February 6, 2002

John Meyers, Vice Chancellor
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RE: Draft Focus Tiered Environmental Impact Report
Conference Center, Hotel, and Graduate School
of Management Building University of California, Davis

Dear Mr. Meyer and Environmental Review Staff of the University of California, Davis:

My comments on the proposed Draft Focus Tiered Environmental Impact Report for the Conference Center, Hotel, and Graduate School of Management Building are included in this letter. I incorporate into my comments the attached letter from Dr. Kenneth Lehrer (attachment 1), the attached letter from Mr. Daniel T. Smith (attachment 2), Dr. Daniel Vencil (attachment 3), and the letters from Robert Robinson (attachment 4) and C. Jay Scott, II (attachment 5), that have been previously submitted to the University. Additionally, I incorporate into these comments all of the comments of other individuals and entities that have been submitted regarding the Draft Environmental Impact Report for the Conference Center, Hotel, and Graduate School of Management Building.

1. Failure to Make Documents Available for Public Review.

All documents whose contents are incorporated into an Environmental Impact Report by reference shall be made available for public inspection at a public place or public building. At a minimum, such documents must be available at the lead agency’s office in the County in which the proposed project would be carried out, or, if no such location exists, in one or more public buildings such as County offices or public libraries. The incorporating EIR or Negative Declaration shall state where such inspection can be undertaken. (CEQA Guidelines Section 15150(e), Section 15150(b); see also Public Resources Code Section 21092(b)(1) Public notice of the availability of a negative declaration or a draft EIR for public review shall identify the “address where copies of...all documents referenced in the draft EIR or negative declaration are available for review”.)

The notice in this case did indicate that all the documents referenced in the EIR were available for review at 376 Mrak Hall. However, the University failed to make available the documents that were relied upon in the Environmental Impact Report. The Environmental Impact Report states “surveys of UC Davis meeting personnel conducted by campus staff in coordination with Keyser Marston Associates, Inc. in 1998 indicated an unmet demand for more than 28,000 room nights for conference and group meeting
facility." These documents were not made available by the University to the public. On January 28, 2002, Mr. Ron Sharman on my behalf went to 376 Mrak Hall on the University of California Campus (the location for the environmental documents) and asked for copies of the survey conducted by Keyser Marston Associates, Inc. in 1998 indicating an unmet demand for more than 28,000 room nights for conference and group meeting facilities. Mr. Sharman was contacted by the University on January 28, 2002, later in the day and provided with a document entitled "Market and Financial Feasibility Analysis of Proposed University Hotel and Conference Center at the University of California, Davis (September 2000)." This document included a reference to the UC Davis campus survey, but it does not include the original survey report and also does not include information of an unmet demand for more than 28,000 room nights for conference and group meeting facilities. Thus, the document relied upon in the EIR for that conclusion has not been made available to the public. For this reason alone, the University must recirculate the Environmental Impact Report and make available the documentation that supports the conclusions of the Environmental Impact Report. (Please see Declaration of Ron Sharman as attachment 6.)

The University did not only fail to provide its 1998 survey, but it also failed to provide other key documents that were referenced in the Draft Environmental Impact Report. On page 4.2-17 the Draft Environmental Impact Report references an attachment B to Appendix E of the Draft Environmental Impact Report which identifies lodging facilities due to factors of location and physical condition which are performing poorly. However, when Mr. Sharman went to Room 376 of Mrak Hall and asked for the attachments to Appendix E, he was provided with an attachment B entitled "Adaptive Reuse of Davis Lodging Facilities", that documents Davis lodging facilities are performing poorly due to factors of location and physical condition has never been produced by the University. The document prepared by Keyser Marston Associates, Inc. has never been made available to the public. Nevertheless, it is referenced in several places in the Draft Environmental Impact Report. (See Declaration of Ron Sharman.)

There are other documents that have not been made available to the public. Appendix E, the Keyser Marston Associates, Inc. December, 2001, report, makes reference to a PKF study which states that the average combined occupancy rate of Davis hotels was skewed downward by subpar performance of 4 of the properties in the City of Davis competitive lodging inventory. The 4 non-competitive facilities were excluded from the study to increase the overall occupancy for the balance of the motel inventory in Davis. However, none of the documentation available to the public identifies the 4 of the 9 survey properties that are sub-performing and sets forth the reason that these properties are sub-performing. Without this information it is impossible to evaluate whether the Environmental Impact Report relied on valid data.

There are errors in the documentation in the DEIR that make it difficult to follow. For example, on page 4.2-11 the DEIR states as follows: "the model assumes that the Davis lodging market would experience a cumulative amount of growth (30% per year versus 10.5% actual growth per year for the period 1990-2001) in room revenue between 2001-2008, at a rate considerably lower than the historic trend." This statement makes no sense and it would be exceedingly unlikely that the growth rate in room revenue in the Davis lodging market would be 30% per year. The DEIR needs to clarify this information.
2. **Economic Impacts which May Lead to Blight.**

Economic and social changes may be addressed under CEQA if they, in turn, will produce changes in the physical environment. (Guidelines Section 15064(c); Public Resources Code Section 21060.5; and Section 21151(b); *City of Pasadena v. State of California* (1993) 14 Cal.App.4th 810, 828.) In *Citizens Association for Sensible Development of Bishop Area v. County of Inyo* (1985) 172 Cal.App.3d 151, 169, the court held that the lead agency should consider physical deterioration of the downtown area to the extent such a potential is demonstrated to be an indirect environmental effect of the proposed peripheral shopping center. Likewise, in *Citizens for Quality Growth v. City of Mt. Shasta* (1988) 198 Cal.App.3d 433, 443, an EIR was prepared for the project and the EIR concluded that the project could pose a significant economic problem for existing businesses. The court held that the City was required to consider business closures and physical deterioration of the downtown area to the extent that they were demonstrated to be in an indirect environmental effect of the proposed project. (Id. at page 446.) In the recent case of *Friends of Davis v. City of Davis* (2000) 83 Cal.App.4th 1004, the court stated that there will be no conclusive presumption that the establishment of a particular retail business requires environmental review. The court stated that an indirect physical change may be considered only if it is reasonably likely to occur. The court noted that a determination that a project may have significant environmental effects must be based upon substantial evidence and that substantial evidence shall include facts, reasonable assumptions predicted upon facts, and expert opinion supported by fact.

The studies prepared by Mr. Jay Scott and Robert Robinson attached to this letter indicate that the motels in Davis have less than a 60% occupancy rate and the rule of thumb in the industry is that a new hotel will not be built by investors unless there is more than a 70% occupancy rate in the area. Moreover, the University of California is responsible directly and indirectly for placement of 60% of the people in the motel rooms in the City of Davis. The diversion of these individuals to the University’s own hotel will cause hotels to fail in downtown Davis. Approximately 10% of the commercial core area in Davis is hotels and motels. These include the Best Western Palm Court Hotel, the Best Western University Lodge, the Aggie Inn, the Econo Lodge, the Hallmark Hotel, the Davis Bed and Breakfast Inn, the University Inn Bed and Breakfast, and the University’s Park Inn and Suites. These hotel failures are likely to cause blight.

While the University may rely upon its own expert witnesses in finding that the project will not have an impact which will cause business failures and blight in downtown Davis, the EIR will not be considered legally adequate if the detail and studies are not sufficient to support the conclusion. (See *Kings County Farm Bureau v. City of Hanford* (1990) 221 Cal.App.3d 692, 733.) In the case of the Draft Focused Tiered Environmental Impact Report for the Conference Center, Hotel, and Graduate School of Management Building, the University has failed to submit information which logically supports the conclusions of the Environmental Impact Report that the proposed project will have no environmental impact. The key fact in support of the Draft Environmental Impact Report (DEIR) conclusion that the new hotel will have no impact on downtown Davis hotels is the claim that the University hotel will have “group business accounting for 60% of total business” and that this business will be new business which is not currently available to other City of Davis motels. The EIR estimates that the new hotel will have 70% occupancy and will be utilized to the extent of 19,200 occupied room nights per year. 11,500 (60% of the market) will be new group business. In the event that only 10% of the market or 1,920 room nights are new group business, obviously, the hotel would have a very significant effect on other hotels in Davis resulting in a very substantial drop in business for hotels that are already marginal. Therefore, the entire
validity of the DEIR’s economic analysis rests upon the 60% occupancy figure for group uses.

