



Economic &
Planning Systems

Real Estate Economics
Regional Economics
Public Finance
Land Use Policy

FINAL REPORT

NORTH RICHMOND REDEVELOPMENT PROJECT AREA STUDY

Prepared for:

Contra Costa County Redevelopment Agency

Prepared by:

Economic & Planning Systems, Inc.

In association with

Berryman & Henigar

February 2006

EPS #14051

BERKELEY
2501 Ninth St., Suite 200
Berkeley, CA 94710-2515
www.epsys.com

Phone: 510-841-9190
Fax: 510-841-9208



SACRAMENTO
Phone: 916-649-8010
Fax: 916-649-2070

DENVER
Phone: 303-623-3557
Fax: 303-623-9049

TABLE OF CONTENTS

I.	INTRODUCTION AND FINDINGS	1
	Summary of Findings	1
	Report Organization	12
II.	EXISTING LAND USE CONDITIONS	13
	Existing Land Use and Land Ownership	13
	Land Use Designations/Entitlement Process	15
III.	INDUSTRIAL MARKET OPPORTUNITIES	19
	Past Performance	19
	Projected Industrial Demand in the Market Area	19
	Supply Pipeline and Net Demand in the Market Area	21
	Competitive Advantages/Disadvantages	21
	North Richmond Industrial Prospects	24
IV.	RESIDENTIAL MARKET OPPORTUNITIES	28
	Residential Market Overview	28
	Recent and Proposed Projects	28
	Residential Prospects	29
	Affordable Housing Development	31
V.	LAND USE POLICY CHANGES	32
	Land Use Policy Scenarios	32
	Scenario Evaluation	33
VI.	INFRASTRUCTURE NEEDS ANALYSIS	38
	Cost Estimate Summary	38
	Development and Infrastructure Phasing	40
	Infrastructure Phasing and Costs	41
	Infrastructure Maintenance Costs	48

TABLE OF CONTENTS (continued)

VII.	FINANCING CONSIDERATIONS AND NEXT STEPS.....	49
	Financial Feasibility Considerations	49
	One-Time Developer Contributions.....	49
	Ongoing Development Charges	55
	Tax Increment Financing.....	56
	Other Funding Sources.....	56

APPENDIX A: Stakeholder Interviews

LIST OF TABLES AND FIGURES

Figure 1: North Richmond Area.....	2
Figure 2: North Richmond Area by Subarea.....	5
Figure 3: North Richmond Parcels Part A.....	16
Figure 4: North Richmond Parcels Part B.....	17
Table 1: Development Potential by Scenario	6
Table 2: Infrastructure Costs.....	8
Table 3: Cost Burden by Area.....	9
Table 4: Cost Burden in Area C by Scenario.....	11
Table 5: Trends in Employment Growth by Sector and by Area (2005-2030).....	20
Table 6: Projected Building Space and Land Demand in the West County Market Area	22
Table 7: Major Development Projects in Supply Pipeline	23
Table 8: Projected Industrial Demand in the North Richmond (2005-2030)	26
Table 9: Development Potential by Scenario	34
Table 10: Infrastructure Costs.....	39
Table 11: Improvement Phasing Plan	42
Table 12: Estimated Costs for Backbone Roadways.....	45
Table 13: Cost Burden Analysis - All Subareas	50
Table 14: Cost Burden Analysis - Area A	51
Table 15: Cost Burden Analysis - Area B.....	52
Table 16: Cost Burden Analysis - Area C.....	53
Table 17: Cost Burden Analysis - Area E.....	54
Table 18: Financing Sources for North Richmond.....	58

I. INTRODUCTION AND FINDINGS

The Contra Costa County Redevelopment Agency (the “County RDA”) is interested in continuing to support new development in the North Richmond Redevelopment Project Area (the “Project Area” or “Study Area”). The goal of the County RDA is to improve the quality of life for existing and future residents as well as the economic opportunities and locational appeal afforded by the arrival of new businesses.

Economic & Planning Systems, Inc., in conjunction with Berryman & Henigar, was retained to evaluate infrastructure needs, costs, and financing options for the industrial portion of the Study Area as a next step in achieving these goals. Initial discussions with County RDA staff, property owners, and developers suggested that before the development of an infrastructure financing plan, there were a number of land use issues that needed to be recognized and discussed. As a result, the purpose of the report was broadened to consider real estate market forces, land use policy issues, and infrastructure challenges. The key findings of the report are described below, followed by a description of the report organization.

SUMMARY OF FINDINGS

For many years, Contra Costa County has been seeking to expand industrial uses and bring new jobs to the northern portion of the Study Area. The County is now pursuing ways in which it can improve infrastructure and accelerate new development and job opportunities in the Area. This report provides a technical basis for this effort. The report evaluates the market opportunities and constraints, the infrastructure challenges, and a range of land use policy scenarios to help identify the key policy choices required to direct future growth and development in the Study Area. The key findings of the report are summarized below.

1. *The existing northern, industrial portion of the North Richmond area is currently underutilized (see Figure 1).*

The nonresidential portion of North Richmond currently includes a range of uses, generally falling under the light industrial, heavy industrial, and service commercial use types. The uses are scattered throughout the Study Area with a number of vacant areas. Other parcels include businesses that generate lower levels of jobs, such as storage yards. Large tracts of land are also currently publicly owned for a range of purposes and some sites may require significant environmental remediation. While many successful businesses thrive in the Study Area and new ones have arrived, as a whole, the Area is significantly underutilized.

2. ***North Richmond has a number of competitive advantages that could help spur the attraction of significant amounts of new industrial development.***

The central location of the North Richmond area in the Bay Area economy and its linkages via Richmond Parkway to the region's transportation network are positive attributes. In addition, the relative affordability of land as well as the availability of large contiguous tracts of underutilized land provides opportunities for large developments. To make good on its potential, the Study Area will need to start to address the primary challenges associated with the lack of infrastructure and community image. If addressed, North Richmond will be able to compete effectively for new industrial development with other cities and areas in western Contra Costa County.

3. ***EPS' industrial market analysis indicates that North Richmond could capture up to 1.6 million square feet, or about 145 acres, of industrial development through 2030.***

North Richmond has attracted some industrial development over recent years. The level of additional industrial development attracted beyond that currently in the pipeline will depend on the Study Area's ability to overcome its primary challenges. Depending on the success of its efforts, the North Richmond area is expected to capture between 10 and 35 percent of the West County's new industrial development, which is equivalent to between 40 and 145 acres of industrial land development through 2030. This compares to a total of about 500 acres of available land for new light industrial or commercial uses.

4. ***Recently, residential developers are particularly interested in developing housing in the northern portion of North Richmond.***

The residential real estate market is currently very strong in the Bay Area, in large part because of an historic undersupply of housing in the region. Contra Costa County and the North Richmond area are no different, with developers seeking opportunities for infill development. The KB Homes development is a signal of this demand, as is the interest of Signature Properties in developing housing in the industrial portion of North Richmond. The nature of demand in North Richmond is primarily from young families and first-time homebuyers in the West County area who wish to remain in the area, but cannot currently find suitable and/or affordable housing. The preferred housing type is for small-lot, single-family detached development.

5. ***The redevelopment of the north portion of the North Richmond area faces a number of challenges.***

The condition of the Study Area's infrastructure represents an immediate problem to attracting new development. While Richmond Parkway anchors the Area's transportation infrastructure, significant road improvements are required to provide east-west linkages throughout the Study Area. Storm drain issues are also significant in certain areas, and water and sewer deficiencies are also present. In addition to the infrastructure challenges, the urban problems of high crime and unemployment rates in the Study Area create negative perceptions that may affect some business owners' willingness to locate in North Richmond.

6. ***This report evaluates four different areas and three different land use policy scenarios to help draw conclusions concerning future redevelopment opportunities (see Figure 2 and Table 1).***

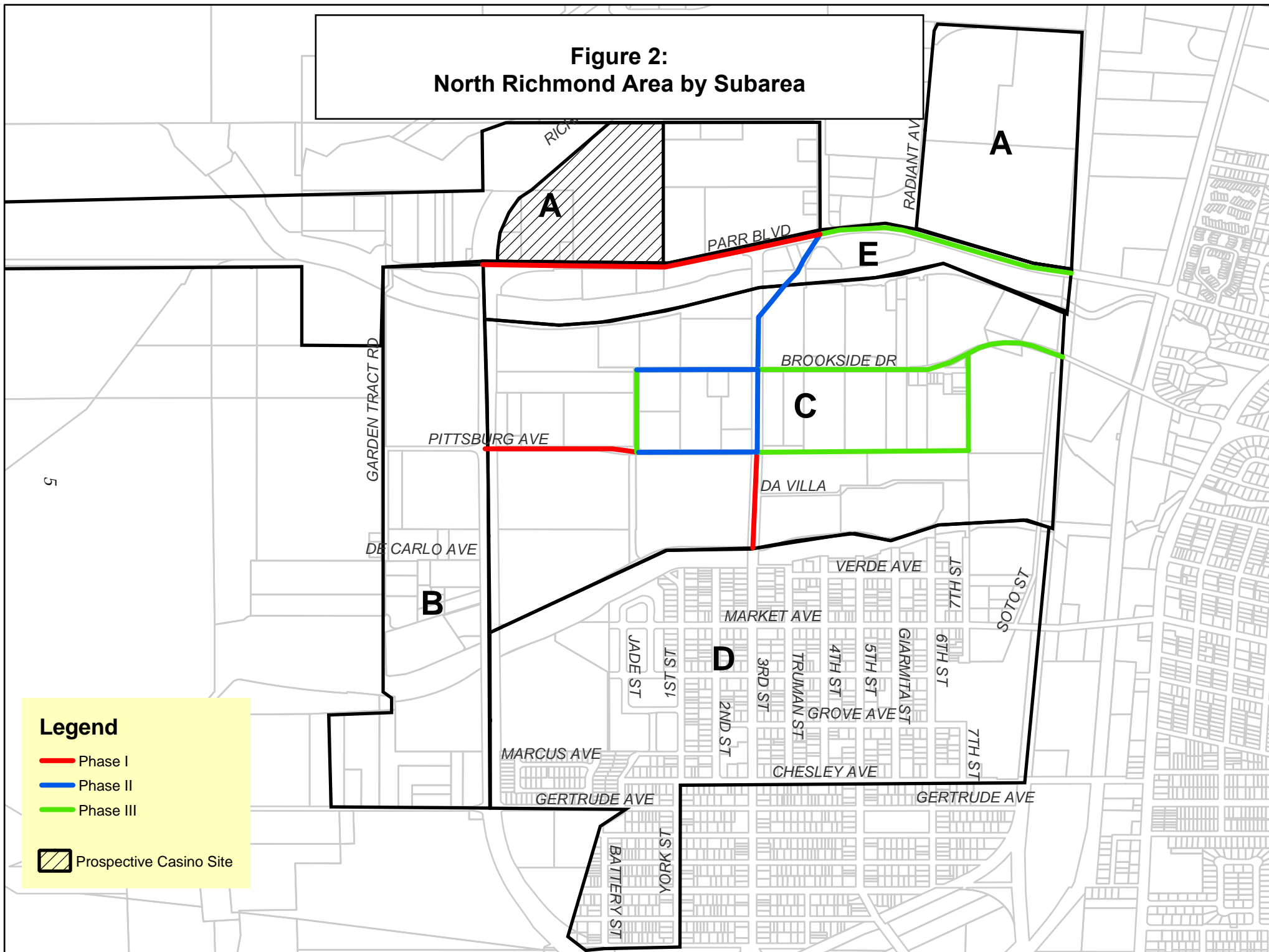
This report divides North Richmond into five areas, with four of the five evaluated as part of this analysis (the fourth, Area D, is the existing residential area). Of the 800 acres in the four relevant areas, just over 500 acres are assumed to have redevelopment potential based on current land ownership for the purposes of this analysis.¹ In addition, the report considers three different land use policy scenarios. *Scenario 1* assumes that existing General Plan land use designations remain as they are and only industrial development is allowed in the Study Area. *Scenario 2*, including Scenarios 2a, 2b, and 2c, assumes that different portions of Area C are designated for residential development. *Scenario 3* assumes that land use designations do not restrict development and that residential development occurs wherever there is developer interest, estimated at over 200 acres.

7. ***The scale of the Study Area's redevelopment opportunities far outweighs the most optimistic estimates of industrial land demand.***

With approximately 500 acres of land potentially available for redevelopment, the four areas in the Study Area provide ample land for redevelopment. With industrial land demand estimated at up to 145 acres through 2030, areas A, B, C, and E provide sufficient land well beyond 2030. Given the strength of the residential market, land use policy Scenarios 2a, 2b, 2c, and 3 consider the re-designation of 60, 110, and 210 acres of land, respectively, for residential development.

¹ The other land includes publicly owned and recently developed areas.

**Figure 2:
North Richmond Area by Subarea**



Legend

- Phase I
- Phase II
- Phase III

Prospective Casino Site

Table 1
Development Potential by Scenario
North Richmond Redevelopment Project Area Study; EPS #14051

Item	Area A	Area B	Area C	Area E	Total
Total Acres	315	170	250	65	800
Developable Acres	183	86	210	35	514
FAR Assumptions (rounded)	0.25 (all areas)				
Units/ Acre Assumptions	8 (all areas)				
Scenario 1: Existing General Plan					
Industrial Acres	183	86	210	35	514
Residential Acres	0	0	0	0	0
Industrial Development (sq. ft.)	2,000,000	930,000	2,290,000	380,000	5,600,000
Residential Development (units)	0	0	0	0	0
Scenario 2a: Portion of Area C (Baseline) (1)					
Industrial Acres	183	86	150	35	454
Residential Acres	0	0	60	0	60
Industrial Development (sq. ft.)	2,000,000	930,000	1,630,000	380,000	4,940,000
Residential Development (units)	0	0	480	0	480
Scenario 2b: Portion of Area C (Moderate) (2)					
Industrial Acres	183	86	100	35	404
Residential Acres	0	0	110	0	110
Industrial Development (sq. ft.)	2,000,000	930,000	1,090,000	380,000	4,400,000
Residential Development (units)	0	0	880	0	880
Scenario 2c: Portion of Area C (Aggressive)					
Industrial Acres	183	86	0	35	304
Residential Acres	0	0	210	0	210
Industrial Development (sq. ft.)	2,000,000	930,000	0	380,000	3,310,000
Residential Development (units)	0	0	1,680	0	1,680
Scenario 3: Market-Driven (3)					
Industrial Acres	--	--	--	--	304
Residential Acres	--	--	--	--	210
Industrial Development (sq. ft.)	--	--	--	--	3,310,000
Residential Development (units)	--	--	--	--	1,680

- (1) Assumes proposed Signature Properties development is permitted in Area C.
(2) Assumes residential development permitted under Brookside Avenue in Area C.
(3) Assumes residential development is permitted to occur wherever developers are interested.
Residential demand is assumed to be for 210 acres within the next twenty years.

