternative to meet the project objectives and purpose, and the feasibility and reasonableness of the alternative. The six alternatives were analyzed in Chapter 7 of the Certified MRIC EIR and Chapter 2 of the ARC Draft SEIR, and consist of the following:

1. No Project (No Build) Alternative;
2. Reduced Site Size Alternative;
3. Reduced Project Alternative;
4. Off-Site Alternative A (Davis Innovation Center Site);
5. Off-Site Alternative B (Covell Property); and
6. Mixed-Use Alternative.

It is important to note that the applicant team has chosen to bring forward a mixed-use project that is substantially similar to the Mixed-Use Alternative evaluated in the Certified MRIC EIR at an equal-weight to the MRIC Project. The currently proposed Aggie Research Campus is in substantial conformance with the Mixed-Use Alternative version evaluated in the Certified MRIC EIR. Relatively minor differences are

¹⁰ BAE Urban Economics. *City of Davis Economic Evaluation of Innovation Park Proposals*. July 9, 2015, pg. 7.

Findings of Fact and Statement of Overriding Consideration

described on pages 1-2 to 1-3 of the Draft SEIR, as follows (note: the below excerpt also reflects minor revisions to this section in Chapter 3 of the Final SEIR).

Development Footprint

The ARC Project removes the City-owned 25-acre parcel from the proposed development area. The property would still be included in the proposed annexation limits, but the City's Agriculture zone designation would be applied to the parcel, rather than the previously proposed Planned Development zoning. Due to the exclusion of the 25-acre City-owned property from the proposed development footprint, the ARC Project would involve a slightly reduced development area. It is important to note, however, that the applicant proposes to establish a 6.8-acre easement on this property to satisfy the City's 150-foot Agricultural Buffer requirements along a portion of the project's northern boundary.⁹

In addition to having the same number of residential workforce units, the ARC Project would include the same amount of non-residential square footage as the Mixed-Use Alternative: 1,510,000 sf of research, office and R&D uses, 884,000 sf of manufacturing and research uses, 100,000 sf of ancillary retail, and 160,000 sf of hotel/conference space. Due to rearrangement of the aforementioned land uses within the ARC Site, the overall floor-to-area ratio (FAR) would increase slightly, from 0.82 to 0.93.

Parking

The Mixed-Use Alternative included 6,032 on-site parking spaces, whereas the ARC Project includes 5,858 parking spaces, a reduction of 174 parking spaces. While the applicant's original submittal materials for the ARC Project identified a parking total of 4,340 on-site spaces, during the environmental review process, the number of on-site parking spaces was increased, upon recommendation of the traffic consultant, to be consistent with the parking demand estimate calculated for the project using the Institute of Transportation Engineers Parking Generation Manual.

Green Space

The Mixed-Use Alternative would have incorporated several privately maintained parks and open space areas throughout the site, totaling approximately 75.8 acres of green space. In comparison, the ARC Project would incorporate several privately maintained parks and open space areas throughout the site, totaling approximately 49.2 acres of green space. While this is a reduction of 26.6 acres, it is partially offset by the removal of 18.2-acres of the City's 25-acre property from the development footprint, with the remaining 6.8 acres of the City's 25-acre property being used for agricultural buffer areas. That the methodology for calculating this reduced green space requirement is consistent with the City's methodology for calculating park/green space acreage requirements, will be demonstrated in Chapter 3 of this SEIR (see Impact 3-67).

Circulation

The ARC Project roadway alignment is still a modified grid with two access points onto CR 32A, two full access points onto Mace Boulevard at Alhambra Drive and CR 30B, and a third right-in and right-out onto Mace Boulevard.

As part of ARC Project, the right-in and right-out onto Mace Boulevard has been moved approximately 500 feet further north in response to prior traffic engineering comments.

Findings of Fact and Statement of Overriding Consideration

In addition, the internal east/west roadways have been shortened in length and now end at the vertical extension of the eastern north/south roadway. This is an overall reduction in project roadways.

Though not a physical change in the proposed project circulation system, it is important to note that the Certified MRIC EIR assumed that on average, one MRIC employee would reside within each MRIC dwelling unit. This analysis does not establish any explicit association between ARC Project dwelling units and ARC Project employees, and instead relies upon empirical data in the traffic consultant's model (i.e., trip generation data collected at other mixed-use project sites) to estimate the degree to which on-site residential and commercial uses at the ARC Project would internalize travel.

Phasing

The phasing plan has been modified to more clearly tie the construction of housing to the creation of jobs. The phasing now permits the construction of one (1) housing unit for every 2,000 sf of jobs-creating space until the maximum 850 units are built. The modified phasing allows housing to be built in phases 1, 2 and 3 of ARC. In the MRIC Mixed-Use Alternative, housing was only in phases 2, 3, and 4. However, no housing can be constructed until 200,000 sf of non-residential uses are built. Thereafter, building permits for housing may be sought at the ratio of 1 unit/2,000 sf to ensure that housing is and continues to be supportive of the jobs created.

Despite these minor modifications, the ARC Project is in substantial conformance with the Mixed-Use Alternative. The ARC Project meets the Project Objectives described in IX(A) above, and based on impacts identified in the EIR, and the other reasons documented below, the City Council finds that the ARC Project, as approved, is the most desirable, feasible, and appropriate action and rejects the other alternatives as infeasible based on consideration of the relevant factors identified herein. Because the Mixed Use Alternative from the Certified MRIC EIR is, for all practical purposes, the same as the proposed Project, a comparison between the two would not be meaningful, and there is no reason to consider the Mixed Use Alternative any further.

A summary of each alternative considered in the SEIR, its relative characteristics, and documentation of the City Council's findings in support of rejecting the alternative as infeasible is provided below.

Based on impacts identified in the EIR, and other reasons documented below, the City Council finds that the Aggie Research Campus Project, as approved, is the most desirable, feasible, and appropriate action and rejects the other alternatives as infeasible based on consideration of the relevant factors identified herein. A summary of each alternative, its relative characteristics, and documentation of the City Council's findings in support of rejecting the alternative as infeasible are provided below.

• D. GENERAL FINDINGS FOR PROJECT ALTERNATIVES

The City Council finds that the range of alternatives studied in the EIR reflects a reasonable attempt to identify and evaluate various types of alternatives that would potentially be capable of reducing the environmental effects of the proposed project. The City Council finds that the alternatives analysis is

Findings of Fact and Statement of Overriding Consideration

sufficient to inform the Council, other agencies, and the public regarding the tradeoffs between the degree to which alternatives could reduce environmental impacts and the corresponding degree to which the alternatives would hinder achievement of the project objectives and/or be infeasible.

The City Council is free to reject an alternative that it considers undesirable from a policy standpoint, provided that such a decision reflects a reasonable balancing of various “economic, social, and other factors.” Based on impacts identified in the EIR, and other reasons documented below, the City Council finds that approval of the Aggie Research Campus Project is the most desirable, feasible, and appropriate alternative, and rejects other alternatives and other combinations and/or variations of alternatives as infeasible.

• E. FINDINGS FOR REJECTION OF ALTERNATIVES

• 1. NO PROJECT (NO BUILD) ALTERNATIVE:

The No Project (No Build) Alternative is defined in this section as the on-going utilization of the 212-acre MRIC Site for agricultural operations, consistent with the site’s Yolo County zoning designation of Agricultural Intensive (A-N). Similarly, the approximately 16.49-acre Mace Triangle is assumed to continue in existing uses.

The current operations on the MRIC Site involve the generation of vehicle trips, use of tractors and other heavy-duty, off-road diesel equipment, water trucks, and a well diesel pump for irrigation water. The site is designated and zoned by Yolo County for agricultural uses; thus, the site would continue in its agricultural condition under the No Project (No Build) Alternative. For the No Project (No Build) Alternative, however, changes to the type of crop grown on the project site could occur at any time. In addition, various accessory structures are allowed within the A-N zone, including barns and storage sheds, grain elevators and silos, farm offices, greenhouses (up to 100,000 sf), other accessory agricultural support structures, and single family residences (minimum lot size of 80 acres). An “allowed use”, such as an accessory structure, does not require a land use permit, but is still subject to permit requirements of other Yolo County divisions, such as Building, Environmental Health, and Public Works.

- (a) Findings: The No Project (No Build) Alternative is rejected as an alternative because it would not realize any of the project benefits nor achieve any of the objectives identified by either the applicant and the City.
- (b) Explanation: It is anticipated that all of the significant and unavoidable impacts identified for the proposed project would be avoided under the No Project (No Build) Alternative. However, the No Project (No Build) Alternative would still have the potential to result in adverse effects to the physical environment due to ongoing agricultural operations and related site disturbance (e.g., biological resources, temporary increases in noise). Further, the No Project (No Build) Alternative would not achieve any of the project objectives. Among other things, the City of Davis has identified the need to provide expansion capability for the City suitable in location and size for larger innovation centers with potential to accommodate commercial and research facilities (see Objective 1b). The No Project (No Build) Alternative would not result in development of the site and, thus, would not provide available land for larger innovation centers.

Findings of Fact and Statement of Overriding Consideration

For these reasons, the project is deemed superior to the No Project (No Build) Alternative. The City Council hereby finds that each of the reasons set forth above would be an independent ground for rejecting the No Project (No Build) Alternative as infeasible and by itself, independent of any other reason, would justify rejection of the No Project (No Build) Alternative.

- 2. REDUCED SITE SIZE ALTERNATIVE:

The Reduced Site Size Alternative assumes the same non-residential buildout square footage as the proposed project, but on a smaller site over a smaller footprint. Specifically, the Reduced Site Size Alternative would involve development of up to 2,654,000 square feet (sf) on the southern 106-acre portion of the proposed ARC Site, located north of County Road (CR) 32A and east of Mace Boulevard. The 16.49-acre Mace Triangle site is also included as part of the Reduced Site Size Alternative in order to avoid the creation of a County “island” property. Thus, the Reduced Site Size Alternative site would contain a total of approximately 122.58 acres. The same development assumptions described for the Mace Triangle in the Project Description chapter of this EIR would apply for the Reduced Site Size Alternative.

Due to the reduced amount of development area for the Reduced Site Size Alternative, the five-acre “Oval” and the greenways on the ARC site are not included in the Reduced Size Alternative. The total open space area for the Reduced Site Size Alternative, including the courtyard plazas and the required 150-foot agricultural buffer, would be 27 acres, as compared to 49.2 acres under the proposed project. Access points to the Reduced Site Size Alternative would be similar to those proposed for the project (i.e., two access points along Mace Boulevard, and two southerly access points along CR 32A).

The research and development (R&D) buildings would have a maximum height of 65 feet and contain three to four stories. In addition, the manufacturing/research buildings would have a maximum height of 45 feet and would contain one to two stories, similar to the proposed project. The proposed hotel building would have a maximum height of 75 feet, whereas ARC proposes a maximum height of 85 feet.

- (a) Findings: The Reduced Site Size Alternative is rejected principally because it would not avoid the significant and unavoidable impacts identified for the proposed project. The Reduced Site Size Alternative would also inhibit the ability of the City to meet the objectives related to providing expansion capability for larger innovation centers and maintaining a steady supply of developable land for future medium- and large-scale business growth over a 20-year period (City Objectives 1b and 1c). In addition, the Reduced Size Alternative would not meet the applicant’s primary objective of developing a strategic mix of residential unit types on-site.
- (b) Explanation: While the Reduced Site Size Alternative would reduce the magnitude of certain significant and unavoidable impacts identified for the ARC Project, it would not reduce them to levels of insignificance. For example, while the magnitude of aesthetic changes (i.e., substantial degradation of existing visual character or quality of the site and its surroundings) would be reduced approximately by half, the changes in visual character and quality of the southerly 106 acres due to development of the alternative would still be considered significant and unavoidable. Similarly, while the magnitude of farmland conversion would be

Findings of Fact and Statement of Overriding Consideration

reduced approximately by half, the permanent conversion of 106 acres of farmland to urban uses as a result of this alternative, would still be considered significant and unavoidable.

Exclusion of on-site residential units, while reducing the overall trips generated by the project, and thus the relative intensity of traffic and air quality impact, could be expected to increase VMT. Page 2-10 of the Draft SEIR provides a discussion of the potential detrimental local and regional VMT effects of eliminating the proposed residential component of the ARC Project. It is a widely held land use and transportation planning principle that co-locating complementary land uses, including residential and employment uses, reduces travel distances between uses, increases the potential for transit, walk, and bike travel, and supports public health and active lifestyle objectives. Moreover, co-locating complementary land uses reduces vehicle miles traveled (VMT) compared to environments where land uses are more geographically dispersed, since these environments require longer travel distances and are more likely to experience travel by private vehicles. Thus, the elimination of the ARC Project residential component would decrease the local and regional housing supply, limiting housing opportunities near work not just for ARC Project employees, but also employees within the City of Davis, UC Davis, and the greater Sacramento region. Referring to the example provided on page 2-10 of the Draft SEIR, a hypothetical employee in the City of Davis who lives in Sacramento would generate higher commute VMT at both a local and regional level than that same employee if they were to live at the ARC Project instead.

As also discussed above, the reduced site size associated with this alternative would introduce constraints that would be counter to key project objectives, identified by both the applicant and the City. As discussed on page 3-27 of the Draft SEIR, the City's past research efforts have identified the need for a large site around 200 acres to capitalize on the need for a variety of parcel sizes, flexible use/size of space, and future expansion opportunities. The smaller site size would make it difficult to achieve a sufficient long-term land supply for the full range of projected uses including those that require larger building footprints. The smaller site would increase the intensity of development over the site which could result in design challenges and may be too dense to attract some desirable R&D users. The ability to attract medium-scale and large-scale users would be affected by the small footprint and there would be less flexibility in the user space to address the specific needs of some tenants as a result. In addition, the alternative does not include a strategic mix of residential unit types on-site to coincide with the creation of on-site employment opportunities.

For these reasons, the project is deemed superior to the Reduced Site Size Alternative. The City Council hereby finds that each of the reasons set forth above would be an independent ground for rejecting the Reduced Site Size Alternative as infeasible and by itself, independent of any other reason, would justify rejection of the Reduced Site Size Alternative.

- 3. REDUCED PROJECT ALTERNATIVE

The Reduced Project Alternative is defined as development of about one quarter of the ARC site with about one fifth of the proposed square footage, and no change to the Mace Triangle component. This

Findings of Fact and Statement of Overriding Consideration

Alternative assumes buildout of only the western half (approximately 49.5 acres) of the 106-acre parcel described above for the Reduced Site Size Alternative. The rest of this parcel, or approximately 56 acres, would remain as agricultural land. A maximum of 540,000 square feet of development is assumed for the Reduced Project Alternative, which would include 400,000 square feet of research/manufacturing space, and 140,000 square feet of research and development/office use, which may incorporate ground floor ancillary retail of up to 40,000 square feet.

Two access points would be provided for the Reduced Project Alternative: 1) a new intersection leg heading east at Mace Boulevard and Alhambra Boulevard; and 2) a new southern access point, which would connect to County Road 32A, east of the existing Park-and-Ride lot driveway. The southern access would be the principal point of entry for transport vehicles and goods movement traffic. Total open space for the Reduced Project Alternative, including the required 150-foot agricultural buffer, would be approximately 17 acres.

The Reduced Project Alternative is essentially equivalent to Phase 1 of the MRIC, which was evaluated in the Certified MRIC EIR. The Reduced Project Alternative includes the same square footage and land uses as MRIC Phase 1, with the only difference being the layout of the proposed buildings. Unlike the Certified MRIC EIR, the Draft SEIR does not evaluate a distinct Phase 1, as the entitlements being requested by the applicant have been changed from program/project-level to program-level entitlements only.

- (a) Findings: The Reduced Project Alternative is rejected primarily because it fails to achieve the fundamental objectives of the City and the applicant to develop an integrated innovation center campus of approximately 200 acres in size, with sufficient land to meet demand over a 20- to 25-year period. In addition, while several of the ARC Project's physical environmental impacts would be reduced in magnitude, many would be expected to remain significant and unavoidable under this alternative.
- (b) Explanation: The substantially reduced site size associated with the Reduced Project Alternative would introduce constraints that would be counter to key project objectives, identified by both the applicant and the City. As discussed on page 3-27 of the Draft SEIR, the City's past research efforts have identified the need for a large site around 200 acres to capitalize on the need for a variety of parcel sizes, flexible use/size of space, and future expansion opportunities. As a result, this 49.5-acre alternative would not result in a critical mass of users of various sizes sufficient to allow for a full range of research and market uses. It is also unlikely to support the necessary infrastructure and amenities to meet the City's sustainability, transportation, work environment, and fiscal/community benefit objectives. Moreover, the City would be unlikely to capture a greater share of local and regional business growth with such a small site.

Exclusion of on-site residential units, while reducing the overall trips generated by the project, and thus the relative intensity of traffic and air quality impact, could be expected to increase VMT. Page 2-10 of the Draft SEIR provides a discussion of the potential detrimental local and regional VMT effects of eliminating the proposed residential component of the ARC Project. It is a widely held land use and transportation planning principle that co-locating

Findings of Fact and Statement of Overriding Consideration

complementary land uses, including residential and employment uses, reduces travel distances between uses, increases the potential for transit, walk, and bike travel, and supports public health and active lifestyle objectives. Moreover, co-locating complementary land uses reduces vehicle miles traveled (VMT) compared to environments where land uses are more geographically dispersed, since these environments require longer travel distances and are more likely to experience travel by private vehicles. Thus, the elimination of the ARC Project residential component would decrease the local and regional housing supply, limiting housing opportunities near work not just for ARC Project employees, but also employees within the City of Davis, UC Davis, and the greater Sacramento region. Referring to the example provided on page 2-10 of the Draft SEIR, a hypothetical employee in the City of Davis who lives in Sacramento would generate higher commute VMT at both a local and regional level than that same employee if they were to live at the ARC Project instead.

The Reduced Project Alternative would reduce the magnitude of certain significant and unavoidable impacts identified for the ARC Project; however, the majority of significant and unavoidable impacts would be anticipated to remain significant and unavoidable. For example, while the magnitude of aesthetic changes (i.e., substantial degradation of existing visual character or quality of the site and its surroundings) would be reduced approximately by half, the changes in visual character and quality of the southerly 106 acres due to development of the alternative would still be considered significant and unavoidable. Similarly, while the magnitude of farmland conversion would be reduced approximately by half, the permanent conversion of 106 acres of farmland to urban uses as a result of this alternative, would still be considered significant and unavoidable.

The financial feasibility of the Reduced Project Alternative is also unlikely based upon infrastructure costs estimated by EPS for conceptual Phase 1 of the ARC project, which is roughly equivalent to the Reduced Project Alternative. According to EPS, the infrastructure cost estimated for Phase 1 of the ARC is approximately \$19 million.¹¹ Unlike the ARC Project, the Reduced Project Alternative does not include additional residential and non-residential development to help off-set these relatively large upfront costs.

- FOR THESE REASONS, THE PROJECT IS DEEMED SUPERIOR TO THE REDUCED PROJECT ALTERNATIVE. THE CITY COUNCIL HEREBY FINDS THAT EACH OF THE REASONS SET FORTH ABOVE WOULD BE AN INDEPENDENT GROUND FOR REJECTING THE REDUCED PROJECT ALTERNATIVE AS INFEASIBLE AND BY ITSELF, INDEPENDENT OF ANY OTHER REASON, WOULD JUSTIFY REJECTION OF THE REDUCED PROJECT ALTERNATIVE.⁴ OFF-SITE ALTERNATIVE A (DAVIS INNOVATION CENTER SITE):

As discussed on page 2-3 of the Draft SEIR, changes in circumstances have occurred since the preparation of the alternatives analysis with respect to Off-Site Alternative A (Davis Innovation Center Site). This off-

¹¹ EPS. *Aggie Research Campus Economic Analysis – Pro Forma (Feasibility), Fiscal Impacts, and Economic Impacts*. April 17, 2020.

Findings of Fact and Statement of Overriding Consideration

site alternative assumed development of the MRIC Project on the 207-acre Davis Innovation Center (IC) site. However, the West Davis Active Adult project has since been approved on the southerly 74 acres of the Davis IC site. Thus, this off-site alternative would need to be shifted to the northerly 133 acres, which would mean that it would become either a reduced project alternative, or an intensified alternative similar to the Reduced Site Size Alternative with the same amount of development for the MRIC Project would be located on smaller site acreage. It is assumed for purposes of the comparative discussion in the Draft SEIR, that Off-Site Alternative A would become another “reduced site size” alternative.

Buildout per Off-Site Alternative A (Davis Innovation Center site) would assume development of the same proposed non-residential ARC square footage at an alternative site, which in this case is the 133-acre northern portion of the former “Davis Innovation Center (Davis IC)” site, located immediately west of the City of Davis city limits in Yolo County, approximately 2.5 miles west of downtown Davis. Regional access to the Davis IC site is provided by the State Route 113/Covell Boulevard interchange, located southeast of the Davis IC site. The northern portion of the Davis IC site, similar to the proposed project site, is currently used for agricultural purposes and is located near other existing development (to the east and south) and other agricultural uses (to the west and north).

- (a) Findings: Off-Site Alternative A (Davis Innovation Center site) is rejected principally because it would not be expected to avoid the significant and unavoidable impacts identified for the proposed project, and in some cases, could increase impacts to the physical environment. For example, Off-Site Alternative A would be expected to result in greater impacts as compared to the project, particularly in the areas of biological resources, flooding and hydrology, and noise. While this alternative would meet many of the objectives of the proposed project, the property is not controlled by, nor available to the applicant, and would not meet their objective related to proximity to I-80 and logical extension of the 2nd Street corridor, where existing technology businesses are located.
- (b) Explanation: CEQA Guidelines Section 15126.6(f)(1) indicates that an agency can consider whether the project proponent can reasonably acquire, control, or otherwise obtain access to the alternative site when determining feasibility. The project applicant does not reasonably control or have access to the northern portion of the former Davis Innovation Center site. Perhaps more importantly, however, development of an equivalent amount of non-residential uses on this off-site location would not be anticipated to avoid or substantially lessen any of the significant effects of the ARC project. Unlike the ARC site, the Off-Site Alternative A location is bordered immediately to the north by an established residential community. During the EIR scoping process for the former Davis Innovation Center project, this residential community expressed substantial concerns regarding the development of a proposed innovation center project immediately to the south of their community.

For these reasons, the project is deemed superior to the Off-Site Alternative A (Davis Innovation Center site). The City Council hereby finds that each of the reasons set forth above would be an independent ground for rejecting the Off-Site Alternative A as infeasible and by itself, independent of any other reason, would justify rejection of the Off-Site Alternative A.

Findings of Fact and Statement of Overriding Consideration

- 5. OFF-SITE ALTERNATIVE B (COVELL PROPERTY):

Off-Site Alternative B (Covell Property) would assume development of the same non-residential ARC square footage at an alternative site, which in this case is the Covell Property south of drainage Channel A (APN: 035-970-033). Generally, the property is north of East Covell Boulevard, east of the Cannery Project, west of Pole Line Road, and south of the City's old landfill site.

The Off-Site Alternative B (Covell Property) acreage totals approximately 236 acres. Access to Off-Site Alternative B (Covell Property) would be provided along Covell Boulevard and Pole Line Road. The Covell Property site has one residence and associated outbuildings. The site has historically been and is currently used for agricultural purposes (row crops), and is surrounded by the City limits and urban uses on three sides, and agriculture on the north side.

- (a) Findings: Off-Site Alternative B (Covell Property) is rejected principally because it would not be expected to avoid the significant and unavoidable impacts identified for the proposed project, and in some cases, could increase impacts to the physical environment. For example, Off-Site Alternative B would be expected to result in greater impacts as compared to the project, particularly in the areas of agricultural resources, biological resources, flooding, and noise. While this alternative would meet many of the objectives of the proposed project, the property is not controlled by, nor available to the applicant, and would not meet their objective related to proximity to I-80 and logical extension of the 2nd Street corridor, where existing technology businesses are located.
- (b) Explanation: CEQA Guidelines Section 15126.6(f)(1) indicates that an agency can consider whether the project proponent can reasonably acquire, control, or otherwise obtain access to the alternative site when determining feasibility. The project applicant does not reasonably control or have access to the northern portion of the Covell Property. Perhaps more importantly, however, development of an equivalent amount of non-residential uses on this off-site location would not be anticipated to avoid or substantially lessen any of the significant effects of the ARC project. In addition, certain environmental impacts may increase. For example, previous biological surveys at the Covell property determined that valley foothill riparian vegetation occurs along Channel A, which is included along the northern border of this Alternative. Former surveys also identified brittlescale and San Joaquin Saltbush within the seasonal wetlands south of Channel A.

Unlike the ARC site, the Off-Site Alternative B location is bordered immediately to the west by the Cannery Project, a new, primarily residential community. In addition, east of the Covell Property, across Pole Line Road, are located established residential neighborhoods. This results in greater potential for incompatibilities with surrounding uses (e.g., increases in traffic noise), as compared to the ARC site.

For these reasons, the project is deemed superior to the Off-Site Alternative B (Covell Property). The City Council hereby finds that each of the reasons set forth above would be an

Findings of Fact and Statement of Overriding Consideration

independent ground for rejecting the Off-Site Alternative B as infeasible and by itself, independent of any other reason, would justify rejection of the Off-Site Alternative B.

- E. ENVIRONMENTALLY SUPERIOR ALTERNATIVE

Section 15126(e)(2) of the CEQA Guidelines requires that an environmentally superior alternative be designated and states, “If the environmentally superior alternative is the ‘no project’ alternative, the EIR shall also identify an environmentally superior alternative among the other alternatives.” CEQA does not require the City to choose the environmentally superior alternative.

Generally, the environmentally superior alternative is the one that would result in the fewest environmental impacts as a result of project implementation. However, it should be noted that the environmental considerations are one portion of the factors that must be considered. Other factors of importance include urban design, economics, social factors, and fiscal considerations. In addition, the superior alternative would, ideally, still provide opportunities to achieve the project objectives.

As discussed in Chapter 3 of the Draft SEIR, the environmentally superior alternative is the Reduced Project Alternative. This alternative would result in less impact as compared to the ARC Project given its substantially reduced scale. However, the substantially reduced site size would introduce constraints that would be counter to key project objectives identified by both the City and the applicant. As discussed on page 3-27 of the Draft SEIR, the City’s past research efforts have identified the need for a large site around 200 acres to capitalize on the need for a variety of parcel sizes, flexible use/size of space, and future expansion opportunities to meet demand over a 20- to 25-year period. This 49.5-acre alternative would not result in a critical mass of users of various sizes sufficient to allow for a full range of research and market uses. It is also unlikely to support the necessary infrastructure and amenities to meet the City’s sustainability, transportation, work environment, and fiscal/community benefit objectives. Moreover, the City would be unlikely to capture a greater share of local and regional business growth with such a small site. Although the Reduced Project Alternative would reduce the magnitude of certain significant and unavoidable impacts identified for the ARC Project, the majority of significant and unavoidable impacts would continue to remain significant and unavoidable, as discussed in Subsection E.2 above. For these reasons, the proposed project is deemed superior to the Reduced Project Alternative. As noted above, CEQA does not require the City to choose the environmentally superior alternative.

- X. STATEMENT OF OVERRIDING CONSIDERATIONS RELATED TO THE AGGIE RESEARCH PARK PROJECT FINDINGS

As described in Section III of these Findings, the following significant and unavoidable impacts could occur with implementation of the project:

- Project implementation may substantially degrade the existing visual character or quality of the project site and its surroundings (SEIR Impact 3-2).

Findings of Fact and Statement of Overriding Consideration

- Project implementation may result in a significant impact related to the conversion of Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Important Farmlands) to non-agricultural use, as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency (SEIR Impact 3-5).
- Project implementation may result in a significant impact related to the loss of forest or agricultural land or conversion of forest or agricultural land to non-forest or non-agricultural use (SEIR Impact 3-7).
- Project implementation may violate an air quality standard or contribute substantially to an existing or projected air quality violation during operations, and a conflict with or obstruction of implementation of applicable air quality plans (SEIR Impact 3-11).
- Project implementation may generate GHG emissions, either directly or indirectly, that may have a significant impact on the environment (SEIR Impact 3-37).
- Project implementation may conflict with an applicable plan, policy, or regulation adopted for the purpose of reducing the emissions of GHGs (SEIR Impact 3-38).
- Project implementation may conflict with a program, plan ordinance, or policy addressing the circulation system under Existing Plus Project conditions (SEIR Impact 3-70).
- Project implementation may result in significant impacts to Local Neighborhood Street Traffic (SEIR Impact 3-71).
- Project implementation may result in a significant increase in Vehicle Miles Traveled (SEIR Impact 3-72).
- Project implementation may result in significant impacts to Pedestrian and Bicycle Facilities (SEIR Impact 3-75).
- Project implementation may result in significant impacts to Transit Services (SEIR Impact 3-76).
- Project implementation may result in significant cumulative impacts related to long-term changes in visual character of the region (SEIR Impact 3-85).
- Project implementation may result in significant impacts related to cumulative loss of agricultural land (SEIR Impact 3-87).
- Project implementation may result in a cumulatively considerable net increase of any criteria pollutant (SEIR Impact 3-88).
- Project implementation may result in significant cumulative impacts related to greenhouse gas (GHG) emissions and global climate change (SEIR Impact 3-93).

Findings of Fact and Statement of Overriding Consideration

- Project implementation may result in significant cumulative impacts to fire protection services from the proposed project in combination with future developments in the City of Davis (SEIR Impact 3-102).
- Project implementation may conflict with a program, plan, ordinance or policy addressing the circulation system under Cumulative Plus Project conditions (SEIR Impact 3-104).
- Project implementation may result in a significant cumulative Increase in Vehicle Miles Traveled (SEIR Impact 3-105).
- Project implementation may result in significant cumulative impacts to pedestrian, bicycle, and transit facilities (SEIR Impact 3-106).

The following reasons demonstrate that the benefits of the project outweigh its unavoidable adverse environmental effect, thereby justifying approval of the proposed project. There is substantial evidence that these public benefits outweigh the significant impact of the project and therefore is acceptable to the City of Davis. The project will provide for the following benefits:

1. Economic benefits through tax revenues and project fees;
2. Create jobs through construction of the proposed project;
3. Provide additional housing in the City of Davis; and
4. Increase the economic potential of the University of California and create long-term jobs.

With respect to Item 1, the Aggie Research Campus Economic Analysis compared the estimated tax revenue to be generated by the proposed project to the estimated cost of providing public services to the project. The proposed project would generate tax revenues through property tax, transfer tax, sales and use tax, transient occupancy tax, and public safety tax. Other revenue sources would be generated through City permitting, construction tax, and development impact fees, as well as the School Impact Fee and County Facilities and Services Authorization Fee. According to the Aggie Research Campus Economic Analysis, the proposed project would have a net fiscal surplus to the City's General Fund at the completion of each phase, growing from approximately \$1 million annually at completion of Phase 1 to more than \$5 million annually at full buildout.

It is noted that while several of the above-identified significant and unavoidable impacts are related to traffic, due primarily to the fact that they are extraterritorial impacts (i.e., outside of the City's jurisdiction), the SEIR requires the applicant to provide fair share contributions to the prospective improvements (e.g., see Mitigation Measure 3-70(a)), which would result in a substantial infusion of monies towards the needed improvements.

With regard to Item 2, the proposed project would create construction jobs. Considering the nature and size of the proposed project, a significant amount of construction workers would be needed in construction of the proposed project. Annual average direct construction-related employment during development of the proposed project is estimated to be approximately 150 jobs. Similar to the economic benefits discussed above, the annual average total direct, indirect, and induced employment due to

Findings of Fact and Statement of Overriding Consideration

construction of the project is estimated at more than 200 jobs, with compensation of approximately \$400 million. Additionally, if building materials are purchased in the area, additional stimulation of the local economy and businesses would occur.

Regarding Item 3, the demand for housing in Davis is well documented. Buildout of the residences would be tied to completion of the commercial space, assumed to be 2,000 sf of commercial space per residential unit. Residential units would be built during the first three phases of construction to address the urgent need for housing and to improve the project's financial feasibility. The proposed residences would have a strong impact on the overall feasibility of the proposed project, particularly in the earlier phases. Later phases could leverage the stronger returns from the residences in the earlier phases. The proposed project would contribute an additional 850 residential units to increase the supply and variety of housing options available for students, employees, and university-related personnel.

With respect to Item 4, the overall development of the project would increase the economic potential of the University of California. A technical memorandum that analyzed the economic benefits of the proposed project was prepared by Economic & Planning Solutions, Inc.¹² The Aggie Research Campus Economic Analysis measured the overall effect that an initial activity, such as spending in one industry, has on a region as the spending recirculates through other sectors of the local economy through additional business and household spending. Economic impacts can be measured in terms of overall output, employment, or the earning from employment. According to the Aggie Research Campus Economic Analysis, the proposed project would generate more than 5,000 jobs, with employee compensation of nearly \$500 million. The City would experience some economic spinoff of that direct employment, but a much greater spinoff and associated economic benefits would occur in other parts of Yolo County. Total County employment, including on-site employment and indirect and induced employment, would be approximately 9,000 jobs annually at buildout, with compensation between \$600 and \$700 million.

Substantial evidence supporting the benefits described in this Statement of Overriding Considerations can be found above and in the documents found in the record of proceedings. Any one of the reasons provided above is sufficient to demonstrate that the benefits of the project outweigh its unavoidable adverse environmental impacts, thereby each separately and individually justifying approval of the project. Based on the above, in consideration of the above-noted project benefits, despite the significant environmental effects, the City Council, in accordance with Public Resources Code Sections 21001, 21002.1(c), 21081(b) and CEQA Guidelines Section 15093, chooses to approve the project because, in its judgment, the economic, social, and other benefits that the project will produce will render the significant effects acceptable.

● XI. CONCLUSION

¹² Economic & Planning Solutions, Inc. *Subject: Aggie Research Campus Economic Analysis – Pro Forma (Feasibility), Fiscal Impacts, and Economic Impacts; EPS #192109*. April 17, 2020.

Findings of Fact and Statement of Overriding Consideration

After balancing the specific economic, legal, social, technological, and other benefits of the proposed project, the Council finds that the unavoidable adverse environmental impacts identified may be considered “acceptable” due to the specific considerations listed above, which outweigh the unavoidable, adverse impacts of the proposed project.

The Davis City Council has considered information contained in the SEIR prepared for the proposed Aggie Research Campus Project, as well as the public testimony and record of proceedings in which the project was considered. Recognizing that significant and unavoidable impacts may result from implementation of the proposed project, the Council finds that the benefits of the project and overriding considerations outweigh the adverse effects of the project. Having included all feasible mitigation measures in the Mitigation Monitoring and Reporting Program, and recognized all unavoidable significant impacts, the Council hereby finds that each of the separate benefits of the proposed Aggie Research Campus Project, as stated herein, is determined to be unto itself an overriding consideration, independent of other benefits, that warrants adoption of the proposed project and outweighs and overrides its unavoidable significant effects, and thereby justifies the adoption of the proposed Aggie Research Campus Project.

Based on the foregoing findings and the information contained in the record, the Council hereby determines that:

1. All significant effects on the environment due to implementation of the proposed Aggie Research Campus Project have been eliminated or substantially lessened where feasible;
2. There are no feasible alternatives to the proposed Aggie Research Campus Project which would mitigate or substantially lessen the impacts; and
3. Any remaining significant effects on the environment found to be unavoidable are acceptable due to the factors described in the Statement of Overriding Considerations above.

• XII. LIST OF ACRONYMS AND ABBREVIATIONS

The following is a list of the acronyms and abbreviations used in this document:

•	A	
APE		Area of Potential Effect
APN		Assessor's Parcel Number
ARC		Aggie Research Campus
AVR		Average Vehicle Ridership
•	B	
BOD		Biological Oxygen Demand
BMPs		Best Management Practices
BSA		Biological Study Area
•	C	
CAAP		Climate Action and Adaptation Plan
CARB		California Air Resources Board
CBSC		California Building Standards Code
CDFW		California Department of Fish and Wildlife
CEQA		California Environmental Quality Act
City		City of Davis
Council		City Council
CR		County Road
•	D	
dB		Decibel
•	E	
EIR		Environmental Impact Report
ESA		Environmentally Sensitive Area
ESA		Environmental Site Assessment
•	F	
Findings		Findings of Fact
•	G	
GHG		Greenhouse Gas
GGS		Giant Garter Snake

Findings of Fact and Statement of Overriding Consideration

	•	H	
HABS			Historic American Buildings Survey
HCP/NCCP			Habitat Conservation Plan/Natural Community Conservation Plan
	•	L	
LESA			Land Evaluation and Site Assessment
LOS			Level of Service
	•		
	•	M	
MBTA			Migratory Bird Treaty Act
MDC			Mace Drainage Channel
MOA			Master Owner's Association
MRIC			Mace Ranch Innovation Center
MTCO _{2e}			Metric tons of carbon dioxide equivalents
	•		
	•	N	
NAHC			Native American Heritage Commission
NOA			Notice of Availability
NOI			Notice of Intent
NOP			Notice of Preparation
NO _x			Oxides of Nitrogen
NPDES			National Pollutant Discharge Elimination System
	•		
	•	P	
PERP			Portable Equipment Registration Program
Proposed project			Aggie Research Campus Project
PTO			Permit to Operate
	•		
	•	R	
ROG			Reactive Organic Gas
RSL			Regional Screening Levels
RWQCB			Regional Water Quality Control Board
	•		
	•	S	
SAA			Streambed Alteration Agreement
SACOG			Sacramento Area Council of Governments
SB			Senate Bill
SCH			State Clearinghouse
SEIR			Subsequent Environmental Impact Report
sf			Square Feet

Findings of Fact and Statement of Overriding Consideration

SMAQMD		Sacramento Metropolitan Air Quality Management District
SOI		Sphere of Influence
SWPPP		Stormwater Pollution Prevention Plan
SWRCB		State Water Resources Control Board
	•	T
TDM		Transportation Demand Management
	•	U
USFWS		United States Fish and Wildlife Service
	•	V
VELB		Valley Elderberry Longhorn Beetle
VMT		Vehicle Miles Traveled
VOC		Volatile Organic Compounds
	•	W
WWTP		Wastewater Treatment Plant
	•	
	•	Y
YHC		Yolo Habitat Conservancy
YSAQMD		Yolo Solano Air Quality Management District

EXHIBIT B

4

MITIGATION MONITORING AND REPORTING PROGRAM

4.1 INTRODUCTION

Section 15097 of the California Environmental Quality Act (CEQA) requires all State and local agencies to establish monitoring or reporting programs for projects approved by a public agency whenever approval involves the adoption of either a “mitigated negative declaration” or specified environmental findings related to environmental impact reports.

The following is the Mitigation Monitoring and Reporting Program (MMRP) for the Aggie Research Campus Project. The intent of the MMRP is to ensure implementation of the mitigation measures identified within the Environmental Impact Report (EIR) for this project. Unless otherwise noted, the cost of implementing the mitigation measures as prescribed by this MMRP shall be funded by the applicant.

4.2 COMPLIANCE CHECKLIST

The MMRP contained herein is intended to satisfy the requirements of CEQA as they relate to the EIR for the Aggie Research Campus Project prepared by the City of Davis. This MMRP is intended to be used by City staff and mitigation monitoring personnel to ensure compliance with mitigation measures during project implementation. Mitigation measures identified in this MMRP were developed in the EIR that was prepared for the proposed project.

The Aggie Research Campus Project EIR presents a detailed set of mitigation measures that will be implemented throughout the lifetime of the project. Mitigation is defined by CEQA Guidelines, Section 15370, as a measure that:

- Avoids the impact altogether by not taking a certain action or parts of an action;
- Minimizes impacts by limiting the degree or magnitude of the action and its implementation;
- Rectifies the impact by repairing, rehabilitating, or restoring the impacted environment;
- Reduces or eliminates the impact over time by preservation and maintenance operations during the life of the project; or
- Compensates for the impact by replacing or providing substitute resources or environments.

The intent of the MMRP is to ensure the implementation of adopted mitigation measures. The MMRP will provide for monitoring of construction activities as necessary and in-the-field identification and resolution of environmental concerns.

Monitoring and documenting the implementation of mitigation measures will be coordinated by the City of Davis. The table attached to this report identifies the mitigation measure, the monitoring action for the mitigation measure, the responsible party for the monitoring action, and timing of the monitoring action. The applicant will be responsible for fully understanding and effectively implementing the mitigation measures contained within the MMRP. The City will be responsible for monitoring compliance.

4. 4.3 MITIGATION MONITORING AND REPORTING PROGRAM

The following table indicates the mitigation measure number, the impact the measure is designed to address, the measure text, the monitoring agency, implementation schedule, and an area for sign-off indicating compliance.

The ARC Project will be built-out over an extended period of time, a factor which is relevant to successful monitoring and reporting of the mitigation measure requirements set forth in this SEIR. As a result, the list of mitigation measures in the Mitigation Monitoring and Reporting Program (MMRP) for this SEIR will be arranged in chronological order with respect to the order of approvals needed to enable physical development of the property. For each impact, the MMRP identifies whether the Mitigation Measures are applicable to the ARC Project only, Mace Triangle only, or both the ARC Project and Mace Triangle.

**MITIGATION MONITORING AND REPORTING PROGRAM
AGGIE RESEARCH CAMPUS PROJECT**

Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
Aesthetics and Visual Resources (reference Section 4.1 of the Certified Final EIR)					
3-3	Create a new source of substantial light or glare that would adversely affect day or nighttime views in the area (reference Impact 4.1-3).	<p><i>ARC Project and Mace Triangle</i></p> <p>3-3 <i>In conjunction with submittal of improvement plans for the Mace Triangle and each phase of development for the ARC Site, the applicant shall submit a lighting plan to the Department of Community Development and Sustainability for review and approval. The lighting plan shall be designed to limit light trespass and glare onto off-site properties to a reasonable level through the use of shielding, directional lighting methods (including, but not limited to, fixture location and height), and application of a low-emissivity coating on exterior glass surfaces of proposed structures. If low-emissivity coating is used, the low-emissivity coating shall reduce the reflection of visible light that strikes the exterior glass and prevent interior light from being emitted brightly through the glass. The Plan shall comply with Chapter 6 of the Davis Municipal Code - Article 8: Outdoor Lighting Control.</i></p>	City of Davis Department of Community Development and Sustainability	In conjunction with submittal of improvement plans for the Mace Triangle and each phase of development for the ARC Site	
3-4	Conflict, or create inconsistency, with any applicable plan, policy, or regulation adopted for the purpose of avoiding or mitigating environmental effects related to aesthetics and	<p><i>ARC Project and Mace Triangle</i></p> <p>3-4 <i>At or prior to final planned development, or tentative map submittal, whichever occurs first, the applicant shall submit landscape and architectural details to the Department of Community Development and Sustainability showing the following:</i></p>	City of Davis Department of Community Development and Sustainability	At or prior to final planned development or tentative map submittal,	

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
	visual resources (reference Impact 4.1-4).	<p style="text-align: center;"><i>Landscaping</i></p> <ul style="list-style-type: none"> • <i>Research/office/R&D and manufacturing areas shall have access connections at regular intervals along the perimeter of the project area to adjacent bike and pedestrian pathways and easily-accessible, landscaped pedestrian and bicycle access between various areas.</i> • <i>Arterial and collector streets shall have planted medians, but with widths sized to accommodate tree and shrub plantings. Medians on collector streets shall be limited to locations where the median contributes to a specific purpose or solves a specific problem, such as enhancing an entry, calming traffic, or providing a needed pedestrian refuge at intersections. Removal of street trees to accommodate an increase in vehicular traffic shall occur only as a last resort, after review by appropriate boards and commissions.</i> • <i>Trees that are planted in the future shall have wide canopies,</i> 		whichever occurs first	

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p style="text-align: center;"><i>sufficient to eventually provide, at maturity, at least 50 percent shade coverage of the pavement area of local streets and 30 percent shade coverage of the pavement area of collector and arterial streets.</i></p> <p><i>Architecture</i></p> <ul style="list-style-type: none"> • <i>A scale transition between intensified land uses and adjoining lower intensity land uses shall be provided, as applicable.</i> • <i>Taller buildings shall be stepped back at upper levels in areas with a relatively smaller-scale character.</i> • <i>Buildings shall be varied in size, density and design.</i> • <i>Stored materials, goods, parts or equipment shall be screened from adjacent public streets or highways.</i> • <i>Loading facilities shall be designed as an integral part of the building(s) which they serve and shall be located in an inconspicuous manner.</i> 			

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<ul style="list-style-type: none"> • <i>Roof mounted equipment shall be screened from view of any ground level area accessible to the general public.</i> • <i>Trash enclosures, noise generating equipment, and other nuisances shall be adequately screened or located away from any adjacent residential use.</i> 			
Agricultural and Forest Resources (reference Section 4.2 of the Certified Final EIR)					
3-5	Impacts related to the conversion of Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Important Farmlands) to non-agricultural use, as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency (reference Impact 4.2-1).	<p><i>ARC Project</i></p> <p>3-5(a) <i>Prior to initiation of grading activities for each phase of development at the ARC Site, the project applicant for the ARC Site shall set aside in perpetuity, at a minimum ratio of 2:1 of active agricultural acreage, an amount equal to the current phase. The applicant may choose to set aside in perpetuity an amount equal to the remainder of the ARC Site instead of at each phase. The agricultural land shall be located elsewhere in unincorporated Yolo County, through the purchase of development rights and execution of an irreversible conservation or agricultural easement, consistent with Section 40A.03.025 of the Davis Municipal Code. The location and amount of active</i></p>	City of Davis City Council	Prior to initiation of grading activities, for each phase of development at the ARC Site	

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>agricultural acreage for the proposed project is subject to the review and approval by the City Council. The amount of agricultural acreage set aside shall account for farmland lost due to the conversion of the ARC Site, as well as any off-site improvements, including but not necessarily limited to the off-site sewer pipe. The amount of agricultural acreage that needs to be set aside for off-site improvements shall be verified for each phase of the ARC Project during improvement plan review. Pursuant to Davis Code Section 40A.03.040, the agricultural mitigation land shall be comparable in soil quality with the agricultural land whose use is being changed to nonagricultural use. The easement land must conform with the policies and requirements of LAFCo including a LESA score no more than 10 percent below that of the project site. The easement instrument used to satisfy this measure shall comply with Section 40A.03.060 of the City's Municipal Code.</i></p>			
		<p>3-5(b) <i>The ARC Master Owners' Association (MOA) shall encourage, and exercise control over, interim agricultural operations on-site through specific terms of agricultural leases. Terms shall specify</i></p>	<p>ARC Master Owners' Association (MOA)</p>	<p>During interim operations of the ARC Site until</p>	

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<i>duration of leases and require each new leasee to coordinate with the Yolo County Agricultural Commissioner to determine appropriate types of agricultural crops and uses for urban/ag interface areas. The MOA shall work cooperatively with the farmer(s) to minimize incompatibilities between ongoing agricultural operations on-site and ARC businesses, such that the ARC Site can continue to be farmed successfully until the ARC Project is fully built out. Minimization measures should include the appropriate timing of on-site agricultural operations (i.e., use of equipment) to avoid early morning or nighttime noise generation; prohibiting disking operations during periods of high winds; minimization of pesticide applications; etc.</i>	Yolo County Agricultural Commissioner City of Davis Department of Community Development and Sustainability	the ARC Site can be fully built out	
3-7	Result in the loss of forest or agricultural land or conversion of forest or agricultural land to non-forest or non-agricultural use (reference Impact 4.2-3).	<p><i>ARC Project</i></p> <p>3-7(a) <i>Implement Mitigation Measures 3-5(a) and (b).</i></p> <p><i>Mace Triangle</i></p> <p>3-7(b) <i>Prior to initiation of grading activities for APN 033-630-012 or APN 033-630-011 within the Mace Triangle Site, the future project applicant(s) shall set aside in perpetuity, at a minimum ratio of 2:1 of</i></p>	<p>See Mitigation Measures 3-5(a) and (b).</p> <p>City of Davis City Council</p>	<p>See Mitigation Measures 3-5(a) and (b).</p> <p>Prior to initiation of grading activities for APN 033-630-012 or APN 033-</p>	

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>active agricultural acreage, the following approximate acreages of protected farmland for agricultural purposes:</i></p> <ul style="list-style-type: none"> • <i>APN 033-630-011 (Ikeda's): Mitigate conversion of approximately 2.5 acres at a 2:1 ratio = 5 acres</i> • <i>APN 033-630-012 (Easternmost Parcel): Mitigate conversion of approximately 8.4 acres at a 2:1 ratio = 16.8 acres</i> <p><i>The agricultural land shall be located elsewhere in unincorporated Yolo County, through the purchase of development rights and execution of an irreversible conservation or agricultural easement, consistent with Section 40A.03.025 of the Davis Municipal Code. The location and amount of active agricultural acreage for the proposed project is subject to the review and approval by the City Council. The amount of agricultural acreage set aside shall account for farmland lost due to the conversion of the Mace Triangle Site as well as any off-site improvements. Pursuant to Davis Code Section 40A.03.040, the agricultural mitigation land shall be comparable in soil quality with the agricultural land whose use is being changed to nonagricultural use. The</i></p>		630-011 within the Mace Triangle Site	

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<i>easement land must conform with the policies and requirements of LAFCo including a LESA score no more than 10 percent below that of the Mace Triangle Site. The easement instrument used to satisfy this measure shall comply with Section 40A.03.060 of the City's Municipal Code.</i>			
3-8	Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland to non-agricultural use or conversion of forest land to non-forest use (reference Impact 4.2-4).	<p><i>ARC Project</i></p> <p>3-8(a) <i>Prior to the construction of residential uses within 300 feet of neighboring orchards, the ARC Project applicant shall mitigate for potential pesticide drift through the implementation of barrier plantings. The applicant shall utilize the Natural Resources Conservation Services'¹³ best practices for establishing an appropriate windscreen between residential structures and adjacent agricultural operations to the satisfaction of the Yolo County Agricultural Commissioner. Written confirmation of compliance shall be provided to the Community Development and Sustainability Director prior to issuance of residential building permit within 300 feet of neighboring agriculture.</i></p>	<p>Yolo County Agricultural Commissioner</p> <p>Community Development and Sustainability Director</p>	The landscaping plans showing the barrier plantings shall be reviewed and approved with the Tentative Subdivision map creating the residential lots. Installation shall occur prior to the construction of residential uses within 300 feet of neighboring agriculture at the ARC Site	

¹³ See Natural Resources Conservation Service, *Windbreak/Shelterbelt Establishment, Conservation Practice Job Sheet 380*. April 2013. As noted, when used as a living screen, windbreaks control views, reduce noise, and intercept airborne particulate matter, chemicals and odors.