The Draft Environmental Impact Report relies on two sources of information for the 60% group occupancy figure.

The key assumption of the economic studies prepared by the University of California, Davis to support the construction of the hotel on campus, is the assertion that the campus hotel would fill 60% of its rooms with conference attendees and that these attendees would be new lodgers that would not otherwise be available to the existing Davis hotel/motel market. The assertion of the 60% new lodgers for conferences is based upon two separate studies: 1) the 1998 Keyser Marston Associates, Inc. survey indicating an unmet demand for more than 28,000 room nights for conference and group meeting facilities; and 2) the March 7, 2001, PKF consulting report of the potential impact on the existing lodging market from the development of a proposed 150 room hotel conference center.

As previously mentioned above, the 1998 survey has not been made available to the public, and the EIR should be recirculated after the survey is made available to the public. Moreover, the use of a 1998 survey data is suspect. In order for an EIR to be adequate, the EIR must include satisfactory baseline data. Since the environmental review process can take a number of years, baseline data should be gathered at the time the project is approved. (See Save Our Peninsula Committee v. Monterey County Board of Supervisors (2001) 87 Cal.App.4th 99, 126 (dealing with baseline water table issues), and Fairview Neighbors v. County of Ventura(1999) 70 Cal.App.4th 238, 243 (dealing with baseline traffic levels).) There is reason to believe that the 1998 baseline data for conference demand may not be accurate at this time. The University Conference and Events Services Group advertises itself as providing “complete conference and event planning for faculty and staff”. The group has a web page at www.sevs.ucdavis.edu/COFRED/Public/Aca. The Conference and Events Services Group maintains a description and list of conferences currently scheduled. As of January 29, 2002, there were 8 academic conferences and 1 other conference scheduled between January 29, 2002, and July 13, 2002. One of the conferences is to be held in Monterey and another conference in Berkeley. Of the remaining 7 conferences at UCD, 1 is a one day conference, 3 are two day conferences, 1 is a three day conference, 1 is a five day conference, and 1 is a six day conference. It is evident from the list of participants that none of these conferences will have even 150 attendees. A generous estimate would be that these conferences together would generate a total of 2,000 room nights. This data indicates that perhaps the baseline information collected in 1998, is incorrect and that a new baseline study needs to be conducted to identify the current demand. Many factors have changed since 1998. The California budget has deep deficits, and all University departments are being cut. This will reduce the discretionary money available for conferences. Additionally, the events of September 11, 2001, have had some impact on travel and conferences. The report of Dr. Kenneth Leher suggests that the baseline assumptions regarding the number of conferences that may be attracted is seriously flawed. For all of the above stated reasons, the 1998 baseline data is probably not accurate and should be updated.

While the University has failed to produce the 1998 study demonstrating a demand for over 28,000 room nights per year for conferences and group meeting facilities, it did produce the Market and Financial Feasibility study of proposed University Hotel and Conference Center at University of California, Davis (September 2000), which includes a discussion of the UC Davis campus survey. Page VI-10 of the Market and Financial Feasibility Analysis states as follows:
"A compilation of the total room night demand for transient guest and group lodging is provided in the following table. The survey revealed a total of 15,060 room nights and an average length of stay of 2 nights. On average, each respondent (person answering the written survey from the University) was responsible for 75 room nights of total use per year. Group demand from this written survey equal 13,300 room nights and 11,900 day conference per year. The average meeting size was 93 attendees and had an average length of stay of 2.1 days."

As a result of the 47 surveys, the survey showed a transient demand of 15,060 room nights per year and a group demand of 13,300 room nights per year. Adding these two figures together provides the 28,360 room nights per year that is cited in the Draft Environmental Impact Report as new demand. However, it appears clear from the Market and Financial Feasibility Analysis, that the survey addressed not new demand, but existing demand that was already being met largely by Davis hotel rooms. The 47 written survey respondents indicated that 50 of 85 total meetings (for 59%) were held in on-campus facilities or Davis hotels. It is also noted that most of the individuals attending on-campus conferences, stayed in Davis hotels. Therefore, most of the 13,300 per year group demand was being met by the existing Davis hotels. Likewise, most of the 15,060 transient demand created by the University was also being met by existing Davis hotels. While the actual UC Davis Campus Survey of 1998 has not been made available by the University of California, Davis as part of the Draft Environmental Impact Report documents, the summary that has been made available indicates that the Draft Environmental Impact Report is in error. The survey does not establish a demand for 28,000 new room nights per year. The survey suggests that the University generates a total of approximately 28,000 room nights per year from University activity including meetings and visitors booked by various departments. Most of this demand has been absorbed by existing Davis hotels and motels. Because the Draft Environmental Impact Report appears to be in error in its citation to the 1998 survey, the University needs to review the survey, make it available to the public, and update the survey and recirculate the Draft Environmental Impact Report.

The other bases cited in the Draft Environmental Impact Report for the conclusion that the conference center will induce 60% of its occupied room nights through conferences is the March 7, 2001, report prepared by PKF Consulting. This report states that the induced demand is indicated because of the unique speciality of the proposed facility, its new construction, superior quality of finish and amenities as compared to the existing market, and its operation by a national based conference center operator. (Page 17.) The report states that Benchmark Hospitality operates a number of conference centers nationwide and that Benchmark will be able to direct conferences to the Davis facility that are turned away from its 14 other facilities nationwide. In fact, the operation by Benchmark is considered a significant factor in establishing the 60% inducement rate.

There is no basis for the assumption that Benchmark will operate the University Hotel and Conference Center. I have requested information about the University’s contract with respect to the hotel from the University. Apparently, the University is exclusively negotiating with an organization called All Star Investments, LLC. All Star Investments, LLC is under active investigation by the California Attorney General’s Office for contracting without a license and likewise the University of Nevada is engaged in a suit against All Star Investments, LLC related to the construction of a Fire Science Academy in Carlin that was closed due to environmental and financial concerns associated with All Star construction of the facility.
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(Please see attachment 7.) If All Star is the developer and owner of the project, how can the University have any assurances that Benchmark will be the operator of the facility. The project description does not include a statement that Benchmark will be the operator. No contractual documents have been made available to the public that support this assumption. Moreover, because of the questionable legal activities of All Star Investments, LLC, what assurance does the University have that All Star will fulfill its commitments and hire Benchmark. These issues need to be addressed in the DEIR before the University can rely on a study that assumes Benchmark will be the operator of the facility. The PKF March 7, 2001, report that the University relies upon appears to be very short of data which supports the idea that the University Hotel Conference Center will draw a large number of private businesses to meet at the facility. There is no study of other California facilities that would support this assumption. The Market and Financial Feasibility Analysis which is not referenced in the Draft Environmental Impact Report and has not been made generally available to the public, includes some comparison with other selected University Conference Centers. However, there is no comparison to the Davis market. Davis is only 12 miles from downtown Sacramento which has just constructed a 5 star Sheraton Hotel, and also another 5 star hotel (Embassy Suites) on the river just across from Yolo County. Of the out of state University conference hotels, half of the University hotels had occupancy rates below 65%. While the selected hotels had high demand for group uses, the vast majority of the group use came from University demand. The studies that have been provided do not establish that UC Davis will produce the same amount of new group demand. Moreover, there is no data comparing the Davis hotel market to those in the other University cities.

There are many reasons that the estimate of the demand for group meeting may not be accurate. These include the construction of two new premium hotels in downtown Sacramento, the fact that Davis is not a recreational area and tourist destination location, the lack of tourist attractions in Davis, the poor weather compared to the Bay Area and Southern California, poor facilities compared to Sacramento. These factors need to be evaluated along with the fact that UC Davis is a premier academic organization. A study needs to be completed that assesses a group demand for University Conference Center Hotels in similar markets to Davis where there are large hotels with conference facilities 12-15 miles away. The University is not accustomed to handling conferences for corporations and trade associations, and therefore may not have accurately assessed the demand. An appropriate study is needed. Moreover, the Market and Financial Feasibility Analysis dated September 2000, if in fact it is relied upon by the DEIR, should be cited in the DEIR and the DEIR should be recirculated.