Sources: Berryman & Henigar; Economic & Planning Systems, Inc.

8. *Infrastructure needs and costs vary substantially by scenario.*

An investment of about \$26.1 million is required to provide adequate “base” backbone infrastructure to the Study Area. Investment is required in roadway improvements, right of way acquisition, and water, wastewater, and storm drain improvements. This level of infrastructure improvement will support industrial development throughout the Study Area. Additional infrastructure investment will be required to support residential development. Precise estimates have not yet been developed, though applying typical costs of between \$10,000 and \$18,000 per unit depending on the location within area C indicates an additional \$5.5 million investment associated with Scenario 2a, an additional \$15.2 million associated with Scenario 2b, and an additional \$29.0 million associated with Scenario 2c. The location of residential development under Scenario 3 is uncertain, though applying the same per unit cost estimates suggests an additional infrastructure cost of \$29.0 million, the same as under Scenario 2c (see **Table 2**).

9. *Infrastructure needs and costs also vary substantially by area.*

There are significant differences in the infrastructure needs by area. Area C requires the largest investment in base infrastructure of \$18.4 million. Areas A and B require comparatively low infrastructure investments of \$3.25 million and \$1.01 million, while Area E requires a relatively high level of investment given its small size. The majority of the backbone roadway improvements and right-of-way acquisitions and all the drainage improvements are in Area C. The residential development proposed will primarily add infrastructure costs to Area C, with the exception of Scenario 3 that could add them in a number of different subareas.

10. *The combination of infrastructure cost estimates and development potential indicate significantly different financial feasibility challenges by area.*

As shown in **Table 3**, the cost burden represented by the base infrastructure requirements varies significantly by area.² The cost burden in Area A is \$1.74 per square foot of land development through 2030 and \$1.26 per square foot for Area B. In contrast, Area C has a cost burden of \$7.44 per square foot and Area E has a cost burden of \$3.76 per square foot. Land values typically need to be three times higher for the relevant land use than the cost burden. If all of this burden were placed on new private development, Areas A and B would be able to carry the respective cost burdens if average land values are over \$5.50 per square foot.

² Potential development through 2030 by scenario is based on the industrial market analysis and the assumption that new industrial development is spread evenly by area.

Table 2
Infrastructure Costs
North Richmond Redevelopment Project Area Study; EPS #14051
(Cost in Million \$\$)

Improvement Type	Area A	Area B	Area C	Area E	Other	Total
Base Infrastructure (1)						
Backbone Roadways	\$1.94	\$0.63	\$9.97	\$0.85	\$1.90	\$15.29
Right-of-Way Acquisition	\$0.49	\$0.00	\$3.81	\$0.48	\$0.00	\$4.78
Backbone Water Distribution	\$0.82	\$0.38	\$0.94	\$0.15	\$0.00	\$2.29
Backbone Wastewater Conveyance	\$0.00	\$0.00	\$0.75	\$0.00	\$0.00	\$0.75
Backbone Drainage	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$2.97</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$2.97</u>
Subtotal	\$3.25	\$1.01	\$18.44	\$1.48	\$1.90	\$26.08
Additional (Residential) Infrastructure (2)						
Scenario 1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Scenario 2a	\$0.00	\$0.00	\$5.52	\$0.00	\$0.00	\$5.52
Scenario 2b	\$0.00	\$0.00	\$15.18	\$0.00	\$0.00	\$15.18
Scenario 2c	\$0.00	\$0.00	\$28.98	\$0.00	\$0.00	\$28.98
Scenario 3	--	--	--	--	--	\$28.98
Total Infrastructure Costs						
Scenario 1	\$3.25	\$1.01	\$18.44	\$1.48	\$1.90	\$26.08
Scenario 2a	\$3.25	\$1.01	\$23.96	\$1.48	\$1.90	\$31.60
Scenario 2b	\$3.25	\$1.01	\$33.62	\$1.48	\$1.90	\$41.26
Scenario 2c	\$3.25	\$1.01	\$47.42	\$1.48	\$1.90	\$55.06
Scenario 3	--	--	--	--	--	\$55.06

(1) The base infrastructure can support industrial development through the area.

(2) Additional infrastructure represents the additional infrastructure required to support residential development.

Cost estimates are very preliminary and are based on per unit backbone costs of between \$10,000 and \$18,000 per acre.

Source: Berryman & Henigar; Economic & Planning Systems, Inc.

Table 3
Base Infrastructure Cost Burden by Area (1)
North Richmond Redevelopment Project Area Study; EPS #14051

Item	Area A	Area B	Area C	Area E	Total
Gross Acres	315	170	250	65	800
Developable Acres	183	86	210	35	514
<u>Potential Land Development Through 2030</u>					
Acres	52	24	59	10	145
Land Sq. Ft.	2,253,098	1,053,069	2,582,558	427,475	6,316,200
Base Infrastructure Cost (2)	\$3,927,763	\$1,326,778	\$19,216,869	\$1,608,590	\$26,080,000
Cost Burden per Sq. Ft. (land Sq. Ft. thru 2030)	\$1.74	\$1.26	\$7.44	\$3.76	\$4.13
Required Land Value (3)	\$5.28	\$3.82	\$22.55	\$11.40	\$12.51

(1) The base infrastructure can support industrial development through the area.

(2) Includes "other" costs that serve full area distributed by proportion of development.

(3) Land value required to support cost burden, assuming no public subsidies and a 33 percent lien to value ratio.

Source: Economic & Planning Systems, Inc.

Industrial development, however, is unlikely to be able to command values of over \$20 per square foot as would be required in Area C and may also struggle to command land values sufficient to support the cost burden in Area E.

11. *Existing land values vary by area and are increased by speculation related to the potential for residential development.*

Land values vary based on the specifics of the site, though recent conversations with real estate brokers provide an indication of current values. Land suitable for residential development commands values in the range of \$20 to \$40 per square foot. The value of industrial land is harder to determine, as the land prices of the industrial land are currently inflated because of speculation concerning conversion to residential. Under current market conditions, in most cases, pure industrial land values will be below \$10 per square foot.

12. *The introduction of residential development into Area C provides a larger base of higher value development to fund the high infrastructure costs.*

The introduction of residential development into Area C under Scenarios 2a, 2b, and 2c increases overall infrastructure costs in the area. Scenarios 2a and 2b reduce the per land square foot cost to less than \$5.50 per land square foot, though Scenario 2c reduces it by less to about \$6.60 per land square foot (see **Table 4**). The more significant impact of the introduction of residential development into Area C are the higher land values commanded relative to industrial development and the associated ability of new development to carry a larger proportion of the cost burden of the base infrastructure as well as the additional residential infrastructure requirements.

13. *The preferred character of the area, the desired pace of development, and infrastructure funding challenges should all help dictate the preferred land use policies and infrastructure financing strategy.*

Unless Scenario 1 or 3 is specifically preferred by the County and the North Richmond community, Scenarios 2a, 2b, and/or 2c would catalyze redevelopment. Scenario 1 will maintain the existing character of the Study Area and see gradual redevelopment, but will not support much of the infrastructure improvements required. Scenario 3 is likely to lead to land use conflicts in numerous locations that will likely hinder future industrial development. The managed, but flexible approaches of Scenarios 2a, 2b, and 2c appear to offer a better path. If properly implemented, these scenarios could provide demanded housing integrated into the existing community and support infrastructure development in support of new industrial development and jobs. Key challenges would include buffering and shielding industrial development from the new residential development.

Table 4
Cost Burden in Area C by Scenario
North Richmond Redevelopment Project Area Study; EPS #14051

Item	Scenario 1	Scenario 2A	Scenario 2B	Scenario 2C
Gross Acres	250	250	250	250
Developable Acres	210	210	210	210
<u>Potential Land Development Through 2030</u>				
Acres (1)	59	108	146	210
Land Sq. Ft.	2,582,558	4,702,290	6,356,565	9,147,600
Infrastructure Cost				
Base	\$19,216,869	\$19,216,869	\$19,216,869	\$19,216,869
Additional (New Residential)	<u>\$0</u>	<u>\$5,520,000</u>	<u>\$15,180,000</u>	<u>\$28,980,000</u>
Total	\$19,216,869	\$24,736,869	\$34,396,869	\$48,196,869
Cost Burden per Land Sq. Ft. Through 2030				
Base	\$7.44	\$4.09	\$3.02	\$2.10
Additional (New Residential)	<u>\$0.00</u>	<u>\$1.17</u>	<u>\$2.39</u>	<u>\$4.56</u>
Total	\$7.44	\$5.26	\$5.41	\$6.66

(1) Scenario 2a includes 60 acres of residential and a proportionate development of industrial development (48 acres) relative to its land available for industrial development.

Scenario 2b includes 110 acres of residential and a proportionate development of industrial development (36 acres) relative to its land available for industrial development.

Scenario 2c includes 210 acres of residential and no industrial development.

Source: Berryman & Henigar; Economic & Planning Systems, Inc.

14. *There are a number of financing mechanisms that could help fund the needed infrastructure and the associated operational costs.*

The variability of infrastructure costs and the pace of development by area and by scenario will have significant effects on financing needs and availability. Any public financing mechanisms must be considered in terms of its effect on the financial feasibility of development as well as their ability to fund different types of cost. The available financing mechanisms fall into the following categories: (1) one-time developer contributions, including development agreements and development impact fees; (2) ongoing development charges, including Benefit Assessment District assessments and Community Facility District special taxes; (3) tax increment financing, and (4) other funding sources (grants).

REPORT ORGANIZATION

Beyond this introductory chapter, **Chapter II** describes the existing conditions facing new development in North Richmond, including existing uses and land ownerships as well as land use designations and the entitlement process. **Chapter III** considers the market opportunities for industrial development in the Study Area and the potential capture of industrial development over the next 25 years. **Chapter IV** provides an overview of the increasing housing development pressures in the area and the types of buyers and housing that would drive future residential development in the area. **Chapter V** outlines three potential land use policy scenarios, representing the full range of land use policy approaches. The differences between the scenarios are evaluated qualitatively. **Chapter VI** considers the existing infrastructure needs in North Richmond as well as the additional infrastructure needs associated with future development under the different land use policy scenarios. **Chapter VII** concludes the report with a discussion of the possible financing options.

II. EXISTING LAND USE CONDITIONS

This report focuses on the North Richmond Redevelopment Project Area, an unincorporated island in the City of Richmond under the jurisdiction of Contra Costa County (the “County”). As shown in **Figure 1**, the North Richmond Redevelopment Project Area consists of the entire unincorporated area of North Richmond, and is comprised of approximately 1,000 acres bound on the south, west, and north by the City of Richmond, and on the east by the City of San Pablo. This chapter describes some of the existing conditions pertinent to future development in North Richmond. Existing infrastructure conditions are discussed later in the report.

EXISTING LAND USE AND LAND OWNERSHIP

For the purposes of this study, North Richmond is divided into five areas, as shown in **Figure 2**. Area A refers to the area to the north of Parr Boulevard, Area B refers to the area to the west of Richmond Parkway and south of Parr Boulevard, Area C refers to the area between Wildcat Creek and Parr Boulevard to the east of Richmond Parkway, Area D refers to the area to the south of Wildcat Creek and to the east of Richmond Parkway, and Area E refers to the area south of Parr Boulevard and north of San Pablo Creek. Current land uses in each of these areas are briefly described below.

AREA A

Area A totals approximately 315 acres and is a mix of industrial and storage uses as well as vacant land. A large proportion of the land (80 acres) to the west of Richmond Parkway is the West Contra Costa Sanitary Land Fill. Most of the remaining land is privately owned with about 30 acres directly to the west of Richmond Parkway and 160 acres to the east. Existing private uses include a construction company; construction equipment seller; recreational vehicle storage center; a rock and soil wholesaler; heavy equipment rental facility; crane rental facility; boiler and burner sales, service, and installation company; a distribution services company; a metal fabricator; and nurseries.

AREA B

Area B totals approximately 170 acres. A significant proportion of this area is owned by the West County Wastewater District, with additional acreage in recreational and open space designations. Private uses in this area include a baking company, nurseries and greenhouses, tow storage yards and dismantlers, wood recyclers and metal works.

AREA C

Area C totals approximately 250 acres. This area is also industrial in nature with a number of vacant sites, but includes some newer construction. Public uses occupy about 40 acres and include the North Richmond Water Reclamation Center at the northwest of the area and the West County transfer station (Integrated Resource Recovery Facility/"IRRF") to the southeast. They also include the A's Lucky North Richmond Baseball Field. Private uses include nurseries; a plastic, glass, and metal recycling center; a steel drum container manufacturer; and new industrial distribution/warehouse spaces on Central Street.

