

## PHYSICAL AND ECONOMIC CONDITIONS IN THE PROJECT AREA

The principal objectives of this sections are to: (1) describe the existing conditions and urbanized status of the project area (2) provide an overview of the blight definitions set forth in the CRL; (3) evaluate existing conditions within the Project Area as they pertain to the determinants of blight identified in the statutory definitions; and (4) identify the specific type(s) and extent of blighted conditions or blighting influences within the Project Area.

### A. EXISTING LAND-USE CONDITIONS

#### 1. Existing Uses

The Project Area is approximately 1,400 acres and contains a broad mix of residential, commercial, and industrial/light industrial uses, with each subarea not predominantly consisting of any one land use type. The following table breaks down the various types of existing land uses by subarea.

**Table 2**  
**Existing Land Uses**  
(January 1, 1998)

<b>Subarea</b>	<b>SF (units)</b>	<b>MF (units)</b>	<b>Commercial (GSF)</b>	<b>Office/BP (GSF)</b>	<b>Industrial (GSF)</b>
Subarea 1 (Olive Drive)	154	165	195,000	4,000	0
Subarea 2 (Old City Core)	318	325	564,000	578,000	131,000
Subarea 3 South Davis	1,777	1,687	423,000	455,000	0
<b>Totals</b>	<b>2,249</b>	<b>2,177</b>	<b>1,182,000</b>	<b>1,037,000</b>	<b>131,000</b>

Data Source — Davis General Plan (Adopted May 2001)

#### *Subarea 1 (Olive Drive)*

Subarea 1 has 154 single-family units consisting predominantly of mobile homes, travel-trailers and converted motor court units. There are 165 multi-family units incorporated into two apartment complexes built in the late 1980's. Currently under construction is a project that will include 123 multi-family units with 43 affordable units approved for future development. All the residential uses in Subarea 1 are on the east side of Olive Drive. Commercial uses in Subarea 1 consist primarily of community serving commercial uses (195,000 square foot building area), including a 45 room hotel. The project currently under construction will add 3,500 square feet of neighborhood commercial uses to the area. The Subarea contains 4,000 square feet of office/business park uses.

#### *Subarea 2 – (Old City Core)*

Of the three subareas, Subarea 2 has the greatest mix of land uses. There are 318 single-family homes built prior to the 1940s and 457 multi-family units built after 1950. There is a significant amount of commercial and office space; 564,000 and 578,000 square feet respectively, located

within the downtown. Subarea 2 also contains the only industrial land within the Project Area, 131,000 square feet, all of which is located east of L Street.

*Subarea 3 – (South Davis)*

Subarea 3 is the largest of the subareas and newest in terms of age of development. It has experienced most of its development after the establishment of the Project Area. In 1998, there were 1,777 single-family units and 1,687 multi-family units in this Subarea. A significant amount (423,000 square feet) of commercial space exists, dispersed within two neighborhood shopping centers with auto center/commercial highway development near the two freeway interchanges. There are 455,000 square feet of office/light industrial business park space located within several research park districts.

**B. STATUTORY DEFINITIONS AND REQUIREMENTS FOR BLIGHT**

At the time the Project Area was established the definition of blight was as follows:

*33030. It is found and declared that there exists in many communities blighted areas which constitute either physical, social, or economic liabilities, requiring redevelopment in the interest of the health, safety, and general welfare of the people of such communities and of the state.*

*A blighted area is one which is characterized by one or more of those conditions set forth in Sections 33031 or 33032 causing a reduction of, or lack of, proper utilization of the area to such an extent that it constitutes a serious physical, social, or economic burden on the community which cannot reasonably be expected to be reversed or alleviated by private enterprise acting alone.* [emphasis added]

*33031. A blighted area is characterized by the existence of buildings and structures, used or intended to be used for living, commercial, industrial, or other purposes, or any combination of such uses, which are unfit or unsafe to occupy for such purposes and are conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, and crime because of any one or a combination of the following factors: [These factors are considered structural or “physical” blighting characteristics].*