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p>3-8(b) <i>Prior to the public use of the recreational bicycle and pedestrian trails located within the agricultural transition area, the ARC Project applicant shall mitigate for potential pesticide drift. Mitigation shall be achieved pursuant to utilization of a windscreen in a manner consistent with MM 3-8(a). Alternatively, applicant shall enter into an agreement with the neighboring property owner pursuant to which the agricultural operator provides notice to the ARC Project applicant or the MOA of the days on which pesticide application will occur and the applicant shall close the recreational trails during the period in which pesticides are applied within 300 feet of the trail. Notice of closure shall be provided by the MOA to disseminate to employees and residences, and closure notice shall be posted at all points of access onto the impacted portion of trail during the period of pesticide application.</i></p>	ARC Master Owners' Association (MOA)	Prior to the public use of the recreational bicycle and pedestrian trails located within the agricultural transition area	
Air Quality (reference Section 4.3 of the Certified Final EIR)					
3-10	Violate any air quality standard or contribute substantially to an existing or projected air quality violation during construction (reference Impact 4.3-1).	<p>ARC Project and Mace Triangle</p> <p>3-10 <i>Prior to approval of any grading or demolition plans, the project applicant shall show on the plans via notation that the contractor shall ensure that the heavy off-road vehicles (50 horsepower or more) to be</i></p>	City of Davis Department of Community Development and	Prior to approval of any grading or demolition plans	

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>used in the construction project, including owned, leased, and subcontractor vehicles, will achieve a project wide fleet average 30 percent NOx reduction compared to the year 2023 California Air Resources Board (CARB) fleet average. A fleet average reduction of less than 20 percent may only be acceptable when the project applicant has demonstrated, to the satisfaction of the City's Department of Community Development and Sustainability, that the achieved reductions would be sufficient to ensure that project-related emissions would remain below YSAQMD's thresholds.</i></p> <p><i>In addition, all off-road equipment operating at the construction site must be maintained in proper working condition according to manufacturer's specifications. Idling shall be limited to 5 minutes or less in accordance with the Off-Road Diesel Fueled Fleet Regulation as required by CARB. Clear Signage regarding idling restrictions should be placed at the entrances to the construction site.</i></p> <p><i>Portable equipment over 50 horsepower must have either a valid District Permit to Operate (PTO) or a valid statewide Portable Equipment Registration Program (PERP) placard and sticker issued by CARB.</i></p>	Sustainability and Department of Public Works		

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
3-11	Violate any air quality standard or contribute substantially to an existing or projected air quality violation during operations, and a conflict with or obstruction of implementation of applicable air quality plans (reference Impact 4.3-2).	<p><i>ARC Project and Mace Triangle</i></p> <p><i>3-11</i></p> <p><i>Prior to approval of any subsequent entitlement or permit, the project applicant shall work with the City of Davis, the YSAQMD, and/or other air districts within the region (as appropriate) to develop and implement a strategy to mitigate ROG and NOx, and PM₁₀. The strategy must reduce emissions from project operation to levels at or below the applicable YSAQMD thresholds of significance to the maximum extent feasible. Feasible on-site actions to reduce emissions shall receive highest priority for implementation. Emissions that cannot be reduced through on-site actions shall be mitigated through off-site action. The strategy and all actions shall be subject to review and approval by the City in consultation with the YSAQMD, and, if applicable, the air quality management district or air pollution control district within which the off-site mitigation project is located. On-site actions may include, but shall not be limited to the following:</i></p> <ul style="list-style-type: none"> <i>• Reducing the total amount of paved area within the ARC Site in order to reduce off-gassing, emissions from restriping and</i> 	<p>City of Davis</p> <p>Yolo-Solano Air Quality Management District</p>	<p>Prior to approval of any subsequent entitlement or permit</p>	

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p style="text-align: center;"><i>painting, and the urban heat island effect;</i></p> <ul style="list-style-type: none"> • <i>Using concrete or other non-emitting materials for parking lots instead of asphalt;</i> • <i>Reducing vehicle trips through implementation of a Traffic Demand Management program, such as that required in Mitigation Measure 3-72(a);</i> • <i>Using passive heating and cooling systems for buildings;</i> • <i>Using natural lighting in buildings to the extent practical;</i> • <i>Installing mechanical air conditioners and refrigeration units that use non-ozone depleting chemicals;</i> • <i>Providing electric outlets outside of buildings, sufficient to allow for use of electric landscaping equipment;</i> • <i>Hiring landscaping companies that use primarily electric landscaping equipment;</i> • <i>Using zero-VOC paints, finishes, adhesives, and cleaning supplies on all buildings on the project site;</i> 			

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<ul style="list-style-type: none"> • <i>Employing vehicle fleets that use only cleaner-burning fuels;</i> • <i>Prohibiting the installation of natural gas fueled space and water heating equipment, and/or other large appliances such as ranges and stoves, within portions of the project; and</i> • <i>Providing electrical vehicle charging stations in excess of local and/or State standards in each phase of the project.</i> <p><i>Off-site actions may include, but shall not be limited to, the following:</i></p> <ul style="list-style-type: none"> • <i>Retrofitting stationary sources such as back-up generators or boilers with new technologies that reduce emissions;</i> • <i>Replacing diesel agriculture water pumps with alternative fuels;</i> • <i>Funding projects within an adopted bicycle/pedestrian plan;</i> • <i>Replacing non-USEPA wood-burning devices with natural gas or USEPA-approved fireplaces;</i> 			

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<ul style="list-style-type: none"> • <i>Providing energy efficiency upgrades at government buildings;</i> • <i>Installing alternative energy supply on buildings;</i> • <i>Replacing older landscape maintenance equipment with newer, lower-emission equipment;</i> • <i>Payment of mitigation fees into an established air district emissions offset program.</i> <p><i>The Reduction Strategy shall include requirements to ensure that the Reduction Strategy document is enforceable and measurable. A mechanism for oversight, monitoring and reporting through the project Master Owners Association (MOA) to the City shall be included as a part of the strategy. Because ROG, NO_x, and PM₁₀ are pollutants of regional concern, the emissions reductions for these pollutants may occur anywhere within the lower Sacramento Valley Air Basin (e.g., within YSAQMD, the Sacramento Metropolitan Air Quality Management District, or the Placer County Air Pollution Control District).</i></p>			

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>In General, emissions reduction measures implemented for development within the ARC Site shall use the following prioritization:</i></p> <ul style="list-style-type: none"> • <i>First Priority – building specific actions;</i> • <i>Second priority – onsite (within ARC Site) actions;</i> • <i>Third priority – community based (within Davis) actions;</i> • <i>Fourth priority – within YSAQMD jurisdiction;</i> • <i>Fifth priority – within the Sacramento Federal Nonattainment Area; and</i> • <i>Sixth priority – within California.</i> 			
Biological Resources (reference Section 4.4 of the Certified Final EIR)					
3-15	Impacts related to special-status plant species (reference Impact 4.4-1).	<p><i>ARC Project and Mace Triangle</i></p> <ul style="list-style-type: none"> • <i>3-15 To ensure avoidance and minimization of potential impacts to special-status plant species, the following measures shall be implemented:</i> • <i>Prior to initiation of any ground disturbance activities occurring after August 7, 2022, for the Mace Triangle and for each phase of the</i> 	City of Davis Department of Community Development and Sustainability	Prior to initiation of any ground disturbance activities occurring after August 7, 2022 for the Mace Triangle and for	

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>ARC Project, the applicant shall retain a qualified botanist to conduct a botanical survey during spring (April to May) and fall (July to September), during the evident and identifiable periods for special-status plants with potential to occur on the site. The botanical survey must also cover all potential utility line alignments and any other off-site work required for any phase of development. The survey shall be submitted to the City of Davis Department of Community Development and Sustainability for review. If special-status plants are not identified within the areas proposed for disturbance, further mitigation is not required for that phase.</i></p> <p><i>Any special-status plants that are within the limits of grading for on- or off-site improvements shall be propagated to suitable habitat in designated open space areas, or for the Mace Triangle, another pre-approved location. The propagation shall be overseen by a qualified botanist, approved by the City of Davis Department of Community Development and</i></p>	California Department of Fish and Wildlife	each phase of the ARC Project	

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<i>Sustainability and CDFW. The botanist shall identify the location to receive the plants, identify the methods of propagation, and oversee the work.</i>			
3-16	Impacts to valley elderberry longhorn beetle (reference Impact 4.4-2).	<p><i>ARC Project</i></p> <p>3-16 <i>To ensure avoidance and minimization of impacts to VELB, the project applicant for the ARC Site shall obtain coverage under the Yolo HCP/NCCP for on-site, and as may be determined necessary by Yolo Habitat Conservancy, for off-site infrastructure work, for each phase of development. In addition to payment of any applicable HCP/NCCP fees, the applicant shall implement Yolo HCP/NCCP Avoidance and Minimization Measure AMM-12 (Minimize Take and Adverse Effects on Habitat of Valley Elderberry Longhorn Beetle) to the satisfaction of the City and the YHC. AMM-12 provides:</i></p> <ul style="list-style-type: none"> • <i>The project proponent will retain a qualified biologist who is familiar with valley elderberry longhorn beetle and evidence of its presence (i.e., exit holes in elderberry shrubs) to map all</i> 	<p>City of Davis</p> <p>Yolo Habitat Conservancy (YHC)</p>	Prior to on-site and off-site infrastructure work, for each phase of development at the ARC Project	

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>elderberry shrubs in and within 100 feet of the project footprint with stems that are greater than one inch in diameter at ground level. To avoid take of valley elderberry longhorn beetle fully, the project proponent will maintain a buffer of at least 100 feet from any elderberry shrubs with stems greater than one inch in diameter at ground level. A lesser buffer may be applied in some circumstances, as described in AMM-1 (Establish Buffers) of the Yolo HCP/NCCP.</i></p> <ul style="list-style-type: none"> • <i>For elderberry shrubs that cannot be avoided with a designated buffer distance as described above, the qualified biologist will quantify the number of stems one inch or greater in diameter to be affected, and the presence or absence of exit holes. The Conservancy will use this information to determine the number of plants or cuttings to plant on a riparian restoration site to help offset the loss, consistent with Section 6.4.2.4.1, Valley Elderberry Longhorn Beetle. Additionally, prior to</i> 			

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>construction, the project proponent will transplant elderberry shrubs identified within the project footprint that cannot be avoided.</i></p> <ul style="list-style-type: none"> <i>Transplantation will only occur if a shrub cannot be avoided and, if indirectly affected, the indirect effects would otherwise result in the death of stems or the entire shrub. If the project proponent chooses, in coordination with a qualified biologist, not to transplant the shrub because the activity would not likely result in death of stems of the shrub, then the qualified biologist will monitor the shrub annually for a five-year monitoring period. The monitoring period may be reduced with concurrence from the wildlife agencies if the latest research and best available information at the time indicates that a shorter monitoring period is warranted. If death of stems at least one inch in diameter occurs within the monitoring period, and the qualified biologist determines that the shrub is sufficiently healthy to transplant, the project proponent</i> 			

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>will transplant the shrub as described in the following paragraph, in coordination with the qualified biologist. If the shrub dies during the monitoring period, or the qualified biologist determines that the shrub is no longer healthy enough to survive transplanting, then the Conservancy will offset the shrub loss consistent with the preceding paragraph.</i></p> <ul style="list-style-type: none"> • <i>The project proponent will transplant the shrubs into a location in the HCP/NCCP reserve system that has been approved by the Conservancy. Elderberry shrubs outside the project footprint but within the 100-foot buffer will not be transplanted.</i> • <i>Transplanting will follow the following measures:</i> <ol style="list-style-type: none"> 1. <i>Monitor: A qualified biologist will be on-site for the duration of the transplanting of the elderberry shrubs to ensure the effects on</i> 			

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>elderberry shrubs are minimized.</i></p> <p>2. <i>Timing: The project proponent will transplant elderberry plants when the plants are dormant, approximately November through the first two weeks of February, after they have lost their leaves. Transplanting during the non-growing season will reduce shock to the plant and increase transplantation success.</i></p> <p>3. <i>Transplantation procedure:</i></p> <p style="padding-left: 20px;"><i>a. Cut the plant back three to six feet from the ground or to 50 percent of its height (whichever is taller) by removing branches and stems above this height. Replant the trunk and stems measuring one inch or greater in</i></p>			

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p style="text-align: right;"><i>diameter. Remove leaves that remain on the plants.</i></p> <p style="text-align: right;"><i>b. Relocate plant to approved location in the reserve system, and replant as described in Section 6.4.2.4.1, Valley Elderberry Longhorn Beetle.</i></p>			
3-17	Impacts to giant garter snake (CGS) (reference Impact 4.4-3).	<p><i>ARC Project</i></p> <p><i>3-17</i></p> <p><i>To ensure avoidance and minimization of impacts to GGS, the project applicant for the ARC Project shall obtain coverage under the Yolo HCP/NCCP for on-site, and as may be determined necessary by Yolo Habitat Conservancy, for off-site infrastructure work, for each phase of development. In addition to payment of any applicable HCP/NCCP fees, the applicant shall implement Yolo HCP/NCCP Avoidance and Minimization Measure AMM-15 (Minimize Take and Adverse Effects on Habitat of Giant Garter Snake) to the satisfaction of the City and the YHC. AMM-15 provides:</i></p>	<p>Yolo Habitat Conservancy</p> <p>City of Davis</p> <p>California Department of Fish and Wildlife</p> <p>U.S. Fish and Wildlife Services</p>	<p>Prior to and during any on-site and off-site grading or infrastructure work, for each phase of development of the ARC Site</p>	

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>The project proponent will avoid effects on areas where planning-level surveys indicate the presence of suitable habitat for giant garter snake. To avoid effects on giant garter snake aquatic habitat, the project proponent will conduct no in-water/in-channel activity and maintain a permanent 200-foot non-disturbance buffer from the outer edge of potentially occupied aquatic habitat (see Figure 3-12).</i></p> <p><i>If the project proponent cannot avoid effects of construction activities, the project proponent will implement the measures below to minimize effects of construction projects (measures for maintenance activities are described after the following bulleted list).</i></p> <ul style="list-style-type: none"> <i>Conduct preconstruction clearance surveys using USFWS-approved methods within 24 hours prior to construction activities within identified giant garter snake aquatic and adjacent upland habitat. If construction activities stop for a period of two weeks or more, conduct another preconstruction clearance survey</i> 			

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p style="text-align: center;"><i>within 24 hours prior to resuming construction activity.</i></p> <ul style="list-style-type: none"> • <i>Restrict all construction activity involving disturbance of giant garter snake habitat to the snake's active season, May 1 through October 1. During this period, the potential for direct mortality is reduced because snakes are expected to move and avoid danger.</i> • <i>In areas where construction is to take place, encourage giant garter snakes to leave the site on their own by dewatering all irrigation ditches, canals, or other aquatic habitat (i.e., removing giant garter snake aquatic habitat) between April 15 and September 30. Dewatered habitat must remain dry, with no water puddles remaining, for at least 15 consecutive days prior to excavating or filling of the habitat. If a site cannot be completely dewatered, netting and salvage of giant garter snake prey items may be necessary to discourage use by snakes.</i> • <i>Provide environmental awareness training for construction</i> 			

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>personnel, as approved by the Conservancy. Training may consist of showing a video prepared by a qualified biologist, or an in-person presentation by a qualified biologist. In addition to the video or in-person presentation, training may be supplemented with the distribution of approved brochures and other materials that describe resources protected under the Yolo HCP/NCCP and methods for avoiding effects.</i></p> <ul style="list-style-type: none"> • <i>A qualified biologist will prepare a giant garter snake relocation plan which must be approved by the Conservancy prior to work in giant garter snake habitat. The qualified biologist will base the relocation plan on criteria provided by CDFW or USFWS, through the Conservancy.</i> • <i>If a live giant garter snake is encountered during construction activities, immediately notify the project's biological monitor and USFWS and CDFW. The monitor will stop construction in the vicinity of the snake, monitor the snake, and allow the snake to</i> 			

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>leave on its own. The monitor will remain in the area for the remainder of the work day to ensure the snake is not harmed or, if it leaves the site, does not return. If the giant garter snake does not leave on its own, the qualified biologist will relocate the snake consistent with the relocation plan described above.</i></p> <ul style="list-style-type: none"> • <i>Employ the following management practices to minimize disturbances to habitat:</i> <ul style="list-style-type: none"> ▪ <i>Install temporary fencing to identify and protect adjacent marshes, wetlands, and ditches from encroachment from construction equipment and personnel.</i> ▪ <i>Maintain water quality and limit construction runoff into wetland areas through the use of hay bales, filter fences, vegetative buffer strips, or other accepted practices. No plastic, monofilament, jute, or similar erosion-control matting that could</i> 			

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p style="text-align: center;"><i>entangle snakes or other wildlife will be permitted.</i></p> <p><i>Ongoing maintenance covered activities by local water and flood control agencies typically involve removal of vegetation, debris, and sediment from water conveyance canals as well as resloping, rocking, and stabilizing the canals that serve agricultural water users. Maintenance of these conveyance facilities can typically occur only from mid-January through April when conveyance canals and ditches are not in service by the agency, although some drainages are used for storm conveyance during the winter and are wet all year. This timing is during the giant garter snake's inactive period. This is when snakes may be using underground burrows and are most vulnerable to take because they are unable to move out of harm's way. Maintenance activities, therefore, will be limited to the giant garter snake's active season (May 1 to October 1) when possible. All personnel involved in maintenance activities within giant garter snake habitat will first participate in environmental awareness training for giant garter snake, as described above for construction related activities. To minimize the take of giant</i></p>			

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>garter snake, the local water or flood control agency will limit maintenance of conveyance structures located within modeled giant garter snake habitat (Appendix A, Covered Species Accounts) to clearing one side along at least 80 percent of the linear distance of canals and ditches during each maintenance year (e.g., the left bank of a canal is maintained in the first year and the right bank in the second year). To avoid collapses when re-sloping canal and ditch banks composed of heavy clay soils, clearing will be limited to one side of the channel during each maintenance year.</i></p> <p><i>For channel maintenance activities conducted within modeled habitat for giant garter snake, the project proponent will place removed material in existing dredged sites along channels where prior maintenance dredge disposal has occurred. For portions of channels that do not have previously used spoil disposal sites and where surveys have been conducted to confirm that giant garter snakes are not present, removed materials may be placed along channels in areas that are not occupied by giant garter snake and where materials will not re-enter the canal because of stormwater runoff.</i></p>			

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<i>Modifications to this AMM may be made with the approval of the Conservancy, USFWS, and CDFW. This includes any modifications needed to ensure compliance with the City's existing agreement with CDFW regarding maintenance of the Mace Drainage Channel.</i>			
3-18	Impacts to burrowing owl (reference Impact 4.4-4).	<p><i>ARC Project and Mace Triangle</i></p> <p>3-18 <i>To ensure avoidance and minimization of impacts to Western Burrowing Owl, the project applicant for the ARC shall obtain coverage under the Yolo HCP/NCCP for on-site, and as may be determined necessary by Yolo Habitat Conservancy, for off-site infrastructure work, for each phase of development. In addition to payment of any applicable HCP/NCCP fees, the applicant shall implement Yolo HCP/NCCP Avoidance and Minimization Measure AMM-18 (Minimize Take and Adverse Effects on Western Burrowing Owl) to the satisfaction of the City and the YHC. AMM-18¹⁴ provides:</i></p>	<p>Yolo Habitat Conservancy</p> <p>City of Davis</p> <p>California Department of Fish and Wildlife</p> <p>U.S. Fish and Wildlife Services</p>	Prior to and during any on-site and off-site grading or infrastructure work for each phase of development	

¹⁴ Per Table 5-2(b) of the HCP/NCCP, no injury or mortality of individuals would occur with application of avoidance and minimization measures (Final HCP/NCCP, pp. 5-21 to 5-25).

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>The project proponent will retain a qualified biologist to conduct planning-level surveys and identify western burrowing owl habitat (as defined in Appendix A of the Yolo HCP/NCCP, Covered Species Accounts) within or adjacent to (i.e., within 500 feet of) a covered activity. If habitat for this species is present, additional surveys for the species by a qualified biologist are required, consistent with CDFW guidelines (Yolo HCP/NCCP, Appendix L).</i></p> <p><i>If burrowing owls are identified during the planning-level survey, the project proponent will minimize activities that will affect occupied habitat as follows. Occupied habitat is considered fully avoided if the project footprint does not impinge on a non-disturbance buffer around the suitable burrow. For occupied burrowing owl nest burrows, this non-disturbance buffer could range from 150 to 1,500 feet (Table 3-17, Recommended Restricted Activity Dates and Setback Distances by Level of Disturbance for Burrowing Owls), depending on the time of year and the level of disturbance, based on current guidelines (California Department of Fish and Game 2012).</i></p>			

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT																											
Impact Number	Impact	Mitigation Measure			Monitoring Agency	Implementation Schedule	Sign-off																				
		<p>Table 3-17 Recommended Restricted Activity Dates and Setback Distances by Level of Disturbance for Burrowing Owls Time of Year Level of Disturbance (feet) from Occupied Burrows</p> <table border="1"> <thead> <tr> <th></th> <th colspan="3">Level of Disturbance (feet) from Occupied Burrows</th> </tr> <tr> <th>Time of Year</th> <th>Low</th> <th>Medium</th> <th>High</th> </tr> </thead> <tbody> <tr> <td>April 1 – August 15</td> <td>600</td> <td>1,500</td> <td>1,500</td> </tr> <tr> <td>August 16 – October 15</td> <td>600</td> <td>600</td> <td>1,500</td> </tr> <tr> <td>October 16-March 31</td> <td>150</td> <td>300</td> <td>1,500</td> </tr> </tbody> </table> <p>The Yolo HCP/NCCP generally defines low, medium, and high levels of disturbances of burrowing owls as follows.</p> <ul style="list-style-type: none"> <u>Low</u>: Typically 71-80 dB, generally characterized by the presence of passenger vehicles, small gas-powered engines (e.g., lawn mowers, small chain saws, portable generators), and high tension power lines. Includes electric hand tools (except circular saws, impact wrenches and similar). Management and 				Level of Disturbance (feet) from Occupied Burrows			Time of Year	Low	Medium	High	April 1 – August 15	600	1,500	1,500	August 16 – October 15	600	600	1,500	October 16-March 31	150	300	1,500			
	Level of Disturbance (feet) from Occupied Burrows																										
Time of Year	Low	Medium	High																								
April 1 – August 15	600	1,500	1,500																								
August 16 – October 15	600	600	1,500																								
October 16-March 31	150	300	1,500																								

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>enhancement activities would typically fall under this category. Human activity in the immediate vicinity of burrowing owls would also constitute a low level of disturbance, regardless of the noise levels.</i></p> <ul style="list-style-type: none"> • <i><u>Moderate</u>: Typically 81-90 dB, and would include medium- and large-sized construction equipment, such as backhoes, front end loaders, large pumps and generators, road graders, dozers, dump trucks, drill rigs, and other moderate to large diesel engines. Also includes power saws, large chainsaws, pneumatic drills and impact wrenches, and large gasoline-powered tools. Construction activities would normally fall under this category.</i> • <i><u>High</u>: Typically 91-100 dB, and is generally characterized by impacting devices, jackhammers, compression (“jake”) brakes on large trucks, and trains. This category includes both vibratory and impact pile drivers (smaller steel or wood piles) such as used to install piles and guard rails, and large pneumatic tools such as</i> 			

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>chipping machines. It may also include large diesel and gasoline engines, especially if in concert with other impacting devices. Felling of large trees (defined as dominant or subdominant trees in mature forests), truck horns, yarding tower whistles, and muffled or underground explosives are also included. Very few covered activities are expected to fall under this category, but some construction activities may result in this level of disturbance.</i></p> <p><i>The project proponent may qualify for a reduced buffer size, based on existing vegetation, human development, and land use, if agreed upon by CDFW and USFWS (California Department of Fish and Game 2012).</i></p> <p><i>If the project does not fully avoid direct and indirect effects on nesting sites (i.e., if the project cannot adhere to the buffers described above), the project proponent will retain a qualified biologist to conduct preconstruction surveys and document the presence or absence of western burrowing owls that could be affected by the covered</i></p>			

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>activity. Prior to any ground disturbance related to covered activities, the qualified biologist will conduct the preconstruction surveys within three days prior to ground disturbance in areas identified in the planning-level surveys as having suitable burrowing owl burrows, consistent with CDFW preconstruction survey guidelines (Yolo HCP/NCCP, Appendix L, Take Avoidance Surveys). The qualified biologist will conduct the preconstruction surveys three days prior to ground disturbance. Time lapses between ground disturbing activities will trigger subsequent surveys prior to ground disturbance.</i></p> <p><i>If the biologist finds the site to be occupied by western burrowing owls during the breeding season (February 1 to August 31), the project proponent will avoid all nest sites, based on the buffer distances described above, during the remainder of the breeding season or while the nest is occupied by adults or young (occupation includes individuals or family groups that forage on or near the site following fledging). Construction may occur inside of the disturbance buffer during the breeding season if the nest is not disturbed and the project proponent develops an</i></p>			

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>AMM plan that is approved by the Conservancy, CDFW, and USFWS prior to project construction, based on the following criteria:</i></p> <ul style="list-style-type: none"> • <i>The Conservancy, CDFW, and USFWS approves the AMM plan provided by the project proponent.</i> • <i>A qualified biologist monitors the owls for at least three days prior to construction to determine baseline nesting and foraging behavior (i.e., behavior without construction).</i> • <i>The same qualified biologist monitors the owls during construction and finds no change in owl nesting and foraging behavior in response to construction activities.</i> • <i>If the qualified biologist identifies a change in owl nesting and foraging behavior as a result of construction activities, the qualified biologist will have the authority to stop all construction related activities within the non-disturbance buffers described above. The qualified biologist will report this information to the</i> 			

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>Conservancy, CDFW, and USFWS within 24 hours, and the Conservancy will require that these activities immediately cease within the non-disturbance buffer. Construction cannot resume within the buffer until the adults and juveniles from the occupied burrows have moved out of the project site, and the Conservancy, CDFW, and USFWS agree.</i></p> <ul style="list-style-type: none"> <i>If monitoring indicates that the nest is abandoned prior to the end of nesting season and the burrow is no longer in use by owls, the project proponent may remove the non-disturbance buffer, only with concurrence from CDFW and USFWS. If the burrow cannot be avoided by construction activity, the biologist will excavate and collapse the burrow in accordance with CDFW's 2012 guidelines to prevent reoccupation after receiving approval from the wildlife agencies.</i> <p><i>If evidence of western burrowing owl is detected outside the breeding season (December 1 to January 31), the project</i></p>			

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>proponent will establish a non-disturbance buffer around occupied burrows, consistent with Table 3-17, as determined by a qualified biologist. Construction activities within the disturbance buffer are allowed if the following criteria are met to prevent owls from abandoning important overwintering sites:</i></p> <ul style="list-style-type: none"> • <i>A qualified biologist monitors the owls for at least three days prior to construction to determine baseline foraging behavior (i.e., behavior without construction).</i> • <i>The same qualified biologist monitors the owls during construction and finds no change in owl foraging behavior in response to construction activities.</i> • <i>If there is any change in owl roosting and foraging behavior as a result of construction activities, these activities will cease within the buffer.</i> • <i>If the owls are gone for at least one week, the project proponent may request approval from the Conservancy, CDFW, and USFWS for a qualified biologist to</i> 			

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>excavate and collapse usable burrows to prevent owls from reoccupying the site if the burrow cannot be avoided by construction activities. The qualified biologist will install one-way doors for a 48-hour period prior to collapsing any potentially occupied burrows. After all usable burrows are excavated, the buffer will be removed and construction may continue.</i></p> <p><i>Monitoring must continue as described above for the nonbreeding season as long as the burrow remains active.</i></p> <p><i>A qualified biologist will monitor the site, consistent with the requirements described above, to ensure that buffers are enforced and owls are not disturbed. Passive relocation (i.e., exclusion) of owls has been used in the past in the Plan Area to remove and exclude owls from active burrows during the nonbreeding season (Trulio 1995). Exclusion and burrow closure will not be conducted during the breeding season for any occupied burrow. If the Conservancy determines that passive relocation is necessary, the project proponent will develop a burrowing owl</i></p>			

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>exclusion plan in consultation with CDFW biologists. The methods will be designed as described in the species monitoring guidelines (California Department of Fish and Game 2012) and consistent with the most up-to-date checklist of passive relocation techniques. This may include the installation of one-way doors in burrow entrances by a qualified biologist during the nonbreeding season. These doors will be in place for 48 hours and monitored twice daily to ensure that the owls have left the burrow, after which time the biologist will collapse the burrow to prevent reoccupation. Burrows will be excavated using hand tools. During excavation, an escape route will be maintained at all times. This may include inserting an artificial structure, such as piping, into the burrow to prevent collapsing until the entire burrow can be excavated and it can be determined that no owls are trapped inside the burrow. The Conservancy may allow other methods of passive or active relocation, based on best available science, if approved by the wildlife agencies. Artificial burrows will be constructed prior to exclusion and will be created less than 300 feet from the existing burrows on lands that are protected as part of the reserve system.</i></p>			

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
3-19	Impacts to Swainson’s hawk (reference Impact 4.4-5).	<p><i>ARC Project and Mace Triangle</i></p> <p>3-19 <i>To ensure avoidance and minimization of impacts to Swainson’s hawk and their habitat, the project applicant for the ARC, or the Mace Triangle as applicable, shall obtain coverage under the Yolo HCP/NCCP for on-site, and as may be determined necessary by Yolo Habitat Conservancy, for off-site infrastructure work, for each phase of development. In addition to payment of any applicable HCP/NCCP fees, the applicant shall implement Yolo HCP/NCCP Avoidance and Minimization Measure AMM-16 (Minimize Take and Adverse Effects on Habitat of Swainson’s Hawk and White-Tailed Kite) to the satisfaction of the City and the YHC. AMM-16 provides:</i></p> <p style="text-align: center;"><i>The project proponent will retain a qualified biologist to conduct planning-level surveys and identify any nesting habitat present within 1,320 feet of the project footprint. Adjacent parcels under different land ownership</i></p>	<p>Yolo Habitat Conservancy</p> <p>City of Davis</p> <p>California Department of Fish and Wildlife</p> <p>U.S. Fish and Wildlife Services</p>	<p>Prior to and during any on-site and off-site grading or infrastructure work for each phase of development</p>	

¹⁵ Per Table 5-2(b) of the HCP/NCCP, no injury or mortality of individuals would occur with application of avoidance and minimization measures (Final HCP/NCCP, pp. 5-21 to 5-25).]

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>will be surveyed only if access is granted or if the parcels are visible from authorized areas.</i></p> <p><i>If a construction project cannot avoid potential nest trees (as determined by the qualified biologist) by 1,320 feet, the project proponent will retain a qualified biologist to conduct preconstruction surveys for active nests consistent, with guidelines provided by the Swainson's Hawk Technical Advisory Committee (2000), between March 15 and August 30, within 15 days prior to the beginning of the construction activity. The results of the survey will be submitted to the Conservancy and CDFW. If active nests are found during preconstruction surveys, a 1,320-foot initial temporary nest disturbance buffer shall be established. If project related activities within the temporary nest disturbance buffer are determined to be necessary during the nesting season, then the qualified biologist will monitor the nest and will, along with the</i></p>			

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>project proponent, consult with CDFW to determine the best course of action necessary to avoid nest abandonment or take of individuals. Work may be allowed only to proceed within the temporary nest disturbance buffer if Swainson's hawk are not exhibiting agitated behavior, such as defensive flights at intruders, getting up from a brooding position, or flying off the nest, and only with the agreement of CDFW and USFWS. The designated on-site biologist/monitor shall be on-site daily while construction-related activities are taking place within the 1,320-foot buffer and shall have the authority to stop work if raptors are exhibiting agitated behavior. Up to 20 Swainson's hawk nest trees (documented nesting within the last 5 years) may be removed during the permit term, but they must be removed when not occupied by Swainson's hawks.</i></p> <p><i>For covered activities that involve pruning or removal of a potential Swainson's hawk nest tree, the project proponent will</i></p>			

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<i>conduct preconstruction surveys that are consistent with the guidelines provided by the Swainson’s Hawk Technical Advisory Committee (2000). If active nests are found during preconstruction surveys, no tree pruning or removal of the nest tree will occur during the period between March 1 and August 30 within 1,320 feet of an active nest, unless a qualified biologist determines that the young have fledged and the nest is no longer active.</i>			
3-20	Impacts to raptors, nesting birds, or other birds protected under the MBTA (reference Impact 4.4-6).	ARC Project 3-20(a) <i>White-tailed kite. To ensure avoidance and minimization of impacts to White-Tailed Kite, the project applicant for the ARC Project shall obtain coverage under the Yolo HCP/NCCP for on-site, and as may be determined necessary by Yolo Habitat Conservancy, for off-site infrastructure work, for each phase of development. In addition to payment of any applicable HCP/NCCP fees, the applicant shall implement Yolo HCP/NCCP Avoidance and Minimization Measure AMM-16 (Minimize Take and Adverse Effects on Habitat of Swainson’s Hawk and White-</i>	Yolo Habitat Conservancy City of Davis California Department of Fish and Wildlife U.S. Fish and Wildlife Services	Prior to and during any on-site and off-site grading or infrastructure work for each phase of development of the ARC Site	

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>Tailed Kite) to the satisfaction of the City and the YHC. AMM-16 provides:</i></p> <p><i>The project proponent will retain a qualified biologist to conduct planning-level surveys and identify any nesting habitat present within 1,320 feet of the project footprint. Adjacent parcels under different land ownership will be surveyed only if access is granted or if the parcels are visible from authorized areas.</i></p> <p><i>If a construction project cannot avoid potential nest trees (as determined by the qualified biologist) by 1,320 feet, the project proponent will retain a qualified biologist to conduct preconstruction surveys for active nests consistent, with guidelines provided by the Swainson's Hawk Technical Advisory Committee (2000), between March 15 and August 30, within 15 days prior to the beginning of the construction activity. The results of the survey</i></p>			

¹⁶ Per Table 5-2(b) of the HCP/NCCP, no injury or mortality of individuals would occur with application of avoidance and minimization measures (Final HCP/NCCP, pp. 5-21 to 5-25).]

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>will be submitted to the Conservancy and CDFW. If active nests are found during preconstruction surveys, a 1,320-foot initial temporary nest disturbance buffer shall be established. If project related activities within the temporary nest disturbance buffer are determined to be necessary during the nesting season, then the qualified biologist will monitor the nest and will, along with the project proponent, consult with CDFW to determine the best course of action necessary to avoid nest abandonment or take of individuals. Work may be allowed only to proceed within the temporary nest disturbance buffer if white-tailed kite are not exhibiting agitated behavior, such as defensive flights at intruders, getting up from a brooding position, or flying off the nest, and only with the agreement of CDFW and USFWS. The designated on-site biologist/monitor shall be on-site daily while construction-related activities are taking place within the 1,320-foot buffer and</i></p>			

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>shall have the authority to stop work if raptors are exhibiting agitated behavior.</i></p> <p><i>For covered activities that involve pruning or removal of a potential white-tailed kite nest tree, the project proponent will conduct preconstruction surveys that are consistent with the guidelines provided by the Swainson's Hawk Technical Advisory Committee (2000). If active nests are found during preconstruction surveys, no tree pruning or removal of the nest tree will occur during the period between March 1 and August 30 within 1,320 feet of an active nest, unless a qualified biologist determines that the young have fledged and the nest is no longer active.</i></p> <p><i>ARC Project</i></p> <p><i>3-20(b) <u>Tricolored blackbird.</u> To ensure avoidance and minimization of impacts to Tricolored Blackbird, the project applicant for the ARC Project shall obtain coverage under the Yolo HCP/NCCP for on-site, and as may be determined</i></p>	Yolo Habitat Conservancy	Prior to and during any on-site and off-site	

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>necessary by Yolo Habitat Conservancy, for off-site infrastructure work, for each phase of development. In addition to payment of any applicable HCP/NCCP fees, the applicant shall implement Yolo HCP/NCCP Avoidance and Minimization Measure AMM-21 (Minimize Take and Adverse Effects on Habitat of Tricolored Blackbird) to the satisfaction of the City and the YHC. AMM-21 provides:</i></p> <p><i>The project proponent will retain a qualified biologist to identify and quantify (in acres) tricolored blackbird nesting and foraging habitat (as defined in Appendix A of the Yolo HCP/NCCP, Covered Species Accounts) within 1,300 feet of the footprint of the covered activity. If a 1,300-foot buffer from nesting habitat cannot be maintained, the qualified biologist will check records maintained by the Conservancy (which will include CNDDDB data, and data from the tricolored blackbird portal) to determine if tricolored</i></p>	<p>California Department of Fish and Wildlife U.S. Fish and Wildlife Services City of Davis</p>	<p>grading or infrastructure work for each phase of development of the ARC Site, if occurring outside of the nesting season (March 1 to July 30)</p>	

¹⁷ Per Table 5-2(b) of the HCP/NCCP, no injury or mortality of individuals would occur with application of avoidance and minimization measures (Final HCP/NCCP, pp. 5-21 to 5-25).]

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>blackbird nesting colonies have been active in or within 1,300 feet of the project footprint during the previous five years. If there are no records of nesting tricolored blackbirds on the site, the qualified biologist will conduct visual surveys to determine if an active colony is present, during the period from March 1 to July 30, consistent with protocol described by Kelsey (2008).</i></p> <p><i>Operations and maintenance activities or other temporary activities that do not remove nesting habitat and occur outside the nesting season (March 1 to July 30) do not need to conduct planning or construction surveys or implement any additional avoidance measures.</i></p> <p><i>If an active tricolored blackbird colony is present or has been present within the last five years within the planning-level survey area, the project proponent will design the project to avoid adverse effects within 1,300 feet of the colony site(s), unless a shorter</i></p>			

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>distance is approved by the Conservancy, USFWS, and CDFW. If a shorter distance is approved, the project proponent will still maintain a 1,300-foot buffer around active nesting colonies during the nesting season but may apply the approved lesser distance outside the nesting season. Adjacent parcels under different land ownership will be surveyed only if access is granted or if the parcels are visible from authorized areas.</i></p> <p><i>ARC Project and Mace Triangle</i></p> <p><i>3-20(c) <u>Northern harrier, mountain plover, Modesto song sparrow and other migratory birds.</u> The project applicant shall implement the following measures to avoid or minimize impacts to migratory birds and other protected bird species during on- and off-site construction:</i></p> <ul style="list-style-type: none"> <i>If any site disturbance or construction activity for any phase of development begins outside the February 1 to August 31 breeding season, a preconstruction survey</i> 	<p>City of Davis Department of Community Development and Sustainability</p>	<p>Prior to site disturbance or construction activity that occurs within the breeding season (February 1 to August 31)</p>	

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>for active nests shall not be needed.</i></p> <ul style="list-style-type: none"> <i>If any site disturbance or construction activity for any phase of development is scheduled to begin between February 1 and August 31, a qualified biologist shall conduct a preconstruction survey for active nests from publicly accessible areas within 14 days prior site disturbance or construction activity for any phase of development. The survey area shall cover the construction site and the area surrounding the construction site, including a 100-foot radius for MBTA birds, and a 250-foot radius for birds of prey. If an active nest of a bird of prey, MBTA bird, or other CDFW-protected bird is not found, then no further mitigation measures are necessary. The preconstruction survey shall be submitted to the City of Davis Department of Community Development and Sustainability for review.</i> <i>If an active nest of a bird of prey, MBTA bird, or other CDFW-protected bird is discovered that</i> 	Department of Public Works		

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>may be adversely affected by any site disturbance or construction or an injured or killed bird is found, the project applicant shall immediately:</i></p> <ul style="list-style-type: none"> <i>o Stop all work within a 100-foot radius of the discovery.</i> <i>o Notify the City of Davis Department of Community Development and Sustainability and Public Works.</i> <i>o Do not resume work within the 100-foot radius until authorized by the biologist.</i> <p><i>The biologist shall establish a minimum 250-foot Environmentally Sensitive Area (ESA) around the nest if the nest is of a bird of prey, and a minimum 100-foot ESA around the nest if the nest is of an MBTA bird other than a bird of prey. The ESA may be reduced if the biologist determines that a smaller ESA would still adequately protect the active nest. No work may occur within the ESA until the biologist determines that the nest is no longer active.</i></p>			

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
3-21	Impacts to riparian habitat or other sensitive natural community identified in local or regional plans, policies, and regulations or by the CDFW or USFWS (reference Impact 4.4-7).	<p><i>ARC Project</i></p> <p>3-21 <i>The project applicant for the ARC Site shall implement the following measure to avoid or minimize impacts to the Mace Drainage Channel:</i></p> <ul style="list-style-type: none"> • <i>Prior to conducting non-maintenance work within the bed and banks in the Mace Drainage Channel for any phase of development, as applicable, the project applicant for the ARC Site shall notify CDFW pursuant to Section 1602 of the Fish and Wildlife Code. If CDFW determines that a Streambed Alteration Agreement (SAA) is necessary, the applicant shall obtain a SAA and comply with all conditions of that Agreement, including the payment of any applicable Yolo HCP/NCCP fees. Compliance with the SAA shall be ensured by the City of Davis Department of Community Development and Sustainability. This does not apply to City maintenance work within the Mace Drainage Channel, for</i> 	<p>California Department of Fish and Wildlife</p> <p>City of Davis Department of Community Development and Sustainability</p>	Prior to conducting non-maintenance work within the bed and banks in the Mace Drainage Channel for any phase of development	

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<i>which the City already has an agreement with CDFW.</i>			
3-26	Conflict, or create an inconsistency, with any applicable biological resources plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect (reference Impact 4.4-12).	<p><i>ARC Project</i></p> <p>3-26 <i>At or prior to final planned development, or tentative map submittal, whichever occurs first, the applicant shall submit a design plan for the proposed on-site buffer/drainage features to the Department of Community Development and Sustainability and the Department of Public Works for review and approval. The design plan shall demonstrate how the buffer/drainage features will be wildlife friendly natural spaces, with respect to details such as plant types, detention slopes, etc. In addition, should staff determine that in order to meet the City's stated objectives for urban agricultural transition areas (UATA), as well as drainage and safety, the proposed buffer design shall be modified to concentrate the proposed buffer and drainage areas to the northern and eastern boundaries of the project site, in order to establish wider UATA segments.</i></p>	<p>City of Davis Department of Community Development and Sustainability Department of Public Works</p>	At or prior to final planned development or tentative map submittal, whichever occurs first	

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
Cultural Resources (reference Section 4.5 of the Certified Final EIR)					

<p>3-27</p>	<p>Cause a substantial adverse change in the significance of a historical resource (reference Impact 4.5-1).</p>	<p><i>ARC Project</i></p> <p>3-27 <i>If the northerly off-site sewer alignment is selected for the ARC Project, then prior to approval of design-level improvement plans for the off-site sewer pipe, the applicant shall retain a qualified archaeologist to design and implement a cultural study, the intent of which shall be to identify and investigate any subsurface historic remains within the northerly portion of the sewer pipe construction limits. Because of the potential for fragile prehistoric remains within this area, the evaluation shall include only metal detection and hand excavation. Metal detection should include a complete sweep of the APE adjacent to the farm structures, to test for subsurface features. Hand excavation should include testing of the metal detection finds. If no subsurface features are uncovered, no additional cultural investigations will necessary. If, on the other hand, structural remains are found, the investigation shall continue as formal evaluation to determine their eligibility for the California Register of Historical Resources. This shall include, at a minimum, additional exposure of the feature(s), and photo-documentation and recordation. If the evaluation determines that the features do not have sufficient data potential to be eligible for the California Register, no additional work should be required. However, if data potential exists – e.g., there is an intact feature – it will be</i></p>	<p>City of Davis Department of Community Development and Sustainability</p>	<p>If the northerly off-site sewer alignment is selected for the ARC Project, then prior to approval of design-level improvements plans for the off-site sewer pipe</p>	
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		<p><i>necessary to mitigate any project impacts. The evaluation shall be submitted to the Davis Department of Community Development and Sustainability for review.</i></p> <p><i>If it is determined that standing structures associated with the William Seward Wright house and farm are within, or immediately adjacent to, the off-site sewer APE, a qualified architectural historian shall conduct an evaluation of those structures for their potential eligibility for the California Register of Historical Resources. The evaluation should include a full assessment of the structures, archival research to confirm the age, occupants, and historic uses of the structures, and the dates and extent of any renovations that might impact the structures' historic integrity. Should the structures be determined to be eligible for the California Register, pursuant to Public Resources Code Section 5024.1, Title 14 CCR, Section 4852, any mitigation measures provided in the architectural historian's report shall be followed. Should the structures be determined ineligible for the California Register, no further consideration shall be required. The evaluation shall be submitted to the Davis Department of Community Development and Sustainability for review.</i></p>	<p>Department of Community Development and Sustainability</p>	<p>If the northernly off-site sewer alignment is selected for the ARC Project, then prior to approval of design-level improvements plans for the off-site sewer pipe</p>	
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A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<i>Mitigation of impacts might include avoidance of further disturbance to the resources through project redesign. If avoidance is determined to be infeasible, additional data recovery excavations shall be conducted for the resources, to collect enough information to exhaust the data potential of those resources. Impacts to the standing structures shall be mitigated through recordation to the standards of the National Park Service’s Historic American Buildings Survey (HABS), as determined by the qualified architectural historian.</i>			
3-28	Cause a substantial adverse change in the significance of an archaeological resource pursuant to Section 15064.5 (reference Impact 4.5-2).	<p><i>ARC Project</i></p> <p>3-28(a) <i>Prior to approval of any on- and/or off-site improvement plans for development within the areas designated as having “high” sensitivity for buried sites per Figure 7 of the “Archaeological Survey Report for the</i></p>	City of Davis Department of Community Development	Prior to approval of any on-and/or off-site improvement plans for	