AREA D

Area D is distinct from the other areas as a residential neighborhood and totals approximately 200 acres. There are hundreds of housing units in the core of the neighborhood. The single-family detached homes and multifamily complexes were predominantly built in the early 1940s to welcome workers to Kaiser Richmond shipyards during World War II. Many apartment buildings were built temporarily, but many of these housing units still remain today, and are owned and managed by the Housing Authority of the County of Contra Costa (HACCC). There is a number of boarded up units and vacant lots throughout Area D, in addition to vacant sites on the eastern edge of the area. New single-family detached housing has been developed on the western side of the area at Parkway Estates and KB Homes is in the process of developing a 20-acre site adjacent at the corner of Richmond Parkway and Wildcat Creek. Affordable housing developers are also active throughout the area. Major public land holdings are held by the Contra Costa Housing Authority.

AREA E

Area E totals approximately 65 acres and is located south of Parr Boulevard and north of San Pablo Creek. The area is a mix of developed and vacant parcels. Privately-owned land in this area has uses similar to those in Area B.

LAND USE DESIGNATIONS/ENTITLEMENT PROCESS

LAND USE DESIGNATIONS

The Contra Costa County General Plan 1995-2010 (the “General Plan”) land use designations and zoning are shown in **Figures 3 and 4**. The land use designations are described by area below.

- **Area A.** With the exception of the publicly owned land with open space and public facilities land use designations, the designations in Area A are for light industrial and heavy industrial uses. Light industrial uses are permitted to the west of Richmond Parkway and heavy industrial uses to the east.
- **Area B.** In between the public/semi-public land use designations of the Wastewater District and the recreational land owned by the EBRPD, the private land has a heavy industrial zoning.
- **Area C.** Area C is predominantly designated for heavy industrial uses. Light industrial uses are permitted adjacent to the Wildcat Creek that separates Area C from residential development in Area D. In addition, the sites with public uses have recreational and public designations.
- **Area D.** Most of the area is classified as SH (Single-family Residential-High Density), with some ML (Multiple Family Residential-Low Density), MM (Multiple Family Residential-Medium Density), and MH (Multiple Family Residential-High Density). These designations correspond to actual densities of between five and 30 units per acre.
- **Area E.** Most of this area is classified as OS (Open Space) and HI (Heavy Industrial).

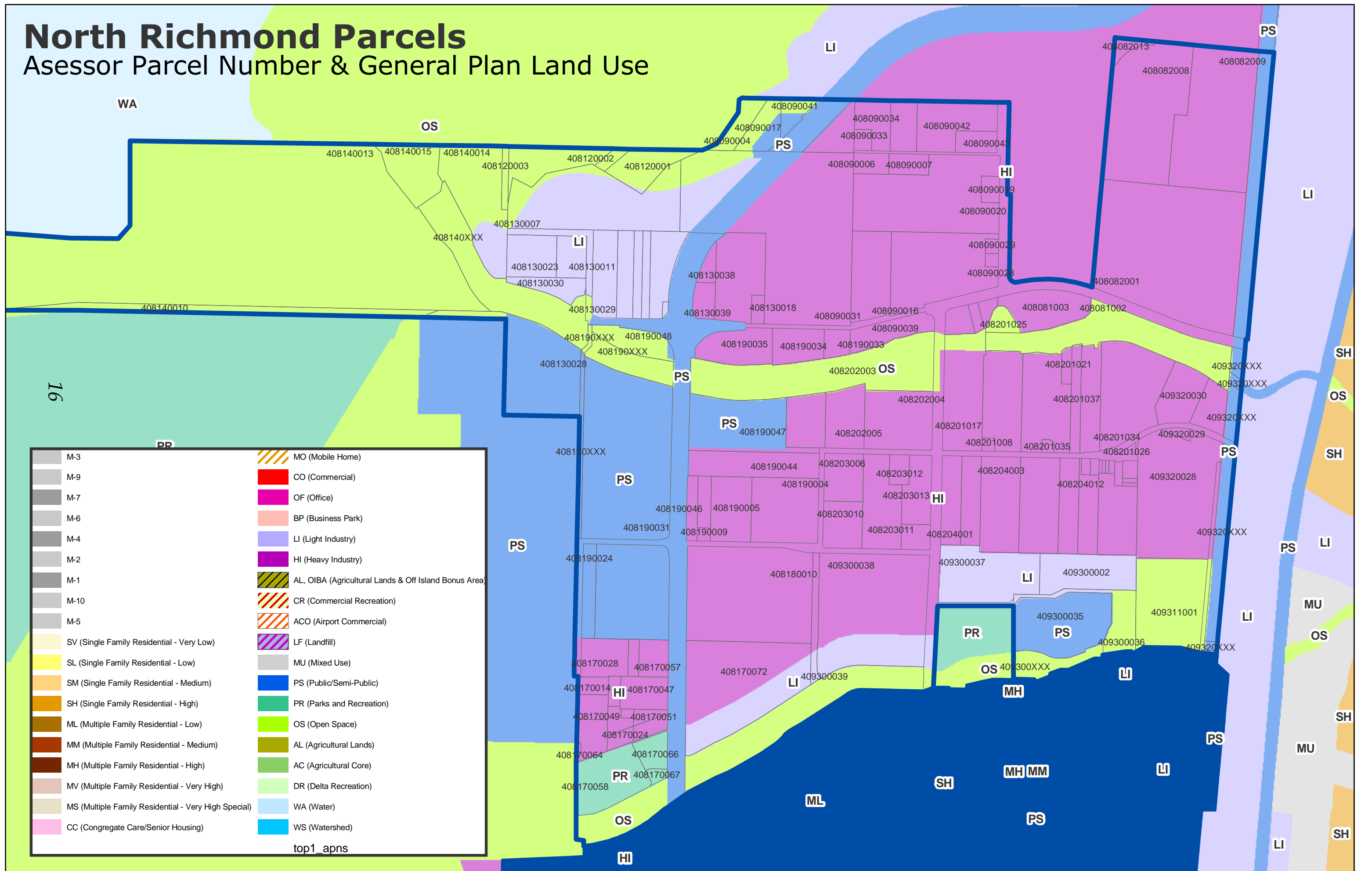
The types of uses allowed for light industry can range from research, engineering, product development and testing, and sales development to light manufacturing, warehousing, distribution centers, and commercial nurseries. Support retail and service uses are included in this category.

The types of allowable uses for heavy industry accommodate a wide variety of industrial activities, including oil refining, contractor’s storage yards, warehouses, commercial nurseries, and machine shops. Similar to light industry, this includes retail and service uses. For projects involving auto dismantling, yards must be enclosed and outside storage of vehicles is prohibited. Operators of heavy industry are required to provide sufficient visual open space and/or landscaped screening between industrial operations and adjacent residential or recreational activities.

FIGURE 3

North Richmond Parcels

Aessor Parcel Number & General Plan Land Use



ENTITLEMENT PROCESS

Development Application Review

In addition to conforming with existing land use designations and zoning, paying relevant fees and exactions, and following processing and permit procedures, development applications must conform to a more detailed set of conditions outlined in the *North Richmond P-1 Zoning* document. This document presents the key set of General Plan Land Use Designation maps, land use matrices, and design guidelines. According to the “Conditions for Development and Use of Property in the North Richmond Area” section of the document, all development and land use must comply with all criteria contained in the Preliminary Plan Map, the North Richmond Land Use Matrix, the Development Standards, and the Development Guidelines Chart as described below:

- **The Preliminary Plan Map.** The map shows land uses, circulation, and other development criteria.
- **The North Richmond Land Use Matrix.** The matrix defines land uses by category and further by sub-category and denotes which uses are not permitted, permitted, permitted by administrative review, and require a land use permit based on the type of zoned land they intend to occupy (e.g., residential, commercial, industrial, and open space).
- **The Development Standards.** The standards list 124 conditions for developing and using sites in the North Richmond Area, including graphics of acceptable and unacceptable design standard.
- **The Development Guidelines Chart.** The chart provides standards, policies, and options for development in the Study Area.

III. INDUSTRIAL MARKET OPPORTUNITIES

This chapter describes the level of potential demand for future industrial development in the North Richmond Redevelopment Project Area as well as the constraints to achieving this potential. The Study Area continues to provide opportunities for industrial development. In addition to data analysis and evaluation, interviews were conducted with numerous real estate brokers who are active in the area.³

PAST PERFORMANCE

As described in **Chapter II**, Areas A, B, and C represent the industrial portion of North Richmond. Historically home to major petroleum, railway, and shipping industries, these areas now include a mix of older, underutilized industrial land and a small amount of new industrial uses including light industrial, warehouse/distribution, and flex office space. Current private employers include local manufacturers that produce products such as metal barrels, fixtures, drums, and pails, as well as agricultural interests and construction companies.

North Richmond saw significant interest from industrial developers during the height of the economic boom in the late 1990s. The Study Area was one of the few areas within the inner core of the Bay Area that offered developers large tracts of affordably priced underutilized or vacant industrial land. The Richmond area, including North Richmond, benefited from companies that moved out of more expensive markets like Berkeley, Emeryville, and Marin County. The rate of growth has fallen somewhat over the last few years because of the economic downturn.

PROJECTED INDUSTRIAL DEMAND IN THE MARKET AREA

The West County Market Area, which includes the cities of Richmond (including the unincorporated area of North Richmond), El Cerrito, San Pablo, Hercules, and Pinole, is projected to add an additional 33,300 jobs to its current base of 64,500 over the next 25 years. Of these new jobs, about 25 percent are expected to be accommodated by research and development (R&D)/flex, warehouse, and industrial space; about 35 percent as office space; and the remainder in retail, institutional, or other environments (see **Table 5**).⁴

³ Brokers interviewed include Todd Severson of Colliers International; John Troughton, Cory Lawrence, and Dante Guazzo of Cushman & Wakefield; Jonathan Winslow of ZKS Real Estate Partners, LLC; and John Tsem of Jr. Gem, Inc.

⁴ Other refers to jobs that do not occupy building space, such as construction jobs.

Table 5
Trends in Employment Growth by Sector and by Area (2005-2030)
North Richmond Redevelopment Project Area Study; EPS #14051

Item	2005	2020	2030	2005-2020		2020-2030		2005-2030	
				Number	% Change	Number	% Change	Number	% Change
Richmond (1)									
Ag. & Natural Resources	210	200	200	(10)	-4.76%	0	0.00%	(10)	-4.76%
Manufacturing, Wholesale & Transp.	11,410	12,600	13,610	1,190	10.43%	1,010	8.02%	2,200	19.28%
Retail	3,920	5,210	6,210	1,290	32.91%	1,000	19.19%	2,290	58.42%
Financial & Professional Services	7,140	10,270	12,810	3,130	43.84%	2,540	24.73%	5,670	79.41%
Health, Educ. & Rec. Services	12,870	17,850	21,580	4,980	38.69%	3,730	20.90%	8,710	67.68%
Other (3)	<u>7,020</u>	<u>9,500</u>	<u>11,310</u>	<u>2,480</u>	<u>35.33%</u>	<u>1,810</u>	<u>19.05%</u>	<u>4,290</u>	<u>61.11%</u>
Total	42,570	55,630	65,720	13,060	30.68%	10,090	18.14%	23,150	54.38%
West County Area (2)									
Ag. & Natural Resources	220	210	210	(10)	-4.55%	0	0.00%	(10)	-4.55%
Manufacturing, Wholesale & Transp.	13,470	14,910	15,990	1,440	10.69%	1,080	7.24%	2,520	18.71%
Retail	6,980	8,940	10,380	1,960	28.08%	1,440	16.11%	3,400	48.71%
Financial & Professional Services	11,210	15,840	19,310	4,630	41.30%	3,470	21.91%	8,100	72.26%
Health, Educ. & Rec. Services	23,260	31,480	37,220	8,220	35.34%	5,740	18.23%	13,960	60.02%
Other (3)	<u>9,380</u>	<u>12,580</u>	<u>14,750</u>	<u>3,200</u>	<u>34.12%</u>	<u>2,170</u>	<u>17.25%</u>	<u>5,370</u>	<u>57.25%</u>
Total	64,520	83,960	97,860	19,440	30.13%	13,900	16.56%	33,340	51.67%
Bay Area									
Ag. & Natural Resources	24,470	25,070	25,470	600	2.45%	400	1.60%	1,000	4.09%
Manufacturing, Wholesale & Transp.	729,560	891,640	1,011,600	162,080	22.22%	119,960	13.45%	282,040	38.66%
Retail	364,870	464,470	531,270	99,600	27.30%	66,800	14.38%	166,400	45.61%
Financial & Professional Services	810,170	1,036,560	1,192,190	226,390	27.94%	155,630	15.01%	382,020	47.15%
Health, Educ. & Rec. Services	1,058,130	1,364,780	1,567,480	306,650	28.98%	202,700	14.85%	509,350	48.14%
Other (3)	<u>529,760</u>	<u>681,110</u>	<u>792,590</u>	<u>151,350</u>	<u>28.57%</u>	<u>111,480</u>	<u>16.37%</u>	<u>262,830</u>	<u>49.61%</u>
Total	3,516,960	4,463,630	5,120,600	946,670	26.92%	656,970	14.72%	1,603,640	45.60%

(1) Data based on the Richmond Subarea, as defined by ABAG, includes the unincorporated community of North Richmond.

(2) Includes the Cities of Richmond, El Cerrito, San Pablo, Hercules, and Pinole.

(3) Other includes construction, information, and government jobs.

Source: ABAG Projections 2005; Economic & Planning Systems, Inc.

Based on EPS' spacewalk analysis, this job growth projection represents an expected demand for 8.1 million square feet of industrial space in the West County Market Area, or about 745 acres of land suitable for industrial development, assuming a typical floor-area-ratio of 0.25. This is equivalent to about 325,000 square feet of industrial demand each year, about 30 acres of industrial land. Demand for office space is expected to total about 4.1 million square feet (see **Table 6**).

SUPPLY PIPELINE AND NET DEMAND IN THE MARKET AREA

The current supply pipeline includes about 4.5 million square feet of workplace development, including R&D/flex, light industrial space, warehouse and distribution space, and a small amount of office space. About 1.5 million square feet are approved or under construction, with the large majority, 3.0 million square feet, in the preliminary planning stages. Most of the space undergoing preliminary review will enter the market gradually over the next ten years. About 700,000 square feet, 15 percent, of this pipeline is located in North Richmond, and about 2.1 million is in the City of Richmond, about 45 percent (see **Table 7**).

