CITY OF PLEASANTON
JOHNSON DRIVE ECONOMIC DEVELOPMENT ZONE

Supplemental Environmental Impact Report
Response to Comments Document

Prepared for
City of Pleasanton

March 2016

ESA

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CHAPTER 1
Introduction

1.1 CEQA Process

On September 14, 2015 the City of Pleasanton (Lead Agency) released for public review a Draft Supplemental Environmental Impact Report (Draft SEIR) for the City's proposed Johnson Drive Economic Development Zone (EDZ), and associated General Plan Amendment and rezonings (SCH# 2014082081). The public review and comment period on the Draft SEIR began on September 14, 2015, was extended beyond the 45-day public review period and closed on November 23, 2015.

The Draft SEIR together with this Response to Comments document constitutes the Final SEIR for the proposed EDZ. The Final SEIR is an informational document prepared by the Lead Agency that must be considered by decision-makers before approving the proposed EDZ and that must reflect the Lead Agency's independent judgment and analysis of the anticipated physical impacts of proposed EDZ on the environment (CEQA *Guidelines*, Section 15090). California Environmental Quality Act (CEQA) *Guidelines* (Section 15132) specify the following:

> "The Final EIR shall consist of:
>
> (a) The Draft EIR or a revision of that draft.
>
> (b) Comments and recommendations received on the Draft EIR either verbatim or in a summary.
>
> (c) A list of persons, organizations, and public agencies commenting on the Draft EIR.
>
> (d) The responses of the Lead Agency to significant environmental points raised in review and consultation process.
>
> (e) Any other information added by the Lead Agency."

This Response to Comments document has been prepared pursuant to CEQA and in conformance with the CEQA *Guidelines*. This document incorporates comments from public agencies and the general public, and contains appropriate responses by the Lead Agency to those comments. The Final SEIR reflects the City's independent judgment and analysis.

1.2 Method of Organization

This Response to Comments document for the proposed project contains information in response to comments raised during the public comment period.

This chapter, *Introduction*, describes the CEQA process and the organization of this Response to Comments document.

Chapter 2, *Revisions to the Draft SEIR*, contains text changes to the Draft SEIR. Some changes were initiated by the City; others were made in response to comments received on the Draft SEIR.

Chapter 3, *Agencies, Organizations and Individuals Commenting on the Draft SEIR*, lists all agencies, organizations, and persons that submitted written comments on the Draft SEIR during the public review and comment period.

Chapter 4, *Responses to Written Comments on the Draft SEIR*, contains comment letters received during the public review and comment period. The responses to the comments are provided following each letter.

Chapter 5, *Responses to Comments Received at the Public Hearing and Community Meetings on the Draft SEIR*, contains a summary of all environmental topics raised regarding the Draft SEIR at the Planning Commission public hearing on September 23, 2015 and community meetings on October 22 and November 12, 2015, as well as responses to these comments.

Chapter 6, *Mitigation Monitoring and Reporting Program*, describes the identified mitigation measures and the responsible parties, tasks, and schedule for monitoring mitigation compliance.

CHAPTER 2
Revisions to the Draft SEIR

The following revisions are made to the Draft SEIR and incorporated as part of the Final SEIR. Revised or new language is double underlined. Deleted language is indicated by ~~strikethrough~~ text.

The revisions in this chapter do not identify any new significant impacts other than those already identified in the Draft SEIR, nor do they reveal any substantial increase in the severity of an environmental impact in comparison to the analyses contained in the Draft SEIR. The revisions also do not describe any project alternative or mitigation measure that is considerably different from those identified in the Draft SEIR. Accordingly, the revisions in this chapter do not constitute "significant new information" and it is therefore not necessary for the Lead Agency to recirculate the SEIR for public comment prior to certification of the Final EIR (CEQA Guidelines Section 15088.5).

Section 2.1 below, identifies staff-initiated changes made to the Draft SEIR. Section 2.2 identifies changes made to the Draft SEIR in response to comments received.

2.1 Staff-Initiated Changes to the Draft SEIR

The text changes presented in this section were initiated by Lead Agency staff. In December 2015, after circulation of the Draft SEIR, the City determined that minor changes to the development assumptions for Phase I of the proposed Johnson Drive Economic Development Zone (proposed EDZ) were required to be incorporated into the Response to Comments document and Final SEIR. The changes included an increase in the size of the hotel (from 88,000 square feet to 132,000 square feet), and a decrease in the amount of general retail uses (from 23,500 square feet to 5,000 square feet) anticipated to be developed as part of Phase I. For the purpose of analysis the hotel would be four stories, could consist of one or two buildings, and would be located on parcels 9 and 10. Revised Draft SEIR Table 3-2, in this section, summarizes these changes. Other revisions to the Draft SEIR to reflect these changes are also presented below. These changes were also addressed in the Economic Impact Analysis prepared for the EDZ (appendix A of this Response to Comments document).

In order to determine whether the minor revisions to the project description would generate new significant impacts or result in a substantial increase in the severity of previously identified significant effects, the City prepared new traffic trip generation estimates and estimates of air and GHG emissions, and completed a qualitative assessment to assess potential changes to previously

identified impacts. The results of these analyses indicated that the change in the proposed EDZ would result in only a minor change in traffic trips, and would therefore only result in very minor changes in relation to air and GHG emissions, and noise, such that there would be no appreciable change in the level of impact for these resource topics. In addition, the change in the hotel anticipated to be constructed as part of Phase I would not result in changed or additional impacts related to aesthetics (views), because the building heights would remain the same (4 stories) and the orientation and massing of the hotel buildings as viewed from the selected viewpoints would be largely the same as the previously assessed condition; thus, additional visual simulations were determined not to be required.

Changes also include minor text corrections to the Draft SEIR. None of the revisions results in fundamental alterations of the conclusions of the Draft SEIR nor do they change any SEIR significance determinations.

Chapter 2, Summary

The following text has been revised in paragraph two following sub heading Project Description on page 2-2 to reflect the minor changes to the development assumptions for Phase I of the EDZ:

> The mix of uses expected to occur within the EDZ area with full buildout includes club retail (also known as warehouse club), hotel, recreational, and small- and large-format general retail establishments. Existing uses within the EDZ area would operate until redevelopment activities occur on those specific parcels. With development of the EDZ, the area could contain up to ~~509,990~~535,490 square feet of occupied building space, a net increase of ~~285,302~~310,802 square feet over the existing occupied buildings within the EDZ area. It is assumed that development of the EDZ area would occur in two or more phases, including an initial phase (Phase I) during which Parcels 6, 9 and 10 would be developed with hotel ~~(88,000~~132,000 square feet), club retail (148,000 square feet), and general retail (~~23,500~~5,000 square feet) uses; and one or more future development phases. For a list of uses that would be permitted or conditionally permitted within the EDZ area, see Appendix B.

The following text has been revised in last paragraph of sub heading Alternative 2: Reduced Retail Alternative on page 2-6 to reflect Alternative 2 generated NOx emissions:

> The Reduced Retail alternative would be feasible, and would avoid ~~a~~ significant air quality impacts of the proposed EDZ: namely, operational air emissions of both PM10 and NOx would be less than significant under this alternative. ~~under this alternative, operational air emissions of PM10 would be less than significant.~~

The following text has been revised in last paragraph of sub heading Alternative 3: Partial Buildout (Phase 1 Only) on page 2-6 to reflect Alternative 3 generated NOx emissions:

> Similar to the Reduced Retail alternative, the Partial Buildout alternative would be feasible, and would avoid ~~a~~ significant air quality impacts of the proposed EDZ: namely, operational air emissions of both PM10 and NOx would be less than significant under this alternative ~~*under this alternative, operational emissions of PM10 would be less than significant*~~.

Chapter 3, Project Description

The following text has been revised in the first paragraph on page 3-6 to reflect the minor changes to the development assumptions for Phase I of the EDZ:

> With development of the EDZ, it is assumed that the area would contain a maximum of ~~509,990~~535,490 square feet of building space. The level of actual development within the EDZ area may ultimately be less than assumed in the SEIR. For a complete list of uses that could be permitted or conditionally permitted within the EDZ area, see **Appendix B**.

Table 3-2 on page 3-8 has been revised to reflect the minor changes to the development assumptions for Phase I of the EDZ:

TABLE 3-2
SUMMARY OF EDZ DEVELOPMENT CHARACTERISTICS

Land Use or Other Characteristic	Unit	Existing Development	Phase I Development (Parcels 6, 9, and 10)	Full Buildout[1]
Employees	Jobs	369	~~642~~610	~~1,149~~678
General Retail	Square Feet	38,903	~~62,403~~43,903	~~246,440~~227,940
Club Retail	Square Feet	-	148,000	148,000
Commercial Service	Square Feet	123,165	123,165	-
Office	Square Feet	15,070	15,070	-
Industrial	Square Feet	27,550[3]	27,550	27,550
Hotel	Square Feet	-	~~88,000~~132,000[4]	~~88,000~~132,000[4]
Institutional/Religious	Square Feet	20,000	20,000	-
Total new gross building space	Square Feet	**-**	~~259,500~~**285,000**	~~285,302~~**310,802**
Total gross building space	Square Feet	**224,688**	~~484,188~~**509,688**	~~509,990~~**535,490**

1 Inclusive of all phases of development, including Phase I.
2 ~~Includes 100% of population and 50% of employment.~~ Revised consistent with Final SEIR Response to Comments Appendix A (Johnson Drive EDZ Urban Decay Analysis, prepared by ALH Urban & Regional Economics, March 2016)
3 Does not include square footage of structures demolished independently of the proposed EDZ.
4 231 rooms (previously 140 to 150 rooms).

Ac = Acres
SF = Square Feet

SOURCE: Appendix C (Brion & Associates, 2015).

The following text has been revised in the last paragraph on page 3-8 to reflect the minor changes to the development assumptions for Phase I of the EDZ:

> Parcels 9 and 10 could be developed with up to ~~88,000~~132,000 square feet of hotel uses, with building heights up to 55 feet. Up to ~~23,500~~5,000 square feet of general retail uses could also be developed on these parcels. Hotel and general retail uses would be surrounded by landscaping, and a landscaped buffer would be provided between each building and Johnson Drive.

The following text has been revised in the paragraph under heading Full Buildout Development Assumptions, on page 3-9, to reflect the minor changes to the development assumptions for Phase I of the EDZ:

> Full buildout would include development as described for Phase I, and would include the development of up to ~~246,440~~227,940 square feet of general retail uses, up to 148,000 square feet of club retail uses, up to 27,550 square feet of industrial uses, and up to ~~88,000~~ 132,000 square feet of hotel uses, for a total of up to ~~509,990~~535,490 square feet of uses.

Figure 3-5, on page 3-11, has been revised to show the new hotel configuration, as shown on the following page.

Chapter 4.A, Aesthetics

The following text has been added to subsection Impacts and Mitigation before subsection Significance Criteria, on page 4.A-17, to reflect the minor changes to the development assumptions for Phase I of the EDZ:

Revision to Development Assumptions for Phase I

In December 2015, after the circulation of the Draft EIR, the City determined that minor changes to the development assumptions for Phase I of the proposed EDZ, including an increase in the size of the hotel (from 88,000 square feet to 132,000 square feet), and a decrease in the amount of general retail uses (from 23,500 square feet to 5,000 square feet), were required. Although the analysis presented below is based on the previous development assumptions for Phase I, the revised development assumptions for Phase I would not result in additional impacts related to aesthetics, because the building heights would remain the same (4 stories) and the orientation and massing of the hotel buildings as viewed from the selected viewpoints would be largely the same as the previously assessed condition; thus, no change would occur related to aesthetics (views), and additional visual simulations were determined not to be required.

SOURCE: Design Cell Architecture

Johnson Drive NOP . 140421

Figure 3-5
Parcels 9 and 10 Conceptual Site Plan

Chapter 4.B, Air Quality

The following text has been added to subsection Impacts and Mitigation before subsection Significance Criteria, on page 4.B-13, to reflect the minor changes to the development assumptions for Phase I of the EDZ:

Revision to Development Assumptions for Phase I

In December 2015, after the circulation of the Draft EIR, the City determined that minor changes to the development assumptions for Phase I of the proposed EDZ, including an increase in the size of the hotel (from 88,000 square feet to 132,000 square feet), and a decrease in the amount of general retail uses (from 23,500 square feet to 5,000 square feet), were required.

In order to determine whether the revised development assumptions for the proposed EDZ would generate new significant impacts or result in a substantial increase in the severity of previously identified significant effects, the City prepared new traffic trip generation estimates, and completed a qualitative assessment to assess potential changes to previously identified impacts. The results of this analysis indicated that, under the revised development assumptions, only a minor overall increase in traffic trips (a less than one percent increase of 110 total daily trips for full buildout, as discussed in Section 4.D, Transportation and Traffic) would occur relative to the original development assumptions, and therefore only a very minor increase in estimated air emissions would result, such that there would be no appreciable difference in the level of impact. Therefore, although the analysis presented below is based on the previous development assumptions for Phase I, the revised development assumptions for Phase I would not result in additional or more severe impacts related to air quality.

The following text has been revised to subsection Construction Criteria Air Pollutant Emissions before subsection Significance Criteria, on page 4.B-13, to reflect the minor changes to the development assumptions, specially hotel size, for Phase I of the EDZ:

The air quality analysis completed for this section includes certain assumptions regarding the proposed EDZ, including the construction of new buildings consisting of ~~246,440~~ 227,940 square feet of general retail uses; 148,000 square feet of club retail uses, including a fuel station; 27,550 square feet of light industrial uses; and a hotel with up to 231~~140~~ rooms. The analysis also includes the assumption that up to 300,000 square feet of vacant or underutilized buildings would be demolished within the EDZ area during the period of full buildout and the assumption that all parcels within the EDZ area would ultimately be redeveloped with new uses. The analysis also takes into account annual emissions from approximately 224,688 square feet of existing uses within the EDZ area. The first phase of the proposed EDZ is expected to result in a worst-case concentrated construction period from September 2015 until September 2016, resulting in the possible demolition of the remainder of the structures on Parcels 6, 9, and 10 (up to 80,000 square feet of buildings),

and the development of the 148,000 square-foot club retail use and fuel station, the hotel, up to ~~23,500~~5,000 square feet of general retail uses, and associated parking lots. The remainder of demolition and construction would be phased over the buildout of the EDZ (potentially 10 years or more).

Table-note b has been added to Table 4.B-3 on page 4.B-17 to reflect the minor changes to the development assumptions for Phase I of the EDZ:

[b] Emissions estimates are based on the initial development assumptions for Phase I (140-room/88,000-square-foot hotel and 23,500 square feet of general retail uses), rather than the revised development assumptions (231-room/132,000-square-foot hotel and 5,000 square feet of general retail uses. Based on the small increase in overall square footage represented by the revised development assumptions (an addition of approximately 25,500 square feet of uses) and the nature of the uses, if the total emissions estimates in the table were revised to reflect the revised development program, the estimates may increase slightly, but would not approach, much less exceed, the significance threshold.

Table-note b has been added to Table 4.B-4 on page 4.B-19 to reflect the minor changes to the development assumptions for Phase I of the EDZ:

[b] Emissions estimates are based on the initial development assumptions for Phase I (140-room/88,000-square-foot hotel and 23,500 square feet of general retail uses), rather than the revised development assumptions (231-room/132,000-square-foot hotel and 5,000 square feet of general retail uses. Based on the small increase in total daily traffic trips represented by the revised development assumptions (a less than one percent increase, of approximately 110 daily trips), if the total emissions estimates in the table were revised to reflect the revised development program, the estimates may increase slightly, but would not exceed the significance thresholds where the thresholds are not already exceeded.

Table-note b has been added to Table 4.B-5 on page 4.B-20 to reflect the minor changes to the development assumptions for Phase I of the EDZ:

[b] Emissions estimates are based on the initial development assumptions for Phase I (140-room/88,000-square-foot hotel and 23,500 square feet of general retail uses), rather than the revised development assumptions (231-room/132,000-square-foot hotel and 5,000 square feet of general retail uses. Based on the small increase in total daily traffic trips represented by the revised development assumptions (a less than one percent increase, of approximately 110 daily trips), if the total emissions estimates in the table were revised to reflect the revised development program, the estimates may increase slightly, but would not exceed the significance thresholds where the thresholds are not already exceeded.

The following footnote has been added to Impact 4.B-3, on page 4.B-22, to reflect and clarify the minor changes to the development assumptions, specifically hotel size, for Phase I of the EDZ and relationship to VMT:

As noted in the traffic study, the proposed EDZ would result in a slight increase in VMT per household and VMT per capita, with a predicted increase in VMT per capita between 0.02 to 0.04 (also see Section 4.D, Transportation and Traffic, and **Appendix G**).[5]

[5] Estimates of the increase in VMT are based on the initial development assumptions for Phase I (140-room/88,000-square-foot hotel and 23,500 square feet of general retail uses), rather than the revised development assumptions (231-room/132,000-square-foot hotel and 5,000 square feet of general retail uses). Because the change in estimated total trips associated with the revised development assumptions would be minor, total

increase in VMT associated with the revised development assumptions would likewise be very small, and the conclusions presented in this section are still applicable.

Chapter 4.C, Noise

The following text has been revised to subsection Existing Noise Environment and Sensitive Receptors, within the first paragraph of page 4.C-6, to clarify the location of the nearest sensitive receptors:

The nearest noise-sensitive receptors to the EDZ area are multi-family residences across Interstate 680 (I-680) (approximately 600 feet to the west and southwest of the EDZ area), single family residences in the Val Vista neighborhood across Stoneridge Drive (approximately 715 feet southeast), and Val Vista Park, which includes a skate park and ballfields and is located approximately 500 feet southeast of the proposed EDZ area.

The following text has been added to subsection Impacts and Mitigation before subsection Significance Criteria, on pages 4.C-10 and -11, to reflect the minor changes to the development assumptions for Phase I of the EDZ:

Revision to Development Assumptions for Phase I

In December 2015, after the circulation of the Draft EIR, the City determined that minor changes to the development assumptions for Phase I of the proposed EDZ, including an increase in the size of the hotel (from 88,000 square feet to 132,000 square feet), and a decrease in the amount of general retail uses (from 23,500 square feet to 5,000 square feet), were required.

In order to determine whether the revised development assumptions for the proposed EDZ would generate new significant impacts or result in a substantial increase in the severity of previously identified significant effects, the City prepared new traffic trip generation estimates, and completed a qualitative assessment to assess potential changes to previously identified impacts. The results of this analysis indicated that, under the revised development assumptions, only a minor overall increase in traffic trips (a less than one percent increase of 110 total daily trips for full buildout, as discussed in Section 4.D, Transportation and Traffic) would occur relative to the original development assumptions. Because these trips would be distributed, on any given day, among the network of roads and highways affected by the increase in traffic from the proposed EDZ, this increase would not result in an appreciable difference in the level of noise impacts estimated under the previous development assumptions. Therefore, although the analysis presented below is based on the previous development assumptions for Phase I, the revised development assumptions for Phase I would not result in additional or more severe impacts related to noise.

Table-note a has been added to Table 4.C-5 on page 4.C-19, along with revisions to the following referenced notations to reflect the minor changes to the development assumptions for Phase I of the EDZ:

[a] Estimated noise levels are based on the initial development assumptions for Phase I (140-room/88,000-square-foot hotel and 23,500 square feet of general retail uses), rather than the revised development assumptions (231-room/132,000-square-foot hotel and 5,000 square feet of general retail uses. Based on the small increase in total daily traffic trips represented by the revised development assumptions (a less than one percent increase, of approximately 110 daily trips), if the estimated noise levels in the table were revised to reflect the revised development program, the estimated noise levels would not be likely to increase, and would not exceed the significance thresholds.

[b~~1~~] Noise levels 100 feet from roadway were determined using FHWA Traffic Noise Prediction Model (FHWA RD-77-108).

[c~~2~~] For commercial land uses a significant impact would occur if existing plus project traffic noise levels exceed 70 dBA L_{dn}. For residential uses a significant impact would occur if existing plus project traffic noise levels exceed 60 dBA L_{dn} for single-family homes and 65 dBA L_{dn} for multi-family homes, and where existing traffic noise levels exceed the City's established traffic noise standard, a significant impact would occur if the incremental increase in noise is greater than 5 dBA L_{dn} in a noise environment of 60 dBA L_{dn} or less, an increase of 3 dBA L_{dn} in a noise environment greater than 60 dBA and 65 dBA L_{dn}, or an increase of 1.5 dBA L_{dn} in a noise environment greater than 65 dBA L_{dn}.

Table-note a has been added to Table 4.C-6 on page 4.C-22 along with revisions to the following referenced notations to reflect the minor changes to the development assumptions for Phase I of the EDZ:

[a] Estimated noise levels are based on the initial development assumptions for Phase I (140-room/88,000-square-foot hotel and 23,500 square feet of general retail uses), rather than the revised development assumptions (231-room/132,000-square-foot hotel and 5,000 square feet of general retail uses. Based on the small increase in total daily traffic trips represented by the revised development assumptions (a less than one percent increase, of approximately 110 daily trips), if the estimated noise levels in the table were revised to reflect the revised development program, the estimated noise levels would not be likely to increase, and would not exceed the significance thresholds.

[b~~1~~] Noise levels 100 feet from roadway were determined using FHWA Traffic Noise Prediction Model (FHWA RD-77-108).

[c~~2~~] For commercial land uses a significant impact would occur if existing plus project traffic noise levels exceed 70 dBA L_{dn}. For residential uses a significant impact would occur if existing plus project traffic noise levels exceed 60 dBA L_{dn} for single-family homes and 65 dBA L_{dn} for multi-family homes, and where existing traffic noise levels exceed the City's established traffic noise standard, a significant impact would occur if the incremental increase in noise is greater than 5 dBA L_{dn} in a noise environment of 60 dBA L_{dn} or less, an increase of 3 dBA L_{dn} in a noise environment greater than 60 dBA and 65 dBA L_{dn}, or an increase of 1.5 dBA L_{dn} in a noise environment greater than 65 dBA L_{dn}.

Chapter 4.D, Transportation and Traffic

The following footnote has been added to the last paragraph of subheading Vehicle Miles of Travel, on page 4.D-19, to reflect and clarify the minor changes to the development assumptions, specifically hotel size, for Phase I of the EDZ and relationship to VMT:

[5] Estimates of the increase in VMT are based on the initial development assumptions for Phase I (140-room/88,000-square-foot hotel and 23,500 square feet of general retail uses), rather than the revised development assumptions (231-room/132,000-square-foot hotel and 5,000 square feet of general retail uses). Because the change in estimated total trips associated with the revised development assumptions would be minor, total increase in VMT associated with the revised development assumptions would likewise be very small, and the conclusions presented in this section are still applicable.

The following text has been added to subsection Impacts and Mitigation before subsection Significance Criteria, on page 4.D-21, to reflect the minor changes to the development assumptions for Phase I of the EDZ:

Revision to Development Assumptions for Phase I

In December 2015, after the circulation of the Draft EIR, the City determined that minor changes to the development assumptions for Phase I of the proposed EDZ, including an increase in the size of the hotel (from 88,000 square feet to 132,000 square feet), and a decrease in the amount of general retail uses (from 23,500 square feet to 5,000 square feet), were required.

In order to determine whether the revised development assumptions for the proposed EDZ would generate new significant impacts or result in a substantial increase in the severity of previously identified significant effects, the City prepared new traffic trip generation estimates (which are reflected in **Table 4.D-3**), and completed a qualitative assessment to assess potential changes to previously identified impacts. The results of this analysis indicated that, under the revised development assumptions, only a minor overall increase in traffic trips (a less than one percent increase of 110 total daily trips for full buildout, as discussed in this section) would occur relative to the original development assumptions, and therefore that there would be no appreciable difference in the level of impact. Therefore, although the analysis presented below is based on the previous development assumptions for Phase I, the revised development assumptions for Phase I would not result in additional or more severe impacts related to traffic and transportation.

The following text has been revised to subsection Trip Generation, on page 4.D-22, to reflect the minor changes to the development assumptions, specially hotel size, for Phase I of the EDZ:

Trip generation estimates for Phase I and full project buildout are presented in Table 4.D-3. Phase I would generate an estimated ~~8,890~~9,000 weekday daily trips (without including pass-by and diverted-link trips), including ~~329~~ 357 morning peak hour trips, and ~~500~~ 502 evening peak hour trips. Saturday trip generation for Phase I is estimated to be ~~10,900~~10,915 daily trips (without including pass-by and diverted-link trips), including 906 peak hour trips. Trips from existing uses within the EDZ area were assumed to remain on the roadway system for Phase I. In comparison to Phase I, full buildout would also result in additional vehicle traffic in the area, but estimates of trip generation from full buildout also consider the net difference in vehicle trip generation as existing uses within the EDZ area are replaced by other uses over the long term. Excluding vehicle trip generation from existing uses within the EDZ area, full buildout would generate an estimated ~~12,160~~12,270 weekday daily trips (without including pass-by and diverted trips), including ~~293~~ 320 morning peak hour, and ~~743~~ 745 evening peak hour trips. Saturday trip generation for full buildout is estimated to be ~~15,630~~15,650 daily trips (without including pass-by and diverted trips), including ~~1,310~~1,414 peak hour trips.

Table 4.D-3 on page 4.D-27 has been revised to reflect the minor changes to the development assumptions for Phase I of the EDZ:

TABLE 4.D-3
SUMMARY OF EXISTING, PHASE I AND FULL BUILDOUT TRIP GENERATION ESTIMATES

		Weekday			Saturday	
Use	**Size (square feet)**	**Daily**	**AM Peak Hour**	**PM Peak Hour**	**Daily**	**Peak Hour**
Existing Uses (to be Phased Out Over the Long Term)						
Church[1]	20,000	180	11	11	210	71
General Retail[2]	53,363	2,280	51	198	2,670	257
Office[3]	15,070	170	24	22	40	6
Light Industrial[4]	136,225	950	125	132	180	19
Vacant[5]	349,035	0	0	0	0	0
Existing External Vehicle Trips (A)		**3,580**	**211**	**363**	**3,100**	**353**
Phase I						
General Retail[2]	~~23,500~~5,000	~~700~~150	~~16~~4	~~61~~13	~~820~~175	~~79~~17
Club Retail with Fuel[6]	148,000	6,960	233	349	8,850	719
Hotel[7]	~~88,000~~132,000	~~1,230~~ 1,890	~~80~~120	~~90~~140	~~1,230~~ 1,890	~~108~~170
Total Phase I External Vehicle Trips[8]		**~~8,890~~ 9,000**	**~~329~~357**	**~~500~~502**	**~~10,900~~ 10,915**	**906**
Full Buildout						
General Retail[2]	~~246,440~~227,940	~~7,360~~ 6,810	~~166~~153	~~576~~592	~~8,610~~ 7,970	~~832~~770
Club Retail with Fuel[6]	148,000	6,960	233	349	8,850	719
Light Industrial[4]	27,550	190	25	27	40	108
Hotel[7]	~~88,000~~132,000	~~1,230~~ 1,890	~~80~~120	~~90~~140	~~1,230~~ 1,890	~~2,709~~ 170
Total Full Buildout External Vehicle Trips[8] (B)		**~~15,740~~ 15,850**	**~~504~~531**	**~~1,106~~ 1,108**	**~~18,730~~ 18,750**	**~~1,663~~ 1,767**
Net New Vehicle Trips to the EDZ Area (B-A)		**~~12,160~~ 12,270**	**~~293~~320**	**~~743~~745**	**~~15,630~~ 15,650**	**~~1,310~~ 1,414**

NOTES:

Numbers in table reflect the revised development assumptions (231-room/132,000-square-foot hotel and 5,000 square feet of general retail uses.

1 Based on *Trip Generation* (9th Edition) trip generation rates for land use 560, Church.
2 Based on *Trip Generation* (9th Edition) trip generation rate for land use 820, Shopping Center/General Retail. Does not include pass-by trips. Pass-by trip reduction for general retail use is 30 percent.
3 Based on *Trip Generation* (9th Edition) trip generation rate for land use 710, General Office.
4 Based on *Trip Generation* (9th Edition) trip generation rates for land use 110, General Light Industrial.
5 No trips are associated with existing buildings that are vacant and unoccupied.
6 Based on data provided by Kittelson & Associates, October 3, 2014 (provided in **Appendix H**). Does not include pass-by or diverted trips.
7 Based on *Trip Generation* (9th Edition) trip generation rate for land use 310, Hotel.
8 Total external vehicle trips do not include pass-by and diverted link trips.

SOURCE: **Appendix G** (Fehr & Peers, 2015).

A table-note has been added to Table 4.D-4 on page 4.D-33 to reflect the minor changes to the development assumptions for Phase I of the EDZ:

LOS and delay calculations in the table are based on the initial development assumptions for Phase I (140-room/88,000-square-foot hotel and 23,500 square feet of general retail uses), rather than the revised development assumptions (231-room/132,000-square-foot hotel and 5,000 square feet of general retail uses), because the small increase in total daily traffic trips represented by the revised development assumptions (a less than one percent increase, of approximately 110 daily trips) would be distributed over the day and throughout the transportation network, and would not worsen either the LOS or delay calculations.

A table-note has been added to Table 4.D-5 on page 4.D-33 to reflect the minor changes to the development assumptions for Phase I of the EDZ:

LOS and delay calculations in the table are based on the initial development assumptions for Phase I (140-room/88,000-square-foot hotel and 23,500 square feet of general retail uses), rather than the revised development assumptions (231-room/132,000-square-foot hotel and 5,000 square feet of general retail uses), because the small increase in total daily traffic trips represented by the revised development assumptions (a less than one percent increase, of approximately 110 daily trips) would be distributed over the day and throughout the transportation network, and would not worsen either the LOS or delay calculations.

A table-note has been added to Table 4.D-6 on page 4.D-36 to reflect the minor changes to the development assumptions for Phase I of the EDZ:

Calculations in the table related to spillback are based on the initial development assumptions for Phase I (140-room/88,000-square-foot hotel and 23,500 square feet of general retail uses), rather than the revised development assumptions (231-room/132,000-square-foot hotel and 5,000 square feet of general retail uses); the small increase in total daily traffic trips represented by the revised development assumptions (a less than one percent increase, of approximately 110 daily trips) would be distributed over the day and throughout the transportation network, and would not affect the conclusions in the table.

A table-note has been added to Table 4.D-7 on page 4.D-45 to reflect the minor changes to the development assumptions for Phase I of the EDZ:

LOS and delay calculations in the table are based on the initial development assumptions for Phase I (140-room/88,000-square-foot hotel and 23,500 square feet of general retail uses), rather than the revised development assumptions (231-room/132,000-square-foot hotel and 5,000 square feet of general retail uses), because the small increase in total daily traffic trips represented by the revised development assumptions (a less than one percent increase, of approximately 110 daily trips) would be distributed over the day and throughout the transportation network, and would not worsen either the LOS or delay calculations.

A table-note has been added to Table 4.D-8 on page 4.D-47 to reflect the minor changes to the development assumptions for Phase I of the EDZ:

LOS and delay calculations in the table are based on the initial development assumptions for Phase I (140-room/88,000-square-foot hotel and 23,500 square feet of general retail uses), rather than the revised development assumptions (231-room/132,000-square-foot hotel and 5,000 square feet of general retail uses), because the small increase in total daily traffic trips represented by the revised development assumptions (a less than one percent increase, of approximately 110 daily trips) would be distributed over the day and throughout the transportation network, and would not worsen either the LOS or delay calculations.

A table-note has been added to Table 4.D-9 on page 4.D-49 to reflect the minor changes to the development assumptions for Phase I of the EDZ:

Calculations in the table related to spillback are based on the initial development assumptions for Phase I (140-room/88,000-square-foot hotel and 23,500 square feet of general retail uses), rather than the revised development assumptions (231-room/132,000-square-foot hotel and 5,000 square feet of general retail uses); the small increase in total daily traffic trips represented by the revised development assumptions (a less than one percent increase, of approximately 110 daily trips) would be distributed over the day and throughout the transportation network, and would not affect the conclusions in the table.

A table-note has been added to Table 4.D-10 on page 4.D-52 to reflect the minor changes to the development assumptions for Phase I of the EDZ:

LOS and delay calculations in the table are based on the initial development assumptions for Phase I (140-room/88,000-square-foot hotel and 23,500 square feet of general retail uses), rather than the revised development assumptions (231-room/132,000-square-foot hotel and 5,000 square feet of general retail uses), because the small increase in total daily traffic trips represented by the revised development assumptions (a less than one percent increase, of approximately 110 daily trips) would be distributed over the day and throughout the transportation network, and would not worsen either the LOS or delay calculations.

A table-note has been added to Table 4.D-11 on page 4.D-54 to reflect the minor changes to the development assumptions for Phase I of the EDZ:

LOS and delay calculations in the table are based on the initial development assumptions for Phase I (140-room/88,000-square-foot hotel and 23,500 square feet of general retail uses), rather than the revised development assumptions (231-room/132,000-square-foot hotel and 5,000 square feet of general retail uses), because the small increase in total daily traffic trips represented by the revised development assumptions (a less than one percent increase, of approximately 110 daily trips) would be distributed over the day and throughout the transportation network, and would not worsen either the LOS or delay calculations.

A table-note has been added to Table 4.D-12 on page 4.D-56 to reflect the minor changes to the development assumptions for Phase I of the EDZ:

Calculations in the table related to spillback are based on the initial development assumptions for Phase I (140-room/88,000-square-foot hotel and 23,500 square feet of general retail uses), rather than the revised development assumptions (231-room/132,000-square-foot hotel and 5,000 square feet of general retail uses); the small increase in total daily traffic trips represented by the revised development assumptions (a less than one percent increase, of approximately 110 daily trips) would be distributed over the day and throughout the transportation network, and would not affect the conclusions in the table.

A table-note has been added to Table 4.D-13 on page 4.D-58 to reflect the minor changes to the development assumptions for Phase I of the EDZ:

LOS and delay calculations in the table are based on the initial development assumptions for Phase I (140-room/88,000-square-foot hotel and 23,500 square feet of general retail uses), rather than the revised development assumptions (231-room/132,000-square-foot hotel and 5,000 square feet of general retail uses), because the small increase in total daily traffic trips represented by the revised development assumptions (a less than one percent increase, of approximately 110 daily trips) would be distributed over the day and throughout the transportation network, and would not worsen either the LOS or delay calculations.

A table-note has been added to Table 4.D-14 on page 4.D-60 to reflect the minor changes to the development assumptions for Phase I of the EDZ:

LOS and delay calculations in the table are based on the initial development assumptions for Phase I (140-room/88,000-square-foot hotel and 23,500 square feet of general retail uses), rather than the revised development assumptions (231-room/132,000-square-foot hotel and 5,000 square feet of general retail uses), because the small increase in total daily traffic trips represented by the revised development assumptions (a less than one percent increase, of approximately 110 daily trips) would be distributed over the day and throughout the transportation network, and would not worsen either the LOS or delay calculations.

The text on page 4.B-60 of the Draft SEIR has been revised as follows:

Mitigation Measure 4.D-2: I-680 Northbound and Southbound Ramp Merge/Diverge Areas at Stoneridge Drive. Construct improvements, such as the second phase of I-680/I-580 interchange improvements, widening of State Route 84, and other planned roadway system modifications that would relieve freeway congestion in the study area where feasible.

A table-note has been added to Table 4.D-15 on page 4.D-62 to reflect the minor changes to the development assumptions for Phase I of the EDZ:

LOS and delay calculations in the table are based on the initial development assumptions for Phase I (140-room/88,000-square-foot hotel and 23,500 square feet of general retail uses), rather than the revised development assumptions (231-room/132,000-square-foot hotel and 5,000 square feet of general retail uses), because the small increase in total daily traffic trips represented by the revised development assumptions (a less than one percent increase, of approximately 110 daily trips) would be distributed over the day and throughout the transportation network, and would not worsen either the LOS or delay calculations.

A table-note has been added to Table 4.D-16 on page 4.D-63 to reflect the minor changes to the development assumptions for Phase I of the EDZ:

LOS and delay calculations in the table are based on the initial development assumptions for Phase I (140-room/88,000-square-foot hotel and 23,500 square feet of general retail uses), rather than the revised development assumptions (231-room/132,000-square-foot hotel and 5,000 square feet of general retail uses), because the small increase in total daily traffic trips represented by the revised development assumptions (a less than one percent increase, of approximately 110 daily trips) would be distributed over the day and throughout the transportation network, and would not worsen either the LOS or delay calculations.

Chapter 4.E, Other Topics

The following text has been added following the first paragraph on page 4.E-1, to reflect the minor changes to the development assumptions for Phase I of the EDZ:

Revision to Development Assumptions for Phase I

In December 2015, after the circulation of the Draft EIR, the City determined that minor changes to the development assumptions for Phase I of the proposed EDZ, including an increase in the size of the hotel (from 88,000 square feet to 132,000 square feet), and a

decrease in the amount of general retail uses (from 23,500 square feet to 5,000 square feet), were required.

In order to determine whether the revised development assumptions for the proposed EDZ would generate new significant impacts or result in a substantial increase in the severity of previously identified significant effects, the City prepared new traffic trip generation estimates, and completed a qualitative assessment to assess potential changes to previously identified impacts. The results of this analysis indicated that, under the revised development assumptions, only a minor overall increase in traffic trips (a less than one percent increase of 110 total daily trips for full buildout, as discussed in Section 4.D, Transportation and Traffic) would occur relative to the original development assumptions. In general, most impacts discussed in this section related to the total footprint of anticipated development (such as impacts to biological or cultural resources) are not affected by this change, because the total area of ground disturbance within the area of the EDZ would remain the same. For other resource topics in this section, the minor increase in traffic trips could result in very small changes to parameters such as the estimated total amount of greenhouse gas emissions, but these changes would be so minor that there would be no appreciable difference in the level of impact. Therefore, although the analysis presented in this section is based on the previous development assumptions for Phase I, the revised development assumptions for Phase I would not result in additional or more severe impacts related to the topics discussed in this section.

A table-note has been added to Table 4.E-5 on page 4.E-26 to reflect the minor changes to the development assumptions for Phase I of the EDZ:

Emissions estimates are based on the initial development assumptions for Phase I (140-room/88,000-square-foot hotel and 23,500 square feet of general retail uses), rather than the revised development assumptions (231-room/132,000-square-foot hotel and 5,000 square feet of general retail uses). Based on the small increase in overall square footage represented by the revised development assumptions (an addition of approximately 25,500 square feet of uses) and the nature of the uses, as well as the small increase in total daily traffic trips represented by the revised development assumptions (a less than one percent increase, of approximately 110 daily trips), if the total emissions estimates in the table were revised to reflect the revised development program, the estimates may increase slightly, but would not affect the significance determination in the table.

The following text has been added under Impact 4.E-5 on page 4.E-28 to clarify regulatory requirements addressing cleanup of contaminated sites and installation or abandonment of monitoring wells:

Development within the area of the proposed EDZ would include the demolition of buildings that could contain asbestos, lead-based paint, PCBs, or other hazardous building materials, and demolition could expose construction workers to harmful contaminants. All hazardous materials that could be used within the area of the proposed EDZ would be subject to existing storage, handling, and disposal regulations that limit exposure to workers and the public. All development proposed within the area of the EDZ will also be

required to comply with relevant regulatory and legal requirements addressing closed and active cleanup sites, and the installation or abandonment of monitoring wells per the requirements of the Zone 7 Water Agency. Developers of individual sites within the area of the proposed EDZ will be required to ensure, per Zone 7 requirements, that all unused or abandoned wells are properly destroyed, or a signed "Statement of Future Well Use" is filed at Zone 7 if there are plans to use the well in the future; and that any planned new well, soil boring or other well destruction is permitted by Zone 7 before work is started.

The following text has been revised in the last paragraph under subsection Existing Setting on page 4.E-31 to reflect the minor changes to the development assumptions for Phase I of the EDZ:

The proposed EDZ would include re-zoning of parcels within the EDZ area to Planned Unit Development-Commercial (PUD-C) to allow a mix of uses that could include club retail, hotel, recreational, and small- and large-format retail establishments, as shown in **Table 3-1** of the Project Description, and would represent a net increase of ~~285,302~~310,802 square feet of building space over existing conditions.

The following text has been revised in the last paragraph on page 4.E-32 to reflect the minor changes to the development assumptions for Phase I of the EDZ:

The proposed EDZ would represent a net increase of approximately ~~285,302~~310,802 square feet of retail, commercial, and other uses, and a total net increase of approximately 780 workers, which would not trigger the requirement for a WSA.

The following text has been revised in the last paragraph on page 4.E-33 to reflect the minor changes to the development assumptions for Phase I of the EDZ:

As discussed in Chapter 3, Project Description, employment projections for the proposed EDZ based on anticipated uses indicate a net increase of approximately ~~273~~ 241 workers within the short term (buildout period for Phase I), and a total net increase of ~~780~~ 309 workers over the long term (full buildout). As discussed in the 2012 SEIR, as of 2005, approximately 21 percent of those who worked in Pleasanton also lived in Pleasanton, another 29 percent lived elsewhere in the Tri-Valley, and the remaining 50 percent commuted to Pleasanton from the greater outlying area. As of March 2015, the unemployment rate in the City of Pleasanton was 4.2 percent (EDD, 2015). The City has a labor force of approximately 37,100 people, of which 35,500 are employed and 1,500 are unemployed (EDD, 2015). The unemployment rate in Alameda County as of March 2015 is approximately 4.8 percent, with a labor force of approximately 811,200 people, of which 772,600 are employed and 38,500

are unemployed (EDD, 2015). Assuming approximately 21 percent of the new workers in the EDZ area were to live in Pleasanton consistent with trends, approximately ~~164~~ 65 workers within the EDZ would live in the city.

The following text has been revised under Impact 4.E-8 on page 4.E-34 to reflect the minor changes to the development assumptions for Phase I of the EDZ:

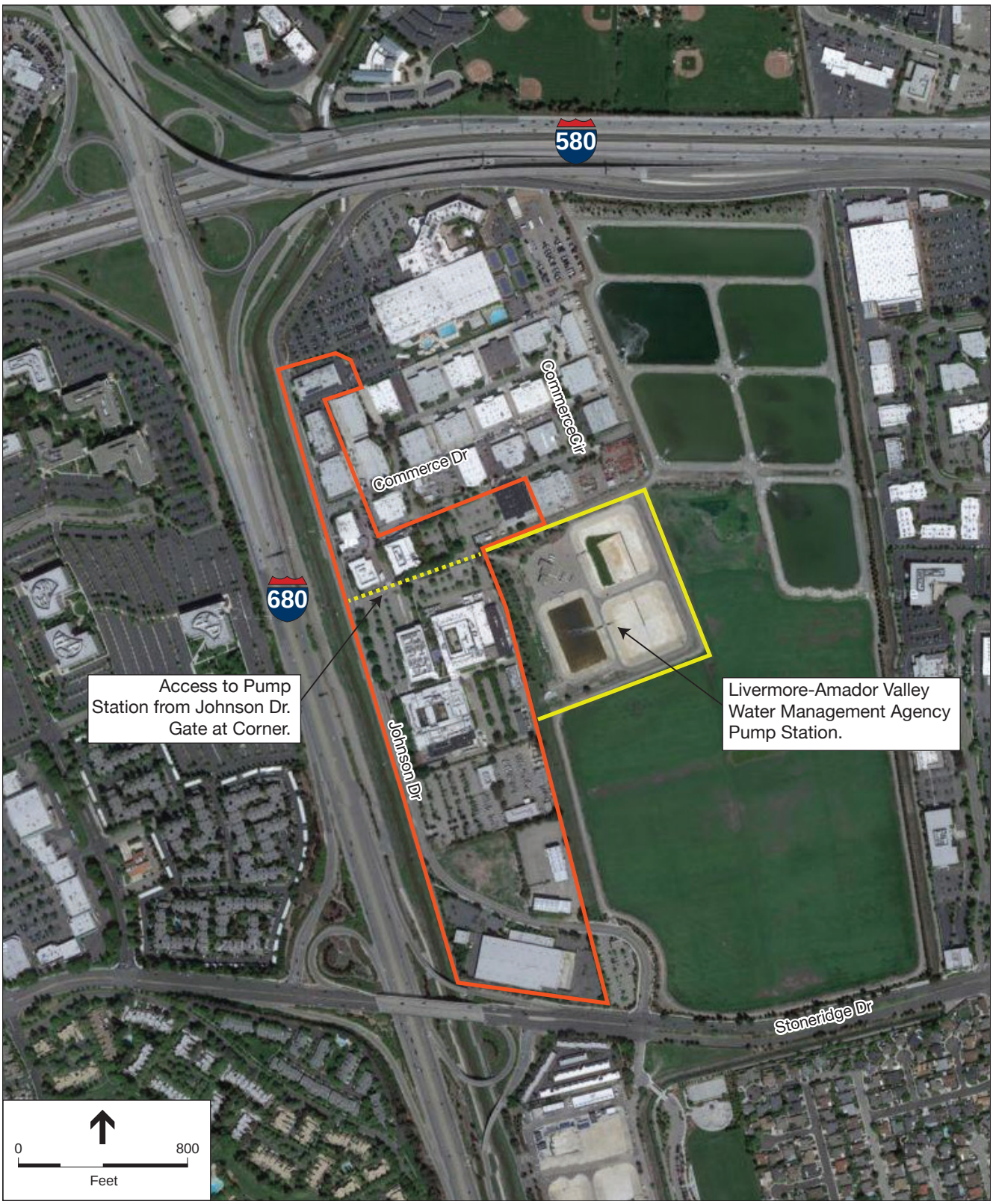
Assuming at least half of all new employees (about ~~390~~ 155 workers) moved to Pleasanton over the course of several years, this would represent about ~~half of a~~ 0.2 percent of the projected population of the City in 2025 (78,800 people).

The following text has been revised on page 4.E-36, and Figure 4.E-1 has been added, to identify the location of the Dublin San Ramon Services District's facilities adjacent to the area of the proposed EDZ:

The Dublin-San Ramon Services District also maintains a recycled water facility that is located adjacent to the proposed EDZ, as shown on Figure 4.E-1.

The following text has been revised within paragraph two on page 4.E-37 to reflect the minor changes to the development assumptions for Phase I of the EDZ:

The Vasco Road Landfill would have capacity to receive both construction waste (estimated at up to 10,800 cubic yards [cy] for the EDZ area, per USEPA, 2003 and City of Oakland, n.d., assuming 50 percent of all construction waste is diverted/recycled) and operational waste (estimated at up to ~~2,900~~ 1,700 cy per year, per IWMB, 2006) from the proposed EDZ. City of Pleasanton Municipal Code Section 9.21 will require the submittal of Waste Management Plans to the City prior to the issuance of building or demolition permits for any project planned within the EDZ; this requirement will help the City ensure that planned projects will meet solid waste diversion rates that are consistent with the City's Source Reduction and Recycling Plan.



SOURCE: Google Maps; LAVWMA, 2015

Johnson Drive NOP . 140421

Figure 4.E-1
Johnson Drive Economic Development Zone, LAVWMA Pump Station and Access

The following text has been revised within the first paragraph on page 4.E-38 to reflect the minor changes to the development assumptions for Phase I of the EDZ:

> The proposed EDZ would represent a net increase of approximately ~~285,302~~310,802 square feet of retail, commercial, and other uses, and a total net increase of approximately ~~780~~ 309 workers, which would not trigger the requirement for a WSA.

The following text has been revised within the sentence of Impact Discussion 4.E-10 on page 4.E-39 to reflect the minor changes to the development assumptions for Phase I of the EDZ:

> Although, as discussed above under Population and Housing, up to ~~390~~155 workers in the EDZ area could move to Pleasanton to live closer to their jobs (a conservative assumption), the proposed EDZ does not include the construction of new residential units, and these new city residents would be accommodated within the growth described for the total General Plan buildout in the General Plan EIR (i.e., the new workers in the EDZ area that are likely to live in Pleasanton are included within the total General Plan buildout population estimate).

Chapter 5, Alternatives to the EDZ

The following text has been revised in paragraph two on page 5-6 to add estimated Alternative 1-generated NOx emissions and trip generation:

> Although it would not meet all of the objectives of the proposed EDZ, the No Project alternative would be feasible, and would avoid significant air quality impacts of the proposed EDZ: namely, operational air emissions of both PM10 and NOx would be less than significant under this alternative. Operational emissions of NOx for this alternative would total approximately 2.6 tons per year (as compared to the proposed EDZ's emissions of 16 tons per year, and the Bay Area Air Quality Management District's [BAAQMD's] threshold of 10 tons per year), and operational emissions of PM10 would be approximately 3.9 tons per year (as compared to the proposed EDZ's emissions of 16 tons per year, and the BAAQMD's threshold of 15 tons per year). This alternative would also generate fewer total traffic trips than the proposed EDZ (approximately 5,070 total weekday daily trips, as compared to the 12,270 total weekday daily trips that would be generated by the EDZ), which would result in fewer or lower impacts to LOS at adjacent intersections; however, the volume of traffic trips to the EDZ area that would be generated by this alternative would likely result in impacts related to spillback, and further degrade operations of freeway ramps at merge/diverge areas that are already operating at unacceptable levels. Because CEQA requires evaluation of the No Project alternative, this alternative was carried forward for analysis.

The following text has been revised in paragraph three on page 5-10 to add estimated Alternative 2-generated NOx emissions and trip generation:

> The Reduced Retail alternative would be feasible, and would avoid a significant air quality impact of the proposed EDZ: under this alternative, annual operational air emissions of both PM10 and NOx ~~PM10 would be less than 15 tons per year and therefore~~ would be less than significant. Operational emissions of NOx for this alternative would total approximately 4.1 tons per year (as compared to the proposed EDZ's emissions of 16 tons per year, and the BAAQMD's threshold of 10 tons per year), and operational emissions of PM10 would be approximately 5.3 tons per year (as compared to the proposed EDZ's emissions of 16 tons per year, and the BAAQMD's threshold of 15 tons per year). ~~Annual operational air emissions of NOx for this alternative would also be less than those generated under the proposed EDZ, although emissions would not be less than the BAAQMD significance threshold of less than 10 tons per year.~~ This alternative would also generate fewer total traffic trips than the proposed EDZ (approximately 6,900 total weekday daily trips, as compared to the 12,270 total weekday daily trips that would be generated by the EDZ), which could result in fewer or lower impacts to LOS at adjacent intersections; however, the volume of traffic trips to the EDZ area that would be generated by this alternative would further degrade operations of freeway ramps at merge/diverge areas that are already operating at unacceptable levels, and this alternative would likely result in impacts related to spillback. Because the Reduced Retail alternative would avoid a significant impact of the proposed EDZ, this alternative was carried forward for analysis.

The following text has been revised in the first paragraph under sub heading Alternative 3: Partial Buildout (Phase I Only) on page 5-10 for clarification of Alternative 3 land use:

> The Partial Buildout alternative assumes that the EDZ would be adopted, and that ~~only the~~ uses similar to those anticipated for Phase I of the EDZ would be developed, and no other development would take place within the EDZ (existing uses on other parcels within the EDZ area would continue to operate).

The following text has been revised in paragraph two on page 5-11 to add estimated Alternative 3-generated NOx emissions and trip generation:

> Similar to the Reduced Retail alternative, the Partial Buildout alternative would be feasible, and would avoid a significant air quality impact of the proposed EDZ: under this alternative, annual operational emissions of both PM10 and NOx ~~PM10 would be less than 15 tons per year and therefore~~ would be less than significant. Operational emissions of NOx for this alternative would total approximately 8.0 tons per year (as compared to the proposed EDZ's emissions of 16 tons per year, and the BAAQMD's threshold of 10 tons

per year), and operational emissions of PM10 would be approximately 8.8 tons per year (as compared to the proposed EDZ's emissions of 16 tons per year, and the BAAQMD's threshold of 15 tons per year~~Annual operational air emissions of NOx for this alternative would also be less than those generated under the proposed EDZ, although emissions would not be less than the BAAQMD significance threshold of less than 10 tons per year.~~ This alternative would also generate fewer total traffic trips than the proposed EDZ (approximately 8,890 total weekday daily trips, as compared to the 12,270 total weekday daily trips that would be generated by the EDZ), which could result in fewer or lower impacts to LOS at adjacent intersections; however, the volume of traffic trips to the EDZ area that would be generated by this alternative would further degrade operations of freeway ramps at merge/diverge areas that are already operating at unacceptable levels, and this alternative would likely result in impacts related to spillback.

The following text has been revised in the paragraph following sub heading Air Quality on page 5-12 to add estimated Alternative 1-generated NOx emissions:

Under this alternative, operational emissions of NOx would total approximately 2.6 tons per year, below the BAAQMD's threshold of 10 tons per year; and operational emissions of PM10 would be approximately 3.9 tons per year, below the BAAQMD's threshold of 15 tons per year ~~operational emissions of PM10 would be below the BAAQMD threshold of 15 tons per year, and operational emissions of NOx would be below the BAAQMD threshold of 10 tons per year.~~ As such, the No Project Alternative would result in the avoidance of all significant and unavoidable air quality impacts of the proposed EDZ.

The following text has been revised in the paragraph following sub heading Transportation and Traffic on page 5-12 to reflect the minor changes to the development assumptions for Phase I of the EDZ:

This alternative would generate fewer total traffic trips than the proposed EDZ (approximately 5,070 total weekday daily trips, as compared to the 12,270 total weekday daily trips that would be generated by the EDZ), which could result in fewer or lower impacts to LOS at adjacent intersections; however, the volume of traffic trips to the EDZ area that would be generated by this alternative would likely result in impacts related to spillback similar to the proposed EDZ, and these significant and unavoidable traffic impacts of the proposed EDZ are not likely to be reduced to less-than-significant levels under this alternative.

The following text has been revised in the paragraph following sub heading Air Quality on page 5-14 to add estimated Alternative 2-generated NOx emissions:

> Under this alternative, operational emissions of NOx would total approximately 4.1 tons per year, below the BAAQMD's threshold of 10 tons per year; and operational emissions of PM10 would be approximately 5.3 tons per year, below the BAAQMD's threshold of 15 tons per year~~operational emissions of PM10 would be below the BAAQMD threshold of 15 tons per year.~~ As such, the Reduced Retail alternative would result in the avoidance of all significant and unavoidable air quality impacts of the proposed EDZ~~this significant and unavoidable air quality impact of the proposed EDZ. Operational emissions of NOx, however, would still exceed the BAAQMD threshold of 10 tons per year under this alternative.~~

The following text has been revised in the paragraph following sub heading Transportation and Traffic on page 5-14 to reflect the minor changes to the development assumptions for Phase I of the EDZ:

> This alternative would generate fewer total traffic trips than the proposed EDZ (approximately 6,900 total weekday daily trips, as compared to the 12,270 total weekday daily trips that would be generated by the EDZ), which could result in fewer or lower impacts to LOS at adjacent intersections; however, the volume of traffic trips to the EDZ area that would be generated by this alternative would likely result in impacts related to spillback similar to the proposed EDZ, and these significant and unavoidable traffic impacts of the proposed EDZ are not likely to be reduced to less-than-significant levels under this alternative.

The following text has been revised in paragraph one under sub heading Alternative 3: Partial Buildout on page 5-14 for clarification of the Alternative 3 land use:

> Under the Partial Buildout alternative, it is assumed that only Parcels 6, 9, and 10 would be redeveloped ~~consistent with the~~similar, but not identical to, the assumptions for Phase I buildout of the EDZ.

The following text has been revised in the paragraph following sub heading Air Quality on page 5-14 to add estimated Alternative 3-generated NOx emissions:

> With the development of these uses, operational emissions of NOx would total approximately 8.0 tons per year, below the BAAQMD's threshold of 10 tons per year; and operational emissions of PM10 would be approximately 8.8 tons per year, below the BAAQMD's threshold of 15 tons per year. ~~operational emissions of PM10 would be below the BAAQMD threshold of 15 tons per year.~~ As such, the Partial Buildout alternative would result in the avoidance of all significant and unavoidable air quality impacts of the proposed EDZ.~~this significant and unavoidable air quality impact of the proposed EDZ. Operational emissions of NOx, however, would still exceed the BAAQMD threshold of 10 tons per year under this alternative~~

The following text has been revised in the paragraph following sub heading Transportation and Traffic on page 5-15 to reflect the minor changes to the development assumptions for Phase I of the EDZ:

> This alternative would generate fewer total traffic trips than the proposed EDZ (approximately 8,890 total weekday daily trips, as compared to the 12,270 total weekday daily trips that would be generated by the EDZ), which could result in fewer or lower impacts to LOS at adjacent intersections; however, the volume of traffic trips to the EDZ area that would be generated by this alternative would likely result in impacts related to spillback similar to the proposed EDZ, and these significant and unavoidable traffic impacts of the proposed EDZ are not likely to be reduced to less-than-significant levels under this alternative.

The following text has been revised in paragraph two following sub heading F. Environmentally Superior Alternative on page 5-15 to revise NOx emissions estimates:

> The Reduced Retail alternative would be the slightly environmentally superior alternative, because it represents a somewhat lower level of NOx and PM10 emissions than the Partial Buildout alternative (~~a~~ differences of approximately 3.9 and 3.5 tons per year, respectively) and a lower number of traffic trips that would be generated (a difference of approximately 1,970 weekday daily trips).

Table 5.3 on page 5-17 has been revised to show that Alternative 2 and Alternative 3 would have a less-than-significant impact relative to NOx emissions:

TABLE 5-3
ALTERNATIVES IMPACT SUMMARY AND COMPARISON

Impact	Alternative 1: No Project	Alternative 2: Reduced Retail	Alternative 3: Partial Buildout	Proposed EDZ (Full Buildout)
Air Quality: Operational PM10 Emissions	Less than Significant with Mitigation ⇩	Less than Significant with Mitigation ⇩	Less than Significant with Mitigation ⇩	Significant and Unavoidable
Air Quality: Operational NOx Emissions	Less than Significant with Mitigation ⇩	Less than Significant with Mitigation ~~Significant and Unavoidable~~ ⇩	Less than Significant with Mitigation ~~Significant and Unavoidable~~ ⇩	Significant and Unavoidable

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Chapter 6, Other Statutory Sections

The following text has been revised in the paragraph following sub heading Growth from the Proposed EDZ on page 6-2 to reflect the minor changes to the development assumptions for Phase I of the EDZ:

> Phase I development is anticipated to add ~~273~~ 241 new jobs to the existing 369 jobs onsite for a total of ~~642~~ 610 employees. Full buildout of the EDZ is anticipated to add another ~~876~~ 68 jobs for a total of ~~1,149~~678 jobs and a net increase of ~~780~~ 309 jobs.

Chapter 7, EIR Authors; Persons, and Organizations Contacted

The following EIR Consultants authors have been added on page 7-2:

> Response to Comments: Danielle Dowler
> Response to Comments: Jennifer Brown

2.2 Changes to the Draft SEIR in Response to Comments

The text changes presented in this section resulted from comments on the Draft SEIR. None of the revisions results in fundamental alterations of the conclusions of the Draft SEIR; rather, they provide clarifying text or corrections. The following text is revised as follows:

Section 4.B, Air Quality

The text on page 4.B-20 of the Draft SEIR has been revised as follows in response to Bay Area Air Quality Management District staff comments:

> **Mitigation Measure 4.B-3:** All developers of sites within the EDZ area shall implement Transportation Demand Management (TDM) measures ~~where feasible and appropriate~~, such as ~~increased transit accessibility to EDZ sites and~~ establishment of ~~voluntary~~ commute trip reduction program(s) with employers to discourage single-occupancy vehicle trips and encourage alternative modes of transportation such as car-pooling, taking transit, walking, and biking. The voluntary commute trip reduction program(s) may include, but would not be limited to, a ride-sharing program for which 50 percent or greater of site employees are eligible, carpooling encouragement, preferential carpool parking, a transportation coordinator, and ride-matching assistance. Specifically, TDM measures shall incorporate the following components to be required in the Development Agreements for individual projects, as appropriate to proposed land uses to be developed:
>
> - Require commute based trip reduction programs for all businesses of more than 20 on-site employees that may include transit subsidies, parking cash out incentives, and carpool parking preferences;
> - Provide preferred parking spaces and recharging stations for electric vehicles;
> - Require businesses to provide bicycle facility amenities such as showers and lockers;
> - Require electrical hook-ups for diesel trucks at loading docks;
> - Require any new backup diesel generators to meet CARB's Tier 4 emission standards;
> - Prohibit all vehicles including commercial motor vehicles with gross vehicular weight ratings of less than 10,000 pounds from idling for more than 2 minutes; and
> - Require truck fleets based in the area of the proposed EDZ to meet CARB's highest engine tier available at the time the building permits are issued.

The text on page 4.B-25 of the Draft SEIR has been revised as follows to provide for a performance standard and clarify implementation:

> **Mitigation Measure 4.B-4:** If a new sensitive residential use, such as senior housing or a child-care or healthcare facility,~~or outdoor recreation~~ is proposed within the EDZ area ~~in close proximity to sources of toxic air contaminants (i.e.,~~ and within 300 feet of a fuel

station or within 1,000 feet of warehouse loading docks or Highway I-680~~)~~, the developer of this use shall prepare a health risk assessment report ~~(per BAAQMD requirements for health risk assessments, and~~ to be reviewed and approved by the City~~) in order to ensure that potential exposure and risk for future residents or patrons would be below applicable thresholds~~. The health risk assessment shall demonstrate that the increased cancer risks for the proposed sensitive use would be below the BAAQMD permitting limit of 10 in one million (per its Policy and Procedure Manual, the BAAQMD would deny an Authority to Construct or a Permit to Operate for any new or modified source of TACs that exceeds a cancer risk of 10 in one million or a chronic or acute hazard index of 1.0); or, should the health risk assessment determine that lifetime cancer risk would exceed 10 in one million, the developer shall install in the sensitive use an enhanced ventilation filtration system such that the resultant lifetime increased cancer risk is less than 10 in one million. No sensitive use shall be approved within the EDZ where the health risk assessment determines that lifetime cancer risk from the freeway and from uses in the EDZ would exceed 10 in one million.

Section 4.C, Noise

The text on page 4.C-14 of the Draft SEIR has been revised as follows to clarify implementation:

Mitigation Measure 4.C-1b: To reduce daytime noise impacts due to construction within the EDZ area, all project developers shall require construction contractors working within 55 feet of the construction site property boundary to implement the following measures:

- Equipment and trucks used for construction shall use the best available noise control techniques (e.g., improved mufflers, equipment redesign, use of intake silencers, ducts, engine enclosures, and acoustically-attenuating shields or shrouds)~~, wherever feasible~~.
- Impact tools (e.g., jack hammers, pavement breakers, and rock drills) used for construction shall be hydraulically or electrically powered where feasible to avoid noise associated with compressed air exhaust from pneumatically powered tools. Where use of pneumatic tools is unavoidable, an exhaust muffler on the compressed air exhaust shall be used; this muffler can lower noise levels from the exhaust by up to about 10 dBA. External jackets on the tools themselves shall be used where feasible; this could achieve a reduction of 5 dBA. Quieter procedures, such as use of drills rather than impact tools, shall be used unless deemed not feasible by a geotechnical investigation~~whenever whenever feasible~~.

Section 4.D, Transportation and Traffic

The text on page 4.D-1 of the Draft SEIR has been corrected as follows:

As required by the Alameda County Transportation Commission's ~~Congestion Management Agency's~~ guidelines for the Congestion Management Program (CMP), an analysis of freeway and arterial segment levels of service was prepared and presented in the General Plan.

The text on page 4.D-9 of the Draft SEIR is revised as follows:

This section also includes an~~An~~ assessment of impacts of the proposed EDZ to the Metropolitan Transportation System (MTS), which includes the Alameda County CMP network of freeways and roadways designated by the Alameda County Transportation Commission (Alameda CTC)~~ that would result from the proposed EDZ is also included in this section~~. MTS routes have been declared "regionally significant" and the Metropolitan Transportation Commission (MTC) provides funding for these regionally important streets, roads, and highways through the adopted Regional Transportation Plan (RTP). ~~The MTS freeways and roadways have been adopted into the Alameda County CMP network.~~ The CMP network ~~consists of all freeways, state highways, and principal arterials within Alameda County that are regulated and monitored~~ is used by the Alameda CTC to monitor conformance with the LOS standards (described below). The MTS is used for the Alameda CTC's Land Use Analysis Program, which evaluates the impact of ~~transportation and~~ land use decisions made by local jurisdictions on regional transportation systems~~ implications and identify congestion management implications of proposed transportation projects~~.

The LOS standard for CMP facilities is LOS E, except where LOS F was the LOS when originally measured in the CMP in 1991 for specific routes. None of the study freeway and arterial segments were measured at LOS F in 1991; therefore, ~~the LOS significance threshold of~~ LOS E is applicable to both MTS and CMP routes within the study area (Alameda CTC, 2015~~3~~).

The text on page 4.D-27 of the Draft SEIR is revised as follows to clarify the timing and funding of the implementation of Mitigation Measure 4.D-1a:

Mitigation Measure 4.D-1a: Commerce Drive at Johnson Drive Intersection. Prior to the granting of a certificate of occupancy for the first use in Phase I that would generate 100 or more PM or Saturday peak-hour trips, the City shall ~~I~~install or require the developer in Phase I to install a traffic signal and construct a southbound left-turn lane to Commerce Drive at the Commerce Drive and Johnson Drive intersection. A funding mechanism for this improvement shall be approved by the City prior to the issuance of the first building permit for a Phase I use that would generate 100 or more PM peak-hour trips.

The text on page 4.D-32 of the Draft SEIR is revised as follows to clarify the timing and funding of the implementation of Mitigation Measure 4.D-1b:

Mitigation Measure 4.D-1b: Johnson Drive at Owens Drive (North) Intersection. Prior to the granting of a certificate of occupancy for the first use in Phase I that would generate 100 or more PM or Saturday peak-hour trips, the City shall ~~I~~install or require the developer in Phase I to install a traffic signal at the Johnson Drive at Owens Drive (North) intersection. A funding mechanism for this improvement shall be approved by the City prior to the issuance of the first building permit for a Phase I use that would generate 100 or more PM peak-hour trips.

The text on page 4.D-33 of the Draft SEIR is revised as follows to clarify the timing and funding of the implementation of Mitigation Measure 4.D-1c:

> **Mitigation Measure 4.D-1c: Johnson Drive at Stoneridge Drive Intersection.** Prior to the granting of a certificate of occupancy for the first use in Phase I that would generate 100 or more PM or Saturday peak-hour trips, the City shall ensure the ~~I~~Implementation the following improvements:
>
> 1. Construct a third eastbound left-turn lane from Stoneridge Drive to Johnson Drive in conjunction with an additional northbound receiving lane on Johnson Drive (north side of intersection).
> 2. Construct an additional southbound right-turn lane on Johnson Drive.
> 3. Rebuild Johnson Drive as a six lane facility with three or four southbound lanes and three northbound receiving lanes for a minimum of 700 feet north of Stoneridge Drive. This improvement would require widening of Johnson Drive north of Stoneridge Drive by up to 36 feet and widening of Johnson Drive south of Stoneridge Drive a commensurate amount to align travel movements through the intersection.
>
> A funding mechanism for these improvements shall be approved by the City prior to the issuance of the first building permit for a Phase I use that would generate 100 or more PM peak-hour trips.

The text on page 4.D-38 of the Draft SEIR is revised as follows to clarify the timing and funding of the implementation of Mitigation Measure 4.D-1c:

> **Mitigation Measure 4.D-1d: Stoneridge Drive Queue Spillback (Stoneridge Drive and Johnson Drive Improvements).** Prior to the granting of a certificate of occupancy for the first use in Phase I that would generate 100 or more PM or Saturday peak-hour trips, the City shall ensure the ~~I~~Implementation of the following improvements:
>
> 1. Modify the Stoneridge Drive at Northbound I-680 off-ramp to provide a northbound right-turn overlap phase.
> 2. Construct a second southbound left-turn lane from Johnson Drive to Stoneridge Drive.
> 3. Extend the existing westbound right-turn pocket at the Johnson Drive and Stoneridge Drive intersection approximately 800 feet east by widening Stoneridge Drive and convert the resulting lane into a through-right-shared lane. Install lane markings in the curb lane and adjacent lane indicating I-680 Northbound Only to reduce lane changes between Johnson Drive and the northbound on-ramp.

Construct a second on-ramp lane to northbound I-680 from the westbound Stoneridge Drive approach. The two lane on-ramp should be merged to one lane prior to the freeway merge area. The lane drop will occur over a distance of at least 800 feet, and will require reconstruction and widening of the bridge at this on-ramp from one to two lanes, with the merge occurring after the bridge. (Note: This improvement is within Caltrans right-of-way and requires Caltrans design review and *oversight*.)

A funding mechanism for these improvements shall be approved by the City prior to the issuance of the first building permit for a Phase I use that would generate 100 or more PM or Saturday peak-hour trips.

The text on page 4.E-25 of the Draft SEIR is corrected as follows:

TABLE 4.E-5
PROPOSED EDZ OPERATIONAL AND CONSTRUCTION GHG EMISSIONS, BAU AND PROJECT SCENARIO (YEAR 2020)

Emission Source	Annual CO_2e Emissions (MT CO_2e per year)	
	Year 2005[1]	**Year 2020**[2]
Transportation (Mobile)	24,100	18,800
Area Source	0.01	0.01
Energy (Electricity and Natural Gas)	2,040	1,400
Water and Wastewater	130	110
Solid Waste	460	460
Total Operational Project GHG Emissions Without Construction Emissions	**26,700**	**20,800**
Project Reduction from 2005 CAP Baseline	**22%**	
City of Pleasanton CAP Reduction Goal	15%	
AB 32 (Scoping Plan) Reduction Goal	21.7%	
Significant Impact?	**No**	

NOTES: MT CO_2e = metric tons of carbon dioxide equivalent. Based on output data from ~~both~~ CalEEMod version 2013.2.2~~and the BGM Greenhouse Gas Calculator~~. Input data were defaults. See Appendix F for model outputs and additional assumptions.

1 Does not include emissions reductions from Pavley standards or LCFS; does include historical energy use factors
2 Include emissions reductions from Pavley standards or LCFS; does include historical energy use factors

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CHAPTER 3
Agencies and Persons Commenting on the Draft SEIR

This chapter documents the comments on the Draft Supplemental Environmental Impact Report (Draft SEIR) that were submitted by agencies, individuals, and organizations during the public review period (September 14 through November 23, 2015). During this period, comments could be submitted by letter, fax, email, voicemail, or orally at public meetings. All of the comments received and the responses to those comments are presented in Chapter 4 and Chapter 5 of this Response to Comments document.

A list of all comment letters received is presented in Section 3.1. A total of 94 letters were received, containing a total of 295 comments. Oral comments were made at one Planning Commission public hearing and two community meetings for the Draft SEIR.

3.1 List of Comment Letters Received

The comment letters received on the Draft SEIR are grouped and numbered below. The following agencies, organizations and individuals submitted written comments on the Draft SEIR during the public review period.

Letter #	Author	Type	Media
1	Matt Sullivan	Individual	Email
2	Johnson Drive Holdings, LLC (Tony Perino)	Organization	USPS
3	Chamberlin Associates (Doug Giffin)	Organization	Email
4	Ann Pfaff-Doss	Individual	Email
5	Livermore-Amador Valley Water Management Agency (Chuck Weir)	Agency	Email
6	Don Wyatt	Individual	Email
7	No Name Given	Individual	Email
8	Charles Choi	Individual	Comment Slip
9	Cathy Dean	Individual	Comment Slip
10	Sandy Yamaoda	Individual	Comment Slip
11	Bobbie Joy Allen	Individual	Comment Slip
12	Barbara Costello	Individual	Email
13	Barbara S. Hill	Individual	Email
14	Julie Curtis	Individual	Email
15	Morgan Cheek	Individual	Email
16	Caltrans District 4	Agency	Email/Letter Attachment
17	BAAQMD	Agency	Email/Letter Attachment

Letter #	Author	Type	Media
18	Julie Curtis	Individual	Email
19	Kimberly Moss and Jeff Williams	Individual	USPS
20	Alameda County Flood Control and Water Conservation District Zone 7	Agency	USPS
21	Bill Wheeler, Black Tie Transportation	Organization	Email
22	Debra Toburen	Individual	Email
23	Dublin San Ramon Services District	Agency	Email/Letter Attachment
24	Alameda County Transportation Commission	Agency	Email/Letter Attachment
25	State Clearinghouse	Agency	USPS
26	John Haynes	Individual	Email
27	Michael Grossman	Individual	Email
28	Sohan Kamath	Individual	Email
29	Nathan Orr	Individual	Email
30	Jack and Joyce L. Woo	Individual	Email
31	Stephen Slater, Blue Croix Ltd.	Organization	Email
32	James Fong	Individual	Email
33	Ron Cefalo	Individual	Email
34	Dan Moore	Individual	Email
35	Knut Ojermark	Individual	Email
36	James Fong	Individual	Comment Slip
37	Ann Pfaff-Doss	Individual	Comment Slip
38	Gary Koher	Individual	Comment Slip
39	Kimberly Williams	Individual	Comment Slip
40	Russ Morth	Individual	Comment Slip
41	Henry F. Jones	Individual	Email
42	Glenn Morse	Individual	Email
43	No Name Given	Individual	Email
44	James Fong	Individual	Email
45	Craig L. Schwab	Individual	Email
46	Carl Cox	Individual	Email
47	Patricia and John Baptiste	Individual	Email
48	Byron Hay	Individual	Email
49	Carolyn Garner	Individual	Email
50	Dan Moore	Individual	Email
51	Ann and Carl Frederickson	Individual	Email
52	Brent Curtis	Individual	Email
53	Terry and Mike Hall	Individual	Email
54	Natalie Rigor	Individual	Email
55	No Name Given	Individual	Email
56	Karrie and Randy Smith	Individual	Email
57	Charles Choi	Individual	Email
58	Jerry Mercola	Individual	Email
59	Moira Udinski	Individual	Email
60	David Gilbert	Individual	Email
61	Lorna Peterson	Individual	Email
62	AT&T	Organization	Email/Letter Attachment
63	Kimberly Koste	Individual	Email
64	Matt Sullivan	Individual	Email/Letter Attachment
65	Ernest Tsui	Individual	Email

Letter #	Author	Type	Media
66	Chamberlin Associates	Organization	Email/Letter Attachment
67	Carl Cox	Individual	Email
68	Caltrans District 4	Agency	Email/Letter Attachment
69	Bill Wheeler, Black Tie Transportation	Organization	Email
70	Craig L. Schwab	Individual	Email
71	Don Maday	Individual	Email/Letter Attachment
72	George Reid	Individual	Email/Letter Attachment
73	Moore (no full name provided)	Individual	Email
74	Ryan Crawford	Individual	Email
75	Moore (no full name provided)	Individual	Email
76	Robin and Wendy Barnes	Individual	Email
77	Ingrid and Steve Kramer	Individual	Email
78	Maureen Nokes	Individual	Email
79	Nancy Allen	Individual	Email
80	Patrick O'Brien, Leisure Sports Inc.	Individual	Email
81	Sandy Yamaoda	Individual	Email
82	Sandy Yamaoda	Individual	Email
83	Bob Miller & Family	Individual	Email
84	Sandy Yamaoda	Individual	Email
85	Johnson Drive Holdings 1, LLC	Organization	Email/Letter Attachment
86	Pat Boehmer	Individual	Email
87	Maria Dolores Sanchez	Individual	Email
88	Bob Kahn	Individual	Email
89	Diane Haddad	Individual	Email
90	William Evanikoff	Individual	Email
91	James Paxson	Individual	Email
92	Jerry Mercola	Individual	Email
93	Pleasanton Citizens for Responsible Growth	Organization	Email/Letter Attachment
94	Cornell Holmes	Individual	Email

3.2 Public Hearings

Planning Commission Public Hearing

The following persons offered public comment during the City of Pleasanton Planning Commission Public Hearing on the Draft SEIR held at the Pleasanton City Hall on September 23, 2015:

- Bill Wheeler, Black Tie Transportation
- Barbara Benda
- John Bauer
- Dan Rosenbaum, Nearon Enterprises
- Doug Giffin, Chamberlin Associates
- Pat O’Brien, Leisure Sports (Club Sports)
- Ann Pfaff-Doss
- Herb Ritter, Planning Commissioner

- Greg O'Connor, Planning Commissioner
- Nancy Allen, Planning Commissioner
- David Nagler, Planning Commissioner
- Gina Piper, Planning Commissioner

Community Meetings

Two community meetings were held on the Draft SEIR, on October 22 and November 12, 2015. Comments from this meeting are presented and responded to in Chapter 5 of this Response to Comments document. Because of the less formal nature of these meetings, commenters are not identified in this document.

CHAPTER 4
Written Comments on the Draft SEIR and Responses to Comments

4.1 Introduction

This chapter contains copies of the comment letters received during the public review period on the Draft SEIR, and the individual responses to those comments. Each written comment letter is designated with a number (1 through 94) in the upper right-hand corner of the letter based on the order in which they were received.

Within each written comment letter, individual comments are labeled with a number in the margin. Immediately following each comment letter is an individual response to each numbered comment. Where responses have resulted in changes to the Draft SEIR, these changes also appear in Chapter 2 of this Response to Comments document.

4.2 Responses to Comments

This section presents responses to issues raised in comments received on the Draft SEIR during the review period related to environmental effects of the proposed EDZ. The California Environmental Quality Act (CEQA) *Guidelines* indicate that a Final EIR should address comments on the Draft EIR. Comments that state opinions about the overall merit of the proposed EDZ are included in the City of Pleasanton's public record and will be taken into account by decision-makers (Pleasanton City Council) when they consider the proposed EDZ, but are generally not responded to unless a specific environmental issue is also raised.

Each letter received is reproduced here in its entirety. Responses are identified based on the system described above and are provided for each comment; the comment numbers are shown within each letter. Changes to the Draft SEIR are referenced in the response. Added text is underlined; deleted text is stricken.

4.2.1 Master Responses to Comments

Master responses in this section address general subjects not necessarily related to a specific section of the Draft SEIR, and in some cases address a number of interrelated topics discussed in various sections of the Draft SEIR. Master responses include:

- **Master Response to Comments About Economic and Urban Decay Impacts**

- **Master Response to Comments About the Timing and Funding of Traffic Mitigation Measures**
- **Master Response to Comments about the Draft SEIR Traffic Impact Analysis**
- **Master Response to Comments about the Draft SEIR Air Quality Impact Analysis**
- **Master Response to Comments About the Impacts of the Proposed EDZ on Water Supply**
- **Master Response to Comments About the Proposed EDZ Public Notification Process, Community Workshops, and Hearing Dates**
- **Master Response to Comments About Nonconforming Uses and Grandfathering of Existing Uses Within the Proposed EDZ**
- **Master Response to Comments About Impacts to Neighborhoods Near the Proposed EDZ**

Master Response to Comments About Economic and Urban Decay Impacts

In response to public comments requesting more information about potential economic impacts, the City has prepared an Economic Impact Analysis for the proposed EDZ, which is included in this Response to Comments document as **Appendix A**. The "physical environment" for economic impacts in the case of the proposed EDZ and its setting includes existing stores, hotels, and commercial real estate conditions within a certain distance of the EDZ site, in Pleasanton, Dublin, and unincorporated Alameda County.

The Economic Impact Analysis also provides information concerning potential urban decay[1] that could result from development of new club retail, general retail, and hotel space within the area of the proposed EDZ. If implementation of a development proposal could result in urban decay, an analysis of whether impacts on the physical environment could result is generally required under CEQA.

Summary of Economic Impact Analysis

Economic Impacts

In summary, the Economic Impact Analysis indicates that impacts generated by EDZ on the area's existing retail would be limited. As detailed in **Appendix A**, the analysis estimates that annual sales resulting from implementation of the EDZ (referred to in the analysis as the

[1] Urban decay is defined as, among other characteristics, visible symptoms of physical deterioration that invite vandalism, loitering, and graffiti that is caused by a downward spiral of business closures and long term vacancies. In order to meet this definition, the physical deterioration to properties or structures must be so prevalent, substantial, and lasting for a significant period of time that it impairs the proper utilization of the properties and structures, and the health, safety, and welfare of the surrounding community. The manifestations of urban decay include such visible conditions as plywood-boarded doors and windows, parked trucks and long term unauthorized use of the properties and parking lots, extensive and unsightly graffiti painted on buildings, dumping of refuse on site, overturned dumpsters, broken parking barriers, broken glass littering the site, dead trees and shrubbery together with weeds, lack of building maintenance, homeless encampments, and unsightly and dilapidated fencing.

"Project"[2]) would total $172.3 million in Phase I and $241.3 million upon Full Buildout (2015 dollars). Of these totals, EDZ sales anticipated to be most competitive with the existing retail base include $66.5 million annually in Phase I sales and $119.7 million per year at Full Buildout.

The EDZ's general retail and club retail spaces are anticipated to draw 80 percent and 60 percent of their sales from the market area, respectively.[3] The percentage is lower for the club retail space because market area data for nearby club retail stores suggests demand originates from a large area, with less than 60 percent of demand from the nearby areas. Data for nearby club retail stores indicate that a large share of these stores' customers are within the EDZ's market area, meaning that many consumers who want to shop at a club retail store are already doing so. The analysis, therefore, assumes that these sales will be captured by the EDZ's club retail store and that such redirected sales would not be diverted from any existing retail stores in the city but would instead comprise sales new to Pleasanton.

Accounting for the above-noted redirected sales and for growth in market area sales due to forecast population growth, the analysis projects that Phase I sales in the EDZ could result in a decrease in annual sales by existing market area retailers of approximately $26.7 million, or 0.9 percent of the market area's existing $3 billon in annual retail sales, which is a nominal impact. The proposed EDZ's effect is projected to be focused in three specific retail categories: gasoline stations, home furnishings and appliances, and food and beverages. In the first two categories, sales within the EDZ would amount to 0.9 percent or less of existing market area sales, which would not be considered substantial. Project food and beverage sales, however, would amount to 7.4 percent of existing market area sales in this category. However, at Full Buildout of the EDZ, the analysis finds that more than sufficient new market area demand will be generated to absorb the Project's anticipated sales generated by market area retail consumers, with virtually no resulting adverse effect on market area retailers.

The report also examines the potential for economic effects specifically on Downtown Pleasanton, and finds that Downtown is anticipated to experience very limited, if any, sales impacts associated with the EDZ. The analysis attributes this lack of impact to several factors, including the nature of the impacts, Downtown Pleasanton's retail base and orientation, and historical precedents. Specifically, the EDZ's impacts in sales categories represented in Downtown are very low and unlikely to be experienced by Downtown retailers: many of the goods sold in Downtown Pleasanton are different from the goods sold by club retail stores. Downtown Pleasanton also provides a unique, pedestrian-oriented shopping opportunity with a customer-friendly atmosphere, which cannot be replicated within the EDZ, according to the analysis. Further, because club retail shoppers in the market area already have this opportunity at

2 The "Project" as referred to in the study includes only the proposed new development that would take place within the EDZ area: 189,037 square feet of new general retail space, 148,000 square feet of club retail space, and a 150- or 231- room hotel. (For the purposes of this Response to Comments document, the 231-room hotel option, which reflects the revised EDZ, is discussed.)

3 The "market area" for this study comprises 18 full census tracts and three partial census tracts spanning the City of Pleasanton, the majority of the City of Dublin, and some unincorporated Alameda County areas south of the City of Pleasanton and northwest of the City of Dublin. The market area was determined through review of drive times to the project site and the locations of other nearby club retail stores, with consideration also given to natural and man-made features, such as topography and freeways access.

other nearby stores, there is little motivation for Downtown shoppers to change existing behavior. Finally, Downtown Pleasanton is relatively distant from the project site, at 4.3 miles, and anecdotal information suggests that the opening of the San Francisco Premiums Outlets in Livermore, located even closer to Downtown Pleasanton than the project site (3.9 miles versus 4.3 miles), did not result in negative economic impacts on Downtown Pleasanton retailers.

Regarding the anticipated development of a hotel within the area of the EDZ, the analysis finds that, based on projected demand for hotel rooms and existing and projected occupancy rates, the addition of a hotel at the proposed EDZ area is not anticipated to result in substantial negative economic impacts on the existing hotel base.

Urban Decay

The urban decay portion of the Economic Impact Analysis estimates the extent to which development which would occur within the EDZ area under full buildout, along with other cumulative retail or hotel projects, would contribute to urban decay resulting from potential store closures of existing business. In summary, the analysis determined that physical deterioration in existing retail centers and area hotels would not likely result from the combined effect of full buildout of the EDZ and other cumulative retail or hotel developments.

As noted above, food and beverage sales would represent the largest category of sales diversion from existing market area retail stores to the EDZ. The analysis determined that the estimated volume of diverted food and beverage store sales is sufficient to support approximately 36,000 square feet of food store space. While this level of impact could suggest the potential for one existing grocery store in the market area to be at risk of closure, the analysis finds that such an outcome is unlikely because the effects would tend to be widely distributed among existing area retailers, rather than concentrated on a single store or even a small number of stores. Moreover, the lack of variety and the bulk orientation of goods available at club retail stores makes some shoppers unlikely to change purchasing habits. The analysis concludes that, even should some retail vacancy ensue, the resulting vacancy rate increment would be nominal and well within the range indicative of a healthy retail market.

The study also concluded that, based on prevailing market conditions, retail locations that may experience prolonged vacancy would be well-maintained and would not devolve into urban decay or physical deterioration. Based on these results, the analysis concluded that the EDZ and identified cumulative projects would not cause or contribute to urban decay related to retail uses.

As noted above, the analysis finds that the hotel anticipated to be developed within the EDZ is not likely to result in negative impacts on the existing hotel base such that hotel closures would occur. Therefore, the hotel portion of the proposed EDZ also would not cause or contribute to urban decay.

Master Response to Comments About the Timing and Funding of Traffic Mitigation Measures

Several comments on the Draft SEIR requested further information about the timing and funding of mitigation measures (Mitigation Measures 4.D-1a, 4.D-1b, 4.D-1c, 4.D-1d, 4.D-2, 4.D-3, and 4.D-4) that include improvements to traffic and transportation systems in the area of the proposed EDZ. These system improvements, as identified in the Draft SEIR, include new through and turn lanes along Stoneridge Drive and Johnson Drive and an expanded I-680 northbound on-ramp. As individual property owners and/or project developers submit applications for projects within the EDZ area, the financial responsibility for these improvements will be identified in individual Development Agreements that the City may establish with the property owners and/or project developers, as determined necessary. The Development Agreements will specify future investments to be made by the owner and/or applicant in exchange for the right to develop a project. Because some of the freeway-related improvements require Caltrans (State) approval, the City will work closely with Caltrans to ensure the improvements are adequately designed and progress expeditiously through the approval process.

In accordance with case law, mitigation measures identified in an EIR normally must be roughly proportional to the impact they are designed to avoid or reduce in intensity (CEQA Guidelines Section 15041). As described in the Draft SEIR under Impact 4.D-1 (significant adverse effects to local study intersections), effects to three intersections would occur under Existing plus Project conditions with development of Phase I of the EDZ (club retail, hotel, and general retail uses). At two of these intersections—Commerce Drive at Johnson Drive and Johnson Drive at Owens Drive (North)—level of service (LOS) would degrade to an unacceptable level and installation of a traffic signal would be required to mitigate the impact. At the third intersection—Stoneridge Drive at Johnson Drive—vehicle queue spillback from Stoneridge Drive onto the freeway mainline and adjacent intersections and vehicle queues would extend beyond available storage for the eastbound left-turn movement from Stoneridge Drive to Johnson Drive, periodically impeding through traffic on Stoneridge Drive and resulting in southbound vehicle queues on Johnson Drive, blocking access to driveways along the corridor. (LOS would also degrade to an unacceptable level at the Stoneridge Drive at Johnson Drive intersection, but only with full buildout of the EDZ or the addition of near-term traffic, or both.) To mitigate the queueing impact, improvements would be required on approaches to the Stoneridge Drive at Johnson Drive intersection.[4] Because all of the above impacts (except LOS degradation at Stoneridge Drive/Johnson Drive) would occur with development of Phase I of the EDZ, the City could assign financial responsibility for mitigation proportionately to the Phase I uses, and could require the applicable mitigation measures to be in place by the time that Phase I development is ready for occupancy. Because the club retail use is, by far, the largest generator of traffic that would occur with Phase I (nearly 80 percent of PM peak-hour trips), the club retail use would be expected to bear the greatest share of the financial responsibility for mitigation.

[4] As stated in the Draft SEIR, because the review and approval process for the portion of the measure (Mitigation Measure 4.D-1d) that would eliminate the significant queueing impact at the Stoneridge Drive/Johnson Drive intersection is not under the control of the City of Pleasanton, the impact related to vehicle queue spillback periodically impeding through traffic on Stoneridge Drive and blocking access to driveways along Johnson Drive during the PM peak hour would be significant and unavoidable.

Under longer-term cumulative conditions (20 to 25 years hence), LOS would degrade at the intersection of Hopyard Road/Owens Drive; mitigation identified in the General Plan would reduce this impact to a less-than-significant level.

Additional sources of funding for the required transportation improvements could include City funds collected from traffic impact fees paid by development projects, as well as, potentially, State and/or federal funds, particularly for improvements directly related to the Interstate-680 (I-680) freeway, such as a third eastbound left-turn lane from Stoneridge Drive to Johnson Drive, an additional northbound receiving lane on Johnson Drive, and modification of the traffic signal at the Stoneridge Drive at Northbound I-680 off-ramp, which together would prevent Stoneridge Drive queues from backing up onto the freeway mainline. As noted above, the City anticipates that future approval of applications for major development projects in the EDZ, such as a potential club retail store or hotel in Phase I and, potentially, other large retail store(s) at buildout, would entail the developer(s) entering into a Development Agreement with the City. A Development Agreement is essentially a contract between the City and a developer and/or land owner(s), approved by the City Council following public hearing(s), which sets forth the terms under which a particular project will proceed. Because a development agreement is negotiated, it can offer flexibility in, among other things, the assignment of responsibility for various physical improvements, including mitigation measures identified in an EIR. A development agreement also allows the City to negotiate for higher or lower fees than might otherwise be the case, in exchange for which the developer could be granted or could forfeit certain rights or responsibilities.

To clarify the timing and funding of the implementation of traffic-related mitigation measures, the following revisions are made to Mitigation Measures 4.D-1a through 4.D-1d:

> **Mitigation Measure 4.D-1a: Commerce Drive at Johnson Drive Intersection.** Prior to the granting of a certificate of occupancy for the first use in Phase I that would generate 100 or more PM or Saturday peak-hour trips, the City shall install or require the developer in Phase I to install a traffic signal and construct a southbound left-turn lane to Commerce Drive at the Commerce Drive and Johnson Drive intersection. A funding mechanism for this improvement shall be approved by the City prior to the issuance of the first building permit for a Phase I use that would generate 100 or more PM peak-hour trips.
>
> **Mitigation Measure 4.D-1b: Johnson Drive at Owens Drive (North) Intersection.** Prior to the granting of a certificate of occupancy for the first use in Phase I that would generate 100 or more PM or Saturday peak-hour trips, the City shall install or require the developer in Phase I to install a traffic signal at the Johnson Drive at Owens Drive (North) intersection. A funding mechanism for this improvement shall be approved by the City prior to the issuance of the first building permit for a Phase I use that would generate 100 or more PM peak-hour trips.
>
> **Mitigation Measure 4.D-1c: Johnson Drive at Stoneridge Drive Intersection.** Prior to the granting of a certificate of occupancy for the first use in Phase I that would generate 100 or more PM or Saturday peak-hour trips, the City shall ensure the implementation of the following improvements:

1. Construct a third eastbound left-turn lane from Stoneridge Drive to Johnson Drive in conjunction with an additional northbound receiving lane on Johnson Drive (north side of intersection).

2. Construct an additional southbound right-turn lane on Johnson Drive.

3. Rebuild Johnson Drive as a six lane facility with three or four southbound lanes and three northbound receiving lanes for a minimum of 700 feet north of Stoneridge Drive. This improvement would require widening of Johnson Drive north of Stoneridge Drive by up to 36 feet and widening of Johnson Drive south of Stoneridge Drive a commensurate amount to align travel movements through the intersection.

A funding mechanism for these improvements shall be approved by the City prior to the issuance of the first building permit for a Phase I use that would generate 100 or more PM peak-hour trips.

Mitigation Measure 4.D-1d: Stoneridge Drive Queue Spillback (Stoneridge Drive and Johnson Drive Improvements). Prior to the granting of a certificate of occupancy for the first use in Phase I that would generate 100 or more PM or Saturday peak-hour trips, the City shall ensure the implementation the following improvements:

1. Modify the Stoneridge Drive at Northbound I-680 off-ramp to provide a northbound right-turn overlap phase.

2. Construct a second southbound left-turn lane from Johnson Drive to Stoneridge Drive.

3. Extend the existing westbound right-turn pocket at the Johnson Drive and Stoneridge Drive intersection approximately 800 feet east by widening Stoneridge Drive and convert the resulting lane into a through-right-shared lane. Install lane markings in the curb lane and adjacent lane indicating I-680 Northbound Only to reduce lane changes between Johnson Drive and the northbound on-ramp.

4. Construct a second on-ramp lane to northbound I-680 from the westbound Stoneridge Drive approach. The two lane on-ramp should be merged to one lane prior to the freeway merge area. The lane drop will occur over a distance of at least 800 feet, and will require reconstruction and widening of the bridge at this on-ramp from one to two lanes, with the merge occurring after the bridge. (Note: This improvement is within Caltrans right-of-way and requires Caltrans design review and oversight.)

A funding mechanism for these improvements shall be approved by the City prior to the issuance of the first building permit for a Phase I use that would generate 100 or more PM or Saturday peak-hour trips.

Developer Responsibility for Funding Traffic Mitigation Measures

Several reviewers of the Draft SEIR expressed concern about the cost of infrastructure improvements compared to the revenue generated by new uses within the EDZ area. The City currently estimates that these improvements may total approximately $15 million. Funding for the improvements will be provided by some combination from developers of individual sites within the EDZ (via traffic impact fees); State and federal funds that the City will apply for; and revenue from property and sales taxes provided by new uses within the EDZ via the City's General Fund.

Several commenters also expressed concern that the City may provide incentives through which developer contributions to funding infrastructure improvements would be reduced, requiring more of the cost of these improvements to be funded by the City via the General Fund. Several comments requested that the infrastructure improvements be provided at no cost to the City. While no direct developer incentives or subsidies are proposed as part of the EDZ, a portion of the new City revenues projected to be generated by new business activities within the EDZ may contribute to funding traffic improvements along Johnson Drive, Stoneridge Drive, and I-680, and the projected amount of these contributions may be factored into individual Development Agreements and the respective calculation of traffic impact fees. The City Council will ultimately determine the proportions of infrastructure funding to be borne and provided by individual developers, State or federal transportation funds, traffic impact fees, and the City's General Fund.

Master Response to Comments about Draft SEIR Traffic Impact Analysis

Many comments on the Draft SEIR addressed traffic impacts that would result from the development of the uses within the proposed EDZ. For a discussion of potential impacts to traffic from implementation of the EDZ, refer to Section 4.D, Transportation and Traffic, of the Draft SEIR. The following master response summarizes the conclusions in that section of the Draft SEIR, and provides clarification in response to comments.

As noted in Section 4.D of the Draft SEIR, all traffic impacts identified in the Draft EIR would be mitigated to a less-than-significant level through implementation of identified mitigation measures. This includes impacts that would occur under existing conditions, in the near term, and in the future (2040 conditions), and includes impacts to the following:

- The intersection at Commerce Drive and Johnson Drive;
- The intersection at Johnson Drive and Owens Drive (North);
- The intersection at Johnson Drive and Stoneridge Drive;
- Queue spillback along Stoneridge Drive[5];
- Levels of service[6] for freeway ramps at merge/diverge areas within I-680; and
- Safety of vehicles, bicyclists, and pedestrians on public roadways.

5 "Spillback" refers to traffic backup that extends beyond the available traffic "storage" (capacity) for the road segment in question. Spillback effects occur when backed-up traffic queues run the risk of blocking traffic from streets and driveways accessing the road, or blocking intersections along the road.

6 "Level of Service" is defined as a grading system that measures the operation of a local roadway network (intersections and roadway segments). The LOS grading system qualitatively characterizes traffic conditions associated with varying levels of vehicle traffic, ranging from LOS A (indicating free-flow traffic conditions with little or no delay experienced by motorists) to LOS F (indicating congested conditions where traffic flows exceed design capacity and result in long delays). The City of Pleasanton has established the maintenance of LOS D or better as the generally acceptable service level standard for peak hour intersection operations for most intersections in the city. LOS standards are exempt for gateway intersections.

Although all traffic impacts identified in the Draft EIR would be mitigated to a less-than-significant level with mitigation measures, the approval process for a portion of one measure that would address a queueing impact at the Stoneridge Drive/Johnson Drive intersection (Mitigation Measure 4.D-1d) would require Caltrans approval and that of other non-City agencies, and thus is not fully under the control of the City of Pleasanton. Accordingly, because CEQA requires that mitigation measures be "fully enforceable through permit conditions, agreements, or other measures" (CEQA Sec. 21081.6(b)), this impact would necessarily be considered significant and unavoidable, as further described below. Regardless of the involvement of other agencies, the City is required to ensure completion of traffic mitigation measures prior to operation of uses in the area of the EDZ that would result in the impacts.

Chief impacts identified in the Draft SEIR and addressed in the comments are further discussed below.

Impacts at the Intersection of Stoneridge Drive and Johnson Drive

Several comments requested clarification regarding impacts to traffic at the intersection of Stoneridge Drive and Johnson Drive. As shown in Table 4.D-2, page 4.D-6 of the Draft SEIR, this intersection currently operates at LOS C or better, indicative of acceptable traffic operations with average delays. The Draft SEIR also concludes that the addition of traffic generated by the EDZ would worsen conditions at this intersection to an unacceptable LOS E, a significant impact. This impact would not occur under conditions caused by Phase I of the EDZ (which includes a club retail use, hotel, and limited amount of retail), but rather would occur with full buildout of the EDZ. Implementation of Mitigation Measure 4.D-1c would reduce the impact to a less-than-significant level, and would include the following:

- The construction of a third left-turn lane from Stoneridge Drive to Johnson Drive and one additional lane on Johnson Drive that would receive northbound traffic;
- The construction of an additional southbound right turn lane on Johnson Drive for traffic turning onto Stoneridge Drive, and
- The rebuilding (widening) of a part of Johnson Drive that extends north from the intersection of Stoneridge Drive about 700 feet, from two and four lanes to six lanes (three northbound lanes and three southbound lanes).

While increased traffic from Phase I development of the EDZ would not result in level of service impacts at the intersection of Stoneridge Drive and Johnson Drive, it would result in two impacts related to vehicle spillback. The first impact would result from vehicle queue spillback from the I-680 northbound off-ramp exiting onto Stoneridge Drive and southbound off-ramp exiting onto Stoneridge Drive: spillback from these off-ramps onto the freeway mainline would result in a hazardous condition due to the potential speed differential between moving vehicles on the freeway and queued vehicles on the off-ramp. Second, queues at the eastbound left-turn lane from Stoneridge Drive to Johnson Drive would exceed the existing storage, resulting in vehicle queue spillback from Stoneridge Drive onto adjacent intersections and the freeway mainline. With this impact, through traffic on Stoneridge Drive would be periodically impeded, and southbound vehicle queues on Johnson Drive could block access to driveways along the road.

The implementation of both Mitigation Measure 4.D-1c and Mitigation Measure 4.D-1d would reduce this impact to a less-than-significant level. Mitigation Measure 4.D-1d would include the following:

- On the northbound I-680 off-ramp at Stoneridge Drive, the construction of a northbound right-turn overlap phase;
- Construction of a second southbound left-turn lane from Johnson Drive to Stoneridge Drive;
- Extension of the existing westbound right-turn pocket from Stoneridge Drive onto Johnson Drive for approximately 800 feet; and
- Construction of a second on-ramp lane onto northbound I-680 from the westbound Stoneridge Drive approach, which requires the reconstruction and widening of the existing on-ramp bridge.

As stated above, the review and approval process for one part of Mitigation Measure 4.D-1d – the construction of a second on-ramp lane onto northbound I-680 which would necessitate bridge widening and reconstruction – would require Caltrans approval which is not under the control of the City of Pleasanton, and therefore this impact has been classified as significant and unavoidable, because its implementation cannot be assured at this time. The mitigation measure is logistically feasible, however, and the City continues to work with Caltrans and other agencies to ensure completion of the measure to the extent possible. As stated above, regardless of the involvement of other agencies, the City is required to ensure implementation of traffic mitigation measures prior to operation of uses in the area of the EDZ that would result in the impacts.

Impacts on Mainline I-680 Freeway Segments

Some comments expressed concern regarding increased congestion on I-680 that could result from the proposed EDZ. Traffic conditions on I-680, and impacts to those conditions that would result from the proposed EDZ, are addressed under Impact 4.D-4 in the Draft SEIR (page 4.D-50). As described in the Draft SEIR, the addition of traffic from implementation of the proposed EDZ would slightly worsen the operations of northbound and southbound I-680 traffic, but would neither cause deficient operations nor increase the freeway volume by more than the 3 percent threshold of significance. Therefore, the impact to mainline freeway conditions would be less than significant, and no mitigation related to impacts of the proposed EDZ was determined to be required.

No widening of I-680 would be associated with any of the proposed EDZ's mitigation measures.

Installation of New Traffic Signals on Johnson Drive

Some comments expressed concern that the installation of up to three new traffic lights along Johnson Drive, as required by some traffic mitigation measures, could increase vehicle delays. The installation of new traffic lights as proposed for the EDZ would help reduce congestion that could occur from the increase in traffic cause by Phase I and full buildout.

Signal warrant analysis, which uses a set of criteria to determine the relative need for and appropriateness of a new traffic signal to address increased traffic, was conducted for the unsignalized intersections of Johnson Drive at Owens Drive (North), Johnson Drive at Commerce Drive, and Johnson Drive at the Park and Ride lot. The analysis determined that the addition of EDZ-generated traffic warranted the installation of new signals at Johnson Drive at Owens Drive (North) and Johnson Drive at Commerce Drive. The Park and Ride lot intersection with Johnson Drive was not determined to require a new signal.

Although total wait time at signals and intersections without signals near the area of the proposed EDZ could increase with implementation of Phase I and full buildout, traffic signal timing would be coordinated and adjusted by the City to minimize delays and ensure that total wait time would not change substantially. For example, as shown in Table 4.D-4 and Table 4.D-5 of the Traffic and Transportation section of the Draft SEIR, traffic currently experiences up to 16 seconds of delay (all-way stop control) at the intersection at Johnson Drive and Owens Drive (North) for every light cycle; with the addition of traffic from the proposed EDZ and the mitigation measures proposed in the Draft SEIR, including a new signal, this delay would increase incrementally, to up to 17 seconds.

Comparison of the Traffic Impacts of the Proposed EDZ with Those From a Lower-Intensity Use

Several comments requested clarification regarding the EDZ's traffic impacts as compared to lower-intensity uses that could be developed. The Draft SEIR includes the analysis of a Reduced Retail alternative, which would include some general retail and hotel uses (but no club retail use), and a No Project alternative that would result if existing uses were to continue within the area of the proposed EDZ along with some reasonably foreseeable additional growth of similar uses.

Under the Reduced Retail alternative, the EDZ would be built out with approximately 171,500 square feet of new general retail uses and approximately 88,000 square feet of new hotel uses. The Reduced Retail alternative would generate fewer total traffic trips than the proposed EDZ (approximately 6,900 total weekday daily trips, as compared to the 12,270 total weekday daily trips that would be generated by the EDZ), and would result in the avoidance of some, but not all, of the significant traffic impacts of the proposed EDZ. This alternative could result in fewer or lower impacts to LOS at adjacent intersections; however, the volume of traffic trips to the EDZ area that would be generated by this alternative would likely result in some impacts similar to those that would occur under the proposed EDZ, including impacts related to spillback, and further degrade operations of freeway ramps at merge/diverge areas that are already operating at unacceptable levels.

Under the No Project alternative, the EDZ would be built out with 338,000 square feet of office uses and 45,000 square feet of retail uses. The No Project alternative would generate less than half of the total traffic trips than the proposed EDZ (approximately 5,070 total weekday daily trips,[7] as

[7] As calculated by Fehr & Peers, March 2016. Based on ITE *Trip Generation Manual* (9th Edition) trip generation rates for land use 820, Shopping Center/General Retail, and land use 710, Office. Pass-by trip reduction for general retail use is 30 percent.

compared to the 12,270 total weekday daily trips that would be generated by the EDZ), and would result in the avoidance of some, but not all, of the significant impacts of the proposed EDZ. The volume of traffic trips to the EDZ area that would be generated by this alternative would likely result in impacts related to spillback, and further degrade operations of freeway ramps at merge/diverge areas that are already operating at unacceptable levels.

Therefore, the analysis in the Draft SEIR indicates that some significant traffic impacts that would result from the proposed EDZ would still result even under a number of realistic, lower-intensity, alternative development scenarios.

Las Positas Interchange as Mitigation for Traffic Impacts

Some comments questioned whether increased traffic at freeway interchanges that would result from the EDZ could require or result in the construction of an interchange at Las Positas. This interchange, proposed in the former City of Pleasanton General Plan, was eliminated from the 2005-2025 General Plan that was adopted in 2009. The General Plan Circulation Element states that, should the City Council elect to proceed with an interchange at West Las Positas Boulevard, such approval must be conditioned upon providing a period of up to one year for a potential citizens' initiative challenge to approval of the interchange. Whether increased traffic resulting from the proposed EDZ would prompt reconsideration of this improvement is speculative.

Master Response to Comments about Draft SEIR Air Quality Impact Analysis

Several commenters requested clarification regarding air quality impacts that would result from the development of the uses within the proposed EDZ and from increased traffic. For a discussion of potential impacts to air quality from implementation of the proposed EDZ, refer to Section 4.B, Air Quality, of the Draft SEIR.

The Draft SEIR concluded that regional air quality effects would be significant and unavoidable (see discussions under Impact 4.B-2, traffic-generated emissions of criteria air pollutants, and Impact 4.B-3, obstruction of implementation of the *2010 Clean Air Plan*, as described in Section 4.B, Air Quality, of the Draft SEIR). As stated in the discussion under Impact 4.B-3 in the Draft SEIR, the size and scope of development within the proposed EDZ would result in a volume of criteria pollutants that exceed threshold identifed by the region's air district. The proposed EDZ would also slightly increase vehicle miles traveled (VMT) per household and per capita. These two factors resulted in the finding in the Draft SEIR that the proposed EDZ would be inconsistent with the Clean Air Plan. This same situation would likely arise in any nearby community with the introduction of a large retail store that attracts vehicle trips from a relatively large geographic area.

Regarding the Draft SEIR's assessment of air quality impacts, it is important to note that these impacts are largely regional in nature, and do not directly affect locations near the area of the proposed EDZ, with the exception of impacts related to Toxic Air Contaminants (TACs), as described below. Air emissions from traffic are addressed by the Bay Area Air Quality Management District largely on a regional basis because traffic generated by a given development

project occurs over a much larger geographic area than the immediate project vicinity and because the effects of most criteria pollutants are widely distributed throughout the air basin.

The specific example of ozone, a key component of smog, illustrates how the increase in air emissions that would be caused by the proposed EDZ relates to regional vs. local conditions. Ozone is not directly emitted by vehicle exhaust; rather, nitrogen oxides and reactive organic gases that are emitted by vehicle exhaust are precursors to ozone formation. These emissions form ozone in the atmosphere under high temperature conditions in the presence of sunlight. Nitrogen dioxide (NO2) may be visible as a coloring component of a brown cloud on high pollution days, especially in conjunction with high ozone levels. High pollution days are associated with emissions that occur on a regional level, rather than a local level.

Regarding the local effects of toxic air contaminants such as diesel particulate matter (DPM) and respirable particulate matter (PM2.5), as discussed under Impact 4.B-4 in Section 4.B, Air Quality, of the Draft SEIR, the analysis found that effects would be less than significant (with mitigation required only should a sensitive use such as senior housing be proposed *within* the EDZ). For example, the distance between the area of the proposed EDZ and the Val Vista neighborhood (approximately 1,000 feet for locations within the EDZ except that of the existing Fed Ex facility) would preclude new uses within the EDZ from generating significant localized air quality impacts to this neighborhood. The 2005 California Air Resources Board *Air Quality and Land Use Handbook*, referenced in Section 4.B, Air Quality of the Draft SEIR, uses 1,000 feet as the screening distance from certain pollutant-generating uses because risks to local uses are much lower beyond this distance; 1,000 feet is therefore the recommended distance for local agencies to consider when evaluating whether sensitive land uses such as residences should be permitted.

Master Response to Comments About the Impacts of the Proposed EDZ on Water Use

The Draft SEIR analyzed the impacts of implementing the proposed EDZ on utility systems, including water systems, in Section 4.E, Other Topics. Projected water demand was not estimated or presented in Section 4.E. Instead, the Draft SEIR relied on Mitigation Measure 4.E-9, which requires all development projects within the EDZ to provide written verification prior to development from the water provider or the City that water is available. With implementation of this measure, impacts to water supplies would be less than significant. It is noted that the City's 2010 Urban Water Management Plan (UWMP; City of Pleasanton, 2011) concludes that the City has adequate water supplies to accommodate anticipated growth through the year 2030. Non-residential growth attributable to the proposed EDZ would not exceed the growth anticipated in the UWMP, and thus the EDZ water demand is within the demand forecast in the UWMP.

Section 4.E also explained that, because of the four-year-long drought, the City has implemented, and will continue to implement, measures and programs such as its recycled water program and stricter water conservation measures to improve water reliability. Additionally, the City would apply a standard condition of project approval for all projects within the EDZ that requires recycled water infrastructure to be installed and connected when and if recycled water

infrastructure becomes available. Developers of projects within the EDZ area would also be required to comply with the California Green Building Standards Code and Model Water Efficient Landscape Ordinance requirements.