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>Proposed Davis Innovation Center: Mace Ranch Location”, prepared by Far Western Anthropological Research Group, the applicant shall retain a qualified archaeologist to design and implement an archeological study, the intent of which shall be to identify and investigate any subsurface archaeological remains within the northwestern portion of the ARC Site. The subsurface sampling methodology outlined in the study shall be sufficient to enable the qualified archaeologist to define the physical extent and nature of any artifact-bearing deposits should they be discovered. Because of the potential for fragile prehistoric remains, the evaluation should include only hand excavation. Hand excavation should include placement of a series of small shovel probes across the site to look for prehistoric artifacts and features. If artifact-bearing deposits are not uncovered, additional cultural investigations are not required. If artifact-bearing features are found, the investigation shall continue as formal evaluation to determine their eligibility for the California Register of Historical Resources. This shall include, at a minimum, hand excavation of larger control units and analysis of the artifact</i></p>	and Sustainability	development within the areas designated as having “high” sensitivity” for buried sites per Figure 7 of the “Archaeological Survey Report for the Proposed Davis Innovation Center: Mace Ranch Location” prepared by Far Western Anthropological Research Group	

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>assemblage(s). If the evaluation determines that the artifacts do not have sufficient data potential to be eligible for the California Register, additional work shall not be required. However, if data potential exists – e.g., there is an intact feature with a large and varied artifact assemblage – necessary mitigation measures shall be implemented to alleviate any project impacts. The evaluation shall be submitted to the Davis Department of Community Development and Sustainability for review.</i></p> <p><i>Mitigation of impacts might include avoidance of further disturbance to the resources through project redesign. If redesign is not feasible, additional data recovery excavations shall be conducted for the archaeological resources, to collect enough information to exhaust the data potential of those resources.</i></p> <p>3-28(b) <i>If the northerly off-site sewer alignment is selected for the ARC Project, then prior to approval of design-level improvement plans for the off-site sewer pipe, the applicant shall retain a qualified archaeologist to design and implement an archeological study, the intent of which shall be to identify and investigate any</i></p>	City of Davis Department of Community Development and Sustainability	If the northerly off-site sewer alignment is selected for the ARC Project, then prior to approval of	

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>subsurface archaeological remains within the northerly portion of the sewer pipe construction limits. The subsurface sampling methodology outlined in the study shall be sufficient to enable the qualified archaeologist to define the physical extent and nature of any artifact-bearing deposits should they be discovered. Because of the potential for fragile prehistoric remains, the evaluation should include only hand excavation. Hand excavation should include placement of a series of small shovel probes across the site to look for prehistoric artifacts and features. If artifact-bearing deposits are not uncovered, additional archaeological investigations are not required. If artifact-bearing features are found, the investigation shall continue as formal evaluation to determine their eligibility for the California Register of Historical Resources. This shall include, at a minimum, hand excavation of larger control units and analysis of the artifact assemblage(s). If the evaluation determines that the artifacts do not have sufficient data potential to be eligible for the California Register, additional work shall not be required. However, if data potential exists – e.g., there is an intact</i></p>		<p>design-level improvement plans for the off-site sewer pipe</p>	

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>feature with a large and varied artifact assemblage – necessary mitigation measures shall be implemented to alleviate any project impacts. The evaluation shall be submitted to the Davis Department of Community Development and Sustainability for review.</i></p> <p><i>Mitigation of impacts might include avoidance of further disturbance to the resources through project redesign. If redesign is not feasible, additional data recovery excavations shall be conducted for the archaeological resources, to collect enough information to exhaust the data potential of those resources.</i></p> <p><i>ARC Project and Mace Triangle</i></p> <p>3-28(c) <i>If any prehistoric or historic artifacts, or other indications of archaeological resources are found during grading and construction activities, all work within the vicinity of the find shall cease and the applicant shall retain an archaeologist meeting the Secretary of the Interior's Professional Qualifications Standards in prehistoric or historical archaeology, as appropriate, to evaluate the finds. If the resource is determined to be eligible for inclusion in the California Register of</i></p>	<p>City of Davis Department of Community Development and Sustainability</p>	<p>During grading or construction activities and included in the language of any future grading plans, utility plans, subdivision improvement drawings</p>	

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<i>Historical Resources and project impacts cannot be avoided, data recovery shall be undertaken. Data recovery efforts can range from rapid photographic documentation to extensive excavation depending upon the physical nature of the resource. The degree of effort shall be determined at the discretion of a qualified archaeologist and should be sufficient to recover data considered important to the area's history and/or prehistory. This language of this mitigation measure shall be included on any future grading plans, utility plans, and subdivision improvement drawings approved by the City for the ARC Site and/or 16.49-acre Mace Triangle Site.</i>		approved by the City for the ARC Site and/or 16.49-acre Mace Triangle Site	
3-29	Directly or indirectly destroy a unique paleontological resource or unique geologic feature on the project site (reference Impact 4.5-3).	<p><i>ARC Project and Mace Triangle</i></p> <p>3-29 <i>If any vertebrate bones or teeth are found by the construction crew, the contractor shall cease all work in the immediate vicinity of the discovery until an on-site archaeological monitor, if present, inspects the discovery; if none is present, or if recommended by the monitor, a professional paleontologist shall evaluate the find. If deemed significant with respect to authenticity, completeness, preservation, and identification, the resource(s) shall then be salvaged and deposited in an accredited and permanent scientific</i></p>	City of Davis	During grading or construction activities and included in the language of any future grading plans, utility plans, subdivision improvement drawings approved by the City for the ARC	

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<i>institution (e.g., UCMP), where it will be properly curated and preserved for the benefit of current and future generations. The language of this mitigation measure shall be included on any future grading plans, utility plans, and subdivision improvement drawings approved by the City for the ARC Site and/or 16.49-acre Mace Triangle Site, where excavation work will be required.</i>		Site and/or 16.49-acre Mace Triangle Site	
3-30	Disturb any human remains, including those interred outside of formal cemeteries (reference Impact 4.5-4).	<p><i>ARC Project and Mace Triangle</i></p> <p style="margin-left: 20px;">3-30 <i>During construction, if bone is uncovered that may be human, further disturbance shall not occur within 100 feet of the vicinity of the find(s) until the Yolo County Coroner has made the necessary findings as to origin. (California Health and Safety Code Section 7050.5) Further, pursuant to California PRC Section 5097.98(b), remains shall be left in place and free from disturbance until a final decision as to the treatment and disposition has been made. If the Yolo County Coroner determines the remains to be Native American, the California Native American Heritage Commission (NAHC), located in Sacramento, and the Yocha Dehe Wintun Nation shall be notified within 24 hours. The NAHC and Yocha Dehe Wintun Nation must then identify the “most likely descendant(s)” (MLD). The landowner shall</i></p>	<p>California Native American Heritage Commission</p> <p>Yolo County Coroner</p> <p>City of Davis</p>	During grading and construction activities	

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<i>engage in consultations with the MLD. The MLD shall make recommendations concerning the treatment of the remains within 48 hours, as provided in PRC 5097.98.</i>			
Geology, Soils, and Mineral Resources (reference Section 4.6 of the Certified Final EIR)					
3-33	Result in substantial soil erosion or loss of topsoil (reference Impact 4.6-2).	<p><i>ARC Project and Mace Triangle</i></p> <p>3-33 <i>Prior to initiation of any grading activities for each phase of development at the ARC Site, or Mace Triangle Site, the project proponent shall submit a Notice of Intent (NOI) and Storm Water Pollution Prevention Plan (SWPPP) to the RWQCB in accordance with the NPDES General Construction Permit requirements. The SWPPP shall be designed to control pollutant discharges utilizing Best Management Practices (BMPs) and technology to reduce erosion and sediments. BMPs may consist of a wide variety of measures taken to reduce pollutants in stormwater runoff from the project site. Measures shall include temporary erosion control measures (such as silt fences, staked straw bales/wattles, silt/sediment basins and traps, check dams, geofabric, sandbag dikes, and temporary revegetation or other groundcover) that will be employed to control erosion from disturbed areas. Final</i></p>	<p>Regional Water Quality Control Board</p> <p>City of Davis</p>	<p>Prior to initiation of any grading activities for each phase of development at the ARC Site or Mace Triangle Site</p>	

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<i>selection of BMPs will be subject to approval by the City of Davis and the RWQCB. The SWPPP will be kept on site during construction activity and will be made available upon request to representatives of the RWQCB.</i>			
3-34	Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in lateral spreading, subsidence, liquefaction, or collapse (reference Impact 4.6-3).	<p><i>ARC Project</i></p> <p><i>3-34(a) Prior to final design approval and issuance of building permits for each phase of the project, the project applicant for the ARC Site shall submit to the City of Davis Building Inspection Division, for review and approval, a design-level geotechnical engineering report produced by a California Registered Civil Engineer or Geotechnical Engineer. The report shall include the recommendations in the report entitled Preliminary Geotechnical Engineering Report, Mace Ranch Innovation Center, dated January 20, 2015 unless it is determined in the design-level report that one or more recommendations need to be revised. The design-level report shall address, at a minimum, the following:</i></p> <ul style="list-style-type: none"> <i>• Compaction specifications and subgrade preparation for on-site soils;</i> 	<p>City of Davis Building Inspection Division</p> <p>City of Davis Public Works Department</p>	Prior to final design approval and issuance of building permits for each phase of the ARC Project	

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<ul style="list-style-type: none"> • <i>Structural foundations, including retaining wall design (if applicable);</i> • <i>Grading practices; and</i> • <i>Expansive/unstable soils, including fill.</i> <p style="text-align: center;"><i>Design-level recommendations shall be included in the foundation and improvement plans and approved by the Davis Public Works Department prior to issuance of any building permits.</i></p> <p><i>Mace Triangle</i></p> <p>3-34(b) <i>Prior to final design approval and issuance of building permits for future on-site development, the future project applicant for the Mace Triangle Site shall submit a site-specific, design-level geotechnical report produced by a California Registered Geotechnical Engineer to the City of Davis Building Inspection Division for review and approval. The geotechnical report shall include, but would not be limited to, an analysis of the on-site geologic and seismic conditions, including soil sampling and testing. Recommendations shall be included regarding project design measures to avoid risks to people and</i></p>	City of Davis Building Inspection Division	Prior to final design approval and issuance of building permits for future on-site development for the Mace Triangle Site	

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<i>structures, including compliance with the latest CBC regulations, structural foundations, and grading practices.</i>			
3-35	Be located on expansive soil, as defined in Table 118-1-B of the Uniform Building Code (1994), creating substantial risks to life or property (reference Impact 4.6-4).	<p><i>ARC Project</i></p> <p>3-35(a) <i>Implement Mitigation Measure 3-34(a).</i></p> <p><i>Mace Triangle</i></p> <p>3-35(b) <i>Implement Mitigation Measure 3-34(b).</i></p>	<p>See Mitigation Measure 3-34(a).</p> <p>See Mitigation Measure 3-34(b).</p>	<p>See Mitigation Measure 3-34(a).</p> <p>See Mitigation Measure 3-34(b).</p>	
Greenhouse Gas Emissions and Energy (reference Section 4.7 of the Certified Final EIR)					
3-37	Generate GHG emissions, either directly or indirectly, that may have a significant impact on the environment (reference Impact 4.7-1).	<p><i>ARC Project</i></p> <p>3-37(a) <i>Implement Mitigation Measures 3-11, 3-72(a), and 3-72(b).</i></p> <p><i>Mace Triangle</i></p> <p>3-37(b) <i>Implement Mitigation Measure 3-11.</i></p>	<p>See Mitigation Measures 3-11, 3-72(a), and 3-72(b).</p> <p>See Mitigation Measure 3-11.</p>	<p>See Mitigation Measures 3-11, 3-72(a), and 3-72(b).</p> <p>See Mitigation Measure 3-11.</p>	

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
3-38	Conflict with an applicable plan, policy, or regulation adopted for the purpose of reducing the emissions of GHGs (reference Impact 4.7-2).	<p><i>ARC Project</i></p> <p>3-38(a) <i>Prior to issuance of building permits, each individual development of the ARC Project shall demonstrate consistency with the City's Climate Action and Adaptation Plan by demonstrating a fair-share reduction of GHG emissions towards an ARC Project-wide reduction goal of 37,724.31 MTCO₂e/yr, which would achieve carbon neutrality. Individual projects may choose one of the following methods for complying with this goal:</i></p> <p style="margin-left: 40px;"><i>2. Individual future developments undergoing Design Review, may prepare a Carbon Neutrality Plan for review and approval by the City's Department of Community Development and Sustainability. The Carbon Neutrality Plan must demonstrate the individual development's compliance with the City's net carbon neutrality goal for the year 2040. Compliance with the City's net carbon neutrality goal shall be demonstrated through the use of CalEEMod, or another method or model accepted for this purpose by the City, to demonstrate that</i></p>	City of Davis Department of Community Development and Sustainability	Prior to issuance of building permits for each individual development on the ARC Site	

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>emissions from the individual development, to the extent feasible, would reach a level of carbon neutrality by the year 2040.</i></p> <p>2. <i>If a project applicant chooses not to prepare a Carbon Neutrality Plan, the applicant must demonstrate that the individual development provides a fair-share contribution towards the ARC Project-wide emissions reductions need of 37,724.31 MTCO₂e/yr, to the extent feasible. A fair-share contribution is to be made based on the total acreage proposed for development in any given project subject to Design Review, as compared to the entire area of development proposed within the ARC Site as a whole. For the purposes of this mitigation measure, areas not anticipated for development, such as parks, open spaces, and agricultural buffer areas, are not included in the total development acreage. Therefore, the total development area, is considered to be 156.4 acres. Considering the total development area, a hypothetical ten-acre</i></p>			

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>project would represent 6.4 percent of the total development area and would be required to show a GHG emissions reduction, savings, or off-set, of 2,414.36 MTCO₂e/yr from the emissions modeled herein, which would represent 6.4 percent of the total 37,724.31 MTCO₂e/yr reduction required for the project area as a whole. Proof of the fair-share GHG emissions reductions shall be submitted to the City's Department of Community Development and Sustainability.</i></p> <p><i>Examples of measures that may be used by future development projects in either of the above options include, but are not limited to, the following:</i></p> <ul style="list-style-type: none"> • <i>Trip and/or VMT reductions due participation in a Transportation Demand Management program or similar program;</i> • <i>Electrifying loading docks to reduce emissions from engine idling of Transport Refrigeration Units;</i> 			

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<ul style="list-style-type: none"> • <i>Inclusion of on-site renewable energy beyond the level anticipated in this analysis;</i> • <i>Institution of a composting and recycling program in excess of local standards;</i> • <i>Implementation of an Urban Forestry Management Plan or tree planting programs;</i> • <i>Use of energy efficient street lighting fixtures;</i> • <i>Limit the installation of natural gas infrastructure and appliances;</i> • <i>Provide electric-vehicle charging stations in excess of minimum requirements;</i> • <i>Construct separated on-site paths for alternative vehicles such as electric scooters, electric skateboards, and electric bicycles;</i> • <i>Construct dedicated parking spaces for carsharing services;</i> • <i>Require commercial tenants at the project site to provide transit subsidies to employees;</i> • <i>Implement relevant measures from Mitigation Measure 3-11; and</i> 			

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<ul style="list-style-type: none"> • <i>Purchase of off-site mitigation credits.</i> <p style="text-align: center;"><i>In general, GHG reduction measures implemented for development within the ARC Site shall use the following prioritization:</i></p> <ul style="list-style-type: none"> • <i>First priority – building specific actions;</i> • <i>Second priority – onsite (within ARC Site) actions;</i> • <i>Third priority – community based (within Davis) actions;</i> • <i>Fourth priority – pay GHG reduction fees (carbon offsets) into a qualified existing local program, if one is in place; and</i> • <i>Fifth priority – other demonstrated method of reducing emissions.</i> <p style="text-align: center;"><i>Thus, as development progresses within the project area, each individual development would be required to show GHG emissions reductions in keeping with</i></p>			

¹⁸ Purchase of off-site mitigation credits shall be negotiated with the City and YSAQMD at the time that credits are sought by future construction within the project areas.

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>the project-wide reduction requirement. Emissions reductions shall be demonstrated prior to issuance of building permits for each development within the ARC Site.</i></p> <p><i>Mace Triangle</i></p> <p><i>3-38(b) Prior to issuance of building permits, each individual development at the Mace Triangle Site shall demonstrate consistency with the City's Climate Action and Adaptation Plan by demonstrating a fair-share reduction of total GHG emissions generated at buildout of the Mace Triangle Site. This SEIR preliminarily estimates that full buildout of the Mace Triangle Site, not including construction emissions, would generate 1,115.89 MTCO₂e/yr. Full operational and construction emissions shall be calculated for each individual development, at such time project level details are available, as required below:</i></p> <ul style="list-style-type: none"> <i>Individual future developments undergoing Design Review, may prepare a Carbon Neutrality Plan for review and approval by the City's Department of Community Development and Sustainability.</i> 	<p>Department of Community Development and Sustainability</p>	<p>Prior to issuance of building permits for each individual development on the Mace Triangle Site</p>	

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>The Carbon Neutrality Plan must demonstrate the individual development's compliance with the City's net carbon neutrality goal for the year 2040. Compliance with the City's net carbon neutrality goal shall be demonstrated through the use of CalEEMod, or another method or model accepted for this purpose by the City, to demonstrate that emissions from the individual development, to the extent feasible, would reach a level of carbon neutrality by the year 2040.</i></p> <p><i>Examples of measures that may be used by future development projects include, but are not limited to, the following:</i></p> <ul style="list-style-type: none"> • <i>Trip and/or VMT reductions due participation in a Transportation Demand Management program or similar program;</i> • <i>Electrifying loading docks to reduce emissions from engine idling of Transport Refrigeration Units;</i> 			

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<ul style="list-style-type: none"> • <i>Inclusion of on-site renewable energy beyond the level anticipated in this analysis;</i> • <i>Institution of a composting and recycling program in excess of local standards;</i> • <i>Implementation of an Urban Forestry Management Plan or tree planting programs;</i> • <i>Use of energy efficient street lighting fixtures;</i> • <i>Limit the installation of natural gas infrastructure and appliances;</i> • <i>Implement relevant measures from Mitigation Measure 3-11; and</i> • <i>Purchase of off-site mitigation credits.²⁵</i> <p style="text-align: center;"><i>In general, GHG reduction measures implemented for development within the ARC Site shall use the following prioritization:</i></p> <ul style="list-style-type: none"> • <i>First priority – building specific actions;</i> • <i>Second priority – onsite (within ARC Site) actions;</i> 			

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<ul style="list-style-type: none"> • <i>Third priority – community based (within Davis) actions;</i> • <i>Fourth priority – pay GHG reduction fees (carbon offsets) into a qualified existing local program, if one is in place; and</i> • <i>Fifth priority – other demonstrated method of reducing emissions.</i> <p><i>Thus, as development progresses within the Mace Triangle Site, each individual development would be required to show GHG emissions reductions in keeping with the project wide reduction requirement. Emissions reductions shall be demonstrated at the time of submittal for building permits for each development within the Mace Triangle Site.</i></p>			
3-40	Impacts related to energy associated with operations (reference Impact 4.7-4).	<p><i>ARC Project and Mace Triangle</i></p> <p>3-40 <i>Prior to issuance of building permits for non-residential buildings that include data centers, the applicant shall submit an Energy Management Plan to the City of Davis Department of Community Development and Sustainability demonstrating compliance with principles for energy management for data centers, which could include, but not be limited to the following:</i></p>	City of Davis Department of Community Development and Sustainability	Prior to issuance of building permits for non-residential buildings that include data centers	

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<ul style="list-style-type: none"> • <i>IT Systems;</i> • <i>Air Management;</i> • <i>Centralized Air Handling;</i> • <i>Cooling Plant Optimization;</i> • <i>On-Site Generation;</i> • <i>Uninterruptible Power Supply Systems.</i> <p><i>Other energy efficient technologies and best practices that are available at the time construction drawings are submitted could be included in the Energy Management Plan as well, such as any measures described by US Department of Energy Center of Expertise for Energy Efficiency in Data Centers.</i></p>			
Hazards and Hazardous Materials (reference Section 4.8 of the Certified Final EIR)					
3-43	Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment associated with potential on-site tanks, well, or soil	<p><i>ARC Project</i></p> <p><i>3-43(a) Prior to any ground disturbance activities within 50 feet of a well on the ARC Site, the applicant shall hire a licensed well contractor to obtain a well abandonment permit for any wells not anticipated to be used from the Yolo County Environmental Health Services Department, and properly abandon the on-site wells, pursuant to review and approval by the City Engineer</i></p>	<p>Yolo County Environmental Health Services Department</p> <p>City of Davis Engineer</p>	Prior to any ground disturbance activities within 50 feet of a well on the ARC Site	

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
	contamination (reference Impact 4.8-2).	<p>3-43(b) <i>and the Yolo County Environmental Health Services Department.</i></p> <p><i>If any debris is encountered within the former canal on APN 033-630-009 during construction activities, as shown on the construction plans for the ARC Site, the contractor shall contact the project applicant, who shall retain the services of a qualified environmental hazard firm, to evaluate the debris to determine whether it poses any environmental contamination risks. A written evaluation shall be submitted to the City of Davis Department of Community Development and Sustainability. If the debris is trash or other non-hazardous material, then the contractor shall dispose of the debris and no further mitigation shall be required. If the debris is associated with signs of soil staining or odors indicative of hazardous materials, the environmental hazard firm shall conduct additional evaluation, including but not necessarily limited to soil sampling. If soil samples detect concentrations of hazardous materials above applicable Regional Screening Levels (RSL), then the soils shall be remediated and disposed of at a landfill licensed to accept hazardous waste. If constituent concentrations are below</i></p>	City of Davis Department of Community Development and Sustainability	During construction activities within the former canal on APN 033- 630-009	

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>RSLs, then no further mitigation shall be necessary.</i></p> <p><i>Mace Triangle</i></p> <p><i>3-43(c) In conjunction with submittal of a final planned development and/or tentative map for any parcel in the Mace Triangle property, the applicant shall submit a Phase I Environmental Site Assessment for that parcel, which shall evaluate on-site conditions, including but not limited to the presence of any wells, evidence of soil staining, or odors indicative of hazardous substances.</i></p> <p><i>In addition, due to the past agricultural operations on the easternmost parcel, a soil sampling program shall be implemented to assess potential agrichemical impacts to surface soil within the easternmost parcel, as follows:</i></p> <p><i>A soil sampling and analysis workplan shall be submitted for approval to Yolo County Environmental Health Department. The sampling and analysis plan will meet the requirements of the Department of Toxic Substances Control Interim Guidance for Sampling Agricultural Properties (2008).</i></p>	<p>Yolo County Environmental Health Department</p>	<p>In conjunction with submittal of a final planned development and/or tentative map for any parcel in the Mace Triangle property</p>	

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>If the sampling results indicate the presence of agrichemicals that exceed commercial screening levels, a removal action workplan shall be prepared in coordination with Yolo County Environmental Health Department. The removal action workplan shall include a detailed engineering plan for conducting the removal action, a description of the onsite contamination, the goals to be achieved by the removal action, and any alternative removal options that were considered and rejected and the basis for that rejection. A no further action letter will be issued by County Health for the proposed commercial development upon completion of the removal action. The removal action shall be deemed complete when the confirmation samples exhibit concentrations below the commercial screening levels, which will be established by the agencies.</i></p> <p><i>If any stained soil or odor-impacted areas are encountered during the Phase I ESA, then soil sampling of these areas shall be included in the above soil sampling workplan, and depending upon the sampling results, included in the removal action workplan as well.</i></p>			

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
Hydrology and Water Quality (reference Section 4.9 of the Certified Final EIR)					
3-47	Substantially alter the existing drainage pattern of the site or area, or create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems, or substantially increase the rate or amount of surface runoff in a manner that would result in flooding on- or off-site (reference Impact 4.9-1).	<p><i>ARC Project</i></p> <p>3-47(a) <i>In conjunction with submittal of the first final planned development for the ARC Site, a design-level drainage report shall be submitted to the City of Davis Public Works Department for review and approval. The drainage report shall identify specific storm drainage design features to control the 100-year, 24-day increased runoff from the project site to ensure that the rate of runoff leaving the developed ARC Site does not exceed the original Mace Drainage Channel (MDC) design capacity of 260 cfs. This may be achieved through: on-site conveyance and detention facilities, off-site detention or retention facilities, channel modification, or equally effective measures to control the rate and volume of runoff.</i></p> <p><i>The design-level drainage report shall include off-site drainage facilities sufficient to detain and control the increased runoff volume when the flow from the MDC into the Yolo Bypass is blocked by high water levels in the Bypass. Preliminary estimates of increased runoff volumes are 78 acre-feet. The final amount</i></p>	City of Davis Public Works Department	In conjunction with submittal of the first final planned development for the ARC Site	

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>of runoff volume to be detained would be determined with the design-level drainage report. This could result in detaining runoff volume for an extended time period. During this time period, additional large storms could occur; thus, the proposed detention storage facilities shall also be able to manage (detain with a controlled release) the 100-year, 24-hour storm event.</i></p> <p><i>The design-level drainage report shall also include design for detaining and controlling the increased run-off volume from the Mace Triangle Site. Preliminary estimates of increased runoff volumes are as much as 7 acre-feet. The final amount of runoff volume to be detained would be determined with the design-level drainage report prepare for the ARC Site.</i></p> <p><i>Design-level recommendations provided in the drainage report shall be included in the improvements plans prior to their approval by the Davis Public Works Department.</i></p>			
		<p>3-47(b) <i>Prior to approval of the Phase I improvement plans for the ARC Site, the Public Works Department shall ensure that the plans include the development of</i></p>	City of Davis Public Works Department	Prior to approval of the Phase 1 improvement	

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>the Phase 2 MDC improvements. The Phase 2 improvements shall consist of removal of the two 24-inch corrugated metal pipes in order to provide a continuous channel between the Phase 1 and Phase 2 improvements.</i></p> <p><i>Mace Triangle</i></p> <p><i>3-47(c) In conjunction with submittal of each final planned development for the Mace Triangle Site, a design-level drainage report for the development shall be completed and submitted to the City of Davis Public Works Department for review and approval. The drainage report shall identify specific storm drainage design features to control the 100-year, 24-hour increased runoff from the project site. This may be achieved through: onsite conveyance and detention facilities, offsite detention or retention facilities, channel modification, or equally effective measures to control the rate and volume of runoff.</i></p> <p><i>The design-level drainage report shall include off-site drainage facilities sufficient to detain and control the increased run-off volume when the flow from the Mace Drainage Channel into the</i></p>	City of Davis Public Works Department	<p>plans for the ARC Site</p> <p>In conjunction with submittal of each final planned development for the Mace Triangle Site</p>	

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>Yolo Bypass is blocked by high water levels in the Bypass. Preliminary estimates of increased runoff volumes for the Mace Triangle Site are as much as 7 acre-feet. The final amount of runoff volume to be detained for each proposed development would be determined with the design-level drainage report. This could result in detaining run-off volume for an extended time period. During this time period, additional large storms could occur; thus, the proposed detention storage facilities shall also be able to manage (detain with a controlled release) the 100-year, 24-hour storm event.</i></p> <p><i>Design-level recommendations provided in the drainage report shall be included in the improvement plans prior to their approval by the Davis Public Works Department.</i></p>			
3-48	Violate any water quality standards or waste discharge requirements, provide substantial additional sources of polluted runoff, or otherwise substantially degrade water quality through erosion during	<p><i>ARC Project and Mace Triangle</i></p> <p>3-48 <i>Prior to initiation of any ground disturbing activities, the project applicant(s) for each discretionary development application shall prepare a Stormwater Pollution Prevention Plan (SWPPP), and implement Best Management Practices (BMPs) that comply with the General Construction</i></p>	<p>City of Davis</p> <p>Regional Water Quality Control Board</p>	Prior to initiation of any ground disturbing activities and included in each discretionary development application	

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
	construction (reference Impact 4.9-2).	<i>Stormwater Permit from the Central Valley RWQCB, to reduce water quality effects during construction. Such BMPs may include: temporary erosion control measures such as silt fences, staked straw bales/wattles, silt/sediment basins and traps, check dams, geofabric, sandbag dikes, and temporary revegetation. The SWPPP shall be kept on-site and implemented during construction activities and shall be made available upon request to representatives of the City of Davis and/or RWQCB.</i>			
Land Use and Urban Decay (reference Section 4.10 of the Certified Final EIR)					
3-54	Economic and social change and/or effect that result in urban decay (reference Impact 4.10-2).	<i>ARC Project 3-54(a) 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. The demonstration to the City may be premised upon the number of employees (and/or residents) on-site, the commercial (and/or residential) square footage developed, or other factors</i>	City of Davis Department of Community Development and Sustainability	In conjunction with submittal of any planned development for the ARC Project that includes ancillary retail uses	

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>relevant to the generation of on-site demand. 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.</i></p> <p>3-54(b) <i>Prior to approval of the final planned development for the proposed 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 objective of this requirement is to ensure that the hotel developed within the ARC Project will not re-allocate demand from existing Davis hotels, but will instead help the City to provide new hotel offerings that will satisfy unmet demand.</i></p>	City of Davis Department of Community Development and Sustainability	Prior to approval of the final planned development for the proposed hotel	
Transportation and Circulation (reference Section 4.14 of the Certified Final EIR)					
3-70	Conflict with a program, plan ordinance, or policy addressing the	ARC Project and Mace Triangle	Caltrans		

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
	circulation system under Existing Plus Project conditions (reference Impacts 4.14-1 and 4.14-2).	3-70(a) <i>In conjunction with submittal of a final planned development, or tentative map, whichever occurs first, for each phase of development, the Master Owners' Association (MOA) for the Project, or applicant (i.e., Mace Triangle project), shall submit a focused traffic impact study to determine if any of the below-listed intersection and roadway improvements are required based on the additional traffic generated by the development phase. The focused traffic study shall address the impact of adding the individual phase of development to existing plus other approved/pending development projects. Existing conditions should represent conditions present at the time of each study. The traffic study shall use the current version of the City travel demand forecasting model available at the time of the study, and the traffic operations analysis methods utilized in this SEIR. If operations are found to have declined to unacceptable levels based on the relevant criteria under Standards of Significance, the project applicant shall construct physical improvements or pay its fair share as described prior to the issuance of the first certificate of occupancy for the first building in that phase.</i>	Yolo County City of Davis Department of Community Development and Sustainability	In conjunction with submittal of a final planned development or tentative map, whichever occurs first, for each phase of development	

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p style="text-align: center;"><u>Intersection improvements</u></p> <p><i>If any of the identified improvements require Caltrans or Yolo County approval, the applicant shall make a good faith effort to work with Caltrans and/or Yolo County and the City for the purpose of identifying and implementing physical improvements to the network which have a nexus to the project's impact.</i></p> <p>11. <u>Southbound Mace Boulevard:</u> <i>Extend the second eastbound/southbound lane from Harper Junior High School to Alhambra Drive. Add a third southbound lane from 2nd Street to connect with the dedicated right-turn lane onto the I-80 WB on-ramps.</i></p> <p>12. <u>Northbound Mace Boulevard:</u> <i>Extend the third northbound lane from the I-80 WB off-ramps to connect with a new northbound "trap" right-turn lane at the Mace Boulevard/2nd Street/CR 32A intersection. Add a second northbound/westbound lane from 2nd to the Harper Junior High School signalized intersection.</i></p>			

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p>13. <u>Mace Boulevard/Chiles Road and Chiles Road/I-80 EB Off-Ramp Intersections</u>: This pair of tightly spaced intersections (situated 450 feet apart) requires signal coordination/timing adjustments and a lane reassignment on the eastbound Chiles Road approach to Mace Boulevard due to the heavy project-related off-ramp volume during the AM. peak hour. Modifying the eastbound through lane to a shared left/through lane would require the east and west approaches to operate with split phasing. Signal coordination (particularly critical during the AM peak hour) would synchronize the green interval for the I-80 off-ramp movement with the eastbound approach on Chiles Road at Mace Boulevard to facilitate the flow of motorists off of I-80. The signal would be modified to operate the southbound left-turn and westbound right-turn during a shared overlap phase. This modification would also require the prohibition of southbound U-turns.</p>			

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p>14. <u>I-80 Eastbound Loop On-Ramp:</u> <i>This on-ramp consists of a single entry lane from southbound Mace Boulevard, which widens to a metered general purpose lane and an unmetered HOV bypass lane. During the PM peak hour, the addition of project trips would cause queue spillback from the ramp meter onto the overpass, thereby causing queue spillback to extend further upstream. The recommended modification from an unmetered HOV bypass lane to a metered general purpose lane was found to provide more ramp metering storage, and reduced effects on the surface street. Similar modifications have been considered by Caltrans elsewhere in the Sacramento region.</i></p> <p>15. <u>Mace Boulevard/2nd Street/CR 32A Intersection:</u> <i>Modify the northbound approach to add a “trap” right-turn lane. Modify the westbound approach to two left-turn lanes and a shared through-right lane. Modify westbound CR 32A between this intersection and the adjacent CR 32A/Mace Park-</i></p>			

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>and-Ride/West ARC Driveway intersection to two through lanes.</i></p> <p>16. <u>Mace Boulevard/Alhambra Drive/South ARC Driveway Intersection:</u> <i>Modify the westbound approach to two left-turn lanes and a shared through-right lane. Provide a southbound left-turn lane, two through lanes, and a right-turn lane.</i></p> <p>17. <u>Mace Boulevard/CR 30B/North ARC Driveway Intersection:</u> <i>Install a traffic signal. Provide a southbound left-turn lane and two through lanes. Provide a northbound through lane and shared through-right lane.</i></p> <p>18. <u>CR 32A/Mace Park-and-Ride/West ARC Driveway Intersection:</u> <i>Install a traffic signal. Provide a southbound left-turn lane and a shared through-right lane. Provide an eastbound left-turn lane.</i></p> <p>19. <u>UPRR at-grade rail crossing improvements:</u> <i>The UPRR track/CR 32A crossing could be converted from an at-grade crossing to a grade-separated crossing. A near-term improvement prior to provision of</i></p>			

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p style="text-align: center;"><i>the grade separation could consist of relocating the CR32A/CR 105 intersection about 200 feet to the north and installing double gates on the south approach to the grade crossing in order to improve safety and traffic functionality at the grade crossing.</i></p> <p>20. <u>I-80/CR 32A interchange improvements:</u> Construct capacity improvements at the CR 32 interchange and along CR 32A to allow this interchange to serve more project traffic.</p>			
		<p>3-70(b) <i>At the time of the issuance of the first certificate of occupancy and as a component of the ARC TDM program (refer to Mitigation Measure 3-72(a)), the Master Owners' Association (MOA) for the Project shall establish the baseline peak hour I-80 mainline vehicle trips by which to determine the project's change to peak hour I-80 vehicle trips. Baseline AM and PM peak hour vehicle trips on I-80</i></p>	<p>The Master Owner's Association (MOA)</p>	<p>At the time of the issuance of the first certificate of occupancy and as a component of the ARC TDM program (refer to Mitigation Measure 3-72(a)).</p>	

		<p><i>shall be calculated on the following segments:</i></p> <ol style="list-style-type: none"> <i>5. Between Pedrick Road and Kidwell Road</i> <i>6. Between Richards Boulevard and Mace Boulevard</i> <i>7. Between Mace Boulevard and Chiles Road</i> <i>8. East of Chiles Road (i.e., the Yolo Causeway)</i> <p><i>During the annual TDM reporting, the MOA shall determine the number of AM and PM peak hour project vehicle trips that utilize I-80 on the segments listed above. In instances where these figures exceed baseline levels by five percent or more, the MOA shall institute TDM strategies to reduce project-related peak hour vehicle trips on I-80. The implementation of TDM strategies shall reduce peak hour project vehicle trips on I-80 to an amount less than five percent of baseline levels, to the extent feasible.</i></p> <p><i>TDM strategies that would reduce peak hour vehicle trips on I-80 include strategies to reduce commute and business vehicle trips to and from ARC using I-80. If these TDM strategies are not sufficient to reduce peak hour trips to baseline levels, additional TDM measures or adjustments to existing measures shall be implemented, as needed to reduce peak</i></p>	<p>City of Davis Department of</p>		
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A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>hour trips to an amount less than five percent of baseline levels.</i></p> <p>3-70(c) <i>The applicant shall contribute a proportional share to the local contribution portion of freeway improvement projects to construct carpool lanes on I-80 between Richards Boulevard and West Sacramento. Responsibility for implementation of this mitigation measure shall be assigned to the ARC and Mace Triangle on a fair share basis</i></p>	Community Development and Sustainability	Prior to issuance of certificates of occupancy	
3-71	Impacts to Local Neighborhood Street Traffic (reference Impact 4.14-5).	<p><i>ARC Project</i></p> <p>3-71 <i>Prior to final map approval, the project applicant shall fund the development of a neighborhood traffic calming plan, the City shall consider adoption of the plan, and the applicant shall fund implementation of the plan. The traffic calming plan will address the potential for the ARC Project to increase peak hour traffic volumes on local streets, including Monarch Lane, Temple Drive, Tulip Lane, Baywood Lane, Whittier Drive, Manzanita Lane, Alegre Way, and Arroyo Avenue. The traffic calming plan will also address the potential for the ARC Project to increase vehicle speeds on collector and minor arterial streets, including Alhambra Drive, Loyola Drive, 2nd Street, 5th Street,</i></p>	The City of Davis	Prior to final map approval	

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<i>East 8th Street, Chiles Road, and Cowell Boulevard. The purpose of the plan will be to minimize, to the extent feasible, the potential for the ARC Project to increase peak hour traffic volumes on local streets and 85th percentile speeds on collector and minor arterial streets, through the use of measures proven in other neighborhoods and jurisdictions to achieve these goals, such as narrow points, neighborhood traffic circles, speed humps, stop signs (where warranted), narrow lane striping, and others. Implementation of a comprehensive traffic calming plan will incentivize traffic to use major routes such as I-80, East Covell Boulevard, Mace Boulevard, and 2nd Street, and avoiding using residential streets as cut-through routes.</i>			
3-72	Increase in Vehicle Miles Traveled (reference Impact 4.14-6).	ARC Project 3-72(a) <i>Prior to issuance of the first building permit in the first phase of development, the applicant shall develop a TDM program for the entire ARC Project, including any anticipated phasing, and shall submit the TDM program to the City Department of Public Works for review and approval. The TDM program must be designed to achieve the following.</i>	City of Davis Department of Public Works and Community Development and Sustainability	Prior to issuance of the first building permit in the first phase of development	

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p>1. <i>Reduce trips to achieve one and five-tenths (1.5) Average Vehicle Ridership (AVR) in accordance with Davis Municipal Code Section 22.15.060; and</i></p> <p>2. <i>Reduce project-generated VMT such that the project achieves all three VMT significance criteria.</i></p> <p><i>The Master Owner’s Association (MOA) shall be responsible for implementing the TDM Program.</i></p> <p>(a) <i>The MOA shall be responsible for funding and overseeing the delivery of trip reduction/TDM proposed programs and strategies to achieve the project-generated VMT and AVR objectives, which may include, but are not limited to, the following:</i></p> <p>(1) <i>Establishment of carpool, buspool, or vanpool programs;</i></p> <p>(2) <i>Vanpool purchase incentives;</i></p> <p>(3) <i>Cash allowances, passes or other public transit subsidies and purchase incentives;</i></p>			

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p>(4) <i>Low emission vehicle purchase incentives/subsidies;</i></p> <p>(5) <i>Parking management strategies including limiting parking supply, as may be determined appropriate through subsequent traffic studies for each phase; charging parking fees; unbundling parking costs; and providing parking cash-out programs;</i></p> <p>(6) <i>Full or partial parking subsidies for ridesharing vehicles;</i></p> <p>(7) <i>Preferential parking locations for ridesharing vehicles;</i></p> <p>(8) <i>Computerized commuter rideshare matching service;</i></p> <p>(9) <i>Guaranteed ride-home program for ridesharing;</i></p> <p>(10) <i>Alternative workweek and flex-time schedules;</i></p> <p>(11) <i>Telecommuting or work-at-home programs;</i></p> <p>(12) <i>On-site lunch rooms/cafeterias;</i></p>			

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		(13) <i>On-site commercial services such as banks, restaurants, groceries, and small retail;</i>			
		(14) <i>On-site day care facilities;</i>			
		(15) <i>Bicycle programs including bike purchase incentives, storage, maintenance programs, and on-site education program;</i>			
		(16) <i>Car share and bike share services;</i>			
		(17) <i>Enhancements to Unitrans, Yolobus, or other regional bus service;</i>			
		(18) <i>Enhancements to Capitol Corridor or other regional rail service;</i>			
		(19) <i>Enhancements to the citywide bicycle network;</i>			
		(20) <i>Dedicated employee housing located either on-site or elsewhere in the City of Davis;</i>			
		(21) <i>Designation of an on-site transportation coordinator for the project;</i>			

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p>(22) <i>Implement a fair value commuting program where fees charged to single-occupancy vehicle (SOV) commuters (e.g., through parking pricing) are tied to project vehicle trip reduction targets and fee revenue is rebated to non-SOV commuters, or other pricing of vehicle travel and parking;</i></p> <p>(23) <i>Support management strategies (e.g., pricing, vehicle occupancy requirements) on roadways or roadway lanes, particularly I-80 over the causeway;</i></p> <p>(24) <i>Contribute to a VMT mitigation bank or exchange to support VMT reductions elsewhere in the City or region; and</i></p> <p>(25) <i>Change the project to increase project trip internalization (e.g., decrease employment uses and/or increase residential uses).</i></p>			

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p>(b) <i>Single-phase development projects shall achieve project-generated VMT and AVR targets within five (5) years of issuance of any certificate of occupancy. Multi-phased projects shall achieve the project-generated VMT and AVR targets for each phase within three (3) years of the issuance of any certificate of occupancy.</i></p> <p>(c) <i>In conjunction with final map approval, recorded codes, covenants and restrictions (CC&Rs) shall include provisions to guarantee adherence to the TDM objectives and perpetual operation of the TDM program regardless of property ownership, inform all subsequent property owners of the requirements imposed herein, and identify potential consequences of nonperformance.</i></p> <p><i>Each space use agreement (i.e., lease document) shall also include TDM provisions for the site as a means to inform and commit tenants to, and participate in,</i></p>	<p>City of Davis Department of Public Works and Community Development and Sustainability</p>	<p>In conjunction with final map approval</p>	

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p style="text-align: center;"><i>helping specific applicable developments meet TDM performance requirements.</i></p> <p>(d) <i>Ongoing reporting:</i></p> <p>(1) <u>Annual TDM Report.</u> <i>The MOA for the Project shall submit an annual status report on the TDM program to the City Department of Public Works beginning a year after the issuance of any certificate of occupancy and continuing until full project buildout. Data shall be collected in October of each year and the Annual Report submitted by December 31st of each year. The report shall be prepared in the form and format designated by the City, which must either approve or disapprove the program.</i></p> <p>i. <i>The TDM performance reports shall focus on the trip</i></p>	<p>City of Davis Department of Public Works</p> <p>City of Davis City Council</p>	<p>Beginning a year after the issuance of any certificate of occupancy and continuing until full project buildout</p>	

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>reduction incentives offered by the project, their effectiveness, the estimated greenhouse gas (GHG) emissions generated by the project, and the methods by which a continued trajectory towards carbon neutrality in 2040 can be achieved consistent with Mitigation Measure 3-38(a). The report shall:</i></p> <ul style="list-style-type: none"> <i>• Report the project-generated VMT levels attained;</i> <i>• Report the AVR levels attained;</i> <i>• Verify the TDM plan incentives that have been offered;</i> <i>• Describe the use of those incentives offered by employers;</i> 			

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<ul style="list-style-type: none"> • Evaluate why the plan did or did not work to achieve the AVR targets and explain why the revised plan is more likely to achieve the AVR target levels; • List additional incentives which can be reasonably expected to correct deficiencies; • Evaluate the feasibility and effectiveness of trip reduction/TDM program and strategies, as implemented; • Estimate the GHG emissions generated by project transportation operations; and 			

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<ul style="list-style-type: none"> • Identify off-setting GHG credits to be secured by the project to achieve carbon neutrality. ii. The MOA shall develop and implement an annual monitoring program to determine if project-generated VMT and AVR targets are being met. The monitoring program could include employee travel surveys, traffic counts at project site ingress/egress points, and other relevant information. iii. If the project-generated VMT and/or AVR targets are not met for any two consecutive years, the applicant or current owner(s) of the site will 			

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>contribute funding to be determined in a separate study toward the provision of additional or more intensive travel demand management programs, such as enhanced regional transit service to the site, employee shuttles, and other potential measures.</i></p> <p><i>iv. In the event that other TDM objectives are not met as documented in the Annual Monitoring Report submitted by December 31st of each year, the MOA shall:</i></p> <ul style="list-style-type: none"> <i>• Submit to the City within thirty (30) days of submittal of the annual report, a list of TDM measures that will be implemented to meet the TDM</i> 			

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>objectives within one hundred eighty (180) days of submittal of annual report. At the end of the one-hundred-eighty-day period, the MOA shall submit a revised performance report to determine compliance with TDM objectives. No further measures will be necessary if the TDM objectives are met.</i></p> <p><i>Should the TDM objectives not be satisfied by the end of the one-hundred-eighty-day period, the MOA shall pay a TDM penalty fee to the City in an amount determined by resolution of the City Council. Said penalty fee may be used to provide new transit service and/or subsidize existing transit service, construct bicycle facilities, and/or improve street capacity through</i></p>			

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>construction of physical improvements to be selected by the City of Davis from the list of area-wide improvements identified in the City's CIP.</i></p> <p><i>Mace Triangle</i></p> <p><i>3-72(b) Prior to issuance of a building permit for development within the Mace Triangle Site, each applicant shall develop a TDM program coordinated with, and compliant with, the requirements of the ARC TDM program and any pre-existing TDM programs on the Mace Triangle Site. The program shall be submitted to the City Department of Public Works for review and approval. This includes achievement of the same trip reduction requirements, GHG-reducing transportation strategies, and monitoring and reporting requirements as the ARC, as set forth in Mitigation Measure 3-72(a). This may be satisfied by joining the ARC TDM program as a participating member.</i></p>	<p>City of Davis Public Works Department and Community Development and Sustainability</p>	<p>Prior to the issuance of a building permit for development within the Mace Triangle Site</p>	
3-74	Impacts associated with Construction Vehicle Traffic (reference Impact 4.14-8).	<p><i>ARC Project and Mace Triangle</i></p> <p><i>3-74 Prior to any construction activities for the ARC and Mace Triangle Sites, the project applicant shall prepare a detailed Construction Traffic Control Plan and submit it for review and approval by the</i></p>	<p>City of Davis Department of Public Works</p> <p>Yolo County</p>	<p>Prior to any construction activities for the ARC and Mace Triangle Sites</p>	

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>City Department of Public Works. The applicant and the City shall consult with Yolo County, Caltrans, Unitrans, Yolobus, and local emergency service providers for their input prior to approving the Plan. The Plan shall ensure that acceptable operating conditions on local roadways and freeway facilities are maintained during construction. At a minimum, the Plan shall include:</i></p> <ul style="list-style-type: none"> • <i>The number of truck trips, time, and day of street closures;</i> • <i>Time of day of arrival and departure of trucks;</i> • <i>Limitations on the size and type of trucks, provision of a staging area with a limitation on the number of trucks that can be waiting;</i> • <i>Provision of a truck circulation pattern that minimizes impacts to existing vehicle traffic during peak traffic flows and maintains safe bicycle circulation;</i> • <i>Provision of a truck arrival and departure plan that maintains acceptable peak hour roadway operations, in accordance with the relevant significance thresholds established in this Final SEIR. This could include extending hauling</i> 	<p>Caltrans Unitrans Yolobus Local emergency service providers</p>		

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>activities across a 45-day period in order to lessen the daily or hourly effects associated with haul truck traffic;</i></p> <ul style="list-style-type: none"> • <i>Minimize use of CR 32A by construction truck traffic;</i> • <i>Prior to certificate of occupancy or acceptance of any public improvement by the city, the developer shall resurface and/or repair any damage to roadways that occurs as a result of construction traffic;</i> • <i>Provision of driveway access plan so that safe vehicular, pedestrian, and bicycle movements are maintained (e.g., steel plates, minimum distances of open trenches, and private vehicle pick up and drop off areas);</i> • <i>Maintain safe and efficient access routes for emergency vehicles;</i> • <i>Manual traffic control when necessary;</i> • <i>Proper advance warning and posted signage concerning street closures; and</i> • <i>Provisions for bicycle, pedestrian, and transit access and safety.</i> <p><i>A copy of the Construction Traffic Control Plan shall be submitted to local emergency response agencies and these agencies shall</i></p>			

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<i>be notified at least 14 days before the commencement of construction that would partially or fully obstruct roadways.</i>			
3-75	Impacts to Pedestrian and Bicycle Facilities (reference Impact 4.14-9).	<p><i>ARC Project and Mace Triangle</i></p> <p><i>3-75(a) Prior to issuance of the first certificate of occupancy of the ARC Project, the applicant shall construct the following proposed off-site bicycle and pedestrian facilities to the satisfaction of the Public Works Department, as described in the ARC Project description and shown on the ARC Site plan:</i></p> <ol style="list-style-type: none"> <i>1) Grade-separated bicycle and pedestrian crossing of Mace Boulevard north of Alhambra Drive</i> <i>2) Class I shared-use path on the west side of Mace Boulevard between proposed grade-separated crossing and Harper Junior High School</i> <i>3) Pedestrian and landscaping improvements on the access road between the Mace Park-and-Ride and CR 32A</i> <p><i>Responsibility for implementation of this mitigation measure shall be assigned to</i></p>	City of Davis Public Works Department	Prior to issuance of the first certificate of occupancy of the ARC Project	

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>the ARC Project and Mace Triangle on a fair share basis.</i></p> <p>3-75(b) <i>Prior to issuance of the first certificate of occupancy of the ARC Project, the applicant shall contribute fair share funding to cover their proportionate cost of the following improvements:</i></p> <ol style="list-style-type: none"> 1) <i>Widen CR 32A between CR 105 and the Causeway Bicycle Path Access to meet Yolo County standards for a two-lane arterial (14-foot travel lanes and 6-foot shoulder/on-street bike lanes).</i> 2) <i>Westbound bicycle crossing improvements at the existing at-grade railroad crossing at CR 32A and CR 105. Potential improvements include a marked bicycle crossing for westbound bicyclists with advanced warning devices for vehicle traffic. These improvements would facilitate westbound bicyclists continuing west onto the shared-use path located between the UPRR mainline and I-80 (e.g., to the west of CR 105). As noted earlier, Yolo County, together with Union</i> 	City of Davis	Prior to issuance of the first certificate of occupancy of the ARC Project	

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>Pacific and the City of Davis, are currently evaluating potential modifications to this at-grade crossing to reduce the potential for conflicts with rail operations. Therefore, the ultimate improvements constructed at this crossing should be consistent with the preferred modifications identified in this County-led study.</i></p> <p>3) <i>Eastbound bicycle crossing improvements for bicyclists turning left from CR 32A onto the causeway shared-use path. Potential improvements include the installation of a marked crossing on the east leg of the CR 32A/I-80 WB off-ramp intersection and construction of a two-way path on the north side of CR 32A between the CR 32A/I-80 WB off-ramp intersection and the entrance to the causeway path.</i></p> <p><i>Implementation of these improvements, or a set of improvements of equal effectiveness, would improve bicycle facilities on CR 32A by reducing the potential for bicycle-vehicle conflicts.</i></p>			

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		3-75(c) <i>The project applicant shall identify and construct complete streets improvements on the Mace Boulevard corridor, including the following actions:</i> 1) <i>Prior to approval of the first tentative subdivision map for the ARC Project, the applicant shall fund and complete (in conjunction with City staff) a corridor plan for the Mace Boulevard corridor between Harper Junior High School and Cowell Boulevard.¹⁹ At a minimum, the corridor plan shall identify complete streets improvements that achieve the following goals:</i> <i>a. Provide safe and comfortable access for pedestrian and bicyclists</i> <i>b. Minimize the potential for bicycle-vehicle and</i>	City of Davis Public Works Department City of Davis City Council City of Davis Planning Commission City of Davis Bicycling, Transportation, and Street Safety Commission	Prior to approval of the first tentative subdivision map for the ARC Project	

¹⁹ Policy TRANS 2.8 of the *City of Davis General Plan* calls for the preparation of corridor plans for selected corridors throughout the City. The segment of Mace Boulevard referenced in this mitigation measure includes all of corridor #15 (Mace Boulevard – Harper Junior High School to Interstate 80) and portions of corridors #2 (Chiles Road – Drummond Avenue to East City Limit) and #16 (Mace Boulevard – Interstate 80 to South City Limit) as shown in Map 5 of the *General Plan* Circulation Element. Corridors #2 and #15 do not currently have corridor plans. Corridor #16 south of Cowell Boulevard was recently modified based on prior corridor planning efforts. The segment of Corridor #16 between Cowell Boulevard and Interstate 80 was excluded from those efforts and does not currently have a corridor plan.

