

Staff Report

March 15, 2006

TO: City Council

FROM: Katherine Hess, Interim Community Development Director

SUBJECT: Dixon Downs

Recommendation

Information only. No action is recommended at this time. Future options available to the City Council are discussed in the conclusion of this staff report.

Fiscal Impact

No fiscal impact. Costs of preparing this staff report were incorporated into this year's Community Development Department budget.

Council Goal(s)

- Downtown is a vital commercial center. The actions of the city should continue to support this function and reduce potential for blight
- The City of Davis should employ a variety of strategies to assure that the underlying interests of the city of Davis are advanced in any interaction with other jurisdictions.

Background and Analysis

Project description and status

Dixon Downs is more than just a racetrack. Phase 1 of the project includes the racetrack and its support facilities, including housing facilities for trainers, grooms and jockeys. Phase 2 includes a large hotel/conference facility, and up to 950,000 square feet of retail or uses. In addition to live and simulcast horse racing events, the Phase 1 grandstand facility would be used for concerts and other events throughout the year. The grandstand and "Pavilion" would accommodate up to 6,800 patrons on a regular basis, with up to 15,000 patrons for concerts or other large events. Although the EIR projects 25 of these larger events throughout the year, the City of Dixon would not be able to limit the number of these events.

The 260-acre site is at the corner of I-80 and Pedrick Road, approximately five miles from the City of Davis. The area is already within the Dixon city limits. It is currently zoned for Light Industrial, Professional/Administrative Office, and Highway Commercial uses. North of the site

is a proposed Flying J truck stop, and across I-80 is the proposed Milk Farm retail project. The site is currently farmland.

The proposal requires a General Plan Amendment and Planned Development zoning from the City of Dixon. An Environmental Impact Report has been distributed for public comment. The Dixon City Council has discussed the possibility of placing the applications on the ballot for community response but has not taken any formal action.

Environmental Impacts

The Environmental Impact Report identified a number of impacts from the project. These include

- Loss of prime farmland
- Mitigable light and glare from reflections and exterior lighting
- Air pollution emissions from construction activity and from vehicle trips
- Noise impacts from large events
- Traffic impacts at identified intersections
- Traffic impacts on Interstate 80
- Need for additional wastewater treatment capacity

City of Davis staff have responded to both the Initial Study and the Draft EIR prepared for the Dixon Downs proposals. We have identified what we believe to be deficiencies in the environmental analysis that would affect the City of Davis or its residents. These include

- Traffic impacts on Interstate 80 outside of Dixon were minimally addressed, and there was no assessment of the impacts of this project as part of a cumulative analysis. Although the EIR analyzed potential impacts on Dixon roads from drivers using alternate routes to avoid congestion on I-80, there was no similar analysis for County roads such as Road 98.
- There was an inadequate analysis of the impacts of noise and light on Davis residences five miles from the project. Impacts are noted but not quantified, and staff is concerned that the identified mitigation measures will not be feasible or effective.
- The EIR did not address economic impacts that might result within the City of Davis (particularly the downtown retail and hotels) from the hotel/conference center and retail in the Dixon Downs project. The impacts of Dixon Downs would likely be compounded by the 500,000 square foot highway commercial project proposed at the Milk Farm site across Interstate 80.

A copy of the City's comment letter is attached to this report.

Alternatives for the City Council

Staff's response to the environmental documents focused primarily on impacts that would be felt by the Davis community. We recognize that there is a much greater range of issues associated with the horse racing and gambling components of the proposal. It is our understanding that these issues are being addressed at the local level by Dixon residents.

At this time, staff does not recommend any formal action by the Davis City Council on the Dixon Downs proposal. Public hearings before the Planning Commission and City Council have not been scheduled. We do not yet know how – or whether – the EIR will be revised in response to the City’s comments. State law requires that City be given the responses to its comments at least ten days prior to the Dixon City Council’s hearing on the project.

When the matter is scheduled for hearing in Dixon, the City of Davis has a number of possible actions:

1. Determine that any potential impacts on the City of Davis have been adequately addressed by the Final Environmental Impact Report and Economic Analysis that will have been prepared by the City of Dixon.
2. Attempt to negotiate with the City of Dixon, outside the CEQA process, to secure mitigation for those issues most important to the City of Davis.
3. Explore initiating or participating in a CEQA lawsuit on the proposal. Staff believes that the draft EIR is inadequate and does not fully analyze the potential impacts of the project proposal. It is possible that the inadequacies will be corrected in the Final EIR. It may be that CEQA litigation would be necessary to secure appropriate mitigation. We should note, however, that some impacts may be infeasible to mitigate. Examples may be contribution to cumulative impacts on Interstate 80, or the contribution to regional air pollution. The Council would need to consider the implications of initiating an adversarial relationship with a potential partner in regional planning efforts.

Staff will continue to keep the Council informed of future developments in the application review process.