The largest proposed development in North Richmond is the Ponds project site General Plan re-designation that could create the opportunity for over 500,000 square feet of light industrial and office flex space to the west of Richmond Parkway. Other expected locations of future industrial supply include the North Shore Business Park in Hercules where the Bio-Rad Laboratory is located, several locations in Pinole, the North Bay Business Center, the Parkway Commerce Center, the Point Pinole Business Park, and the Campus Bay Business Park in the City of Richmond.

As noted above, over the next 25 years, a total of 12.2 million square feet of workspace development will be demanded, including 4.1 million square feet of office space and 8.1 million square feet of industrial development. Subtracting out the industrial development in the supply pipeline, about 3.6 million square feet leaves an excess demand for about 4.5 million square feet of industrial development in West County.

COMPETITIVE ADVANTAGES/DISADVANTAGES

ADVANTAGES

The North Richmond Study Area has two primary competitive advantages over other locations—price and land availability. The Study Area is one of the few areas within the inner core of the Bay Area that offers a significant amount of vacant and underutilized land at a relatively affordable price. As a result, it has the opportunity to attract businesses looking to keep their real estate costs low or looking to expand. The portion of the Study Area located along Richmond Parkway is also very competitive in terms of transportation access, offering a more central location and more direct access to the

Table 6
Projected Building Space and Land Demand in the West County Market Area (2005-2030)
North Richmond Redevelopment Project Area Study; EPS #14051

Item	Total Demand 2005-2020	Total Demand 2020-2030	Total Demand 2005-2030	Average Annual Growth
Building Space (Square Feet)				
<u>West County (1)</u>				
Warehouse/ Industrial	4,870,200	3,246,800	8,117,000	324,680
Office/ R&D	<u>2,469,600</u>	<u>1,646,400</u>	<u>4,116,000</u>	<u>164,640</u>
Total	7,339,800	4,893,200	12,233,000	489,320
<u>North Richmond (2)</u>				
Warehouse/ Industrial	1,704,570	1,136,380	2,840,950	113,638
Office/ R&D	<u>864,360</u>	<u>576,240</u>	<u>1,440,600</u>	<u>57,624</u>
Total	2,568,930	1,712,620	4,281,550	171,262
<u>North Richmond (3)</u>				
Warehouse/ Industrial	487,020	324,680	811,700	32,468
Office/ R&D	<u>246,960</u>	<u>164,640</u>	<u>411,600</u>	<u>16,464</u>
Total	733,980	489,320	1,223,300	48,932
Land (Acres) (4)				
<u>West County (1)</u>				
Warehouse/ Industrial	447	298	745	30
Office/ R&D	<u>189</u>	<u>126</u>	<u>315</u>	<u>13</u>
Total	636	424	1,060	42
<u>North Richmond (2)</u>				
Warehouse/ Industrial	157	104	261	10
Office/ R&D	<u>66</u>	<u>44</u>	<u>110</u>	<u>4</u>
Total	223	148	371	15
<u>North Richmond (3)</u>				
Warehouse/ Industrial	45	30	75	3
Office/ R&D	<u>19</u>	<u>13</u>	<u>31</u>	<u>1</u>
Total	64	42	106	4

(1) Based on ABAG employment projections. Assumes 800 sq. ft. per employee for warehouse/industrial jobs and 350 sq. ft. for office/R&D jobs.

(2) Assumes North Richmond will capture 35% of the total per year.

(3) Assumes North Richmond will capture 10% of the total per year.

(4) Assumes a 0.25 floor area ratio (FAR) for warehouse/ industrial and a 0.3 FAR for office/ R&D flex space.

Source: ABAG Projections 2005; Economic & Planning Systems, Inc.

Table 7
Major Development Projects in Supply Pipeline
North Richmond Redevelopment Project Area Study; EPS #14051

Project by Jurisdiction	Status	Total Square Feet	Preliminary Planning Stages (1)	Category
Hercules				
Bio-Rad Laboratory Expansion (Phase II)	Under Construction	227,295	-	Planned Office/Research & Development
Bio-Rad Laboratory Expansion (Phase III)	Under Construction	<u>757,000</u>	-	Planned Office/Research & Development
Hercules Subtotal		984,295	-	
Pinole				
850 San Pablo Avenue	Mitigated Negative Declaration in progress	609,840	609,840	Light Industrial and Flex Office
Gateway East	Environmental Review in progress	69,500	69,500	Medical Office and Commercial
West San Pablo Avenue Corridor	Final Phase of completion	<u>25,000</u>	-	Light Industrial and Commercial
Pinole Subtotal		704,340	679,340	
North Richmond				
North Richmond Machining and Tooling Incubator and Youth Center	Seeking construction financing	60,000	60,000	Light Industrial and Office
Brookside Drive & Central Avenue	Tentative map approved	80,000	-	Light Industrial/Warehouse
Ponds (Richmond Pkwy. btwn Pittsburg & Gertrude)	Change in designation to General Plan in progress	<u>566,000</u>	<u>566,000</u>	Light Industrial and Office
North Richmond Subtotal		706,000	626,000	
Richmond				
North Bay Business Center	Environmental Review in progress	537,241	537,241	Industrial
Parkway Commerce Center	Environmental Review in progress	651,222	651,222	Industrial
Point Pinole Business Park (Phase II)	Under review	360,000	360,000	Office
Regatta Business Center	Initial Study in progress	155,000	155,000	Research & Development
Campus Bay Business Park	Phase I improvements completed	<u>350,000</u>	-	Research & Development
Richmond Subtotal		2,053,463	1,703,463	
TOTAL		4,448,098	3,008,803	

(1) Preliminary planning stages includes project under review, not approved, or under construction.

Source: City and County Planning Departments; Project Developers; Economic & Planning Systems, Inc.

Bay Area's transportation infrastructure than industrial locations within Pinole and Hercules. Richmond Parkway acts as a major thoroughfare connecting Interstate 80 (I-80) to Interstate 580 (I-580), providing direct and convenient access to markets throughout the region and State including Marin County, the East Bay, San Francisco, and Sacramento Valley.

DISADVANTAGES

Unlike the newly developing Hercules, the North Richmond community has struggled for many years with urban problems and the negative perception that comes along with them. For decades, the Study Area has experienced higher than average rates of crime, blight, and unemployment than surrounding areas. While various community efforts are underway to improve the quality of life of North Richmond's residents, office users and, to a lesser extent, industrial users are sensitive to these social issues. Additionally, the North Richmond Study Area offers fewer retail and commercial amenities for local employees than many other locations within the Market Area (e.g., retail shopping centers including lunchtime establishments). Finally, infrastructure deficiencies also reduce the competitiveness of much of the North Richmond Area with many sites presenting access and storm drain issues. These deficiencies add costs to development projects and threaten to remove the price competitiveness that is key to the success of the Area.

NORTH RICHMOND INDUSTRIAL PROSPECTS

North Richmond has the potential to be competitive in capturing future industrial market demand in the West County Market Area. If infrastructure issues can be addressed, entitlement delays and uncertainties addressed, environmental remediation issues overcome, public services and improvements strengthened, retail options provided, suitable land assembled, and the quality of life in the neighboring residential areas improved, the Study Area could maximize its capture rate.

Given its competitive position relative to the areas in West County, North Richmond will be most competitive for industrial development, including warehouse and distribution, light industrial manufacturing, some R&D space, and flex space (a mix of office, research, assembly, light manufacturing, and storage space). Most standard office/R&D users will likely prefer to locate in Marina Bay, along Regatta Boulevard in Richmond or in the City of Hercules than in North Richmond. Policy decisions concerning the type of industrial development permitted will also affect the rate of new industrial construction.

POTENTIAL INDUSTRIAL CAPTURE RATES

The ultimate capture rate will depend, in large part, on the success of the County RDA and other efforts to improve the Area and the land use and other policies adopted in the coming years. Without strong efforts, the North Richmond area might be expected to capture about 10 percent of future, unmet industrial demand, while with a concerted and successful program its capture rate could increase to as much as 35 percent. These capture rates result in the following space and land demands (see **Table 8**):

- **10 Percent Capture.** Under this scenario, the North Richmond area would capture about 450,000 square feet of new development beyond projects already in the pipeline, or about 40 acres of new industrial land development. This is the equivalent of about 20,000 square feet or 1.5 acres each year over the next 25 years.
- **35 Percent Capture.** Under this scenario, the North Richmond area would capture about 1.6 million square feet of new development beyond projects already in the pipeline, or about 145 acres of new industrial land development. This is the equivalent of about 60,000 square feet or 6.0 acres each year over the next 25 years.

TYPES OF INDUSTRIAL DEMAND

The North Richmond area will need to use its competitive advantages of lower price points and larger available areas to maximize its capture rate. In addition, it will need to appeal to the range of users interested in North Richmond locations.

The County RDA has sought to maintain Areas A, B, and C as industrial uses, but also wants these areas to be more compatible with residential uses (e.g., less of an eyesore to those passing through the Study Area) and more employment-intensive. County RDA policies reflect a preference for “cleaner” light industrial users rather than more heavy industrial or distribution/warehouse uses. Preferred light industrial users include landscaping and construction contractors, office supply distributors, and small manufacturing operators. The County RDA has suggested that they want new industrial users that can be housed in industrial business parks similar to those in North Concord, Vallejo, and Fairfield. These parks are well-maintained with landscaping and ample parking for employees and customers, and do not have any outside storage area for trucks or equipment. While such policies support the development of higher-value, more employment-intensive industrial uses, they likely limit the pace of industrial redevelopment in the area.

Potential tenants are likely to range from smaller local suppliers and manufacturers to larger storage, distribution, and assembly tenants seeking larger spaces in business park environments. The space requirements of these tenants needs are expected to range from 5,000- to 10,000-square foot spaces in 40,000-square foot or larger industrial condominium buildings to 25,000- to 100,000-square foot spaces in large buildings,

Table 8
Projected Industrial Demand in the North Richmond (2005-2030)
North Richmond Redevelopment Project Area Study; EPS #14051

Item	Building Sq. Ft.	Land Acres
West County Area Demand	8,100,000	745
West County Area Pipeline	<u>3,600,000</u>	<u>331</u>
West County Net Demand	4,500,000	414
N. Richmond - 10% Capture	450,000	41
N. Richmond - 35% Capture	1,575,000	145

Source: Economic & Planning Systems, Inc.

similar to the spaces at Point Pinole Business Park in the City of Richmond and 2250 Central Road in North Richmond. Developments are likely to require one to two parking spaces per 1,000 square feet and loading docks, though the provision of two or more parking spaces will maximize user options. Landscaping and employee amenities, including picnic tables and benches, are likely to make the developments more competitive. There will also be a continued short-term demand for storage spaces with open-air yard space, the type of use that is currently not permitted by the County.

IV. RESIDENTIAL MARKET OPPORTUNITIES

This chapter provides an overview of demand for residential development in the North Richmond area, and, in particular, developer interest in converting underutilized or vacant industrial land in Areas A, B, and C into residential uses.

RESIDENTIAL MARKET OVERVIEW

The residential market throughout the San Francisco Bay Area has been exceptionally strong for well over five years. Spurred by continued population growth, historic housing shortages, low interest rates, and changing lending practices, housing prices have increased by an average of close to 10 percent each year in the Bay Area despite the economic downturn. Coupled with the weakened office and industrial markets and the associated high vacancy rates, landowners and developers throughout the Bay Area have sought to obtain zoning changes for underutilized and vacant industrial land to residential. As described below, North Richmond is experiencing the same trend.

RECENT AND PROPOSED PROJECTS

As described above, Area D is the sole residential area in North Richmond. Much of the housing in this residential neighborhood, including single-family detached homes and multifamily complexes, were built for workers arriving in the area in the early 1940s and many of the apartment buildings are now owned and managed by the Housing Authority of the County of Contra Costa.

RECENT DEVELOPMENTS

One newer, public/nonprofit-driven housing development, completed by the Community Housing Development Corporation of North Richmond (CHDC) and Oakland Community Housing (OCHI), is Parkway Estates on the western edge of Area D at Richmond Parkway and Gertrude Avenue. This development has a total of 87 affordable and market rate single-family homes that were developed in 2000. Of the total, 39 units were sold to low- and moderate-income households. At the time of initial sale, three- to five-bedroom, 1,464- to 1,972-square foot homes sold for \$140,500 to \$164,000 in Phase I and \$172,500 to \$194,500 in Phase II. Today, they are commanding asking prices of \$470,000 to \$490,000, which is almost three times the original sale price over the five-year period.

APPROVED PROJECTS

The last remaining large site in Area D was recently sold to KB Homes and has been approved for the development of 173 detached single-family homes on 20 acres, including both market-rate and below market-rate homes. The project, Bella Flora, will have a gross density of about 8.5 units per acre. This site is located adjacent to Richmond Parkway near Gertrude Avenue. This is the first large, privately driven housing project in North Richmond in many years, and reflects the increasing demand for housing development in the region as well as in the Richmond area.

PROPOSED PROJECTS

Signature Properties is looking to develop a 60-acre site, directly to the north of the KB Homes project, along Richmond Parkway and north of Wildcat Creek. If approved, this will be the first major residential project in the industrial area of North Richmond. The project would likely include 300 to 350 units, including single-family detached homes, townhomes, and condominiums, with product densities ranging from 9 to 20 units per acre. Signature Properties may also set aside a portion of the area for retail development to enhance the appeal of the project.

RESIDENTIAL PROSPECTS

This section provides more detailed information on the prospects for residential development in the North Richmond area and is based on interviews with developers and other real estate professionals who are evaluating the area. North Richmond's central location and relatively cheap land costs are attracting residential developers to the area. The recent interest from private residential developers, including KB Homes and Signature Properties, provides a strong indication of the potential demand for new housing development in the North Richmond area.