The Draft SEIR did include an incidental calculation of water use as part of the analysis of greenhouse gas (GHG) emissions and energy impacts, using the CalEEMod land use emissions model. The output from the CalEEMod model can be found in **Appendix F** of the Draft SEIR. With regards to estimates of water use, the model relies on statewide average water demand figures that are generally conservative (e.g., that it may estimate water use as greater than what would actually occur) when compared with project- or area-specific water use planning calculations. For instance, the CalEEMod water use assumptions are substantially higher than those used in the City's 2004 Water Master Plan. The Water Master Plan assumed water demand of 70 gallons per day (gpd) per 1,000 square feet (sf) of retail use, while CalEEMod (based on a 2003 Pacific Institute report, Waste Not, Want Not: The Potential for Urban Water Conservation in California) assumes 203 gpd (indoor use only) per 1,000 sf of retail use. It is therefore likely that the actual water demand of the proposed EDZ would be far less than that projected under the CalEEMod model. Using the City's Water Master Plan rates, indoor water use represented by full buildout of the EDZ would be approximately 3.8 million gallons per year (gpy), compared to the nearly 11 million gpy assumed using the CalEEMod model. Even assuming outdoor water use at the same ratio as that used in the CalEEMod model, total water use for the club retail store using the City's Water Master Plan rates would be 6.1 million gpy, 45 percent less than assumed using the CalEEMod water use rates.

Nevertheless, the model can be instructive in comparing estimated water consumption rates of different land uses relative to one another. The table in **Appendix F** of the Draft SEIR estimates total annual water use at full buildout of the EDZ to be approximately 57.4 million gpy. Using the same water demand rates, existing water use within the EDZ is estimated at 31.7 million gpy, meaning the proposed EDZ would result in an increase of approximately 81 percent. However, the square footage of the various uses within the fully built-out EDZ would increase from approximately 225,000 sf to approximately 510,000 sf, an increase of approximately 127 percent. These figures suggest that the altered land uses at the site would be substantially more efficient in their use of water than the uses that are currently present: water use per square foot would decrease by 20 percent. In addition, a large area of the EDZ area was occupied, until 2013, by a Clorox Company research and development facility. Using the same water demand factors, total water usage on the project site at the time that facility was operating (assuming the facility was half office and half industrial) was more than twice what would be used by the proposed EDZ at full buildout, and almost four times existing water use on the site. Finally, it is also noted that, were the project site to be built out as permitted under existing zoning in accordance with the No Project Alternative described in Chapter 5 of the Draft SEIR (largely office uses), total water usage would be nearly 90 percent of the amount that would be associated with the proposed EDZ, and nearly 3.5 times the volume of water represented by the existing uses on the site.

As noted in the EDZ Design Guidelines (see **Appendix D** of the Draft SEIR), standard conditions of approval for all new development within the EDZ would require the use of drought-tolerant

plants and landscaping design as specified in the State Model Water Efficient Landscape Ordinance and Bay Friendly Guidelines. Further, and as noted on page 4.E-37 of the Draft SEIR, all projects developed within the EDZ area would require recycled water infrastructure to be installed at the time of initial construction and connected when and if recycled water infrastructure becomes available. Use of recycled water would greatly decrease the amount of water used for outdoor uses like landscape irrigation.

It is noted that no Water Supply Assessment (WSA) is required for the proposed EDZ as part of the project's CEQA documentation because the project does not meet the size threshold for such a requirement. As explained in Section 4.E of the Draft SEIR on page 4.E-36, a WSA is required, pursuant to Senate Bill 610 (Sections 10910 to 10915 of the State Water Code), for a project consisting of a shopping center or business establishment employing more than 1,000 persons or having more than 500,000 square feet of floor space, or a proposed commercial office building employing more than 1,000 persons or having more than 250,000 square feet of floor space. (A WSA is also required for a project with a water demand equal to that of 500 dwelling units; based on the City's average of 457 gallons per single-family home per day, per the 2004 Water Master Plan, and reduced by 25 percent to reflect the drought, that would total 62.6 million gpy.) The proposed EDZ would meet none of these thresholds.

References

California Emissions Estimator Model (CalEEMod). 2013. User's Guide.

Master Response to Comments About the Proposed EDZ Public Notification Process, Community Workshops, and Hearing Dates

In addition to public notification procedures required under CEQA, which primarily include non-electronic forms of notification, the City has undertaken and continues to undertake an extensive public involvement effort for the proposed EDZ and Draft SEIR. In addition to direct mailers, newspaper articles, Twitter notifications, Facebook posts, Nextdoor.com notifications, flyers posted at public facilities, verbal reminders at public meetings, and updates on the City's website, there are many opportunities to learn about meetings and provide comments on the EDZ. To date the City has hosted two hearings and two community meetings on the topic of the EDZ, and will host three upcoming public engagement opportunities.

These previous and prospective meetings include:

- April 15, 2014 – City Council hearing to authorize initiation of the Economic Development Zone Program and pilot program on Johnson Drive (www.cityofpleasantonca.gov/JDEDZCCARApr152014);
- September 23, 2015 – Planning Commission hearing to receive comments on the Draft SEIR (Staff Report: www.cityofpleasantonca.gov/JDEDZPCSRSept2315); PowerPoint Presentation: www.cityofpleasantonca.gov/JDEDZPCPPtSept2315);
- October 22, 2015 – Neighborhood Meeting on the EDZ (PowerPoint Presentation: www.cityofpleasantonca.gov/JDEDZNeighMtgPPtOct2215);

- November 12, 2015 – Community Meeting on the EDZ (Multi-Purpose Room, Hart Middle School, 4433 Willow Road, 6:00-7:30 p.m.);
- April 12, 2016 – Joint Planning Commission/City Council Workshop on EDZ;
- (TBD) Spring 2016 – Planning Commission hearing regarding EDZ/Final SEIR adoption and certification;
- (TBD) Spring 2016 – City Council hearing regarding EDZ/Final SEIR adoption and certification

Additional information regarding the EDZ can be found on the City's Planning Division webpage (www.cityofpleasantonca.gov/gov/depts/cd/planning/default.asp), which links to the Draft SEIR, other information about the proposed EDZ, and notice of upcoming meetings. Meetings will also be announced on the City's Twitter account (@pleasantonca) and on Facebook (www.facebook.com/CityofPleasanton).

Master Response to Comments About Impacts to the Val Vista and Other Neighborhoods Near the Proposed EDZ

Several comments expressed concern regarding impacts to neighborhoods near the area of the proposed EDZ, including the Val Vista neighborhood, which is located approximately 700 feet south of the area of the proposed EDZ and south of Stoneridge Drive. A number of the impact analyses in the Draft SEIR are directly applicable to potential effects on the Val Vista residential neighborhood.

With regards to the effects of traffic-related noise on this neighborhood, Impact 4.C-5 in Section 4.C, Noise, of the Draft SEIR addresses whether development within the area of the proposed EDZ would generate additional traffic on local area roadways that would increase traffic noise exposure relative to existing conditions. As shown in Table 4.C-5 of the Draft SEIR (page 4.C-18), buildout of the EDZ would result in a 0.2 decibels (dBA) increase in 24-hour traffic noise on Stoneridge Drive, which borders the Val Vista neighborhood on the north, and a maximum increase of 0.1 dBA on Hopyard Road, which borders the neighborhood to the east. (The I-680 freeway borders the neighborhood to the west and would not experience sufficient traffic growth due to the project to result in a measureable noise increase.) The only traffic noise increase that could occur within the Val Vista neighborhood itself would be the result of increased trips from residents visiting the area of the EDZ, which would be unlikely to result in a meaningful noise increase. Accordingly, this impact was determined to be less than significant. With regards to operational noise from new uses within the area of the proposed EDZ, homes within the Val Vista neighborhood are located approximately 1,000 feet or more from most of the area of the EDZ (with the exception of the location of the existing Fed Ex facility), which is sufficient distance to buffer any stationary source (e.g., equipment) noise from adversely affecting the neighborhood.

Regarding potential air quality impacts to the Val Vista neighborhood, and other nearby neighborhoods, while the Draft SEIR concluded that regional air quality effects would be significant and unavoidable (e.g., see discussions under Impact 4.B-2, traffic-generated emissions

of criteria air pollutants, and Impact 4.B-3, obstruction of implementation of the *2010 Clean Air Plan* due to an incremental increase in citywide vehicle miles traveled, as described in Section 4.B, Air Quality, of the Draft SEIR), these impacts are related to regional levels of air pollutants and do not directly affect locations near the area of the proposed EDZ, because traffic generated by the proposed EDZ would occur over a much large geographic area than the immediate vicinity and because the effects of most criteria pollutants are widely distributed. For example, ozone is not emitted directly from vehicles but is the result of atmospheric photochemical reactions between two pollutants that are emitted directly, reactive organic gases (ROG) and nitrogen oxides (NOx), when exposed to sunlight. Carbon monoxide, a criteria pollutant that is a concern at high local concentrations, has declined dramatically since the 1980s due to cleaner-burning engines and other pollution controls, and is seldom a concern in the Bay Area. With respect to the local effects of toxic air contaminants such as diesel particulate matter (DPM) and respirable particulate matter (PM2.5), as discussed under Impact 4.B-4 in Section 4.B, the analysis in the Draft SEIR found that effects would be less than significant (with mitigation required only should a sensitive use such as senior housing be proposed *within* the EDZ). The distance between the proposed EDZ area and the Val Vista neighborhood (approximately 1,000 feet for locations within the EDZ except that of the existing Fed Ex facility) would preclude news uses within the EDZ from generating significant localized air quality impacts to this neighborhood. The 2005 California Air Resources Board *Air Quality and Land Use Handbook* that is referenced in Section 4.B, Air Quality, of the Draft SEIR uses 1,000 feet as the screening distance from certain pollutant-generating uses which local agencies should consider when evaluating whether sensitive land uses such as residences should be permitted, because risks to local uses are much lower beyond this distance.

Regarding potential local traffic impacts from the buildout of the proposed EDZ, as noted in Section 4.D, Transportation and Traffic, of the Draft SEIR and stated above in the Master Response to Comments about the Draft SEIR Traffic Impact Analysis, all traffic impacts identified in the Draft EIR would be mitigated to a less-than-significant level through implementation of identified mitigation measures. This includes impacts on Stoneridge Drive, which could otherwise affect the Val Vista neighborhood. However, the review and approval process for the portion of Mitigation Measure 4.D-1d that would address the queueing impact at the Stoneridge Drive/Johnson Drive intersection would require Caltrans approval and that of other non-City agencies, and thus is not fully under the control of the City of Pleasanton. Accordingly, because CEQA requires that mitigation measures be “fully enforceable through permit conditions, agreements, or other measures” (CEQA Sec. 21081.6(b)), the impact related to vehicle queue spillback periodically impeding through traffic on Stoneridge Drive and blocking access to driveways along Johnson Drive during the PM peak hour would necessarily be considered significant and unavoidable. The City will work with Caltrans and other agencies to ensure completion of the mitigation to the extent possible.

Regarding access between the proposed EDZ and the Val Vista neighborhood, as stated in Section 4.D, Transportation and Traffic, of the Draft SEIR (page 4.D-58), the Design Guidelines for the proposed EDZ “provide guidance to future developers of sites within the area, and will include guidance regarding pedestrian access and circulation, and bicycle access consistent with General

Plan goals for maintaining and expanding pedestrian and bicycle access." Existing bike and pedestrian access south of Stoneridge Drive in the Val Vista Neighborhood would not be altered by the EDZ.

Master Response to Comments About Nonconforming Uses and Grandfathering of Existing Uses Within the Proposed EDZ

Several commenters requested clarification regarding the potential legal-nonconforming status of existing land uses within the proposed EDZ area, including the AT&T property and Valley Bible Church.

Protecting existing businesses is a primary goal of the EDZ; with regard to the impact on existing businesses and land uses within the EDZ, the City is proposing that the EDZ ensure that property owners within the EDZ will be able to continue leasing and operating existing businesses for as long as desired, so that existing land uses are "grandfathered in." The City is also currently exploring ways to allow for some degree of expansion or replacement of existing businesses that do not conform to the uses desired as part of the EDZ, while still retaining the EDZ's redevelopment and growth potential. This may include adjusting setback requirements and other development regulations for existing business, and classifying existing uses as conforming to the proposed land use and zoning designations.

4.2.2 Responses to Individual Comments

This section includes copies of comment letters received during the public review period on the Draft SEIR, followed by individual responses to the comments contained in each letter.

From: Matt Sullivan
Sent: Tuesday, September 22, 2015 1:52 PM
To: Mayor and City Council; Maria Hoey
Cc: Nelson Fialho
Subject: Johnson Drive EDZ

Dear Planning Commissioners and City Councilmembers,

I'm writing you about the proposed Johnson Drive Economic Development Zone (EDZ) and the Draft Supplemental EIR for this project to be considered by the Planning Commission tomorrow night.

My first observation and concern is that this project seems to be flying under the radar. There has been very little in the papers about this, and mostly just rumors circulating that Costco is looking at the site. A Google-search on "Pleasanton Costco" reveals two articles back in January of this year and nothing since. That the city wants to make this an EDZ where "incentive programs" and "streamlined approval processes" are under consideration deserves much more public scrutiny and discussion than this is receiving. The city should conduct community outreach and hold informative workshops on the project prior to closing the SDEIR comment period, especially on the west side where this project will have the greatest impact. 1-1

What types of "incentives" are under consideration? Property tax breaks? Relief from the cost of significant transportation improvements required as identified in the SDEIR, including those to the Stoneridge/680 interchanges? The costs of these types of incentives will be borne on the taxpayers. For additional background on the negative impacts to local economies from retail incentives offered by municipalities please read this: https://ilsr.org/impact-chain-stores-community/

What type of "streamlined approval processes" are under consideration? This is a General Plan change and rezoning from office and industrial use to retail. While I was on the Council, I continually called for diversity in our local economy. There's only so much big box retail that can be supported regionally, and eventually someone is going to lose. We need to hang on to as much of our industrial and R&D zoning as we can to provide that diversity. 1-2

Will Costco or whatever "club retail" that inhabits this site pay for the traffic mitigations identified in the SDEIR? Will they pay for widening Johnson Drive to six lanes and rebuilding the Stoneridge/680 interchanges? This would seem to be cost prohibitive – even for a company like WalMart (whose heirs have more wealth that the bottom 80% of the country). Never mind the SDEIR mitigations of widening Highway 84 or the ultimate improvements at the 580/680 interchange. Sounds like corporate welfare for the benefit of big box retail at the expense of the public.

Will the increased traffic at the freeway interchanges revive the desire to construct the West Las Positas Interchange? I can already hear this coming from a mile away!

I have not yet had time to review the SDEIR in detail, and I will provide more comments later, but there are significant, unavoidable impacts related to air quality and local and regional traffic that need to be examined and fully understood by the public. I urge you to slow down this process and conduct community outreach about this project, informational workshops, and adequate time to review and comment on the SDEIR. And beyond the environmental issues, we need to fully explore the benefits and impacts to the community for the EDZ and the effect new, big box retail will have on the local economy. This would be the "Pleasanton Way" that has served us well in the past. Please do not try to push this through under the radar without this community discussion. 1-3 1-4 1-5

Matt Sullivan

Letter 1 Response – Matt Sullivan

1-1 The comment requests the City conduct community outreach and hold informative workshops on the proposed EDZ prior to closing the Draft SEIR comment period, especially near where the proposed EDZ would generate the highest impact. The City has conducted and continues to conduct an extensive public outreach effort for the EDZ. Refer to the **Master Response to Comments About the Proposed EDZ Public Notification Process, Community Workshops, and Hearing Dates**, for information on the City's public involvement effort actions and community workshops and hearing dates, as well as additional information regarding the EDZ.

1-2 The comment questions clarification regarding financial incentives and streamlined approval processes the City may extend to developers within the area of the EDZ. The comment further requests clarification regarding the apportionment of traffic mitigation costs that would be borne by developers of sites within the EDZ. Refer to the **Master Response to Comments About the Timing and Funding of Traffic Mitigation Measures**.

Last, the comment requests whether increased traffic at freeway interchanges that would result from the EDZ could result in the construction of the Las Positas interchange. An interchange is not currently proposed on I-680 at West Las Positas Boulevard. Whether increased traffic resulting from the proposed EDZ would prompt reconsideration of this improvement is speculative. This interchange, proposed in the former City of Pleasanton General Plan, was eliminated from the 2005-2025 General Plan that was adopted in 2009. Program 1.7 under Goal 1, Policy 2 of the General Plan Circulation Element states that, should the City Council elect to proceed with an interchange at West Las Positas Boulevard, such approval must be conditioned upon providing a period of up to one year for a potential citizens' initiative challenge to approval of the interchange.

1-3 The comment states that the significant and unavoidable impacts of the proposed EDZ on air quality and traffic need to be understood by the public. Refer to the **Master Response to Comments about the Draft SEIR Air Quality Impact Analysis** for a summary and discussion of the proposed EDZ's air quality impacts; and the **Master Response to Comments about the Draft SEIR Traffic Impact Analysis** for a summary and discussion of the proposed EDZ's traffic impacts.

1-4 The comment requests the City conduct community outreach and hold informative workshops on the proposed EDZ with ample time to review and comment on the Draft SEIR. Refer to the **Master Response to Comments About the Proposed EDZ Public Notification Process, Community Workshops, and Hearing Dates**, for information on the City's public involvement effort actions and community workshops and hearing dates, as well as additional information regarding the EDZ.

1-5 The comment states a need to explore the economic and community benefits and impacts of implementation of the proposed EDZ. Refer to the **Master Response to Comments About Economic and Urban Decay Impacts**, for a summary of the results of the

economic study prepared by the City for the proposed EDZ; and **Appendix A**, which contains the economic study in full.

In addition, refer to the **Master Response to Comments About the Proposed EDZ Public Notification Process, Community Workshops, and Hearing Dates**, for information on the City's public involvement effort actions and community workshops and hearing dates, as well as additional information regarding the EDZ. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

JOHNSON DRIVE HOLDINGS I, LLC

September 23, 2015

Commissioners Nancy Allen, Jack Balch, David Nagler,
Greg O'Connor, Gina Piper, and Herb Ritter
City of Pleasanton Planning Commission
City of Pleasanton
P.O. Box 520
Pleasanton, CA 94566

Subject: Draft Supplemental Environmental Impact Report (DSEIR) for Johnson Drive Economic Development Zone (JDEDZ)

Dear Commissioners:

Johnson Drive Holdings I, LLC (Johnson Drive Holdings), along with six other property owners, has land holdings within the planned Economic Development Zone plan area. Johnson Drive Holdings owns five of the eleven parcels in the proposed 40 acre project area.

Along with Johnson Drive Holdings, other owners in the project area include: Valley Bible Church, Greater East Bay Properties, LLC, Garnet Bear, LP, William Wheeler, AT&T, and Chamberlin Associates Johnson Drive Ltd.

Johnson Drive Holdings has reviewed the DSEIR and all the supporting documents and agrees with the conclusions reached in these documents. 2-1

We would like to thank the staff for their efforts in this process. Additionally, we support their efforts and are here to work with the Planning Commission, Staff and City Council for evaluation of the environmental aspects of this freeway frontage economic development zone in the coming months.

Sincerely,

Tony Perino
President, Nearon Enterprises
Manager of Johnson Drive Holdings

101 YGNACIO VALLEY ROAD, SUITE 450 • WALNUT CREEK, CA 94596 • TEL 925.743.3300 • FAX: 925.743.3303

Letter 2 Response – Johnson Drive Holdings 1, LLC (Tony Perino)

2-1 The comment, which expresses agreement with the conclusions of the Draft SEIR, will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it.

CHAMBERLIN
ASSOCIATES

September 25, 2014

VIA E-MAIL (eluchini@cityofpleasantonca.gov)

Mr. Eric Luchini
Associate Planner
City of Pleasanton
Community Development Department
200 Old Bernal Avenue
Pleasanton, CA 94566-0802

Re: Comments on the Notice of Preparation of Draft Supplemental Environmental Impact (SEIR) for the Johnson Drive Economic Development Zone

Dear Mr. Luchini:

I write on behalf of Chamberlin Associates, owner of 7275 Johnson Drive (the "Chamberlin Parcel"), which is one of the eleven parcels included in the Johnson Drive Economic Development Zone ("EDZ") proposed by the City of Pleasanton (the "City"). The Chamberlin Parcel is currently zoned for and used for industrial uses, namely, a FedEx facility.

According to the Notice of Preparation ("NOP"), "[e]xisting uses on the site would be permitted to operate until redevelopment activities occur on those specific sites." Specifically, we understand that the City intends that industrial uses that are currently permitted and conditional uses under the proposed Planned Unit Development-Commercial zoning would continue to be permitted and conditional uses, and therefor that we would not be limited in the future leasing and modifications of the property for industrial users and that the existing use would not be rendered non-conforming. We support the City's decision to allow existing permitted and conditional industrial uses to continue as permitted and conditional uses under the proposed EDZ. Because the proposed EDZ will allow for continued industrial uses, the EIR should analyze not only full redevelopment, but also the potential impacts from introducing office, hotel, and retail uses adjacent to continued industrial uses. 3-1

Relatedly, the staff report related to the SDEIR states that Nearon Enterprises, an owner of a parcel within the proposed EDZ, will pay the cost to prepare the SEIR, and that the City expects other property owners in the EDZ reimburse Nearon 3-2

Real Estate: Development, Management & Consultation

5860 West Las Positas Boulevard Suite 21 Pleasanton, CA 94588-8552 925/227-0707 FAX 925/227-0277

September 25, 2014
Page 2

Enterprises for a pro rata share of the SDEIR costs when they redevelop their properties. We would expect that such reimbursement would be triggered only in the event of redevelopment for a commercial use authorized in the first instance by the EDZ zoning, and not in the event of any expansion or redevelopment with industrial uses that are currently permitted and continue to be permitted by the EDZ. We would appreciate the City's clarification of this issue. 3-2 cont.

Thank you for this opportunity to comment on the NOP. Please include us on your mailing list to receive all notices and documents, including the SEIR, related to the EDZ.

Sincerely,

Doug Giffin

Doug Giffin

Real Estate: Development, Management & Consultation

5860 West Las Positas Boulevard Suite 21 Pleasanton, CA 94588-8552 925/227-0707 FAX 925/227-0277

Letter 3 Response – Chamberlin Associates (Doug Giffin)

3-1 The analysis in the Draft SEIR includes an evaluation of impacts associated with Phase I of the anticipated EDZ buildout. Phase I represents conditions similar to those described by the commenter: under this first phase of development, new hotel and retail uses would be developed adjacent to existing industrial uses which would continue to operate. Impacts related to this condition, such as those impacts related to locating a gasoline station near existing industrial uses, widening Johnson Drive at locations where existing industrial businesses operate, and adding traffic to existing traffic on local roadways, are evaluated throughout the Draft SEIR. The Draft SEIR also includes and evaluates a No Project alternative that would result if existing uses were to continue within the area of the proposed EDZ, along with some additional growth of similar uses. Under the No Project alternative, the EDZ would be built out with 338,000 square feet of office uses and 45,000 square feet of retail uses. The Draft SEIR also includes a Reduced Retail alternative similar to the comment's suggestion, whereby approximately 171,500 square feet of new general retail uses and approximately 88,000 square feet of new hotel uses (but no club retail use) would be developed within the area of the proposed EDZ. The description and evaluation of these two alternatives are presented in Chapter 5, Alternatives to the EDZ, of the Draft SEIR. See also response to comment 79-1.

3-2 The comment requests clarification on the issue of the cost and payment for the SEIR. The details of the cost-sharing for the transportation improvements and SEIR are still being evaluated. If reimbursement of the SEIR costs are part of this agreement, it is likely that only properties subject to redevelopment would pay a fee.

From: Ann Pfaff-Doss
Sent: Saturday, October 03, 2015 1:52 PM
To: Eric Luchini
Subject: Johnson Drive EDZ

Dear Mr. Luchini,

I am writing to express my opposition to allowing a "Club Store" on the Johnson Drive property. I have lived in Val Vista for 38 years and have been supportive of the major developments in town including Stoneridge Mall, the Meyer Business and Hacienda Business Parks. However, this plan would try to shoehorn in a large retailer in an area which is not configured to accommodate it. Even if Stoneridge and Johnson Drives were widened, it appears the City is willing to accept level F traffic at that point.

There is no way that increased traffic even at lower levels at the Stoneridge Drive-Johnson Drive intersection wont effect access to Val Vista Community Park, DSRSD water treatment plant with it's popular water recycling and all the existing businesses around it on Johnson Drive. If you have ever been on Stoneridge west of Hopyard around 5:00 pm, when the traffic waiting to get on the freeway is backed up to Denker-Franklin, you'd appreciate just what double the number of cars in that area will mean. 4-1

Part of the proposed traffic mitigation is to widen traffic lanes on Stoneridge Drive in an area where there aren't even sidewalks on the south side. If the City wants to do some good for the area, how about sidewalks?

Unlike hotels or offices, large club stores generate traffic all day, including large delivery trucks -- many more than two a day.

Traffic aside, what can't be mitigated is the reduction in air quality. It will decrease to unacceptable levels in an area, which contains a community park, trails not to mention a large tract of housing. Winds there blow from the west, so it will creep into the rest of Pleasanton as well. This, just at a time when the State is putting forth measures to improve air quality. 4-2

There is a huge lot at the corner of Gibraltar and Willow in Hacienda Business Park, easily accessible from two freeway off-ramps and within walking distance of the huge commuter housing being built near the BART station. It would be a much better site for a big box store than trying to ram it into a small office-hotel site. 4-3

Ann Pfaff-Doss

Letter 4 Response – Ann Pfaff-Doss

4-1 The commenter is referred to Section 4.D, Transportation and Traffic, of the Draft SEIR which addresses the impacts of increased traffic generated by the proposed EDZ, and mitigation measures to reduce/avoid those impacts. Per Table 4.D-11 of the Draft SEIR, the intersection at Stoneridge Drive and Johnson Drive would not operate at LOS F, as the comment suggests, but would operate at LOS C after the implementation of required mitigation. Impacts related to accessing Val Vista park, pedestrian access (sidewalks) are addressed in the Master Response **Master Response to Comments About Impacts to Neighborhoods Near the Proposed EDZ**. The comment also addresses access to the Dublin San Ramon Services District (DSRSD) facilities. The City will ensure that access to DSRSD facilities will be maintained as part of the construction traffic management plan and plans for specific development proposals and transportation improvements within the EDZ. The City wil coordinate closely with the DSRSD to ensure that adequate access will be provided to DSRSD facilities.The comments on the merits of the proposed EDZ will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it.

4-2 As indicated in Table 4.B-1 of the Draft SEIR, the Livermore valley currently experiences two to seven days per year when ozone concentrations exceed the more stringent state standards and zero to four days per year when particulate matter concentrations exceed the more stringent state standards. Also, as stated on page 4.B-10, the 1988 California Clean Air Act also requires development of air quality plans and strategies to meet state air quality standards in areas designated as non-attainment. As a result, the Bay Area Air Quality Management District (BAAQMD) has developed a series of clean air plans, most recently the Bay Area 2010 Clean Air Plan (CAP).

The Draft SEIR identified a significant and unavoidable air quality impact with respect to potential conflicts with this latest CAP on page 4.B-21, largely as a result of a cumulatively considerable contribution of nitrogen oxide (NOx) emissions, a precursor to ozone which is a regional criteria air pollutant and emissions of particulate matter (PM10) in Impact 4.B-3. Additionally Impact 4.B-2 also identifies a significant NOx and PM10 emission impact with regard to emissions of criteria air pollutants. These impacts are identified as significant and unavoidable after implementation of feasible mitigation measures identified by the California Air Pollution Control Officers Association (CAPCOA). These are regional air quality impacts that consider the overall pollutant loading within the air basin, as much of these emissions would be generated by vehicle traffic over estimated trip lengths exceeding 6 miles.

Regarding localized air quality impacts, refer to the **Master Response to Comments about the Draft SEIR Air Quality Impact Analysis**, and the Master Response to Comments About Impacts to Neighborhoods Near the Proposed EDZ.

4-3 The comment suggests the consideration of an alternate location at Gibraltar and Willow in the Hacienda Business Park for the EDZ. This site, which is owened by Roche, is in the City's housing inventory (it is 12.4 acres in size and has a realistic capacity of 372 housing units) and thus is not feasible for large format retail development. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

From: Chuck Weir
Sent: Friday, October 09, 2015 6:11 PM
To: Eric Luchini
Subject: Comments on Johnson Drive Economic Development Zone SEIR
Attached: Fig 3-2 from JDEDZ Draft SEIR 09-2015 CD w All Apps.pdf

Good afternoon Eric,

On behalf of the Livermore-Amador Valley Water Management Agency, I am providing brief comments on the Draft SEIR for the JDEDZ. Any potential project should not have an impact on LAVWMA, provided that we have continuous access to our site at all times, during any construction and afterward. I have attached Figure 3-2 from the SEIR with the pump station location and access noted. Personnel need access at all times to properly operate and maintain the facility to ensure that wastewater produced in the valley can be pumped over the hill for discharge in the Bay. Repairs can be necessary at any time and we need to be able to drive large trucks capable of carrying a 30 foot tall pump assembly. We also may need to move in a crane to remove and/or replace a pump. In addition, it would be appropriate for the SEIR to actually label the pump station site in applicable maps and figures. 5-1 5-2

Please let me know if you have any questions.

Thanks,

Chuck Weir
General Manager
Livermore-Amador Valley Water Management Agency

From: Eric Luchini
Sent: Monday, October 12, 2015 7:52 AM
To: Chuck Weir
Subject: RE: Comments on Johnson Drive Economic Development Zone SEIR

Thank you Chuck. Your comments will be addressed in the FSEIR.

Eric Luchini
Associate Planner

From: Chuck Weir
Sent: Monday, October 12, 2015 9:45 AM
To: Eric Luchini
Subject: RE: Comments on Johnson Drive Economic Development Zone SEIR

Thanks Eric. Also note that the LAVWMA forcemains run from the pump station under the access road to Johnson Drive, then under Johnson Drive, Alamo Canal, and I680. They should be well marked with USA markings. 5-3

Chuck Weir
General Manager
Livermore-Amador Valley Water Management Agency

SOURCE: Google Maps

Johnson Drive EDZ . 140421

Figure 3-2
Johnson Drive Economic Development Zone
Project Location Map

Letter 5 Response – Livermore-Amador Valley Water Management Agency (Chuck Weir)

5-1 The comment addresses access to the Dublin San Ramon Services District (DSRSD) facilities. The City will ensure that access to DSRSD facilities will be maintained as part of construction traffic management plans and plans for specific development proposals and transportation improvements within the EDZ. The City wil coordinate closely with the DSRSD to ensure that adequate access will be provided to DSRSD facilities.

5-2 The comment indicates that the Livermore-Amador Valley Water Management Agency Pump Station and access route along Johnson Drive to the corner gate should be indicated on Figure 3-2 of the Draft SEIR. Figure 4.E-1 has been created to provide this detail, and may be found in Chapter 2 of this Response to Comments document.

5-3 The comment indicates that there are forcemains that run from the Livermore-Amador Valley Water Management Agency Pump Station under the accress road to Johnson Drive, and then under Johnson Drive, the Alamo Canal and I-680, and that the location of these subsurface facilities should be marked prior to the start of construction. As required by California Government Code Section 4216.2, excavation contractors would be required to contact the the applicable regional notification center (in this case, USA North 811), at least two working days, but not more than 14 calendar days, prior to the start of excavation so that underground utility facilities can be located and identified in advance of construction, to prevent damage to such facilities.

From: Don Wyatt
Sent: Sunday, October 18, 2015 7:38 AM
To: Eric Luchini
Cc: Wyatt, Don; Wyatt, Patti
Subject: Johnson Drive Economic Development Zone

Eric,

I appreciate the opportunity to express my opinion on the Johnson Drive development.

We have lived in Pleasanton since 1972 and watched great planning and development over the years.

My concerns on the Johnson drive development is traffic on Johnson Drive itself and where Johnson Drive intersections of Stoneridge and on the other end at the Home Depot area and Hopyard Rd. Already these areas at peak traffic times are congested. 6-1

Also, depending on what's developed on this property, I am concerned about the increase in water use during our drought period. I look around the city at housing developments that are in progress and wonder how and why they were approved at this very critical drought period. It seems we could have delayed these developments until we were in a better situation with our water supply. 6-2

Regard's,

Don Wyatt

Letter 6 Response – Don Wyatt

6-1 The commenter is referred to Section 4.D Transportation and Traffic, of the Draft SEIR which addresses the impacts of increased traffic generated by the proposed EDZ. Refer also to the **Master Response to Comments about the Draft SEIR Traffic Impact Analysis**.

6-2 Refer to the **Master Response to Comments about the Impacts of the Proposed EDZ on Water Supply**. The City is carefully monitoring the drought and will evaluate the need to institute more restrictive measures as necessary including further restrictions on landscaping and swimming pools, as well as new restrictions on growth. The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it.

From:
Sent: Tuesday, October 20, 2015 7:38 PM
To: Eric Luchini
Subject: Fwd: Johnson Drive

Please consider the following when deciding what to do with the property along Johnson Drive:

1. Do not impact tha arroyo path. 7-1
2. Ensure a bike lane exists on Johnson Drive. 7-2
3. Ensure that Park and Ride spaces are not decreased. 7-3
4. Ensure there is sufficient parking for businesses off of the street. Growth should be planned into any parking lot. 7-4

Letter 7 Response – No Name Given

7-1 The comment requests that there be no impact to the "arroyo path." The arroyo path, referred to in the Draft SEIR as the Alamo Canal Trail (or Alamo Canal/Arroyo de la Laguna Trail), would experience temporary construction impacts during the widening of Johnson Drive as Part of Mitigation Measures 4.D-1d., but will be restored after construction is completed, and bike traffic will be re-routed as necessary during construction.

7-2 The comment requests that the proposed EDZ ensures a bike lane exists on Johnson Drive. The Draft SEIR identifies the Alamo Canal Trail as extending along the west side of Johnson Drive from I-580 to Parcel 9. This paved trail is separated from Johnson Drive by a chain link fence, and is a Class I bikeway and pedestrian facility. Under Mitigation Measures 4.D-1d, this trail would experience temporary impacts during the widening of Johnson Drive, but will be restored after construction is completed, and bike traffic will be re-routed as necessary during construction.

In addition, Mitigation Measure 4.D-3: Johnson Drive Improvements proposes that if after review, the City determines that additional improvements to Johnson Drive are required, one or more of a list of four actions would be taken including: "Final design of all improvements along Johnson Drive shall maintain or enhance existing bicycles, transit, and pedestrian facilities, and shall ensure bicycle and pedestrian facilities and access to the Alamo Canal Trail at the signalized crossing at Commerce Circle and any other signalized locations on Johnson Drive" (page 4.D-59). In either case a bike lane would exist along Johnson Drive with access at adjacent intersections.

7-3 The comment expresses concern with regards to the reduction of park and ride spaces. Refer to section 4.D, Transportation and Traffic, of the Draft SEIR, specifically Impact 4.D-1c: Johnson Drive at Stoneridge, which addresses traffic at this location, and Mitigation Measure 4.D-1c: Johnson Drive at Stoneridge Drive Intersection, all summarized in Table 4.D-17 (page 4.D-69). Park and ride spaces could be decreased by three spaces under the proposed EDZ due to widening of Johnson Drive, but this minor decrease is not an impact under CEQA because it would not substantially diminish carpooling or transit opportunities. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

7-4 The comment requests that sufficient parkingbe ensured for businesses off of the street, and for growth to be planned into parking lots. Refer to section 4.D, Transportation and Traffic, of the Draft SEIR, specifically Parking Impacts 4.D-12 (page 4.D-66), which addresses this concern, stating, "Parking for substantially new development proposed within the EDZ area would be required at the rates specified in the Design Guidelines and in Section 18.88.030 of the Municipal Code." **Appendix D** of the Draft SEIR, Draft EDZ Design Guidelines, also contains the design guidelines and City codes that require that all new businesses include sufficient off-street parking. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

THE CITY OF PLEASANTON

COMMENT SHEET

City of Pleasanton
Johnson Drive Economic Development Zone
Draft Supplemental Environmental Impact Report

Neighborhood Meeting
October 22, 2015

1. **Do you have any comments or concerns specific to your neighborhood as it relates to the Draft Environmental Impact Report for the Johnson Drive Economic Development Zone? Please be as specific as possible.**

   traffic noise. air pollution. 8-1
   increase crime. 8-2

2. **Do you have comments or concerns specific to the level of development proposed within the project description for the Johnson Drive Economic Development Zone? Please be as specific as possible.**

   reduce the project to smaller scale. 8-3
   580/680 Interchange is not capable for increase traffic. 8-4

Name: charles Choi
Neighborhood/Address: [redacted]
Phone Number: [redacted]
Email: [redacted]

Letter 8 Response – Charles Choi

8-1 The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

8-2 Refer to the **Master Response to Comments About Economic and Urban Decay Impacts**. Urban decay has been shown to result in conditions that can in turn result in an increase in serious crime (Department of Justice, 2001, "Disorder in Urban Neighborhoods – Does it Lead to Crime?"). Per the results of the economics study, the proposed EDZ would not cause urban decay; therefore, there is no evidence that the proposed EDZ would result in an increase in crime related to urban decay. Outside of the conclusions of the economic study, crime is a socioeconomic issue that is outside the purview of CEQA.

8-3 The comment states the proposed EDZ should be reduced to a smaller scale. Refer to Section 5.0, Alternatives of the Draft SEIR, which addresses three alternatives to the proposed EDZ and their impacts. The alternatives analyzed include Alternative 1, the No Project alternative, as well as Alternative 2, the Reduced Retail alternative (page 5-9), and Alternative 3, the Partial Buildout alternative (page 5-10). The section also provides an impact comparison table of these alternatives on page 5-15. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

8-4 Refer to the **Master Response to Comments About the Timing and Funding of Traffic Mitigation Measures** for further detail regarding the analyses presented in the Draft SEIR of these impacts.

THE CITY OF PLEASANTON

COMMENT SHEET

City of Pleasanton
Johnson Drive Economic Development Zone
Draft Supplemental Environmental Impact Report

Neighborhood Meeting
October 22, 2015

1. **Do you have any comments or concerns specific to your neighborhood as it relates to the Draft Environmental Impact Report for the Johnson Drive Economic Development Zone? Please be as specific as possible.**

No Retail unless very small 9-1

Not even space, too much traffic already. 9-2

Sound wall rebuit higher along Stoneridge + Val Vista neighborhood 9-3

2. **Do you have comments or concerns specific to the level of development proposed within the project description for the Johnson Drive Economic Development Zone? Please be as specific as possible.**

Hotel okay but not big stores like Costco 9-4

Name: Cathy Dean
Neighborhood/Address: [redacted] (Val Vista)
Phone Number: [redacted]
Email: [redacted]

Letter 9 Response – Cathy Dean

9-1 The comment states the proposed EDZ should consider only retail uses with a small footprint. Refer to Section 5.0, Alternatives of the Draft SEIR, in which three alternatives to the proposed EDZ are addressed including a reduced retail use alternative. The alternatives analyzed in Chapter 5.0 consist of Alternative 1, the No Project alternative, as well as Alternative 2, the Reduced Retail alternative (page 5-9), and Alternative 3, the Partial Buildout alternative. The section also provides an impact comparison table of these alternatives on page 5-15. As discussed in Chapter 5, although all three alternatives considered would result in a reduction in air quality impacts to less than significant levels as compared to the proposed EDZ, impacts from the alternatives related to traffic would remain significant and unavoidable, similar to the proposed EDZ.

9-2 The coment identifies concern regarding existing traffic impacts. Refer to the **Master Response to Comments about the Draft SEIR Traffic Impact Analysis** for a summary and discussion of the proposed EDZ's traffic impacts. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

9-3 The commenter requests that "the sound wall rebuilt higher along Stoneridge and Val Vista neighborhood." Impact 4.C-5 of the Draft SEIR addresses whether development within the EDZ area would generate additional traffic on local area roadways that would increase traffic noise exposure relative to existing conditions. This impact was determined to be less than significant with no mitigation required. Consequently, no change to the existing sound walls is warranted.

9-4 The comment states the proposed EDZ should consider uses such as a hotel, but not large retail uses such as a Costco. Refer to Chapter 5.0, Alternatives of the Draft SEIR, in which three alternatives to the proposed EDZ are addressed, including the No Project alternative, as well as Alternative 2, the Reduced Retail alternative (page 5-9), which would not include a club retail use. The section also provides an impact comparison table of these alternatives on page 5-15. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

THE CITY OF PLEASANTON

COMMENT SHEET

City of Pleasanton
Johnson Drive Economic Development Zone
Draft Supplemental Environmental Impact Report

Neighborhood Meeting
October 22, 2015

1. **Do you have any comments or concerns specific to your neighborhood as it relates to the Draft Environmental Impact Report for the Johnson Drive Economic Development Zone? Please be as specific as possible.**

this development affects the whole city - not just those folks who live nearby - -

10-1

Not enough time was given to evaluate EIR - Poor notification city wide! 6:00? - folks still at work & eating!

10-2

2. **Do you have comments or concerns specific to the level of development proposed within the project description for the Johnson Drive Economic Development Zone? Please be as specific as possible.**

why would you even consider heavy development that impacts neighborhoods with air pollution? ~~in our neighborhood especially by~~

10-3

more traffic signals - make more time to get around. -

10-4

Name: SANDY YAMADA
Neighborhood/Address: [redacted]
Phone Number:
Email: [redacted]

Letter 10 Response – Sandy Yamaoda

10-1 The comment identifies concern about the scale of impacts from the proposed EDZ. As discussed throughout the Draft SEIR, impacts from the proposed EDZ would largely be either regional in scale (air quality), or would affect locations within a certain proximity to the area of the proposed EDZ; impacts would, for the most part, not occur on a city-wide scale. Refer to the **Master Response to Comments About Economic and Urban Decay Impacts**, for a summary of the results of the economic study prepared by the City for the proposed EDZ; and **Appendix A**, which contains the economic study in full. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

10-2 The comment indicates concern about the transparency of the City's process. Refer to the **Master Response to Comments About the Proposed EDZ Public Notification Process, Community Workshops, and Hearing Dates**, for information on the City's public involvement effort campaign, community workshops, and hearing dates.

10-3 The comment expresses concern regarding the impacts of air pollution. Refer to the **Master Response to Comments about the Draft SEIR Air Quality Impact Analysis** for a summary and discussion of the proposed EDZ's air quality impacts.

10-4 The comment indicates concern regarding delays due to installing new traffic signals. With the implementation of all required mitigation, including the installation of new traffic signals, traffic impacts would be reduced to less-than-significant levels, and levels of service (LOS) would not worsen substantially. The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it.

To Whom It May Concern: Oct. 22, 2015

I have lived here in Val Vista since 1975. Due to a faulty new knee replacement, I'm not able to attend the meeting tonight. However, as a senior consumer I'd like to voice my approval for having a Costco Store replace the Clorox facility. I'm aware of Costco's operating hours and of the proposal for doubling up on the lanes on Johnson. It would be very convenient for me as I go to Danville's Costco once a week, And so much safer thus avoiding the horrific commute on 680. Note: Danville's Costco is located right next to a very exclusive neighborhood. 11-1

The revenue brought into the city of Pleasanton would be a huge benefit, thus adding to the city's rating as the most desirable city to live in. 11-2

Sincerely

Bobbie Joy Allen

[redacted]

Pleasanton, CA

[redacted]

Letter 11 Response – Bobbie Joy Allen

11-1 The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

11-2 The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

From: Barbara Costello
Sent: Friday, October 23, 2015 3:20 PM
To: Eric Luchini
Subject: DSEIR for JDEDZ

Mr. Luchini,

I am writing in regards to the DSEIR for the Johnson Drive Economic Development Zone. While I fully appreciate the City's desire to add more tax revenue to the city coffers, Pleasanton has a long history of resident involvement with and approval of any type of development planning. This projected rezoning and build out removes the capability for citizens to object to future development of either property or infrastructure projects . I am entirely OPPOSED to allowing a development to occur that would involve more traffic, or would impose new taxes or might entail additional freeway planning through our neighborhoods. I am very concerned that the City is not being forthright nor transparent in regards to this project. NO PROJECTS SHOULD BE APPROVED BY THIS PLANNING STAFF THAT WILL REMOVE ANY FUTURE REQUIREMENTS FOR CITY COUNCIL REVIEW OR PUBLIC REFERENDUM. 12-1

I will be attending your next public review meeting and watching your actions carefully.

Sincerely,

Barbara Costello

Letter 12 Response – Barbara Costello

12-1 The comment indicates concern over the transparency of the City's process. Refer to the **Master Response to Comments About the Proposed EDZ Public Notification Process, Community Workshops, and Hearing Dates**, for information on the City's public involvement effort actions and community workshops and hearing dates. While under the current proposal the City's Zoning Administrator could approve uses within the proposed EDZ, including a club etail use, by ensuring that the design conforms to the Design Guidelines and the proposed land use designation and zoning, the ultimate process for reviewing and approving a new club retail use within the area of the proposed EDZ will be determined by the City Council. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR. The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it.

From: Barbara Hill
Sent: Friday, October 23, 2015 8:38 PM
To: Mayor and City Council
Subject: Johnson Drive Development Project

Dear City Council,

I was unable to attend the public meeting last night, but I am very concerned to hear that the city is attempting to zone the old Clorox property for a "Big Box" store such as Costco or a Walmart Super Center. Traffic is already horrible at the 580/680 junction and this would only make it exponentially worse. Not to mention the freeway, Stoneridge traffic is also very heavy, and I certainly don't see how Johnson Dr. could reasonably expanded to accommodate the amount of traffic that would be generated. I am also disturbed by the idea of the business at the farther end of Johnson Drive becoming far less accessible due to traffic congestion. 13-1

In addition to traffic issues, I am also opposed to bringing more chain type stores into the city. I have no interest in patronizing these businesses, and I am most certainly opposed to subsidizing them. With cuts to schools and the inability to pass bond measures to support the schools, and find it utterly shocking that the city would consider subsidizing big business. To choose to subsidize big business while schools flounder is unconscionable. 13-2

There are also environmental issues of great concern. There is a lot of wildlife in west Pleasanton. A year or less ago, there were multiple sitings of a pair of foxes in and around the Johnson Drive area. I saw them myself multiple times. Turkeys are also frequently all the way down in this area. I have seen them, many times, attacking cars in the Club Sport parking lot. Adding masses of people to this mix will only be a disaster.. 13-3

Let's leave the big box stores to cities like Dublin and preserve our small town look and feel and keep the quality of life for humans and animals on a higher plane.

Sincerely,

Barbara S. Hill

Letter 13 Response – Barbara S. Hill

13-1 The comment describes concern regarding traffic impacts. The commenter is referred to Section 4.D Transportation and Traffic, of the Draft SEIR which addresses the impacts of increased traffic generated by the proposed EDZ, and mitigation measures to reduce/avoid those impacts, and the **Master Response to Comments about the Draft SEIR Traffic Impact Analysis** for a summary and discussion of the proposed EDZ's traffic impacts.

13-2 The comment describes concern regarding the economic value of the proposed EDZ. Refer to the **Master Response to Comments About Economic and Urban Decay Impacts**, for a summary of the results of the economic study prepared by the City for the proposed EDZ; and **Appendix A**, which contains the economic study in full. Refer also to the **Master Response to Comments About the Timing and Funding of Traffic Mitigation Measures**; as discussed in this master response, no subsidies are proposed as part of the EDZ, although the City may contribute to funding transportation improvements that would be required for the proposed EDZ, subject to City Council approval. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR. The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it.

13-3 The comment expresses concern that wild animals, such as turkeys, could come into conflict with increased numbers of people visting the proposed EDZ area. The comment's discussion of impacts related to wildlife in the proposed EDZ area is not clearly understood, but may refer to impacts to protected wildlife in the area – these types of impacts are discussed in Section 4.E, Other Topics, of the Draft SEIR (Biological Resources), to which the commenter is referred. The comment is not specific enough to permit a detailed response, nor does it comment on the general adequacy of the SEIR.

From: Julie Curtis
Sent: Tuesday, October 27, 2015 1:28 PM
To: Eric Luchini
Cc: Mayor and City Council
Subject: Johnson Drive

Mr. Luchini,
I would like to express my concern over the plans for Johnson Drive. I do not think it should be zoned for anything that will bring high traffic to the area. A big box store or club membership store should not be approved. Stoneridge is already too congested as it is. If any zoning is changed, it should only be for low traffic places with plenty of parking (unlike the situation we have at the Bernal Safeway parking lot). I understand the widening of Johnson Drive is also part of the plan. There are several reasons why I think that is a mistake: there isn't enough space, some current businesses park along Johnson right now, and widening isn't needed if you don't put any high traffic retail along Johnson. 14-1

I went to the meeting at Hart Middle School I listened to the proposal But I also listened to the concerns of several of the business owners who currently work in the area. Why aren't you working with them? Their needs are not being considered at all (for example Black Tie). Also, they were not given notice of the meeting. In fact, notice for the meeting went out very late to all Pleasanton residents. That is shameful. When asked about this, the Commissioners acted like they didn't know how to better get the word out. We are not naïve. If the Commissioners can't do a better job with communication then they need to get a new job. 14-2

Pleasanton is a great place to live right now. Please don't sacrifice our quality of life.

Sincerely,
Julie Curtis

Letter 14 Response – Julie Curtis

14-1 The comments on the merits of the proposed EDZ are acknowledged and will be presented to decision-makers as part of this SEIR. The commenter is referred to Section 4.D Transportation and Traffic, of the Draft SEIR which addresses the impacts of increased traffic generated by the proposed EDZ, and mitigation measures to reduce/avoid those impacts. The comment does not raise any specific questions about the adequacy of the SEIR.

14-2 The comment requests the City provide advanced notice with respect to public workshops and meetings on the proposed EDZ, and conduct more collaborative workshops on the proposed EDZ. All business owners within the EDZ were consulted multiple times throughout the process, including in private meetings with staff. A meeting about the EDZ just for property owners was held on August 21, and property owners were invited to all subsequent public meetings about the proposed EDZ. In addion, refer to **Master Response to Comments About the Proposed EDZ Public Notification Process, Community Workshops, and Hearing Dates**, for extensive information on the City's public involvement effort actions and community workshops and hearing dates, as well as additional information regarding the EDZ. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

From: Morgan Cheek
Sent: Tuesday, October 27, 2015 2:31 PM
To: Eric Luchini
Subject: Johnson Drive Economic Development Zone
Attached: Pages from 2015 – City of Pleasanton – Planning Division – DEIR.pdf

Eric,

Good afternoon.

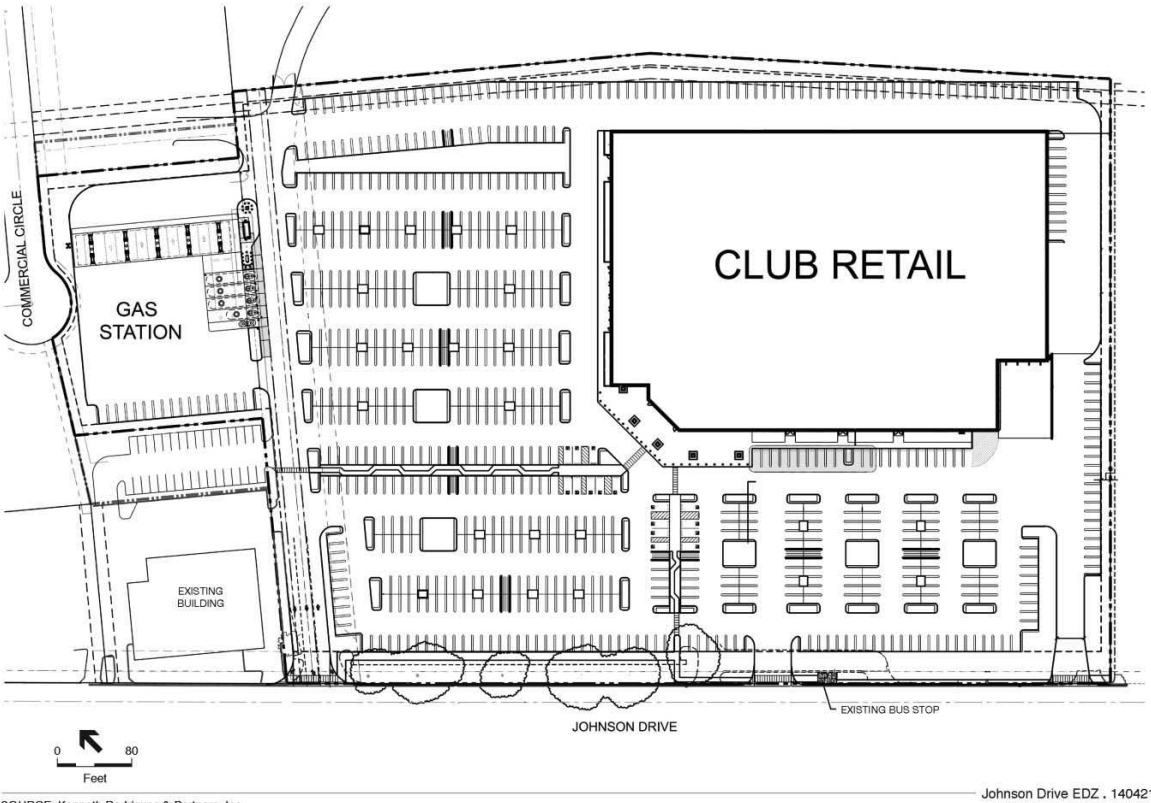
After going through the DSEIR, it is unclear what the final development will be. There are two pages (attached) that show some of the proposed layout. Is there a proposed master plan? 15-1

Additionally, I am not a traffic engineer so I am unable to comment on the hundreds of pages of traffic patterns. My only question is how will the city address the added traffic at Johnson Drive and Stoneridge Drive? Is there a proposed solution? 15-2

Finally, please note that I am not against this project. I work for a developer myself and am pro-development. Just want to be sure we are not stuck at red lights for 10+ minutes trying to get to 680.

Thank you

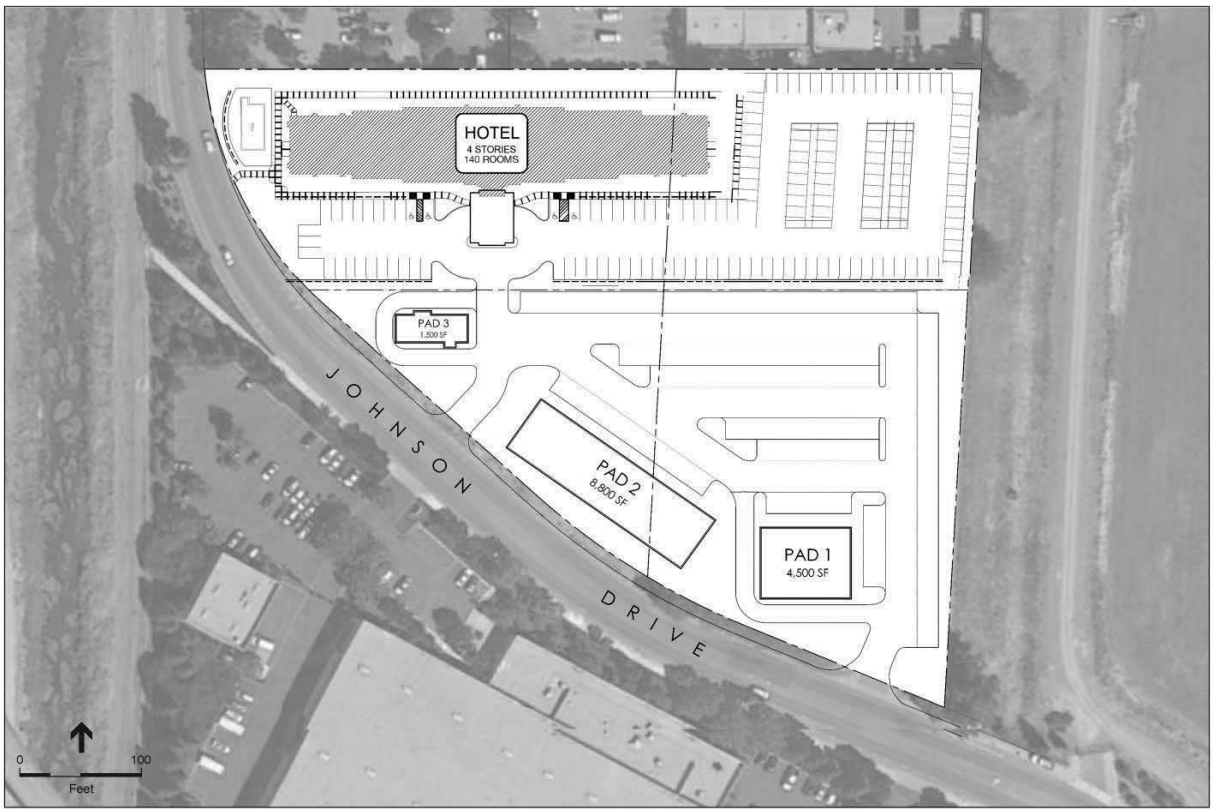
Morgan Cheek



SOURCE: Kenneth Rodrigues & Partners, Inc.

Johnson Drive EDZ . 140421

Figure 3-4
Parcel 6 Conceptual Site Plan



SOURCE: Kenneth Rodrigues & Partners, Inc.

Johnson Drive EDZ . 140421

Figure 3-5
Parcels 9 and 10 Conceptual Site Plan

Letter 15 Response – Morgan Cheek

15-1 The commenter is referred to Chapter 3, Project Description, of the Draft SEIR, which describes the programmatic nature of the proposed EDZ as well as the more specific site development included in the assumptions for Phase I. No master plan exists for the proposed EDZ, and no development applications have been submitted for projects within the area of the proposed EDZ. The potential site development plans for the club retail and hotel sites were included in the Draft SEIR for illustration purposes.

15-2 The commenter is referred to Section 4.D, Transportation and Traffic, of the Draft SEIR which addresses the impacts of increased traffic generated by the proposed EDZ, and mitigation measures to reduce/avoid those impacts, including the discussion under Impact 4.D-1, starting on page 4.D-21; and the **Master Response to Comments about the Draft SEIR Traffic Impact Analysis**. The comments on the merits of the proposed EDZ will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

STATE OF CALIFORNIA—CALIFORNIA STATE TRANSPORTATION AGENCY EDMUND G. BROWN Jr., Governor

DEPARTMENT OF TRANSPORTATION
DISTRICT 4
P.O. BOX 23660
OAKLAND, CA 94623-0660
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FAX (510) 286-5559
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Help save water!

October 27, 2015

ALAGEN260
ALA-680-R 19.2
SCH# 2014082081

Mr. Eric Luchini
Planning Division
City of Pleasanton
200 Old Bernal Avenue
Pleasanton, CA 94566

Johnson Drive Economic Development Zone Project – Draft Supplemental Environmental Impact Report

Dear Mr. Luchini:

Thank you for continuing to include the California Department of Transportation (Caltrans) in the environmental review process for the project referenced above. Our comments seek to promote the State's smart mobility goals that support a vibrant economy and build active communities rather than sprawl. We have reviewed the Draft Supplemental Environmental Impact Report (SEIR) and have the following comments to offer. Please refer to Caltrans' comment letter dated September 18, 2014, on the Notice of Preparation.

Project Understanding
The proposed project will establish a pilot Economic Development Zone (EDZ) within a 40-acre area along Johnson Drive currently developed with office, commercial, and industrial uses. The proposed EDZ consists of policies, regulations, and guidelines to facilitate future development or redevelopment within the site. The project would permit a maximum of 509,990 square feet of total gross building space for retail, commercial, and industrial uses. The project site is bounded by Interstate (I-) 680 to the west, sited north of the I-680/Stoneridge Drive interchange, and is south of I-580.

Mitigation Responsibility
As the lead agency, the City of Pleasanton (City) is responsible for all project mitigation, including any needed improvements to State highways. The project's fair share contribution, financing, scheduling, implementation responsibilities and lead agency monitoring should be fully discussed for all proposed mitigation measures.

16-1

Development facilitated by this project would potentially significantly impact State facilities within I-680 under Existing plus Project conditions and Far-term (Cumulative) plus Project

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Mr. Eric Luchini, City of Pleasanton
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conditions (Impact 4.D-5, Impact 4.D-7). Please ensure new developments pay their fair share of mitigation necessary to fund improvements needed to mitigate significant impacts to State facilities, such as the I-680/I-580 interchange improvements, which are evaluated and listed in the project's mitigation measures (MM 4.D-2). The City's transportation impact fees to be used for project mitigation should be identified.

Where mitigation is a condition of approval, CEQA requires a Mitigation Monitoring and Reporting Program (MMRP). Required information is listed below. Further information on the MMRP is available on the following website:
http://www.dot.ca.gov/hq/tpp/offices/ocp/igr_ceqa.html

16-1 cont.

- Lead Agency contact name, address, and telephone number,
- Location, type and implementation schedule for each mitigation measure, and
- Signed and dated certification that the mitigation has been implemented, and all other reporting requirements have been adhered to, in accordance with Public Resources Code Sections 21081.6 and 21081.7.

Transportation Analysis

Please explain why the I-580 Eastbound 2040 Volume segment from Hopyard Road to Hacienda Drive decreases 200 vehicles from the 2025 Volumes at the PM Peak Hour. Yet, the analyzed segments before (from I-680 to Hopyard Road) and after (from Hacienda Drive to Tassajara Road) increase more than 500 vehicles, respectively (see the Johnson Drive EDZ Transportation Assessment Administrative Draft, dated May 2015, Tables 21 and 22, pgs. 78, 83). 16-2

Transportation Forecasting

- Please explain the 30% pass-by trip reduction that was applied to the general retail generated trips. Our office believes the high trip reduction should be further detailed. Additionally, the 30% trip reduction was applied to the new retail development, but was not applied to existing retail development to be removed. This will result in an understatement of net trips generated by the development. 16-3

- Extensive existing traffic counts were conducted. Yet, it is not acknowledged that count volumes are not always travel demand volumes. Sometimes the count volumes reflect the capacity of the roadway. Attention must be taken to determine which volume each traffic count represents. 16-4

- The Club Retail trip generation rates were "based on data provided by Kittleson & Associates, October 3, 2014 (SEIR, pg. 4.D-25)." This may result in different, and sometimes considerably lower, generated trips than would result from using the ITE Manual rates. Additional information should be provided concerning the data provided for the Club Retail generated trips to determine if it is valid and being used appropriately. 16-5

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Mr. Eric Luchini, City of Pleasanton
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This data is also used to estimate diverted and pass-by trips and should be justified as well. 16-5 cont.

- Please explain why either the Alameda County or the Pleasanton models are not used for estimating cumulative I-680 volumes, rather a ten percent growth factor was applied to existing volumes (Johnson Drive EDZ Transportation Assessment Draft, pg. 69). 16-6

Project Mitigation

The SEIR proposes the widening of the northbound I-680 on-ramp from the westbound Stoneridge Drive approach in order to construct a second on-ramp lane as mitigation for the Project (Mitigation Measure 4.D-1d.4). As a safety concern for pedestrians and bicyclists, please consider maintaining one-lane approaching the crosswalk in the on-ramp and only widen the on-ramp into two-lanes after the crosswalk. In addition, please install a crosswalk enhancement per the 2014 California Manual on Uniform Traffic Control Devices for the (uncontrolled) crosswalk in the northbound on-ramp from westbound Stoneridge Drive. Further comments regarding the Project's proposed mitigation measure improvements may be forthcoming. 16-7

Vehicle Trip Reduction

Caltrans encourages the City to locate future housing, jobs and employee-related services near major mass transit centers with connecting streets configured to facilitate walking and biking. We commend the City's Mitigation Measure MM 4.B-3 and Draft Development Standards and Design Guidelines, which incorporates a number of strategies that will promote mass transit use thereby reducing regional vehicle miles traveled (VMT) and traffic impacts. Transportation Demand Management Programs should be monitored and documented with annual reports to demonstrate effectiveness. 16-8

This smart growth approach is consistent with Metropolitan Transportation Commission's Regional Transportation Plan/Sustainable Community Strategy goals of both increasing non-auto mode transportation, and reducing per capita VMT by 10 percent each. For information about parking ratios, see the Caltrans funded MTC report, *Reforming Parking Policies to Support Smart Growth*, at the following website:
http://www.mtc.ca.gov/planning/smart_growth/parking/parking_seminar/Toolbox-Handbook.pdf

Encroachment Permit

Please be advised that any work or traffic control that encroaches onto the State right-of-way (ROW) requires an encroachment permit that is issued by Caltrans. We strongly recommend that the City work with both the applicant and Caltrans to ensure that our concerns are resolved during the environmental process, and in any case prior to submittal of an encroachment permit application. Further comments will be provided during the encroachment permit process. Where construction-related traffic restrictions and detours affect State highways, a Transportation Management Plan or construction traffic impact study may be required. Traffic-related 16-9

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mitigation measures should be incorporated into the construction plans prior to the encroachment permit process.

To apply, a completed encroachment permit application, environmental documentation, and five (5) sets of plans clearly indicating State ROW must be submitted to the following address: David Salladay, District Office Chief, Office of Permits, California Department of Transportation, District 4, P.O. Box 23660, Oakland, CA 94623-0660. See the following website for more information: http://www.dot.ca.gov/hq/traffops/developserv/permits

16-9 cont.

Should you have any questions regarding this letter or seek additional information, please contact Sherie George at [redacted]

Sincerely,

for PATRICIA MAURICE
District Branch Chief
Local Development - Intergovernmental Review

c: State Clearinghouse

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Letter 16 Response – Caltrans District 4

16-1 The commenter is referred to information regarding the timing of traffic improvements are described in the **Master Response to Comments About the Timing and Funding of Traffic Mitigation Measures,** as well as **Chapter 6, Mitigation Monitoring and Reporting Program**.

16-2 The comment requests clarification regarding changes in traffic volumes between years 2025 and 2040. The freeway forecasts presented in the tables referenced by the commenter are taken directly from the Alameda County Transportation Commission (Alameda CTC) Countywide Travel Demand Model (model). The model was used to forecast future traffic volumes on the regionally significant Metropolitan Transportation System (MTS) roadways system including I-580 and I-680, and is based on Association of Bay Area Governments (ABAG) population and employment projections, as well as planned changes to the transportation network. While the commenter's observation is correct, the model takes into account changes in the transportation system through 2040 as identified in the Countywide Transportation Plan. This includes, but is not limited to, the implementation of High Occupancy Toll (HOT) lanes on both I-680 and I-580, and improvements on State Route 84. The model also considers potential transportation shifts associated with land use development, such as constructing additional housing in jobs-rich areas, which are expected to change travel patterns between current conditions and 2040. The reduction in traffic volume that occurs in both the "No Project" and "With Project" 2040 conditions as shown in Section 4.D, Transportation and Traffic, of the Draft SEIR, indicates that changes in traffic volumes between 2025 and 2040 are not a result of the proposed EDZ, but the result of changes in the transportation system.

16-3 The comment requests clarification regarding the use of pass-by trip reduction percentages. On page 25 of the Transportation Assessment, the information regarding general retail (Shopping Centers) is described. Based on information contained in the Institute of Transportation Engineers (ITE) Trip Generation Handbook, the average pass-by-rate for shopping centers is 34 percent, and the diverted linked trip rate is 16 percent. Therefore, at a typical shopping center approximately 50 percent of the traffic entering and exiting the site is already on the surrounding roadway system. While Johnson Drive does not experience high levels of through traffic, the proposed development would be visible from the nearby roadways, including I-580, I-680, and Stoneridge Drive. All pass-by and diverted trips were assumed to come from Hopyard Road, Stoneridge Drive, I-580 and I-680 and are reflected in the intersection turning movement forecasts along the deviated travel route. These trips would be "diverted" from Stoneridge Drive and Hopyard Road onto Johnson Drive, resulting in a reduction in the through movements at the intersection but an increase in the turn movements at intersections along the diverted travel route. These trips are not considered new trips for the purposes of the air quality analysis as they are already on the roadway system.

The 30 percent trip reduction was not applied to the existing retail development that could be removed, as the parcels are zoned for retail, because the traffic volumes on

Johnson Drive are not high enough to justify use of a pass-by rate, pass-by trips for existing uses would divert from other roadways and are included in the existing traffic counts at the intersections.

16-4 The comment requests clarification regarding observed traffic counts. Peak period traffic counts were collected at the study intersections in October 2014. Concurrent with data collection, Fehr & Peers staff conducted peak period intersection observations to note instances of vehicle queue spillback and over-saturated conditions. While specific instances of vehicle queue spillback were noted, and queues periodically took 2 to 3 cycles to clear, excessive vehicle queue spillback over the course of the peak hour was not observed, indicating that the peak hour traffic counts are reflective of demand volumes. Additionally, peak hour factors were reviewed, most of which are less than 0.95 for an intersection average and less than 0.92 for individual movements, which is indicative of total traffic demand being served within the peak hour.

16-5 The comment requests clarification regarding Club Retail trip generation rates. Kittleson & Associates developed Costco specific trip generation rates based on surveys of multiple Costco locations with fueling stations throughout the United States, including driveway counts and patron surveys, to document pass-by and diverted trips. Daily trip data are based on 9 site surveys, weekday AM trip data is based on 1 site survey (the surveyed stores do not open to the public until 10 or 11 AM), weekday PM data is based on 27 site surveys, and Saturday trip data is based on 18 site surveys.

The resulting trip generation rates are higher than rates presented in the Institute of Transportation Engineers (ITE) Trip Generation Manual (9th Edition) for a similar land use, Discount Club (Land Use 857). For example, the PM peak hour ITE trip generation rate for Discount Clubs is 4.18 trips per 1,000 square feet, while the Kittleson rate is 7.15 trips per 1,000 square feet.

The Discount Club rate provided in ITE Trip Generation Manual does not include any information regarding the presence of vehicle fueling stations. Additionally, there are no ITE rates for membership-only fueling stations (stations not open to the general public). There is also no published information regarding the interaction between members only fueling stations and an associated Discount Club, as some patrons whose primary trip purpose is fuel center related visit the associated store, and vice versa. Therefore, the analysis provided in the Draft SEIR represents a better estimation of Discount Club vehicle trips for the proposed EDZ than the standard ITE rates.

Guidance provided by ITE recommends the use of use-specific or locally-collected trip generation rates; because the use of ITE rates would result in lower trip generation estimates for the club retail, use of the Costco specific trip generation rates has adequately captured the trip generating potential of the proposed EDZ and resulting impacts to the transportation network.

16-6 The comment requests clarification regarding the rationale for specific traffic model usage. The commenter is correct in the observation that the models were not described in

the methodology for estimating future freeway volumes on page 69 of the Johnson Drive EDZ Transportation Assessment (**Appendix G** of the Draft SEIR). In the development of traffic forecasts to assess cumulative freeway impacts, several sources of data were reviewed. The cumulative year 2040 forecasts provided in the Alameda County and Pleasanton models show a reduction in mainline freeway volumes as compared to baseline models. Use of these forecasts would result in better future freeway operations than current conditions. To ensure a conservative analysis of 2040 conditions, the 10 percent growth factor, determined by developing an annual growth rate between the existing and future freeway forecast as presented in the City's General Plan, was used.

16-7 The comment describes concern for pedestrian and bicyclist safety with regard to Mitigation Measure 4.D-1d. To mitigate the impact, two northbound on-ramp lanes from Stoneridge Drive starting at Johnson Drive are necessary to clear vehicle queues through the intersection. A single on-ramp lane that does not expand to two lanes until after the crosswalk would not be effective in reducing the impact.

Design options that would accommodate bicyclists and pedestrians through the interchange area will be based on guidance provided in ITE Recommended Design Guidelines, *Accommodating Pedestrians and Bicyclists at Interchanges* (which recommends, at a minimum, crosswalk enhancements as the commenter requested). This improvement would be subject to the Caltrans approval process.

16-8 The comment commends the City for inclusion of Mitigation Measure 4.B-3 (Transportation Demand Management) and Draft Development Standards and Design Guidelines. The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

16-9 The comment notes that an encroachment permit would be required from Caltrans for any work within State right-of-way. The City and/or developer(s) proposing improvements within the State right-of-way would be required to obtain such encroachment permits as part of approval of individual developments witin the EDZ, where applicable.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

ALAMEDA COUNTY
Tom Bates
Margaret Fujioka
Scott Haggerty
Nate Miley

CONTRA COSTA COUNTY
John Gioia
David Hudson
Karen Mitchoff
Mark Ross

MARIN COUNTY
Katie Rice

NAPA COUNTY
Brad Wagenknecht

SAN FRANCISCO COUNTY
John Avalos
Edwin M. Lee
Eric Mar
(Vice-Chair)

SAN MATEO COUNTY
David J. Canepa
Carole Groom
(Chair)

SANTA CLARA COUNTY
Cindy Chavez
Liz Kniss
(Secretary)
Jan Pepper
Rod G. Sinks

SOLANO COUNTY
James Spering

SONOMA COUNTY
Teresa Barrett
Shirlee Zane

Jack P. Broadbent
EXECUTIVE OFFICER/APCO

October 26, 2015

Eric Luchini
City of Pleasanton
P.O. Box 520
Pleasanton, CA 94566

Subject: SEIR for Johnson Drive Economic Development Zone

Dear Mr. Luchini,

Bay Area Air Quality Management District (Air District) staff reviewed the Draft Supplemental Environmental Impact Report (SEIR) prepared by the City of Pleasanton (City) for the Johnson Drive Economic Development Zone (JDEDZ). The JDEDZ is located along Johnson Drive between Stoneridge Drive and I-580. The City is proposing to implement a pilot Economic Development Zone (EDZ) within a forty acre area along Johnson Drive currently developed with 224,688 sf of office, commercial, institutional, and industrial uses. The EDZ would allow the City to use zoning and land use designations, incentive programs, and CEQA tiering in order to streamline the development process and encourage investment.

The SEIR identified significant and unavoidable air quality impacts from emissions of oxides of nitrogen (NOx) and particulate matter (PM) associated with long-term operations within the EDZ area (Impact 4.B-3). The SEIR includes a number of mitigation measures consistent with the Pleasanton General Plan (2025) that will reduce these impacts, but not to a less than significant level. Air District staff recommends the City implement the following measures, many of which are voluntary measures in the City's Climate Action Plan, to futher reduce the identified impacts to the maximum extent feasible:

- Require commute based trip reduction programs for all businesses that may include transit subsidies, parking cash out incentives, and carpool parking preferences;
- Provide preferred parking spaces and recharging stations for electric vehicles;
- Require businesses to provide bicycle facility amenities such as showers and lockers;
- Provide safe access for pedestrians, cyclists, and transit users;
- Require electrical hook-ups for diesel trucks at loading docks;
- Require existing and future diesel generators to meet CARB's Tier 4 emission standards;
- Prohibit all vehicles including commercial motor vehicles with gross vehicular weight ratings of less than 10,000 pounds from idling for more than 2 minutes; and
- Require truck fleets based in the plan area to meet CARB's highest engine tier available at the time the building permits are issued.

17-1

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Eric Luchini
Page 2

October 26, 2015

In Table 4.E-5, the operational and construction greenhouse gas emission (GHG) calculations are based on output data from both CalEEMod and the BGM Greenhouse Gas Calculator. However, the BGM GHG Emissions Calculator is outdated and not appropriate to estimate this project's GHG emissions. Air District staff recommends that the City recalculate the operational and construction GHG emissions from this project using only CalEEMod. 17-2

Air District staff is available to assist the City in addressing these comments. If you have any questions, please contact Jennifer Langfield, Senior Planner, at [redacted] or [redacted]

Sincerely,

Jean Roggenkamp
Deputy Executive Officer

cc: BAAQMD Director Tom Bates
BAAQMD Director Margaret Fujioka
BAAQMD Director Scott Haggerty
BAAQMD Director Nate Miley

Letter 17 Response – Bay Area Air Quality Management District (BAAQMD)

17-1 The Draft SEIR identified significant and unavoidable air quality impacts from emissions of oxides of nitrogen (NOx) and particulate matter (PM) associated with long-term operations within the EDZ area (Impact 4.B-3). The Draft SEIR includes a number of mitigation measures consistent with the Pleasanton General Plan (2025) that will reduce these impacts, but not to a less than significant level. Air District Staff recommends the City implement the following measures, many of which are voluntary measures in the City's Climate Action Plan, to further reduce the identified impacts to the maximum extent feasible:

- Require commute based trip reduction programs for all business that may include transit subsidies, parking cash out incentives, and carpool parking preferences;
- Provide preferred parking spaces and recharging stations for electric vehicles;
- Require businesses to provide bicycle facility amenities such as showers and lockers;
- Provide safe access for pedestrians, cyclists, and transit users;
- Require electrical hook-ups for diesel trucks at loading docks;
- Require existing and future diesel generators to meet CARB's Tier 4 emission standards;
- Prohibit all vehicles including commercial motor vehicles with gross vehicular weight ratings of less than 10,000 pounds from idling for more than 2 minutes; and
- Require truck fleets based in the plan area to meet CARB's highest engine tier available at the time the building permits are issued.

Page 4.B-19 of the Draft SEIR identified the following mitigation to address significant air quality impacts related to criteria pollutant emissions:

> **Mitigation Measure 4.B-3:** All developers of sites within the EDZ area shall implement Transportation Demand Management (TDM) measures where feasible and appropriate, including increased transit accessibility to EDZ sites and establishment of voluntary commute trip reduction program(s) with employers to discourage single-occupancy vehicle trips and encourage alternative modes of transportation such as car-pooling, taking transit, walking, and biking. The voluntary commute trip reduction program(s) may include, but would not be limited to, a ride-sharing program for which 50 percent or greater of site employees are eligible, carpooling encouragement, preferential carpool parking, a transportation coordinator, and ride-matching assistance.

The text of Mitigation Measure 4.B-3 is amended as indicated below:

> **Mitigation Measure 4.B-3:** All developers of sites within the EDZ area shall implement Transportation Demand Management (TDM) measures ~~where feasible~~

~~and appropriate~~, including ~~increased transit accessibility to EDZ sites and~~ establishment of ~~voluntary~~ commute trip reduction program(s) with employers to discourage single-occupancy vehicle trips and encourage alternative modes of transportation such as car-pooling, taking transit, walking, and biking. Developers if sites within the EDZ shall also evaluate increasing transit accessibility to the EDZ, potentially including the use of a BART shuttle. The voluntary commute trip reduction program(s) may include, but would not be limited to, a ride-sharing program for which 50 percent or greater of site employees are eligible, carpooling encouragement, preferential carpool parking, a transportation coordinator, and ride-matching assistance. Specifically, TDM measures shall incorporate the following components to be required in the Development Agreements for individual projects, as appropriate to proposed land uses to be developed:

- Require commute based trip reduction programs for all business of more than 20 on-site employees that may include transit subsidies, parking cash out incentives, and carpool parking preferences;
- Provide preferred parking spaces and recharging stations for electric vehicles;
- Require businesses to provide bicycle facility amenities such as showers and lockers;
- Require electrical hook-ups for diesel trucks at loading docks;
- Require any new backup diesel generators to meet CARB's Tier 4 emission standards;
- Prohibit all vehicles including commercial motor vehicles with gross vehicular weight ratings of less than 10,000 pounds from idling for more than 2 minutes; and
- Require truck fleets based in the area of the proposed EDZ to meet CARB's highest engine tier available at the time the building permits are issued.

With regard to the suggested measure to provide safe access for pedestrians, cyclists, and transit users, these issues were analyzed in Section 4.D Transportation and Traffic. As stated on page 4.D-67 of the Draft SEIR, as roadway improvements are constructed, the City will ensure, through the review of project designs and plans, that final design of all improvements along Johnson Drive and other roadways within the EDZ area maintain or enhance existing bicycles, transit, and pedestrian facilities, as required by **Mitigation Measure 4.D-3**. Additionally, long-term and short-term bicycle parking will be provided for all commercial projects within the EDZ area. Consequently this measure was not included in the revised **Mitigation Measure 4.B-3**.

17-2 The reference noted in the comment to the BGM Greenhouse Gas Calculator in Table 4.E-5 is in error. GHG emissions presented in Table 4.E-5 were calculated solely on the bases of estimates calculated using CalEEMod version 2013.2.2. Consequently Table 4.E-5 is hereby amended as indicated below:

TABLE 4.E-5
PROPOSED EDZ OPERATIONAL AND CONSTRUCTION GHG EMISSIONS, BAU AND PROJECT SCENARIO (YEAR 2020)

Emission Source	Annual CO_2e Emissions (MT CO_2e per year)	
	Year 2005[1]	**Year 2020**[2]
Transportation (Mobile)	24,100	18,800
Area Source	0.01	0.01
Energy (Electricity and Natural Gas)	2,040	1,400
Water and Wastewater	130	110
Solid Waste	460	460
Total Operational Project GHG Emissions Without Construction Emissions	**26,700**	**20,800**
Project Reduction from 2005 CAP Baseline	**22%**	
City of Pleasanton CAP Reduction Goal	15%	
AB 32 (Scoping Plan) Reduction Goal	21.7%	
Significant Impact?	**No**	

NOTES: MT CO_2e = metric tons of carbon dioxide equivalent. Based on output data from ~~both~~ CalEEMod version 2013.2.2 ~~and the BGM Greenhouse Gas Calculator~~. Input data were defaults. See Appendix F for model outputs and additional assumptions.

1 Does not include emissions reductions from Pavley standards or LCFS; does include historical energy use factors
2 Include emissions reductions from Pavley standards or LCFS; does include historical energy use factors

From: Julie Curtis
Sent: Thursday, October 29, 2015 10:44 AM
To: Kendall Rose
Cc: Eric Luchini
Subject: Re: Johnson Drive EDZ - Community Meeting 11/12/2015

Please advertise this next meeting in the Pleasanton Weekly and on the Patch, starting now. PUSD will hopefully allow you to spread the word via their school websites. Also, all of the coffee houses in town might let you put up signs. Other places where you can advertise are the Nextdoor.com sites and Nixle. You probably have other good ideas that I haven't thought of. 18-1
Thanks
Julie Curtis

Letter 18 Response – Julie Curtis

18-1 The comment provides suggestions for advertising public meetings related to the proposed EDZ. Please refer to **Master Response to Comments About the Proposed EDZ Public Notification Process, Community Workshops, and Hearing Dates**, for extensive information on the City's public involvement effort actions and community workshops and hearing dates, as well as additional information regarding the EDZ. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

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OCT 28 2015
CITY OF PLEASANTON
PLANNING DIVISION

October 25, 2015

To Whom It May Concern,

I am writing this letter to let the city council of Pleasanton know that we are opposed to the possible addition of a Costco store at the proposed Johnson Drive address for the following reasons:

1. There are already two Costco stores located within 10 minutes in two different directions of Pleasanton so there is no need for a store in Pleasanton 19-1
2. The addition of the new outlet stores in Livermore has greatly increased traffic in the area and another Costco store would do the same for no reason
3. We do not need to add traffic and any projects that will affect the drought situation 19-2
4. As Club Sport members we feel that even with the addition of a lane the traffic that a super store like Costco would bring will not be offset

I am hopeful that the many other Pleasanton residents I have talked to have also taken the time to let you know that this is not something we want here. We lost the battle for the Walmart grocery store that so many were opposed to and I am hopeful that we do not lose this battle as well.

Thanks for your consideration of the desires of the Pleasanton residents.

Sincerely,

Kimberly Moss and Jeff Williams

[redacted]

Letter 19 Response – Kimberly Moss and Jeff Williams

19-1 The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

19-2 The comments oppose the EDZ on the grounds that it would increase traffic and water use. Refer to the **Master Response to Comments About the Impacts of the Proposed EDZ on Water Supply**, for further detail regarding water use. Also refer to the **Master Response to Comments about the Draft SEIR Traffic Impact Analysis.** The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7
100 NORTH CANYONS PARKWAY • LIVERMORE, CA 94551 • PHONE (925) 454-5000 • FAX (925) 454-5727

RECEIVED
OCT 29 2015
CITY OF PLEASANTON
PLANNING DIVISION

October 26, 2015

City of Pleasanton
Planning Division
200 Old Bernal Ave.
Pleasanton, CA 94566
Attn.: Eric Luchini

Re: *Comments on Johnson Drive Economic Development Zone SEIR*

Eric,

Zone 7 Water Agency (Zone 7) has reviewed the referenced Supplemental EIR in the context of Zone 7's mission to provide drinking water, non-potable water for agriculture/irrigated turf, flood protection, and groundwater and stream management within the Livermore-Amador Valley. We have the following comments for your consideration:

1. Alamo Canal drains to Arroyo de la Laguna, the major drainage channel for all stormwater in the valley. Please consider incorporating "green infrastructure" elements in this area that aims to retain and/or detain stormwater onsite during storm events; this can help reduce the pressure on flood control channels during major storm events. Further, any "green infrastructure" should be designed so that any residual contamination remaining at the project site is not mobilized and ongoing contamination cleanup is not adversely impacted (see comment 2 below). Please contact Jeff Tang, [redacted] or [redacted], regarding hydraulic/hydrologic analysis for this area. Jeff is also the point person for proposals to move or add any structures (bridge piers, etc.) within Zone 7 channels. 20-1

2. The SEIR refers to the ongoing contamination cleanup at the former Clorox site. A groundwater and soil plan is proposed that would be approved by the RWQCB and DTSC prior to work at the site. It is important that the same protocol be incorporated in areas that are part of the closed contamination case as well as the active areas. Part of the conditions of closure for Former Clorox Site (GeoTracker #T10000005195) at 7200-7208 Johnson Drive includes notifying the RWQCB prior to any work at the site. In addition, our records indicate there are 24 monitoring wells located with the project boundaries installed as part of the investigation and cleanup activities. If any other wells are found with the project limits, they should be reported to Zone 7. All unused or "abandoned" wells must be properly destroyed, or a signed "Statement of Future Well Use" must be filed at Zone 7 if there are plans to use the well in the future. Any planned new well, soil boring or well destruction must be permitted by Zone 7 before starting the work. There are currently no fees for Zone 7 drilling permits; however, a fee program is being developed. Well permit applications can be obtained by contacting Mr. Wyman Hong at [redacted] or can be downloaded from our web site at www.zone7water.com. 20-2

We appreciate the opportunity to comment on this project. If you have any questions on this letter, please feel free to contact me at [redacted] or via email at [redacted].

Sincerely,

Elke Rank

Elke Rank

cc: Carol Mahoney, Matt Katen, file

Letter 20 Response – Alameda Co Flood Control and Water Conservation District Zone 7

20-1 As stated in Section 4.E, Other Topics, of the Draft SEIR (Hydrology and Water Quality), in accordance with the requirements of the Alameda County National Pollutant Discharge Elimination System (NPDES) permit, "project developers of sites within the EDZ would be required to ensure no net increase in stormwater rates after construction through preparation of a hydromodification plan. Such projects would implement appropriate methods of onsite stormwater runoff control, including: drainage lines that can rapidly percolate water (such as rock lined ditches or vegetated swales), minimizing impervious surfaces (using pervious pavement and drought tolerant landscaping), and proper waste management practices." These permit requirements, along with City staff review and compliance with the EDZ Design Guidelines, would ensure that green infrastructure such as stormwater retention areas, landscaped planters, pervious pavers and other measures would be implemented for proposed development within the area of the proposed EDZ, and effects related to stormwater and drainage would be less than significant.

20-2 Per the comment, Section 4.E, Other Topics (Hazards and Hazardous Materials), has been revised to reflect that all development proposed within the area of the EDZ will be required to comply with relevant regulatory and legal requirements, including requirements related to closed and active cleanup sites, and the installation or abandonment of wells. These revisions are included in Chapter 2 of this Response to Comments document.

From: Bill Wheeler
Sent: Thursday, October 29, 2015 2:00 PM
To: Eric Luchini
Cc: Ruth Lucier
Subject: Johnson Drive Economic Development Zone ("JDEDZ") PUD-105/P14-0852

Dear Commission:

My name is Bill Wheeler and I am the owner of Black Tie Transportation ("***Black Tie***") which operates as a limousine, airport express, private driver, shuttle, and transportation company at 7080 Commerce Drive, Pleasanton. Black Tie has 130 drivers and employees and has been in business since 1986.

I have owned 7080 Commerce Drive since 2002, and I object to the Draft Supplemental Environmental Impact Report ("***DSEIR***") for the proposed JDEDZ because of the DSEIR's failure to address the detrimental effect on Black Tie's current business operations and its ability to expand, as described below.

1. Negative Impact on on-Street Parking.

The DSEIR states that **30** on-street parking spaces on Johnson Drive will be eliminated in the Phase I Mitigation Measure 4.D-1a of the JDEDZ (page 4.D-69); but nevertheless, the DSEIR concludes that the Parking Impact of the JDEDZ will be "Less than Significant" (page 4.D-67), apparently: "Because a small number of parking spaces would be affected, and because alternative on-street parking exists within the EDZ area . . ." (see page 4.D-67). The Mitigation Measure 4.D-3 (to widen Johnson Drive at Lot 6) will also eliminate an unspecified number of on-street parking spaces (see page 4.D-71). The DSEIR incorrectly states that only 10 on-street parking spaces will be removed (page 4.D-66).

It also appears that on-street parking on Commerce Drive will also be eliminated when the improvements from Mitigation Measure 4.D-1a are completed. 21-1

The loss of on-street parking will detrimentally impact Black Tie's business because our on-site parking at Parcel 4 is fully utilized during normal business hours and overnight. On-street parking is utilized by drivers and employees when they report for work and take company vehicles out to pick up and drop off customers.

The DSEIR states that for Johnson and Commerce Drives: "Field observations indicate that the on-street parking is well utilized for most of the day" (see page 4.D-2). The DSEIR is deficient because it fails to fully or correctly evaluate the JDEDZ's parking impact and specifically the impact of the loss of on-street parking which will significantly negatively impact both Black Tie's operations within the JDEDZ and the operations of other businesses on Commerce Circle outside the JDEDZ.

The DSEIR makes no attempt to mitigate the Parking Impact of the JDEDZ and no replacement spaces are proposed in the DSEIR.

2. JDEDZ Effect on the Ability to Expand.

In most instances, the DSEIR states that it has evaluated the impact of both Phase I (lots 6, 9 and 10) of the JDEDZ and a Full Buildout. However, the DSEIR states: "These later phases are assumed to take place over several years. No specific development activities are presented or analyzed in this SEIR at the level of detail that specific uses and locations are assumed for Phase as described above."

Other than the fact that the JDEZD will make Black Tie's (and any other Commercial Industrial) use of JDEZD parcels non-conforming; the DSEIR does not compensate Black Tie for JDEZD's cancelling of Black Tie's ability to expand its business into adjacent properties in the JDEZD. Cancellation of Black Tie's expansion plans comes with no immediate specific plan to benefit the County or to accommodate Black Tie's expansion plans. 21-2

In 1997, Black Tie moved from 7063 Commerce Circle (which it had occupied since 1989). As it expanded its operations, Black Tie followed an orderly progression of growing its business and keeping its local ties to the community. That ability to expand will be detrimentally impacted by the JDEZD and no mention of this economic impact is mentioned in the DSEIR.

To the contrary the DSEIR states: "The General Plan amendment and rezoning would not result in an inconsistency in land use between the proposed EDZ and surrounding uses." (Page 4.E-32.)

Given the lack of development proposals for parcels other than those in Phase I, Black Tie must ask why the JDEDZ has been "gerrymandered" to include parcels that must give up their ability to expand with no development plans in sight.

For the above reasons, I object to the DSEIR.

Very truly yours,

Bill Wheeler
Individually and as manager/owner of Black Tie Transportation

Letter 21 Response – Bill Wheeler, Black Tie Transportation

21-1 The comment indicates concern over the proposed EDZ's impact to on-street parking. Although parking is not a required analysis area under the California Environmental Quality Act (CEQA), the loss of on-street parking as a result of the mitigation measures is discussed on pages 4.D-66 and 4.D-67 of the Draft SEIR. The commenter is correct in stating that there would potentially be a reduction in on-street parking along the west side of Johnson Drive to accommodate a southbound left-turn pocket at the intersection with Commerce Drive and to maintain existing on-street bicycle facilities. As discussed in Section 4.D, Transportation and Traffic of the Draft SEIR, in order to implement Mitigation Measure 4.D-1a (Commerce Drive at Johnson Drive Intersection), Mitigation Measure 4.D-1c, and Mitigation Measure 4.D-3, some on-street parking (the equivalent of up to 10 parking spaces) along Commerce Drive and Johnson Drive would be removed during Phase I; during full buildout, additional on-street parking along Johnson Drive could be removed. With the signalization of Commerce Drive, on-street parking may be removed or reconfigured.

The Draft SEIR also recognizes that construction worker vehicles may reduce the availability of on-street parking for short periods of time, and preparation of a construction management plan that would identify construction vehicle staging would be required, as discussed on page of section 4.D-75 of Section 4.D, Transportation and Traffic, of the Draft SEIR.

On-street parking is a public good, shared among many users, and is not designed to be used solely by one or a small number of businesses on a part-time basis. If insufficient on-site parking is available to accommodate typical peak parking demands for an existing use, parking management strategies could be implemented to reduce parking demand and maximize use of on-site parking supplies. As discussed in the Draft SEIR, other on-street parking is available within the EDZ area in proximity to businesses along Johnson Drive, and this on-street parking could be used by drivers as an alternative to parking along Johnson Drive or Commerce Drive. Additionally, off-site parking other than on street spaces could be considered to accommodate peak demands.

21-2 The comment requests clarification regarding the EDZ parcel inclusion design, parcel land use determination, and these impact on nearby businesses. Refer to the **Master Response to Comments About Nonconforming Uses and Grandfathering of Existing Uses Within the Proposed EDZ**. The boundaries of the EDZ were identified by a staff evaluation of sites throughout the City to determine whether they would be suitable for an EDZ and consultation with property owners. Staff quickly focused on Johnson Drive as the most appropriate area because of its large cluster of available properties suitable for new business growth, its location near a major freeway interchange, and the fact that it is not immediately adjacent to a residential neighborhood, thus minimizing impacts on residents. Also, interest in the former Clorox site, recently vacated, presented an opportunity to be more proactive in the City's planning process. The EDZ boundaries were thus identified based on existing land use conditions and consultation with property

owners. The overall size and scale of the EDZ were intentionally limited in order to focus on properties with the most potential for change, and to reflect the desire of the City to proceed in a cautious and thoughtful manner.

The reader may also refer to the **Master Response to Comments About Economic and Urban Decay Impacts**, for a summary of the results of the economic study prepared by the City for the proposed EDZ; and **Appendix A**, which contains the economic study in full.

From: Debra Toburen
Sent: Thursday, October 29, 2015 4:36 PM
To: Eric Luchini
Cc: Debra Toburen
Subject: Johnson Drive Rezoning proposal

Hello,

I am very much opposed to the current plans for the property on Johnson drive. As a long time Pleasanton resident, I have lived off of Stoneridge drive in the Stoneridge townhomes for over 10 years. One of the benefits of the location is quick access to the freeway and all of the peaceful living Pleasanton offers. Building out the Johnson drive property with a big box store (CostCo, WalMart, etc) 22-1
will massively increase the traffic, noise, and congestion in this area. It will also increase the crime in this 22-2
region which is already a growing problem due to the new BART station and easier access to the region.

I commute to the Bay area and the increased traffic due this development will be amazing. I am also concerned the current businesses, especially Dog Dynasty, will be negatively impacted either through increased rent or forced to evict for the space. I rely heavily on this business for my daily work/life balance. 22-3

I cannot imagine the mess this development will create. If there is a vote, I would vote a BIG NO on this development proposal. Alternate options would be a nice park with outdoor theater for community activities and concerts, or a nice hotel. These have smaller impact on traffic, only increasing potentially on weekends or for events. The big box store idea is the worst. We have a CostCo in San Ramon and Livermore, we do NOT need one in Pleasanton. There is a WalMart off of Owens, we DO NOT need one on Stoneridge. 22-4

Thank you for listening.

Best regards,
Debbie

Letter 22 Response – Debra Toburen

22-1 The comment on the merits of the proposed EDZ will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

22-2 Refer to the **Master Response to Comments About Economic and Urban Decay Impacts**. Urban decay has been shown to result in conditions that can in turn result in an increase in serious crime (Department of Justice, 2001, "Disorder in Urban Neighborhoods – Does it Lead to Crime?"). Per the results of the economics study, the proposed EDZ would not cause urban decay; therefore, there is no evidence that the proposed EDZ would result in an increase in crime.

22-3 Refer to the **Master Response to Comments About Economic and Urban Decay Impacts**, for a summary of the results of the economic study prepared by the City for the proposed EDZ; and **Appendix A**, which contains the economic study in full. Also refer to the **Master Response to Comments about the Draft SEIR Traffic Impact Analysis** for a summary and discussion of the proposed EDZ's traffic impacts, and to the **Master Response to Comments About Nonconforming Uses and Grandfathering of Existing Uses Within the Proposed EDZ**.

22-4 The comments on the merits of the proposed EDZ will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

Dublin San Ramon Services District
Water, wastewater, recycled water

7051 Dublin Boulevard
Dublin, CA 94568-3018

phone (925) 828-0515
fax (925) 829-1180
www.dsrsd.com

October 30, 2015

Eric Luchini, Associate Planner
City of Pleasanton Planning Division
P. O. Box 520
Pleasanton, CA 94566

Subject: **Comments on Draft Supplemental Environmental Impact Report (SEIR)**
Johnson Drive Economic Development Zone
P14-0852 and PUD-105

Dear Mr. Luchini:

Thank you for providing Dublin San Ramon Services District (DSRSD) the opportunity to review and comment on the Draft SEIR for the Johnson Drive Economic Development Zone. DSRSD is concerned that this draft of the study does not sufficiently examine the potential impacts on DSRSD facilities in the area of the JDEDZ. DSRSD's facilities, which are very near to the JDEDZ, include not only the Wastewater Treatment Plant (WWTP) discussed in the DSEIR, but also DSRSD's Facultative Sludge Lagoons (FSL) and Dedicated Land Disposal (DLD) site for processed biosolids and the Livermore Amador Valley Water Management Authority (LAVWMA) pumping facility. Each one of these facilities is crucial to the operation of DSRSD's WWTP. The continued operation of the WWTP and associated facilities into the future is crucial to the quality of life, environment, health and well-being of the populations of the City of Dublin, a portion of the City of San Ramon, and the City of Pleasanton. Further analysis of the impacts on the DSRSD facilities in this area is needed. The analysis must include a discussion of the impacts expected on current facilities and on future facilities which will be needed. It should include an understanding of the impact on the operations of the current and future facilities. 23-1

Since DSRSD is a regulated utility, changes and future changes to DSRSD's facilities must be done according to the regulations governing the District's NPDES permit. It is insufficient to state that impacts are less than significant without understanding how any impacts affect DSRSD's operations under the NPDES permit. In addition, DSRSD obtained title to the land under the WWTP and the DLD site from an agreement with the U.S. Department of Defense in the 1980s. It is insufficient to state that impacts are less than significant without understanding how any changes to the area of the WWTP and DLD affects DSRSD's contract with the Department of Defense.

WWTP – Regional Wastewater Treatment

Doubling the floor space of the buildings in the JDEDZ and more than tripling the number of employees working in the JDEDZ will cause an increase in wastewater generated in the defined area. Additional facilities will be necessary at the Regional Wastewater Treatment facility to accept buildout flows of new developments. These facilities are planned and funded through DSRSD's Regional Sewer Capacity Reserve Fee. Development within the JDEDZ will pay applicable Regional Sewer Capacity Reserve Fees as a proportionate mitigation for impacts to a less than significant level. 23-2

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Dublin San Ramon Services District
Water, wastewater, recycled water

7051 Dublin Boulevard
Dublin, CA 94568-3018

phone (925) 828-0515
fax (925) 829-1180
www.dsrsd.com

A study of the impacts on the WWTP must include an understanding that the WWTP is not a static entity. The WWTP must change over time as the wastewater treatment demand in DSRSD's service area changes. Crucial aspects for anticipating the changes required in the WWTP include the capital required for new improvements to the WWTP, the anticipated timing of those improvements, access for heavy equipment and neighborhood reaction to new construction at the WWTP. The development foreseen in the JDEDZ will have an impact on wastewater load, access to the plant, timing of future improvements and thus the capital required for those improvements. 23-2 cont.

Local Wastewater Collection

The properties shown in the JDEDZ all have wastewater collection service via DSRSD's 39-inch sewer trunk main which is beneath the east side of the JDEDZ. Properties in the JDEDZ that are further developed with increasing wastewater demand will be required to pay local wastewater capacity charges for adding to DSRSD's wastewater collection demand. In addition, DSRSD maintains an easement for the sewer trunk main and any future development in the JDEDZ area must not infringe on this easement. The wastewater main in question is a trunk main which conveys a large portion of the total wastewater collected by DSRSD. The importance of this main makes any impact on it significant to DSRSD's wastewater collection services. The impacts from development must be considered not only from existing conditions, but also those conditions which are anticipated for the future operation of the main. 23-3

LAVWMA - Effluent Disposal

DSRSD operates and maintains the Livermore Amador Valley Water Management Agency (LAVWMA) which conveys treated wastewater from DSRSD and the City of Livermore to San Francisco Bay via pipeline. This facility is permitted under NPDES. The NPDES permit includes a wet weather outfall from the export pump station that utilizes a storm drainage channel and culverts to convey treated wastewater to Alamo Creek in emergencies. The existing capacity of the storm channel and culverts must be maintained per the conditions of the NPDES permit, and the proposed widening of Stoneridge Drive and Johnson Drive in the Draft SEIR must take the existing LAVWMA facilities into account. The LAVWMA facility is a critical element in the operation of the WWTP on Johnson Drive. It must remain in operation for continued operation of the WWTP. Thus, access of the LAVWMA facility by DSRSD wastewater operators must be maintained at all times – during construction of the improvements in the JDEDZ and operation of the businesses there; and in all years through the 50+ year life of the LAVWMA facility. 23-4

Biosolids Disposal

The JDEDZ is located just to the west of DSRSD's dedicated land disposal site. This site is currently DSRSD's only option for biosolids disposal. Biosolids disposal is an essential element of wastewater handling and wastewater treatment plants. DSRSD must plan on future biosolids disposal for the full development of the City of Pleasanton, the City of Dublin and a section of the City of San Ramon. Any 23-5

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impacts on the DLD site are crucial not only for the current year, but also for continued operation of the site in future years through the anticipated life of the neighborhood and city.

The DRAFT SEIR proposes Mitigation Measure 4.D-1C to widen Stoneridge Drive and Johnson Drive. The proposed street widenings may have an impact on the operation of the adjacent DLD site. Specifically, loss of any acreage in the DLD site may reduce the capacity of DSRSD to treat biosolids. Any construction activity within the existing DLD will require prior RWQCB approval. Appropriate mitigation measures should include reimbursement to DSRSD for all costs associated with changes related to DSRSD's permit for the operation of the DLD site. These might include adding groundwater monitoring wells, gathering and laboratory analysis of groundwater samples, and increased reporting requirements. Moreover, because of deed restrictions on the property imposed by the Federal Government, federal consent may be necessary to allow for conversion of some of the Dedicated Land Disposal site to roadway improvements. 23-5 cont.

Additionally, DSRSD requires access for heavy machinery to the DLD site and to the facultative sludge lagoons to the north of the DLD site and will require such access throughout the life of the facility. Appropriate traffic mitigation measures ensuring DSRSD's heavy equipment access to the DLD site will be necessary. 23-6

Thank you for notifying DSRSD of the upcoming Draft Supplemental EIR. Please contact me at [redacted] or [redacted], or Stan Kolodzie at [redacted] or [redacted] should you have any questions.

Sincerely,

RHODORA N. BIAGTAN
Principal Engineer

SK/ST
cc: Daniel McIntyre, Engineering Services Manage
Dan Gallagher, WWTP Operations Manager
Stan Kolodzie, Associate Civil Engineer
Ryan Pendergraft, Junior Engineer
File: Pleasanton CEQA/Chron

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Letter 23 Response – Dublin San Ramon Services District

23-1 The comment addresses access to the Dublin San Ramon Services District (DSRSD) facilities. The City will ensure that access to DSRSD facilities will be maintained as part of construction traffic management plan and plans for specific development proposals and transportation improvements within the EDZ. The City wil coordinate closely with the DSRSD to ensure that adequate access will be provided to DSRSD facilities.

23-2 Applicable sewer fees as referenced in the comment will be paid by development within the EDZ. Further improvements to the WWTP will be required to undergo environmental review on a project-specific level. The EIR prepared for the General Plan update in 2009 concluded that development anticipated under the General Plan, including buildout of the "Commerce Circle/Johnson Drive" sub-area, would not result in significant impacts relative to increased wastewater generation. This same conclusion is expected to apply to buildout of the EDZ, which would approximate the wastewater generation anticipated under the General Plan buildout in the area.

23-3 The easement referred to in the comment will be taken into account as part of specific development plans.

23-4 See response to comment 23-1.

23-5 The comment addresses required processes related to land acquisition of DSRSD land for roadway improvements. Land acquisition for roadway improvements is still being evaluated, but would be undertaken in consultation with DSRSD. New uses that would be permitted or conditionally permitted within the area of the EDZ would be reviewed by City staff to ensure compatibility with existing DSRSD uses.

23-6 See response to comment 23-1.

ALAMEDA County Transportation Commission

1111 Broadway, Suite 800, Oakland, CA 94607 • 510.208.7400 • www.AlamedaCTC.org

October 28, 2015

Eric Luchini
Associate Planner
Planning Division
City of Pleasanton
200 Old Bernal Avenue
Pleasanton, CA 94566

SUBJECT: Response to Draft Supplemental Environmental Impact Report (SEIR) for City of Pleasanton's Johnson Drive Economic Development Zone (JDEDZ)

Dear Mr. Luchini,

Thank you for the opportunity to comment on the Draft Supplemental Environmental Impact Report (SEIR) for the Johnson Drive Economic Development Zone (JDEDZ). The JDEDZ consists of approximately 40 acres along Johnson Drive from the I-680 Interchange at Stoneridge Drive north to the existing fitness center and parking lots bordering the I-580/I-680 interchange. The area currently contains a mixture of land uses, including light industrial, office, retail, institutional uses, and vacant parcels. With the development of the JDEDZ, the area could contain up to 509,990 square feet of occupied building space, a net increase of 285,302 square feet over the existing occupied buildings within the JDEDZ area. The SEIR assumes that the JDEDZ area would be developed in two or more phases, including an initial phase with hotel (88,000 square feet), club retail (148,000 square feet), and general retail (23,500 square feet) uses. Existing uses within the JDEDZ would operate until redevelopment occurs on those specific parcels.

The Alameda County Transportation Commission (Alameda CTC) respectfully submits the following comments:

- Note that the Alameda CTC is the Congestion Management Agency for Alameda County. Please correct the agency's name on page 4.D-1. 24-1
- The SEIR used the 2000 Highway Capacity Manual (HCM) operations methodology to evaluate traffic conditions at signalized intersections (as indicated on page 4.D-3). For the purpose of CMP Land Use, the Alameda CTC encourages using the HCM 2010 to study vehicle delay impacts. 24-2
- The SEIR refers to Alameda CTC's CMP Program approved in October 2013 (page 4.D-72). Note that the most recent 2015 CMP Program was approved in October 2015. For more information, please refer to Alameda CTC's 2015 CMP report: http://www.alamedactc.org/app_pages/view/5224 24-3
- According to statutory requirement, MTC must find Alameda CTC's Congestion Management Program consistent with the Regional Transportation Plan (RTP), and as a result Alameda CTC's designated CMP network has become a subset of MTC's Metropolitan Transportation System (MTS). The CMP also distinguishes between the uses of the CMP Network and the MTS: 24-4

- The CMP network is used by Alameda CTC to monitor conformance with the level of service (LOS) standards.
- The MTS is used for Alameda CTC's Land Use Analysis Program.

Please update the paragraph under the SEIR's Section 4.D - MTS Roadway System (page 4.D-9) to reflect these facts. For more information, please refer to Chapter 2 of Alameda CTC's 2015 CMP report. 24-4 cont.

- To calculate volume-to-capacity (V/C) ratios, the SEIR provided per-lane capacity assumptions (pages 4.D-9 and 4.D-57) of 2,000 vehicles per hour for freeway segments, 800 vehicles per hour for surface streets, and 900 vehicles per hour for arterial roadways. The report should provide a source for these assumptions. 24-5
- In Section 4.D – MTS Roadway System (page 4.D-9), the SEIR indicated that the LOS significance threshold of LOS E is applicable to both MTS and CMP routes within the study area. Note that the Alameda CTC has not adopted any policy for determining a threshold of significance for Level of Service for the Land Use Analysis Program (LUAP) of the CMP. Professional judgment should be applied to determine the significance of project impacts. Please refer to Chapter 6 of Alameda CTC's draft 2015 CMP report for more information. 24-6
- The Alameda CTC's CMP requires that the SEIR address potential impacts to not only roadways on the Metropolitan Transportation System (MTS) network, but also potential impacts of the project on MTS transit operators (BART and LAVTA/Wheels), Countywide Bicycle Network, and Pedestrian Areas of Countywide Significance. The following revisions should be made to the SEIR to reflect the multimodal nature of the CMP requirements:
  - Section 4.D – Alternative Transportation Modes (pages 4.D-10 and 4.11) should indicate that Alameda CTC's CMP requires evaluating potential impacts of the project to MTS transit operators, Countywide Bicycle Network, and Pedestrian Areas of Countywide Significance. 24-7
  - Section 4.D – Consistency with Adopted Policies, Plans, or Programs Supporting Alternative Transportation (page 4.D-65):
    - The language in this section should incorporate the multimodal nature of Alameda CTC's CMP requirement.
    - Given the project site's proximity (less than a mile) to the two Pleasanton BART stations, the study should also evaluate project impacts on the BART system, such as the number of passengers boarding and alighting, and parking demand at these stations.
- The SEIR indicated (on page 4.D-17) that the Alameda CTC travel model was applied on the MTS roadway segments analysis under cumulative conditions to analyze the impacts of the proposed EDZ on the regional network in 2025 and 2040. The current Alameda CTC model simulates travel demand for the forecast years 2020 and 2040. The SEIR should explain how 2025 traffic condition was estimated based on the Alameda CTC travel model. 24-8
- To calculate the number of trips generated by the project, the SEIR calculated the number of pass-by (traffic that would otherwise already be on the adjacent roadways, but the driver decides to stop at the site) and diverted trips (traffic on other nearby roadways, but the driver decides to take a short detour to stop at the site) in Appendix G, page 25. Two assumptions need further explanation: 24-9
  - The SEIR referred to the ITE *Trip Generation Handbook* and cited that "in a typical shopping center, approximately 50 percent of the traffic entering and exiting the site is already on the surrounding roadway system." However, the SEIR assumes a pass-by/diverted rate of 30 percent of the trip generation, and should provide an explanation for this assumption.