Attachments

1. Location map and site plan
2. Staff response to Draft EIR

November 28, 2005

Dave Dowswell
Community Development Director
City of Dixon
600 East A Street
Dixon CA 95620

RE: Dixon Downs EIR Comments

Dear Mr. Dowswell:

The City of Davis appreciates the opportunity to review the Draft EIR prepared for the Dixon Downs Horse Racetrack and Entertainment Center Project. We have spent significant time reviewing the EIR, economic study and related materials. The project is practically adjacent to Davis, and the potential impacts of the project would be significant, not only for our community but for the region.

Our comments in this correspondence focus primarily on the adequacy of the Draft EIR and are generally technical in nature. In general we believe the Draft EIR greatly understates its assessment of certain impacts, particularly in its evaluation of regional traffic impacts along the increasingly congested I-80 corridor. In addition, impacts on alternate routes, which will likely become congested as well, are largely ignored. The project may well accelerate the gridlock that has become increasingly common on weekends along the corridor and seriously impedes the flow of goods, people and emergency services between the Bay Area and Sacramento.

We recognize that the nature of land use politics often results in the overstatement of impacts of a given project by the various interests that might be so inclined. In this case, however, this one project reaches a magnitude that could be a regional backbreaker from a circulation standpoint, and yet the land use is one that is hardly essential for those who reside in the local or regional area. Accordingly, while our comments in this correspondence focus on DEIR adequacy, the City of Davis would like to go on record early as having serious concerns with the proposal as we currently understand it.

Our comments on specific DEIR issues follow.

Transportation and Circulation impacts

It is disappointing to see that the Richards Boulevard to Mace Boulevard segment of Interstate 80 was omitted from the table of Regionally Significant Roadways. Because of this, we are unable to determine whether the additional trips from the proposed project will have a significant impact on Davis residents.

What is the basis for determining that concert employees would all arrive and depart prior to or after the hours for concert-goers?

The estimate for a Tier 2 Event is that it would generate 2,240 pre-event peak hour trips, and 4,120 post-event peak hour trips. Over 6,000 new trips would result from Phases 1 and 2. Yet the regional traffic analysis is assumed to be similar to the Tier 1 event and not analyzed (page 4.10-37). This does not appear to make sense, given that trips from a sold-out horse racing event are estimated to be 3,400 total trips, compared to the 4,120 peak hour trips from the concert (a 20% difference). The analysis of congestion on Interstate 80 is based upon peak hour volume in both directions. This appears to assume that the traffic will be even split between east- and west-bound, which is not necessarily the case. As noted in the EIR, west-bound traffic is heavy on Sundays. The analysis minimizes the impacts of pre-event traffic on segments east of Dixon, and of post-event traffic on segments west of Dixon (possibly backing up to segments east of Dixon).

The cumulative traffic analysis does not include impacts of the proposal on regionally significant roadway segments. Page 4.10-56 notes that I-80 segments in Dixon are expected to be at LOS F in 2025, yet there is no discussion of segments outside Dixon, or the contribution to regional congestion that would be made by this proposal. This is inconsistent with CEQA. Without any analysis, we cannot tell whether the project's incremental effect is cumulatively considerable upon regional congestion. Section 15130 requires an analysis of why the impact is not cumulatively significant, if it not discussed in detail. This analysis is missing from the EIR.

The EIR discusses alternative routes in Dixon based upon congestion on I-80. The EIR should also analyze whether the increased congestion on I-80 will cause attendees or employees to seek alternate eastbound routes, such as Pedrick/Russell/SR113, to destinations in Davis, Woodland, or North Sacramento. We are concerned that drivers will seek alternate routes and cause congestion, noise, and air quality impacts on surface streets or SR 113 fanning out from the project site, particularly after the frequent Tier 2 events.

Noise impacts

The DEIR proposes that noise would be a significant impact if it exceeds levels in the zoning ordinance performance standards or the State of California General Plan Guidelines. As noted in *Berkeley Keep Jets over the Bay Committee* (91 Cal. App 4th 1344), a specific decibel standard is not determinative in setting a threshold of

significance. The City of Davis has worked diligently to preserve its quality of life as a quiet community.

There is no analysis of noise resulting from increased traffic other than on Vaughn road. Without this analysis, we cannot tell whether the increased traffic will significantly increase noise levels along Interstate 80, Russell Boulevard, or other streets adjacent to residential uses. Without this analysis, the EIR does not present a complete picture of the impacts of the proposed project.

There is no analysis of noise that will extend beyond the immediate Dixon area, particularly if “long-throw” speakers are used. Mitigation Measure 4.8-4(b) prohibits speakers from being directed to the south. This may direct them northwest, toward residences in West Davis. That is ordinarily a very quiet area. How loud will the noise be? Will it disturb sleep (a key issue in the *Berkeley* decision)? Without this analysis, the EIR does not present a complete picture of the impacts of the proposed project. In addition, it is not clear to us how differential placement requirements for “long-throw” speakers will be monitored and enforced, particularly since the DEIR notes that the sound system is frequently installed by the entertainer or group. Will affected parties have the ability to shut down a concert if noise ordinance levels are exceeded?