3. The University has Failed to Provide an Adequate Project Description.

An accurate project description is a fundamental component of an Environmental Impact Report. “A curtailed or distorted project description may stultify the objectives of the reporting process. Only through accurate view of the project may affected outsiders and public decisionmakers balance the proposals benefit against its environmental costs, considered mitigation measures, assess the advantage of a terminating the proposal (i.e., the ‘no project’ alternative) and weigh other alternatives in the balance.” (County of Inyo v. City of Los Angeles (1977) 71 Cal.App.3d 185, 192-193.) The project description in this case is uncertain. The Draft Environmental Impact Report states as follows:

“In addition, the projects business plan would incorporate measures that would reduce negative impacts on local hotel operations and encourage positive affects. First, UC Davis would continue to use local motels to
accommodate visiting sports teams. In addition, the campus is eliminating
the complete meeting package, thereby affording conference attendees
more options to use local hotels and restaurants. Furthermore, the
campus would dedicate 3% of gross room receipts from the hotel, paid
in lieu of transient occupant tax, for long term membership in the Davis
Conference and Visitors Bureau and to support joint marketing efforts
such as trans service to downtown Davis.” (Section 4.2-17.)

The above quote from the Draft Environmental Impact Report appears to be a discussion of
mitigation measures. However, because the DEIR concludes that the project will have no impacts on the
Davis downtown, mitigation measures are not necessary. Therefore, the above quoted section of the Draft
Environmental Impact Report should probably be included as part of the project description so that it is
certain that the various measures to reduce negative impacts are part of the project.

The DEIR states on page 1-2 that the project would (1) eliminate perceived competitive
advantages by eliminating tax exempt financing and insuring private financing by the developers; (2) charge
fair market value for the land; and (3) pay all applicable taxes in full. Are these provisions part of the
project description? It is not clear whether these provisions apply only to the hotel, to the conference
center and offices, or also to the graduate school of management building. Which party would own
the graduate school of management building? Would it be owned by the partnership? Would the project
receive tax exempt financing, would it be charged fair market value of the land or would it be gifted. Page
27 of the initial study states that: “financing under the auspices of Yolo County is under consideration
and if this occurs, Yolo County would be a responsible agency.” The initial study appears to be in direct
conflict with the statements on page 1-2 of the Draft Environmental Impact Report which indicates there
would be no public and tax exempt funding. Because of the conflict in the documents, the documents
clearly have to be revised and the Draft Environmental Impact Report must be recirculated. The public
cannot be expected to interpret conflicting documents and to understand the nature of the project. The
conflicting information in the initial study and the DEIR interferes with public participation and defeats the
purpose of CEQA.

The initial study for the project indicates that revenues from the hotel would support the Conference
Center. Additionally, the initial study says that financing of the project may be through Yolo County. In
the Draft Environmental Impact Report it states “the proposed project would be partially funded by a
development partnership with a private entity, and would further the academic mission by hosting academic
conferences.” It is not stated in the Environmental Impact Report whether the project will be subsidized
by the University by providing free land for the graduate school of business building or other favorable
accommodations. In order to provide an adequate project description, the financing of this project should
be clearly stated. If public subsidies are provided by Yolo County or the University, then the public needs
to know that the University Hotel Conference Center may have an unfair advantage in competition not only
against Davis hotels and motels but those out of Davis. Likewise, the Draft Environmental Impact Report,
or at least the attachments to it, should disclose whether the Hotel Conference Center and the Business
School Building will be part of the same financing package. Will the developer of the Hotel/Conference
Center be awarded particularly favorable lease conditions for the business school building? Will the
business school lease and the lease of office space in the conference center subsidize losses of the hotel and
conference operations? Since the University has identified in the Draft Environmental Impact Report, that
the Hotel Conference Center may have an adverse impact on downtown Davis by causing the failure of downtown Davis motels, the DEIR should disclose the financing arrangements as well as any subsidies provided to the hotel. Hotel subsidies may allow the hotel operator to lower room prices to the point where the University hotel will take many nightly rooms away from the local hotels. The DEIR is required to disclose financing arrangements and subsidies as part of this public project.

4. Analysis of Impacts Related to the Project.

The CEQA Guidelines define the term “significant effect on the environment” as a substantial, or potentially substantial, adverse change in any of the physical conditions within the area affected by the project including land, air, water, minerals, flora, fauna, ambient noise, and objects of historic and aesthetic significance. (CEQA Guidelines Section 1582; Public Resources Code Section 210868.) The definition further states: “An economic or social change by itself shall not be considered a significant effect on the environment. A social or economic change related to a physical change may be considered in determining whether the physical change is significant.” In No Oil, Inc. v. City of Los Angeles (1974) 13 Cal.3d 68, 82, the court suggested that a “significant effect” means significantly effecting the quality of the human environment. The court noted it covers a spectrum ranging from “not trivial” through “appreciable” to “important” and even “mementos”. (Court quoting Hanly v. Kleindienst (2nd Cir. 1972) 47 F.2d 823, 837, fn. 16.)

The University’s 1994 LDPEIR states that a project will have a significant impact if “the proposed uses which would conflict with locally adopted City or County planning policies.” (DEIR 4.2-9.) The City of Davis General Plan requires that significant commercial projects in the City of Davis area be located within the downtown area of the City of Davis. (City of Davis General Plan page 63-64, 75.) Moreover, the City of Davis has offered the opinion that the proposed hotel next to the Performing Arts Center on the University of California, Davis campus is in conflict with the City of Davis General Plan. The City’s interpretation of its own General Plan should be provided deference by the University of California. If the University provided the appropriate deference to the City’s interpretation of it’s own General Plan, then the University would find that the impact would conflict with the City of Davis Planning Policies. The Draft Environmental Impact Report should explain the City of Davis’ position with respect to interpretation of its own General Plan, and comment upon whether the City’s interpretation of its own Plan should or should not be provided with deference.

With respect to the second impact the Draft Environmental Impact Report suggests that the project would be significant if it results indirectly in any physical deterioration of the City of Davis caused by closure and continuing non-use of existing Davis lodging facilities. (DEIR page 4.2-9.) Although the Draft Environmental Impact Report is vague on this topic, it appears to state that 4 of the 9 competitive lodging facilities in Davis are obsolete or in bad locations and might fail as a result of the University Hotel. The Draft EIR seems to assume that due to factors of location obsolescence some hotels or motels will close is unclear. (See DEIR page 4.2-20.) The DEIR should clarify whether in fact it is expected that 3 or 4 Davis lodging facilities are going to close due to factors of location and obsolescence, and which facilities are likely to close. Without this information, it is difficult for the public and the City to address whether there will be physical damage to downtown Davis.
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The DEIR suggests that even if there were closures of lodging facilities, that the lodging facilities could be used for student dorms. However, there is no analysis as to whether such a conversion to student dorms would cause physical damage to downtown Davis. Obviously, the conversion of downtown hotels to student use will reduce the number of people in downtown Davis who are lodgers and buying meals and other goods and services in downtown Davis. What would be the secondary impact of such a conversion? Moreover, hotels are among the highest revenue generators for the City of Davis, while University dorms would pay no taxes at all. Would the loss of tax revenues from such a conversion lead to an inability of the City to maintain the City and result visual blight? These impacts need to be addressed. The DEIR contains no studies or data to address whether the bankruptcy of Davis hotels will result in blight.

5. Cumulative Impacts.

An EIR must make mandatory findings of significance under CEQA Guidelines Section 15065 if the project has a possible environmental effect which is individually limited but cumulatively considerable. "Cumulatively considerable" means that the incremental effects of an individual project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects as defined in Section 15130. The Draft Environment Impact Report states as follows:

"There are no new lodging developments currently under construction or proposed in the Davis market area other than the proposed project. There are several properties under construction or proposed in the Davis market area other than the proposed project. There are several properties under construction or proposed along the I-80 corridor in Solano County (Cordelia, Fairfield, Vacaville, Dixon areas). The properties are projected to effectively place a ceiling on occupancy potential for the Davis market in the future years. However, it is unlikely that the project would contribute to any adverse effect on occupancy rates."