MARKET NICHE

The location, demographics, and nature of the area combined with community concerns that new residential development is supportive of and integrated with the existing community suggest a particular market niche. In particular, young families and first-time homebuyers currently residing in West County are expected to drive new residential demand. These families are looking to stay in the general area and want to stay integrated with the broader community, but are also seeking opportunities to purchase reasonably priced homes. At present, few such homes are available. The distance from transit and urban amenities as well as the importance of integration with

the community means there will be less demand from young professionals, a group that is driving much of the new construction and industrial conversion efforts in other parts of the Bay Area.

TYPE OF HOUSING

The families interested in purchasing housing in the North Richmond area will primarily be interested in single-family detached housing at lower to moderate price points relative to market rate development elsewhere in the Bay Area. Small-lot, single-family detached development with net densities in the 8- to 12-unit-per-acre range and unit sizes in the 1,200- to 2,000-square foot range are most likely to provide this type of housing at more affordable prices. Attached product, in particular townhomes, could also attract a portion of the demand.

PRICE POINTS

Developers will need to charge prices as low as possible given the need to cover land and development costs, provide below-market rate units, and receive a return on investment. Prices in the high \$300,000s into the mid-\$400,000s are likely to achieve the highest absorption rates, though price points will increase through time if the residential market continues its current trajectory.

LOCATION AND AMENITIES

Locations adjacent to other residential development and close to amenities such as parks and schools will be preferred. Locations adjacent to heavy industrial uses will create too many use conflicts for both uses to continue, though adjacencies to light industrial/service commercial uses with lower trip counts could work.

The provision of amenities will be an important consideration if North Richmond looks to expand its residential presence significantly. There are currently minimal retail uses nearby, and developers may look to provide some small-scale retail uses to support this residential development. Other amenities of importance include safe parks and local schools.

SCALE OF DEMAND

At present, there is a significant demand for housing in the area. Signature Properties' interest in a 60-acre site in Area B is an indicator of private developer interest and in the overall potential for residential development. With few, large sites available in Area D,

developers are starting to look into traditionally industrial areas. In addition to the Signature Properties development, the City of Richmond is considering proposals for residential development just outside the Study Area to the north of Richmond Parkway.

While demand is strong, there are feasibility limitations on development related to site clean-up, increasing land prices, the need to provide amenities, and the importance of price competitiveness relative to other areas. Nevertheless, residential development has the potential demand to generate a demand for over 200 acres of land in the next 25 years.

AFFORDABLE HOUSING DEVELOPMENT

In addition to private developer-driven housing, which will include below-market-rate units, there is an ongoing need for subsidized affordable housing in North Richmond. The area benefits from the activities of a number of nonprofit housing groups such as OCHI and Eden Housing, as well as the CHDC.

These groups have developed a number of affordable housing projects in North Richmond in recent years. For example, the Heritage Community Senior Apartments is a complex of 51 one-bedroom affordable rental units for low-income seniors with on-site social services and is adjacent to a community health clinic and neighborhood commercial facility.

Nonprofit housing groups are expected to continue to respond to the need for subsidized housing by working with the CHDC and the County RDA to finance such projects. These projects will also require additional land, and while most of them will likely be integrated into the existing residential neighborhood in Area D, if residential development spreads into other areas, affordable housing projects could also occur there.

V. LAND USE POLICY CHANGES

A central element of this report is to provide background and direction regarding key land use policy choices. Land use policy decisions will have a direct impact on infrastructure requirements as well as infrastructure financing options. In the case of the North Richmond Project Area, very distinct land use directions present themselves. This chapter outlines three potential land use policy scenarios for further evaluation. Each of these scenarios represents a “realistic” future given the characteristics of the area and market conditions. It also describes some of the different implications of each of the scenarios. Differences in infrastructure needs are described in the next chapter.

LAND USE POLICY SCENARIOS

The type of development in North Richmond will depend on the mix of land use policies, market opportunities, development constraints, and interested developers. One key decision will be the land use policies of the County over the next 20 years, in particular the land use permitted in the different subareas of North Richmond. To inform additional infrastructure and financing analysis, different land use scenarios should be evaluated and a preferred policy direction selected. Depending upon the choice of direction, subsequent land use policy actions (e.g., General Plan Amendment, Zoning Ordinance Amendment, etc.) will need to be pursued.

For the purposes of this report, three potential land use scenarios were considered. The scenarios were developed to reflect the range of possible approaches and include the following:

- 1. Maintain Existing General Plan.** Under this scenario, existing General Plan land use designations would be maintained. Area D would remain the only residential area in North Richmond with the other areas maintaining industrial land use designations.
- 2. Expand Residential Areas, Protect Some Industrial Areas.** Under this scenario, land use designations would be adjusted to accommodate additional residential development in Area C, though Areas A, B, E, and any remainder of Area C would maintain their existing, industrial land use designations and would not be converted to be residential uses.
- 3. Market Accommodating Policy Changes.** Under this scenario, land use designations would be altered, and requests to convert industrial land to residential or commercial land uses would be approved on a case-by-case basis.

SCENARIO EVALUATION

The preferred land use scenario will depend on the particular goals and preferences of the County and the North Richmond residents and businesses. This section describes some of the key implications of and differences between the scenarios. These descriptions are intended to inform the policy discussion and are not comprehensive. The varying infrastructure needs and financing requirements by scenario are described in subsequent chapters of this report.

DEVELOPMENT POTENTIAL

The most immediate difference between the different scenarios is the “buildout” development permitted. The development potential will depend on a number of uncertain factors including the sale of any public land to private land owners, the types of businesses interested in the area, and the type and intensity of buildings constructed. For example, a portion of the land in Area B owned by the West County Wastewater District is going to be leased to private users and may eventually be sold to private developers. The casino proposal in Area A would also have a significant effect on the use of land as would decisions concerning the density of industrial or residential development.

Berryman & Henigar estimated the land available for private development. Potential levels of industrial and residential development were based on market-based residential densities and industrial floor-area-ratios. The land use scenarios do not contemplate changes in Area D, and so the existing residential neighborhood is not included in the estimates. Estimates of development potential are provided for Scenarios 1 and 2 (including a base, moderate, and aggressive scenario). The less policy-directed, more market-based Scenario 3 makes estimates of development potential by location more difficult as it provides complete flexibility to adjust to market forces. As shown in **Table 9**, Berryman & Henigar estimate that about 515 acres of the total 800 acres in Areas A, B, C, and E could be available for private development/ redevelopment. Estimates of development potential are summarized below.

- **Scenario 1.** Under Scenario 1, General Plan designations remain as they are and land is developed and redeveloped with industrial construction. At buildout, the 514 acres of land that could be in private ownership would support 5.6 million square feet of industrial development. This represents about three and a half times the amount reasonable to assume for market capture in North Richmond through 2030.
- **Scenario 2a.** Under Scenario 2a, residential development is permitted in a portion of Area C. Under Scenario 2a, the baseline Scenario 2, a total of 60 acres, likely the Signature Properties development, is allowed to develop with non-industrial uses.

Table 9
Development Potential by Scenario
North Richmond Redevelopment Project Area Study; EPS #14051

Item	Area A	Area B	Area C	Area E	Total
Total Acres	315	170	250	65	800
Developable Acres	183	86	210	35	514
FAR Assumptions (rounded)	0.25 (all areas)				
Units/ Acre Assumptions	8 (all areas)				
Scenario 1: Existing General Plan					
Industrial Acres	183	86	210	35	514
Residential Acres	0	0	0	0	0
Industrial Development (sq. ft.)	2,000,000	930,000	2,290,000	380,000	5,600,000
Residential Development (units)	0	0	0	0	0
Scenario 2a: Portion of Area C (Baseline) (1)					
Industrial Acres	183	86	150	35	454
Residential Acres	0	0	60	0	60
Industrial Development (sq. ft.)	2,000,000	930,000	1,630,000	380,000	4,940,000
Residential Development (units)	0	0	480	0	480
Scenario 2b: Portion of Area C (Moderate) (2)					
Industrial Acres	183	86	100	35	404
Residential Acres	0	0	110	0	110
Industrial Development (sq. ft.)	2,000,000	930,000	1,090,000	380,000	4,400,000
Residential Development (units)	0	0	880	0	880
Scenario 2c: Portion of Area C (Aggressive)					
Industrial Acres	183	86	0	35	304
Residential Acres	0	0	210	0	210
Industrial Development (sq. ft.)	2,000,000	930,000	0	380,000	3,310,000
Residential Development (units)	0	0	1680	0	1,680
Scenario 3: Market-Driven (3)					
Industrial Acres	--	--	--	--	304
Residential Acres	--	--	--	--	210
Industrial Development (sq. ft.)	--	--	--	--	3,310,000
Residential Development (units)	--	--	--	--	1,680

(1) Assumes proposed Signature Properties development is permitted in Area C.

(2) Assumes residential development permitted under Brookside Avenue in Area C.

(3) Assumes residential development is permitted to occur wherever developers are interested.

Residential demand is assumed to be for 210 acres within the next twenty years.

Sources: Berryman & Henigar; Economic & Planning Systems, Inc.

Under this scenario, the buildout potential of the Study Area is for about 4.9 million square feet of industrial development and about 500 units of residential development.

- **Scenario 2b.** Under Scenario 2b, residential development is permitted in a portion of Area C. Under Scenario 2b, the moderate Scenario 2, a total of 110 acres in Area C, likely most of the land up to Brookside Avenue, is re-designated to allow residential development. Under this scenario, the buildout potential of the Study Area is for about 4.4 million square feet of industrial development and about 900 units of residential development.
- **Scenario 2c.** Under Scenario 2c, residential development is permitted in Area C in entirety. Under Scenario 2c, the more aggressive Scenario 2, a total of 210 acres in Area C is re-designated to allow residential development. Under this scenario, the buildout potential of the Study Area is about 3.3 million square feet and nearly 1,700 units of residential development. There is no industrial development in Area C under this scenario.
- **Scenario 3.** Under Scenario 3, residential development is allowed to occur wherever there is developer interest. Under this scenario, the location of new housing development is less certain, though it will likely start along Richmond Parkway and grow from there. Under this scenario, a total of 210 acres throughout the area is expected to be in residential development by 2030 or about 1,700 units based on the market assessment. This leaves the potential for about 3.3 million square feet of industrial development.

DEVELOPMENT TIMING

Chapters III and IV outlined the market opportunities for industrial and residential development, in particular:

- **Industrial.** The level of demand for industrial development in North Richmond between 2005 and 2030 was estimated to vary between 450,000 and 1.6 million square feet of industrial development, or between 20,000 and 60,000 square feet per annum. The higher level of demand could be captured if the primary barriers to industrial demand are addressed.
- **Residential.** Developer interest currently indicates demand for development of about 40 to 60 acres of land for residential development. By 2030, residential demand is expected to be for 200 or more acres. For the purposes of this analysis, market demand for residential development is assumed to support the development of 210 acres.

These indications of demand suggest the following development timing for each of the scenarios:

- **Scenario 1.** Scenario 1 provides industrial development capacity well beyond the most optimistic projections of demand through 2030. Under this scenario, about 28 percent of the potentially developable/redevelopable areas will be redeveloped by 2030 under the optimistic projections. The remaining development would likely occur over the subsequent decades.
- **Scenario 2a.** Under Scenario 2a, residential development of about 60 acres in Area C would likely occur over the next five years or so with industrial development occurring through time. Up to 32 percent of industrial development capacity would be absorbed by 2030 under the optimistic projections, likely the most marketable sites, with the remaining land developing beyond this timeframe.
- **Scenario 2b.** Under Scenario 2b, residential development of about 110 acres in Area C would likely occur over the next ten or so years. Up to 36 percent of industrial development capacity would be absorbed by 2030 under the optimistic projections, leaving the remaining land for development at a future time.
- **Scenario 2c.** Under Scenario 2c, residential development of about 210 acres in Area C would likely occur over the next twenty five years. Under the optimistic projections, close to 50 percent of the industrial development potential would also be absorbed by 2030.
- **Scenario 3.** Under this Scenario 3, residential development would occur through time, covering around 210 acres of the area. Under the optimistic market projections, close to 50 percent of the industrial development capacity could be absorbed. This does not, however, take account of the land use conflicts and associated reductions in industrial development potential.

LAND USE CONFLICTS

Land use conflicts increase as the mix of uses expands. Residential development, in particular, can generate conflicts with other uses, including industrial and retail development if not carefully managed. As a result, from a land use conflict perspective, Scenario 1 is the easiest to manage. Scenario 3, however, which would permit residential development to occur wherever there is developer interest, would likely strongly limit future industrial development adjacent to these developments. Only light industrial development with a relatively low trip generation would be compatible.

Scenarios 2a and 2b would generate land use integration challenges, but in discrete locations. The adjacency of the potential residential areas to Richmond Parkway to the west and to the housing in Area D to the south makes the primary area of concern the

northern edge of the new residential area. Policies and requirements governing the residential development along this edge, including landscaping and buffers among other, would likely be required to minimize the negative impact on future levels of industrial development. Scenario 2c would avoid some of these challenges, though the new residential development would still need to be appropriately integrated with some of the existing uses.

FISCAL IMPACTS

Different development scenarios will have different impacts on the County's budget. In addition to generating different levels of assessed value and hence tax increment to the County RDA, future developments will require expenditures to provide services and will generate additional revenues for the County. Residential development, in particular, will generate service costs to the County in the form of additional public safety, parks and maintenance, and public works costs. Some of these costs may be offset by the sales taxes, motor vehicle in-lieu fees and related property taxes, and fines and forfeiture revenues associated with new residential development. The net fiscal impact on the County's fund would require a more detailed fiscal impact analysis, though it is possible that the new residential development could result in a negative impact on the County's General Fund. The County and North Richmond residents will need to consider these effects against the higher levels of tax increment revenues that would be generated to the Redevelopment Agency by residential development and the availability of potential mitigating measures, such as Mello-Roos Community Facilities District (CFD) payments for certain public services.