- (a) Defective design and character of physical construction.*
- (b) Faulty interior arrangement and exterior spacing.*
- (c) High density of population and overcrowding.*
- (d) Inadequate provision for ventilation, light, sanitation, open spaces, and recreation facilities.*
- (e) Age, obsolescence, deterioration, dilapidation, mixed character, or shifting uses.*

*33032. A blighted area is characterized by properties which suffer from economic dislocation, deterioration, or disuse because of one or more of the following factors which cause a reduction of, or lack of, proper utilization of the area to such an extent that it constitutes a serious physical, social, or economic burden on the community which cannot reasonably be expected to be reversed or alleviated by private enterprise acting alone: [These factors are considered non-structural or “economic” blighting characteristics].*

- (a) The subdividing and sale of lots of irregular form and shape and inadequate size for proper usefulness and development.*
- (b) The laying out of lots in disregard of the contours and other topography or physical characteristics of the ground and surrounding conditions.*
- (c) The existence of inadequate public improvements, public facilities, open spaces, and utilities which cannot be remedied by private or governmental action without redevelopment.*
- (d) A prevalence of depreciated values, impaired investments, and social and economic maladjustment.*

In 1993, with the passage of AB 1290, changes to the definition of blight were made. These changes included the provision that both physical and economic blighting conditions exist in a project area to determine it blighted. Additionally, AB 1290 eliminated the lack of public improvements, in and of itself, as evidence of blight.

As the Project Area was established prior to these changes, the prior blight findings are applied to this Amendment. However, the Project Area exhibits many of the blighting conditions described in the current law, including:

- Buildings in which it is unsafe or unhealthy for person to live or work.
- Factors that prevent or substantially hinder the economically viable use or capacity of buildings or lots.
- Adjacent or nearby uses that are incompatible with each other and which prevent the economic development of those parcels or other portions of the project area.
- The existence of subdivided lots of irregular form and shape and inadequate size for proper usefulness and development that are in multiple ownership.
- Depreciated or stagnant property values or impaired investments, including but not limited to, those properties containing hazardous wastes that require the use of Agency authority.

The purpose of this Amendment is to enable the Agency to complete the projects that were identified in 1987 and to complete the elimination of blight by assisting new public and private projects. Significant blight under either definition remains within the Project Area as detailed in the following pages.

### **C. STRUCTURAL (PHYSICAL) BLIGHT WITHIN THE PROJECT AREA**

The Project Area exhibits multiple structural blighting characteristics as defined by the findings outlined in CRL and summarized above. Applying the findings as required by CRL when the Project Area was initially established and as amended by AB 1290, the Project Area is found to exhibit the following blighting conditions:

- 1. Age, obsolescence, defective design and character of physical constructions.*
- 2. Deterioration and/or dilapidation.*

3. *Faulty or inadequate utilities or other unsafe conditions which pose a threat to the health and safety of user or occupants.*
4. *Factors that prevent or substantially hinder the economically viable use or capacity of buildings or lots, such as substandard design, inadequate building size given present standards and market conditions, lack of parking, or other similar factors.*
5. *Adjacent or nearby uses that are incompatible with each other and which prevent the economic development of those parcels or other portions of the project area.*

The following is an analysis of the pertinent physical blighting conditions found to be evident within the Project Area. The majority of the analysis focuses on Subareas 1 and 2 of the Project Area. Subarea 3 (South Davis) is discussed very little as it has been developed predominantly after the initial establishment of the Project Area and therefore does not exhibit the level of blight found in the other subareas.

### 1. Age, Obsolescence, Defective Design and Character of Physical Construction

#### *Subarea 1 (Olive Drive)*

Almost all of the permanent single-family residential structures in Subarea 1 were built between the early 1900's and 1950's. Besides the types of physical deterioration noted below, these older homes suffer from age and obsolescence factors such as: inadequate living space; insufficient insulation or insulation impregnated with hazardous asbestos fibers; inadequate emergency access; and/or lack of covered off-street parking facilities (see Photo Plates 1 & 2). Although wood frame construction typical to many of the homes in Subarea 1 is more resistant to damage from seismic events, none of the structures built before the 1970's have adequate internal lateral bracing to comply with present day codes. Also, the presence of unreinforced chimneys and/or lack of adequate ties to structural foundations, common in Subarea 1 single-family units, could result in severe damage during an earthquake.