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p style="text-align: center;"><i>pedestrian-vehicle conflicts</i></p> <p style="text-align: center;"><i>c. Provide fast and efficient transit operations</i></p> <p style="text-align: center;"><i>d. Minimize cut-through traffic on residential roadways</i></p> <p style="text-align: center;"><i>e. Avoid operating conditions that degrade roadway safety (e.g., off-ramp queue spillback to freeway mainline)</i></p> <p style="text-align: center;"><i>The corridor plan shall be prepared to the satisfaction of the City of Davis Public Works Department and be approved by the City of Davis City Council. The corridor plan should include a thorough public engagement process to understand the transportation priorities of the surrounding community. This should include an initial hearing before the Planning Commission and the Bicycling, Transportation, and Street Safety Commission (BTSSC) to solicit initial input and a second hearing for review of the draft plan.</i></p>			

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p>2) <i>In conjunction with submittal of a final planned development or tentative map, whichever occurs first, for each ARC Project phase, the MOA for the ARC Project shall submit a focused transportation impact study for the phase under review. This could be the same study as required under Mitigation Measure 3-70(a), but must also include the information set forth in this measure. The study shall document current conditions at the time and identify the anticipated transportation system effects associated with the development proposed for the phase under review and the necessary transportation system improvements to ameliorate these effects in accordance with the methods and significance thresholds used in this transportation impact analysis. Improvements should be consistent with the complete streets goals and improvements identified in the Mace Boulevard Corridor</i></p>			

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>Plan to be funded and completed by the applicant as described above. The study shall also address the degree to which improvements would address any significant impacts caused by the ARC Project at buildout as identified in the Transportation Impact Analysis prepared for the ARC Project by Fehr & Peers (2020). Potential improvements include, but are not limited to, the following:</i></p> <ul style="list-style-type: none"> <i>a. Improvements to on- and off-street bicycle facilities on Mace Boulevard and connecting roadways, including Covell Boulevard, Alhambra Drive, 2nd Street, CR 32A, and Chiles Road.</i> <i>b. Improvements to bicycle and pedestrian crossings at the following intersections:</i> 			

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<ul style="list-style-type: none"> i. Mace Boulevard/Alhambra Drive; ii. Mace Boulevard/2nd Street/CR 32A; iii. Mace Boulevard/I-80 WB Ramps; iv. Mace Boulevard/I-80 EB Ramps; and v. Mace Boulevard/Chiles Road. <p style="text-align: center;"><i>Crossing improvements shall reduce the potential for bicycle-vehicle and pedestrian-vehicle conflicts and provide for safe and comfortable access for pedestrians and bicyclists. Potential crossing improvements include, but are not limited to bike lane conflict markings, intersection</i></p>			

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>crossing markings, reductions to crossing distances, and physically separating bicyclists from vehicles (e.g., conversion to a protected intersection). Additionally, crossing improvements shall include the modification of existing channelized right-turn lanes to either a) remove and replace the lanes with standard right-turn lanes, or b) retrofit the lanes to reduce vehicles speeds and increase yield compliance rates.</i></p> <p><i>Improvements identified in the focused transportation impact study should achieve the following performance measures:</i></p> <p style="margin-left: 40px;"><i>a. Reduce the number and/or severity of bicycle-vehicle and pedestrian-vehicle conflict points at intersections, at intersection approaches, and on roadway segments.</i></p>			

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>b. Eliminate otherwise anticipated increases in transit travel times and/or adverse changes to transit on-time performance that would be caused by the ARC Project in accordance with standards established by Unitrans, Yolobus, and other potential future transit operators.</i></p> <p><i>c. Eliminate otherwise anticipated adverse effects to emergency vehicle response times that would be caused by the ARC Project in accordance with standards established by the City of Davis Fire and Police Departments.</i></p> <p><i>d. Eliminate otherwise anticipated increases in cut-through traffic on residential roadways that would</i></p>			

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p style="text-align: center;"><i>be caused by the ARC Project.</i></p> <p style="text-align: center;"><i>e. Eliminate otherwise anticipated vehicle queuing that would be caused by the ARC Project that would adversely affect roadway safety, including off-ramp queue spillbacks to the freeway mainline, queue spillbacks that block bicycle and/or pedestrian facilities, and queue spillbacks that exceed available turn pocket storage and block adjacent through travel lanes.</i></p> <p style="text-align: center;"><i>The focused transportation impact study should also identify the funding and implementing responsibilities for each improvement, including whether the improvement should be constructed by the applicant or if the applicant should contribute fair share funding</i></p>			

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<i>to cover their proportionate cost for the improvements. The applicant shall construct the improvement and/or contribute fair share funding prior to the issuance of the first certificate of occupancy for each project phase under review.</i>			
3-76	Impacts to Transit Services (reference Impact 4.14-10).	<p><i>ARC Project and Mace Triangle</i></p> <p>3-76(a) <i>Prior to the approval of improvement plans of the first ARC Project phase, the project applicant shall fund and construct new bus stops with turnouts on both sides of Mace Boulevard at the new primary project access point at Alhambra Drive. The project applicant shall prepare design plans, to be reviewed and approved by the City Public Works Department, and construct bus stops with shelters, paved pedestrian waiting areas, lighting, real time transit information signage, and pedestrian connections between the new</i></p>	City of Davis Public Works Department	Prior to the approval of improvement plans of the first ARC Project phase	

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>bus stops and all buildings on the ARC Site. Responsibility for implementation of this mitigation measure shall be assigned to the ARC Project and Mace Triangle on a fair share basis. Upon completion of the ARC Project transit plaza, in consultation with Unitrans and Yolobus, the bus stops shall be moved to the ARC transit plaza at the expense of the ARC Project applicant.</i></p> <p>3-76(b) Implement Mitigation Measure 3-75(c).</p>	See Mitigation Measure 3-75(c).	See Mitigation Measure 3-75(c).	
Utilities (reference Section 4.15 of the Certified Final EIR)					
3-80	Would the project result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments (reference Impact 4.15-3).	<p><i>ARC Project</i></p> <p>3-80(a) <i>Prior to approval of improvement plans for Phase 2 of development, and all subsequent phases, the applicant shall provide funding for the City to perform a WWTP analysis to identify the then-current City of Davis WWTP BOD loading capacity. If the WWTP analysis determines that adequate BOD loading capacity exists at the WWTP to serve the ARC Project phase under review, further action is not required for the phase under review. If the analysis finds that the WWTP BOD loading capacity is not sufficient to serve the particular</i></p>	City of Davis City Engineer	Prior to approval of improvement plans for Phase 2 of development and all subsequent phases of the ARC Site	

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<p><i>development phase under review, that phase of development shall not be approved until a plan for financing and constructing additional BOD loading capacity improvements has been prepared and approved, the additional BOD loading capacity improvements have been constructed, and the City Engineer has verified that sufficient capacity exists to serve said phase.</i></p>			
		<p>3-80(b) <i>The applicant shall provide for annual wet-weather monitoring of the existing off-site 42-inch or 21-inch sanitary sewer line, depending upon which off-site sewer alignment is chosen for the project, over the course of project buildout to confirm that there is capacity within the line to serve the ARC Project, in combination with existing and future projected General Plan buildout. If the wet weather monitoring fails to confirm capacity within the chosen existing sanitary sewer line, the applicant shall either upsize the existing sewer line, subject to reimbursement, or install a parallel line, subject to review and approval by the City Engineer.</i></p>	City Engineer	Over the course of project buildout	
		<p>3-80(c) <i>If the applicant pursues a connection to the existing 8-inch sewer line in Mace Boulevard to serve Phase 1 of the ARC</i></p>		Prior to approval of Improvement	

A) CHAPTER 4 – MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<i>Project, then prior to approval of Improvement Plans for Phase 1, the applicant shall prepare and submit to the Davis Public Works Department, a sewer study, which shall determine the available capacity in the 8-inch sewer pipe in Mace Boulevard. If the 8-inch line has adequate capacity for Phase 1 of the ARC Project, then no further mitigation is needed. If the sewer study determines that the 8-inch line does not have adequate capacity to serve Phase 1, then the applicant shall upsize the sewer pipe within Mace Boulevard, or pursue construction of the northerly or easterly off-site sewer pipe connection alternative. The design of the sewer pipe improvements shall be reviewed and approved by the City Engineer prior to approval of Phase 1 Improvement Plans.</i>	City of Davis Public Works Department City Engineer	Plans for Phase 1, if the applicant pursues a connection to the existing 8-inch sewer line in Mace Boulevard	
Cumulative Impacts (reference Chapter 5)					
3-86	Cumulative impacts related to the creation of new sources of light or glare associated with development of the proposed project in combination with future buildout in the City of Davis (reference Impact 5-2).	<i>ARC Project and Mace Triangle</i> 3-86 <i>Implement Mitigation Measure 3-3.</i>	See Mitigation Measure 3-3.	See Mitigation Measure 3-3.	

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
3-87	Impacts related to cumulative loss of agricultural land (reference Impact 5-3).	<i>ARC Project and Mace Triangle</i> 3-87 <i>Implement Mitigation Measures 3-5(a) and (b), and 3-7(b).</i>	See Mitigation Measures 3-5(a), (b), and 3-7(b).	See Mitigation Measures 3-5(a), (b), and 3-7(b).	
3-88	A cumulatively considerable net increase of any criteria pollutant (reference Impact 5-4).	<i>ARC Project and Mace Triangle</i> 3-88 <i>Implement Mitigation Measure 3-11.</i>	See Mitigation Measure 3-11.	See Mitigation Measure 3-11.	
3-89	Cumulative loss of habitat in the City of Davis area for special-status species (reference Impact 5-5).	<i>ARC Project and Mace Triangle</i> 3-89 <i>Implement Mitigation Measures 3-16, 3-17, 3-18, 3-19, 3-20(a-c), and 3-21.</i>	See Mitigation Measures 3-16, 3-17, 3-18, 3-19, 3-20 (a-c), and 3-21.	See Mitigation Measures 3-16, 3-17, 3-18, 3-19, 3-20 (a-c), and 3-21.	
3-91	Cumulative loss of cultural resources (reference Impact 5-7).	<i>ARC Project</i> 3-91(a) <i>Implement Mitigation Measures 3-28(a) and (b).</i> <i>ARC Project and Mace Triangle</i> 3-91(b) <i>Implement Mitigation Measure 3-28(c).</i>	See Mitigation Measures 3-28-(a) and (b). See Mitigation Measure 3-28(c).	See Mitigation Measures 3-28-(a) and (b). See Mitigation Measure 3-28(c).	

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
3-93	Cumulative impacts related to greenhouse gas (GHG) emissions and global climate change (reference Impact 5-9).	<p><i>ARC Project</i></p> <p>3-93(a) <i>Implement Mitigation Measure 3-11, 3-38(a), and 3-72(a) and (b).</i></p> <p><i>Mace Triangle</i></p> <p>3-93(b) <i>Implement Mitigation Measure 3-38(b).</i></p>	<p>See Mitigation Measure 3-11, 3-38(a), and 3-72(a) and (b).</p> <p>See Mitigation Measure 3-38(b).</p>	<p>See Mitigation Measure 3-11, 3-38(a), and 3-72(a) and (b).</p> <p>See Mitigation Measure 3-38(b).</p>	
3-96	Cumulative impacts associated with increases in volume runoff and effects to on- and off-site flooding within the City of Davis planning area (reference Impact 5-12).	<p><i>ARC Project and Mace Triangle</i></p> <p>3-96 <i>Implement Mitigation Measures 3-47(a) through 3-47(c).</i></p>	<p>See Mitigation Measure 3-47(a-c).</p>	<p>See Mitigation Measure 3-47(a-c).</p>	
3-99	Cumulative urban decay (reference Impact 5-15).	<p><i>ARC Project</i></p> <p>3-99 <i>Implement Mitigation Measures 3-54(a) and 3-54(b).</i></p>	<p>See Mitigation Measures 3-54(a) and (b).</p>	<p>See Mitigation Measures 3-54(a) and (b).</p>	
3-102	Cumulative impacts to fire protection services from the proposed project in combination with future developments in the	<p><i>ARC Project and Mace Triangle</i></p> <p>3-102 <i>Prior to issuance of building permits for each phase of development, the project applicant shall contribute the project's fair share funding towards one of the following mitigation options, as</i></p>	<p>City of Davis Department of Community Development</p>	<p>Prior to issuance of building permits for each phase of development</p>	

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
	City of Davis (reference Impact 5-19).	<p><i>determined by the City of Davis Department of Community Development and Sustainability and Davis Fire Department:</i></p> <ol style="list-style-type: none"> <i>1. Construct a fourth fire station within the City of Davis.</i> <i>2. Modify existing Davis fire facilities, which may include renovation of existing fire stations.</i> <p><i>Once the mitigation option is selected, the identified improvement project(s) shall be included in the City's Capital Improvement Program and the City's Fire Impact Fee updated accordingly. In addition, each improvement project shall be subject to its own environmental review process, unless the improvement can be determined by the City to be exempt from CEQA.</i></p>	<p>and Sustainability</p> <p>City of Davis Fire Department</p>		
3-104	Conflict with a program, plan, ordinance or policy addressing the circulation system under Cumulative Plus Project conditions (reference Impacts 5-21 and 5-22).	<p><i>ARC Project and Mace Triangle</i></p> <p><i>3-104(a) Implement Mitigation Measure 3-70(a).</i></p> <p><i>3-104(b) Implement Mitigation Measure 3-70(b).</i></p>	<p>See Mitigation Measure 3-70(a).</p> <p>See Mitigation Measure 3-70(b).</p>	<p>See Mitigation Measure 3-70(a).</p> <p>See Mitigation Measure 3-70(b).</p>	

MITIGATION MONITORING AND REPORTING PROGRAM AGGIE RESEARCH CAMPUS PROJECT					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Sign-off
		<i>3-104(c) Implement Mitigation Measure 3-70(c).</i>	See Mitigation Measure 3-70(c).	See Mitigation Measure 3-70(c).	
3-105	Cumulative Increase in Vehicle Miles Traveled (reference Impact 4.14-6).	<i>ARC Project</i> <i>3-105(a) Implement Mitigation Measure 3-72(a).</i> <i>Mace Triangle</i> <i>3-105(b) Implement Mitigation Measure 3-72(b).</i>	See Mitigation Measure 3-72(a). See Mitigation Measure 3-72(b).	See Mitigation Measure 3-72(a). See Mitigation Measure 3-72(b).	
3-106	Cumulative impacts to pedestrian, bicycle, and transit facilities.	<i>3-106 Implement Mitigation Measures 3-75(a) thru (c) and 3-76(a) and (b).</i>	See Mitigation Measures 3-75(a-c) and 3-76(a-b).	See Mitigation Measures 3-75(a-c) and 3-76(a-b).	
3-108	Cumulative wastewater treatment and collection system impact (reference Impact 5-28).	<i>ARC Project</i> <i>3-108 Implement Mitigation Measures 3-80(a) through (c).</i>	See Mitigation Measures 3-80(a-c).	See Mitigation Measures 3-80(a-c).	

Exhibit 10

**RESOLUTION OF THE CITY OF DAVIS STATING ITS INTENT TO AMEND THE
CITY OF DAVIS GENERAL PLAN LAND USE ELEMENT TO ADD THE
LAND USE CATEGORY “INNOVATION CENTER” AND TO AMEND
THE CITY OF DAVIS LAND USE MAP TO REDESIGNATE THE
PARCELS LOCATED ON THE NORTHEAST CORNER OF MACE
BOULEVARD AND COUNTY ROAD 32A
(General Plan Amendment #6-14)**

RESOLUTION No. _____ 2020 SERIES

RESOLUTION OF THE CITY OF DAVIS STATING ITS INTENT TO AMEND THE CITY OF DAVIS GENERAL PLAN LAND USE ELEMENT TO ADD THE LAND USE CATEGORY “INNOVATION CENTER” AND TO AMEND THE CITY OF DAVIS LAND USE MAP TO REDESIGNATE THE PARCELS LOCATED ON THE NORTHEAST CORNER OF MACE BOULEVARD AND INTERSTATE 80 (General Plan Amendment #6-14)

WHEREAS, the City of Davis General Plan establishes parameters for consideration of a General Plan Amendment to change the land use designation from agricultural to an urban land use category; and

WHEREAS, the City of Davis has been studying and planning for a business/innovation park from 2008 to the present in the year, 2020,

WHEREAS, the Davis General Plan contains the following policy, “LU-H1 University-Related Research Parks should include sophisticated land use planning, high quality architectural and landscape design, building flexibility, a variety of amenities and environmental controls”; and

WHEREAS, amending the General Plan Land Use Element to create a new land use designation of “Innovation Center” that provides for a combination of residential and specific non-residential uses in the same zone to foster the vision of an innovation center in the City of Davis; and

WHEREAS, the Innovation Center designation will provide the city with another tool to encourage economic development and the creation of jobs within the city of Davis in the areas deemed suitable; and

WHEREAS, Measure R the “Citizens Right to Vote on Future Use of Open Space and Agricultural Lands” affords residents an opportunity to participate in decisions affecting compact growth, agricultural preservation and provision of an adequate supply of housing to meet the internal needs of the community; and

WHEREAS, the General Plan Amendment is appropriate in that it is compatible and consistent with existing General Plan policies; and

WHEREAS, the General Plan Amendment will not adversely impact the health, safety or general welfare of the city of Davis; and

WHEREAS, the property located at the northeast corner of Mace Boulevard and Interstate 80 (Assessor’s Parcel Numbers (APNs) 033-630-006, -009, -011, and -012; 033-650-009, and -026), and are herein designated as “affected properties”; and

WHEREAS, the Planning Commission held a public hearing on June 10, 2020 to receive comments and consider the proposed amendment; and

WHEREAS, the City Council held a public hearing on _____, 2020 to receive comments and consider the proposed amendment; and

WHEREAS, Environmental Impact Report SCH #2014112012 March 2020 adequately assesses the impacts of this General Plan Amendment; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DAVIS:

Section 1 – Land Use Text Changes. The land use category “Innovation Center” is hereby amended to the City of Davis General Plan Land Use Element as shown on Exhibit A, to this resolution.

Section 2 – Land Use Map. The City of Davis General Plan Land Use Plan is hereby amended with the change of the affected properties from a designation of “Agriculture” to those land uses as shown on the attached map, Exhibit B, to this resolution.

Section 3 – Baseline Project Features. The Baseline Project Features for the applications, as established by Chapter 41 of the City of Davis Municipal Code, are included as Exhibit C to this Resolution.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Davis that the General Plan Land Use Element shall be amended as shown on Exhibit A, and the General Plan Land Use Map shall be amended as shown on the map attached as Exhibit B of this resolution.

PASSED AND ADOPTED by the City Council of the City of Davis on this XXth day of XX, 2020 by the following vote.

AYES:

NOES:

ABSENT:

, Mayor

ATTEST: _____
Zoe Mirabile, City Clerk

EXHIBIT A

Aggie Research Campus – Proposed General Plan Land Use Designation

V. Innovation Center

Intent: To provide sites for an array of technology companies conducting research and development activities, such as product development, engineering, sales and administration, as well as ancillary light manufacturing and wholesale uses, and to provide adjacent housing and supportive uses to serve the housing needs of center employees. It is the desire of the City of Davis to advance technology sector employment activities, and provide adequate space in which to allow for the growth and evolution of such companies so as to respond to advancements in technology, changing market demands and to capitalize on new opportunities. It is the intent to holistically design these innovation center spaces to encourage interaction and crosspollination between individuals and companies, emphasizing the concept of “live, work, play.” It is also the intent of the City of Davis to foster collaboration and the transfer of technology between University of California, Davis and the Innovation Centers.

The Innovation Center shall be of adequate size to accommodate numerous users and be designed so as to create a campus-like environment. The research park shall be characterized by superior site planning, architectural and landscape architectural design, traffic management, and environmental controls. In order to achieve this goal, planned development zoning and design guidelines shall be utilized. It is the intent that an Innovation Center will maximize the internalization of trips by incorporating a mix of uses, developing many of its own support services and featuring proximate freeway access to minimize impacts on the local roadway system.

Allowable Uses: Offices (including, but limited to headquarters, business, professional and medical), light industrial, research and development, light manufacturing, laboratory, and warehousing (as an ancillary use), provided they meet City standards regarding pollution, health and safety factors. Residential –Medium and High Density, including a variety of housing types, unit sizes, prices and rents, designs, and architecture diversity. Onsite housing is intended to serve the needs of a diverse Innovation Center workforce. Retail uses shall be limited to support commercial uses, which may include lodging, conference space, restaurant, fitness and other convenience services. Said uses should not compete with the downtown and neighborhood shopping centers and shall be appropriately limited in size to achieve the objective of serving the Innovation Center and reducing the need for offsite vehicular trips. Related amenities and green spaces serving the research park are encouraged.

Prohibited Uses: Major retail or highway commercial; heavy manufacturing; exclusive distribution and exclusive warehousing.

Floor Area Ratio: Innovation Center development should achieve a fifty percent floor area ratio (0.5 FAR) taking into consideration the unique needs of a diversity of industry types.

Size: A single Innovation Center shall not exceed 250 acres.

Policies:

Policy LU S.1 Innovation Center should include sophisticated land use planning, a complementary mix of uses to foster innovation, high quality architectural and landscape design, building flexibility, a variety of amenities and environmental controls.

Policy LU S.2 An Innovation Center should include residential units to, in collaboration with existing housing supply, accommodate sufficient employees so as not to negatively impact the jobs/housing balance of the City. All housing should be designed and priced to accommodate the diverse needs of an Innovation Center workforce.

Policy LU S.3 A maximum of ten percent of the non-residential square footage may be commercial use provided that the commercial is supportive of the Innovation Technology Center businesses and residents, and that it does not cause significant negative impacts or disturbance of the overall business environment.

EXHIBIT B

LAND USE MAP

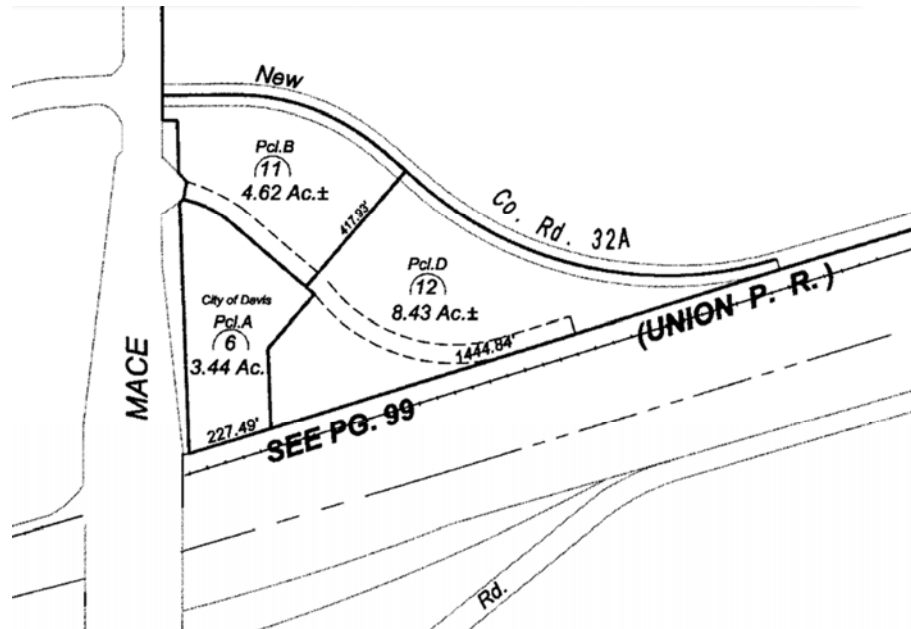


EXHIBIT C

BASELINE PROJECT FEATURES

Mace Triangle – Baseline Project Features

Exhibit 1 (shown below) is a depiction of the properties that make up the Mace Triangle.



Purpose

The purpose of annexation of the Mace Triangle properties is to prevent the creation of a county island, should the Davis Innovation & Sustainability Campus (DISC) be annexed to the city of Davis. Development of the Mace Triangle will support the development of the DISC properties.

Land Use Summary

The Mace Triangle property will have 2 land uses assigned to it. The City of Davis Water Tank property and the Caltrans park and ride lot (Parcel 6) will be designated Public Semi Public as both of those uses are infrastructure in nature and the property is publicly owned. The Ikeda's Fruit Market property (Parcel 11) and the vacant property (Parcel 12) will be have a land use of use designation of General Commercial, consistent with the City of Davis General Plan. General Commercial provides for a wide array of commercial service uses, such as, automotive sales and repair, building materials, office, and similar service oriented commercial uses as well as retail stores. Conditionally allowable uses include service stations, motels, restaurants, commercial recreation, limited convenience retail uses, public storage, moderate size community retail stores, warehouses and similar uses.

DAVIS INNOVATION AND SUSTAINABILITY CAMPUS

BASELINE PROJECT FEATURES

Project Goals

The purpose of the (DISC or Project) is to provide an approximately twenty-five-year inventory of land strategically located and designed to accommodate future growth of the science, technology and advanced manufacturing sectors within the City of Davis. Development of the DISC will allow Davis to retain, grow and capitalize upon the cutting-edge research and intellectual capital being fostered at U.C. Davis at a site located in close proximity to the University and Downtown Davis, adjacent to Capital Corridor Rail and Interstate 80, where adequate infrastructure including intercontinental fiber optic lines can easily be extended, and that is surrounded by preserved agricultural lands along its undeveloped borders. The DISC's goals include providing a full-range of complementary uses, including housing to accommodate the workforce, while embodying principles of environmental sustainability. The Project responds to a request that was issued by the City Council in 2014 and is the culmination of nearly two decades of City planning efforts. The City Council's goals for the development include the capture of business growth and the achievement of fiscal and economic benefits for the City General Fund and the community.

Land Use Summary

The DISC will provide a mix of land uses that work holistically to create a research and technology innovation campus. DISC proposes a mix of office, laboratory, and research and development (R&D) space; advanced manufacturing to prototype and build products; rental and for-sale, high-density housing designed to accommodate the Project's workforce; accessory commercial/retail space; a hotel and conference center; a transit plaza; parks, greenbelts and open spaces; and parking areas designed to accommodate the generation of renewable energy. An illustrative draft land use and site plan depicting the location of the proposed land uses, along with proposed roadways and connections to adjacent areas, is included.

DISC Land Uses		
Land Use Type	Estimated Acres	Maximum Size
Office, Laboratory, R&D	44.7	1,510,000 square feet
Advanced Manufacturing	57.2	884,000 square feet
Residential	27.4	850 units
Ancillary Retail ¹	NA	100,000 square feet
Hotel and Conference Center	6	160,000 square feet
Parks, Plazas and Green Spaces	49.2 ²	
Total Commercial Innovation	101.9	2,654,000 square feet
Total Project	±193.8 ²	
<p>¹ Ancillary Retail occurs predominantly within Office, R&D, multi-family buildings and any of the 100,000 square feet allotted for Retail may be utilized as Office, R&D dependent on demand.</p> <p>² Includes a proposed 6.8-acre easement on adjacent City-owned property to be used for agricultural buffer, drainage and habitat.</p>		

Development of DISC will include only the identified use types and is required to be configured in a manner generally consistent with the Baseline Features Site Plan (attached). A floor area ratio (FAR) is the ratio of the floor area of a building to the land on which it is built, and is calculated to ensure that developable land is used efficiently. DISC shall achieve a minimum floor area ration (FAR) of 0.4 at Phase 1, 0.5 at Phase 2, 0.6 at Phase 3, and no less than 0.7 at full buildout.¹ Although some flexibility within the site will be allowed in terms of the siting of specific use types, building and exterior spaces

¹ Progressively increasing FAR minimums are intended to ensure that, at buildout, the Project exceeds the City goal of 0.5 FAR. Uses that are science and innovation related and meet the intent of the Campus will be included in calculation of FAR, including but not limited to, greenhouses and test fields.

as well as their design (e.g., orientation, floorplates, building footprints), the use types discussed in this document will not be allowed to be substantially modified nor will maximum square footage be exceeded.

A more detailed discussion of each land use type and sequencing of development with site features is included near the end of this document.

Key Project Commitments

The Project is subject to numerous commitments established in the Development Agreement between the City of Davis and the Developer as well as through mitigation measures as specified in the environmental review of the project. Specific components of the Development Agreement required by these Baseline Project Features are the following:

Housing

- Rental and for-sale housing shall be provided to accommodate a range of incomes and needs.
- All housing shall be medium- and high-density with a minimum median density of 30 units per acre. No single-family detached housing will be permitted.
- Housing will be designed and construction timed to meet the housing needs of the DISC workforce.
- Commercial development shall precede housing construction; there must be 200,000 square feet of job space before any homes are constructed. Housing construction will be contingent upon the construction of commercial space at a ratio of one home per 2,000 square feet of nonresidential space. This linkage between the development of housing and the creation of jobs will maximize opportunities for DISC employee occupancy of the housing and reduce traffic impacts.
- DISC residences will not be dormitory-style housing but will include such housing types as micro units, studios, one-to-three-bedroom apartments, condos and townhomes. No home will include more than three bedrooms.
- Parking associated with multifamily housing will be unbundled, meaning that it is paid for separately from rent. Tenants will be able to avoid these parking costs, and reduce traffic impacts, if they choose a car-free lifestyle.

Affordable Housing

- DISC housing shall accommodate a diversity of incomes on-site.

- The project will provide for no less than 153 affordable housing units using the methods that are identified in the City's Affordable Housing Ordinance and subject to Council approval. The percentage of affordable units exceeds city requirements.
- At least 100 multi-family units of the Project's affordable housing unit commitment will be constructed on-site in inclusive locations near parks and/or transit.
- An additional 25 for-sale units located onsite will be designated for those buyers meeting Yolo County's definition of moderate income.
- To foster the development of onsite affordable units at the earliest feasible time, any onsite affordable housing project shall be exempted from the requirement of commercial development being a condition precedent and from the units being subject to the 1 unit to 2,000 square feet requirement.

Sustainability

- Project's electricity demand shall be fueled by 100% clean energy either generated onsite or purchased from a 100% renewable program such as Valley Clean Energy's "UltraGreen" program.
- In furtherance of the commitment to utilize 100% renewable energy, the installation of photovoltaics or future renewable energy technology will be required on all new housing and commercial buildings with a few exceptions such as greenhouses, to the greatest extent practicable.
- Housing units will be all-electric, not include natural gas, and comply with the City's Residential Energy Efficiency "Reach" Green Building Code.
- DISC will achieve net zero electricity for outdoor lighting.
- Utilize only non-potable (well or recycled) water for all common landscaping areas managed by the Master Owners Association.
- Infrastructure to accommodate reclaimed water, i.e. "purple pipe," shall be installed in anticipation of future service.
- Native and drought tolerant plants shall predominate the plant palette. Valley Oaks or other local native oak species will be significantly incorporated into the agricultural buffer area.
- Runoff shall be captured and conveyed onsite in a series of bioswales intended to filtrate and clean the run-off and maximize groundwater recharge.
- More than 1,000 trees will be planted on the site for shading and carbon benefits. The maintenance and growth of all onsite trees will be monitored by a third-part arborist and failure to meet tree obligations (i.e. number and shading requirements) will be subject to penalty.

- Trees planted in parking areas or street-adjacent shall use structured soil or suspended substrate to allow successful tree root development. Developer shall size pavement treatment areas to accommodate the anticipated sizes of the various tree varieties that will be planted.
- Compliance with these sustainability provisions will be monitored, measured and verified by the Master Owners Association with outcomes submitted to the City in biennial reports.

Transit

- In coordination with Unitrans and Yolobus, enhance and/or relocate the existing bus stops located on Mace Boulevard for improved use by DISC employees and residents.
- A centralized plaza will serve as a connection point for multi-modal transportation including shuttles with connections to Amtrak and UC Davis, on-site shuttles, paratransit and micromobility (e.g. bike, skateboard, and scooter share services). The plaza will be designed to accommodate local and regional bus service so that the local and regional transit agencies have an option to either provide service at the plaza or via existing routes to transit stops along Mace Blvd.
- Land will be reserved to widen the right-of-way on Mace Blvd. to accommodate a potential express bus lane or other future transportation needs.
- DISC will participate in, and establish, a fair-share funding mechanism for, a shuttle program with connections to the Amtrak train station, UC Davis, and other destinations.
- A Transportation Demand Management (TDM) Plan will be adopted and implemented requiring specific targeted reductions in vehicle use. A designated TDM manager will report directly to the Master Owners Association and to the City to track progress on actions to improve mobility and reduce traffic impacts.

Roadways

- DISC will construct and/or contribute funding to improve the capacity, functionality, and safety of Mace Blvd. and, in particular, at the intersections of Mace and Alhambra Dr. and at Mace and 2nd Street if studies show such improvements are needed to address traffic generated by the Project.
- DISC will fund the development of a “traffic calming” plan for local streets identified in the environmental analysis.

- DISC will fund the creation of a comprehensive Mace Boulevard Corridor Plan to improve bicycle and pedestrian travel and transit in the vicinity of the Project.
- DISC will construct safety improvements at County Roads 32A and 105 at the crossing of the UPRR tracks.

Bicycle and Pedestrian

- DISC will construct a grade-separated bicycle and pedestrian crossing of Mace Boulevard connecting to local and regional trails.
- A minimum of 2.75 miles of publicly accessible bike lanes and walking paths will be provided on-site at DISC.
- DISC will construct a new bike trail connection between Mace Blvd and Harper Junior High School along the inside of the Mace Curve, thereby improving bicycle safety to schools and the site and the DISC site.
- Two bicycle maintenance and repair kiosks will be provided on-site.

Agricultural Land and Wildlife Conservation

- By the full build-out of DISC, the developer will have purchased conservation easements protecting 342 acres of local agricultural lands, thereby ensuring their preservation as farmland. The specific locations would be subject to city approval and must comply with the City's agricultural land mitigation ordinance as in effect at Project approval.
- The portion of the Mace Drainage Channel the DISC site will be restored and enhanced utilizing native riparian vegetation while maintaining its drainage conveyance function.
- A diversity of native habitats shall be disbursed and managed throughout the site, primarily within the agricultural buffer and along the channel, including but not limited to riparian, California oak savanna, and native prairie grasslands. The agricultural buffer shall include areas densely vegetated and sparsely vegetated to accommodate nesting and foraging opportunities for a variety of species.
- Artificial burrowing owl dens will be installed in the agricultural buffer in consultation with a qualified biologist.

Fiber Optic Broadband Internet

- In Phase 1 of the project, DISC will obtain the rights and extend fiberoptic or comparable internet infrastructure to the site that is critically needed to attract and support research and technology endeavors.

- Other users, including the City of Davis, will be allowed to connect to the internet network and extend service into the City under terms to be negotiated.

Financing

- DISC will form an owners' association and/or financing district to pay for the maintenance and upkeep of all publicly accessible park, greenbelt and open spaces.
- A Property Business Improvement District (PBID) will be pursued by the City to improve local commuter transit services and its formation will be supported by DISC.
- DISC will commit to participation in financing mechanisms, such as a community facilities district, that could help pay for roadway improvements near Mace Boulevard, in East Davis and in other locations deemed appropriate by the City. In addition, the DISC project will contribute Roadway Impact Fees and construction taxes for such purposes.

Measurement and Verification

- The DISC developer will establish a Master Owners Association which reports to the City biennially and is responsible for measurement, verification and assuring compliance with Project baseline features, sustainability obligations and mitigation measures.

Land Uses – Explained

Principal Innovation Uses:

Office, Laboratory and Research & Development

Office, Laboratory and Research and Development (R&D) uses will occur in a series of clustered commercial buildings. These innovation uses will predominantly occur in the core area, near the transit plaza, and be clustered around shared courtyards. This land use type is intended to allow for a variety of uses including, but not limited to, corporate headquarters, biological research, collaborative think tanks, laboratories, software design, and other office-based innovation uses.

Advanced Manufacturing

Research, Prototyping and Manufacturing uses in individual or clustered buildings shall occur predominantly at peripheral locations of the Project along the eastern edge. These innovation uses will typically be surrounded by areas identified as flex zone which may accommodate parking and photovoltaics but will also allow for an outdoor area that may be needed as an extension of the underlying research, prototyping and manufacturing uses. This area is intended to allow for a variety of uses including, but not limited to: large-scale research; light manufacturing; crop sciences; assembly of products, including but not limited to electrical, pharmaceutical, biomed, food products and devices; and associated warehousing and distribution.

Innovation Support Uses:

Housing

A maximum of 850 units of housing designed to accommodate the needs of the DISC worker shall be permitted onsite. The housing will be a mix of rental and for-sale with a density range of 15 to 50 units per acre. Residential units will range from studio to three-bedroom. Product types will be multi-family, condominiums or townhomes. The construction of housing will be contingent upon and slightly trail the construction of commercial space and units should become available as jobs are created.

Support Retail

Support retail uses, up to a maximum of 100,000 square feet, shall be permitted within the core area of the Project site. Support retail will predominantly, but not exclusively, occur on the ground floor of office or multi-family residential buildings. A variety of onsite retail uses including, but not limited to, a coffee shop, restaurant, fitness center, childcare center, electronics store, or maintenance and repair shops would be intended for the convenience of DISC residents and workers and to reduce off-site vehicle trips.

Open Space and Parks

Open space, greenbelts, courtyards and parks, including the agricultural buffer area, will comprise approximately 49 acres or one-fourth of the DISC site. The open space and park areas will include programmed and passive gathering spaces, miles of new pedestrian and bicycle trails and facilities, sports fields, and vegetated landscape buffers.

Roadways and Circulation

The proposed circulation system for the DISC site consists of new local streets, a centralized transit plaza, and a system of pedestrian and bicycle paths that will connect the site to the surrounding neighborhoods, Downtown Davis and UC Davis. This system will provide enhanced connectivity for pedestrians, bicyclists, transit riders, and automobiles via new multi-modal roadway connections and linkages to existing greenways and bike paths.

The circulation framework at DISC is a modified grid network of streets, which will, at a minimum, connect with Mace Boulevard at three locations and County Road 32A at two new intersections. The gateway into the Project is along an extension of Alhambra; this entryway is separated from heavy truck traffic which will primarily enter from 32A. Pedestrian and bicycle connections will occur from the west primarily at a new grade-separated crossing of Mace Boulevard adjacent to the canal.

Parking

No more than 4,772 parking stalls may be created parking for commercial uses and residential shall not exceed 850 spaces. All commercial parking areas shall include infrastructure to accommodate the installation of photovoltaics and the accommodation of electric vehicle charging. City and Developer shall seek to further reduce on-site parking through the development of a Transportation Demand Management Plan, with the target being 4,340 total parking stalls, which reflects a nearly 25 percent reduction.

Sequencing Development of the Project Site

Several Project mitigation measures are tied to development phases which are identified in the environmental analysis as follows:

Phase	Commercial SF	Residential Units
1	540,000	270
2	700,000	350
3	700,000	230
4	714,000	0

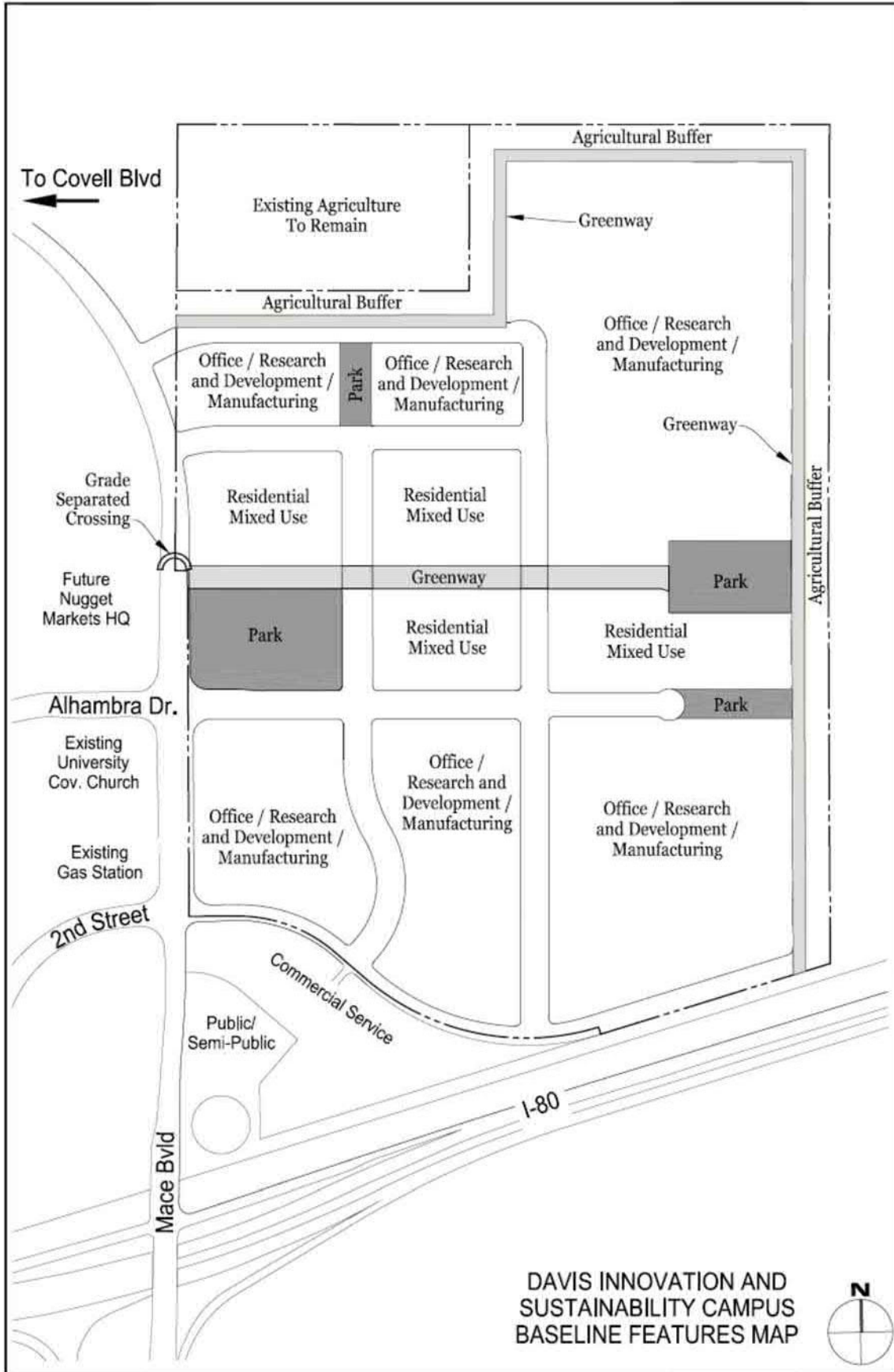
Backbone infrastructure, including roadways and utilities necessary for the development, shall be provided as needed. Early infrastructure improvements shall include roadway connections to both Mace Boulevard and County Road 32A.

Several Project features shall be sequenced to ensure that the site is developed in a feasible and logical order consistent with the following:

- Roadways extending Alhambra Boulevard onto the Project site and connecting to County Road 32A shall be constructed in Phase 1 creating a circulation loop.
- Transit improvements along Mace Boulevard, including lane dedication, shall be installed and enhance at Phase 1, concurrent with initial development. The onsite transit plaza shall be constructed no later than Phase 2.
- The central park located on Mace Boulevard and the off-grade crossing of Mace Boulevard shall be constructed in Phase 2.
- Improvements to the Mace Drainage Channel, the accompanying east/west class 1 bike trail and the parks south of the channel will be commenced in Phase 2.
- The agricultural buffer and associated peripheral bicycle and pedestrian trail shall be constructed in segments concurrent with adjacent development. The peripheral trail and bike path will be completed in Phase 3.
- The hotel and conference center are not associated with any phase but, rather, shall not be constructed until adequate demand to support additional hotel space is demonstrated, through a third-party economic report, to the satisfaction of the City.