There appears to be no basis for the mitigation that concerts not continue past 11:00 p.m. given that the noise ordinance standard shifts at 10:00 p.m. Nor is it clear why this mitigation applies only to concerts, and not to other noise-generating activities.

As noted under “Transportation and Circulation Impacts,” above, the cumulative impacts discussion does not include any assessment of cumulative roadway impacts beyond the immediate vicinity of the City of Dixon. Because of this, the Noise analysis is also inadequate because it does not consider the noise impacts of increased traffic on Interstate 80, Russell Boulevard, and other regional roadways. Impacts on Russell Boulevard and SR 113 seem particularly likely to occur if congestion on Interstate 80 causes drivers to seek alternate routes through Davis for destinations to the north or the east. This will further spread the congestion from Interstate 80 throughout the region and impair the movement of goods and services in Davis and elsewhere.

Economic Impacts

The DEIR does not address potential economic impacts from the Phase 2 hotel or retail development. Although fiscal impacts are not subject to CEQA, the Bakersfield decisions and other cases hold that the environmental review must consider whether the project would result in urban decay or blight.

The hotel market in Davis is fragile, with a number of the hotels struggling at barely-acceptable occupancy rates. We have invested millions of dollars into strengthening our downtown, which is identified as the community’s retail and economic center.

The EIR should identify how much of the retail sales, hotel room nights, and movie admissions will be new, and how many will be diverted from elsewhere in the region. The EIR should also differentiate between local and regional demand for retail, room nights, and movie seats. Furthermore, it should analyze the impacts of lost sales on Davis merchants and hoteliers, and whether the loss will result in urban decay or blight. We would be glad to provide local economic data to assist you in this effort.

Population and Housing / Growth-Inducing Impacts

Our response to the initial study requested an analysis of the pressure caused by project employees (plus indirect jobs) for approving additional housing in Davis or other nearby agricultural areas. The fiscal and economic impact analysis projects that 72 percent of Dixon Downs employees, and 50 percent of Phase 2 employees, will live in Dixon (pp24-5). Where will the others live? What will be the impacts on those communities?

Aesthetic impacts

The DEIR states that exterior lighting will not have a significant impact if it does not create a substantial source of light that would contribute to a night sky glow that could affect adjacent uses. The DEIR describes the new lighting that would be installed with the project and notes that it would be visible from surrounding areas. The determination that there is no significant impact is based upon two determinations:

- There are few residences and no astronomy observatories within the immediate vicinity; and
- The Design Guidelines provide goals for minimizing spillover light.

Although there are few residences in the immediate area, Davis has multiple homes on its western border. Fairfield School, on Road 96 at Russell Boulevard, is frequently used as a location for star- and meteor-watching events. The dark skies in the rural areas in Yolo and Solano Counties are a community resource and causing additional sky glow will significantly affect the regional environment. It is the policy of the State to require governmental agencies to consider qualitative factors (PRC 21001). The DEIR's analysis of sky glow and spillover light does not do that, nor does it provide any qualitative analysis of the amount of light that would be generated by the project.

We recognize the goal of the Design Guidelines to minimize spillover light. We certainly hope that this goal will be reflected in any approved construction, but believe that it should be an explicit mitigation measure to ensure that this goal is heeded as individual project components are reviewed.

Even if all lighting is directed downward, the development, particularly the parking lots and the racetrack itself, will be a significant source of light in an area that is currently dark. The EIR should analyze the distances from which this light will be visible, any sensitive receptors within that area such as residences, and identify the overall impacts on dark skies in the area between Davis, Dixon, and Winters.

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Agricultural impacts

The DEIR accurately notes that the loss of prime agricultural land would be significant and unavoidable. Although insufficient to mitigate the impact to less-than-significant levels, preservation of agricultural land is recommended for the equivalent number of acres lost. The agricultural land is encouraged to provide suitable foraging habitat for raptors, so that it would also meet mitigation needs for biological impacts.

The restrictions imposed on raptor foraging area limit the suitability of agricultural land for common agricultural uses such as grapes, tree crops, and rice. Moreover, mitigation for biological resources is already required under Mitigation Measure 4.3-1. In essence, Mitigation Measure 4.7-2 would provide no additional mitigation for agricultural impacts.

The City of Davis suggests that appropriate mitigation would be a minimum of two-to-one preservation of agricultural land, and that the agricultural mitigation not be restricted to provide raptor habitat. Although impacts would remain significant and unavoidable, this would provide mitigation to the extent feasible, as required by CEQA.

We look forward to reviewing your response to you comments. If you have any questions, please feel free to contact me or Community Development Administrator Katherine Hess at (530)757-5610.

Sincerely,

Bill Emlen
Assistant City Manager / Community Development Director

C: Davis City Council