Eric Luchini
October 28, 2015
Page 3

- The SEIR assumed that of the pass-by/diverted trips, 20 percent would be from I-580, 30 percent would be from I-680, 10 percent would be from Hopyard Road, and 40 percent would be from Stoneridge Drive. An explanation of this assumption would be helpful. 24-9 cont.

Thank you for the opportunity to comment on this SEIR. Please contact me at [redacted] or Daniel Wu of my staff at [redacted] if you have any questions.

Sincerely,

Tess Lengyel
Deputy Director of Planning and Policy

cc: Daniel Wu, Assistant Transportation Planner
file: CMP/Environmental Review Opinions/2015

Letter 24 Response – Alameda County Transportation Commission

24-1 The first sentence of second paragraph under "Setting" on Draft SEIR p. 4.D-1 is revised as follows:

> As required by the Alameda County Transportation Commission's ~~Congestion Management Agency's~~ guidelines for the Congestion Management Program (CMP), an analysis of freeway and arterial segment levels of service was prepared and presented in the General Plan.

24-2 The commenter correctly states that the 2000 Highway Capacity Manual (HCM) operations methodology was used to evaluate traffic conditions at signalized intersection (as indicated on page 4.D-3 of the Draft SEIR). The traffic operations analysis software Synchro (Version 8.0) was used to analyze the signalized intersections, as the City of Pleasanton has not adopted the HCM 2010 for assessing impacts on local streets. Additionally, due to the signal phasing at some intersections, such as free right-turns and non-National Electrical Manufacturers Association (NEMA) signal phasing, level of service for vehicles cannot be assessed at some study intersections using HCM 2010.

Alameda CTC has set a level of service (LOS) E standard for intersections on routes of regional significance. The level of service standard in Pleasanton is LOS D. For intersections where LOS E conditions were projected using HCM 2000, improvements to achieve LOS D or better have been identified. Based on experience using HCM 2000 and HCM 2010 methods for the same input values, the resulting vehicle delay and levels of service are not significantly different such that an intersection projected to operate at LOS D or better using HCM 2000 methods would operate at LOS F under HCM 2010 methods. Therefore, no additional impacts are expected based on analysis conducted using the HCM 2010.

24-3 The references to the Alameda County Transportation Commission's Congestion Management Program (p. 4.D-9 [second paragraph under "Metropolitan Transportation System (MTS) Roadway System"] and p. 4.D-72 [References]) are revised to read "2015" instead of "2013."

24-4 The first paragraph under "Metropolitan Transportation System (MTS) Roadway System" on DEIR p. 4.D-9 is revised as follows:

> This section also includes an~~An~~ assessment of impacts of the proposed EDZ to the Metropolitan Transportation System (MTS), which includes the Alameda County CMP network of freeways and roadways designated by the Alameda County Transportation Commission (Alameda CTC)~~ that would result from the proposed EDZ is also included in this section~~. MTS routes have been declared "regionally significant" and the Metropolitan Transportation Commission (MTC) provides funding for these regionally important streets, roads, and highways through the

adopted Regional Transportation Plan (RTP). ~~The MTS freeways and roadways have been adopted into the Alameda County CMP network.~~ The CMP network ~~consists of all freeways, state highways, and principal arterials within Alameda County that are regulated and monitored~~ is used by the Alameda CTC to monitor conformance with the LOS standards (described below). The MTS is used for the Alameda CTC's Land Use Analysis Program, which evaluates the impact of ~~transportation and~~ land use decisions made by local jurisdictions on regional transportation systems ~~implications and identify congestion management implications of proposed transportation projects~~.

24-5 The comment requests clarification regarding the sources of per-lane capacity assumptions. The per-lane capacities cited by the commenter were used for the Draft SEIR's assessment of impacts to the Alameda CTC's designated Metropolitan Transportation System (MTS) freeways and roadways that are part of the Alameda County Congestion Management Program (CMP) network.

For the assessment of Alameda CTC freeway and arterial roadway segments, a volume-to-capacity analysis was conducted. The commenter correctly identifies the capacities used for the assessment. The HCM 2010 provides the maximum service flow rate of 2,350 vehicles per hour per lane to maintain LOS E. Capacity adjustments were made considering peak hour factors, heavy vehicle percentages, number of lanes, and driver population, to arrive at a capacity of 2,000 vehicles per hour per lane. The same methodology provided in HCM 2010 was used to derive the arterial capacity of 800 vehicles per hour.

24-6 The second paragraph under "Metropolitan Transportation System (MTS) Roadway System" on DEIR p. 4.D-9 is revised as follows:

> The LOS standard for CMP facilities is LOS E, except where LOS F was the LOS when originally measured in the CMP in 1991 for specific routes. None of the study freeway and arterial segments were measured at LOS F in 1991; therefore, ~~the LOS significance threshold of~~ LOS E is applicable to both MTS and CMP routes within the study area (Alameda CTC, 2015~~3~~). MTS freeway and arterial segments in Pleasanton were included in this analysis:

24-7 The comment describes Section 4.D revisions with regard to the multimodal nature of CMP requirements. Significance criteria for transit operations, bicycles, and pedestrians are discussed on page 4.D-16 of the Draft SEIR. The commenter is correct in noting that the Countywide Bicycle Network and Pedestrian Areas of Countywide Significance were not specifically mentioned on pages 4.D-10, 4.D-11, or 4.D-65. However, the potential impact to these modes were discussed and analyzed as part of the Draft SEIR on page 4.D-65.

The level of transit trip generation was also estimated for the proposed EDZ as presented in the Transportation Assessment (**Appendix G** of the Draft SEIR). Given the proposed

land uses, location, and existing transit service in the area, up to 200 additional transit trips per day are expected, with up to 20 peak hour transit trips. Most of these trips would occur on bus-transit, as the nearest BART station is approximately 1.6 miles from the EDZ. As stated on page 4.D-65 of the Draft SEIR, based on ridership information provided by the Livermore Amador Valley Transit Authority (LAVTA), there is currently excess capacity on transit routes that serve the study area. Of the total transit trips, a small percentage may use the BART system. Even if all estimated transit trips used the BART system, the Dublin/Pleasanton stations are served by 10 car trains on 15-minute headways during peak periods, and the proposed EDZ would add fewer than 1 passenger per car during peak hours, a less-than-substantial increase.

As the proposed EDZ does not include a residential component, it is unlikely that future project employees would drive and park at either of Pleasanton's BART stations. Hotel patrons may use the BART system, but are likely to take transit, a hotel shuttle or a taxi to the BART station. Therefore, the proposed EDZ is not expected to increase parking demand at either Pleasanton BART station.

24-8 The comment requests clarification regarding the determination for the 2025 traffic condition estimation. The commenter is correct in stating that the Alameda CTC model simulates travel demand for the forecast years of 2020 and 2040. The year 2025 was incorrectly cited as a model forecast year in the Draft SEIR and Johnson Drive EDZ Transportation Assessment (**Appendix G** of the Draft SEIR). The reference is corrected in Chapter 2 (Revisions to the Draft SEIR) of the FEIR. The error was typographical (as Appendix E of the Transportation Assessment correctly includes the analysis of 2020 and 2040 conditions); no changes to the impact analysis are necessary.

24-9 The comment requests clarification regarding the pass-by rate determination. While the ITE Trip Generation Handbook provides a typical shopping center reduction for pass-by and diverted trips of approximately 50 percent, specific uses are not currently proposed for the retail component of the project and the layout of retail within the EDZ is not known. These factors could affect the level of pass-by/diverted trips generated by site uses; therefore, a pass-by/diverted trip rate on the lower end of average was selected to develop a conservative estimate of the net-new project trip generation. As the traffic volumes on Johnson Drive are not high enough to include a large proportion of pass-by/diverted trips, it was assumed these trips do not justify a 50 percent pass-by/diverted trip rate, and a more conservative reduction of 30 percent was applied to account for pass-by and diverted trips from other adjacent regional roadways and local streets that would already be on the roadway system.

Pass-by and diverted trip percentages were assigned as mentioned in the comment by comparing the volumes on the adjacent roadways, route directness and project visibility. The higher the traffic volume and closer a roadway is to the site, the greater the proportion of traffic that is assumed to come from that roadway. The area of the proposed EDZ would not be visible from I-580 or Hopyard Road, and a lower percentage of pass-by/diverted trips would come from these roadways, as these trips would be from patrons already familiar with the area. Please see response to comment 82-1 for additional details.

STATE OF CALIFORNIA

Governor's Office of Planning and Research

State Clearinghouse and Planning Unit

Edmund G. Brown Jr.
Governor

Ken Alex
Director

October 29, 2015

RECEIVED

NOV 02 2015

CITY OF PLEASANTON
PLANNING DIVISION

Eric Luchini
City of Pleasanton
200 Old Bernal Ave
Pleasanton, CA 94566

Subject: Johnson Drive Economic Development Zone
SCH#: 2014082081

Dear Eric Luchini:

The State Clearinghouse submitted the above named Draft EIR to selected state agencies for review. On the enclosed Document Details Report please note that the Clearinghouse has listed the state agencies that reviewed your document. The review period closed on October 28, 2015, and the comments from the responding agency (ies) is (are) enclosed. If this comment package is not in order, please notify the State Clearinghouse immediately. Please refer to the project's ten-digit State Clearinghouse number in future correspondence so that we may respond promptly.

Please note that Section 21104(c) of the California Public Resources Code states that:

> "A responsible or other public agency shall only make substantive comments regarding those activities involved in a project which are within an area of expertise of the agency or which are required to be carried out or approved by the agency. Those comments shall be supported by specific documentation."

25-1

These comments are forwarded for use in preparing your final environmental document. Should you need more information or clarification of the enclosed comments, we recommend that you contact the commenting agency directly.

This letter acknowledges that you have complied with the State Clearinghouse review requirements for draft environmental documents, pursuant to the California Environmental Quality Act. Please contact the State Clearinghouse at (916) 445-0613 if you have any questions regarding the environmental review process.

Sincerely,

Scott Morgan
Director, State Clearinghouse

Enclosures
cc: Resources Agency

1400 TENTH STREET P.O. BOX 3044 SACRAMENTO, CALIFORNIA 95812-3044
TEL (916) 445-0613 FAX (916) 323-3018 www.opr.ca.gov

Document Details Report
State Clearinghouse Data Base

SCH#	**2014082081**
Project Title	Johnson Drive Economic Development Zone
Lead Agency	Pleasanton, City of
Type	**EIR** Draft EIR
Description	The City is proposing to implement the first Economic Development Zone (EDZ) concept with a pilot zone within a 40-acre area along Johnson Drive in the city, currently developed with office, commercial, and industrial uses. The EDZ would allow the City to use zoning and land use designations, incentive programs, completed CEQA documentation, and standards and guidelines in order to streamline the development process and encourage investment, adding value to properties within the specified zone. The Supplemental EIR includes some assumptions regarding development that would take place within the EDZ area in the short term ("Phase I," which includes the development of club retail, general retail, and hotel uses) and the long term ("Full Buildout," which includes Phase I as well as the development of additional retail, commercial, and industrial/office uses).

Lead Agency Contact

Name	Eric Luchini		
Agency	City of Pleasanton		
Phone	925 931 5612	***Fax***	
email			
Address	200 Old Bernal Ave		
City	Pleasanton	***State*** CA	***Zip*** 94566

Project Location

County	Alameda
City	Pleasanton
Region	
Lat / Long	37° 41' 55.47" N / 121° 55' 14.04" W
Cross Streets	Johnson Drive between Stoneridge Drive and the Valley Bible Church
Parcel No.	941-1311-335, 941-1311-1, 941-1311
Township	***Range*** ***Section*** ***Base***

Proximity to:

Highways	I-580, 680
Airports	Livermore
Railways	BART
Waterways	Alamo Canal
Schools	Love & Care Preschool
Land Use	General Industrial (I-G-40), Planned Unit Development - General and Light Industrial (PUD - G & LI), Planned Unit Development

Project Issues	Air Quality; Archaeologic-Historic; Biological Resources; Economics/Jobs; Geologic/Seismic; Noise; Population/Housing Balance; Public Services; Recreation/Parks; Toxic/Hazardous; Traffic/Circulation; Water Quality; Growth Inducing; Landuse; Cumulative Effects; Aesthetic/Visual; Flood Plain/Flooding
Reviewing Agencies	Resources Agency; Department of Fish and Wildlife, Region 3; Office of Historic Preservation; Department of Parks and Recreation; Department of Water Resources; Caltrans, Division of Aeronautics; California Highway Patrol; Caltrans, District 4; Air Resources Board; Regional Water Quality Control Board, Region 2; Native American Heritage Commission; Public Utilities Commission

Date Received 09/14/2015 ***Start of Review*** 09/14/2015 ***End of Review*** 10/28/2015

Note: Blanks in data fields result from insufficient information provided by lead agency.

Oct 27 2015 2:17PM HP LASERJET FAX p.1

STATE OF CALIFORNIA—CALIFORNIA STATE TRANSPORTATION AGENCY EDMUND G. BROWN Jr., Governor

DEPARTMENT OF TRANSPORTATION
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October 27, 2015

ALAGEN260
ALA-680-R 19.2
SCH# 2014082081

Mr. Eric Luchini
Planning Division
City of Pleasanton
200 Old Bernal Avenue
Pleasanton, CA 94566

Johnson Drive Economic Development Zone Project – Draft Supplemental Environmental Impact Report

Dear Mr. Luchini:

Thank you for continuing to include the California Department of Transportation (Caltrans) in the environmental review process for the project referenced above. Our comments seek to promote the State's smart mobility goals that support a vibrant economy and build active communities rather than sprawl. We have reviewed the Draft Supplemental Environmental Impact Report (SEIR) and have the following comments to offer. Please refer to Caltrans' comment letter dated September 18, 2014, on the Notice of Preparation.

Project Understanding
The proposed project will establish a pilot Economic Development Zone (EDZ) within a 40-acre area along Johnson Drive currently developed with office, commercial, and industrial uses. The proposed EDZ consists of policies, regulations, and guidelines to facilitate future development or redevelopment within the site. The project would permit a maximum of 509,990 square feet of total gross building space for retail, commercial, and industrial uses. The project site is bounded by Interstate (I-) 680 to the west, sited north of the I-680/Stoneridge Drive interchange, and is south of I-580.

Mitigation Responsibility
As the lead agency, the City of Pleasanton (City) is responsible for all project mitigation, including any needed improvements to State highways. The project's fair share contribution, financing, scheduling, implementation responsibilities and lead agency monitoring should be fully discussed for all proposed mitigation measures.

Development facilitated by this project would potentially significantly impact State facilities within I-680 under Existing plus Project conditions and Far-term (Cumulative) plus Project

"Provide a safe, sustainable, integrated and efficient transportation system to enhance California's economy and livability"

conditions (Impact 4.D-5, Impact 4.D-7). Please ensure new developments pay their fair share of mitigation necessary to fund improvements needed to mitigate significant impacts to State facilities, such as the I-680/I-580 interchange improvements, which are evaluated and listed in the project's mitigation measures (MM 4.D-2). The City's transportation impact fees to be used for project mitigation should be identified.

Where mitigation is a condition of approval, CEQA requires a Mitigation Monitoring and Reporting Program (MMRP). Required information is listed below. Further information on the MMRP is available on the following website:
http://www.dot.ca.gov/hq/tpp/offices/ocp/igr_ceqa.html

- Lead Agency contact name, address, and telephone number,
- Location, type and implementation schedule for each mitigation measure, and
- Signed and dated certification that the mitigation has been implemented, and all other reporting requirements have been adhered to, in accordance with Public Resources Code Sections 21081.6 and 21081.7.

Transportation Analysis
Please explain why the I-580 Eastbound 2040 Volume segment from Hopyard Road to Hacienda Drive decreases 200 vehicles from the 2025 Volumes at the PM Peak Hour. Yet, the analyzed segments before (from I-680 to Hopyard Road) and after (from Hacienda Drive to Tassajara Road) increase more than 500 vehicles, respectively (see the Johnson Drive EDZ Transportation Assessment Administrative Draft, dated May 2015, Tables 21 and 22, pgs. 78, 83).

Transportation Forecasting

- Please explain the 30% pass-by trip reduction that was applied to the general retail generated trips. Our office believes the high trip reduction should be further detailed. Additionally, the 30% trip reduction was applied to the new retail development, but was not applied to existing retail development to be removed. This will result in an understatement of net trips generated by the development.

- Extensive existing traffic counts were conducted. Yet, it is not acknowledged that count volumes are not always travel demand volumes. Sometimes the count volumes reflect the capacity of the roadway. Attention must be taken to determine which volume each traffic count represents.

- The Club Retail trip generation rates were "based on data provided by Kittleson & Associates, October 3, 2014 (SEIR, pg. 4.D-25)." This may result in different, and sometimes considerably lower, generated trips than would result from using the ITE Manual rates. Additional information should be provided concerning the data provided for the Club Retail generated trips to determine if it is valid and being used appropriately.

This data is also used to estimate diverted and pass-by trips and should be justified as well.

- Please explain why either the Alameda County or the Pleasanton models are not used for estimating cumulative I-680 volumes, rather a ten percent growth factor was applied to existing volumes (Johnson Drive EDZ Transportation Assessment Draft, pg. 69).

Project Mitigation
The SEIR proposes the widening of the northbound I-680 on-ramp from the westbound Stoneridge Drive approach in order to construct a second on-ramp lane as mitigation for the Project (Mitigation Measure 4.D-1d.4). As a safety concern for pedestrians and bicyclists, please consider maintaining one-lane approaching the crosswalk in the on-ramp and only widen the on-ramp into two-lanes after the crosswalk. In addition, please install a crosswalk enhancement per the 2014 California Manual on Uniform Traffic Control Devices for the (uncontrolled) crosswalk in the northbound on-ramp from westbound Stoneridge Drive. Further comments regarding the Project's proposed mitigation measure improvements may be forthcoming.

Vehicle Trip Reduction
Caltrans encourages the City to locate future housing, jobs and employee-related services near major mass transit centers with connecting streets configured to facilitate walking and biking. We commend the City's Mitigation Measure MM 4.B-3 and Draft Development Standards and Design Guidelines, which incorporates a number of strategies that will promote mass transit use thereby reducing regional vehicle miles traveled (VMT) and traffic impacts. Transportation Demand Management Programs should be monitored and documented with annual reports to demonstrate effectiveness.

This smart growth approach is consistent with Metropolitan Transportation Commission's Regional Transportation Plan/Sustainable Community Strategy goals of both increasing non-auto mode transportation, and reducing per capita VMT by 10 percent each. For information about parking ratios, see the Caltrans funded MTC report, *Reforming Parking Policies to Support Smart Growth*, at the following website:
http://www.mtc.ca.gov/planning/smart_growth/parking/parking_seminar/Toolbox-Handbook.pdf

Encroachment Permit
Please be advised that any work or traffic control that encroaches onto the State right-of-way (ROW) requires an encroachment permit that is issued by Caltrans. We strongly recommend that the City work with both the applicant and Caltrans to ensure that our concerns are resolved during the environmental process, and in any case prior to submittal of an encroachment permit application. Further comments will be provided during the encroachment permit process. Where construction-related traffic restrictions and detours affect State highways, a Transportation Management Plan or construction traffic impact study may be required. Traffic-related

mitigation measures should be incorporated into the construction plans prior to the encroachment permit process.

To apply, a completed encroachment permit application, environmental documentation, and five (5) sets of plans clearly indicating State ROW must be submitted to the following address: David Salladay, District Office Chief, Office of Permits, California Department of Transportation, District 4, P.O. Box 23660, Oakland, CA 94623-0660. See the following website for more information: http://www.dot.ca.gov/hq/traffops/developserv/permits

Should you have any questions regarding this letter or seek additional information, please contact Sherie George at [redacted] or [redacted]

Sincerely,

for PATRICIA MAURICE
District Branch Chief
Local Development - Intergovernmental Review

c: State Clearinghouse

"Provide a safe, sustainable, integrated and efficient transportation system to enhance California's economy and livability"

Letter 25 Response – State Clearinghouse

25-1 The comment stating that the City has complied with State Clearinghouse review standards for draft environmental documents is acknowledged. The comment refers to letter 16, the responses to which may be found in this chapter.

From: John and Denise Haynes
Sent: Thursday, November 05, 2015 6:10 PM
To: Eric Luchini
Subject: Costco

Are you kidding me! There two Costco's within 15 minutes of that location! Johnson Drive and associated intersections could never handle Costco crowds.

This city is going down hill so fast; please DO NOT add to the already crazy congestion at Johnson/Stoneridge and Johnson/Owens/Hopyard! 26-1

All I see is greed, greed and more greed.

John Haynes

Please excuse the brevity of this email. It comes from my iPhone.

Letter 26 Response – John Haynes

26-1 The comment addresses the merits of the proposed EDZ, which are outside of the scope of an EIR, and does not raise any additional substantive environmental issues that require further response, or comment on the general adequacy of the SEIR. The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. Refer to the **Master Response to Comments about the Draft SEIR Traffic Impact Analysis** for a summary and discussion of the proposed EDZ's traffic impacts.

From: Michael Grossman
Sent: Thursday, November 05, 2015 8:31 PM
To: Eric Luchini
Subject: JDEDZ

Hello Mr. Luchini,

It is beyond my comprehension how a big box store like Costco could be built on Johnson Dr. and not have a severe adverse impact on everything around it, to the point of being a safety and environmental hazard. 27-1

I have not looked at the 1,779 page Draft SEIR and don't intend to read 1,779 pages.
Do you have short summary version I can view online? 27-2

The traffic light at Stoneridge Dr. and Johnson Dr. cannot handle the traffic it already has. It is already a safety hazard.

Johnson is a two lane st. It can't handle a big box store traffic. 27-3

Where will you get the water for a big box store? The groundwater basin under Pleasanton is already being depleted, its water level has been dropping to a dangerous level. It has caused subsidence and the sinking of Pleasanton's surface due to subsidence. Subsidence affects all structures in Pleasanton. Overdrafting more groundwater will make Pleasanton known as the sinking city. Pleasanton residents are already sacrificing water needs for new growth. the new growth has to sacrifice water needs too, as there is not enough water for Pleasanton residents, new growth and commercial interests. 27-4

There is traffic on Stoneridge Dr. and Johnson St. to and from:
Hacienda Business Park, Businesses along Hopyard near Stoneridge Dr., Stoneridge Mall, Club Sport, Black Tie Limousine, Home Depot shopping center , Hyatt? hotel - Good Guys floods the area when in town and staying there, Fed Ex, Park and Ride, The Wastewater Plant - people getting purple water already overwhelms this intersection and the traffic on Stoneridge Dr. and Johnson Dr. and ramps to 680.

Johnson Dr. isn't made for Costco Truck traffic.
The increased traffic will require constant road repairs.

Johnson Dr. has bicycle, motorcycle traffic and runners from Club Sport that is now a safety hazard at the intersection and along Johnson Dr. I nearly hit a bicyclist turning from Stoneridge Dr. to Johnson Dr. 27-5

COST: Any cost should be born by Costco, with no incentives that take away money from Pleasanton. There should be no cost to the City. If anything Costco should give Pleasanton incentives from the big profits it expects to make in that location, like a four lane Johnson Dr. 27-6

Will Costco use solar panels and other energy saving devices? 27-7
What will Costco do to employ Pleasanton residents? 27-8
What will be the impact of Costco employees coming from other cities. 27-9
What would be the increase in pollution from the warehouse and the traffic and the Costco truck traffic? 27-10

This is not a good idea. Any city council member voting for it should be aware of the impact at election time. 27-11

Again, Do you have short summary version of the Draft SEIR I can view online? 27-12

Michael Grossman

Letter 27 Response – Michael Grossman

27-1 The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. For a discussion of potential impacts related to toxic air contaminants (TACs) from implementation of the proposed EDZ, refer to Section 4.B, Air Quality, of the Draft SEIR, which concludes that impacts related to TACs would be less than significant. Similarly, for a discussion of potential impacts related to traffic safety, refer to Section 4.D, Transportation and Traffic, of the Draft SEIR, which similarly concludes that impacts related to safety and emergency access would be less than significant. For a discussion of other topics related to safety and environmental hazards, including potential impacts related to seismic safety, hazards and hazardous materials, and flooding, refer to Section 4.E, Other Topics, of the Draft SEIR. For a further discussion of localized impacts of the proposed EDZ, also refer to the **Master Response to Comments About Impacts to Neighborhoods Near the Proposed EDZ**.

27-2 The comment requests access to a short summary of the Draft SEIR. The reader may refer to the September 23, 2015, 11-page Staff Report prepared by the City Planning Commission available here:

www.cityofpleasantonca.gov/civicax/filebank/blobdload.aspx?BlobID=26739

Alternately, Chapter 2: Summary, of the complete Draft SEIR provides an executive summary of the impacts and mitigation measures presented in the Draft SEIR, and is available here:

www.cityofpleasantonca.gov/JDEDZSEIRSept2015

Both of these links are also provided on the City of Pleasanton Planning Department website.

27-3 Refer to the **Master Response to Comments about the Draft SEIR Traffic Impact Analysis** for a summary and discussion of the proposed EDZ's traffic impacts.

27-4 Refer to the **Master Response to Comments About the Impacts of the Proposed EDZ on Water Supply**, for further detail regarding these impacts.

27-5 See response to Comment 27-3 regarding the Draft SEIR's analysis of traffic impacts on Johnson Drive associated with the proposed EDZ. Refer to the **Master Response to Comments about the Draft SEIR Traffic Impact Analysis** for a summary and discussion of the proposed EDZ's traffic impacts. Regarding concerns expressed in the comment related to bicycle and pedestrian safety impacts, see response to comment 16-7.

27-6 Refer to the **Master Response to Comments About the Timing and Funding of Traffic Mitigation Measures**, especially the discussion under *Developer Responsibility for Funding Traffic Mitigation Measures*.

27-7 The comment requests further clarification about design features of new development. Please refer to the energy efficiency provisions in Design Guidelines for enegy saving design guidance.

27-8 The comment requests employment details of future EDZ users, specifically by a Costco. Costco has not yet submitted an application.

27-9 The commenter asks about "the impact of Costco employees coming from other cities." While it is not clear from the comment to which potential impact(s) the commenter is referring, the traffic analysis for the proposed EDZ included effects of employee trips, regardless of where those trips originate.

27-10 The comment requests clarification regarding the pollution generated by the warehouse, traffic, and Costco operational traffic. For a discussion of potential impacts to air quality from implementation of the proposed EDZ, refer to Section 4.B, Air Quality, of the Draft SEIR, and to the **Master Response to Comments about the Draft SEIR Air Quality Impact Analysis**. For a discussion of potential impacts to noise from implementation of the EDZ, refer to Section 4.C, Noise, and for traffic refer to Section 4.D, Transportation and Traffic, of the Draft SEIR. For a discussion of potential impacts to greenhouse gas emissions, hazards and hazardous materials, water quality, and other topics resulting from implementation of the EDZ, refer to Section 4.E, Other Topics, of the Draft SEIR. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

27-11 The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

27-12 See response to Comment 27-2 regarding access to a summary of the Draft SEIR.

From: Sohan Kamath
Sent: Thursday, November 05, 2015 9:54 PM
To: Eric Luchini
Subject: Concerns about the Johnson Drive Economic zone project

Dear Sir/Madam,

As a resident of 9477 Blessing Dr. Pleasanton, I have concerns that the project will increase traffic and take away the residential feel of our wonderful green city. While I don't want my city to become a commercial concrete jungle like our neighboring city Dublin, I am aware that the tax revenues from a store like Costco will help the city in creating and maintaining more parks and green areas. While I oppose a store like Walmart, because of the deleterious effect it has on local businesses and the way Walmart treats its workers, I am OK with Costco setting shop in JDEZ as I have heard that Costco treats its employees well (I might be misinformed). 28-1

One suggestion to offset the overall vehicular emissions from the residents of the city is to use a part of this land to build a parking lot for folks that take buses provided by their employers. Currently, folks that take company buses (employees of Intuit, Tesla, etc.) park their cars at the ACE train station, depriving parking to ACE train customers like me. Having a dedicated parking facility for company buses at JDEZ will offset the emissions from increased traffic that a Costco store at the site would bring. 28-2

Thank you,
-Sohan

Letter 28 Response – Sohan Kamath

28-1 The comment describes concern for the traffic impact of the proosed EDZ, but expresses support for a potential Costco store. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR. The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it.

28-2 The comment suggests considering the development of a parking lot within the area of the proposed EDZ for commuters. The City is currently undertaking a comprehensive Downtown parking study that will help address existing parking constraints around the ACE Train Station and elsewhere in the Downtown area – this parking study is being undertaken under a separate process independent of the review of the proposed EDZ. Because of the high volumes of traffic projected to move through the EDZ with buildout of specific development projects, the EDZ may not be an optimal place for additional commuter parking. However, the City will take this comment into account when exploring commuter parking options City-wide.

From: Nate Orr
Sent: Sunday, November 08, 2015 5:22 PM
To: Eric Luchini
Subject: Oppose Johnson Drive conversion to Costco/Walmart

Dear Mr. Luchini,

I am writing to voice my opposition to the development of the Johnson Dr. area into a commercial shopping area containing a big box store such as a Costco or Walmart. Pleasanton already struggles with the traffic volume in the area and the addition of thousands of new cars in the Stoneridge Drive area will cause increased congestion and negatively affect the area. There are already 2 Costco locations within minutes of Pleasanton and a Walmart in town. As a Pleasanton resident in the Stoneridge area, I strongly oppose this potential development.

Thank you,
Nathan Orr

From: Nate Orr
Sent: Sunday, November 08, 2015 5:42 PM
To: Mayor and City Council
Subject: I oppose the Johnson Drive development

Dear City Council Members of Pleasanton,

I am writing to express my strong opposition to the plan to develop the Johnson Dr. area. This area cannot handle the traffic and congestion a big box store such as Costco or Walmart will bring. As a voting resident of the Stoneridge neighborhood, I urge you to look at better ways to develop Pleasanton that will not negatively impact our town.

Sincerely,
Nathan Orr

29-1

Letter 29 Response – Nathan Orr

29-1 The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

From: Joyce Woo
Sent: Monday, November 09, 2015 12:40 PM
To: Eric Luchini
Subject: Rezoning and Creating a 40 Acre Redevelopment Project on Johnson Drive

Mr. Eric Luchini
City of Pleasanton Planning Division
P. O. Box 520
Pleasanton, CA 94566

Dear Mr. Luchini,

My husband, Jack Woo, and I are strongly against the rezoning and creating a 40 acre redevelopment project on Johnson Drive, parallel to I-680 between Club Sport and the Park & Ride on Stoneridge. We are strongly against rezoning commercial/light industrial space to retail so the City could move toward locating a big box store (possibly Costco) and hotel on the former location of the Clorox Research Center.

We are strongly against the rezoning and creating a 40 acre redevelopment project on Johnson Drive for the following reasons: 30-1

1. So much additional unmanageable traffic will be generated on Stoneridge Drive and Johnson Drive.

2. This project will especially impact the nearby neighborhoods and existing businesses.

3. This project will impact the use of water in the City. 30-2

Thank you for your time and attention in this matter.

Sincerely yours,

Jack and Joyce L. Woo
Pleasanton Residents

Letter 30 Response – Jack and Joyce L. Woo

30-1 The commenter is referred to Section 4.D, Transportation and Traffic, of the Draft SEIR which addresses the impacts of increased traffic generated by the proposed EDZ, and mitigation measures to reduce/avoid those impacts. Concerning effects on existing businesses, refer to the **Master Response to Comments About Economic and Urban Decay Impacts**, for a summary of the results of the economic study prepared by the City for the proposed EDZ; and **Appendix A**, which contains the economic study in full. Refer also to the **Master Response to Comments about the Draft SEIR Traffic Impact Analysis**, and the **Master Response to Comments About Impacts to Neighborhoods Near the Proposed EDZ.** The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

30-2 Refer to the **Master Response to Comments About the Impacts of the Proposed EDZ on Water Supply**, for further detail regarding these impacts.

From: Stephen Slater
Sent: Monday, November 09, 2015 3:24 PM
To: Pamela Ott; Eric Luchini
Cc: Chris Chandlee; Slater Stephen
Subject: EDZ / Johnson Drive

Hello Pam / Eric: After reading through almost 1800 pages, 50% of which is a traffic report. It is accurate to say that the DSEIR really makes no mention of the ATT site, relative to its potential legal non-conforming status, other than to point out that as an existing use it technically becomes a non-permitted use (by right or condition) after the rezone/GPA envisioned by the EDZ takes place? Is it also accurate to conclude that the legal non-conforming rights of ATT and the Church (also listed as non-permitted), etc. are governed by Section 8.140 of the municipal code with regard to uses and rights?

Sincerely,

Stephen Slater, CEO
Blu Croix Ltd.

From: Stephen Slater
Sent: Monday, November 09, 2015 4:24 PM
To: Pamela Ott; Eric Luchini
Cc: Chris Chandlee
Subject: RE: EDZ / Johnson Drive

Pam and Eric... sorry. . My first sentence was intended to be a question. I meant to say," is it" ... rather than "it is" thanks in advance... 31-1

Sincerely,

S.M. Slater

From: Stephen Slater
Sent: Wednesday, November 11, 2015 6:25 AM
To: Pamela Ott; Eric Luchini
Cc: Chris Chandlee
Subject: RE: EDZ / Johnson Drive
Importance: High

Hello Pam/Eric: Any thoughts on the below question? I also noted that Legal Non-Conformities are in section 8.120 not 8.140. It appears that the EDZ will essentially rezone and process
a GPA for the subject area, and the DSEIR evaluates the implications of said Rezone/GPA. In terms of the EDZ, there is no definitive document or policy statement with regard to existing
uses, other than the “table of permitted and conditionally permitted uses”, a statement that they can remain and therefore will, by default, be subject to section 8.120. Is this a reasonable
assumption for a property owner to conclude ?

Sincerely,

Stephen Slater, CEO
Blu Croix Ltd.

From: Eric Luchini
Sent: Thursday, November 12, 2015 8:32 AM
To: Stephen Slater; Pamela Ott
Cc: Chris Chandlee
Subject: RE: EDZ / Johnson Drive

Hi Stephen,

The intent for existing uses is that they would be allowed to continue to operate "as is" and indefinitely until such time the property elects to redevelop. If that time never comes, the use would continue to be legal non-conforming under this project. The proposal and uses list will contain language to this effect. Please let me know if you have any additional questions.

Thanks,

Eric Luchini
Associate Planner

From: Stephen Slater
Sent: Thursday, November 12, 2015 8:41 AM
To: Eric Luchini
Cc: Chris Chandlee; Slater Stephen
Subject: RE: EDZ / Johnson Drive

Thanks Eric. That is what I thought, I appreciate your confirmation. We will be submitting a letter, probably Friday. I am under the impression we actually have until Monday, close of business. Please let me know if that is not correct. Our letter will essentially point out some areas that may not have been considered by the JDEDZ and/or the SEIR, as related to the unique characteristics of the AT&T property. We will also, be identifying some concepts/solutions that we believe will be in the interest of all parties. AT&T has some important concerns about their property, however they are realistic and also know that economic development in the city is to their benefit as well. As such, our submittal is one of constructive commentary with the underlying intent being to work closely with you in a mutually beneficial way, as the project unfolds.

31-1 cont.

Sincerely,

Stephen Slater, CEO
Blu Croix Ltd.

Letter 31 Response – Stephen Slater, Blue Croix Ltd.

31-1 The comment requests clarification regarding potential legal-nonconforming statuses of existing land uses of the AT&T site, and Valley Bible Church. Refer to the **Master Response to Comments About Nonconforming Uses and Grandfathering of Existing Uses Within the Proposed EDZ**.

From: James.MewLing Fong
Sent: Monday, November 09, 2015 4:48 PM
To: Eric Luchini
Subject: P14-0852 and PUD-105, Johnson Drive Economic Development Zone (JDEDZ)

I believe that allowing a large major retailer into this area will overwhelm the neighborhood and negatively impact the local residents. Excessive vehicle and commuter activity already exists. We support a less intrusive development, and we expect our representatives to protect our neighborhoods. Thank you. 32-1

James Fong

Letter 32 Response – James Fong

32-1 The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

From: Ron Cefalo
Sent: Wednesday, November 11, 2015 12:34 PM
To: Eric Luchini
Subject: Johnson drive development

I live at 3266 Omega Circle in Pleasanton. I am a Costco customer who frequents the Livermore store on weekends. I don't see huge waves of traffic or traffic snarls (other than in their parking lot). If parking congestion is a concern you might think about a compromise. My theory is that if there was no (or very limited) fast food counter, folks would shop and leave rather than linger. I think the food court increases the parking challenge. But it seems to me the path to and from the freeway could be improved a bit with lane assignment changes and the traffic would be improved. With the vacancies and closures in Hacienda I think we could use the revenue with little added investment. 33-1

Ron Cefalo
Resident of Pleasanton since 1982

Letter 33 Response – Ron Cefalo

33-1 The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. Concerning the suggestion to limit the inclusion of a food court in a future club retail use in order to reduce traffic impacts: while some traffic could be decreased this way, the reduction would likely be a very small proportion of the overall traffic trips that would be associated with a club retail use, and limiting the inclusion of a food court would not be likely to result in a reduction of traffic that would substantially decrease the traffic impacts associated with the proposed EDZ. Concerning "lane assignment changes," the Draft SEIR includes Mitigation Measures 4.D-1c and 4.D-1d that would revise street configurations by adding traffic lanes and, in one case, extending the length of a turn pocket.

From: Dan Moore
Sent: Wednesday, November 11, 2015 1:27 PM
To: Eric Luchini; Mayor and City Council
Cc: 'Dan Moore'
Subject: Johnson Drive Economic Development zone

Mr. Luchini/City Council members;

I am strongly against the building of a "box" store in Pleasanton at the Johnson Drive Economic Development zone for the following reasons:

The proposed project will: 34-1
1) severely impact the local surface street traffic.
2) severely impact multiple surface street intersections.
2) impact the traffic on hwy 680 and hwy 580.
3) add to a "considerable net increase in criteria pollutants and precursors" 34-2
4) conflict with our air quality plan.
5) conflict with the implementation of BAAQMDs 2010 Clean Air Plan.
6) require additional housing that the city of Pleasanton may not be able to meet without further construction of multi-story apartment complexes. The citizens of Pleasanton have already fought hard against the building of any additional muti-story apartment complexes. In addition, these projects if approved would require additional city resources, and will result in an increase in our already crowded surface streets thus compounding the traffic situation that the "box" store will create. 34-3
7) require additional resources from our already limited water, power, sewage plants. 34-4

The above are just a sample of the major issues and impact on the current well being of our city. Additionally I am against alternate #1 which will impact our city to almost the same effect as the "box" store proposal. Any project that is proposed should not detract from the overall City's well being.

In closing, this project will NOT add to the quality of life in our City. However, it will detract from our quality of life due to the items listed above. Additionally. there are multiple box stores located in Dublin that are currently meeting the needs of the local population. An additional "box" store is simply not needed nor wanted by the citizens of our town that I have spoken with. 34-5

Regards,

Dan Moore

Letter 34 Response – Dan Moore

34-1 Refer to the **Master Response to Comments about the Draft SEIR Traffic Impact Analysis**. The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

34-2 Refer to the **Master Response to Comments about the Draft SEIR Air Quality Impact Analysis**. The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

34-3 The comment indicates concern that additional housing components of the proposed EDZ would require multi-story apartments, which would require additional city resources, and would increase street congestion. Construction of a substantial amount of new housing is not anticipated and in fact the proposed EDZ is not anticipated to require the construction of any new housing, as discussed in Section 4.E, Other Topics, of the Draft SEIR on page 4.E-34 (under Population and Housing).

For a discussion of impacts related to traffic refer to Section 4.D, Transportation and Traffic, and for a discussion of impacts related to city resources, refer to Section 4.E-9, Public Services and Utilities. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

34-4 Refer to the **Master Response to Comments About the Impacts of the Proposed EDZ on Water Supply**, for further detail regarding these impacts.

34-5 The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

From: Knut Ojermark
Sent: Wednesday, November 11, 2015 1:28 PM
To: Eric Luchini
Subject: I am all for it if it is Costco

I am all for it if it is Costco. 35-1

Knut

Knut Ojermark

Letter 35 Response – Knut Ojermark

35-1 The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

THE CITY OF PLEASANTON

COMMENT SHEET

City of Pleasanton
Johnson Drive Economic Development Zone
Draft Supplemental Environmental Impact Report

Community Meeting
November 12, 2015

1. **Do you have any comments or concerns specific to your neighborhood as it relates to the Draft Environmental Impact Report for the Johnson Drive Economic Development Zone? Please be as specific as possible.**

I believe traffic will be excessive & onerous. Parking adequacy will be decreased. Stoneridge Drive will become a nightmare. 36-1

2. **Do you have comments or concerns specific to the level of development proposed within the project description for the Johnson Drive Economic Development Zone? Please be as specific as possible.**

This EDZ should be placed in the vacant lots sitting empty for decades. 36-2
I oppose this rezoning.

Name: James Fong
Neighborhood/Address: The Preserve
Phone Number: [redacted]
Email:

Letter 36 Response – James Fong

36-1 Refer to the **Master Response to Comments about the Draft SEIR Traffic Impact Analysis**. The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR. Please also refer to the response to comment 21-1.

36-2 The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

THE CITY OF PLEASANTON

COMMENT SHEET

City of Pleasanton
Johnson Drive Economic Development Zone
Draft Supplemental Environmental Impact Report

Community Meeting
November 12, 2015

1. Do you have any comments or concerns specific to your neighborhood as it relates to the Draft Environmental Impact Report for the Johnson Drive Economic Development Zone? Please be as specific as possible.

Traffic studies are supposed to include bike access, but the models shown do not include bike lanes or how to access Alamo Canal trail from Johson Drive. 37-1

2. Do you have comments or concerns specific to the level of development proposed within the project description for the Johnson Drive Economic Development Zone? Please be as specific as possible.

Mitigation measures for #2 development are not complete enough not to adversly impact the whole north Pleasanton area. 37-2

The green mitigation measures which are supposed to keep air polution at a target level includes bike lanes. This would work with small business at the site, but no one is going to bike to a Costco. 37-3

Name: Ann Pfaff-Doss
Neighborhood/Address: [redacted]
Phone Number: [redacted]
Email: [redacted]

Letter 37 Response – Ann Pfaff-Doss

37-1 The comment requests clarification regarding bike lanes along Johnson Drive and access to Alamo Canal trail from Johnson Drive. The Johnson Drive EDZ Transportation Assessment (**Appendix G** of the Draft SEIR) describes existing bicycle facilities in the area of the proposed EDZ on pages 14 to 16 and significance criteria for impacts to bicycle facilities on page 12. Potential impacts to bicycles are discussed on pages 89 and 90 of the Transportation Assessment. Access to the Alamo Canal Trail is discussed in the Transportation Assessment, but specific access points were not described.

The Alamo Trail can be accessed from the area of the proposed EDZ at two locations. One access point is located toward the southern end of the study area near the existing FedEx facility and the second is located just north of the study area near the ClubSport Pleasanton and Valley Bible Church.

The proposed EDZ does not propose to change access to/from the Alamo Canal Trail. Mitigation measures are presented in the Draft SEIR that would maintain bicycle facilities on Johnson Drive. Bicyce access would also be maintained and/or provided along other roadways that would undergo physical changes as part of the mitigation measures required for the proposed EDZ.

37-2 The comment appears to indicate that some mitigation measures proposed in the Draft SEIR may not adequately address certain impacts, but does not refer to specific mitigation measures. The comment's reference to "#2 development" is not clearly understood, but may refer to full buildout of the EDZ. The comment is not specific enough to permit a detailed response, nor does it comment on the general adequacy of the SEIR.

37-3 The commenter states that bicycling is not a likely mode of travel for Costco shoppers (i.e., shoppers at the club retail location). The traffic analysis for the proposed EDZ does not assume any reduction in EDZ-generated traffic due to bicycle travel. Bicycle lanes along Johnson Drive could be used by cyclists traveling past the area of the proposed EDZ, as well as those heading to or from locations within the area of the proposed EDZ.

Comment Letter 38

THE CITY OF PLEASANTON

COMMENT SHEET

City of Pleasanton
Johnson Drive Economic Development Zone
Draft Supplemental Environmental Impact Report

Community Meeting
November 12, 2015

1. **Do you have any comments or concerns specific to your neighborhood as it relates to the Draft Environmental Impact Report for the Johnson Drive Economic Development Zone? Please be as specific as possible.**

LETS PUT IN BUSINESS FOR NIGHTS & WEEKENDS. A CONFERENCE CENTER WITH TONS OF UNDERGROUND PARKING TO SUPPORT BREW PUBS, CAFES, WINE-TASTING AND GREEN SPACE. 38-1

2. **Do you have comments or concerns specific to the level of development proposed within the project description for the Johnson Drive Economic Development Zone? Please be as specific as possible.**

Name: GARY KOHLER
Neighborhood/Address: [redacted]
Phone Number: [redacted]
Email: [redacted]

Letter 38 Response – Gary Koher

38-1 The comment suggests that the EDZ area be developed with uses including "business for nights and weekends," such as a conference center, underground parking, brew pubs, cafes, wine-tasting, and green space. Brew pubs, cafes, and similar retail establishments are proposed as conditionally permitted land uses in the EDZ. Please refer to Appendix B of the Draft SEIR, Uses Permitted or Conditionally Permitted in the Johnson Drive EDZ. The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

THE CITY OF PLEASANTON

COMMENT SHEET

City of Pleasanton
Johnson Drive Economic Development Zone
Draft Supplemental Environmental Impact Report

Community Meeting
November 12, 2015

1. Do you have any comments or concerns specific to your neighborhood as it relates to the Draft Environmental Impact Report for the Johnson Drive Economic Development Zone? Please be as specific as possible.

It does not directly effect where I live but it has a huge negative impact on where I spend a considerable amount of my leisure time at Club Sport. Getting there now without the traffic these projects will bring during peak hours is ~~[illegible]~~ inconvenient. 39-1

2. Do you have comments or concerns specific to the level of development proposed within the project description for the Johnson Drive Economic Development Zone? Please be as specific as possible.

my concerns are the same as most Pleasanton residents:

1. Traffic
2. Polution from the traffic
3. Box stores hurting small business
4. Due to the increase in traffic, causing more signal lights, making it take additional time to get to the club. It already takes 15 minutes to get there and it is only a few miles 39-2

Name: Kimberly Williams
Neighborhood/Address: [redacted]
Phone Number:
Email: [redacted]

Letter 39 Response – Kimberly Williams

39-1 The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

39-2 Refer to the **Master Response to Comments About Economic and Urban Decay Impacts**, the **Master Response to Comments about the Draft SEIR Traffic Impact Analysis**, and the **Master Response to Comments about the Draft SEIR Air Quality Impact Analysis**. The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

THE CITY OF PLEASANTON

COMMENT SHEET

City of Pleasanton
Johnson Drive Economic Development Zone
Draft Supplemental Environmental Impact Report

Community Meeting
November 12, 2015

1. Do you have any comments or concerns specific to your neighborhood as it relates to the Draft Environmental Impact Report for the Johnson Drive Economic Development Zone? Please be as specific as possible.

- Stop development of Big box store planning avoiding 21 million infrastructure costs
- Develop other two plans with fewer infrastructure changes to begin collecting property taxes sooner. 40-1
- Big Box traffic would stop Stoneridge cold during weekends + holidays 40-2

2. Do you have comments or concerns specific to the level of development proposed within the project description for the Johnson Drive Economic Development Zone? Please be as specific as possible.

- No matter how many lanes of traffic are added to the 680N onramp from Stoneridge. It feeds to one lane at the freeway. Backups will be horendous. 40-3
- Town's quality of life is about more that tax dollars.

Name: Russ Morth
Neighborhood/Address: [redacted]
Phone Number: [redacted]
Email: [redacted]

Letter 40 Response – Russ Morth

40-1 Refer to the **Master Response to Comments about the Draft SEIR Traffic Impact Analysis**. The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

40-2 Refer to the **Master Response to Comments about the Draft SEIR Traffic Impact Analysis**. The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

40-3 The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

From: Henry Jones
Sent: Thursday, November 12, 2015 10:17 AM
To: Eric Luchini
Subject: Johnson Drive Economic Development Zone

My name is Henry F. Jones and I am a Pleasanton resident.

Regarding rezoning the Johnson Drive property well I and many others are all for it. This location is perfect for the kinds of business that have been suggested. This location is much like the site chosen for the Livermore Costco and surrounding hotels with easy freeway access. This site by the freeway is NOT at all like the Home Depot site which would have been located at Old Stanley and Valley/Bernal in the center of town. We all like this change. We were very opposed to the Home Depot project and we rallied our neighbors against it. We can provide support for this project if needed. 41-1

H F. Jones

Letter 41 Response – Henry F. Jones

41-1 The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

From: Glenn Morse
Sent: Thursday, November 12, 2015 10:54 AM
To: Eric Luchini
Subject: Clorox Rezoning

Hello,

My name is Glenn Morse and I'm writing this email to express my concern about the possible Rezoning of the land which was formerly occupied by Clorox. Normally I would be able to attend the meeting tonight but I have a newborn baby so this email is my way of sharing my opinion and concern.

I moved from Fremont to Pleasanton in 2002. I live in Val Vista where I plan on staying as long as humanly possible. I love living in Pleasanton and have an appreciation for the small town feel after moving from Fremont. The intimacy of downtown and the feeling of it being a place that is protected from all the chaos of larger cities is what I enjoy the most. Crime is almost non existent, if you want an ice cream on a hot day you can drive through meadowlark. The sports parks are full of soccer games on the weekend and people walking their dogs downtown or enjoying the farmers market.

I'm not opposed to welcoming businesses to our community, as long as they are the right for for Pleasanton. I think the Starbucks development downtown is tasteful and fits right in. 42-1

I do feel like a Sams Club, Wal-Mart, Costco, etc. at the Clorox location is a horrible fit. The Stoneridge exit is already congested and the 580 & 680 interchange is extremely dangerous and gets backed up. Furthermore, we have a Walmart and two Costco's within several miles of pleasanton.

I want my son to be able to ride his bike to the sports park and cross the street without him getting hit by semi trucks coming in and out or lines of cars filling Stoneridge. I want to sleep at night without the sound of the diesel engines from delivery semis keeping me up.

Please keep a family guy like me in mind who works extremely hard to pay the premium to live in this wonderful city who just wants it to continue to be what it is, pleasant.

Sincerely,

Glenn Morse

Letter 42 Response – Glenn Morse

42-1 Refer to the **Master Response to Comments About Impacts to Neighborhoods Near the Proposed EDZ**.

From:
Sent: Thursday, November 12, 2015 12:15 PM
To: Eric Luchini
Subject: Costco on Johnson Dr.

I am commenting on the changes that the City of Pleasanton is thinking about doing for the area on Johnson Dr. where the old Clorex building was. I hear that they are thinking about putting in a Costco maybe. I am totally fine with that. I think this is a great idea that will bring much needed tax basis to Pleasanton. I think it's a great location, right near the highway (just like the one in Livermore) and the road in front of it is just like the road at the Livermore Costco. The area is already zoned for business, so there should be no problem. You have a Home Depot right down the street and they handle that same type of traffic, as a matter of fact, Home Depot has big delivery trucks and Costco will have the same. There are no residential areas near the location, so there is no problem there! Pleasanton people need to wake up and smell the coffee. Dublin and Livermore are getting all the good new stores and resterants while Pleasanton just poo-poo's all the good things that could really help this community. 43-1

Did anyone ask us if we needed another coffee shop downtown?? NO, and now they are planning on putting a "Bible Study" coffee shop where Round Table Pizza use to be. Did anyone hear about this?? I just found out from a friend!! Don't you think the general public needs to have some say so in what goes in to our nice downtown??!! 43-2

Letter 43 Response – No Name Given

43-1 The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

43-2 This comment, which does not pertain to the proposed EDZ, is acknowledged. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

From: James Fong
Sent: Sunday, November 15, 2015 1:35 PM
To: Eric Luchini
Subject: P14-0852 and PUD-105, Johnson Drive Economic Development Zone (JDEDZ)

I believe that allowing a large major retailer into this area will overwhelm the neighborhood and negatively impact the local residents. Excessive vehicle and commuter activity already exists. We support a less intrusive development, and we expect our representatives to protect our neighborhoods. Thank you. 44-1

James Fong

Letter 44 Response – James Fong

44-1 The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

From: tj
Sent: Monday, November 16, 2015 3:42 PM
To: Mayor and City Council
Subject: Johnson Drive Economic Development Zone

To:

Mayor Jerry Thorne
Councilmember Karla Brown
Councilmember Kathy Narum
Councilmember Arne Olson
Councilmember Jerry Pentin

For your information, today I sent the following email to the members of the Planning Commission:

Members of the Planning Commission:
Mr. Herb Ritter
Mr. Greg O'Connor
Mr. Jack Balch
Ms. Nancy Allen
Ms. Gina Piper

I have been a resident of the City of Pleasanton since 1991.

I attended the public hearing last Thursday night at Hart Middle School concerning the "Johnson Drive Economic Development Zone" and the Draft Environmental Impact Report.

I listened for over two hours as City Staff presented a plan that seemed weak, at best, for the planning of this project. My concerns are as follows:

The biggest issue, by far, is traffic. The City Staff presented a plan to build a "concrete jungle" from the Stoneridge Interchange to the planned 40-acre development site with up to six lanes of traffic. Not one mention was made of the impact of the extra lane on Northbound I-680 that was proposed and the impact of the traffic flow on this already dangerous freeway.

I frequently take northbound I-680 to go to Walnut Creek from the Stoneridge exit. Presently, it is necessary to move over through three lanes of traffic within one mile in order to accomplish this. From what I understood at the meeting, it will now be necessary to move over through four lanes of traffic within one mile to accomplish this.

No mention was made in the meeting of any input by Caltrans as to the increase of traffic on I-680, which is already so congested that the increase of traffic proposed by this project will make a bad situation only worse. 45-1

Many in the audience were upset and seemed to think that the City of Pleasanton had already "made up its mind" and were "doing this project no matter what the citizens thought about it". It appears to me to be the wrong project for this area. I ask you to do what is best for the citizens and the city – and this project **cannot overcome** the many hurdles that were presented by the citizens. City Staff should have seen the obvious flaws in this project long ago. It makes me wonder what the actual motive of this project really is, and if you are going to participate in this project that is definitely not in the best interests of the citizens you represent. 45-2

Craig L. Schwab

Letter 45 Response – Craig L. Schwab

45-1 The comment addresses traffic impacts, including impacts to traffic on I-680. No widening of Northbound I-680 would be associated with the proposed EDZ. Mitigation Measure 4.D-1d (page 4.D-35 of the Draft SEIR) would construct a second lane on the on-ramp to northbound I-680 from westbound Stoneridge Drive; the two-lane on-ramp would narrow to one lane prior to the merge area of the I-680 mainline. See responses to Comment Letter 16 regarding concerns raised by Caltrans to the the Draft SEIR analysis of potential impacts on State highways (specifically Comment 16-8 regarding Mitigation Measure 4.D-1d). Traffic conditions on I-680, and EDZ-related impacts to those conditions, are addressed under Impact 4.D-4 (page 4.D-50 of the Draft SEIR), and as described, the addition of EDZ traffic would slightly worsen the operations of northbound and southbound I-680 traffic, but would neither cause deficient operations nor increase the freeway volume by more than the 3 percent threshold of significance. Therefore, the impact of the proposed EDZ to mainline freeway conditions would be less than significant, and no additional mitigation is required.

45-2 Refer to the **Master Response to Comments About the Proposed EDZ Public Notification Process, Community Workshops, and Hearing Dates**, for information on the City's public involvement effort actions and community workshops and hearing dates, as well as additional information regarding the EDZ. Approval of the EDZ is subject to a recommendation by the Planning Commission and final decision by the City Council, all of which will occur at public hearings where public comment will be received. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

From: Carl Cox
Sent: Tuesday, November 17, 2015 1:00 PM
To: Eric Luchini
Cc: Mayor and City Council; Maria Hoey
Subject: Rezoning of Johnson Drive

My family and I have owned and operated a business in Pleasanton since 1982. I have reviewed the draft Supplemental Environmental Impact Report and attended the Johnson Drive Economic Development Zone Community Meeting on November 12th, and have several concerns which I would like to share with you.

1) Communication regarding this project and the SEIR to the citizens of Pleasanton has been very poor. Due to increased traffic on the city's main arterial streets as well as the detrimental impact on existing businesses that will be caused by this project, information and meeting notices should be sent to all of Pleasanton's citizenry. 46-1

2) The SEIR does not consider the substantial negative impacts that club retail will have on existing businesses throughout Pleasanton and, as such, significantly overstates the amount of Sales Tax Revenue that it will generate for the city. As a Family Business Owner, I urge you to consider the effect that this project will have on small businesses such as ours. The sales that the new club retail store will generate will be sales taken from other local businesses. A painful example of this is the impact that adding gasoline sales to the Safeway on Bernal had on our two retail sites, Hopyard Shell (Hopyard / Owens) and Santa Rita Shell (Santa Rita / Pimlico). Each of these sites lost average sales of 30,000 gallons per month (720,000 gallons annually). A Costco gasoline facility averaging over 1,000,000 gallons per month, about as much as many gas stations sell in a year, will take a lot of these gallons from other Pleasanton gas stations. I estimate that we will lose an additional 40 – 60,000 gallons per month at each of our sites. Depending on the price of gasoline, this could be as much as $60,000 per year in lost sales tax revenues for the city. 46-2

   I believe that the SEIR should be amended to include a fair estimate of the impact that this project, as proposed, will have on existing businesses in Pleasanton. This amendment should be vetted with local business owners and be made available for public comment before the SEIR is accepted by either the Planning Commission or the City Council. My family is more than willing to participate in the development and vetting process.

3) The SEIR glosses over two very important issues in regards to impacts on traffic.

   a. The SEIR points out that traffic congestion at the corner of Hopyard and Owens is already at an unacceptable level. As business owners on this corner, we regularly see cars have to wait 2 or 3 light cycles to exit businesses onto Hopyard and Owens during peak hours. Traffic on Owens is often backed up to Johnson. Failing to put mitigation actions in place before the additional traffic caused by this project hits could paralyze this intersection. 46-3

   b. The SEIR does not go into enough detail about how and when CALTRANS will put mitigation measures in place for the northbound entrance ramp from Stoneridge to I-680. As it sits, this ramp is extremely dangerous because crossover traffic is using the same lane to exit I-680 onto I-580 east. My office is on Stoneridge and we regularly hear from employees and visiting business associates about close calls that they have had on this ramp. Putting thousands of additional vehicles on this ramp without CALTRANS first fixing the crossover problem seems unconscionable. 46-4

Thank you for your consideration!

Carl Cox

Cox Family Stores
C & J Cox Corporation

Sent: Friday, November 20, 2015 3:11 PM
To: Ellen Holmgren
Cc: Eric Luchini; Mayor and City Council; Maria Hoey; Gerry Beaudin; Adam Weinstein
Subject: Re: Rezoning of Johnson Drive

Dear Ellen,

Thank you for responding. As to my first comment, the communication to residents and businesses has been very poor. I would estimate that less than 10% of the community knows about it.

If this were passed with such little notification, and it were to affect so many, there would be anger from the people. Notification was only given to addresses within 1000 feet of the project? How many was that?

I am but one voice, but I think that a citywide notification is in order. At some point, and in some way - this will affect every citizen in Pleasanton.

46-5

Have a nice weekend!

Carl

Letter 46 Response – Carl Cox

46-1 The comment requests that information and meeting notices regarding the proposed EDZ be sent to all of Pleasenton's citizens. Refer to the **Master Response to Comments About the Proposed EDZ Public Notification Process, Community Workshops, and Hearing Dates**, for information on the City's public involvement effort actions and community workshops and hearing dates, as well as additional information regarding the EDZ. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

46-2 Refer to the **Master Response to Comments About Economic and Urban Decay Impacts**, for a summary of the results of the economic study prepared by the City for the proposed EDZ; and **Appendix A**, which contains the economic study in full. As discussed in the economic study, case study research in selected California communities, including Livermore and Hayward, indicates that none of the cities experienced negative impacts on the existing business community, including gas stations, after the introduction of a club retail (Costco) store into the community.

46-3 The comment states concern for the capacity of the Hopyard Road and Owens Drive intersection to support increased traffic without mitigation. Refer to the **Master Response to Comments About the Timing and Funding of Traffic Mitigation Measures**, which addresses how traffic mitigation will be paid for, apportioned, and timed; traffic mitigations will be required to be in place before uses within the EDZ are operational. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

46-4 The comment describes concern over the timing of mitigation relating to the timing of the northbound entrance ramp from Stoneridge to I-680. Preliminary designs for the improvement are being develop in consultation with Caltrans. Implementation of the mitigation addressing the I-680 northbound ramps will be developed in consultation with Caltrans such that the final design does not adversely affect other freeway improvements along the corridor.

Full buildout of the EDZ would result in approximately 60 new vehicle trips during the weekday PM peak using the northbound I-680 ramp entrance at Stoneridge Drive. The project would also attract existing traffic from the adjacent regional roadway system (pass-by and diverted trips, as discussed in Response 24-9 and 82-1), resulting in slightly fewer vehicles on mainline I-680 through the Stoneridge Drive interchange. Consideration of pass-by and diverted trips (trips already on the roadway system) would increase the number of vehicles on the northbound on-ramp by approximately 110 vehicles during the weekday PM peak hour, with a commensurate decrease in mainline travel.

Refer to the **Master Response to Comments About the Timing and Funding of Traffic Mitigation Measures**, which addresses how traffic mitigation will be paid for, apportioned, and timed; traffic mitigations will be required to be in place before uses within the EDZ are operational.

46-5 The comment requests that there be citywide notification regarding the proposed EDZ. Refer to the **Master Response to Comments About the Proposed EDZ Public Notification Process, Community Workshops, and Hearing Dates**, for information on the City's public involvement effort actions and community workshops and hearing dates, as well as additional information regarding the EDZ. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

From: Patricia Baptiste
Sent: Tuesday, November 17, 2015 9:11 PM
To: Eric Luchini
Cc: Mayor and City Council
Subject: Johnson Drive Development Zone

Hello,

I attended the community meeting held at Hart Middle School last week. The community was well represented and I observed that the overwhelming majority in attendance were NOT in favor of a large Costco or retail development on the Johnson Dr site. I agree with them, and for all the reasons that they voiced.

The city speakers stated that the Environmental Study indicated that the Costco development would not have a significant biologic effect or hazardous effect. I disagree. The property with hotel or retail would use a large amount of water. We already know that the largest water wasters in Zone 7 were the Ranch 99 Market and the Hilton Hotel. We don't need more of these. Our water is limited. The property borders on the Zone 7 holding ponds and the arroyos feeding Niles Canyon. Hazardous discharge or leaking pipes from the large hotels or Costco would seriously impact the water quality and flow in the arroyos. Our city planners and the city council have already extended our limited water resources with their approval of the multiple housing units throughout the city. Those units are not even completed or occupied, and our city has a severe water shortage NOW! How can you justify more building and water wasters to the electorate? 47-1

Another major concern is the traffic congestion on Stonebridge Dr and the intersection of Johnson and Stoneridge I live in Vintage Hills. It took me over 20 minutes to get to the meeting at Hart, I traveled westbound on Stonebridge from Santa Rita Road, and saw that the traffic going eastbound was backed up solid between each set of stoplights, all the way to Hopyard and beyond. This is a cut- through commute route. The traffic is already horrible, and you are proposing to "mitigate" the effects of dumping a huge amount of vehicles on the city streets. These intersections are maxed out already. And as Matt Sullivan and others pointed out, there is NO guarantee that the developer will finance the needed road construction for the extra traffic. It will probably fall on the citizens of Pleasanton to either finance or suffer. 47-2

The planning department and council need to LISTEN to the citizens. We don't want this development. It is not needed. We have a Costco 5 miles away.
We have a large Hilton on the same street. Our water supply is limited and in jeopardy with the increased building already approved. And the traffic is degrading the quality of life in Pleasanton. What happened to the leaders that used to stand up to the developers who wanted to achieve build out (like Dublin) on every vacant land? When will the current elected officials stand up for what the citizens want, and not just represent the developers needs??? 47-3

Sincerely,

Patricia and John Baptiste

Letter 47 Response – Patricia and John Baptiste

47-1 Refer to the **Master Response to Comments About the Impacts of the Proposed EDZ on Water Supply**, for further detail regarding these impacts. The comment concerning potential "hazardous discharge or leaking pipes from the large hotels or Costco" is speculative and no detailed response is required. All new uses within the EDZ would be required to adhere to the City's water quality regulations, which prohibit untreated discharges. Neither a hotel nor a club retail store would use or handle hazardous materials other than routine quantities of cleaning and lubrication products. Therefore, no substantial risk related to releases of hazardous materials would result from implementation of the proposed EDZ.

47-2 The comment indicates a lack of assurance that impacted intersections will actually see improvements provided ("financed") by the developer. Refer to the **Master Response to Comments About the Timing and Funding of Traffic Mitigation Measures**, which addresses how traffic mitigations will be required to be in place before uses within the EDZ are operational. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

47-3 Refer to the **Master Response to Comments About the Impacts of the Proposed EDZ on Water Supply**, for further detail regarding these impacts. The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

From: Byron Hay
Sent: Wednesday, November 18, 2015 7:54 AM
To: Eric Luchini
Subject: Johnson Drive Economic Development Zone

Dear Mr. Eric Luchini,

I'll be quick to the point but long in explanation. I am against rezoning the Johnson Drive property for any big box stores or business operations that will significantly and negatively impact traffic, city infrastructure and services. I'm a long time resident of Pleasanton and would hate to see development that is so narrow minded and lacking in forethought.

It appears there is a rush to decide the future use of this and surrounding property and I can't help but believe it's strictly motivated by tax generation rather than what is best for the community at large and especially those most impacted by the decision and it's consequences. I haven't heard of any alternative plans that demonstrate innovative forward thinking for use of the property which is very disappointing. 48-1

For example, there is a desperate need for truly affordable housing for those who will never be able to buy a home. There are thousands who dream of living much closer to where they work but have to commute through horrible traffic everyday for low wage jobs. Pleasanton deserves better than to be built out with more unnecessary big box corporate operations.

There should be much more brainstorming and deliberation regarding the use of this and other property in the city.

Sincerely,

Byron Hay

Letter 48 Response – Byron Hay

48-1 The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

From: Carolyn
Sent: Wednesday, November 18, 2015 12:08 PM
To: Eric Luchini
Subject: costco

I am submitting a favorable opinion regarding the proposed costco development. I am in favor of it for the following reasons:
- Traffic would not impact neighborhoods
- The business is not a heavy water user (my opinion)
- This company has shown they are good citizens with donations and composting programs.
- Would generate good income for the city
- Does not compete with local businesses---people who buy the large quanity items will drive to either Livermore or San Ramon for the purchases.

49-1

Thank you for considering my opinion.

Carolyn Garner

Letter 49 Response – Carolyn Garner

49-1 The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

From: Dan Moore
Sent: Wednesday, November 18, 2015 1:31 PM
To: Eric Luchini; Mayor and City Council
Cc: Dan Moore
Subject: Johnson Drive EDZ

Mr. Luchini/City Council Members;

I wish to express my continued dissatisfaction with the ongoing plan to expand the Johnson Drive EDZ.
During the last town hall meeting numerous valid points were raised which I feel warrant your attention. These items should be investigated and openly answered and discussed with the Citizens of Pleasanton prior to moving forward and spending our limited City funds on this project.

Below are a few of these items.

1) Up to 15,000 ADDITIONAL vehicle trips/day on Stoneridge drive. (Unknown additional trips on Hopyard.) What is the anticipated additional vehicle trips on Hopyard? It should be apparent to the City Council that shoppers coming from east on Hwy 580 will more than likely take Hopyard exit to travel to Stoneridge drive and the Johnson drive area. With the current ongoing and completed construction projects on West Las Positas, Hopyard is already crowded. Additionally, if Hopyard becomes too crowded (which is more than likely going to happen with this project) West Las Positas traffic will begin to drive to Santa Rita Road (which is already crowded) to gain access to the freeway thus impeding traffic to our downtown area. 50-1

2) Freeway off-ramp and on-ramp safety to Stoneridge Drive. 50-2

3) Between 500 and 700 NEW low paying jobs in the City of Pleasanton. How will that affect our housing plan, and our upcoming (in a few years) housing plan? Will new additional "affordable housing units" be required to be allowed to be built? If so, will the City once again ask if any property owners wish to have their properties current zoning be changed to allow for affordable housing which is by definition 40 units per acre, and would require a multi story building? What will be the additional infrastructure upgrades be for the anticipated required housing? 50-3

4) What additional water resources will this plan require? (Including water for any required new housing.) We found out during the current drought and water shortage that we (The City of Pleasanton) cannot rely on the State to give us our water that we stored in their reservoirs as a reserve and backup. Has the city developed a long term water resource plan that allows for the buildup and replenishment of our aquifer. It is common knowledge the water table has dropped drastically. 50-4

5) How will the city pay for the estimated 15 to 25 million dollars in required infrastructure improvements? 50-5

6) What is the estimated loss in small business sales, jobs, taxes etc. to Pleasanton businesses that this project will cause? 50-6

7) lastly, do the Citizens of Pleasanton even want a large box store in town? Has anybody asked? 50-7

Thank you for your time and please respond and comment on the above.

Regards,

Dan Moore

Letter 50 Response – Dan Moore

50-1 The comment requests clarification regarding the additional vehicle trips on Hopyard and describes concern about existing roadway congestion. The comment refers to the maximum trip generation estimate for daily net new vehicle trips on a typical Saturday (Table 4.D 3 in the Draft SEIR). However, the approximately 15,000 additional daily vehicle trips would not solely use Stoneridge Drive. Based on the trip generation and trip distribution projected for the proposed EDZ, 2,300 of the 15,000 daily vehicle trips are expected on Hopyard Road north of Owens Drive, and 1,600 of the 15,000 daily vehicle trips are expected on Hopyard Road south of Owens Drive as a result of the proposed EDZ.

The effect that traffic generated by the proposed EDZ would have on peak hour operations at intersections along Hopyard Road was evaluated for the Existing, Near-Term, and Far-Term (Cumulative) conditions in Draft SEIR. Impacts to the transportation system are evaluated based on the peak hour conditions, not the daily trip generation. Significant impacts were identified at the Hopyard Road at Owens Drive intersection in the cumulative condition (see the discussion starting on page 4.D-50 in Section 4.D, Traffic and Transportation, of the Draft SEIR), and mitigation measures were identified that would result in acceptable operations based on the City's level of service standard.

Additionally, a roadway segment analysis of Hopyard Road for the years 2020 and 2040 concluded that the future level of traffic on Hopyard Road would be less than the road's capacity, even when considering the proposed EDZ. Therefore, traffic diversion to parallel routes is not expected as a result of the proposed EDZ.

50-2 Freeway ramp traffic is analyzed in Section 4.D, Transportation and Traffic, of the Draft SEIR, in connection with Impact 4.D.1, which identifies a significant impact related to vehicle queue spillback from Stoneridge Drive onto the freeway mainline. Because a portion of the mitigation for this impact (Mitigation Measure 4.D-1d) would require Caltrans approval, the Draft SEIR concludes that this impact would be significant and unavoidable, as implementation of this measure is not fully within the control of the City of Pleasanton. The City will work closely with Caltrans to ensure the improvements are adequately designed and progress expeditiously through the approval process.

50-3 The comment requests clarification regarding additional housing and the City's housing plan. As concluded in Section 4.E-8, Population and Housing, which addresses growth, the proposed EDZ would not induce the construction of a substantial amount of new housing and would not likely induce any construction of new housing in the City. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

50-4 Refer to the **Master Response to Comments About the Impacts of the Proposed EDZ on Water Supply**, for further detail regarding these impacts.

50-5 The comment requests clarification with regards to the method of payment for the costs of infrastructure improvements (approximately $15 million). Refer to the **Master Response to Comments About the Timing and Funding of Traffic Mitigation Measures**, which addresses how traffic mitigations will be paid for, apportioned, and timed. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

50-6 Refer to the **Master Response to Comments About Economic and Urban Decay Impacts**, for a summary of the results of the economic study prepared by the City for the proposed EDZ; and **Appendix A**, which contains the economic study in full.

50-7 Refer to the **Master Response to Comments About the Proposed EDZ Public Notification Process, Community Workshops, and Hearing Dates**, for information on the City's public involvement effort actions and community workshops and hearing dates, as well as additional information regarding the EDZ. The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

From: Fredrickson
Sent: Wednesday, November 18, 2015 1:44 PM
To: Maria Hoey
Subject: ContactUs Form Submission

Name: Anne Fredrickson
Select Recipient: City Planning Department
Comments & Questions: My husband and I have been residents of Pleasanton for 28 yrs. and love Pleasanton and Costco. Would love to have a Costco here in PLS. This would help with keeping congestion off 580 and help with Pleasanton's tax base. Please count our vote in for support for a much needed Costco and tax revenue. A win-win for Pleasanton. 51-1
Anne and Carl Fredrickson

Letter 51 Response – Ann and Carl Frederickson

51-1 The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

From: Brent Curtis
Sent: Thursday, November 19, 2015 7:20 AM
To: Eric Luchini
Cc: Mayor and City Council
Subject: Johnson drive zoning

Mr. Luchini,

I am a Pleasanton resident. would like to express my concern over the plans for Johnson Drive. I do not think it should be zoned for anything that will bring high traffic to the area. A big box store or club membership store should not be approved. Stoneridge is already too congested as it is. If any zoning is changed, it should only be for low traffic places with plenty of parking (unlike the situation we have at the Bernal Safeway parking lot). I understand the widening of Johnson Drive is also part of the plan. There are several reasons why I think that is a mistake: there isn't enough space, some current businesses park along Johnson right now, and widening isn't needed if you don't put any high traffic retail along Johnson. 52-1

I went to the meeting at Hart Middle School I listened to the proposal But I also listened to the concerns of several of the business owners who currently work in the area. Why aren't you working with them? Their needs are not being considered at all (for example Black Tie). Also, they were not given notice of the meeting. In fact, notice for the meeting went out very late to all Pleasanton residents. When asked about this, the Commissioners acted like they didn't know how to better get the word out. We are not naïve. If the Commissioners can't do a better job with communication then they need to get a new job. 52-2

Pleasanton is a great place to live right now. Please don't sacrifice our quality of life.

Sincerely,
Brent Curtis

Letter 52 Response – Brent Curtis

52-1 The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR. Refer to the **Master Response to Comments about the Draft SEIR Traffic Impact Analysis**.

52-2 The comment requests the City provide improved notices for community outreach and informative workshops on the proposed EDZ. Refer to the **Master Response to Comments About the Proposed EDZ Public Notification Process, Community Workshops, and Hearing Dates**, for extensive information on the City's public involvement effort actions and community workshops and hearing dates, as well as additional information regarding the EDZ. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

From: Terry Hall
Sent: Thursday, November 19, 2015 8:57 AM
To: Eric Luchini
Subject: Johnson Drive

This email is to let you know we are opposed to the "big box" option for Johnson Drive. We were not able to make the meeting last night. 53-1

Terry Hall
Mike Hall

Letter 53 Response – Terry Hall and Mike Hall

53-1 The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

From: Natalie Rigor
Sent: Thursday, November 19, 2015 9:53 AM
To: Eric Luchini
Subject: Rezoning Johnson Drive Pleasanton

Hello Mr. Luchini,

17 years ago my husband and I took a wrong turn on the freeway and happened upon this lovely town and decided we were going to move here from a very busy Fremont area. One of the things that stood out to us was the fact that it was a beautiful, calm, accessible town with old time charm relatively close to anywhere you wanted to go. In the 17 years there has been so much growth which we embraced yet I believe as a resident has gone quite too far. That old time charm is gone, traffic is terrible just gong to the corner market. It's hard to find parking downtown since so many new residence have moved to this wonderful town, don't get me wrong we are so willing to share this beautiful town with others.. why not they deserve to live here as anyone else, but although sometimes it bothers us that we have to go to Dublin, Livermore or San Ramon to eat at some of the Chain Restaurants, or go to Livermore or to Danville to go to Costco at the end of the day we believe its not that big of a deal, driving 10 miles down the road to keep Pleasanton as quaint as possible is worth the drive. 54-1

The Rigor family is definitely against this type of growth it will not benefit the residence at all.

Thank you for listening.

--
Natalie Rigor

Letter 54 Response – Natalie Rigor

54-1 The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

From:
Sent: Thursday, November 19, 2015 1:05 PM
To: Eric Luchini
Subject: building on Johnson Drive

I am completely against the city of Pleasanton approving anything that will further add to the traffic congestion in our once fine city. You build it and they will come.... Those that want to build up the $$ in the city treasury don't give a rat's behind about the quality of life in this city that has deteriorated completely in the last half century. 55-1

Letter 55 Response – No Name Given

55-1 The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

From: Karrie Smith
Sent: Thursday, November 19, 2015 1:27 PM
To: Eric Luchini
Cc: Karrie Smith; Randy Smith
Subject: Big Box store Near Fed-Ex

Dear Eric,

We are city residents, 20+ years now. Had 3 kids in Pleasanton schools- actually, one still at Harvest Park.

Many things in the city have changed; some for the better, some not- some have both sides, benefits and issues.
We see only issues for this current parcel as a big box store...

This new idea for a big box store (CostCo, etc) near Fed Ex would exacerbate what is happening more and more in our"nice quaint town" of Pleasanton: increased TRAFFIC & OUTSIDE 'non-resident' arrivals.
A new Costco here brings MORE Cars onto our streets. When 680 and 580 are impacted, it spills into our "Pleasant-Streets". Getting places across our small town now can take 15+ minutes:(
We understand there is also no infrastructure to support this type of commercial building too. So this and $$$ to do this would be an issue. 56-1

With two CostCo's within 10 min to the EAST and NORTH, why would the city agree to this?…..MONEY. that's why.

LET'S NOT DO THIS.

$$$$Find someone else to buy$$$$ the land that is within the resident's quality of living standards…a business who wouldn't bring 1000's of cars per day Monday-Sunday, but perhaps a business who is M-F and whose employees come in and out 2x a day, and only AM & PM...
This would be compromise for city , allowing the revenue and taxes, but also listening to the citizen's wishes regarding quality of life… Don't you think? Give this a try. 56-2

Gone are the days where we can inch quietly down Main Street, pulling over to sip coffee with friends, wine, and have an ice cream. Would like keep this other type of growth at bay.. Thanks for listening.

Karrie and Randy Smith

Letter 56 Response – Karrie and Randy Smith

56-1 The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

56-2 The comment describes concern regarding the traffic impacts of the proposed EDZ, and a preference for smaller-scale businesses. Such businesses would be permitted under the currently-proposed EDZ. See **Appendix B** of the Draft SEIR, Uses Permitted or Conditionally Permitted in the Johnson Drive EDZ. The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

In response to the comment's request for lower density, or office use alternatives, the SIER includes lower density alternatives, and also a review of office scenarios under Chapter 5, Alternatives. The three alternatives considered and analyzed in Chapter 5, include Alternative 1: No Project Alternative, Alternative 2: Reduced Retail, and Alternative 3: Partial Buildout (Phase I Only). Each of these alternatives entails lower build-out elements. Additional office use scenarios were drafted for the EDZ area, including one titled the "Existing Zoning" alternative, and another the "Headquarters Office, Hotel and New Retail." The Existing Zoning alternative only allowed for office uses, and because this alternative would not accomplish most of the objectives of the proposed EDZ, it was not carried forward for detailed analysis. Conversely, the Headquarters Office, Hotel and New Retail alternative would not avoid or lessen any of the significant impacts that would result from the proposed EDZ, and was also not carried for as full alternatives for analysis.

From: Charles Choi
Sent: Thursday, November 19, 2015 7:45 PM
To: Eric Luchini
Subject: Johnson Drive Economic Development Zone

Mr. Luchini,

I live at Val Vista neighborhood.
Regarding "Johnson Drive Economic Development Zone", I am **strongly against** rezone the area. My concerns are increased traffic congestion, air pollution from traffic, and crime associated with big box retails. Infrastructure improvement will cost $15 to $25 millions with no funding source committed. It is not a wise way to spend tax money on. 57-1

I am for keeping current zone plan so it can maintain same kind of business that was in the same location.

Thank you for taking my consideration.

Charles

Letter 57 Response – Charles Choi

57-1 Refer to the **Master Response to Comments About Impacts to Neighborhoods Near the Proposed EDZ**. This comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

From: Jerry Mercola
Sent: Thursday, November 19, 2015 8:26 PM
To: Adam Weinstein
Subject: JDEDZ

Hello Adam,

I attended the JDEDZ meeting on November 12th and was interested to hear the expanded traffic mitigation plans you have for putting a large Member Club store on the old Clorox site. There were several problems with the current plan that has not been addressed and I think the JDEDZ ought to be shelved until a better plan can be made.

Specifically, your traffic engineer spent over 15 minutes describing why and how he would change the Stoneridge-Johnson intersection to handle the anticipated inflow of traffic to Johnson Drive. He was worried about the added Stoneridge Westbound traffic and more so about the traffic coming off of the Northbound 680 exit. He said it would back up onto the freeway unless he provided a third left turn lane into Johnson Drive. However, he did not describe how he would handle the traffic leaving Johnson Drive except to say he would add a second Northbound ramp onto 680. He does not say how he would handle getting the returning 680 traffic to Southbound 680 entrance. There must be a lot of it if he felt it would back up on 680.

Right now, the Stoneridge-680 bridge is only two lane in the West direction. Normal Stoneridge traffic backs up in the North lane, blocking the 680 Southbound exit for one signal time. During Christmas time, the Stoneridge Mall bound traffic backs up past Johnson, making getting to the Southbound 680 entrance a two signal effort. To adequately handle the 680 traffic, you need a right turn only lane added to the bridge which means a new design for the both North and Southbound 680 entrances. You need to show that Caltrans will go for it this close to the 580-680 interchange and where is the money to do it coming from? The bridge widening needs to be approved by Caltrans and started before granting a permit to a big box store like Costco. If not, we will have a horrible mess leaving Johnson. 58-1

The other part of the traffic mitigation was to widen Johnson and put in three traffic lights in little more than 300 yards. Widening Johnson, takes away all of the parking that several businesses currently use. This effectively forces then out of the city. Is it right to take jobs away from Pleasanton residents to replace them with lower paid jobs from outsiders at a big box store? It is right to force companies employing over 150 people out of the city? A better plan would be to provide access to the Clorox property by a two or 4 lane road across the West side of the DSRSD percolation basin. That would keep the traffic off of Johnson and make an easy access from Stoneridge for the incoming traffic. 58-2

Finally there is the problem of who approves the deal to put a Membership Club store in Pleasanton. Right now the developer is paying for this study which does not address everyone's concerns and has a lot of opponents. If you change the zoning for him, does the developer get to put in a Membership Club without citizen review or City Council approval? Would the city want a Costco with its impact on the local businesses? Are we that much in need of revenue that we could not put in an attractive collection of lower traffic generating hotels and stores instead? 58-3

Regards,

Jerry Mercola
ICS Electronics

Letter 58 Response – Jerry Mercola

58-1 The comment addressing current traffic conditions, proposed roadway changes, and suggested roadway changes will be presented to decision-makers as part of this SEIR. See responses to Comment Letter 16 regarding concerns raised by Caltrans to the Draft SEIR analysis of potential impacts on State highways (specifically Comment 16-8 regarding Mitigation Measure 4.D-1d [Stoneridge Drive Queue Spillback - Stoneridge Drive and Johnson Drive Improvements]). See also the **Master Response to Comments about the Draft SEIR Traffic Impact Analysis**. The City has been working with Caltrans (see page 4.D-37 of the Draft SEIR regarding consultation between the two parties about that mitigation measure), as improvements within Caltrans right-of-way require Caltrans design review and oversight.

58-2 The comment addresses sufficient parking for businesses off of the street. Refer to section 4.D, Transportation and Traffic, of the Draft SEIR, specifically Parking Impacts 4.D-12 (page 4.D-66), and to response to comment 21-1.

The discussion in the Draft SEIR (page 4.D-66) states, "Parking for substantially new development proposed within the EDZ area would be required at the rates specified in the Design Guidelines and in Section 18.88.030 of the Municipal Code." **Appendix D** of the Draft SEIR, Draft EDZ Design Guidelines, also contains the design guidelines and City codes that require that all new businesses to include sufficient off-street parking.

Suggested roadway changes are acknowledged and will be presented to decision-makers as part of this SEIR. The installation of a roadway to the west of the DSRSD property could require larger amounts of land currently occupied by existing businesses and uses, than the proposed widening of Johnson Drive, which was desgined to maximize the use of existing roadway right-of-way.

58-3 The comment requests clarification regarding City land use approval process, as well as the potential revenue generation of lower traffic generating hotels and stores. With regard to land use determination, the entire EDZ, including a potential club retail use, would be subject to Planning Commission recommendation and City Council review and approval.

With regard to the fiscal comparison of potential land uses, the EDZ would allow for reuse of this highly visible and underutilized area, which could have positive effects on the City's tax base. In addition, refer to the **Master Response to Comments About Economic and Urban Decay Impacts**, for a summary of the results of the economic study prepared for the proposed EDZ, as well as to the Fiscal Impact Analysis prepared for the proposed EDZ, included in **Appendix A**.

Overall, the City is interested in exploring options that will develop the land within the area of the proposed EDZ to its full potential and add value to the existing businesses within the EDZ. The City is seeking to change the land use rules that govern development on the site to encourage new uses that will diversify the City's land use and economic base in order to offer a wider range of services and to continue to evolve and grow the

City's economy. This approach is consistent with various policies in the City's General Plan, which seek to:

- Encourage comprehensive planning of underutilized areas (Land Use Element, Policy 6);
- Enhance Pleasanton's economic base (Economic and Fiscal Element, Goal 2, Policy 1); and
- Maintain a diverse and stable revenue system (Economic and Fiscal Element, Policy 18).

As currently proposed, City Council approval of the EDZ would be required prior to development of a Costco or other club retail use in the area.

From: Moira Udinski
Sent: Friday, November 20, 2015 9:02 AM
To: Eric Luchini
Subject: Johsnon Drive Rezoning

Dear Eric Luchini,

Unfortunately, I was out of town during these past 2 or 3 meetings, concerning the rezoning of the Johnson Drive property.

I have always thought one of the great benefits and reasons I have loved living in Pleasanton is first and foremost it's a true community. Secondly, the feeling of coming home and being away from the commercialization many other "communities" are progressing towards (ie: Dublin, Livermore) with all the traffic, which adds stress to already stressful lives. Many residents commute to work, as it is a norm in the Bay Area and to come home and deal with more traffic all the way to your driveway, isn't appealing. Big box stores equals semi trucks in and out, increased traffic problems, as already with the mall location during the Holidays, it is a horrible traffic mess and to add to that really makes me think about why am I living in Pleasanton? Everything it stands for starts to diminish, as we add more big box stores, more traffic, more headaches, more stress. Living near this area, this is something I would have to deal with, along with everyone else, on a daily basis. Also, for the residents, who are very fortunate enough to bike to work from the West side, have more traffic, including big semi trucks on their bike route equaling safety risks. 59-1

I understand the tax benefit, but that seems to me the concern is more money rather than the residents and "community" of Pleasanton. It makes me question do I really know and trust our leaders looking out for what is best for our "community".

I do NOT want a "big box" store down the street from my resident.

Thank you for your time,

Moira Udinski

Letter 59 Response – Moira Udinski

59-1 The comment expresses concern regarding traffic and bicycle safety impacts related to the proposed EDZ. For a discussion of potential impacts related to traffic safety, refer to Section 4.D, Transportation and Traffic, of the Draft SEIR, which concludes that impacts related to safety and emergency access would be less than significant. For a further discussion of localized impacts of the proposed EDZ, also refer to the **Master Response to Comments About Impacts to Neighborhoods Near the Proposed EDZ**. Refer also to the **Master Response to Comments about the Draft SEIR Traffic Impact Analysis.** The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it.

From: David Gilbert
Sent: Friday, November 20, 2015 11:46 AM
To: Eric Luchini
Subject: first letter to the City

When the Hacienda business park applied for another phase, the City changed the engineering formula for how many car-trips could be anticipated through the Owens Dr - Hopyard Rd. interchange. The purpose of this was to benefit the developer in that the "congested" clause in the original permit would not apply thus avoiding his cost of an intersection.
This did not change the amount of cars on the roads, it just lowered your calculated quantity.

It looks like the same "crap" is about to take place again. Who pays for your wellbeing, the citizens or the developers? 60-1

Dave, (33 year resident)

Letter 60 Response – David Gilbert

60-1 The identification of required mitiation measures uses standard, professionally accepted LOS methodology, not a trip accounting method, VMT, or other, less typical or non-standard approach. The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it.

From: Lorna Peterson
Sent: Friday, November 20, 2015 4:23 PM
To: Eric Luchini
Subject: JDEDZ

Dear Mr. Luchini:
In my opinion, any increased tax revenue to the City of Pleasanton generated by a club retail store (Costco) on Johnson Drive would be negated by the cost of infrastructure requirements and any offered financial concessions. Our property taxes and the taxes paid by companies, most notably those in the Hacienda Business Park, are more than sufficient to cover the amenities of living in our beautiful community. 61-1

In addition, the tremendous increase in traffic expected to be created by this project would dramatically impact the quality of life we, as residents of Pleasanton for 43 years, have been privileged to enjoy. 61-2

Thank you for your consideration.

Lorna Peterson

Letter 61 Response – Lorna Peterson

61-1 Refer to the **Master Response to Comments About the Timing and Funding of Traffic Mitigation Measures**, especially the discussion under *Developer Responsibility for Funding Traffic Mitigation Measures.*

61-2 The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

at&t

ATT Services, Inc.
Corporate Real Estate
5001 Executive Parkway
Room 4W000P
San Ramon, CA 94583

20 November 2015

Mr. Eric Luchini
Associate Planner
City of Pleasanton
Planning Division
P.O Box 520 / 200 Old Bernal Avenue
Pleasanton, CA 94566-0802

RE: Response to the Draft Supplemental Environmental Impact Report (SEIR) for P14-0852/PUD-105, Johnson Drive Economic Development Zone (JDEDZ)

Dear Mr. Luchini:

As you know, AT&T is the owner of that certain real property situated at 7240 Johnson Drive (the AT&T Work Center or WC). Said property is a critical component of the AT&T telecommunication network, which provides vital services to business, institutional and residential customers throughout the Pleasanton area. With approximately 120 employees, the WC provides Pleasanton with not only locally sourced service, but also direct economic benefits from the presence of the workforce.

More particularly, the WC provides vital installation, maintenance, repair, construction, engineering, delivery, supply chain, fleet, business and technology operations services. In addition, the WC operates 365 days a year, 24/7. Repair and maintenance for emergency situations are sourced from this facility. It is extremely important to emphasize that the complexity and importance of a WC is not inherently visible or apparent, from casual observation.

Pursuant to the foregoing, AT&T is supportive of the City of Pleasanton's (the City or the City's) efforts to grow the economy of Pleasanton, in a managed and reasonable manner. Economic growth is clearly to the benefit of not only the City and the region, but to AT&T as well. However, in this instance, the promotion of growth, through a City initiated Rezone and General Plan Amendment, of eleven particular properties, one of which being the WC, has the clear potential to result in detrimental economic circumstances for those particular properties and their respective owners. While AT&T is concerned about the implications faced by neighboring property owners, this letter will focus on the WC property specifically. 62-1

As a regulated entity, AT&T is obligated by the State of California to operate in an efficient and cost effective manner. A change in zoning and general plan designation, which does not acknowledge (permit conditionally or by right) the existing legally established WC operation is a threat to the efficient and cost effective operation of the WC, with particular emphasis on limiting AT&T's ability to respond to the demands of future business requirements from this location.

After carefully reviewing the various city memorandums and documents, the subject SEIR and the Pleasanton Municipal Code (in particular section 18.120 – Nonconforming Uses), AT&T requests to be placed on record, with respect to public commentary pertaining to the JDEDZ and Draft SEIR, as follows:

1. The SEIR fails to consider the complexity and operational value of the WC, as related to the multitude of services being provided from the site, all of which are geographically and spatially located to maximize service efficiencies. The WC is fully utilized, the parking area fronting Johnson Drive is required to accommodate employee parking (approximately 120 employees) and fleet vehicles (at this time, 156 vehicles are assigned to the site). Any disruption to operations at the site would be extremely costly to AT&T. 62-2

2. It is our interpretation that the proposed rezoning of the WC from PUD-G&LI to PUD-C, pursuant to the proposed list of permitted and conditional uses (a WC is not listed), and the General Plan amendment of the WC from Business Park to Retail, Highway and Service Commercial, Business and Professional Offices, will effectively render the WC a use which is not permitted, thereby forcing it to become a legal non-conforming use, subject to section 18.120 of the Pleasanton Municipal Code.

   The SEIR fails to discuss the resultant creation of legal non-conformities within the JDEDZ, the economic disparity that, over time would be created by the presence of properties that are not permitted to expand and grow (with only repair and maintenance allowed) and most importantly, the incremental premium that would be required to relocate, buyout or move a specific and unique use, such as a WC. 62-3

   A Work Center is extremely costly to move or relocate, alternative sites are scarce and movement creates efficiency losses, forcing the operator to incur the cost burdens of an alternative site, thereby increasing the cost of service to the customer. The analysis and site selection process alone, associated with movement of a WC is of material consideration. Before the subject site could recycle under the intentions of the JDEDZ, these cost premiums would be incurred, lowering the economic benefit of the JDEDZ accordingly. The economic modeling done under the SEIR did not account for the foregoing considerations and thus the economic benefits derived are inaccurate.

3. By effectively making the WC a legal non-conforming use, the JDEDZ essentially eliminates the opportunity for AT&T and abutting owners to look at land planning and development alternatives wherein major parcels could be reconfigured through lot line adjustments or similar subdivision actions, enabling certain existing uses to remain and be strategically incorporated into a superior land development configuration. The SEIR fails to identify this scenario as a viable development alternative or option. 62-4

4. No longer the "telephone company" of the past, the AT&T WC is essentially at the center of a dynamic, fluid and flexible modern network. For example, in the event of a disaster, network traffic and personnel may shift to this facility, enabling AT&T to maximize its response efficiency, through customized resource allocation. The DEIR does not evaluate or consider this 62-5

characteristic of the WC and this type of flexibility could be lost as a legal non-conforming use. Even in the traditional "Public Services and Utilities" section, the DEIR does not mention or analyze telecommunication infrastructure, which today has become just as important as the traditional utilities (water, power, gas). 62-5 cont.

Additional Comments:

1. AT&T seeks to retain for its WC certain expansion and improvement rights, similar to those existing now, under the existing Zoning and General Plan designations, in order to remain functionally operational, pursuant to AT&T's regulated obligation to render cost effective and efficient services to its customers.

2. From an economic standpoint, AT&T would only move or relocate a WC under a situation where an acceptable replacement site can be located, acquired, developed and fully implemented, with equivalent or better operational efficiencies, and the absence of any cost premiums or operational penalties to AT&T customers. Due to the scarcity of alternative locations in the area, voluntary relocation is highly unlikely. 62-6

3. Pursuant to the foregoing, before the Zone Change or General Plan Amendment becomes effective, AT&T would like to work with the City of Pleasanton to establish a Memorandum of Understanding (MOU) or similar agreement, that could be incorporated into the JDEDZ, to address the aforementioned comments. Ideally, AT&T would like to create a flexible operating agreement that would enable reasonable functionality of the WC (as a legal non-conformity but with added flexibility beyond the scope of PMC 18.120), up to a future point in time when the WC recycles, moves or discontinues operation. This approach will yield maximum benefit to both AT&T and the City of Pleasanton.

In closing, please rest assured that AT&T sees itself as a valuable and important member of the Pleasanton community. We remain committed to working closely with you to advance the efforts of the City in a mutually beneficial manner. Please contact me directly at [redacted] or contact our zoning consultant, Stephen Slater at [redacted] should you have questions or desire additional information.

Sincerely,

Chris Chandlee CCIM, MCR
Regional Manager – Transactions
AT&T Services Corporate Real Estate – Western Region

Cc: Robert Damaschino – AT&T Services Corporate Real Estate – Director Western Region
Stephen Slater, Blu Croix Ltd.

Letter 62 Response – AT&T

62-1 through 62-6:

The comment expresses concern about the impact of a change in zoning and general plan designation, for the AT&T WC property specifically and the impact to existing legally established WC operations. With regards to the impact on existing businesses within the area of the proposed EDZ, the EDZ is being developed to ensure that these property owners will be able to continue leasing and operating existing businesses for as long as desired.

Protecting existing businesses is a primary goal of the proposed EDZ, and existing land uses are "grandfathered" in as part of the overall proposal. The City is currently exploring ways to allow for some degree of expansion or replacement of existing businesses that do not conform to the uses desired as part of the EDZ, while still retaining the EDZ's redevelopment and growth potential. Therefore, the EDZ is not expected to have an adverse economic effect on the WC or otherwise compromise the function of the WC.

From: Kimberly Koste
Sent: Friday, November 20, 2015 6:56 PM
To: Eric Luchini
Subject: Fwd: Costco

I did hear about the possibility of a big box store going in on Johnson. I just want to voice my opinion against such a move. Thank you 63-1

Letter 63 Response – Kimberly Koste

63-1 The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

Draft Supplemental Environmental Impact Report
P14-0852 and PUD-105, Johnson Drive Economic Development Zone

Comments submitted by:
Matt Sullivan
Resident of Pleasanton
11/21/15

1. Mitigation Measure 4.D-1c: Will the project applicant(s) fund these improvements in full at the time of project construction? If the city plans on funding these improvements, provide a pro-forma analysis of the costs and benefits to Pleasanton taxpayers for funding the incentives. 64-1

2. Mitigation Measure 4.D-1d: Will the project applicant(s) fund these improvements in full at the time of project construction? The removal of wetlands in the Alamo Canal may result in significant delays to obtain necessary permits. Since this mitigation will be under the jurisdiction of Caltrans, how will the city manage this process to ensure timely completion? Will this mitigation measure be constructed prior to construction of the EDZ? If the city plans on funding these improvements, provide a pro-forma analysis of the costs and benefits to Pleasanton taxpayers for funding the incentives. 64-2

3. What is the future impact of the proposed WB I-580 to SB I-680 flyover to Mitigation Measure 4.D-1d? Will the mitigations preclude or make more costly the flyover based on the newly constructed bridges? 64-3

4. Mitigation Measure 4.D-2: What is the status and timing of these regional improvements? If the regional improvements are not made in the near future after the project is constructed, the impacts will not be mitigated and the community will suffer the traffic impacts until there are. 64-4

5. The Pleasanton General Plan Vision Statement stipulates that "Pleasanton is committed to sustainable community principles and will meet the needs of the current generation without compromising the ability of future generations to meet their needs." The General Plan goes on to say "A sustainable city draws from the environment only those resources that are necessary and that can be used or recycled perpetually, or returned to the environment in a form that nature can use to generate more resources. Sustainability includes long-term fiscal health for the City as well as conserving natural resources, reducing energy usage, and emitting fewer air pollutants." The General Plan contains many Goals and Programs related to sustainability, including a sampling below: 64-5

   Land Use Element, Goal 1: Create a land use pattern that promotes resource sustainability and environmental quality.
   Circulation Element, Policy 15: Reduce the total number of average daily traffic trips throughout the city.
   Air Quality Element, Goal 2: Promote sustainable development and planning to minimize additional air emissions.

DSEIR Comments 11/21/15
Submitted by Matt Sullivan

Air Quality Element, Program 2.1: Implement programs from the Land Use Element to provide mixed-use developments, locate high-density uses near transit facilities, and provide neighborhood-serving retail uses convenient to residential neighborhoods. These programs would reduce vehicle trips and vehicle miles traveled, thus reducing air-pollutant emissions.

The DSEIR Impact 4.B-3 indicates that the operation of new uses within the proposed EDZ area would conflict, even after mitigation, with or obstruct implementation of the Bay Area 2010 Clean Air Plan, and this impact would be significant and unavoidable.

Given the traffic, air quality, and land use impacts of this project identified in the DSEIR, the EDZ clearly does not meet the standards of Sustainable Development as articulated in the General Plan. Please explain why the DSEIR did not find that the project does not comply with these very important policies to promote Sustainable Development in the City of Pleasanton.

64-5 cont.

6. Numerous studies have demonstrated the negative economic impacts that big box stores have on local economies and local communities, especially when tax or other incentives are provided to developers and big box store operators. One study that demonstrates this can be found here: https://ilsr.org/dark-store-tax-tactic-makes-big-box-stores-terrible-deal-for-cities/ . These impacts can cause existing, locally owned retail outlets to go out of business due to loss of sales resulting in damage and "urban decay" to the community from closing stores and vacant or underutilized properties. Business in downtown Pleasanton are especially vulnerable to this effect.

   The Fiscal Impact Analysis included in the DSEIR is inadequate. This analysis relies of "rule of thumb" and general factors from like uses to determine revenue that would be provided from the project to the city. A full, comprehensive economic and fiscal analysis, prepared by an independent qualified firm, should be prepared for this project and include, at a minimum, evaluation of the following criteria:

   - A complete market forecast of the proposed uses of the EDZ based on project-specific criteria without reliance on "rule of thumb" and general factors
   - Full pro-forma analysis of the Big Box, hotel, and other retail/office uses comparing revenue, costs, and profit realized from the project. This should include a pro-forma analysis of developer costs and profit
   - A full evaluation of project infrastructure costs, including freeway improvements and how those costs affect the profitability of the proposed project uses if funded by the developer or individual uses.
   - A fiscal evaluation of revenue benefits for the city based on the above analysis
   - A full evaluation of ay incentives provided by the city for this project including funding of infrastructure improvements or sales and property tax reductions and discounts. This would include an analysis of how these incentives effect city gained revenue from this project over a 30-year span

64-6

2

DSEIR Comments 11/21/15
Submitted by Matt Sullivan

- The effect that the project would have on sales loss to existing, similar businesses in Pleasanton. This should include downtown an other areas of Pleasanton
- A forecast of existing business closures and the resulting "urban decay" caused by the EDZ
- Losses of wages and benefits to workers at existing businesses that are displaced by the new businesses in the EDZ
- An analysis of profits leaving the community from the new corporate businesses as compared to existing businesses

64-6 cont.

7. The analysis of the projects compliance with the Pleasanton Climate Action Plan (CAP) is flawed and inadequate. The DSEIR anticipates future, yet to be implemented state policies from AB=32 to allow Pleasanton to meet its GHG emissions reductions targets as outlined in the CAP. Relying on the potential future reductions is speculative at best and cannot be accurately quantified. The DSEIR should evaluate the forecasted GHG emissions from this project against a baseline of the existing zoning as well as the DSEIR project alternatives. This would provide an accurate impact of the project related to achieving the emissions reductions targets of the CAP.

64-7

3

Letter 64 Response – Matt Sullivan

64-1 The comment requests clarification regarding the source and timing of funding for Mitigation Measure 4.D-1c. The commenter may refer to the **Master Response to Comments About the Timing and Funding of Traffic Mitigation Measures**, which addresses how traffic mitigations will be paid for, apportioned, and timed. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

64-2 The comment requests clarification regarding the source and timing of funding for Mitigation Measure 4.D-1d, as well as the management process for its completion in relationship to other agencies (Caltrans) and other projects. The commenter may refer to the **Master Response to Comments About the Timing and Funding of Traffic Mitigation Measures**, which addresses how traffic mitigations will be paid for, apportioned, and timed. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

64-3 The comment requests clarification regarding the impact of the proposed WB I-580 to SB I-680 flyover. Implementation of the mitigation addressing the I-680 northbound ramps will be developed in consultation with Caltrans such that the final design does not adversely affect other freeway improvements along the corridor.

64-4 The comment requests clarification regarding timing of regional improvements described in Mitigation Measure 4.D-2. The commenter may refer to the **Master Response to Comments About the Timing and Funding of Traffic Mitigation Measures**, which addresses how traffic mitigations will be paid for, apportioned, and timed. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

64-5 The comment addresses the consistency of the proposed EDZ with the City's goals for sustainability as articulated in the General Plan. Goals and policies of a General Plan are not "standards" under CEQA, and the courts have repeatedly affirmed that CEQA does not require an EIR to contain a detailed discussion of a project's consistency with a general plan. Regardless, a review of a project's consistency with General Plan goals and objectives analysis still must be conducted; however, such a review need not show that a project meets each goal completely, as all General Plans include policies and objectives that may conflict with one another. The City Council must determine whether the proposed EDZ is, on balance, consistent with the General Plan. As stated in the discussion under Impact 4.B-3 in the Draft SEIR, the size and scope of the proposed EDZ would result in a relatively large volume of criteria pollutants. The proposed EDZ would also incrementally increase vehicle miles traveled (VMT) per household and per capita. These two factors resulted in the finding in the Draft SEIR that the proposed EDZ would be inconsistent with the Clean Air Plan. This same situation would likely arise in any nearby community with the introduction of a large retail store that attracts vehicle trips from a relatively large geographic area.

The analysis contained in the Draft SEIR addresses potential impacts of the EDZ as they relate to specific environmental issue areas identified by CEQA. As such, the analysis in the Draft SEIR addresses potential impacts to Air Quality in Section **4.B Air Quality**. Additionally, potential impacts related to greenhouse gas emissions are addressed in Section **4.E Other Topics**. The more generic term of sustainability is somewhat subjective and is only addressed under CEQA with regard to streamlining of transit priority projects pursuant to a "sustainable communities strategy." The proposed EDZ does not include residential uses and therefore does not qualify as a transit priority project.

The Draft SEIR identified a significant and unavoidable air quality impact with respect to potential conflicts with the latest *Bay Area 2010 Clean Air Plan* (CAP) on page 4.B-21, largely as a result of a cumulatively considerable contribution of nitrogen oxide (NOx) emissions, a precursor to ozone which is a regional criteria air pollutant and emissions of particulate matter (PM10) in Impact 4.B-3. Additionally Impact 4.B-2 also identifies a significant NOx and PM10 emission impact with regard to emissions of criteria air pollutants. These impacts are identified as significant and unavoidable after implementation of feasible mitigation measures identified by the California Air Pollution Control Officers Association (CAPCOA).

However, with regard to greenhouse gas emissions, page 4.E-25 of the Draft SEIR indicates that the GHG emissions reductions achieved under the proposed EDZ compared to a business-as-usual 2005 baseline would be below both the statewide goal under AB32 as well as below the City of Pleasanton's goal in it Climate Action Plan. Consequently the proposed EDZ would reduce GHG emissions compared to a business-as-usual scenario.

64-6 Refer to the **Master Response to Comments About Economic and Urban Decay Impacts**, for a summary of the results of the economic study prepared by the City for the proposed EDZ; and **Appendix A** of this Response to Comments document, which contains the economic study in full. The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

64-7 The analysis of GHG emissions in Section 4.E, Other Topics, of the Draft SEIR is consistent in its assumption of future emissions with the City's Climate Action Plan and industry standards. First, the calculation of GHG emissions assumed an electrical CO2 intensity factor of 488 pounds per Megawatt-hour which was based on a future year of 2020 and an increase in the renewable energy portfolio requirement using Pacific Gas & Electric's year 2008 CO2 intensity factor of 641.35 pounds per Megawatt-hour. Subsequent to release of the Draft SEIR, in November of 2015, PG&E published its latest rolling 5-year average electrical CO2 intensity factor (through 2013) [8] which is

[8] https://www.pge.com/includes/docs/pdfs/shared/environment/calculator/pge_ghg_emission_factor_info_sheet.pdf

457 pounds per Megawatt-hour. Consequently, PG&E has already attained CO2 intensity reduction beyond those assumed in the analysis of the Draft SEIR for 2020, even given the drought conditions that existed during this period (and associated effects on hydroelectric power generation). Consequently, the estimates of electrical-related GHG emissions are not speculative and indeed are somewhat overly conservative.

Secondly, the estimate of future vehicle-related emissions of the Draft SEIR utilizes the CalEEMod model developed under the direction of the California Air Pollution Control Association and assumes vehicle fleet emissions enhancements predicted by the California Air Resources Board. These are the same emission factors applied in the development of the city's Climate Action Plan. Further, the methodology used in the Draft SEIR to estimate GHG emissions is consistent with that recommended by the Bay Area Air Quality Management District in its most recent (2012) CEQA Air Quality Guidelines.[9]

[9] Bay Area Air Quality Management District, *CEQA Air Quality Guidelines*, May 2012, page 4-4.

From: Ern
Sent: Saturday, November 21, 2015 12:30 PM
To: Eric Luchini
Subject: Comments on the Johnson EDZ

Hi Eric

I attended the mtg at Hart Jr. High and the following are the issues that I brought that I'd like a written response on:

1.) the fianancial revenue stream of approx. $2.5M a year from the club retail needs to be balanced against the required $20-25M infrastructure improvement costs incurred so please provide the required financial analysis given justifiable cost sharing assumptions with the club retailer. 65-1

2.). Please address the quality of life that we would collectively have with a club retailer vs. a convention center or an indoor recreational facility for our community that is reasonable cost for our youngsters and seniors, etc. 65-2

3.) carbon emissions should be calculated based on existing auto Carbon emissions vs. assuming future auto emissions reductions since not everyone will hand a new car in 2020. 65-3

4.) traffic impact should include the additional emissions and delays incurred by customers to stoneridge mall and on the freeways 580 and 680. 65-4

Ernest Tsui

Pleasanton resident.

Letter 65 Response – Ernest Tsui

65-1 Refer to the **Master Response to Comments About Economic and Urban Decay Impacts**, for a summary of the results of the economic study prepared by the City for the proposed EDZ; and **Appendix A** of this Response to Comments document, which contains the economic study in full. The City is currently evaluating specific cost-sharing obligations, which will ultimately be subject to City Council approval.

The comment requests clarification regarding the financial analysis of EDZ-generated revenue and the total infrastructure costs. A portion of the new City revenues projected to be generated by new business activities within the EDZ may be used to fund traffic improvements along Johnson Drive, Stoneridge Drive, and I-680. The City currently estimates that these improvements may total approximately $15 million. The combination of funds to be provided by developers of individual sites within the EDZ, potential State or federal transportation funds, and potential City traffic impact fee contributions or waivers or deferrals, would allow these traffic improvements to be built.