Baseline Project Features: Implementation

The DISC must be developed consistent with these Baseline Project Features, which may not be substantially changed without approval by the voters of the City. The Planning Commission and/or Zoning Administrator will review compliance with these Baseline Project Features as they consider applications for Final Planned Development, Tentative Subdivision Map, approval of Design Guidelines, implementation of sustainability plans, and the required annual Development Agreement implementation review. Additional DISC project requirements, including but not limited to, the imposed mitigation measures set forth in the Mitigation Monitoring and Reporting Plan and commitments in the Development Agreement, are not Baseline Project Features and may be modified by the City Council. In addition, minor changes to the Project can be anticipated during the course of this multiple year build out. Such changes, often the result of detailed engineering, sustainability obligations, or changes in surrounding conditions, may be implemented without voter approval if they are substantially consistent with the Baseline Project Features and they do not materially alter the character of the Project (See, Resolution 06-40 Establishing Criteria to Determine What Constitutes a Significant Project Modification or Change Requiring a Subsequent Measure J Vote).



06/10/2024

Exhibit 11

ORDINANCE AMENDING SECTION 40.01.090 OF CHAPTER 40 OF THE CITY OF DAVIS MUNICIPAL CODE BY PREZONING APPROXIMATELY 228± ACRES (Assessor's Parcel Numbers (APNs) 033-630-006, -009, -011, and -012; 033-650-009, and -026) LOCATED NORTHEAST OF THE INTERSECTION OF MACE BOULVDARD AND INTERSTATE 80 OF, TO PLANNED DEVELOPMENT (PD) # 4-14 UPON ANNEXATION TO THE CITY OF DAVIS AS OUTLINED IN SECTION 40.01.110 OF CHAPTER 40 OF THE DAVIS MUNICIPAL CODE

ORDINANCE NO.

ORDINANCE AMENDING SECTION 40.01.090 OF CHAPTER 40 OF THE CITY OF DAVIS MUNICIPAL CODE BY PREZONING APPROXIMATELY 228± ACRES (Assessor's Parcel Numbers (APNs) 033-630-006, -009, -011, and -012; 033-650-009, and -026) LOCATED NORTHEAST OF THE INTERSECTION OF MACE BOULEVARD AND INTERSTATE 80 OF, TO PLANNED DEVELOPMENT (PD) # 4-14 UPON ANNEXATION TO THE CITY OF DAVIS AS OUTLINED IN SECTION 40.01.110 OF CHAPTER 40 OF THE DAVIS MUNICIPAL CODE

THE CITY COUNCIL OF THE CITY OF DAVIS DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. PROPERTY AREA.

The Property, consists of 6 parcels, generally located northeast of the intersection of Mace Boulevard and Interstate-80, totaling approximately ±228 acres generally described and referenced to as APN Assessor's Parcel Numbers (APNs) 033-630-006, -009, -011, and -012; 033-650-009, and -026 which is shown on Exhibit A and described in Exhibit B.

SECTION 2. ZONING MAP CHANGE.

Section 40.01.090 (Zoning Map) of Chapter 40 of the City of Davis Municipal Code, as amended, is hereby amended by changing the land use designation of the 6 parcels containing approximately 228± acres, to Agricultural and Planned Development #4-14 (PD #4-14), as shown on Exhibit C.

SECTION 3. PURPOSE OF PRELIMINARY PLANNED DEVELOPMENT AREA.

The purpose of this preliminary planned development is to:

- A. Focus on the maximization of density to accommodate long-term business growth while taking into account the specific needs of potential tenants within the specific project where applicable.
- B. Make concerted efforts to integrate Sustainability principles into the project design, with the intent of creating new and adaptive models and integrating these principles throughout all components of the project. These include the concepts of incorporating storm water drainage swale systems and to integrate "smart street" designs into the project to minimize paved surfacing/street sections.
- C. Provide bicycle/pedestrian/transit connections that must be made in order to integrate this site as a truly multi-modal project.
- D. Include project elements of "work, live, play" that encourage an engaged and inviting workplace.
- E. Reflect a project character that is uniquely "Davis" while achieving very high aesthetic standards.
- F. Facilitate technology and business development in a new innovation center.

SECTION 4. USES.

The planned development area is comprised of three distinct Sub Areas. Each of the three districts in the Planned Development substantially corresponds with a district in the Davis Zoning Ordinance (Davis Municipal Code, Chapter 40). The principal permitted, accessory, and conditional uses of each

district shall be consistent with the identified comparable Zoning District, as amended from time to time, except as provided herein. Specified uses for each Sub Area within PD #4-14, as depicted on Exhibit C, are provided in this section.

Sub Area 1--City Property-Mace 25

The property assigned APN **033-650-026** shall be zoned Agriculture, consistent with Davis Municipal Code Section 40.02, as amended from time to time.

Sub Area 2 – Davis Innovation & Sustainability Campus

The property assigned APNs **033-650-009** and **033-630-009** shall be zoned as follows:

Davis Innovation & Sustainability Campus –Preliminary Planned Development (PPD)

Purpose.

The purpose of the Davis Innovation & Sustainability Campus (DISC) district is to provide an environment where leading-edge institutions and local, regional and international companies cluster and connect with start-ups, businesses incubators, and accelerators as well as the University of California, Davis can foster a creative and productive research and development center where innovators live, work and play.

Permitted uses.

The principal permitted uses of land in the DISC district are as follows:

- (a) Offices: including but not limited to administrative, executive, headquarters, medical, coworking and incubator space.
- (b) Laboratories: including but not limited to research, design, analysis, development and/or testing of a product
- (c) Light manufacturing, assembly or packaging of products, including but not limited to electrical, pharmaceutical, biomed and food products and devices, and associated warehousing and distribution.
- (d) Any other technical, research, development or light manufacturing use determined by the Planning Director to be of the same general character as the permitted uses.
- (e) Residential: workforce housing with an average density at or above 30 dwelling units per acre. The anticipated density range is between 15 and 50 dwelling units per acre, or higher, depending on product type.
- (f) Renewable energy generation and storage facilities.
- (g) Support Retail, single users at or less than 25,000 square feet, including but not limited to food and beverage, restaurant, dry cleaners, fitness center or gym.
- (h) Lodging or Hotel.
- (i) Conference Space.
- (j) Agriculture, including open air or greenhouse cultivation of crops and the tasting and/or sale of any products cultivated or produced on the premises, but excepting the raising of fowls or animals for commercial purposes.
- (k) Higher Education: extensions or graduate programs; public, semipublic or private.
- (l) Any use which handles, stores or treats in any fashion hazardous materials as defined in Section 40.01.010 of this chapter in a manner consistent with adopted ARC performance standards.

Accessory uses.

The following accessory uses are permitted in an DISC district:

- (a) Home occupations subject to the provisions of Sections 40.01.010 and 40.26.150;

- (b) Antenna and telecommunications;
- (c) child care/day care facility;
- (d) parking garage; and
- (e) stand-alone corporate signage.

Conditional uses.

The following conditional uses may be permitted in the ARC district:

- (a) Support Retail, single users larger than 25,000 square feet.
- (b) Public and semipublic, including public utility uses necessary and appropriate to the ARC district.
- (c) Any use which handles, stores or treats in any fashion hazardous materials as defined in Section 40.01.010 of this chapter in a manner deemed to exceed or inconsistent with the adopted ARC performance standards.

Prohibited uses.

The following uses are prohibited in the ARC district:

- (a) Surface mining operations and mineral extraction, including but not limited to natural gas extraction. This prohibition does not apply to the importation or exportation of overburden and fill material used in grading and/or site preparation.

Sub Area 3—Mace Triangle --

The property assigned APN 033-630-011 and 033-630-012 shall be zoned General Commercial, consistent with Davis Municipal Code Section 40.18A., as amended from time to time.

The property assigned APN 033-630-006 shall be zoned Public/Quasi-Public, consistent with Davis Municipal Code Section 40.20A., as amended from time to time

SECTION 5. FINAL PLANNED DEVELOPMENT (FPD)

A Final Planned Development (FPD) approval shall be required prior to the development of the site. The FPD shall be consistent with the provisions of PD#4-14.

The development standards and design guidelines for development within PD 4-14, including setbacks, parking requirements, and sign regulations, shall be contained in the Final Planned Development (FPD). The Final Planned Development shall include typical development standards for each Sub Area. Actual determination of Sub Area boundaries and acreages shall be established by the Planning Commission through the Final Planned Development. Parking standards are anticipated to be significantly lower than those in the City of Davis Municipal Code, consistent with the provisions of the Sustainability Implementation Plan.

SECTION 6. CONFLICTS

For provisions not covered by this ordinance, the provisions of Chapter 40 of the Davis Municipal Code, as amended, shall apply. Where there is a conflict between the provisions of Chapter 40 and this ordinance, the provisions of this ordinance shall apply.

SECTION 7. ENVIRONMENTAL IMPACT REPORT MITIGATION MEASURES.

This amendment to the Zoning Chapter of the Municipal Code to the Planned Development District shall be subject to the mitigation measures in Aggie Research Campus Subsequent Environmental Impact Report (EIR)

SECTION 10. SPECIAL CONDITIONS

This preliminary planned development is subject to the following development obligations:

1. Compliance with the Baseline Project Features established in Resolution No. _____ approved by the Davis City Council on _____, 2020.
2. Approval of this Prezoning and Preliminary Planned Development is contingent upon voter approval of the General Plan Amendment #6-14 pursuant to Chapter 41 of the Davis Municipal Code, the Citizens’ Right to Vote on Future Use of Open Space and Agricultural Lands Ordinance.

SECTION 11. FINDINGS.

- A) The City Council of the City of Davis hereby finds that the criteria for the approval of the preliminary planned development have been fulfilled:
 1. The planned development is in conformity with the General Plan.
 2. The Aggie Research Development Project Planned Development is in conformity with the intent of the Planned Development District of the Zoning Chapter (Article 40.22).
 3. The Aggie Research Development Project Planned Development is consistent with the Zoning Ordinance, as the purpose of the Planned Development District is to allow for diversification in the relationship of various buildings and structures and provide relief from the rigid standards of conventional zoning. The proposed Planned Development is intended to provide an integrated and sustainable neighborhood.
 4. The property is suitable for the proposed development.
- B) The City Council further finds that the public necessity and convenience and general welfare requires the adoption of pre-zoning set forth in Section 1.
- C) The City Council further finds that it has reviewed and considered the Aggie Research Campus Project Subsequent Environmental Impact Report (EIR) and has determined that the document adequately addresses the environmental effects of the zoning/preliminary planned development.

SECTION 12. CONTINGENCIES AND EFFECTIVE DATE.

The ordinance shall become effective only upon approval of General Plan Amendment #6-14 and ratification by the voters pursuant to Chapter 41 of the Davis Municipal Code, the Citizens’ Right to Vote on Future Use of Open Space and Agricultural Lands Ordinance.

INTRODUCED on the _____ day of _____, 2020, and PASSED AND ADOPTED by the City Council of the City of Davis on this _____ day of _____, 2020, by the following vote:

AYES:

NOES:

Mayor

ATTEST:

Zoe S. Mirabile, CMC
City Clerk

**Exhibit A
Properties to be Rezoned
PD-4-14**



Parcels with Assessor Parcel Numbers to be Zoned

- 033-650-026
- 033-650-009
- 033-630-009
- 033-630-006
- 033-630-011
- 033-630-012

Exhibit B
Rezoning and Preliminary Planned Development for
Aggie Research Campus and related Properties
Legal Description

Legal descriptions to be inserted

Exhibit C

Rezoning and Preliminary Planned Development for Aggie Research Campus and related Property Zoning Map



Exhibit 12

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DAVIS
APPROVING THE DEVELOPMENT AGREEMENT FOR THE DAVIS
INNOVATION AND SUSTAINABILITY CAMPUS PROJECT**

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DAVIS APPROVING
THE DEVELOPMENT AGREEMENT FOR THE DAVIS INNOVATION AND
SUSTAINABILITY CAMPUS PROJECT**

WHEREAS, to strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the Legislature of the State of California adopted Government Code Sections 65864 *et seq.* (the "Development Agreement Statute") which authorizes cities to enter into agreements for the development of real property with any person having a legal or equitable interest in such property in order to establish certain development rights in such property;

WHEREAS, in accordance with the Development Agreement Statute, the City of Davis (the "City") has enacted regulations (the "Development Agreement Regulations") to implement procedures for the processing and approval of development agreements in accordance with the Development Agreement Statute;

WHEREAS, the Developer of the site desires to carry out the development for the Davis Innovation and Sustainability Campus Project ("Project") of the approximately 194-acre property located at the northeast corner of Mace Boulevard and County Road 32 (APNs 033-630-009 and 033-650-009) as described in the Development Agreement (the "Property") consistent with the General Plan, as amended, and the Development Agreement (the "Development Agreement"), and the vested entitlements referenced therein;

WHEREAS, the City Council of Davis adopted project entitlements for the Davis Innovation and Sustainability Project, including the General Plan Amendment with Baseline Project Features and Rezoning and Preliminary Planned Development;

WHEREAS, the City Council certified the Environmental Impact Report (SCH 2014112012) and the Mitigation Monitoring and Reporting Program adopted therewith for the Aggie Research Campus, also known as the Davis Innovation and Sustainability Campus project;

WHEREAS, the Development Agreement will assure both the City and the Developer that the Project can proceed without disruption caused by a change in City planning and development policies and requirements, which assurance will thereby reduce the actual or perceived risk of planning, financing and proceeding with construction of the Project and promote the achievement of the private and public objectives of the Project;

WHEREAS, the Planning Commission held a duly noticed public hearing on June 10, 2020, on the Project entitlements, including the Development Agreement, during which public hearing the Planning Commission received comments from the Developer, City staff, and members of the general public and made a recommendation to the City Council on the Project entitlements; and

WHEREAS, the City Council held a duly noticed public hearing on _____, 2019 on the Project entitlements, including the Development Agreement, during which public hearing the

City Council received comments from the Developer, City staff, and members of the general public.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF DAVIS DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1.

This Ordinance incorporates, and by this reference makes a part hereof, the Development Agreement attached hereto as Exhibit A, subject to the provisions of Section 5 hereof.

SECTION 2.

This Ordinance is adopted under the authority of Government Code Section 65864 et seq., and pursuant to “Development Agreement Regulations”.

SECTION 3.

In accordance with the Development Agreement Regulations, the City Council hereby finds and determines, as follows:

- A. The Development Agreement is consistent with the objectives, policies, general land uses and programs specified in the General Plan, in that it establishes certain development rights, obligations and conditions for the implementation of the Davis Innovation and Sustainability Campus Project;
- B. The Development Agreement is compatible with the uses authorized therein, and the regulations prescribed for, the general plan designations which will apply to the Property;
- C. The Development Agreement is in conformity with public convenience, general welfare and good land use practice;
- D. The Development Agreement will not be detrimental to the public health, safety and general welfare;
- E. The Development Agreement will not adversely affect the orderly development of the Property or the preservation of property values; and
- F. The Development Agreement is consistent with the provisions of Government Code Sections 65864 through 65869.5.

SECTION 4.

The foregoing findings and determinations are based upon the following:

- A. The Recitals set forth in this Ordinance, which are deemed true and correct;
- B. The City's General Plan, as amended;

- C. Resolution No. _____, adopted by the City Council on _____, 2020 certifying the Aggie Research Campus EIR (SCH#2014112012) and Mitigation Monitoring and Reporting Program, which Resolution and exhibits are incorporated herein by reference as if set forth in full;
- D. The City's General Plan, as amended by the General Plan Amendment adopted by the City Council by Resolution No. ____ prior to adoption of this Ordinance;
- E. All City staff reports (and all other public reports and documents) prepared for the Planning Commission and City Council, relating to the Development Agreement and other actions and entitlements relating to the Property, including all attachments hereto;
- F. All documentary and oral evidence received at public hearings or submitted to the City during the comment period relating to the Amendment to the Development Agreement, and other actions relating to the Property; and
- G. All other matters of common knowledge to the Planning Commission and City Council, including, but not limited to the City's fiscal and financial status; City policies and regulations; reports, projections and correspondence related to development within and surrounding the City; State laws and regulations and publications.

SECTION 5.

The City Council hereby approves the Development Agreement, attached hereto as Exhibit A, subject to the provisions of Section 6 hereof, and subject further to such minor, conforming and clarifying changes consistent with the terms thereof as may be approved by the City Manager, in consultation with the City Attorney prior to execution thereof, including completion of references and status of planning approvals, and completion and conformity of all exhibits thereto, as approved by the City Council

SECTION 6.

The approval contained in Section 5 hereof is subject to and conditioned upon Resolution No. , adopted by the City Council approving the General Plan amendment, becoming effective, including approval of the General Plan Amendment by the voters, as required by Chapter 41 of the Municipal Code, the "Citizens' Right to Vote on Future Use of Open Space and Agricultural Lands Ordinance."

SECTION 7.

Upon the effective date of this Ordinance, the Mayor and City Clerk are hereby authorized and directed to execute the Development Agreement on behalf of the City of Davis

SECTION 6.

The City Manager is hereby authorized and directed to perform all acts authorized to be performed by the City Manager in the administration of the Development Agreement pursuant to the terms of the Development Agreement.

SECTION 8.

If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this ordinance.

SECTION 9.

This Ordinance shall be in full force and effect thirty (30) days after its passage and adoption; provided, however, that if the General Plan Amendment is approved at a later date, then the effective date of this Ordinance shall be the date on which the General Plan Amendment becomes effective..

INTRODUCED on the _____ day of _____, 2020, and PASSED AND ADOPTED at a regular meeting of the City Council of the City of Davis this _____ day of _____, 2020 by the following vote:

AYES:

NOES:

ABSENT:

Mayor

ATTEST:

Zoe Mirabile, CMC
City Clerk

**AGREEMENT
BY AND BETWEEN
THE CITY OF DAVIS, RAMCO ENTERPRISES, LLC,
BUZZ OATES, AND R&B DELTA III, LLC**
Relating to the Development of the Property Commonly Known as the
Davis Innovation and Sustainability Campus Project

THIS DEVELOPMENT AGREEMENT (“Agreement”) is entered into this ____ day of July, 2020, by and between the CITY OF DAVIS, a municipal corporation (herein the "City"), RAMCO ENTERPRISES, LLC, a California Corporation, BUZZ OATES, a California Corporation, and R&B DELTA III, a California Limited Liability Company (collectively “Landowners” and “Developer”). This Agreement is made pursuant to the authority of Section 65864 *et seq.* of the Government Code of the State of California. This agreement refers to the City and the Developer collectively as the “Parties” and singularly as the “Party.”

RECITALS

A. To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the Legislature of the State of California adopted Section 65864, *et seq.* of the *Government Code* which authorizes any city, county or city and county to enter into a development agreement with an applicant for a development project, establishing certain development rights in the property which is the subject of the development project application.

B. The Landowners own in fee certain real property(ies) described in Exhibit A attached hereto and incorporated herein by this reference and located in unincorporated Yolo County (herein the "Property") which the Developer seeks to annex into the City of Davis and develop as the Project (the “Project”). The Project, as proposed, would be an innovation center and includes development of: 1,510,000 square feet of office/R&D/laboratory space, 884,000 square feet of advanced manufacturing, up to 850 residential units, up to 100,000 square feet of support retail, and up to 160,000 square feet for a hotel and conference center. Hotel, conference center, and support retail square footage may flex among uses so long as the combined square footage does not exceed

260,000 square feet. Upon completion of the Project, the approximately 187-acre site would provide up to 2,654,000 square feet of commercial space, provide approximately 5,882 jobs, 49 acres of parks, greenways and agricultural transition area, and 2.75 miles of off-street biking and walking paths within the Project area. Developer has an equitable interest in the Property sufficient to be bound by this Development Agreement.

C. This Agreement is voluntarily entered into by Landowners in order to implement the General Plan and in consideration of the rights conferred and the procedures specified herein for the development of the Property. This Agreement is voluntarily entered into by the City in the exercise of its legislative discretion in order to implement the General Plan and in consideration of the agreements and undertakings of the Developer hereunder.

D. City has granted the Developer the following land use entitlement approvals for the Project (hereinafter “Project Approvals”) which are incorporated and made a part of this Agreement:

- (1) General Plan Amendment from Agriculture to Innovation Center # [REDACTED]
- (2) Rezoning and Preliminary Planned Development # [REDACTED]
- (3) Development Agreement # [REDACTED] by and between the City of Davis and Developer.

City has also certified the Project’s Environmental Impact Report (SCH# 2014112012), approved by Resolution No. 17-125, and the Subsequent Environmental Impact Report, approved by Resolution No. [REDACTED], and adopted the Mitigation Monitoring and Reporting Program combining relevant measures from both documents.

E. This Agreement will eliminate uncertainty in planning for and securing orderly development of the Project, provide the certainty necessary for the Developer to make significant investments in public infrastructure and other improvements, assure the timely and progressive installation of necessary improvements and public services, establish the orderly and measured build-out of the Project consistent with the desires of

the City to support the research occurring at the University of California, Davis, attract and retain local businesses, and provide significant public benefits to the City that the City would not be entitled to receive without this Agreement.

F. In exchange for the benefits to the City, the Developer desires to receive the assurance that it may proceed with the Project in accordance with the existing land use ordinances, subject to the terms and conditions contained in this Agreement and to secure the benefits afforded the Developer by *Government Code* §65864.

AGREEMENT

IN CONSIDERATION OF THE MUTUAL COVENANTS AND PROMISES OF THE PARTIES, THE CITY AND THE DEVELOPER HEREBY AGREE AS FOLLOWS:

ARTICLE 1. General Provisions.

A. [Sec. 100] Property Description and Binding Covenants. The Property is that property described in Exhibit A, which consists of a map showing its location and boundaries and a legal description. Developer represents that it has a legal or equitable interest in the Property and that all other persons holding legal or equitable interests in the Property (excepting owners or claimants in easements) agree to be bound by this Agreement. The Parties intend and determine that the provisions of this Agreement shall constitute covenants which shall run with said Property, and the burdens and benefits hereof shall bind and inure to all successors in interest to the Parties hereto.

B. [Sec. 101] Effective Date and Term. The effective date of this Agreement shall be the date the Ordinance adopting this Agreement is effective. The term of this Agreement (the “Term”) shall commence upon the effective date and shall extend for a period of thirty (30) years thereafter, unless said Term is terminated, modified or extended by circumstances set forth in this Agreement or by mutual consent of the Parties, subject to the provisions of Section 105 hereof. Following the expiration of said Term, this Agreement shall be deemed terminated and of no further force and effect, subject, however, to the provisions of Section 407 hereof.

If this Agreement is terminated by the City Council prior to the end of the Term, the City shall cause a written notice of termination to be recorded with the County Recorder within ten (10) days of final action by the City Council.

This Agreement shall be deemed terminated and of no further effect upon entry, after all appeals have been exhausted, of a final judgment or issuance of a final order directing the City to set aside, withdraw or abrogate the City Council's approval of this Agreement or any material part of the Project Approvals.

C. [Sec. 102] Equitable Servitudes and Covenants Running With the Land. Any successors in interest to the City and the Developer shall be subject to the provisions set forth in *Government Code* §§ 65865.4 and 65868.5. All provisions of this Agreement shall be enforceable as equitable servitudes and constitute covenants running with the land. Each covenant to do, or refrain from doing, some act with regard to the development of the Property: (a) is for the benefit of and is a burden upon the Property; (b) runs with the Property and each portion thereof; and (c) is binding upon each Party and each successor in interest during ownership of the Property or any portion thereof. Nothing herein shall waive or limit the provisions of Section D, and no successor owner of the Property, any portion of it, or any interest in it shall have any rights except those assigned to the successor by the Developer in writing pursuant to Section D. In any event, no owner or tenant of an individual completed residential unit within Project shall have any rights under this Agreement and this Agreement may be amended without the agreement or consent of such homeowner or tenant.

D. [Sec. 103] Right to Assign; Non-Severable Obligations.

1 The Developer shall have the right to sell, encumber, convey, assign or otherwise transfer (collectively "assign"), in whole or in part, its rights, interests and obligations under this Agreement to a third party during the term of this Agreement.

2. No assignment shall be effective until the City, by action of the City Council, approves the assignment. Approval shall not be unreasonably withheld provided:

(a) The assignee (or the guarantor(s) of the assignee's performance) has the financial ability to meet the obligations proposed to be assigned and to undertake and complete the obligations of this Agreement affected by the assignment; and

(b) The proposed assignee has adequate experience with developments of comparable scope and complexity to the portion of the Project that is the subject of the assignment.

Any request for City approval of an assignment shall be in writing and accompanied by certified financial statements of the proposed assignee and any additional information concerning the identity, financial condition and experience of the assignee as the City may reasonably request; provided that, any such request for additional information shall be made, if at all, not more than fifteen (15) business days after the City's receipt of the request for approval of the proposed assignment. All detailed financial information submitted to the City shall constitute confidential trade secret information if the information is maintained as a trade secret by the assignee and if such information is not available through other sources. The assignee shall mark any material claimed as trade secret at the time it is submitted to the City. If City receives a public records request for any information designated a "trade secret" City shall notify the assignee of such request prior to releasing the material in question to the requesting party. If the assignee directs the City not to release the material in question, the assignee shall indemnify the City for any costs incurred by City, including but not limited to staff time and attorney's fees, as a result of any action brought by the requesting party to obtain release of the information and/or to defend any lawsuit brought to obtain such information. If the City wishes to disapprove any proposed assignment, the City shall set forth in writing and in reasonable detail the grounds for such disapproval. If the City fails to disapprove any proposed assignment within thirty (30) calendar days after receipt of written request for such approval, such assignment shall be deemed to be approved.

3. The Specific Development Obligations set forth in Article II, Section B [Sec. 201], are not severable, and any sale of the Property, in whole or in part, or assignment of this Agreement, in whole or in part, which attempts to sever such conditions shall

constitute a default under this Agreement and shall entitle the City to terminate this Agreement in its entirety.

4. Notwithstanding subsection 2 above, mortgages, deeds of trust, sales and lease-backs or any other form of conveyance required for any reasonable method of financing are permitted, but only for the purpose of securing loans of funds to be used for financing the acquisition of the Property, the development and construction of improvements on the Property and other necessary and related expenses. The holder of any mortgage, deed of trust or other security arrangement with respect to the Property, or any portion thereof, shall not be obligated under this Agreement to construct or complete improvements or to guarantee such construction or completion, but shall otherwise be bound by all of the terms and conditions of this Agreement. Nothing in this Agreement shall be deemed to construe, permit or authorize any such holder to devote the Property, or any portion thereof, to any uses, or to construct any improvements thereon, other than those uses and improvements provided for or authorized by this Agreement, subject to all of the terms and conditions of this Agreement.

5. Nothing in this Section shall be deemed to constitute or require City consent to the approval of any further subdivision or parcelization of the Property, in addition to the Parcel Map(s) identified in Recital D. The Parties recognize and acknowledge that any such actions must comply with applicable City laws and regulations and be consistent with the General Plan, the Project Approvals and this Agreement. Nothing in this Section shall be deemed to constitute or require City consent to an assignment that consists solely of a reorganization of the Developer's business structure, such as (i) any sale, pledge, assignment or other transfer of all or a portion of the Project Site to an entity directly controlled by Developer or its affiliates and (ii) any change in Developer entity form, such as a transfer from a corporation to a limited liability company or partnership, that does not affect or change beneficial ownership of the Project Site; provided, however, in such event, Developer shall provide to City written notice, together with such backup materials or information reasonably requested by City, within thirty (30) days following the date of such reorganization or City's request for backup information, as applicable.

E. [Sec. 104] Notices. Formal written notices, demands, correspondence and communications between the City and the Developer shall be sufficiently given if dispatched by certified mail, postage prepaid, to the principal offices of the City and the Developer, as set forth in Article 8 hereof. Such written notices, demands, correspondence and communications may be directed in the same manner to such other persons and addresses as either Party may from time to time designate. The Developer shall give written notice to the City, at least thirty (30) days prior to the close of escrow, of any sale or transfer of any portion of the Property and any assignment of this Agreement, specifying the name or names of the transferee, the transferee's mailing address, the amount and location of the land sold or transferred, and the name and address of a single person or entity to whom any notice relating to this Agreement shall be given, and any other information reasonably necessary for the City to consider approval of an assignment or any other action City is required to take under this Agreement.

F. [Sec. 105] Amendment of Agreement. This Agreement may be amended from time to time by mutual consent of the Parties, in accordance with the provisions of *Government Code* Sections 65867 and 65868.

G. [Sec. 106] Major Amendments and Minor Amendments.

1. Major Amendments. Any amendment to this Development Agreement which substantially affects or relates to (a) the term of this Development Agreement; (b) permitted uses of the Property; (c) provisions for the reservation or dedication of land; (d) conditions, terms, restrictions or requirements for subsequent discretionary actions; (e) the density or intensity of use of the Property or the maximum height or maximum gross square footage; or (f) monetary contributions by Developer, shall be deemed a "Major Amendment" and shall require giving of notice and a public hearing before the Planning Commission and City Council. Any amendment which is not a Major Amendment shall be deemed a Minor Amendment subject to Section 106(2) below. The City Manager or his or her delagee shall have the authority to determine if an amendment is a Major Amendment subject to this Section 106(1) or a Minor Amendment subject to Section 106(2) below. The City Manager's determination may be appealed to the City Council.

2. Minor Amendments. The Parties acknowledge that refinement and further implementation of the Project may demonstrate that certain minor changes may be appropriate with respect to the details and performance of the Parties under this Agreement. The Parties desire to retain a certain degree of flexibility with respect to the details of the Project and with respect to those items covered in the general terms of this Agreement. If and when the Parties find that clarifications, minor changes, or minor adjustments are necessary or appropriate and do not constitute a Major Amendment under Section 106(1), they shall effectuate such clarifications, minor changes or minor adjustments through a written Minor Amendment approved in writing by the Developer and City Manager. Unless otherwise required by law, no such Minor Amendment shall require prior notice or hearing, nor shall it constitute an amendment to this Agreement.

ARTICLE 2. Development of the Property.

A. [Sec. 200] Permitted Uses and Development Standards. In accordance with and subject to the terms and conditions of this Agreement, the Developer shall have a vested right to develop the Property for the uses and in accordance with and subject to the terms and conditions of this Agreement and the Project Approvals attached hereto as Exhibit C and incorporated herein by reference, and any amendments to the Project Approvals or Agreement as may, from time to time, be approved pursuant to this Agreement.

The Developer hereby agrees that development of the Project shall be in accordance with the Project Approvals, including the conditions of approval and the mitigation measures for the Project as adopted by the City, and any amendments to the Project Approvals or Agreement as may, from time to time, be approved pursuant to this Agreement. Nothing in this section shall be construed to restrict the ability to make minor changes and adjustments in accordance with Section 106, *supra*. Nothing in this Agreement shall require Developer or Landowner to construct the Project or to pay fees for any portion of the Project that Developer or Landowner does not construct.

B. [Sec. 201] Specific Development Obligations. In addition to the conditions of approval contained in the Project Approvals, the Developer and the City have

agreed that the development of the Property by the Developer is subject to certain specific development obligations, described herein and/or described and attached hereto as Exhibits E through K and incorporated herein by reference. These specific development obligations, together with the other terms and conditions of this Agreement, provide the incentive and consideration for the City entering into this Agreement.

(1) Affordable Housing. The Developer shall comply with the affordable housing requirements as set forth in Exhibit E which shall demonstrate compliance with the current City Ordinance which is incorporated herein and vests for the duration of this Agreement. Affordable housing units shall be property tax exempt to the greatest extent permitted under then applicable State and Federal law (Assembly Bill 1193, 2017.).

(2) Environmental Sustainability. The City and the Developer have agreed that climate change and environmental sustainability are critical issues for new developments. Developer shall comply with the Environmental Sustainability commitments set forth in Exhibit F.

(3) Transit, Transportation and Circulation. The Developer shall comply with and implement the measures identified in Exhibit G including but not limited to the obligation to create and implement a Transportation Demand Management plan which shall track and report performance to the City.

(4) Habitat and Agricultural Conservation. The Developer shall comply with the requirements as set forth in Exhibit H to preserve and enhance a diversity of native habitats and local agriculture in a manner consistent with the City's current Right to Farm Ordinance.

(5) Recreation and Wellness. The Developer shall comply with and implement the measures identified in Exhibit I to provide for the health and wellbeing of the community.

(6) Urban Forest and Landscape. The Developer shall comply with the requirements as set forth in Exhibit J to expand upon the urban forest, ensure the health

and success of the onsite tree canopy, and to foster the use of native and drought tolerant species.

(7) Reimbursement for Property Taxes. Prior to issuance of building permit, Developer shall devise and implement a mechanism through which the City, Yolo County, and Davis Joint Unified School District will be assured compensation equivalent to their respective share of otherwise-required property taxes in the event that the Property is acquired or leased in whole or in part by an entity exempt from payment of property taxes. The mechanism for providing such assurance may be in the form of a covenant running with the land, establishment of an assessment district, or another approach subject to review and approval of the City Attorney.

C. [Sec. 202] Subsequent Discretionary Approvals. The Developers' vested right to develop pursuant to this Agreement may be subject to subsequent discretionary approvals for portions of the Project. In reviewing and acting upon these subsequent discretionary approvals, and except as set forth in this Agreement, the City shall not impose any conditions that preclude the development of the Project for the uses or the density and intensity of use set forth in this Agreement. Any subsequent discretionary approvals, except conditional use permits, shall become part of the Project Approvals once approved and after all appeal periods have expired or, if an appeal is filed, if the appeal is decided in favor of the approval. The known subsequent approvals are set forth on Exhibit D, attached hereto and incorporated herein.

D. [Sec. 203] Development Timing. The Developer shall be obligated to comply with the terms and conditions of the Project Approvals and this Development Agreement at those times specified in either the Project Approvals or this Development Agreement. The parties acknowledge that the Developer cannot at this time predict with certainty when or the rate at which the Property would be developed. Such decisions depend upon numerous factors which are not all within the control of the Developer, such as market conditions and demand, interest rates, competition and other factors. Because the California Supreme Court held in *Pardee Construction Co. v. City of Camarillo*, 37 Cal.3d 465 (1984), that the failure of the parties therein to provide for the timing of development resulted in a later adopted initiative restricting the timing of development controlling the parties' agreement, it is the intent of City and the Developer to hereby

acknowledge and provide for the right of the Developer to develop the Project in such order and at such rate and times as the Developer deems appropriate within the exercise of its sole and subjective business judgment, subject to the terms, requirements and conditions of the Project Approvals and this Development Agreement. City acknowledges that such a right is consistent with the intent, purpose and understanding of the parties to this Development Agreement, and that without such a right, the Developer's development of the Project would be subject to the uncertainties sought to be avoided by the Development Agreement Statute, (California *Government Code* § 65864 *et seq.*), City Council Resolution 1986-77 and this Development Agreement. The Developer will use its best efforts, in accordance with their business judgment and taking into consideration market conditions and other economic factors influencing the Developer's business decision, to commence or to continue development, and to develop the Project in a regular, progressive and timely manner in accordance with the provisions and conditions of this Development Agreement and with the Project Approvals.

Subject to applicable law relating to the vesting provisions of development agreements, Developer and City intend that except as otherwise provided herein, this Agreement shall, upon its effectuation, vest the Project Approvals against subsequent City resolutions, ordinances, growth control measures and initiatives or referenda, other than a referendum that specifically overturns City's approval of the Project Approvals, that would directly or indirectly limit the rate, timing or sequencing of development, or would prevent or conflict with the land use designations, permitted or conditionally permitted uses on the Property, design requirements, density and intensity of uses as set forth in the Project Approvals, and that any such resolution, ordinance, initiative or referendum shall not apply to the Project Approvals and the Project. Developer and City acknowledge, however, that the General Plan Amendment # [REDACTED] will not take effect until such time as there is an affirmative vote of the electorate pursuant to Chapter 41 of the Davis Municipal Code, the Citizens' Right to Vote on Future Use of Open Space and Agricultural Lands Ordinance. Notwithstanding any other provision of this Agreement, Developer shall, to the extent allowed by the laws pertaining to development agreements, be subject to any growth limitation ordinance, resolution, rule, regulation or policy which is adopted and applied on a uniform, city-wide basis and directly concerns an imminent public health or safety issue.

In such case, City shall apply such ordinance, resolution, rule, regulation or policy uniformly, equitably and proportionately to Developer and the Property and to all other public or private owners and properties directly affected thereby.

E. [Sec. 204] Property Acquisition for Off-site Infrastructure. The Developer shall, in a timely manner as determined by City and consistent with the requirements of the Project and the conditions of approval of the Project, acquire the property rights necessary to construct or otherwise provide the public improvements contemplated by this Agreement and the Project Approvals. In any instance where the Developer is required to construct any public improvement on land to which neither the Developer nor the City has sufficient title or interest, including an easement or license determined necessary by the City, the Developer shall at its sole cost and expense provide or cause to be provided, the real property interests necessary for the construction of such public improvements. In the event the Developer is unable, after exercising all reasonable efforts as determined by the City, to acquire the real property interests necessary for the construction of such public improvements by the time any final map is filed with the City, and upon the Developer's provision of adequate security for costs the City may reasonably incur, the City shall negotiate the purchase of the necessary real property interests to allow the Developer to construct the public improvements as required by this Agreement and, if necessary, in accordance with the procedures established by law, use its power of eminent domain to acquire such required real property interests. For the purposes of this Section, "reasonable efforts" shall include proof that the Developer made a written offer to purchase the property interest at fair market value. The Developer shall pay all costs associated with such acquisition or condemnation proceedings including but not limited to attorneys' fees, expert witness fees, and jury awards of any kind. If and to the extent this section 204 conflicts with Section 66462.5 of the Subdivision Map Act, this section will control. Upon acquisition of the necessary interest in land, or upon obtaining a right of entry, either by agreement or court order, the Developer shall commence and complete the public improvements. This requirement shall be included, and, if necessary, detailed, in any subdivision improvement agreement entered into between the Developer and the City.

F. [Sec. 205]. Credits and/or Reimbursement for Dedication of Property or Construction of Infrastructure for "Oversizing". To the extent the Developer dedicates, funds or constructs public facilities that exceed the size or capacity required to serve the Property for the benefit of other properties or the City, the City shall enter into an agreement to reimburse the Developer, along with reasonable interest, to the extent of such benefit as determined by the City. The Developer may be reimbursed for oversizing: (1) under a separate agreement between the City and the Developer which will provide that if and when a particular property benefiting from the oversizing is developed, the City will require the benefiting property to reimburse the Developer its pro rata share of the costs of the oversizing, as set forth in the agreement. A written agreement under this provision shall have a term of no longer than twenty-five (25) years; or (2) as credits against impact fees that the Developer or the Project would otherwise be required to pay for the type of infrastructure (e.g. sewers, roads) or payments from impact fees paid by other properties developed in the City for the type of infrastructure. If the mitigation fees paid by other persons or entities, or the credit available from the impact fees to be paid by the Developer in the particular category of infrastructure, are insufficient to repay the Developer in full for the cost of oversizing, the Developer shall have no recourse against the City. Similarly, if the benefiting property fails to reimburse the Developer for oversizing, the Developer shall have no recourse against the City; however, the Developer will retain all its rights against the benefiting property and its owners, if any. In no case shall the City reimburse the Developer from general funds of the City.

Whenever in this Agreement or in future reimbursement agreements, the City is making reimbursements to the Developer, the reimbursements shall be made on a quarterly basis.

G. [Sec. 206] Rules, Regulations and Official Policies.

1. For the term of this Agreement, the rules, regulations, ordinances and official policies governing the permitted uses of land, the density and intensity of use, design, improvement and construction standards and specifications applicable to the development of the Property, including the maximum height and size of proposed

buildings, shall be those rules, regulations and official policies in force on the effective date of the ordinance enacted by the City Council approving this Agreement. Except as otherwise provided in this Agreement, to the extent any future changes in the General Plan, zoning codes or any future rules, ordinances, regulations or policies adopted by the City purport to be applicable to the Property but are inconsistent with the terms and conditions of this Agreement, the terms of this Agreement shall prevail, unless the Parties mutually agree to amend or modify this Agreement pursuant to Section 105 hereof. To the extent that any future changes in the General Plan, zoning codes or any future rules, ordinances, regulations or policies adopted by the City are applicable to the Property and are not inconsistent with the terms and conditions of this Agreement or are otherwise made applicable by other provisions of this Article 2, such future changes in the General Plan, zoning codes or such future rules, ordinances, regulations or policies shall be applicable to the Property.

(a) This section shall not preclude the application to development of the Property of changes in City laws, regulations, plans or policies, the terms of which are specifically mandated and required by changes in state or federal laws or regulations. In the event state or federal laws or regulations enacted after the date of this Agreement prevent or preclude compliance with one or more provisions of this Agreement or require changes in plans, maps or permits approved by the City, this Agreement shall be modified, extended or suspended as may be necessary to comply with such state or federal laws or regulations or the regulations of such other governmental jurisdiction

To the extent that any actions of federal or state agencies (or actions of regional and local agencies, including the City, required by federal or state agencies) have the effect of preventing, delaying or modifying development of the Property, the City shall not in any manner be liable for any such prevention, delay or modification of said development. The Developer is required, at its cost and without cost to or obligation on the part of the City, to participate in such regional or local programs and to be subject to such development restrictions as may be necessary or appropriate by reason of such actions of federal or state agencies (or such actions of regional and local agencies, including the City, required by federal or state agencies).

(b) Nothing herein shall be construed to limit the authority of the City to adopt and apply codes, ordinances and regulations which have the legal effect of protecting persons or property from conditions which create a health, safety or physical risk.

2. All project construction, improvement plans and final maps for the Project shall comply with the pertinent rules, regulations and design guidelines in effect at the time the construction, improvements plan or final map is approved. Unless otherwise expressly provided in this Agreement, all city ordinances, resolutions, rules regulations and official policies governing the design and improvement and all construction standards and specifications applicable to the Project shall be those in force and effect at the time the applicable permit is granted. Ordinances, resolutions, rules, regulations and official policies governing the design, improvement and construction standards and specifications applicable to public improvements to be constructed by Developer shall be those in force and effect at the time the applicable permit approval for the construction of such improvements is granted. If no permit is required for the public improvements, the date of permit approval shall be the date the improvement plans are approved by the City or the date construction for the public improvements is commenced, whichever occurs first.

3. Uniform Codes Applicable. This Project shall be constructed in accordance with the provisions of the California Building Code, city standard construction specifications and details and Title 24 of the California *Code of Regulations*, relating to Building Standards, in effect at the time of submittal of the appropriate building, grading, encroachment or other construction permits for the Project. If no permits are required for the infrastructure improvements, such improvements will be constructed in accordance with the provisions of the codes delineated herein in effect at the start of construction of such infrastructure.

4. The Parties intend that the provisions of this Agreement shall govern and control as to the procedures and the terms and conditions applicable to the development of the Property over any contrary or inconsistent provisions contained in Section 66498.1 *et seq.* of the *Government Code* or any other state law now or hereafter enacted purporting

to grant or vest development rights based on land use entitlements (herein "Other Vesting Statute"). In furtherance of this intent, and as a material inducement to the City to enter into this Agreement, the Developer agrees that:

(a) Notwithstanding any provisions to the contrary in any Other Vesting Statute, this Agreement and the conditions and requirements of land use entitlements for the Property obtained while this Agreement is in effect shall govern and control the Developer's rights to develop the Property;

(b) The Developer waives, for itself and its successors and assigns, the benefits of any Other Vesting Statute insofar as they may be inconsistent or in conflict with the terms and conditions of this Agreement and land use entitlements for the Property obtained while this Agreement is in effect; and

(c) The Developer will not make application for a land use entitlement under any Other Vesting Statute insofar as said application or the granting of the land use entitlement pursuant to said application would be inconsistent or in conflict with the terms and conditions of this Agreement and prior land use entitlements obtained while this Agreement is in effect.

5. This section shall not be construed to limit the authority or obligation of the City to hold necessary public hearings, to limit discretion of the City or any of its officers or officials with regard to rules, regulations, ordinances, laws and entitlements of use which require the exercise of discretion by the City or any of its officers or officials, provided that subsequent discretionary actions shall not conflict with the terms and conditions of this Agreement.

H. [Sec. 207]. Fees, Exactions, Conditions and Dedications.

1. Except as provided herein, the Developer shall be obligated to pay only those fees, in the amounts and/or with increases as set forth below, and make those dedications and improvements prescribed in the Project Approvals and this Agreement and any Subsequent Approvals. Unless otherwise specified herein, City-imposed development impact fees and sewer and water connection fees shall be due and payable by the Developer

prior to the issuance of a certificate of occupancy for the building in question. Certain impact fees and credits applicable to development of the Project shall be as set forth in Exhibit K, and paid in the manner specified.

2. Except as otherwise provided in this Agreement, as to the fees required to be paid, the Developer shall pay the amount in effect at the time the payment is made. The City retains discretion to revise such fees as the City deems appropriate, in accordance with applicable law. If the City revises such fees on a city-wide basis (as opposed to revising such fees on an *ad hoc* basis that applies solely to the Project), then the Developer shall thereafter pay the revised fee. The Developer may, at its sole discretion, participate in any hearings or proceedings regarding the adjustment of such fees. Nothing in this Agreement shall constitute a waiver by the Developer of its right to challenge such changes in fees in accordance with applicable law provided that the Developer hereby waives its right to challenge the increased fees solely on the basis of any vested rights that are granted under this Agreement and any tentative maps approved pursuant to this Agreement.

3. The City may charge and the Developer shall pay processing fees for land use approvals, building permits, and other similar permits and entitlements which are in force and effect on a citywide basis at the time the application is submitted for those permits, as permitted pursuant to California *Government Code* § 54990 or its successor sections(s).

4. Except as specifically permitted by this Agreement or mandated by state or federal law, the City shall not impose any additional capital facilities or development impact fees or charges or require any additional dedications or improvements through the exercise of the police power, with the following exception:

(a) The City may impose reasonable additional fees, charges, dedication requirements or improvement requirements as conditions of the City's approval of an amendment to the Project Approvals or this Agreement, which amendment is either requested by the Developer or agreed to by the Developer; and

(b) The City may apply subsequently adopted development exactions to the Project if the exaction is applied uniformly to development either throughout the city or with a defined area of benefit that includes the Property if the subsequently adopted development exaction does not physically prevent development of the Property for the uses and to the density and intensity of development set forth in this Agreement. In the event that the subsequently adopted development exaction fulfills the same purpose as an exaction or development impact fee required by this Agreement or by the Project Approvals, the Developer shall receive a credit against the subsequently adopted development exaction for fees already paid that fulfill the same purpose.

5. Compliance with *Government Code* § 66006. As required by *Government Code* § 65865(e) for development agreements adopted after January 1, 2004, the City shall comply with the requirements of *Government Code* § 66006 pertaining to the payment of fees for the development of the Property.

6. Wastewater Treatment Capacity. The City and the Developer agree that there is capacity in the wastewater treatment facility to serve (1) existing residents and businesses that are already hooked up to the facility, (2) anticipated residents and businesses through build-out of the City's existing General Plan, and (3) the Project. The City and the Developer acknowledge and agree that reserving this capacity for the Project, such that sewer hookups shall be available at such time as they are needed as the Project builds out, is a material element of the consideration provided by the City to the Developer in exchange for the benefits provided to the City under this Agreement. The Parties recognize the availability of sufficient sewer capacity may be affected by regulatory or operational constraints that are not within the City's discretion. To the extent the availability of sewer capacity is within the City's discretion (e.g., whether to extend sewer service to areas *not* currently within the City's service area), the City shall not approve providing such capacity to areas currently outside the City's service area if this approval would prevent or delay the ability of the City to provide sewer hookups to the Project as the Project requires hook-ups or connections. This provision shall not affect the City's ability to provide sewer service within its service boundaries or within the existing City boundaries as they exist on the effective date of this Agreement, and as to such connections,

the Parties requesting sewer service shall be connected on a first come first served basis. The Developer shall pay the applicable connection charge pursuant to that specified in Exhibit K of this Agreement at the time of building permit issuance. The Developer acknowledges that connection charge may increase substantially over time and that the cost to comply with the City's new NPDES permit, as they may be approved from time to time during the term of this Agreement, may be substantial.