VI. INFRASTRUCTURE NEEDS ANALYSIS

The infrastructure needs analysis evaluates infrastructure needs in the Study Area in each of five subareas under each of the development scenarios. This information provides a technical basis for considering the feasibility of the scenarios and also targeting related implementation efforts. Lack of adequate backbone infrastructure is one of the key obstacles to development in the North Richmond area. Infrastructure problems include deteriorating roadways, inadequate water transmission and wastewater facilities, and inadequate drainage facilities. In identifying the backbone infrastructure that will be needed within the area, a range of previously published documents were reviewed. The current service providers were contacted and interviewed to document infrastructure needs. The backbone facilities include those improvements needed to support development of the area as a whole. Site related improvements needed to support development on a specific parcel are not included in this analysis.

COST ESTIMATE SUMMARY

INFRASTRUCTURE COSTS BY SCENARIO

Infrastructure cost estimates are summarized in **Table 10** and described below.

1. *An investment of about \$26.1 million is required to improve backbone infrastructure and support the redevelopment of the area with industrial uses.*

The existing infrastructure does not adequately address development in the North Richmond study area. The “base” infrastructure investment required is \$26.08 million and could support the development of the area with industrial uses. The majority of the infrastructure investment is required for roadways, about \$15.3 million, with right of way acquisition, drainage, and the water distribution the primary other investments required.

2. *Residential development will require additional infrastructure.*

Residential development will require additional investments in infrastructure. Planning-level estimates of infrastructure required were developed based on per-unit infrastructure investment assumptions. The additional infrastructure investment under Scenario 2a is \$5.5 million. Scenario 2b, with a moderate level of residential development, will require an investment of \$15.2 million. Scenario 2c, with the highest level of residential development, will require an investment of \$29.0 million. These improvement investments are in addition to the “base” level described above. As a result, Scenario 1 will require an investment of \$26.1 million, Scenario 2a an investment of \$31.6 million, Scenario 2b an investment of \$41.3 million, and Scenario 2c an investment of \$55.1 million. Scenario 3, similar to Scenario 2c, is estimated to require a total investment of \$55.1 million.

Table 10
Infrastructure Costs
North Richmond Redevelopment Project Area Study; EPS #14051
(Cost in Million \$\$)

Improvement Type	Area A	Area B	Area C	Area E	Other	Total
Base Infrastructure (1)						
Backbone Roadways	\$1.94	\$0.63	\$9.97	\$0.85	\$1.90	\$15.29
Right-of-Way Acquisition	\$0.49	\$0.00	\$3.81	\$0.48	\$0.00	\$4.78
Backbone Water Distribution	\$0.82	\$0.38	\$0.94	\$0.15	\$0.00	\$2.29
Backbone Wastewater Conveyance	\$0.00	\$0.00	\$0.75	\$0.00	\$0.00	\$0.75
Backbone Drainage	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$2.97</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$2.97</u>
Subtotal	\$3.25	\$1.01	\$18.44	\$1.48	\$1.90	\$26.08
Additional (Residential) Infrastructure (2)						
Scenario 1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Scenario 2a	\$0.00	\$0.00	\$5.52	\$0.00	\$0.00	\$5.52
Scenario 2b	\$0.00	\$0.00	\$15.18	\$0.00	\$0.00	\$15.18
Scenario 2c	\$0.00	\$0.00	\$28.98	\$0.00	\$0.00	\$28.98
Scenario 3	--	--	--	--	--	\$28.98
Total Infrastructure Costs						
Scenario 1	\$3.25	\$1.01	\$18.44	\$1.48	\$1.90	\$26.08
Scenario 2a	\$3.25	\$1.01	\$23.96	\$1.48	\$1.90	\$31.60
Scenario 2b	\$3.25	\$1.01	\$33.62	\$1.48	\$1.90	\$41.26
Scenario 2c	\$3.25	\$1.01	\$47.42	\$1.48	\$1.90	\$55.06
Scenario 3	--	--	--	--	--	\$55.06

(1) The base infrastructure can support industrial development through the area.

(2) Additional infrastructure represents the additional infrastructure required to support residential development.

Cost estimates are very preliminary and are based on per unit backbone costs of between \$10,000 and \$18,000 per acre.

Source: Berryman & Henigar; Economic & Planning Systems, Inc.

3. *The required infrastructure investment varies considerably by area.*

Area C has by far the greatest infrastructure investment need of \$18.4 million for the base infrastructure. Areas A and B, also significant in size, have much lower infrastructure needs. Area E has a high infrastructure requirement relative to its size.

4. *Additional maintenance costs will be created if the required infrastructure improvements are completed.*

Based upon the current expenditures by the City of Richmond within the Hilltop Landscape Maintenance District, the costs of landscape maintenance for the roadways to be improved within the North Richmond Redevelopment Area are estimated to be \$275,000 annually. Roadway maintenance is typically 1 to 2 percent per year of construction costs, or between \$150,000 and \$300,000 annually for the \$15 million base investment in roadway.

DEVELOPMENT AND INFRASTRUCTURE PHASING

The total cost of the base backbone infrastructure within the North Richmond Redevelopment Project Area, as noted above, is estimated to be \$26.08 million, including all of the backbone infrastructure that would be constructed within the roadways/public right of way. The estimated cost of the roadway improvements does not include the costs of outside lanes of the circulation roadways and related improvements. It is expected that the cost of those improvements will be the responsibility of the adjacent property owner. However, if individual property owners along the roadway are not ready to develop at the time the improvements are constructed, the related costs of the outside lanes may need to be financed along with the backbone improvements.

Areas within the Redevelopment Project Area where adequate infrastructure exists include parcels which front on Parr Boulevard as well as those parcels with frontage along Richmond Parkway. These areas generally have adequate water and sewer facilities to support new development. Any major development or redevelopment along Parr Boulevard would require frontage improvement to the street. In addition, while drainage is a significant issue in much of the Redevelopment Project Area, because these parcels are located to the north of San Pablo Creek, there are no drainage issues in this area as compared to other areas within the Redevelopment Project Area.

The land areas within Area C nearest to Richmond Parkway are also generally considered to have good near-term development potential, if the infrastructure deficiencies are resolved. This includes providing adequate storm drainage facilities and improved roadways. Some improvement in sewer collection and water facilities would also be required to support increased levels of development in this area.

Increased levels of infrastructure improvements would be needed in the areas further removed from Richmond Parkway and these areas are not likely to develop before those parcels near Richmond Parkway.

There are several parcels of land will not be available for new development or redevelopment within the foreseeable future. These “unavailable” land areas include the land included as part of the West Contra County Sanitary Landfill and land owned by the West County Wastewater District, East Bay Municipal Utility District’s North Richmond Water Reclamation Center and the West County transfer station.

INFRASTRUCTURE PHASING AND COSTS

The phasing of infrastructure improvements was reviewed and analyzed for the North Richmond Redevelopment Project Area including a review of the circulation, drainage, water and wastewater facilities needed to support development within the area. The phasing of certain infrastructure improvements is dependent on the system itself. For example, drainage and wastewater systems generally require that downstream trunk facilities be constructed before the construction of upstream laterals to serve specific parcels. Street improvements can often be phased in based upon the timing of specific development project. The following identifies the major infrastructure facilities that will be required and the recommended phasing of those facilities. It should be noted that the phasing of the infrastructure facilities shown in **Table 11** is intended only as a guideline based upon the assumption that development within the North Richmond Redevelopment Project Area will generally occur from west to east with land near Richmond Parkway being the first to develop as well as the parcels along Parr Boulevard.

BACKBONE ROADWAY SYSTEM

The Backbone Roadway System consists of those roadways within the North Richmond Redevelopment Project Area that are north of Wildcat Creek and are based upon the backbone roadways identified in the “North Richmond Planned District Map”. Specific roadway improvements needed to facilitate redevelopment include the following backbone roadway improvements:

- Brookside Drive – widen to 2-lane collector from Central Street to 3rd Street
- Brookside Drive – widen to 2-lane collector from 3rd Street to SPRR tracks including realignment of roadway to meet geometric standards
- Central Street – widen to 2-lane collector standards from Pittsburg Avenue to Brookside Drive

Table 11
Improvement Phasing Plan
North Richmond Redevelopment Project Area Study; EPS #14051

Improvement	Legend	Limits	Phase 1	Phase 2	Phase 3	Residential Alternate
Roadways						
Brookside Drive	2	3 rd Street to eastern boundary			\$1,403,400	
Brookside Drive	1	Central to 3 rd Street		\$576,600		
Pittsburg Ave	4B	Richmond Parkway to Central Ave	\$1,670,230			
Pittsburg Ave	4C	Central Ave to 3 rd Street		\$1,541,800		
Pittsburg Ave	5	3 rd Street to extension of 7th Street			\$3,139,400	
Central Ave	3	Pittsburg Ave to Brookside Drive			\$621,600	
7 th Street	6	Pittsburg Ave to Brookside Drive			\$1,692,900	
3 rd Street	7	Wildcat Creek to Pittsburg Ave	\$989,400			
	8A	Pittsburg Ave to Brookside Drive		\$772,900		
	8B	Brookside Drive to Goodrick Rd		\$1,668,700		
Parr Blvd.	9A	Richmond Parkway to 3rd Street	\$2,680,500			
	9B	3rd Street to Eastern Boundary			\$2,712,200	
Residential Alt.						\$3,400,000 to \$6,000,000
Water Distribution						
New 12" line in Parr Blvd		Garden Tract to 3 rd Avenue	\$790,000			
New 12" line in Pittsburg Ave		Garden Tract to Central Avenue	\$460,000			
		Central Avenue to 3 rd Street		\$260,000		
		3 rd Street to Brookside Drive tie-in			\$180,000	
New 12" line in Central Ave		Pittsburg Ave to Brookside Drive			\$190,000	
New 12" line in Goodrick		Realigned section of Goodrick and 3 rd Street		\$410,000		
Wastewater						
Goodrick Ave		Realignment with 3 rd Street tie-in		\$300,000		
Pittsburg Ave		Pittsburg Ave tie-in with Brookside Drive			\$450,000	
Drainage						
Detention and pumping facilities		Specific locations to be determined.		\$1,100,000		
Totals			\$6,630,000	\$10,389,500		\$3,400,000 to \$6,000,000

Source: Berryman & Henigar; Economic & Planning Systems, Inc.

- Pittsburg Avenue – widen to 2-lane collector from Garden Tract to 3rd Street
- Pittsburg Avenue – construct to 2-lane collector standards from 3rd Street to extension of 7th Street.
- 7th Street – construct to 2 lane collector standard from Pittsburg Avenue to realigned Brookside Drive
- 3rd Street – widen to 2 lane collector from Wildcat Creek to Pittsburg Avenue
- 3rd Street – widen to 2 lane collector for Pittsburg Avenue including realignment to tie into Goodrick Road
- Parr Boulevard – widen to 4 lane arterial standard from Richmond Parkway to SPRR tracks

Based upon the expected levels of development within the project area, these improvements will provide sufficient capacity to allow the backbone road system to operate at a Level of Service of C or better (the General Plan-based service standard) based upon the projected trips that the various land uses will generate.

Table 11 shows the estimated costs of the backbone roadways by roadway segment. **Figure 2** shows the location of each project. Included within the costs are costs of mass grading, surface improvements (interior lanes), traffic signals and lighting, dry utilities, sidewalks, landscaping and storm drainage improvements as needed for a functioning roadway. A 20 percent construction contingency was included, as have costs for engineering and construction administration. The costs were developed by taking detailed construction costs estimates for similar types of roadways and using them to estimate costs for the each roadway. Construction costs for the projects used were updated based upon the unit costs shown in **Table 11**. Right-of-way costs were based upon \$12 per square foot for the additional right-of-way that will be required.

The phasing of the roadway improvements within the North Richmond Redevelopment Project Area can be approached in several ways. One approach would be to construct all of the major street improvements to ultimate design standards in a series of construction phases corresponding with the assumed phasing of development. Following this approach, roadway improvements would first be done on those roads which are served off of Richmond Parkway. As development progresses, the improvements would be extended to match the pace of development.

Another approach would be to construct interim roadway improvements in a series of construction phases wherein partial improvements are constructed initially while traffic volumes are low. The final roadway is then constructed at a later date with the full number of lanes and related improvements as development occurs and traffic volumes

warrant the full improvement. This approach is generally recommended since it provides improved circulation and access to property at a minimum initial cost. This approach also provides flexibility in terms in the timing of construction of other infrastructure improvements.

Table 12 shows the estimated preliminary costs for roadway improvements related to three phases of development. The costs shown are for full roadway improvements including grading, paving, curbs, sidewalks, street lighting, traffic signals, and other miscellaneous costs. It should be noted that if interim improvements were constructed for each phase the initial costs will be reduced, but the total ultimate costs will probably be greater because of the extended time frame and the additional phases of construction that would be needed.

Although not a part of this study but acknowledged to be a current issue is the need to provide an alternative route for trucks accessing the light industrial areas south of Wildcat Creek and along the eastern boundary of the project area. The Redevelopment Agency has obtained a CalTrans Planning Grant to study this issue and to identify the best alternatives for providing improved access for this area.