Refer also to the **Master Response to Comments About the Timing and Funding of Traffic Mitigation Measures**, especially the discussion under *Developer Responsibility for Funding Traffic Mitigation Measures*. The financial responsibility for these improvements will be identified in individual Development Agreements (DAs), which are agreements between a property owner and/or applicant and the City that specifies future investments to be made by the applicant in exchange for a legally binding right to develop a project. The reader may also refer to **Appendix A**, for the complete economic study prepared for the proposed EDZ; however, the specific cost-sharing obligations are still being evaluated and will ultimately be subject to City Council approval.

65-2 The comment requests clarification regarding the quality of life provided by a retail use versus a convention center or an indoor recrational facility. Community facilities, such as the one refrenced in this comment, require cities to develop a broad-based and diversified economic base, which is a key objective of the EDZ. The EDZ would allow for new kinds of development in this highly visible and underutilized area, which could have positive effects on the City's tax base. Other potential benefits of the EDZ could include additional shopping opportunities and hotel rooms that will allow residents and visitors to spend locally and stay in the Pleasanton. In addition, the EDZ is expected to generate new jobs, which would likely increase local economic activity.

65-3 The comment addresses the calculation of carbon emissions from auto use. The estimate of future vehicle-related emissions in the Draft SEIR utilizes the CalEEMod model developed under the direction of the California Air Pollution Control Association and assumes vehicle fleet emissions enhancements predicted by the California Air Resources Board in its EMFAC model. These are the same emission factors applied in the development of the City's Climate Action Plan. Note that year 2020 emissions do not assume that all vehicles are model year 2020; rather, the EMFAC model assumes an aggregate of vehicle model years in the county-wide fleet at the year of analysis. As an example, the year 2020

emission factors assume model year populations dating back to 1976 with model year 2019 vehicles assumed to comprise less than 8 percent of the overall fleet.

65-4 The comment states that the traffic impact analysis should include the additional emissions and delays incurred by customers to Stoneridge Mall and on the I-580 and I-680 freeways. The traffic model used in the traffic analysis includes regional land use projections as well as existing volumes obtained from traffic counts and the existing roadway system configuration. Traffic on local roads, I-580, and I-680 are therefore taken into account in the model and traffic analysis for the Draft SEIR, and the air emissions analysis in the Draft SEIR is based on the results of the traffic modeling and analysis.

CHAMBERLIN
ASSOCIATES

November 23, 2015

VIA E-MAIL

Mr. Eric Luchini
Associate Planner
City of Pleasanton
Planning Division
200 Old Bernal Avenue
Pleasanton, CA 94566

Re: Johnson Economic Development Zone Draft Supplemental Environmental Impact Report

Dear Eric:

I represent Chamberlin Associates, the owner of 7275 Johnson Drive, one of the parcels within the proposed Johnson Drive Economic Development Zone (the "EDZ"). I appreciate staff's willingness to meet with me over the last month to better understand and address our issues related Chamberlin's existing entitlements. Our site is currently conforming with regard to its existing entitlements.

After corresponding with staff, I understand staff will be addressing Chamberlin Associates' initial concerns by incorporating our requested changes into the EDZ project and FSEIR. Some of the key highlights are:

- Modifying the proposed EDZ development standards in a manner that would continue to make the existing improvements at 7275 Johnson Drive conforming. Such modifications would include permitting by right the existing applicable floor area ratio of 0.385 (and higher FARs if otherwise allowed under the EDZ) and making the required front yard setback no more than 25 feet (consistent with the EDZ), and less if Johnson Drive is widened. 66-1

- Maintaining the processes and industrial zone uses available to Chamberlin's property in the proposed EDZ. The industrial zone uses will include the options that are available today.

- Clarifying that the 6 to 7 lane width for Johnson Drive at Stoneridge and the 4 lane Johnson Drive roadway section extending north past this wider area to at least the last Club Retail entrance is what was studied in the DSEIR and is what is included as a proposed traffic mitigation.

Real Estate: Development, Management & Consultation

As staff has indicated, the small revisions to the EDZ to accommodate our concerns will cause no different or increased environmental impacts than those disclosed in the DSEIR analysis.

66-1 cont.

Thank you for collaborating with us to address our concerns. I look forward to seeing the future drafts of the EDZ as it continues to be refined. Please keep me posted on future meetings and hearings related to the EDZ.

Sincerely,

Doug Giffin

Doug Giffin
Vice President
Chamberlin Associates

Real Estate: Development, Management & Consultation

Letter 66 Response – Chamberlin Associates

66-1 The proposed changes and clarifications to the proposed EDZ and Draft SEIR will be presented to decision-makers, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

From: Carl Cox
Sent: Monday, November 23, 2015 12:34 PM
To: Eric Luchini
Cc: Mayor and City Council; Maria Hoey; Gerry Beaudin; Adam Weinstein
Subject: Draft Supplemental Environmental Impact Report JDEDZ

Mr. Luchini:

Please see my comments on the SEIR regarding the proposed Johnson Drive Economic Development Zone:

JOHNSON DRIVE EIR CONCERNS

1. No study has been completed as to the effects on existing businesses in Pleasanton. How many will be shuttered, or seriously impacted financially? How many jobs lost? A study that considers the impact on all Pleasanton businesses should be completed, provided for Public Comment and included in the SEIR. 67-1
2. This project will increase air pollutants. Saying that this is unavoidable is not enough. 67-2
3. Traffic congestion levels at Hopyard / Owens intersection is already at an unacceptable level. A significant number of additional vehicles per day will use this intersection as a result of the proposed project, yet no mitigation is planned. This will result in delays at this intersection of the highest level. Business and property owners on that corner are already negatively impacted by existing traffic congestion. This is unacceptable. 67-3
4. The estimated yearly increase in sales tax revenue cannot be substantiated, because lost revenue from closed businesses has not been studied and the impact of potential city sponsored incentives have not been quantified. 67-4
5. How will the $15 million costs of infrastructure be paid for? Impact fees will not recover this amount. What if the cost turns out to be substantially higher? How will this be paid for? 67-5
6. Does Caltrans support the proposed project? Have they committed to mitigation plans to deal with the additional traffic at the Stoneridge interchange? How will the additional vehicles traveling North and merging left onto I- 680 while I-680 traffic is merging right onto I-580 East be dealt with? This interchange is already dangerous. 67-6
7. Will the infrastructure be completed before the Phase I of the project is opened? 67-7
8. Has the Alameda County Fair Board been consulted for the impact during the Fair Season and special event? 67-8
9. Have all citizens and businesses in Pleasanton been notified? Or, only a handful within 1000 feet? In some way, this project will affect most all citizens and businesses in Pleasanton, and many in Dublin. 67-9

Sincerely,
Carl A. Cox
Cox Family Stores

Letter 67 Response – Carl Cox

67-1 The comment requests additional information such as a study on effects on local businesses that could be caused by the proposed EDZ, to be available with the SEIR. Refer to the **Master Response to Comments About Economic and Urban Decay Impacts**, for a summary of the results of the economic study prepared by the City for the proposed EDZ; and **Appendix A** of this Response to Comments document, which contains the economic study in full.

67-2 Refer to the **Master Response to Comments about the Draft SEIR Air Quality Impact Analysis.** The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

67-3 The comment addresses traffic congestion levels at the Hopyard Road / Owens Drive intersection is incorrect. As shown in Table 4.D-2 (page 4.D-6) of the Draft SEIR, the intersection in question currently is operating at LOS D or better (i.e., acceptably) during the AM, PM and Saturday peak traffic hours. Regarding the effect of EDZ-generated traffic at this intersection, Tables 4.D-4 (page 4.D-29) and 4.D-7 (page 4.D-39) show that the level of service would remain at LOS D or better under Existing plus Project and Near-Term plus Project conditions. The Draft SEIR does conclude that under Cumulative conditions (Table 4.D-10, page 4.D-45), the level of service would worsen to LOS E with the addition of EDZ traffic, which would result in a significant impact. However, the Draft SEIR identifies, on page 4.D-50, mitigation measures (improvements identified in the General Plan) that would reduce the impact from the EDZ to a less-than-significant level.

67-4 The comment requests additional information including the net sales tax revenue when factoring lost revenue due to closed businesses, and quantified city sponsored incentives. Refer to the **Master Response to Comments About Economic and Urban Decay Impacts**, for a summary of the results of the economic study prepared by the City for the proposed EDZ; and **Appendix A** of this Response to Comments document, which contains the economic study in full.

67-5 Refer to the **Master Response to Comments About the Timing and Funding of Traffic Mitigation Measures**, especially the discussion under *Developer Responsibility for Funding Traffic Mitigation Measures*. The reader may also refer to **Appendix A** for the complete Fiscal Impact Analysis prepared for the project; however, specific cost-sharing obligations are still being evaluated and will ultimately be subject to City Council approval.

67-6 The comment questions whether Caltrans supports the proposed EDZ, or has committed to mitigation plans, and how impacts related to traffic merging onto I-680 are being addressed. The City has consulted Caltrans regarding the proposed EDZ; information regarding the timing of traffic improvements are described in the **Master Response to**

Comments About the Timing and Funding of Traffic Mitigation Measures, as well as **Chapter 6, Mitigation Monitoring and Reporting Program**.

See responses to Comment Letter 16 regarding concerns raised by Caltrans about the analysis in the Draft SEIR of potential impacts on State highways (specifically Comment 16-8 regarding **Mitigation Measure 4.D-1d**). Traffic conditions on I-680, and impacts to those conditions that would result from the proposed EDZ, are addressed under Impact 4.D-4 (page 4.D-50 of the Draft SEIR), and as described, the addition of traffic from implementation of the proposed EDZ would slightly worsen the operations of northbound and southbound I-680 traffic, but would neither cause deficient operations nor increase the freeway volume by more than the 3 percent threshold of significance. Therefore, the impact to mainline freeway conditions would be less than significant, and no mitigation related to impacts of the proposed EDZ were determined to be required.

67-7 Refer to the **Master Response to Comments About the Timing and Funding of Traffic Mitigation Measures**, as well as Chapter 6, Mitigation Monitoring and Reporting Program, which describe the timing and implementation of traffic improvements and other mitigation measures.

67-8 The comment requests information regarding whether the Alameda County Fair Board has been consulted regarding (presumably traffic) impacts during Fair season and special events. Traffic during Fair and other special events could incrementally increase the volume of traffic on roadways and State highways in the vicinity of the proposed EDZ area; these impacts, however, would take place over a limited time period (two weeks during the County Fair and occasional days thoughout the year) and are not likely to substantially affect or be affected by traffic resulting from the proposed EDZ.

67-9 The comment requests clarification regarding the comprehensive nature of public notification of the EDZ. Refer to the **Master Response to Comments About the Proposed EDZ Public Notification Process, Community Workshops, and Hearing Dates**, for information on the City's public involvement effort actions and community workshops and hearing dates, as well as additional information regarding the EDZ. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

STATE OF CALIFORNIA—CALIFORNIA STATE TRANSPORTATION AGENCY EDMUND G. BROWN Jr., Governor

DEPARTMENT OF TRANSPORTATION
DISTRICT 4
P.O. BOX 23660
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Serious Drought.
Help save water!

November 23, 2015

ALAGEN260
ALA-680-R 19.2
SCH# 2014082081

Mr. Eric Luchini
Planning Division
City of Pleasanton
200 Old Bernal Avenue
Pleasanton, CA 94566

Johnson Drive Economic Development Zone Project – Additional Comments – Draft Supplemental Environmental Impact Report

Dear Mr. Luchini:

Thank you for continuing to include the California Department of Transportation (Caltrans) in the environmental review process for the project referenced above. Our comments seek to promote the State's smart mobility goals that support a vibrant economy and build active communities rather than sprawl. In addition to official comments provided on this project in a letter dated October 27, we enclose the following additional specific comment on the Draft Environmental Impact Report (DEIR) for your consideration.

Structural Impacts

We request the DEIR consider any project level activities that may affect riparian flow patterns upstream of structures for which Caltrans holds responsibility. Consider any impact to bridges over Alameda Creek. It appears after construction rainfalls drain to the creek where Caltrans bridges' columns are located. This and other factors may impact the bridges, such as Bridge Scour. 68-1

Should you have any questions regarding this letter or seek additional information, please contact Sherie George at [redacted] or [redacted]

Sincerely,

PATRICIA MAURICE
District Branch Chief
Local Development - Intergovernmental Review

c: State Clearinghouse

"Provide a safe, sustainable, integrated and efficient transportation system to enhance California's economy and livability"

Letter 68 Response – Caltrans District 4

68-1 The comment requests the consideration of activities that could affect riparian flow patterns upstream of Caltrans structures (presumably including the Northbound on-ramp bridge that spans Alamo Canal that would be re-built under the proposed EDZ). The City, in consultation with Caltrans and the U.S. Army Corps of Engineers, will ensure that the design of the replacement bridge will address potential effects such as bridge scour.

From: Bill Wheeler
Sent: Monday, November 23, 2015 1:52 PM
To: Eric Luchini
Cc: Ruth Lucier
Subject: Johnson Drive Economic Development Zone ("JDEDZ") PUD-105/P14-0852

November 23, 2015
Eric Luchini
City of Pleasanton
Planning Commission
PO Box 520
Pleasanton, CA 94566

Re: Johnson Drive Economic Development Zone ("JDEDZ") PUD-105/P14-0852

Dear Commission:

My name is Bill Wheeler and I am the Manager and owner of Black Tie Transportation, LLC ("***Black Tie***") which operates as a limousine, airport express, private driver, shuttle, and transportation company at 7080 Commerce Drive, Pleasanton. Black Tie has 130 drivers and employees and has been in business since 1986. Individually, have owned 7080 Commerce Drive since 2002, and I previously objected to the Draft Supplemental Environmental Impact Report ("***DSEIR***") for the proposed JDEDZ because of the DSEIR's failure to address the detrimental effect on Black Tie's current business operations and its ability to expand, as described in my October 29th, 2015 letter to the Commission. In addition to my prior letter, I wish to object to the DSEIR on the following grounds: 69-1

1. The DSEIR does not discuss or provide mitigation measures for the impact on traffic flows from or through the Owens Drive/Johnson Drive intersection. Currently, traffic delays and backups are significant at both the Owens Drive and the Stone Ridge ends of Johnson Drive; resulting in traffic congestion of freeway access on both ends of Johnson Drive. The DSEIR is deficient for failing to discuss the Traffic Impact of the JDEDZ on traffic from or to the Owens Drive intersection and fails to provide any mitigation measures for both the increase number of trips and the backup or traffic delays in the JDEDZ. 69-2

2. The DSEIR proposes to add three new stop lights on Johnson Drive as mitigation measures, but does not discuss the fact that the series of stop lights will add to the existing backup of traffic entering and exiting from both ends of Johnson Drive. 69-3

Due the fact that Black Tie's business operations requires the efficient flow of approximately 300 vehicles trips per day to and from 7080 Commerce Drive, the adverse environmental-traffic congestion effects that would result from development related to the proposed JDEDZ would have devastating effects on Black Tie's business operations. These traffic effects are not adequately addressed in the DSEIR. 69-4

For the above reasons, I object to the DSEIR.
Very truly yours,

Bill Wheeler
Individually and as Manager of Black Tie Transportation, LLC

Bill Wheeler
President/CEO

Black Tie
TRANSPORTATION WORLDWIDE

Letter 69 Response – Bill Wheeler

69-1 The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it.

69-2 The comment addresses traffic congestion levels at the Johnson Drive intersections at Owens Drive and Stoneridge Drive. As shown in Table 4.D-2 (page 4.D-6) of the Draft SEIR, those intersections currently are operating at LOS C or better (i.e., acceptably) during the AM, PM and Saturday peak traffic hours. The Draft SEIR acknowledges that the proposed EDZ would have a significant impact at these intersections, and the Draft SEIR identifies Mitigation Measures 4.D-1b and 4.D-1c, respectively, that would reduce the impacts from the EDZ to a less-than-significant level. Refer also to the **Master Response to Comments about the Draft SEIR Traffic Impact Analysis**.

69-3 The comment requests clarification regarding the impact of increased traffic lights on Johnson Drive and the potential for queing. The installation of new traffic lights as proposed for the EDZ would help reduce the congestion the comment refers to. Signal warrant analysis, which uses a set of criteria to determine the relative need for and appropriateness of a new signal for new traffic, was conducted for the unsignalized intersections of Johnson Drive at Owens Drive (North), Johnson Drive at Commerce Drive, and Johnson Drive at the Park and Ride lot under all analysis scenarios. Signal warrants would be satisfied at Johnson Drive at Owens Drive (North) and Johnson Drive at Commerce Drive with the addition of EDZ-generated traffic. The Park and Ride lot intersection with Johnson Drive would not meet signal warrant.

Vehicle queues at the Johnson Drive and Stoneridge intersection were discussed on page 4.D-26 of the Draft SEIR. Prior to the implementation of mitigation measures, the 95th percentile queue length of southbound vehicles on Johnson Drive waiting to turn onto Stoneridge Drive may extend up to a quarter mile in length, potentially blocking access to some driveways and the Park and Ride lot. However, the queues would not extend far enough to reach the next intersection with Commerce Drive where a signal is proposed.

Signal warrant analysis and the resulting LOS worksheets for the proposed signals can be found in **Appendix C** of the EDZ Transportation Assessment (**Appendix G** of the Draft SEIR). Vehicle queues at the new signals are expected to be contained within the proposed vehicle storage. Although the average delay at the signals would increase with implementation of the proposed EDZ, this increase would only be a few additional seconds, and the resulting intersections are projected to operate within the City established level of service standards (LOS D or better).

69-4 Refer to the Economic Impact Analysis's evaluation of secondary impacts. The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response.

From: tj
Sent: Monday, November 23, 2015 2:47 PM
To: Eric Luchini
Subject: Environmental Impact Report for Johnson Drive Economic Development Zone

Mr. Lucini:

I would like to voice my concerns for the proposed plans for this project.

I have been a resident of Pleasanton since 1991 and have enjoyed the controlled growth of the City of Pleasanton.

The City of Pleasanton has seemed to try to keep traffic as a priority when approving new projects. When Home Depot tried to develop at Stanley and Valley/Bernal, the City was adamant that traffic had to mitigated -- the project never materialized.

I have studied several portions of the SEIR and it appears that traffic is a HUGE issue on this project. I attended three meetings where staff discussed traffic. It was even pointed out that the Hopyard/Owens Intersection, which presently is at near capacity, has no mitigation plans in this EIR, even though a significant amount of new traffic will result from this project. 70-1

Also, the I-580/I-680 Interchange would definitely need to be retrofitted and enlarged. It currently is at or near capacity. I have found myself sitting in traffic there many times. No mention is made in the SEIR as to when this will be done -- before or after buildout -- and who is to pay for this. Caltrans is not mentioned as being "On Board" with this project or what their position on this project is. 70-2

This project should not receive an approved EIR until, and if, the traffic issues are thoroughly mitigated.

Craig L. Schwab

Letter 70 Response – Craig L. Schwab

70-1 See response to Comment 67-3 regarding current and future (with project) level of service conditions at the Hopyard Road / Owens Drive intersection, as described in the Draft SEIR.

70-2 The comments about current traffic conditions, and suggested roadway changes will be presented to decision-makers as part of this SEIR. See responses to Comment Letter 16 regarding concerns raised by Caltrans to the Draft SEIR analysis of potential impacts on State highways (specifically Comment 16-8 regarding Mitigation Measure 4.D-1d [Stoneridge Drive Queue Spillback - Stoneridge Drive and Johnson Drive Improvements]). The City has been working with Caltrans (see page 4.D-37 of the Draft SEIR regarding consultation between the two parties about that mitigation measure), and improvements within the Caltrans right-of-way that require Caltrans design review and oversight.

Johnson Drive Economic Development Zone
Draft Supplemental Environmental Impact Report

Comments submitted by:
Don Maday
Pleasanton Business Owner
November 23, 2015

1) The Environmental Impact Report should be amended to include the negative economic impacts that the club retail (Costco) proposed use in this project will have on existing Pleasanton small businesses. There have been a number of studies done which outline these impacts. Input from local business owners should be sought out and included. While the project will certainly generate tax dollars for the city, a large portion of those dollars will come at the expense of existing local businesses. The negative impact on sales tax revenues should be quantified and shown as a reduction in expected revenues generated by the project for the city. 71-1

2) Increased Traffic is by far the biggest concern raised in the Environmental Impact Report. It is very troubling that report says that CALTRANS is being relied on for much of the traffic mitigation but no commitment has been received and no implementation timeline has been agreed to. Adding thousands of vehicles to the Hopyard / Owens intersection without appropriate mitigations being put in place is unconscionable as the congestion at that corner is already at an unacceptable level. The city should not move ahead with this any phase of this project without all of the traffic mitigations being in place. Adding 10 - 12,000 cars a day to our streets and highway entrance and exit is just plain dangerous. 71-2

3) Because this project will impact traffic city wide and will have a substantial impact existing small businesses in Pleasanton, City Notices and Communications regarding this project should be sent to all residents and businesses in Pleasanton. Most residents that I have talked with have no idea what is being proposed for Johnson drive and are upset when they learn about that a project of this magnitude could be proposed without them being informed. They want a say in how the project impacts their community. 71-3

Letter 71 Response – Don Maday

71-1 The comment requests clarification regarding the (negative) impacts on sales tax revenues that could result from a club retail use on existing Pleasanton (small) businesses. Refer to the **Master Response to Comments About Economic and Urban Decay Impacts**, for a summary of the results of the economic study prepared by the City for the proposed EDZ; and **Appendix A** of this Response to Comments document, which contains the economic study in full. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

71-2 See response to Comment 70-2 regarding consultation between the City and Caltrans, and the timing/funding of improvements. See response to Comment 67-3 regarding current and future (with project) level of service conditions at the Hopyard Road / Owens Drive intersection, as described in the Draft SEIR. For information regarding the timing of traffic improvements, refer to the **Master Response to Comments About the Timing and Funding of Traffic Mitigation Measures** in this chapter, as well as **Chapter 6, Mitigation Monitoring and Reporting Program**.

71-3 The comment indicates a desire for greater outreach for public notification of the proposed EDZ. Refer to the **Master Response to Comments About the Project Public Notification Process, Community Workshops, and Hearing Dates**, for information on the City's public involvement effort actions and community workshops and hearing dates, as well as additional information regarding the EDZ. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

From: George Reid, Resident and Business Owner, Pleasanton

Subject: Comments & Questions Re Pleasanton, Draft Supplemental Environmental Impact Report

Johnson Drive EDZ, November 22, 2015

Comment/Question #1- The detailed SEIR gives many significant negative impacts from the proposed zoning revision and re-development of the Johnson Drive property (including Aesthetics, Air Quality, Noise, Transportation and Traffic). The document also discusses goals of the Pleasanton General Plan including a very important one for residents: "Preserve Pleasanton's Character". How does approval of this rezoning and re-development with high-impact uses such as Big-Box Retail (another Wal-Mart or Costco) and another hotel benefit average citizens or Preserve Pleasanton's Character"? 72-1

Comment/Question #2- We have really bad traffic already. Why not spend City staff time on helping achieve BART extension to Livermore and Tracy to reduce cut-through traffic and nightmare traffic on I-580 and I-680 freeways? 72-2

Comment/Question #3- Re the Pleasanton Climate Action Plan (CAP) and the City's "goal to become the Greenest City in California" . With increased air-quality problems, noise, traffic, etc. how does the approval of this EDZ help achieve the goal of Greenest City in California? 72-3

A better use for portions of the properties may be Open Space/Green-belt/Park and encourage installation of solar panels on all existing buildings. 72-4

Comment/Question #4- Another Goal mentioned in the SEIR is to "sustain the Community's Quality of Life with a vigorous and diverse economy". Table 3-2 shows 642 jobs for the total after Phase I Development and a total jobs at Full Build-out increasing from a current 369 to 1,149. What percentage of those jobs would be low-paying jobs from a new Wal-Mart and hotel (Wal-Mart already has a reputation of a significant percentage of their employees needing public assistance, such as food stamps)? 72-5

A better use of the property may be to encourage creation of higher-paying tech jobs (a Tech Center). 72-6

Comment/Question #5- The SEIR provides the current owners of the parcels in the Johnson Drive EDZ but I did not see much detail regarding some of the ownership (local folks, foreign investors)? Does this SEIR process (or City staff involvement) include investigations of potential conflicts of interest of proponents, staff, elected officials, lobbyists? 72-7

Letter 72 Response – George Reid

72-1 The comment requests clarification regarding the EDZ's ability to benefit the average citizen or preserve Pleasanton's character. The EDZ would allow for new development in this highly visible and underutilized area, which could have positive effects on the City's tax base. Other potential benefits of the EDZ could include additional shopping opportunities and hotel rooms that will allow residents and visitors to spend locally and stay in the Pleasanton. In addition, the EDZ is expected to generate new jobs, which would likely increase local economic activity. Refer also to the fiscal impact analysis section of the Economic Impact Analysis prepared for the EDZ (Appendix A of this Response to Comments document).

72-2 The comment requests clarification regarding the use of City staff time on the proposed EDZ when there is a need to reduce cut-through traffic. City staff is concurrently working diligently with regional agencies on these two initiatives, including BART to Livermore and the widening of SR 84, both of which will reduce cut-through traffic. These initiatives are being undertaken under a separate process from, and independent of, the proposed EDZ.

72-3 With regard to greenhouse gas emissions which form the basis of consideration under the CAP, page 4.E-25 of the Draft SEIR indicates that the GHG emissions reductions achieved under the proposed EDZ compared to a business-as-usual 2005 baseline would be below both the statewide goal under AB32 as well as below the City of Pleasanton's goal in the CAP. Consequently, the proposed EDZ would minimize GHG emissions compared to a business-as-usual scenario.

72-4 The comment describes an alternate use for portions of the properies providing greater open space, and encourages use of solar panels. Refer to section 5.0, Alternatives, which addresses the factors used in the selection of alternatives, the alternatives presented but eliminated from further consideration, and a description and comparison of alternatives considered. An open space alternative was not considered as it would not accomplish the basic goals and objectives of the EDZ. With regard to the use of solar panels, refer to energy efficiency provisions in Design Guidelines for enegy saving design requirements and recomendations. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

72-5 Refer to the **Master Response to Comments About Economic and Urban Decay Impacts**, for a summary of the results of the economic study prepared by the City for the proposed EDZ; and **Appendix A** of this Response to Comments document, which contains the economic study in full. No specific development projects have been proposed to be developed within the area of the EDZ; thus, the specific numbers and types of jobs that would be generated are unknown at this time.

72-6 The Draft SEIR considered the evaluation of a Headquarters Office, Hotel, and New Retail alternative, which would presumably be similar to a "tech center" alternative as suggested by the comment. The description of this potential alternative is presented in

Chapter 5, Alternatives to the EDZ, of the Draft SEIR. The Draft SEIR determined that the Headquarters Office, Hotel, and New Retail alternative would not avoid or lessen any of the significant impacts that would result from the proposed EDZ, and this alternative was not carried forward in the Draft SEIR for detailed analysis.

72-7 The comment requests clarification regarding conflicts of interest. The EDZ is a City-initiated proposal, and the City is interested in exploring options that will develop this vacant land to its full potential and add value to the existing businesses within the EDZ. The City is seeking to change the land use rules that govern development on the site to encourage new uses that will diversify the city's land use and economic base in order to offer a wider range of services and to continue to evolve and grow the City's economy. This approach is consistent with various policies in the City's General Plan, which seeks to:

- Encourage comprehensive planning of underutilized areas (Land Use Element, Policy 6);
- Enhance Pleasanton's economic base (Economic and Fiscal Element, Goal 2, Policy 1); and
- Maintain a diverse and stable revenue system (Economic and Fiscal Element, Policy 18).

The public process surrounding the EDZ, which included detailed analysis of the effects of the proposal, and many public meetings, is similar to that of other land use planning initiatives undertaken by the City in recent years.

From: Moore
Sent: Monday, November 23, 2015 3:48 PM
To: Eric Luchini
Subject: Costco

Please! No Costco here. Help us protect the small business owners. A large company will run many of them out of business. Do we have to become the big industrial city?
Dont ruin Pleasanton! Its our small town atmosphere that we have all come to know and love. 73-1

Thank you for keeping our special place special.

Letter 73 Response – Moore (no full name provided)

73-1 The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

From: Ryan Crawford
Sent: Monday, November 23, 2015 3:52 PM
To: Eric Luchini
Subject: No Costco Here

Eric,

We do not want Costco here. It would severely affect the local companies and individuals who do business in the great town of Pleasanton. 74-1

Letter 74 Response – Ryan Crawford

74-1 The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

From: Moore
Sent: Monday, November 23, 2015 3:53 PM
To: Eric Luchini
Subject: Johnson Drive

Rumor has it that a Costco will be going in on Johnson Drive. I dont know whose brainiac idea this one was, but its not a good one!
The last thing we need is a large company bringing more traffic and congestion to an already busy area. What about those companies on that street?
What are they suppose to do? Im concerned about my own friends and family and the increase in traffic but are those people on that street going
to survive this addition? Does anyone care? 75-1

Please do not allow Costco or any other large company to move into that space. Its just a really, really bad idea for many reasons.

A concerned Pleasanton citizen.

Letter 75 Response – Moore (no full name provided)

75-1 The comment describes concern about increased traffic and quality of life impacts as well as impacts to the businesses in the area of the proposed EDZ. The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it.

With regard to the impact on existing businesses withing the EDZ, refer to the **Master Response to Comments About Nonconforming Uses and Grandfathering of Existing Uses Within the Proposed EDZ**. With regard to impacts to local and neighborhood conditions, refer to the **Master Response to Comments About Impacts to Neighborhoods Near the Proposed EDZ**.

From: Wendy Barnes
Sent: Monday, November 23, 2015 4:00 PM
To: Eric Luchini
Cc: Nelson Fialho; Mayor and City Council
Subject: Costco

To: Eric Luchini, Nelson Fialo, city of pleasanton council members:

I am writing concerning the re-zoning of the Clorox property on Johnson Drive (Little side note: we attended the business after hours at Castlewood a few weeks ago. At the show, a employee of Costco came to our booth and we had a talk with her concerning Costco coming to Pleasanton. She told us it was already a done deal. They already own the property. We were shocked and very concerned. Robin has been working to get to the bottom of this ever since. Please look into this. The outcome is what he is saying below.) 76-1

Regarding this development on Johnson Drive I have the following concerns:

Increased traffic and possible gridlock on freeway and surface roads including Stoneridge Drive at 680 (which is already very busy) and all roads feeding off of Stoneridge including Hopyard and 680, Hopyard and Owens Drive, Foothill Road and the area around the Mall. I can't imagine what this area would be like at Christmas time. 76-2

More of our citizens and business should have received information about this potentially intolerable situation. I know you sent out notices in 1000 ft radius originally and then 5000 more but the area didn't include enough notices to areas of the city that would be affected most like our wonderful downtown. I don't think enough people were given a chance to respond to a decision of this magnitude. Every resident and business should have been contacted because everyone will be affected in some way.
Since we have been telling customers about this situation, it is alarming how many said they don't know a thing about it!!!!! AND don't want another Costco so close to Livermore. That they can go there. 76-3

In addition, all items purchased at Costco will be at the expense of all local businesses and in particular, the quaint downtown which makes the city of Pleasanton so desirable today. 76-4

If Johnson drive becomes a four lane road it will remove parking for all the employees along that corridor. The addition of three new lights will cause gridlock. What is the impact of there not being a fast way to get emergency vehicles in and out? It also means that vehicles performing services from business in that area will also be affected by lost time and cost to do business. 76-5

We have lived here and been in business for 30 years. Many similar issues have come up and you have listened to the citizens and put a halt to moving forward. Please vote no on allowing this big box store to come to Pleasanton. 76-6

Very sincerely,

Robin and Wendy Barnes @ Jewelers Gallery

If you do pass this, and God forbid, all road changes should be in place before Costco opens its doors. Can you imagine what that area would be like if the road teams are working while the traffic is coming? Have you all really thought about this? 76-7

IN ADDITION I understand you are voting on allowing five three story homes to be built on the Spring street behind the Meat Market. If you have seen what the three story houses look like next to the Shell on First/Stanley then you must feel in your heart that this is not what we want in our town. It is very sad and will look horrid right in our downtown. PLEASE do not allow this to happen. 76-8

Letter 76 Response – Robin and Wendy Barnes

76-1 The comment requests clarification regarding the planning process of the proposed EDZ. No applications for specific development projects that would be located within the area of the proposed EDZ have been submitted to the City at this time. As currently proposed, City Council approval of the EDZ would be required prior to development of a Costco or other club retail use in the area. Refer to the **Master Response to Comments About the Proposed EDZ Public Notification Process, Community Workshops, and Hearing Dates**, for information on the City's public involvement effort actions, including the Draft SEIR public hearing and community meetings, as well as additional information regarding the EDZ. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

76-2 Refer to the **Master Response to Comments about the Draft SEIR Traffic Impact Analysis**. The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

76-3 The comment suggests a need for greater outreach for public notification, and states opposition to a Costco. Refer to the **Master Response to Comments About the Proposed EDZ Public Notification Process, Community Workshops, and Hearing Dates**, for information on the City's public involvement effort actions, including the Draft SEIR public hearing and community meetings, as well as additional information regarding the EDZ. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

76-4 The comment indicates concern that the success of a Costco would be at the expense of local businesses. The EDZ would allow for new development in this highly visible and underutilized area, which could have positive effects on the City's tax base. Refer to the **Master Response to Comments About Economic and Urban Decay Impacts**, for a summary of the results of the economic study prepared by the City for the proposed EDZ; and **Appendix A** of this Response to Comments document, which contains the economic study in full. Other potential benefits of the EDZ could include additional shopping opportunities and hotel rooms that will allow residents and visitors to spend locally and stay in the Pleasanton. In addition, the EDZ is expected to generate new jobs, which would likely increase local economic activity.

76-5 The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The commenter is referred to Section 4.D Transportation and Traffic, of the Draft SEIR which addresses the impacts of increased traffic generated by the proposed EDZ, and mitigation measures to reduce/avoid those impacts. As discussed in the section, the proposed EDZ would not result in a significant impact relative to emergency access. Refer also to response to comment 58-2, which addresses impacts related to the removal of on-street parking, and the **Master Response to Comments about the Draft SEIR Traffic Impact Analysis**.

76-6 The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

76-7 Refer to the **Master Response to Comments About the Timing and Funding of Traffic Mitigation Measures, as well as Chapter 6, Mitigation Monitoring and Reporting Program**, which describe the timing and implementation of traffic improvements and other mitigation measures. The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

76-8 The comment, which does not pertain to the EDZ, is acknowledged.

From: Ingrid Kramer
Sent: Monday, November 23, 2015 4:02 PM
To: Eric Luchini
Subject: NO COSTCO

Eric - I'm writing to PROTEST the possibility of a COSTCO store, or any big box store in Pleasanton. I remember when I moved here 20 years ago the prevailing theme in this wonderful town was no chain stores. What happened? 77-1

I've been to the community school meeting (can't remember the name of the elementary school) a few weeks ago and at the latest planning commission meeting to hear the details.....it's NOT a good idea. 10 lanes coming from Johnson Dr. - that's crazy, unsafe and will not mitigate the traffic incurred by a big box store. 77-2

As far as notifying only those residences that are within a 1,000 feet parameter - that's is not enough. The entire city should be notified as the increased traffic will impede everyone who drives around Pleasanton. 77-3

<u>This will also very seriously hurt small businesses.</u> Please please please think about the small business owner. They are the nuts and bolts of this community. Why make it harder for them to conduct business? 77-4

We already have a water shortage. Has any asked how much water a big box store will use? We have cut back almost 75%.....why penalize us more? I ask again - what happened to this lovely small town of Pleasanton? 77-5

Ingrid and Steve Kramer

Letter 77 Response – Ingrid and Steve Kramer

77-1 The comment expresses concern regarding impacts to the existing character of the business community in the city. Refer to the **Master Response to Comments About Economic and Urban Decay Impacts**, for a summary of the results of the economic study prepared by the City for the proposed EDZ; and **Appendix A** of this Response to Comments document, which contains the economic study in full. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

77-2 The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

77-3 The comment indicates a need for greater outreach and public notification regarding the proposed EDZ. Refer to the **Master Response to Comments About the Proposed EDZ Public Notification Process, Community Workshops, and Hearing Dates**, for information on the City's public involvement effort actions and community workshops and hearing dates, as well as additional information regarding the EDZ. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

77-4 The comment indicates concern that the proposed EDZ would hurt small businesses. Refer to the **Master Response to Comments About Economic and Urban Decay Impacts**, for a summary of the results of the economic study prepared by the City for the proposed EDZ; and **Appendix A** of this Response to Comments document, which contains the economic study in full.

77-5 Refer to the **Master Response to Comments About the Impacts of the Proposed EDZ on Water Supply** for further detail regarding these impacts.

From: Maureen Nokes
Sent: Monday, November 23, 2015 4:04 PM
To: Eric Luchini
Subject: Costco

Hi Eric,
I am a long time resident of Pleasanton and have generally been on the side of growth, as far back as Hacienda Business Park.
The big difference here is that the site proposed for the Costco is not appropriate. I have seen nothing that properly addresses the massive amount of traffic they generate.
I see it as a similar situation to the Danville Costco.
I realize Pleasanton will be in a position to receive the benefits of the large amount of taxes generated and I understand that, but believe the traffic congestion at 2 of our high volume freeway exits could be disastrous. 78-1
Regards,
Maureen Nokes

Letter 78 Response – Maureen Nokes

78-1 Refer to the **Master Response to Comments about the Draft SEIR Traffic Impact Analysis**. The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

From: nancy allen
Sent: Monday, November 23, 2015 4:08 PM
To: Maria Hoey; Adam Weinstein
Subject: EIR - EDZ

Hi Maria and Adam,

Additional requests for the EDZ.

1) Please consider overlaying two elements to the traffic analysis for the EDZ project to look at a potentially more realistic assessment of the incremental traffic impact of this rezoning vs. a project that used existing industrial zoning. I realize these would NOT be added to the very conservative EIR analysis. Rather, this would be an additional scenario that would be shared for purposes of a potentially more real world impact. 79-1
   - Reduce EIR base analysis by the trips residents (who use Costco) will no longer take to Livermore or Danville to shop at Costco.
   - Reduce base traffic analysis by the amount of traffic that would be generated if this land were used for currently zoned industrial use
2) On economics, what is the payback period if city were to pick up 100% of the traffic impact fees vs. if developer were to pick up 100%? 79-2
3) Identify # of semi trucks per day to costco, to the hotel. 79-3
4) How much air pollution would be reduced IF costco did not have a gas station? 79-4

Thank you

Nancy Allen

From: nancy allen
Sent: Monday, November 23, 2015 6:11 PM
To: Maria Hoey; Adam Weinstein
Subject: RE: EIR - EDZ , ER feedback, one addition

Hello,

How much sales tax are we getting per year from the existing businesses on Johnson Drive that we are considering for rezoning? Please list sales tax individually by company. 79-5

Thank you

Nancy Allen

Letter 79 Response – Nancy Allen

79-1 The traffic analysis presented in the Draft SEIR did not include Costco-specific traffic analysis (trip generation calculations) because no application for a Costco store has been submitted to the City. However, the traffic model in the analysis did assume some shorter trips due to the availability of additional retail users at the new EDZ location.

The second item in this comment requests a comparative analysis between the proposed EDZ and full occupancy of the site with industrial uses (presumably, light industrial uses similar to those currently present at the site). The Draft SEIR does not include an alternative to these specifications; however, the Draft SEIR does include and evaluate a No Project alternative that would be comparable to (if somewhat less intensive than) such an alternative. Under the No Project alternative, the EDZ would be built out with 338,000 square feet of office uses and 45,000 square feet of retail uses. The No Project alternative would generate fewer total traffic trips than the proposed EDZ (approximately 5,070 total weekday daily trips, as compared to the 12,270 total weekday daily trips that would be generated by the EDZ), and would result in the avoidance of some, but not all, of the significant impacts of the proposed EDZ (the volume of traffic trips to the EDZ area that would be generated by this alternative would likely result in impacts related to spillback, and further degrade operations of freeway ramps at merge/diverge areas that are already operating at unacceptable levels).

The transportation impact analysis does not explicitly consider that there are two existing Costco stores in proximity to the EDZ. The existing Costco in Livermore is located off North Canyons Parkway, approximately 8 miles east of the area of the proposed EDZ. The existing Costco in San Ramon is located off Crow Canyon Road, approximately 8 miles north of the EDZ. Although it is expected that some patrons to these existing stores, especially those who may reside closer to the EDZ, could change their shopping patterns and patronize the new store, the number of trips that could shift is difficult to quantify. Many factors influence someone's decision to shop at a particular store, including convenience as a stopping point as part of another planned trip, such as a stop at the store on the way home from work. Although some existing shopping patterns could change, these trips would still represent a change in travel patterns in the immediate area surrounding the EDZ, which is reflected in the transportation assessment.

79-2 Refer to the **Master Response to Comments About the Timing and Funding of Traffic Mitigation Measures**, especially the discussion under *Developer Responsibility for Funding Traffic Mitigation Measures*, which addresses how traffic mitigations will be paid for, apportioned, and timed.

79-3 The City has as yet received no application from Costco for development of a Costco store within the area of the proposed EDZ. If a Costco were to be built, it could be anticipated that up to about 25 trucks per day would make deliveries; of those, up to about 20 trucks would make deliveries to the store and up to five trucks would deliver gasoline (assuming that the Costco store were to include a gasoline station). Gasoline tankers are typically semi-trailer trucks. Not all of the store delivery trucks would be

semi-trailer trucks, but it is likely that half or more of the trucks would be "semi-trucks." These estimates are based on a review of several sources, including a 2015 greenhouse gas analysis for the proposed addition of a gasoline station to an existing Costco in San Jose; a 2006 EIR for demolition of an existing Costco store and replacement with a larger Costco store and gasoline station in Redwood City; and a 2011 application for a Costco store in Ukiah.

79-4 Trip generation guidance published by the Institute of Transportation Engineers indicates that a standard discount club store of 148,000 square feet generates approximately 6,190 vehicle trips per day, compared to the estimate in the Transportation analysis of the Draft SEIR of 10,710 vehicle trips per day based on Costco-specific data for warehouses with fueling stations. This would be a reduction of 14 percent of daily vehicle trips if a fuel station were not a part of the proposed EDZ. Such a scenario would reduce operational NOx emissions by 3.9 tons per year, to approximately 12.1 tons per year (above the BAAQMD significance threshold of 10 tons per year); and PM10 emissions by 3.5 tons per year, to approximately 12.5 tons per year (below the BAAQMD significance threshold of 15 tons per year).

79-5 The comment requests a summary of the sales tax provided per year by the existing businesses on Johnson Drive, individually by company. Sales tax generated by individual businesses in the city are confidential; the City cannot release this information publicly. As indicated in the Economic Impact Analysis (Appendix A), existing businesses within the EDZ generated sales tax revenues of $83,432 in fiscal year 2015.

From: Patrick O'Brien
Sent: Monday, November 23, 2015 4:14 PM
To: Eric Luchini
Subject: Johnson Drive Economic Development Zone

Eric

We at Leisure Sports/ ClubSport Pleasanton are supportive of the concept and goals of the JDEDZ process.

We do want to express our concern that the Traffic Studies and DEIR evaluate in depth the impacts to all the businesses and residents that are served by Johnson Drive and its intersections at Stoneridge Drive and Owens Drive. 80-1

Traffic may tend to reroute itself off of Stoneridge and Johnson, if the level of service is diminished. This traffic may then utilize Owens and the easterly end of Johnson.

This may require widening of Johnson beyond the current plans.

We also want to encourage the Developer and City of Pleasanton to pursue an easement on the easterly boundary of the JDEDZ that would love trucks and other service vehicles to access the new projects by an immediate right turn off Johnson Drive just beyond Stoneridge. This would remove this type of traffic and any conflicts that may arise with the customer traffic going to northerly addresses on Johnson Dr. or Commerce Circle. 80-2

Thank you

Patrick O'Brien

Patrick J. O'Brien
Chief Financial Officer
Leisure Sports Inc.

Letter 80 Response – Patrick O'Brien, Leisure Sports Inc.

80-1 The comment seeks to ensure that the traffic impact analysis adequately addressed potential impacts at the intersections of Johnson Drive with Stoneridge Drive and Owens Drive. The trip distribution for the proposed EDZ shown on Figure 5 of the Johnson Drive EDZ Transportation Assessment (**Appendix G** of the Draft SEIR) indicates that approximately 30 percent of the total EDZ trips are expected to travel through the Johnson Drive at Owens Drive intersection to access the area. This trip distribution and assignment considers the potential for congestion at the Stoneridge Drive at Johnson Drive interchange and the potential for some traffic to re-route to Hopyard Road.

Refer to the **Master Response to Comments about the Draft SEIR Traffic Impact Analysis**. Traffic analysis on the easterly end of Johnson Drive did not indicate the need for roadway widening as the commenter suggests, however, cumulative conditions at the unsignalized Johnson Drive and Owens Drive (North) intersection would worsen from LOS C to LOS F during the PM and Saturday peak hours with the addition of EDZ-related traffic. The proposed mitigation measure to signalize the intersection would provide LOS A conditions during the PM peak hour and LOS C conditions during the Saturday peak hour at this intersection. Thus, no further improvements would be required.

80-2 The comments about current traffic conditions, and suggested roadway changes will be presented to decision-makers as part of this SEIR.

From: Sandy Yamaoda
Sent: Monday, November 23, 2015 4:33 PM
To: Eric Luchini
Cc: Mayor and City Council
Subject: Johnson Drive Economic Development Zone - Water Usage

Dear Mr. Luchini:
Re: Water Usage – Johnson Drive Economic Development Zone
I am sending this email because I want to make sure that the public and our elected officials have the full story and understand the possible options, negative and positive for the redevelopment of Johnson Drive.
I am very concerned about the water use in the proposed Johnson Drive EDZ. At the November 12, 2015 community meeting I expressed concern about the water use of the proposed hotel. I was concerned about the potable water the hotel must use inside their facility and the swimming pool. In the light of transparency, this would have been an opportunity for the staff to explain that the Discount Club would use far more potable (indoor) water than the proposed hotel. No such information was offered.
To be honest, the Planning Commission must show how much indoor and outdoor water is used by the current EDZ and then compare it to the proposed EDZ separating the indoor from the outdoor use in both cases.
See below the chart created by Kittelson & Associates, Inc. on Page 477 of the DSEIR. 10.967 Mgal is a tremendous amount of water at a time when we are not only rationing water but when it is clear that going forward lack of water may be a way of life in our community. Let's put it in perspective: Isn't this more than the 24,000 gallons a day that Ranch 99 was recently fined?
PAGE 477 OF JOHNSON DRIVE DSEIR -

81-1

	Indoor/Outdoor Use	Total CO2	CH4	N2O	CO2e
Land Use	Mgal	MT/yr			
Discount Club	10.9627 / 6.71909	27.5760	0.3583	8.6600e-003	37.7852
General Light Industry	6.37094 / 0	12.0498	0.2081	5.0000e-003	17.9676
Hotel	3.80502 / 0.422779	7.6272	0.1243	2.9900e-003	11.1632
Strip Mall	18.2544 / 11.1882	45.9177	0.5966	0.0144	62.9174
Total		93.1707	1.2873	0.0311	129.8332

Sincerely,
Sandy Yamaoda

Letter 81 Response – Sandy Yamaoda

81-1 Refer to the **Master Response to Comments About the Impacts of the Proposed EDZ on Water Supply** for further detail regarding these impacts.

With respect to the comment's question concerning water use for a discount club land use relative to the Ranch 99 Supermarket that was recently the subject of news coverage in the area, the following information is offered. The CalEEMod model, an air quality model that provides illustrative rates of water use that can be reviewed for comparative purposes, assumes a higher water use rate for supermarkets than it does for discount clubs. Water rates for a supermarket are 123,268 gpy per 1,000 square feet (sf) for interior uses and 3,812 gpy per 1,000 sf for exterior uses, for a total annual use of 123,080 gpy per 1,000 sf. For a 45,000 square-foot supermarket (the approximate size of the Ranch 99 Supermarket as reported in several news articles), this translates into an annual use of about 5.7 million gpy, or about 15,700 gpd. According to news reports, the Ranch 99 Supermarket in question was using about 23,000 gpd, or about 190,000 gpy per 1,000 sf, which is approximately 50 percent higher than would be expected under the CalEEMod model. Several articles suggested that this higher rate of use was a function of the large freshwater tanks that the store uses for live fish products. It was also suggested that other factors such as water leaks may have played a part in the facility's high water use.

By comparison, the water use projected for the discount club land use as part of the EDZ development would be 119,472 gpy per 1,000 sf, which would be more than 70,000 gpy less than the Ranch 99 Supermarket. This translates into a reduction of more than 30 percent on a per-area basis when compared with the reported use at the Ranch 99 facility.

From: Sandy Yamaoda
Sent: Monday, November 23, 2015 4:33 PM
To: Eric Luchini
Cc: Mayor and City Council
Subject: Johnson Drive Economic Development Zone

Dear Mr. Luchini:
Re: Traffic & Parking Issues - Johnson Drive Economic Development Zone

I am very concerned about the amount of traffic that will be generated with the buildout of the Johnson Drive Economic Development Zone particularly with the inclusion of a Costco. Traffic has been estimated at 12,160 weekday daily trips and 15,630 Saturday daily trips at full buildout. However, pass-by and diverted trips were not added to these numbers. It is estimated that Costco's pass-by trips would increase the vehicle traffic by 3,750 on weekdays. So the number of vehicle trips to include pass-by trips would be 19,490 on weekdays. The reason pass-by trips should be included is because although individuals may stop by Costco for fruit or gas and then resume their journey, these stops still use Johnson Drive. These vehicles may still use the intersections of I-680 or off of Hopyard and they cause congestion, backups on City streets and the nearby on-off ramps. They still cause wear and tear on our streets. After all, if Costco is eager to locate itself on an interstate, they are doing so to capture business which will stop by on the way north or south. 82-1

Additionally, Costco will bring large trucks delivering goods and causing congestion. Stopping and going will add to pollution and wear and tear on our streets. 82-2

Do not underestimate what widening of the access streets and removal of trees on Stoneridge will do ascetically to I-680/Stoneridge entrance to Pleasanton. Ascetics is something our General Plan touts as important. Do we really want this intersection to look like the massive, multi-lane and treeless (Hopyard) Dougherty Road and Dublin Boulevard intersection? 82-3

The issue of safety as additional vehicles enter I-680 going north and trying to move to left lanes was mentioned in the Community Meeting and the staff agreed that this is an issue. Please do not shrug this off as "not our problem, it is Cal Trans problem". We have a moral obligation to insure public safety. 82-4

Finally, but not least of my concerns, is the parking problems created by the proposed plan. In order to widen Johnson Drive/Stoneridge, we will lose at least 3 parking spots in the Park and Ride. As it is, when that lot fills up, drivers cross Stoneridge and try to park by the recycle water refill station. We need more, not less parking for commuters - Please do not minimize this issue by saying it is only 3 spots, multiply that by a year and it adds up to more road congestion/pollution. As you may know, air pollution created by the EDZ cannot be mitigated.

When I asked if the current businesses wanted to purchase property in the EDZ and make a parking lot, I was first told they could not do that unless they did it before rezoning. At the Community Meeting, Mr. Weinstein said there could be flexibility and that might be allowed but it would not generate revenue. We have to deal with parking problems all over the city including downtown, the BART stations (we have to deal with it even though it is "BART's Problem"), around all our schools and on Johnson Drive and Commerce Circle. Parking needs to be addressed with more than "shared" parking. Adequate parking is a benefit for businesses and citizens. 82-5

I question the kinds of businesses we need to attract and how they will impact our town. Costco which is referred to frequently in the DSEIR may not be in the best interests of our City. Traffic is a major problem and over and over again a complaint of the citizens of Pleasanton. Don't ignore the City-paid-for survey which listed <u>traffic</u> high on the list of problems citizens want the City to do something about not contribute to.

Sincerely,
Sandy Yamaoda

Letter 82 Response – Sandy Yamaoda

82-1 The comment requests clarification regarding the inclusion of pass-by trips. Pass-by and diverted trips were discussed on page 25 of the Johnson Drive EDZ Transportation Assessment (**Appendix G** of the Draft SEIR). Pass-by and diverted trips were considered from locations other than Johnson Drive, including the following roadways:

- 20 percent would be from I-580
- 30 percent would be from I-680
- 10 percent would be from Hopyard Road
- 40 percent would be from Stoneridge Drive

These trips were assumed to divert out of their original travel path to access the area. For example, a trip that diverts from I-680 traveling northbound was assumed to exit the freeway at Stoneridge Drive, turn right to Stoneridge Drive, and then left to Johnson Drive to access their destination within the EDZ area. When the vehicle departs the area, it is assumed to travel south on Johnson Drive, turn right to Stoneridge Drive, then turn right to enter I-680, continuing on the original northbound trip. For the purposes of the traffic assessment, these trips are considered new trips for the trip portion that diverts from the primary route, but they are not considered a new trip to the overall roadway system.

82-2 The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

82-3 The comment describes concern regarding the aesthetic impacts related to widening of access streets and removal of trees in the Stoneridge Boulevard area. Per City policies and regulations, plans for widening of access streets will be reviewed and designed to ensure the replacement of trees and/or the restoration of aesthetic conditions for any development project.

82-4 See response to comment 45-1.

82-5 The comment describes concern over the parking issues presented by the proposed EDZ. The proposed EDZ is anticipated to generate a net increase in parking in the area with implementation of the EDZ. Parking is permitted in the site and will be provided when individual sites are developed with new uses. In addition, the City is also undertaking a Downtown parking study.

From: Bob Miller
Sent: Monday, November 23, 2015 4:33 PM
To: Eric Luchini
Subject: No Costco Here

Mr. Luchini~

I wanted to take a quick moment and voice my opposition to the potential for rezoning that would allow for a Costco (or similar "big-box" store) to be built on Johnson Drive.

I have two concerns about the plans as detailed, the environmental/pollution impact and the traffic impact, and don't believe that either of these is sufficiently addressed in the nascent plans. I also have significant concerns about whether these issues can be mitigated at all, in spite of any promises that might be made. Even the available report makes it uncertain whether mitigation would be successful and I fear that once the ball gets rolling, there will be little opportunity to address these issues after the fact and Pleasanton will be stuck with the outcome.

The 580/680 interchange and all roads that feed into this area for many many miles around are already congested beyond belief, even during "normal" times. A single incident in any of a number of locales and the impact to the traffic is significant and quite frankly very frustrating. When these roads are congested, not just during rush hour, but during afternoons on any typical weekend day, the impact to our environment is undeniable. Drawing additional cars to the area with the building of the Costco cannot be good for an already frustrating situation, potentially magnifying the number of issues that are certain to occur.

For additional perspective, I currently am employed by The Clorox Company, who as I'm sure you are aware, previously occupied that site. Thank goodness I am fortunate enough to live in Pleasanton and could take advantage of city streets and bike paths to go to work. I couldn't imagine having to come from outside the Pleasanton borders; Dublin, Livermore, San Ramon, and having a short trip of only a few miles take as long as my colleagues have indicated due to the interstates. Even just leaving the Clorox facility on Johnson Drive back then could be a challenge, trying to merge with large sections of traffic partially blinded by the curves at either end. 83-1

I couldn't imagine what the traffic on that road would be like trying to enter and exit a large commercial operation like a Costco. I know the plan calls for several turn lanes, and perhaps this will help, but given the significant increase in traffic expected, this will quickly become another area of Pleasanton that I might need to "avoid" due to the traffic frustrations. The truck traffic alone to support Costco is already more than this area can support, let alone the cars using the store and proposed gas pumps. This traffic will naturally spill over to Stoneridge Drive (where the wait times at the light are already unbearable and turning is nearly impossible), and then to the on and off ramps of the 680 interchange.

More cars, sitting in more traffic, will only create more pollution, and we are already behind where we should be environmentally. Let's not make it worse, knowing that there is no credible plan to address these issues at this time.

I recognize the potential benefits to Pleasanton a business like Costco can bring, and I know we need to continue to grow our base for the good of all. However, I feel the impact and downsides of this current plan far outweigh the benefits. I heartily urge you to consider this input and not move forward with these plans.

Thank you for your time.

Bob Miller & Family
Pleasanton Resident

Letter 83 Response – Bob Miller & Family

83-1 Refer to the **Master Response to Comments about the Draft SEIR Air Quality Impact Analysis** for a summary and discussion of the proposed EDZ's air quality impacts; and the **Master Response to Comments about the Draft SEIR Traffic Impact Analysis** for a summary and discussion of the proposed EDZ's traffic impacts. The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

From: Sandy Yamaoda
Sent: Monday, November 23, 2015 4:34 PM
To: Eric Luchini
Cc: Mayor and City Council
Subject: Johnson Drive Economic Development Zone - Cost

Dear Mr. Luchini:
Re: Cost of the Infrastructure – Johnson Drive Economic Development Zone

I understand that income generated by a hotel, box store, other retail may be enticing but as a fiscal conservative, I believe the City needs to provide a clear honest budget, not a guess, at how we are going to pay for the EDZ.

At the November 12, 2015, the audience asked how much the infrastructure improvements would cost. The staff estimated $15 million or $25 million if the bridge over I-680 were expanded. The staff explained that they were doing a more thorough economic analysis. The audience was given to believe that this would be comprehensive but I have learned that it would not include the cost of the infrastructure needed to mitigate the traffic created by the EDZ but would focus on revenue and leakage from local businesses. This is not acceptable. The public needs to know:

1. How much will it cost to widen Johnson Drive; widen Stoneridge; added stop signs and stop lights; widen the bridge over I-680 etc.

2. Make estimates based on when the work will be done – how much will the $15 million and $25 million grow because nothing gets cheaper with time. (Example, the Bay Bridge retrofit)

3. How much will Costco pay? How can you expect Costco to pay anything when it is said we are giving them "concessions".

4. Is the City willing to "walk away" from Costco if they cannot get funds to pay for the infrastructure upfront?

5. How much can we expect from the Federal Government; How much from the State? Is it realistic to assume we would get funds from either of these sources? How long will it take for these funds to come through?

6. How much will come from the City's General Fund? Estimate the loss of investment revenue.

7. How long will it take to pay the City back from the income anticipated from Costco. From the Hotel?

8. Don't forget the cost of consultants and staff time in creating a budget.

84-1

Sincerely,
Sandy Yamaoda

Letter 84 Response – Sandy Yamaoda

84-1 The comment request clarification regarding the specific costs generated by the EDZ, specific funding sources, reliability, timing, and amounts, as well as thresholds for payment requirements. Refer to the **Master Response to Comments About Economic and Urban Decay Impacts**, for a summary of the results of the economic study prepared by the City for the proposed EDZ; and **Appendix A** of this Response to Comments document, which contains the economic study in full. Refer also to the **Master Response to Comments About the Timing and Funding of Traffic Mitigation Measures**, especially under the discussion of *Developer Responsibility for Funding Traffic Mitigation Measures*.

JOHNSON DRIVE HOLDINGS I, LLC

November 23, 2015

Mr. Eric Luchini, Associate Planner
City of Pleasanton
P.O Box 520
200 Old Bernal Avenue
Pleasanton CA 94566-0802

Subject: Johnson Drive Economic Development Zone (JDEDZ) Comments

Dear Eric:

We are using this opportunity to comment on elements of the proposed Johnson Drive Economic Development Zone. We have previously submitted a letter to the Planning Commissioners on September 23, 2015. To reiterate, as a property owner within the JDEDZ, we are enthused that the City of Pleasanton has initiated this pilot program to revitalize an area of the City that has an outdated underlying zoning ordinance. 85-1

We do have some observations and comments related to the Draft EDZ Design Guidelines, June 2015 (Appendix D to the DSEIR) which we believe create some challenging development constraints for existing properties and future development. In addition, it is our observation that a number of existing properties do not meet the standards as currently stated.

1. We recommend the setback **Site Development Standards** table (page 1 of 11) should be amended for a more reasonable format reflective of the different parcel sizes in the EDZ: 85-2
    a. Parcels of greater than ten (10) acres:
        i. Front yard minimum building setback of 35 feet
        ii. Sidewalk and landscaping 25 feet from face of curb
    b. Parcels less than ten (10) acres:
        i. Front yard minimum building setback of 25 feet
        ii. Sidewalk and landscaping 15 feet from face of curb

2. The maximum floor area ratio (FAR) is noted at 30% in the **Site Development Standards** table (page 1 of 11). Given the variety of land uses defined for the EDZ this blanket ratio is not functional for the breadth of options. We recommend a table indicating a ratio based upon specific land uses (retail, office, warehouse, hotel, etc.) and common FAR standards generally accepted by cities similar to Pleasanton and according to industry standards. We would be pleased to assist the Planning Staff develop this table. 85-3

3. On page 2 of 11, last bullet point under **Site Design and Spatial Characteristics**, should explicitly define C-3 Ordinance improvements (bio swales and drainage) as one form of compliance with the required open space and landscaping for the site. 85-4

Eric Luchini
November 23, 2015
Page 2 of 2

4. On page 3 of 11, the first bullet under **Pedestrian/Bicycle Access and Circulation** defines pedestrian systems. We recommend that *"...were appropriate and physically obtainable that design methods be used to define pedestrian pathways via paving, enhanced surfaces, physical "wayfinding", striping and other means of clearly indicating pedestrian and vehicular movement."* be included for this paragraph. 85-5

5. On page 4 of 11, the first bullet under **Utility, Solar, Electrical and Mechanical Equipment** should be revised to include text stating *".....or as required by Police Department, Fire Department and utility service provider requirements".*

6. On page 4 of 11, the second bullet under **Utility, Solar, Electrical and Mechanical Equipment** should be revised to include text stating *".....or as required by Police Department, Fire Department and utility service provider requirements".* 85-6

7. On page 4 of 11, the fourth bullet under **Utility, Solar, Electrical and Mechanical Equipment** should be revised to include text stating *".....or as required by Police Department, Fire Department and utility service provider requirements".*

8. On page 4 of 11, the fifth bullet under **Utility, Solar, Electrical and Mechanical Equipment** should be revised to state that the design shall comply with the State of California 2013 Title 24 Nonresidential Compliance for 2013 Building Energy Efficiency Standards. 85-7

9. On page 4 of 11, the first bullet under **Services, Delivery, Trash and Outdoor Equipment or Storage Areas** should be revised with text stating *"....exterior trash areas are to be enclosed and can accommodate dumpsters, compactor unit, cardboard bailing equipment and staging for bound paper-cardboard recycled materials in this zone. Using site planning, constructed barriers and vegetation, this zone should have limited visible access from general public path of travel zones."*

10. On page 5 of 11, the fourth paragraph (third bullet) under **Services, Delivery, Trash and Outdoor Equipment or Storage Areas** should be revised with text stating *"All exterior trash enclosures, waste containers, trash compactors, bailing equipment and bound paper-cardboard recycled materials shall be out of direct line of sight from public roadways at all times."* 85-8

11. On page 5 of 11, the sixth paragraph (fifth bullet) under **Services, Delivery, Trash and Outdoor Equipment or Storage Areas** should be revised to accommodate bailed cardboard and paper products typically stored outside until recycle services remove from the premise. The text should be revised to state: "*Materials, supplies, equipment, service vehicles, finished or semi-finished products, raw materials, or articles of similar nature may be stored outside though use of appropriate site planning, constructed barriers and vegetation to block views from adjacent properties or adjoining streets."*

Eric Luchini
November 23, 2015
Page 3 of 3

12. On page 5 of 11, **Parking**, the standards define surface parking as no closer than 10 feet from the side yard and not closer than 15 feet from the rear property lines when not a component of contiguous (adjacent) parking lots. Reflective of a more reasonable format for the different parcel sizes in the EDZ
    i. Parcels of greater than five (5) acres:
        a. No closer than eight (8) feet for side yard
        b. No closer than six (6) feet for side yard if landscape buffer is provided
        c. No closer than four (4) feet for side yard if landscape buffer is provided and adjoins a similar landscaped parking setback on the adjacent property.
        d. No closer than two (2) feet in rear yard adjacent to DSRSD property.
        e. Otherwise not closer than four (4) feet in rear yard.
    ii. Parcels of less than five (5) acres:
        a. No closer than 6 (6) feet for side yard
        b. No closer than four (4) feet for side yard if landscape buffer is provided
        c. No closer than three (3) feet for side yard if landscape buffer is provided and adjoins a similar landscaped parking setback on the adjacent property.
        d. No closer than two (2) feet in rear yard adjacent to DSRSD property.
        e. Otherwise not closer than four (4) feet in rear yard.

85-9

14. On page 6 of 11, **Parking**, insert the text that *"If the project provides motorcycle parking, this design accommodation will be to the satisfaction of the Director of Community Development. Motorcycle parking....."*.

85-10

15. On page 6 of 11, **Parking**, revise the eighth bullet point on this page to strike the first sentence: ~~*"Dimensional requirements for parking spaces and maneuvering areas shall be in conformance with City standards."*~~ Revise the second sentence to read: *"90-degree parking angle is encouraged for ease of circulation. Stalls shall be no less than 9'x19' and 24' aisle width minimum. Parking areas located.....all parking spaces."*

85-11

16. On page 7 of 11, **Artwork**, strike this section or provide for an "in-lieu" fee program. Absent a downtown area or culturally significant city zone, we typically do not see this requirement for the type of land uses contemplated in the EDZ.

85-12

17. On page 8 of 11, **Massing, Scale, Form, and Details**; We believe this text should be revised to address varied parapet heights and architectural articulation such as: 1) stepping the building façade in and out; 2) vertical layering of architectural design materials; and 3) use of architectural colors and textures to reduce perceived height, massing and scale. For creativity and similar design objective, we recommend these additional design solutions to the ones noted in this section of the design guidelines.

85-13

18. On page 10 of 11, **Visual Buffers**, The planting specification is for 15 feet on center. This specification would be more appropriate for a downtown, pedestrian, sidewalk zone. Suburban office, warehouse and retail zones typically use a planting specification of 30 feet on center. We recommend this specification be revised to 30

85-14

foot on center and use of drought tolerate, low water requirement tree species. Low rainfall conditions of the last few years have stressed evergreen trees. Additionally, evergreen trees typically do not do well in parking lot zones. We recommend removal of the evergreen specie requirement. 85-14 cont.

19. On page 10 of 11, **Landscape Setbacks**, see our previous note 13 above for modifying the setback dimension based upon size of parcel whether the zone is front, side or rear yard area. 85-15

20. On page 11 of 11, continuation of **Parking Area Requirement**s, first bullet on the page; 15 gallon size is specified for shrubs. This size indicates a more mature shrub. Mature plant sizes do not adapt well to the stress and acclamation to new site conditions. Based upon experience we recommend 5 gallon or smaller sizes usually result in a much higher survival rate and faster growth for visual screen plantings. The solution for the screening requirement is in the plant selection and spacing and not in the size of the initial pot size. We recommend that the landscape plan be reviewed and approved to accommodate these issues. 85-16

21. On page 11 of 11, **Exceptions,** the decision making body is not defined nor is the criteria for how exceptions will be evaluated and approved. We recommend further definition on the process and the desired outcome. 85-17

We are available to discuss these thoughts, comments and suggested revisions to the JDEDZ and DSEIR.

Sincerely,

Tony Perino
President, Nearon Enterprises
Manager of Johnson Drive Holdings I, LLC

Letter 85 Response – Tony Perino (Johnson Drive Holdings 1, LLC)

85-1 The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

85-2 The comment describes specific concerns and provides recomendation with regard to the setback Site Development Standards table and concern for existing properties which do not meet the standards. With regard to the impact on existing businesses withing the EDZ, protecting existing businesses is a primary goal of the proposed EDZ, and existing land uses are "grandfathered" in as part of the overall proposal. The City is currently exploring ways to allow for some degree of expansion or replacement of existing businesses that do not conform to the uses desired as part of the EDZ, while still retaining the EDZ's redevelopment and growth potential. With regard to the Site Development Standards Table, the City will consider making these changes to the Design Guidelines.

85-3 through 85-17:

The comments describe specific concerns and provides recommendation with regard to the EDZ Design Guidelines. Staff will consider making these changes to the Design Guidelines.

From: Pat Boehmer
Sent: Monday, November 23, 2015 4:55 PM
To: Eric Luchini
Subject: Costco

Eric, traffic is horrible in this area as it is please don't make it worse by letting Costco move into the area 86-1

Pat Boehmer
H.A. Bowen Electric

Letter 86 Response – Pat Boehmer

86-1 The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

From: Dave & M. Dolores Sanchez
Sent: Monday, November 23, 2015 11:51 PM
To: Eric Luchini
Subject: No Costco Here

Good evening, our family has been in Pleasanton since August 1976, a lot has changed for the good and some not so good. Costco in my opinion does not have to Flood the big box warehouse market. Because they already have , as you are very much aware of. I attend the meeting at Hearst Junior Hi , I believe it was on November 12th. I listened to everyone's argument at to why NOT to put a Costco on Johnson Dr. But apparently ,our elected city officials have closed their minds to the concerns of the public. Yet 2,000,000.00 revenue is a lot of money and could be used in the city infrastructure. Except that we are not for sale , there are as you know other options. Please do NOT sell out to the highest bidder. You don't have to . I implore you, there are plenty of Costco's within a 10 mile radius. 87-1

Maria Dolores Sanchez

B & S Hacienda Auto Body

Letter 87 Response – Maria Dolores Sanchez

87-1 The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

From: Bob Kahn
Sent: Tuesday, November 24, 2015 8:36 AM
To: Kendall Rose
Subject: Johnson Drive plan

Hi,
I was wondering what is happening with the Johnson Drive usage plan. Particularly, has Costco or any other stores been approved for that area? If Costco was approved, will they be approved for a gas station? If nothing has been approved yet, when do you think approval will happen? 88-1
Thanks,
Bob Kahn

Letter 88 Response – Bob Kahn

88-1 The comment requests clarification regarding the Johnson Drive "usage plan," and whether or when any stores have been approved. The programmatic EDZ would need to be approved by the City Council; there have been no specific development proposals, such as a proposal for a Costco, for sites within the EDZ area. The current assumption is that the large-format retail site would include a gas station. The timing of submittal and approval of specific project applications is uncertain, but would follow adoption of the EDZ, if that occurs.

From: Diane Haddad
Sent: Monday, November 30, 2015 11:58 AM
To: Eric Luchini
Subject: No Costco!

To the Associate Planner for the City of Pleasanton,

Please do NOT approve a Costco for Pleasanton. We don't need a Costco here since Pleasanton is in-between two local Costco's, Livermore and Danville. Johnson Drive is a poor location for such a business.

I have seen Pleasanton change from a sleepy rural town to the city that it is today. Most of the planning has been good but a big box store like Costco is not. Please reconsider this proposition. 89-1

Diane Haddad
Pleasanton Resident Since 1969

Letter 89 Response – Diane Haddad

89-1 The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

From: William Evanikoff
Sent: Wednesday, December 02, 2015 5:14 PM
To: Mayor and City Council
Subject: Costco Project

Dear Councilmembers,

I've heard that there is a Costco planned for Johnson Drive at the site of the former Clorox building. If this is true, I must raise my voice in protest. I'm all for more jobs in Pleasanton, and I hold Costco in high regard, but a business with the high volume of traffic that Costco will generate is not the best choice for that location. If there was another entrance to Costco besides Johnson Drive, then I would embrace the project wholeheartedly.

Johnson Drive is wholly inappropriate for the kind of traffic that such a large retail establishment would bring. It is already a dangerous street used for carpool parking, the Federal Express center, numerous small businesses, a church, a very popular racquet and exercise club and the Doubletree hotel. Not to mention all of the traffic coming to and from the Home Depot and BevMo shopping centers further down. Pulling into Johnson Drive is very dangerous now, and will only get worse. I fear for the safety of those people parking in front of the church and the limousine businesses as well as cyclists who must contend with the traffic at the nearby entrances to the Iron horse trail. 90-1

Please reconsider what must be the highly-negative traffic impact from this project. Perhaps Costco would consider paying for the cost of widening Johnson Drive to four lanes, or building another street coming into the Eastern side of the property.

Respectfully, Yours,

William Evanikoff, CPA

Letter 90 Response – William Evanikoff

90-1 The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

From: James Paxson
To: Maria Hoey
Cc: Adam Weinstein; Gerry Beaudin
Subject: Johnson Drive Economic Development Zone DSEIR
Date: Wednesday, September 23, 2015 10:04:57 PM

Chair Allen and Commission Members -

I wanted to take a moment to forward this message concerning the Johnson Drive Economic Development Zone DSEIR that is coming before you this evening as I will not be able to attend the meeting where this will be considered on September 23. First, we would like to applaud Pleasanton for pursuing the Economic Development Zone program as the idea of having the city provide site-specific focus on economic development opportunities is a worthy exercise; both at the location currently under consideration and likely for other sites as well. However, as has been outlined in the DSEIR and accompanying staff report, the program contemplated at the proposed zone location does carry with it some impacts and while that is not, in and of itself, necessarily a reason for concern, the full context of these impacts does need some elaboration in order for the city to deem the environmental document complete and adequate.

As the staff report states, it is not the function of the DSEIR to examine what conditions of approval might be applied to the final Economic Development Zone if it is approved. However, it will certainly inform them and in order for a complete analysis to occur so that proper conditions can be determined, the DSEIR itself needs to be complete in describing all of the conditions and remedies required for it to mitigate its impacts. In at least one area, it appears that some further evaluation is needed. Specifically, the staff report notes the following: "The JDEDZ will generate increased traffic, affecting the levels of service for freeway ramps along I-680 and surface streets in and around the project area as described below. It should be noted that proposed mitigations in the DSEIR would result in acceptable levels of service (i.e., duration of delay in traveling through an intersection), acceptable vehicle queue spillback (i.e., backed-up traffic potentially affecting operation of an upstream intersection), and acceptable freeway ramp operations. However, the impacts below have been identified as significant and unavoidable for CEQA purposes, as the proposed mitigations will require Caltrans approval, and thus are outside the control of the City of Pleasanton." While we are confident that the appropriate mitigations for the EDZ have likely been considered, the effect of the overall increase in traffic that will be generated from the program and the timing of the proposed mitigations may be such that the cost and timing of improvements that will be required for new projects outside of the EDZ program area, covered by the EIRs referenced in the staff report, will be increased or accelerated over what would have been required prior to the establishment of the EDZ. The DSEIR needs to provide, at the very least, a basic description and analysis of this potential impact; particularly for areas with approved, planned development. 91-1

Thank you for the opportunity to address you on this item. As always, please feel free to contact me if there are any questions concerning our comments on these matters or if there is any additional input we can provide.

Regards

James Paxson
General Manager, Hacienda

[redacted]

Letter 91 Response – James Paxson

91-1 The comment requests clarification regarding the impact of the effects of EDZ-related development and traffic improvements on approved development projects elsewhere in the City. The proposed EDZ is expected to be built out in multiple phases. Additionally, some of the parcels assumed to be redeveloped may not redevelop over the time frame covered by the analysis. For this reason, a phasing analysis was conducted. Phase 1 assumed development of only vacant parcels within the EDZ. A full buildout analysis was also conducted. Impact triggers were identified with Phase 1 and full buildout conditions.

The City is currently updating its transportation impact fee, which will address existing and future deficiencies, based on existing and projected traffic volumes and intersection operations. Roadway improvements to alleviate deficiencies will also be identified, along with improvement cost estimates, implementation timing and funding mechanisms. Improvements will be prioritized based on need and funding availability. Due to the length of time expected for complete buildout of the EDZ, there is not expected to be an immediate and adverse impact on pipeline development projects elsewhere in the city related to required mitigation. As is typical of development projects, applicants of anticipated development projects will be required to mitigate their contribution to cumulative traffic impacts.

From: Jerry Mercola
To: Gerry Beaudin; Adam Weinstein
Subject: Johnson Drive JDEDZ Draft
Date: Tuesday, October 27, 2015 9:02:29 PM

Hello Gerry and Adam,

I listend to your presentation Thursday evening and have looked through the the Draft SEIR. It is a good study and very complete. However, it is very optimistic and unfair to the companies in the area, to the neighborhood and to the city in general.

The traffic estimates and mitigation are my main problems with it. I have had a company on Commerce Circle for 15 years an am very familiar with the traffic patterns at Johnson and Stoneridge. They are adequate for most of the year but back up in the November and December months when everyone wants to get to the Stoneridge Mall. The Johnson-Stoneridge intersection and other interchanges on both sides of it go into the LOS.F category with cars backed up thru the intersections. Even in non November and December months, Johnson drivers wishing to go Southbound on I-680 have to queue in with Stoneridge traffic and do not have a clear path to the freeway entrance. This is a LOS.D for them.

The solution is simple. Widen the Stoneridge freeway bridge to three lanes, like the South side is and make the right lane a dedicated freeway entrance. The center lane can be optional. 92-1

The Draft SEIT envisions a Membership club store like Costco in the old Clorox space. Has anyone gone up to San Ramon and looked at the Costco traffic? It is a continuous stream of cars any day of any month. There is a reason they rebuilt their Crow Canyon bridge and freeway access to handle that amount of traffic. It is the right solution for Stoneridge but it conflicts with the Caltrans rule of how close entrance and exit ramps can be. I doubt they will go for it. Who will fund it? If it is not done, picture LOS.Z gridlock. Stoneridge is not Crow Canyon Boulevard!

I said the idea was unfair to the neighborhood. The extra traffic will add a heavy burden to Stoneridge traffic which draws from much of Pleasanton. Taking away the dedicated Westbound right turn lane will slow down everyone trying to enter Johnson by the person waiting to go straight. This is the problem on Bernal with the center optional right turn to Northbound I-680 entrance. Great for fair days but a pain to us on all of the other times.

The idea of widening Johnson is a must for the JDEDZ but it will infringe upon local business who have to park on Johnson Drive. Will the developer give up some land as a parking area for the business employees who now have no where to park? This needs to be a permanent dedication so it cannot be taken away form the businesses in the future. After all, widening the street is to accommodate the developer so having him restore the lost parking spaces in only fair. 92-2

Why didn't the JDEDZ extend to include the hotel and the vacant lot next to it? It seems only logical if the City really wanted to enhance the revenue of this area. The hotel manager stated that they are looking at adding an addition on their neighboring vacant lot. Lets get that zoning changed with the rest of Johnson Drive. 92-3

The people of Pleasanton are not aware of the impact the JDEDZ will have on them. It needs to be laid out in a article in the Pleasanton Weekly and another meeting held on a free evening so you can hear from them. Hopefully you will encourage this to be fair to Pleasanton. 92-4

Regards,

Jerry Mercola
ICS Electronics

Letter 92 Response – Jerry Mercola

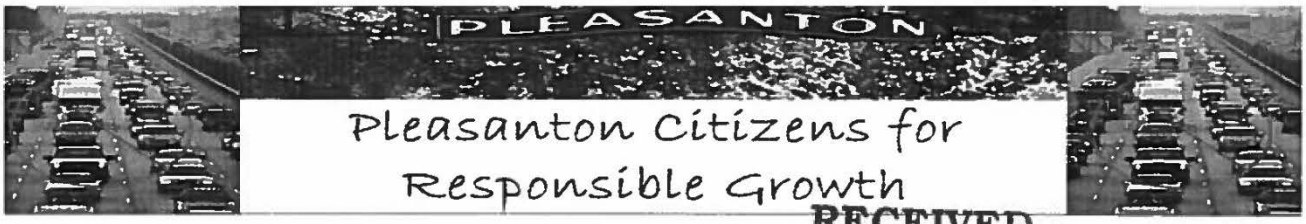
92-1 The comments about current traffic conditions, proposed roadway changes, and suggested roadway changes will be presented to decision-makers as part of this SEIR. See responses to Comment Letter 16 regarding concerns raised by Caltrans to the Draft SEIR analysis of potential impacts on State highways (specifically Comment 16-8 regarding Mitigation Measure 4.D-1d [Stoneridge Drive Queue Spillback - Stoneridge Drive and Johnson Drive Improvements]). Regarding the comment's suggestion to widen the I-680 northbound freeway on-ramp bridge to two lanes: the City has been working with Caltrans (see page 4.D-37 of the Draft SEIR regarding consultation between the two parties about the mitigation measure), and improvements within the Caltrans right-of-way require Caltrans design review and oversight. The Draft SEIR analysis did not conclude that widening this on-ramp to three lanes would be required to reduce the traffic impact to less than significant. Refer also to the **Master Response to Comments about the Draft SEIR Traffic Impact Analysis.**

92-2 See response to comment 21-1.

92-3 The boundaries of the EDZ were identified after staff evaluated sites throughout the City to determine whether they would be suitable for an EDZ, and quickly focused on Johnson Drive as the most appropriate area because of its large cluster of available properties suitable for new business growth, its location near a major freeway interchange, and the fact that it is not immediately adjacent to a residential neighborhood, thus minimizing impacts on residents.

Also, interest in the former Clorox site, recently vacated, presented an opportunity to be more proactive in the City's planning process. The EDZ boundaries were identified based on existing land use conditions and consultation with property owners. The overall size and scale of the EDZ were intentionally limited in order to focus on properties with the most potential for change, and to reflect the desire of the City to proceed in a cautious and thoughtful manner.

92-4 The comment indicates a need for additional outreach and meetings with regard to the proposed EDZ. Refer to the **Master Response to Comments About the Proposed EDZ Public Notification Process, Community Workshops, and Hearing Dates**, for information on the City's public involvement effort actions and community workshops and hearing dates, as well as additional information regarding the EDZ. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.



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NOV 06 2015

Planning Division
City of Pleasanton
200 Old Bernal Avenue
Pleasanton, CA 94566

November 16, 2015

RE: Johnson Drive Economic Development Zone Supplemental Environmental Impact Report

Please find below our comments on the Draft Supplemental Environmental Impact Report ("SEIR") put out for public comment on September 23, 2015, for the Johnson Drive Economic Development Zone Project ("the Project").

I. Introduction

The Project entails a "pilot" development requiring amending the General Plan zoning designation from Business Park to Retail, Highway and Service Commercial, Business and Professional Offices; rezoning of all properties to a planned unit development ("PUD") with zone-specific list of permitted and conditional uses; and execution of a Development Agreement with the zone's property owners. The Project therefore alters the direction of development and planning for the immediate area, and represents new impacts and threats to the natural and built environment. 93-1

The City recognized its statutory duty to prepare a supplemental environmental impact report ("SEIR") to address issues that were not addressed in the environmental impact report prepared for the General Plan ("General Plan EIR"). See "City Council Agenda Report" April 15, 2014 at 3. The draft SEIR is not adequate because proposed mitigation measures are legally inadequate and several impacts are left either unconsidered or insufficiently analyzed.

The California Environmental Quality Act (CEQA) requires local agencies to prepare an Environmental Impact Report (EIR) any time a development project, whether public or private, or a legislative action, has the potential to have a "significant" impact on the existing environment. See Pub. Resources Code, § 15000 *et seq.* At the heart of CEQA is the EIR, which is meant not only to identify potential environmental impacts and available mitigation measures for decision makers, but to ensure the public that they are being protected. See Pub. Resources Code § 15003.

To that end, the lead agency evaluating the draft version of the EIR has a duty to ensure that it not only checks all the boxes, but demonstrates to the public that it is prepared to pursue the fullest possible protection of the environment. *Friends of Mammoth v. Board of Supervisors*, 8 Cal. 3d 247. That pursuit in turn should be accomplished as comprehensively and transparently as possible to assuage the public that it is being protected. *People ex rel. Department of Public Works v. Bosio,* 47 Cal.App.3d 495.

93-1 cont.

The draft SEIR for the Project is deficient in meeting these goals in several respects. This letter is intended as an initial comment on those deficiencies in broad terms. It will consider the impacts identified and averred by the SEIR and offer suggestions to help the lead agency effectuate the goals the legislature, and the people of California, had in mind in drafting the California Environmental Quality Act.

II. Air Quality

A. Inadequate Mitigation Measures

93-2

Mitigation Measure 4.B-3

Mitigation Measure 4.B-3 fails for indefiniteness. Criteria pollutants and operational emissions are projected to be significant. See SEIR at 2-10. However, the proposed mitigation measure does sufficiently specify the actual conditions.

A mitigation measure for a significant impact will be considered inadequate for indefiniteness where "[n]o criteria or alternatives to be considered are set out." *Endangered Habitats League, Inc (EHL) v. County of Orange* (2005) 131 Cal.App.4th 777, 794. While there is no requirement that mitigation measures be detailed with exact precision, it is not enough to simply require further study. The court in *EHL* made explicit that some degree of actionable specificity is required:

> "Deferral of the specifics of mitigation is permissible where the local entity commits itself to mitigation and lists the alternatives to be considered, analyzed and possibly incorporated in the mitigation plan. On the other hand, an agency goes too far when it simply requires a project applicant to obtain a biological report and then comply with any recommendations that may be made in the report." (*Defend the Bay v. City of Irvine, supra,* 119 Cal.App.4th at p. 1275.) If mitigation is feasible but impractical at the time of a general plan or zoning amendment, it is sufficient to articulate specific performance criteria and make further approvals contingent on finding a way to meet them. (*Id.* at pp. 1275–1276.) (*EHL* at 793).

93-2 cont.

Here, the impact (i.e., Impact 4.B-3) is significant; substantively, it arises not only because of the immediate increase of pollutants and the existence of sensitive receptors, but is compounded because the Project interferes and obstructs implementation of an air quality management plan. The proposed mitigation measure proposes implementation of "Transportation Demand Management" ("TDM") measures. However it proposes these measures be

implemented "where feasible and appropriate." SEIR at 2-10. This is unacceptable because the nature of the impact is structural—not only will it degrade the environment, it will interfere with a remedial plan. Thus without specific criteria defining when implantation is obligatory—i.e., the conditions that make TDM "feasible" or "appropriate"—the mitigation measure amounts to nothing. It fails for indefiniteness. *See EHL* at 794. 93-2 cont.

Mitigation Measure 4.B-4

Impact 4.B-4 deals specifically with the effect of increased toxic air contaminants or respirable particulate matter on "sensitive receptors." The proposed mitigation measure, Mitigation Measure 4.B-4, fails for indefiniteness in much the same way as Mitigation Measure 4.B-3. Mitigation Measure 4.B-4 requires the developer to 93-3

> [P]repare a health risk assessment report (per BAAQMD requirements for health risk assessments, and to be reviewed and approved by the City) in order to ensure that potential exposure and risk for future residents or patrons would be below applicable thresholds. (SEIR at 2-10).

This is indefinite in much the same way as Mitigation Measure 4.B-3. There is no requirement to implement any particular mitigation; a requirement to prepare a report, without an attendant requirement to take some action to act upon the risk identified in that report is inadequate.

Impact 4.B-6

Impact 4.B-6 calls for the implementation of Mitigation Measure 4.B-3—it is therefore inadequately mitigated, for the reasons stated above. 93-4

III. Noise

A. Inadequate Mitigation Measures

As with the air quality mitigation measures proposed in section III *supra*, mitigation measures proposed to deal with noise problems fail for indefiniteness. 93-5

Mitigation Measure 4.C-1b

To address construction noise levels at sensitive receptors near construction sites, this mitigation measure calls for the use of the "best available noise control techniques," but requires this only "wherever feasible," without any criteria to inform developers as what factors to consider. This is impermissibly vague. 93-5 cont.

IV. Traffic Circulation

A. Project Trip Generation Guidelines

The draft SEIR should use the Institute of Transportation Engineers ("ITE") Trip Generation Manual, issued in 2012. The updated ITE includes new data collected regarding more modern land use classifications. Hewing to the latest trip generation data is a best practice for contemporary urban planning, given the evolution of commercial development. CalTrans for example uses the more modern Trip Generation Manual for the purposes of evaluating similar urban infill projects. *See e.g.*, "Trip-Generation Rates for Urban Infill Land Uses in California Phase 2: Data Collection."[1] 93-6

The Levels of Service (LOS) calculations are not reliable because the source for estimating future conditions is out of date.

The "Existing plus Project" calculation for example would be different if a more reliable trip generation estimate was used, because the trip generation calculus associated with various potential uses would be different.

[1] http://www.dot.ca.gov/newtech/researchreports/reports/2009/final_summary_report-calif._infill_trip-generation_rates_study_july_2009.pdf,

B. Mitigation Measures 4.D-1a through 4.D-1d

Mitigation Measures 4.D-1a through 4.D-1d are meant to address the cumulative impact on the level of service (LOS) at Johnson Drive intersections with Commerce Drive, Owens Drive, Stoneridge Drive and related spillback. However, the draft SEIR essentially defers proposing any real mitigation measure because the necessary road improvements are not tied to increases in density, and no timetable is included—that is, development is not contingent on making sure the roadways can accommodate the traffic they would generate. 93-7

To better meet the purposes of an EIR under CEQA, the mitigation measure should be more substantive than is provided for in the current draft EIR. While the mitigation measures need not be perfectly detailed, they should be substantive enough to meet the purposes of CEQA. See *People ex rel. Department of Public Works v. Bosio,* 47 Cal.App.3d 495.

C. Mitigation Measure 4.D-3

This mitigation measure fails for indefiniteness. While worded with some specificity because it provides for specific remedial measures, there is indefiniteness in terms of the criteria that will prompt implementation of this measure.

The language of the measure requires that the City (presumably the relevant department) will review "design plans for club retail and other traffic-intensive uses that would be developed as part of Phase 1" to determine needed improvements. Then, "if at the conclusion of this review, the City determines that additional improvements to Johnson Drive are required," one or more of a few suggested improvements be implemented. 93-8

This fails for indefiniteness because the criteria which will guide the city's reviews are not discussed at all, much less with any degree of detail. This creates an uncertainty not only for

the community, but for the developer. To satisfy the specificity required by CEQA as interpreted in *ELH* and other cases, the City should outline the criteria for this decision. 93-8 cont.

V. Inadequate Alternatives Analysis

To satisfy CEQA's requirements, a draft EIR for any proposed project "must consider a reasonable range of alternatives to the project, or to the location of the project." See *Citizens of Goleta Valley v. Board of Supervisors (Goleta II)* (1990) 52 Cal.3d 553, 566.

The alternatives analysis in the draft SEIR improperly limits the scope of the analysis to those alternatives which are relevant to "significant and unavoidable" impacts, on the rationale that the mitigation measures proposed earlier in the document will limit anticipated impacts to "less than significant." Draft SEIR at 5-2. However, several of the mitigation measures are either indefinite or speculative. That is, several mitigation measures will be implemented only "if feasible"; or subject to the discretion of the developer or a future City official. Given that several mitigation measures may never materialize *despite* the efforts of the City (i.e., those situations where a proposed mitigation measure is not "feasible") a full range of alternatives, including where impacts would be significant but mitigation measures are taken as limiting those impacts, should be considered. 93-9

Failure to include all of these possible alternatives, particularly in those situations where the implementation of a mitigation measure is not mandatory, fails the reasonableness requirement for alternatives analysis.

VI. Conclusion

The above comments are intended to provide guidance and suggestions to the Lead Agency in preparing its Final SEIR, and to guide the certifying body to use its discretion to certify or reject the EIR in strict conformity with CEQA. Pleasanton Citizens for Responsible 93-10

Growth submits these comments without intending them to be exhaustive or exclusive of other issues, but was constrained by the immensity of the document and the short timeframe. Pleasanton Citizens for Responsible Growth therefore reserves the right to the extent permitted by law to raise new issues with the final SEIR or address deficiencies in technical data, engineering, reports, misinterpretations of statutory, regulatory, and agency guidelines, etc., not detected on this first perfunctory review of the draft SEIR. 93-10 cont.

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Letter 93 Response – Pleasanton Citizens for Responsible Growth

93-1 This introductory comment is acknowledged.

93-2 The comment, and other comments in this letter, state that some mitigation measures in the Draft SEIR "fail for indefiniteness." With regards to Impact 4.5-2 and Mitigation Measure 4.B-3, the Draft SEIR has identified an impact that would remain significant and unavoidable even with the implementation of the mitigation measure, indicating that it is not feasible to fully mitigate the impact (i.e., to reduce criteria pollutant emissions to a less-than-significant level). Therefore, the question of how definitive the mitigation measure must be is not relevant. Rather, the mitigation measure (such a reduction in vehicle trips as can be achieved through traffic demand management measures, or TDM) is a good-faith attempt to reduce criteria pollutant levels; the Draft SEIR acknowledges on p. 4.B-20 that "the reduction is anticipated to be minor relative to overall emissions and would not reduce emissions to less-than-significant levels … due to the nature of the assumed EDZ uses (club retail, general retail, hotel)." This is because such uses are typically less susceptible to vehicle trip reduction through programs such as transit shuttles, which are more likely to be effective at a denser employment-generating uses such as an office park where people arrive and depart during peak periods. Retail and hotel uses, in contrast, have more spread-out trip patterns (although a hotel near an airport, for example, may serve a relatively large number of guests via airport shuttles).

Although Mitigation Measure 4.B-3 is adequate as it stands, the following revisions have been made to the text of the mitigation measure to provide options for TDM measures and clarify implementation.

> **Mitigation Measure 4.B-3:** All developers of sites within the EDZ area shall implement Transportation Demand Management (TDM) measures ~~where feasible and appropriate~~, such as ~~including increased transit accessibility to EDZ sites and~~ establishment of voluntary commute trip reduction program(s) with employers to discourage single-occupancy vehicle trips, and encourage alternative modes of transportation such as car-pooling, taking transit, walking, and biking. Developers of sites within the EDZ shall also evaluate increasing transit accessibility to the EDZ, potentially including the use of a BART shuttle. The voluntary commute trip reduction program(s) may include, but would not be limited to, a ride-sharing program for which 50 percent or greater of site employees are eligible, carpooling encouragement, preferential carpool parking, a transportation coordinator, and ride-matching assistance.
>
> Specifically, TDM measures shall incorporate one or more of the following components to be required in Development Agreements between the City and developers of sites within the EDZ, as appropriate to proposed land uses to be developed:
>
> - Require commute-based trip reduction programs for all business of more than 20 on-site employees that may include transit subsidies, parking cash out incentives, and carpool parking preferences;

- Provide preferred parking spaces and recharging stations for electric vehicles;
- Require businesses to provide bicycle facility amenities such as showers and lockers;
- Require electrical hook-ups for diesel trucks at loading docks;
- Require any new backup diesel generators to meet CARB's Tier 4 emission standards;
- Prohibit all vehicles including commercial motor vehicles with gross vehicular weight ratings of less than 10,000 pounds from idling for more than 2 minutes; and
- Require truck fleets based in the area of the proposed EDZ to meet CARB's highest engine tier available at the time the building permits are issued.

93-3 The text of Mitigation Measure 4.B-4 is revised as indicated below to provide for a performance standard and clarify implementation.[10]

> **Mitigation Measure 4.B-4:** If a new sensitive residential use such as senior housing or a child-care or healthcare facility~~or outdoor recreation~~ is proposed within the EDZ area and ~~in close proximity to sources of toxic air contaminants (i.e.,~~ within 300 feet of a fuel station or within 1,000 feet of warehouse loading docks or Highway I-680~~)~~, the developer of this use shall prepare a health risk assessment report ~~(per BAAQMD requirements for health risk assessments, and~~ to be reviewed and approved by the City~~)~~. The health risk assessment shall demonstrate that the increased cancer risks for proposed sensitive use would be below the BAAQMD permitting limit of 10 in one million (per its Policy and Procedure Manual, the BAAQMD would deny an Authority to Construct or a Permit to Operate for any new or modified source of TACs that exceeds a cancer risk of 10 in one million or a chronic or acute hazard index of 1.0); or, should the health risk assessment determine that lifetime cancer risk would exceed 10 in one million, the developer shall install in the sensitive use an enhanced ventilation filtration system such that the resultant lifetime increased cancer risk is less than 10 in one million. No sensitive use shall be approved within the EDZ where the health risk assessment determines that lifetime cancer risk from the freeway and from uses in the EDZ would exceed 10 in one million. ~~uses in order to ensure that potential exposure and risk for future residents or patrons would be below applicable thresholds~~.

[10] It should be noted that, based on recent California Supreme Court and other judicial decisions, potential effects of the environment on a project may not be legally required to be analyzed or mitigated under CEQA, although the CEQA Guidelines continue to include certain significance criteria that pertain to the effect of the environment on a project. A growing number of court cases have supported the position that CEQA is solely, or largely, concerned with the effects of a project on the environment and not the effects of the environment on a project. Thresholds related to air quality where the impact is of the environment on the project, e.g., locating a new residential project near an existing source of air pollution, may be affected by these decisions. Most recently, the California Supreme Court's *CBIA v. BAAQMD* decision (*California Building Industry Association v. Bay Area Air Quality Management District,* S213478. [A135335, A136212; 218 Cal.App.4th 1171; Alameda County Superior Court; RG10548693. Filed December 17, 2015.]) indicated that the impact of existing environmental conditions on a project's future users or residents are generally not required to be considered in a CEQA evaluation, except when the project may exacerbate existing hazards or existing conditions. Consequently, the proximity of the existing freeway and its potential impacts on sensitive receptors that would be located within the area of the proposed EDZ may not be relevant under CEQA. However, the health risk impact of any fueling station or warehouses proposed under the EDZ to future on-site receptors would still remain a potential impact under CEQA.

93-4 See response to comment 93-2.

93-5 The text of Mitigation Measure 4.C-1b is revised as indicated below to clarify implementation.

> **Mitigation Measure 4.C-1b:** To reduce daytime noise impacts due to construction within the EDZ area, all project developers shall require construction contractors working within 55 feet of the construction site property boundary to implement the following measures:
>
> - Equipment and trucks used for construction shall use the best available noise control techniques (e.g., improved mufflers, equipment redesign, use of intake silencers, ducts, engine enclosures, and acoustically-attenuating shields or shrouds)~~, wherever feasible~~.
>
> - Impact tools (e.g., jack hammers, pavement breakers, and rock drills) used for construction shall be hydraulically or electrically powered where feasible to avoid noise associated with compressed air exhaust from pneumatically powered tools. Where use of pneumatic tools is unavoidable, an exhaust muffler on the compressed air exhaust shall be used; this muffler can lower noise levels from the exhaust by up to about 10 dBA. External jackets on the tools themselves shall be used where feasible; this could achieve a reduction of 5 dBA. Quieter procedures, such as use of drills rather than impact tools, shall be used unless deemed not feasible by a geotechnical investigation~~whenever feasible~~.

93-6 The comment requests clarification and presents a recomendation regarding the proposed EDZ trip generation. The Institute of Transportation Engineers (ITE) Trip Generation Manual, 9th Edition, 2012 was used to estimate the trip generating potential of the uses in the EDZ, except for the Club Retail use. Trip generation for the Club Retail land use was estimated using data from similar uses in suburban locations based on a trip generation study conducted by Kittleson & Associates (October 3, 2014). These data contain more recent trip generation surveys than presented in the ITE Trip Generation Manual, 9th Edition and provide a better representation of the vehicle trip generating characteristics of the proposed EDZ.

The proposed EDZ does not meet the criteria described in the Caltrans Trip-Generation Rates for Urban Infill Land Uses in California Phase 2: Data Collection for "Urban Infill." The proposed EDZ, even under the full buildout scenario, would remain suburban in character. Suburban land uses featured in the ITE Trip Generation Manual, 9th Edition are therefore the recommended trip generation reference to assess the impacts of the proposed EDZ.

93-7 Refer to the **Master Response to Comments About the Timing and Funding of Traffic Mitigation Measures**, as well as **Chapter 6, Mitigation Monitoring and Reporting Program**, which describe the timing and implementation of traffic improvements and other mitigation measures.

Mitigation Measures 4.D-1a through 4.D-1d are appropriate for the proposed EDZ, which is programmatic in nature; a higher level of specificity as referred to in the comment is not appropriate at this stage, given the lack of specific development applications for sites within the area of the proposed EDZ. As individual project applications are submitted, they will be reviewed by the City to determine whether they would have any impacts not identified in this SEIR.

93-8 Refer to the **Master Response to Comments About the Timing and Funding of Traffic Mitigation Measures**, as well as **Chapter 6, Mitigation Monitoring and Reporting Program**, which describe the timing and implementation of traffic improvements and other mitigation measures. The language in Mitigation Measure 4.D-3 is appropriate for the programmatic level of analysis contained in the Draft SEIR.

93-9 See responses to comments 93-2, 93-4, 93-5, and 93-8. The alternatives in the Draft SEIR appropriately focus on impacts that would be significant and unavoidable even with the implementation of mitigation. However, the alternatives would also avoid or minimize many of the less-than-significant impacts of the proposed EDZ.

93-10 The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. This concluding comment is acknowledged.

From: Cornell Holmes
Sent: Saturday, December 19, 2015 2:18 PM
To: Eric Luchini
Subject: DSEIR for JDEDZ

Eric Luchini

I am a resident of 7857 Chestnut Way in Pleasanton. I live about 1/2 mile or so from the street intersection entering the above site in question. I drive this area very often, sometimes several times a day. Please consider my comments and pass them on.

I am terribly opposed to adding Costco (Club Retail) on Johnson Drive that close to HW 680 and Stoneridge Dr.
The main reasons are the Traffic conditions next to that Johnson Dr. and Stoneridge Dr. and HW 680. Main factors involved are:
1. The heavy commute traffic that cuts through Pleasanton to get off the freeway @ HW 580 and going south on Foothill Rd, east on Stoneridge Dr., over HW 680, and past the intersection of Johnson and Stoneridge. They do this to go around the backed up HW 580 cutting through town right passed Johnson and Stoneridge Dr. And will merge with the same traffic coming into and out of Costco.

2. Another reason is that with the new water recycling these last 2 years, the streets on Johnson and Stoneridge and HW 680 are impacted by personal vehicles with the water tanks and the commercial big water trucks, not to mention all the suv's and cars that come in to take smaller amounts of free water. I see these vehicles backed up on Stoneridge Dr east bound from HW 680 all the way into the Sewer Treatment Plant where the recycled water is given away free. This is already a hazard for traffic. You can check the statistics of this as to the amount of gallons and vehicles that is recorded electronically by the Sewer Plant employees. 94-1
They have about 30 water stations which are usually full and people in line waiting to take the next available spot. The line often comes all the way out of the entrance unto the streets. I am one of those people. And I do it often, 2-3 times a day at times and my neighbors do it more then me.

A Costco type store or even a Home Depot are stores that have full parking lots the whole time they are open. And the cars come and refill them continually, the whole day and evenings creating more traffic then is appropriate. The evidence of this is both San Ramon and Livermore. Have you looked at the change that has happened to that traffic pattern since they have been there?

I believe that this land is better suited for what was there before where people come there and park to work and stay the day.

Sincerely, Cornell Holmes

Letter 94 Response – Cornell Holmes

94-1 The comment will be presented to decision-makers as part of this SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The comment does not raise any substantive environmental issues that require further response, or comment on the general adequacy of the SEIR.

CHAPTER 5

Responses to Comments at the Public Hearing and Community Meetings on the Draft SEIR

The City of Pleasanton Planning Commission held a public hearing on the Draft Supplemental EIR (Draft SEIR) on September 23, 2015, and community meetings on October 22 and November 12, 2015. The following is a summary of comments received at the public hearing and community meetings that raised potentially substantive environmental issues or commented on the general adequacy of the Draft SEIR, followed by responses. Some of the topics raised have been previously responded to in Chapter 4 of this Response to Comments document, as indicated below.

5.1 Environmental Topics Raised and Responses to Comments from September 23, 2015 Hearing

The following comments were made at the Planning Commission public hearing on the Draft SEIR on September 23, 2015:

Bill Wheeler, Black Tie Transportation

Along with the comments and responses presented below, Mr. Wheeler, on behalf of Black Tie Transportation, also submitted written comments. Responses to written comments are presented in Chapter 4 of this Response to Comments document (responses to comment letters 21 and 69).

Comment: Requested that the Draft SEIR take into consideration existing traffic at Johnson Drive and Stoneridge Drive, adding that trucks carrying (recycled) water are noticeably contributing to freeway backup.

> **Response:** Refer to Section 4.D, Transportation and Traffic, of the Draft SEIR for a comprehensive description of the methods used for the traffic analysis, including the timing of traffic counts. Baseline traffic volumes were measured at 17 study intersections during weekday AM and PM peak traffic hours. These intersection operation counts were conducted at study intersections on October 1, 2014 and captured the existing levels of traffic.

Comment: Additional impacts from the proposed EDZ could include those related to an additional three- to six-minute delay for each of the 150 trips that come into and out of the Black Tie Transportation business location. Environmentally, this is about 528 hours of idle time for the vehicles sitting at those intersections while waiting for the lights to turn. In

addition to existing traffic if it stays the way it is now, this would create about 50,000 pounds of carbon dioxide in that corner.

Response: Under the proposed EDZ, the impacted intersections of Stoneridge Drive at Johnson Drive, Commerce Drive at Johnson Drive, and Johnson Drive at Owens Drive would be addressed by mitigation measures that would reduce delays. With implementation of mitigation the intersections would experience the following peak delays:

- Stoneridge Drive at Johnson Drive would experience a nine second delay for PM peak trips;
- Commerce Drive at Johnson Drive would experience a seven second delay for PM peak trips; and
- Johnson Drive at Owens Drive would experience a one second delay for weekend trips.

Vehicles traveling along this route could experience a 17-second average delay through all three intersections. With implementation of mitigation, this would yield much lower delays for Black Tie's fleet compared to the commenter's initial assumptions.

Refer to Section 4.B, Air Quality, of the Draft SEIR, for a comprehensive discussion and analysis of EDZ-generated air quality impacts, including emissions associated with vehicle delay. With regard to the impact of CO2 as a greenhouse gas (GHG), refer to Section 4.E, Other Topics, subtopic Greenhouse Gas Emissions, of the Draft SEIR. This section identifies EDZ-related GHG emissions and evaluates their impact in light of the goals of AB 32, the Global Warming Solutions Act, as well as Pleasanton's Climate Action Plan. Both construction and operational components of the EDZ adhere to these plans.

Barbara Benda

Comment: Was traffic and smog testing done for the Draft SEIR, and was the testing adequate given that there is a neighborhood across the street from this proposal?

Response: The traffic and air quality impact analysis in the Draft SEIR included consideration of residential areas in the near vicinity. The nearest sensitive receptors to the EDZ area identified for analysis included the Club Sport athletic and recreation facility (about 200 feet north), multi-family residences across I-680 (approximately 600 feet west and southwest), single family residences across Stoneridge Drive (approximately 715 feet southeast), and Val Vista Park, which includes a skate park and ballfields and is located approximately 500 feet southeast of the proposed EDZ area. Valley Bible Church and Love & Care Preschool are located within the northern portion of the EDZ area. Refer to Section 4.B of the Draft SEIR, Air Quality, for a discussion of sensitive land uses within the area of the EDZ as well as in the near proximity that were considered.

Section 4.B, Air Quality, of the Draft SEIR discusses ambient air quality measurements at nearby monitoring stations, in order to determine the existing and probable future levels of air quality in Pleasanton. The monitoring station closest to the City of Pleasanton is the Rincon Avenue station in Livermore. Due to the proximity of the proposed EDZ area to the monitoring stations, the air quality measurements shown are generally representative of conditions in the City, and therefore additional localized testing is not necessary.

John Bauer

Comment: As presented by the City, the Johnson Drive EDZ is a benefit to all of Pleasanton, yet the notification included only about 20 homes in the Val Vista area and the rentals across from Stoneridge Drive (i.e., there is a problem with the 1,000-foot radius notification given to the homeowners, and the hope is that the City would extend its outreach for the proposed EDZ beyond the 1,000-foot radius and engage the residents of Pleasanton and get their input.).

> **Response:** Refer to Chapter 4 of this Response to Comments document, and the **Master Response to Comments About the Proposed EDZ Public Notification Process, Community Workshops, and Hearing Dates, Noticing and Hearings**, for information on the City's public involvement actions, community workshops and hearing dates, as well as additional information regarding the EDZ. In response to comments from the public and Commissioners, City Planning Division staff scheduled, publicized, and held two additional, community meetings to discuss the EDZ and the Draft SEIR.

Dan Rosenbaum, Nearon Enterprises

Comment: Expressed support for the proposed EDZ.

> **Response:** The comment will be presented to decision-makers as part of the Final SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it.

Doug Giffin, Chamberlin Associates

Along with the comments and responses presented below, Mr. Giffin, on behalf of Chamberlin Associates, also submitted written comments. Responses to written comments are presented in Chapter 4 of this Response to Comments document (responses to comment letters 3 and 66).

Comment: By excluding industrial uses from the list of permitted uses, the proposed EDZ is inconsistent with the General Plan's requirement to limit the conversion of sparse industrial space to non-industrial uses.

> **Response:** The EDZ is being developed to ensure that property owners within the EDZ will be able to continue leasing and operating existing businesses for as long as desired. Protecting existing businesses is a primary goal of the proposed EDZ, and existing land uses are "grandfathered" in as part of the overall proposal. The City is currently exploring ways to allow for some degree of expansion or replacement of existing businesses that do not conform to the uses desired as part of the EDZ, while still retaining the EDZ's redevelopment and growth potential.

Comment: The Draft SEIR fails to evaluate the proposed EDZ's potential to cause urban decay. The EDZ's industrial uses are non-conforming and thus unable to grow or evolve. The addition of significant traffic would impair the viability of existing industrial uses, making them likely to relocate. Market conditions could easily not support redevelopment at that point or for quite some time. These impacts on ongoing industrial uses must be analyzed in the Draft SEIR.

Response: For a summary of the economic and urban decay impact study prepared by the City for the proposed EDZ, refer to Chapter 4 of this Response to Comments document, and the **Master Response to Comments About Economic and Urban Decay Impacts**; and **Appendix A**, which contains the economic study in full. The conclusion of the economic decay study indicated that the proposed EDZ would not result in urban decay.

Comment: The Draft SEIR fails to examine realistic existing zoning and no project alternatives. These alternatives assume site development for primarily office uses. However, the zoning allows mostly industrial research and development uses that would cause less traffic than the proposed EDZ. The Draft SEIR fails to examine the full environmental consequences of changing the zoning to allow club retail without further discretionary approval and, therefore, without further environmental review.