I. [Sec. 208] Completion of Improvements. City generally requires that all improvements necessary to service new development be completed prior to issuance of building permits (except model home permits as may be provided by the Municipal Code). However, given the size of the Project and anticipated duration of development, the parties hereto acknowledge that some of the backbone or in-tract improvements associated with the development of the Property may not need to be completed to adequately service portions of the Property as such development occurs. Therefore, as and when portions of the Property are developed, all backbone or in-tract infrastructure improvements required to service such portion of the Property in accordance with the Project Approvals (e.g., pursuant to specific tentative map conditions or other land use approvals) shall be completed prior to issuance of any building permits within such portion of the Property. Provided, however, the Public Works Director may approve the issuance of building permits prior to completion of all such backbone or in-tract improvements if the improvements necessary to provide adequate service to the portion of the Property being developed are substantially complete to the satisfaction of the Public Works Director, or in certain cases at the discretion of the City, adequate security has been provided to assure the completion of the improvements in question.

ARTICLE 3. Obligations of the Developer.

A. [Sec. 300] Improvements. The Developer shall develop the Property in accordance with and subject to the terms and conditions of this Agreement, the Project Approvals and the subsequent discretionary approvals referred to in Section 202, if any, and any amendments to the Project Approvals or this Agreement as, from time to time, may be approved pursuant to this Agreement. The failure of the Developer to comply with

any term or condition of or fulfill any obligation of the Developer under this Agreement, the Project Approvals or the subsequent discretionary approvals or any amendments to the Project Approvals or this Agreement as may have been approved pursuant to this Agreement, shall constitute a default by the Developer under this Agreement. Any such default shall be subject to cure by the Developer as set forth in Article 4 hereof.

B. [Sec. 301] Developer's Obligations. Except as otherwise provided herein, the Developer shall be responsible, at its sole cost and expense, to make the contributions, improvements, dedications and conveyances set forth in this Agreement and the Project Approvals.

C. [Sec. 302] City's Good Faith in Processing. Subject to the reserved discretionary approvals set forth in Section 201 and the provisions of Section 207(3) hereof, the City agrees that it will accept, in good faith, for processing, review and action, all complete applications for zoning, special permits, development permits, tentative maps, subdivision maps or other entitlements for use of the Property in accordance with the General Plan and this Agreement.

The City shall inform the Developer, upon request, of the necessary submission requirements for each application for a permit or other entitlement for use in advance, and shall review said application and schedule the application for review by the appropriate authority.

ARTICLE 4. Default, Remedies, Termination.

A. [Sec. 400] General Provisions. Subject to extensions of time by mutual consent in writing, failure or unreasonable delay by either Party to perform any term or provision of this Agreement shall constitute a default. In the event of default or breach of any terms or conditions of this Agreement, the Party alleging such default or breach shall give the other Party not less than thirty (30) days' notice in writing specifying the nature of the alleged default and the manner in which said default may be satisfactorily cured. During any such thirty (30) day period, the Party charged shall not be considered in default for purposes of termination or institution of legal proceedings.

After notice and expiration of the thirty (30) day period, if such default has not been cured or is not being diligently cured in the manner set forth in the notice, the other Party to this Agreement may, at its option:

1. Terminate this Agreement, in which event neither Party shall have any further rights against or liability to the other with respect to this Agreement or the Property; or

2. Institute legal or equitable action to cure, correct or remedy any default, including but not limited to an action for specific performance of the terms of this Agreement;

In no event shall either Party be liable to the other for money damages for any default or breach of this Agreement.

B. [Sec. 401] Developer's Default; Enforcement. No building permit shall be issued or building permit application accepted for the building shell of any structure on the Property if the permit applicant owns or controls any property subject to this Agreement and if such applicant or any entity or person controlling such applicant is in default under the terms and conditions of this Agreement unless such default is cured or this Agreement is terminated.

C. [Sec. 402] Annual Review. The City Manager shall, at least every twelve (12) months during the term of this Agreement, review the extent of good faith substantial compliance by the Developer with the terms and conditions of this Agreement. Such periodic review shall be limited in scope to compliance with the terms and conditions of this Agreement pursuant to California Government Code Section 65865.1.

The City Manager shall provide thirty (30) days prior written notice of such periodic review to the Developer. Such notice shall require the Developer to demonstrate good faith compliance with the terms and conditions of this Agreement and to provide such other information as may be reasonably requested by the City Manager and deemed by him or her to be required in order to ascertain compliance with this Agreement. Notice of such annual review shall include the statement that any review may result in amendment or

termination of this Agreement. The costs of notice and related costs incurred by the City for the annual review conducted by the City pursuant to this Section shall be borne by the Developer.

If, following such review, the City Manager is not satisfied that the Developer has demonstrated good faith compliance with all the terms and conditions of this Agreement, or for any other reason, the City Manager may refer the matter along with his or her recommendations to the City Council.

Failure of the City to conduct an annual review shall not constitute a waiver by the City of its rights to otherwise enforce the provisions of this Agreement nor shall the Developer have or assert any defense to such enforcement by reason of any such failure to conduct an annual review.

D. [Sec. 403] Enforced Delay, Extension of Times of Performance. In addition to specific provisions of this Agreement, performance by either Party hereunder shall not be deemed to be in default where delays or defaults are due to war, insurrection, strikes, walkouts, riots, floods, earthquakes, fires, casualties, pandemics, acts of God, governmental entities, enactment of conflicting state or federal laws or regulations, new or supplementary environmental regulation, litigation, moratoria or similar bases for excused performance. If written notice of such delay is given to the City within thirty (30) days of the commencement of such delay, an extension of time for such cause shall be granted in writing for the period of the enforced delay, or longer as may be mutually agreed upon.

In the event litigation is initiated by any party other than Developer that challenges any of the approvals for the Project or the environmental document for those approvals and an injunction or temporary restraining order is not issued, Developer may elect to have the term of this Agreement tolled, i.e., suspended, during the pendency of said litigation, upon written notice to City from Developer. The tolling shall commence upon receipt by the City of written notice from Developer invoking this right to tolling. The tolling shall terminate upon the earliest date on which either a final order is issued upholding the challenged approvals or said litigation is dismissed with prejudice by all plaintiffs. In the event a court enjoins either the City or the Developer from taking actions with regard to the Project as a result of such litigation that would preclude any of them from enjoying the benefits

bestowed by this Agreement, then the term of this Agreement shall be automatically tolled during the period of time such injunction or restraining order is in effect

E. [Sec. 404] Limitation of Legal Actions. In no event shall the City, or its officers, agents or employees, be liable in damages for any breach or violation of this Agreement, it being expressly understood and agreed that the Developer's sole legal remedy for a breach or violation of this Agreement by the City shall be a legal action in mandamus, specific performance or other injunctive or declaratory relief to enforce the provisions of this Agreement.

F. [Sec. 405] Applicable Law and Attorneys' Fees. This Agreement shall be construed and enforced in accordance with the laws of the State of California. The Developer acknowledges and agrees that the City has approved and entered into this Agreement in the sole exercise of its legislative discretion and that the standard of review of the validity or meaning of this Agreement shall be that accorded legislative acts of the City. Should any legal action be brought by a Party for breach of this Agreement or to enforce any provision herein, the prevailing Party of such action shall be entitled to reasonable attorneys' fees, court costs and such other costs as may be fixed by the Court.

G. [Sec. 406] Invalidity of Agreement.

1. If this Agreement shall be determined by a court to be invalid or unenforceable, this Agreement shall automatically terminate as of the date of final entry of judgment.

2. If any provision of this Agreement shall be determined by a court to be invalid or unenforceable, or if any provision of this Agreement is rendered invalid or unenforceable according to the terms of any law which becomes effective after the date of this Agreement and either Party in good faith determines that such provision is material to its entering into this Agreement, either Party may elect to terminate this Agreement as to all obligations then remaining unperformed in accordance with the procedures set forth in Section 400, subject, however, to the provisions of Section 407 hereof. If neither Party

determines the provision to be material, that provision will be stricken and the remainder of the Agreement endure.

H. [Sec. 407] Effect of Termination on Developer Obligations. Termination of this Agreement shall not affect the Developer's obligations to comply with the General Plan and the terms and conditions of any and all Project Approvals and land use entitlements approved with respect to the Property, nor shall it affect any other covenants of the Developer specified in this Agreement to continue after the termination of this Agreement.

ARTICLE 5. Hold Harmless Agreement.

A. [Sec. 500] Hold Harmless Agreement. The Developer hereby agrees to and shall hold the City, its elective and appointive boards, commissions, officers, agents and employees harmless from any liability for damage or claims for damage for personal injury, including death, as well as from claims for property damage, which may arise from the Developer's or the Developer's contractors, subcontractors, agents or employees operations under this Agreement, whether such operations be by the Developer, or by any of the Developer's contractors, subcontractors, or by any one or more persons directly or indirectly employed by or acting as agent for the Developer or any of the Developer's contractors or subcontractors.

In the event any claim, action, or proceeding is instituted against the City, and/or its officers, agents and employees, by any third party on account of the processing, approval, or implementation of the Project Approvals and/or this Agreement, Developer shall defend, indemnify and hold harmless the City, and/or its officers, agents and employees. This obligation includes, but is not limited to, the payment of all costs of defense, any amounts awarded by the Court by way of damages or otherwise, including any attorney fees and court costs. City may elect to participate in such litigation at its sole discretion and at its sole expense. As an alternative to defending any such action, Developer may request that the City rescind any approved land use entitlement. The City will promptly notify Developer of any claim, action, or proceeding, and will cooperate fully in the defense thereof.

B. Prevailing Wages. Without limiting the foregoing, Developer acknowledges the requirements of California *Labor Code* §1720, *et seq.*, and 1770 *et seq.*, as well as California *Code of Regulations*, Title 8, Section 1600 *et seq.* (“Prevailing Wage Laws”), which require the payment of prevailing wage rates and the performance of other requirements on “public works” and “maintenance” projects, as defined. If work on off-site improvements pursuant to this Agreement is being performed by Developer as part of an applicable “public works” or “maintenance” project, as defined by the Prevailing Wage Laws, and if the total compensation under the contract in question is \$1,000 or more, Developer agrees to fully comply with such Prevailing Wage Laws. Developer understands and agrees that it is Developer’s obligation to determine if Prevailing Wages apply to work done on the Project or any portion of the Project. Upon Developer’s request, the City shall provide a copy of the then current prevailing rates of per diem wages. Developer shall make available to interested parties upon request, copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the work subject to Prevailing Wage Laws, and shall post copies at the Developer’s principal place of business and at the Project site. Developer shall defend, indemnify and hold the City, its elected officials, officers, employees and agents free and harmless pursuant to the indemnification provisions of this Agreement from any claim or liability arising out of any failure or alleged failure by Developer to comply with the Prevailing Wage Laws associated with any “public works” or “maintenance” projects associated with Project development.

ARTICLE 6. Project as a Private Undertaking.

A. [Sec. 600] Project as a Private Undertaking. It is specifically understood and agreed by and between the Parties hereto that the development of the Property is a separately undertaken private development. No partnership, joint venture or other association of any kind between the Developer and the City is formed by this Agreement. The only relationship between the City and the Developer is that of a governmental entity regulating the development of private property and the owner of such private property.

ARTICLE 7. Consistency with General Plan.

A. [Sec. 700] Consistency With General Plan. The City hereby finds and determines that execution of this Agreement is in the best interest of the public health, safety and general welfare and is consistent with the General Plan, as amended by the General Plan Amendment approved as part of the Project Approvals.

ARTICLE 8. Notices.

A. [Sec. 800] Notices. All notices required by this Agreement shall be in writing and delivered in person or sent by certified mail, postage prepaid, to the addresses of the Parties as set forth below.

Notice required to be given to the City shall be addressed as follows:

City Manager
City of Davis
23 Russell Boulevard
Davis, CA 95616

Notice required to be given to the Developer shall be addressed as follows:

Ramco Enterprises, Inc.
1450 Harbor Boulevard, suite B
West Sacramento, CA 95691
Attn: Dan Ramos

and

R&B Delta III
1200 Concord Avenue
Concord, CA 94520
Attn: Dana Parry

With a copy to:

Taylor & Wiley
500 Capitol Mall, Suite 1150
Sacramento, California 95814
Attn: Matthew S. Keasling

Any Party may change the address stated herein by giving notice in writing to the other Party, and thereafter notices shall be addressed and transmitted to the new address.

ARTICLE 9. Recordation.

A. [Sec. 900] When fully executed, this Agreement will be recorded in the official records of Yolo County, California. Any amendments to this Agreement shall also be recorded in the official records of Yolo County.

ARTICLE 10. Estoppel Certificates.

A. [Sec. 1000] Either Party may, at any time, and from time to time, deliver written notice to the other Party requesting such party to certify in writing that, to the knowledge of the certifying Party, (a) this Development Agreement is in full force and effect and a binding obligation of the Parties, (b) this Development Agreement has not been amended or modified or, if so amended or modified, identifying the amendments or modifications, and (c) the requesting Party is not in default in the performance of its obligations under this Development Agreement, or if in default, to describe therein the nature and extent of any such defaults. The requesting Party may designate a reasonable form of certificate (including a lender's form) and the Party receiving a request hereunder shall execute and return such certificate or give a written, detailed response explaining why it will not do so within thirty (30) days following the receipt thereof. The City Manager shall be authorized to execute any certificate requested by Developer hereunder. Developer and City acknowledge that a certificate hereunder may be relied upon by tenants, transferees, investors, partners, bond counsel, underwriters, and other mortgages. The request shall clearly indicate that failure of the receiving Party to respond within the thirty (30) day period will lead to a second and final request and failure to respond to the second and final request within fifteen (15) days of receipt thereof shall be deemed approval of the estoppel certificate. Failure of Developer to execute an estoppel certificate shall not be deemed a default, provided that in the event Developer does not respond within the required thirty (30) day period, City may send a second and final request to Developer and failure of Developer to respond within fifteen (15) days from receipt thereof (but only if City's request contains a clear statement that failure of Developer to respond within this fifteen (15) day period shall constitute an approval) shall be deemed approval by Developer of the estoppel certificate and may be relied upon as such by City, tenants, transferees, investors,

bond counsel, underwriters and bond holders. Failure of City to execute an estoppel certificate shall not be deemed a default, provided that in the event City fails to respond within the required thirty (30) day period, Developer may send a second and final request to City, with a copy to the City Manager and City Attorney, and failure of City to respond within fifteen (15) days from receipt thereof (but only if Developer's request contains a clear statement that failure of City to respond within this fifteen (15) day period shall constitute an approval) shall be deemed approval by City of the estoppel certificate and may be relied upon as such by Developer, tenants, transferees, investors, partners, bond counsel, underwriters, bond holders and mortgagees.

B. ARTICLE 11. Provisions Relating to Lenders

A. [Sec. 1201] Lender Rights and Obligations.

1. Prior to Lender Possession. No Lender shall have any obligation or duty under this Agreement prior to the time the Lender obtains possession of all or any portion of the Property to construct or complete the construction of improvements, or to guarantee such construction or completion, and shall not be obligated to pay any fees or charges which are liabilities of Developer or Developer's successors-in-interest, but such Lender shall otherwise be bound by all of the terms and conditions of this Agreement which pertain to the Property or such portion thereof in which Lender holds an interest. Nothing in this Section shall be construed to grant to a Lender rights beyond those of the Developer hereunder or to limit any remedy City has hereunder in the event of a breach by Developer, including termination or refusal to grant subsequent additional land use Approvals with respect to the Property.

2. Lender in Possession. A Lender who comes into possession of the Property, or any portion thereof, pursuant to foreclosure of a mortgage or deed of trust, or a deed in lieu of foreclosure, shall not be obligated to pay any fees or charges which are obligations of Developer and which remain unpaid as of the date such Lender takes possession of the Property or any portion thereof. Provided, however, that a Lender shall not be eligible to apply for or receive Approvals with respect to the Property, or otherwise be entitled to develop the Property or devote the Property to any uses or to construct any

improvements thereon other than the development contemplated or authorized by this Agreement and subject to all of the terms and conditions hereof, including payment of all fees (delinquent, current and accruing in the future) and charges, and assumption of all obligations of Developer hereunder; provided, further, that no Lender, or successor thereof, shall be entitled to the rights and benefits of the Developer hereunder or entitled to enforce the provisions of this Agreement against City unless and until such Lender or successor in interest qualifies as a recognized assignee of this Agreement and makes payment of all delinquent and current City fees and charges pertaining to the Property.

3. Notice of Developer's Breach Hereunder. If City receives notice from a Lender requesting a copy of any notice of breach given to Developer hereunder and specifying the address for notice thereof, then City shall deliver to such Lender, concurrently with service thereon to Developer, any notice given to Developer with respect to any claim by City that Developer have committed a breach, and if City makes a determination of non-compliance, City shall likewise serve notice of such non-compliance on such Lender concurrently with service thereof on Developer.

4. Lender's Right to Cure. Each Lender shall have the right, but not the obligation, for the same period of time given to Developer to cure or remedy, on behalf of Developer, the breach claimed or the areas of non-compliance set forth in City's notice. Such action shall not entitle a Lender to develop the Property or otherwise partake of any benefits of this Agreement unless such Lender shall assume and perform all obligations of Developer hereunder.

5. Other Notices by City. A copy of all other notices given by City to Developer pursuant to the terms of this Agreement shall also be sent to any Lender who has requested such notices at the address provided to City pursuant to Section 1201(4) above.

B. [Sec. 1202] Right to Encumber. City agrees and acknowledges that this Agreement shall not prevent or limit the owner of any interest in the Property, or any portion thereof, at any time or from time to time in any manner, at such owner's sole discretion, from encumbering the Property, the improvements thereon, or any portion

thereof with any mortgage, deed of trust, sale and leaseback arrangement or other security device. City acknowledges that any Lender may require certain interpretations of the agreement and City agrees, upon request, to meet with the owner(s) of the property and representatives of any Lender to negotiate in good faith any such request for interpretation. City further agrees that it shall not unreasonably withhold its consent to any interpretation to the extent such interpretation is consistent with the intent and purpose of this Agreement

ARTICLE 13. Entire Agreement.

A. [Sec.1300] Entire Agreement. This Agreement is executed in duplicate originals, each of which is deemed to be an original. This Agreement consists of [redacted] pages and [redacted] Exhibits which constitute the entire understanding and agreement of the Parties. Unless specifically stated to the contrary, the reference to an exhibit by designated letter or number shall mean that the exhibit is made a part of this Agreement. Said exhibits are identified as follows:

- Exhibit A: Legal Description of the Property and Project Site
- Exhibit B: General Plan Amendment Resolution and Baseline Project Features
- Exhibit C: Project Discretionary Approvals
- Exhibit D: Subsequent Discretionary Entitlements
- Exhibit E: Affordable Housing Plan
- Exhibit F: Sustainability Features
- Exhibit G: Transit, Transportation and Circulation
- Exhibit H: Habitat and Agricultural Conservation
- Exhibit I: Recreation and Wellness
- Exhibit J: Urban Forest and Landscape
- Exhibit K: Impact Fees, Credits, and Municipal Financing
- Exhibit L: Uncategorized Additional Community Benefits
- Exhibit M: Applicable City Ordinances

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the City and Developer and Landowner have executed this Agreement as of the date set forth above.

“CITY”

CITY OF DAVIS

By: _____
Gloria Partida
Mayor

Attest: _____
Zoe Mirabile
City Clerk

APPROVED AS TO FORM:

Inder Khalsa
City Attorney

“DEVELOPER”

RAMCO ENTERPRISES LLC, a California limited liability company

By: _____
Daniel Ramos, Project Manager

BUZZ OATES, a California corporation

By: _____
XXXXXXXXXX

R&B DELTA III, a California limited liability corporation

By: _____

Dana Parry, President & CEO

DRAFT

EXHIBIT A
LEGAL DESCRIPTION AND PROJECT SITE MAP

THE LAND DESCRIBED HEREIN IS SITUATED IN THE STATE OF CALIFORNIA,
COUNTY OF YOLO, UNINCORPORATED AREA, AND IS DESCRIBED AS FOLLOWS:

R&B DELTA III, A CALIFORNIA LIMITED LIABILITY COMPANY

ALL THAT PORTION OF THE SOUTHWEST QUARTER OF SECTION 6, T. 8N., R. 3E., M.
D.B. & M., LYING SOUTH OF THE FOLLOWING DESCRIBED LINE:

COMMENCING AT THE SOUTHWEST CORNER OF SECTION 6, T. 8N., R. 3E., M.D.B. &
M.; THENCE EASTERLY ALONG THE SOUTHERLY LINE OF SAID SECTION 6 TO THE
SOUTHEAST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 6; THENCE
NORTHERLY ALONG THE EASTERLY LINE OF THE SOUTHWEST QUARTER OF SAID
SECTION 6, A DISTANCE OF 1815.00 FEET, TO THE POINT OF BEGINNING; THENCE
FROM SAID POINT OF BEGINNING WESTERLY PARALLEL WITH THE SOUTHERLY
BOUNDARY LINE OF SAID SECTION 6 TO THE WESTERLY LINE OF THE EASTERLY
HALF OF THE SOUTHWEST QUARTER OF SAID SECTION 6; THENCE SOUTHERLY
ALONG SAID WESTERLY LINE OF THE EASTERLY HALF OF SOUTHWEST QUARTER
OF SECTION 6, A DISTANCE OF 825 FEET, MORE OR LESS, TO A POINT ON A LINE
PARALLEL WITH AND DISTANT 990 FEET NORTHERLY, MEASURED AT RIGHT
ANGLES FROM THE SOUTHERLY LINE OF SAID SECTION 6; THENCE WESTERLY
ALONG SAID PARALLEL WITH THE WESTERLY LINE OF SAID SECTION 6.

EXCEPTING THEREFROM ANY PORTION DEEDED TO THE COUNTY OF YOLO BY
DEED DATED AUGUST 25, 1964 AND RECORDED IN BOOK 778 OF OFFICIAL RECORDS,
PAGE 18, YOLO COUNTY RECORDS.

EXCEPTING THEREFROM ALL MINERALS, OIL, GAS, CASINGHEAD GAS,
ASPHALTUM AND OTHER HYDROCARBONS AND CHEMICAL GAS, NOW OR
HEREAFTER FOUND, SITUATED OR LOCATED IN ALL OR ANY PART OR PORTION OF
THE LANDS HEREINABOVE DESCRIBED AS RESERVED BY WILLIAM H. MADDOCKS,
ET UX., BY DEED RECORDED JANUARY 26, 1981 IN BOOK 1458 OF OFFICIAL
RECORDS, PAGE 296, YOLO COUNTY RECORDS.

ASSESSOR'S PARCEL NUMBER: 033-650-009

**FRANK C. RAMOS AND JOANNE M. RAMOS TRUSTEES OF THE FRANK C.
RAMOS AND JOANNE M. RAMOS FAMILY TRUST DATED SEPTEMBER 22, 2005,
BUZZ OATES LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, AND OATES
ASSOCIATES INVESTORS, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY**

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF YOLO, STATE
OF CALIFORNIA AND BEING A PORTION OF THE NORTHWEST QUARTER OF
SECTION 7, OF TOWNSHIP 8 NORTH, RANGE 3 EAST, M.D.B. & M., MORE
PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID SECTION 7; THENCE NORTH 89° 56'20" EAST 50.00 FEET TO A POINT ON THE EASTERLY LINE OF MACE BOULEVARD SAID POINT ALSO BEING THE TRUE POINT OF BEGINNING; THENCE SOUTHERLY ALONG SAID EASTERLY LINE OF MACE BOULEVARD, SOUTH 00° 20'30" EAST, 1,406.70 FEET TO A POINT ON THE CENTERLINE OF NEW COUNTY ROAD 32A; THENCE DEPARTING FROM SAID EASTERLY LINE OF MACE BOULEVARD, SOUTHEASTERLY ALONG THE CENTERLINE OF NEW COUNTY ROAD 32A, SOUTH 89° 39'30" EAST 196.92 FEET; THENCE THROUGH A CURVE CONCAVE TO THE SOUTH WITH AN ARC LENGTH OF 428.84 FEET, RADIUS OF 600.00 FEET, INCLUDED ANGLE OF 40° 57'05" AND CHORD OF SOUTH 69° 51'58" EAST 419.77 FEET; THENCE SOUTH 49° 23'25" EAST 167.44 FEET; THENCE THROUGH A TANGENT CURVE TO THE LEFT WITH AN ARC LENGTH OF 1,009.26 FEET, RADIUS OF 1,000.00 FEET AND INCLUDED ANGLE OF 57° 49'35"; THENCE DEPARTING FROM SAID CENTERLINE OF NEW COUNTY ROAD 32A, SOUTH 17° 13' 00" EAST 30.00 FEET TO A POINT ON THE NORTHERLY LINE OF UNION PACIFIC RAILROAD; THENCE NORTHEASTERLY ALONG SAID NORTHERLY LINE OF UNION PACIFIC RAILROAD, NORTH 72° 47'00" EAST 975.77 FEET TO A POINT ON THE EASTERLY SIDE OF THE NORTHWEST QUARTER OF SAID SECTION 7; THENCE DEPARTING FROM SAID NORTHERLY LINE OF UNION PACIFIC RAILROAD, NORTH ALONG THE EASTERLY SIDE OF THE NORTHWEST QUARTER OF SAID SECTION 7, NORTH 00° 20'54" WEST, 1597.65 FEET TO THE NORTHEAST CORNER OF THE NORTHWEST QUARTER OF SAID SECTION 7; THENCE WEST ALONG THE NORTHERLY SIDE OF SAID SECTION 7, SOUTH 89° 56'20" WEST, 2,604.64 FEET TO THE TRUE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: 033-630-009

INSERT PARCEL MAP

EXHIBIT B
GENERAL PLAN AMENDMENT RESOLUTION AND BASELINE PROJECT
FEATURES

GENERAL PLAN RESO TO BE ADDED ONCE FINALIZED.

DAVIS INNOVATION AND SUSTAINABILITY CAMPUS
BASELINE PROJECT FEATURES

Project Goals

The purpose of the (DISC or Project) is to provide an approximately twenty-five-year inventory of land strategically located and designed to accommodate future growth of the science, technology and advanced manufacturing sectors within the City of Davis. Development of the DISC will allow Davis to retain, grow and capitalize upon the cutting-edge research and intellectual capital being fostered at U.C. Davis at a site located in close proximity to the University and Downtown Davis, adjacent to Capital Corridor Rail and Interstate 80, where adequate infrastructure including intercontinental fiber optic lines can easily be extended, and that is surrounded by preserved agricultural lands along its undeveloped borders. The DISC's goals include providing a full-range of complementary uses, including housing to accommodate the workforce, while embodying principles of environmental sustainability. The Project responds to a request that was issued by the City Council in 2014 and is the culmination of nearly two decades of City planning efforts. The City Council's goals for the development include the capture of business growth and the achievement of fiscal and economic benefits for the City General Fund and the community.

Land Use Summary

The DISC will provide a mix of land uses that work holistically to create a research and technology innovation campus. DISC proposes a mix of office, laboratory, and research and development (R&D) space; advanced manufacturing to prototype and build products; rental and for-sale, high-density housing designed to accommodate the Project's workforce; accessory commercial/retail space; a hotel and conference center; a transit plaza; parks, greenbelts and open spaces; and parking areas designed to accommodate the generation of renewable energy. An illustrative draft land use and site plan depicting the location of the proposed land

uses, along with proposed roadways and connections to adjacent areas, is included.

DISC Land Uses		
Land Use Type	Estimated Acres	Maximum Size
Office, Laboratory, R&D	44.7	1,510,000 square feet
Advanced Manufacturing	57.2	884,000 square feet
Residential	27.4	850 units
Ancillary Retail ¹	NA	100,000 square feet
Hotel and Conference Center	6	160,000 square feet
Parks, Plazas and Green Spaces	49.2 ²	
Total Commercial Innovation	101.9	2,654,000 square feet
Total Project	±193.8 ²	
<p>¹ Ancillary Retail occurs predominantly within Office, R&D, multi-family buildings and any of the 100,000 square feet allotted for Retail may be utilized as Office, R&D dependent on demand.</p> <p>² Includes a proposed 6.8-acre easement on adjacent City-owned property to be used for agricultural buffer, drainage and habitat.</p>		

Development of DISC will include only the identified use types and is required to be configured in a manner generally consistent with the Baseline Features Site Plan (attached). A floor area ratio (FAR) is the ratio of the floor area of a building to the land on which it is built, and is calculated to ensure that developable land is used

efficiently. DISC shall achieve a minimum floor area ration (FAR) of 0.4 at Phase 1, 0.5 at Phase 2, 0.6 at Phase 3, and no less than 0.7 at full buildout.¹ Although some flexibility within the site will be allowed in terms of the siting of specific use types, building and exterior spaces as well as their design (e.g., orientation, floorplates, building footprints), the use types discussed in this document will not be allowed to be substantially modified nor will maximum square footage be exceeded.

A more detailed discussion of each land use type and sequencing of development with site features is included near the end of this document.

Key Project Commitments

The Project is subject to numerous commitments established in the Development Agreement between the City of Davis and the Developer as well as through mitigation measures as specified in the environmental review of the project. Specific components of the Development Agreement required by these Baseline Project Features are the following:

Housing

- Rental and for-sale housing shall be provided to accommodate a range of incomes and needs.
- All housing shall be medium- and high-density with a minimum median density of 30 units per acre. No single-family detached housing will be permitted.
- Housing will be designed and construction timed to meet the housing needs of the DISC workforce.
- Commercial development shall precede housing construction; there must be 200,000 square feet of job space before any homes are constructed. Housing construction will be contingent upon the construction of commercial space at a ratio of one home per 2,000 square feet of nonresidential space. This linkage between the development of housing and the creation of jobs will maximize opportunities for DISC employee occupancy of the housing and reduce traffic impacts.
- DISC residences will not be dormitory-style housing but will include such housing types as micro units, studios, one-to-three-bedroom

¹ Progressively increasing FAR minimums are intended to ensure that, at buildout, the Project exceeds the City goal of 0.5 FAR. Uses that are science and innovation related and meet the intent of the Campus will be included in calculation of FAR, including but not limited to, greenhouses and test fields.

apartments, condos and townhomes. No home will include more than three bedrooms.

- Parking associated with multifamily housing will be unbundled, meaning that it is paid for separately from rent. Tenants will be able to avoid these parking costs, and reduce traffic impacts, if they choose a car-free lifestyle.

Affordable Housing

- DISC housing shall accommodate a diversity of incomes on-site.
- The project will provide for no less than 153 affordable housing units using the methods that are identified in the City's Affordable Housing Ordinance and subject to Council approval. The percentage of affordable units exceeds city requirements.
- At least 100 multi-family units of the Project's affordable housing unit commitment will be constructed on-site in inclusive locations near parks and/or transit.
- An additional 25 for-sale units located onsite will be designated for those buyers meeting Yolo County's definition of moderate income.
- To foster the development of onsite affordable units at the earliest feasible time, any onsite affordable housing project shall be exempted from the requirement of commercial development being a condition precedent and from the units being subject to the 1 unit to 2,000 square feet requirement.

Sustainability

- Project's electricity demand shall be fueled by 100% clean energy either generated onsite or purchased from a 100% renewable program such as Valley Clean Energy's "UltraGreen" program.
- In furtherance of the commitment to utilize 100% renewable energy, the installation of photovoltaics or future renewable energy technology will be required on all new housing and commercial buildings with a few exceptions such as greenhouses, to the greatest extent practicable.
- Housing units will be all-electric, not include natural gas, and comply with the City's Residential Energy Efficiency "Reach" Green Building Code.
- DISC will achieve net zero electricity for outdoor lighting.
- Utilize only non-potable (well or recycled) water for all common landscaping areas managed by the Master Owners Association.

- Infrastructure to accommodate reclaimed water, i.e. “purple pipe,” shall be installed in anticipation of future service.
- Native and drought tolerant plants shall predominate the plant palette. Valley Oaks or other local native oak species will be significantly incorporated into the agricultural buffer area.
- Runoff shall be captured and conveyed onsite in a series of bioswales intended to filtrate and clean the run-off and maximize groundwater recharge.
- More than 1,000 trees will be planted on the site for shading and carbon benefits. The maintenance and growth of all onsite trees will be monitored by a third-part arborist and failure to meet tree obligations (i.e. number and shading requirements) will be subject to penalty.
- Trees planted in parking areas or street-adjacent shall use structured soil or suspended substrate to allow successful tree root development. Developer shall size pavement treatment areas to accommodate the anticipated sizes of the various tree varieties that will be planted.
- Compliance with these sustainability provisions will be monitored, measured and verified by the Master Owners Association with outcomes submitted to the City in biennial reports.

Transit

- In coordination with Unitrans and YoloBus, enhance and/or relocate the existing bus stops located on Mace Boulevard for improved use by DISC employees and residents.
- A centralized plaza will serve as a connection point for multi-modal transportation including shuttles with connections to Amtrak and UC Davis, on-site shuttles, paratransit and micromobility (e.g. bike, skateboard, and scooter share services). The plaza will be designed to accommodate local and regional bus service so that the local and regional transit agencies have an option to either provide service at the plaza or via existing routes to transit stops along Mace Blvd.
- Land will be reserved to widen the right-of-way on Mace Blvd. to accommodate a potential express bus lane or other future transportation needs.
- DISC will participate in, and establish, a fair-share funding mechanism for, a shuttle program with connections to the Amtrak train station, UC Davis, and other destinations.

- A Transportation Demand Management (TDM) Plan will be adopted and implemented requiring specific targeted reductions in vehicle use. A designated TDM manager will report directly to the Master Owners Association and to the City to track progress on actions to improve mobility and reduce traffic impacts.

Roadways

- DISC will construct and/or contribute funding to improve the capacity, functionality, and safety of Mace Blvd. and, in particular, at the intersections of Mace and Alhambra Dr. and at Mace and 2nd Street if studies show such improvements are needed to address traffic generated by the Project.
- DISC will fund the development of a “traffic calming” plan for local streets identified in the environmental analysis.
- DISC will fund the creation of a comprehensive Mace Boulevard Corridor Plan to improve bicycle and pedestrian travel and transit in the vicinity of the Project.
- DISC will construct safety improvements at County Roads 32A and 105 at the crossing of the UPRR tracks.

Bicycle and Pedestrian

- DISC will construct a grade-separated bicycle and pedestrian crossing of Mace Boulevard connecting to local and regional trails.
- A minimum of 2.75 miles of publicly accessible bike lanes and walking paths will be provided on-site at DISC.
- DISC will construct a new bike trail connection between Mace Blvd and Harper Junior High School along the inside of the Mace Curve, thereby improving bicycle safety to schools and the DISC site.
- Two bicycle maintenance and repair kiosks will be provided on-site.

Agricultural Land and Wildlife Conservation

- By the full build-out of DISC, the developer will have purchased conservation easements protecting 342 acres of local agricultural lands, thereby ensuring their preservation as farmland. The specific locations would be subject to city approval and must comply with the City’s agricultural land mitigation ordinance as in effect at Project approval.

- The portion of the Mace Drainage Channel the DISC site will be restored and enhanced utilizing native riparian vegetation while maintaining its drainage conveyance function.
- A diversity of native habitats shall be disbursed and managed throughout the site, primarily within the agricultural buffer and along the channel, including but not limited to riparian, California oak savanna, and native prairie grasslands. The agricultural buffer shall include areas densely vegetated and sparsely vegetated to accommodate nesting and foraging opportunities for a variety of species.
- Artificial burrowing owl dens will be installed in the agricultural buffer in consultation with a qualified biologist.

Fiber Optic Broadband Internet

- In Phase 1 of the project, DISC will obtain the rights and extend fiberoptic or comparable internet infrastructure to the site that is critically needed to attract and support research and technology endeavors.
- Other users, including the City of Davis, will be allowed to connect to the internet network and extend service into the City under terms to be negotiated.

Financing

- DISC will form an owners' association and/or financing district to pay for the maintenance and upkeep of all publicly accessible park, greenbelt and open spaces.
- A Property Business Improvement District (PBID) will be pursued by the City to improve local commuter transit services and its formation will be supported by DISC.
- DISC will commit to participation in financing mechanisms, such as a community facilities district, that could help pay for roadway improvements near Mace Boulevard, in East Davis and in other locations deemed appropriate by the City. In addition, the DISC project will contribute Roadway Impact Fees and construction taxes for such purposes.

Measurement and Verification

- The DISC developer will establish a Master Owners Association which reports to the City biennially and is responsible for measurement, verification and assuring compliance with Project

baseline features, sustainability obligations and mitigation measures.

Land Uses – Explained

Principal Innovation Uses:

Office, Laboratory and Research & Development

Office, Laboratory and Research and Development (R&D) uses will occur in a series of clustered commercial buildings. These innovation uses will predominantly occur in the core area, near the transit plaza, and be clustered around shared courtyards. This land use type is intended to allow for a variety of uses including, but not limited to, corporate headquarters, biological research, collaborative think tanks, laboratories, software design, and other office-based innovation uses.

Advanced Manufacturing

Research, Prototyping and Manufacturing uses in individual or clustered buildings shall occur predominantly at peripheral locations of the Project along the eastern edge. These innovation uses will typically be surrounded by areas identified as flex zone which may accommodate parking and photovoltaics but will also allow for an outdoor area that may be needed as an extension of the underlying research, prototyping and manufacturing uses. This area is intended to allow for a variety of uses including, but not limited to: large-scale research; light manufacturing; crop sciences; assembly of products, including but not limited to electrical, pharmaceutical, biomed, food products and devices; and associated warehousing and distribution.

Innovation Support Uses:

Housing

A maximum of 850 units of housing designed to accommodate the needs of the DISC worker shall be permitted onsite. The housing will be a mix of rental and for-sale with a density range of 15 to 50 units per acre. Residential units will range from studio to three-bedroom. Product types

will be multi-family, condominiums or townhomes. The construction of housing will be contingent upon and slightly trail the construction of commercial space and units should become available as jobs are created.

Support Retail

Support retail uses, up to a maximum of 100,000 square feet, shall be permitted within the core area of the Project site. Support retail will predominantly, but not exclusively, occur on the ground floor of office or multi-family residential buildings. A variety of onsite retail uses including, but not limited to, a coffee shop, restaurant, fitness center, childcare center, electronics store, or maintenance and repair shops would be intended for the convenience of DISC residents and workers and to reduce off-site vehicle trips.

Open Space and Parks

Open space, greenbelts, courtyards and parks, including the agricultural buffer area, will comprise approximately 49 acres or one-fourth of the DISC site. The open space and park areas will include programmed and passive gathering spaces, miles of new pedestrian and bicycle trails and facilities, sports fields, and vegetated landscape buffers.

Roadways and Circulation

The proposed circulation system for the DISC site consists of new local streets, a centralized transit plaza, and a system of pedestrian and bicycle paths that will connect the site to the surrounding neighborhoods, Downtown Davis and UC Davis. This system will provide enhanced connectivity for pedestrians, bicyclists, transit riders, and automobiles via new multi-modal roadway connections and linkages to existing greenways and bike paths.

The circulation framework at DISC is a modified grid network of streets, which will, at a minimum, connect with Mace Boulevard at three locations and County Road 32A at two new intersections. The gateway into the Project is along an extension of Alhambra; this entryway is separated from heavy truck traffic which will primarily enter from 32A. Pedestrian and

bicycle connections will occur from the west primarily at a new grade-separated crossing of Mace Boulevard adjacent to the canal.

Parking

No more than 4,772 parking stalls may be created parking for commercial uses and residential shall not exceed 850 spaces. All commercial parking areas shall include infrastructure to accommodate the installation of photovoltaics and the accommodation of electric vehicle charging. City and Developer shall seek to further reduce on-site parking through the development of a Transportation Demand Management Plan, with the target being 4,340 total parking stalls, which reflects a nearly 25 percent reduction.

Sequencing Development of the Project Site

Several Project mitigation measures are tied to development phases which are identified in the environmental analysis as follows:

Phase	Commercial SF	Residential Units
1	540,000	270
2	700,000	350
3	700,000	230
4	714,000	0

Backbone infrastructure, including roadways and utilities necessary for the development, shall be provided as needed. Early infrastructure improvements shall include roadway connections to both Mace Boulevard and County Road 32A.

Several Project features shall be sequenced to ensure that the site is developed in a feasible and logical order consistent with the following:

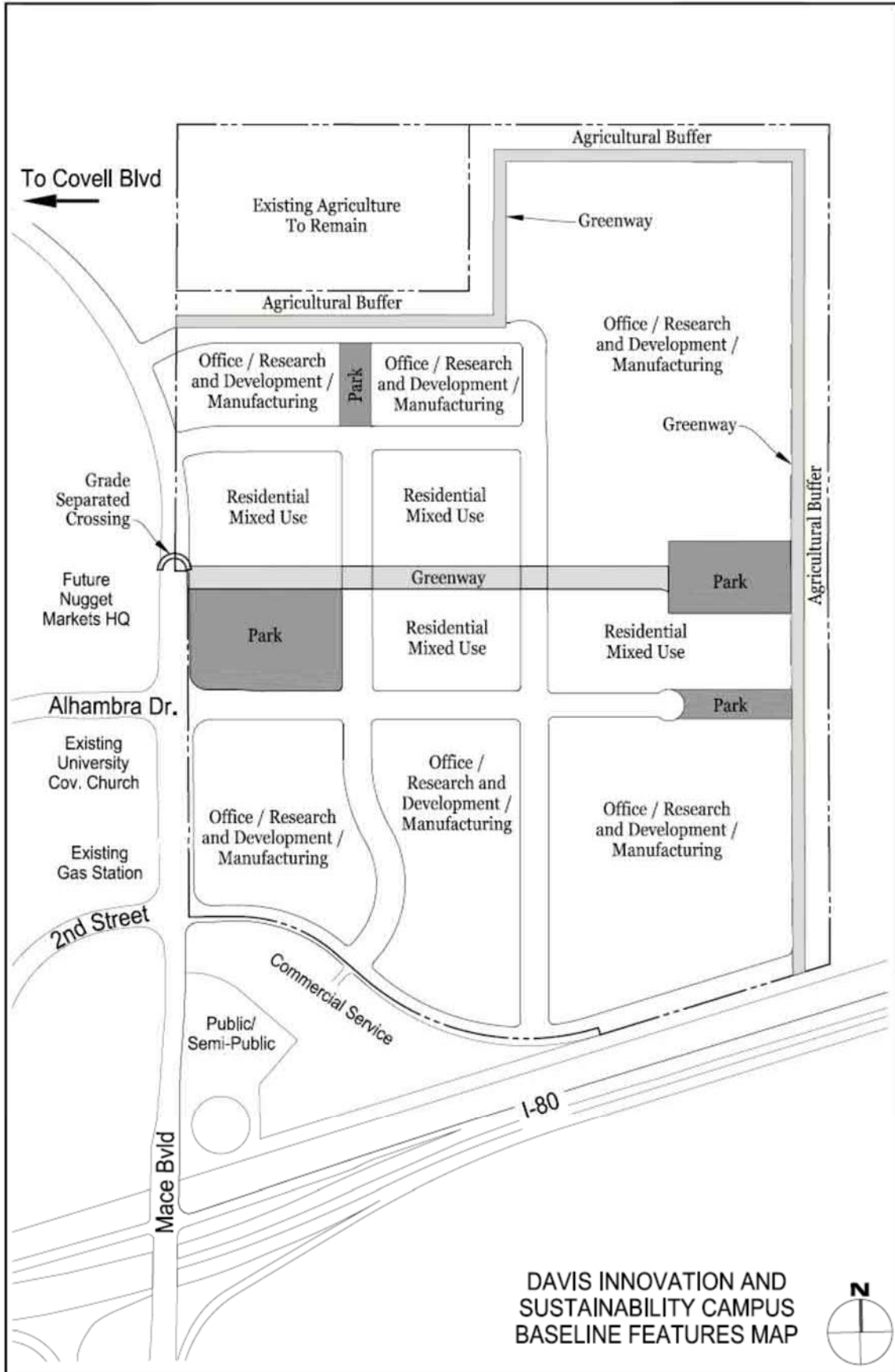
- Roadways extending Alhambra Boulevard onto the Project site and connecting to County Road 32A shall be constructed in Phase 1 creating a circulation loop.
- Transit improvements along Mace Boulevard, including lane dedication, shall be installed and enhance at Phase 1, concurrent with initial development. The onsite transit plaza shall be constructed no later than Phase 2.
- The central park located on Mace Boulevard and the off-grade crossing of Mace Boulevard shall be constructed in Phase 2.
- Improvements to the Mace Drainage Channel, the accompanying east/west class 1 bike trail and the parks south of the channel will be commenced in Phase 2.
- The agricultural buffer and associated peripheral bicycle and pedestrian trail shall be constructed in segments concurrent with adjacent development. The peripheral trail and bike path will be completed in Phase 3.
- The hotel and conference center are not associated with any phase but, rather, shall not be constructed until adequate demand to support additional hotel space is demonstrated, through a third-party economic report, to the satisfaction of the City.

Baseline Project Features: Implementation

The DISC must be developed consistent with these Baseline Project Features, which may not be substantially changed without approval by the voters of the City. The Planning Commission and/or Zoning Administrator will review compliance with these Baseline Project Features as they consider applications for Final Planned Development, Tentative Subdivision Map, approval of Design Guidelines, implementation of sustainability plans, and the required annual Development Agreement implementation review. Additional DISC project requirements, including but not limited to, the imposed mitigation measures set forth in the Mitigation Monitoring and Reporting Plan and commitments in the Development Agreement, are not Baseline Project Features and may be modified by the City Council. In addition, minor changes to the Project can be anticipated during the course of this multiple year build out. Such changes, often the result of detailed engineering, sustainability obligations, or changes in surrounding conditions, may be implemented without voter approval if they are substantially consistent with the Baseline Project Features and they do not materially alter the character of the Project (See, Resolution 06-40 Establishing Criteria to Determine

What Constitutes a Significant Project Modification or Change Requiring a Subsequent Measure J Vote).

DRAFT



06/01/2020

EXHIBIT C
PROJECT DISCRETIONARY APPROVALS

- (1) General Plan Amendment #
- (2) Rezoning and Preliminary Planned Development #
- (3) Development Agreement #__ by and between the City of Davis and Developer.

DRAFT

EXHIBIT D
SUBSEQUENT DISCRETIONARY ENTITLEMENTS

Following City Council approval of the Project and a successful ballot initiative, the following discretionary approvals and actions by the City are also required to implement the Project:

- Tax-share Agreement and Annexation;
- Tentative Subdivision Map(s);
- Final Planned Development;
- Site Plan and Architectural Review;
- Conditional Use Permits, where applicable;
- Design Review, where applicable; and
- Complete other processing as required.

DRAFT

EXHIBIT E
AFFORDABLE HOUSING PLAN

To fulfill its obligation to provide affordable housing as a condition of developing any housing within the Davis Innovation and Sustainability Campus, Developer shall comply with the City of Davis's affordable housing ordinance, as currently contained in Davis Municipal Code Article 18.05, which is attached to this exhibit and incorporated by reference and which will remain applicable to the Project for the term of this Agreement.

Compliance with City Ordinance

Pursuant to this agreement, as market rate residential development is proposed, the Project will be obligated to provide for affordable housing units in a manner consistent with the current City ordinance (Davis Municipal Code Article 18.05) which will vest for the project for the term of this Agreement. Any residential development onsite thereafter will be subject to the then current affordable ordinance. The number of affordable units and affordability mix required will be determined based upon 18.05.050(a) for ownership units, and 18.05.060(a) or (b) for rental units, regardless of whether subsection (b) is extended in ordinance past May 31, 2020.

Assurance of 153 Affordable Units

Though, pursuant to City Ordinance, the number of required affordable units is determined based upon a percentage of the units with those percentages varying depending on the type of market rate housing proposed, Developer is committed to providing, through those means afforded in the Ordinance, for 153 affordable housing units, eighteen percent of the overall housing units. The commitment to 153 units exceeds the Project's obligation under the Ordinance.

Commitment to Onsite Affordable Housing

To ensure a diversity of housing affordability within the Project, Developer commits to constructing at least 125 of its affordable units onsite. The onsite affordable housing units will include 100 affordable rental units and 25 for-sale housing units. The 100 multifamily units will provide an affordability mix of 60% low and 40% very low income. The ownership housing will be affordable to moderate income households.

The 100 affordable rental units may be located in one, all-affordable project or distributed throughout mixed-income buildings. If an exclusively affordable building accommodates all 100 units, that building shall be located in manner inclusive to the site and proximate to community amenities such as parks, transit connections and/or regional bicycle pathways. Developer may work with an affordable housing developer of its choosing subject to City review to confirm that the selected affordable housing developer has demonstrated a track record of successful project delivery and management. Regardless of whether the 100 units are provided in one location or are dispersed in mixed-income apartments throughout the site, construction on all of the onsite multi-family affordable

units shall commence prior to issuance of the 150th market rate residential building permit in Phase 2.