There is no basis for this statement that UCD will not have cumulative impacts and the failure to identify the future projects along the I-80 corridor and to study how much market share they are likely to take away from the Davis hotels is improper under CEQA. The DEIR concludes that the proposed University Hotel could take one-third of its transient lodgers or as much as two-thirds of its transient lodgers from the Davis hotel market. If this analysis is correct, then the UC Davis hotel will have some negative impact on the Davis hotel market. There should be some discussion as to how much negative impact the other proposed hotels on the I-80 corridor will have. The March 7, 2001, PKF study does conclude that the Cordelia, Fairfield, Vacaville, Dixon hotels and motels will have an effect on the Davis market in future years. Therefore, it would appear as a matter of law that the University is required to do a cumulative impact analysis. The DEIR is defective because no such cumulative impact analysis was completed.
6. **The Draft Environmental Impact Report does not Meet the Requirements of an EIR because Sections are Missing.**

CEQA Guidelines Section 15125(d) states: "The EIR shall discuss any inconsistencies between the proposed project and applicable general plans and regional plans. Such regional plan include, but are not limited to, the applicable air quality containment or maintenance plan (or State implementation plan) area wide waste treatment and water quality control plans, regional transportation plan, regional housing allocation, habitat conservation plans, natural community conservation plans, and regional land use plans for the protection of the coastal zone...moreover, where a proposed project is compared with an adopted plan, the analysis shall examine the existing physical conditions at the time the notice of preparation is published."

On page 4.2-3 of the DEIR, the DEIR discusses consistency. The DEIR states "the proposed conference center, hotel, and graduate school of management building would, therefore, be consistent with the project sites high density academic and administrative with potential enterprise opportunity and parking land use designations."

The DEIR does not discuss inconsistency with the Academic and Administrative Land Plan Objective which states

- **A compact core campus.** Maintain the academic core for instruction and research facilities, generally within a 10-minute walk from Shields Library. Maintain building density targets in the core campus, with an average height of four stories for new development. Use the infill of new buildings and the removal of outmoded facilities as opportunities to continue the development of common open spaces as initiated in the 1963 plan. (Page 54.)

It appears the hotel is inconsistent with this policy. All of the proposed buildings are less than four stories. The project is not related to instruction and research.

The LRDP does address enterprise areas in the Academic and Administrative Land Use district where the hotel is proposed to be located. The LRDP state as follows:

- **Enterprise areas.** Designate high and low density academic sites as Enterprise areas to facilitate academic initiatives outside the academic core. These may include the types of uses for which the campus has previously utilized lands in the South Davis Research Park area.

The DEIR does not discuss the apparent inconsistency with the academic and administrative core district. Such a commercial use in the academic and core district was never anticipated by the plan and appears to be not consistent with the plan. These inconsistencies are not addressed in the DEIR.

It is apparent from the initial Study that the Hotel and Conference Center are being proposed for use on the University land under two definitions of allowable uses that may be inconsistent with the
proposed use and therefore require a significance finding and further study in an EIR. As stated in the Initial Study “uses allowed under the academic and administrative high density designation, include, classrooms, research laboratories and research support areas, student and staff offices, and libraries up to 9 stories high. This designation includes space for student activities, museums, administrative offices, meeting rooms and public services activities linked to the campus.” While this definition fits the proposed University Relations Building and the Conference Center, it appears inconsistent with the use of the land for a hotel. The fact that Taco Bells are allowed on campus has little relevance to the location of a major hotel. To the extent one inconsistent use has been allowed, it is not pertinent to another proposed inconsistent use. These consistency issues must be addressed in the DEIR.

Likewise the Enterprise Reserve overlay designation appears inconsistent with the use of the land as a hotel. The inconsistency should be discussed.

The Initial Study misrepresents the so-called “Enterprise Reserve overlay designation”. The Initial Study claims that the Enterprise Reserve overlay designation is defined on page 46 of the 1994 LRDP. However, it is not defined on that page or any other page. Page 47 of the Plan defines commercial as follows: “this land is designated for commercial development compatible with neighboring uses on campus and in the City of Davis.” It is readily apparent that the development of a hotel on campus near Mrak Hall is not consistent with neighboring uses in the City of Davis. In fact, the hotel may remove a substantial amount of the hotel business in the downtown area of Davis which is adjacent to the UC Davis Campus, and will create additional traffic problems as admitted in the DEIR. These issues of inconsistency with the LRDP should be addressed.

The idea of the Enterprise Reserve overlay designation does not appear to be permissible under the LRDP. It is derived solely from the statement on page 67 of the LRDP which states as follows:

“An Enterprise approach can be utilized in almost any LRDP land use area to create space for research activities, faculty/staff housing, student housing, office space, recreation opportunities, open space amenities, and cultural facilities.”

That statement does not sound like it is creating an overlay zone as stated in the Initial Study and DEIR.

What is meant by the Enterprise approach is to allow public private partnerships such as Jackson Labs or Genome and Biomedical Sciences Facility. The other uses of commercial activity are for services on the campus that create a convenience for faculty or staff such as food services. The Initial Study and DEIR make no showing of how the idea of the Enterprise overlay is consistent with the Plan and how a hotel would be consistent with the words of the Plan as set forth on page 67. Finally, the Plan does not address the relationship between the hotel conference center operator and the University. Is it an Enterprise partnership? Or is it a landlord/tenant relationship?

The Initial Study concludes that the proposed Conference Center would not conflict with any of the policies and goals of the City of Davis General Plan, as well as the Solano and Yolo County General Plans. This statement is not correct. The City of Davis General Plan anticipated that a conference hotel would be built close to the City of Davis core area. The City has never wavered from its position that a
Conference Center Hotel should be built in the City’s core area or near the City’s core area. The City has a number of suitable sites. The University owes more than a courtesy to fulfill the objectives of the City of Davis General Plan. It is contractually bound. The 1989 Memorandum of Understanding between the City of Davis and the University of California states as follows: “UCD will cooperate with and be sensitive to the City and to the City’s General Plan, as enacted on December 26, 1987, and will work together with the City to resolve reasonably the off campus impacts of the LRDP on the City.” The Memorandum of Understanding cites the hotel conference center adjacent to the City core area. The DEIR should address the 1989 Memorandum of Understanding which appears to create binding policy. Is the project consistent with the MOU.

I object to the proposed project because it is inconsistent with LRDP for all of the above stated reasons. I also ask that the above stated inconsistencies be addressed in the EIR.