Additionally, Subarea 1 has a proportionately high number of mobile home units, many of which are substandard due to age or condition. Within the mobile home parks there are approximately 70 occupied travel trailers. Although these trailers are not designed for permanent habitation, the State of California has approved them as legal residences. They have appropriate facilities for connection to sewer, water, and electrical services and are subject to periodic inspection by the State. (see Photo Plates 3 & 4)

Several Commercial structures and lots in Subarea 1 suffer from age and obsolescence in that they generally have inadequate display, loading and/or storage space. (see Photo Plate 5)

#### *Subarea 2 (Old City Core)*

As implied by its name, "Old City Core" Subarea 2 is the oldest developed area in Davis. It contains approximately 215 structures in excess of 60 years old, including 25 existing structures identified as "Historic Resources" in the *Core Area Specific Plan and City of Davis Historic Resources Inventory*. Given their age, the majority of these pre-1940's structures contain certain aspects of age and obsolescence, including; non-compliance with building/fire codes, sub-standard utility systems, insufficient insulation, inadequate parking, etc. (see Photo Plates 6 & 7).

The construction costs associated with improving these older buildings combined with the high rent/land values have often limited reinvestment in these structures. Property owners seeking to reinvest have found that demolition of these older structures is often a more economical approach. However, this is in conflict with community interest and city policies to maintain the historic building stock. As a result, many of these buildings have progressively deteriorated.

Within the Downtown Core Area, 51 commercial buildings were built prior to 1950 and 81 structures built prior to 1975. As these structures were constructed under less rigorous Uniform Building Code standards, they do not have adequate interior lateral bracing to comply with present-day seismic standards. There are six unreinforced masonry commercial buildings that could sustain severe damage during an earthquake. In addition, 52% (12 out of 23) of the commercial multi-story buildings in the Core Area are not equipped with elevators.

Other examples of obsolescence in Subarea 2 include the industrial facilities at the former Contech site on Second Street and the Pacific Gas and Electric Company's Davis Service Center yard at Fifth and L Streets. The 4-acre Contech site was originally built by Armco Steel in 1953 and produced corrugated steel pipe products until 1985 when Contech Construction Products assumed control of the facility and continued with the manufacturing activities until the mid 1990's. The buildings have been abandoned or removed and the property is currently used for storage. The property has been rezoned to allow commercial service and office uses (see Photo Plate 8).

The 27-acre PG & E service center facility is over 60 years old. This facility is still utilized by PG & E, however, it has limited industrial activity and primarily serves as a fleet maintenance and storage yard (see Photo Plate 8).

## 2. Deterioration, and /or Dilapidation.

### *Subarea 1 (Olive Drive)*

Specific examples of residential deterioration and dilapidation in Subarea 1 include a number of poorly maintained single-family and "residential" motel structures, and aged mobile home parks on East Olive Drive. Typical conditions requiring repair in these residential units include: cracked or peeling paint; excessively worn or sagging roofs; cracks or holes in walls or foundations; differential settlement of door or window frames; broken windows; deteriorated mortar, brick work, siding, or stucco; improperly vented heating, cooking, or plumbing facilities; dry rot in structural members (see Photo Plate 9).

### *Subarea 2 (Old City Core)*

Isolated examples of deteriorated older single-family and apartment structures are scattered within the residential neighborhoods of the downtown and traditional residential districts. There remains a relatively large enclave of residential structures in need of rehabilitation in the area bounded by the Southern Pacific Railroad (SPRR) rights-of-way, Fifth Street, and L Street (see Photo Plates 10 & 11).

3. Faulty or inadequate utilities or other unsafe conditions which pose a threat to the health and safety of user or occupants.

The 2000 Census data estimates that there are 68 units within the city that do not have plumbing (water and/or sewer) facilities. These conditions can pose a serious health risk to the occupants of the units and the surrounding area. Thirty percent of these units are within the Project Area.