The ownership affordable housing opportunity shall be affordable to moderate income households as defined in the Ordinance. The 25 units may be built in one project or be constructed as the housing associated with each phase builds out. The for-sale affordable units shall commence construction in Phase 2.

Manner of Fulfilling the Obligation

The precise affordable housing obligation will be determined as project-level housing projects are proposed at the Project site. The type of structure and/or residential units proposed will dictate the percentage of affordable units that must be provided. It is anticipated that the calculation will be made each time a housing project is proposed onsite, which may be one or more applications per Project phase. As such, the affordable housing obligation may be fulfilled over time by numerous entities as each segment of DISC housing is proposed.

Developer may, alternatively, elect to fulfill the Project's cumulative affordable housing obligation (or a portion thereof) and allow subsequent home builders to avail themselves of credits. For instance, if Developer elects to construct 100 affordable housing units onsite in Phase 1, those units could fulfill the affordable housing obligation of subsequent market rate projects located on-site.

To expedite the development of affordable housing, if a housing project is proposed onsite that is exclusively affordable, that project is not subject to the requirement to develop commercial prior to housing or in any way tied to the development of commercial square footage as a condition precedent.

Developer's affordable housing contribution shall not be less than 153 units and at least 125 units must be constructed onsite. For the remainder of the affordable housing required of DISC which shall be no less than an additional 28 units, Developer and its successors-in-interest may elect to fulfill the affordable housing obligations through, but not limited to, any of the following methods which excludes the payment of in-lieu fees:

- Onsite construction;
- Acquisition and recordation of permanent affordability restrictions on existing housing units within the City,
- Provision of a land dedication site,
- Project individualized program, and/or
- Alternative manner such as a pledge to the City of a continuing revenue source for achieving affordable housing goals.

Affordable Housing Ordinance Applicable to the Project Site

For Davis Municipal Code, Article 18.05, see Exhibit M.

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EXHIBIT F SUSTAINABILITY COMMITMENTS

In recognition of the City's declaration of a climate emergency (RESOLUTION 19-023), the Developer and the City have agreed to the following Sustainability Commitments. These commitments are a means for mandating, implementing and maintaining Project features that are designed to address and mitigate identified environmental concerns, including but not limited to impacts to global climate change, and to ensure sustainability for the life of the Project. Future development at DISC will demonstrate compliance with these commitments through sustainability implementation plans.

Measurement and Verification

Critical to the success of the Davis Innovation and Sustainability Campus is its ability to demonstrate continuous advancements in site sustainability during buildout and into campus operations. Many of the Sustainability Commitments are designed to gradually increase site sustainability and further reduce Project impacts over time, such as improved air quality, reduced carbon emissions, greater electrical efficiency and reduced single-occupancy vehicle travel. These Sustainability Commitments will work in tandem with Project mitigation measures to reduce Project-related environmental impacts. To ensure accurate tracking and reporting, Developer will establish a Master Owners Association which reports to the City and is responsible for measurement, verification and compliance with Project sustainability obligations and mitigation measures.

Building Standards

The Project shall meet and exceed Title 24, Cal Green Tier 1 and will utilize the City of Davis' Residential Energy Reach Code standards². The Reach Code aims to promote energy efficiency within the City of Davis through the use of energy-efficient building standards and is intended to ensure LEED Gold equivalency or better.³

Energy Efficiency and Usage

The Developer is committed to maximizing clean energy production onsite and to implementing a program within the Project to ensure that all structures consume 100 percent renewable electricity. In furtherance of this pledge, the Developer commits as follows:

- Buildings shall be designed to incorporate passive heating and cooling so as to reduce overall energy demands.

² The Reach Code was intended, among other things, to remove uncertainty around green building requirements for projects seeking discretionary entitlements. The Staff Report submitted to the City Council stated that the Ordinance would, in fact, "save time for the applicant, staff, and the Natural Resources Commission as project specific energy efficiency requirements will no longer need to be reviewed on an individual project basis." (Staff Report to City Council, April 9, 2019, Page 1).

³ See Staff Report to City Council, April 9, 2019, Page 2.

- To achieve a Project that is fueled by 100% clean energy, Developer commits all structures, residential and non-residential, to purchase power from solely renewable sources such as Valley Clean Energy’s “UltraGreen” 100% renewable program or its equivalent, to offset any electric deficit.
- In furtherance of the commitment to utilize 100% renewable energy, the installation of photovoltaics or future renewable energy technology will be required on every conducive structure; e.g. greenhouses would not be conducive, to the greatest extent practicable. City and Developer agree that if, during the term of this Agreement, technological advancement or shifts in renewable energy generation render the commitment to install PV on all structures superfluous, the obligation will be waived.
- Project will enter into a power purchase agreement with Valley Clean Energy (or another electric utility company under reasonable economic terms) to which it will sell and distribute all electricity generated onsite. This arrangement will ensure that all power generated onsite which is not used onsite is utilized locally. Valley Clean Energy shall have a right of first refusal for the power purchase agreement which they shall exercise within 45 calendar days
- All onsite residential units will be all-electric and not include natural gas.
- Achieve net zero for outdoor lighting through the use of onsite photovoltaics or similar technology.

Recycling and Waste Disposal

- All buildings and facilities will participate in a mandatory, site-wide, recycling program that will be managed by the Master Owners Association. Building maintenance staff will be trained in best practices for maximizing commercial recycling and will emphasize paper and cardboard recycling.
- All common areas that include disposal options managed by the Master Owners Association will include solid waste disposal cans, recycling cans, and compost bins.

Housing

Housing at DISC is included to maximize the environmental benefits of mixed-use development. The inclusion of housing and an overall complementary mix of uses reduces the number and distance of Project-related vehicular trips, encourages walking and bicycle trips, reduces air quality impacts and reduces the overall carbon footprint of the Project. To further increase the sustainability benefits of onsite housing, the Developer commits as follows:

- Housing will be medium- and high-density with a range of 15-50 units per acre. No single-family detached housing will be permitted.
- Housing will be designed to meet the housing needs of the workforce and will not resemble student-oriented housing found elsewhere in the City. No unit will be greater than three bedrooms. Rental apartments will not exceed two bedrooms.
- Housing construction will be directly linked to the development of commercial space at a ratio of one home per 2,000 square feet of nonresidential space. This linkage will correlate the availability of housing with the creation of jobs which will maximize DISC employee occupancy of the housing. This correlation between

commercial and housing units shall not apply to affordable housing units developed onsite.

- Housing will be all-electric and utilize the Residential Energy Reach Code.
- Parking associated with multifamily housing will be unbundled, providing an opportunity for a car-free lifestyle.

Mitigation Measures

The Project shall comply with Mitigation Measures identified in the Approved Mitigation Monitoring Reporting Plan.

Implementation

Concurrent with the approval of a Final Planned Development and Site Plan and Architectural Review for any structure located at DISC, a Sustainability Implementation Plan shall ensure compliance with these Sustainability Guiding Principles to the satisfaction of the City.

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EXHIBIT G
TRANSIT, TRANSPORTATION AND CIRCULATION

Transit Features and Enhancements

The Project shall implement a Transportation Demand Management Plan (TDM plan) with measurable results to promote a shift away from single occupancy vehicle (SOV) use and incentivize a mode shift to bicycling, public transit, private transit, or carpool and to determine which traffic mitigations are needed at each phase of Project development. As discussed in the Subsequent EIR and imposed through mitigation measures 3-72(a)&(b), prior to, or concurrent with, adoption of the Final Planned Development, Developer shall finalize a TDM plan acceptable to the City which shall include, in part, the following:

- Developer will adopt and implement a Transportation Demand Management (TDM) Plan with a designated TDM manager that reports directly to the City.
- Prior to the commencement of construction of each phase, a traffic study shall be prepared which measures in- and out-flow from the Project and identifies traffic patterns. This analysis will be shared with the City to determine which traffic mitigation measures are necessary to accommodate each phase of development. This will also serve to inform the City on mode share and to trigger the need for increased transit services.
- Developer will work with Yolobus and Unitrans to maximize transit ridership with an objective to increase the frequency and capacity of bus service as the Project develops. Developer commits to provide sites for bus stop relocation along the Project frontage on Mace Boulevard and to enhance the bus stops with benches and coverings, to the extent those features are desired by the transit agencies. Developer shall also work with Yolobus and Unitrans to relocate bus stops along the frontage and internal to the project, inclusive of benches and coverings where determined necessary in coordination with Yolobus and Unitrans as the project builds out during the various phases.
- DISC will fund and build new and improved bus stops with lighting, passenger shelters, and real time transit information signage on both sides of Mace Boulevard.
- Developer commits to reserve land along its Mace Boulevard frontage for expansion of the right-of-way to accommodate future transportation needs, which may include bus rapid transit, as determined by the City.
- The Project shall be designed to accommodate internal, local and regional transit. It will include a centralized multi-use pedestrian plaza, which will serve as a designated connection point for multi-modal transportation including corporate shuttles with connection to Amtrak and UC Davis, future on-site shuttles, and micromobility alternatives (e.g. bike-, skateboard-, and scooter-share services). It is anticipated that, when the Project reaches critical mass, local and regional bus service may also choose to provide direct bus service to the plaza, therefore the plaza will be designed to accommodate this mode share as well.
- Developer will participate in and contribute toward an electric shuttle service running weekdays from the AM to PM peaks, connecting commuters from DISC and 2nd Street to UC Davis and the Amtrak station. Developer will work in good

faith with City to develop a permanent funding mechanism for said shuttle through which DISC shall contribute its fair share obligation. If the City pursues formation of a Property Based Improvement District (PBID) to, in part, fund the ongoing shuttle service, Developer will work collaboratively with the City in furtherance of the effort.

- DISC will contribute a share of the local costs to build carpool lanes on I-80 between Richards Boulevard and West Sacramento. The Project will also contribute funding for improved I-80 on-ramps and nearby intersections if needed.

Bicycle and Pedestrian Connectivity

- To ensure safe connection for bicyclists and pedestrians to across Mace Boulevard, Developer will construct a grade separated multi-use crossing of Mace Boulevard connecting to the existing local and regional trails system.
- Develop a minimum of 2.75 miles of publicly accessible bike lanes and walking paths on-site. A portion of this trail will be constructed with the internal fifty feet of the agricultural buffer and will be dedicated to the City in fee once constructed; an approximately 0.5-mile portion is aligned with the Mace Drainage Channel and will be located within an area in which the City holds a maintenance easement. City will work cooperatively with Developer to expand the easement area to accommodate public access and recreation.
- Build the connection of the existing bike trail on Mace Blvd to East Covell Boulevard along the inside of the curve connecting the two roadways, thereby improving bicycle safety to schools and the site.
- In collaboration with City and DJUSD, construct a bicycle connection from the grade-separated crossing of Mace Boulevard to the City's existing trail system located south and east of Harper Middle School.
- For off-site bicycle improvements, Developer shall be responsible for construction of the bike trail or lane. Additional components of bicycle and walking trails such as shading or lighting shall be the responsibility of the City.
- Developer will provide for bicycle parking spots, as is required by Davis Municipal Code 40.25A. Developer estimates that the total bicycle parking spots within the Project will range from 2,000-2,150 spots.

Parking Lots and Internal Streets

To further incentivize a mode shift towards bicycling, public transit, private transit, or carpool, to reduce the heat island effect, and to reduce visual and aesthetic impacts, Developer shall implement the following features in its parking areas and/or along the Project's internal roadway system:

- All streets and surface-level parking shall utilize low-impact development (LID) features, such as bioswales, to capture and filter runoff and to maximize groundwater recharge. Piping of runoff will be discouraged and only utilized when necessary.

- All parking surfaces or street-adjacent sidewalks utilizing tree shading shall use structured soil or suspended substrate to allow successful tree root development. Developer shall size pavement treatment area to accommodate the tree varietal's intended tree size.
- Landscaping shall provide 80% shading of pedestrian walkways and off-street Class I bike paths. 50% parking lot shading shall be achieved through either shade trees or photovoltaic arrays. These requirements shall be demonstrated at building permit for PV or shall be achieved within 15 years of planting for areas shaded by trees. Failure to meet shading requirements shall be considered a code violation and subject to penalty until remedied.
- To the extent Developer removes parking lot shade trees installed by Developer in parking areas to accommodate replacement with photovoltaic arrays that meet parking lot shading requirements, Developer shall not be subject to payment of tree mitigation fees for removal.
- Parking preference and priority will be given to high occupancy vehicles (HOV) and electric vehicles (EV). Aside from handicap parking, only HOV and EV parking shall be allowed adjacent to buildings. All stalls designated for EV will have charging stations pre-installed.
- All commercial parking areas will be designed with infrastructure to allow for the installation of EV charging stations.
- All housing shall include one Level 2 EV charger per unit or, if a multifamily building is parked at a ratio of less than 1:1, one Level 2 EV charger per parking stall. Townhomes, if built to accommodate two vehicles, will be prewired to allow for the installation of a second charger.
- Parking associated with multi-family housing will be unbundled to incentivize a car-free lifestyle.
- To the extent that, and at such time as, the market will bear charges for parking associated with commercial uses at the Project Site, Developer commits to implement a paid parking program and utilize at least fifty percent of parking revenue to implement and enhance project-related TDM measures after retiring all costs associated with construction of the garage.

In furtherance of sustainability goals, City commits to work with Developer in good faith to accommodate site drainage and roadway design in a manner emphasizing open air conveyance and groundwater recharge. In this context good faith means not rejecting proposals outright due to noncompliance with traditional City roadway or other infrastructure standards. The City does have ultimate, decision making and approval authority relative to the proposed designs and standards. This language is intended to recognize that proposals shall be considered that may deviate from standards, while furthering sustainability goals but does not compel the City to approve but rather consider in good faith.

EXHIBIT H HABITAT AND AGRICULTURAL CONSERVATION

The Project shall be subject to the City's Farmland Preservation Ordinance (Municipal Code 40A.03) which will vest for the term of this Agreement which commits Developer to preserve agricultural land at minimum ration of 2:1. At full build-out, Developer shall have purchased agricultural conservation easements over 342 acres of local agricultural lands, thereby ensuring their preservation consistent with City Ordinance and subject to City approval. Compliance with agricultural mitigation may be achieved in phases as the project develops over time and portions are developed.

The Project shall further comply with the City's Right to Farm Act, in particular Municipal Code section 40A.01.050 pertaining to the provision of a one-hundred-fifty-foot agricultural buffer separating urbanized uses from adjacent agricultural operations. At full buildout, Developer will establish an approximately 22.6-acre agricultural buffer separating the DISC from active agricultural operations. Developer has proposed to purchase an easement over approximately 6.8 acres of adjacent City-owned property which it which Developer intended to utilize as an agricultural buffer area for the Project. If pursued, the fair market value of the easement will be determined by a third party appraisal with an appraiser approved by the City. Developer's use of the easement area would be limited to those uses consistent with the intent of Measure O. At Developer's expense, this easement area has been analyzed pursuant to the California Environmental Quality Act, recognizing however that such analysis in no way commits the City to granting said easement.

As discussed above, the Project, as proposed, is designed with and has been analyzed as including 6.8-acres of the agricultural buffer being located within an easement area on an adjacent City-owned property identified as the Mace 25 (hereinafter "Mace 25"). The Mace 25 had previously been analyzed in the MRIC EIR for urbanization but, in the revised Project and Subsequent EIR, this parcel retains an agricultural land use designation and will not be developed with urban uses. As proposed and analyzed, the 6.8-acre easement area would comprise a portion of the Project's agricultural buffer and would include drainage conveyance features, over 4 acres of native habitat and open spaces in an area designed to exclude pedestrian activity, and approximately 2.25-acres of greenway with pedestrian access and recreational trails.

Developer acknowledges that, although City has analyzed the Project with the inclusion of the proposed easement area, such analysis and/or the grant of entitlements reflecting such an easement area shall not constitute approval nor commit the City to grant of the easement. Despite any Project entitlements, City reserves the right not to grant Developer the requested easement.

In response to robust public dialogue, City has determined and Developer acknowledges that no easement shall be granted unless the City analyzes its future use of the Mace 25, and finds the easement to be compatible with said future use. Given the diversity of positions on the appropriate, highest and best use of the site, City is committed

to studying and discussing potential future use in a public process, which is likely to be the General Plan update but could be a lesser public planning effort such as the Mace Boulevard Corridor planning effort, or other process.

Developer agrees that, at the conclusion of said future planning effort, if the City determines that the Mace 25 will be utilized for a land use that is inconsistent with the provision of an agricultural buffer easement, Developer will modify its Project Site design to accommodate the agricultural buffer on its property in a manner consistent with code standards (see Exhibit M). City acknowledges that such redesign may require a minor modification to proposed building alignment and proposed on-site roadway alignment and will result in less acreage of developable land within the Project Site. City commits that any necessary changes to the Project Site design to accommodate the realignment of the agricultural buffer onto the Developer's property will not be considered a significant modification from the Baseline Features as approved by the electorate and would not require a subsequent vote to effectuate the change. Conversely, if after a public planning process, it is determined by the City that the proposed agricultural buffer easement is compatible with the long-term use of the Mace 25, City will enter into good faith negotiations with Developer as to the appropriate size, design and fair market value for an agricultural buffer easement. Developer recognizes that should the City ultimately agree to enter into good faith negotiations for the agricultural buffer easement, the fair market value will be determined through an appraiser that values the agricultural easement area's existing zoning at the time of appraisal and a commercial land use value. The midpoint between those two values will serve as the agricultural easement purchase price and said easement purchase funds shall go back into the Measure O Open Space Program Fund. Nothing in this Agreement commits either party to effectuating the easement.

Developer has committed to restore and enhance the portion of the Mace Drainage Channel (MDC) onsite utilizing native riparian vegetation while maintaining its drainage conveyance function. The MDC's primary function is to convey stormwater runoff from east Davis; maintenance of this function has been and will remain with the City of Davis. City will work cooperatively with Developer to enhance the MDC while protecting its drainage function; such enhancement may include a bench for riparian plantings or realignment resulting in meandering.

Stormwater for much of east Davis flows through the MDC and eventually into the Causeway north of the railroad tracks. During prolonged 100-year storm events, the water in the Causeway can rise above the flap gate that releases MDC flows, thereby temporarily preventing the MDC from discharging into the Causeway. Due to this infrequent occurrence, the City has a flood easement over a portion of the adjacent agricultural property.

The Environmental Impact Report (EIR) and Subsequent EIR identify a potential for the Project to produce an increase in the volume of water that backs up at this location during large storm events. To mitigate for any additional volume during flood events, the EIR analyzed installation of a pump or increasing water detention capacity on an adjacent property identified as the Clayton Ranch, which is where flooding associated with such an

event already occurs. The EIR indicates that increasing detention capacity is the preferred option for mitigating any increased volume. Increasing capacity had been proposed and analyzed in a manner that would not degrade the agricultural value of the property nor prohibit its ongoing use for the production of feed for cattle or any other form of dry farming consistent with the current use. Furthermore, if Developer were to export the fill material from the proposed detention area to the Project site and receive a benefit from that materials, City would assess fair market value for the import material.

Nevertheless, in response to concern raised by the County of Yolo and members of the community, City and Developer agree that increasing storage capacity through excavation is no longer the preferred means for addressing increased volumes associated with the Project. Developer commits to not pursuing increasing drainage storage capacity through excavation of Clayton Ranch or other City property.

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EXHIBIT I
RECREATION AND WELLNESS

To establish a diversity of publicly accessible areas in which to enjoy nature, recreate and gather with neighbors and coworkers, Developer makes the following recreational commitments at DISC:

- Developer will construct no less than 12 acres of parks and 10.5 acres of green belts, including 7.5-acres the inner fifty feet of the Agricultural Buffer area, in a manner substantially consistent with City Park and Greenbelt requirements and in locations corresponding with the Open Space Plan (Subsequent EIR, Figure 3-5).
- Developer will retain ownership of park and greenbelt spaces and, accordingly, shall be responsible to construct and maintain all onsite parks and open spaces, relieving the City of a considerable financial burden.
- Developer will grant and record a public access and recreation easement to City for these spaces to ensure public use of the park and greenbelt spaces in a manner equivalent with public use of City parks.
- Programming of the parks will be determined collaboratively by Developer and City recognizing the unique nature of the Project site. Sports fields will be included to accommodate both local athletic leagues and onsite leagues. If so desired by the City during the programming of onsite parks, lighting for the sports field shall be included, installed and paid for by Developer. All programming which may result in impacts not previously contemplated shall be subject to appropriate environmental review prior to action and implementation.
- The Project will include a peripheral trail that fully encircles the site which will predominately accommodate the daily recreational needs of DISC residents and employees, and which will also be open to use by the public at large. Developer will grant the City fee title or an access easement to the inner 50 feet for the agricultural buffer area (approximately 7.5 acres) which will include a portion of the peripheral trail system and include a walking path and a class 1 bike trail. The remainder of the trail along the Project's southern and western borders will be included within landscaped setbacks.
- A Class 1 bike trail will parallel the Mace Drainage Channel, be serviced by an off-grade crossing of Mace Blvd, connect with the City's exiting trail infrastructure located to the west and with an easement located east of the Project site, thereby enhancing regional bicycling connections.

EXHIBIT J
URBAN FOREST AND LANDSCAPE

Landscaping, Water Conservation

To reduce Project demand on groundwater and potable water the Developer commits to the following measures:

- Native and drought tolerant plants shall predominate the plant palette. A diversity of native habitats shall be disbursed and managed throughout the site, primarily within the agricultural buffer and along the channel, including but not limited to riparian, California oak savanna, and native prairie grasslands.
- Turf will be strongly discouraged and utilized only in areas programmed for activities such as the main Oval park.
- Developer shall engage with Tree Davis, the Center for Land Based Learning, the Davis Arboretum, or other local expert(s) to design and manage its open and landscaped buffer areas. The adoption of design guidelines and landscape plans for buffer areas will be subject to City review and approval.
- Developer will install recycled “purple pipe” infrastructure which will convey non-potable water for use in all landscaping. Developer will convert this system to reclaimed water if and when such service is made available.
- All runoff will be captured, conveyed and detained onsite in a series of bioswales intended to filtrate and clean the run-off and maximize groundwater recharge.

Tree Commitments:

- The Project site will include a minimum of 1,000 trees.
- Developer shall engage with Tree Davis, the Center for Land Based Learning, the UC Davis Arboretum, or other local expert to assist with design, selection of species, and management of trees and all landscaped areas of the Project site.
- Prior to construction of landscape areas, Developer will submit formal landscape plans for City review and approval.
- Landscaping shall provide 80% shading of pedestrian walkways and off-street Class I bike paths that are not otherwise shaded by photovoltaics or other renewable energy generation.
- Developer will utilize best practices for tree planting and root establishment. Specifically, Developer commits to the use of structured soils or suspended substrate to allow successful tree root development, to the satisfaction of the City’s Urban Forest Manager.

- When planting in parking areas or along paved walkways, Developer will size pavement treatment area to adequately accommodate the tree varietal's intended size.
- Planting practice and tree health shall be subject to 3rd party verification by the City's Urban Forest Manager. If, five years from the original date of planting, a tree is not growing at its anticipated rate or is otherwise showing signs of failure, that tree will be identified by the Urban Forest Manger who, at his or her discretion, may require tree replacement at Developer's costs.
- Attainment of shading requirements shall be demonstrated within 15 years of planting. Failure to meet shading requirements shall be considered a code violation and subject to penalty until remedied through additional plantings.
- Any removal of an established tree will be authorized in accordance with the then current Tree Planting, Preservation and Protection Ordinance. Any proposed tree removal wherein the desired removal is to accommodate the installation of photovoltaic solar array or other comparable renewable energy technology shall not be subject to a tree mitigation fee or other payment to the tree preservation fund.

EXHIBIT K
IMPACT FEES, CREDITS, AND
MUNICIPAL FINANCING MECHANISMS

Notwithstanding the general provisions of Section 207 of this Agreement and the Municipal Code, the specific impact fees and connection fees shall be paid by the Project as modified in this Exhibit K. All other fees, connection fees, and payments shall be subject to the general provisions of Section 207 and the Municipal Code.

1. Quimby Act Obligation and Park Impact Fees

Developers' Quimby Act and park impact fee obligations shall be deemed satisfied through the following commitments:

Developer shall provide no less than 12 acres of land on-site meeting the City's definition of park space and 3 acres of greenbelt. Developer shall grant the City a public access and recreation easement on the entire acreage intended to fulfill the Project's park and greenbelt obligation. The Project's Quimby Act obligation is for 11.14 acres. Developers land commitment along with the irrevocable public access and recreation easements shall be deemed to fulfill the Quimby Act obligation and the City's greenbelt requirements.

Developer shall construct the publicly accessible parks and greenbelts at locations substantially consistent with the Open Space Plan (SEIR, Figure 3-5) to standards equal to or exceeding City standards for public recreational spaces. Developer and City will collaboratively determine the appropriate programming for all park areas. Design and landscaping plans shall be reviewed by City for consistency with standards. Developer will be required to construct and fully program parks within the timeframes identified in the Baseline Project Features and provide what is commonly known as 'turn key' parks; having paid for and installed all components of the park space. Furthermore, Developer, through the master owners' association, shall be responsible for the ongoing upkeep and maintenance of the on-site parks and greenbelts. Based upon these commitments, City shall deem developers park fees fulfilled.

2. Roadway Impact Fees

Over the course of Project buildout, Developer will be required to pay considerable Roadway Impact Fees. The City retains the discretion to apply the Roadway Impact Fees contributed by Developer to specific public roadway improvements, as the City may determine appropriate. Recognizing the geographic location of the Project and the need to address existing and potential future traffic problems in the area, the City commits to make Mace Boulevard improvements and other roadways proximate to the Project Site a priority for expenditure of Roadway Impact Fees generated by Developer. This agreement will complement actions and funding commitments by the Developer, such as the implementation of a Transportation Demand Management Plan, to mitigate the potential

impacts on vehicle miles traveled, bicycle and pedestrian facilities, and transit operations identified in the SEIR for the project.

3. Commitment to Pursue Financing Opportunities in Good Faith

City and Developer agree that the Project will require considerable initial costs associated with the provision of infrastructure, which will also include enhancing or expanding many existing off-site facilities. In recognition of these Project-borne costs and the financial and economic benefits of the Project that extend beyond the boundary of the Project site, City commits to work with Developer in good faith to provide fee credits where appropriate and will pursue financing opportunities and/or utilize public financing mechanisms which are or may become available. Such mechanisms may include, but shall not be limited to, the following:

- a. State and Federal Grant Opportunities;
- b. Establishment of Mello-Roos/Community Facilities District(s) which shall include:
 - i. A perpetual services tax on developed properties for municipal services;
 - ii. An infrastructure facilities CFD for facilities which are required to be constructed as a condition of approval of the project,
- c. Imposition of Transfer Fees; and/or
- d. Pursuit of other Municipal Financing Tools such as:
 - i. Bond Opportunities for Land Development (BOLD); or
 - ii. Statewide Community Infrastructure Program (SCIP).

EXHIBIT L
UNCATEGORIZED ADDITIONAL COMMUNITY BENEFITS

1. Sales Tax Place of Sale

To the extent permitted by federal, state, and local law and upon approval of the Project, Developer shall designate the Project Site as the “Place of Sale” for the purposes of designating the retail sales location and calculating the sales tax obligations for the Property. A covenant or other instrument acceptable to the City Manager and City Attorney shall be recorded on the Property recognizing this commitment.

2. Fiber optic Broadband Internet

Developer shall obtain the rights and extend fiber optic or comparable internet infrastructure to the Project Site; technology that is critical to attract and support research and technology endeavors. Developer shall size and construct conduit to accommodate future expansion of fiber optic broadband services to locations that extend beyond the boundary of the Project Site. Location and size of the conduit shall be subject to approval of the City as part of improvement plans. Developer will allow other users, including the City, to connect to the internet network and extend service into the City under terms to be negotiated. There shall be no cost to the City for extending service for municipal purposes or for a municipal network managed by the City.

3. Land-Secured Financing District for Public Services.

Developer agrees to participate in a land-secured financing district such as a Community Facilities District for the market rate ownership housing, to provide an ongoing revenue source to the City for municipal services. City commits that the revenue generated by said assessment or tax be utilized to fund services that are directly supportive transit services, roadway repair and maintenance, roadway, bicycle and pedestrian safety and other community amenities. The district shall be established by the City Council prior to issuance of first building permit for for-sale housing.

4. Shuttle Route Study

Developer agrees to contribute \$50,000 to fund a study of a potential transit route and phased implementation plan that could serve to connect Davis, Woodland, UC Davis, and other local areas. The scope of the study will be coordinated with the City of Davis, Yolobus and Unitrans.

5. Hotel Conference Center Market Study

At such time the market demand supports the construction of a hotel on the Project site, Developer shall fund a conference center market demand and feasibility study. The scope of the study shall be coordinated with the City Manager and completed prior to the hotel being approved for construction.

EXHIBIT M
APPLICABLE CITY ORDINANCES

Article 18.05 AFFORDABLE HOUSING

18.05.010 Purposes of article—Findings.

The city council finds and determines:

- (a) The city has a goal to provide a range of housing for its local workers and has chosen to take action to ensure that affordable housing is constructed and maintained within the City of Davis.
- (b) Housing purchase prices in Davis are generally higher than the rest of the region, particularly Woodland and West Sacramento.
- (c) Rents in Davis have been rising and the majority of new apartments are four-bedroom units which are not suitable for most families. Small, very low income households have trouble finding affordable unassisted housing, and larger households of any income level have difficulty finding affordable units.
- (d) Federal and state funds for the construction of new affordable housing are limited.
- (e) In order to meet the city's fair share of the regional housing need for very low, low and moderate income households, the city included implementing policies within the housing element of the general plan to provide for such housing.
- (f) General plan implementing policies require that, to the extent feasible, for sale residential developments should provide for housing units that are affordable to very low income households, low income households and moderate income households as part of the development, with tiered requirements that are reduced or eliminated for housing products that are more affordable by design. General plan policies also require that affordable ownership units include a means for sustained affordability, maintaining them as affordable units into the unforeseeable future.
- (g) General plan implementing policies also require that, to the extent feasible and subject to existing law, rental housing developments with five to nineteen units shall provide fifteen percent of the units to low income households and ten percent to very low income households; and in rental housing developments with twenty or more units that twenty-five percent of the units be affordable to low income households and ten percent of the units be affordable to very low income households. General plan policies also require that affordable rental units remain affordable in perpetuity. (Ord. 2418 § 1, 2013)

18.05.020 Definitions.

For the purposes of this article, the following words and phrases shall have the meanings respectively ascribed to them by this section:

Affordable housing means affordable ownership housing or affordable rental housing.

Affordable ownership housing is housing affordable, based upon mortgage payments or carrying charges paid by a member of a limited equity housing cooperative, to low, very low or moderate income households. No more than thirty-five percent of the targeted household

income shall be applied to housing expenses, which shall include mortgage principal and interest, taxes, insurance, assessments, and homeowner fees, as applicable and adjusted for household size. In the case of the limited equity cooperative, the total monthly carrying charges for its members shall not exceed thirty-five percent, and the carrying charges shall include all monthly housing costs minus utilities.

Affordable rental housing is housing affordable, based upon monthly rent, to low, very low or moderate income households, adjusted for household size. Affordable rental housing payments are approximately thirty percent of gross monthly target income less utilities.

Community based mutual housing association means a nonprofit tax exempt corporation that may develop, own or manage housing units. Association membership includes nonresident and community members. Resident members shall constitute a majority of the shareholders of the corporation. Each member has one shareholder vote. The corporation is governed by an elected volunteer board of directors representative of the association membership. Members shall have no equity interest in the project. Residents pay a one-time membership fee to be used to defray the cost of constructing the housing units. This fee is refundable with nominal interest when residents leave the association. Residents must be members of the association, pay the membership fee and meet resident selection criteria established by the association.

Community based nonprofit-controlled rental housing means rental housing owned and operated by an organization with 501(c)(3) status, that is either based in Yolo County, or has a board of directors that includes a minimum of thirty percent representation of Yolo County residents.

Complete environmental review means that the land has had all environmental reviews completed on the site to satisfy local requirements, state CEQA requirements, and the national NEPA requirements; resulting in no significant findings that could inhibit development on the site. Any reported findings on the site must be cleared prior to deeding the site for land dedication to the city.

Density bonus means entitlement to build additional residential units above the maximum number of units permitted pursuant to existing general plan, applicable specific plan and zoning designations. Density bonus units may be constructed only in the development where the units of affordable housing are located. "City density bonus" means a bonus of units awarded to a developer pursuant to this article. "State density bonus" means a bonus of units awarded to a developer pursuant to [Government Code](#) Section 65915 et seq.

Developer means the owner of record and his or her successors in interest.

Development means one or more projects or groups of projects of residential units constructed in a contiguous area. A development need not be limited to an area within an individual parcel, or subdivision plat.

Exempt condominiums are residential ownership units in a condominium development that is predominantly composed of stacked air space units not having separate ownership parcels. Townhouse or single-family developments are not considered "exempt condominiums" under this definition, even if they are subdivided as condominium units.

Family means an individual or group of two or more persons occupying a dwelling unit and living together as a single housekeeping unit in which each resident has access to all parts of the dwelling and where the adult residents share expenses for food or rent.

Feasible means capable of being financed, demonstrating the required financing (if any) meets lenders investment standards with respect to the project's loan to value (LTV), debt coverage ratio (DCR), and return on asset (ROA), based on the prevailing interest and discount rates supported in the required appraisal for a like property. Feasible projects should be sustainable projects, taking into account the cost of construction and ongoing maintenance of the project, in addition to the site's essential services.

Household means "family" as defined in this section. This article shall not apply to households in which any member is claimed as a dependent for federal income tax purposes by a person or persons residing outside of the household unit unless such person or persons who reside outside the household qualify as very low, low or moderate income persons or families.

Limited equity housing cooperative means a housing cooperative organized pursuant to California [Health and Safety Code](#) Section 33007.6 and Business and Professional Code Section 11003.4. A limited equity housing cooperative is owned by a nonprofit corporation or nonprofit housing sponsor. Resident-owners own the cooperative as an undivided whole, rather than individual units, but each has the exclusive right to occupy a specific unit within the cooperative.

Low income means a household earning a gross income of no greater than eighty percent of the median income for Yolo County, adjusted for household size, as determined by the U.S. Department of Housing and Urban Development and affirmed by the Davis city council annually.

Low target income means that the average income of residents of low income units will be sixty-five percent of median income for Yolo County, adjusted for household size, as determined by the U.S. Department of Housing and Urban Development and affirmed by the Davis city council annually.

Moderate income means a household earning a gross income of no greater than one hundred twenty percent of the median income for Yolo County, adjusted for household size, as determined by the U.S. Department of Housing and Urban Development and affirmed by the Davis city council annually.

Moderate target income means that the average income of residents of moderate income units will be one hundred percent of median income for Yolo County, adjusted for household size, as determined by the U.S. Department of Housing and Urban Development and affirmed by the Davis city council annually.

Ownership units means housing units which provide an ownership opportunity including, but not limited to, single-family units, condominiums, land trusts, and cooperatives, except in circumstances where the unit is converted to rental use.

Permanently affordable means affordable in perpetuity and subject to an agreement between the developer and the city to maintain affordability. Such agreement shall be recorded to the property.

Rental units means housing units which provide a rental opportunity including, but not limited to, multifamily units (excluding condominiums and cooperatives), duplexes (two units on one lot), triplexes, or four-plexes on single-family residential zoned property. Single-family units may be converted to rental units for the purposes of this article.

Resident controlled nonprofit housing corporation means a housing corporation established to manage for-sale or rental housing projects designated for very low, low or moderate income households in which the majority of households have formed a nonprofit housing corporation. Residents need not have equity interest in such projects.

Self-help housing means mutual self-help housing constructed for very low, low, and moderate income families in which a group of prospective homebuyers shall provide labor to assist in the construction of their units. The intent of this program is to transform the hours of labor into equity (“sweat equity”) to reduce the purchase price of the unit.

Stacked condominiums are residential ownership units in a condominium development that is predominantly composed of stacked air space units not having separate ownership parcels. Townhouse or single-family developments are not considered “stacked condominiums” under this definition, even if they are subdivided as condominium units.

Student housing cooperative means a nonprofit housing organization owned and/or controlled by students.

Sustained affordability means that the affordable housing obligation being produced to meet the requirements of this ordinance is done so in a manner that maintains the affordability provided into the unforeseeable future, with minimal loss in affordability.

Vertical mixed use development means mixed-use structures that vertically integrate residential dwelling units above the ground floor with unrelated non-residential uses on the ground floor, including office, restaurant, retail, and other nonresidential uses. For purposes of this article, vertical mixed use does not include structures that vertically integrate uses ancillary to residential units, such as resident parking, laundry rooms, community rooms, or common space on the ground floor with the residential units above.

Very low income means a household earning a gross income of no greater than fifty percent of the median income for Yolo County, adjusted for household size, as determined by the U.S. Department of Housing and Urban Development and affirmed by the Davis city council annually.

Very low target income means that the average income for residents of very low income units will be forty percent of median income for Yolo County, adjusted for household size, as determined by the U.S. Department of Housing and Urban Development and affirmed by the Davis city council annually. (Ord. 2418 § 1, 2013; Ord. 2443 § 1, 2015; Ord. 2545 § 2, 2019)

18.05.030 Applicability of article.

This article is enacted pursuant to the general police power of the city and is for the purpose of providing affordable housing in Davis consistent with the general plan. (Ord. 2418 § 1, 2013)

18.05.040 Provision of affordable housing.

(a) **Affordable housing plan.** The developer shall submit, concurrently with or prior to the submission of an application for the first discretionary approval for a development, an application as provided by the city describing a proposed affordable housing plan, which shall provide a program to provide affordable housing in accordance with this article and the intended method for implementing such a program. The developer may submit an application under this article at any time subject to staff's, the planning commission's, or the city council's discretion to deny the application on the sole basis of lack of timeliness. Any application resubmitted by a developer to amend an affordable housing plan after it has been approved by the city shall be deemed a new application for the development. Before any agreements between parties or transfer of land is made, all agreements, the affordable housing plan and budget for the provision of affordable housing pursuant to this article shall be approved by the city, in order to ensure that the affordable housing to be developed pursuant to the affordable housing plan will be economically sustainable over time, in accordance with the required duration of affordability for the affordable housing. Projects not requesting financial assistance from the city are not subject to a budget review. This review will allow for updated construction cost changes at the time of construction, which will again require review and approval by staff. These reviews also provide the city opportunity to act as an active partner to projects where local funds are requested.

(b) **Approval process of affordable housing plans.** The approval process for affordable housing plans will include the following steps:

(1) Submission of the affordable housing plan as part of the project application submitted to the community development and sustainability department. Staff shall then refer the affordable housing plan to the social services commission. All plans, including proposals for payment of in-lieu fees, will be heard before the commission. Substantial amendments to affordable housing plans should also be considered by the commission.

(2) The social services commission will hold a duly noticed public hearing, where the plan shall be considered, if the application for the development is not going to be scheduled for a public hearing at the planning commission and/or city council. If the application for the development will be scheduled for a public hearing at the planning commission and/or city council, the social services commission will consider the affordable housing plan at a regular or special meeting of the commission. The commission will review the plan for compatibility with this article, adopted city affordable housing goals, and currently identified city housing needs.

(3) After motion for approval or denial is given by the social services commission regarding the proposed affordable housing plan, it is then heard publicly before the planning commission and reviewed for their motion on the plan, if the planning entitlements requested by the project require this step. If the planning entitlements being requested do not require this step, then the social services commission's decision on the affordable housing plan is final, but, as is true with decisions of the planning commission, can be appealed to the city council through the city's appeal process as outlined in Article 40.35 of the Davis Municipal Code.

(4) If the project is requesting planning approvals that require a city council hearing, the recommendations of both the social services commission, as well as the planning commission shall be included in the report to the city council.

(c) **Building permit issuance.** No building permit shall be issued for any new residential unit unless the development containing such unit has received all approvals required with the standards and procedures provided for by this article. The location and type of proposed affordable housing in a development shall be disclosed in writing by each seller to each subsequent purchaser of lots or units within the development, until all the affordable housing units are completed.

(d) **Competitive contracting.** In circumstances where local, state, or federal funds are being used to assist in the development of the project, an open bidding process shall be carried out that adequately addresses the requirements of all funding sources involved. In agreement with this requirement, the developer shall be aware of regulations accompanying all funding sources used for the development, and shall comply with the regulations from pre-construction and throughout the life of the development. Copies of all contracts that are requested for viewing by the city shall be submitted in a timely manner. The city may request evidence of open procurement and compliance with any and all government funding regulations on a project at any time. If the city believes the project to be out of compliance with the intent of this article and/or the regulations of the project's funding sources, the city has the ability to sanction the project developers for their conduct, including fining the project or withdrawing funding.

(e) **Development agreement.** The city shall use the development agreement of the development to ensure that the developer adheres to the requirements and intent of this article by detailing within the agreement the sanctions involved if the developer does not comply with the requirements of this article during the construction process.

(f) **Rounding provisions.** Where the total affordable units required by this article call for a one-half affordable unit or greater portion, it shall require the provision of one full affordable unit (for example, a requirement of one and one-half shall actually require two units). The results of such rounding shall also be used in the calculation for in-lieu fee payments, where provided as an option.

(g) **Buyer/tenant selection and screening.** Buyer/tenant selection and screening shall be carried out by the developer, owner, city, or by the designated responsible party, at the sole expense of the developer. Included in the affordable housing plan submitted by the developer, shall be a proposed marketing plan with an estimated timeline of events, which must be approved by the city and shall adhere to the city's buyer/tenant selection and screening guidelines.

The City of Davis will monitor the buyer selection and screening process through required monthly reports, and through the ability to review any and all files regarding the process at any time that city staff requests to do so. The City of Davis will possess the ability to halt any sale or break any lease of an affordable unit at its discretion, for reasons to include, but not restricted to, the following: if the buyer selection and screening process was not strictly adhered to, or if the buying household is found not to meet the guidelines of qualification, as specified in the guidelines. (Ord. 2418 § 1, 2013)

18.05.050 Ownership development affordable housing standards.

A developer of residential ownership developments consisting of five or more units shall provide in each development, to the extent feasible, affordable housing for very low, low and moderate income households, as set forth in an affordable housing plan approved by the city, in accordance with the requirements of this section.

The approval process for affordable housing plans will adhere to that which is required by Section 18.05.040(b).

The price of all affordable ownership housing units will be calculated based on payments to be made by the buyer that make up no more than thirty-five percent of the gross monthly target income level designated for a specific unit and shall include mortgage principal and interest, taxes, insurance, assessments, and homeowner fees, as applicable and adjusted for household size. Percentages allowed for the qualifying of the mortgage loan shall be determined by the lender or lenders involved with the income-qualified household.

A developer may, at his or her option, provide affordable rental units to meet the requirements of this section, pursuant to state law, provided that such rental units must comply with the affordable housing standards for rental units in Section 18.05.060 of this article, and as adopted by the city.

To the maximum extent feasible, each developer must meet the ownership affordable unit requirement as it pertains to the project, as set forth below:

(a) **Standard ownership affordable housing requirements.** Any development that is comprised in whole or in part of ownership units shall comply with the following requirements, which shall be included in the development's affordable housing plan.

(1) Affordable Housing Requirements, by Residential Product Type.

(A) For projects comprised of market rate single-family detached ownership units on lots larger than five thousand square feet in area, the developer must provide for a number of affordable housing units equivalent to twenty-five percent of the total units being developed, including the affordable units, by means of one of the methods set forth in this section.

(B) For projects comprised of market rate single-family detached ownership units on lots smaller than five thousand square feet in area, the developer must provide for a number of affordable housing units equivalent to fifteen percent of the total units being developed, including the affordable units, by means of one of the methods set forth in this section.

(C) For projects comprised of market rate single-family attached ownership units, the developer must provide for a number of affordable housing units equivalent to ten percent of the total units being developed including the affordable units, by means of one of the methods set forth in this section.

(D) For projects comprised of market rate stacked condominiums or ownership units within vertical mixed-use development, the developer must provide for a number of affordable housing units equivalent to five percent of the total units being developed including the affordable units, by means of one of the methods set forth in this section.

(E) Exempt projects as identified in Section 18.05.080 have no affordability requirements except as provided therein.

(F) For developments that are comprised of more than one residential product type, the affordable housing obligation shall be calculated for each product type separately and then aggregated, before rounding, provided, however, if a development is comprised of ownership and rental product types, the affordable housing obligations for the ownership and rental units shall be calculated and applied separately.

(2) Affordable Housing Requirements, by Project Size.

(A) Exempt projects pursuant to Section [18.05.080](#).

(B) Projects Totaling Five or Greater Units for Purchase.

(i) The required affordable units must be provided through: on-site construction of affordable ownership or rental units, acquisition and recordation of permanent affordability restrictions on existing housing units within the city, provision of a land dedication site, and/or through payment of in-lieu fees, as further defined in subsections (b) through (f).

(ii) The on-site construction of affordable ownership or rental units may be fulfilled through the on-site development of affordable units for purchase or rental, in conformance with all that is stated in subsection (b).

(iii) The land dedication option shall be fulfilled by the developer by making an irrevocable offer to the city of sufficient land, without abnormalities (shape and terrain) and with complete environmental review that can accommodate the affordable housing requirement for the project. The land dedication shall be in conformance with all that is stated in subsection (c), entitled land dedication.

(iv) The option of purchase and placement of permanent affordability restrictions on existing housing units within the city is only available when determined to be appropriate by the city council in its sole discretion, and must be in conformance with all that is stated in subsection (e).

(v) The payment of in-lieu fees to fulfill part or a project's entire affordable housing requirement is subject to city council review and must be in conformance with all that is stated in subsection (f), entitled in-lieu fees.

(C) Projects Totaling Two Hundred One Ownership Units or More. The required affordable units shall be provided through the following methods, as more specifically described in subsections (b) through (f):

(i) On-site construction of affordable ownership units;

(ii) On-site construction of accessory dwelling units for rental to fulfill up to half of the requirement;

(iii) Through payment of in-lieu fees for no more than fifty percent of the affordable housing obligation of the project, if approved by the city council;

(iv) Provision of a land dedication site; and/or

(v) On-site construction of affordable rental units, if the developer voluntarily requests to satisfy its requirements through this alternative.

(3) Project Individualized Program.

(A) The developer may meet the city's affordable housing requirement with a project individualized program that is determined to generate an amount of affordability equal to or greater than the amount that would be generated under the standard affordability requirements. The affordable units must, at a minimum, meet the same income targets specified in the standard ownership affordable housing provisions.

(i) A project individualized program shall be developed by the developer and city staff, taken action on by the social services commission, and if the main project application requires, heard before the planning commission for decision.

(ii) If the main project is requesting planning entitlements that require city council approval, it shall then be heard before the city council for final decision.

(iii) If the main project does not require a city council hearing, the planning commission's or the social services commission's determination may be appealed to the city council by any member of the public.

(B) The project individualized program is not intended to allow exception to a public input and review process. The project individualized program is intended to be viewed thoroughly and scrutinized in public forums, allowing for input and competition from the public, other community-based nonprofits, staff, and at a minimum, the social services commission. The public hearing at the social services commission shall be noticed to all community-based housing nonprofits in the area, to the greatest extent possible, regardless of their involvement in the project. This public hearing shall scrutinize the project based on the following criteria:

(i) Need for government subsidy;

(ii) Sustainability of the project and its services;

(iii) Community need of the project type based on recent needs assessments and recent projects completed;

(iv) Uniqueness/innovation of the proposed project;

(v) Overall benefits and drawbacks of the project;

(vi) Project's compliance with the standards as outlined within the affordable housing Sections [18.05.010](#) through [18.05.070](#) of the Davis Municipal Code.

These meetings shall be carried out without any finite contracts in place between the parties involved, allowing for the potential direction to the developer to change the project. If the social services commission finds that the proposed project does not satisfy one or all of the criteria listed above, it may choose to direct the developer to fulfill his or her affordable housing requirement through a land dedication process. This decision may be altered at either the planning commission or city council public hearing, if the

project requires review by either of these deciding bodies. Decision of either the social services commission or the planning commission to direct the developer to do a land dedication to meet his or her affordability requirement, may be appealed to the city council.

(b) **On-site construction of affordable units for ownership developments.** When a developer constructs on-site affordable ownership or rental units to satisfy its obligations under this article, the units shall be constructed in conformance with the requirements of this subsection (b).