7. The Alternative Analysis is Flawed.

The range of alternatives required in an EIR is governed by a “rule of reason” that requires the EIR to set forth only those alternatives necessary to permit a reasoned choice. The alternatives shall be limited to ones that would avoid or substantially lessen any of the significant effects of the project. Of those alternatives, the EIR need examine in detail only the ones that the lead agency determines could feasibly attain most of the basic objectives of the project. The range of feasible alternatives shall be selected and discussed in the manner to foster meaningful public participation and informed decisionmaking. (CEQA Guidelines Section 15126.6(f); Citizens of Coalita Valley v. Board of Supervisors (1990) 52 Cal.3d 553, 565, 576; Save Our Residential Environment v. City of West Hollywood (1992) 9 Cal.App.4th 1745, 1751.) The objectives of the Project are set forth on pages 6-1 and 6-2 of the DEIR. The goals are stated in such a way to point the analysis in favor of the proposed project. For example goal number 3 states: “Add to UC Davis” role as a regional academic and art center meeting place in combination with the adjacent Center for the Arts Performance Hall (currently under construction) and Buehler Alumni and Visitor’s Center.” This goal has the purpose of mandating the location of the facility adjacent to the Performing Arts Center and Buehler Alumni and Visitor’s Center. Likewise, the goal of “provid[ing] a venue for State, National, and International academic conferences on the campus”, mandates that the Conference Center and Hotel must be on campus, even though all the other objectives of the project could be attained by a conference center off of campus. The EIR alternative analysis is flawed because the University has not stated its goals and objectives in accordance with its needs. If the need is for more conference space, the conference space could be built in the City of Davis as well as on campus. If this conference center was uncoupled from the office space that is included in the conference center building for University relations and uncoupled from the Graduate School of Management, then the conference center could be accommodated in a building of 30,000 square feet. A 30,000 square foot office building could easily be constructed on the parking lot area south of First Street across from the Hallmark Inn. Likewise, a 30,000 square foot conference center could be built on the former site of the Davis Police Station. The impacts of a conference center in these locations, would be much less on campus since the parking supply for the existing hotels and Davis core area business would meet the parking need for the conference attendees. These two alternatives should have been seriously considered by the University, instead of dismissed out of hand.
The alternative analysis assumes that none of the alternatives have any impact on downtown Davis. This analysis does not appear to be supported by the economic analysis which is deeply flawed as pointed out in these comments and the attached reports. The DEIR’s analysis shows that the south campus site alternative will have much less impact on traffic in Davis and on campus than the proposed project. However, this alternative is rejected because the DEIR states that it would increase the demand for parking on campus. However, the amount of the increased requirement is not quantified and it is not shown that the increase in parking demand could not easily be accommodated. It would appear that it would be easy to shuttle conference attendees from the south campus site to the central campus for other meetings and events. Therefore, the DEIR analysis appears to be flawed in that the south campus site alternative would meet most of the objectives of the project, but would have less environmental impacts.

The First and A Streets site alternative would be the most desirable for the City of Davis since it is close to shopping in the City of Davis and other hotels in the City of Davis. The EIR rejects this site because of the Native American Artifacts on the site. However, there is no consultation with any Native American specialists as to whether these impacts could be mitigated to less than significant. As was pointed out by Dr. Jack Forbes, the impacts on this site could be mitigated by the preservation of the artifacts in a display in the Hotel Conference Center, and also a dedication of a memorial to the Native Americans who lived on the site. Therefore, it would be possible to mitigate the archeological impacts of the project. Moreover, the impact of removing the parking spaces could be mitigated. There is parking close by to the project site to the east of the University Faculty Club. The parking on this site could also be increased by the use of a structure on the site. Since the First and A Street alternative has less impacts on traffic and has many desirable features to the City of Davis, this site should be considered an environmentally preferred alternative. Likewise, the Russell Boulevard and A Street site alternative could be considered environmentally preferred alternative. The parking impacts could be mitigated by building a structure at the site.

Any of the sites in downtown Davis or the First and A Street, and Russell Boulevard and A site would have reduced impacts on traffic because visitors could walk between the conference center and other hotels, and could also walk from the hotel to restaurants in downtown Davis. The alternative analysis rejects a conference center without a hotel. However, there is no analysis of the revenue flow from the hotel to demonstrate that the hotel in fact would support the conference center. Moreover, should the University be in the business of constructed hotels or other businesses to support offices and classrooms on campus. It would appear that such an idea would run contrary to the mission of the University which is not to be in business, but to foster education.

If a stand alone conference center was developed either at the First and A site or the Russell Boulevard and A Street site, there would not be a need for additional parking since the conference attendees would walk to the conference center from the close by downtown Davis hotels.

Sincerely,

[Signature]

NORMAN L. ROGERS

NLR:kgr
INDEX TO ATTACHMENTS

1. Letter from Dr. Kenneth Lehrer
2. Letter from Mr. Daniel T. Smith
3. Letter from Dr. Daniel Vencil
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LETTER 12: Norman L. Rogers

Response to Comment 12-1

Responses to comments in Attachment 1 are provided in Responses to Comments 12-1-1 to 12-1-9.

Responses to comments in Attachment 2 are provided in Responses to Comments 12-2-1 to 12-2-6.

Responses to comments in Attachment 3 are provided in Responses to Comments 12-3-1 to 12-3-12.

Responses to comments in Attachment 4 are provided in Response to Comment 12-4-1.

Responses to comments in Attachment 5 are provided in Responses to Comments 12-5-1 to 12-5-6.

Response to Comment 12-2

Please see Responses to Comment Letters 1 through 11 and 13 through 17.

Response to Comment 12-3

As discussed in Response to Comment 5-25, the survey data requested by Mr. Sharman is incorrectly attributed on page 4.2-7 of the DEIR and on page 7 of the DEIR's Appendix E as a survey that was conducted in 1998 by campus staff in coordination with Keyser Marston Associates. The text should have attributed a survey conducted in 1999 by campus staff with assistance from PKF Consulting. This survey included written surveys of campus meeting planners, and it was supplemented by face-to-face interviews with university administrators, department heads, and faculty. The written surveys and interview reports were reviewed and data on demand was compiled by PKF Consulting for the September 2000 Market and Financial Feasibility Analysis (which analyzed the previously proposed conference center and 150-room hotel project). This feasibility analysis is available for review during normal operating hours at the UC Davis Office of Resource Management and Planning in 376 Mrak Hall. As noted by the commenter, this feasibility report was provided to Mr. Sharman. As Mr. Sharman was told at the time, no other formal compilation of the survey data exists beyond that provided in the PKF feasibility report. Please refer to Response to Comment 5-25 for further discussion regarding the survey data.

The commenter identifies an incorrect reference on page 4.2-18 of the DEIR. The UC Davis Hotel and Conference Center/Impact on Lodging Facilities in the City of Davis study prepared by Keyser Marston Associates is presented as Appendix E of the DEIR, not as Attachment B to Appendix E. The general discussion regarding the questionable viability of a few lodging facilities in Davis can be found on page 12 of this study. This study was correctly referenced as “Appendix E” of the document in the DEIR’s table of contents, on page 4.2-1 (the first page of the document’s Land Use and Planning section), and on several other pages throughout the DEIR. This study was provided as an appendix to the DEIR, which has been available for review since the start of the comment period online and during normal operating hours at the UC Davis Office of Resource Management and
Planning, at UC Davis Shields Library, at the Yolo County Public Library, and at the Vacaville Public Library.

Page 11 of Attachment A to Appendix E of the DEIR (PKF’s March 2001 Report of the Potential Impact on the Existing Lodging Market) indicates: “It should be noted that the composite occupancy of the nine properties is weighted down by poor performance of four motels in particular.” The PKF study goes on to describe that one property is the largest with the most rooms to fill, one is the newest and was still being absorbed by the market, and two other properties suffer from locational and functional issues. PKF obtained data regarding the sub-par performance of these hotels through interviews with hotel owners. Most of the specific operational and financial data for each of these lodging facilities is regarded by owners as highly confidential. The economic impact study for the proposed project (Appendix E of the DEIR) determined existing market conditions using the average occupancy tax data for all of the nine competitive lodging facilities. Please see the Response to Comment 5-20 for a discussion of the adequacy of the economic analysis, which evaluated the market as a whole.

Response to Comment 12-4

The commenter identifies a misprint on page 4.2-11 of the DEIR. As noted on page 4.2-9 of the DEIR and on page 8 of the DEIR’s Appendix E (the economic impact analysis), the economic impact analysis projects an average annual revenue increase was 3.0 percent (as opposed to 30 percent), a growth rate (as also noted after the misprint on page 4.2-11) that is much lower than the historic 1990-2001 average annual increase of 10.5 percent. Therefore, basic occupancy and room rate trends built into all of the projections in the economic evaluation have a strongly conservative orientation that assume that the future will be much less robust than the relatively recent past.

The second sentence in the third paragraph on page 4.2-11 of the DEIR has been revised as follows:

The model assumed that the Davis lodging market would experience a cumulative amount of growth (30.3 percent per year versus 10.5 percent actual growth per year for the period 1990-2001) in room revenue between 2001 and 2008, at a rate considerably lower than the historic trend.

Response to Comment 12-5

In compliance with applicable statutory and case law, the discussion regarding Impact 4.2-1 on pages 4.2-10 through 4.2-21 in the DEIR fully addresses the project’s potential to cause physical deterioration in the City of Davis.