Response: Chapter 5, Alternatives, in the Draft SEIR addresses three alternatives and their impacts, including a No Project alternative. The alternatives analyzed include Alternative 1, the No Project alternative; as well as Alternative 2, the Reduced Retail alternative; and Alternative 3, the Partial Buildout alternative. These alternatives were created and refined based not only on the underlying zoning designations in the area of the proposed EDZ, but also development that would likely take place within the area of the proposed EDZ given current market conditions, and according to the City's objectives for the EDZ, as described in Chapter 5 of the Draft SEIR. The chapter also provides an impact comparison table of these alternatives.

Additional alternatives drafted for the EDZ area, but eliminated from further consideration include a Headquarters Office scenario, a Hotel and New Retail scenario, an Existing Zoning (Office Use) scenario, an Alternate Location scenario, and a No Development scenario (different from No Project, in that it "freezes" any future development). These alternatives were rejected from further consideration as they would either have the same or greater impacts as the proposed EDZ, would not meet most of the objectives of the EDZ, and/or were infeasible.

Consistent with CEQA, the Draft SEIR analyzes a realistic maximum buildout scenario which includes the impact of a club retail use, and presents a reasonable range of alternatives to help illustrate how and whether impacts can be minimized. While an industrial/research and development alternative as described in the comment was not directly analyzed as an alternative in the Draft SEIR, most if not all future uses within the area of the proposed EDZ (based on reasonable assumptions for development that would be proposed for the area of the EDZ) would be likely to generate a significant and unavoidable impact to traffic.

Comment: The document fails to properly evaluate the noise impact on existing uses and the increased traffic. The analysis assumes statistics of 100 feet from traffic sources. The FedEx building is actually 35 feet from the sources, and the noise analysis must consider that potential impact.

Response: The FedEx distribution facility is an existing use and not a commercial use anticipated to be built within the EDZ which would be set back 100 feet or more from the analyzed roadways. As a distribution center, the FedEx facility would not be considered a sensitive receptor for the purposes of assessing noise impact from EDZ-generated traffic.

Pat O'Brien, Leisure Sports (Club Sports)

Comment: Support for the proposed EDZ.

> **Response:** The comment will be presented to decision-makers as part of the Final SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it.

Comment: Concern that traffic improvements (mitigation measures) would be too limited/localized; concern that impacts could happen further out because there will be a lot of re-directed traffic once the potential development happens, such that Johnson Drive will start to have a higher volume of traffic coming from the Home Depot area and around past the hotel, past Club Sport, and past Commerce Circle.

> **Response:** The traffic mitigation measures presented in Section 4.D, Transportation and Traffic, of the Draft SEIR were designed to reduce impacts identified for the proposed EDZ, and therefore extend as least as far as the described impacts. The comment will be presented to decision-makers as part of the Final SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it.

Ann Pfaff-Doss

Comment: Val Vista Park will be impacted by increased traffic.

> **Response:** Under the buildout of the EDZ, there would be increased traffic at the Johnson Drive and Stoneridge Drive intersection (at the park entrance), particularly in relation to backup associated with I-680. Refer to Section 4.D, Transportation and Traffic, Impact 4.D-3d, Stoneridge Drive at Johnson Drive Queue Spillback for a full discussion of this spillback, and mitigation measures. The modifications to this intersection proposed as mitigation in the Draft SEIR include an eight phase signal modification to include a left turn arrow which would eliminate conflicts with the opposing traffic. The comment will be presented to decision-makers as part of the Final SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it.

Herb Ritter, Planning Commissioner

Comment: Requested a response to the comments made earlier in the meeting about the industrial use changing with the development.

> **Response:** Refer to the response to Doug Giffin's (Chamberlin Associates) first comment as described above on page 5-3.

Comment: All of the development is still based on Caltrans' approval (exit on-ramps). How difficult is the Caltrans process and what is required?

> **Response:** Caltrans' approval of some, but not all, of the proposed traffic mitigation measures is required prior to approval of the proposed EDZ, consistent with revisions made to Mitigation Measure 4.D-1d: Stoneridge Drive Queue Spillback (refer to **Master Response to Comments About the Timing and Funding of Traffic Mitigation Measures**, in Chapter 4 of this Response to Comments document).

The City has had success with working with Caltrans in the past and is confident that staff can work with Caltrans in the future on these improvements. In addition, the planned freeway improvements are consistent with other planned improvements as described in the General Plan. The City has already sent Caltrans details regarding the proposed EDZ with some of the mitigation design alternatives, and staff has received feedback from them. While Caltrans does have some concerns about freeway volume, they are generally otherwise supportive of the proposed changes. Staff plans to leverage this relationship to allow the EDZ improvements to be implemented in a timely manner. However, because this approval is under the control of a different agency, the City cannot guarantee the timely implementation of some of the traffic mitigation measures, and some of the traffic impacts are determined significant and unavoidable.

Comment: Reiterating the comment from Black Tie (Mr. Wheeler), is the increased traffic from vehicles accessing the recycled water source included in analysis? How are traffic delays adjusted to reduce carbon dioxide emissions?

Response: Refer to the response to Mr. Wheeler's comment above for clarification of anticipated vehicle delay and greenhouse gas emission impacts. The traffic model used in the traffic analysis includes regional land use projections as well as existing volumes obtained from traffic counts, which include truck traffic, and the existing roadway system configuration. Traffic, including truck traffic, on local roads, I-580, and I-680 are therefore taken into account in the model and traffic analysis for the Draft SEIR, and the air emissions analysis in the Draft SEIR is based on the results of the traffic modeling and analysis. In general, it is the number of vehicle trips which provides the most useful predictor of carbon dioxide emissions and not vehicle congestion. Refer to Section 4.D, Transportation and Traffic of the Draft SEIR for a complete description of the methods used for the traffic analysis, including the timing of traffic counts.

Greg O'Connor, Planning Commissioner

Comment: Per staff, existing businesses will not be able to expand; does the Draft SEIR look at this from an economic viewpoint?

Response: Refer to Chapter 4 of this Response to Comments document, **Master Response to Comments About Economic and Urban Decay Impacts**, for a summary of the results of the economic study prepared for the EDZ, as well as to the Fiscal Impact Analysis prepared for the EDZ, included in **Appendix A**; and the **Master Response to Comments About Nonconforming Uses and Grandfathering of Existing Uses Within the Proposed EDZ**.

Comment: Does staff expect any assistance from Caltrans regarding funding traffic improvements, and would some of the funding come from the development? Or would only state money go into those improvements as they are under Caltrans purview?

Response: Funding will likely be provided from a mix of sources, with some coming from the property owners within the EDZ and some from the City. The composition of contributions to the improvements is still being evaluated and will be subject to City Council Approval. Refer to the **Master Response About Timing and Funding of Traffic Mitigation Measures** in Chapter 4 of this Response to Comments document.

Comment: If there will not be a significant difference in wait time, will congestion remain the same?

> **Response:** While there would be more traffic generated by the EDZ, the amount of congestion will not change substantially because total wait time would not change substantially. Although total wait time at signals and intersections without signals near the area of the proposed EDZ could increase with implementation of Phase I and full buildout, traffic signal timing would be coordinated and adjusted by the City to minimize delays and ensure that total wait time would not change substantially. For example, as shown in Table 4.D-4 and Table 4.D-5 of the Traffic and Transportation section of the Draft SEIR, traffic currently experiences up to 16 seconds of delay (all-way stop control) at the intersection at Johnson Drive and Owens Drive (North) for every light cycle; with the addition of traffic from the proposed EDZ and the mitigation measures proposed in the Draft SEIR, including a new signal, this delay would increase incrementally, to up to 17 seconds. Also refer to Section 4.D Traffic, and Mitigation Measure 4.D-2 which would relieve freeway congestion. Additionally, Impact 4.D-8 concludes that MTS intersections would not experience deficient operations resulting from the EDZ, and Impact 4.D-10 concludes implementation of mitigation measures would reduce traffic congestion such as not to hinder emergency access.

Comment: Did the Draft SEIR take into an account that there was a residential community nearby, and does this reach the Val Vista and Inglewood neighborhoods?

> **Response:** Yes, nearby residential communities, including the Val Vista and Inglewood neighborhoods, were taken into account in the noise and air quality analysis in the Draft SEIR. Refer to the **Master Response to Comments About Impacts to Neighborhoods Near the Proposed EDZ** in Chapter 4 of this Response to Comments document.
>
> Refer to Section 4.C, Noise, for a description of the existing noise environment and sensitive receptors identified. The noise analysis assesses the surrounding environment of the EDZ area, including nearby residential neighborhoods, and identifies sensitive receptors, the uses that are most sensitive to increased noise levels that includes residential uses near the area of the proposed EDZ. The noise analysis also considers noise generated on the site, such as from loading and unloading vehicles, as well as potential noise increases generated by EDZ-related traffic on roads that extend outside the area of the proposed EDZ.
>
> Also refer to Section 4.B, Air Quality, for a description of the existing setting, which identifies nearby residential communities and sensitive receptors. Air quality impacts to nearby sensitive receptors that would be caused by implementation of the EDZ were determined to be less than significant.

Comment: To what extent has public outreach taken place, was this limited to the 1,000-foot radius from the EDZ?

> **Response:** Per City standard practice, notices were sent to property owners and residents within a 1,000-foot radius around the EDZ area. Notice of this meeting and other meetings are also published in newspapers and have been announced on the City's website and through social media. Refer to Chapter 4 of this Response to Comments document, **Master**

Response to Comments About the Proposed EDZ Public Notification Process, Community Workshops, and Hearing Dates for additional notification details.

Comment: Will uses within the EDZ exclusively include retail, and would this consist of mostly big box, larger retailers, as opposed to a strip mall? Also, was there a determination of what uses would be most compatible with the existing uses, and did the economic analysis take into account the reasonable worst case scenario, of big box stores and the impact on smaller stores?

Response: The Draft SEIR addresses a program of development, not a specific project. Staff have worked with the property owners and City consultants and reviewed the list of uses that would be permitted or conditionally permitted within the area of the EDZ, in conjunction with the proposed rezoning for the site, and considered what reasonable development scenario could happen with the new land use regulations that are being put in place as part of the EDZ. From these assessments the likely square footage and composition of uses within the overall program were determined, and are analyzed in the Draft SEIR. The Draft SEIR took into consideration a reasonable maximum buildout scenario of full buildout.

The economic analysis conducted for the proposed EDZ took into account the concept of leakage (that is, what the effects might be if people shop at a club retail store that would be located within the area of the proposed EDZ as opposed to a local smaller shop). Refer to the **Master Response to Comments About Economic and Urban Decay Impacts** in Chapter 4 of this Response to Comments document for a more extensive summary of the economic analysis, and refer to **Appendix A** for the complete economic analysis.

Comment: When the Commission receives the final proposal, will they determine zoning for specific uses, not determination of specific tenants?

Response: After review of the Final SEIR, the Planning Commission will recommend approval or denial of the proposed EDZ or an alternative, which are focused on the rezoning and a program of land use of the site. The City Council will grant final approval or denial. Approval of the proposed EDZ does not include tenant selection.

Nancy Allen, Planning Commissioner

Comment: Requested clarification that none of the economics as this stage assume any City contributions, and whether mitigation costs were built into the fiscal analysis.

Response: At this stage, there are no assumptions regarding City financial contributions to funding mitigation measures that would be required for implementation of the proposed EDZ, and potential cost-sharing programs are under evaluation. The fiscal analysis for the proposed EDZ is provided in **Appendix A** and is separate from the mitigation costs and how they are going to be funded. Refer also to Chapter 4 of this Response to Comments document, for the **Master Response to Comments About Economic and Urban Decay Impacts** for a more extensive summary of the economic analysis. Also refer to the **Master Response to Comments About the Timing and Funding of Traffic Mitigation Measures**.

Comment: Due to previous experience where leakage became a larger issue than economic analysis indicated, can the Final SEIR include a section which clarifies in layman's terms the leakage analysis?

> **Response:** The economic analysis for the proposed EDZ which includes a leakage analysis is included in this document as **Appendix A**. This analysis is summarized in the **Master Response to Comments About Economic and Urban Decay Impacts**, in Chapter 4 of this Response to Comments document.

Comment: Expressed concern for the adequacy of $30,000 to $40,000 per year to cover the operational costs of full buildout when taking into account staff time for planning and working with Caltrans, as well as for each of the EDZ mitigation measures.

> **Response:** Refer to the **Master Response About Timing and Funding of Traffic Mitigation Measures** in Chapter 4 of this Response to Comments document for a clarification of mitigation measure costs and payment processes.

Comment: How many vehicle truck trips per day can be expected from a big box retail use such as Costco within the proposed EDZ?

> **Response:** A club retail use such as Costco would generate about 25 vehicle truck trips dispersed throughout the day. See response to comment 79-3 in Chapter 4 of this Respose to Comments document. The traffic analysis (**Appendix G** of the Draft SEIR) prepared for the proposed EDZ included separate counts of trucks, pedestrians, and bicyclists. Refer to Section 4.D, Transportation and Traffic for a description of the methods of the analysis and the traffic counts that were collected.

Comment: Are there other economic zones which could be considered over the next 20-30 years, and what uses of this site would make most sense in that context?

> **Response:** At this time, City staff has not identified any specific economic development zones. The intent of the framework for an economic development zone is that it could be applied or reproduced elsewhere in the City, and with a different mix of uses, sizes, and property owner characteristics.

Comment: Requested greater detail regarding nitrogen oxide levels in the context of pollution, for various EDZ uses and alternative uses, which could assist in the decision of land use options. Is nitrogen oxide something one can see in the air, and does it impact visibility in any way, like smog?

> **Response:** Nitrogen oxide is a precursor to ozone formation which is also known as smog. Nitrogen dioxide (NO2) can reduce visibility. NO2 may be visible as a coloring component of a brown cloud on high pollution days, especially in conjunction with high ozone levels. High pollution days are associated with emissions that occur on a regional level, rather than a local level; the proposed EDZ (or one of its alternatives) could contribute to a level of NO2 pollution that would affect visibility, but this contribution itself would be incremental and would not be noticeable.

Comment: As discussed on page 5-13 of the Draft SEIR (Alternatives to the EDZ), one option (alternative) would still exceed the Bay Area threshold of 10 tons per year, but it does not indicate the level of specificity or say that it will exceed it by 1 or 11 tons or 30 tons. Can there be greater detail for each alternative and use?

Response: Page 5-13 of the Draft SEIR addresses the air quality impacts of Alternative 2 (the Reduced Retail alternative) and Alternative 3 (the Partial Buildout alternative). Both of these alternatives would result in PM emission being reduced to below the applicable significance threshold of 15 tons per year. However, the statement with regard to the air quality impacts under both Alternative 2 and Alternative 3 with respect to NOx emissions on page 5-13 of the Draft SEIR was incorrect. This text is hereby revised as indicated below, as both Alternative 2 and Alternative 3 would avoid all significant and unavoidable air quality impacts.

First paragraph of page 5-13 (Alternative 2, Reduced Retail Alternative):

> Under this alternative, operational emissions of PM10 would be below the BAAQMD threshold of 15 tons per year. As such, the Reduced Retail alternative would result in the avoidance of this significant and unavoidable air quality impact of the proposed EDZ. Operational emissions of NOx~~, however,~~ would ~~still exceed~~ also be below the BAAQMD threshold of 10 tons per year under this alternative; as such, the Reduced Retail alternative would also result in the avoidance of this significant and unavoidable air quality impact of the proposed EDZ.

Fourth paragraph of page 5-13 (Alternative 3, Partial Buildout Alternative):

> With the development of these uses, operational emissions of PM10 would be below the BAAQMD threshold of 15 tons per year. As such, the Partial Buildout alternative would result in the avoidance of this significant and unavoidable air quality impact of the proposed EDZ. Operational emissions of NOx~~, however,~~ would ~~still exceed~~ also be below the BAAQMD threshold of 10 tons per year under this alternative; as such, the Partial Buildout alternative would also result in the avoidance of this significant and unavoidable air quality impact of the proposed EDZ.
>
> **Table 5-3** below provides the estimated emissions of NOx and PM10 associated with the proposed EDZ and each alternative; this information is included in the revisions to the Draft SEIR (see Chapter 2 of this Response to Comments document). As can be seen from the table, both NOx and PM10 emissions would be reduced to below the applicable significance thresholds of 10 tons per year and 15 tons per year, respectively for each alternative.

TABLE 5-3
NET INCREASE IN POLLUTANT EMISSIONS BY ALTERNATIVE IN TONS PER YEAR

Pollutant	Threshold	Proposed EDZ	Alternative 1 (No Project Alternative)	Alternative 2 (Reduced Retail Alternative)	Alternative 3 (Partial Buildout Alternative)
Nitrogen Oxides (NOx)	10	16	2.6	4.1	8.0
Particulate Matter (PM10)	15	16	3.9	5.3	8.8

David Nagler, Planning Commissioner

Comment: How would the City potentially approve a project to move forward, knowing that traffic has a significant environmental impact without any indication that it can be mitigated?

> **Response:** The impacts in question to traffic, Impact 4.D-1, Impact 4.D-2, Impact 4.D-3, and Impact 4.D-7 are determined significant and unavoidable, for the Planning Commission's consideration. Under CEQA, significant impacts are not required to be mitigated to a less-than-significant level; rather, such impacts are disclosed for planning review. In addition, the City could choose to approve the EDZ even if it would result in impacts that could not be mitigated to a less-than-significant level: if the City finds that certain benefits, such as economic diversification and job creation, outweigh the environmental impacts when both factors are considered together, it can adopt a statement of overriding considerations, as allowed under CEQA. Beyond the consideration of the environmental review process, the City has begun working with Caltrans to evaluate the viability of several key traffic mitigation measures, as discussed in Chapter 4 of this Response to Comments document (**Master Response to Comments about the Timing and Funding of Traffic Mitigation Measures**).

Comment: To what extent is the draft of the EDZ zoning open to revision?

> **Response:** The proposed EDZ is currently in its draft phase, and will remain open for discussion and revision through the public hearing process until the final Planning Commission recommendation for certification and City Council certification.

Comment: What was the method for determination of the need for the EDZ, and specific determination for land uses within the area of the proposed EDZ?

> **Response:** Staff evaluated sites throughout the City to determine whether they would be suitable as an Economic Development Zone. The evaluation criteria included, but were not limited to the quality of the existing building stock, the amount of investment in recent years/decades, and freeway access. Following discussions with and a recommendation by the City Council, staff focused on the area of the proposed Johnson Drive EDZ as the most appropriate area due to its large cluster of available properties suitable for new business growth, its location near a major freeway interchange, and the absence of immediately adjacent residential neighborhoods (thus minimizing impacts on residents). Staff's effort was consistent with General Plan goals for sound land use planning and economic development, including the expansion of opportunities to diversify the land use mix in the community. A variety of types of businesses also expressed potential interest in an economic development zone, which staff also took into account in crafting a zoning change that would provide a wider range of uses.

Gina Piper, Planning Commissioner

Comment: Expressed concern over the limited nature of outreach, per Commissioner O'Conner's comment, which generated consensus by the planning commissioners for a need to further discuss the City's planning process.

Response: Refer to the response to John Bauer's first comment. In response to input from the public and Commissioners, City Planning Division staff scheduled, publicized, and held two additional, community meetings to discuss the EDZ and the Draft SEIR. Refer also to Chapter 4 of this Response to Comments document, and the **Master Response to Comments About the Proposed EDZ Public Notification Process, Community Workshops, and Hearing Dates, Noticing and Hearings**, for information on the City's public involvement actions, community workshops and hearing dates, as well as additional information regarding the EDZ.

Comment: Expressed interest in the concept of a hotel in the area of the EDZ, and reiterated concern over the impact on neighboring property owners and occupants.

Response: Refer to the **Master Response to Comments About Economic and Urban Decay Impacts**, in Chapter 4 of this Response to Comments document for a summary of the economic analysis, and refer to **Appendix A** for the complete economic analysis. The proposed zoning for the EDZ includes "hotel" land use as an option within the menu of uses under consideration.

5.2 Environmental Topics Raised and Responses to Comments from October 22, 2015 Community Meeting

The following comments were made by community members at the Community Meeting on the Draft SEIR that took place October 22, 2015:

Comment: Did the traffic analysis in the Draft SEIR analyze big box stores or small retail?

Response: The Draft SEIR evaluates a reasonable maximum buildout scenario based on a mixture of uses and designated square footage. The Draft SEIR analyzed an anticipated amount of development that would be likely to occur, which includes general retail uses as well as approximately 148,000 square feet of club retail uses.

Comment: Expression of concern related to traffic impacts, specifically the issue of nearby parks that host sporting events on nights and weekends which would be the heaviest traffic time for big box retail. The proposed EDZ's proximity to BART, Stoneridge Mall, and the freeway would increase the potential for crime.

Response: Traffic during special events at parks and other locations would sporadically and incrementally increase the volume of traffic on roadways and State highways in the vicinity of the proposed EDZ area; these impacts, however, would take place intermittently and over a limited time period and are not likely to substantially affect or be affected by traffic resulting from the proposed EDZ. Traffic from the EDZ will utilize the immediately available freeway entrances, and will not be likely to travel past Ken Mercer Sports Park and add large volumes of traffic on roadways in that part of the city.

In addition, there is no evidence that the proposed EDZ would result in an increase in crime, and crime is a socioeconomic issue that is outside the purview of CEQA.

Comment: Can traffic mitigations be eliminated if the proposed EDZ were to remove the regional draw of a big box store and put in community-oriented stores?

> **Response:** Refer to the response to Doug Giffin's (Chamberlin Associates) third comment, on page 5-4, for a summary of the alternatives analyzed under the Draft SEIR. Consistent with this response, most if not all future uses within the area of the proposed EDZ (based on reasonable assumptions for development that would be proposed for the area of the EDZ) would be likely to generate one or more significant and unavoidable impacts to traffic.

Comment: Acknowledged that something needs to be developed on the vacant properties but suggested a large hotel might be more conducive to the area than big box retail.

> **Response:** The Draft SEIR lists permitted and conditionally permitted uses which include club retail uses as well as several other uses, including a hotel. The comment will be presented to decision-makers as part of the Final SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it.

Comment: What will happen to businesses currently on Johnson Drive?

> **Response:** No relocations are required or proposed with the proposed EDZ. Protecting existing businesses is a primary goal of the proposed EDZ, and existing land uses are "grandfathered" in as part of the overall proposal. The City is currently exploring ways to allow for some degree of expansion or replacement of existing businesses that do not conform to the uses desired as part of the EDZ, while still retaining the EDZ's redevelopment and growth potential.

Comment: The plan does not adequately address the southbound entrance to I-680.

> **Response:** Refer to Section 4.D, Traffic and Transportation, of the Draft SEIR, which discusses impacts to the southbound entrance to I-680 (impact discussion 4.D-1c on page 4.D-35; impact discussion 4.D-3d, on page 4.D-53; and impact discussion 4.D-5 on page 4.D-59), and includes Mitigation Measures 4.D-1d and 4.D-1c that specifically address impacts related to the southbound entrance to I-680 (spillback); and Mitigation Measure 4.D-2 that specifically addresses the I-680 northbound and southbound ramp merge/diverge areas at Stoneridge Drive. The comment will be presented to decision-makers as part of the Final SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it.

Comment: The meeting notifications have been inadequate.

> **Response:** Refer to the **Master Response to Comments About the Proposed EDZ Public Notification Process, Community Workshops, and Hearing Dates, Noticing and Hearings**, in Chapter 4 of this Response to Comments document, for information on the City's public involvement actions, community workshops and hearing dates, as well as additional information regarding the EDZ, and refer to the responses to John Bauer and Commissioner Piper's similar comments in this chapter.

Comment: While the existing businesses are being grandfathered in, they will not be allowed to expand with the new zoning, so while they are allowed to stay, other factors will push them out.

> **Response:** The City is currently exploring ways to allow for some degree of expansion or replacement of existing businesses that do not conform to the uses desired as part of the EDZ, while still retaining the EDZ's redevelopment and growth potential. The comment will be presented to decision-makers as part of the Final SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it.

Comment: Consider an event center rather than big box retail.

> **Response:** The comment will be presented to decision-makers as part of the Final SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it.

Comment: Why the EDZ is limited to the 12 parcels and not the entire area? Choosing 12 parcels for the EDZ seems to be piecemealing the development and contradictory to the goal.

> **Response:** The location of the EDZ was identified after a staff evaluation of sites throughout the City to determine whether they would be suitable for an EDZ; this evaluation quickly focused on the 12 parcels at Johnson Drive as the most appropriate area because of its large cluster of available properties suitable for new business growth, its location near a major freeway interchange, and the fact that it is not immediately adjacent to a residential neighborhood, thus minimizing impacts on residents. The boundaries of the EDZ were driven by property owner interest and existing boundaries such as roads and the adjacent Dublin San Ramon Services District property. In addition, interest in redevelopment of the former Clorox site (parcel 6), recently vacated, presented an opportunity for a more proactive approach to the City's planning process.
>
> The overall size and scale of the EDZ was intentionally limited in order to focus on properties with the most potential for change, and to reflect the desire of the City to proceed in a cautious and thoughtful manner.

Comment: The traffic conditions need to be better addressed. The Double Tree hotel has performed its own economic analysis about expanding the hotel and adding an event center. The Double Tree analysis concluded the parking mitigation costs would be too expensive and ultimately limit the possibility of growth.

> **Response:** The comment will be presented to decision-makers as part of the Final SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it. The Draft SEIR includes a comprehensive analysis of traffic impacts and mitigation, and individual development projects would be subject to existing standards and those in the Design Guidelines.

Comment: Concern expressed for the negative impact on the quality of life for those who live and work in the area; how would the widening of Commerce Circle affect people who have businesses in the area?

> **Response:** The EDZ proposal does not include any widening of Commerce Circle. Construction and roadway construction activities would be strategically planned to have

minimal impact, and all construction contractors would be required to follow Construction Traffic Management Plans, as described in the Draft SEIR and which may be developed as part of future approvals.

Comment: Is Caltrans is aware of the proposed changes, and where would the new freeway exit be located?

Response: No new freeway exit is associated with the proposed EDZ. Caltrans is aware of the proposed EDZ, as the City has sent Caltrans information about the EDZ along with some of the design alternatives for traffic mitigation, and staff has received feedback and continues to work with Caltrans to develop viable design modifications to on-and off-ramps.

Comment: Concern expressed regarding plans to widen Stoneridge Drive, and sidewalks. The proposed EDZ should include a pedestrian trail.

Response: Impacts related to pedestrian safety are discussed in the Draft SEIR in Section 4.D, Transportation and Traffic. Impact 4.D-9 concludes that implementation of Mitigation Measure 4.D-3: Johnson Drive Improvements and Mitigation Measure 4.D-4: Retention of Bicycle Lanes on Stoneridge Drive would reduce impacts to pedestrian safety to a less-than-significant level. The comment will be presented to decision-makers as part of the Final SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it.

Comment: If Caltrans does not approve the EDZ traffic mitigation measures, would the EDZ continue?

Response: If CalTrans does not agree to the proposed mitigation measures for the EDZ, the City would have to revisit the viability of the EDZ, and what part of the EDZ could move forward. The City is currently in discussions with Caltrans regarding the timing of the traffic improvements.

Comment: Could the West Las Positas freeway interchange be addressed to relieve traffic on Stoneridge Drive? Could increased traffic and traffic impacts result in the re-opening of proposals for the West Las Positas interchange despite the City's history.

Response: The City does not consider a new interchange at West Las Postitas Boulevard to be feasible mitigation, as it is not part of the General Plan. The Draft SEIR analyzes near-term traffic improvements, including traffic signals, widening of Johnson Drive, improvements to the northbound I-680 onramp, and improvements to Stoneridge Drive. The West Las Positas interchange was removed from the General Plan several years ago and therefore the City cannot include the possibility for this improvement in any near-term traffic models. In order to consider the option of a freeway entrance/exit at West Las Positas, the General Plan would be required to be amended.

Comment: Has housing been considered for the EDZ?

Response: Because housing would not meet City's objectives for the EDZ, would conflict with both the existing and proposed General Plan designation for the site, would not be

ideal for this location due its close proximity to freeways, and would likely be incompatible with a number of surrounding uses, and taking into account the area's relative distance from neighborhood amenities, housing was not considered.

Comment: Who is paying for the Caltrans work?

Response: Funding will likely be provided from a mix of sources with some coming from the property owners within the EDZ and potentially contributions from the City, subject to City Council approval. The composition of contributions to the improvements is still under consideration. Refer to the **Master Response About Timing and Funding of Traffic Mitigation Measures** in Chapter 4 of this Response to Comments document.

5.3 Environmental Topics Raised and Responses to Comments from November 12, 2015 Community Meeting

Comment: There will be increased danger and congestion caused by the I-580/I-680 interchange.

Response: Refer to Draft SEIR Section 4.D, Transportation and Traffic, Impact 4.D-9 on page 4.D-57 for the complete analysis of traffic safety related to development of the EDZ. Based on the findings of this section, impacts related to traffic safety would be reduced to a less than significant level with implementation of Mitigation Measure 4.D-3: Johnson Drive Improvements, and Mitigation Measure 4.D-4: Retention of Bicycle Lanes on Stoneridge Drive.

Comment: Will the West Las Positas freeway entrance/exit be analyzed for mitigating traffic impacts?

Response: The proposed EDZ does not include and is independent of West Las Positas interchange improvements. The Draft SEIR analyzes near-term traffic improvements, including traffic signals, widening of Johnson Drive, the northbound I-680 onramp, and Stoneridge Drive. The West Las Positas interchange was removed from the General Plan several years ago and therefore the City cannot include the possibility for this improvement in any near-term traffic models. In order to consider the option of a freeway entrance/exit at West Las Positas, the General Plan would need to be amended. Therefore, a new interchange at West Las Positas Boulevard is not considered a feasible mitigation option.

Comment: Traffic issues should be analyzed and addressed on a regional level.

Response: As described in the Draft SEIR in Section 4.D, Transportation and Traffic, EDZ-generated traffic is assessed under Impact 4.D-8, using a traffic model that is regionally-based. The traffic analysis concluded that the proposed EDZ would not result in deficient operations on any regional roadway segments in either 2025 or 2040, and no EDZ-specific mitigation is required beyond payment of local and regional transportation impact fees.

Comment: Why has the entrance/exit to the sports park not been addressed in the plan?

> **Response:** The 8-phase signal modification under the EDZ would include a left turn arrow which would eliminate conflicts with opposing traffic, and all signals include emergency vehicle preemptions. Additionally, the Hopyard Road and Parkside Drive intersection would not be substantially adversely affected by EDZ traffic.

Comment: Why were car-counting devices not used to assess traffic on Stoneridge Drive or Johnson Drive?

> **Response:** Car-counting (traffic counts) was conducted for Stoneridge Drive, Johnson Drive, and other streets in the vicinity of the proposed EDZ; the results of the traffic counts are included in the Draft SEIR. Cameras were used for counts on large streets such as Stoneridge Drive and Johnson Drive. Car counting cords that stretch across the road are typically only used on smaller neighborhood streets.

Comment: What are some possible improvements to surrounding streets including the Johnson Drive bridge to get on southbound I-680 and the Hopyard/Owens intersection?

> **Response:** Refer to Draft SEIR Section 4.D, Transportation and Traffic, for a description of the mitigation measures (traffic and transportation improvements) that would be approved and implemented along with the EDZ.

Comment: What are the sources of funding for traffic improvements?

> **Response:** Developers typically fund improvements that are related to their development. Additional potential funding sources commonly used for larger development projects include State and Federal funds, fee waivers/rebates, Traffic Impact Fees, and possible broader contributions from the City.

Comment: What would be the quality of life and safety impacts for those residing in the Val Vista neighborhood if Stoneridge Drive is widened?

> **Response:** The proposed EDZ does not include the widening of Stoneridge Drive. Impacts related to pedestrian safety are discussed in the Draft SEIR under Section 4.D, Transportation and Traffic, under Impact 4.D-9, which concludes that implementation of Mitigation Measure 4.D-3: Johnson Drive Improvements, and Mitigation Measure 4.D-4: Retention of Bicycle Lanes on Stoneridge Drive would reduce impacts to pedestrian safety to less than significant.

Comment: Why is a water reclamation facility not being considered for the site? There should be a focus on providing clean drinking water to residents.

> **Response:** As discussed in the Draft SEIR (4.E, Other Topics, under Public Services and Utilities Systems), for all projects that would be developed within the EDZ area, the City would apply a standard condition of project approval at the development level requiring recycled water infrastructure to be installed and connected when and if recycled water infrastructure becomes available. Refer also to the **Master Response to Comments About**

the Impacts of the Proposed EDZ on Water Use, in Chapter 4 of this Response to Comments document.

Comment: Where would the water for development come from, as California is in the midst of a historic drought?

Response: As discussed in Chapter 4 of this Response to Comments document (**Master Response to Comments About the Impacts of the Proposed EDZ on Water Supply**), were the proposed EDZ area to be built out as permitted under existing zoning (i.e., with no additional discretionary City approvals) in accordance with the No Project Alternative described in Chapter 5 of the Draft SEIR (largely office uses), total water usage would be very similar to – nearly 90 percent of – the amount of water that would be associated with the proposed EDZ. Refer further to the **Master Response to Comments About the Impacts of the Proposed EDZ on Water Use**, in Chapter 4 of this Response to Comments document, for a detailed response to the EDZ's potential water demand, and development process.

Comment: Have carbon emissions been addressed?

Response: Carbon emissions and greenhouse gasses are addressed under Draft SEIR Section 4.E, Other Topics (Greenhouse Gas Emissions), which includes an evaluation of the proposed EDZ relative to the goals of the City of Pleasanton Climate Action Plan.

Comment: Opposition to Costco was expressed; the community is in sufficient proximity to Costco in Danville and in Livermore, and small business owners feel a sense of community and support will be lost if club retail and big box stores push out family-owned businesses.

Response: Refer to the **Master Response to Comments About Economics and Urban Decay Impacts** found in Chapter 4 of this Response to Comments document, for a summary of the results of the economic analysis prepared for the EDZ, and refer also to the economic analysis prepared for the proposed EDZ, which is included in **Appendix A** of this Response to Comments document. The comment will be presented to decision-makers as part of the Final SEIR, for their consideration when reviewing the proposed EDZ and deciding whether to approve it.

Comment: Regarding the financial analysis:

1) Will there be a loss of wages to residents due to the fact big box stores are notorious for paying low wages and not offering benefits?
2) Does this take into account the negative impact on rest of economy?
3) Is there a consideration that sales tax received from Costco would be taken from some other business in town, or that existing stores in town may go out of business, or that profits from small businesses stay within the City while profits from big box stores and hotels flow out of the City?

Response: Refer the **Master Response to Comments About Economic and Urban Decay Impacts** found in Chapter 4 of this Response to Comments document, for a summary of the results of the economic study prepared for the EDZ, as well as to the

economic analysis prepared for the proposed EDZ, which is included in **Appendix A** of this Response to Comments document.

Comment: General comments addressing future processes: desire expressed for additional public notification when applications are submitted for individual businesses in the EDZ, and when applications are to be processed by the Planning Commission and not at the staff level, or for the EDZ to be put to a vote by the residents before continuing any further studies.

Response: The comment will be presented to decision-makers as part of the Final SEIR, for their consideration when reviewing the EDZ and deciding whether to approve it.

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CHAPTER 6
Mitigation Monitoring and Reporting Program

6.1 Introduction

When approving projects with Environmental Impact Reports (EIRs) that identify significant impacts, the California Environmental Quality Act (CEQA) requires public agencies to adopt monitoring and reporting programs or conditions of project approval to mitigate or avoid the identified significant effects (Public Resources Code Section 21081.6(a)(1)). A public agency adopting measures to mitigate or avoid the significant impacts of a proposed project is required to ensure that the measures are fully enforceable, through permit conditions, agreements, or other means (Public Resources Code Section 21081.6(b)). The mitigation measures required by a public agency to reduce or avoid significant project impacts not incorporated into the design or program for the project may be made conditions of project approval as set forth in a Mitigation Monitoring and Reporting Program (MMRP). The program must be designed to ensure project compliance with mitigation measures during project implementation.

The MMRP includes the mitigation measures identified in the SEIR required to address the significant impacts associated with the proposed EDZ. The required mitigation measures are summarized in this program; the full text of the impact analysis and mitigation measures is presented in the Draft SEIR in Chapter 2, Summary, except as revised in this Final SEIR.

6.2 Format

The MMRP is organized in a table format (see **Table 6-1**), keyed to each significant impact and each SEIR mitigation measure. Only mitigation measures adopted to address significant impacts are included in this program. Each mitigation measure is set out in full, followed by a tabular summary of monitoring requirements. The column headings in the tables are defined as follows:

- **Mitigation Measures adopted as Conditions of Approval:** This column presents the mitigation measure identified in the SEIR.

- **Site(s) Affected:** The mitigation measures are, in some cases, site specific. This column identifies which specific sites would need to adhere to the mitigation measure, or if the measure addresses all sites.

- **Implementation Procedures:** This column identifies the procedures associated with implementation of the migration measure.

- **Monitoring Responsibility:** This column contains an assignment of responsibility for the monitoring and reporting tasks.
- **Monitoring and Reporting Action:** This column refers the outcome from implementing the mitigation measure.
- **Mitigation Schedule:** The general schedule for conducting each mitigation task, identifying where appropriate both the timing and the frequency of the action.
- **Verification of Compliance:** This column may be used by the lead agency to document the person who verified the implementation of the mitigation measure and the date on which this verification occurred.

6.3 Enforcement

If the EDZ is approved, the MMRP would be incorporated as a condition of such approval. Therefore, all mitigation measures for significant impacts must be carried out in order to fulfill the requirements of approval. A number of the mitigation measures would be implemented during the course of the development review process. These measures would be checked on plans, in reports, and in the field prior to construction. Most of the remaining mitigation measures would be implemented during the construction or EDZ implementation phase.

TABLE 6-1
MITIGATION MONITORING AND REPORTING PROGRAM

Mitigation Measures	Site(s) Affected	Implementation Procedures	Monitoring Responsibility	Monitoring and Reporting Action	Monitoring Schedule	Verification of Compliance
4.A. Aesthetics						
None required.						
4.B. Air Quality						
Mitigation Measure 4.B-1: All developers of sites within the EDZ area shall ensure that construction plans include a requirement that the BAAQMD Best Management Practices for fugitive dust control be implemented. All developers of sites within the EDZ area are required to implement the following for all construction activities within the EDZ area, to reduce fugitive dust emissions that would be generated primarily during soil movement, grading, and demolition activities, but also during vehicle and equipment movement on unpaved construction sites: 1. All exposed surfaces (e.g., parking areas, staging areas, soil piles, graded areas, and unpaved access roads) shall be watered two times per day. 2. All haul trucks transporting soil, sand, or other loose material off-site shall be covered. 3. All visible mud or dirt track-out onto adjacent public roads shall be removed using wet power vacuum street sweepers at least once per day. The use of dry power sweeping is prohibited. 4. All vehicle speeds on unpaved roads shall be limited to 15 miles per hour. 5. All streets, driveways, and sidewalks to be paved shall be completed as soon as possible. Building pads shall be laid as soon as possible after grading unless seeding or soil binders are used. 6. Idling times shall be minimized either by shutting equipment off when not in use or reducing the maximum idling time to 5 minutes (as required by the California airborne toxics control measure Title 13, Section 2485 of CCR). Clear signage shall be provided for construction workers at all access points. 7. All construction equipment shall be maintained and properly tuned in accordance with manufacturer's specifications. All equipment shall be checked by a certified mechanic and determined to be running in proper condition prior to operation. 8. A publicly visible sign shall be posted with the telephone number and person to contact at the City of Pleasanton Planning Division regarding dust complaints. This person shall respond and take corrective action within 48 hours. BAAQMD's phone number shall also be visible to ensure compliance with applicable regulations.	All	Site developer shall include BAAQMD BMPs in construction plan.	Site developer Community Development Department	Verify inclusion of BMPs in applicable construction plans and specifications; field inspections during construction. Inspect site during construction to ensure compliance with project construction plans.	Prior to issuance of grading or building permit, whichever is first. Field inspections during construction.	*Verified by:* *Date:*

TABLE 6-1 (Continued)
MITIGATION MONITORING AND REPORTING PROGRAM

Mitigation Measures	Site(s) Affected	Implementation Procedures	Monitoring Responsibility	Monitoring and Reporting Action	Monitoring Schedule	Verification of Compliance
4.B. Air Quality (cont.)						
Mitigation Measure 4.B-2: All developers of sites within the EDZ area that are located within 1,000 feet of sensitive receptors including church, school, senior housing, or recreational uses (i.e., Valley Bible Church and Love & Care Preschool, Club Sport, or other recreational uses) shall ensure that construction contract specifications include a requirement that all off-road diesel-powered construction equipment used during the construction activities within the EDZ area be equipped with engines that meet or exceed either U.S. Environmental Protection Agency or California Air Resources Board Tier 2 off-road emission standards, and are fitted with Level 3 Verified Diesel Emissions Control (VDEC), which would reduce diesel particulate emissions by at least 85 percent; or ensure that off-road diesel-powered construction equipment engines meet interim or final Tier 4 emission standards.	All sites located within 1,000 feet of sensitive receptors such as church, school, senior housing, recreational, or other sensitive uses	Site developer shall prepare construction plans that adhere to all specifications in this measure.	Site developer Community Development Department	Review and approve construction plans. Inspect site during construction to ensure compliance with project construction plans.	Prior to the issuance of grading or building permits, whichever is first. Field inspections during construction.	*Verified by:* *Date:*
Mitigation Measure 4.B-3: All developers of sites within the EDZ area shall implement Transportation Demand Management (TDM) measures, such as establishment of commute trip reduction program(s) with employers to discourage single-occupancy vehicle trips and encourage alternative modes of transportation such as car-pooling, taking transit, walking, and biking. Developers if sites within the EDZ shall also evaluate increasing transit accessibility to the EDZ, potentially including the use of a BART shuttle. The voluntary commute trip reduction program(s) may include, but would not be limited to, a ride-sharing program for which 50 percent or greater of site employees are eligible, carpooling encouragement, preferential carpool parking, a transportation coordinator, and ride-matching assistance. Specifically, TDM measures shall incorporate the following components to be required in the Development Agreements for individual projects, as appropriate to proposed land uses to be developed: • Require commute based trip reduction programs for all businesses of more than 20 on-site employees that may include transit subsidies, parking cash out incentives, and carpool parking preferences; • Provide preferred parking spaces and recharging stations for electric vehicles; • Require businesses to provide bicycle facility amenities such as showers and lockers; • Require electrical hook-ups for diesel trucks at loading docks; • Require any new backup diesel generators to meet CARB's Tier 4 emission standards;	All	Business operator shall include TDM measures in business plan and/or application for occupancy permit or use permit.	Business operator Community Development Department	Verify inclusion of TDM measures in applicable occupancy permit or use permit.	Prior to issuance of occupancy permit or use permit.	*Verified by:* *Date:*

TABLE 6-1 (Continued)
MITIGATION MONITORING AND REPORTING PROGRAM

Mitigation Measures	Site(s) Affected	Implementation Procedures	Monitoring Responsibility	Monitoring and Reporting Action	Monitoring Schedule	Verification of Compliance
4.B. Air Quality (cont.)						
• Prohibit all vehicles including commercial motor vehicles with gross vehicular weight ratings of less than 10,000 pounds from idling for more than 2 minutes; and • Require truck fleets based in the area of the proposed EDZ to meet CARB's highest engine tier available at the time the building permits are issued.						
Mitigation Measure 4.B-4: If a new sensitive residential use, such as senior housing or a child-care or healthcare facility, is proposed within the EDZ area and within 300 feet of a fuel station or within 1,000 feet of warehouse loading docks or Highway I-680, the developer of this use shall prepare a health risk assessment report to be reviewed and approved by the City. The health risk assessment shall demonstrate that the increased cancer risks for the proposed sensitive use would be below the BAAQMD permitting limit of 10 in one million (per its Policy and Procedure Manual, the BAAQMD would deny an Authority to Construct or a Permit to Operate for any new or modified source of TACs that exceeds a cancer risk of 10 in one million or a chronic or acute hazard index of 1.0); or, should the health risk assessment determine that lifetime cancer risk would exceed 10 in one million, the developer shall install in the sensitive use an enhanced ventilation filtration system such that the resultant lifetime increased cancer risk is less than 10 in one million. No sensitive use shall be approved within the EDZ where the health risk assessment determines that lifetime cancer risk from the freeway and from uses in the EDZ would exceed 10 in one million.	All sites that include a sensitive use such as, but not limited to, a senior housing facility, child-care or healthcare facility, within 300 to 1,000 feet of a source of TACs.	Site developer shall hire a qualified air quality consult to prepare a HRA.	Community Development Department	Approve air quality consultant selection. Review verification from air quality consultant.	Approve consultant selection, and review verification from air consultant, prior to approval of individual development permit. Verify inclusion of approved measures.	*Verified by:* *Date:*
4.C. Noise						
Mitigation Measure 4.C-1a: To address nuisance impacts of construction activities within the EDZ area, all developers of sites within the EDZ area shall ensure that construction contractors implement the following: • Signs shall be posted at all construction site entrances to the property upon commencement of construction, for the purposes of informing all contractors/subcontractors, their employees, agents, material haulers, and all other persons at the applicable construction sites, of the basic requirements of Mitigation Measures 4.C-1a and 4.C-1b. • Signs shall be posted at the construction sites that include permitted construction days and hours, a day and evening contact number for the job site, and a contact number in the event of problems.	All	Site developer shall incorporate the specifications of this measure into project specifications as well as grading and construction plans.	Site developer Community Development Department Engineering Department	Engineering Department: Review and approve project specifications and grading and construction plans for inclusion of this measure into specifications. Community Development Department: Inspect site during construction to ensure compliance with project construction plans.	Prior to issuance of building or grading permit, whichever is first. Field inspections during construction.	*Verified by:* *Date:*

TABLE 6-1 (Continued)
MITIGATION MONITORING AND REPORTING PROGRAM

Mitigation Measures	Site(s) Affected	Implementation Procedures	Monitoring Responsibility	Monitoring and Reporting Action	Monitoring Schedule	Verification of Compliance
4.C. Noise (cont.)						
• An onsite complaint and enforcement manager shall respond to and track complaints and questions related to noise.						
Measure 4.C-1b: To reduce daytime noise impacts due to construction within the EDZ area, all project developers shall require construction contractors working within 55 feet of the construction site property boundary to implement the following measures: • Equipment and trucks used for construction shall use the best available noise control techniques (e.g., improved mufflers, equipment redesign, use of intake silencers, ducts, engine enclosures, and acoustically-attenuating shields or shrouds). • Impact tools (e.g., jack hammers, pavement breakers, and rock drills) used for construction shall be hydraulically or electrically powered where feasible to avoid noise associated with compressed air exhaust from pneumatically powered tools. Where use of pneumatic tools is unavoidable, an exhaust muffler on the compressed air exhaust shall be used; this muffler can lower noise levels from the exhaust by up to about 10 dBA. External jackets on the tools themselves shall be used where feasible; this could achieve a reduction of 5 dBA. Quieter procedures, such as use of drills rather than impact tools, shall be used unless deemed not feasible by a geotechnical investigation.	All	Site developer shall incorporate the specifications of this measure into project specifications as well as grading and construction plans.	Site developer Community Development Department Engineering Department	Engineering Department: Review and approve project specifications and grading and construction plans for inclusion of this measure into specifications. Community Development Department: Inspect site during construction to ensure compliance with project construction plans.	Prior to issuance of building or grading permit, whichever is first. Field inspections during construction.	*Verified by:* *Date:*
Mitigation Measure 4.C-1c: Prior to the approval of the development of senior housing projects within the EDZ area, the City shall require site-specific acoustical assessments to determine exposure to existing and approved noise sources, impact, and mitigation regarding non-transportation sources. Noise exposure shall be mitigated to satisfy the applicable City Municipal Code criterion using appropriate housing site design.	All	Site developer shall prepare an acoustical assessment that adheres to all specifications of this measure. If noise thresholds in the General Plan and/or Municipal Code are exceeded, reasonable and feasible mitigation shall be required to reduce levels to City standards.	Community Development Department	Review and approve acoustical assessment and interior measures. Verify approved measures on construction plans. Inspect site during construction to ensure compliance with project construction plans.	Prior to the approval of the development of senior housing projects.	*Verified by:* *Date:*

TABLE 6-1 (Continued)
MITIGATION MONITORING AND REPORTING PROGRAM

Mitigation Measures	Site(s) Affected	Implementation Procedures	Monitoring Responsibility	Monitoring and Reporting Action	Monitoring Schedule	Verification of Compliance
4.D. Transportation and Traffic						
Mitigation Measure 4.D-1a: Commerce Drive at Johnson Drive Intersection. Prior to the granting of a certificate of occupancy for the first use in Phase I that would generate 100 or more PM or Saturday peak-hour trips, the City shall install or require the developer in Phase I to install a traffic signal and construct a southbound left-turn lane to Commerce Drive at the Commerce Drive and Johnson Drive intersection. A funding mechanism for this improvement shall be approved by the City prior to the issuance of the first building permit for a Phase I use that would generate 100 or more PM peak-hour trips.	All (Phase I and Full Buildout)	Site developer shall contribute fair-share funds for traffic impact fees or construct the improvement. Community Development Department shall ensure the implementation of improvements and determine funding mechanism.	Site developer Community Development Department	Develop the funding mechanism, the calculation of, and receipt of payment.	Prior to granting certificate of occupancy.	*Verified by:* *Date:*
Mitigation Measure 4.D-1b: Johnson Drive at Owens Drive (North) Intersection. Prior to the granting of a certificate of occupancy for the first use in Phase I that would generate 100 or more PM or Saturday peak-hour trips, the City shall install or require the developer in Phase I to install a traffic signal at the Johnson Drive at Owens Drive (North) intersection. A funding mechanism for this improvement shall be approved by the City prior to the issuance of the first building permit for a Phase I use that would generate 100 or more PM peak-hour trips.	All (Phase I and Full Buildout)	The site developer shall contribute fair-share funds for traffic impact fees or construct the improvement. Community Development Department shall ensure the implementation of improvements and determine funding mechanism.	Site developer Community Development Department	Develop the funding mechanism, the calculation of, and receipt of payment.	Prior to granting certificate of occupancy.	*Verified by:* *Date:*
Mitigation Measure 4.D-1c: Johnson Drive at Stoneridge Drive Intersection. Prior to the granting of a certificate of occupancy for the first use in Phase I that would generate 100 or more PM or Saturday peak-hour trips, the City shall ensure the implementation of the following improvements: 1. Construct a third eastbound left-turn lane from Stoneridge Drive to Johnson Drive in conjunction with an additional northbound receiving lane on Johnson Drive (north side of intersection). 2. Construct an additional southbound right-turn lane on Johnson Drive. 3. Rebuild Johnson Drive as a six lane facility with three or four southbound lanes and three northbound receiving lanes for a minimum of 700 feet north of Stoneridge Drive. This improvement would require widening of Johnson Drive north of Stoneridge Drive by up to 36 feet and widening of Johnson Drive south of Stoneridge Drive a commensurate amount to align travel movements through the intersection.	Full Buildout not including Phase I	The site developer shall contribute fair-share funds for traffic impact fees or construct the improvement. Community Development Department shall ensure the implementation of improvements and determine funding mechanism.	Site developer Community Development Department	Develop the funding mechanism, the calculation of, and receipt of payment.	Prior to granting certificate of occupancy.	*Verified by:* *Date:*

TABLE 6-1 (Continued)
MITIGATION MONITORING AND REPORTING PROGRAM

Mitigation Measures	Site(s) Affected	Implementation Procedures	Monitoring Responsibility	Monitoring and Reporting Action	Monitoring Schedule	Verification of Compliance
4.D. Transportation and Traffic (cont.)						
A funding mechanism for these improvements shall be approved by the City prior to the issuance of the first building permit for a Phase I use that would generate 100 or more PM peak-hour trips.						
Mitigation Measure 4.D-1d: Stoneridge Drive Queue Spillback (Stoneridge Drive and Johnson Drive Improvements). Prior to the granting of a certificate of occupancy for the first use in Phase I that would generate 100 or more PM or Saturday peak-hour trips, the City shall ensure the implementation of the following improvements: 1. Modify the Stoneridge Drive at Northbound I-680 off-ramp to provide a northbound right-turn overlap phase. 2. Construct a second southbound left-turn lane from Johnson Drive to Stoneridge Drive. 3. Extend the existing westbound right-turn pocket at the Johnson Drive and Stoneridge Drive intersection approximately 800 feet east by widening Stoneridge Drive and convert the resulting lane into a through-right-shared lane. Install lane markings in the curb lane and adjacent lane indicating I-680 Northbound Only to reduce lane changes between Johnson Drive and the northbound on-ramp. 4. Construct a second on-ramp lane to northbound I-680 from the westbound Stoneridge Drive approach. The two lane on-ramp should be merged to one lane prior to the freeway merge area. The lane drop will occur over a distance of at least 800 feet, and will require reconstruction and widening of the bridge at this on-ramp from one to two lanes, with the merge occurring after the bridge. (Note: This improvement is within Caltrans right-of-way and requires Caltrans design review and oversight. A funding mechanism for these improvements shall be approved by the City prior to the issuance of the first building permit for a Phase I use that would generate 100 or more PM or Saturday peak-hour trips.	All (Phase I and Full Buildout)	The site developer shall contribute fair-share funds for traffic impact fees or construct the improvement. Community Development Department shall ensure the implementation of improvements and determine funding mechanism.	Site developer Community Development Department	Develop the funding mechanism, the calculation of, and receipt of payment.	Prior to granting certificate of occupancy.	*Verified by:* *Date:*
Mitigation Measure 4.D-2: I-680 Northbound and Southbound Ramp Merge/Diverge Areas at Stoneridge Drive. Construct improvements, such as the second phase of I-680/I-580 interchange improvements, widening of State Route 84, and other planned roadway system modifications that would relieve freeway congestion in the study area where feasible.	All (Phase I and Full Buildout)	The site developer shall contribute fair-share funds for traffic impact fees. Community Development Department shall ensure the implementation of improvements.	Site developer Community Development Department	Calculation and receipt of payment.	Prior to issuance of building permits.	*Verified by:* *Date:*

TABLE 6-1 (Continued)
MITIGATION MONITORING AND REPORTING PROGRAM

Mitigation Measures	Site(s) Affected	Implementation Procedures	Monitoring Responsibility	Monitoring and Reporting Action	Monitoring Schedule	Verification of Compliance
4.D. Transportation and Traffic (cont.)						
Mitigation Measure 4.D-3: Johnson Drive Improvements. The City will review design plans for club retail and other traffic-intensive uses that would be developed as part of Phase I and buildout of the EDZ to determine needed improvements to accommodate additional traffic on Johnson Drive. If at the conclusion of this review the City determines that additional improvements to Johnson Drive are required, one or more of the following improvements shall be implemented: 1. If a club retail use is proposed for Parcel 6, signalize one or more entrances at Parcel 6, and widen Johnson Drive at this location, to accommodate a southbound left-turn pocket and a northbound right-turn pocket. 2. Widen Johnson Drive to provide up to two vehicle travel lanes in each direction from Stoneridge Drive to the main entries of sites with traffic-intensive uses (such as club retail). 3. Implement other improvements as needed at major driveways (signal control, provision of left-turn or right-turn pockets) to provide additional capacity. 4. Final design of all improvements along Johnson Drive shall maintain or enhance existing bicycles, transit, and pedestrian facilities, and shall ensure bicycle and pedestrian facilities and access to the Alamo Canal Trail at the signalized crossing at Commerce Circle and any other signalized locations on Johnson Drive.	All (Phase I and Full Buildout)	The site developer shall contribute fair-share funds for traffic impact fees or construct the improvement. Community Development Department shall ensure the implementation of improvements.	Site developer Community Development Department	Calculation and receipt of payment.	Prior to issuance of building permits.	*Verified by:* *Date:*
4.E-1. Biological Resources						
(2012 SEIR) Modified Mitigation Measure 4.C-1a: Pre-construction Breeding Bird Surveys. The City shall ensure that prior to development of all potential sites for rezoning (Sites 1-4, 6-11, 13, 14, and 16-21) and each phase of project activities that have the potential to result in impacts on breeding birds (e.g., tree removal or demolition of buildings or bridges), the project applicant shall take the following steps to avoid direct losses of nests, eggs, and nestlings and indirect impacts to avian breeding success: • If grading or construction activities occur only during the non-breeding season, between August 31 and February 1, no surveys will be required. • Pruning and removal of trees and other landscaped vegetation, including grading of grasslands, should occur whenever feasible, outside the breeding season (February 1 through August 31).	1-4, 6-11, 13, 14, 16-21	Site developer shall prepare construction plans that incorporate pre-construction surveys and buffer zones. If required, avoidance procedures shall be implemented. Site developer shall hire a qualified biologist and the site developer's contractor(s) shall engage the qualified biologist to conduct pre-construction surveys as described.	Site developer Community Development Department	Review and approve a qualified biologist. Review pre-construction survey reports. If active nests are found, inspect construction site to confirm buffer zones.	No more than 14 days before start or restart of construction during the months of February through August.	*Verified by:* *Date:*

TABLE 6-1 (Continued)
MITIGATION MONITORING AND REPORTING PROGRAM

Mitigation Measures	Site(s) Affected	Implementation Procedures	Monitoring Responsibility	Monitoring and Reporting Action	Monitoring Schedule	Verification of Compliance
4.E-1. Biological Resources (cont.)						
• During the breeding bird season (February 1 through August 31) a qualified biologist will survey project sites for nesting raptors and passerine birds not more than 14 days prior to any ground-disturbing activity or vegetation removal. Surveys will include all line-of-sight trees within 500 feet (for raptors) and all vegetation within 250 feet for all other species. • Based on the results of the surveys, avoidance procedures will be adopted, if necessary, on a case-by-case basis. These may include construction buffer areas (up to several hundred feet in the case of raptors) or seasonal avoidance. • Bird nests initiated during construction are presumed to be unaffected by project activities, and no buffer would be necessary except to avoid direct destruction of a nest or mortality of nestlings. • If pre-construction surveys indicate that nests are inactive or potential habitat is unoccupied during the construction period, no further mitigation is required <u>if work is initiated within 14 days of the survey.</u> Trees and shrubs that have been determined to be unoccupied by nesting or other special-status birds may be pruned or removed <u>within 14 days of the pre-construction survey. Should activities be delayed beyond 14 days, pre-construction surveys shall be repeated prior to the start of work.</u>						
Mitigation Measure 4.E-1: Pre-Construction Bat Surveys. Conditions of approval for building and grading permits issued for demolition and construction on sites within the EDZ area shall include a requirement for pre-construction special-status bat surveys when large trees constituting suitable habitat for roosting bats (e.g. trees with cavities or trees with bark that could be used for roosting such as eucalyptus and redwood) are to be removed or underutilized or vacant buildings are to be demolished. • Surveys shall be conducted by a qualified biologist prior to any tree removal or building demolition. Removal of trees and structures shall occur when bats are active, approximately between the periods of March 1 to April 15 and August 15 to October 15; outside of bat maternity roosting season (approximately April 15 – August 31) and outside of months of winter torpor (approximately October 15 – February 28), to the extent feasible.	All sites where buildings shall be demolished or large trees constituting suitable habitat for roosting bats shall be removed.	Site developer shall prepare construction plans that incorporate pre-construction surveys and buffer zones. If required, avoidance procedures shall be implemented. Site developer shall hire a qualified biologist and the site developer's contractor(s) shall engage the qualified biologist to conduct pre-construction surveys as described.	Site developer Engineering Department	Verify inclusion of condition on construction plans. If large trees are to be removed or if vacant buildings are to be demolished, review and approve qualified biologist, pre-construction survey reports, and a construction plan that includes bat avoidance. Inspect construction site to confirm buffer zones, if required.	Prior to issuance of grading or building permit, whichever is sooner. Inspect site during construction to ensure compliance with project construction plans.	*Verified by:* *Date:*

TABLE 6-1 (Continued)
MITIGATION MONITORING AND REPORTING PROGRAM

Mitigation Measures	Site(s) Affected	Implementation Procedures	Monitoring Responsibility	Monitoring and Reporting Action	Monitoring Schedule	Verification of Compliance
4.E-1. Biological Resources (cont.)						
• If removal of trees and structures during the periods when bats are active is not feasible and active bat roosts being used for maternity or hibernation purposes are found on or in the immediate vicinity of the site where tree and structure removal is planned, a no disturbance buffer of 100 feet shall be established around these roost sites until they are determined to be no longer active by the qualified biologist. A 100-foot no disturbance buffer is a typical protective buffer distance; however, buffer width may be modified by the qualified biologist depending on existing screening around the roost site (such as dense vegetation or a building) as well as the type of construction activity which would occur around the roost site. • The qualified biologist shall be present during tree and structure removal if potential bat roosting habitat or active bat roosts are present. Trees and structures with active roosts shall be removed only when no rain is occurring or is forecast to occur for 3 days and when daytime temperatures are at least 50°F. • Removal of trees with potential bat roosting habitat or active bat roost sites shall follow a two-step removal process: 1. On the first day of tree removal and under supervision of the qualified biologist, branches and limbs not containing cavities or fissures in which bats could roost, shall be cut only using chainsaws. 2. On the following day and under the supervision of the qualified biologist, the remainder of the tree may be removed, either using chainsaws or other equipment (e.g. excavator or backhoe). Removal of structures containing or suspected to contain potential bat roosting habitat or active bat roosts shall be dismantled under the supervision of the qualified biologist in the evening and after bats have emerged from the roost to forage. Structures shall be partially dismantled to significantly change the roost conditions, causing bats to abandon and not return to the roost.						

TABLE 6-1 (Continued)
MITIGATION MONITORING AND REPORTING PROGRAM

Mitigation Measures	Site(s) Affected	Implementation Procedures	Monitoring Responsibility	Monitoring and Reporting Action	Monitoring Schedule	Verification of Compliance
4.E-1. Biological Resources (cont.)						
Mitigation Measure 4.E-2: Wetland Delineation. In coordination with the City, a qualified wetland ecologist shall conduct a wetland delineation of the proposed bridge expansion and replacement site to identify potential waters of the United States (U.S.) (including wetlands) or waters of the state which may be present. If no waters of the U.S. or waters of the state are identified onsite, no further action is required. Should waters of the U.S. or waters of the state be determined present within the site, features shall be mapped and documented in a report for submission to the appropriate jurisdictional agencies retaining authority over the identified features.	Proposed bridge expansion and replacement site	Site developer shall hire a wetland ecologist as described in the measure to conduct wetland delineation.	Site developer Caltrans San Francisco Regional Water Quality Control Board (RWQCB) U.S. Army Corps of Engineers (USACE) Community Development Department	Community Development Department: Review and approval of wetland ecologist. RWQCB/USACE: Review, verify wetland delineation. Community Development Department/Caltrans: Review and approval of construction plan. Community Development Department/Caltrans: Inspect site during construction to ensure compliance with project construction plans.	Prior to issuance of grading or building permit, whichever is first.	*Verified by:* *Date:*
Mitigation Measure 4.E-3: Wetland Avoidance and Protection. Access roads, work areas, and infrastructure shall be sited to avoid and minimize direct and indirect impacts to wetlands and waters. Where work will occur within and/or adjacent to federal and state jurisdictional wetlands and waters, protection measures shall be applied to minimize the footprint of overall impacts and protect these features. These measures shall include the following: • A protective barrier (such as silt fencing) shall be erected around the work area (s) to minimize disturbance to wetland or water features and isolate adjacent to wetland or water features from construction activities to reduce the potential for incidental fill, erosion, or other disturbance beyond what is necessary for bridge expansion and replacement; • Signage shall be installed on the fencing to identify sensitive habitat areas and restrict construction activities; • No equipment mobilization, grading, clearing, or storage of equipment or machinery, or similar activity shall occur at the site until a representative of the City has inspected and approved the wetland protection fencing; and • The City shall ensure that the temporary fencing is continuously maintained until all construction activities are completed. A fencing material meeting the requirements of both water quality protection and wildlife exclusion shall be used.	All sites within and adjacent to identified wetlands	Site developer shall prepare construction plans that identify wetlands and buffer zones. If required, avoidance and/or protection measures shall be implemented.	Site developer Community Development Department	Review and approve project specifications and grading and construction plans for inclusion of this measure in specifications. Inspect site during construction to ensure compliance with project construction plans.	Prior to issuance of grading or building permit, whichever is first. Field inspections during construction.	*Verified by:* *Date:*

TABLE 6-1 (Continued)
MITIGATION MONITORING AND REPORTING PROGRAM

Mitigation Measures	Site(s) Affected	Implementation Procedures	Monitoring Responsibility	Monitoring and Reporting Action	Monitoring Schedule	Verification of Compliance
4.E-1. Biological Resources (cont.)						
Mitigation Measure 4.E-4: Compensation for Impacts to Wetlands and Other Waters. Where jurisdictional wetlands and other waters cannot be avoided, to offset temporary and permanent impacts that would occur as a result of the bridge expansion and replacement, restoration and compensatory mitigation shall be provided through the following mechanisms: • Prior to construction, the City or Caltrans shall obtain relevant permits and authorizations from the U.S. Army Corps of Engineers (USACE), California Department of Fish and Wildlife (CDFW), and the San Francisco Bay Regional Water Quality Control Board (RWQCB); • Consistent with the terms and conditions of these permits and authorizations, the City or Caltrans shall compensate for the unavoidable loss of wetlands and other waters at a minimum of a 1:1 ratio; and • Compensation may be provided by one or more of the following methods: 1) on-site creation or habitat restoration, 2) off-site habitat creation, restoration and/or enhancement, or 3) payment to an approved wetland mitigation bank. Mitigation bank credits, if available, shall be obtained prior to the start of construction. On-site or off-site creation/restoration/enhancement plans must be prepared by a qualified biologist prior to construction and approved by the permitting agencies. Implementation of creation/restoration/enhancement activities by the permittee shall occur prior to impacts, whenever possible, to avoid temporal loss. On- or off-site creation/restoration/enhancement sites shall be monitored by the City for at least five (5) years to ensure their success.	All	City or Caltrans shall obtain relevant permits as listed. City or Caltrans shall complete wetlands compensation.	Site developer Caltrans San Francisco Regional Water Quality Control Board (RWQCB) U.S. Army Corps of Engineers (USACE) California Department of Fish and Wildlife (CDFW) Community Development Department	RWQCB/USACE: Review, verify wetland delineation. Community Development Department/Caltrans: Review and approval of construction plan. Community Development Department/Caltrans: Inspect site during construction to ensure compliance with project construction plans.	Prior to issuance of grading or building permit, whichever is first.	*Verified by:* *Date:*
4.E-2. Cultural Resources						
Mitigation Measure 4.E-5: Archeological Resources. If prehistoric or historic-period archaeological resources are encountered during ground disturbing activities for a project under construction within the EDZ, the construction contractor shall halt all activities within 50 feet of the discovery, and the construction contractor shall notify the City. Prehistoric archaeological materials might include obsidian and chert flaked-stone tools (e.g., projectile points, knives, scrapers) or toolmaking debris; culturally darkened soil ("midden") containing heat-affected rocks, artifacts, or shellfish remains; stone milling equipment (e.g., mortars, pestles, handstones, or milling slabs); and battered stone tools, such as hammerstones and pitted stones. Historic-period materials might include stone, concrete, or adobe footings and walls; filled wells or privies; and deposits of metal, glass, and/or ceramic refuse. The project developer	All	Site developer shall hire a qualified archeologist to prepare an archaeological mitigation program as described.	Site developer Community Development Department	Review and approval of archaeologist. Review and approval of the construction plan that includes archaeological mitigation. Inspect site during construction.	Prior to issuance of grading permit. Field inspections during construction.	*Verified by:* *Date:*

TABLE 6-1 (Continued)
MITIGATION MONITORING AND REPORTING PROGRAM

Mitigation Measures	Site(s) Affected	Implementation Procedures	Monitoring Responsibility	Monitoring and Reporting Action	Monitoring Schedule	Verification of Compliance
4.E-2. Cultural Resources (cont.)						
shall ensure that a Secretary of the Interior-qualified archaeologist will inspect the findings within 24 hours of discovery. If the archaeologist determines that construction activities could damage a historical resource or a unique archaeological resource (as defined pursuant to the CEQA Guidelines), mitigation will be implemented in accordance with Public Resources Code (PRC) Section 21083.2 and Section 15126.4 of the CEQA Guidelines, with a preference for preservation in place. Consistent with Section 15126.4(b)(3), this may be accomplished through planning construction to avoid the resource; incorporating the resource within open space; capping and covering the resource; or deeding the site into a permanent conservation easement. If avoidance is not feasible, a qualified archaeologist will prepare and implement a detailed treatment plan in consultation with the City. Treatment of unique archaeological resources shall follow the applicable requirements of PRC Section 21083.2. Treatment for most resources would consist of (but would not be not limited to) sample excavation, artifact collection, site documentation, and historical research, with the aim to target the recovery of important scientific data contained in the portion(s) of the significant resource to be impacted by project construction. The treatment plan will include provisions for analysis of data in a regional context, reporting of results within a timely manner, curation of artifacts and data at an approved facility, and dissemination of reports to local and state repositories, libraries, and interested professionals.						
(2012 SEIR) Mitigation Measure 4.D-3: In the event that paleontological resources are encountered during the course of development, all construction activity must temporarily cease in the affected area(s) until the uncovered fossils are properly assessed by a qualified paleontologist and subsequent recommendations for appropriate documentation and conservation are evaluated by the Lead Agency. Excavation or disturbance may continue in other areas of the site that are not reasonably suspected to overlie adjacent or additional paleontological resources.	All	Site developer shall train workers and monitor their activities. Site developer shall halt work and hire a paleontologist if materials are discovered. Paleontologist shall conduct independent review and prepare treatment plan, if necessary, and file any required reports with the appropriate State agencies. Site developer shall implement treatment plan.	Site developer Community Development Department	If resources are encountered, verify work is suspended as required, review and approve paleontologist and paleontologist's recommendations. Inspect site during construction to ensure compliance with project construction plans.	During construction.	*Verified by:* *Date:*

TABLE 6-1 (Continued)
MITIGATION MONITORING AND REPORTING PROGRAM

Mitigation Measures	Site(s) Affected	Implementation Procedures	Monitoring Responsibility	Monitoring and Reporting Action	Monitoring Schedule	Verification of Compliance
4.E-2. Cultural Resources (cont.)						
Mitigation Measure 4.E-6: Human Remains. In the event that human remains are discovered during ground disturbing activities for a project under construction within the EDZ, the construction contractor shall stop work immediately. No disposition of such human remains shall take place, other than in accordance with the procedures and requirements set forth in California Health and Safety Code Section 7050.5 and Public Resources Section 5097.98. Per these code provisions, the project developer shall ensure appropriate notification of the County Coroner and the Native American Heritage Commission, who in turn must notify the persons believed to be most likely descended from the deceased Native American for appropriate disposition of the remains.	All	Site developer shall train workers and monitor their activities. Site developer shall halt work and notify the County Coroner, if necessary. If appropriate, Coroner shall notify NAHC. NAHC shall notify Most Likely Descendant. This measure shall be printed on all construction documents, contracts, and project plans.	Site developer Community Development Department	Verify mitigation measure on construction plans. Inspect site during construction to ensure compliance with project construction plans.	Prior to issuance of a grading and building permit. Field inspections during construction.	*Verified by:* *Date:*
4.E-3. Greenhouse Gases						
None required.						
4.E-4. Geology and Soils						
None required.						
4.E-5. Hazards and Hazardous Materials						
Mitigation Measure 4.E-7: Soil and Groundwater Plan. For proposed development on all sites within the EDZ undergoing or requiring remediation of contaminated soil or groundwater, and prior to issuance of a building or grading permit, the project developer shall demonstrate that its construction specifications include implementation of a Soil and Groundwater Plan (SGP) prepared by a qualified environmental specialist (geologist or engineer) and reviewed and approved by the agency or agencies with oversight over cleanup (San Francisco Regional Water Quality Control Board [RWQCB] and/or State Department of Toxic Substances Control [DTSC]). The SGP shall describe requirements for excavation, stockpiling, and transport of soil and disturbance of groundwater. The SGP shall also include a contingency plan to respond to the discovery of previously unknown contamination. In addition, all construction activities shall require written approval by either RWQCB or DTSC prior to commencement. The SGP shall be present on site at all times as ensured by the construction lead, and readily available to site workers and City staff as needed.	All sites within the EDZ area undergoing or requiring remediation of contaminated soil or groundwater	Site developer shall prepare a Soil and Groundwater Plan that adheres to all specifications of this measure, unless this measure has already been achieved.	Site developer RWQCB and/or State Department of Toxic Substances Control (DTSC) Community Development Department Engineering Department for verification.	RWQCB and or/ DTSC - Review and approve environmental specialist (geologist or engineer). Verify approved measures on construction plans. Engineering Department: Verification and inspection of site during construction to ensure compliance with project construction plans.	Prior to issuance of a grading and building permit. Field inspections during construction.	*Verified by:* *Date:*

TABLE 6-1 (Continued)
MITIGATION MONITORING AND REPORTING PROGRAM

Mitigation Measures	Site(s) Affected	Implementation Procedures	Monitoring Responsibility	Monitoring and Reporting Action	Monitoring Schedule	Verification of Compliance
4.E-5. Hazards and Hazardous Materials						
Mitigation Measure 4.E-8: Soil Vapor Barriers. For proposed development on all sites within the EDZ undergoing or requiring remediation of contaminated soil or groundwater, where residual contamination includes volatile components (such as the chlorinated solvent TCE), and prior to issuance of a building or grading permit, the project developer shall demonstrate to the City either that the building plans include vapor barriers reviewed and approved by San Francisco Regional Water Quality Control Board (RWQCB) or State Department of Toxic Substances Control (DTSC) to be installed beneath foundations for the prevention of soil vapor intrusion, or that RWQCB or DTSC has determined that installation of vapor barriers is not necessary.	All sites within the EDZ area determined by the RWQCB or DTSC to require the installation of vapor barriers in buildings	Site developer shall install vapor barriers that adhere to all specifications of this measure, unless this measure has already been achieved.	Site developer RWQCB and/or DTSC Community Development Department Engineering Department for verification.	RWQCB and or/ DTSC - Review and approve building plans. Engineering Department: Verification.	Prior to issuance of a grading and building permit.	*Verified by:* *Date:*
4.E-6. Hydrology and Water Quality						
None required.						
4.E-7. Land Use and Planning						
None required.						
4.E-8. Population and Housing						
None required.						
4.E-9. Public Services and Utility Systems						
Mitigation Measure 4.E-9: For any project proposed for development within the EDZ, prior to the recordation of a Final Map, the issuance of a grading permit, the issuance of a building permit, or utility extension approval, whichever is sooner, the project developer shall submit written verification from the Alameda County Flood Control and Water Conservation District Zone 7 (Zone 7) or the City's Utility Planning Division that water is available for the project. This approval does not guarantee the availability of sufficient water capacity to serve the project.	All	Site developer shall provide written verification from the Alameda County Flood Control and Water Conservation District Zone 7 (Zone 7) or the City's Utility Planning Division that water is available for the project.	Site developer Community Development Department for verification.	Community Development Department for verification.	Prior to the recordation of a Final Map, the issuance of a grading permit, the issuance of a building permit, or utility extension approval, whichever is first.	*Verified by:* *Date:*
4.E-10. Recreation						
None required.						

Appendices

A. Johnson Drive EDZ
   Economic Impact Analysis

Appendix A

Johnson Drive EDZ
Economic Impact Analysis

Johnson Drive EDZ
Economic Impact Analysis

Prepared for:

Environmental Science Associates &
The City of Pleasanton

Prepared by:

ALH | ECON

ALH Urban & Regional Economics

March 2016

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LIST OF EXHIBITS
(Appendix A)

Exhibit 1. Map of Johnson Drive Economic Development Zone Project Site Location and Area Context

Exhibit 2. Johnson Drive Economic Development Zone (EDZ), Project Description, Existing, Phase I Development, and Full Buildout, Key Land Use Desingations Summary

Exhibit 3. Club Retail Store Sales Distribution, Costco Sales by State of Califoonia Board of Equalization Retail Classifications

Exhibit 4. Club Retail Store Sales Distribution, Sam's Club Sales by State of Califoonia Board of Equalization Retail Classifications

Exhibit 5. Johnson Drive Economic Development Zone (EDZ), Club Retail Portion Retail Distribution, by State of California Boardof Equalization Retail Classifications

Exhibit 6. Costco Sales Performance and Distribution of Sales, 2015 Dollars

Exhibit 7. Sam's Club Sales Performance and Distribution of Sales, 2015 Dollars

Exhibit 8. Johnson Drive Economic Development Zone (EDZ), Project Distribution of General Retail Sapce, Net New Retail Square Feet by State of California Board of Equalization Category

Exhibit 9. Johnson Drive Economic Development Zone (EDZ), Distribution of Sales for Incremetnal Retail Space (Not including Existing Retail Space), 2015 Dollars

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Exhibit 13. Map of Johnson Drive Economic Development Zone Project Market Area and Danville Costco Shopper Household Zip Codes

Exhibit 14. Livermore Costco, Household Zip of Costco Shoppers, 2013

Exhibit 15. Johnson Drive Economic Development Zone (EDZ), Retail Project Sales Generated by Market Area Residents net of Recaptured Club Retail Sales, 2015 Dollars

Exhibit 16. Representative Existing Shopping Areas, Cities of Pleasanton and Dublin, February 2016

LIST OF EXHIBITS, CONTINUED
(Appendix A)

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I. EXECUTIVE SUMMARY

INTRODUCTION

The purpose of this study is to assess economic impacts resulting from development of new club retail, general retail, and hotel space in the Johnson Drive Economic Development Zone (EDZ) in the Pleasanton, CA. This report also evaluates the potential of the EDZ to result in urban decay, which comprises prolonged physical deterioration resulting from sustained economic impacts. The EDZ is a proposed 40-acre area along Johnson Drive. Implementation of the EDZ would allow the City of Pleasanton to use zoning and land use designations, incentive programs, completed California Environmental Quality Act (CEQA) documentation, and standards and guidelines to streamline the development process and encourage investment.

The EDZ site is located in a commercial area with other nearby commercial establishments, industrial uses, and a hotel. Proposed new development includes 189,037 square feet of new general retail space, 148,000 square feet of club retail space, and a 150- or 231-room hotel. This mix of new uses is hereafter defined as the "Project." This study estimates the potential impacts of the Project on existing retailers in the Project's market area, primarily in the form of diverted sales from existing retailers. The study also estimates the potential impacts on existing hotels. The study further estimates the extent to which the opening of the Project and other cumulative retail or hotel projects may or may not contribute to urban decay pursuant to potential store closures attributable to existing retailer sales diversions and hotel closures. The key indicator of urban decay from a CEQA perspective is impacts on the physical environment, which includes existing stores and hotels and commercial real estate conditions, as measured by the current baseline. This is the baseline reflected by existing conditions discussed in this report.

The Johnson Drive EDZ new retail and hotel development would occur incrementally. Phase 1 development of 5,000 square feet of general retail space, the 148,000 square feet of club retail space, and the hotel are assumed to be complete and fully operational by 2018. The remaining balance of new general retail space would be developed sometime prior to Full Buildout of the EDZ, which is assumed to occur by 2028.

SUMMARY OF FINDINGS

Project Sales and Market Area

ALH Economics estimates that stabilized sales for the Project would total $172.3 million in Phase I and a total of $241.3 million upon Full Buildout, all in 2015 dollars. Not all Project sales are deemed competitive with the existing retail sales base. Sales components not anticipated to be competitive with the retail sales base include sales made to wholesalers with resale licenses, purchases made by market area consumers recaptured from other regional club retailers, and sales made to consumers from outside the Project's market area.

The Project's general retail and club retail spaces are anticipated to draw 80% and 60% of their sales from the market area, respectively. The percentage is lower for the club retail space because market area data for nearby club retail stores suggests demand originates from a large area, with less than 60% sourced from households in the nearby environs. Based largely on locations of

competing club retail venues, the Project's market area was defined to include 18 full census tracts and three partial census tracts spanning the City of Pleasanton, the majority of the City of Dublin, and some unincorporated Alameda County areas. Consumer origin data for nearby club retail venues indicates that a large part of their consumers originate from the market area defined for the Project. This means market area consumers who want to shop at a club retail store are already doing so. It is assumed that these sales will be captured by the Project's club retail store. These redirected sales will not be diverted from any existing market area retailers but will comprise sales new to Pleasanton.

Based upon considerations of wholesale purchases, redirected sales, outside market area demand, the Project's sales anticipated to be most competitive with the existing retail base include $66.5 million in Phase I sales and $119.7 million in total sales at Full Buildout. These are the new sales anticipated to be generated by market area retail consumers.

The distribution of sales by retail category will vary between the general retail and club retail portions of the Project, but the overall distribution is summarized in Table 1. This distribution is based on assumptions regarding the allocation of Project space by type of retail category, and associated average sales estimates.

Table 1. Summary of Project Sales Competitive with Market Area Retail Sales Base

	General Retail		Club Retail		Full Buildout	Percent of
Retail Category	Phase 1	Full Buildout	Phase 1	Full Buildout	Total	Total
Motor Vehicles and Parts Dealers	$0	$0	$3,143,726	$3,143,726	$3,143,726	3%
Home Furnishings and Appliance Stores	$153,189	$5,791,663	$4,419,892	$4,419,892	$10,211,555	9%
Building Materials and Garden Equip.	$142,416	$5,384,380	$2,645,710	$2,645,710	$8,030,090	7%
Food and Beverage Stores	$0	$0	$32,075,342	$32,075,342	$32,075,342	27%
Gasoline Stations	$0	$0	$6,278,039	$6,278,039	$6,278,039	5%
Clothing and Clothing Accessories Stores	$365,722	$13,827,011	$2,023,190	$2,023,190	$15,850,201	13%
General Merchandise Stores	$141,136	$5,335,998	$4,840,093	$4,840,093	$10,176,090	8%
Food Services and Drinking Places	$288,849	$10,920,622	$249,008	$249,008	$11,169,630	9%
Other Retail Group	$407,534	$15,407,814	$7,395,537	$7,395,537	$22,803,351	19%
Total	**$1,498,846**	**$56,667,487**	**$63,070,537**	**$63,070,537**	**$119,738,024**	**100%**

Source: Exhibit 15.

The categories of sales are based upon categories defined by the State of California Board of Equalization. The "Other Retail" category is a broad category that includes a wide range of goods, such as office supplies, pet supplies, books, toys, pharmacy, jewelry, sporting goods, and gifts. As noted, the largest component of Project retail sales is estimated to comprise Food & Beverage store sales. This is attributable to the large share of club retail store sales comprising Food & Beverage sales.

Retail Sales Base and Characterization

The combined sales bases of Pleasanton and Dublin are estimated to total $3.0 billion, comprised of approximately equal portions between the two cities. Both Pleasanton and Dublin are retail attraction markets, meaning that more sales are captured by area retailers than would be expected from resident spending alone. This retail base attraction is characteristic of all major retail sectors except for two in Pleasanton – Building Materials & Garden Equipment and Gasoline Stations, meaning these two categories are not fully meeting demand generated by Pleasanton consumers. However, both of these categories are attraction categories in Dublin, thus the analysis assumes

the market area as a whole has attraction in all major retail categories. This suggests that recaptured leakage beyond the sales assumed to be recaptured from area club retail stores is not a likely source of demand for the Project's retail components.

Project Sales and Store Impacts

Recognizing that the market area is a sales attraction market, the analysis estimates that for the Project to be successful, all of its sales from market area residents would comprise sales diverted from existing retailers, excepting demand generated by new market area households, which is significant. Based on estimated household growth averaging just over 1.0% a year, this new demand is estimated to total $51.7 million in retail sales by 2018, an additional $171.1 million between 2018 and Full Buildout, for a cumulative total of $1.7 billion by Full Buildout, or 2028.

Taking Project sales generated by market area households and new demand into consideration, Phase I Project's sales impacts are estimated to total $26.7 million for existing retailers, or 0.9% of existing market area sales. This is the amount of sales estimated to be diverted from existing market area retailers after new household demand is taken into consideration. Overall this is a nominal level of impact. However, the sales impact is anticipated in three retail categories, including $0.3 million in Gasoline Stations, $1.9 million in Home Furnishings & Appliances, and $23.2 million in Food & Beverage Stores. The sales impacts in Home Furnishings & Appliances and Gasoline Stations are nominal and given the size of the sales base are not deemed large enough to result in existing retail outlet closures. Moreover, these sales impacts are anticipated to be offset quickly following completion of Phase I, including a period of less than one year for the Gasoline Station impact and just over two years for the Home Furnishings & Appliances impact. Thus, these impacts are not deemed severe enough to result in existing outlet closures.

The estimated Phase I sales impacts in the Food & Beverage Stores category are more substantial. At $23.2 million these impacts are equivalent to 7.4% of the existing sales base. This volume of sales could result in lower store sales performance among a number of existing Food & Beverage stores, which includes at least 17 more traditional food stores in the market area, as well as numerous ethnic and other small food markets. Or the sales impacts could be concentrated among just several retailers most comparable to the discounted or bulk food options available at a club retailer. Based upon average store sales performance, the estimated volume of diverted Food & Beverage Store sales is sufficient to support approximately 36,000 square feet of space. While this level of impact could suggest the potential for one existing grocery store in the market area to be at risk of potential closure following Phase I Project development, it is unlikely based on the outcomes experienced in similar jurisdictions after club stores opened. It is further unlikely because the nature of goods available at club retail stores are typically bulk in nature, with very limited variety, such that they do not lend themselves to the average household consumer who needs to stop by a grocery store once or twice a week for basic household needs or to round out the pantry and purchase ingredients for intimate family dinners. In addition, spread over just the more traditional market area food stores, the estimated level of impact is equivalent to less than $1.4 million in sales impact per store, which is likely not a sufficient sales volume loss to trigger store closure. Many stores can likely compensate for this loss through product repositioning and other operational changes. Further, some of these impacts will be offset over time as additional new demand is generated, averaging about $3.0 million a year after 2018.

If a store closes there are other demand opportunities available to backfill the space, thus reducing the likelihood of long-term retail vacancy. For some Project sales categories new market area demand will exceed the portion of Phase I Project sales estimated to be generated by market area households, thus no impact will result and demand available for other retailers will result. Thus, while there could be the potential for store closure, the likelihood of the space remaining vacant following Phase I development for a prolonged period of time and leading to urban decay is very low.

By the time of Full Buildout of the Project, estimated to comprise 2028, more than sufficient new market area demand will be generated to absorb the Project's anticipated sales generated by market area retail consumers. There is one minor exception to this, which is the Clothing & Clothing Accessories category, with a nominal sales impact. The estimated level of impact in this category is so limited it comprises 0.0% of the market area sales base. Moreover, the findings suggest that over $100 million in additional demand for retail will remain at Full Buildout, providing support for yet other retail venues as well as any retail space that might become vacated as a result of Project impacts. Such potential vacancies, however, are not deemed likely given the negligible sales impacts projected by Full Buildout.

Downtown Pleasanton Impacts

Downtown Pleasanton is anticipated to experience very limited, if any, sales impacts associated with the Project. This assessment is attributable to several factors, including the nature of the impacts, Downtown Pleasanton's retail base and orientation, and historical precedents. Specifically, the Project's impacts in sales categories represented Downtown are very low and unlikely to be experienced by Downtown retailers. This is especially the case because the nature of these and other goods sold in Downtown Pleasanton is generally very different from the type of goods available at a club retail store like Costco or other generic retailers that might occupy the Project's general retail space. Further, while there may be some club retail goods overlap, the quality of goods available Downtown is typically much greater and of a broader variety than available at a club retailer. In addition, Downtown Pleasanton retailers provide services not available at a club retailer. Downtown Pleasanton also provides a unique, pedestrian-oriented shopping opportunity with a customer-friendly atmosphere, which cannot be replicated at the Project. Further, shoppers who want the type of goods available at a club retail store already have regional opportunities for this kind of shopping. Thus, there is no motivation for Downtown shoppers to change their shopping patterns.

Downtown Pleasanton is quite distant from the Project site, at 4.3 miles. Shoppers who choose to shop in Downtown Pleasanton are unlikely to bundle a Downtown shopping with a Project shopping trip, further helping Downtown Pleasanton retain its existing shoppers. Finally, anecdotal information suggests that the opening of the San Francisco Premiums Outlets in Livermore, located even closer to Downtown Pleasanton than the Project site (3.9 miles versus 4.3 miles), did not result in negative economic impacts on Downtown Pleasanton retailers. This is supported by comparative sales analysis in Pleasanton spanning 2011, the year before the Outlets opened, and 2013, the year following the Outlets opening. This suggests that City of Pleasanton as a whole did not experience any retail sales repercussions associated with this significant retail addition to the region's retail base. This also supports the finding that the Project's impacts on the existing retail base may be limited, given the greater size of the San Francisco Premium Outlets relative to the Project.

Costco Case Study Findings

Case study research in select California communities with Costco stores provides some insight into the potential for more granular store impacts than results from the study's quantitative analysis. This includes research in Livermore, where the Costco store opened in 1993 but where gasoline sales were added within the past 5 years, plus Hayward and Huntington Beach, which have some sales base comparability to Pleasanton and newer Costco stores opened in 2009 and 2012, respectively. The case study findings indicate that none of the cities noted negative impacts on the existing business community associated with Costco, including the small business community, downtown, gas stations, or food stores. In the case of Huntington Beach, the Costco store was instead seen as a catalyst for small business development and area economic development, with spin-off benefits noted for other, previously struggling retail districts.

These case study findings indicate that other communities of a similar scale to Pleasanton did not experience negative impacts on their retail community when local Costco stores were developed. This includes no reported small business community impacts or impacts on gasoline stations. Therefore, these findings suggest the study conclusion that the Project's Phase I development could result in food store sales impacts is a conservative conclusion, not borne out by the experience in comparable cities.

Secondary Impacts

In addition to sales impacts throughout the Project's market area, there will be potential for more localized secondary impacts on the businesses located in the area proposed for the Johnson Drive EDZ. These include a higher volume of traffic through the area impacting employees and customers as well as existing businesses encountering a more competitive environment when seeking land or building acquisition for expansion purposes. Yet there are also potential beneficial impacts including traffic-related benefits associated with enhanced visibility of existing businesses, the proximate availability of low cost club retail merchandise and gasoline, other shopping and eating opportunities close to work, and possible long-term property value increases associated with economic development improvements throughout the area. Thus, as noted in the Huntington Beach Costco case study, Project development could serve as a catalyst for economic development, bringing shoppers to an area that was previously underutilized, and creating synergistic opportunities for business growth.

Cumulative Project Sales Impacts

ALH Economics identified 12 potential cumulative retail development projects in or near the market area. Cumulative projects are defined as retail developments that have the potential to generate net new retail sales that may be competitive with the Project, especially sales generated by market area consumers. Of these 12 projects, eight are anticipated to be completed by the end of 2018, concurrent with the Project's Phase I. The remaining four projects have unknown timing because they are either in very early planning stages or are phased projects that do not have estimated starting dates for the outstanding retail portion. These projects are assumed to be completed by the Project's Full Buildout timeframe.

The cumulative projects will have their own unique market areas, so only a portion of the cumulative project retail space will be competitive with the Project or relate to the market area sales

base. This share of space is estimated to total 173,321 square feet by 2018. There are 293,721 total square feet of estimated occupied development with unknown timing; however, a portion of this square footage may be developed between those years. This brings the total competitive square footage estimate to 467,042 square feet for the market area and surrounding areas, exclusive of the Project. Notably, these figures include one retail project in Dublin that City of Dublin representatives suggest may convert to an all residential project.

Cumulative project analysis taking into consideration the portion of Project and cumulative project retail space anticipated to capture sales from the Project's market area, future market area demand for retail, and timing of development indicates that by the completion of Phase I, suggest there will be a projected shortfall of 111,200 square feet of market area demand to support the cumulative projects. This is a nominal amount of shortfall based upon the current size of the combined retail base in Pleasanton and Dublin, which comprises 9.2 million square feet. If this 11,200–square-foot increment of retail space became vacant as a result of the cumulative projects (possibly including the estimated Phase I Project grocery store impacts), the current retail base vacancy rate would increase by 1.2%. This retail vacancy increment is very low, and would comprise an insignificant impact on the market area's retail base.

By the time Project Full Buildout occurs, there will continue to be insufficient new market area demand to absorb all the cumulative projects with known development timeframes. Similar to the Phase I timing analysis, however, this insufficient demand is estimated to be relatively low. Inclusive of the cumulative project anticipated to be unlikely to be developed as retail, this demand shortfall comprises an estimated 267,650 square feet. Excluding the unlikely development project reduces this figure to 154,800 square feet. Thus, the market area retail base vacancy rate is estimated to increase by 1.7% to 2.9% by Full Buildout pursuant to the cumulative retail development.

The degree to which these percentage increases will be significant to the market will depend upon the prevailing market conditions at the time of Full Buildout. While these conditions cannot be predicted, current conditions suggest that the projected increases in vacancy attributable to the cumulative projects at Full Buildout will not be detrimental to the commercial retail market, and that the market would continue to operate within healthy parameters. Therefore, ALH Economics concludes that the cumulative projects, inclusive of the Johnson Drive EDZ Project, are unlikely to result in negative sales impacts contributing to the potential for prolonged economic impacts and that urban decay is not likely to occur in the market area.

Hotel Impact Analysis

The Project has the potential for a 150- to 231-room hotel. There are a minimum of 15 existing hotels in Pleasanton and Dublin with a total of 2,297 rooms. These hotels represent five classes of hotel, including economy, midscale, upper midscale, upscale, and upper upscale. All of the existing hotels appear to be in good general repair, with attractive physical conditions and no signs of urban decay or deterioration, such as litter, graffiti, weeds or rubbish. Average annual occupancy rates of the hotels vary with economic conditions, with occupancy ranging from a low of 56% in 2009 at the peak of the Great Recession to 81% in 2015.

ALH Economics projected future demand for hotel rooms and assessed the Project's impact on future occupancy to identify if there could be negative impacts on occupancy sufficient to cause existing hotels to close. Demand was projected out at the combined projected employment rate for

Pleasanton and Dublin. This analysis effectively accommodates hotel rooms demand associated with expansion of the city's economic base. The results indicate that in 2018, when the Project's hotel is assumed to be added to supply for the full year, occupancy is projected to range from 79% to 81%. On the low end this rate is above the industry standard hotel occupancy rate of 75% and at the high end the rate is generally equivalent to the current baseline rates. Thus, the addition of the Project hotel is not anticipated to result in negative impacts on the existing hotel base contributing to potential hotel closure.

In addition to the Project, there are two cumulative hotels planned. This includes the 122-room Aloft Hotel at Grafton Plaza in Dublin, anticipated to be added to supply in 2017, a year before the Project, and the 75-room Project Clover hotel in Dublin, anticipated to be added to supply in 2018, the same year as the Project hotel. The near-term results after the addition of the new Grafton Plaza hotel in 2017 indicate that hotel occupancy is projected to remain stable at 81%, the rate noted in 2015. When the Project Clover and Johnson Drive EDZ Project hotels are further added to supply in 2018 the occupancy rate is projected to decrease, down to 73% to 75%, and recover thereafter. These projected rates are close to or above industry standard levels, and exceed levels achieved by the market as recently as 2011 and 2012. Thus, market performance is anticipated to remain close to or above industry standard levels reflective of a healthy hotel market. Therefore, the study concludes that the Project and cumulative projects may result in reduced occupancy among existing hotels, but that the existing hotels are not anticipated to be impacted to the point that hotel closure is a potential risk.

CEQA URBAN DECAY DETERMINATION

Definition of Urban Decay

For the purpose of this analysis, urban decay is defined as, among other characteristics, visible symptoms of physical deterioration that invite vandalism, loitering, and graffiti that is caused by a downward spiral of business closures and long term vacancies. This physical deterioration[1] to properties or structures is so prevalent, substantial, and lasting for a significant period of time that it impairs the proper utilization of the properties and structures, and the health, safety, and welfare of the surrounding community. For this study, urban decay is only considered a risk factor if the economic impact analysis suggests the potential for prolonged market area vacancies to occur resulting from Project- and cumulative project-related sales impacts.

Retail Market Characteristics

Historically, Pleasanton has maintained a healthy retail market sector, while Dublin has experienced more fluctuations. As of 4th quarter 2015 Pleasanton had an overall retail vacancy rate of 2.3%. This rate comprises a relative low in recent years, since hitting a peak of 6.0% in 4th quarter 2012. Prior to that time period the Pleasanton vacancy rate was as low as 1.4% in 1st quarter 2007, which is an exceedingly low vacancy rate. All of these rates, however, indicate an

[1] The manifestations of urban decay include such visible conditions as plywood-boarded doors and windows, parked trucks and long term unauthorized use of the properties and parking lots, graffiti and other building defacement, dumping of refuse on site, overturned dumpsters, broken parking barriers, broken glass littering the site, dead trees and shrubbery together with weeds, lack of building maintenance, homeless encampments, and unsightly and dilapidated fencing.

extremely healthy and very stable retail base throughout the city. The retail market in Dublin is not as strong as in Pleasanton, but is still operating within healthy parameters. Dublin retail vacancy peaked at 14.7% in the 3rd quarter of 2009, but dropped by 2011 to below 10.0%. Since then, vacancy was lowest in 1st quarter 2015, at 3.9%, which is an extremely low vacancy rate. The vacancy rate as of 4th quarter 2015 was slightly higher at 5.9%, but still relatively low by commercial market standards. These favorable retail vacancy rates in Pleasanton and Dublin bode well for the market area with respect to any potential increases in vacancy attributable to potential Project impacts resulting in store closures.

Retail vacancies in Pleasanton and Dublin are finding new tenants. At least 35 retail leases were executed in Pleasanton over the one-year time frame from approximately mid-January 2015 to mid-January 2016, totaling approximately 72,000 square feet. Comparable figures in Dublin over the same time frame were 44 leases totaling over 140,000 square feet. These lease transactions ranged in size, up to 19,500 square feet. Over a longer period of time the Pleasanton market alone has demonstrated the ability to backfill even larger spaces, including spaces vacated by grocery stores.[2] Field observation indicates that properties that are not immediately backfilled and remain vacant are in generally good condition and do not exhibit signs of urban decay. These factors suggest that retail vacancies that might occur in the Project's market area as a result of Project or cumulative project economic impacts will be well-maintained during any period of vacancy and will not contribute to conditions of urban decay or deterioration.

Urban Decay Conclusion

ALH Economics focused on determining whether or not physical deterioration in existing retail centers and area hotels would likely result from the opening of the Project and other cumulative retail or hotel developments in reaching a conclusion about economic impacts contributing to or leading to urban decay. The conclusion is based on consideration of current market conditions, findings regarding diverted sales, and regulatory controls. Highlights of these findings are as follows:

> ***Current Market Conditions***: The fieldwork and market research indicated that retail market conditions are moderate to very strong in the market area's core commercial areas, with low to moderate retail vacancy rates. Retail leasing activity is strong and existing vacancies are well maintained.
>
> ***Sales and Vacancy Impacts:*** The findings suggest the Project's Phase I development could potentially result in the closure of one grocery store and that at Full Buildout the cumulative project impacts (including the Project) could result in a modest increase in the market area's vacancy rate, as new market area demand will not be sufficient to support all the competitive retail space. While the grocery store closure is deemed unlikely, due to factors such as the anticipated distribution of impacts and the lack of variety and bulk orientation of goods available at club retail stores, even if the modest amount of vacancy occurs, the resulting vacancy rate increment will be nominal, with the resulting vacancy rate well within the range indicative of a healthy retail market. Moreover, the market's demonstrated retail absorption, including backfilling of larger retail spaces, coupled with the strong to

[2] Backfilling refers to re-tenanting of vacant retail spaces.

moderately strong market conditions, suggest that vacancies that might occur as a result of the cumulative project impacts would likely be backfilled within a reasonable time and not be characterized by prolonged vacancy.

Even if some sites experience prolonged vacancy because they might be of a size that experiences less demand or they are located in shopping centers with poor visibility or other undesirable characteristics, the prevailing conditions in the market area suggest that these vacancies would be well-maintained and would not devolve into urban decay or deterioration. Moreover, it should be noted that when tenants vacate prior to lease expiration, they continue to be responsible for rent and their share of building operating expenses, such as the Fresh & Easy example in Exhibit 46. While not all tenants would have the wherewithal to continue these payments, national or regional retailers are more likely to have this capability. This is an important consideration because landlords would continue to receive income on these vacated spaces through committed lease payments, which means they would have available financial resources to continue to maintain their properties.

Regulatory Controls: During Project-related fieldwork conducted in February 2016, ALH Economics found there were little-to-no visible signs of litter, graffiti, weeds, or rubbish associated with existing commercial nodes in the Project's market area. Thus, ALH Economics concludes that existing measures to maintain private commercial property in good condition in Pleasanton and Dublin are generally effective and would serve to help preclude the potential for urban decay and deterioration in the event any existing retailers in the market area close following the operations of the Project and other cumulative retail projects.

Based upon these findings, ALH Economics concludes that the Johnson Drive EDZ Project and the identified cumulative projects would not cause or contribute to urban decay.

Fiscal Impact Analysis

A fiscal impact analysis of the Project was prepared based upon the methodology and assumptions included in a fiscal impact study prepared for the entirety of the Johnson Drive EDZ in February 2015.[3] This study used the City of Pleasanton's Fiscal Year 2014/15 Operating Budget as a key resource. ALH Economics updated some of the factors included in this fiscal impact study pursuant to the more recent Fiscal Year 2015/16 budget as well as operating characteristics specific to the Project included in this analysis, such as taxable sales performance and forecasted sales diversions.

The fiscal impact analysis results indicate that on a worst case basis, assuming that all diverted sales are diverted from Pleasanton retailers (as opposed to retailers outside of Pleasanton), the Project is anticipated to generate a projected $1.4 to $1.7 million annual contribution to the City of Pleasanton's General Fund at the completion of Phase I. This net revenue estimate increases to $2.1 to $2.3 million annually upon Full Buildout. At Full Buildout these net fiscal revenues represent an annual contribution equivalent to approximately 2.1% to 2.3% of the City's General

[3] "Draft Summary – Johnson Drive EDZ Fiscal Impact Analysis, City of Pleasanton," February 5, 2015, Brion & Associates.

Fund expenditures. This analysis does not include any potential City of Pleasanton share of Project-related transportation costs, which will be ultimately determined by the Pleasanton City Council. The expenditure of any such costs will result in a reduction in the Project's estimated annual net fiscal revenues.

The fiscal impact analysis for the entire Johnson Drive EDZ included a lower per square foot sales estimate for the Project's club retail space than projected in this study. This figure was $700 per square foot vs. the $1,152 per square foot figure included in the economic impact analysis. Net fiscal impacts results reflecting this lower per square foot club retail sales performance estimate include a range of $1.1 to $1.4 million at the completion of Phase I and $1.9 to $2.2 million annually upon Full Buildout. Thus, the net fiscal impact results would be equal to approximately 79% to 86% the amount projected with the higher club retail sales performance estimate.

II. INTRODUCTION

STUDY BACKGROUND

The City of Pleasanton proposes to implement a pilot Economic Development Zone ("EDZ", or "Project") within a 40-acre area along Johnson Drive currently developed with office, commercial, institutional, and industrial uses. The EDZ would allow the City of Pleasanton to use zoning and land use designations, incentive programs, completed CEQA documentation, and standards and guidelines to streamline the development process and encourage new investment. ALH Urban & Regional Economics was engaged to examine the net increment of the Project development in addition to "Existing Development", which includes general retail among other uses, such as commercial service, office, industrial, and institutional/religious space, some of which will be phased out gradually from the area over the period of Full Buildout. This net increment includes "Phase I" development, which includes the development of club retail, general retail, and hotel uses, and "Full Buildout" development, which includes Phase I as well as additional general retail.

The Project site is in a commercial area with other nearby commercial establishments, industrial uses, and a hotel (see Exhibit 1 for site location). At Full Buildout the proposed EDZ will include a total of 227,940 square feet of general retail, a 148,000-square-foot club retail store, and either an 88,000-square-foot hotel with 150 rooms (Option 1) or 132,000 square feet of hotel space with 231 rooms (Option 2).[4] At Full Buildout this equates to a cumulative net new 189,037 square feet of general retail, 148,000 square feet of club retail, and either 150 or 231 hotel rooms. The Project's Draft Supplemental Impact Report (Draft SEIR) reflects analysis of a 150-room hotel. However, this study also conservatively analyzes a larger hotel option with 132,000 square feet.

The City of Pleasanton circulated the Draft SEIR for the Project, which tiers from EIRs prepared previously by the City for its General Plan update and Housing Element and Climate Action Plan. Several comments submitted by public stakeholders as well as City of Pleasanton Planning Commission members have requested that the Final SEIR include the results of an analysis of potential economic impacts that would be caused by the Project. In addition, the City requested that a fiscal impact analysis of the Project be completed, consistent to the extent possible with a February 2015 fiscal impact study prepared for the Johnson Drive EDZ in its entirety, which included analysis of several potential development scenarios.

To support this effort and comply with the California Environmental Quality Act ("CEQA"), ALH Urban & Regional Economics ("ALH Economics") was asked to prepare an analysis of the economic effects of the project, including the potential for the Project to cause or contribute to urban decay and to assess the Project's fiscal impact on the City of Pleasanton's General Fund. The decision by the Fifth District Court of Appeal in *Bakersfield Citizens for Local Control v. The City of Bakersfield* indicated that CEQA requires a lead agency to consider and analyze the potential for the introduction of planned retailers to result in adverse physical impacts on the environment by causing a chain reaction of store closures and long-term vacancies, otherwise referred to as a condition of "urban decay." This analysis is not required for all projects subject to CEQA, but only projects where there is the perceived potential for urban decay or deterioration to result. In

[4] Option 2 could include more than one hotel. For the sake of simplifying the presentation and analysis, the balance of the report and analysis refers to this as one hotel option with 231 rooms.

addition, a fiscal impact analysis is not a required component of CEQA. The comment period for the Draft SEIR ended November on 23, 2015.

This study addresses the Bakersfield decision by considering the potential impact of the Project in conjunction with the introduction of other relevant cumulative retail and hotel developments. The key indicator from a CEQA perspective is impacts on the existing physical environment, which in the context of an urban decay analysis includes existing stores and commercial real estate conditions, as measured by the current baseline. The Notice of Preparation (NOP) for the EIR was released in August 2014 and the Draft SEIR was released in September 2015. The market conditions were most recently assessed in February 2016, comprising the study baseline. Other data included in the report were the most recently available at the time of study initiation. For study purposes, Phase I of the Project is anticipated to be completed and fully operational in 2018 and Full Buildout is anticipated to occur by 2028.

STUDY TASKS

ALH Economics engaged in numerous tasks to complete this assignment assessing the prospective economic and fiscal impacts of the Project. These tasks included the following:

- Identified the Project's market area, i.e., the area from which the majority of the Project's consumers are anticipated to originate;
- Developed a definition of the Project, including net incremental square footage estimates by type of space and by Phase;
- Estimated the Project's net retail sales;
- Conducted fieldwork to review the Project's site and evaluate existing market conditions;
- Conducted retail sales leakage analyses for the cities of Pleasanton and Dublin;
- Estimated demand generated by households added to the market area by the time the Project achieves stabilized sales;
- Estimated the Project's economic impacts on existing retailers;
- Identified planned market area retail projects;
- Assessed the cumulative impacts of planned retail projects;
- Assessed the Project's economic impact on the existing hotel market;
- Assessed the extent to which operations of the Project and the cumulative projects may or may not contribute to economic impacts contributing to or leading to urban decay; and
- Estimated the annual net fiscal impact of the Project at the completion of Phase I and full buildout.

The findings pertaining to these tasks are reviewed and summarized in this report, with analytical findings presented in the exhibits in Appendices A and B.

STUDY RESOURCES AND REPORT ORGANIZATION

Study Resources

The economic impact analysis relied upon a number of key resources. These resources are all identified in the sources and notes to the exhibits developed to support the analysis. These resources include the following:

- *Governmental resources.* These sources include representatives from the City of Pleasanton Planning, Economic Development, and Code Enforcement; City of Pleasanton Operating Budget Fiscal Year 2015/16 – FY 2016/16; City of Dublin Planning Department; City of Hayward Community Development Department; City of Huntington Beach Economics Development Department; City of Livermore Economic Development Department; the United States Bureau of Labor Statistics, Consumer Price Index; the U.S. Census, U.S. Economic Census; State of California Board of Equalization; Association of Bay Area Governments (ABAG), "Population & Household Projections 2013"; City of Pleasanton Municipal Code; City of Dublin Municipal Code; and U.S. Bureau of Labor Statistics, Consumer Expenditures Survey.

- *Third party resources.* These sources include Environmental Science Associates; Costco Wholesale Corporation 10-K form and Annual Report for the fiscal year ending August 30, 2015; Walmart Inc. 10-K Form for the fiscal year ending January 31, 2015; Streetlightdata.com; Hinderliter de Llamas (HdL); CB Richard Ellis; CoStar; Nielsen, a national resource for demographic estimates and projections; Retail Maxim, a retail industry performance resource; Tax Policy Center; californiagasprices.com; Smith Travel Research; GoogleMaps; ESRI ArcMap; US Census Tigerline Shapefiles; Yelp; and Brion & Associates. In addition, ALH Economics was asked to reach out to two parties interested in the environmental review process for the Johnson Drive EDZ. These included Carrie Fox of Cox Family Stores, a local chain of gas stations, and Bill Wheeler, Manager of Black Tie Transportation, a transportation provider located in the Johnson Drive EDZ. Both parties declined the opportunity to discuss their concerns with ALH Economics.

All of these resources are identified as warranted in the text and/or the series of exhibits found in Appendices A and B that document the study analysis.

Report Organization

This report includes 10 chapters, as follows:

I. Executive Summary
II. Introduction
III. Project Retail Sales Estimation
IV. Market Area Definition, Share of Project Sales, and Retail Characterization
V. Market Area Demographics and Retail Spending Potential
VI. Project Sales Impact Analysis
VII. Cumulative Project Impacts
VIII. Hotel Impact Analysis
IX. CEQA Urban Decay Determination
X. Fiscal Impact Analysis

This report is subject to the appended Assumptions and General Limiting Conditions.

III. PROJECT RETAIL SALES ESTIMATION

A description of the planned EDZ Project and ALH Economics' estimates of the retail sales generated by the Project are presented below. This includes sales generated by retail category. This estimate is necessary to facilitate analysis of the Project's economic, urban decay, and fiscal impacts.