WATER DISTRIBUTION

Water is under the jurisdiction of the East Bay Municipal Utility District (EBMUD), which provides water to property within the North Richmond Redevelopment Project Area. Based upon discussion with staff at EBMUD there is sufficient capacity to serve the area; however, upgraded water lines will be required to be installed within the major backbone roadways. Several of the major water distribution improvements needed to serve the area include:

- Replacement of existing 8" waterline with a new 12" waterline in Parr Avenue from Garden Tract to 3rd Avenue
- Replacement of existing 8" waterline with a new 12" waterline in Pittsburg from Garden Tract to Central and a new 12" waterline from Central to 3rd Avenue and extent to tie in with Brookside Drive
- Replacement of existing 8" waterline in Central Ave between Pittsburg to Brookside Drive
- Replacement of 12" waterline in realigned section of Goodrick Avenue
- The costs of the Backbone Water Distribution facilities are estimated to be \$2.29 million based upon an average of \$280/linear foot for design, construction, project management and contingency. The EBMUD collects a System Capacity Charge (SCC) for all new development to cover the costs of the backbone infrastructure including transmission mains, pumping facilities and storage reservoirs. If the backbone water improvements are constructed

Table 12
Estimated Costs for Backbone Roadways
North Richmond Redevelopment Project Area Study; EPS #14051

Roadway	Limits	Pvmnt Width	R/W	Estimated Const Cost	ROW Cost
Brookside Drive	3rd Street to eastern boundary	48	68	\$1,005,600	\$397,800
Brookside Drive	Central to 3rd Street	40	60	\$377,600	\$198,000
Central Street	Pittsburg Ave. to Brookside Drive	40	60	\$561,200	\$176,000
Pittsburg Avenue	Richmond Parkway to 3rd Street	56	76	\$2,419,500	\$792,500
Pittsburg Avenue	3rd Street to extension of 7th Street	56	76	\$1,801,800	\$1,337,600
7th Street	Pittsburg Ave to Brookside Drive	56	76	\$856,900	\$836,000
3rd Street	Wildcat Creek to Pittsburg Ave	48	68	\$979,600	\$10,000
	Pittsburg Ave to Brookside Drive	48	68	\$711,700	\$25,200
	Brookside Drive to Goodrick Rd	48	68	\$1,630,000	\$38,700
Parr Blvd.	Richmond Parkway to 3rd Street	56	76	\$2,368,700	\$831,800
	3rd Street to Eastern Boundary	56	76	\$2,576,700	\$135,500
Total Roadway Cost				\$15,289,300	\$4,779,100

Notes:

1. Roadway costs exclude water, sewer, reclaimed water facilities and regional storm drain facilities
2. Right of Way costs exclude local share (lane adjacent to private parcel for existing R/W)
3. Costs include 15% contingency, 8% for engineering design services and 8% for construction administration

Source: Berryman & Henigar; Economic & Planning Systems, Inc.

by property owners in order to allow development to occur in a timely manner, it would be advisable to request credit or reimbursement from EBMUD as SCC fees are collected in the future.

Other off-site and on-site improvements will be needed to serve specific parcels based upon specific development plans. These improvements would generally be the responsibility of individual property owners.

WASTEWATER CONVEYANCE

Wastewater collection and treatment is provided to property within the North Richmond Redevelopment Project Area by the West Contra Costa County Sanitation District and the West County Wastewater District. Based upon discussions with agency staff, no major off-site improvements are needed to serve the area. However, the existing sewer mains in Goodrick Ave would need to be relocated as part of the realigned section. A new sewer main would also be needed in the extension of Pittsburg Avenue to the Brookside Drive tie-in. It is expected that these lines would be constructed in easements within the new limits of the new right-of-way. The estimated costs for these realigned sections are estimated at \$0.75 million.

DRAINAGE FACILITIES

Infrastructure for the collection and conveyance of storm drainage is largely absent from the study area and represents the most serious infrastructure deficiency within Area C in particular and is within the 100-year flood zone. Storm water is currently collected in a series of drainage ditches and creeks and discharged into Wildcat Creek. There have been a series of projects over the years to restore Wildcat Creek and reduce flooding in the area. About a decade ago the Corps of Engineers collaborated with local groups on a flood control and restoration project on lower Wildcat Creek near Richmond Parkway. There is a current project to restore lower Wildcat Creek near Verde Elementary School. The City of Richmond and Contra Costa County Redevelopment Agency are working to determine a drainage strategy for the Northern portion of North Richmond's Industrial land.

In order to provide adequate storm drainage facilities for the study area, a series of surface drainage improvements will be needed to capture runoff from streets, parking/storage areas and other site run-off. These facilities will need to be capable of capturing runoff from a storm with a 10-year return period. Storm water will need to be collected in a detention basin located within the project area to provide temporary storage and then drained to existing drainage ways (Wildcat Creek or San Pablo Creek). A more detailed analysis of drainage requirements will be needed to adequately size

facilities and to ensure that the requirements of the NPDES permit are met including compliance with identified best management practices related to ensuring that the water quality of the storm runoff does not adversely impact the natural waterways.

Based upon an initial review of the project area, it is estimated that a five- to seven-acre site will be required for the construction of a detention facility for storm water runoff. This would require the purchase of a site for the construction of the facility. In addition major collection lines would need to be installed to collect storm runoff and convey it to the detention facility site. Because of the flat topography of the area, it is likely that pumping facilities would need to be constructed as part of the project. Treatment of run-off would most likely be required if retention basins are not used. The likely estimated costs are as shown below:

- Site Acquisition \$ 1,680,000
- Detention Facility \$ 475,000
- Pumping Station(s) \$ 350,000
- Major conveyance \$ 460,000
- Total Estimated Costs \$ 2,965,000

The costs for engineering, construction contingencies and project administration are included in the above estimates. Facilities could be constructed in phases to match the pace of development. However, a drainage master plan should be prepared for the area to establish the necessary grade and elevation criteria and to establish specific discharge requirements.

ADDITIONAL INFRASTRUCTURE COSTS FOR RESIDENTIAL DEVELOPMENT

Because of the continuing demand for housing within the West County area as described above, there is continuing interest to develop a portion of this area for housing. For example, Signature Properties has submitted a request for a General Plan Amendment that allows residential development for a 60-acre site within Area C. This area is directly adjacent to the KB Homes project. If residential development were to be allowed in at least a portion of this area, market demand would be for small single-family detached development with lot densities of 8 to 12 units per acre.

Based upon experience with similar projects and the existing infrastructure within the area, it is estimated that the costs of providing backbone infrastructure for this density of residential development would be in the range of \$85,000 to \$100,000 per acre based upon a development size of 40 to 60 acres with a density of 8 to 12 units per acre. This would equate to \$10,000 to \$12,000 per unit for backbone infrastructure within the development.

While specific sights have not been evaluated as part of this study, the potential for residential development within Area C appears to exist. In looking at infrastructure needs and costs associated with residential development, the area south of Brookside Drive was evaluated to identify the potential costs of infrastructure that would be needed. If this larger area were allowed to develop for residential uses, the costs per unit based upon a density of 8 to 12 units per acre would likely increase to \$16,000 to \$18,000 per unit based upon the need to provide enhanced levels of landscaping and open-space within the area.

INFRASTRUCTURE MAINTENANCE COSTS

The development of a range of new infrastructure in North Richmond will bring with it additional maintenance costs. The maintenance of this new infrastructure will be integrated into the established processes of the relevant service providers, some of which will recoup the additional maintenance costs through user fees. Some of the new infrastructure, such as public roads and landscaping, will result in net additional maintenance costs. The costs of road and landscape maintenance will vary depending on their configuration and level of maintenance service selected. For example, based upon the current expenditures by the City of Richmond within the Hilltop Landscape Maintenance District, the costs of landscape maintenance for the roadways to be improved within the North Richmond Redevelopment Area are estimated to be \$275,000 annually. Similarly, roadway maintenance is typically 1 to 2 percent per year of construction costs, or between \$150,000 and \$300,000 annually for the proposed \$15 million base investment in roadways. There are various financing options for maintenance costs as discussed in the next chapter.

VII. FINANCING CONSIDERATIONS AND NEXT STEPS

Financing and developing infrastructure will play a critical role in increasing the competitiveness of the North Richmond area in capturing new jobs and businesses. The County has access to a number of financing sources and mechanisms, each of which must be carefully considered. The variability of infrastructure costs and the pace of development by area and by scenario will have significant effects on financing needs and availability. Financial feasibility considerations and potential financing options are discussed below.

FINANCIAL FEASIBILITY CONSIDERATIONS

The relationship of the real estate value added and the related cost of infrastructure improvements is key to determining the feasibility and practicality of redevelopment, rezoning and related investment decisions. The variability of infrastructure costs by area results in significantly different cost burdens and feasibility challenges by area (see **Tables 13 to 17**). As shown, Area C will require land values of over \$20 per developable land square foot to support the infrastructure required, unless significant public funding is available. Under current market conditions, this land value cannot be supported by industrial development, but likely can be supported by residential development. As a result, the pace of Area C redevelopment will be closely tied to land use policy decisions. Areas A and B, however, have significantly lower cost burdens and industrial development likely will be able to carry a large proportion of their area infrastructure costs.

ONE-TIME DEVELOPER CONTRIBUTIONS

Developers are often required to contribute directly towards the financing on the backbone infrastructure required to serve their project as well as that of the broader area. As recognized above, however, the cost burden that can be placed on new development is limited by the market value of the development. The two primary mechanisms for direct developer contributions include Developer Agreements (DAs) and development impact fees, as described below.

DEVELOPMENT AGREEMENTS

For large developments, requiring General Plan amendments and other discretionary actions, DAs are often executed between the public entity and the developer which specify the precise financial contributions or infrastructure construction obligations of the developer. In North Richmond, this type of approach may be most suitable for residential developments. For example, residential developers could be required to pay for the backbone infrastructure costs that serve their projects. Furthermore, based on the preliminary estimates of Berryman & Henigar, a \$5.5 million payment may be

Table 13
Cost Burden Analysis - All Subareas
North Richmond Redevelopment Project Area Study; EPS #14051

Item	Scenario 1	Scenario 2C	Scenario 2B	Scenario 2C	Scenario 3
Potential Land Development to Buildout					
Acres	514	514	514	514	514
Land Sq. Ft.	22,372,416	22,372,416	22,372,416	22,372,416	22,372,416
Potential Land Development Through 2030					
Acres	145	205	255	355	355
Land Sq. Ft.	6,316,200	8,929,800	11,107,800	15,463,800	15,463,800
Infrastructure Cost					
Base	\$26,080,000	\$26,080,000	\$26,080,000	\$26,080,000	\$26,080,000
Additional (New Residential)	<u>\$0</u>	<u>\$5,520,000</u>	<u>\$15,180,000</u>	<u>\$28,980,000</u>	<u>\$28,980,000</u>
Total	\$26,080,000	\$31,600,000	\$41,260,000	\$55,060,000	\$55,060,000
Cost Burden per Land Sq. Ft. to Buildout					
Base	\$1.17	\$1.17	\$1.17	\$1.17	\$1.17
Additional (New Residential)	<u>\$0.00</u>	<u>\$0.25</u>	<u>\$0.68</u>	<u>\$1.30</u>	<u>\$1.30</u>
Total	\$1.17	\$1.41	\$1.84	\$2.46	\$2.46
Cost Burden per Land Sq. Ft. Through 2030					
Base	\$4.13	\$2.92	\$2.35	\$1.69	\$1.69
Additional (New Residential)	<u>\$0.00</u>	<u>\$0.62</u>	<u>\$1.37</u>	<u>\$1.87</u>	<u>\$1.87</u>
Total	\$4.13	\$3.54	\$3.71	\$3.56	\$3.56
Required Land Value	\$12.51	\$10.72	\$11.26	\$10.79	\$10.79

Source: Berryman & Henigar; Economic & Planning Systems, Inc.

Table 14
Cost Burden Analysis - Area A
North Richmond Redevelopment Project Area Study; EPS #14051

Item	Scenario 1	Scenario 2A	Scenario 2B	Scenario 2C
Potential Land Development to Buildout				
Acres	183	183	183	183
Land Sq. Ft.	7,980,628	7,980,628	7,980,628	7,980,628
Potential Land Development Through 2030				
Acres	52	59	66	88
Land Sq. Ft.	2,253,098	2,551,127	2,867,173	3,811,565
Infrastructure Cost				
Base	\$3,927,763	\$3,927,763	\$3,927,763	\$3,927,763
Additional (New Residential)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total	\$3,927,763	\$3,927,763	\$3,927,763	\$3,927,763
Cost Burden per Land Sq. Ft. to Buildout				
Base	\$0.49	\$0.49	\$0.49	\$0.49
Additional (New Residential)	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
Total	\$0.49	\$0.49	\$0.49	\$0.49
Cost Burden per Land Sq. Ft. Through 2030				
Base	\$1.74	\$1.54	\$1.37	\$1.03
Additional (New Residential)	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
Total	\$1.74	\$1.54	\$1.37	\$1.03
Required Land Value	\$5.28	\$4.67	\$4.15	\$3.12

Source: Berryman & Henigar; Economic & Planning Systems, Inc.

Table 15
Cost Burden Analysis - Area B
North Richmond Redevelopment Project Area Study; EPS #14051

Item	Scenario 1	Scenario 2A	Scenario 2B	Scenario 2C
Potential Land Development to Buildout				
Acres	86	86	86	86
Land Sq. Ft.	3,730,043	3,730,043	3,730,043	3,730,043
Potential Land Development Through 2030				
Acres	24	27	31	41
Land Sq. Ft.	1,053,069	1,192,364	1,340,080	1,781,476
Infrastructure Cost				
Base	\$1,326,778	\$1,326,778	\$1,326,778	\$1,326,778
Additional (New Residential)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total	\$1,326,778	\$1,326,778	\$1,326,778	\$1,326,778
Cost Burden per Land Sq. Ft. to Buildout				
Base	\$0.36	\$0.36	\$0.36	\$0.36
Additional (New Residential)	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
Total	\$0.36	\$0.36	\$0.36	\$0.36
Cost Burden per Land Sq. Ft. Through 2030				
Base	\$1.26	\$1.11	\$0.99	\$0.74
Additional (New Residential)	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
Total	\$1.26	\$1.11	\$0.99	\$0.74
Required Land Value	\$3.82	\$3.37	\$3.00	\$2.26

Source: Berryman & Henigar; Economic & Planning Systems, Inc.