Another form of inadequate utility or infrastructure that poses a threat to the health and safety of users and occupants can be roadways that consistently have higher traffic speeds and volumes than planned (see Photo Plates 12-14). The Richards Boulevard corridor also has confusing traffic patterns associated with left turns in and out of commercial driveways and the need for north-bound bicyclists to cross lanes of through traffic to access the bicycle tunnel under the railroad tracks. These conditions currently exist and/or are expected to exist at the build-out of the General Plan. Such conditions not only pose a health and safety risk to users and occupants, but can have adverse impacts on property values. The following is a list of corridors within the Project Area that have been identified within the General Plan as warranting special treatment to mitigate existing impact problems or problems related to future projected conditions:

**Impacted Corridors:**

*Subarea 1 (Olive Drive)*

- Olive Drive (between I-80 off-ramp and Richards Boulevard)
- Richards Boulevard Corridor (between I-80 off-ramp and Davis Subway)

*Subarea 2 (Old City Core)*

- Fifth Street (between A and L Streets)
- F Street (between 1<sup>st</sup> and 5<sup>th</sup>)
- B Street (between 1<sup>st</sup> and 5<sup>th</sup>)
- Third Street (between A and L Streets)
- Fourth Street (between F and L Streets)

*Subarea 3 (South Davis)*

- Cowell Boulevard (Research Park to Mace Boulevard)
- Lillard Drive (Cowell Boulevard to Ohlone Street)
- Mace Boulevard (Chiles Road to San Marino)

Insert corridor map

4. *Factors that prevent or substantially hinder the economically viable use or capacity of buildings or lots.*

Circumstances that are considered to prevent or substantially hinder the economically viable use of property can be poor site conditions, substandard design, inadequate building size given present standards and market conditions, lack of parking, or other similar factors.

A. Poor site conditions

*Subarea 1 (Olive Drive)*

Many of the properties on Olive Drive show signs of lack of property maintenance, open storage, and/or have abandoned vehicles. Of the 48 lots in the area, 18 or 38% had one or more site deficiencies. The presence of these conditions detracts from the overall appearance and contributes to the negative image of the area (see Photo Plates 15 & 16).

*Subarea 2 (Old City Core)*

Similar to Subarea 1, the Old City Core area contains recurring conditions of deferred property maintenance. Other examples of poor site conditions can be found on commercial properties including open storage, lack of property maintenance of adjacent sidewalks and right-of-way landscaping. These poor site conditions discourage patronage of commercial uses and contribute to stagnant business growth within area (see Photo Plates 17 & 18).

B. Substandard Design

The term “substandard design” refers to building or property conditions that are less than standard in modern real estate markets because of design features considered ill-functional for the type of use for which they serve. These conditions prevent or substantially hinder the economic viable use of parcels, and contributes to obsolescence in facilities. In turn, these conditions discourage investment by property owners to modernize and improve their property.

*Subarea 1 (Olive Drive)*

Constrained access and visibility to commercial lots at the east end of Olive Drive affects the economic viability of these commercial properties and discourages investment by property owners to modernize and improve their property. These businesses, while having good visibility from I-80 have very poor visibility from within the community and therefore have inadequate local “drive-by traffic” necessary to support them. Olive Drive is a minor arterial with approximately 89% of its daily traffic “cutting through” the neighborhood, effectively using Olive Drive as an exiting ramp to Richards Boulevard. These properties were originally built for and traditionally served as auto sales and service related establishments. Businesses at these locations experienced increased turnover in the past 15 years. As the Davis Auto Center has expanded in South Davis, these facilities have become obsolete as they became increasingly “isolated” from the concentration of other automobile dealerships across the freeway (see Photo Plate 19).

*Subarea 2 (Old City Core)*

The most prevalent example of substandard design within Subarea 2 exists in the downtown Core Area. A substantial portion of the commercial development within downtown was constructed after World War II and prior to 1990. Typically, development during this time was poorly conceived for pedestrian retail. Sidewalks and building storefronts are interrupted by driveways

(see Photo Plate 20). This decreases pedestrian safety and ambiance while fragmenting storefront continuity. This condition is compounded by the fact that many of the buildings in downtown do not present good retail storefront opportunities. Specific conditions include: long unarticulated facades; limited or no storefront windows; deeply recessed, obscured or elevated storefronts; and general use of low quality or antiquated exterior materials (see Photo Plate 21).