PROJECT DESCRIPTION

This analysis evaluates the proposed incremental retail and hotel development of the EDZ Project. The focus in this chapter includes the anticipated retail sales generated by the Project. The Project components include new general retail and club retail development in addition to a small amount of existing retail development. The full development program is presented in Exhibit 2, and summarized below in Table 2.

In summary, the development program includes 375,940 square feet of retail space upon full buildout. Of this, 38,903 square feet currently exist. Thus, the net square footage includes 5,000 square feet of general retail space and the 148,000-square-foot club retail space in Phase I. The incremental amount of retail space anticipated to be further developed by buildout, which is anticipated by 2028, is another 184,037 square feet of general retail space.

Table 2. Summary Project Square Feet and Hotel Rooms

	Development Characteristics			Incremental Development		
Development	Existing	Phase I	Full Buildout	Phase I	Full Buildout	Total
Retail						
General Retail	38,903	43,903	227,940	5,000	184,037	189,037
Club Retail	0	148,000	148,000	148,000	0	148,000
	38,903	**191,903**	**375,940**	**153,000**	**184,037**	**337,037**
Hotel Option 1	0	150 rooms	150 rooms	150 rooms	0	150 rooms
Hotel Option 2	0	231 rooms	231 rooms	231 rooms	0	231 rooms

Source: Exhibit 2.

Thus, as noted in Table 2, the total amount of net new retail space upon buildout will include 189,037 square feet of general retail space and 148,000 square feet of club retail space, totaling 337,037 square feet of net additional retail space. Hereafter, all reference to retail space planned for the Project includes this net increment of retail space.

PROJECTED SALES

Retail Categories

There will be several retail sales components associated with the Project. These include general retail space and club retail space. Given anticipated Project phasing, the first new Project sales are anticipated to occur in 2018, with the balance of sales anticipated to occur by 2028. The sales for the general retail and club retail space will differ dramatically, given the difference in

market orientation, with club retailers typically oriented toward bulk sales and/or discounted pricing with a no frills shopping setting.

ALH Economics engaged in an estimation procedure for both types of retail space to develop assumptions regarding space allocation by type of retail good and then sales by type of retail good. The approaches were different for the different types of retail space but the goal for both was to develop sales estimates for the retail categories consistent with the retail categories defined by the State of California Board of Equalization (BOE), which publishes taxable retail sales figures for cities and counties. To maximize the use of these data, the analysis is benchmarked to the BOE retail categories and the related sales figures reported in its *Taxable Sales in California* publication (with some adjustments, as noted in the Retail Sales Base Characterization chapter.) These categories, as typically reported for cities, are listed below, including examples of representative retail goods by category.[5]

- Motor Vehicles & Parts (new and used auto sales, auto parts and tires);
- Home Furnishings & Appliances (furniture, electronics, home appliances, linens, bed and bath supplies);
- Building Materials & Garden Equipment (hardware stores, home improvement stores, nurseries);
- Food & Beverage Stores (grocery stores, convenience stores, liquor stores);
- Gasoline Sales (gas stations);
- Clothing & Clothing Accessories Stores (apparel, boutiques, shoes, western wear, purses);
- General Merchandise Stores (department stores and dollar stores);
- Food Services & Drinking Places (restaurants and bars); and
- Other Retail Stores (a wide range of retailers, such as pet supplies, office supplies, drug store sales, sporting goods, jewelry, florists, and gifts).

Notably, these retail sales categories do not include some services that typically occupy commercial retail space, including personal and business services such as hair and nail salons, postal services, and banks and insurance companies.

The BOE records a retailer's sales in only one sales category. For example, the actual sales for a club retailer are reported by the BOE under the General Merchandise classification. For purposes of this study, however, the impact of the Project's club retail space is more appropriately analyzed across several retail categories since the new retail space will likely compete with a range of retailers, not just general merchandise retailers.

The approach to estimating the share of Project sales by category and associated sales follows.

Club Retail Space by Retail Category and Total Sales

The operator for the Project's club retail space has not been identified. The universe of club retailers is relatively limited, primarily including Costco and Sam's Club. Consequently, ALH Economics researched performance data for both retailers to develop estimates of the Project's club retail sales by retail category. This included obtaining information about typical store sales by the categories defined by each retailer, allocating and translating these sales into BOE

[5] The category list is based on the 2013 *Taxable Sales in California* report (Table 5), which was the most recent full year of reported data provided by the BOE at the time of this study.

categories, developing a study assumption regarding sales distribution by BOE category, developing a store sales per square foot estimate, and allocating the resulting store sales estimate across the retail categories.

The process of store sales space allocation is documented in Exhibits 3 through 5. Exhibit 3 includes analysis regarding the percentage distribution of sales by BOE retail category. This is based upon information included in investor documents on file with the United States Securities and Exchange Commission and assumptions developed by ALH Economics based upon site visits and knowledge of Costco stores. Exhibit 4 includes comparable estimates for Sam's Club, based upon similar sources. Exhibit 5 then averages the resulting percentage distributions for the two club retailers to develop a study assumption regarding the distribution of club retail sales. ALH Economics then translated these percentage distributions into estimated space allocations for the Project's club retailer, also shown in Exhibit 5. The result indicates that the largest allocation of space is anticipated to comprise Food & Beverage sales space, with 51.5% of the total store space. The next largest category is the Other Retail category, at 11.9%. All other categories are assumed to comprise sales shares less than 10.0%.

To estimate the Project's club retail sales ALH Economics examined sales performance at the same two club retailers – Costco and Sam's Club. The sales performance analysis for Costco is presented in Exhibit 6 while the sales performance analysis for Sam's Club is presented in Exhibit 7. The results indicate estimated 2015 sales per square foot performance of $1,152 per square foot for Costco and $671 for Sam's Club. At these sales rates, the club retail total sales would be $170.4 million using the Costco sales performance and distribution information and $99.3 million using the Sam's Club sales performance and distribution information (see Exhibits 6 and 7, respectively).

The sales assumption for the club retail space is an important assumption for the economic impact analysis. This assumption determines the total sales estimate, which in turn impacts the degree to which the club retail component could, in combination with the general retail space, result in prospective sales impacts on existing retailers. The larger the club retail sales figure the greater the potential for sales impacts. The opposite is of course true, which is that the lower the club retail sales figure the less potential for sales impacts.

For analytical purposes ALH Economics assumes the Project's club retail space will perform at the sales level comparable to Costco. The implications of this assumption are discussed below, in the **Total Project Sales** section.

General Retail Space by Retail Category

There are no specific retailers currently identified to comprise the Project's general retail component. ALH Economics therefore prepared generic assumptions to shape the analysis. The most significant assumption is the allocation of the Project's general merchandise space by type of retail category (see Exhibit 8). This assumption is equal allocations of space by retail category with several exceptions. One exception is an allocation of no retail space to the Food & Beverage store and Gasoline sales categories. This is attributable to the expectation that the club retail space will include both these sales categories, such that demand by other food and gasoline retailers would be limited in the balance of the Project. The other exception is that the Other Retail category was ascribed a double weight of space, i.e., twice as much space as any of the other categories. This is attributable to the wide range of retailers represented by the Other Retail category, such as office supply stores, pet supply stores, book stores, and gift

shops. The result is building blocks of 12.5% or 25% of the total Project space, reflecting the incorporation of seven retail categories and double-weighting of the Other Retail category.

The resulting allocations of general retail space by type of retail were adjusted for a stabilized vacancy rate. This is due to the expectation that retail sales will be generated by occupied retail space and not vacant retail space. Because retail vacancy tends to be low in Pleasanton, the stabilized vacancy rate included in this analysis is 5%. Thus, the general retail space sales estimate is based on an occupied square footage of 4,750 square feet for Phase I, an incremental 174,835 square feet by Project buildout, and a total of 179,585 square feet for the entire Project.

Project Sales

The Project's estimated retail sales are presented in Exhibit 9. This includes estimates for the general retail space and the club retail space. For the general retail space sales per square foot estimates were developed based upon national averages associated with the assumed retail categories. These sales figures are based upon analysis of trend data presented by Retail Maxim, a retail industry performance resource. Retail Maxim, prepares an annual publication that culls reports for numerous retailers and publishes their annual retail sales on a per square foot basis. This type of information for a range of retailers or type of retailers is presented in Exhibit B-1 annually from 2010 through 2013. The figures are then averaged and presented in inflated 2015 dollars as a generalized estimate of sales per square foot for key retail categories. The resulting sales per square foot range from a low of $297 per square foot for General Merchandise stores to a high of $643 per square foot for Food and Beverage Stores (e.g., grocery stores). The total club retail store sales estimate is also presented in Exhibit 9. This sales figure is based upon the $1,152 per square foot store sales estimate pursuant to analysis of national average Costco performance. As noted earlier, application of this high sales rate is the most conservative approach to estimating club retail store sales given that the higher the store sales figure the greater the potential for store impacts.

The results of the Project's total sales estimates are presented in Exhibit 9 and summarized below in Table 3. This indicates that total Project sales will comprise $172.6 million in Phase I, an additional $69.0 million for the subsequent increment of space to buildout, with a grand total of $241.3 million. The allocation of total sales is approximately 30% generated by the general retail space and 70% generated by the club retail space.

Table 3. Summary of Total Project Sales

Retail Category	Phase I	Increment to Buildout	Total
General Retail	$1,873,558	$68,960,801	$70,834,359
Club Retail	$170,441,418	$0	$170,441,418
Total	**$172,314,976**	**$68,960,801**	**$241,275,777**

Source: Exhibit 9.

While these sales estimates pertain to the total project sales, not all the estimated club retail store sales will be competitive with existing retail operations. This is because club retail membership at stores such as Costco includes business and household members. Some business members include businesses that purchase items wholesale from a club retailer, and then resell the items as part of their business operations. Businesses with resale licenses do not

pay sales tax on the purchased items. Thus, sales made under these circumstances are not considered taxable retail sales. As such, these sales are not competitive with the existing retail base, the size of which is estimated based upon taxable retail sales reported by the State of California Board of Equalization (see Chapter VI).

Using Costco as a study resource, nationally 24% of paid Costco memberships in 2015 were Business or Business add-on memberships.[6] However, Costco provides paid memberships with one free household card. Thus, business and business add-on cards comprised 13% of all cardholders.[7] Costco materials indicate that many business members also shop at Costco for their personal needs, but these materials do not indicate the share of total business member purchases that are personal.

To minimize risk of overstatement, ALH Economics assumes that based on the preceding information, 13% of Costco members are business members. Not all business purchases will entail the resale of merchandise, as many businesses purchase goods from club retailers for other purposes, such as cleaning supplies, snacks, office supplies, etc. However, ALH Economics further assumes that business members making tax exempt purchases (and other purchases for resale, including food sales that are tax exempt for all consumers) spend twice as much as other business cardholders do to their purchase of inventory/merchandise for later resale. Therefore, using the Costco data as a source, the analysis assumes that 13% of the Project's club retail sales will be to wholesale customers, i.e., customers whose typical purchases are not reported as retail purchases, and 87% will be to household and business customers that qualify to pay sales tax on taxable items. The exception is gasoline sales, all of which are allocated to retail consumers as all of these sales are assumed to be taxed and not subject to resale.

Based upon the assumption split between retail consumers and wholesale consumers, the portion of Project club sales attributable to retail consumers is presented in Exhibit 10. These sales figures are summarized below in Table 4, and include $152.3 million for Phase I, an additional $69.0 million increment to buildout, and an overall total of $230.4 million.

Table 4. Summary of Project Sales Generated by Retail Consumers

Retail Category	Phase I	Increment to Buildout	Total
General Retail	$1,873,558	$68,960,801	70,834,359
Club Retail	$150,167,946	$0	150,167,946
Total	**$152,041,504**	**$68,960,801**	**$221,002,305**

Source: Exhibit 10.

The distribution of these sales by retail category is presented in Exhibit 9 for general retail and Exhibit 10 for club retail. These figures are consolidated in Table 5 below for both retail components.

[6] See "Annual Report 2015, Costco Wholesale, Fiscal Year Ended August 30 2015," pages 8 and 9/

[7] Ibid.

Table 5. Project Sales Made to Retail Consumers by Retail Category

Retail Category	Phase 1	Increment to Buildout	Total	Percent of Total
Motor Vehicles and Parts Dealers	$7,485,062	$0	$7,485,062	3%
Home Furnishings and Appliance Stores	$10,715,038	$7,048,093	$17,763,130	8%
Building Materials and Garden Equip.	$6,477,329	$6,552,455	$13,029,784	6%
Food and Beverage Stores	$76,369,862	$0	$76,369,862	35%
Gasoline Stations	$14,947,712	$0	$14,947,712	7%
Clothing and Clothing Accessories Stores	$5,274,272	$16,826,611	$22,100,883	10%
General Merchandise Stores	$11,700,451	$6,493,576	$18,194,028	8%
Food Services and Drinking Places	$953,937	$13,289,717	$14,243,654	6%
Other Retail Group	$18,117,840	$18,750,349	$36,868,189	17%
Total	**$152,041,504**	**$68,960,801**	**$221,002,305**	**100%**

Source: Exhibit 9.

Table 5 includes a summary of the estimated percent distribution of Project sales generated by retail consumers by retail category. This indicates that upon full completion of the Project, Food & Beverage Store sales are anticipated to comprise the largest share of sales, at 35%. This is due to the expectation that more than 50% of club retail store sales typically comprise food and beverage sales. The next largest category is the Other Retail category at 17%, which as described earlier includes a wide range of retail goods, such as office supplies, pet supplies, books, gifts, and jewelry. This is followed by Clothing & Clothing Accessories at 10%. All other retail categories range from an estimated 3% to 8% of the total retail sales anticipated to be generated by retail consumers.

IV. MARKET AREA DEFINITION, SHARE OF PROJECT SALES, AND RETAIL CHARACTERIZATION

This report chapter discusses the approach to estimating the Project's market area, which is the area from which the majority of shoppers are anticipated to originate. This chapter describes the market area and characterizes the area's existing retail inventory

PROJECT MARKET AREA DEFINITION

Approach to Defining Market Area

The Project's market area definition for consumer retail sales is based on the principle that most consumers will travel to the shopping destination most convenient to their homes given the type of goods available. A market area is the geographic area from which the majority of a retail shopping center's demand is anticipated to originate. Several tasks were completed to identify the Project's market area, foremost of which included mapping the location of the Project relative to other club retail and shopping centers, including existing or planned stores, and taking into consideration comparative travel time and the size and composition of the retail base in the market area.

Market Area Conceptual Description

In developing a market area, ALH Economics strives to identify the area from which the majority of demand for a shopping center will originate, typically at least 70%, based upon the following industry resources.

Materials published by major industry organizations indicate that a retail store's trade area generally supplies 70% to 90% of the store's sales, while the remaining 10% to 30% of sales are attributed to consumers residing outside of the store's market area. In its Shopping Center Development Handbook, Third Edition, the Urban Land Institute (ULI) states the following:

> "A site generally has a primary and a secondary trade area, and it might have a tertiary area. The primary trade area should generally supply 70 to 80 percent of the sales generated by the site. These boundaries are set by geographical and psychological obstacles."[8]

ULI is a nonprofit research and education organization representing the entire spectrum of land use and real estate development disciplines. Among real estate, retail, and economic development professionals, this organization is considered a preeminent educational forum.

Information published by the International Council of Shopping Centers (ICSC), a trade association for the shopping center industry, also provides instructional information about market area definitions. In the recent publication Developing Successful Retail in Secondary & Rural Markets, the ICSC says:

[8] Shopping Center Development Handbook, Third Edition, Urban Land Institute, 1999, page 44.

> "A trade area is the geographic market that you will be offering to potential retailers as a consumer market. … Defining a retail trade area is an art and a science. In general, a trade area should reflect the geography from which 75-90 percent of retail sales are generated. Different stores can have different trade areas based on their individual drawing power and the competitive market context."[9]

In summary, these industry resources suggest that a retail project's trade area, or market area, typically is defined as the geographic area from which at least 70% of demand is anticipated to originate. However, depending upon the nature of the retail, the share of sales originating from the geographic area deemed most consistent with a market area can be less, as discussed below.

Market Area for Johnson Drive EDZ Project

ALH Economics conducted research to develop an estimate of the retail consumer market area for the Project, i.e., the area from which the majority of shoppers will originate. This market area took into consideration the location of other retail nodes where consumers can shop, including nodes with other club retail stores, as club retail will be a large portion of the Johnson Drive EDZ Project. The locations of similar club retail stores such as Costco and Sam's Club were taken into consideration (though there are no Sam's Club locations in the area, with the closest one 25 miles north in the City of Concord). For market area definition purposes, ALH Economics assumes that households that live closer to any other club retail store will shop there and not shop at the club retail in the Johnson Drive EDZ. However, locations closer to the Johnson Drive EDZ are assumed to comprise areas included in the Johnson Drive EDZ's market area.

To identify these closer areas ALH Economics selected several geographic locations and calculated their travel time and distance between Johnson Drive EDZ and the next nearest club retail store as well as noting both natural and man-made boundaries, area topography, and freeway access. This mapping was achieved using the Google Maps functionality. Thus, the general boundary of the Project's market area was determined based upon this mapping analysis. ALH Economics then superimposed census tract boundaries over the general boundary to identify the census tracts that would best comprise the market area for the Project. An advantage of using census tracts is that the market area definition is easily defined, easily replicable, and key demographic estimates and projections can often be readily available in this format.

Estimated drive times from household locations within each census tract were analyzed to determine which club retail stores were closer. This resulted in the identification of 18 full census tracts and three partial census tracts spanning the City of Pleasanton, the majority of the City of Dublin, and some unincorporated Alameda County areas. The three partial census tracts were modified to better define the market area as they included areas that were not reasonable to be included in the Project's market area. This is because they were either very large and included areas that are too far to be considered as part of the Project's market area, including areas hindered by natural boundaries or that have little-to-no population. These three partial census tracts are Census Tract 4506.01, 4507.01, and 4507.45. For Census Tract 4506.01, which is large and includes portions of the City of Pleasanton, Sunol Census Designated Place (CDP),

[9] Developing Successful Retail in Secondary & Rural Markets, International Council of Shopping Centers in cooperation with National Association of Counties, 2007, page 7.

and unincorporated Alameda County, ALH Economics modified the portion of this census tract for inclusion in the Project market area to follow along the geographical boundary for the City of Pleasanton down to where it meets Interstate 680. This adjustment removes areas of little-to-no population and areas that are bounded by natural boundaries such as Pleasanton Ridge Regional Park. For Census Tract 4507.01, a large census tract that also includes portions of the City of Pleasanton, Sunol CDP, and Unincorporated Alameda county, ALH Economics modified this census tract for the Project market area to follow along the northern portion of State Route 84 to where it meets Interstate 680 to remove areas too far to be deemed reasonable for the market area, as well as areas of little-to-no population. For Census Tract 4507.45, a medium-sized census tract, which includes portions of the City of Pleasanton and Unincorporated Alameda County, ALH Economics modified this census tract for the Project market area to follow along the eastern geographical boundary of the City of Pleasanton to remove the bodies of water in the unincorporated area from the market area where there is no population.

The resulting market area is presented in Exhibit 11, and includes the locations of key club retail stores considered in defining the market area.

MARKET AREA SUPPORT OF PROJECT SALES

For the purpose of this study, ALH Economics developed an estimate of the percentage of Project retail consumer sales from market area resident spending. This estimate is based on considering the geographic size of the market area, the Project size and tenant orientation, population density of the area, amount of existing retail in the market area, and Project proximity to major thoroughfares, including Interstates 680 and 580 and State Route 84. In addition, ALH Economics obtained data from streetlightdata.com to identify home locations of customers shopping at the Danville and Livermore Costco locations, as representative club retail shopping. These data provide an assessment of the home location of origin by zip code for shoppers with a smart electronic device traveling to these stores during calendar year 2013, which comprises the most recent time period for which these data are available. The home location is determined based upon the location where the device is observed to spend the greatest amount of time. While these data do not pertain to all store shoppers, for the sake of analysis ALH Economics assumes they are representative of all shoppers, and thus provide information on the market area definition of stores as well as store demand by geography.

Area Costco Market Areas and Project Club Retail Recaptured Sales

The streetlight.com data for the Danville Costco store are presented in Exhibit 12. These findings are also presented visually in Exhibit 13, which shows the density of demand for the store by zip code and the geographic dispersion of the store's market area. As these data indicate, demand for the Danville Costco store is strongest in the three zip codes that surround the store location. However, yet additional demand is generated from other zip codes radiating out from the store location, including zip codes located in the Project's market area. Based on the mapped zip code findings, ALH Economics believes the most appropriate market area definition for the Danville Costco store comprises the 8 zip codes above the dotted line on Exhibit 12, which includes all zip codes generating more than 1.7% of demand for the store. This includes the zip codes depicted on the map extending from Alamo south through Pleasanton, and east to include zip code 94588 but not Livermore's zip code 94550. These 8 zip codes are estimated to provide 58.6% of the store's shoppers. This includes repeat shoppers, as each shopper visit is counted separately.

The Danville Costco store information indicates that Costco market areas appear to obtain a high level of demand from shoppers dispersed over a wide area, likely associated with other shopping trips, travel, workday trips, etc. Thus, Costco stores appear to derive less than the typical amount of demand from a logically defined market area. This has bearing on the percent of demand the Project is estimated to derive from its market area. In addition, the Danville Costco store customer data indicate that the Danville store obtains significant demand from the zip codes that correspond with much of the Project's market area. These zip codes include 94568, 94588, and 94566. As noted in Exhibit 12, these three zip codes provide a collective total of 8.0% of shoppers for the Danville Costco store. Assuming that all shoppers spend equally, this suggests that 8.0% of the Danville Costco store sales are generated from the Project's market area. ALH Economics assumes that when the Project's club retail store is opened, these sales will be diverted from the Danville Costco store and comprise recaptured sales at the Project's club retail store. Thus, these sales that are already being made by market area retail consumers will comprise a base amount of sales for the Project's club retail space, generated by existing market area consumers.

Exhibit 14 presents shopper zip code of origin data for the Livermore Costco store. This exhibit demonstrates that the Livermore Costco store market area is even more diffuse than the Danville store, with 45.9% of store shoppers originating from zip codes comprising 1.7% or more of shoppers. This store additionally captures shoppers from further away, such as the Modesto and Stockton areas, which are over 40 and 50 miles away from the Livermore Costco store, respectively. ALH Economics believes this more dispersed shopper origin is influenced by the location of the large-scale Premium Outlets in Livermore, which has a wide geographic draw. Because of this wide dispersal ALH Economics did not prepare a representative map of the Livermore Costco market area. However, the information presented in Exhibit 13 indicates that 14.1% of the Livermore Costco store shoppers originate from the three zip codes that best correspond with the Project's market area. Thus, by extension, this suggests that 14.1% of the Livermore Costco store demand is generated by the Project's market area.

As with the Danville Costco store, ALH Economics assumes that when the Project's club retail store is opened, the market area sales captured by the Livermore Costco store will be diverted to the Project's store and comprise recaptured sales at the Project's club retail store. However, ALH Economics attributes greater weight to these recaptured sales than represented by the 14.1% share of demand. This is attributable to the assumed high retail sales achieved by the Livermore Costco store. Information obtained by ALH Economics regarding this store suggests that its performance exceeds national averages, with total store sales significantly greater than projected for the Project's club retail store, likely in the direction of 50% higher than projected for the Project. Thus, Project market area sales contribution of 14.1% to this store will comprise a greater percentage share of sales for the Project's club retail store. Applying a 50% higher factor results in an estimate of approximately 21% of Project club retail sales generated by market area shoppers already shopping at area club retail stores. Combining this figure with the 8% derived from the Danville store (assuming the Danville store performs on par with the Project store projection) results in an assumption that approximately 30% of Project club retail sales will comprise recaptured demand from existing market area consumers. This finding suggests that market area shoppers who want to shop at a club retail store are already doing so. Thus, these shoppers are unlikely to change their shopping habits other than to redirect their club retail shopping closer to home, at the Project's club retail component.

Notably, recaptured sales from existing club retail stores is an expected phenomena among club retailers. For example, in the company's 2015 10-K on file with the Securities and

Exchange Commission Costco states: "A new warehouse may draw members away from our existing warehouses and adversely affect comparable warehouse sales performance and member traffic at those existing warehouses."[10] This supports the assumption that a portion of Project club retail sales will be recaptured sales from existing club retail stores.

Share of Project Sales Generated by Market Area

Based on the preceding information, ALH Economics developed two different assumptions for the share of Project retail sales generated by market area residents. One assumption pertains to the Project's general retail space while the other pertains to the club retail space. The general retail space is anticipated to be relatively traditional retail space, with competitive opportunities located nearby and in other Tri-Valley communities. Thus, ALH Economics assumes that 80% of the demand for this space will be generated from the defined market area. Consumers living outside this market area are assumed to have similar nearby shopping opportunities, and be less likely to travel to patronize the Project's general retail space. This could be a conservative figure given that the Project's club retail space is anticipated to have a greater draw (see below), but this is a reasonable figure to assume based upon the preceding review of industry standards and the amount of retail in communities neighboring Pleasant and Dublin, which comprise the bulk of the Project's market area.

For the club retail space, however, ALH Economics assumes a smaller percentage of demand will originate from the market area. This is largely based on the findings pertinent to the Danville and Livermore Costco stores. These two stores have widely dispersed areas from which shoppers originate, with primary market areas that seemingly generate 58.6% and 44.4% of demand. Based on this finding, ALH Economics assumes that market area retail consumers will account for 60% of sales at the Project's club retail space.

Market Area Sales Generated by Market Area Consumers

Exhibit 15 presents the Project-based retail sales that comprise the core of the economic impact analysis. These are the sales that are anticipated to be generated by market area retail consumers, and which comprise sales that could be diverted from other market area retailers if sufficient new demand is not generated to support the sales. This takes in to account the earlier assumption that select sales will be wholesale in nature, and thus not competitive with the market area's traditional retail base, plus the recaptured sales from existing area club retail stores and the share of sales generated by market area consumers.

The competitive market area sales are presented in Exhibit 15 by type of retail, i.e., general retail and retail, and by development status, i.e., Phase 1, Increment to Buildout, and at Full Buildout. The total sales are summarized below in Table 6.

[10] United States Securities and Exchange Commission, Costco Wholesale Corporation 10-K form for the fiscal year ending August 30, 2015, page 8.

Table 6. Summary of New Project Sales Generated by Market Area Retail Consumers

Retail Category	Phase I	Increment to Buildout	Total
General Retail	$1,498,846	$55,168,640	$56,667,487
Club Retail	$63,070,537	$0	$63,070,537
Total	**$64,569,384**	**$55,168,640**	**$119,738,024**

Source: Exhibit 15.

This table indicates that the Project's competitive sales are estimated to total $64.6 million for Phase I, an incremental $55.2 million to buildout, and a total of $119.7 million upon Full Buildout.

The estimated distribution of sales by type of retail varies by retail component. The general retail sales allocation by retail category is summarized in Table 7 while the club retail space sales allocation by retail category is summarized in Table 8.

As noted below in Table 7, there are three retail categories where general retail sales are anticipated to exceed $10.0 million at Full Buildout. These include Other Retail, Clothing, and Food Services (e.g., restaurants).

Table 7. Project General Retail Sales Generated by Market Area Retail Consumers

Retail Category	Phase 1	Increment to Buildout	Total	Percent of Total
Motor Vehicles and Parts Dealers	$0	$0	$0	0%
Home Furnishings and Appliance Stores	$153,189	$5,638,474	$5,791,663	10%
Building Materials and Garden Equip.	$142,416	$5,241,964	$5,384,380	10%
Food and Beverage Stores	$0	$0	$0	0%
Gasoline Stations	$0	$0	$0	0%
Clothing and Clothing Accessories Stores	$365,722	$13,461,289	$13,827,011	24%
General Merchandise Stores	$141,136	$5,194,861	$5,335,998	9%
Food Services and Drinking Places	$288,849	$10,631,773	$10,920,622	19%
Other Retail Group	$407,534	$15,000,279	$15,407,814	27%
Total	**$1,498,846**	**$55,168,640**	**$56,667,487**	**100%**

Source: Exhibit 15.

The sales distribution is different for the club retail space, with the majority of sales anticipated to comprise food store sales. These sales are anticipated to comprise $32.1 million generated by market area residents not already making food purchases at other area club retail stores, as these diverted sales are not included in the figures cited in Table 8. All other categories are anticipated to comprise less than $7.5 million in sales generated by market area retail consumers.

Table 8. Project Club Retail Sales Generated by Market Area Retail Consumers

Retail Category	Phase 1	Increment to Buildout	Total	Percent of Total
Motor Vehicles and Parts Dealers	$3,143,726	$0	$3,143,726	5%
Home Furnishings and Appliance Stores	$4,419,892	$0	$4,419,892	7%
Building Materials and Garden Equip.	$2,645,710	$0	$2,645,710	4%
Food and Beverage Stores	$32,075,342	$0	$32,075,342	51%
Gasoline Stations	$6,278,039	$0	$6,278,039	10%
Clothing and Clothing Accessories Stores	$2,023,190	$0	$2,023,190	3%
General Merchandise Stores	$4,840,093	$0	$4,840,093	8%
Food Services and Drinking Places	$249,008	$0	$249,008	0%
Other Retail Group	$7,395,537	$0	$7,395,537	12%
Total	**$63,070,537**	**$0**	**$63,070,537**	**100%**

Source: Exhibit 15.

MARKET AREA RETAIL ORIENTATION

The Project will be located in a market area currently characterized by a large and healthy retail sector characterized by low retail vacancy rates. Thus the Project's club retail and general retail space will comprise a modest addition to an already large and varied retail base, which includes a range of big box, discount, traditional, and specialty retailers, many of which have regional draw.

The market area comprises desirable residential communities and offers unique regional amenities, including the Alameda County Fairgrounds and Pleasanton Ridge Regional Park, and is home to a strong office sector, including various business parks, such as Hacienda Business Park. Many companies are based out of Pleasanton, such as Workday, Veeva, and Ellie Mae. In addition, close proximity to Interstates 580 and 680 and BART make the market area attractive for Bay Area connectivity.

There are numerous retail shopping districts and shopping centers in the market area. Key shopping centers and districts are listed in Exhibit 16 and mapped for locational reference purposes in Exhibit 17, including locations relative to the Project site. In the discussion below, reference numbers for each cited shopping area are presented in parentheses following the area/center name, with the numbers matching ones referenced in Exhibits 16 and 17.

The largest retail option in the Project's market area is Stoneridge Mall (#5). With approximately 1.3 million square feet this regional mall includes many national big box and smaller retail chain options. Adjacent to the mall is JC Penney Plaza (#2), an older center with medium-sized chain stores such as Office Max and Cost Plus. Beyond this mall area, Pleasanton offers several small retail corridors with groupings of two or three shopping centers, mostly older neighborhood-serving centers that are well maintained. These areas include:

- Along the Hopyard Road corridor near Stoneridge Drive is a mix of service and retail at Gateway Square (#3) and the Crossroads Shopping Center (#4);
- Also along the Hopyard Road corridor near Valley Avenue is Gene's Fine Food/Rite Aid center (#8) and the upscale Hopyard Village (#9);
- In south Pleasanton on Bernal Avenue near Valley Avenue are Bernal Plaza (#29) and Pleasanton Gateway (#30), a newer retail center, which appears at the heart of newer multifamily development;

- Along the Santa Rita Road corridor near Valley Avenue are the small neighborhood-serving retail centers of Mission Plaza (#26), Amador Center (#27), and Valley Plaza (#28), which are mostly older, but well maintained with low vacancy; and
- Also along the Santa Rita Road corridor near Las Positas Boulevard are the small, neighborhood-serving retail centers of Santa Rita Square (#16) and Meadow Plaza (#17).

The southernmost part of the market area includes Downtown Pleasanton and select neighborhood-serving shopping centers. Downtown Pleasanton (#31) is a very pedestrian-oriented shopping district, with restaurants, boutique apparel stores, specialty stores, and hotels. Examples of specialty stores include western apparel, jewelry (new and repair), bakeries, floral-based gift shops, and home goods. Downtown Pleasanton largely comprises an approximate 7-block long area along Main Street, but with additional retailers located on adjoining streets. It is also adjacent to Pleasanton's Civic Center. This area is organized into the Pleasanton Downtown Association (PDA), which operates as an assessment district with the goal of developing and promoting a vibrant downtown community. Fieldwork observation suggests the PDA achieves this goal, with a unique mix of retailers, strong pedestrian shopper activity, and a friendly atmosphere, such as welcoming dogs into many of the small shops. There are currently several small shop vacancies in Downtown Pleasanton, but most already have new tenants in progress. For example, another coffee shop will be backfilling the former Tully's space and across the street a women's clothing store is being replaced by a women's shoe store.[11] Another example includes Tara's Organic Ice Cream, which left in December 2015, with the property owner negotiating a lease with an undisclosed new tenant. The speedy rate at which these Downtown Pleasanton retail vacancies are backfilled is a testament to the vibrancy of Downtown as an important Pleasanton shopping district.

Pleasanton's Pleasant Plaza (#34) is located near Downtown Pleasanton and a residential area. This small neighborhood-serving shopping center includes Cole's Market (a convenience store), Bob's Burgers, and non-retail services such as a barber and nail salon. Also in southern Pleasanton, Oak Hills Shopping Center (#36) is located adjacent to residential neighborhoods, This is a larger neighborhood-serving shopping center anchored by Raley's. Southern Pleasanton also features Vintage Hills Shopping Center (#37), which is a small neighborhood-oriented shopping center with a relatively new market, New Leaf Market, and a fitness center, Montessori school, jewelry store, frozen yogurt, and other neighborhood-oriented tenants.

A very large regional-serving retail node that straddles the Interstate 580 corridor includes retail in both the cities of Pleasanton and Dublin. To the south of Interstate 580, in Pleasanton, is an older retail node comprising Metro 580 (#7), Rose Pavilion (#24), and Pimloco Plaza (#25), which include stores such as Walmart, Kohl's, Party City, Macy's Furniture, Ranch 99, Dollar Tree, and Trader Joe's. Within the Dublin portion of this corridor there is newer retail stock which includes Persimmon Place (#10), Hacienda Crossings (#21), Dublin Corners (#23), and Shops at Waterford (#33), all within the Project's market area and Grafton Station (#32) and Fallon Gateway (#35), which both lie outside the Project market area. This Dublin section of the corridor includes stores such as Whole Foods, Nordstrom Rack, HomeGoods, TJ Maxx, Bed, Bath, & Beyond, Best Buy, Safeway, Lowe's, Target, and Dick's Sporting Goods.

[11] Backfilling refers to re-tenanting of vacant retail spaces

In Dublin, to the north across Interstate 580 from Stoneridge Mall, there is a large retail node along Dublin Boulevard, San Ramon Road, Amador Valley Boulevard, and Amador Valley Plaza. This node includes Dublin Place (#14), Dublin Plaza Center (#13), Dublin Center (#12), Almond Plaza (#11), Lamps Plus Plaza (#15), Shamrock Village (#18), Amador Plaza (#20), and a Safeway-anchored center (#21). These eight shopping centers include stores such as Target, Hobby Lobby, DSW Shoes, Michael's, OSH, Ross, Marshall's, Sprouts, Jo-Ann's Fabrics, REI, Dollar Tree, 99 Ranch, Sports Authority, and Safeway. This area of Dublin, near Interstate 680 and Dublin Boulevard, also includes Valley Center Shopping Center (#19), a small strip center with tenants such as restaurants, a nail salon, and a laundromat.

The market area also features shopping centers located adjacent to residential or office space but no other retail offerings. In Pleasanton these include Pleasanton Square Shopping Center (#1) located in northern Pleasanton near office space in Pleasanton and includes tenants such as Home Depot, Smart & Final Extra, Tap Plastics, and BevMo!. Val Vista Center (#6) is a Lucky-anchored neighborhood-serving shopping center located within a residential area.

As noted during February 2016 fieldwork, market area retail vacancies were actively being marketed and there was a lack of large big box type of vacancies, the exception being Rose Pavilion (#24) in Pleasanton, which contains a former Ethan Allen (recently moved to the brand new Persimmon Place in Dublin), a former Fresh & Easy, and a vacant CVS, which built a brand new store within the newer portion of the same shopping center.

Typical signs of urban decay include graffiti, trash, boarded windows, none of which are prevalent in Pleasanton and Dublin. As in any retail market, there will be vacancies and some chronic vacancies, particularly when new retail is constructed and some retailers prefer newer retail stock in updated developments as seen in the new CVS in Rose Pavilion and the relocation of Ethan Allen from Rose Pavilion to Persimmon Place. Pursuant to fieldwork observation, indicators of urban decay such as graffiti, boarded windows, and trash in parking lots were largely not present in the market area. Most vacancies appear to be well maintained and are actively being marketed. Thus, overall, ALH Economics finds the market area to comprise a healthy retail market with a varied mix of retail offerings.

In summary, the Project's location close to Interstates 680 and 580 would serve to strengthen Pleasanton's retail base and the existing retail node adjacent to Highway 580. In addition to the Project's general environs being a strong retail node, the market area as a whole appears to have a relatively healthy, large, and diverse retail base. The area includes neighborhood through regional shopping opportunities. The neighborhood and community shopping centers include approximately 17 stores selling groceries (excluding ethnic food stores but including general merchandise retailers like Target with a strong food sales component) while the regional shopping opportunities include department stores such as Macy's and Nordstrom's that are not located elsewhere in the Tri-Valley area. Thus the Project's market area serves a broad range of consumer shopping needs.

V. MARKET AREA DEMOGRAPHICS AND RETAIL SPENDING POTENTIAL

This report chapter identifies the market area's demographic characteristics, including in comparison to the cities of Pleasanton and Dublin. The chapter additionally estimates retail demand generated by the market area's residents.

DEMOGRAPHIC CHARACTERISTICS

ALH Economics developed population and household estimates and projections for the market area to provide a basis for estimating market area retail demand. These estimates and projections were prepared based upon projections formulated by the Association of Bay Area Governments (ABAG), the Regional Council of Governments for the San Francisco Bay Area. These projections were prepared in 2013, and provide estimates and projections in 5-year increments, up to the year 2040. These projections are provided on a jurisdictional basis, such as cities, as well as by census tract. The projections are prepared for population and household counts, among other demographic factors.

ALH Economics culled the population and household projections for the City of Pleasanton, the City of Dublin, and the census tracts comprising the market area. These figures were pulled for the years straddling the Project's anticipated development timeline, and then interpolated for years key to the analysis. These key years are 2018, the first year during which Phase I development is anticipated to be fully operational is anticipated to be complete, and 2028, which is anticipated to coincide with full Project buildout.

The resulting demographic estimates and projections for the Project's market area indicate that the market area has an estimated 2015 household count of 39,409 (See Exhibit 18). The population equivalent is 113,799. This is for the 21 census tracts that collectively comprise the market area. By 2018, the first estimated year of full operations for the Project, the household count is forecasted to increase to 40,824, for an increase of 1,415 households. By 2028, the Project's buildout year, the household count is forecast to rise to 45,504, or by an additional 4,680 households. Based on the estimates in Exhibit 18, the market area comprises approximately 92% of the combined household counts for Pleasanton and Dublin.

Household incomes in the market area vary somewhat by geography, with the average household income in 2015 comprising $153,130 in Pleasanton and $140,220 in Dublin. For the market area as a whole, the average is $146,232 as presented in Table 9 below.

Table 9. Market Area Average Household Income

Geographic Area	2015 Income
City of Pleasanton	$153,130
City of Dublin	$140,220
Market Area	$146,232

Source: Nielsen Reports.

These average household incomes are estimated by Nielsen Reports, as there are no governmental resources with current household income estimates for the jurisdictions comprising the market area, or of course for the customized market area itself.

MARKET AREA RETAIL DEMAND POTENTIAL

Approach to Estimating Retail Demand

ALH Economics prepared a retail spending potential analysis, or demand analysis, for the Project's market area households. This spending analysis takes into consideration average household income, the percent of household income spent on retail goods, and prospective spending on retail by the same retail categories reported by the BOE. Pursuant to data published by the U.S. Bureau of Labor Statistics, 2013 Consumer Expenditures Survey, households in the income group with annual household incomes $70,000 or more throughout the United States spent an average of 25% of household income on the type of retail goods tracked by the BOE. This is the highest income bracket analyzed by the Consumer Expenditures Survey, and these households had average household incomes of $131,945 before taxes. This average income is high because the income bracket includes all households earning over $70,000. Select other income ranges and associated average household incomes include the $40,000 to $49,999 range with a $44,576 average, spending 40% of income on retail, and the $50,000 to $69,999 range with a $59,101 average, spending 36% of income on retail.

The spending pattern for households earning $70,000 and more is the most appropriate Consumer Expenditures Survey match for the market area. Therefore, ALH Economics assumes that for the market area households, 25% of income will be spent on retail goods. This results in a per household retail spending estimate of $36,558.

As a proxy for household spending patterns, ALH Economics analyzed statewide taxable sales trends for 2013 and converted them to estimated total sales.[12] The results, presented in Exhibit B-5, indicate that household spending by retail category ranges from a low of 5.2% on Home Furnishings & Appliances to a high of 17.1% on Food & Beverage stores.

Market area retail demand projections for the market area's current and future household bases were estimated based upon the percent share of income spent on retail and estimated distribution of retail spending. The demand projection for the current household base is presented in Exhibit 19 and the demand estimates for the incremental new households to 2018 and 2028 are presented in Exhibit 20. These demand estimates are then combined in Exhibit 21, which presents the total demand estimate for the current 2015 time period as well as future household demand in 2018 and 2028, all in 2015 dollars.

Retail Demand Findings

The household demand estimates in Exhibit 21 are summarized below in Table 10. This indicates that the current household base has the estimated potential to spend $1.4 billion on retail goods. The largest share of spending is for Food & Beverage stores, which totals $246.7 million for the existing household base. The total demand estimate will increase by almost $52.0 million by the time the Project's Phase I is fully operational, totaling $1.5 billion 2018.

[12] The year 2013 comprises the most recent year for which annual taxable sales are published by the State of California Board of Equalization.

Yet another $171.1 million in demand will be generated between 2018 and Project buildout in 2028, comprising total market area demand of $1.7 billion by 2028.

Table 10. Market Area Retail Demand Estimates, in millions

Type of Retailer	Existing 2015	2015-2018	2018-2028	Total by 2028
Motor Vehicles and Parts Dealers	$199.0	$7.1	$23.6	$229.7
Home Furnishings and Appliance Stores	$74.4	$2.7	$8.8	$85.9
Building Materials and Garden Equip	$86.9	$3.1	$10.3	$100.3
Food and Beverage Stores	$246.7	$8.9	$29.3	$284.8
Gasoline Stations	$166.4	$6.0	$19.8	$192.1
Clothing and Clothing Accessories Stores	$102.2	$3.7	$12.1	$118.0
General Merchandise Stores	$200.7	$7.2	$23.8	$231.7
Food Services and Drinking Places	$183.7	$6.6	$21.8	$212.1
Other Retail Group	$180.9	$6.5	$21.5	$208.9
Total	**$1,440.7**	**$51.7**	**$171.1**	**$1,663.5**
Cumulative Total	**$1,440.7**	**$1,492.4**	**$1,663.5**	**$1,663.5**

Source: Exhibit 21.

These figures demonstrate that the market area has very strong retail spending potential.

VI. PROJECT SALES IMPACT ANALYSIS

This chapter assesses the extent to which the Project's sales might impact the existing retail sales base. It examines the characterization of the sales bases in Pleasanton and Dublin, the two cities that comprise the bulk of the Project's market area, and then considers the extent to which the Project may or may not divert sales away from existing retailers.

RETAIL SALES BASE CHARACTERIZATION

Approach

For the purpose of this study, ALH Economics characterized the retail sales bases of Pleasanton and Dublin with regard to the extent to which they attract or leak retail demand generated by their population base. Toward this end, ALH Economics uses a retail model that estimates retail spending potential for an area based upon household counts, income, and consumer spending patterns. The model then computes the extent to which the area is or is not capturing this spending potential based upon taxable sales data published by the State of California Board of Equalization (BOE) or provided by local government municipal tax consultants. This analysis can be most readily conducted for cities, groupings of cities, or counties, consistent with the geographies reported by the BOE.

For any study area, retail categories in which spending by locals is not fully captured are called "leakage" categories, while retail categories in which more sales are captured than are generated by residents are called "attraction" categories. This type of study is generically called a retail demand, sales attraction, and spending leakage analysis, or retail gap analysis. Generally, attraction categories signal particular strengths of a retail market while leakage categories signal particular weaknesses. ALH Economics' model, as well as variations developed by other urban economic and real estate consultants and economic analysts, compares projected spending to actual sales.

For the purpose of generating a Retail Demand, Sales Attraction, and Spending Leakage Analysis for the relevant cities, and the market area as a whole, ALH Economics obtained taxable retail sales data for 4th Quarter 2013 through 3rd Quarter 2014 as reported by the BOE and adjusted the taxable sales to reflect total, more current sales. These were the most recent BOE data available at the time the study was conducted. Using the retail sales data, combined with household counts from the demographic estimates benchmarked to ABAG forecasts and household income figures estimated by Nielsen Reports, ALH Economics conducted Retail Demand, Sales Attraction, and Spending Leakage Analyses. These analyses compared total estimated household spending to actual retail sales in both Pleasanton and Dublin. To the extent possible, sales estimates were updated to reflect a more current time period than measured by the BOE data. This included analyzing sales tax trend data in Pleasanton from 2nd Quarter 2014 through 4th Quarter 2015, to generate sales adjustment factors by category to result in an estimated 2015 retail sales base. These data were provided by the City of Pleasanton via the City's tax consultant. Comparable data were requested for the City of Dublin; therefore, sales adjustments for Dublin were based upon the CPI index, with the exception of gasoline sales, which was adjusted as the same rate as Pleasanton because the volatility of gasoline sales is not tied to the CPI index. Retail sales for both cities were also adjusted upward to adjust for nontaxable sales in key sales categories, including Food &

Beverage stores and the drug store component of Other Retail sales. All these adjustments are noted as relevant in the analysis.

Household Spending Estimates

ALH Economics' Retail Demand, Sales Attraction, and Spending Leakage Analysis requires household count, average household income, and percent of income spent on retail inputs for the area of analysis. As noted in Table 9, the annual household income profiles vary modestly between Pleasanton and Dublin, with both exceeding $130,000. Accordingly, the percent of income spent on retail is assumed to be similar to the percentage assumed in the market area, which is 25%. The resulting annual retail household spending estimate by city is presented in Table 11, along with the earlier referenced market area finding. These figures are $38,283 for Pleasanton and $35,055 for Dublin.

Table 11. Market Area Average Household Spending

City	2015 Income	% Spent on Retail	Average HH Spending
Pleasanton	$153,130	25%	$38,283
Dublin	$140,220	25%	$35,055
Market Area	$146,232	25%	$36,558

Sources: Nielsen Reports; and ALH Urban & Regional Economics.

Retail Demand, Sales Attraction, and Spending Leakage Findings

City of Pleasanton. The estimate of Pleasanton's retail sales base pursuant to the most recently available BOE data is presented in Exhibit 22. This figure, reflective of annual retail sales ending the 3rd Quarter of 2014, is approximately $1.6 billion. With interim adjustments to year-end 2015 based on changes in citywide retail sales trends, the sales base was estimated to increase modestly, but still rounds to a total of $1.6 billion by the end of 2015 (see Exhibit 23). This indicates average sales on a per household basis of $60,348. This figure reflects sales captured per household, not demand per household. Pursuant to the estimated distribution of household demand based upon the pattern noted earlier in Exhibit B-4, and cited in Tables 8 and 10, estimated retail spending per household in Pleasanton is $38,283. This demand figure is substantially lower than the sales per household figure, indicating in the aggregate that Pleasanton captures more sales than is spent by its own households. In other words, Pleasanton as a whole attracts retail sales. This result is not surprising, as Pleasanton has a large retail base, including a regional shopping center.

Overall, the Retail Demand, Sales Attraction, and Spending Leakage estimates in Exhibit 24 suggest that just over 36% of the sales achieved in Pleasanton are attracted from elsewhere. As Exhibit 24 further indicates, this retail sales attraction extends across almost every retail category, with the exception of Building Materials and Garden Equipment and Gasoline Stations. This would suggest some potential for retail new to Pleasanton to stem leakage and recapture sales lost to Pleasanton retailers in these two categories. However, as noted below, when analyzed in the context of neighboring Dublin's retail base, which has attraction in these two categories, the leakage in Pleasanton is likely being measured as attraction to the City of Dublin. Therefore, instead of comprising recaptured sales leakage, sales achieved by new Pleasanton retailers will comprise sales generated by new market area household growth, sales

diverted away from existing market area retailers, sales that serve to strengthen the city's existing sales attraction, or some combination thereof.

City of Dublin. The findings for the City of Dublin demonstrate an even greater level of estimated attraction compared to Pleasanton. The estimated 4th Quarter 2013 through 3rd Quarter 2014 sales base in Dublin totaled $1.4 billion (see Exhibit 25). Adjusted to 2015 based upon changes in the CPI index, coupled with the more volatile estimate of changes in Gasoline sales, results in a slightly lower 2015 sales estimate, but one which continues to round to $1.4 billion (See Exhibit 26; the decline is due to the lower cost of gasoline). Per household sales generally equaled $88,078, compared to the per household demand estimate of $35,055. Thus, Dublin achieves even higher retail sales attraction than Pleasanton, estimated at 60.2% of all sales (see Exhibit 27). In contrast to Pleasanton, Dublin achieves retail sales attraction in all major retail categories.

PROJECT SALES IMPACTS

This section estimates the extent to which the Project's sales may comprise a negative sales impact on the existing retail sales base. For study purposes, ALH Economics combined the Pleasanton and Dublin estimated retail sales bases as a proxy for the market area. This includes some Dublin retail sales generated by retail stores not included in the market area. However, this is deemed a more meaningful basis for analysis than estimating through imprecise means the portion of Dublin's sales base that is not included in the market area. Moreover, while consumer demand may originate from within the defined market area, likely all outlets in Pleasanton and Dublin receive some increment of demand from households in the Project's defined market area.

Approach

ALH Economics has developed an analytic approach that estimates the impact of the Project's incremental sales on existing retailers. For this analysis, the approach assumes that if the Project is adding sales to a category in an amount greater than any potential recaptured leakage in the category, ***then at worst***, the amount of sales in that category in excess of any recaptured leakage would be diverted away from existing area retailers. In cases when this applies, this can be a conservative assumption given that diverted sales beyond the amount of recaptured leakage could also occur among other retailers beyond the market area or relevant city boundaries. Or, in cases where new household growth occurs, demand captured from these new households can offset impacts by increasing total sales captured by retailers throughout the area under study. In the case of the Johnson Drive EDZ Project, the combined cities of Pleasanton and Dublin do not appear to exhibit any retail leakage. This analysis therefore focuses exclusively on the potential for Project sales generated by the Project's market area retail consumers to be absorbed by new demand, with any resulting sales not absorbed by new demand comprising potential sales impacts.

Market Area Retail Sales Base

To best assess the Project's sales impacts it is optimal to have an understanding of the size of the existing retail sales base. As stated above, for the purpose of this study this sales base is anticipated to comprise the summation of the retail sales bases in Pleasanton and Dublin. Pursuant to the analyses presented in Exhibits 23 and 26 this sales base is estimated to total $3.0 billion in 2015.

Future Growth Considerations

As noted earlier, the market area is estimated to grow by 1,415 households between 2015 and 2018, the year the Project's Phase I is estimated to be fully operational, and by another 4,680 households by 2028, the Project's year of Full Buildout. These new households will generate additional demand for retail sales, as documented in Exhibits 19 through 21. These new sales are estimated to total $51.7 million by 2018 and an incremental $171.1 million by 2028, and include sales in all the categories of estimated Project sales.

Estimated Project Sales Base Impacts

Approach. ALH Economics analyzed the Project impacts on the existing sales base based upon the amount of Project sales generated by market area residents not absorbed by new household demand. This does not mean that the new households are anticipated to spend all their retail dollars at the Project, but that as new retail dollars are spent in the market it provides support for all retailers, which may or may not include the Project's retailers. Thus, if the Project diverts retail dollars spent at existing market area retailers, new demand generated by household growth can potentially offset these sales diversions. Moreover, new demand for sales categories not represented by the Project can additionally provide support for yet other retailers, and hence support retail occupancy for additional new retailers. This analysis was conducted for the Project's Phase I development as well as the incremental development to Full Buildout, and consolidated in a Full Buildout scenario.

Phase I Sales Base Impacts. The analysis assessing the Project's Phase I impacts on the market area's estimated existing retail sales base is fully presented in Exhibit 28 and summarized below in Table 12. Taking into consideration prospective demand generated by households new to the market area prior to the full operation of Phase I, the Project's sales impacts may result in estimated sales decline of $26.7 million for existing retailers, or 0.9% of existing market area sales. Overall this is a nominal level of impact, which comprises approximately 16% of all Phase I Project sales. Thus, overall, at least 84% of the Project's $172.3 million in estimated Phase I sales will comprise net new sales to the City of Pleasanton's (see Exhibit 9 for the $172.3 million figure).

Table 12. Project Phase I Sales Impacts on Existing Sales Base

Retail Category	Total Net New Consumer Retail Sales	New Market Area Demand 2015-2018	Sales Impact Less New Demand	% Impact on Sales Base	Remaining Demand For Backfilling
Motor Vehicle & Parts Dealers	$3,143,726	$7,145,800	$0	0.0%	$4,002,074
Home Furnishings & Appliances	$4,573,080	$2,670,856	$1,902,224	0.9%	$0
Building Materials & Garden Equipment	$2,788,126	$3,119,560	$0	0.0%	$331,434
Food & Beverage Stores	$32,075,342	$8,860,179	$23,215,163	7.4%	$0
Gasoline Stations	$6,278,039	$5,976,404	$301,636	0.2%	$0
Clothing & Clothing Accessories	$2,388,912	$3,670,104	$0	0.0%	$1,281,192
General Merchandise Stores	$4,981,229	$7,207,640	$0	0.0%	$2,226,411
Food Services & Drinking Places	$537,857	$6,598,189	$0	0.0%	$6,060,332
Other Retail Group	$7,803,072	$6,496,950	$1,306,122	0.6%	$0
Total	$64,569,384	$51,745,682	$26,725,145	0.9%	$13,901,443

Source: Exhibit 28.

While the overall sales impact is relatively nominal as a percent of the sales base, there are three retail categories with estimated sales impacts. These categories include the following:

- Home Furnishings & Appliances with $1.9 million in sales impacts, or less than 1.0% of the category sales base;
- Food & Beverage Stores with $23.2 million in sales impacts, or 7.4% of the category sales base; and
- Gasoline Stations with approximately $0.3 million in sales impacts, or 0.2% of the sales base.

The sales impacts in Home Furnishings & Appliances and Gasoline Stations are nominal and, given the size of the sales base, are not deemed large enough to result in existing retail outlet closures. The impacts are likely to be experienced by a number of existing market area retailers, and thus not concentrated amongst any single retailer to the point where business closure could result from declining sales. In addition, these impacts assume the Project's Phase I components achieve stabilized sales during the first full year of operations. More typically, new retailers achieve stabilized sales over a period of several years, such that the full amount of estimated Phase I sales will not be achieved until sometime after 2018. By this time, yet additional new market area demand will be generated, further offsetting the projected sales impacts. For example, based upon findings presented in Exhibit 21, the average annual new demand generated for Gasoline Stations between 2018 and 2028 is almost $2.0 million a year. Thus, the anticipated Gasoline Stations impacts will be offset within a year after the start of the Project's Phase I operations. In like manner, the Home Furnishings & Appliances estimated sales impacts of $1.9 million could be offset in just over two years. These findings further reinforce the conclusion that existing Home Furnishings & Appliances and Gasoline Stations are unlikely to experience sales impacts from Phase I development severe enough to result in existing outlet closures.

The estimated sales impacts in the Food & Beverage Stores category are more substantial than the other category impacts. At $23.2 million, these impacts are equivalent to 7.4% of the existing sales base. While the Project's estimated Food & Beverage Store sales may also not achieve stabilization until sometime after 2018, these impacts are more substantial and could result in lower store sales performance among a number of existing Food & Beverage stores. As noted earlier, this includes at least 17 more traditional food stores, as well as numerous ethnic and other small food markets. These include a wide variety of stores, such as Safeway, Raley's, and Lucky, and more specialty or upscale grocers such as Whole Foods, Trader Joe's, Sprouts, New Leaf, and Gene's Fine Foods. The existing stores also include stores more comparable to the discounted or bulk food options available at a club retailer, such as Walmart Neighborhood Market, Smart & Final Extra, and Target.

Food & Beverage stores achieve a wide range of per square foot sales performance. Assuming an overall industry average of $643 per square foot (see Exhibit 9), the estimated volume of diverted Food & Beverage Store sales is sufficient to support approximately 36,000 square feet of space. This level of impact suggests the potential for one existing grocery store in the market area to be at risk of potential closure following Phase I development of the Project, although the impact will morel likely be spread among the more than 17 market area stores selling groceries. If spread equally among just these 17 stores the level of impact would be less than $1.4 million in sales impact per store, which is likely not a sufficient sales volume loss to trigger store closure. Many stores can likely compensate for this loss through product repositioning and other operational changes. Further, some of these impacts will be offset over time as additional new demand is generated, averaging about $3.0 million a year after 2018 (see figures included in Exhibit 21).

There are a number of factors endemic to the club retail shopping experience that could minimize the impacts on the existing Food & Beverage retailers, or especially on specific food stores. Using examples from Costco, club retail merchandise is not targeted to the average grocery store consumer. Many Costco items are only available in bulk. This includes mostly foodstuffs and other items one could purchase at a grocery store, such as two loaves of sliced bread bundled together, a case of kidney bean cans, 15 rolls of paper towels, and a 33.9-ounce can of ground coffee. It is not possible at Costco to purchase an individual-sized pastry, a quart of milk, a small spice jar, a dozen eggs, or just a pound of butter. Costco food sales are clearly targeted toward large families, restaurants, event organizers, and other consumers with extensive storage capacity. Accordingly, Costco is not the type of store where the average household consumer will stop by once or twice a week to round out the pantry and purchase ingredients for intimate family dinners.

In addition, Costco typically carries only one brand at a time of certain items, such as canned peaches or tomato sauce. Thus, selection is not the hallmark of Costco. In fact, Costco typically carries 3,700 items, or SKUS (stock-keeping units) for sale throughout the entire store.[13] This compares to 15,000 to 60,000 at a traditional supermarket for just grocery goods.[14] Thus shoppers seeking food product variety will not find it at Costco.

Costco is further distinguished from the average retailer pursuant to its payment options and how it assembles items purchased by customers. Costco warehouses accept cash, checks, certain debit cards, and Visa. No other major credit cards are accepted for the payment of merchandise. These methods of payment may limit Costco's customer base. Once a customer has made purchases, Costco does not provide bags or bagging services. Some items are loaded into packing boxes by Costco cashiers, but the balance of goods are either reloaded back into the shopping cart by the Costco cashiers or can be placed into bags provided by the customer. This approach may further limit Costco's customer base among customers accustomed to merchandise bagging.

The preceding club retail merchandising factors may contribute to the dispersal of the estimated Food & Beverage sales impacts, or even lessening of the impacts. Moreover, stores can adapt their merchandising mix and customer service strategies to be more resistant to Project sales impacts. Yet, if a store closes there are other demand opportunities available to backfill the space, thus reducing the likelihood of long-term retail vacancy. For some Project sales categories new market area demand will exceed the portion of Project sales estimated to be generated by market area households, thus no impact will result and demand available for other retailers will result. As noted in Exhibit 28, after absorption of Project sales, an estimated $13.9 million in new retail demand will still be available for a range of retail categories. Thus, while there could be the potential for store closure, the likelihood of the space remaining vacant for a prolonged period of time and leading to prolonged economic impacts is not high.

Full Buildout Sales Base Impacts. Sales impact analysis findings for the Project at Full Buildout were prepared in an analysis parallel to the Phase I analysis. These findings were also generated for the increment of development between Phase I and Full Buildout. These findings

[13] Costco Wholesale Corp, 10-K, Filed on 10/14/15, page 4.
[14] http://www.fmi.org/facts_figs/?fuseaction=superfact

are presented in Exhibit 29 for the increment to Full Buildout and Exhibit 30 for Full Buildout. The Full Buildout findings are also summarized in Table 13, below.

The summary findings in Table 13 indicate that by the time Full Buildout occurs, estimated to comprise 2028, more than sufficient new market area demand will be generated to absorb the Project's anticipated sales generated by market area retail consumers. There is one minor exception to this, which is the Clothing & Clothing Accessories category, with a nominal sales impact of $46,544. This level of impact is so limited it comprises 0.0% of the market area sales base.

Table 13. Project Sales Impacts on Existing Sales Base at Full Buildout

Retail Category	Total Net New Consumer Retail Sales	New Market Area Demand 2015 - 2028	Sales Impact Less New Demand	% Impact on Sales Base	Remaining Demand For Backfilling
Motor Vehicle & Parts Dealers	$3,143,726	$30,770,182	$0	0.0%	$27,626,456
Home Furnishings & Appliances	$10,211,555	$11,500,843	$0	0.0%	$1,289,289
Building Materials & Garden Equipment	$8,030,090	$13,432,983	$0	0.0%	$5,402,893
Food & Beverage Stores	$32,075,342	$38,152,384	$0	0.0%	$6,077,042
Gasoline Stations	$6,278,039	$25,734,700	$0	0.0%	$19,456,661
Clothing & Clothing Accessories	$15,850,201	$15,803,657	$46,544	0.0%	$0
General Merchandise Stores	$10,176,090	$31,036,468	$0	0.0%	$20,860,377
Food Services & Drinking Places	$11,169,630	$28,412,138	$0	0.0%	$17,242,508
Other Retail Group	$22,803,351	$27,976,200	$0	0.0%	$5,172,849
Total	$119,738,024	$222,819,555	$46,544	0.9%	$103,128,075

Source: Exhibit 30.

Based on the projected level of market area demand up to 2028, the limited amount of Clothing & Clothing Accessories sales impact would likely be absorbed shortly after Project completion. Moreover, the findings suggest that over $100 million in additional demand for retail will remain at Full Buildout, providing support for yet other retail venues as well as any retail space that might become vacated as a result of Project impacts. Such potential vacancies, however, are not deemed likely given the negligible sales impacts projected by Full Buildout.

DOWNTOWN PLEASANTON IMPACTS

Based upon the preceding impacts analysis, ALH Economics believes that Downtown Pleasanton will experience very limited, if any, sales impacts associated with the Project. This assessment is attributable to several factors, including the nature of the impacts, Downtown Pleasanton's retail base and orientation, and historical precedents, especially including the development of the significant San Francisco Premium Outlets in Livermore.

Phase I Project sales impacts are most anticipated to occur in Food & Beverage Stores, Gasoline Stations, and Home Furnishings & Appliances, while Full Buildout sales impacts are isolated to just Clothing & Clothing Accessories, and for just a limited period of time. Among all these categories, only Home Furnishings & Appliances and Clothing & Clothing Accessories stores are located in Downtown Pleasanton. As these impacts are anticipated across the entire market area, which includes many other shopping areas in Pleasanton as well as Dublin, it is very unlikely the limited sales impacts in these categories will be specifically diverted from Downtown Pleasanton stores. This is especially the case because the nature of these and other goods sold in Downtown Pleasanton is generally very different from the type of goods available at a club retail store like Costco or other generic retailers that might occupy the Project's general retail

space. Further, while there may be some club retail goods overlap, the quality of goods available Downtown is typically much greater and of a broader variety than available at a club retailer. In addition, Downtown Pleasanton retailers provide services not available at a club retailer.

Downtown Pleasanton stores sell a very carefully selected mix of merchandise not typically found at other market area retailers. Downtown Pleasanton provides a unique, pedestrian-oriented shopping opportunity with a customer-friendly atmosphere. These experiences cannot be replicated at the Project. Moreover, shoppers who want the type of goods available at a club retail store already have regional opportunities for this kind of shopping. Thus, there is no motivation for Downtown shoppers to change their shopping patterns assuming the new shopping opportunities will not be significantly different from other shopping opportunities already available.

Downtown Pleasanton is quite distant from the Project site, at 4.3 miles. Shoppers who choose to shop in Downtown Pleasanton are unlikely to bundle a Downtown shopping with a Project shopping trip, further helping Downtown Pleasanton retain its existing shoppers. Finally, anecdotal information suggests that the opening of the San Francisco Premiums Outlets in Livermore, located even closer to Downtown Pleasanton than the Project site (a distance of 3.9 miles versus 4.3 miles), did not result in negative economic impacts on Downtown Pleasanton retailers. The San Francisco Premium Outlets opened as Paragon Outlets during the holiday season of 2012, and subsequently expanded in 2015. Examination of taxable retail sales data for the City of Pleasanton indicates that for all major retail categories, sales in Pleasanton were higher in 2013 than in 2012, while sales in 2012 were higher yet again than in 2011.[15] This suggests that in addition to the anecdotal information about Downtown Pleasanton that the City of Pleasanton as a whole did not experience any retail sales repercussions associated with this significant retail addition to the region's retail base totaling approximately 540,000 square feet initially, and then expanding by almost another 200,000 square feet. This also supports the finding that the Project's impacts on the existing retail base may be limited, given the greater size of the San Francisco Premium Outlets relative to the Project.

CLUB RETAIL CASE STUDY INFORMATION

The preceding Project Impact analysis focuses on relatively high level analysis, examining impacts on a category-specific basis. In order to gain some insight into the potential for more granular impacts, ALH Economics conducted research regarding several existing club retail stores. This included the Costco store in nearby Livermore, which opened in 1993 and added gasoline sales within the past 5 years, and stores in California developed more recently. The nearby Danville store was not included because it was developed in 1989, prior to the tenure of existing Economic Development staff, and too long ago to be of much relevancy.

The case study stores opened more recently in California included a Costco warehouse in Hayward and in Huntington Beach. These two stores comprise two of the four most recent Costco stores opened in California, among 11 that have opened since 2006. These two locations were selected for case study purposes because of their relative retail sales base comparability to Pleasanton. Most of the other cities where Costco stores have opened in California since 2006 have either much smaller sales bases (less than $1.0 billion) or much

[15] The only 2011 to 2012 exception being in the General Merchandise category, which likely has limited bearing on the Outlets given the strong apparel orientation of the Outlets.

larger sales bases (greater than $4.5 billion). Thus, Hayward and Huntington Beach seemed well-matched to Pleasanton, especially given their recent development in 2009 and 2012, respectively. Thus, these stores have been in the market long enough to achieve stabilized operations, but are recent enough that current city staff should have familiarity with their impacts on their respective sales bases.

As noted, the Livermore Costco store opened many years ago in 1993. Accordingly, little information is available about its immediate impacts on the nearby retail base. However, Livermore's outgoing Economic Development Director, with a relatively long tenure in Livermore, indicated she was not familiar with any negative sales impacts resulting from the store, including on small businesses or Downtown Livermore. This includes no negative impacts on food stores or individual small businesses. Of particular relevance to the Project is the gas station operation that was added to this store within the past 5 years. According to the outgoing Economic Development Director, the City of Livermore has not noted any drop off in gasoline sales since Costco added this component. ALH Economics believes a large contributor to this lack of impact is the dispersed geography associated with Livermore Costco customers, as discussed previously and documented in Exhibit 14.

The Hayward Costco store is located in an industrial area of Hayward near the border of Union City. Similar to Livermore, city representatives are not aware of any existing business impacts that occurred following the opening of this Costco store, including small businesses, Downtown Hayward, existing food stores, or gas stations. Some of the lack of impacts is attributed to the store's location, which is somewhat devoid of other retail establishments.

Finally, the Huntington Beach case study information suggests that rather than impacting existing retailers negatively, the new Costco store serves as a catalyst for retail demand, bringing shoppers to an area that was previously occupied by obsolete retail uses. After Costco was developed small businesses chose to be near Costco to benefit from retail synergies. Yet there is no indication that small businesses located elsewhere in the City of Huntington Beach, including Downtown, were impacted in a negative way. This Costco store is part of a larger plan for area economic development, has served as a catalyst for other property improvements, and has added to the critical mass of retail in the area, with spin-off benefits noted for other, previously struggling retail districts.

In summary, these case study findings indicate that other communities of a similar scale to Pleasanton did not experience negative impacts on their retail community when local Costco stores were developed. This includes no reported small business community, Downtown, or gasoline station impacts. Therefore, these findings suggest the study conclusion that the Project's Phase I development could result in food store sales impacts is a conservative conclusion, not borne out by the experience in comparable cities.

SECONDARY IMPACTS

In addition to sales impacts throughout the Project's market area, there will be potential for more localized secondary impacts on the businesses located in the area proposed for the Johnson Drive EDZ. One certain impact is a higher volume of traffic through the area, which is addressed in the SEIR's Transportation Impact Analysis. As this traffic occurs it may make take longer for employees and customers to travel to and from existing area businesses and traffic may become more congested. In addition, existing businesses seeking to expand at their current location might find the environment more competitive for land or building acquisition given

anticipated economic development efforts in the area and prospective new uses. However, there are also potential beneficial impacts, including the enhanced visibility and business exposure as a result of the greater volume of traffic through the area. Prospective customers can gain knowledge of the existing area businesses through repeated sightings of business signage and facilities, and the presence of existing customers. Thus, there can be positive as well as negative impacts associated with greater area traffic volume. Additional potential positive secondary impacts include the proximate availability of low cost club retail merchandise and gasoline, other shopping and eating opportunities close to work, and possible long-term property value increases associated with economic development improvements throughout the area. For example, as noted in the case studies above, Costco development served as a catalyst for economic development in Huntington Beach, and is credited with bringing shoppers to an area that was previously underutilized, and creating synergistic opportunities for business growth. The experience in Huntington Beach demonstrates there can be positive secondary impacts for existing area businesses as well as the potentially negative secondary impacts cited above.

VII. CUMULATIVE PROJECT IMPACTS

This analysis seeks to quantify the impact of the Project taking into consideration other planned competitive retail projects within and near the market area. The cumulative projects assessed for impacts include retail developments that are in various stages of entitlement or planning. Because specific development timelines are not available for many of the projects, the analysis carefully considers each project prior to determining the set of projects most likely to be operational during the Project's approximate timeframe.

IDENTIFIED RETAIL DEVELOPMENT PROJECTS

ALH Economics identified 12 potential cumulative retail development projects in and near the market area by reviewing development pipeline materials maintained by the cities of Pleasanton and Dublin. While nine of the 12 projects are located within the Project's market area, all of them may have some market area commonality, and thus were reviewed and considered for relevancy. Information about these projects was primarily derived from the major project documents from each city, supplemented by additional information from planning staff, project websites, the San Francisco Business Journal, and Pleasanton-Dublin area news provider, The Independent. These 12 projects are described in Exhibit 31, which includes their address, square footage, development status, anticipated completion date, and distance from the Project Site. Number references for projects in the following discussion match the numbers listed in Exhibit 31, as well as the accompanying map in Exhibit 32.

The 12 projects included in Exhibit 31 total approximately 1.3 million square feet of retail space. The projects range in size from just over 5,000 square feet up to 430,000 square feet. Some of the projects are in the preliminary stages of planning or are in the latter phases of development and therefore have an undetermined timeframe. These projects add up to 1.1 million square feet; one of these projects is the second largest project in the pipeline at 225,000 square feet, Project #8, the Boulevard/Dublin Crossing located in Dublin. Though this project has been approved for commercial space, planning staff from the City of Dublin relayed that the developer is most likely going to develop the site as residential.

ALH Economics reviewed the information on the planned projects, status, and anticipated timing, and identified the projects most likely to be developed during two timeframes concurrent with the Project, i.e., by 2018 corresponding with Phase I and by 2028, corresponding with Full Buildout, as well as unknown timing. To allow for a conservative analysis ALH Economics includes all of the projects listed on Exhibit 31. These 12 identified cumulative projects are summarized below, with more project detail included in Exhibit 31. The cumulative project locations are mapped in Exhibit 32.

- **Pacific Pearl/Staples Ranch (#1)** - This is an approved 112,000-square-foot shopping center with probable tenants including Marina Foods, King Wah restaurant, additional restaurants/quick serve, beauty/nail salons & spa services, learning/tutoring services, medical/dental, general retail, and the remaining square footage is unknown. This project is located 4.8 miles east of the Project site and anticipated to be completed in 2017;
- **Vintage Sustainable Mixed-Use Village (#2) -** This is a proposed mixed-use project with 345 apartment units and 38,781 square feet of retail. The retail tenants are unknown,

but the anchor tenant is estimated to be a small grocery or drugstore, located 4.9 miles southeast of the Project site, with potential completion in 2016;

- **CarMax (#3)** - An 11,783-square-foot auto dealership under construction, located 4.8 miles east of the Project site, estimated to be complete in 2016;
- **Essex Site 1 (#4)** - This is a mixed-use high-density residential/commercial development containing 251 residential units, 4 live/work units, and approximately 5,700 square feet of retail space under construction, located 1.8 miles east of the Project site, estimated to be complete in 2017;
- **Chick-fil-A Restaurant (#5)** - A 5,399-square-foot Chick-fil-A restaurant under construction, approximately 1.2 miles northeast of the Project site, estimated to be complete in 2016;
- **Project Cover (#6)** – This is a newly announced project that will soon be going before the City of Dublin for approval. The project includes a 339,000-square-foot IKEA store and additional pads for another 91,000 square feet of retail space and a 75-room hotel. This project, in the planning stages, is anticipated to be complete in 2018. This project is located 2.8 miles northeast of the Project site.
- **Kaiser Medical Center (#7)** - This preliminary project is a medical campus comprising a 950,000-square-foot medical facility and 250,000 square feet of commercial development built over 25 years, located 4.3 miles northeast of the Project site, with unknown timing;
- **The Boulevard/Dublin Crossing (#8)** - The EIR and Specific Plan for this site allow up to 225,000 square feet of commercial space; however, the developer is leaning toward building only residential. This site is located 3.2 northeast miles from the Project site with unknown timing;
- **Fallon Gateway (#9)** – This project is a partially complete 379,000-square-foot retail center with 140,000 square feet that has yet to be built, tenants and timing for the remaining square footage are unknown, located 5.1 miles northeast of the Project site;
- **Grafton Plaza Mixed-Use Development (#10)** - An integrated mixed-use project in review with 115 townhomes, a 122-room Aloft hotel, and a 55,000-square-foot retail center, located 4.3 miles northeast from the Project, projected to open in 2017/2018;
- **Bay West Mixed Use Project (#11)** - A small mixed-use downtown Dublin project under construction with 17,000 square feet of first floor commercial with 314 apartments above, located 2.3 miles northwest from the Project, estimated to open by 2016; and
- **Sutter Retail (#12)** – This preliminary project is a 2,600-square-foot Starbuck and a 5,400-square-foot retail shop building, located 2.6 miles northwest from the Project, timing is unknown.

Of these 12 projects, eight are anticipated to be completed by the end of 2018. The remaining four projects have unknown timing because they are either in very early planning stages or are phased projects that do not have estimated starting dates for the outstanding retail portion.

CUMULATIVE PROJECT MARKET AREA OVERLAP

The cumulative retail projects will compete with the Project's market area only to the extent that their market areas overlap. Exhibit 31 also shows estimates of the share of each cumulative project sales anticipated to be sourced from the same market area as the Project. These estimates are the result of generalized assumptions, based on consideration of the location of the projects, their distance from the Project site, and the anticipated nature of their retail space and likely consumer. Pursuant to individual assumptions regarding share of market area

overlap with the Project, the cumulative projects are estimated to generate approximately 492,000 square feet in retail competitive with the Project, and also generated by market area households. Following are explanations of the market area overlap assumptions for key cumulative projects.

- Vintage Sustainable Mixed-Use Village (#2), Essex Site 1 (#4), Chick-fil-A Restaurant (#5), Bay West Mixed Use Project (#11), and Sutter Retail (#12) are anticipated to have much smaller, localized market areas than the Johnson Drive EDZ Project. Large portions of these cumulative projects' market areas are estimated to be subsumed within the Johnson Drive EDZ Project's market area and are estimated to have a 95% overlap of market area sales with the Project.
- The Boulevard/Dublin Crossing (#8), Fallon Gateway (#9), and Grafton Plaza Mixed-Use Development (#10) are estimated to have a different market area than the Project, extending north and east of areas encompassed by the Project's market area. Therefore, these projects are estimated to have a 66% overlap with the Project's market area.
- Pacific Pearl/Staples Ranch (#1) and Kaiser Medical Center (#7) are estimated to have large and different market areas than the Project, extending beyond the north and east of areas encompassed by the Project's market area. Therefore, these projects are estimated to have a 50% overlap with the Project's market area.
- CarMax (#3) is estimated to have a specialized market area, focused on serving the needs of consumers seeking to purchase cars. Thus, the analysis assumes only approximately 25% of the sales at this project will be generated by Johnson Drive EDZ Project market area residents.
- Project Clover (#6) is estimated to have only a 10% overlap with the Project's market area. This low overlap is attributable to the tremendous market draw experienced by Ikea. This store will be only the third Ikea store in the Bay Area region, and will likely draw customers from a broader area to the north, east, and west of the Project site. There may also be the potential to draw from the south as well, but many of these consumers may live closer to the existing Ikea store in Palo Alto.

As with the demand projections, the timeframes for anticipated development are presented consistent with the anticipated timeframe for the Project and other major retail development in Pleasanton and Dublin, i.e., 2018 and 2028.

CUMULATIVE PROJECT IMPACTS

Cumulative Project Supply

As noted in Exhibit 31, there are eight projects identified in Pleasanton and Dublin with prospective retail development by the years 2018 and 2028 and four with unknown timeframes, as some of these projects are further along in the conceptualization process than others. A summary of the market area cumulative retail projects is presented in Exhibit 33. This summary indicates that the cities of Pleasanton and Dublin have a total estimate of 4917,623 square feet of competitive prospective retail development planned excluding the Project (i.e., square footage anticipated to require support by the Project's market area). ALH Economics applied a 5% vacancy rate assumption to the square footage, which means an estimate of 95% of the total retail space is occupied (this is the same as the assumption for the Project).

Per the benchmark periods associated with the Project, an estimated 173,321 square feet of occupied competitive retail project space are anticipated to be complete by 2018. Between 2018 and 2028 the estimated timing for Full Buildout, there are no cumulative projects confirmed to have development completion estimates. There is 293,721 total square feet of estimated occupied development with unknown timing; however, a portion of this square footage may be developed between those years. This brings the total competitive square footage estimate to 467,042 square feet for the market area and surrounding areas. Notably, these figures include The Boulevard/Dublin Cross project in Dublin, which City of Dublin representatives suggest may convert to an all residential project.

Future Market Area Demand

Prospective tenants and tenant mixes are not known for many of the cumulative projects. Therefore, the impacts of the cumulative supply are best assessed relative to prospective demand. Thus, the market area's demand for retail space between 2015 and 2028 is converted to supportable retail space to facilitate a space-based supply and demand analysis. This conversion is documented in Exhibit 34, which incorporates estimated demand, estimated sales performance per square foot, an increment of space for personal and business services, and a modest vacancy allocation to allow for market fluidity.

The results of the supportable demand analysis indicate that new market area retail shoppers are estimated to have the ability to support 120,000 square feet of new retail space by 2018, another 390,000 square feet by Project buildout, for a total of 510,000 square feet by Full Buildout, i.e., between 2015 and 2028.

Cumulative Projects Impact

The supply and demand analyses relevant to analysis of the cumulative retail (including the Project) are consolidated and summarized in Exhibit 35. This exhibit pulls together the retail supply figures for the Project and the identified cumulative retail projects by the time periods relevant to the timing of the Project's retail development (based upon occupied competitive square feet). The exhibit also pulls together the market area demand estimates presented as supportable square feet. Table 14 below summarizes the findings of Exhibit 35. This analysis includes sensitivity analysis for the cumulative project that is deemed unlikely to be developed (e.g., the 225,000-square-foot The Boulevard/Dublin Crossing project in Dublin, about which City of Dublin representatives suggest may convert to an all residential project).

The cumulative retail analysis results indicate that based on the projects with estimated completion dates consistent with the Project's Phase I development, there will be a projected shortfall of 111,200 square feet of market area demand to support the cumulative projects. This is a nominal amount of shortfall based upon the current size of the combined retail base in Pleasanton and Dublin, which comprises 9.2 million square feet.[16] If this 111,200–square-foot increment of retail space became vacant as a result of the cumulative projects (possibly including the Phase I Project grocery store impacts referenced in Project impacts), the current retail base vacancy rate would increase by 1.2%. This retail vacancy increment is very low, and would comprise an insignificant impact on the market area's retail base.

[16] See subsequent Exhibits 43 and 44 for estimates of the Pleasanton and Dublin retail inventories.

Table 14. Cumulative Impacts of Johnson Drive EDZ and Cumulative Retail Projects

Supply and Demand Characteristic	Retail Development Timing 2018	2028	Unknown	Total
Johnson Drive EDZ and Cumulative Project Additions to Supply (1)	231,200	371,068	180,861	551,929
Cumulative Retail Demand	120,000	510,000	NA	510,000
Additional Demand Needed to Support New Supply				
Projects with Estimated Timing	111,200	0	NA	267,649
Less Unlikely Projects	111,200	0	NA	154,789
Resulting Increase in Combined Pleasanton/Dublin Retail Vacancy Rate				
Projects with Estimated Timing	1.2%	0.0%	NA	2.9%
Less Unlikely Projects	1.2%	0.0%	NA	1.7%

Source: Exhibit 35.

(1) Includes retail space anticipated to attract demand from the market area.

By the time Project Full Buildout occurs, there will continue to be insufficient new market area demand to absorb all the cumulative projects with known development timeframes. Similar to the Phase I timing analysis, however, this insufficient demand is estimated to be relatively low. Inclusive of the cumulative project anticipated to be unlikely to be developed as retail, this demand shortfall comprises an estimated 267,650 square feet. Excluding the unlikely development project reduces this figure to 154,800 square feet. Thus, the market area retail base vacancy rate is estimated to increase by 1.7% to 2.9% by Full Buildout pursuant to the cumulative retail development.

The degree to which these percentage increases will be significant to the market will depend upon the prevailing market conditions at the time of Full Buildout. While these conditions cannot be predicted, current conditions suggest that the projected increases in vacancy attributable to the cumulative projects at Full Buildout will not be detrimental to the commercial retail market, and that the market would continue to operate within healthy parameters. This is also the case taking into consideration historical retail vacancy trends, as discussed in the study chapter addressing urban decay (see Chapter IX. CEQA Urban Decay Determination). Therefore, ALH Economics concludes that the cumulative projects, inclusive of the Johnson Drive EDZ Project, are unlikely to result in negative impacts contributing to the potential for urban decay to occur in the market area.

VIII. HOTEL ANALYSIS

CONTEXT FOR JOHNSON DRIVE EDZ PLANNED HOTEL

The Johnson Drive EDZ has the potential for a 150- to 231-room hotel. There are 15 existing hotels in Pleasanton and Dublin that participate in hotel industry surveys, with a total of 2,297 rooms.[17] The Project's hotel would increase the existing rooms supply by 6% to 9%. The nearest hotel to the Johnson Drive EDZ Project site is located on Johnson Drive, approximately 0.5 miles away. This is an upscale hotel, with one of the three highest room rates in the Pleasanton and Dublin area, with all other hotels located over 1.0 miles away (see Exhibit 36). The distribution of the hotels is mapped in Exhibit 37.

The fiscal impact analysis conducted for the entire Johnson Drive EDZ in February 2015 assumed the area's hotel would comprise a limited-service hotel.[18] The study assumed there would be sufficient demand for the hotel from business and resident demand segments and priced the hotel for analytical purposes at $125 a night with an average occupancy rate of 75%.[19] For the purpose of this study the City of Pleasanton assumes the Project's hotel may have a more full-service orientation, with a potential focus on serving business travelers.

ALH Economics conducted analysis of hotel demand relevant to the Project's potential hotel. The analysis is based upon growing out the met demand at existing Pleasanton and Dublin hotels pursuant to employment growth projections, assuming economic growth is a relative generator of demand. Because a CEQA urban decay analysis must also look at cumulative impacts, there is additional analysis comparing the projected demand for hotel rooms in Pleasanton and Dublin to the supply of other planned hotels. This study chapter closes with an assessment of the Project's potential impact on existing hotels and hence the existing physical hotel stock.

BASELINE HOTEL CONDITIONS

Existing Supply of Pleasanton and Dublin Hotels

The 15 existing hotels in Pleasanton and Dublin were identified through internet research and review of a list of hotels maintained by Smith Travel Research, a company that tracks supply and demand data for the hotel industry and provides market share analysis. ALH Economics reviewed a list of hotels throughout the Tri-Valley area that participate in Smith Travel Research's trend analysis, which includes operating trends such as rooms, average daily room rate, demand, supply (measured by rooms available per period), and revenue, among other characteristics. ALH Economics then researched room rates for the listed hotels. From the larger set of Tri Valley hotels ALH Economics determined that hotels in Pleasanton and Dublin were

[17] Includes hotels that participate in trend analysis conducted by Smith Travel Research. Therefore, not all hotels are included. For example, the inventory does not include downtown Pleasanton's Rose Hotel with 38 rooms (considered an Upper Upscale Class hotel by Smith Travel Research) or the Pleasanton's Tri Valley Inn & Suites Economy Class hotel on Santa Rita Road with 34 rooms.
[18] "Draft Summary – Johnson Drive EDZ Fiscal Impact Analysis, City of Pleasanton," February 5, 2015, Brion & Associates, page 2.
[19] Ibid, page 2 and Table A-5.

most relevant to the market best served by the Project's hotel given its location and local economic dynamics.

Smith Travel Research classifies the existing Pleasanton and Dublin hotels into five classes of hotel, including economy, midscale, upper midscale, upscale, and upper upscale. Overall there are 2,297 rooms distributed among the 15 hotels (see Exhibit 36). Approximately 75% of the hotels are located in Pleasanton, with 25% in Dublin. The room count generally parallels these percentages. Among the hotels with known opening dates, approximately half opened prior to the 1990s, another six opened in the 1990s, and the newest hotel, the economy class Extended Stay America Dublin Hacienda Drive opened in 2000. The upscale hotels were built in the 1980s and 1990s, with the most expensive hotel, the Marriot Pleasanton, built in 1986. Notably, no new hotels have been added to this market since 2000, comprising a 16-year gap. This is the longest gap in the area's rate of hotel development.

ALH Economics conducted field reconnaissance in February 2016 to examine the physical condition of the existing hotels. All of the existing hotels were found to be in good general repair, with attractive physical conditions and no signs of urban decay or deterioration, such as litter, graffiti, weeds or rubbish. Photographs demonstrating existing conditions for all of the identified hotel properties are maintained in the ALH Economics project files.

Historic and Current Hotel Performance

Smith Travel Research provided a summary report of the performance of the 15 existing competitive hotels. This included aggregate performance data from 2009 through 2015. These data are presented in Exhibit 38. As noted in this exhibit, the average number of rooms available per year changed nominally over time, dropping from 2,312 in 2009 to 2,297 in 2015. The number of rooms sometimes changed on a monthly basis, hence the minor vacillation by year.

The Smith Travel research data also include a supply estimate, which reflects the summation of the number of rooms available per month times the number of days in the period. This is effectively a measure of the number of room nights available among the competitive supply throughout the year. Thus, in 2015, there were a total of 838,405 room nights available among the 15 hotels.

Smith Travel Research also measures demand, which is based on occupancy reported by the participating hotels. As the data in Exhibit 38 indicate, annual demand rose consistent from 2009 onward, despite the tail end of the Great Recession. This increasing demand corresponds with increasing annual occupancy rates, which changed from a low of 56% in 2009 to 81% in 2015. This 81% occupancy rate comprises the baseline for analysis of the Project. Notably, however, a hotel occupancy rate of 75% is generally considered an industry standard stabilized occupancy rate. Further, this is the rate assumed in the Brion & Associates fiscal impact study.

Over the 2009 through 2015 time period, the rate of increase in demand was lumpy, with a significant 16.5% increase from 2009 to 2010, slowing to a nominal 0.4% rate from 2013 to 2014 from 2011 to 2012, but then increasing thereafter, including an 11% increase from 2013 to 2014. Overall, hotel demand grew on annual average of 6.3% percent since 2009, and a slightly lower 4.3% from 2010 onward. These data clearly indicate that hotel demand in Pleasanton and Dublin is trending upward. Since the number of rooms effectively stayed

relatively constant from 2000 onward, the increasing demand also translated into higher occupancy rates.

PROJECT HOTEL AND CUMULATIVE HOTEL IMPACTS

Projected Hotel Demand

ALH Economics developed projections for hotel demand applicable to the existing supply based upon an economic growth projection range. The purpose of these projections was to prepare estimates of aggregate hotel occupancy rates following the Project's addition to the supply. The premise is that if hotel occupancy drops below a level considered unhealthy for the hospitality industry, then there could be some negative impacts on the market, which could raise concerns about the Project contributing to prolonged economic impacts and urban decay. Alternatively, if hotel occupancy rates are estimated to remain the same as the current baseline, or improve, then the Project would not be expected to contribute to urban decay.

ALH Economics updated the supply of existing hotel rooms to include the Project's hotel entering the market in 2018, comprising part of the Project's Phase I development. The analysis was conducted using two hotel size options – 150 rooms and 231 rooms. Thus, Project introduction would increase the supply of rooms to 2,528 for Option 1 (150 rooms) and the annual supply of room nights to 893,155. For Option 2 (231 rooms) the supply of rooms would increase to 2,528 and the annual supply of room nights to 922,720. Information about the changed number of rooms and annual supply of rooms is reflected in Exhibit 39, which projects future hotel supply and demand trends. The projection is extended to 2028 to depict projected supply and demand conditions consistent with Project buildout.

ALH Economics prepared a demand trend based upon blended employment growth trends for Pleasanton and Dublin. These trends are presented in Exhibit 40, and summarized in Table 15, and reflect a 2.1% employment growth rate from 2015-2020 and 0.6% growth rate from 2020 to 2030. These growth trends are based upon Association of Bay Area Government's employment projections, prepared in 2013.

Table 15. Projected Annual Growth Rate
Cities of Pleasanton and Dublin

	Compound Annual Growth Rate		
Period	Pleasanton	Dublin	Total
2015-2020	1.5%	3.9%	2.1%
2020-2025	0.4%	1.2%	0.6%
2025-2030	0.4%	1.3%	0.6%

Source: Exhibit 40.

Johnson Drive EDZ Hotel Impact

The projected annual estimated occupancy rates by year are also depicted in Exhibit 39, and summarized I Table 16 on the following page. As these figures indicate, by 2018, the Project's estimated year of market entry, annual average occupancy among the existing hotels, including the Project, is estimated to range from 79% to 81%, depending upon the Project's room count.

This range is projected to increase to 85% to 88% by 2028, the Project's assumed buildout year. The projected rate in 2018 for the Option 2 hotel with 230 rooms of 79% is below the 2015 stabilized rate. However, this projected rate continues to be above the industry standard stabilized rate. The buildout year 2028 rates reflect enhanced market performance relative to the baseline rate of 81% in 2015.

Table 16. Historic and Projected Occupancy
Pleasanton/Dublin Hotels and Project

	Annual Occupancy (1)		
Year	Option 1		Option 2
2009		56%	
2010		66%	
2011		71%	
2012		74%	
2013		77%	
2014		77%	
2015		81%	
2016		83%	
2017		85%	
2018	81%	to	79%
2019	83%	to	81%
2020	84%	to	81%
2021	84%	to	82%
2022	85%	to	82%
2023	85%	to	83%
2024	86%	to	83%
2025	86%	to	84%
2026	87%	to	84%
2027	88%	to	85%
2028	88%	to	85%

Sources: Exhibits 38 and 39.

Note: Projected occupancy below the dotted line.
(1) Option 1 reflects 150 rooms and Option 2 reflects 231 rooms in the Project hotel.

The analysis indicates that hotel occupancy rates initially following the assumed market entry of the Project's hotel are projected to be comparable to the high occupancy rate noted in 2015, or slightly below this rate but still above the industry standard stabilized 75% occupancy rate. Occupancy is only projected to increase thereafter, including the occupancy rate for the larger Option 2 hotel returning to the 2015 level by 2021, or three years following introduction of the Project hotel. Based on this finding, ALH Economics concludes that the Project's hotel operations are not anticipated to reduce or impact hotel occupancy to the extent that any hotels would significantly falter and operations would cease. Thus, no existing hotels are anticipated to close as a result of the Project's development and operations. Moreover, the occupancy impacts are relatively minor and short-term, with occupancy rates continually increasing each year after the assumed opening of the Project.

Cumulative Hotel Impacts

To conduct a cumulative analysis ALH Economics researched information about other planned hotel projects in Pleasanton and Dublin. The research findings about the planned supply are presented in Exhibit 41. These results provide information on two planned Dublin hotel projects, comprising a 122-room Aloft Hotel at Grafton Plaza and a 75-room hotel at Project Clover accompanying the anticipated IKEA store. As of February 2016 the Aloft Hotel project was in Planning review with the City of Dublin, and was expected to be heard by the Dublin Planning Commission in February or March 2016. Based upon the project's entitlements status ALH Economics assumes the hotel could open as soon as 2017 or 2018, either just prior to or relatively concurrent with the Project. The review date for the Project Clover hotel is not known but the project as a whole is anticipated to be completed by sometime in 2018.

Similar to the analysis for just the Project, ALH Economics prepared a future projection of hotel supply and demand and then examined the occupancy impacts pursuant to the addition of the planned Grafton Plaza hotel project. This analysis is presented in Exhibit 42 and summarized in Table 17. For analytic purposes, the Aloft Hotel was conservatively added into the supply in 2017, the Project Clover hotel was added in 2018, and the Project hotel continues to be added to supply in 2018.

Table 17. Historic and Projected Occupancy
Pleasanton/Dublin Hotels and Cumulative Projects

	Annual Occupancy (1)		
Year	Option 1		Option 2
2009		56%	
2010		66%	
2011		71%	
2012		74%	
2013		77%	
2014		77%	
2015		81%	
2016		83%	
2017		81%	
2018	75%	to	73%
2019	77%	to	75%
2020	77%	to	75%
2021	78%	to	76%
2022	78%	to	76%
2023	79%	to	77%
2024	79%	to	77%
2025	80%	to	78%
2026	80%	to	78%
2027	81%	to	79%
2028	82%	to	79%

Sources: Exhibits 38 and 42.

Note: Projected occupancy below the dotted line.
(1) Option 1 reflects 150 rooms and Option 2 reflects 231 rooms in the Project hotel.

The near term results after the addition of the new Grafton Plaza hotel in 2017 indicates that hotel occupancy is projected to decrease to 81%, comprising stability with the 81% rate noted in 2015. When the Project Clover and Johnson Drive EDZ hotels are further added to supply in 2018 the occupancy rate is projected to decrease to 73% to 75%, depending upon the Project hotel option. These projected rates are close to or above industry standard levels, and exceed levels achieved by the market as recently as 2011 and 2012. Occupancy rates are then projected to recover thereafter, reaching up to 80% by 2025 for the Project's lower room count Option 1 and 78% for the higher room count Option 2. Regardless of option, the results indicate that hotel occupancy in the Pleasanton and Dublin market is generally anticipated to remain close to or above 75% following the cumulative impacts of the planned Grafton Plaza hotel, Project Clover hotel, and the Project. Thus, market performance is anticipated to remain close to or above industry standard levels reflective of a healthy hotel market.

JOHNSON DRIVE EDZ PROJECT AND CUMULATIVE HOTEL PROJECTS IMPACTS CONCLUSION

The preceding analysis for the Project hotel indicates that occupancy impacts on the existing base of hotels will likely be limited, and that existing hotels will continue to be able to perform close to or above the industry standard occupancy rate of 75%. This finding also pertains to the cumulative impact scenario including the addition of a 122-room hotel in Dublin one year prior to the Project's assumed development and a 75-room hotel the same year as the Project's hotel. Based on these findings, ALH Economics concludes that existing hotels will not be impacted by the Project, individually or cumulatively, to the point that hotel closure is a potential risk. The CEQA urban decay implications of this finding are presented in the following chapter, Chapter IX. CEQA Urban Decay Determination.

IX. CEQA URBAN DECAY DETERMINATION

The purpose of this chapter is to assess the degree to which development of the Johnson Drive EDZ Project would or would not contribute to or cause urban decay pursuant to the economic impact analysis findings. This includes impacts associated with the Project combined with other cumulative planned retail and hotel development. This chapter discusses the definition of urban decay, the study's approach to determining urban decay potential, and ALH Economics' urban decay determination.

STUDY DEFINITION OF URBAN DECAY

For the purpose of this analysis, urban decay is defined as, among other characteristics, visible symptoms of physical deterioration that invite vandalism, loitering, and graffiti that is caused by a downward spiral of business closures and long term vacancies. This physical deterioration[20] to properties or structures is so prevalent, substantial, and lasting for a significant period of time that it impairs the proper utilization of the properties and structures, and the health, safety, and welfare of the surrounding community.

APPROACH TO DETERMINING URBAN DECAY POTENTIAL

ALH Economics engaged in several tasks to assess the probability of urban decay ensuing from Project development and the identified cumulative projects. These tasks directly result from the economic impact analysis findings regarding potential store impacts pursuant to prospective store sales losses. As a result, the urban decay determination revolved around assessing the potential for closed retail store spaces, if any, to either (a) remain vacant for a prolonged period of time such that they contribute to the multitude of causes that could eventually lead to urban decay, or (b) be leased to other retailers within a reasonable marketing period. Similar considerations were made regarding prospective hotel development as well.

The purpose of this research was to determine if sufficient retailer demand exists to absorb vacated space in the event existing retailers close due to any negative economic impacts of the Project and the development of other planned retail, as well as parallel hotel analysis. An additional purpose was to assess the potential for long-term vacancies to devolve into urban decay. ALH Economics conducted field research and reviewed third party resources to determine the commercial health of the market area.

THE CURRENT ENVIRONMENT

ALH Economics conducted fieldwork throughout portions of the City of Pleasanton and Dublin. The purpose of this fieldwork was to perform reconnaissance of the Project site, examine the physical condition of major shopping centers, commercial shopping corridors, and hotels, and identify existing retail vacancies and assess their condition and appearance. These personal observations are complemented by historical and current retail and hotel market performance

[20] The manifestations of urban decay include such visible conditions as plywood-boarded doors and windows, parked trucks and long term unauthorized use of the properties and parking lots, graffiti, and other building defacement, dumping of refuse on site, overturned dumpsters, broken parking barriers, broken glass littering the site, dead trees and shrubbery together with weeds, lack of building maintenance, homeless encampments, and unsightly and dilapidated fencing.

data, demonstrating the underlying strength or weakness of the local commercial retail and lodging markets.

Retail Market Statistics

Historically, Pleasanton has maintained a healthy retail market sector, while Dublin has experienced more fluctuations. Historical trend data in Exhibits 43 and 44 present quarterly vacancy, absorption, and new construction trends in Pleasanton and Dublin, respectively, beginning 2nd quarter 2006. Select 4th quarter 2015 market statistics are summarized in Table 18. This table indicates that the retail inventory totals 5.2 million square feet in Pleasanton and a smaller 4.0 million square feet in Dublin.

As summarized in Table 18, as of 4th quarter 2015, Pleasanton had an overall retail vacancy rate of 2.3%. This rate comprises a relative low in recent years, since hitting a peak of 6.0% in 4th quarter 2012. Prior to that time period the Pleasanton vacancy rate was as low as 1.4% in 1st quarter 2007, which is an exceedingly low vacancy rate. All of these rates, however, indicate an extremely healthy and very stable retail base throughout the city.

In general, retail markets are deemed most healthy when there is some increment of vacancy, at least 5.0%, which allows for market fluidity and growth of existing retailers. Even retail vacancy rates at the 10.0% level are generally considered a reasonably healthy retail market. Thus, the current Pleasanton retail vacancy rate of 2.3% is a very low vacancy rate and indicative of a very strong market.

Table 18. Fourth Quarter 2015 Retail Vacancy and Inventory
Pleasanton and Dublin

City	Vacancy Rate	Retail Inventory	Vacant Sq. Ft.
Pleasanton	2.3%	5,219,542	128,286
Dublin	5.9%	3,986,959	211,861

Sources: Exhibits 43 and 44.

The retail market in Dublin is not as strong as in Pleasanton, but is still operating within healthy parameters. As shown in Exhibit 44, Dublin retail vacancy peaked at 14.7% in the 3rd quarter of 2009, but dropped by 2011 to below 10.0%. Since then, vacancy was lowest in 1st quarter 2015, at 3.9%, which is an extremely low vacancy rate. The vacancy rate as of 4th quarter 2015 was slightly higher at 5.9%, but still relatively low by commercial market standards.

Generally speaking, the 2.3% vacancy rate in Pleasanton and 5.9% vacancy rate in Dublin are indicative of strong to moderate retail markets. This bodes well for the market area with respect to any potential increases in vacancy attributable to potential Project or cumulative project impacts resulting in store closures.

Representative Retail Lease Transactions

Table 19 demonstrates that retail vacancies in Pleasanton and Dublin are finding new tenants. This table summarizes 35 lease transaction in Pleasanton and 44 in Dublin for previously occupied spaces that occurred over the one-year time frame generally from late January 2014 to late January 2015.

In Pleasanton these lease transactions totaled approximately 72,311 square feet of leased space with a relatively small average of 2,066 square feet. The largest lease transaction during this timeframe was 9,694 square feet for Max Muscle Sports Nutrition (the former Iron Horse Nutrition under new ownership). Other lease transactions in Pleasanton during this timeframe included 6,124 square feet for Inklings Coffee & Tea Bar, 2,410 square feet for a fitness facility, 2,500 square feet for Mongolian BBQ, and 1,400 square feet for Academic Plus, a tutoring center.

Table 19. Pleasanton and Dublin Retail Lease Transactions
1/22/15 - 1/22/16

Type	Number of Leases	Total Sq. Ft.	Largest Space	Average Sq. Ft.
Pleasanton	35	72,311	9,694	2,066
Dublin	44	140,267	19,500	3,188

Sources: CoStar; and ALH Urban & Regional Economics.

Over the cited time period there was a greater volume of leasing activity in Dublin, in some part reflecting the higher vacancy rate and thus great supply of available retail spaces. The 44 lease transactions in Dublin totaled 140,267 square feet, with the largest fill vacancy totaling 19,500 square feet occupied by Home Goods. Other representative lease transactions over the time period included 7,200 square feet for Ethan Allen, 5,949 square feet for Sur La Table, and 5,000 square feet for a Pilates studio. There were yet numerous other smaller retail lease transactions, reflected in the overall average lease transaction size of 3,188 square feet.

This strong lease transaction information, paired with the each city's low retail vacancy rate, indicates that Pleasanton and Dublin are attractive retail markets.

Existing Vacancies

ALH Economics conducted fieldwork in Pleasanton and Dublin to assess the condition of existing retail vacancies. A selection of properties was viewed representing a range of vacancies from small to large. As a fieldwork guide ALH Economics assembled a list of existing retail vacancies, which is presented in Exhibit 45. All the properties included on this list highlighted in bold italics were photographed in February 2016 as part of the fieldwork process. These photographs, which demonstrate existing vacant retail conditions, are maintained in the ALH Economics project files along with descriptive notes on each property.

In general, the observed properties all indicate that existing market area vacancies are very well maintained, with no visible signs of urban decay or deterioration. Pleasanton and Dublin contain many small neighborhood-serving retail centers as well as larger community-oriented retail options. Some of these centers are over 30 years of age. Despite their age, these centers have low vacancy rates and are generally well maintained. This includes Mission Plaza, which contains only one small vacancy that is actively being marketed. Some retail centers have been remodeled or rehabilitated in recent years. This includes the Vintage Hills Plaza, which is anchored by a New Leaf Market, and Shamrock Village, which is currently being remodeled.

Many of the centers have no visible vacancies. The Pleasanton Square Shopping Center and Meadow Plaza, amongst others, are 100% occupied. For those centers not 100% occupied, the

properties are well maintained and most vacancies are actively being marketed. An example is at 2803 Hopyard Road, a former Straw Hat Pizza, which is actively being marketed. This property is adjacent to other retail options that are characterized by very low retail vacancy rates. Rose Pavilion, a larger community-oriented retail center in Pleasanton, contains three medium to larger vacancies. Within this center, CVS relocated to a new site within the center, Ethan Allen moved to the newly constructed Persimmon Place in Dublin, and Fresh and Easy Market closed all stores in California. All three of these vacant retail spaces are well maintained and located adjacent to active retail options within the shopping center. During fieldwork observation the center had heavy shopping volume because of the Macy's Furniture store, Ranch 99 Market, and other retail options. Moreover, while vacant for several years, the CVS space, which is owned by CVS, has recently been acquired by the shopping center's owner.

A few of the observed shopping center parking lots show some signs of minor cracking of the pavement. This included Gateway Square and Val Vista Center. This cracking is largely normal wear and tear and minor cracking of pavement is common with older shopping centers. Both centers did not exhibit signs of decay and Val Vista Center is 100% occupied. Some of the older centers are poorly oriented relative to the street, which is not favorable. This includes Valley Plaza; however, despite this center's poor orientation, only two retail vacancies were observed, one which appears to be backfilled by a new Thai restaurant.

The Project's market area is characterized by very few long-term vacancies. One such vacancy is the former Borders bookstore space at Metro 580. This approximately 30,000-square-foot space was vacated in 2011 when Borders went bankrupt. Numerous prospective users negotiated over the space over the years, and reports are that Party City will be relocating to the space soon, opening in early 2016. This will entail Party City's relocation from Dublin. Despite this long-term vacancy, this property has been well-maintained over the years. Since the pool of demand is smaller for larger tenant spaces such as the former Borders bookstore space these spaces can often remain vacant longer than small shop spaces with a great pool of tenant demand. Moreover, negotiations and tenant improvements can also be time consuming for these larger tenant spaces. Thus, longer-term vacancies are not necessarily an indicator of poor commercial market health, and property owners are motivated to maintain the properties in good physical condition to maximize potential tenant interest.

One indicator of urban decay is chronic trash and litter. A small amount of trash was observed in the parking lot of the former Denny's restaurant at 6455 Owens Drive. However, the trash appeared to be mostly fast food containers due to the proximity to nearby fast food restaurants and did not appear to be a chronic problem. Overall, the Pleasanton and Dublin vacancies were found to be well maintained with no visible signs of urban decay, especially with regard to boarded up windows, graffiti, or visible signs of trash.

Retail Backfilling Examples

As demonstration of the potential for backfilling of retail vacancies, including any vacancies that might result from project or cumulative project's sales impacts, ALH Economics compiled a list of examples of backfilled tenants, with a focus on larger tenant spaces backfilled in Pleasanton. The above discussion regarding retail lease transactions demonstrates the ability for smaller retail spaces to be backfilled in the market area.

The representative list of larger backfilled retail vacancies, presented in Exhibit 46, includes 5 examples of backfilled tenant spaces, comprising 136,500 square feet of space. This includes the above-referenced Borders bookstore space. The average space cited totals approximately 27,300 square feet, and period of vacancy for the properties ranged from approximately 1 year to up to 5 years for the Borders space. The distance of these properties from the Project site range from 1.2 miles to 3.8 miles.

The quantity of good-sized retail backfill examples in just Pleasanton is a very strong indicator of the reuse potential of larger retail spaces and the attraction of the market area. The information in Exhibit 46 identifies the current tenant and the prior tenant. Other examples beyond the Borders/Party City transition include CompUSA's closure in 2006 and subsequent backfilling of approximately 17,500 square feet by Smart & Final. The 2010 closure of Nob Hill Grocery's 30,000-square-foot store was later backfilled by Walmart Neighborhood Market. Another example of a new large grocery store tenant includes 99 Ranch Market taking over the 45,000 square feet vacated by Levitz Furniture in 2008 after a two-year vacancy. Finally, in 2011 Fresh & Easy took over an approximate 10,000-square-foot space after Fitness Express closed in 2010. After Fresh & Easy vacated the California market this space again became vacant in 2015; however, Fresh & Easy continues to hold the lease for the space, and thus it is not currently available to the market.

These backfilled retail space examples demonstrate that the market has the ability to backfill retail vacancies, including former grocery store space as well as larger spaces. This is in addition to the high demand demonstrated for smaller retail spaces as well. This information suggests that any retail vacancies that might occur in the Project's market area as a result of Project or cumulative project impacts will be well-maintained during any period of vacancy and will not contribute to conditions of urban decay or deterioration.

REGULATORY CONTROLS

Owners of commercial retail properties are generally financially motivated to maintain property in a manner appropriate to retain existing tenants and attract new retail tenants. This appears to be the case in the Project's market area as evidenced by the overall positive prevailing physical condition of the market area's retail vacancy. If property owners lag, however, and property maintenance begins to show signs of deferred maintenance or other disrepair, both of the market area cities have regulatory controls that can be implemented to avoid the onset of deterioration or decay. A review of these regulations by market area city follows.

City of Pleasanton

City ordinances such as the City of Pleasanton Municipal Code of Ordinances Chapter 9.08 on Litter, Chapter 9.20 on Garbage, Chapter 9.28 on Property Maintenance, Chapter 9.34 on Graffiti Abatement, Chapter 11.44 on Removal of Vehicles from Private Property, and Chapter 20.65 on International Property Maintenance Code require property owners to maintain their properties so as not to create a nuisance by creating a condition that reduces property values and promotes blight and neighborhood deterioration.[21] Chapter 9.28.020 on Unlawful Property Maintenance covers many property nuisances such as, but not limited to, "broken or discarded furniture, household equipment and furnishings or shopping carts when visible from a public street," "Overgrown vegetation visible from a public street likely to harbor rats, vermin

[21] City of Pleasanton, "Municipal Code," http://qcode.us/codes/pleasanton/ (accessed January 2016).

or other nuisances or which obstructs the view of drivers on public streets or private driveways, or which impedes, obstructs or denies pedestrian or other lawful travel on sidewalks, walkways, or other public rights-of-way," "Packing boxes, cardboard boxes, lumber, junk, trash, barrels, drums, salvage materials, or other debris kept on the property for an unreasonable period and visible from a public street," "Buildings which are abandoned, partially destroyed, left in an unreasonable state of partial construction or have been declared substandard or dangerous by the building official," "Buildings with windows containing broken glass or no glass at all, where the window is of a type which normally contains glass, which constitutes a hazard and/or invites trespassers and malicious mischief. Plywood or other material used to cover such window space, if permitted under this code, shall be painted in a color or colors compatible with the remainder of the building," "Building exteriors, walls, fences, driveways, sidewalks, or walkways which are maintained in defective or unsightly condition," and "Maintenance of property out of harmony or conformity with the standards of the neighborhood."[22] The enforcement of these ordinances can help prevent physical deterioration due to any long-term closures of retail spaces.