Table 16
Cost Burden Analysis - Area C
North Richmond Redevelopment Project Area Study; EPS #14051

Item	Scenario 1	Scenario 2A	Scenario 2B	Scenario 2C
Potential Land Development to Buildout				
Acres	210	210	210	210
Land Sq. Ft.	9,147,600	9,147,600	9,147,600	9,147,600
Potential Land Development Through 2030				
Acres	59	108	146	210
Land Sq. Ft.	2,582,558	4,702,290	6,356,565	9,147,600
Infrastructure Cost				
Base	\$19,216,869	\$19,216,869	\$19,216,869	\$19,216,869
Additional (New Residential)	<u>\$0</u>	<u>\$5,520,000</u>	<u>\$15,180,000</u>	<u>\$28,980,000</u>
Total	\$19,216,869	\$24,736,869	\$34,396,869	\$48,196,869
Cost Burden per Land Sq. Ft. to Buildout				
Base	\$2.10	\$2.10	\$2.10	\$2.10
Additional (New Residential)	<u>\$0.00</u>	<u>\$0.60</u>	<u>\$1.66</u>	<u>\$3.17</u>
Total	\$2.10	\$2.70	\$3.76	\$5.27
Cost Burden per Land Sq. Ft. Through 2030				
Base	\$7.44	\$4.09	\$3.02	\$2.10
Additional (New Residential)	<u>\$0.00</u>	<u>\$1.17</u>	<u>\$2.39</u>	<u>\$4.56</u>
Total	\$7.44	\$5.26	\$5.41	\$6.66
Required Land Value	\$22.55	\$15.94	\$16.40	\$20.18

Source: Berryman & Henigar; Economic & Planning Systems, Inc.

Table 17
Cost Burden Analysis - Area E
North Richmond Redevelopment Project Area Study; EPS #14051

Item	Scenario 1	Scenario 2A	Scenario 2B	Scenario 2C
Potential Land Development to Buildout				
Acres	35	35	35	35
Land Sq. Ft.	1,514,146	1,514,146	1,514,146	1,514,146
Potential Land Development Through 2030				
Acres	10	11	12	17
Land Sq. Ft.	427,475	484,019	543,982	723,159
Infrastructure Cost				
Base	\$1,608,590	\$1,138,590	\$1,138,590	\$1,138,590
Additional (New Residential)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total	\$1,608,590	\$1,138,590	\$1,138,590	\$1,138,590
Cost Burden per Land Sq. Ft. to Buildout				
Base	\$1.06	\$0.75	\$0.75	\$0.75
Additional (New Residential)	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
Total	\$1.06	\$0.75	\$0.75	\$0.75
Cost Burden per Land Sq. Ft. Through 2030				
Base	\$3.76	\$2.35	\$2.09	\$1.57
Additional (New Residential)	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
Total	\$3.76	\$2.35	\$2.09	\$1.57
Required Land Value	\$11.40	\$7.13	\$6.34	\$4.77

Source: Berryman & Henigar; Economic & Planning Systems, Inc.

associated with the residential development under Scenario 2a, a \$15.2 million payment under Scenario 2b, and a \$29.0 million payment under Scenario 2c. In some cases, as could occur in Scenarios 2a, 2b, and 2c, early developers could be required to oversize infrastructure capacity and be reimbursed later by new development utilizing this capacity or by public contributions. This might be one way to speed up infrastructure development in Area C if Scenario 2a, 2b, or 2c were considered. Any Indian Casino would be subject to a compact with the State, which may provide an opportunity to negotiate financial contributions.

DEVELOPMENT IMPACT FEES

Development impact fees are limited to infrastructure associated with new development. In this case, the distinction between existing and new development is blurred as much of the North Richmond Study Area could be redeveloped. If a fee program were developed, this distinction would need to be carefully evaluated.

COST BURDEN CONSIDERATIONS

The imposition of costs on developers must be considered against both the need for private sector financing and the ability of the new development to bear the costs. For example, it is possible that in the early stages of additional industrial development, decisions may be made to limit charges on new development to support and encourage new development of this nature. If development costs are too high, the rate of development in North Richmond will be lowered. In time, as the area develops more and its competitiveness increases, greater burdens could be placed on industrial development.

ONGOING DEVELOPMENT CHARGES

Two mechanisms where property owners may pay ongoing charges or assessments are common methods for supporting infrastructure development, including Mello-Roos Community Facilities Districts and Benefit Assessment Districts/Landscape and Lighting Districts. In these cases landowners or property owners vote to impose an ongoing special tax or assessment on themselves that is then used either to support bond issuances for capital improvements or to support capital and certain maintenance expenses on a pay-as-you-go basis.

Mello-Roos Community Facility Districts and the associated special taxes can fund infrastructure and maintenance costs. They are a more flexible financing tool than assessment districts and are less complex to establish and administer. They cannot, however, be used to pay for road maintenance, but can fund landscape maintenance.

A benefit assessment district approach is currently being used by the North Shore Business Park in the City of Hercules, where an assessment district was established to support a bond issuance for capital improvements. Assessment districts are also commonly used to pay for median maintenance and lighting requirements.

While these costs (assessment and special taxes) are paid by the property owner, which in some cases is not the same as the developer, the imposition of a special tax or an assessment will typically reduce the lease rate or sales price occupants are willing to pay. As a result, it is effectively a different form of charge on development that needs to be considered in conjunction with other direct development charges and overall cost burden issues. This tool has the advantage of being able to pay for both capital and some maintenance expenses.

TAX INCREMENT FINANCING

The North Richmond area is a Redevelopment Area. As a result, a significant proportion of the property tax generated goes directly to the County RDA for both infrastructure improvements in support of redevelopment as well as for affordable housing. In addition to any existing tax increment revenues that may be available for investment, new development in the RDA will generate additional revenues. Under existing market conditions, land developed with market-rate residential development will generate significantly higher tax increment revenues than land generated with industrial development. Some of these revenues could be used to support the cost of infrastructure required to increase the rate of industrial development in North Richmond.

Tax increment revenues will likely be the most significant source of public sector financing for infrastructure improvements. Given the significant existing infrastructure deficit and the limitations on funding from private developers and property owners, the County may need to allocate significant tax increment revenues towards infrastructure development.

OTHER FUNDING SOURCES

There is a number of other funding sources, including local, State and federal grants, that may be available for additional studies as well as infrastructure investments. Most of these grants are competitive and provide only a limited level of funding. North Richmond will have a good chance of obtaining grant funds and should continue to compete for such funds, recognizing that they are likely to only cover a small proportion of the overall cost.

Currently, some of the funds that may be available to the North Richmond Redevelopment Project Area include the Community Development Block Grant (CDBG), Measure J (formerly Measure C), Metropolitan Transportation Commission Smart Growth/Transportation for Livable Communities (TLC) Capital and Planning Program, and/or the Environmental Protection Agency (EPA) Brownfields Grant. As shown in **Table 18**, these grants could be used to fund infrastructure improvement projects as well as assess brownfields in the Project Area. In addition, the County has included in its federal legislative platform an appropriation of \$1 million of federal funds to further the North Richmond infrastructure program.

Table 18
Financing Sources for North Richmond
North Richmond Redevelopment Project Area Study; EPS #14051

Street/Roadway Improvements	Jurisdiction	Description	Available Funds		Comments	
			Allocation	Maximum		
Community Development Block Grant (CDBG)	Local	Housing, public services, economic development, and public facilities and infrastructure grants.	17%	\$286,307	\$1,731,976	Funds public facilities projects to help low-income communities improve their infrastructure such as improved accessibility for the mobility impaired, preserve and protect historic properties, and eliminate blight. Funding is provided on a competitive basis to cities, county departments, and other governmental agencies for projects such as acquisition, construction, reconstruction, rehabilitation or installation of public facilities and improvements. Guidelines focus on four areas: (1) housing, (2) public services, (3) economic development, and (4) public facilities and infrastructure. The FY 2006 budget will propose a 50 percent cut to funds, but the County is working to keep funds at the current level. North Richmond has received a good amount of funds over the past several years, and is expected to receive more funds in the future.
Measure J (formerly Measure C)	Local	Contra Costa County 1/2 cent sales tax for transportation improvements.	100%	\$2,000,000	\$2,000,000	The half-cent transportation sales tax will be used to pay for major transportation improvements in Contra County such as local streets and roads maintenance and improvements, transit services, bicycle and pedestrian pathways, and transportation for seniors and people with disabilities. Funds are for capital improvement projects; Countywide capital and maintenance programs; and other subregional (central, west, southwest, and east) projects and programs that address each areas particular need. Funds will be available after 2009 and will provide approximately \$2 billion in funding through 2034. Of that, \$360 million will be available for local streets and roads maintenance and improvement. Some programs that received funds in West County from Measure C are bus service enhancements; pedestrian, bicycle, and trail improvements; and the Safe Transportation for Children Low Income Student Bus Pass program.

58

Table 18
Financing Sources for North Richmond
North Richmond Redevelopment Project Area Study; EPS #14051

Street/Roadway Improvements	Jurisdiction	Description	Available Funds		Comments	
			Allocation	Maximum		
Metropolitan Transportation Commission Smart Growth/Transportation for Livable Communities (TLC) Capital and Planning Program	Local	North Richmond Third Street upgrades.	11%	\$1,966,000	\$18,394,000	The purpose of the TLC Capital and Planning Program is to support community-based transportation projects that bring new vibrancy to downtown areas, commercial cores, neighborhoods, and transit corridors, enhancing their amenities and ambiance and making them places where people want to live, work and visit. TLC provides funding for projects that are developed through an inclusive community planning effort, provide for a range of transportation choices, and support connectivity between transportation investments and land uses. TLC projects support the larger community development and redevelopment activities that encourage pedestrian, transit, and/or bicycle trips, and spur the compact development of housing, downtowns, and regional activity centers. Projects that received funding in FY 2004-2005 were near downtowns, such as Oakland's Chinatown, or near major transit stations, such as the Richmond Transit Village. The Richmond Redevelopment Agency applied for funds in FY '04-05, however, the project was put on the contingency list should additional funds become available before the next capital cycle.
Environmental Protection Agency (EPA) Brownfields Grant	Federal	Assess brownfields in the North Richmond area.	29%	\$200,000	\$700,000	This program empowers states, communities, and other stakeholders in economic development to work together to prevent, assess, safely clean up, and substantially reuse brownfields. The EPA provides financial assistance to eligible applicants through four competitive grant programs: (1) assessment grants, (2) revolving loan funds, (3) cleanup grants, and (4) job training grants. EPA collaborates with other EPA programs, other federal partners, and state agencies to identify and make available resources that can be used for brownfields activities. Assessment grants are available for \$200,000 to \$350,000 to address hazardous substance sites, plus another \$200,000 to \$350,000 to address petroleum sites. Up to \$700,000 is available per applicant. In 2004, a North Richmond housing developer was successful in obtaining a grant for \$200,000 to clean up a former gas station. Once cleaned up, three single-family affordable homes will be constructed on the site.

Source: Program directors and administrators; Economic & Planning Systems, Inc.



**Economic &
Planning Systems**

Real Estate Economics

Regional Economics

Public Finance

Land Use Policy

APPENDIX A

STAKEHOLDER INTERVIEWS

STAKEHOLDER INTERVIEWS

In October 2004, EPS conducted interviews with stakeholders and property owners in North Richmond. The stakeholders that participated were members of the North Richmond Municipal Advisory Council (NRMAC), and included Joseph Barrett, Dr. Henry Clark, Lee Jones, and Joe Wallace. The property owners included Joshua Genser of Richmond Development Company, LLC, and Marvin Mendelsohn of Action Metal Recycling.

NORTH RICHMOND MUNICIPAL ADVISORY COUNCIL MEMBERS

Members of the NRMAC were asked to discuss their assessment of the key development opportunities and constraints of the North Richmond area, new or proposed business and development activity in North Richmond, the types of businesses/uses they are interested in attracting to North Richmond, and the types of businesses that would be suitable to employ North Richmond residents. Their responses were numerous, but most of the stakeholders stated that the area is in need of a gas station, grocery store, convenience stores, and laundromats, and lacks job training programs and opportunities for jobs in construction, carpentry, and plumbing for residents with little education.

The stakeholders would like for North Richmond to receive more services such as increased public transportation access, after-school programs for school-age children, and affordable child care programs for single parents. They would like for new businesses to be light industrial uses, provide on-the-job-training, and be willing to forgive previous transgressions of job applicants such as criminal histories and prior substance abuse. They would also like for the County to enforce the First Source Hiring agreements with employers to hire more members from the community.

NORTH RICHMOND PROPERTY OWNERS

Property owners were asked to discuss their assessment of the key development opportunities and constraints of the North Richmond area, the feasibility and potential development timetable of the proposed uses in North Richmond, new or proposed business and development activity in North Richmond, recent interest expressed by developers/brokers in vacant buildings and/or land in North Richmond, competitive areas or properties in the region, existing uses and an assessment of infrastructure adequacy, the types of businesses/uses they are interested in attracting to North Richmond, and the types of businesses that would be suitable to employ North Richmond residents.

The property owners explained that the negative stigma of crime and illegal dumping and problems with drainage in North Richmond have contributed the area's underutilization. One owner, who is also an industrial developer, stated that most

industrial businesses would rather locate in the City of Hercules; however, the land in North Richmond is cheaper than land in Hercules, and Hercules has almost reached buildout. These owners would like for an assessment district such as a Mello-Roos District to be established, the drainage and flooding issues addressed with a concrete culvert, and new industrial uses to be addressed with the construction of some industrial condominiums in the range of 2,000 to 5,000 square feet for incubator, warehouse, and distribution space.

The property owners recognize that there is an available source of labor in the North Richmond area, but know that new businesses do not typically honor the First Source Hiring agreements with the County. Finally, they added that most industrial developers will not build on speculation in North Richmond due to the expensive cost of development, given that 20 percent of building costs can be fees alone. They would like for the County to clean up most of the vacant sites before future development, as most of the land in North Richmond is considered to need environmental cleanup resulting from hazardous uses in the early 1900s.