### C. Lack of parking

Adequate off-street parking is critical in maintaining the economically viable use or capacity of any building. Lack of parking can limit growth of existing businesses and hinder re-investment in both commercial and residential properties.

#### *Subarea 1 (Olive Drive)*

Businesses on West Olive Drive, particularly the automobile repair uses, frequently show signs of inadequate off-street parking (see Photo Plate 22). Available on-site and on-street parking is often impacted by an overflow of cars being serviced. This creates conflicts with employees and customers seeking parking in relative close proximity to their destinations and adds to traffic congestion in the area.

#### *Subarea 2 (Old City Core)*

It is estimated that approximately 40% of the on-street 2-hour designated spaces within the Downtown Core Area are used by employees. This creates a lack of convenient parking essential to patrons of the businesses within this area. This condition results in unnecessary traffic circulation as motorists search for available parking (see Photo Plate 23). The net effect is a diminished Downtown Core Area shopping experience and potential for reduced downtown sales.

Improving the downtown pedestrian experience can help to alleviate these problems. Adding pedestrian amenities and increasing pedestrian safety at intersections are fundamental improvements. The Agency has made considerable efforts to implement such enhancements over the past decade. However, more substantial improvements to the pedestrian experience can be made by creating a cohesive retail storefront continuity.

A critical mass of retail storefronts on a block enhances the shopping experience, broadening the patrons “destination” beyond a single business, to encompass an entire block(s). This shortens the perceived distance between the individuals, the parking space and their destination. Filling the gaps between buildings in the Downtown Core Area consistent with good pedestrian retail storefront design will require eliminating surface parking lots and constructing new retail mixed-use buildings with very limited or no on-site parking. The Core Area Specific Plan and Downtown and Traditional Residential Design Guidelines call for constructing larger public parking facilities around the periphery of the Downtown Core Area to accommodate the displaced and required new parking spaces.

These structures will likely involve public/private partnerships similar to the 5<sup>th</sup> and G project. The Agency powers and financing are essential to the implement these projects. There is no private financing available to improve the parking conditions in this Subarea.

Insert map of Opp. Sites.

5. Adjacent or nearby uses that are incompatible with each other and which prevent the economic development of those parcels or other portions of the Project Area.

Incompatible land uses that prevent economic development occur when the use or activity on a parcel of land negatively affects the economic use and/or development of adjacent and surrounding properties. For example, residential uses adjoining commercial uses or higher density residential development are often impacted by traffic, noise and reduced privacy. These conditions affect property values and ultimately the viability of the property for residential use. Conversely, commercial businesses that wish to expand, but are constrained by surrounding residential properties may not be able to grow or may choose to relocate to other sites.

*Subarea 1 (Olive Drive)*

While commercial buildings can compatibly co-exist with residential neighbors if adequate visual, acoustical, or psychological buffering is provided to safeguard the tranquility and privacy of the residents. The proximity of existing commercial uses to residential uses in Subarea 1 and the lack of adequate buffering or transitions between such uses has resulted in incompatible aesthetic, noise, odor, fire safety, and parking conditions in the neighborhood. Specific examples of incompatible uses include automobile repair / service shops and highway commercial uses immediately adjacent to residential uses on East Olive Drive (see Photo Plate 24).

*Subarea 2 (Old City Core)*

Like most urban core areas, mixed physical design and land use characteristics are present in Subarea 2. This is particularly evident in the transitional areas around the fringes of the Downtown Core Area where adjacent uses that vary in intensity are in close proximity. The most prominent condition of incompatible uses and character exists on L Street where residential units are directly across the street from the PG & E industrial yard. The industrial use and physical character of the PG & E site negatively affects the property values of the adjacent properties and limits their economic viability. Other examples of incompatible uses in this Subarea include multi-family residential uses adjacent to single-family homes, creating conflicts with parking and/or noise (see Photo Plate 25).