Response to Comment 12-6

While the commenter may have identified one generic industry measure for accommodation of a new lodging facility into an existing market, for the proposed project, it is appropriate to use a measure
that takes into account the fact that the proposed hotel would cater to the group market segment, a market that is not significantly served by Davis hotels and will be served by the new facility.

As further discussed on page 4.2-21 of the DEIR, the financial modeling indicates that even with the "worst case" scenario, in which two-thirds of the leisure and commercial business in the proposed hotel is assumed to be a transfer from local lodging establishments, upward growth in room revenues would still occur, except for one year, in which a cumulative loss for all facilities totaling less than $200,000 could occur. This amount is equal to about 2 percent of room revenues for that year, represents a change in revenue that is less than frequently occurs with normal fluctuations in the lodging market, and would be a small portion of the projected increase in revenue.

As discussed in Response to Comment 5-20, it is unlikely that even the "worst case" scenario, if it did occur, would be severe enough to imperil the operation of the nine competitive lodging facilities in Davis, assuming sound management and marketing practices by the hotel operators. Even if hotel closures did occur as a result of questionable viability with or without the proposed project, Attachment B to Appendix E of the DEIR shows that existing lodging facilities could be adaptively and profitably reused, and therefore no "blight" would occur.

As discussed in Response to Comment 5-17, further evidence that the proposed project would likely benefit local lodging facilities is provided in Comment Letter 7 (from the owner of the University Park Inn, the Aggie Inn, and the Palm Court Hotel) and Comment Letter 8 (from the owner of the Hallmark Inn), reflecting that hotel owners who together own almost 70 percent of the hotel room supply in downtown Davis, offer support for the proposed project.

**Response to Comment 12-7**

The economic model's assumption that 60 percent of the hotel's occupied room nights would be accommodated by group demand is based on the market segmentation shown at comparable University-related conference center/hotels (documented in PKF's September 2000 *Market and Financial Feasibility Analysis*, available for review during normal operating hours at the UC Davis Office of Resource Management and Planning in 376 Mrak Hall). Please see also Response to Comment 12-7. Demand from the group market at comparable facilities accounted for between 38 percent and 80 percent of total room nights, with an average of 58 percent. As discussed on pages 4.2-16 to 4.2-18 of the DEIR, a variety of factors support the view that the facility would be well-positioned to attract this market segment.

**Response to Comment 12-8**

Please see Response to Comment 12-7 for a discussion on the basis of the projection that 60 percent of the proposed hotel's room nights would accommodate group demand generated by the proposed conference center. Please see Responses to Comments 5-25 and 12-3 for clarification regarding the room night demand survey data.
The Campus Events and Visitors Services website referred to in the comment does not include a complete listing of all booked conferences. Furthermore, existing meeting activity on campus is not an adequate indicator of potential demand because much of the demand for meeting space and associated lodging is currently unmet since meeting space on campus and in the City is inadequate. As discussed on page 3-4 of the DEIR, the proposed project would be built according to the standards established by the International Association of Conference Centers (which relate to quality of service, amenities, meeting room design, food service, guest accommodations, and business mix). Conference space complying with these standards does not currently exist on campus or in the City of Davis. The campus' ability to host significant academic conferences and professional meetings would be significantly enhanced by the addition of this type of facility.

Recent data suggest that the Davis hotel market has been minimally affected by the events of September 11, as anticipated in DEIR (see page 2 of Appendix E). According to transient occupancy tax data obtained from the City of Davis, TOT collected in the fourth quarter 2001 was $175,627, compared to $183,867 for the year before, a decline of 4.7 percent. This is a much lower rate of decline than experienced in most of the major hotel markets in northern and southern California, due to two factors: (1) much local trade is drive-in rather than fly-in; and (2) fly-in traffic has been much stronger at the Sacramento International Airport than at many other airports.

On an industry-wide basis, the much-respected Korpacz Real Estate Investor Survey (Special Report, October 11, 2001, page 6) indicates that for hotels, "Occupancy levels and average daily rates (ADRs) have recovered gradually from the troughs reached in mid-September. In addition, total U.S. RevPAR, which realized huge declines as a result of significant losses in occupancy, has shown signs of improvement. Furthermore, there are only scattered additional reports of cancellations for meetings and conventions scheduled for the second half of October through the end of the year. This is welcome news for many hotel investors. However, the continued recovery of the lodging industry depends greatly on a stabilization of consumer and business confidence as international events evolve."

**Response to Comment 12-9**

Please see Response to Comment 5-25 for discussion regarding the survey data.

**Response to Comment 12-10**

Please see Response to Comment 12-7 for a discussion of the basis for the projection that 60 percent of the proposed hotel's room nights would accommodate group demand generated by the proposed conference center.

As indicated in the comment, the commenter previously requested various records on the proposed project, including contracts. In response, Lynette Temple (UC Davis Information Practices Coordinator) sent the commenter a letter dated December 20, 2001 explaining the following: "Since negotiations with this development team have not concluded, supporting letters, bids, etc. are not subject to disclosure pursuant to Government Code Sections 6254(h) and 6255, but will be available..."
for public review when a final agreement has been reached.” Because the University is still in negotiations with the development team and does not have a contract for the proposed project, the confidentiality of papers relating to a potential ground lease agreement still applies. In addition, the business contract/ground lease cannot be signed until after approval by The Regents.

The campus is negotiating with the finalist development team for the business terms of the ground lease to design, finance, build, own and operate the project. The finalist team was selected through a formal competitive process extending over a 9-month period. This process included the Request for Qualifications, formal interviews with six finalists, and Request for Proposals from and interviews with three finalists. The current finalist team is comprised of All Star Investments, LLC as Developer and Owner; Turner Construction as General Contractor; Benchmark Hospitality as Operator; and, Gensler Architects as Designer. Throughout this process, the University has reserved the right to terminate negotiations at any time, offer suggestions for team replacements, or entertain requests for team member replacements. If the University requests consideration of an alternative team member, or if the team suggests consideration of an alternative member, the University will do so subject to a replacement that would be able to provide comparable quality in services to meet the programming and marketing needs of the facility.

To the best of the campus' knowledge, the California State Licensing Board is investigating a complaint that All Star Investments, LLC was providing design/build services under a contract with the City of Sacramento, and not as an owner. All Star’s role in the UC Davis project would be as developer and owner. The project would have separate contracts, subject to the approval of the University, for the general contractor and designer. Both the general contractor and the designer would have the appropriate California licenses to provide these services.

To the best of the campus' knowledge, the University of Nevada case has been settled and All Star Investments, LLC has been released of any liabilities.

**Response to Comment 12-11**

PKF Consulting's September 2000 Market and Financial Feasibility Analysis (available for review during normal operating hours at the UC Davis Office of Resource Management and Planning in 376 Mrak Hall and provided to the commenter during the comment period via Mr. Sharman) evaluated conference center/hotel facilities at universities that are of a comparable size and nature to UC Davis and are located near communities of a comparable size and nature to the City of Davis. This study, as well as Keyser Marston Associate's 2001 economic impact report (Appendix E of the DEIR), firmly establishes the basis for why the proposed project will attract strong patronage from the group meeting segment. In contrast to the commenter's assumption, this group demand is anticipated to be strongly represented by academic meetings and conferences, with potential for (but not reliance on) professional and private groups.

The PKF Consulting feasibility study also explicitly considers conditions in the hotel market in the City of Sacramento and the potential effect of development of the Sheraton Hotel in downtown...
Sacramento on the proposed project. Assumptions used in the Keyser Marston Associate's economic impact study reflect these conditions.

Comparison of effects of other university lodging facilities on their local hotel markets would be difficult or impractical due to differences in facility size and type, market conditions, and characteristics of the competitive hotel industry. The economic impact report for the project (Appendix E of the DEIR) establishes a baseline scenario using the trends of the Davis hotel market (based on occupancy tax data from the City of Davis and interviews with local hotel operators) and conservative assumptions about growth that anticipate the future may be much less robust than the relatively recent past. Assumptions about the operation of the proposed project are based on the project description, operations at comparable facilities (presented in the PKF Consulting feasibility study), and many factors reflecting demand for the facility (listed on pages 4.2-16 to 4.2-18 of the DEIR).