Pleasanton's Code Enforcement Division is part of the Community Development Department and comprises one Senior Code Enforcement Officer. Code enforcement within the City of Pleasanton is done on a mainly reactive basis through complaints made by the public, with obvious and dangerous enforcement done on a proactive basis.[23] Public complaints can be made through the City's website, through the Mobile Citizen App, and by calling the Code Enforcement Division directly. The process for abating the violation depends on the severity and hazard level of the violation. Typical violations are resolved between seven to 30 days.[24] When a violation occurs the property owner will receive a written notice from the city, and the owner is given a reasonable amount of time, but no less than 15 calendar days, to fix the nuisance, as well as suggested methods for correcting the violation. If nothing is done to correct the violation, an administrative hearing will be held to determine whether or not a violation has occurred. After the administrative hearing, the case will either continue on to City Council or the owner will be given a certain amount of time to correct the violation. If the owner continues to not abate the violation, the City Manager shall cause it to be abated by city employees or by private contract. The costs shall be billed to the owner, as specified in Section 9.28.13 or a lien will be placed on the property.[25] According to the City of Pleasanton, "over 90 percent of all reported problems are resolved on the initial contact by Code Enforcement Officers."[26]

In 2013 the Code Compliance Division opened 532 cases and closed 531, providing a closure rate of 99%; in 2014 561 cases were opened and 552 were resolved, resulting in a closure rate of 98%; and in 2015 517 cases were opened and 476 were resolved, with some carrying over into 2016, providing a closure rate of 99%. The majority of these cases are violations related to property maintenance, signs, encroachments, residential zoning, commercial zoning, business licenses, trailer parking, noise, garbage, and heritage trees. Code Compliances estimates that

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[22] City of Pleasanton, "Chapter 9.28 Unlawful Property Maintenance," http://qcode.us/codes/pleasanton/ (accessed February 2016).
[23] Code Enforcement Department, Senior Code Enforcement Officer, City of Pleasanton; interview conducted January 2016.
[24] Ibid.
[25] City of Pleasanton, "Municipal Code Chapter 9.28 Property Maintenance," http://qcode.us/codes/pleasanton/ (accessed February 2016).
[26] City of Pleasanton, "Code Enforcement," http://www.cityofpleasantonca.gov/gov/depts/cd/code/default.asp (accessed February 2016).

65% of cases relate to residential property and 35% relating to commercial property. The majority of commercial property violations comprise sign violations, construction noise violations, business licenses violations, zoning violations, conditions of approval violations, and design review violations. Graffiti violations are handled through the Police Department and given to either the Operations Service Center if located on public property or Code Enforcement if located on private property for abatement and are removed within 10 days after notification.[27]

City of Dublin

City ordinances, such as the City of Dublin Municipal Code of Ordinances Chapter 5.32 on Solid Waste Management, Chapter 5.64 on Property Maintenance, Chapter 5.66 on Maintenance of Foreclosed Residential Properties, Chapter 5.68 on Graffiti, Chapter 5.70 on Weeds and Refuse, and Chapter 6.80 on Abatement of Abandoned Vehicles, require property owners to maintain their properties so as not to create a nuisance by creating a condition that reduces property values and promotes blight and neighborhood deterioration.[28] Enforcement of these ordinances can help prevent physical deterioration due to any long-term closures of retail spaces. Code enforcement in Dublin is managed by the City's Community Development Department and includes one full time Senior Code Enforcement Officer, who primarily enforces the Zoning Ordinance, Residential Property Maintenance Ordinance, Non-Residential Property Maintenance Ordinance, Graffiti Ordinance, and other relevant public nuisance ordinances on occasion. This position is assigned to the Planning Division and reports to the Assistant Community Development Director. In addition, the Building Division is responsible for the enforcement of the California building code and other related City adopted technical codes. The assigned building code enforcement officer reports directly to the Building official.

Code enforcement is done on both a pro-active and complaint basis. Community Development staff work with business owners, residents, outside agencies, and other City departments to resolve any violations. Citizens can report code violations by calling, using the online form, by U.S. mail, or in person.[29] Once a violation has been determined, a written notice is issued to the property owner in person or by mail and the owner is given a reasonable amount of time to abate the nuisance.[30] Most routine violations are resolved within two-three weeks; however, this timeframe varies based on the nature of the violation.[31] According to the Code Enforcement division most violations are resolved after initial contact is made; however, if violations are not corrected, "within a reasonable amount of time, there are a number of additional actions that can be taken by the City to achieve compliance including: mediation, citation, abatement, lien, and/or judicial proceedings."[32]

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[27] Code Enforcement Department, Senior Code Enforcement Officer, City of Pleasanton; interview conducted January 2016.
[28] City of Dublin, "Municipal Code," http://www.codepublishing.com/CA/Dublin/ (accessed February 2016).
[29] City of Dublin, "Code Enforcement," http://dublinca.gov/1635/Code-Enforcement (accessed February 2016).
[30] City of Dublin, "Municipal Code," http://www.codepublishing.com/CA/Dublin/ (accessed February 2016).
[31] Code Enforcement Department, Senior Code Enforcement Officer, City of Dublin; interview conducted February 2016.
32 City of Dublin, "How Compliance is Achieved," http://dublinca.gov/727/How-Compliance-is-Achieved (accessed February 2016).

Also, according to Municipal Code Chapter 7.52.140:

> If the nuisance is not abated within the time period set forth in the abatement order, the Enforcement Official may cause the nuisance to be abated by city employees or private contract in accordance with appropriate procedures applicable to the city. Absent consent to enter the subject property for the purpose of nuisance abatement, the City Manager shall direct the City Attorney to obtain the necessary judicial authority for entry and abatement purposes. All costs incurred by the city in abating the nuisance shall be chargeable to the property and shall be collected as hereinafter provided.[33]

According to the Senior Code Enforcement Officer the annual closure rate for violations is very high and the most common complaints include unkempt residential front yards, overgrown vegetation and weeds, litter junk debris stored in yards, and inoperable vehicles. The majority of code violation cases occur in the residential districts, comprising a three year average (2013-2015) of 64%, with 36% Commercial code enforcement cases. The majority of commercial cases involve Sign regulation, Temporary Use Permits, Conditions of Approval, and Graffiti abatement.[34]

Summary

During the fieldwork conducted in February 2016 there were limited visible signs of litter, graffiti, weeds, or rubbish associated with existing commercial retail nodes and corridors in the Project's market area. There appear to be isolated examples of cracked parking lot pavement and light trash, but these are not endemic throughout the market area. Instead, vacant commercial retail examined properties were reasonably well-maintained with no significant signs of decay or deterioration. Thus, ALH Economics concludes that existing measures to maintain private commercial property in good condition in the cities of Pleasanton and Dublin are effective and would serve to preclude the potential for urban decay and deterioration in the event any existing area retailers or hotels close following the operations of the Project and any cumulative projects.

POTENTIAL FOR URBAN DECAY RESULTING FROM THE PROJECT

Contributing Causes to Urban Decay

Before considering how the Project and cumulative projects might affect the market and environs, it is useful to focus on what constitutes the *environmental* impact known as urban decay. The leading court case on the subject, *Bakersfield Citizens for Local Control v. City of Bakersfield* (2004) 124 Cal.App.4th 1184, 1204, described the phenomenon as "a chain reaction of store closures and long-term vacancies, ultimately destroying existing neighborhoods and leaving decaying shells in their wake." The court also discussed prior case law that addressed the potential for large retail projects to cause "physical deterioration of [a] downtown area" or "a general deterioration of [a] downtown area." (Id. at pp. 1206, 1207).

33 City of Dublin, "Municipal Code," http://www.codepublishing.com/CA/Dublin/ (accessed February 2016).

34 Code Enforcement Department, Senior Code Enforcement Officer, City of Dublin; interview conducted February 2016.

When looking at the phenomenon of urban decay, it is also helpful to note economic impacts that do not constitute urban decay. For example, a vacant building is not urban decay, even if the building were to be vacant over a relatively long time. Similarly, even a number of empty storefronts would not constitute urban decay. Based on the preceding descriptions regarding urban decay, therefore, ALH Economics' analysis examined whether there was sufficient market demand to support the Project without affecting existing retailers so severely such as to lead to a downward spiral toward decay of the commercial real estate market.

Project and Cumulative Project Vacancy Impacts

The preceding analysis indicated that Phase I development of the Project could result in the closure of an existing grocery store, with the level of sales impact equivalent to approximately 36,000 square feet of food store space. By the time of Full Buildout there are only negligible sales impacts, anticipated to contribute to no store closures. The cumulative projects analysis indicates the potential for up to 111,200 square feet of unmet demand by Phase I, increasing to approximately 154,800 to 267,650 square feet by Full Buildout anticipated in 2028.

Given the size of the combined Pleasanton and Dublin retail base, it would take about 92,500 square feet of incremental vacancy to increase the vacancy rate by 1.0%. Thus, the prospective Phase I Project or cumulative project impacts would raise the combined area vacancy rate by just over 1.0%. The cumulative project impacts by Full Buildout could result in a higher vacancy rate increase, but still relatively low at 1.7% to 2.9%. The combined cities vacancy rate is currently 3.9%.. A 1.7% to 2.9% increase in this vacancy rate would increase the rate to 5.5% to 6.8%. These rates are within the range previously experienced by Pleasanton and Dublin, and within the 5% to 10% range generally deemed sufficient to maintain a healthy retail market, which includes some increment of vacancy to allow for market fluidity and growth of existing retailers. Thus, this potential increment in retail vacancy is not perceived to be detrimental to the real estate sector, and hence the physical environment of the Project's market area. Further, the actual increment in vacancy will be less because as new development occurs the inventory will increase, so the vacancy will be a smaller percentage of the increased base.

In addition to increasing the prevailing vacancy rate by a nominal amount, the market has demonstrated the ability to backfill retail vacancies, including larger vacancies such as might be caused by the closure of a grocery store. The examples presented in Exhibit 46 demonstrate that the market is resilient and that larger scale vacancies can be successfully backfilled. This provides support and evidence to suggest that continued backfilling can occur, without risk the market devolving into urban decay.

Urban Decay Conclusion

In developing a conclusion regarding the potential for urban decay, ALH Economics relied on the definition presented earlier in this chapter, which focused on determining whether or not physical deterioration would likely result from the opening of the Project and other cumulative developments. ALH Economics' conclusion is based on consideration of current market conditions, findings regarding sales and vacancy impacts, and regulatory controls, as summarized below:

> ***Current Market Conditions***: The fieldwork and market research indicated that retail market conditions are moderate to very strong in the market area's

core commercial areas, with low to moderate retail vacancy rates. Retail leasing activity is strong and existing vacancies are well maintained.

Sales and Vacancy Impacts: The findings suggest the Project's Phase I development could result in the closure of one grocery store and that at Full Buildout the cumulative project impacts (including the Project) could result in a modest increase in the market area's vacancy rate, as new market area demand will not be sufficient to support all the competitive retail space. While the grocery store closure is deemed unlikely, due to factors such as the anticipated distribution of impacts and the lack of variety and bulk orientation of goods available at club retail stores, even if the modest amount of vacancy occurs, the resulting vacancy rate increment will be nominal, with the resulting vacancy rate well within the range indicative of a healthy retail market. Moreover, the market's demonstrated retail absorption, including backfilling of larger retail spaces, coupled with the strong to moderately strong market conditions, suggest that vacancies that might occur as a result of the cumulative project impacts would likely be backfilled within a reasonable time and not be characterized by prolonged vacancy.

Even if some sites experience prolonged vacancy because they might be of a size that experiences less demand or they are located in shopping centers with poor visibility or other undesirable characteristics, the prevailing conditions in the market area suggest that these vacancies would be well-maintained and would not devolve into urban decay or deterioration. Moreover, it should be noted that when tenants vacate prior to lease expiration, they continue to be responsible for rent and their share of building operating expenses, such as the Fresh & Easy example in Exhibit 46. While not all tenants would have the wherewithal to continue these payments, national or regional retailers are more likely to have this capability. This is an important consideration because landlords would continue to receive income on these vacated spaces through committed lease payments, which means they would have available financial resources to continue to maintain their properties.

Regulatory Controls: During Project-related fieldwork conducted in February 2016, ALH Economics found there were little-to-no visible signs of litter, graffiti, weeds, or rubbish associated with existing commercial nodes in the Project's market area. Thus, ALH Economics concludes that existing measures to maintain private commercial property in good condition in Pleasanton and Dublin are generally effective and would serve to help preclude the potential for urban decay and deterioration in the event any existing retailers in the market area close following the operations of the Project and other cumulative retail projects.

In conclusion, while some existing stores may experience negative impacts following the addition of the Project, evidence suggests that closed store spaces would not exhibit traditional signs of deterioration and decay, such as graffiti, refuse dumping, and dilapidated fencing. Existing vacant spaces throughout the market area appear well-maintained, including longer-term vacancies. This, plus the recent area leasing activity, indicates that the Project's market area is an inherently appealing retail market. Based upon these findings, ALH Economics

concludes that the Johnson Drive EDZ Project and the identified cumulative projects will not cause or contribute to urban decay.

X. FISCAL IMPACT ANALYSIS

The purpose of this study chapter is to present a net fiscal impact analysis of the Project components included in the economic impact analysis. This includes the new general retail, club retail, and hotel development included in the analysis. The chapter discusses the anticipated City of Pleasanton General Fund revenues anticipated to be generated by the Project, the associated expenditures to service the Project, and the net fiscal impact, both at the completion of Phase I and on an annual recurring basis after buildout. All of the fiscal impact analysis findings are documented in a series of exhibits. These are referenced in the text and include Exhibits 47 through 57. Because the analysis includes two time periods (Phase I and Full Buildout) and two hotel options the findings do not lend themselves to text table presentation.

APPROACH TO THE ANALYSIS

In February 2015 Brion & Associates prepared a draft memorandum pertaining to the Johnson Drive Economic Development Zone for the Project applicant. This memorandum is titled "Draft Summary – Johnson Drive EDZ Fiscal Impact Analysis, City of Pleasanton," and is dated February 5, 2015. The analysis in this memorandum was prepared for the entire 40-acre area under consideration for designation as an EDZ. The Brion & Associates analysis was prepared for five site project scenarios, which included a mix of club retail, hotel, retail, HQ office, and office space.

ALH Economics was directed to use as much of the Brion & Associates analysis as possible in preparing a fiscal impact analysis specific to the Project included in the economic impact analysis. This pertains to the club retail space, general retail space, and hotel development to be developed above the existing base of retail space. ALH Economics therefore reviewed the Brion & Associates analysis, identified the key assumptions relevant to the Project, and updated select factors pursuant to the passage of time since completion of the Brion & Associates study. The Brion & Associates study was benchmarked to the City of Pleasanton's Fiscal Year 2014/15 Operating Budget. ALH Economics benchmarked the current Project fiscal impact analysis to the Fiscal Year 2015/16 Operating Budget where relevant. Exceptions to this update are noted in the following fiscal impact analysis presentation.

In general, the Brion & Associates analysis is based upon the average cost approach to fiscal impact analysis. In this approach, costs are derived by determining an average cost to provide existing services on a per capita basis for the relevant population served, which is then applied to the comparable population base for the project under study. In this approach revenues are also sometimes calculated on a per capita basis as well, with other revenues estimated based upon a project's anticipated performance or valuation. The ALH Economics analysis parallels the Brion & Associates approach to General Fund revenues and expenditures. Therefore, this current analysis relies upon the Brion & Associates report as a source document. The logic or support for the resulting fiscal impact factors or assumptions can be found in the referenced Brion & Associates report and are not repeated herein except as warranted to support the current analysis.

FISCAL ASSUMPTIONS

The fiscal impact analysis is dependent upon key assumptions and building blocks. These are presented in Exhibits 47 through 50, which include inputs to the analysis. Following is a review of these key assumptions and building blocks.

Project Description, Employment, and Service Population Estimates

Exhibit 47 summarizes the proposed Project development program as reviewed earlier. For analytic purposes, ALH Economics bases the analysis on occupied square feet. As noted there are two hotel options. One option includes 150 rooms (Option 1) and one option includes 231 rooms (Option 2). The employment assumption is sourced to the Brion & Associates study, and includes an estimated 800 square feet per club retail employee, 400 square feet per general retail employee, and 3,000 square feet per hotel employee. For this analysis ALH Economics applies the general retail employment density assumption to occupied square feet. The result includes a range of 226 to 241 employees for Phase I development and an increment of 437 employees to full buildout, for a cumulative total of 663 to 678 employees. These employment estimates provide a foundation for estimating the Project's "service population," which is estimated to range from 113 to 120 for Phase I, an additional 219 to full buildout, and a cumulative total of 332 to 339. These service population estimates comprise one-half the estimated employees, on the assumption that employees do not require the same level of service as residents. This is an industry-standard assumption reflected in the Brion & Associates study and is relevant to the calculation of average cost city expenditures as well as some revenues.

City of Pleasanton Demographic, Employment, and Tax Characteristics

Exhibit 48 contains many of the baseline assumptions and information necessary to generate estimates of City of Pleasanton revenues and expenses applicable to the Project. Unless other cited, these figures all match the Brion & Associates analysis. These include population and employment estimates used to generate the size of the City's existing service population for the purpose of deriving existing average cost expenditures and some per capita revenues. These estimates are the same as included in the Brion & Associates study for 2015 and include a population base of 73,500 and an employment base of 58,520. Based on the assumption that each employee is equivalent to one-half a resident, the City's service population is estimated to total 102,760.

This exhibit also includes key tax-related information unique to Pleasanton, such as property and sales tax rates, vehicle in lieu of property tax revenues, and assessed property valuation, all of which are germane to the fiscal impact analysis as noted in subsequent exhibits. Most relevant is the City's estimated share of the basic 1% property tax rate collected by the County, which is 24.64%. In addition, the exhibit indicates the City's sales tax rate is 1.0% and Transient Occupancy Tax (TOT) is 8% of hotel revenues.

Finally, this exhibit also includes information on the City of Pleasanton's Vehicle in Lieu of Property Tax Revenues, which was updated from the Brion & Associates study to reflect the FY 2015/16 budget. This figure is $5,580,000. This revenue item is generated on the basis of property valuation increases. Toward this end, ALH Economics also updated the City's projected assessed valuation, to also reflect the FY 2015/16 budget, estimated at almost $19.6 billion.

Taxable Project Sales

The City of Pleasanton will receive sales taxes based upon the taxable portion of the Project's sales. This excludes the portion of club retail sales assumed to be made to wholesale consumers with a resale license. It will also exclude taxable sales that might be diverted from existing retailers. The economic impact analysis identified estimates of sales diverted from existing market area retailers, but does not differentiate between retailers in the portion of the market area in the City of Pleasanton or the City of Dublin. To be conservative, this analysis assumes as a worst case scenario that all these sales are diverted from existing Pleasanton retailers as opposed to retailers outside of Pleasanton. This represents a cautious approach because it results in the maximum reduction in the Project's potential taxable retail sales.

The amount of Project sales providing the basis for sales tax for the Project is derived in a series of three exhibits. Exhibit 49 includes the estimate of all taxable sales, regardless of the amount that might be diverted from existing retailers (i.e., excluding wholesale purchases). When gas sales occur, they are fully loaded with all applicable taxes. Thus, ALH Economics assumes that the estimated portion of Gasoline Station sales for the Project includes taxes. Therefore, analysis is presented in Exhibit 50 that estimates the portion of gasoline sales that is the taxable basis, to which the City's 1.0% sales tax rate would be applied to estimate sales tax. Finally, Exhibit 51 presents the estimate of Project-related taxable sales that will comprise net new taxable sales to the City of Pleasanton. This takes into account the earlier Project sales impacts identified at the end of Phase I and at Full Buildout (e.g., no sales impacts are estimated at this time).

The findings in Exhibit 51 result in net new taxable sales estimated to accrue to the City of Pleasanton totaling $94.5 million at the end of Phase I, an additional $69.0 million attributable to the incremental development between 2018 and Full Buildout, and a grand total of $163.5 million per year at Full Buildout, all in 2015 dollars. This Full Buildout figure will likely increase nominally within a year of full completion of the Project as the small increment of sales impact in the Clothing & Clothing Accessories category is absorbed through new demand generated after the Full Buildout date (see Exhibit 30 for the sales impact figure).

Currently, the Johnson Drive EDZ generates limited taxable retail sales, estimated to total $8.3 million in Fiscal Year 2015. This figure was derived by ALH Economics from reported sales tax revenues of $83,432.[35] These taxable retail sales were generated by four businesses. However, for reasons of confidentiality, the City cannot disclose the sales taxes generated by the individual businesses.

Johnson Drive EDZ Project Property Valuation

Exhibit 52 presents the assumptions and conclusions regarding the property valuation of the Project upon the completion of development and the estimated property tax revenues that will accrue to the City of Pleasanton General Fund. The valuation is based on value per square foot assumptions prepared by Brion & Associates. These values are $300 per square foot for club retail, $400 per square foot for general retail, and $300 per square foot for hotel.[36] The

[35] Provided by the City of Pleasanton Finance Department, pursuant to the City's tax consultant, Hinderliter de Llamas.

[36] ALH Economics believes the hotel valuation figure may be low given the current hotel concept. However, for the sake of both consistency and conservatism this fiscal impact analysis continues to assume the $300 per square foot value included in the Brion & Associates analysis.

resulting values are $72.7 to $85.9 million for Phase I development, depending upon hotel option; and $69.9 million for the incremental general retail space built between 2018 and Full Buildout in 2028. Thus, the total Project valuation at Full Buildout is $142.6 to $155.8 million.

As a point of comparison, in 2014 the assessed value of the parcels in the Johnson Drive EDZ totaled $41.7 million.[37] Assuming the value of the properties increased 2% from 2014 to 2015 pursuant to the provisions of Proposition 13, this would place the current value of the properties at about $42.6 million in 2015.

FISCAL REVENUE ESTIMATES

The revenue calculations for the fiscal impact analysis are presented in Exhibits 52 through 55. A summary of these exhibits and their primary purpose follows.

Johnson Drive EDZ Property Taxes

Exhibit 52 also includes estimates of the property taxes that will accrue to the City of Pleasanton's General Fund pursuant to Project development. Based on the estimated valuation and pursuant to the City of Pleasanton's share of property tax revenues, the Project is estimated to generate $179,133 to $211,658 in property taxes at the end of Phase I and $351,450 to $383,975 at Full Buildout.

Pursuant to the estimated existing Johnson Drive EDZ valuation of $42.6 million, ALH Economics estimates that the City of Pleasanton currently receives an estimated $105,000 in annual property taxes.

Tax in Lieu of VLF Estimates

Property Tax in Lieu of Vehicle License Fees (VLF) is derived from the Project's anticipated contribution to increased property valuation throughout the City of Pleasanton. This is the method by which such tax revenues are estimated by the State of California and redistributed to local jurisdictions. This is a state substitute for prior motor vehicle license taxes that were redistributed by the State to municipalities. The results of these calculations presented in Exhibit 53 indicate that the incremental value associated with the Project is estimated to increase the City of Pleasanton's assessed valuation by 0.73% to 0.80% upon Full Buildout. The VLF Revenues associated with this increase range from $20,711 to $24,472 at the completion of Phase I, an additional $19,923 at Full Buildout, for a total of $40,634 to $44,395 for the entire Project at Full Buildout.

Select City of Pleasanton General Fund Revenue Factors

The Brion & Associates study identified a number of per capita revenues applicable to Project employees. These are included in Exhibit 54. The factors under "Daytime Population Factors" exactly match the factors calculated by Brion & Associates. ALH Economics did not adjust these factors based on the more current City of Pleasanton Operating Budget because their derivation involved several steps that were not readily adaptable to a more current budget. Matching these figures to the Brion & Associates analysis is therefore conservative, as it does not adjust for modest increases anticipated between fiscal years. These factors total $72.68 per daytime

[37] Brion & Associates Memorandum, Table A-4.

population, which is equivalent to $36.34 per employee pursuant to the study's approach to estimating service population.

Exhibit 54 also includes "Sales Tax Factors" that pertain to sources other than the Project's taxable retail sales. These include retail sales tax pursuant to employee taxable spending in Pleasanton and anticipated local taxable retail spending by hotel guests. These factors were derived from analysis in the Brion & Associates study, and include $26.38 a year per employee and $0.50 per occupied hotel rom.

Select City of Pleasanton General Fund Revenues

Exhibit 55 presents estimated General Fund revenues associated with sales tax, transient occupancy tax (TOT), and employee-based revenues. All of the revenues factors were presented earlier, such as the Project's estimated taxable sales net new to the City of Pleasanton, the per employee and per occupied hotel room annual sales tax, TOT rate, and the per employee General Fund revenues. The only piece of information new to this exhibit includes the assumptions relevant to the TOT estimate. For this revenue source, the analysis assumes the same $125 hotel room rate assumed in the Brion & Associates study. ALH Economics believes this is conservative given hotel room rates in the Pleasanton and Dublin area as presented in Exhibit 55, but using a conservative room rate results in a conservative estimate of TOT revenues. The analysis further assumes the same 75% occupancy rate assumed by Brion & Associates. Thus, for Option 1's 150 rooms there will be an estimated 41,062.5 occupied room a year, increasing to 63,236.25 for Option 2's 231 rooms.

The revenue estimates in Exhibit 55 include $814,819 in Project-generated retail sales tax at the completion of Phase I, increasing to $1.7 million a year at Full Buildout (this compares to $83,432 in sales taxes generated in Fiscal Year 2015 from existing Johnson Drive EDZ businesses). This is the largest revenue source included in Exhibit 55, followed by TOT taxes of $410,625 to $632,363 a year beginning with the completion of Phase I. All other revenues included in this exhibit are estimated to total approximately $30,000 or less a year, even at Full Buildout.

FISCAL EXPENDITURES ESTIMATES

The Brion & Associates Memorandum calculated fiscal expenditures based upon the average cost methodology. This approach as implemented by Brion & Associates looks at departmental costs, estimates the amount likely to vary with the size of the population served, determines the share likely to be applicable to employment-generated uses, and derives a per employee expenditure estimate. ALH Economics replicated the Brion & Associates analysis using projected City of Pleasanton expenditures from the FY 2015/16 Operating Budget. The sole exception to replicating the Brion & Associates approach pertains to the estimation of Offsetting Revenues. For this column, ALH Economics could not fully replicate the Brion & Associates approach because some matching figures could not be found in the FY 2015/16 Operating Budget. In these cases, ALH Economics calculated the percent offsetting revenues from the Brion & Associates analysis and applied these percentages to the departmental revenues to deduce the offsetting revenue amounts. This is explained and documented in Exhibit 56.

The expenditures analysis documented in Exhibit 56 results in a per employee annual expenditure estimate of $293.63. The comparative figure in the Brion & Associates Memorandum based upon Fiscal Year 2014/15 expenditures is $269.69.

NET FISCAL IMPACT

The results of the Project fiscal impact analysis are presented in Exhibit 57. These findings present the estimated annual revenues and expenditures accruing to the City of Pleasanton's General Fund at completion of Phase I and at Full Buildout of the Project. The results are also presented for the two hotel options. As referenced earlier, the analysis assumes a worst case analysis, in that all diverted taxable sales are diverted from City of Pleasanton retailers. This is conservative in that taxable sales diversions, if they occur, are likely to pertain to retailers throughout the Project's market area.

Summary of Revenues

The fiscal impact findings indicate that on an annual basis, the Project is estimated to generate $1.5 to $1.7 million in gross revenues to the City of Pleasanton at the completion of Phase I, depending upon the hotel room count option. These revenues are projected to increase to $2.5 to $2.7 million upon Full Buildout. The largest General Fund revenue component is retail sales tax estimated at $0.8 million for Phase I and $1.6 million for Full Buildout. All other General Fund revenues are much lower, with property taxes comprising the next largest General Fund revenue source followed by Transient Occupancy taxes. There are likely to be yet additional General Fund revenues generated by the Project, but the most substantial revenue sources are reflected in Exhibit 57.

Summary of Expenditures

The average General Fund expenditures estimated to be attributable to the Project total $66,422 to $70,728 annually at the completion of Phase I and $194,764 to $199,071 annually at the completion of Full Buildout. This reflects the average City of Pleasanton service costs for General Government, Community Development, Operations Services, Community Services, Library, Police, and Fire. These are the estimated average service costs for the Project's estimated employees.

These expenditures estimates do not include any City of Pleasanton cost allocation for the Project's transportation costs. It is possible the City of Pleasanton may be responsible for a portion of the Project's transportation costs. However, the amount of this expenditure is not presently identified and will be ultimately determined by the Pleasanton City Council. Thus, Project expenditures may increase by some as yet unidentified amount.

Net Fiscal Impact Summary

The net result of the Project's fiscal impact at stabilized operations assuming on a worst case basis that all diverted sales are diverted from Pleasanton retailers, is a projected $1.4 to $1.7 million annual contribution to the City of Pleasanton's General Fund at the completion of Phase I. This net revenue estimate increases to $2.1 to $2.3 million annually upon Full Buildout. At full buildout these net fiscal revenues represent an annual contribution equivalent to approximately 2.1% to 2.3% of the City's General Fund expenditures.

As noted above, the Project expenditures analysis does not include any potential City of Pleasanton share of Project-related transportation costs. The expenditure of any such costs will result in a reduction in the Project's estimated annual net fiscal revenues.

Sensitivity Analysis for Reduced Club Retail Sales

The Brion & Associates analysis of the Johnson Drive EDZ included a lower per square foot sales estimate for the Project's club retail space. This figure was $700 per square foot vs. the $1,152 per square foot figure included in the economic impact analysis.[38] Net fiscal impacts results reflecting this lower $700 per square foot club retail sales performance estimate are included in Exhibit 57, pursuant to sensitivity analysis. These results indicate that if the club retail space achieved this lower level of sales performance that the Project's Phase I net fiscal impact would range from $1.1 to $1.4 million. This net fiscal impact would increase to $1.9 to $2.2 million annually upon Full Buildout. Thus, the net fiscal impact results would be equal to approximately 79% to 86% the amount projected with the club retail sales performance benchmarked to Costco's national average performance level.[39]

FISCAL IMPACT LIMITATIONS

The foregoing fiscal impact analysis is intended to give a general sense of the net fiscal impact of the Johnson Drive EDZ Project. The figures are not precise estimates and changes will occur if the revenue and expenditure factors or other assumptions are developed with more precision. Nonetheless, the findings suggest a strong likelihood that the Project will result in a significant net positive fiscal impact to the City's General Fund. However, some limitations to the analysis, listed below, may affect the degree of the Project's estimated net benefit and change the net fiscal impact balance.

General Limitations

- The analysis is benchmarked to estimated stabilized operations. The net impacts during the ramp up period to stabilized operations will vary from the stabilized operations estimate. It may take several years before the full stabilized impacts transpire.

- The analysis may not be inclusive of all revenue and cost estimates. Major categories associated with ongoing revenues and costs are included, but there may be other less significant categories excluded from the analysis.

One-time Revenues and Appropriations

- The fiscal impact analysis does not include one-time fees that may be assessed by the City of Pleasanton. These fees are typically assessed on a cost recovery basis and are thus excluded from the analysis. Other potential fees, such as impact fees, are also excluded as they too are designed to provide a nexus with the services provided.

- Depending upon how construction contracts are structured, there may be the potential for the City of Pleasanton to benefit from construction-related sales and use taxes associated with the construction effort. These revenues are excluded from the analysis but could comprise a strong source of one-time revenues.

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[38] Brion & Associates Memorandum, Table A-3.

[39] See Exhibit 57, footnote 10 for information on the percentage impact on sales tax revenues assuming the lower club retail sales performance figure.

- Another one-time revenue that could benefit the City of Pleasanton during the construction period includes retail sales tax revenues resulting from construction worker spending in Pleasanton.

Ongoing Revenue and Appropriation Factors

- The analysis does not include any increase in valuation, such that would occur with the maximum 2% allowable increase pursuant to Proposition 13 or that would occur based upon increased valuation upon sale.

- The analysis does not take into account long-term service cost inflation, which may or may not be greater than the estimated rate of inflation.

- The Johnson Drive EDZ Project may trigger the need for additional services not accounted for in this analysis. The costs associated with these services could be meaningful, and could reduce the estimated net positive annual impacts. The likelihood of such additional costs being high, however, is deemed to be low.

In summary, the Johnson Drive EDZ Project net fiscal impact findings estimated above may change as more information and factors are considered. The results, however, suggest a strong likelihood that the Project will result in a significant net positive fiscal impact to the City of Pleasanton's General Fund.

ASSUMPTIONS AND GENERAL LIMITING CONDITIONS

ALH Urban & Regional Economics has made extensive efforts to confirm the accuracy and timeliness of the information contained in this study. Such information was compiled from a variety of sources, including interviews with government officials, review of City and County documents, and other third parties deemed to be reliable. Although ALH Urban & Regional Economics believes all information in this study is correct, it does not warrant the accuracy of such information and assumes no responsibility for inaccuracies in the information by third parties. We have no responsibility to update this report for events and circumstances occurring after the date of this report. Further, no guarantee is made as to the possible effect on development of present or future federal, state or local legislation, including any regarding environmental or ecological matters.

The accompanying projections and analyses are based on estimates and assumptions developed in connection with the study. In turn, these assumptions, and their relation to the projections, were developed using currently available economic data and other relevant information. It is the nature of forecasting, however, that some assumptions may not materialize, and unanticipated events and circumstances may occur. Therefore, actual results achieved during the projection period will likely vary from the projections, and some of the variations may be material to the conclusions of the analysis.

Contractual obligations do not include access to or ownership transfer of any electronic data processing files, programs or models completed directly for or as by-products of this research effort, unless explicitly so agreed as part of the contract.

APPENDIX A: EXHIBITS

Exhibit 1: Johnson Drive Economic Development Zone Project Site Location and Area Context

Miles
0 0.375 0.75 1.5

This map contains information from sources we believe to be reliable, but we make no representation, warranty, or guarantee of its accuracy. This map is published for the use of ALH Urban & Regional Economics and its clients only. Redistribution in whole or part to any third party without the prior written consent of ALH Urban & Regional Economics is strictly prohibited.

Exhibit 2
Johnson Drive Economic Development Zone (EDZ)
Project Description (1)
Existing, Phase I Development, and Full Buildout (2)
Key Land Use Designations Summary

	Development Characteristics			Incremental Development		
Development	**Existing** [A]	**Phase I Development** [B]	**Full Buildout** [C]	**Phase 1** [D = B - A]	**Increment to Full Buildout (2)** [E = C - B]	**Total** [E = C - B]
Retail						
General Retail	38,903	43,903	227,940	5,000	184,037	189,037
Club Retail	0	148,000	148,000	148,000	0	148,000
Retail Subtotal	**38,903**	**191,903**	**375,940**	**153,000**	**184,037**	**337,037**
Hotel Option 1 (3)	0	88,000	88,000	88,000	0	88,000
Hotel Option 2 (3)	0	132,000	132,000	132,000	0	132,000

Sources: Environmental Science Associates (ESA); and ALH Urban & Regional Economics.

(1) Includes only the land uses subject to the urban decay analysis. Other land uses are included in the program but are not included herein.
(2) For study purposes Phase I development is anticipated to be fully operational by 2018 (i.e., first full year of operations) and full buildout is anticipated by 2028.
(3) Hotel Option 1 comprises 150 hotel rooms and Option 2 comprises 231 hotel rooms.

Exhibit 3
Club Retail Store Sales Distribution
Costco Sales by State of California Board of Equalization Retail Classifications (1)

		Distribution Among Board of Equalization Sales Categories								
Costco Categories (2)	**Costco Sales Percentages (2)**	**Motor Vehicles & Parts Dealers**	**Home Furnishings & Appliances**	**Building Materials & Garden Equip.**	**Food & Beverage Stores**	**Gasoline Stations**	**Clothing & Clothing Accessories Stores**	**General Merchandise Stores**	**Food Services & Drinking Places**	**Other Retail Group**
Foods (3)	22.0%	0.0%	0.0%	0.0%	22.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sundries (4)	21.0%	0.0%	0.0%	0.0%	15.8%	0.0%	0.0%	5.3%	0.0%	0.0%
Hardlines (5)	16.0%	3.2%	5.6%	1.6%	0.0%	0.0%	0.0%	0.0%	0.0%	5.6%
Fresh Food (6)	14.0%	0.0%	0.0%	0.0%	14.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Softlines (7)	11.0%	0.0%	3.3%	0.0%	0.0%	0.0%	3.3%	3.3%	0.0%	1.1%
Ancillary and Other (8)	16.0%	0.0%	0.0%	0.0%	0.0%	10.6%	0.0%	0.0%	0.8%	4.6%
Totals	**100%**	**3.2%**	**8.9%**	**1.6%**	**51.8%**	**10.6%**	**3.3%**	**8.6%**	**0.8%**	**11.3%**

Sources: United States Securities and Exchange Commission, Costco Wholesale Corporation 10-K form for the fiscal year ending August 30, 2015, page 4; and ALH Urban & Regional Economics.

(1) This exhibit classifies Costco sales into the major retail categories used for retail sales classification purposes by the State of California Board of Equalization. These distributions comprise assumptions prepared by ALH Urban & Regional Economics, based upon professional judgment pursuant to select Costco store site visits to examine the mix and array of merchandise.

(2) Category descriptions and percentages are presented on page 4 in the Costco Form 10-K filing for the fiscal year ending August 30, 2015.

(3) Food includes including dry and institutionally packaged foods.

(4) Sundries includes snack foods, candy, alcoholic and nonalcoholic beverages, tobacco, and cleaning and institutional supplies.

(5) Hardlines includes major appliances, electronics, health and beauty aids, hardware, and garden and patio.

(6) Fresh food includes meat, produce, deli, and bakery.

(7) Softlines includes apparel and small appliances.

(8) Ancillary and Other include gas stations, pharmacy, food court, and optical.

Exhibit 4
Club Retail Store Sales Distribution
Sam's Club Sales by State of California Board of Equalization Retail Classifications (1)

		Distribution Among Board of Equalization Sales Categories								
Sam's Club Categories (2)	**Sam's Club Sales Percentages (2)**	**Motor Vehicles & Parts Dealers**	**Home Furnishings & Appliances**	**Building Materials & Garden Equip.**	**Food & Beverage Stores**	**Gasoline Stations**	**Clothing & Clothing Accessories Stores**	**General Merchandise Stores**	**Food Services & Drinking Places**	**Other Retail Group**
Grocery and consumables (3)	57.0%	0.0%	0.0%	0.0%	51.3%	0.0%	0.0%	5.7%	0.0%	0.0%
Fuel and other categories (4)	23.0%	6.9%	0.0%	6.9%	0.0%	6.9%	0.0%	0.0%	0.0%	2.3%
Home and apparel (5)	8.0%	0.0%	3.2%	0.0%	0.0%	0.0%	3.2%	0.8%	0.0%	0.8%
Technology, office and entertainment (6)	7.0%	0.0%	2.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.9%
Health and wellness (7)	5.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%	0.0%	4.5%
Totals	**100%**	**6.9%**	**5.3%**	**6.9%**	**51.3%**	**6.9%**	**3.2%**	**7.0%**	**0.0%**	**12.5%**

Sources: United States Securities and Exchange Commission, Walmart Inc. 10-K Form for the fiscal year ending January 31, 2015, pages 15 and 16; and ALH Urban & Regional Economics.

(1) This exhibit classifies Sam's Club, which is owned and operated by Walmart Inc., sales into the major retail categories used for retail sales classification purposes by the State of California Board of Equalization.

(2) Category descriptions and percentages are presented on pages 15 and 16 in the Walmart Inc. Form 10-K filing for the fiscal year ending January 31, 2015.

(3) Grocery and consumables includes dairy, meat, bakery, deli, produce, dry, chilled or frozen packaged foods, alcoholic and nonalcoholic beverages, floral, snack foods, candy, other grocery items, health and beauty aids, paper goods, laundry and home care, baby care, pet supplies and other consumable items.

(4) Fuel and other categories includes gasoline stations, tobacco, tools and power equipment, and tire and battery centers.

(5) Home and apparel includes home improvement, outdoor living, grills, gardening, furniture, apparel, jewelry, housewares, toys, seasonal items, mattresses and small appliances.

(6) Technology, office and entertainment includes electronics, wireless, software, video games, movies, books, music, office supplies, office furniture, photo processing and third-party gift cards.

(7) Health and wellness includes pharmacy, optical and hearing services and over-the-counter drugs.

Exhibit 5
Johnson Drive Economic Development Zone (EDZ)
Club Retail Portion Retail Distribution
By State of California Board of Equalization Retail Classifications

BOE Category	Distribution of Sales % (1) [A]	Net Space Allocation [C = A x B]	
Johnson Drive EDZ Club Retail (2)	--	148,000	[B]
Motor Vehicle & Parts Dealers	5.1%	7,474	
Home Furnishings & Appliance Stores	7.1%	10,508	
Building Materials & Garden Equipment	4.3%	6,290	
Food & Beverage Stores	51.5%	76,257	
Gasoline Stations	8.8%	12,980	
Clothing & Clothing Accessories Stores	3.3%	4,810	
General Merchandise Stores	7.8%	11,507	
Food Services & Drinking Places	0.4%	592	
Other Retail Group	11.9%	17,582	
Total	**100.0%**	**148,000**	

Source: ALH Urban & Regional Economics.

(1) To estimate the distribution of sales for the Johnson Drive EDZ Club Retail portion of the Project, ALH Urban & Regional Economics took the average for the distribution of sales by BOE categories for Costco and Sam's Club. See Exhibits 3 and 4.
(2) See Exhibit 2.

Exhibit 6
Costco Sales Performance and Distribution of Sales
2015 Dollars

Store Characteristic	Distribution of Sales [A]	Sales/Space Allocation [B]	Sales Estimates [D = B x C]
Costco Store Total Sales (1)	--	$113,666,000,000	--
Costco Square Footage (1)	--	98,700,000	--
Costco No. of Warehouses (1)	--	697	
Calculated Sales per Warehouse	--	$163,078,910	
Calculated Sales per Square Foot	--	**$1,152 [C]**	--
Johnson Drive EDZ Club Retail Sq. Ft. (2)		148,000	--
Allocation of Sales by BOE Retail Category (3)			
Motor Vehicle & Parts Dealers	3.2%	4,736	$5,454,125
Home Furnishings & Appliance Stores	8.9%	13,172	$15,169,286
Building Materials & Garden Equipment	1.6%	2,368	$2,727,063
Food & Beverage Stores	51.8%	76,590	$88,203,434
Gasoline Stations	10.6%	15,747	$18,134,967
Clothing & Clothing Accessories Stores	3.3%	4,884	$5,624,567
General Merchandise Stores	8.6%	12,654	$14,572,741
Food Services & Drinking Places	0.8%	1,184	$1,363,531
Other Retail Group	11.3%	16,665	$19,191,704
Total Net Sales	**100.0%**	**148,000**	**$170,441,418**

Sources: United States Securities and Exchange Commission, Costco Wholesale Corporation 10-K form for the fiscal year ending August 30, 2015, pages 16 and 18; and ALH Urban & Regional Economics.

(1) Costco sales and square footage figures are from pages 18 and 16, respectively, of the Costco Wholesale Corporation 10-K form for the fiscal year ending August 30, 2015.
(2) See Exhibit 2.
(3) See Exhibit 3.

Exhibit 7
Sam's Club Sales Performance and Distribution of Sales
2015 Dollars

Store Characteristic	Distribution of Sales [A]	Sales/Space Allocation [B]		Sales Estimates [D = B x C]
Sam's Club Store Total Sales (1)	--	$58,020,000,000		--
Sam's Club Square Footage (1)	--	86,510,000		--
Sam's Club No. of Stores (1)	--	647		
Calculated Sales per Store	--	$89,675,425		
Calculated Sales per Square Foot	--	**$671**	**[C]**	--
Johnson Drive EDZ Club Retail Sq. Ft. (2)		148,000		--
Allocation of Sales by BOE Retail Category (3)				
Motor Vehicle & Parts Dealers	3.2%	4,736		$3,176,312
Home Furnishings & Appliance Stores	8.9%	13,172		$8,834,117
Building Materials & Garden Equipment	1.6%	2,368		$1,588,156
Food & Beverage Stores	51.8%	76,590		$51,366,915
Gasoline Stations	10.6%	15,747		$10,561,236
Clothing & Clothing Accessories Stores	3.3%	4,884		$3,275,571
General Merchandise Stores	8.6%	12,654		$8,486,708
Food Services & Drinking Places	0.8%	1,184		$794,078
Other Retail Group	11.3%	16,665		$11,176,647
Total Net Sales	**100.0%**	**148,000**		**$99,259,739**

Sources: United States Securities and Exchange Commission, Walmart Inc. 10-K Form for the fiscal year ending January 31, 2015, pages 15 and 5 within the Exhibits; and ALH Urban & Regional Economics.

(1) Sam's Club square footage and sales figures are on pages 15 and 5 within the Exhibits, respectively, from the Walmart Inc. 10-K form for the fiscal year ending January 31, 2015.

(2) See Exhibit 2.

(2) See Exhibit 3.

Exhibit 8
Johnson Drive Economic Development Zone (EDZ)
Project Distribution of General Retail Space
Net New Retail Square Feet by State of California Board of Equalization Category

Retail Categories (1)	Retail [A]	Phase 1 [C = A x B]	Increment to Buildout [E = A x D]	Cumulative Net New at Full Buildout [F = C + E]
Total Square Feet		**5,000 [B]**	**184,037 [D]**	**189,037**
Motor Vehicle & Parts Dealers	0.0%	0	0	0
Home Furnishings & Appliance Stores	12.5%	625	23,005	23,630
Building Materials and Garden Equip.	12.5%	625	23,005	23,630
Food and Beverage Stores	0.0%	0	0	0
Gasoline Sales	0.0%	0	0	0
Clothing and Clothing Accessories Stores	25.0%	1,250	46,009	47,259
General Merchandise	12.5%	625	23,005	23,630
Food Services and Drinking Places	12.5%	625	23,005	23,630
Other Retail	25.0%	1,250	46,009	47,259
Total	**100.0%**	**5,000**	**184,037**	**189,037**
Occupied Square Feet (2)		**4,750**	**174,835**	**179,585**
Motor Vehicle & Parts Dealers	12.5%	0	0	0
Home Furnishings & Appliance Stores	12.5%	594	21,854	22,448
Building Materials and Garden Equip.	12.5%	594	21,854	22,448
Food and Beverage Stores	0.0%	0	0	0
Gasoline Sales	0.0%	0	0	0
Clothing and Clothing Accessories Stores	12.5%	1,188	43,709	44,896
General Merchandise	12.5%	594	21,854	22,448
Food Services and Drinking Places	12.5%	594	21,854	22,448
Other Retail	25.0%	1,188	43,709	44,896
Total	**100.0%**	**4,750**	**174,835**	**179,585**

Sources: Environmental Science Associates (ESA); and ALH Urban & Regional Economics.

(1) Retail allocations for General Retail are based on an estimated equal allocation of space per retail category. Exceptions include the exclusion of Gasoline Sales, Food and Beverage Store sales, and Motor Vehicle & Parts Dealers, as these retail uses are anticipated to be well represented by the Project's Club Retail use. In addition, the Clothing and clothing Accessories and Other Retail categories have a double allocation due to the breadth of retail uses represented by these categories.
(2) Analysis assumes a stabilized retail vacancy rate of 5.%.

Exhibit 9
Johnson Drive Economic Development Zone (EDZ)
Distribution of Sales for Incremental Retail Space (Not including Existing Retail Space)
2015 Dollars

		Phase 1		Increment to Buildout		Total at Full Buildout	
BOE Sales Category	**Sales per Square Foot**	**Net New Occupied Sq. Ft.**	**Sales**	**Net New Occupied Sq. Ft.**	**Sales**	**Net New Occupied Sq. Ft.**	**Sales**
General Retail (1)							
Motor Vehicle & Parts Dealers	$800 (2)	0	$0	0	$0	0	$0
Home Furnishings & Appliance Stores	$323 (3)	594	$191,486	21,854	$7,048,093	22,448	$7,239,578
Building Materials and Garden Equip.	$300 (4)	594	$178,020	21,854	$6,552,455	22,448	$6,730,475
Food and Beverage Stores	$643 (5)	0	$0	0	$0	0	$0
Gasoline Stations	NA	0	$0	0	$0	0	$0
Clothing and Clothing Accessories Stores	$385 (6)	1,188	$457,153	43,709	$16,826,611	44,896	$17,283,764
General Merchandise	$297 (7)	594	$176,420	21,854	$6,493,576	22,448	$6,669,997
Food Services and Drinking Places	$608 (8)	594	$361,061	21,854	$13,289,717	22,448	$13,650,778
Other Retail	$429 (9)	1,188	$509,418	43,709	$18,750,349	44,896	$19,259,767
Subtotal		**4,750**	**$1,873,558**	**174,835**	**$68,960,801**	**179,585**	**$70,834,359**
Club Retail (10)	$1,152 (11)						
Motor Vehicles and Parts Dealers		7,474	$8,607,292	0	$0	7,474	$8,607,292
Home Furnishings and Appliance Stores		10,508	$12,101,341	0	$0	10,508	$12,101,341
Building Materials and Garden Equip.		6,290	$7,243,760	0	$0	6,290	$7,243,760
Food and Beverage Stores		76,257	$87,819,941	0	$0	76,257	$87,819,941
Gasoline Stations		12,980	$14,947,712	0	$0	12,980	$14,947,712
Clothing and Clothing Accessories Stores		4,810	$5,539,346	0	$0	4,810	$5,539,346
General Merchandise Stores		11,507	$13,251,820	0	$0	11,507	$13,251,820
Food Services and Drinking Places		592	$681,766	0	$0	592	$681,766
Other Retail Group		17,582	$20,248,441	0	$0	17,582	$20,248,441
Subtotal		**148,000**	**$170,441,418**	**0**	**$0**	**148,000**	**$170,441,418**
TOTAL		**152,750**	**$172,314,976**	**174,835**	**$68,960,801**	**327,585**	**$241,275,777**

Source: ALH Urban & Regional Economics.

(1) See Exhibit 8 for space distribution. Sales are based on stabilized occuppied square feet.
(2) The Motor Vehicles and Parts sales per square foot is estimated by ALH Urban & Regional Economics.
(3) The Home Furnishings and Appliance Stores sales per square foot is based on the average estimated sales for Domestics for 2015, see Exhibit B-1.
(4) The Building Material and Garden Equip. sales per square foot is based on the average estimated sales for Home Improvement for 2015, see Exhibit B-1.
(5) The Food and Beverage Stores sales per square foot is based on the average estimated sales for Supermarkets and Specialty/Organic for 2015, see Exhibit B-1.
(6) The Clothing and Clothing Accessories Stores sales per square foot is based on the average estimated sales for Apparel for 2015, see Exhibit B-1.
(7) The General Merchandise Stores sales per square foot is based on the average estimated sales for Discount Stores and Department Stores for 2015, see Exhibit B-1.
(8) The Food and Drinking Places sales per square foot is based on the average estimated sales for Restaurants Category for 2015, see Exhibit B-1.
(9) The Other Retail sales per square foot is based on the average estimated sales for other retail categories for 2015, see Exhibit B-1.
(10) See Exhibit 5 for space distribution.
(11) The analysis conservatively benchmarks the Project's club retail sales to the Costco sales calculated in Exhibit 6. This is conservative as it maximizes the Project's potential sales impacts. Use of a lower figure would result in lower potential sales impacts.

Exhibit 10
Johnson Drive Economic Development Zone (EDZ)
Distribution of Club Retail Sales and Consumer Sales Estimates
2015 Dollars

BOE Sales Category	Sales Estimates (1)	Estimated Sales Division (1)	
		Retail Consumers	Wholesale Consumers
	[A]	[B = A * 87%]	[C = A * 13%]
Motor Vehicle & Parts Dealers	$8,607,292	$7,485,062	$1,122,230
Home Furnishings & Appliance Stores	$12,101,341	$10,523,552	$1,577,789
Building Materials & Garden Equipment	$7,243,760	$6,299,309	$944,451
Food & Beverage Stores	$87,819,941	$76,369,862	$11,450,078
Gasoline Stations (3)	$14,947,712	$14,947,712	$0
Clothing & Clothing Accessories Stores	$5,539,346	$4,817,119	$722,227
General Merchandise Stores	$13,251,820	$11,524,031	$1,727,790
Food Services & Drinking Places	$681,766	$592,876	$88,889
Other Retail Group	$20,248,441	$17,608,422	$2,640,018
Total Sales	**$170,441,418**	**$150,167,946**	**$20,273,472**

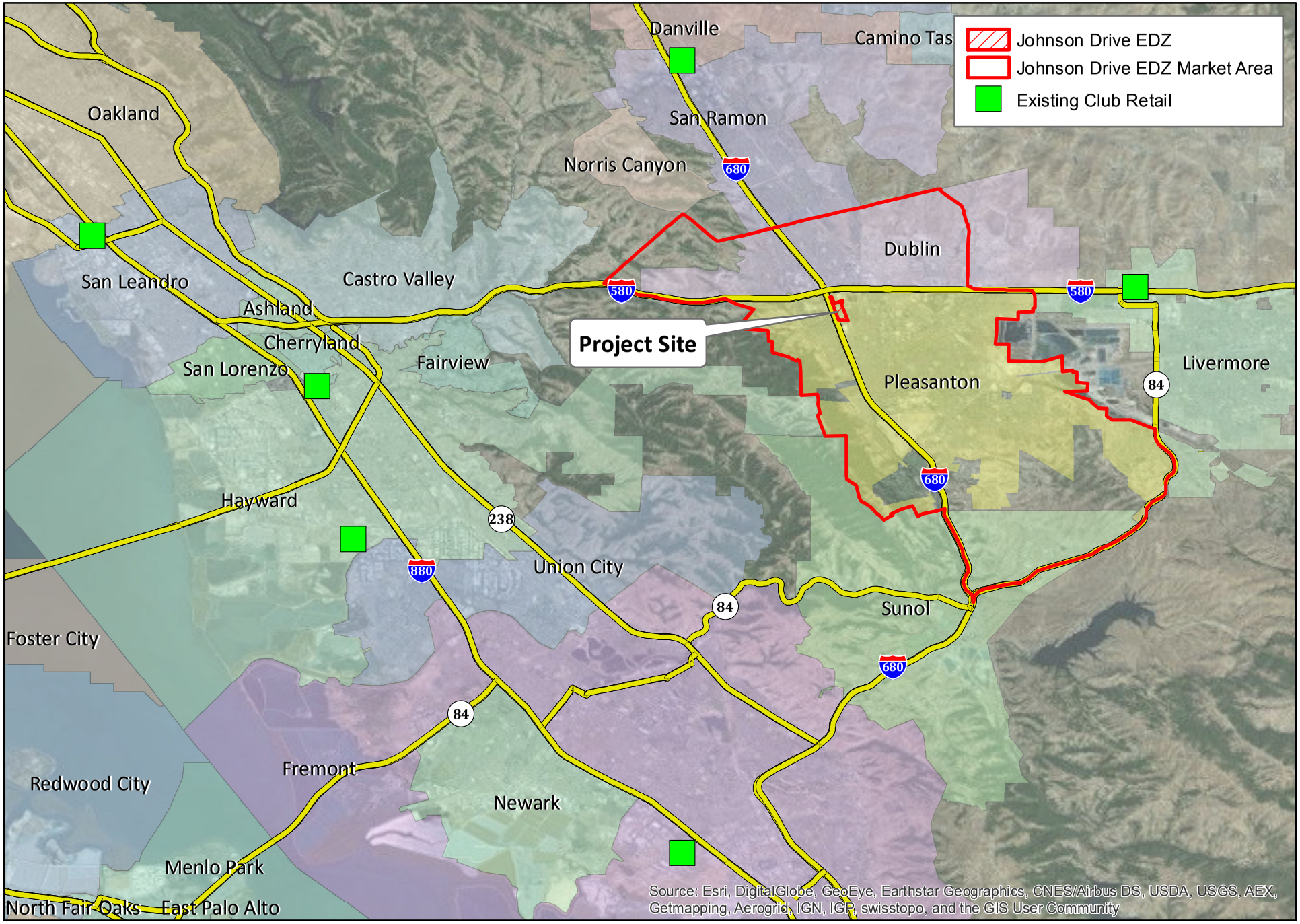
Sources: Annual Report 2015, Costco Wholesale, Fiscal Year Ended August 30, 2015, pages 8 and 9; and ALH Urban & Regional Economics.

(1) See Exhibit 9.

(2) A portion of Costco sales are made by businesses that later engage in resales of the products purchased from Costco. These sales are considered wholesale purchases, and are exempt from sales tax at the time of purchase. They are also not reported by the State of California Board of Equalization in the same manner as other, more commercial purchases. This is relevant because subsequent analysis reflected in this study's series of exhibits is highly dependent on taxable sales data reported by the State Board of Equalization. Information in Costco investor documents indicates that in 2015 Costco's 10.6 million Business Cardholders (and add-ons) comprised 24% of Costco's 44.6 million paid Costco memberships, including individual and business memberships with add-on cards. Costco provides all paid memberships with an additional free household card, so in 2015 there were a total of 80.1 million cardholders. The business cardholders comprised 13% of these total cardholders. For the sake of the analysis, ALH Urban & Regional Economics assumes that 50% of the business cardholder purchases are made by businesses with resale licenses, and thus comprise tax exempt purchases. However, ALH Economics further assumes that business cardholders with resale licenses spend twice as much as other business cardholders due to their purchase of inventory/merchandise for later resale. Therefore, the analysis assumes that 13% of Pleasanton Costco store sales will be to wholesale customers, i.e., customers whose typical purchases are not reported as retail purchases, and 87% will be to household and business customers that qualify to pay sales tax on taxable items. The exception is gasoline sales, all of which are allocated to retail consumers as all of these sales are assumed to be taxed, and this is the same as a consumer-based taxable retail sales purchase.

(3) Gasoline sales are not assumed to be subject to potential resale, and thus are considered only as retail sales.

Exhibit 11: Johnson Drive Economic Development Zone Project Market Area and Area Club Retail



0 1.75 3.5 7 Miles

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Exhibit 12
Danville Costco
Household Zip Code of Costco Shoppers (1) (2)
2013

Zip Code	Primary Metro Area	Percent of Visitors	Cumulative Percent of Visitors
94582	San Francisco-Oakland-Fremont, CA	14.30%	14.30%
94583	San Francisco-Oakland-Fremont, CA	14.10%	28.40%
94526	San Francisco-Oakland-Fremont, CA	11.40%	39.80%
94506	San Francisco-Oakland-Fremont, CA	7.70%	47.50%
94568 (3)	***San Francisco-Oakland-Fremont, CA***	***4.00%***	***51.50%***
94507	San Francisco-Oakland-Fremont, CA	3.10%	54.60%
94566 (3)	***San Francisco-Oakland-Fremont, CA***	***2.20%***	***56.80%***
94588 (3)	***San Francisco-Oakland-Fremont, CA***	***1.80%***	***58.60%***
94565	San Francisco-Oakland-Fremont, CA	1.50%	60.10%
94550	San Francisco-Oakland-Fremont, CA	1.50%	61.60%
94520	San Francisco-Oakland-Fremont, CA	1.50%	63.10%
94521	San Francisco-Oakland-Fremont, CA	1.20%	64.30%
94546	San Francisco-Oakland-Fremont, CA	1.20%	65.50%
94596	San Francisco-Oakland-Fremont, CA	1.10%	66.60%
94523	San Francisco-Oakland-Fremont, CA	1.00%	67.60%
94518	San Francisco-Oakland-Fremont, CA	1.00%	68.60%
94509	San Francisco-Oakland-Fremont, CA	0.80%	69.40%
94551	San Francisco-Oakland-Fremont, CA	0.80%	70.20%
94541	San Francisco-Oakland-Fremont, CA	0.80%	71.00%
94597	San Francisco-Oakland-Fremont, CA	0.80%	71.80%
94553	San Francisco-Oakland-Fremont, CA	0.80%	72.60%
94531	San Francisco-Oakland-Fremont, CA	0.70%	73.30%
94598	San Francisco-Oakland-Fremont, CA	0.70%	74.00%
94549	San Francisco-Oakland-Fremont, CA	0.70%	74.70%
94519	San Francisco-Oakland-Fremont, CA	0.60%	75.30%
94556	San Francisco-Oakland-Fremont, CA	0.60%	75.90%
94536	San Francisco-Oakland-Fremont, CA	0.60%	76.50%
94544	San Francisco-Oakland-Fremont, CA	0.50%	77.00%
94538	San Francisco-Oakland-Fremont, CA	0.50%	77.50%
94513	San Francisco-Oakland-Fremont, CA	0.50%	78.00%
94552	San Francisco-Oakland-Fremont, CA	0.50%	78.50%
94561	San Francisco-Oakland-Fremont, CA	0.40%	78.90%
94591	Vallejo-Fairfield, CA	0.40%	79.30%
95376	Stockton, CA	0.40%	79.70%
94563	San Francisco-Oakland-Fremont, CA	0.40%	80.10%
94577	San Francisco-Oakland-Fremont, CA	0.40%	80.50%
94578	San Francisco-Oakland-Fremont, CA	0.40%	80.90%
94595	San Francisco-Oakland-Fremont, CA	0.40%	81.30%
94534	Vallejo-Fairfield, CA	0.30%	81.60%
94528	San Francisco-Oakland-Fremont, CA	0.30%	81.90%
94587	San Francisco-Oakland-Fremont, CA	0.30%	82.20%
94560	San Francisco-Oakland-Fremont, CA	0.30%	82.50%
94803	San Francisco-Oakland-Fremont, CA	0.30%	82.80%
95124	San Jose-Sunnyvale-Santa Clara, CA	0.30%	83.10%
95377	Stockton, CA	0.20%	83.30%
95687	Vallejo-Fairfield, CA	0.20%	83.50%
94547	San Francisco-Oakland-Fremont, CA	0.20%	83.70%
94517	San Francisco-Oakland-Fremont, CA	0.20%	83.90%
94806	San Francisco-Oakland-Fremont, CA	0.20%	84.10%
94558	Napa, CA	0.20%	84.30%
94545	San Francisco-Oakland-Fremont, CA	0.20%	84.50%
94510	Vallejo-Fairfield, CA	0.20%	84.70%
95035	San Jose-Sunnyvale-Santa Clara, CA	0.20%	84.90%
95008	San Jose-Sunnyvale-Santa Clara, CA	0.20%	85.10%
95351	Modesto, CA	0.20%	85.30%

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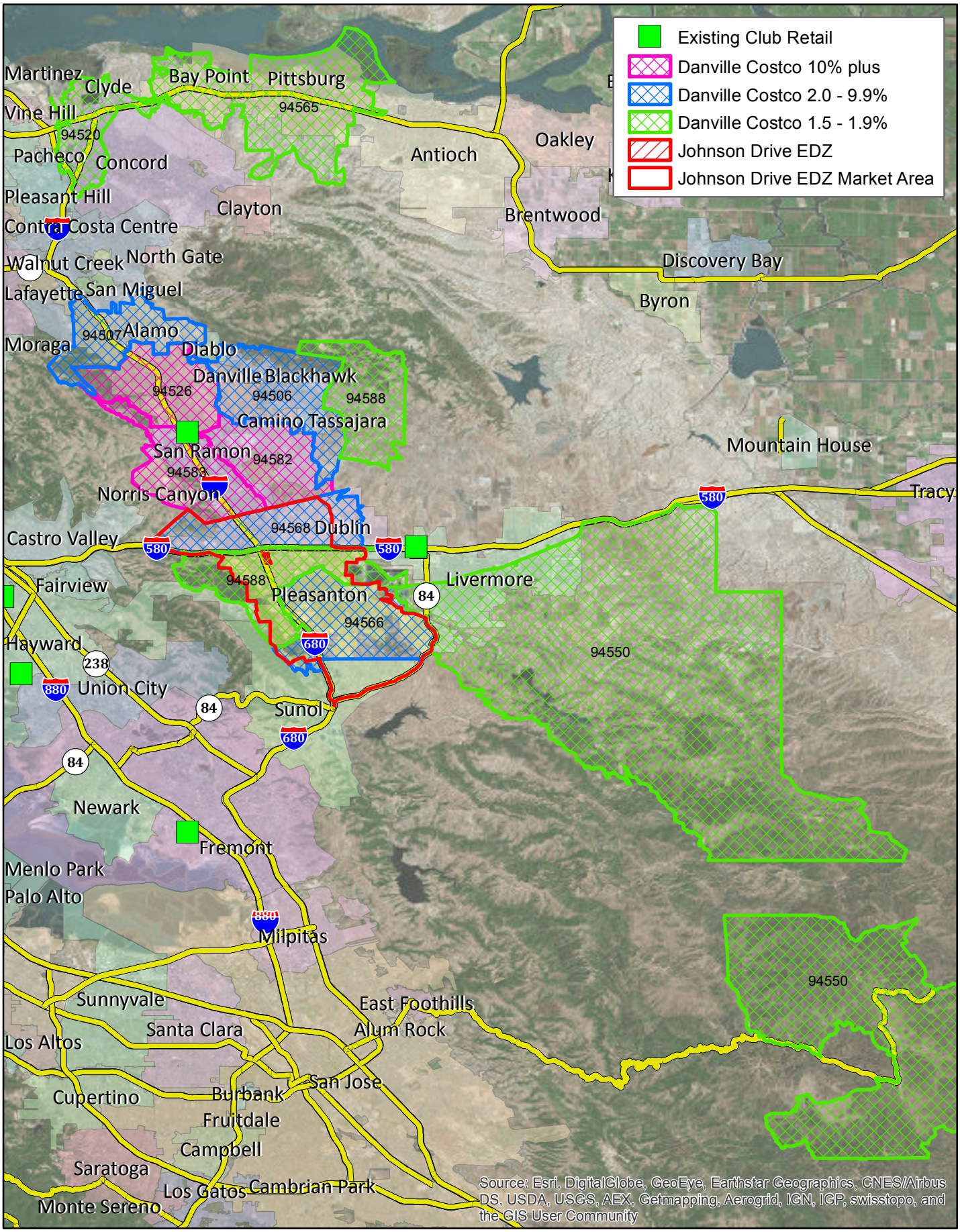
Exhibit 12
Danville Costco
Household Zip Code of Costco Shoppers (1) (2)
2013

Zip Code	Primary Metro Area	Percent of Visitors	Cumulative Percent of Visitors
CONTINUED FROM THE PREVIOUS PAGE			
94533	Vallejo-Fairfield, CA	0.20%	85.50%
94611	San Francisco-Oakland-Fremont, CA	0.20%	85.70%
94539	San Francisco-Oakland-Fremont, CA	0.20%	85.90%
94579	San Francisco-Oakland-Fremont, CA	0.20%	86.10%
94619	San Francisco-Oakland-Fremont, CA	0.20%	86.30%
95355	Modesto, CA	0.20%	86.50%
94505	San Francisco-Oakland-Fremont, CA	0.20%	86.70%
94602	San Francisco-Oakland-Fremont, CA	0.20%	86.90%
94501	San Francisco-Oakland-Fremont, CA	0.10%	87.00%
94607	San Francisco-Oakland-Fremont, CA	0.10%	87.10%
94605	San Francisco-Oakland-Fremont, CA	0.10%	87.20%
94589	Vallejo-Fairfield, CA	0.10%	87.30%
94087	San Jose-Sunnyvale-Santa Clara, CA	0.10%	87.40%
95127	San Jose-Sunnyvale-Santa Clara, CA	0.10%	87.50%
94608	San Francisco-Oakland-Fremont, CA	0.10%	87.60%
95003	Santa Cruz-Watsonville, CA	0.10%	87.70%
94580	San Francisco-Oakland-Fremont, CA	0.10%	87.80%
94555	San Francisco-Oakland-Fremont, CA	0.10%	87.90%
95125	San Jose-Sunnyvale-Santa Clara, CA	0.10%	88.00%
94065	San Francisco-Oakland-Fremont, CA	0.10%	88.10%
94931	Santa Rosa-Petaluma, CA	0.10%	88.20%
94109	San Francisco-Oakland-Fremont, CA	0.10%	88.30%
95136	San Jose-Sunnyvale-Santa Clara, CA	0.10%	88.40%
94585	Vallejo-Fairfield, CA	0.10%	88.50%
95116	San Jose-Sunnyvale-Santa Clara, CA	0.10%	88.60%
94601	San Francisco-Oakland-Fremont, CA	0.10%	88.70%
94621	San Francisco-Oakland-Fremont, CA	0.10%	88.80%
94606	San Francisco-Oakland-Fremont, CA	0.10%	88.90%
95391	San Francisco-Oakland-Fremont, CA	0.10%	89.00%
95337	Stockton, CA	0.10%	89.10%
95020	San Jose-Sunnyvale-Santa Clara, CA	0.10%	89.20%
95135	San Jose-Sunnyvale-Santa Clara, CA	0.10%	89.30%
95126	San Jose-Sunnyvale-Santa Clara, CA	0.10%	89.40%
95206	Stockton, CA	0.10%	89.50%
94603	San Francisco-Oakland-Fremont, CA	0.10%	89.60%
94564	San Francisco-Oakland-Fremont, CA	0.10%	89.70%
94010	San Francisco-Oakland-Fremont, CA	0.10%	89.80%
94590	Vallejo-Fairfield, CA	0.10%	89.90%
		89.90%	

Sources: Streetlightdata.com; and ALH Urban & Regional Economics.

(1) Data reflect trips to the Costco store location measured by mobile devices. Measures individual trips, not individual visitors, i.e., a visitor making 5 trips will be counted in the dataset 5 times, not once.
(2) Dotted line reflects approximate natural break in defining primary market area, the geographic area from which the majority of shoppers originate.
(3) Reflects zip codes that are all or mostly encompassed in the Johnson EDZ Project market area, thus includes shoppers who are anticipated to redirect their club retail shopping trips to the Project's club retail component.

Exhibit 13: Johnson Drive Economic Development Zone Project Market Area and Danville Costco Shopper Household Zip Codes



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community

0 2.75 5.5 11 Miles

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Exhibit 14
Livermore Costco
Household Zip Code of Costco Shoppers (1) (2)
2013

Zip Code	Primary Metro Area	Percent of Visitors	Cumulative Percent of Visitors
94551	San Francisco-Oakland-Fremont, CA	10.80%	10.80%
94550	San Francisco-Oakland-Fremont, CA	9.20%	20.00%
94566 (3)	***San Francisco-Oakland-Fremont, CA***	***5.90%***	***25.90%***
94568 (3)	***San Francisco-Oakland-Fremont, CA***	***4.50%***	***30.40%***
95376	Stockton, CA	4.10%	34.50%
94588 (3)	***San Francisco-Oakland-Fremont, CA***	***3.70%***	***38.20%***
95377	Stockton, CA	2.80%	41.00%
95336	Stockton, CA	1.70%	42.70%
94513	San Francisco-Oakland-Fremont, CA	1.70%	44.40%
94583	San Francisco-Oakland-Fremont, CA	1.50%	45.90%
94541	San Francisco-Oakland-Fremont, CA	1.20%	47.10%
95337	Stockton, CA	1.20%	48.30%
94582	San Francisco-Oakland-Fremont, CA	1.20%	49.50%
95355	Modesto, CA	1.00%	50.50%
95350	Modesto, CA	1.00%	51.50%
95206	Stockton, CA	0.90%	52.40%
94546	San Francisco-Oakland-Fremont, CA	0.80%	53.20%
95391	San Francisco-Oakland-Fremont, CA	0.80%	54.00%
94544	San Francisco-Oakland-Fremont, CA	0.80%	54.80%
94526	San Francisco-Oakland-Fremont, CA	0.80%	55.60%
95351	Modesto, CA	0.80%	56.40%
95330	Stockton, CA	0.80%	57.20%
94505	San Francisco-Oakland-Fremont, CA	0.70%	57.90%
95207	Stockton, CA	0.70%	58.60%
94506	San Francisco-Oakland-Fremont, CA	0.70%	59.30%
95304	Stockton, CA	0.70%	60.00%
95215	Stockton, CA	0.70%	60.70%
95358	Modesto, CA	0.60%	61.30%
94577	San Francisco-Oakland-Fremont, CA	0.60%	61.90%
94536	San Francisco-Oakland-Fremont, CA	0.60%	62.50%
94561	San Francisco-Oakland-Fremont, CA	0.60%	63.10%
95210	Stockton, CA	0.60%	63.70%
95205	Stockton, CA	0.50%	64.20%
94587	San Francisco-Oakland-Fremont, CA	0.50%	64.70%
94538	San Francisco-Oakland-Fremont, CA	0.50%	65.20%
95219	Stockton, CA	0.50%	65.70%
94578	San Francisco-Oakland-Fremont, CA	0.50%	66.20%
94531	San Francisco-Oakland-Fremont, CA	0.50%	66.70%
94545	San Francisco-Oakland-Fremont, CA	0.50%	67.20%
95356	Modesto, CA	0.50%	67.70%
95212	Stockton, CA	0.40%	68.10%
94580	San Francisco-Oakland-Fremont, CA	0.40%	68.50%
95209	Stockton, CA	0.40%	68.90%
95382	Modesto, CA	0.40%	69.30%
94509	San Francisco-Oakland-Fremont, CA	0.40%	69.70%
95204	Stockton, CA	0.40%	70.10%
94523	San Francisco-Oakland-Fremont, CA	0.40%	70.50%
94603	San Francisco-Oakland-Fremont, CA	0.40%	70.90%
95242	Stockton, CA	0.30%	71.20%
94579	San Francisco-Oakland-Fremont, CA	0.30%	71.50%

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Exhibit 14
Livermore Costco
Household Zip Code of Costco Shoppers (1) (2)
2013

Zip Code	Primary Metro Area	Percent of Visitors	Cumulative Percent of Visitors
CONTINUED FROM THE PREVIOUS PAGE			
95354	Modesto, CA	0.30%	71.80%
95307	Modesto, CA	0.30%	72.10%
94539	San Francisco-Oakland-Fremont, CA	0.30%	72.40%
94555	San Francisco-Oakland-Fremont, CA	0.30%	72.70%
94601	San Francisco-Oakland-Fremont, CA	0.30%	73.00%
94605	San Francisco-Oakland-Fremont, CA	0.30%	73.30%
94521	San Francisco-Oakland-Fremont, CA	0.30%	73.60%
94501	San Francisco-Oakland-Fremont, CA	0.30%	73.90%
92128	San Diego-Carlsbad-San Marcos, CA	0.30%	74.20%
95363	Modesto, CA	0.30%	74.50%
94560	San Francisco-Oakland-Fremont, CA	0.30%	74.80%
94552	San Francisco-Oakland-Fremont, CA	0.30%	75.10%
94621	San Francisco-Oakland-Fremont, CA	0.30%	75.40%
95035	San Jose-Sunnyvale-Santa Clara, CA	0.30%	75.70%
94565	San Francisco-Oakland-Fremont, CA	0.20%	75.90%
95220	Stockton, CA	0.20%	76.10%
94507	San Francisco-Oakland-Fremont, CA	0.20%	76.30%
95380	Modesto, CA	0.20%	76.50%
95116	San Jose-Sunnyvale-Santa Clara, CA	0.20%	76.70%
95357	Modesto, CA	0.20%	76.90%
94553	San Francisco-Oakland-Fremont, CA	0.20%	77.10%
95127	San Jose-Sunnyvale-Santa Clara, CA	0.20%	77.30%
95361	Modesto, CA	0.20%	77.50%
95122	San Jose-Sunnyvale-Santa Clara, CA	0.20%	77.70%
94404	San Francisco-Oakland-Fremont, CA	0.20%	77.90%
95240	Stockton, CA	0.20%	78.10%
95003	Santa Cruz-Watsonville, CA	0.20%	78.30%
95624	Sacramento--Arden-Arcade--Roseville, CA	0.20%	78.50%
95111	San Jose-Sunnyvale-Santa Clara, CA	0.20%	78.70%
95630	Sacramento--Arden-Arcade--Roseville, CA	0.20%	78.90%
94597	San Francisco-Oakland-Fremont, CA	0.20%	79.10%
95301	Merced, CA	0.20%	79.30%
95758	Sacramento--Arden-Arcade--Roseville, CA	0.20%	79.50%
94598	San Francisco-Oakland-Fremont, CA	0.20%	79.70%
95367	Modesto, CA	0.20%	79.90%
95121	San Jose-Sunnyvale-Santa Clara, CA	0.20%	80.10%
95136	San Jose-Sunnyvale-Santa Clara, CA	0.20%	80.30%
95823	Sacramento--Arden-Arcade--Roseville, CA	0.20%	80.50%
95112	San Jose-Sunnyvale-Santa Clara, CA	0.20%	80.70%
94132	San Francisco-Oakland-Fremont, CA	0.20%	80.90%
29803	Augusta-Richmond County, GA-SC	0.20%	81.10%
94518	San Francisco-Oakland-Fremont, CA	0.20%	81.30%
95123	San Jose-Sunnyvale-Santa Clara, CA	0.10%	81.40%
95051	San Jose-Sunnyvale-Santa Clara, CA	0.10%	81.50%
94606	San Francisco-Oakland-Fremont, CA	0.10%	81.60%
95125	San Jose-Sunnyvale-Santa Clara, CA	0.10%	81.70%
94806	San Francisco-Oakland-Fremont, CA	0.10%	81.80%
94563	San Francisco-Oakland-Fremont, CA	0.10%	81.90%
94596	San Francisco-Oakland-Fremont, CA	0.10%	82.00%
94608	San Francisco-Oakland-Fremont, CA	0.10%	82.10%

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Exhibit 14
Livermore Costco
Household Zip Code of Costco Shoppers (1) (2)
2013

Zip Code	Primary Metro Area	Percent of Visitors	Cumulative Percent of Visitors
CONTINUED FROM THE PREVIOUS PAGE			
94607	San Francisco-Oakland-Fremont, CA	0.10%	82.20%
94520	San Francisco-Oakland-Fremont, CA	0.10%	82.30%
94591	Vallejo-Fairfield, CA	0.10%	82.40%
95231	Stockton, CA	0.10%	82.50%
94618	San Francisco-Oakland-Fremont, CA	0.10%	82.60%
95203	Stockton, CA	0.10%	82.70%
95642		0.10%	82.80%
95126	San Jose-Sunnyvale-Santa Clara, CA	0.10%	82.90%
94086	San Jose-Sunnyvale-Santa Clara, CA	0.10%	83.00%
94589	Vallejo-Fairfield, CA	0.10%	83.10%
95118	San Jose-Sunnyvale-Santa Clara, CA	0.10%	83.20%
94619	San Francisco-Oakland-Fremont, CA	0.10%	83.30%
94803	San Francisco-Oakland-Fremont, CA	0.10%	83.40%
95366	Stockton, CA	0.10%	83.50%
94070	San Francisco-Oakland-Fremont, CA	0.10%	83.60%
94112	San Francisco-Oakland-Fremont, CA	0.10%	83.70%
95131	San Jose-Sunnyvale-Santa Clara, CA	0.10%	83.80%
95124	San Jose-Sunnyvale-Santa Clara, CA	0.10%	83.90%
94502	San Francisco-Oakland-Fremont, CA	0.10%	84.00%
95014	San Jose-Sunnyvale-Santa Clara, CA	0.10%	84.10%
94303	San Jose-Sunnyvale-Santa Clara, CA	0.10%	84.20%
94015	San Francisco-Oakland-Fremont, CA	0.10%	84.30%
94804	San Francisco-Oakland-Fremont, CA	0.10%	84.40%
95148	San Jose-Sunnyvale-Santa Clara, CA	0.10%	84.50%
94109	San Francisco-Oakland-Fremont, CA	0.10%	84.60%
94549	San Francisco-Oakland-Fremont, CA	0.10%	84.70%
93711	Fresno, CA	0.10%	84.80%
94403	San Francisco-Oakland-Fremont, CA	0.10%	84.90%
94610	San Francisco-Oakland-Fremont, CA	0.10%	85.00%
94611	San Francisco-Oakland-Fremont, CA	0.10%	85.10%
95632	Sacramento--Arden-Arcade--Roseville, CA	0.10%	85.20%
93720	Fresno, CA	0.10%	85.30%
94065	San Francisco-Oakland-Fremont, CA	0.10%	85.40%
		85.40%	

Sources: Streetlightdata.com; and ALH Urban & Regional Economics.

(1) Data reflect trips to the Costco store location measured by mobile devices. Measures individual trips, not individual visitors, i.e., a visitor making 5 trips will be counted in the dataset 5 times, not once.
(2) Dotted line reflects approximate natural break in defining primary market area, the geographic area from which the majority of shoppers originate.
(2) Reflects zip codes that are all or mostly encompassed in the Johnson EDZ Project market area, thus includes shoppers who are anticipated to redirect their club retail shopping trips to the Project's club retail component.

Exhibit 15
Johnson Drive Economic Development Zone (EDZ)
Retail Project Sales Generated by Market Area Residents net of Recaptured Club Retail Sales (1)
2015 Dollars

	Project Sales					
	Phase 1 (2018)		Increment to Buildout (2028)		Total at Full Buildout (2028)	
Sales Category	Total (2)	Sales Generated by Market Area Residents (3) (4)	Total (2)	Sales Generated by Market Area Residents (3) (4)	Total (2)	Sales Generated by Market Area Residents (3) (4)
General Retail						
Motor Vehicle & Parts Dealers	$0	$0	$0	$0	$0	$0
Home Furnishings & Appliance Stores	$191,486	$153,189	$7,048,093	$5,638,474	$7,239,578	$5,791,663
Building Materials and Garden Equip.	$178,020	$142,416	$6,552,455	$5,241,964	$6,730,475	$5,384,380
Food and Beverage Stores	$0	$0	$0	$0	$0	$0
Gasoline Stations	$0	$0	$0	$0	$0	$0
Clothing and Clothing Accessories Stores	$457,153	$365,722	$16,826,611	$13,461,289	$17,283,764	$13,827,011
General Merchandise	$176,420	$141,136	$6,493,576	$5,194,861	$6,669,997	$5,335,998
Food Services and Drinking Places	$361,061	$288,849	$13,289,717	$10,631,773	$13,650,778	$10,920,622
Other Retail	$509,418	$407,534	$18,750,349	$15,000,279	$19,259,767	$15,407,814
Subtotal	**$1,873,558**	**$1,498,846**	**$68,960,801**	**$55,168,640**	**$70,834,359**	**$56,667,487**
Club Retail						
Motor Vehicles and Parts Dealers	$7,485,062	$3,143,726	$0	$0	$7,485,062	$3,143,726
Home Furnishings and Appliance Stores	$10,523,552	$4,419,892	$0	$0	$10,523,552	$4,419,892
Building Materials and Garden Equip.	$6,299,309	$2,645,710	$0	$0	$6,299,309	$2,645,710
Food and Beverage Stores	$76,369,862	$32,075,342	$0	$0	$76,369,862	$32,075,342
Gasoline Stations	$14,947,712	$6,278,039	$0	$0	$14,947,712	$6,278,039
Clothing and Clothing Accessories Stores	$4,817,119	$2,023,190	$0	$0	$4,817,119	$2,023,190
General Merchandise Stores	$11,524,031	$4,840,093	$0	$0	$11,524,031	$4,840,093
Food Services and Drinking Places	$592,876	$249,008	$0	$0	$592,876	$249,008
Other Retail Group	$17,608,422	$7,395,537	$0	$0	$17,608,422	$7,395,537
Subtotal	**$150,167,946**	**$63,070,537**	**$0**	**$0**	**$150,167,946**	**$63,070,537**
TOTAL	**$152,041,504**	**$64,569,384**	**$68,960,801**	**$55,168,640**	**$221,002,305**	**$119,738,024**

Source: ALH Urban & Regional Economics.

(1) This pertains to the share of Project sales anticipated to be generated by households residing in the market area. Sales generated by households or other consumers living outside the market area are not subject to diversion from market area retailers, and thus are not included in the analysis. This also excludes club retail sales made to wholesale customers with resale licenses. See footnote (4) regarding the recaptured sales assumption.

(2) See Exhibit 9 for General Retail sales and Exhibit 10 for Club Retail sales.

(3) ALH Urban & Regional Economics estimates that the majority but not all sales at the Johnson Drive EDZ will be generated by market area consumers, with additional sales attributed to consumers residing outside of the market area. The percentage of sales estimated to be generated by market area residents is estimated as 80% for the General Retail portion of the Project.

(4) The study assumption is that 60% of demand for the Johnson Drive EDZ club retail sales made to retail consumers (vs. wholesale) will be generated by market area residents. This is a lower percentage than for the General Retail because of the distance shoppers are anticipated to travel to shop at a club retail store, pursuant to market area findings documented in the study text regarding the market area draw for two nearby club retail stores, e.g., Costco stores in Danville and Livermore. The study further assumes that of the sales generated by market area residents, 30% of these sales will comprise sales recaptured from other regional club retail stores. The basis for this assumption is also discussed in the study text.

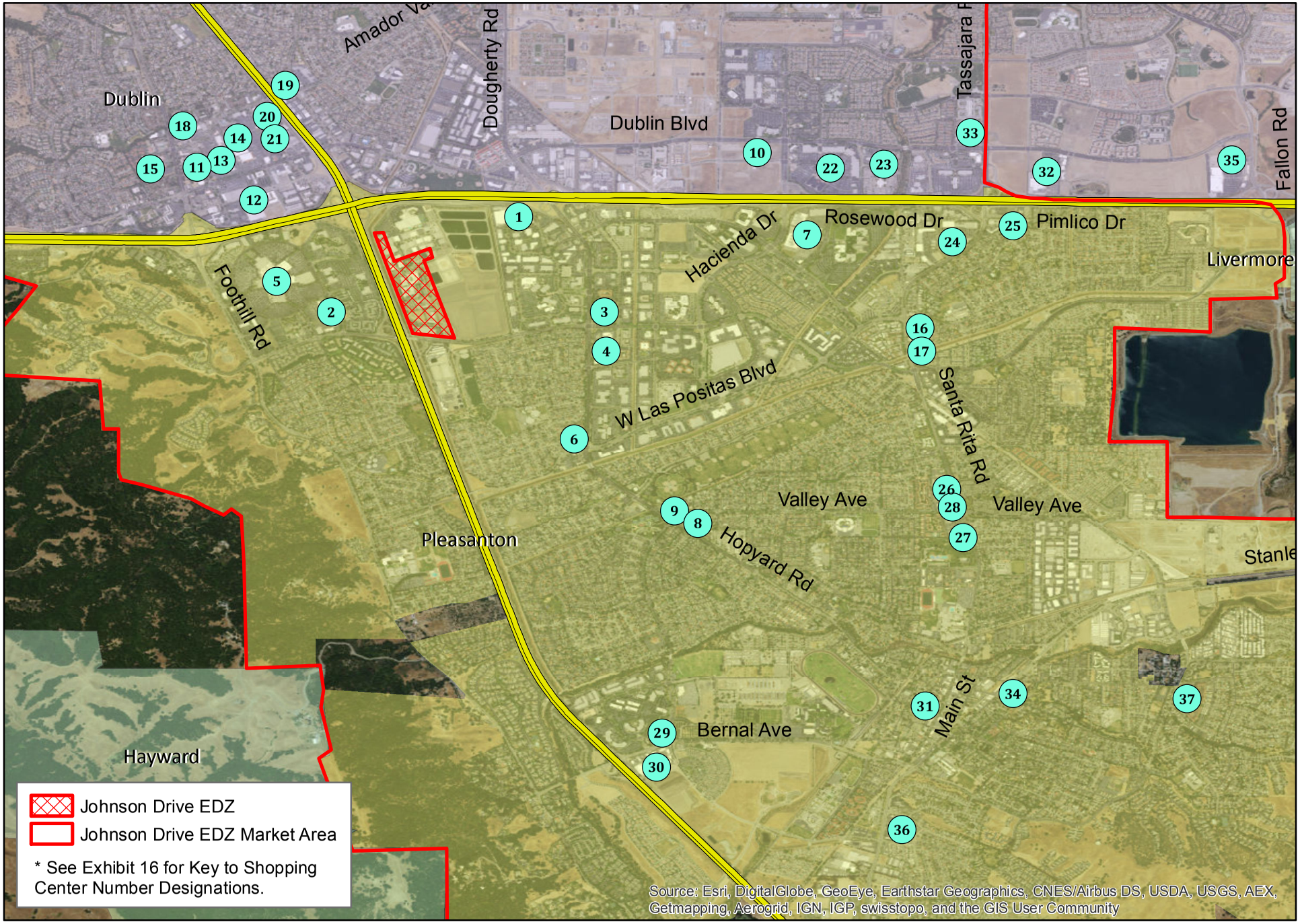
Exhibit 16
Representative Existing Shopping Areas
Cities of Pleasanton and Dublin
February 2016

Map No. (1)	Name	Address	City	Estimated Sq. Ft.	Select Major Anchors/Tenants (2)	Vacancies (3)	Driving Distance to Site (miles)
1	Pleasanton Square Shopping Center	6000 Johnson Dr	Pleasanton	205,000	Home Depot, Smart & Final Extra, BevMo!, In N Out	No visible	0.9
2	JC Penney Plaza	5532 Springdale Avenue	Pleasanton	163,469	JC Penney Home, Office Max, Cost Plus, Taco Bell, Togos, medical supply, Red Cross, medical supplies, cosmetology school, liquor store, beauty supply, Chinese restaurant, dental, cleaners, salon	Three small	1.4
3	Gateway Square	4801 Hopyard Rd	Pleasanton	88,000	Chili's, Kelly Moore Paint, Round Table	Four small	1.5
4	The Crossroads Shopping Center	4555 Hopyard Rd	Pleasanton	unknown	Sweet Tomatoes, Starbucks, Subway, Red Smoke Grill, Honey Baked Ham	No visible	1.6
5	Stoneridge Shopping Center	1 Stoneridge Mall Rd	Pleasanton	1,300,000	Macy's, Sears, Nordstrom, JCPenney	No visible	2.1
6	Val Vista Center	6027 W Las Positas Blvd	Pleasanton	unknown	Lucky	No visible	2.1
7	Metro 580	4500 Rosewood Dr	Pleasanton	176,510	Walmart, Kohl's, Party City	No visible	2.6
8	Gene's Fine Food/Rite Aid	2803 Hopyard Rd	Pleasanton	unknown	Gene's Fine Food, Rite Aid, Little Caesar's	One medium (former Straw Hat Pizza)	2.7
9	Hopyard Village	3015 Hopyard Rd	Pleasanton	65,000	The Hopyard, Peet's Ale House, Mr. Pickle's, All Star Sports, Bill's Café	No visible	2.8
10	Persimmon Place	5200 Dublin Blvd	Dublin	152,500	Whole Foods, HomeGoods, Nordstrom Rack, Sur la Table, Starbucks, Ethan Allen	One small, a new sandwich shop (Firehouse subs) appears to be filling the space	3.0
11	Almond Plaza	7154-7216 Regional Street	Dublin	unknown	Mike's camera	Two small vacancies	3.0
12	Dublin Center	7884 Dublin Blvd	Dublin	154,470	DSW Shoes, Marshalls, Michaels, Ross, OSH hardware	No visible	3.0
13	Dublin Plaza Center	7193-7201 Regional St	Dublin	155,070	CVS, 99 Ranch, Sports Authority, Savers Thrift Store, Aaron Brothers	One large, estimated to be 30,000 sf (former Design Outlet)	3.1
14	Dublin Place	Amador Plaza Rd	Dublin	283,500	Target, Toys R Us, Bassett Furniture, Hobby Lobby, PetsMart, Elephant Bar	Three: One large (former Grocery Outlet), medium (former Cocos restaurant), and one small	3.1
15	Lamps Plus Plaza	7214-7256 San Ramon Road	Dublin	unknown	Lamp's Plus, Waffle Shop	One small (former Dublin Sports Pub & Grill)	3.1
16	Santa Rita Square	3170 Santa Rita Rd	Pleasanton	47,000	Domino's Pizza, Tuesday Morning	No visible	3.2
17	Meadow Plaza	3112 Santa Rita Rd	Pleasanton	unknown	Walmart Neighborhood Market, H&R Block, Mountain Mike's	No visible	3.2
18	Shamrock Village	7995 Amador Valley Blvd	Dublin	78,308	Dollar Tree, Big Lots, World of Shoes	No visible	3.2
19	Valley Center Shopping Center	7459 Amador Valley Blvd	Dublin	unknown	Royal Novelties, Dublin Jewelers	No visible	3.2
20	Amador Plaza	7153 Amador Plz Rd	Dublin	unknown	Sprouts, Jo-Ann Fabrics, REI, Chuck E. Cheese's	No visible	3.2
21	Safeway Center	7499 Dublin Boulevard	Dublin	unknown	Safeway, Panda Express, Yogurtland, Supercuts	No visible	3.2
22	Hacienda Crossings	4820 Dublin Blvd	Dublin	unknown	TJ Maxx, Best Buy, Babies R Us, Old Navy, Pier 1, Barnes & Noble, Any Mountain, Ulta Beauty, Bed, Bath & Beyond	One junior-to-large space, estimate at approximately 15,000 sq ft (former Party City)	3.3
23	Dublin Corners	4552 Dublin Blvd	Dublin	46,200	Tomatina, Papa John's	One small	3.4
24	Rose Pavilion	4225 Rosewood Dr	Pleasanton	189,000	Macy's Furniture, Golfsmith, Dollar Tree, Fitness 19, 99 Ranch, CVS	Four: 18,840 (former Ethan Allen), 15,493 (former Fresh & Easy), 28,530 (former CVS, built new store in newer section of the shopping center), & 2,366 sf	3.5
25	Pimlico Plaza	4040 Pimlico Dr	Pleasanton	26,000	Trader Joe's, Subway	One: 5,000 sf	3.6
26	Mission Plaza	1987 Santa Rita Rd	Pleasanton	unknown	Mission Plaza Café, Papa Murphy's	One small (former Elevated Holistics)	3.6
27	Amador Center	1787 Santa Rita Rd	Pleasanton	unknown	Safeway, Walgreens, Chevron	No visible	3.7
28	Valley Plaza	4307 Valley Ave	Pleasanton	9,502	Hardware store, 7-11, KFC, Jack in the Box	One	3.8
29	Bernal Plaza	Bernal Ave and Valley Ave	Pleasanton	35,722	Dicky's BBQ, State Farm Office, Round Table Pizza	Two: one medium, one small	3.9
30	Pleasanton Gateway	6750 Bernal Ave	Pleasanton	126,000	Safeway, CVS, Mike's Bikes	One small	4.0
31	Downtown Pleasanton	Main Street area	Pleasanton	unknown	Variety of specialty retailers, restaurants, hotels	Approximately 4, many leased	4.3
32	Grafton Station	Dublin Blvd and I-580	Dublin	240,000	Lowe's, Buffalo Wild Wings	One medium	4.3
33	Shops at Waterford	4440 Tassajara Rd	Dublin	127,000	Safeway, Blush, Amici's, Unleashed	No visible	4.4
34	Pleasant Plaza	4235 First St	Pleasanton	unknown	Cole's Market, Bob's Burger, Medicine Shoppe	No visible	4.5
35	Fallon Gateway	Fallon and Dublin	Dublin	379,053	Target, Dick's Sporting Goods, BJ's	No visible	5.3
36	Oak Hills Shopping Center	5424 Sunol Blvd	Pleasanton	120,000	Raley's, Mountain Mike's, Subway, Gymboree, Taco Bell	One small-to-medium (former needlepoint/craft store)	5.4
37	Vintage Hills Shopping Center	3500 Bernal Ave	Pleasanton	70,000	New Leaf Market, Platinum Fitness	No visible	5.7

Sources: Shopping center websites; local broker websites; GoogleMaps; and ALH Urban & Regional Economics.

(1) The shopping center map is in following Exhibit 17.
(2) Does not include every tenant within each center. Notes maintained in the ALH Urban & Regional Economics files reference additional shopping center tenants.
(3) Includes the size of the vacant space(s), if the information was available.

Exhibit 17: Johnson Drive Economic Development Zone Project and Area Shopping Centers*



0 0.5 1 2 Miles

This map contains information from sources we believe to be reliable, but we make no representation, warranty, or guarantee of its accuracy. This map is published for the use of ALH Urban & Regional Economics and its clients only. Redistribution in whole or part to any third party without the prior written consent of ALH Urban & Regional Economics is strictly prohibited.

Exhibit 18
Johnson Drive Economic Development Zone (EDZ)
Market Area, City of Pleasanton, and City of Dublin Population and Household Estimates and Projections (1) (2)
2015-2030

							Aggregate Growth		Average Annual Growth Rate	
Geographic Area	**2015**	2018	**2020**	**2025**	2028	**2030**	**2015-2020**	**2025-2030**	**2015-2020**	**2025-2030**
Population										
City of Pleasanton	**73,500**	75,463	**76,800**	**80,200**	82,400	**83,900**	3,300	3,700	0.9%	0.9%
City of Dublin	**50,000**	52,479	**54,200**	**58,700**	61,535	**63,500**	4,200	4,800	1.6%	1.6%
Market Area (3)	**113,799**	117,774	**120,502**	**127,647**	132,154	**135,247**	6,703	7,600	1.2%	1.2%
Households										
City of Pleasanton	**26,400**	27,108	**27,590**	**28,730**	29,450	**29,940**	1,190	1,210	0.9%	0.8%
City of Dublin	**16,340**	17,201	**17,800**	**19,200**	20,081	**20,690**	1,460	1,490	1.7%	1.5%
Market Area (3)	**39,409**	40,824	**41,796**	**44,071**	45,504	**46,485**	2,387	2,414	1.2%	1.1%

Sources: Association of Bay Area Governments (ABAG), "Population & Household Projections 2013"; ABAG census tract level projections for Alameda County corresponding with Projections 2013; and ALH Urban & Regional Economics.

(1) Figures in bold are provided by ABAG.
(2) The interim years of 2018 and 2028, which also constitute timing for Phase 1 and Full Buildout, respectively, were calculated using the average annual growth rate.
(3) See Exhibit B-4 for the census tracts and demographic allocations that comprise the Market Area.

Exhibit 19
Market Area Retail Spending Potential (1)
Existing Retail Demand, 2015
2015 Dollars

Type of Retailer	Per Household Demand (2)	Total Market Area Demand (3)
Motor Vehicles and Parts Dealers	$5,048	$198,953,370
Home Furnishings and Appliance Stores	$1,887	$74,361,975
Building Materials and Garden Equip (4)	$2,204	$86,854,774
Food and Beverage Stores	$6,260	$246,685,096
Gasoline Stations	$4,222	$166,395,029
Clothing and Clothing Accessories Stores	$2,593	$102,183,043
General Merchandise Stores	$5,092	$200,675,116
Food Services and Drinking Places	$4,662	$183,706,767
Other Retail Group (5)	$4,590	$180,888,083
Total	**$36,558**	**$1,440,703,255**

Source: ALH Urban & Regional Economics.

(1) All figures are expressed in 2015 dollars.
(2) The per household spending estimates for the market area were generated by ALH Urban & Regional Economics by taking the estimated average 2015 market area household income figure of $146,232 and multiplying by 25%, utilizing the assumption that 25% of household income is spent on BOE type retail.This figure was then multiplied by the percentages calculated from the ratio of the BOE sales for the State of California. See Exhibit B-5.
(3) Represents per household spending multiplied by the respective household count in Exhibit 18.
(4) Building Materials and Garden Equipment includes hardware stores, plumbing and electrical supplies, paint and wallpaper products, glass stores, lawn and garden equipment, and lumber.
(5) Other Retail Group includes drug stores, electronics, health and personal care, pet supplies, gifts, art goods and novelties, sporting goods, florists, electronics, musical instruments, stationary and books, office and school supplies, second-hand merchandise, and miscellaneous other retail stores.

Exhibit 20
Retail Demand Generated by Market Area Household Growth
2015-2018 and 2018-2028 (1)
2015 Dollars

	Market Area			
Type of Retailer	**Per Household Demand (2)** [A]	**New Growth 2015-2018 Phase 1 (3)** [B = A x 1,415]	**New Growth 2018 - 2028 Incremental Full Buildout** [C = A x 4,680]	**Cumulative New Growth at Full Buildout** [D = B + C]
Motor Vehicles and Parts Dealers	$5,048	$7,145,800	$23,624,382	$30,770,182
Home Furnishings and Appliance Stores	$1,887	$2,670,856	$8,829,987	$11,500,843
Building Materials and Garden Equip .	$2,204	$3,119,560	$10,313,423	$13,432,983
Food and Beverage Stores	$6,260	$8,860,179	$29,292,205	$38,152,384
Gasoline Stations	$4,222	$5,976,404	$19,758,297	$25,734,700
Clothing and Clothing Accessories Stores	$2,593	$3,670,104	$12,133,553	$15,803,657
General Merchandise Stores	$5,092	$7,207,640	$23,828,828	$31,036,468
Food Services and Drinking Places	$4,662	$6,598,189	$21,813,950	$28,412,138
Other Retail Group	$4,590	$6,496,950	$21,479,250	$27,976,200
Total	**$36,558**	**$51,745,682**	**$171,073,874**	**$222,819,555**

Source: ALH Urban & Regional Economics.

(1) The year increment represents the base time period and the anticipated completion of Phase 1 in 2028 and the Incremental Full Buildout in 2028.
(2) The per household spending estimates for the Market Area were generated by ALH Urban & Regional Economics by taking the estimated average 2015 area household income figure of $146,232 for 2015 from Nielsen Reports and multiplying by 25%, utilizing the assumption that 25% of household income is spent on BOE type retail.This figure was then multiplied by the percentages calculated from the ratio of the BOE sales for the State of California. See Exhibit B-5.
(3) Represents per household spending multiplied by the respective increase in households. The net increase in market area households is estimated at 1,415 between 2015 and 2018 and 4,680 between 2018 and 2028. See Exhibit 18 for household projections.

Exhibit 21
Existing and Future Market Area Retail Demand by Category
2015, 2018, and 2028

Type of Retailer	Existing 2015 (1)	Incremental Phase 1 2015-2018 (2)	Incremental Full Buildout 2018-2028 (2)	Total Full Buildout
In Dollars				
Motor Vehicles and Parts Dealers	$198,953,370	$7,145,800	$23,624,382	$229,723,552
Home Furnishings and Appliance Stores	$74,361,975	$2,670,856	$8,829,987	$85,862,819
Building Materials and Garden Equip	$86,854,774	$3,119,560	$10,313,423	$100,287,757
Food and Beverage Stores	$246,685,096	$8,860,179	$29,292,205	$284,837,480
Gasoline Stations	$166,395,029	$5,976,404	$19,758,297	$192,129,729
Clothing and Clothing Accessories Stores	$102,183,043	$3,670,104	$12,133,553	$117,986,700
General Merchandise Stores	$200,675,116	$7,207,640	$23,828,828	$231,711,584
Food Services and Drinking Places	$183,706,767	$6,598,189	$21,813,950	$212,118,906
Other Retail Group	$180,888,083	$6,496,950	$21,479,250	$208,864,283
Total	**$1,440,703,255**	**$51,745,682**	**$171,073,874**	**$1,663,522,810**

Source: ALH Urban & Regional Economics.

(1) See Exhibit 19.
(2) See Exhibit 20.

Exhibit 22
City of Pleasanton Taxable Sales Estimate
in Current Dollars
Fourth Quarter 2013 Through Third Quarter 2014
(in $000s)

	BOE Taxable Sales Estimate in $000s (1)					
Type of Retailer	**Q4 2013** [A]	**Q1 2014** [B]	**Q2 2014** [C]	**Q3 2014** [D]	**Total Taxable Sales City of Pleasanton** [E = A + B + C +D]	**City of Pleasanton Taxable Sales Adjusted to Total Retail**
Motor Vehicle & Parts Dealers	$79,549	$73,363	$81,566	$83,887	$318,365	$318,365
Home Furnishings & Appliances	$18,548	$15,187	$14,907	$19,510	$68,152	$68,152
Building Materials & Garden Equipment	$13,312	$12,913	$15,483	$13,919	$55,627	$55,627
Food & Beverage Stores	$20,736	$14,427	$16,444	$16,205	$67,812	$226,040 (2)
Gasoline Stations	$27,679	$28,142	$32,023	$30,260	$118,104	$118,104
Clothing & Clothing Accessories	$66,629	$43,242	$51,516	$51,758	$213,145	$213,145
General Merchandise Stores	$68,579	$42,583	$49,723	$47,810	$208,695	$278,260 (3)
Food Services & Drinking Places	$42,685	$41,927	$46,792	$47,546	$178,950	$178,950
Other Retail Group	$29,481	$21,572	$25,641	$27,670	$104,364	$132,456 (4)
Total (5)	**$367,198**	**$293,356**	**$334,095**	**$338,565**	**$1,333,214**	**$1,589,099**

Sources: California State Board of Equalization (BOE), "Taxable Sales in California (Sales & Use Tax)" reports, for Fourth Quarter 2013, First Quarter 2014, Second Quarter 2014, and Third Quarter 2014; U.S. Economic Census, "Retail Trade: Subject Series - Product Lines: Product Lines Statistics by Kind of Business for the United States: 2007"; and ALH Urban & Regional Economics.

(1) Taxable sales are pursuant to reporting by the State of California Board of Equalization (BOE).

(2) Sales for Food and Beverage Stores have been adjusted to account for non-taxable sales; only 30.0% of all food store sales are estimated to be taxable.

(3) Sales for General Merchandise Stores have been adjusted to account for non-taxable food sales, since some General Merchandise Store sales include non-taxable food items. ALH Urban & Regional Economics estimates that at least 25% of General Merchandise sales are for grocery items that are also non-taxable. This estimate is based on analysis of the 2007 U.S. Economic Census, which attributes 26% of General Merchandise Stores sales to food.

(4) Sales for Other Retail Group have been adjusted to account for non-taxable drug store sales, since drug store sales are included in the Other Retail Group category. ALH Urban & Regional Economics estimates that 33.0% of drug store sales are taxable, based on discussions with the California BOE and examination of U.S. Census data. In Alameda County, drug store sales in Q4 2013, Q1 2014, Q2 2014, and Q3 2014 represented approximately 13.26% of all Other Retail Group sales. ALH Urban & Regional Economics applied that percentage and then adjusted upward for non-taxable sales.

(5) Totals may not add up due to rounding.

Exhibit 23
City of Pleasanton
Adjusted Retail Sales Base
2015 Estimate

	City of Pleasanton Sales Base			
Type of Retailer	**2013/2014 (1) (2)** [A]	**Increase to Q2 2015 (3)** [B]	**Approx. 2015 Estimate** [C = A x (1+ B)]	**Sales per Household 2015 (4)** [D = C / # of HH]
Motor Vehicles & Parts Dealers	$318,365,000	16.8%	$371,772,285	$14,082
Home Furnishings & Appliance Stores	$68,152,000	17.7%	$80,219,808	$3,039
Building Materials & Garden Equipment	$55,627,000	0.5%	$55,922,945	$2,118
Food & Beverage Stores	$226,040,000	(5.0%)	$214,706,247	$8,133
Gasoline Stations	$118,104,000	(16.5%)	$98,636,079	$3,736
Clothing & Clothing Accessories Stores	$213,145,000	(21.2%)	$167,916,281	$6,360
General Merchandise Stores	$278,260,000	(0.8%)	$275,983,525	$10,454
Food Services & Drinking Places	$178,950,000	5.7%	$189,104,889	$7,163
Other Retail Group	$132,455,794	4.9%	$138,913,629	$5,262
Total	**$1,589,098,794**	**0.3%**	**$1,593,175,688**	**$60,348**

Sources: Hinderliter de Llamas (HdL) City of Pleasanton Sales Tax Data for Q2 2015 and Q2 2014; and ALH Urban & Regional Economics.

(1) See Exhibit 22.
(2) Reflects sales for fourth quarter 2013 through third quarter 2014.
(3) The sales base is adjusted pursuant to analysis of recent retail sales trends for the City of Pleasanton (i.e., second quarter 2015 and second quarter 2014). This is the most recent sales performance data available through the City's tax consultant.
(4) The City of Pleasanton had an estimated 26,400 households in early 2015. See Exhibit 18.

Exhibit 24
City of Pleasanton
Retail Demand, Sales Attraction, and Spending Analysis (1)
2015

Type of Retailer	Per Household Spending (2)	Per Household Sales (3) (4)	City of Pleasanton Household Spending (4)	City of Pleasanton Sales (3)	Retail Sales Attraction/(Leakage) Amount	Retail Sales Attraction/(Leakage) Percent
Motor Vehicles and Parts Dealers	$5,287	$14,082	$139,566,433	$371,772,285	$232,205,851	62.5%
Home Furnishings and Appliance Stores	$1,976	$3,039	$52,165,167	$80,219,808	$28,054,642	35.0%
Building Materials and Garden Equip (5)	$2,308	$2,118	$60,928,906	$55,922,945	($5,005,960)	(8.2%)
Food and Beverage Stores	$6,555	$8,133	$173,050,394	$214,706,247	$41,655,853	19.4%
Gasoline Stations	$4,421	$3,736	$116,726,652	$98,636,079	($18,090,573)	(15.5%)
Clothing and Clothing Accessories Stores	$2,715	$6,360	$71,681,736	$167,916,281	$96,234,545	57.3%
General Merchandise Stores	$5,332	$10,454	$140,774,244	$275,983,525	$135,209,281	49.0%
Food Services and Drinking Places	$4,881	$7,163	$128,870,892	$189,104,889	$60,233,997	31.9%
Other Retail Group (6)	$4,807	$5,262	$126,893,576	$138,913,629	$12,020,053	8.7%
Total	**$38,283**	**$60,348**	**$1,010,658,000**	**$1,593,175,688**	**$582,517,688**	**36.6%**

Source: ALH Urban & Regional Economics.