**D. NON-STRUCTURAL (ECONOMIC) BLIGHT WITHIN THE PROJECT AREA**

The Project Area exhibits multiple non-structural blighting characteristics as defined in CRL and summarized previously in this report. The Project Area is found to exhibit the following non-structural blighting conditions:

1. *Inadequate public improvements (streets, utilities, storm drains, etc.),*
2. *The existence of subdivided lots of irregular form and shape and inadequate size for proper usefulness and development that are in multiple ownership.*
3. *Prevalence of depreciated values and impaired investments.*

1. Inadequate public improvements.

Since adoption of the Redevelopment Project in 1987, significant Agency investment has been made in public infrastructure. Additional infrastructure improvements are still needed to mitigate automobile congestion and improve bicycle and pedestrian circulation as identified in the Core Area and Gateway Olive Drive Specific Plans (see Photo Plates 26 and 27). A description of these projects and the blighting influences they address are contained in Section 4 of this report.

2. The existence of subdivided lots of irregular form and shape and inadequate size for proper usefulness and development that are in multiple ownership.

Appropriate parcel size and dimension is necessary if land is to be effectively utilized. In order for property to be attractive to investors, parcels must be large enough and configured properly to build a structure that not only meets building code standards but also accommodates current industry standards.

A total of 16 lots (10.5 total acres) are considered to be inappropriate in size and/or dimension to be properly utilized (Map 5). The presence of such lots are equally distributed throughout the Project Area, with eight lots in Subarea 1, seven lots in Subarea 2, and six lots in Subarea 3. A higher percentage of land area in irregularly shaped lots exists in Subarea 1 due to the size of this Subarea.

With the exception of Subarea 1, these lots are primarily zoned for commercial or industrial use and are vacant and underutilized due to their substandard size for their designated land use. Other lots are constrained due to little or no street frontage, directly limiting their investment potential. A significant number of lots in Subarea 1 are zoned for residential use, with most held in multiple ownership. These lots are small and irregular in configuration with existing low density residential buildings intermingled between them. For these reasons, it is likely that there will be little potential for development on these parcels without public involvement.

Insert corridors map

3. Depreciated Values and Impaired Investments.

The Project Area contains the oldest commercial and industrial property within the city. Consequently, 17 of the 23 properties within the city limits known to be contaminated with hazardous waste are located in the Project Area (Map 6). These sites are tracked by the Regional Water Quality Control Board and are in various stages of site assessment, monitoring, or remediation. Most of the contamination on the sites is from petroleum due to leakage from underground storage tanks or chemical solvents released into the soil from various sources.

FACILITY	LOCATION	CONSTITUENT
BOY SCOUT CABIN	616 1 <sup>ST</sup>	VOC's DIESEL
CABLE CAR WASH	904 3 <sup>RD</sup>	GASOLINE; CHLORINATED SOVENTS
CHEVRON	980 OLIVE DRIVE	HYDROCARBONS/SOLVENTS
CHEVRON	4475 CHILES ROAD	GASOLINE
PENA PROJECT	408 G STREET	PETROLEUM; CHLORINATED HYDROCARBONS; HVOC's;
DAVIS ENTERPRISE	302 G STREET	CHLORINATED SOLVENTS
EXXON	400 MACE BOULEVARD	GASOLINE
FREEWAY FORD	5080 CHILES ROAD	PETROLEUM
FRONTIER FERTILIZER	2ND ST	EDB/DBCP;
I ST DEVELOPMENT	902 THIRD STREET	GASOLINE; CHLORINATED SOLVENTS
LEWIS CLEANERS	670 G STREET	VOC's
MUNDY FOOD AND LIQUOR	4810 CHILES ROAD	GASOLINE AND DIESEL
COURT GALVANIZING	2ND ST	METALS
TEXACO	712 G STREET	GASOLINE
AMTRAK	2ND AND H STREETS	GASOLINE; CHLORINATED SOLVENTS
VAN WERT MOTOR	1700 OLIVE DRIVE	GASOLINE
VAN WERT MOTOR	5100 CHILES	PETROLEUM

Source: Yolo County Health Department and CVRWQCB – 2002

Insert hazardous sites map