In particular, PKF's September 2000 Market and Financial Feasibility Analysis and PKF's feasibility study indicated that, at comparable campuses, university occupied room nights per campus population (including only students and faculty) ranged from 0.8 to 2. The Keyser Marston Associates economic impact study assumes the proposed project would reach stabilization at 19,200 occupied room nights per year, near the low end of this observed range. In addition, the PKF feasibility report indicates group market segmentation at comparable university-related conference center/hotels ranging from between 38 percent and 80 percent of total occupied room nights, with an average of 58 percent at the comparable facilities. The Keyser Marston Associates economic impact study assumes group demand at the proposed facility would be 60 percent of total occupied room nights.

Response to Comment 12-12

Please see Responses to Comments 5-25, 5-30, 12-7, and 12-11.

Response to Comment 12-13

As discussed further in Response to Comment 5-12, the campus intends to include the 3 percent in lieu fee, as well as the other business plan operations cited by the commenter, as part of the operation agreement for the proposed project.

Response to Comment 12-14

The campus has committed to eliminating tax-exempt financing and ensuring private financing by the proposed project's developer, charging fair market value for the project site, and paying all applicable taxes in full. These provisions would apply to the entire project (Conference Center, Hotel, and Graduate School of Management Building).
As described in Response to Comment 12-10, the campus is negotiating with the final development team for the business terms of the ground lease to design, finance, build, own, and operate the proposed project (Conference Center, Hotel, and Graduate School of Management Building).

As mentioned in the project's Initial Study, financing of the project under the auspices of Yolo County was under consideration, but this was never agreed upon and is not currently part of the proposed project.

Please see Response to Comment 5-7 regarding recirculation requirements under CEQA.

**Response to Comment 12-15**

The Conference Center, Hotel, and Graduate School of Management Building project would be entirely financed by the private development team through a combination of private debt and private equity. The ground rent and ground lease terms would be based on fair market value for the land, as determined by a Member of the Appraisal Institute. The University would not subsidize the hotel and conference center operations via favorable lease conditions for the Graduate School of Management Building. The portions of the project to be leased by the University (the Graduate School of Management Building and office space in the conference center) would be leased based on fair market rents.

Furthermore, in contrast to the comment, the DEIR identified that operation of the proposed project would most likely benefit local hotels and would not cause any physical deterioration in the City of Davis due to the closure of lodging facilities (Section 4.2 of the DEIR). Also, in contrast to the comment, the proposed hotel would have a rate structure that is much higher than most other hotels in the City of Davis, which would tend to allow existing hotels to raise their rates.

Please see also Response to Comment 12-14.

**Response to Comment 12-16**

As discussed on pages 4.2-21 to 4.2-23 of the DEIR, the proposed project would not conflict with the City's General Plan. Please see Responses to Comments 5-13 and 5-14 for further discussion.

**Response to Comment 12-17**

The commenter is incorrect that the DEIR states that four of the nine competitive lodging facilities might fail as a result of the proposed project. As discussed in Responses to Comments 12-6 and 5-20, the economic study included as Appendix E of the DEIR concludes that closure of downtown facilities would not occur because the proposed project will serve a distinct market segment from the segments served by existing lodging facilities in Davis. As noted in Appendix E of the DEIR, some local lodging facilities are performing poorly due to factors of location and obsolescence, and the future viability of those facilities may be open to question whether or not the project is built. As an example, it is known that the Howard Johnson motel has a difficult location. It is unreasonable and
impractical for the campus to abandon plans for its facilities to protect operations that might not be viable even without the project.

Even if hotel closures did occur as a result of questionable viability with or without the proposed project, Attachment B to Appendix E of the DEIR shows that existing lodging facilities could be adaptively and profitably reused. Therefore, the proposed project would not cause physical deterioration in downtown Davis.

Response to Comment 12-18

Please see Responses to Comments 5-11, 5-17, and 5-33.

Response to Comment 12-19

The combined effects of hotel development in surrounding areas and along the I-80 corridor on Davis hotel occupancy rates were taken into account in the economic impact analysis (Appendix E to the DEIR), and are reflected in the 62 percent ceiling on occupancy rates for Davis hotels used in that analysis. The economic impact analysis concludes that hotel closure in Davis is highly unlikely as a result of operation of the proposed project. Furthermore, the adaptive reuse study (presented as Attachment B to Appendix E of the DEIR) indicates that should hotels fail as a result of questionable viability with or without the proposed project, there would be economically viable alternatives for reuse of these facilities. Therefore, physical deterioration of the Davis downtown area would not result from operation of the proposed project, combined with increased lodging supply in surrounding areas and the I-80 corridor.

Under CEQA, cumulative impacts, like project specific impacts, concern physical changes in the environment. Because the economic effect of the proposed project in combination with increased supply of lodging facilities in the area would not cause physical deterioration of the downtown area, no cumulative land use effects related to adverse physical changes in the downtown area would occur. Please see also Response to Comment 5-26.

In order to clarify the discussion of cumulative impacts, the third paragraph on page 4.2-23 of the DEIR on page 4.2-23 is revised as follows:

There are several properties under construction or proposed along the I-80 corridor in Solano County (Cordelia, Fairfield, Vacaville, Dixon areas). The properties are projected to effectively place a ceiling on occupancy potential for the Davis market in future years. This ceiling on occupancy potential is reflected in the Keyser Marston economic impact study where it was assumed that the occupancy of Davis hotels would not exceed 62 percent, regardless of whether the project was built. However, it is unlikely that the proposed project would contribute to any adverse effect on occupancy rates (as discussed above). Because the economic effect of the proposed project in combination with increased supply of lodging facilities in the area would
not cause physical deterioration of the downtown area, no cumulative land use effects related to adverse physical changes in the downtown area would occur.

Response to Comment 12-20

As discussed on pages 4.2-2 to 4.2-3 in the DEIR, the 1994 LRDP land use designations for the proposed Conference Center, Hotel, and Graduate School of Management Building project site, as amended, include High Density Academic and Administrative with Potential Enterprise Opportunity and Parking. The proposed project is consistent with the uses identified for these land use designations in the 1994 LRDP.

Uses allowed under the High Density Academic and Administrative designation (defined on pages 45 and 46 of the 1994 LRDP) include those that support and advance the instruction and research mission of the campus. The designation allows for buildings up to nine stories high, including classrooms, research laboratories, and research support areas, student and staff offices, and libraries. In addition, this land use designation includes space for student activities, museums, administrative offices, meeting rooms, and public service activities linked to the campus. The proposed project would fulfill this land use designation. The project would provide academic space (in the proposed Graduate School of Management Building), administrative space (in the Conference Center and Graduate School of Management Building), and conference center and hotel space that would accommodate academic conferences and professional meetings, thereby substantially contributing to UC Davis’ instruction and research mission.

The text from the 1994 LRDP cited by the commenter is consistent with the proposed project, which would provide instruction space (associated with the Graduate School of Management Building) and space that would directly support instruction and research (in the conference center and hotel) on the core campus. Although the proposed buildings would be three stories tall as opposed to four, as noted in the citation, the campus continues to target an average height of four stories for new development (this does not imply that all buildings need to be four stories; some may be more and some may be less).

Existing High Density Academic and Administrative space on campus includes a variety of venues that generate revenue and are open to the general public (such as the campus bookstore and various restaurant establishments). These venues are consistent with the High Density Academic and Administrative designation because they support the campus’s instruction and research mission. Similarly, the proposed conference center and hotel would be open to the general public, would be revenue-generating in nature, and would support the campus’ instruction and research mission.

As discussed in Chapter 3 (Project Description) of the DEIR, there is substantial nationwide competition for hosting academic conferences. For the campus and the Davis community to accrue the benefits of such conferences, the proposed conference center facility must successfully compete with other similar facilities around the country. Integral to the success of the proposed conference center is the proposed hotel, which would provide adjacent lodging with amenities to meet the needs of conference attendees. Conference planners, for academic conference in particular, seek
conference facilities that adequately provide for multi-day conferences. The proposed hotel would be essential to complete the full-service meeting environment and would be critical to the success of this type of regional center. In addition, revenue generated from operating the proposed hotel would make the conference center facility financially viable. Without this revenue, a conference center operation would be less likely to fund the project and all of its proposed design standards and amenities.