(1) **Density Bonus.** A one-for-one city density bonus shall be awarded for construction of on-site affordable units meeting the requirements for a state density bonus.

(2) **Housing Mix.** The developer must provide a mix of two- and three-bedroom units, with a minimum of fifty percent of the units as three-bedroom units and in a combination of unit types as approved within the affordable housing plan through the appropriate review process. Smaller and larger unit sizes shall be provided as an option, based on local housing needs and project character, as approved during the affordable housing plan review process.

(3) **Price of Affordable Ownership Units.** The affordable ownership units will be affordable to moderate income households, households with incomes ranging from eighty percent of area median income to one hundred twenty percent of area median income, with the average affordability targeted at households with incomes at one hundred percent of area median income, the moderate target income.

The community development and sustainability director shall determine the maximum sales price for these units on an annual basis. The community development and sustainability director shall propose annual adjustments to the maximum purchase prices based on changes in the area median income, as determined by the U.S. Department of Housing and Urban Development. This price shall be reviewed annually for adoption by the city council.

(4) **Rent for Affordable Rental Units.** The affordable rental units will be leased at an affordable rent to low and very low income households. The average affordable price for each size category of affordable rental units, based on number of bedrooms, shall not exceed the low target income, sixty-five percent of median income. The maximum income level served shall not be greater than eighty percent of area median income. The developer shall offer affordable rental units in each size categories to multiple income levels to ensure that the rental units achieve the required average target income. For example, if three-bedroom units are offered to families at eighty percent of median income, the same number of three-bedroom units must be offered to households at fifty percent of area median income, making the average rent for the unit type sixty-five percent of area median income. Lower rents or an average that meets the same affordability target can be approved through the affordable housing plan review process.

(5) **Buyer/Tenant Selection and Screening.** Please refer to Section [18.05.040\(g\)](#) for the selection and screening requirements applicable to affordable units.

(6) **Owner-Occupancy Restrictions.** Any person who purchases a designated ownership affordable unit pursuant to this article shall occupy that unit as his or her principal personal residence for as long as he or she owns the affordable unit. Such occupancy shall commence within six months following completion of the purchase. The purchases shall comply with the provisions of Sections [18.04.020](#) through [18.04.060](#), inclusive, of this Code.

(7) **Sustained Affordability.** Restrictions shall be placed on the affordable housing units produced, in order to ensure a measure of sustained affordability. In an effort to maintain the greatest number of units as affordable for the greatest period of time, one of the following restrictions shall be adhered to:

(A) **Appreciation Capped at Three Percent per Year plus a Three-Quarters of a Percent Maintenance Credit for Necessary Maintenance Costs of the Unit.** The unit appreciates based on the average annual increase in Yolo County Area Median Income—Three percent, plus an additional three-quarters percent as a credit for maintenance costs of the unit. This restricts the total appreciation of an ownership unit to a maximum of three and three-quarters percent, compounded annually.

(B) **Affordability Covenant.** In order to qualify as affordable rental units pursuant to this subsection, such units shall be maintained in perpetuity as affordable units. The owner of the rental units shall enter into an agreement with the city to ensure the continued affordability of these affordable rental housing units in perpetuity. This agreement shall be recorded.

(C) **Alternative Proposal.** Any other program that proves its ability to provide for sustainable affordability, as approved by staff, the social services commission, and other public governing bodies as required by the individual project. Proposing an alternative method for sustained affordability must be justified based on current market trends and/or other prevailing circumstances.

(8) **Right of First Refusal.** All affordable ownership units constructed after January 1, 2005, shall deed to the City of Davis a permanent right of first refusal on the property, allowing the city the ability to either purchase the unit, or designate an appropriate buyer for the unit at its resale. The deed restriction shall allow the city to designate a third party to carry out its right of first refusal, and shall also allow for a one percent fee to be taken from the real estate transaction in order to pay for the costs of carrying out the right of first refusal.

(9) **Resale Report.** The owners of all affordable for-sale units that include a resale restriction or were constructed after January 1, 2005, shall be required to clear all resale reports completed on these units prior to the close of escrow on the resale of each unit. The findings of the resale inspection that are required to be addressed cannot be transferred to the household purchasing the affordable unit.

(c) **Land dedication.** When a developer makes a land dedication in order to satisfy the requirements of this article, it shall comply with the following requirements:

The developer shall make an irrevocable offer to the city of sufficient land, without abnormalities (shape and terrain) and with complete environmental review, which can accommodate the land dedication requirement for the project in its entirety. The land

dedicated shall be of sufficient size to make the development of the required affordable units economically feasible, no less than two acres. The density of development for the purpose of calculating the acreage to be dedicated under this section shall be fifteen units per acre. The proposed use of such land must be consistent with the general plan. The city may approve, conditionally approve, or reject such an offer of dedication. If the city rejects such an offer of dedication, the developer shall be required to meet the affordable housing obligation by other means set forth in this article and approved by the city.

The dedicated site shall be economically feasible to develop, of sufficient size to build the required number of affordable units, and physically suitable for development of the required affordable units prior to dedication of the land. The dedicated site shall also have appropriate general plan designation and zoning to accommodate the required units, be fully improved with infrastructure, frontage improvements (i.e., curb, gutter, walk), paved street access, utility (i.e., water, gas, sewer, and electric) service connections stubbed to the property lines, and other such off-site improvements as may be necessary for development of the required affordable units or required by the city.

The developer must identify the land to be dedicated at the time the developer applies for a pre-zoning or zoning amendment, but in no event later than the application for the tentative subdivision map. Building permits shall not be issued prior to identification of land to be dedicated under this section.

- (1) Density Bonus. A one-for-one city density bonus shall be awarded for land dedication on the basis of fifteen units per net acre.
- (2) Housing Types on Dedicated Land. Housing built on land provided by dedication for affordable housing shall be permanently affordable. The city shall adopt a resolution establishing a process whereby property dedicated to the city pursuant to this section may be conveyed to third parties who shall enter into an agreement with the city to produce affordable housing within a specified period of time. The city shall consult with the social services commission, nonprofit corporations, affordable housing organizations, and developers in designing this process. Housing on land dedicated pursuant to this section may consist of any of the following:
 - (A) Resident controlled nonprofit housing corporation;
 - (B) Community based mutual housing association;
 - (C) Community based nonprofit controlled rental housing;
 - (D) Student housing cooperative;
 - (E) Limited equity housing cooperative;
 - (F) Public housing;
 - (G) Land trust;
 - (H) Self-help housing;
 - (I) Other forms of nonprofit housing containing a permanent affordability provision.
- (3) Price of Units. The average affordable price for each size category of units on land dedication sites shall not exceed the low target income, sixty-five percent of median income. The maximum income level served by any of the units located on a

land dedication site shall not be greater than eighty percent of area median income. The developer shall offer affordable rental units in each size categories to multiple income levels to ensure that the rental units achieve the required average target income. For example, if three-bedroom units are offered to families at eighty percent of median income, the same number of three-bedroom units must be offered to households at fifty percent of area median income, making the average rent for the unit type sixty-five percent of area median income. Lower rents or an average that meets the same affordability target can be approved through the plan review process.

(4) **Buyer/Tenant Selection and Screening.** Please refer to Section [18.05.040\(g\)](#) for the selection and screening requirements applicable to affordable units.

(5) **Owner-Occupancy Restrictions.** Any person who purchases a designated affordable unit pursuant to this article shall occupy that unit as his or her principal personal residence for as long as he or she owns the affordable unit. Such occupancy shall commence within six months following completion of the purchase. The purchases shall comply with the provisions of Sections [18.04.020](#) through [18.04.060](#), inclusive, of this Code.

(d) **Options for small developments.** Small developments of fifteen ownership units or fewer, and totaling no greater than thirty-eight bedrooms in the development, that are not otherwise exempt pursuant to Section [18.05.080](#), that are located within the core area and are found to meet a specified community goal, can request to fulfill the affordable housing requirement through one of the following options, which shall be considered during the review process of the development's affordable housing plan:

(1) **Construction Subsidy.** City staff will work with the developer to provide financial assistance to be used in the construction of the affordable unit(s) required on-site, in order to assist in ensuring the project's feasibility. The developer shall present a pro forma (for the affordable units) to staff showing the necessary amount of construction assistance needed through supplemental city funds, in order to make the project economically feasible. The project will require the standard review process, and the necessary funding approval from the city council.

(2) **Combination of On-Site Construction and In-Lieu Fees.** The affordability requirement may be fulfilled through a combination that includes the on-site development of a portion of the required affordable units, with the remaining amount of the affordability requirement fulfilled through in-lieu fees paid in accordance with subsection (f) of this section. The exact split of the combination shall be determined during the review of the project's affordable housing plan, based on the developer's stated ability to provide affordable units on-site.

(e) **Acquisition and recordation of permanent affordability restrictions on existing housing units.** As an alternative to constructing affordable housing within a development project or providing for affordable housing through the payment of in-lieu fees, the affordability requirement may be fulfilled through the provision of off-site units being purchased/acquired and placed permanently into the city's affordable housing program through the recordation of affordability deed restrictions, subject to discretionary approval by the city council following review of the project's affordable housing plan. The city council may determine in its sole discretion whether this alternative is appropriate on a case-

by-case basis. These units are required to have recorded permanent affordability deed restrictions recorded against them, in a form consistent with the affordability restrictions that are recorded against on-site affordable units constructed pursuant to the requirements of this affordable housing ordinance. In its review of an affordable housing plan that provides affordable housing pursuant to this option, the city council will consider the following:

- (1) The condition and usable life of the units;
- (2) Potential displacement of existing residents;
- (3) The location and size of the proposed affordable units relative to disbursement of units throughout the city and local housing needs;
- (4) Long-term ownership and maintenance of the units; and
- (5) The level of affordability offered by the proposed alternative.

Any units provided under this option must ensure a unit life of no less than thirty years and may require rehabilitation prior to qualifying. Sale or long-term rental of these units would be at the sole expense and responsibility of the project developer, unless otherwise approved by the city council.

(f) **In-lieu fees.** As an alternative to constructing on-site affordable housing within a development as required by this article, the affordability requirement may be fulfilled through the payment of in-lieu fees pursuant to an adopted fee schedule to be revised on an annual basis, provided that the payment of in-lieu fees has been approved by the city council following review of the project's affordable housing plan. The city council will review a request for payment of in-lieu fees taking into consideration the following:

- (1) Project gross and net density;
- (2) Project size;
- (3) Economic or planning feasibility of affordable unit provision by another means within the development;
- (4) Projected housing costs of the project's market rate housing/overall housing affordability of the project; and
- (5) Accomplishment and tradeoffs of other local policy objectives, including smart growth principles, accessibility, energy efficiency, etc.

A payment plan may be approved by the city council in the event that the developer does not have the necessary funds available for payment; however, the majority of in-lieu fees shall be paid prior to the issuance of the certificate of occupancy on any of the market rate units. In addition to the standard in-lieu fee, the city maintains the right to adopt an in-lieu fee for use in future resource-pooled projects. This special in-lieu fee would apply to projects within a specific project area where the fee is intended to be used towards a planned resource-pooled project. (Ord. 2418 § 1, 2013; Ord. 2443 §§ 2, 3, 2015; Ord. 2545 § 3, 2019)

18.05.060 Rental development affordable housing standards.

A developer of rental housing developments containing twenty or more units shall provide, to the maximum extent feasible, at least twenty-five percent of the units as affordable housing for low income households and at least ten percent of the units as affordable housing for very low income

households. A developer of rental housing developments containing between five and nineteen units, inclusive, shall provide, to the maximum extent feasible, fifteen percent of the units to low income households and ten percent to very low income households. Residential projects consisting of fewer than five market rate units will not be required to produce affordable units. Such housing shall be provided either by the construction of units on-site or by land dedication.

The approval process for affordable housing plans will adhere to that which is required by Section [18.05.040\(b\)](#). Affordable rental units shall rent to low income households at not more than thirty percent of eighty percent (thirty percent of eighty percent is twenty-four percent) of area median income, and to very low income households at not more than thirty percent of fifty percent of area median income, adjusted for family size.

To the maximum extent feasible, each developer must meet the affordability requirement as it pertains to the project, as set forth below:

(a) **Standard rental affordable housing requirements.** Except as set forth in subsection (b) of this section, all requirements listed under the respective category must be adhered to and included within the project's affordable housing plan.

(1) Exempt Projects Pursuant to Section [18.05.080](#). No affordability requirements except as provided therein.

(2) Projects Totaling Five to Nineteen Units for Rent.

(A) A number equivalent to fifteen percent of the total units being developed, after the inclusion of the density bonus for the project, shall be developed and made affordable to low income households, households with gross incomes at or below eighty percent of area median income for Yolo County.

(B) A number equivalent to ten percent of the total units being developed, after the inclusion of the density bonus for the project, shall be developed and made affordable to very low income households, households with gross incomes at or below fifty percent of area median income for Yolo County.

(C) The complete number of required affordable units must be constructed on-site.

(D) The on-site construction shall be in conformance with all that is stated in subsection (c), entitled on-site construction of affordable units for rent.

(3) Projects Totaling Twenty or Greater Units for Rent.

(A) A number equivalent to twenty-five percent of the total units being developed, after the inclusion of the density bonus for the project, shall be developed and made affordable to low income households, households with gross incomes at or below eighty percent of area median income for Yolo County.

(B) A number equivalent to ten percent of the total units being developed, after the inclusion of the density bonus for the project, shall be developed and made affordable to very low income households, households with gross incomes at or below fifty percent of area median income for Yolo County.

(C) This requirement may be fulfilled through either on-site construction as stated in subsection (c) of this section or land dedication detailed in subsection

(d), as long as the minimum amount of land is provided to make the site economically feasible.

(4) Vertical Mixed-Use Development. Unless exempt under Section [18.05.080](#), in projects comprised of vertical mixed-use units, a number equivalent to five percent of the total units, bedrooms, or beds being developed including the affordable units, bedrooms, or beds, shall be developed and made affordable to low income households, households with gross incomes at or below eighty percent of area median income for Yolo County.

(5) Project Individualized Programs for Rental Housing.

(A) The developer may meet the city's affordable housing requirement with a project individualized program that is determined to generate an amount of affordability equal to or greater than the amount that would be generated under the standard affordability requirements. The affordable units must, at a minimum, meet the same income targets specified in the standard rental affordable housing requirements as set forth in subsection (a)(2) and (3).

(i) A project individualized program shall be developed by the developer and city staff, taken action on by the social services commission, and, if the main project application requires, heard before the planning commission for decision.

(ii) If the main project is requesting planning entitlements that require city council approval, the project individualized program shall then be heard before the city council for final decision.

(iii) If the main project does not require a city council hearing, the planning commission's or the social services commission's determination may be appealed to the city council by any member of the public.

(B) The project individualized program is not intended to allow exception to a public input and review process. The project individualized program is intended to be viewed thoroughly and scrutinized in public forums, allowing for input and competition from the public, other community-based nonprofits, staff, and, at a minimum, the social services commission. The public hearing at the social services commission shall be noticed to all community-based housing nonprofits in the area, to the greatest extent possible, regardless of their involvement in the project. This public hearing shall scrutinize the project based on the following criteria:

(i) Need for government subsidy; and

(ii) Sustainability of the development and its services; and

(iii) Community need of the project type based on recent needs assessments and recent projects completed; and

(iv) Uniqueness/innovation of the proposed project; and

(v) Overall benefits and drawbacks of the project; and

(vi) Development's compliance with the standards as outlined within this article.

These meetings shall be carried out without any finite contracts in place between the parties involved, allowing for the potential direction to the developer to change the project. If the social services commission finds that the proposed project does not satisfy one or all of the criteria listed above, it may choose to direct the developer to fulfill his or her affordable housing requirement through a land dedication process. This decision may be altered at either the planning commission or city council public hearing, if the project requires review by either of these deciding bodies. Decision of either the social services commission or the planning commission to direct the developer to do a land dedication to meet his or her affordability requirement, may be appealed to the city council.

(b) **Alternative rental affordable housing requirements.** Until May 31, 2020, the city council may, at its discretion, approve alternative affordable housing requirements on a project specific basis that provide for a lesser percentage of the total units to be provided as affordable housing, or provide for affordable housing in an alternative manner, including, but not limited to, providing affordable housing by bedroom or individual bed, or pledging to the city a continuing payment of funds to be submitted to the city at least annually for the purpose of furthering the city's affordable housing goals and objectives, in an amount as deemed appropriate by the city council. Except as provided below, if the affordable housing is provided by generating units, bedrooms or beds, there shall be a requirement of fifteen percent affordable units, bedrooms or beds. The affordability mix shall have a target of five percent low, five percent very low and five percent extremely low recognizing that the number of units, bedrooms, or beds may be adjusted up or down based on the income and rent levels proposed. In considering whether to approve alternative affordable housing requirements pursuant to this subsection (b), the city council will consider the following factors in determining whether to approve such alternative requirements:

- (1) Whether the market rate component and/or the affordable component of the proposed development is anticipated to meet a specific housing need as identified in the city's housing element or general plan policies; and
- (2) Whether the market rate units are anticipated to provide housing to low or moderate-income households through the incorporation of design components that will encourage greater affordability including reduced units sizes and reduced utility costs; and
- (3) The extent to which the proposed development furthers other land use goals of the city, including, but not limited to, reductions in the need for private vehicles and the encouragement of development consistent with the Metropolitan Transportation Plan/Sustainable Communities Strategy adopted for the Sacramento Region by the Sacramento Area Council of Governments; and
- (4) Whether the proposed market rate development includes unusually high infrastructure costs or other cost burdens as conditions to the development of the project; and
- (5) Whether the proposed affordable housing component may be partially funded by public subsidy or other public financing from a source other than the city; and

- (6) Whether the affordable component is provided on a bed or bedroom basis, that encourages greater integration of the affordable and market rate components of the project; and
- (7) Whether any or all of the affordable housing is provided at a deeper level of affordability (such as extremely low income housing, as defined in California [Health and Safety Code](#) Section 50106); and
- (8) Whether the application for the proposed development was submitted to the city for consideration prior to the adoption of AB 1505; and
- (9) Whether the developer is proposing to pledge to the city a continuing revenue source that will assist the city in satisfying one or more specific affordable housing goals of the city, in an amount that the city council deems is sufficient to provide a significant benefit in furtherance of the city's affordable housing goals; and
- (10) The total percentage of affordable units provided under these alternative rental-housing requirements may be adjusted up or down based on the income and rent levels provided or the size of the overall project. The council therefore may, at its discretion, approve alternative affordable housing requirements under this subsection that provides less than fifteen percent affordable units if the project provides a higher percentage of units to the lowest income levels (extremely low and very low). Further, the council may, at its discretion, require a higher total percentage for larger market rate projects that have greater economies of scale, or require a lesser percentage for smaller projects that have lesser economies of scale.

(c) **On-site construction of affordable units for rent.** A developer of a development containing twenty or more units may meet the rental affordable housing requirement by constructing twenty-five percent of the total number of units on-site to be permanently affordable to low income households and ten percent of the total number of units on-site to be permanently affordable to very low income households. A developer of a development containing between five and nineteen units, inclusive, may meet the rental affordable housing requirement by constructing fifteen percent of the total number of units on-site to be permanently affordable to low income households and ten percent of the total number of units on-site to be permanently affordable to very low income households.

- (1) **Criteria for On-Site Construction.** Affordable housing units constructed on-site shall include a mix of unit sizes, dispersed throughout the entire development, as approved by the director of the department of community development, based on the local housing needs of unit sizes. Affordable housing units shall not be clustered together in any building, complex or area of the development. Affordable housing units constructed on-site shall be constructed using the same building materials and including equivalent amenities as the market rate units.
- (2) **Affordability Agreement.** In order to qualify as affordable units pursuant to this section, such units shall be maintained in perpetuity as affordable units. The developer shall enter into an agreement with the city to ensure the continued affordability of all affordable rental housing units in perpetuity. This agreement shall be recorded.
- (3) **Density Bonus.** A one-for-one city density bonus shall be awarded for the construction of on-site affordable units.

(4) Annual Monitoring. Affordable units must be managed by the developer or his or her agent. Each developer shall submit an annual report to the city identifying which units are affordable units, the monthly rent, vacancy information for each affordable unit for the prior year, gross annual incomes for the households of each affordable unit during the prior year, and other information as required by city staff. This annual monitoring shall include the inspection of ten percent of the on-site affordable units. Inspection reports created by an acceptable third party and completed within the same city fiscal year will be accepted in-lieu of city staff performing the on-site inspection, for that given monitoring year.

(5) Affordable Rents. Affordable rents shall be determined annually on a city-wide basis by city staff based upon the area median income and utility allowances for Yolo County, as determined by the Federal Department of Housing and Urban Development, the State Department of Housing and Community Development, and the Yolo County housing authority. If these agencies do not provide the information, the City of Davis will determine monthly rent amounts based on thirty percent of the targeted household's gross monthly income.

(6) Tenant Selection and Screening. Please refer to Section [18.05.040\(g\)](#) for the guidelines of this section.

(d) **Land dedication.** A developer may, as an alternative to constructing the affordable rental units on-site, make an irrevocable offer of dedication to the city of sufficient land to meet the total affordable rental housing units required pursuant to this section.

(1) Credit. The density of development for the purpose of calculating the acreage to be dedicated under this section shall be twenty units per net acre for multifamily residential use.

(2) Procedure—General Plan Consistency. The developer shall identify the land to be dedicated at the time the developer applies for a pre-zone or zoning amendment, but in no event later than the application for tentative subdivision map. Building permits shall not be issued prior to identification of land to be dedicated under this section. The proposed land use of such land must be consistent with the general plan. The city may approve, conditionally approve or reject such offer of dedication. If the city rejects such offer of dedication, the developer shall be required to meet the affordable housing obligation by other means set forth in this section and identified by the city.

(3) Characteristics and Minimum Size. The developer shall make an irrevocable offer to the city of sufficient land, without abnormalities (shape and terrain) and with complete environmental review, which can accommodate the land dedication requirement for the development in its entirety. The land dedicated shall be of sufficient size to make the development of the required affordable units economically feasible, no less than two acres.

(4) Density Bonus. A one-for-one city density bonus shall be awarded for dedication under this section on the basis of twenty units per net acre.

(5) Housing on Dedicated Land. Housing built on land dedicated for affordable housing shall be permanently affordable. The city shall adopt a resolution establishing a process whereby property dedicated to the city pursuant to this section may be conveyed to third parties who shall enter into an agreement with the city to produce

affordable housing within a specified period of time. The city shall consult with the social services commission, nonprofit corporations, affordable housing organizations and developers in designing this process. Housing on land dedicated pursuant to this section may consist of any of the housing types listed in Section [18.05.050\(b\)\(2\)](#) of this article.

(e) **Options for small developments.** Small developments of fifteen rental units or fewer, and totaling no greater than thirty-eight bedrooms in the project, that are located within the core area, that are not otherwise exempt pursuant to Section [18.05.050](#), and are found to meet a specified community goal, can request to fulfill the twenty-five percent affordable housing requirement through one of the following options, as approved during the review process of the project's affordable housing plan.

(1) **Construction Subsidy.** City staff will work with the developer to provide financial assistance to be used in the construction of the affordable unit(s) required on-site, in order to assist in ensuring the project's feasibility. The developer shall present a pro forma (for the affordable units) to staff showing the necessary amount of construction assistance needed through supplemental city funds, in order to make the project economically feasible. The project will require the standard review process, and the necessary funding approval from the city council.

(2) **Combination of On-Site Construction and In-Lieu Fees.** The affordability requirement may be fulfilled through a combination that includes the on-site development of a portion of the required affordable units, with the remaining amount of the affordability requirement fulfilled through in-lieu fees pursuant to an adopted fee schedule to be revised on an annual basis. The exact split of the combination shall be determined during the review process for the project's affordable housing plan, based on the developer's stated ability to provide affordable units on-site.

(3) **In-Lieu Fees.** In the event that the developer cannot accommodate options (1) and (2) within the proposed project, the affordability requirement may be fulfilled through the payment of in-lieu fees pursuant to an adopted fee schedule to be revised on an annual basis. A payment plan may be approved by the social services commission in the event that the developer does not have the necessary funds available for payment; however, the majority of in-lieu fees shall be paid prior to the issuance of the certificate of occupancy on any of the market rate units. In addition to the standard in-lieu fee, the city maintains the right to adopt an in-lieu fee for use in future resource-pooled projects. This special in-lieu fee would apply to projects within a specific project area where the fee is intended to be used towards a planned resource-pooled project. (Ord. 2418 § 1, 2013; Ord. 2525 § 2, 2018; Ord. 2544 § 2, 2018; Ord. 2545 §§ 4, 5, 2019; Ord. 2550 § 2, 2019; Ord. 2561 § 2, 2019)

18.05.070 Fees.

The city council may, by resolution, establish fees and deposits for processing of applications as required by this article. (Ord. 2418 § 1, 2013)

18.05.080 Exemptions from affordable housing requirements.

- (a) Residential developments consisting of fewer than five units are exempt from the requirements of this article.
- (b) The city council may, at its discretion, exempt residential developments that are located within the boundaries of the city's Core Area Specific Plan and constructed as stacked condominium or as part of a vertical mixed-use development from the requirements of this article, provided that in order to receive such exemption the developer shall submit to the city an individualized affordable housing plan that provides a commitment to the creation of affordable housing in the city, either through development of on-site affordable units, payment of in-lieu fees, or another mechanism deemed appropriate by the city council. The individualized affordable housing plan that may be approved under this subsection is not required to provide affordable housing at a specific percentage or level, but shall provide affordable housing at a level as deemed appropriate by the city council, taking into account the desire to ensure that all residential development contribute to the creation of affordable housing as well as the desire to encourage and help to ensure the feasibility of vertical mixed-use and stacked condominium development within the boundaries of the city's Core Area Specific Plan.
- (c) The requirements of this article may be adjusted or waived if the developer demonstrates to the satisfaction of the city council that there is not a reasonable relationship between the impact of a proposed residential project and the requirements of this article, or that applying the requirement of this article would take property in violation of the United States or California Constitutions.

To receive an adjustment or waiver, the developer must request it when applying for first approval of the residential development, or through submittal of a draft affordable housing plan to the city. The matter shall be considered before the city council within thirty days. In making the finding or determination, the city council may assume the following: (1) the developer is subject to the inclusionary housing requirements in this article; (2) availability of any incentives, affordable financing, or subsidies; and (3) the most economical affordable housing product in terms of construction, design, location, and tenure. For purposes of a taking determination, the developer has the burden of providing economic and financial documentation and other evidence necessary to establish that application of this article would constitute a taking of the property without just compensation.

If it is determined that the application of the provisions in this article would constitute a taking, the inclusionary requirements for the residential development shall be modified to reduce the inclusionary housing obligations to the extent and only to the extent necessary to avoid a taking. If it is determined that no taking would occur by application of this article, the requirements of the article remain applicable and no approvals for the residential project shall be issued unless the developer has executed an affordable housing plan pursuant to the requirements of this article. (Ord. 2418 § 1, 2013; Ord. 2545 § 6, 2019)

40A.01.050 Agricultural buffer requirement.

(a) In addition to the right to farm deed restriction and notice requirement, the city has determined that the use of property for agricultural operations is a high priority. To minimize future potential conflicts between agricultural and nonagricultural land uses and to protect the public health, all new developments adjacent to designated agricultural, agricultural reserve, agricultural open space, greenbelt/agricultural buffer, Davis greenbelt or environmentally sensitive habitat areas according to the land use and open space element maps shall be required to provide an agricultural buffer/agricultural transition area. In addition, development limits or restricts opportunities to view farmlands. Public access to a portion of the agricultural buffer will permit public views of farmland. Use of nonpolluting transportation methods (i.e., bikes), and use of the land to fulfill multiple policies including, but not limited to, agricultural mitigation and alternative transportation measures meets the policy objectives of the Davis general plan. The agricultural buffer/agricultural transition area shall be a minimum of one hundred fifty feet measured from the edge of the agricultural, greenbelt, or habitat area. Optimally, to achieve a maximum separation and to comply with the five-hundred-foot aerial spray setback established by the counties of Yolo and Solano, a buffer wider than one hundred fifty feet is encouraged.

(b) The minimum one-hundred-fifty-foot agricultural buffer/agricultural transition area shall be comprised of two components: a fifty-foot-wide agricultural transition area located contiguous to a one-hundred-foot-wide agricultural buffer located contiguous to the agricultural, greenbelt, or habitat area. The one-hundred-fifty-foot agricultural buffer/transition area shall not qualify as farmland mitigation pursuant to Article 40A.03 of this chapter.

(c) The following uses shall be permitted in the one-hundred-foot agricultural buffer: native plants, tree or hedge rows, drainage channels, storm retention ponds, natural areas such as creeks or drainage swales, railroad tracks or other utility corridors and any other use, including agricultural uses, determined by the planning commission to be consistent with the use of the property as an agricultural buffer. There shall be no public access to the one-hundred-foot agricultural buffer unless otherwise permitted due to the nature of the area (e.g., railroad tracks). The one-hundred-foot agricultural buffer shall be developed by the developer pursuant to a plan approved by the community services director or designee. The plan shall include provision for the establishment, management and maintenance of the area. The plan shall incorporate adaptive management concepts and include the use of integrated pest management techniques. The property shall be dedicated to the city in fee title, or, at the discretion of the city, an easement in favor of the city shall be recorded against the property, which shall include the requirements of this article.

(d) The following uses shall be permitted in the fifty foot agricultural transition area: bike paths, community gardens, organic agriculture, native plants, tree and hedge rows, benches, lights, trash enclosures, fencing, and any other use determined by the planning commission to be of the same general character as the foregoing enumerated uses. There shall be public access to the fifty-foot agricultural transition area. The fifty-foot agricultural transition area shall be developed by the developer pursuant to a plan approved by the community services director or designee. Once the area is improved, approved, and accepted by the community services department, the land shall be dedicated to the city.

(e) The city reserves its right to form a special benefit assessment district, or other applicable district as is permitted under state law, and to maintain the agricultural buffer and transition area once the land is improved, dedicated, and annexed. (Ord. 1823 § 1; Ord. 2300 § 2, 2007; Ord. 2390 § 3, 2012)

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Article 40A.03 FARMLAND PRESERVATION

40A.03.010 Purpose and findings.

- (a) The purpose of this chapter and this article is to implement the agricultural land conservation policies contained in the Davis general plan with a program designed to permanently protect agricultural land located within the Davis planning area for agricultural uses.
- (b) Since 1995 the city has required agricultural mitigation for development projects that would change the general plan designation or zoning from agricultural land to nonagricultural land and for discretionary land use approvals that would change an agricultural use to a nonagricultural use, and the city council finds that this chapter and this article are necessary for the following reasons: California is losing farmland at a rapid rate; Yolo and Solano County farmland is of exceptional productive quality; loss of agricultural land is consistently a significant impact under CEQA in development projects; the Davis general plan has policies to preserve farmland; the city is surrounded by farmland; the Yolo and Solano County general plans clearly include policies to preserve farmland; the continuation of agricultural operations preserves the landscape and environmental resources; loss of farmland to development is irreparable and agriculture is an important component of the city's economy; and losing agricultural land will have a cumulatively negative impact on the economy of the city and the counties of Yolo and Solano.
- (c) It is the policy of the city to work cooperatively with Yolo and Solano counties to preserve agricultural land within the Davis planning area, as shown in the “planning area” map found in the Davis general plan, beyond that deemed necessary for development. It is further the policy of the city to protect and conserve agricultural land, especially in areas presently farmed or having Class 1, 2, 3, or 4 soils.
- (d) The city council finds that some urban uses when contiguous to farmland can affect how an agricultural use can be operated, which can lead to the conversion of agricultural land to urban use.
- (e) The city council further finds that by requiring adjacent mitigation for land being converted from an agricultural use and by requiring a one hundred fifty foot buffer, the city shall be helping to ensure prime farmland remains in agricultural use. (Ord. 2300 § 1, 2007)

40A.03.020 Definitions.

Adjacent mitigation. Agricultural mitigation land that is required to be located at the non-urbanized perimeter of a project.

Advisory committee. The City of Davis open space and habitat commission shall serve as the advisory committee.

Agricultural land or farmland. Those land areas of the county and/or city specifically designated and zoned as agricultural preserve (A-P), agricultural exclusive (A-E), or agricultural general (A-I), as those zones are defined in the Yolo County zoning ordinance; those land areas designated and zoned exclusive agriculture (A-40), as defined in the Solano County zoning ordinance; those lands in agricultural use; those lands designated in the city’s general plan as agricultural (A); and those land areas of the City of Davis specifically

designated and zoned as agricultural (A), agricultural planned development, or urban reserve where the soil of the land contains Class 1, 2, 3, or 4 soils, as defined by the Soil Conservation Service.

Agricultural mitigation land. Agricultural land encumbered by a farmland deed restriction, a farmland conservation easement, or such other farmland conservation mechanism acceptable to the city.

Agricultural use. Use of land for the purpose of producing food, fiber, or livestock for commercial purposes.

Easement stacking. Placing a conservation easement on land previously encumbered by a conservation easement of any nature or kind.

Farmland conservation easement. The granting of an easement over agricultural land for the purpose of restricting its use to agricultural land. The interest granted pursuant to a farmland conservation easement is an interest in land which is less than fee simple.

Farmland deed restriction. The creation of a deed restriction, covenant or condition which precludes the use of the agricultural land subject to the restriction for any nonagricultural purposes, use, operation or activity. The deed restriction shall provide that the land subject to the restriction will permanently remain agricultural land.

Non-urbanized perimeter. The agricultural land that borders the edge(s) of land that is, or is proposed to be, designated or zoned as non-agricultural land.

Priority open space acquisition areas. Areas designated by the city council by resolution as priorities for acquisition as open space.

Qualified conservation easement appraiser. A state certified appraiser who: (1) has conducted and prepared written appraisals on at least three agricultural conservation easement projects in the Central Valley in the past five years following the Uniform Standards of Professional Appraisal Practice and (2) has completed at least one course on the appraisal of conservation easements offered by a member organization of the appraisal foundation.

Qualifying entity. A nonprofit public benefit 501(c)(3) corporation operating in Yolo County or Solano County for the purpose of conserving and protecting land in its natural, rural, or agricultural condition. The following entities are qualifying entities: Yolo Land Conservation Trust and Solano Farm and Open Space Trust. Other entities may be approved by the city council from time to time.

Remainder mitigation. Required agricultural mitigation land that is not required to be located at the non-urbanized perimeter of a project.

Small project. A development project that is less than forty acres in size. A small project does not include one phase or portion of a larger project greater than forty acres that is subject to a master, specific, or overall development plan. (Ord. 2300 § 1, 2007)

40A.03.025 Agricultural land mitigation requirements.

(a) The city shall require agricultural mitigation as a condition of approval for any development project that would change the general plan designation or zoning from

agricultural land to nonagricultural land and for discretionary land use approvals that would change an agricultural use to a nonagricultural use.

(b) The city has determined that effectively locating mitigation lands provides increased protection of agricultural lands threatened with conversion to non-agricultural uses. Requirements and incentives are established in this article to direct mitigation to areas that are under threat of conversion. In recognizing the importance of the location of mitigation, the city has identified two general categories of agricultural mitigation: (1) adjacent mitigation; and (2) remainder mitigation. For every applicable development project, the determination as to whether a combination of adjacent and remainder mitigation shall be required or whether only remainder mitigation shall be required shall be based on site specific factors, as specified in this article. Adjacent mitigation is addressed in Section 40A.03.030; remainder mitigation is addressed in Section 40A.03.035.

(c) Total mitigation for a development project shall not be less than a ratio of two acres of protected agricultural land for each acre converted from agricultural land to nonagricultural land. Location based factors (credits) for remainder mitigation contained in Section 40A.03.035 may result in ratios greater than 2:1. (Ord. 2300 § 1, 2007)

40A.03.030 Requirements for adjacent land mitigation.

(a) **Mitigation along the non-urbanized perimeter.** All new development projects adjacent to agricultural land that are subject to mitigation under this article shall be required to provide agricultural mitigation along the entire non-urbanized perimeter of the project. The required adjacent mitigation land shall be a minimum of one-quarter mile in width, as measured from the outer edge of the agricultural buffer required in Section 40A.01.050. Certain land uses listed in Section 40A.03.030(e) are exempt from the adjacency requirement.

(b) **Satisfaction of adjacent agricultural mitigation.** Adjacent agricultural mitigation shall be satisfied by:

(1) Granting a farmland conservation easement, a farmland deed restriction, or other farmland conservation mechanism to or for the benefit of the city and/or a qualifying entity approved by the city. Mitigation shall only be required for that portion of the land which no longer will be designated agricultural land, including any portion of the land used for park and recreation purposes.

(2) Mitigation credit for required adjacent mitigation is shown in the table below.

Required Adjacent Mitigation

Location of mitigation land	Credit factor
Required minimum adjacent mitigation	1 times the number of acres protected

(3) If more than the required 2:1 mitigation acreage is required to create the adjacent mitigation land, no more than twice the project acreage shall be required to satisfy the

mitigation requirements of this chapter. If more than twice the project acreage is required to satisfy the minimum one-quarter mile requirement, the configuration of the mitigation land shall be determined by the city council. In determining the configuration of the mitigation land, the city council shall consider factors such as, but not limited to, the following: (A) the shape of the mitigation land; (B) the quality of the soil in the mitigation land; (C) contamination of the mitigation land; (D) whether the mitigation land is in common ownership or owned by multiple owners; (E) fragmentation from other agricultural lands or connectivity to agricultural land; and (F) the existing use of the mitigation land.

(4) The Davis planning area includes clusters of rural residential parcels that, due to their size and spacing, preclude commercial farming operations. For purposes of this article, a “cluster of rural residential parcels” shall mean a group of parcels where the majority of parcels have an existing residential structure and an average size of less than ten acres. If the required adjacent mitigation land includes a cluster of existing rural residential parcels, the city council may treat the cluster of rural residential parcels as part of the development project and allow the required adjacent mitigation land to be located on the outside edge of the cluster of rural residential parcels. If the city council chooses to do so, that decision shall not increase the total amount of adjacent mitigation required by the development project.

(c) **Exclusion of agricultural buffer from adjacent mitigation.** The land included within the agricultural buffer required by Section 40A.01.050(c) shall not be included in the calculation for the purposes of determining the amount of land that is required for mitigation.

(d) **Alternative mitigation proposals.** The city council may approve mitigation that does not meet the adjacency requirement if an alternative mitigation proposal meets the intent of this chapter and would have extraordinary community benefits. Alternative mitigation proposals may be approved if the following three factors are present, and the city council makes appropriate findings:

(1) The alternative mitigation is threatened by demonstrated growth pressure equal to or greater than that faced by areas adjacent to the project site. Demonstrated growth pressure shall be established by a comparison of current land value of the alternative site and the adjacent site. Valuation analysis shall be prepared by an independent certified appraiser; and

(2) The alternative mitigation is strategically located and provides one or more of the following: (A) protects a locally unique resource, (B) provides connectivity between existing protected or agricultural lands, (C) due to its location provides protection of other lands and resources in the Davis planning area and/or (D) located within a city-identified priority open space acquisition area; and

(3) The alternative mitigation is of a size that facilitates protection of the targeted resource and its long term management.

(e) **Exemptions.** The following land uses are exempt from the adjacent mitigation requirements of this article, but not the remaining provisions:

(1) The following projects, so long as they are not a part of a larger development project: permanently affordable housing, public schools, and public parks.

- (2) That portion of a development project abutting land already protected by permanent conservation easements or by some other form of public ownership that guarantees adjacent lands will not be developed for urban uses.
- (3) That portion of a development project abutting a limited access public road such as Interstate 80 or State Highway 113.
- (4) Small projects, as defined in Section 40A.03.020. (Ord. 2300 § 1, 2007)

40A.03.035 Requirements for remainder land mitigation.

(a) **General.** Remainder mitigation is mitigation land that is not required to be located at the non-urbanized perimeter of a project. Remainder mitigation may be located anywhere within the Davis planning area, subject to approval by the city council, in accordance with Section 40A.03.050. Incentives shall be provided for locating the remainder mitigation in areas targeted for protection by the city as shown in the table below.

(b) **Satisfaction of remainder mitigation.** Remainder mitigation shall be satisfied by:

- (1) Granting a farmland conservation easement, a farmland deed restriction, or other farmland conservation mechanism to or for the benefit of the city and/or a qualifying entity approved by the city. Mitigation shall only be required for that portion of the land which no longer will be designated agricultural land, including any portion of the land used for park and recreation purposes.
- (2) The following credits shall be applied to remainder mitigation land:

Remainder Mitigation	
Location of mitigation land	Credit factors
Adjacent to city limits and within ¼ mile of the city limits, excluding any land required as adjacent mitigation land.	2 times the number of acres protected
Adjacent to the required minimum adjacent mitigation land, if applicable	1 times the number of acres protected
Within city designated priority open space acquisition areas.	1 times the number of acres protected
Elsewhere in the Davis planning area	0.2 times the number of acres protected
Total	Mitigation acreage, as adjusted by the credit factors for adjacent mitigation (see Section 40a.03.030) and remainder mitigation (above), must total two times the acreage changed to nonagricultural. If the calculation of credit factors results in actual mitigation that is less than 2:1, additional acreage within

the Davis planning area shall be secured to satisfy the total mitigation ratio requirement.

Location and configuration of the mitigation land must be approved by the city council, in accordance with the factors specified in Section 40A.03.035(a).

(3) In lieu of conserving land as provided above, up to fifty percent of the remainder mitigation requirement may be satisfied by the payment of a fee based upon the fair market value of acquiring a farmland conservation easement or farmland deed restriction located adjacent to the city limits, subject to the following:

(A) For the purpose of establishing the in lieu fee, a qualified conservation easement appraiser shall establish the fair market value by conducting an appraisal of the required minimum adjacent mitigation land for the project. If no adjacent mitigation land is required for a project, the in-lieu fee shall be based on recent land transactions for properties located on and/or near the city limits. Appraisal costs shall be paid for by the developer or project applicant, and the qualified conservation easement appraiser shall be under contract with the city.

(B) The in lieu fee shall include a ten percent administrative fee to cover the city's costs to implement mitigation.

(C) The in lieu fee shall include an inflator that takes into account the inflation of property values and shall include a standard assumption for the time it takes the city to acquire property for agricultural mitigation. The inflator shall be calculated based on a three-year average of the House Price Index (HPI) for the Sacramento Metropolitan Statistical Area compiled by the Office of Federal Housing Enterprise Oversight. The inflator shall be based on the three most recent years for which HPI data are available and shall be based on an assumption that the city will spend the in lieu fee within three years from the payment date.

(D) The in lieu fee option must be approved by the city council.

(E) The in lieu fee, paid to the city, shall be used for farmland mitigation purposes, with priority given to strategically located lands with prime agricultural soils and high habitat value.

(c) **Exclusion of agricultural buffer from mitigation land.** The land included within the agricultural buffer required by Section 40A.01.050(c) shall not be included in the calculation for the purposes of determining the amount of land that is required for mitigation.

(d) It is the intent of this article that the city shall work in a coordinated fashion with the habitat conservation objectives of the Yolo County Natural Heritage (NCCP/HCP) program. It is the intent of this article to not allow stacking of easements, except easements covering riparian corridors that may be subject to agricultural and habitat easements and that do not generally exceed five percent of the total area on any particular easement of agricultural mitigation land shall be permitted. (Ord. 2300 § 1, 2007)

40A.03.040 Comparable soils and water supply.

- (a) The remainder agricultural mitigation land shall be comparable in soil quality with the agricultural land whose use is being changed to nonagricultural use.
- (b) The agricultural mitigation land shall have adequate water supply to support the historic agricultural use on the land to be converted to nonagricultural use and the water supply on the agricultural mitigation land shall be protected in the farmland conservation easement, the farmland deed restriction or other document evidencing the agricultural mitigation. (Ord. 2300 § 1, 2007)

40A.03.045 Home sites.

Agricultural mitigation lands shall not be permitted to have a new home site. (Ord. 2300 § 1, 2007)

40A.03.050 Lands eligible for remainder mitigation.

This section shall only apply to remainder mitigation.

- (a) The agricultural mitigation land shall be located within the Davis planning area as shown in the Davis general plan. In making their determination to accept or reject proposed mitigation land, the following factors shall be considered by the city council:
 - (1) The lands shall be compatible with the Davis general plan and the general plans of Yolo and Solano counties.
 - (2) The lands shall include agricultural land similar to the acreage, soil capability and water use sought to be changed to nonagricultural use.
 - (3) The lands shall include comparable soil types to that most likely to be lost due to proposed development.
 - (4) The property is not subject to any easements, contamination, or physical conditions that would legally or practicably preclude modification of the property's land use to a nonagricultural use.
 - (5) The easement configuration(s) would be grossly irregular such that it precludes efficient agricultural operation or bisects existing farm irrigation systems and does not protect other natural resources, such as stream corridors.
- (b) The advisory committee shall recommend to the city council acceptance of agricultural mitigation land of twenty acres or more by a qualifying entity and/or the city, except that it may consider accepting smaller parcels if the entire mitigation required for a project is less, or when the agricultural mitigation land is adjacent to larger parcels of agricultural mitigation land already protected. Contiguous parcels shall be preferred.
- (c) Land previously encumbered by a conservation easement of any nature or kind is not eligible to qualify as agricultural mitigation land. (Ord. 2300 § 1, 2007)

40A.03.060 Requirements of instruments—Duration.

- (a) To qualify as an instrument encumbering agricultural mitigation land, all owners of the agricultural mitigation land shall execute the instrument.

- (b) The instrument shall be in recordable form and contain an accurate legal description setting forth the description of the agricultural mitigation land.
- (c) The instrument shall prohibit any activity which substantially impairs or diminishes the agricultural productivity of the land, as determined by the advisory committee.
- (d) The instrument shall protect the existing water rights and retain them with the agricultural mitigation land.
- (e) The applicant shall pay an agricultural mitigation fee equal to cover the costs of administering, monitoring and enforcing (including legal defense costs) the instrument in an amount determined by city council. The fee shall include development of a property baseline report and monitoring plan.
- (f) The city shall be named a beneficiary under any instrument conveying the interest in the agricultural mitigation land to a qualifying entity.
- (g) Interests in agricultural mitigation land shall be held in trust by a qualifying entity and/or the city in perpetuity. Except as provided in subsection (h) of this section, the qualifying entity or the city shall not sell, lease, or convey any interest in agricultural mitigation land which it shall acquire.
- (h) If judicial proceedings find that the public interests described in Section 40A.03.010 of this chapter can no longer reasonably be fulfilled as to an interest acquired, the interest in the agricultural mitigation land may be extinguished through sale and the proceeds shall be used to acquire interests in other agricultural mitigation land in Yolo and Solano counties, as approved by the city and provided in this chapter.
- (i) If any qualifying entity owning an interest in agricultural mitigation land ceases to exist, the duty to hold, administer, monitor and enforce the interest shall pass to the city.
- (j) The instrument conveying the interest in the agricultural mitigation land shall be recorded at the same time as any final map for the development project is recorded or at such other time as required as a condition of approval. (Ord. 2300 § 1, 2007)

40A.03.070 City of Davis farmland conservation program advisory committee.

- (a) The Davis open space and habitat commission shall serve as the Davis farmland conservation advisory committee.
- (b) It shall be the duty and responsibility of the open space and habitat commission to exercise the following powers:
 - (1) To recommend the areas where mitigation zones would be preferred in the Davis planning area;
 - (2) To promote conservation of agricultural land in Yolo and Solano counties by offering information and assistance to landowners and others;
 - (3) To recommend tentative approval of mitigation proposals to city council;
 - (4) To certify that the agricultural mitigation land meets the requirements of this chapter;
 - (5) Any denial from the advisory committee may be appealed to city council.

(c) The open space and habitat commission shall ensure all lands and easements acquired under this article are properly monitored and shall review and monitor the implementation of management and maintenance plans for these lands and easement areas.

(d) All actions of the open space and habitat commission shall be subject to the approval of the Davis city council. (Ord. 2300 § 1, 2007)

40A.03.080 Reporting.

Periodically, community services department staff shall provide to the advisory committee reports delineating the activities undertaken pursuant to the requirements of this chapter and an assessment of these activities. The report shall list and report on the status of all lands and easements acquired under this chapter. (Ord. 2300 § 1, 2007; Ord. 2390 § 3, 2012)

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