(1) All figures are expressed in 2015 dollars.
(2) The per household spending estimates for the City of Pleasanton were generated by ALH Urban & Regional Economics by taking the estimated average 2015 area household income figure of $153,130 for 2015 from Nielsen Reports and multiplying by 25%, utilizing the assumption that 25% of household income is spent on BOE type retail.This figure was then multiplied by the percentages calculated from the ratio of the BOE sales for the State of California. See Exhibit B-5.
(3) See Exhibit 23.
(4) Represents per household spending multiplied by the respective household count for the City of Pleasanton of 26,400.
(5) Building Materials and Garden Equipment includes hardware stores, plumbing and electrical supplies, paint and wallpaper products, glass stores, lawn and garden equipment, and lumber.
(6) Other Retail Group includes drug stores, health and personal care, pet supplies, gifts, art goods and novelties, sporting goods, florists, musical instruments, stationary and books, office and school supplies, second-hand merchandise, and miscellaneous other retail stores.

Exhibit 25
City of Dublin Taxable Sales Estimate
in Current Dollars
Fourth Quarter 2013 Through Third Quarter 2014
(in $000s)

	BOE Taxable Sales Estimate in $000s (1)					
	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Total Taxable Sales City of Dublin	City of Dublin Taxable Sales Adjusted to Total Retail
Type of Retailer	[A]	[B]	[C]	[D]	[E = A + B + C +D]	
Motor Vehicle & Parts Dealers	$129,476	$117,659	$135,595	$141,701	$524,431	$524,431
Home Furnishings & Appliances	$40,640	$32,395	$31,271	$32,351	$136,657	$136,657
Building Materials & Garden Equipment	$15,988	$16,098	$20,844	$19,685	$72,615	$72,615
Food & Beverage Stores	$8,507	$6,707	$7,114	$6,893	$29,221	$97,403 (2)
Gasoline Stations	$25,658	$24,886	$29,476	$27,623	$107,643	$107,643
Clothing & Clothing Accessories	$23,345	$17,560	$20,088	$19,686	$80,679	$80,679
General Merchandise Stores	$45,483 (3)	$30,643 (3)	$34,812 (3)	$35,435 (3)	$146,372	$195,163 (4)
Food Services & Drinking Places	$38,193	$36,896	$39,520	$40,585	$155,194	$155,194
Other Retail Group	$13,037 (3)	$12,832 (3)	$15,536 (3)	$15,013 (3)	$56,419	$71,605 (5)
Total (6)	**$340,327**	**$295,676**	**$334,256**	**$338,972**	**$1,309,231**	**$1,441,390**

Sources: California State Board of Equalization (BOE), "Taxable Sales in California (Sales & Use Tax)" reports, for Fourth Quarter 2013, First Quarter 2014, Second Quarter 2014, and Third Quarter 2014; U.S. Economic Census, "Retail Trade: Subject Series - Product Lines: Product Lines Statistics by Kind of Business for the United States: 2007"; and ALH Urban & Regional Economics.

(1) Taxable sales are pursuant to reporting by the State of California Board of Equalization (BOE).
(2) Sales for Food and Beverage Stores have been adjusted to account for non-taxable sales; only 30.0% of all food store sales are estimated to be taxable.
(3) The BOE omits certain sales because their publication would result in the disclosure of confidential information. ALH Urban & Regional Economics estimated the missing category sales figures. See Exhibit B-7.
(4) Sales for General Merchandise Stores have been adjusted to account for non-taxable food sales, since some General Merchandise Store sales include non-taxable food items. ALH Urban & Regional Economics estimates that at least 25% of General Merchandise sales are for grocery items that are also non-taxable. This estimate is based on analysis of the 2007 U.S. Economic Census, which attributes 26% of General Merchandise Stores sales to food.
(5) Sales for Other Retail Group have been adjusted to account for non-taxable drug store sales, since drug store sales are included in the Other Retail Group category. ALH Urban & Regional Economics estimates that 33.0% of drug store sales are taxable, based on discussions with the California BOE and examination of U.S. Census data. In Alameda County, drug store sales in Q4 2013, Q1 2014, Q2 2014, and Q3 2014 represented approximately 13.26% of all Other Retail Group sales. ALH Urban & Regional Economics applied that percentage and then adjusted upward for non-taxable sales.
(6) Totals may not add up due to rounding.

Exhibit 26
City of Dublin
Adjusted Retail Sales Base
2015 Estimate

	City of Dublin Sales Base			Sales per Household 2015 (4)
Type of Retailer	**2013 (1) (2)** [A]	**Increase to 2015 (3)** [B]	**Approx. 2015 Estimate** [C = A x (1+ B)]	[D = C / # of HH]
Motor Vehicles & Parts Dealers	$524,431,000	1.17%	$530,543,517	$32,469
Home Furnishings & Appliance Stores	$136,657,000	1.17%	$138,249,809	$8,461
Building Materials & Garden Equipment	$72,615,000	1.17%	$73,461,366	$4,496
Food & Beverage Stores	$97,403,333	1.17%	$98,538,620	$6,031
Gasoline Stations	$107,643,000	(16.5%)	$89,899,440	$5,502
Clothing & Clothing Accessories Stores	$80,679,000	1.17%	$81,619,356	$4,995
General Merchandise Stores	$195,162,870	1.17%	$197,437,596	$12,083
Food Services & Drinking Places	$155,194,000	1.17%	$157,002,867	$9,608
Other Retail Group	$71,605,182	1.17%	$72,439,778	$4,433
Total	**$1,441,390,385**	**-0.15%**	**$1,439,192,348**	**$88,078**

Sources: Bureau of Labor Statistics Consumer Price Index West Urban; and ALH Urban & Regional Economics.

(1) See Exhibit 25.
(2) Reflects sales for fourth quarter 2013 through third quarter 2014.
(3) The sales base is adjusted pursuant to the annual urban west Consumer Price Index 2014 to 2015 with the exception of gas prices. ALH Urban & Regional Economics estimates that gas prices would decline similar to the City of Pleasanton and used the same adjusment figure (see Exhibit 23).
(4) The City of Dublin had an estimated 16,340 households in early 2015. See Exhibit 18.

Exhibit 27
City of Dublin
Retail Demand, Sales Attraction, and Spending Analysis (1)
2015

Type of Retailer	Per Household Spending (2)	Per Household Sales (3) (4)	Dublin Household Spending (4)	Dublin Sales (3)	Retail Sales Attraction/(Leakage) Amount	Retail Sales Attraction/(Leakage) Percent
Motor Vehicles and Parts Dealers	$4,841	$32,469	$79,100,419	$530,543,517	$451,443,098	85.1%
Home Furnishings and Appliance Stores	$1,809	$8,461	$29,565,035	$138,249,809	$108,684,773	78.6%
Building Materials and Garden Equip (5)	$2,113	$4,496	$34,531,956	$73,461,366	$38,929,409	53.0%
Food and Beverage Stores	$6,002	$6,031	$98,077,728	$98,538,620	$460,892	0.5%
Gasoline Stations	$4,049	$5,502	$66,155,786	$89,899,440	$23,743,654	26.4%
Clothing and Clothing Accessories Stores	$2,486	$4,995	$40,626,211	$81,619,356	$40,993,145	50.2%
General Merchandise Stores	$4,883	$12,083	$79,784,956	$197,437,596	$117,652,640	59.6%
Food Services and Drinking Places	$4,470	$9,608	$73,038,634	$157,002,867	$83,964,233	53.5%
Other Retail Group (6)	$4,401	$4,433	$71,917,974	$72,439,778	$521,804	0.7%
Total	**$35,055**	**$88,078**	**$572,798,700**	**$1,439,192,348**	**$866,393,648**	**60.2%**

Source: ALH Urban & Regional Economics.

(1) All figures are expressed in 2015 dollars.
(2) The per household spending estimates for the City of Dublin were generated by ALH Urban & Regional Economics by taking the estimated average 2015 area household income figure of $140,220 for 2015 from Nielsen Reports and multiplying by 25%, utilizing the assumption that 25% of household income is spent on BOE type retail.This figure was then multiplied by the percentages calculated from the ratio of the BOE sales for the State of California. See Exhibit B-5.
(3) See Exhibit 26.
(4) Represents per household spending multiplied by the respective household count for Paradise of 16,340.
(5) Building Materials and Garden Equipment includes hardware stores, plumbing and electrical supplies, paint and wallpaper products, glass stores, lawn and garden equipment, and lumber.
(6) Other Retail Group includes drug stores, health and personal care, pet supplies, gifts, art goods and novelties, sporting goods, florists, musical instruments, stationary and books, office and school supplies, second-hand merchandise, and miscellaneous other retail stores.

Exhibit 28
Johnson Drive Economic Development Zone (EDZ) Sales Impacts
Incremental Impact on Existing Retail Sales Base Inclusive of Future Demand to 2018
Cities of Pleasanton and Dublin
2015 Dollars

					Market Area Sales Impacts Inclusive of Future Demand	
Retail Category	**Johnson Drive EDZ Market Area-Generated Project Sales (1)** [A]	**New Market Area Demand 2015-2018 (2)** [B]	**Project Sales in Excess of New Market Area Demand (3)** [C = A - B if >0]	**Remaining Demand Available for Retail Backfilling** [D = B - A if >0]	**Pleasanton & Dublin Existing Combined Sales Base (4)** [E]	**Sales Impact % of Pleasanton & Dublin Combined Sales Base** [F = C / E]
Motor Vehicle & Parts Dealers	$3,143,726	$7,145,800	$0	$4,002,074	$902,315,802	0.0%
Home Furnishings & Appliances	$4,573,080	$2,670,856	$1,902,224	$0	$218,469,617	0.9%
Building Materials & Garden Equipment	$2,788,126	$3,119,560	$0	$331,434	$129,384,311	0.0%
Food & Beverage Stores	$32,075,342	$8,860,179	$23,215,163	$0	$313,244,867	7.4%
Gasoline Stations	$6,278,039	$5,976,404	$301,636	$0	$188,535,518	0.2%
Clothing & Clothing Accessories	$2,388,912	$3,670,104	$0	$1,281,192	$249,535,637	0.0%
General Merchandise Stores	$4,981,229	$7,207,640	$0	$2,226,411	$473,421,120	0.0%
Food Services & Drinking Places	$537,857	$6,598,189	$0	$6,060,332	$346,107,757	0.0%
Other Retail Group	$7,803,072	$6,496,950	$1,306,122	$0	$211,353,407	0.6%
Total	**$64,569,384**	**$51,745,682**	**$26,725,145**	**$13,901,443**	**$3,032,368,036**	**0.9%**

Source: ALH Urban & Regional Economics.

(1) See Exhibit 15 for market area generated sales.
(2) See Exhibit 20.
(3) Comprises the level of net Johnson Drive EDZ market-area-generated sales not anticipated to be absorbed by new demand occurring between the 2015 baseline period and 2018, the projected first full year of operations for Phase 1 of the Project. These are the amount of sales anticipated to be diverted from existing baseline retail establishments in the Market Area in order for the Johnson Drive EDZ Project to achieve its assumed level of sales generated by Market Area residents, assuming only Market Area establishments experience sales impacts.
(4) See Exhibits 23 and 26.

Exhibit 29
Johnson Drive Economic Development Zone (EDZ) Sales Impacts
Incremental Impact on Existing Retail Sales Base Inclusive of Future Demand from 2018 to 2028
Cities of Pleasanton and Dublin
2015 Dollars

					Market Area Sales Impacts Inclusive of Future Demand	
Retail Category	**Johnson Drive EDZ Market Area-Generated Project Sales (1)**	**New Market Area Demand 2018-2028 (2)**	**Project Sales in Excess of New Market Area Demand (3)**	**Remaining Demand Available for Retail Backfilling**	**Pleasanton & Dublin Existing Combined Sales Base (4)**	**Sales Impact % of Pleasanton & Dublin Combined Sales Base**
	[A]	[B]	[C = A - B if >0]	[D = B - A if >0]	[E]	[F = C / E]
Motor Vehicle & Parts Dealers	$0	$23,624,382	$0	$23,624,382	$902,315,802	0.0%
Home Furnishings & Appliances	$5,638,474	$8,829,987	$0	$3,191,513	$218,469,617	0.0%
Building Materials & Garden Equipment	$5,241,964	$10,313,423	$0	$5,071,460	$129,384,311	0.0%
Food & Beverage Stores	$0	$29,292,205	$0	$29,292,205	$313,244,867	0.0%
Gasoline Stations	$0	$19,758,297	$0	$19,758,297	$188,535,518	0.0%
Clothing & Clothing Accessories	$13,461,289	$12,133,553	$1,327,736	$0	$249,535,637	0.5%
General Merchandise Stores	$5,194,861	$23,828,828	$0	$18,633,966	$473,421,120	0.0%
Food Services & Drinking Places	$10,631,773	$21,813,950	$0	$11,182,176	$346,107,757	0.0%
Other Retail Group	$15,000,279	$21,479,250	$0	$6,478,970	$211,353,407	0.0%
Total	**$55,168,640**	**$171,073,874**	**$1,327,736**	**$117,232,969**	**$3,032,368,036**	**0.0%**

Source: ALH Urban & Regional Economics.

(1) See Exhibit 15 for market area generated sales.
(2) See Exhibit 20.
(3) Comprises the level of net Johnson Drive EDZ market-area-generated sales not anticipated to be absorbed by new demand occurring between 2018 and 2028. These are the amount of sales anticipated to be diverted from existing baseline retail establishments in the Market Area in order for the Johnson Drive EDZ Project to achieve its assumed level of sales generated by Market Area residents, assuming only Market Area establishments experience sales impacts.
(4) See Exhibits 23 and 26.

Exhibit 30
Johnson Drive Economic Development Zone (EDZ) Sales Impacts
Total Project Impact on Existing Retail Sales Base Inclusive of Future Demand to 2028
Cities of Pleasanton and Dublin
2015 Dollars

					Market Area Sales Impacts Inclusive of Future Demand	
Retail Category	**Johnson Drive EDZ Market Area-Generated Project Sales (1)** [A]	**Total New Market Area Demand 2015-2028 (2)** [B]	**Project Sales in Excess of New Market Area Demand (3)** [C = A - B if >0]	**Remaining Demand Available for Retail Backfilling** [D = B - A if >0]	**Pleasanton & Dublin Existing Combined Sales Base (4)** [E]	**Sales Impact % of Pleasanton & Dublin Combined Sales Base** [F = C / E]
Motor Vehicle & Parts Dealers	$3,143,726	$30,770,182	$0	$27,626,456	$902,315,802	0.0%
Home Furnishings & Appliances	$10,211,555	$11,500,843	$0	$1,289,289	$218,469,617	0.0%
Building Materials & Garden Equipment	$8,030,090	$13,432,983	$0	$5,402,893	$129,384,311	0.0%
Food & Beverage Stores	$32,075,342	$38,152,384	$0	$6,077,042	$313,244,867	0.0%
Gasoline Stations	$6,278,039	$25,734,700	$0	$19,456,661	$188,535,518	0.0%
Clothing & Clothing Accessories	$15,850,201	$15,803,657	$46,544	$0	$249,535,637	0.0%
General Merchandise Stores	$10,176,090	$31,036,468	$0	$20,860,377	$473,421,120	0.0%
Food Services & Drinking Places	$11,169,630	$28,412,138	$0	$17,242,508	$346,107,757	0.0%
Other Retail Group	$22,803,351	$27,976,200	$0	$5,172,849	$211,353,407	0.0%
Total	**$119,738,024**	**$222,819,555**	**$46,544**	**$103,128,075**	**$3,032,368,036**	**0.0%**

Source: ALH Urban & Regional Economics.

(1) See Exhibit 15 for market area generated sales.
(2) See Exhibit 20.
(3) Comprises the level of net Johnson Drive EDZ market-area-generated sales not anticipated to be absorbed by new demand occurring between the 2015 base period and 2028, the projected first full year for cumulative full buildout of the Project. These are the amount of sales anticipated to be diverted from existing baseline retail establishments in the Market Area in order for the Johnson Drive EDZ Project to achieve its assumed level of sales generated by Market Area residents, assuming only Market Area establishments experience sales impacts.
(4) See Exhibits 23 and 26.

Exhibit 31
Identified Planned and Proposed Retail Projects (1)
Project Details and Timing Estimates
Cities of Pleasanton and Dublin
January - March 2016

	Project	Description	Potential Retail Sq. Ft.	Status	Location	Expected Opening / Completion	Driving Distance from Project Site	Percent Sales from Inside the Johnson Drive EDZ Market Area (2)	Percent Market Area Sales (3)	Market Area Competitive Sales Space (4)
Pleasanton										
1	Pacific Pearl/Staples Ranch	This project is approved for a 112,000 square-foot shopping center on approximately 11.5 acres at Staples Ranch. Estimated tenants include a 30,125-square-foot Marina Foods, 15,625 King Wah, 16,333 square feet for restaurants/quick serve, 3,632 square feet for beauty/nail salons & spa services, 1,301 square feet for learning/tutoring services, 1,605 square feet of medical/dental, 1,230 square feet of general retail, with the remaining square footage unknown.	112,000	Approved	Stoneridge Dr and El Charro Rd	Summer 2017	4.8	50%	90%	50,400
2	Vintage Sustainable Mixed-Use Village	This is a mixed-use project with 345 apartment units and 38,781 square feet of retail. The retail tenants are unknown, but the anchor tenant is estimated to be a small grocery (20,400 square feet) or drugstore (14,648 square feet).	38,781	Proposed	3150 Bernal Ave	2016	4.9	95%	95%	35,000
3	CarMax	This project is an automobile dealership consisting of an approximately 11,783-square-foot sales and presentation building, an approximately 45,000-square-foot service building, an approximately 3,930-square-foot quality control building and non-public car wash, vehicle sales display area, and related site improvements at the Auto Mall site at Staples Ranch.	11,783	Under Construction	Staples Ranch Auto Mall Site, Stoneridge Drive	2016	4.8	25%	95%	2,798
4	Essex Site 1	This project is a mixed-use high-density residential/commercial development containing 251 residential units, 4 live/work units, and approximately 5,700 square feet of retail space.	5,700	Under Construction	SE corner of Owens Dr and Willow Rd	Spring 2017	1.8	95%	95%	5,144
5	Chick-fil-A Restaurant	This project includes a 5,399-square-foot Chick-fil-A restaurant with two drive through lanes and related site improvements.	5,399	Under Construction	Johnson Ct	August 2016	1.2	95%	95%	4,873
	Subtotal		***173,663***							***98,215***

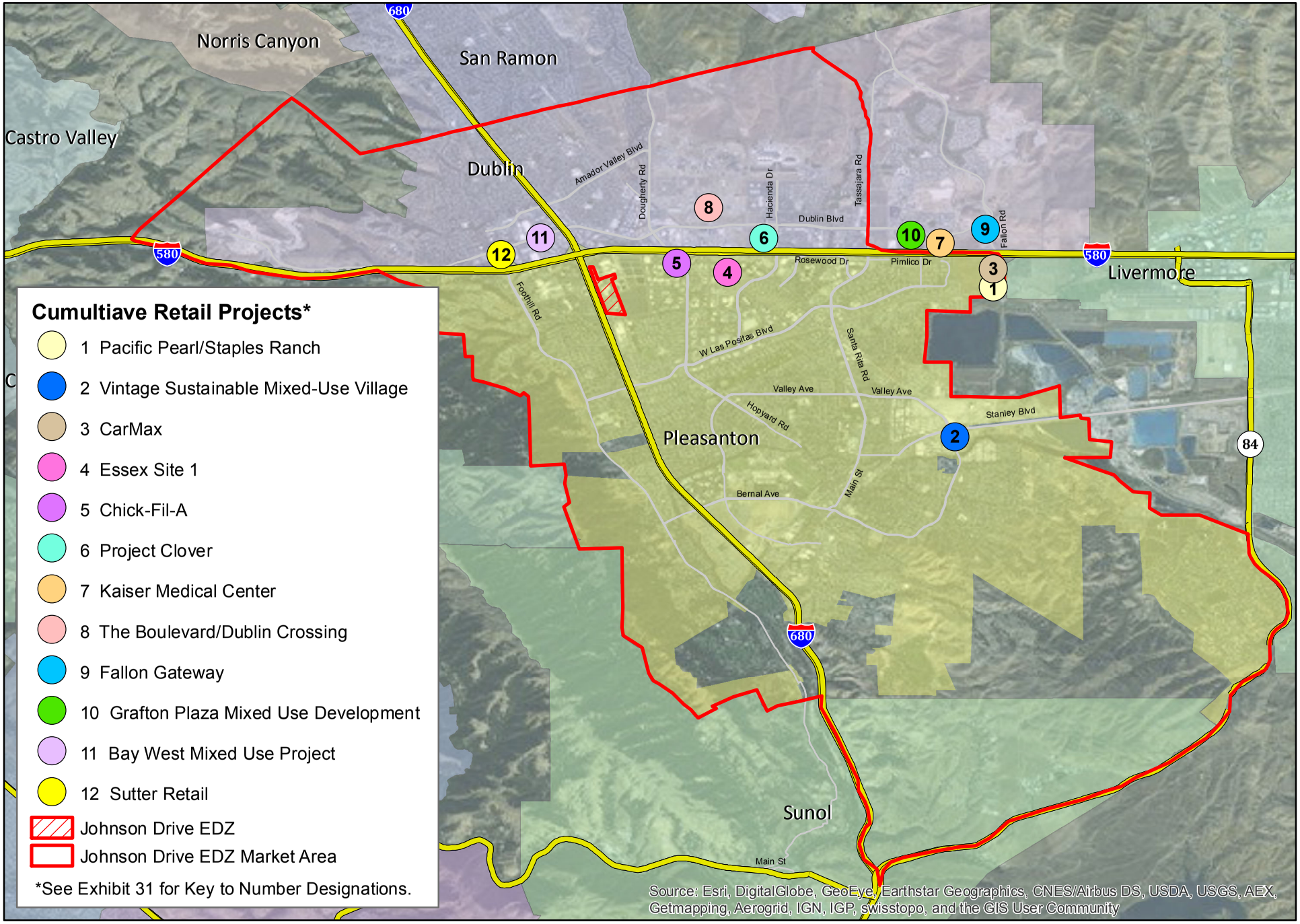
Exhibit 31
Identified Planned and Proposed Retail Projects (1)
Project Details and Timing Estimates
Cities of Pleasanton and Dublin
January - March 2016

	Project	Description	Potential Retail Sq. Ft.	Status	Location	Expected Opening / Completion	Driving Distance from Project Site	Percent Sales from Inside the Johnson Drive EDZ Market Area (2)	Percent Market Area Sales (3)	Market Area Competitive Sales Space (4)
Dublin										
6	Project Clover	This proposed commercial shopping center will be anchored by a 339,000-square-foot IKEA store and also contains four pads with retail, restaurant, and a potential 75-room boutique hotel for a total center square footage up to 430,000 square feet.	430,000	In planning stages	5144 and 5344 Martinelli Way	2018	2.8	10%	80%	34,400
7	Kaiser Medical Center (5)	This project is a medical campus comprising a 950,000-square-foot medical facility and 250,000 square feet of commercial development built over 25 years. The zoning for the project has yet to be approved and the commercial space is extremely conceptual.	250,000	In planning stages	Dublin Blvd between Grafton St and Fallon Rd	Unknown	4.3	50%	80%	100,000
8	The Boulevard/Dublin Crossing	The EIR and Specific Plan for the site allow up to 225,000 square feet of commercial space; however, the developer is leaning toward building only residential and according to a Dublin City Planner the commercial is unlikely.	225,000	Initial entitlements approved November	Bounded by 5th St Arnold Rd, Dublin Blvd, and Scarlett Dr	Unknown	3.2	66%	80%	118,800
9	Fallon Gateway (5)	This project is a partially complete 379,000-square-foot retail center with a completed 146,000-square-foot Target, 9,000-square-foot BJ's Restaurant & Brewhouse, a 55,000-square-foot Dick's Sporting Goods, and other smaller shop spaces. The remaining 140,000 square feet include 3 anchor tenants and shop space. The tenants and timing for the remaining square footage are unknown.	140,000	Approved	Fallon Rd and Dublin Blvd	Unknown	5.1	66%	90%	83,160
10	Grafton Plaza Mixed-Use Development (5)	This is an integrated mixed use project with 115 townhomes, a 122-room Aloft hotel, and a 55,000-square-foot retail center. This project is expected to be heard by the Planning Commission in February/March 2016.	55,000	In planning review	SE corner Grafton Dr and Dublin Blvd	2017 / 2018	4.3	66%	95%	34,485
11	Bay West Mixed Use Project	This is a small mixed-use downtown project with 17,000 square feet of first floor commercial with 314 apartments above.	17,000	Under Construction	Golden Gate Dr and Dublin Blvd	2016	2.3	95%	95%	15,343
12	Sutter Retail	This project is a 2,600-square-foot Starbucks with drive-thru and a 5,400-square-foot retail shop building.	8,000	In planning stages	7080 San Ramon Rd	Unknown	2.6	95%	95%	7,220
	Subtotal		***1,125,000***							***393,408***
		Grand Total	**1,298,663**							**491,623**

Sources: City of Pleasanton Planning Department; City of Pleasanton Memo titled, "Community Development Department Update January 15, 2016"; City of Dublin Planning Department; City of Dublin, "City of Dublin - Commercial and Residential Project List - 11/10/2015"; local news websites; and ALH Urban & Regional Economics.

(1) Includes retail development projects 5,000 square feet or larger with development plans in progress. Projects are generally listed in descending order of size.
(2) The cumulative retail projects are estimated to be competitive with the Johnson Drive EDZ Project to varying degrees, based on project orientation, location, and estimated amount of market area overlap, i.e., portion of sales achieved at the cumulative projects generated by consumers in the Johnson Drive EDZ Project market area. This column presents the project-specific assumptions developed by ALH Urban & Regional Economics.
(3) Reflects the percentage of project sales estimated to be generated by the project's respective market area. For projects less than 100,000 square feet the study assumes this share is 95%. For projects between 100,000 and 200,000 square feet the study assumes this share is 90%. For projects greater than 200,000 square feet the study assumes this share is 80%, which is comparable to the study assumption for the Project's general retail space.
(4) Comprises the project square footage multiplied by the assumed market area overlap and percent of sales generated by market area consumers. Reflects amount of sales space anticipated to be supported by Johnson Drive EDZ Project market area consumers.
(5) Includes projects located near but not in the Johnson Drive EDZ market area.

Exhibit 32: Johnson Drive Economic Development Zone Project and Cumulative Retail Projects



0 0.75 1.5 3 Miles

This map contains information from sources we believe to be reliable, but we make no representation, warranty, or guarantee of its accuracy. This map is published for the use of ALH Urban & Regional Economics and its clients only. Redistribution in whole or part to any third party without the prior written consent of ALH Urban & Regional Economics is strictly prohibited.

Exhibit 33
Summary of Retail Pipeline (1)
Cities of Pleasanton and Dublin
Through Johnson Drive Economic Development Zone (EDZ) Project Buildout in 2028

	Johnson Drive EDZ Retail Development Timing (2)			
Demographic	**Phase 1 (2015-2018)**	**Full Buildout (2015-2028)**	**Unknown**	**Total**
Total Square Feet				
City of Pleasanton	98,215	98,215	0	98,215
City of Dublin	84,228	84,228	309,180 (3)	393,408
Total	**182,443**	**182,443**	**309,180**	**491,623**
Total Occupied Square Feet (4)				
City of Pleasanton	93,304	93,304	0	93,304
City of Dublin	80,016	80,016	293,721	373,737
Total	**173,321**	**173,321**	**293,721**	**467,042**

Source: ALH Urban & Regional Economics.

(1) See Exhibit 31 for square footage and timing. Does not include the Johnson Drive EDZ Project. Includes only the portion of cumulative project sales space anticipated to be competitive with the Johnson Drive EDZ Project per the market area sales overlap assumptions in Exhibit 31.
(2) The Phase I and Full Buildout timing match the anticipated timing of Johnson Drive EDZ retail development.
(3) Includes project #7 in Exhibit 31 deemed unlikely to be developed.
(4) Analysis assumes a stabilized retail vacancy rate of 5%.

Exhibit 34
Existing and Future Market Area Retail Demand Converted to Supportable Square Feet
2015 to 2018 and 2018 to 2028

Type of Retailer	Sales per Square Foot (1)	Incremental Phase 1 2015-2018	Incremental Full Buildout 2018-2028	Total 2028
In Dollars (2)				
Motor Vehicles and Parts Dealers	--	$7,145,800	$23,624,382	$30,770,182
Home Furnishings and Appliance Stores	--	$2,670,856	$8,829,987	$11,500,843
Building Materials and Garden Equip	--	$3,119,560	$10,313,423	$13,432,983
Food and Beverage Stores	--	$8,860,179	$29,292,205	$38,152,384
Gasoline Stations	--	$5,976,404	$19,758,297	$25,734,700
Clothing and Clothing Accessories Stores	--	$3,670,104	$12,133,553	$15,803,657
General Merchandise Stores	--	$7,207,640	$23,828,828	$31,036,468
Food Services and Drinking Places	--	$6,598,189	$21,813,950	$28,412,138
Other Retail Group	--	$6,496,950	$21,479,250	$27,976,200
Total		**$51,745,682**	**$171,073,874**	**$222,819,555**
By Square Feet (2)				
Motor Vehicles and Parts Dealers	$800	8,932	29,530	38,463
Home Furnishings and Appliance Stores	$323	8,282	27,380	35,661
Building Materials and Garden Equip	$300	10,405	34,398	44,803
Food and Beverage Stores	$643	13,776	45,545	59,321
Gasoline Stations	NA	0	0	0
Clothing and Clothing Accessories Stores	$385	9,533	31,518	41,052
General Merchandise Stores	$297	24,258	80,197	104,454
Food Services and Drinking Places	$608	10,850	35,872	46,723
Other Retail Group	$429	15,145	50,070	65,215
Total Retail Sales-Based		**101,181**	**334,511**	**435,692**
Additional Service Increment (3)		**18,819**	**55,489**	**74,308**
Grand Total Commercial Retail Demand (4)		**120,000**	**390,000**	**510,000**

Source: ALH Urban & Regional Economics.

(1) See Exhibit 9.
(2) See Exhibit 21.
(3) Includes an allocation of 15% of space to accommodate service retail, such as banks, personal, and business services.
(4) Rounded to the nearest 10,0000.

Exhibit 35
Cumulative Retail Impacts (1)
2018 and Through Johnson Drive Economic Development Zone (EDZ) Project Buildout in 2028

	Johnson Drive EDZ Retail Development Timing (2)			
Supply and Demand Characteristic	**Phase 1 (2015-2018)**	**Full Buildout (2015-2028)**	**Unknown (3)**	**Total**
Retail Supply				
Johnson Drive Occupied General Retail Space Supported by the Market Area (4)	3,800	143,668	0	143,668
Johnson Drive Club Retail Space Supported by the Market Area (5)	54,079	54,079	0	54,079
Occupied Cumulative Retail Supported by the Market Area (6)	173,321	173,321	293,721	467,042
Total Cumulative Retail Additions to Supply	231,200	371,068	293,721	664,789
Cumulative Retail Unlikely to be Built (7)	0	0	112,860	112,860
Forecasted Retail Demand				
Market Area Demand (6)	120,000	510,000	NA	510,000
Supply and Demand Findings (8)				
Additional Demand Needed to Support Cumulative Retail	111,200	0	NA	267,649
Additional Demand Needed to Support Cumulative Retail Less Unlikely Projects (7)	111,200	0	NA	154,789
Resulting Increase in Combined Pleasanton/Dublin Retail Vacancy Rate (9)				
All Cumulative Projects	1.2%	0.0%	NA	2.9%
Cumulative Projects Less Unlikely Projects	1.2%	0.0%	NA	1.7%

Source: ALH Urban & Regional Economics.

(1) Considers impacts of Johnson Drive EDZ Project retail as well as other identified market area planned retail development within the timeframe similar to Johnson Drive EDZ.
(2) The phasing figures match the timing of Johnson Drive EDZ retail development. Aggregates figures by phase, so each subsequent phase (or year) includes the supply additions from the prior phase (or years)
(3) Project timing unknown, although some projects could be developed within the 2018 to 2028 time period corresponding with development of the Johnson Drive EDZ planned retail space.
(4) See Exhibit 8 for occupied square footages. These occupied square footages are then multiplied by 80% for general retail to account for demand from within the market area, see Exhibit 15.
(5) The club retail space incorporated in the cumulative analysis is a proxy for the share of store space anticipated to be supported by new market area demand generated by retail consumers.This excludes demand generated by wholesale consumers (i.e., 13%), demand generated by retail consumers from outside the market area (i.e., 33%, and recaptured sales from . area club retail stores generated by existing Project club retail market area consumers (i.e., 30%).The resulting figure of 54,079 was produced as follows: 148,000*(100%-13%)* 60%*(100%-30%) = 54,079.
(6) See Exhibit 33.
(7) The Boulevard/Dublin Crossing project is very unlikely to be retail according to the City of Dublin Planning Department; ALH Urban & Regional Economics included in part of the analysis to be conservative.
(8) Comprises the remaining demand needed to support the Johnson Drive EDZ retail space and cumulative projects.
(9) As noted in subsequent Exhibits 43 and 44, the combined retail base in Pleasanton and Dublin comprises 9,249,180 square feet. These percentages comprise the potential increase in the market area's combined vacancy rate attributable to cumulative project impacts. The combined vacancy rate as of year-end 2015 was 3.9%.

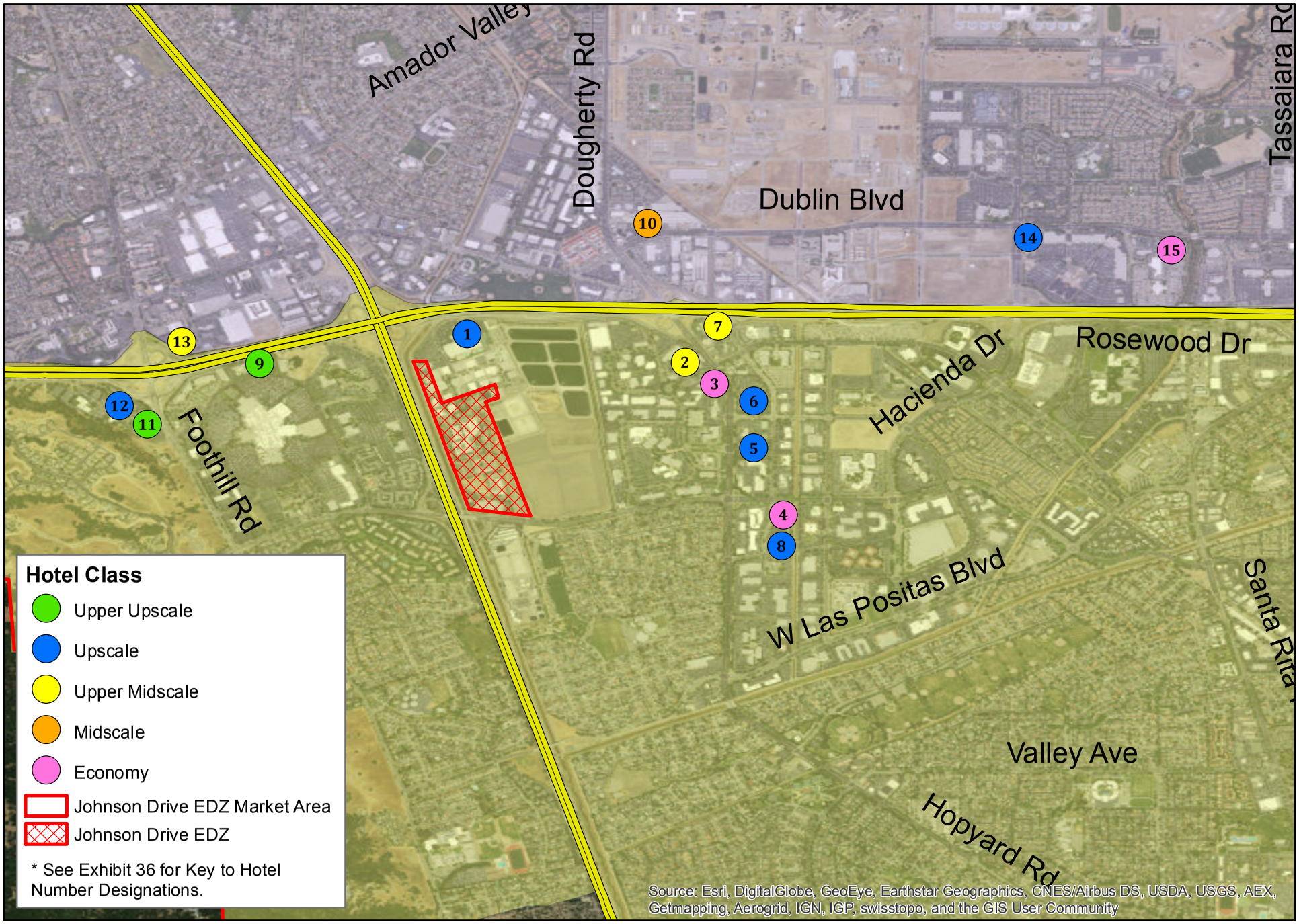
Exhibit 36
Existing Hotel Supply (1)
Cities of Pleasanton and Dublin
February 2016

Map No.	Name of Establishment	Miles from Johnson Drive EDZ (2)	Address	Class	Average Room Rate (3)		Open Date	Room Count
1	DoubleTree Pleasanton @ The Club	0.5	7050 Johnson Drive, Pleasanton	Upscale	$229		Dec 1985	292
2	Larkspur Landing Pleasanton	1.2	5535 Johnson Drive, Pleasanton	Upper Midscale	$189		Aug 1997	124
3	Motel 6 Pleasanton	1.5	5102 Hopyard Road, Pleasanton	Economy	$92	(4)	Jun 1975	76
4	Extended Stay America Pleasanton Chabot Drive	1.6	4555 Chabot Drive, Pleasanton	Economy	$150		Feb 1998	112
5	Courtyard Pleasanton	1.6	5059 Hopyard Road, Pleasanton	Upscale	$179		Sep 1986	145
6	Four Points by Sheraton Pleasanton	1.7	5115 Hopyard Road, Pleasanton	Upscale	$179		Oct 1985	214
7	Best Western Plus Pleasanton Inn	1.7	5375 Owens Court, Pleasanton	Upper Midscale	$130		Oct 1983	97
8	Hyatt House Pleasanton	1.7	4545 Chabot Drive, Pleasanton	Upscale	$249		Jul 1998	128
9	Sheraton Hotel Pleasanton	1.9	5990 Stoneridge Mall Road, Pleasanton	Upper Upscale	$159		Jun 1985	170
10	La Quinta Inns & Suites Dublin Pleasanton	2.1	6275 Dublin Blvd, Dublin	Midscale Class	$189		Jan 1999	91
11	Marriott Pleasanton	2.2	11950 Dublin Canyon Road, Pleasanton	Upper Upscale	$269		Jan 1986	242
12	Residence Inn Pleasanton	2.3	11920 Dublin Canyon Road, Pleasanton	Upscale	$189	(4)	Aug 1999	135
13	Holiday Inn Dublin Pleasanton	2.7	6680 Regional St, Dublin	Upper Midscale	$171		Jun 1977	222
14	Hyatt Place Dublin Pleasanton	3.0	4950 Hacienda Dr, Dublin	Upscale Class	$189		Jun 1999	127
15	Extended Stay America Dublin Hacienda Drive	4.4	4500 Dublin Blvd, Dublin	Economy	$150		Feb 2000	122
								2,297

Sources: Smith Travel Research; Hotel websites; GoogleMaps; and ALH Urban & Regional Economics.

(1) Includes hotels that participate in the Smith Travel Research trend analysis. Therefore, not all hotels are included. For example, this inventory does not include downtown Pleasanton's two hotels - the Rose Hotel with 38 rooms (considered an Upper Upscale Class hotel by Smith Travel Research) and Pleasanton Hotel.
(2) The site location assumed for distance mapping purpose is the intersection of Johnson Drive and Commerce Circle.
(3) Average room rate for a single room with a king-sized bed for 2 adults, free cancellation. No special pricing applied. Internet-based room queries, approximately 3 weeks prior to notice.
(4) The hotel does not offer king-sized beds, the average rate is for a single room with a queen-sized bed.

Exhibit 37: Johnson Drive Economic Development Zone Project and Area Hotels



Miles
0 0.25 0.5 1

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Exhibit 38
Supply and Demand Trends
Pleasanton and Dublin Hotels (1)
2009 -2015

Year	Average No. of Rooms (2)	Annual Supply (3)		Annual Demand (4)		Annual Occupancy (5)
		Amount	% Change	Amount	% Change	
2009	2,312	843,880	---	474,120	---	56%
2010	2,304	840,940	-0.35%	552,328	16.5%	66%
2011	2,300	839,500	-0.17%	593,518	7.5%	71%
2012	2,300	839,500	0.00%	621,426	4.7%	74%
2013	2,300	839,500	0.00%	646,492	4.0%	77%
2014	2,298	838,765	-0.09%	649,010	0.4%	77%
2015	2,297	838,405	-0.04%	682,934	5.2%	81%

Sources: Smith Travel Research, Hotel Trend Report, Pleasanton and Dublin, CA, January 2009 through December 2015, created February 8, 2016; and ALH Urban & Regional Economics.

(1) Includes hotels listed and mapped in Exhibit 36 and Exhibit 37.
(2) Comprises the average number of rooms throughout the calendar year. Derived from Annual Supply figures (i.e., Annual Supply/365 days in a year).
(3) Annual supply is reported by Smith Travel Research. Annual supply is equal to the summation of the number of rooms available per month times the number of days in the period.
(4) Annual demand is reported by Smith Travel Research. See footnote (6) for information about the 2015 estimate.
(5) Annual occupancy comprises annual demand divided by annual supply.

Exhibit 39
Projected Future Hotel Supply and Demand Trends (1)
Cities of Pleasanton and Dublin
2015 - 2028

Year	Number of Rooms		Annual Supply (2)		Demand per Annual Growth Growth Rate in Demand (3)	Occupancy per Annual Growth Rate in Demand (4)	
	Option 1	Option 2	Option 1	Option 2		Option 1	Option 2
2015	2,297 (5)	2,297	838,405	838,405	682,934	81%	81%
2016	2,297	2,297	838,405	838,405	697,451	83%	83%
2017	2,297	2,297	838,405	838,405	712,276	85%	85%
2018 (6)	***2,447***	***2,528***	***893,155***	***922,720***	***727,417***	***81%***	***79%***
2019	2,447	2,528	893,155	922,720	742,879	83%	81%
2020	2,447	2,528	893,155	922,720	747,576	84%	81%
2021	2,447	2,528	893,155	922,720	752,302	84%	82%
2022	2,447	2,528	893,155	922,720	757,059	85%	82%
2023	2,447	2,528	893,155	922,720	761,845	85%	83%
2024	2,447	2,528	893,155	922,720	766,662	86%	83%
2025	2,447	2,528	893,155	922,720	771,626	86%	84%
2026	2,447	2,528	893,155	922,720	776,623	87%	84%
2027	2,447	2,528	893,155	922,720	781,652	88%	85%
2028	2,447	2,528	893,155	922,720	786,714	88%	85%

Sources: Smith Travel Research; and ALH Urban & Regional Economics.

(1) Includes existing hotels listed in Exhibit 28 plus the planned Johnson Drive EDZ Project hotel options with 150 rooms (Option 1) and 231 rooms (Option 2).
(2) Comprises annual number of rooms multiplied by 365 days in a year.
(3) Forecasted based on the incremental growth rates identified in Exhibit 40, which collectively comprise 2.1% a year from 2015-2020; and .6% a year from 2020 to 2030.
(4) Annual occupancy comprises annual demand divided by annual supply. Note the existing 2015 baseline occupancy rate is estimated as 81.5%, as reported in Exhibit 38.
(5) Per Exhibit 38 the Smith Travel Research report pertains to 2,297 hotel rooms.
(6) The analysis examines the impact of the planned Johnson Drive EDZ hotel by year 2018. Each option includes the addition of the anticipated number of hotel rooms in that year.

Exhibit 40
Total Jobs Estimates and Projections
Cities of Pleasanton and Dublin (1) (2)
2015 - 2030

							Aggregate Growth			Average Annual Growth Rate		
Geographic Area	**2015**	**2018**	**2020**	**2025**	**2028**	**2030**	**2015-2020**	**2020-2025**	**2025-2030**	**2015-2020**	**2020-2025**	**2025-2030**
City of Pleasanton	**58,520**	61,197	**63,050**	**64,320**	65,097	**65,620**	4,530	1,270	1,300	1.5%	0.4%	0.4%
City of Dublin	**19,930**	22,336	**24,100**	**25,620**	26,598	**27,270**	4,170	1,520	1,650	3.9%	1.2%	1.3%
Total	78,450	83,534	87,150	89,940	91,694	92,890	8,700	2,790	2,950	2.1%	0.6%	0.6%

Sources: Association of Bay Area Governments (ABAG), "Population & Household Projections 2013"; and ALH Urban & Regional Economics.

(1) Figures in bold are provided by ABAG.
(2) The interim years of 2018 and 2028, which also constitute timing for Johnson Drive EDZ Project Phase 1 and Full Buildout, respectively, were calculated using the average annual growth rate.

Exhibit 41
Identified Planned and Proposed Hotel Projects (1)
Cities of Pleasanton and Dublin (2)
February 2016

	Project	Description	Potential Net New Hotel Rooms	Status	Location	Expected Opening / Completion
1	Grafton Plaza Mixed-Use Development - Aloft Hotel	This is an integrated mixed use project with 115 townhomes, a 122-room Aloft hotel, and a 55,000-square-foot retail center. This project is expected to be heard by the Planning Commission in February/March 2016.	122	In planning review	SE corner Grafton Dr and Dublin Blvd, Dublin	2017 / 2018
2	Project Clover	This proposed commercial shopping center will be anchored by a 339,000-square-foot IKEA store and also contains four pads with retail, restaurant, and a potential 75-room boutique hotel for a total center square footage up to 430,000 square feet.	75	In planning review	5144 and 5344 Martinelli Way, Dublin	2018
		Total	**197**			

Sources: City of Pleasanton Planning Department; City of Pleasanton Memo titled, "Community Development Department Update January 15, 2016"; City of Dublin Planning Department; City of Dublin, "City of Dublin - Commercial and Residential Project List - 11/10/2015"; and ALH Urban & Regional Economics.

(1) Hotel projects or project including hotels with development plans in progress with the cities of Pleasanton and Dublin.
(2) There are no hotels currently being planned in the City of Pleasanton, other than the one at the Johnson Drive EDZ Project.

Exhibit 42
Cumulative Hotel Occupancy Analysis (1)
Cities of Pleasanton and Dublin
2015 - 2028

Year	Number of Rooms		Annual Supply (2)		Demand per Annual Growth Growth Rate in Demand (3)	Occupancy per Annual Growth Rate in Demand (4)	
	Option 1	Option 2	Option 1	Option 2		Option 1	Option 2
2015	2,297 (5)	2,297	838,405	838,405	682,934	81%	81%
2016	2,297	2,297	838,405	838,405	697,451	83%	83%
2017 (6)	2,419	2,419	882,935	882,935	712,276	81%	81%
2018 (7)(8)	2,644	2,725	965,060	994,625	727,417	75%	73%
2019	2,644	2,725	965,060	994,625	742,879	77%	75%
2020	2,644	2,725	965,060	994,625	747,576	77%	75%
2021	2,644	2,725	965,060	994,625	752,302	78%	76%
2022	2,644	2,725	965,060	994,625	757,059	78%	76%
2023	2,644	2,725	965,060	994,625	761,845	79%	77%
2024	2,644	2,725	965,060	994,625	766,662	79%	77%
2025	2,644	2,725	965,060	994,625	771,626	80%	78%
2026	2,644	2,725	965,060	994,625	776,623	80%	78%
2027	2,644	2,725	965,060	994,625	781,652	81%	79%
2028	2,644	2,725	965,060	994,625	786,714	82%	79%

Sources: Smith Travel Research; and ALH Urban & Regional Economics.

(1) Includes existing hotels listed in Exhibit 36 plus the planned Johnson Drive EDZ Project hotel options with 150 rooms (Option 1) and 231 rooms (Option 2).
(2) Comprises annual number of rooms multiplied by 365 days in a year.
(3) Forecasted based on the incremental growth rates identified in Exhibit 40, which collectively comprise 2.1% a year from 2015-2020; and .6% a year from 2020 to 2030.
(4) Annual occupancy comprises annual demand divided by annual supply. Note the existing 2015 baseline occupancy rate is estimated as 81.5%, as reported in Exhibit 38.
(5) Per Exhibit 38 the Smith Travel Research report pertains to 2,297 hotel rooms.
(6) Includes the addition of the cumulative hotel project at the Grafton Plaza Mixed-Use Development with 122 rooms. See Exhibit 41.
(7) The analysis examines the impact of the planned Johnson Drive EDZ hotel by year 2018. Each option includes the addition of the anticipated number of hotel rooms in that year.
(8) Includes the addition of the cumulative hotel project at Project Clover with 75 rooms. See Exhibit 41.

Exhibit 43
City of Pleasanton Retail Vacancy Trends
2006 (2nd Qtr) Through 2015

	Rentable Building Area						Leasing Activity		New Construction			
Period	# Bldgs	Total SF	Vacant SF	Percent Vacant	Occupied SF	Total Net Absorption	Total Deals	Total SF Leased	Number Delivered	RBA Delivered	# Under Const	RBA Under Const
2015 Q4	292	5,219,542	120,084	2.30%	5,099,458	8,202	12	24,500	0	0	3	91,783
2015 Q3	292	5,219,542	128,286	2.50%	5,091,256	49,992	5	8,475	1	31,792	3	91,783
2015 Q2	291	5,187,750	146,486	2.80%	5,041,264	10,172	12	28,994	0	0	4	123,575
2015 Q1	291	5,187,750	156,658	3.00%	5,031,092	-23,731	11	39,290	0	0	1	31,792
2014 Q4	291	5,187,750	132,927	2.60%	5,054,823	129,767	6	16,941	0	0	0	0
2014 Q3	291	5,187,750	262,694	5.10%	4,925,056	9,206	14	47,320	1	1,118	0	0
2014 Q2	290	5,186,632	270,782	5.20%	4,915,850	264	9	14,988	0	0	1	1,118
2014 Q1	290	5,186,632	271,046	5.20%	4,915,586	-6,181	5	6,515	0	0	1	1,118
2013 Q4	290	5,186,632	264,865	5.10%	4,921,767	10,347	13	21,103	0	0	0	0
2013 Q3	290	5,186,632	275,212	5.30%	4,911,420	30,413	13	29,770	0	0	0	0
2013 Q2	290	5,186,632	305,625	5.90%	4,881,007	-12,363	16	40,215	0	0	0	0
2013 Q1	290	5,186,632	293,262	5.70%	4,893,370	18,227	11	11,350	0	0	0	0
2012 Q4	290	5,186,632	311,489	6.00%	4,875,143	11,282	16	28,167	1	109,411	0	0
2012 Q3	289	5,077,221	213,360	4.20%	4,863,861	9,642	12	42,031	0	0	1	109,411
2012 Q2	289	5,077,221	223,002	4.40%	4,854,219	-6,503	17	36,560	2	9,813	1	109,411
2012 Q1	287	5,067,408	206,686	4.10%	4,860,722	41,431	8	37,259	5	59,150	3	119,224
2011 Q4	282	5,008,258	188,967	3.80%	4,819,291	61,488	19	34,537	1	58,000	8	178,374
2011 Q3	281	4,950,258	192,455	3.90%	4,757,803	29,001	7	37,762	0	0	9	236,374
2011 Q2	281	4,950,258	221,456	4.50%	4,728,802	-2,761	13	32,884	0	0	8	126,963
2011 Q1	281	4,950,258	218,695	4.40%	4,731,563	14,271	7	42,442	1	4,573	8	126,963
2010 Q4	280	4,945,685	228,393	4.60%	4,717,292	-4,364	9	19,783	0	0	1	4,573
2010 Q3	280	4,945,685	224,029	4.50%	4,721,656	3,830	10	22,324	0	0	1	4,573
2010 Q2	280	4,945,685	227,859	4.60%	4,717,826	-31,558	8	20,572	0	0	1	4,573
2010 Q1	280	4,945,685	196,301	4.00%	4,749,384	46,120	7	8,956	0	0	0	0
2009 Q4	280	4,945,685	242,421	4.90%	4,703,264	25,968	12	19,057	0	0	0	0
2009 Q3	280	4,945,685	268,389	5.40%	4,677,296	-18,633	8	19,544	0	0	0	0
2009 Q2	280	4,945,685	249,756	5.00%	4,695,929	-94,267	9	33,783	0	0	0	0
2009 Q1	281	4,954,129	163,933	3.30%	4,790,196	-40,682	2	2,464	0	0	0	0
2008 Q4	281	4,954,129	123,251	2.50%	4,830,878	-9,956	5	8,504	0	0	0	0
2008 Q3	281	4,954,129	113,295	2.30%	4,840,834	12,793	5	11,534	0	0	0	0
2008 Q2	281	4,954,129	126,088	2.50%	4,828,041	-37,415	4	32,370	0	0	0	0
2008 Q1	281	4,954,129	88,673	1.80%	4,865,456	-11,097	2	25,479	1	2,520	0	0
2007 Q4	281	4,952,701	76,148	1.50%	4,876,553	10,411	3	3,473	0	0	1	2,520
2007 Q3	281	4,952,701	86,559	1.70%	4,866,142	7,229	1	1,798	1	7,000	1	2,520
2007 Q2	280	4,945,701	86,788	1.80%	4,858,913	-2,828	0	1,120	1	15,488	1	7,000
2007 Q1	279	4,930,213	68,472	1.40%	4,861,741	14,527	0	9,235	0	0	2	22,488
2006 Q4	279	4,930,213	82,999	1.70%	4,847,214	12,930	1	4,971	0	0	1	15,488
2006 Q3	279	4,930,213	95,929	1.90%	4,834,284	16,451	1	6,114	0	0	1	15,488
2006 Q2	279	4,930,213	112,380	2.30%	4,817,833	76,755	5	21,382	0	0	1	15,488

Sources: Costar; and CB Richard Ellis.

Exhibit 44
City of Dublin Retail Vacancy Trends
2006 (2nd Qtr) Through 2015

	Rentable Building Area						Leasing Activity		New Construction			
Period	# Bldgs	Total SF	Vacant SF	Percent Vacant	Occupied SF	Total Net Absorption	Total Deals	Total SF Leased	Number Delivered	RBA Delivered	# Under Const	RBA Under Const
2015 Q4	210	4,029,638	238,347	5.90%	3,791,291	16,193	5	12,869	6	42,679	0	0
2015 Q3	204	3,986,959	211,861	5.30%	3,775,098	92,175	10	38,474	1	76,500	6	42,679
2015 Q2	203	3,910,459	227,536	5.80%	3,682,923	-10,046	15	52,106	2	65,642	7	119,179
2015 Q1	201	3,844,817	151,848	3.90%	3,692,969	31,562	13	37,011	0	0	3	142,142
2014 Q4	201	3,844,817	183,410	4.80%	3,661,407	34,407	12	24,960	2	13,500	3	142,142
2014 Q3	200	3,871,262	244,262	6.30%	3,627,000	36,737	10	49,330	0	0	3	17,142
2014 Q2	200	3,871,262	280,999	7.30%	3,590,263	87,519	12	45,842	0	0	2	13,500
2014 Q1	200	3,871,262	368,518	9.50%	3,502,744	-7,983	13	115,144	0	0	0	0
2013 Q4	200	3,871,262	360,535	9.30%	3,510,727	-9,827	11	56,082	3	31,029	0	0
2013 Q3	197	3,840,233	319,679	8.30%	3,520,554	69,009	15	44,674	0	0	3	31,029
2013 Q2	197	3,840,233	388,688	10.10%	3,451,545	50,807	10	61,291	1	129,478	3	31,029
2013 Q1	196	3,710,755	310,017	8.40%	3,400,738	15,241	6	11,703	0	0	1	129,478
2012 Q4	196	3,710,755	325,258	8.80%	3,385,497	16,081	4	16,995	1	7,371	1	129,478
2012 Q3	195	3,703,384	333,968	9.00%	3,369,416	5,368	11	36,908	0	0	2	136,849
2012 Q2	195	3,703,384	339,336	9.20%	3,364,048	-45,673	10	75,416	0	0	2	136,849
2012 Q1	195	3,703,384	293,663	7.90%	3,409,721	-8,841	7	14,981	0	0	0	0
2011 Q4	195	3,703,384	284,822	7.70%	3,418,562	208,172	8	15,388	2	164,235	0	0
2011 Q3	193	3,539,149	328,759	9.30%	3,210,390	-53,549	4	3,685	0	0	2	164,235
2011 Q2	193	3,539,149	275,210	7.80%	3,263,939	56,830	3	11,607	0	0	2	164,235
2011 Q1	193	3,539,149	332,040	9.40%	3,207,109	46,871	6	16,213	0	0	2	164,235
2010 Q4	193	3,539,149	378,911	10.70%	3,160,238	24,674	7	56,553	0	0	0	0
2010 Q3	193	3,539,149	403,585	11.40%	3,135,564	20,754	14	98,346	0	0	0	0
2010 Q2	193	3,539,149	424,339	12.00%	3,114,810	46,457	5	39,909	0	0	0	0
2010 Q1	193	3,539,149	470,796	13.30%	3,068,353	9,828	8	16,352	0	0	0	0
2009 Q4	193	3,539,149	480,624	13.60%	3,058,525	39,494	5	36,330	0	0	0	0
2009 Q3	193	3,539,149	520,118	14.70%	3,019,031	-12,241	8	46,958	0	0	0	0
2009 Q2	193	3,539,149	507,877	14.40%	3,031,272	-143,883	6	20,402	0	0	0	0
2009 Q1	195	3,600,827	425,672	11.80%	3,175,155	-52,997	5	21,942	4	49,660	0	0
2008 Q4	191	3,551,167	323,015	9.10%	3,228,152	-14,893	7	66,478	1	117,000	4	49,660
2008 Q3	190	3,434,167	191,122	5.60%	3,243,045	-20,412	6	11,689	1	17,836	5	166,660
2008 Q2	189	3,416,331	152,874	4.50%	3,263,457	21,985	3	15,528	0	0	6	184,496
2008 Q1	189	3,416,331	174,859	5.10%	3,241,472	20,234	1	10,000	1	52,410	6	184,496
2007 Q4	188	3,363,921	142,683	4.20%	3,221,238	5,207	1	1,326	0	0	7	236,906
2007 Q3	188	3,363,921	147,890	4.40%	3,216,031	30,391	0	0	0	0	2	70,246
2007 Q2	188	3,363,921	178,281	5.30%	3,185,640	46,172	0	2,850	0	0	2	70,246
2007 Q1	188	3,363,921	224,453	6.70%	3,139,468	171,406	5	7,242	1	31,400	1	17,836
2006 Q4	187	3,332,521	364,459	10.90%	2,968,062	190,297	2	13,120	1	23,917	2	49,236
2006 Q3	187	3,310,522	532,757	16.10%	2,777,765	-78,233	4	92,627	0	0	3	73,153
2006 Q2	187	3,310,522	454,524	13.70%	2,855,998	-8,419	4	37,810	1	12,937	1	23,917

Sources: Costar; and CB Richard Ellis.

Exhibit 45
Johnson Drive Economic Development Zone (EDZ) Market Area and Bordering Market Area
Representative Retail Vacancies Available for Lease
January 2016

	Property	Orientation to Market Area	Address	Driving Distance from Site (miles)	Year Built	Total Available Space (SF)	Former Use
Pleasanton							
1	**1807 E Santa Rita Rd**	**In market area**	**1807 E Santa Rita Rd**	**3.8**	**1977**	**3,000**	**Former UPS Store**
2	239 Main St	In market area	239 Main St	4.5	1985	2,450	
3	337 Main St	In market area	337 Main St	4.4	1983	3,280	Former bank
4	4001 Santa Rita Rd	In market area	4001 Santa Rita Rd	3.5	1991	2,366	
5	4307 Valley Ave	In market area	4307 Valley Ave	3.7	NA	635	
6	**5424-5460 Sunol Blvd**	**In market area**	**5424-5460 Sunol Blvd**	**5.1**	**1988**	**1,500**	**Former needle-point/crafts store**
7	5480 Sunol Blvd	In market area	5480 Sunol Blvd	5.1	NA	2,500	
8	5676-5694 Stoneridge Dr	In market area	5676-5694 Stoneridge Dr	2.2	1986	2,000	
9	5677-5681 Stoneridge Dr	In market area	5677-5681 Stoneridge Dr	2.2	1986	1,312	
10	610 Main St	In market area	610 Main St	4.2	1970	585	
11	**6455 Owens Dr**	**In market area**	**6455 Owens Dr**	**1.3**	**1971**	**7,000**	**Former Denny's**
12	**6700 Santa Rita Rd**	**In market area**	**6700 Santa Rita Rd**	**3.9**	**1988**	**8,000**	
13	706 Main St	In market area	706 Main St	4.2	1918	1,500	
14	**Bernal Plaza**	**In market area**	**6654 Koll Center Pky**	**3.6**	**1988**	**4,871**	
15	**Gateway Square**	**In market area**	**4807 Hopyard Rd**	**1.4**	**1989**	**6,825**	
16	**Gateway Square**	**In market area**	**4811 Hopyard Rd**	**1.5**	**2004**	**6,036**	
17	**Gateway Square**	**In market area**	**4825 Hopyard Rd**	**1.5**	**1989**	**2,323**	
18	**Gateway Square**	**In market area**	**4877 Hopyard Rd**	**1.4**	**1989**	**4,000**	
19	Hopyard Village	In market area	3003 Hopyard Rd	2.4	1982	957	
20	Hopyard Village	In market area	3015 Hopyard Rd	2.4	1982	1,096	
21	Hopyard Village	In market area	3037 Hopyard Rd	2.4	1982	2,383	
22	Hopyard Village	In market area	3059 Hopyard Rd	2.4	1982	3,132	
23	Hopyard Village	In market area	5737 Hopyard Rd	2.6	1989	3,500	
24	**Pleasanton Gateway**	**In market area**	**6750-6790 Bernal Ave**	**3.6**	**2012**	**1,813**	
25	**Rose Pavilion**	**In market area**	**4225 Rosewood Dr**	**3.5**	**NA**	**28,530**	**Former Ethan Allen**
26	**Vintage Hills Shopping Center**	**In market area**	**3550 Bernal Ave**	**5.4**	**1981/2007**	**1,800**	
	Subtotal					**103,394**	
Dublin							
1	7100-7114 Village Pky	In market area	7100-7114 Village Pky	2.7	1966	2,550	
2	**7372 San Ramon Rd**	**In market area**	**7372 San Ramon Rd**	**3.0**	**1972/2007**	**8,600**	**Mountain Mike's Pizza Coming Soon**
3	7375-7459 Amador Valley	In market area	7375-7459 Amador Valley	2.8	NA	1,502	
4	7660 Amador Valley Blvd	In market area	7660 Amador Valley Blvd	2.8	NA	2,500	
5	**Almond Plaza**	**In market area**	**7156-7172 Regional St**	**3.0**	**1955**	**3,977**	
6	**Almond Plaza**	**In market area**	**7190-7200 Regional St**	**3.0**	**1955**	**2,050**	
7	Amador Center	In market area	6028-6046 Dougherty Rd	2.1	NA	1,500	
8	Dublin City Center	In market area	6797-6799 Dublin Blvd	2.5	1970	2,500	
9	Dublin Corners	In market area	4540-4566 Dublin Blvd	4.4	2006	1,546	
10	Dublin Corners	In market area	4560-4590 Dublin Blvd	4.4	2006	2,721	
11	**Dublin Place**	**In market area**	**7575 Dublin Blvd**	**2.4**	**1980**	**5,933**	**Former Coco's Restaurant**
12	**Dublin Plaza Center**	**In market area**	**7193-7201 Regional St**	**2.8**	**1971**	**31,673**	**Former Design Outlet Store**
13	Enea Plaza	In market area	7115-7155 Amador Plaza Rd	2.4	NA	2,000	Proposed fast food building
14	Fallon Gateway	Bordering market area	2680-2696 Fallon Rd	5.0	2015	9,200	Phase II
15	Fallon Gateway	Bordering market area	2820 Dublin Blvd	5.3	2013	74,478	Phase II
16	Fallon Gateway	Bordering market area	Fallon Rd	5.0	2015	10,610	Phase II
17	Fallon Gateway	Bordering market area	Fallon Rd	5.0	2015	8,491	Phase II
18	Fallon Gateway	Bordering market area	Fallon Rd	5.0	2015	6,185	Phase II
19	Fallon Gateway	Bordering market area	3890 Fallon Rd	5.0	2015	4,548	Phase II
20	**Grafton Station**	**Bordering market area**	**3700-3720 Dublin Blvd**	**4.4**	**2009**	**2,216**	
21	**Hacienda Crossings**	**In market area**	**4820-5000 Dublin Blvd**	**3.1**	**1999**	**15,608**	**Former Party City**
22	Lamps Plus Plaza	In market area	7214-7256 San Ramon Rd	2.8	1991	2,192	
23	**Lamps Plus Plaza**	**In market area**	**7274-7298 San Ramon Rd**	**2.9**	**1991**	**4,209**	**Former Dublin Sports Pub & Grill**
24	**Persimmon Place**	**In market area**	**5240-5350 Dublin**	**3.2**	**2015**	**5,359**	
25	**Shamrock Village**	**In market area**	**7721-7745 Amador Valley Blvd**	**2.9**	**1988/2006**	**1,115**	
26	**Village Square/Valley Plaza**	**In market area**	**7293-7477 Village Pky**	**3.0**	**1970**	**24,768**	**Former Kelley Moore Paints**
	Subtotal					**238,031**	
	Total					**341,425**	

Sources: CoStar; GoogleMaps; and ALH Urban & Regional Economics.

(1) ALH Urban & Regional Economics has fieldwork photos from February 2016 on file for the properties denoted in bold text.

Exhibit 46
Examples of Larger Backfilled Retail/Commercial Tenants
City of Pleasanton

Location	Driving Distance from Site (Miles)	Prior Tenant - Estimated Year Closed	Current/Future Tenant	Approximate Year of Occupancy	Estimated Square Footage
5775 Johnson Dr	1.2	CompUSA - 2006	Smart & Final extra!	2008	17,500
Metro 580	2.9	Borders - 2011	Party City	Early 2016	30,000
3112 Santa Rita Rd	3.1	Nob Hill Grocery - 2010	Walmart Neighborhood Market	2013	34,000
Rose Pavilion, 4299 Rosewood Dr	3.6	Levitz Furniture - 2008	99 Ranch Market	2010	45,000
Rose Pavilion, 3903 Santa Rita Rd	3.8	Fitness Express - 2010	Fresh & Easy (closed in 2015)	2011	10,000
				Total:	**136,500**
				Average:	**27,300**

Sources: City of Pleasanton Economic Development Department; and ALH Urban and Regional Economics.

Exhibit 47
Johnson Drive Economic Development Zone (EDZ) Net New Development
Project Description, Employment, and Service Population Estimates

Land Use	Incremental Sq. Ft. (1)		Employment Assumption (Sq. Ft. per Emp.) (2)	Incremental New Employ. (3)			Service Population (4)		
	Phase I	Full Buildout		Phase I	Full Buildout	Total	Phase I	Full Buildout	Total
Club Retail	148,000	0	800	185	0	185	93	0	93
General Retail (5)	4,750	174,835	400	12	437	449	6	219	224
Hotel									
Option 1	88,000	0	3,000	29	0	29	15	0	15
Option 2	132,000	0	3,000	44	0	44	22	0	22
Total									
Inc. Option 1 Hotel				226	437	663	113	219	332
Inc. Option 2 Hotel				241	437	678	120	219	339

Sources: Memorandum, Brion & Associates, "Draft Summary - Johnson Drive EDZ Fiscal Impact Analysis, City of Pleasanton, February 5, 2015; and ALH Urban & Regional Economics.

(1) See Exhibit 2 except for general retail.
(2) See Table 1, Brion & Associates Memorandum, for employment density assumptions.
(3) Comprises square footage divided by assumed square feet per employee.
(4) All employees are assumed to be equivalent to one-half a resident for City average service cost purposes. This is a standard fiscal impact analysis assumptions. Figure is rounded to the nearest whole number.
(5) Based on occupied square feet for general retail. See Exhibit 9.

Exhibit 48
City of Pleasanton Demographic, Employment, and Tax Characteristics

Data Point	Value	Measurement
Population and Employment Base, 2015 estimates (1)		
City of Pleasanton Population	73,500	annual
City of Pleasanton Employment	58,520	annual
Estimated Service Population	102,760	annual
City of Pleasanton Tax Rates and Select Tax Revenues		
City of Pleasanton General Fund Property Tax Rate (2)	24.64%	of 1.0% of property value
Sales Tax Rate (3)	1.00%	of taxable sales amount
Transient Occupancy Tax Rate (4)	8.0%	of room revenues
Vehicle in Lieu of Property Tax Revenues (5)		
FY 2015-2016 Projected	$5,580,000	annual
Assessed City of Pleasanton Valuation, FY 2015/16 (6)		
Projected Valuation	$19,586,930,736	annual

Sources: Memorandum, Brion & Associates, "Draft Summary - Johnson Drive EDZ Fiscal Impact Analysis, City of Pleasanton, February 5, 2015; "City of Pleasanton, California Operating Budget, FY 2015/16 - FY 2016/17"; and ALH Urban & Regional Economics.

(1) See Table 2, Brion & Associates Memorandum.
(2) See Table A-1, Brion & Associates Memorandum.
(3) See Table A-3, Brion & Associates Memorandum.
(4) See Table A-5, Brion & Associates Memorandum.
(5) See "City of Pleasanton, California Operating Budget, FY 2015/16 - FY 2016-17," page 4.
(6) See "City of Pleasanton, California Operating Budget, FY 2015/16 - FY 2016-17," page E-3

Exhibit 49
Johnson Drive Economic Development Zone (EDZ)
Estimated Taxable Project Sales (1)
2015 Dollars

	Phase I		Increment to Buildout		Total at Full Buildout	
BOE Sales Category	**Total**	**Taxable**	**Total**	**Taxable**	**Total**	**Taxable**
General Retail (1)						
Motor Vehicle & Parts Dealers	$0	$0	$0	$0	$0	$0
Home Furnishings & Appliance Stores	$191,486	$191,486	$7,048,093	$7,048,093	$7,239,578	$7,239,578
Building Materials and Garden Equip.	$178,020	$178,020	$6,552,455	$6,552,455	$6,730,475	$6,730,475
Food and Beverage Stores (2)	$0	$0	$0	$0	$0	$0
Gasoline Stations (3)	$0	$0	$0	$0	$0	$0
Clothing and Clothing Accessories Stores	$457,153	$457,153	$16,826,611	$16,826,611	$17,283,764	$17,283,764
General Merchandise	$176,420	$176,420	$6,493,576	$6,493,576	$6,669,997	$6,669,997
Food Services and Drinking Places	$361,061	$361,061	$13,289,717	$13,289,717	$13,650,778	$13,650,778
Other Retail	$509,418	$509,418	$18,750,349	$18,750,349	$19,259,767	$19,259,767
Subtotal	**$1,873,558**	**$1,873,558**	**$68,960,801**	**$68,960,801**	**$70,834,359**	**$70,834,359**
Club Retail (4)						
Motor Vehicles and Parts Dealers	$7,485,062	$7,485,062	$0	$0	$7,485,062	$7,485,062
Home Furnishings and Appliance Stores	$10,523,552	$10,523,552	$0	$0	$10,523,552	$10,523,552
Building Materials and Garden Equip.	$6,299,309	$6,299,309	$0	$0	$6,299,309	$6,299,309
Food and Beverage Stores (2)	$76,369,862	$22,910,959	$0	$0	$76,369,862	$22,910,959
Gasoline Stations (3)	$14,947,712	$10,894,735	$0	$0	$14,947,712	$10,894,735
Clothing and Clothing Accessories Stores	$4,817,119	$4,817,119	$0	$0	$4,817,119	$4,817,119
General Merchandise Stores	$11,524,031	$11,524,031	$0	$0	$11,524,031	$11,524,031
Food Services and Drinking Places	$592,876	$592,876	$0	$0	$592,876	$592,876
Other Retail Group	$17,608,422	$17,608,422	$0	$0	$17,608,422	$17,608,422
Subtotal	**$150,167,946**	**$92,656,065**	**$0**	**$0**	**$150,167,946**	**$92,656,065**
TOTAL	**$152,041,504**	**$94,529,623**	**$68,960,801**	**$68,960,801**	**$221,002,305**	**$163,490,424**

Source: ALH Urban & Regional Economics.

(1) See Exhibit 9.
(2) As noted on Exhibit 9, 30% of food sales are anticipated to be taxable.
(3) Gasoline sales to consumers include all applicable taxes. See Exhibit 50 for an estimate of the percentage of gasoline sales that comprises the taxable basis.
(4) See Exhibit 10. Reflects the sales anticipated to be made to retail consumers, not wholesale consumers with a resale license, which are assumed to be sales tax excempt due to purchases made subject to a resale license.

Exhibit 50
Estimated Taxable Basis of Gasoline Sales

Gasoline Sales Price Component	Figure	Measure
Gasoline Sales		
Hypothetical Sale Price per Gallon of Gasoline (1)	$3.00	per gallon
Fuel Taxes		
Federal Fuel Tax (2)	$0.184	tax per gallon
State Fuel Tax (3)	$0.395	tax per gallon
State Underground Storage Tank Fee (4)	$0.140	tax per gallon
State Sales Tax (3)	2.25%	total purchase
Local Fuel Tax (5)	1.00%	total purchase
Taxable Base Sales Price per Gallon estimate for 2013-2014 (6)		
Amount	$2.19	per gallon
Percent of Total Sales	72.9%	total purchase

Sources: Tax Policy Center, "State Motor Fuels Tax Rates, 2013," http://www.taxpolicycenter.org/taxfacts/displayafact.cfm?Docid=606; californiagasprices.com; California State Board of Equalization, Fuel Taxes Division - Tax Rates; California State Board of Equalization, "Tax Rates – Special Taxes and Fees," http://www.boe.ca.gov/sptaxprog/tax_rates_stfd.htm#18.; and ALH Urban & Regional Economics.

(1) This rate is entered as a hypothetical rate for the sole purposes of driving the analysis to deduce the taxable basis of gasoline sales, i.e., the percentage of sales that are taxable.
(2) Federal tax rate per Tax Policy Center for 2013.
(3) Gas prices at the pump are fully loaded with all relevant taxes. To estimate the taxable cost per gallon it is necessary to deduce the taxable base by backing out all applicable taxes. The effective date of the cited taxes is July 1, 2013 according to the State of California Board of Equalization.
(4) State underground storage tank fee per BOE as of January 2014.
(5) See Exhibit 48.
(6) Given the hypothetical sale price per gallon of gasoline, this is the estimated taxable portion less all applicable taxes.

Exhibit 51
Johnson Drive Economic Development Zone (EDZ)
Estimated Project Taxable Sales Net Project Impacts (1)
2015 Dollars

	Phase I			Increment to Buildout			Total at Buildout		
BOE Sales Category	**Taxable Sales (2)**	**Project Impact Taxable Sales (3)**	**Minimum Net Taxable Sales**	**Taxable Sales (2)**	**Project Impact Taxable Sales**	**Minimum Net Taxable Sales**	**Taxable Sales (2)**	**Project Impact Taxable Sales (4)**	**Minimum Net Taxable Sales**
Motor Vehicle & Parts Dealers	$7,485,062	$0	$7,485,062	$0	$0	$0	$7,485,062	$0	$7,485,062
Home Furnishings & Appliance Stores	$10,715,038	$1,902,224	$8,812,814	$7,048,093	$0	$7,048,093	$17,763,130	$0	$17,763,130
Building Materials and Garden Equip.	$6,477,329	$0	$6,477,329	$6,552,455	$0	$6,552,455	$13,029,784	$0	$13,029,784
Food and Beverage Stores	$22,910,959	$6,964,549	$15,946,410	$0	$0	$0	$22,910,959	$0	$22,910,959
Gasoline Stations	$10,894,735	$219,849	$10,674,886	$0	$0	$0	$10,894,735	$0	$10,894,735
Clothing and Clothing Accessories Stores	$5,274,272	$0	$5,274,272	$16,826,611	$1,327,736	$15,498,875	$22,100,883	$46,544	$22,054,339
General Merchandise	$11,700,451	$0	$11,700,451	$6,493,576	$0	$6,493,576	$18,194,028	$0	$18,194,028
Food Services and Drinking Places	$953,937	$0	$953,937	$13,289,717	$0	$13,289,717	$14,243,654	$0	$14,243,654
Other Retail	$18,117,840	$1,306,122	$16,811,719	$18,750,349	$0	$18,750,349	$36,868,189	$0	$36,868,189
Total	**$94,529,623**	**$10,392,744**	**$84,136,879**	**$68,960,801**	**$1,327,736**	**$67,633,065**	**$163,490,424**	**$46,544**	**$163,443,880**

Source: ALH Urban & Regional Economics.

(1) The purpose of this exhibit is to estimate the amount of taxable sales that the Project will attract to Pleasanton net of any potential taxable sales diversions from other Pleasanton retailers. The preceding urban decay analysis looked at the analysis relative to the market area, and not specifically the City of Pleasanton. Thus, the cited Project impacts pertain to the market area as a whole. To be extra conservative, subsequent analysis regarding retail sales tax generation assumes that all the Project impacts are experienced by Pleasanton retailers. This is conservative as the impacts will instead be spread throughout the market area, and not concentrated solely in Pleasanton.
(2) See Exhibit 49. Figures are summed for General Retail and Club Retail.
(3) See Exhibit 28. Food Sales and Gasoline Sales have been adjusted to reflect just the taxable portion (see footnoes 5 and 6).
(4) See Exhibit 30.

Exhibit 52
Johnson Drive Economic Development Zone (EDZ)
Project Property Valuation and Property Taxes
2015 Dollars

		Incremental Value (2)		
Land Use	**Value/Sq. Ft. (1)**	**Phase 1**	**Full Buildout**	**Total**
Club Retail	$300	$44,400,000	$0	$44,400,000
General Retail	$400	$1,900,000	$69,934,060	$71,834,060
Hotel (3)				
Option 1	$300	$26,400,000	$0	$26,400,000
Option 2	$300	$39,600,000	$0	$39,600,000
Total Valuation				
With Hotel Option 1		$72,700,000	$69,934,060	$142,634,060
With Hotel Option 2		$85,900,000	$69,934,060	$155,834,060
Annual Property Tax (4)				
With Hotel Option 1		$179,133	$172,318	$351,450
With Hotel Option 2		$211,658	$172,318	$383,975

Sources: Memorandum, Brion & Associates, "Draft Summary - Johnson Drive EDZ Fiscal Impact Analysis, City of Pleasanton, February 5, 2015; and ALH Urban & Regional Economics.

(1) See Table 3, Brion & Associates Memorandum.
(2) Comprises the net increment per development period. See square footages by period in Exhibit 47.
(3) ALH Economics believes the hotel value per square foot figure may be low given the current hotel concept. However, for the sake of both consistency and conservatism this fiscal impact analysis continues to assume the $300 per square foot value included in the Brion & Associates analysis.
(4) See Exhibit 48 for the City of Pleasanton property tax rate, applied to 1.0% of the property value.

Exhibit 53
Johnson Drive Economic Development Zone (EDZ)
Property Tax in Lieu of VLF Estimates
Incremental Valuation Attributable to Johnson Drive Economic Development Zone (EDZ) Development
City of Pleasanton, FY 2015/16

Category	Phase 1	Increment to Buildout	Full Buildout
Assessed Value Change			
City of Pleasanton Property Assessed Valuation (1)	$19,586,930,736	$19,586,930,736	$19,586,930,736
Property Valuation Increment Attributable to Johnson Drive EDZ (2)			
With Hotel Option 1	$72,700,000	$69,934,060	$142,634,060
With Hotel Option 2	$85,900,000	$69,934,060	$155,834,060
Percent Increase in City of Pleasanton Property Valuation Attributable to Johnson Drive EDZ			
With Hotel Option 1	0.37%	0.36%	0.73%
With Hotel Option 2	0.44%	0.36%	0.80%
VLF in Lieu Revenue			
FY 2015-2016 Projected (1)	$5,580,000	$5,580,000	$5,580,000
City Increase (Annual)			
Percent Assessed Value			
With Hotel Option 1	0.37%	0.36%	0.73%
With Hotel Option 2	0.44%	0.36%	0.80%
VLF In Lieu Revenue Attributable to Johnson Drive EDZ (3)			
With Hotel Option 1	$20,711	$19,923	$40,634
With Hotel Option 2	$24,472	$19,923	$44,395

Sources: "City of Pleasanton, California Operating Budget, FY 2015/16 - FY 2016-17"; and ALH Urban & Regional Economics.

(1) See Exhibit 48.
(2) See Exhibit 52.

Exhibit 54
Select City of Pleasanton General Fund Revenue Factors
City of Pleasanton, FY 2014/15 Dollars

Revenue Category	Amount
Daytime Population Factors (1)	
Other Taxes (i.e., Public Safety Sales Tax and Other Taxes)	$7.98
Business Licenses	$26.62
Interfund Revenue	$12.74
Interest Income and Rent	$2.38
Franchise Fees	$22.45
Miscellaneous Revenues	$0.30
Licenses and Misc. Permits	$0.21
Total (2)	$72.68
Total per Employee (3)	$36.34
Sales Tax Factors	
Sales Tax Per Employee (4)	$26.38
Sales Tax Per Occupied Hotel Room (5)	$0.50

Sources: Memorandum, Brion & Associates, "Draft Summary - Johnson Drive EDZ Fiscal Impact Analysis, City of Pleasanton, February 5, 2015; and ALH Urban & Regional Economics.

(1) These figures comprise the estimates prepared by Brion & Associates. They are presented in Table 4 of the Brion & Associates Memorandum. Some of these figures reflect adjustments that were difficult to track in the City of Pleasanton's FY 2015/16 Operating Budget, thus ALH Urban & Regional Economics conservatively incorporated the Brion & Associates figures into the current analysis. This is conservative as the Brion & Associates analysis reflects Fiscal Year 2014/15 dollars, while the current project analysis is based on Fiscal Year 2015/16 dollars.
(2) This comprises the total per employee General Fund revenue figure applicable to the Project in 2015 dollars.
(3) The Brion & Associates daytime figures pertain to the service population, which includes residents and one-half the population base. Thus, the revenue estimate per employee is equivalent to one-half the daytime estimate. This is reflected in the Brion & Associates analysis.
(4) This figure was deduced by ALH Urban & Regional Economics based upon figures included in Table A-3 in the Brion & Associates Memorandum. For all scenarios presented, ALH Urban & Regional Economics took the "City Employee Sales Tax Revenues" figure divided by the "Estimated Total Employment," to deduce a $26.38 per employee sales tax revenue figure.
(5) This figure was deduced by ALH Urban & Regional Economics based upon figures included in Table A-3 in the Brion & Associates Memorandum. For all scenarios presented, ALH Urban & Regional Economics took the "City Sales Tax from Visitors" and divided it by number of visitors to deduce a $0.50 per visitor sales tax revenue figure. For the purpose of the Brion & Associates analysis, visitors are equal to the number of occupied hotel rooms. ALH Urban & Regional Economics believes this is conservative as the analysis effectively assumes one visitor per hotel room, while hotel room occupancy typically exceeds one guest per room on average.

Exhibit 55
Johnson Drive Economic Development Zone
Select City of Pleasanton General Fund Revenues (1)
City of Pleasanton, FY 2015/16 Dollars

Revenue Source	Phase I	Full Buildout
Sales Tax		
Sales from Retail Businesses (2)	$841,369	$1,634,439
Sales from Employee Spending (3)		
Option 1 (150 rooms)	$5,967	$17,498
Option 2 (231 rooms)	$6,354	$17,885
Sales from Hotel Visitors		
Option 1 (150 rooms)	$20,531	$20,531
Option 2 (231 rooms)	$31,618	$31,618
Transient Occupancy Tax (4)		
Option 1 Hotel	$410,625	$410,625
Option 2 Hotel	$632,363	$632,363
Employee-Based Revenues (5)		
Option 1 (150 rooms)	$8,220	$24,104
Option 2 (231 rooms)	$8,753	$24,637

Source: ALH Urban & Regional Economics.

(1) Includes select revenue categories.
(2) Sales tax of 1.0% from Exhibit 48 is applied to the Project's estimated net taxable retail sales presented in Exhibit 51.
(3) Using the Brion & Associates assumptions, the analysis assumes hotel occupancy at 75%, with spending applied to the occupied room (i.e. annual visitors). Thus, Option 1 with 150 rooms has 41,062.5 occupied rooms a year (or visitors), and Option 2 has 63,236.25 occupied rooms a year (or visitors).
(4) The analysis assumes a nightly room rate of $125. This is the rate included in the Brion & Associates Memorandum. Based upon the room rates presented in Exhibit 36 this is a conservative figure. A more market-based assumption would result in higher estimated transient occupancy taxes.
(5) Reflects the per employee factor of $36.34 derived in Exhibit 54 multiplied by estimated employees.

Exhibit 56
City of Pleasanton General Fund Average Cost Expenditures
FY 2015/16 Operating Budget

City Department	FY 2015/16 Budget (1)	Estimated Offsetting Revenues (2) Percent	Estimated Offsetting Revenues (2) Amount	Net Departmental Costs (3)	Percent Fixed (4)	Net Variable Costs (5)	Cost Allocation to Employment Uses (4)	Existing Employment Base (6)	Expenditure per Employee (7)
General Government	$14,470,209	2.1%	$298,561	$14,171,648	50%	$7,085,824	25%	58,520	$30.27
Community Development	$12,453,540	44.0%	$5,481,903	$6,971,637	15%	$5,925,892	25%	58,520	$25.32
Operations Services	$17,254,056	2.9%	$492,191	$16,761,865	20%	$13,409,492	20%	58,520	$45.83
Community Services	$7,794,660	NA	$3,957,820 (8)	$3,836,840	10%	$3,453,156	25%	58,520	$14.75
Library	$4,527,377	NA	$122,200 (9)	$4,405,177	10%	$3,964,659	25%	58,520	$16.94
Police	$27,301,462	4.3%	$1,178,549	$26,122,913	10%	$23,510,622	25%	58,520	$100.44
Fire	$16,941,162	7.8%	$1,313,077	$15,628,085	10%	$14,065,277	25%	58,520	$60.09
Total	$100,742,466	12.9%	$12,844,300	$87,898,166		$71,414,921		58,520	$293.63 (10)

Sources: Memorandum, Brion & Associates, "Draft Summary - Johnson Drive EDZ Fiscal Impact Analysis, City of Pleasanton, February 5, 2015; "City of Pleasanton, California Operating Budget, FY 2015/16 - FY 2016/17"; and ALH Urban & Regional Economics.

(1) See "City of Pleasanton, California Operating Budget, FY 2015/16 - FY 2016/17," page 36. Total figure may not match source due to rounding.
(2) Except where noted, the offsetting revenues are estimated based upon the figures reported in Table 5a of the Brion & Associates Memorandum. ALH Economics was unsure of the correct more recent budget figures for select Brion & Associates figures in these columns based upon the documentation included in the Brion & Associates Memorandum, and thus calculated the Offsetting Revenues as a percentage of the cited expenditures in the Brion & Associates Memorandum and used the resulting percentages to estimate comparable offsetting revenues for Fiscal Year 2015/16.
(3) Comprises budgeted expenditures less the estimated offsetting revenues.
(4) See Table 5, Brion & Associates Memorandum.
(5) Fiscal impact studies that examine municipal expenditures on an average cost basis, such as this analysis, often assume a portion of City expenditures are fixed and will not vary with a change in the population served. The resulting variable expenditures are then allocated across the relevant population served, which could include just residents, just employees, or the service population, which includes both residents and an allocation for employees. For the purpose of this analysis, and to parallel the cited Brion & Associates analysis, the expenditures presented in this column comprise the expenditures applicable to allocation among the City's variable service population, comprising employees and residents.
(6) See Exhibit 48.

(7) Equal to (Net Variable Costs* Cost allocation to Employment Uses)/Existing Employment Base. This comprises a per employee estimate of the expenditure per city service area.
(8) See "City of Pleasanton, California Operating Budget, FY 2015/16 - FY 2016/17," page 145,.
(9) See "City of Pleasanton, California Operating Budget, FY 2015/16 - FY 2016/17," page 158.
(10) This compares to $269.69 derived by Brion & Associates for FY 2014/15. See Table 5A in the Brion & Associates Memorandum.

Exhibit 57
Johnson Drive Economic Development Zone (EDZ)
Annual Net Fiscal Impact Analysis (1)
City of Pleasanton General Fund
FY 2015/16 Dollars

	Option 1 Hotel (150 rooms)		Option 2 Hotel (231 rooms)	
General Fund Revenues and Expenditures Categories	**Phase I**	**Buildout**	**Phase I**	**Buildout**
Net Fiscal Revenues (2)				
Property Taxes (3)	$179,133	$351,450	$211,658	$383,975
Property Tax in Lieu of VLF (4)	$20,711	$40,634	$24,472	$44,395
Retail Store Retail Sales Taxes (5)	$841,369	$1,634,439	$841,369	$1,634,439
Other Retail Sales Taxes (Employees and Hotel Guests) (5)	$8,220	$24,104	$8,753	$24,637
Transient Occupancy Taxes (5)	$410,625	$410,625	$632,363	$632,363
Employee-Based Revenues (5)	$8,220	$24,104	$8,753	$24,637
Sub-total	$1,468,278	$2,485,357	$1,727,367	$2,744,445
Expenditures (6) (7)				
General Government	$6,848	$20,079	$7,292	$20,523
Community Development	$5,727	$16,792	$6,098	$17,163
Operations Services	$10,367	$30,398	$11,039	$31,070
Community Services	$3,337	$9,785	$3,553	$10,001
Library	$3,831	$11,234	$4,080	$11,483
Police	$22,720	$66,620	$24,193	$68,094
Fire	$13,592	$39,856	$14,474	$40,737
Sub-total	$66,422	$194,764	$70,728	$199,071
General Fund Net Impact (8) (9)	**$1,401,857**	**$2,290,593**	**$1,656,639**	**$2,545,375**
General Fund Net Impact Assuming Lower Club Retail Sales (9)(10)				
Amount	**$1,108,820**	**$1,927,692**	**$1,363,603**	**$2,182,474**
Percent of Net Impact Assuming Higher Club Retail Sales	**79.1%**	**84.2%**	**82.3%**	**85.7%**

Sources: Memorandum, Brion & Associates, "Draft Summary - Johnson Drive EDZ Fiscal Impact Analysis, City of Pleasanton, February 5, 2015; and ALH Urban & Regional Economics.

(1) Includes estimated General Fund revenues less estimated General Fund expenditures.
(2) Includes the most substantial revenues anticipated to accrue to the City of Pleasanton General Fund resulting from the Project's stabilized operations. However, there may be yet additional revenues flowing to the General Fund pursuant to the Project's operations. This analysis also include the revenues and expenditures included in the Brion & Associates February 2015 analysis for the Johnson Drive EDZ.
(3) See Exhibit 52.
(4) See Exhibit 53.
(5) See Exhibit 55.
(6) The estimated service costs per employee were derived in Exhibit 56. These costs were multiplied by the estimated number of Project employees presented in Exhibit 47.
(7) It is possible the City of Pleasanton may be responsible for a portion of the Project's transportation costs, but the amount of this expenditure is not presently identified. Thus, Project expenditures may increase by some as yet unidentified amount.
(8) Comprises revenues less expenditures.
(9) Depending upon whether or not the City funds a portion of the Project's transportation costs, as referenced in footnote (7), the net revenues generated by the Project may be lower than estimated.
(10) The Brion & Associates analysis assumed a lower sales per square foot figure for the club retail space than assumed in the preceding urban decay analysis. This sales figure was $700 per square foot (see Table A-3 in the Brion & Associates Memorandum). At this lesser level of sales performance the amount of sales tax generated by the club retail space would be lower. ALH Economics estimates that the Retail Store Retail Sales Taxes assuming the $700 per square foot sales performance would result in approximately 35% lower retail sales taxes for Hotel Option 1, and 22% lower retail sales taxes for Hotel Option 2. This estimation was determined through sensitivity analysis, and continues to include some assumption for diverted retail sales from existing retailers.

APPENDIX B: SUPPORT EXHIBITS

Exhibit B-1
Calculation of Sales per Square Foot Estimates
Select Retail Stores and Store Types
2010 through 2013, and 2015 Projected (1)

	2010		2011		2012		2013		Average
Store or Category (2)	**In 2010$'s**	**In 2015$'s**	**In 2011$'s**	**In 2015$'s**	**In 2012$'s**	**In 2015$'s**	**In 2013$'s**	**In 2015$'s**	**In 2015$'s**
Apparel									
Apparel - Specialty	$405	$444	$447	$476	$472	$492	$451	$463	$469
Women's' Apparel	$365	$400	$455	$485	$515	$537	$473	$486	$477
Shoe Stores	$371	$406	$454	$484	$487	$508	$475	$488	$471
Ross Dress for Less	$324	$355	$195	$208	$195	$203	$362	$372	$284
Kohl's	$229	$251	$215	$229	$209	$218	$190	$195	$223
Discount Stores	$196	$215	$212	$226	$213	$222	$202	$208	$218
Target	$282	$309	$290	$309	$304	$317	$297	$305	$310
Wal-Mart	$422	$462	$499	$532	$456	$475	$376	$386	$464
Department Stores Category	$252	$276	$276	$294	$274	$286	$285	$293	$287
Sears	$206	$226	$205	$218	$210	$219	$161	$165	$207
Domestics Category	$294	$322	$288	$307	$268	$279	$300	$308	$304
Furniture Category	$198	$217	$290	$309	$361	$376	$449	$461	$341
Average of Domestics & Furniture	$246	$269	$289	$308	$315	$328	$375	$385	$323
Neighborhood Center Category									
Supermarkets	$535	$586	$533	$568	$575	$600	$611	$628	$595
Specialty/Organic	$510	$559	$658	$701	$698	$728	$756	$777	$691
Drug Stores	$724	$793	$657	$700	$667	$695	$629	$646	$709
Rite Aid	$421	$461	$560	$596	$549	$572	$556	$571	$550
CVS	$802	$878	$806	$858	$883	$921	$875	$899	$889
Restaurants Category	$429	$470	$496	$528	$480	$501	$486	$499	$500
Casual Dining	$431	$472	$578	$616	$563	$587	$567	$583	$564
Fast Food Chains	$431	$472	$507	$540	$492	$513	$543	$558	$521
Starbucks	$671	$735	$749	$798	$785	$819	$1,012	$1,040	$848
Home Improvement	$269	$295	$278	$296	$287	$299	$301	$309	$300
Auto - DIY Stores (3)	$205	$225	$218	$232	$220	$229	$217	$223	$227
Other Retail Categories									
Accessories	$778	$852	$978	$1,042	$1,191	$1,242	$1,032	$1,060	$1,049
HBA, Home Fragrances	$541	$593	$474	$505	$531	$554	$519	$533	$546
Electronics & Appliances	$686	$751	$1,171	$1,247	$821	$856	$946	$972	$957
Office Supplies	$263	$288	$270	$288	$262	$273	$283	$291	$285
Sports	$226	$248	$239	$255	$252	$263	$253	$260	$256
Pet Supplies	$185	$203	$188	$200	$218	$227	$234	$240	$218
Book Superstores	$180	$197	$247	$263	$210	$219	$189	$194	$218
Toys	$320	$351	$333	$355	$312	$325	$220	$226	$314
Music Superstores	$318	$348	$317	$338	$314	$327	$292	$300	$328
Gifts, Hobbies & Fabrics	$124	$136	$136	$145	$137	$143	$151	$155	$145
Ulta Salon, Cosmetics, & Fragrances	$368	$403	$402	$428	$380	$396	$373	$383	$403
Average of Other Retail Categories	$363	$397	$432	$460	$421	$439	$408	$420	$429

Sources: Retail MAXIM, "Alternative Retail Risk Analysis for Alternative Capital" 2011, 2012, 2013, and 2014 (all publications present figures in the prior year dollars); United States Bureau of Labor Statistics Consumer Price Index - All Urban Consumers; and ALH Urban & Regional Economics.

(1) Figures are adjusted to 2015 pursuant to the April CPI Index for all urban consumers.
(2) Includes industry-and category-representative stores.
(3) Average reflects a four-year trend.

Exhibit B-2
Johnson Drive EDZ Market Area Census Tracts and the Associated Jurisdiction

Census Tract GeoID	Census Tract Number	Majority Jurisdiction
06001450101	4501.01	Dublin
06001450102	4501.02	Dublin
06001450200	4502	Dublin
06001450300	4503	Dublin
06001450400	4504	Dublin
06001450501	4505.01	Dublin
06001450502	4505.02	Dublin
06001450601	4506.01 - Partial	Pleasanton
06001450602	4506.02	Pleasanton
06001450603	4506.03	Pleasanton
06001450604	4506.04	Pleasanton
06001450605	4506.05	Pleasanton
06001450606	4506.06	Pleasanton
06001450607	4506.07	Pleasanton
06001450701	4507.01 - Partial	Pleasanton/Sunol
06001450741	4507.41	Pleasanton
06001450742	4507.42	Pleasanton
06001450743	4507.43	Pleasanton
06001450744	4507.44	Pleasanton
06001450745	4507.45 - Partial	Pleasanton
06001450746	4507.46	Pleasanton

Sources: ESRI ArcMap; US Census Tigerline Shapefiles 2015; and ALH Urban & Regional Economics.

Exhibit B-3: Johnson Drive Economic Development Zone Project, Area Club Retail, and Census Tracts

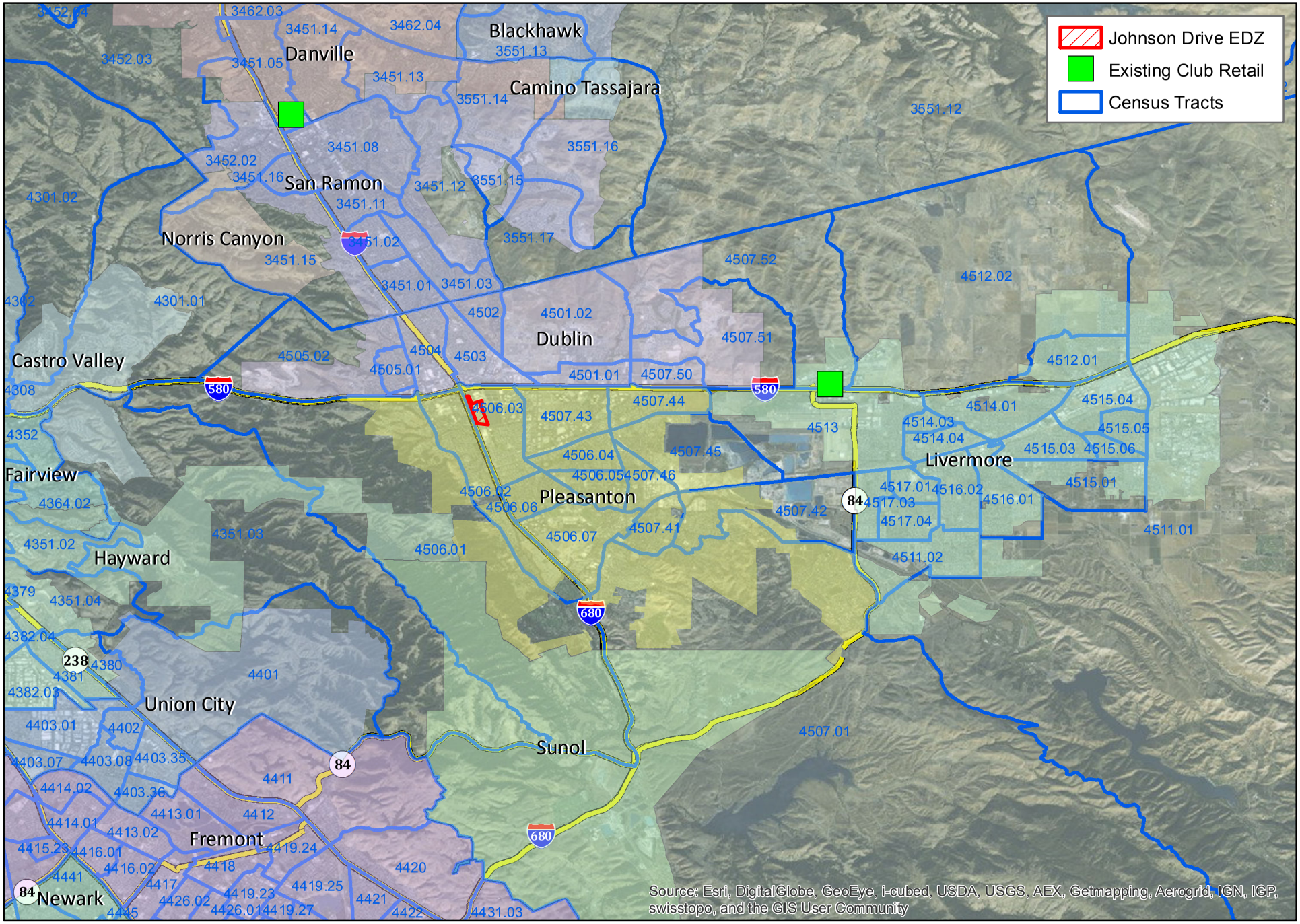

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Exhibit B-4
Johnson Drive EDZ Market Area Census Tracts
Population and Housing Estimates and Projections
2015-2030

	Population				Households			
Census Tract	**2015**	**2020**	**2025**	**2030**	**2015**	**2020**	**2025**	**2030**
4501.01	5,722	7,134	8,515	10,010	2,435	3,063	3,663	4,305
4501.02	10,117	10,862	11,965	13,170	1,343	1,445	1,550	1,670
4502	4,247	4,423	4,600	4,781	2,004	2,084	2,156	2,229
4503	4,793	5,028	5,247	5,466	1,626	1,701	1,768	1,834
4504	6,299	6,645	7,010	7,410	2,154	2,276	2,398	2,534
4505.01	3,455	3,772	4,074	4,380	1,377	1,510	1,629	1,750
4505.02	4,368	4,546	4,724	4,901	1,558	1,618	1,673	1,728
4506.01 - Partial (1)	3,095	3,147	3,207	3,263	1,154	1,171	1,186	1,202
4506.02	8,953	9,189	9,452	9,723	3,267	3,348	3,425	3,508
4506.03	4,783	4,908	5,046	5,191	1,552	1,590	1,627	1,667
4506.04	4,923	5,047	5,175	5,309	1,709	1,749	1,787	1,826
4506.05	3,777	3,873	3,973	4,077	1,393	1,425	1,455	1,486
4506.06	5,878	6,026	6,185	6,345	1,988	2,034	2,076	2,121
4506.07	5,391	5,517	5,654	5,792	2,288	2,341	2,389	2,439
4507.01 - Partial (2)	7,858	8,044	8,244	8,453	2,529	2,584	2,635	2,689
4507.41	4,893	5,019	5,162	5,301	1,805	1,845	1,883	1,921
4507.42	4,694	4,810	4,932	5,061	1,823	1,864	1,903	1,943
4507.43	6,236	7,795	9,331	10,983	2,512	3,131	3,725	4,356
4507.44	4,978	5,145	5,340	5,564	1,596	1,647	1,701	1,765
4507.45 - Partial (3)	6,106	6,260	6,419	6,584	2,042	2,088	2,132	2,176
4507.46	3,232	3,312	3,392	3,482	1,254	1,282	1,309	1,336
Total	**113,799**	**120,502**	**127,647**	**135,247**	**39,409**	**41,796**	**44,071**	**46,485**

Sources: Association of Bay Area Governments (ABAG), "Population & Households Projections 2013" by census tract; and ALH Urban & Regional Economics.

(1) These figures comprise 90% of the population and household estimates and projections prepared by ABAG for this census tract. This is attributable to most, but not all of the census tract being located in the market area, as some portions of this census tract are closer to other existing club retail locations and thus not anticipated to comprise the market area for the Project. However, observation of satellite imaging indicates that the majority of the population base is located in the portion of the census tract located in the market area. Hence the 90% assumption included in the analysis.
(2) These figures comprise 95% of the population and household estimates and projections prepared by ABAG for this census tract. This is attributable to most, but not all of the census tract being located in the market area, as some portions of this census tract are closer to other existing club retail locations and thus not anticipated to comprise the market area for the Project. However, observation of satellite imaging indicates that the majority of the population base is located in the portion of the census tract located in the market area. Hence the 95% assumption included in the analysis.
(3) These figures comprise 100% of the population and household estimates and projections prepared by ABAG for this census tract. This is attributable to most, but not all of the census tract being located in the market area, as some portions of this census tract are closer to other existing club retail locations and thus not anticipated to comprise the market area for the Project. However, observation of satellite imaging indicates that the majority of the population base is located in the portion of the census tract located in the market area. Hence the 100% assumption included in the analysis.

Exhibit B-5
State of California Board of Equalization Taxable Retail Sales Estimates by Retail Category
2013
(in $000s)

Type of Retailer	Total Taxable Sales (1)	State of California Taxable Sales Adjusted to Total Retail	% of Total
Motor Vehicle & Parts Dealers	$67,986,436	$67,986,436	13.8%
Home Furnishings & Appliances	$25,411,008	$25,411,008	5.2%
Building Materials & Garden Equipment	$29,680,053	$29,680,053	6.0%
Food & Beverage Stores	$25,289,203	$84,297,343 (2)	17.1%
Gasoline Stations	$56,860,585	$56,860,585	11.5%
Clothing & Clothing Accessories	$34,918,036	$34,918,036	7.1%
General Merchandise Stores	$51,431,094	$68,574,792 (3)	13.9%
Food Services & Drinking Places	$62,776,360	$62,776,360	12.8%
Other Retail Group	$48,086,943	$61,813,158 (4)	12.6%
Total (5)	**$402,439,718**	**$492,317,771**	**100%**

Sources: California State Board of Equalization (BOE), "Taxable Sales in California (Sales & Use Tax) during 2013; U.S. Economic Census, "Retail Trade: Subject Series - Product Lines: Product Lines Statistics by Kind of Business for the United States and States: 2007"; and ALH Urban & Regional Economics.

(1) Taxable sales are pursuant to reporting by the BOE.
(2) Sales for Food and Beverage Stores have been adjusted to account for non-taxable sales; only 30.0% of all food store sales are estimated to be taxable.
(3) Sales for General Merchandise Stores have been adjusted to account for non-taxable food sales, since some General Merchandise Store sales include non-taxable food items. ALH Urban & Regional Economics estimates that at least 25% of General Merchandise sales are for grocery items that are also non-taxable. This estimate is based on analysis of the 2007 U.S. Economic Census, which attributes approximately 26% of General Merchandise Stores sales to food.
(4) Sales for Other Retail Group have been adjusted to account for non-taxable drug store sales, since drug store sales are included in the Other Retail Group category. ALH Urban & Regional Economics estimates that 33.0% of drug store sales are taxable, based on discussions with the California BOE and examination of U.S. Census data. In California, drug store sales in 2013 represented approximately 14.06% of all Other Retail Group sales. ALH Urban & Regional Economics applied that percentage and then adjusted upward for non-taxable sales.

(5) Totals may not add up due to rounding.

Exhibit B-6
Household Income Spent on Retail (1)
United States
2013

Characteristic	All Consumer Units	Household Income Range $40,000 to $49,999	$50,000 to $69,999	$70,000 and more
Average HH Income	$63,784	$44,576	$59,101	$131,945
Amount Spent on Retail (2)	$20,555	$17,769	$21,104	$32,771
Percent Spent on Retail (3)	32%	40%	36%	25%

Sources: Table 1202. Income before taxes: Annual expenditure means, shares, standard errors, and coefficient of variation, Consumer Expenditure Survey, 2013, U.S. Bureau of Labor Statistics; and ALH Urban & Regional Economics.

(1) Includes retail categories estimated to be equivalent to the retail sales categories compiled by the State of California, Board of Equalization.
(2) Includes the Consumer Expenditures categories of: food; alcoholic beverages; laundry and cleaning supplies; other household products; household furnishings and equipment; apparel and services; vehicle purchases, cars and trucks, new; vehicle purchases, cars and trucks, used; vehicle purchases, other vehicles; gasoline and motor oil; 1/2 of maintenance and repairs (as a proxy for taxable parts); drugs; medical supplies; audio and visual equipment and services; pets, toys, hobbies, and playground equipment; other entertainment supplies, equipment, and services; personal care products and services; and reading; tobacco products and smoking supplies.
(3) Percentages may be low as some expenditure categories may be conservatively undercounted by ALH Economics.

Exhibit B-7
Board of Equalization Omitted Taxable Sales Estimates for the City of Dublin
Using Alameda County Sales Percentages
Fourth Quarter 2013 through Third Quarter 2014
(in $000s)

	Alameda County		City of Dublin	
	Amount	**% of Total**	**Given**	**Calculated**
Type of Retailer	[A]	[B]	[C]	[E = B * D]
Q4 2013				
General Merchandise	$610,110	13.4%	#	$45,483
Other Retail Group	--	--	$58,520	$13,037 (1)
Total	**$4,565,159**	--	**$340,325**	--
Q1 2014				
General Merchandise	$420,137	10.4%	#	$30,643
Other Retail Group	--	--	$43,475	$12,832 (1)
Total	**$4,053,966**	--	**$295,676**	--
Q2 2014				
General Merchandise	$465,703	10.4%	#	$34,812
Other Retail Group	--	--	$50,348	$15,536 (1)
Total	**$4,471,623**	--	**$334,257**	--
Q3 2014				
General Merchandise	$472,263	10.5%	#	$35,435
Other Retail Group	--	--	$50,448	$15,013 (1)
Total	**$4,517,673**	--	**$338,973**	--

Sources: California State Board of Equalization (BOE), "Taxable Sales in California" reports, for Fourth Quarter 2013, First Quarter 2014, Second Quarter 2014, and Third Quarter 2014; and ALH Urban & Regional Economics.

(1) The BOE omits certain sales because their publication would result in the disclosure of confidential information; the omitted sales are included in the Other Retail Group sales. The Other Retail Group is calculated by taking the figure given by the BOE and subtracting the new estimated for the categories that had been omitted.