The proposed project is not unlike the Center for the Performing Arts (currently under construction across the South Entry Quad from the proposed project site), in that it would add to UC Davis' role as a regional center and would have exposure to the broader community. Like the Center for the Performing Arts, the proposed conference center and hotel would generate revenue, would promote academic programs, and would have an outreach component. Please see also Response to Comment 5-16.

Response to Comment 12-21

Please see Response to Comment 12-20. Please see also Response to Comment 5-15 for further discussion about the project and the Enterprise Reserve overlay designation.

Response to Comment 12-22

As discussed on pages 4.2-21 to 4.2-23 of the DEIR, the proposed project would not conflict with the City's General Plan. Please see Response to Comments 5-13 and 5-14 for further discussion.

As discussed in Response to Comment 5-14, the Memorandum of Understanding (MOU) referred to by the commenter was part of the 1989 UC Davis LRDP and was based the 1989 UC Davis LRDP and the 1987 City of Davis General Plan. Approval of the 1989 LRDP by the University was reversed later by a court order in response to a successful CEQA lawsuit. The MOU was not incorporated in the subsequent 1994 UC Davis LRDP. The City of Davis adopted a new General Plan in 2001 that superceded the 1987 General Plan, and the MOU was never revised to reflect that changed circumstance.

Response to Comment 12-23

Comment noted. Please see Responses to Comments 5-15 and 12-20 regarding LRDP consistency.

Response to Comment 12-24

The objectives of the proposed project, as outlined on pages 3-7 to 3-8 of the DEIR, are specifically intended to represent the campus' goals for the proposed project. Objectives of the project include: provision of a venue on campus that would host state, national, and international academic conferences; support and advancement of the campus' academic mission by enhancing the campus' role as a regional academic and arts center and meeting place in combination with the adjacent Center for the Performing Arts and Buehler Alumni and Visitors Center; provision of access and
exposure to the broader community; and location at a site that facilitates easy access by faculty, campus groups, and external constituencies. In summary, the campus has the objective of being able to hold conferences on campus to enhance its academic mission. The hotel is an integral part of the facility needed for this purpose. Proximity to meeting rooms in the Center for the Performing Arts and the Buehler Alumni and Visitors Center is also essential. All of these objectives could not be met by moving the project to another location on- or off-campus.

Response to Comment 12-25

See Response to Comment 12-24. As stated on page 6-3 of the DEIR, all of the off-campus alternatives considered (either with or without the hotel) would “fundamentally change the nature of the project, whose dominant objectives are to host conferences on campus, to create an on-campus interface between campus constituencies and off-campus conference attendees, and to provide access and exposure to the campus for the broader community.”

The proposed conference center facility would include 78,000 gross square feet, the proposed hotel building would include 40,000 square feet, and the proposed Graduate School of Management Building would include 45,000 square feet. While the 30,000-square-foot building, recommended by the commenter, could accommodate the conference space, food service, and some support space provided in the proposed project, the building could not accommodate the office space, hotel, or space for the Graduate School of Management. Such a project would not meet the objectives established by the campus. In addition, without the proposed hotel, a regional, full-service conference center would not be possible, and without the revenue generated by the proposed hotel, the conference center facility would be less financially viable.

Further, as required by the CEQA Guidelines Section 15126.6(a) and as stated on page 6-1 in the DEIR, the discussion of alternatives shall focus on alternatives capable of eliminating any significant adverse environmental effects or reducing them to a level of insignificance. As discussed on pages 6-3 through 6-4, the off-campus alternatives considered but rejected from further analysis would not avoid or reduce significant environmental impacts identified for the proposed project.

Response to Comment 12-26

The DEIR concludes that, like the proposed project, the alternatives would not cause any physical deterioration in the City of Davis due to the closure of existing lodging facilities.

The transportation and circulation analysis on pages 6-22 and 6-23 of the DEIR acknowledges that the project located at the south campus site would likely contribute less traffic to City of Davis intersections that currently operate at unacceptable levels of service. Therefore, while the impact would remain significant and unavoidable when compared to the proposed project, it would be reduced in magnitude.

Similar to the proposed project, 100 surface parking spaces would be provided on the south campus alternative's site to accommodate overnight hotel guests, restaurant and pub patrons, and Graduate
School of Management and University Relations visitors. Unlike the proposed project, the south campus location does not have an adequate supply of on-site and/or adjacent parking to meet the demand of the proposed project. Under conference center event conditions, the proposed project would require an additional approximately 650 parking spaces (including 233 parking spaces to accommodate the 375 employees associated with the project and 417 spaces to accommodate 500 conference attendees). Therefore, unlike the proposed project, impacts to parking capacity would be significant. To fulfill demand for parking, additional parking would need to be provided in the Enterprise Reserve or additional transit to transport conference attendees and hotel guests to and from parking lots in the South Entry area would be required.

In addition, construction of the proposed project at the alternative site would not achieve the project objectives of enhancing the campus' role as a regional and academic arts center in combination with the adjacent Center for the Performing Arts and Buehler Alumni and Visitors Center, or of siting the project at a location that facilitates easy access by faculty and other campus groups.

The alternatives analysis in Chapter 6 of the DEIR will be provided to The Regents for their consideration in the project approval process.

**Response to Comment 12-27**

As discussed in Response to Comment 5-19, there are several reasons (including impacts on archaeological impacts) why the First and A Street location was not selected as the environmentally superior alternative. Response to Comment 11-2 discusses the reasons why the Russell Boulevard and A Street site was not selected as the environmentally superior alternative.

Due to the size of these alternative sites, it is assumed that minimal parking could be accommodated on-site. Existing parking in the vicinity of the alternative sites has limited capacity (recent winter parking utilization for nearby parking areas ranged from 86 to 100 percent). Due to the lack of available parking near the alternative sites, off-site parking facilities would need to be constructed and/or shuttle service would need to be increased to transport project users to available parking. These solutions would increase project costs, thereby make this alternative less financially feasible.

The analysis in Chapter 6 will be provided to The Regents for their consideration in the project approval process.

**Response to Comment 12-28**

In contrast to the commenter's assumption that location of the proposed conference center in downtown Davis would reduce traffic impacts, such a project would most likely increase existing impacts and introduce new impacts on downtown Davis intersections. For example, it can be assumed that for a downtown Davis location, conference attendees would be more likely to access the conference site via the Richards Boulevard exit off I-80 than they would if the conference center were located on the proposed project site. This would add additional traffic to already impacted
intersections. In addition, a downtown location would increase traffic-generated noise impacts by exposing nearby sensitive residential uses.

As discussed in Chapter 3 (Project Description) of the DEIR, there is substantial nationwide competition for hosting academic conferences. For the campus and the Davis community to accrue the benefits of such conferences, the proposed conference center facility must successfully compete with other similar facilities around the country. Integral to the success of the proposed conference center is the proposed hotel, which would provide adjacent lodging with amenities to meet the needs of conference attendees. Conference planners, for academic conference in particular, seek conference facilities that adequately provide for multi-day conferences. The proposed hotel would be essential to complete the full-service meeting environment and would be critical to the success of this type of regional center. In addition, revenue generated from operating the proposed hotel would make the conference center facility financially viable. Without this revenue, a conference center operation would be less likely to fund the project and all of its proposed design standards and amenities.

Furthermore, as a unit, the Conference Center and Hotel would substantially contribute to the UC Davis academic program. The proposed hotel would advance the campus' academic mission by enhancing the campus' role as a regional academic and arts center in conjunction with the existing Buehler Alumni and Visitors Center and Center for the Performing Arts. As a pre-eminent research and learning institution, UC Davis' academic program depends on its ability to advance innovative research. The ability to host significant academic conferences and professional meetings on campus would substantially facilitate research and learning opportunities for all academic disciplines on campus.

Please also see Responses to Comments 12-24 through 12-27 for a discussion of alternative sites.

Response to Comment 12-29

Comment noted. See also Responses to Comments 12-24 through 12-28.