

IMPLEMENTATION 10

This chapter provides an implementation strategy for the development and public improvements identified in this Specific Plan. The following sections provide a fiscal impact analysis, a conceptual financing strategy, a discussion of development phasing, and an identification of potential State and federal funding sources. Additional tables, attachments, and similar supporting exhibits are provided in Appendices C and D.

Technical Implementation Items

Regulatory Structure

Adoption of this Specific Plan requires a series of amendments to the City’s General Plan to adopt land use designations that are consistent with the Specific Plan. The Zoning Ordinance must also be amended to incorporate the standards found in Chapter Six and the guidelines in Appendix A.

California Environmental Quality Act Requirements

The City of East Palo Alto certified the Environmental Impact Report (EIR) for the Ravenswood/4 Corners Transit-Oriented Development (TOD) Specific Plan on _____, 2012. The City’s action to certify the EIR did not constitute approval of the Specific Plan. Rather, it indicates that the EIR has been completed in compliance with California Environmental Quality Act (CEQA), and that the EIR was presented to and reviewed by the City’s decision-makers and the public prior to Specific Plan approval.

Mitigation Monitoring Program and CEQA Findings

Public Resources Code Section 21081.6 requires that a “reporting or monitoring program be designed to ensure compliance during project implementation.” (The adopted program shall apply to changes made to the project or conditions of project approval in order to mitigate or avoid significant effects on the environment.) The monitoring program provides a brief summary of the required mitigation for impacts attributable to the project, identifies the party responsible for monitoring the project’s compliance with the mitigation measure, and identifies at what point or phase of the project the mitigation measure is to be completed. The City has prepared a mitigation monitoring program in conjunction with the preparation of the EIR for the Specific Plan. The EIR identified several environmental impacts that could be reduced to less than significant with the implementation of the mitigation measures.

Fiscal Impact Analysis

This section evaluates the net annual fiscal impact on the City of East Palo Alto’s General Fund from buildout of this Specific Plan, as well as the net annual property tax increment revenue that would be generated to the Redevelopment Agency. This section presents the assumptions, methodology, and findings of the analysis.

A summary of the Specific Plan analyzed in this fiscal analysis is as follows:

Net New Development	Specific Plan
Residential	835 units
Commercial	
– Retail	112,400 SF
– Office	1,268,500 SF
– Industrial	351,820 SF
Total	1,732,720 SF

Approach and Key Assumptions

This fiscal impact analysis is a projection of the annual recurring tax revenues and service cost expenses that the Specific Plan will generate to the City of East Palo Alto upon buildout. Estimates are expressed in current 2011 dollars and are based on revenue and cost factors derived from the City’s adopted FY 2009/10 budget. This analysis excludes one-time revenues and fee for service revenues, such as building permit and impact fee revenues. Key assumptions incorporated into this analysis are as follows:

- General Fund expenses have been estimated based upon the City’s average cost to serve existing residents and workplace population.
- The analysis does not incorporate the marginal increases in General Fund operation and maintenance expenses associated with the civic uses that have been identified in the Specific Plan.
- Assessed value estimates are based on hard construction cost estimates for development prepared by Bay Area Economics. Hard construction costs most closely coincide with building permit valuations, which is the basis for valuation used by the County assessor.
- For purposes of projecting new property tax revenues, the estimated value of land supported by the new development program has been excluded from the calculation of incremental assessed value. Land value has been excluded in recognition that: 1) the property within the Specific Plan is currently assessed and generates property tax revenues; 2) the land values of all properties associated with new development may not be reassessed; and 3) the specific location of each new development would have to be known to accurately estimate the increase in assessed land values. While it is likely that the aggregate assessed value of land in the Specific Plan will

increase with the new development, given the considerations noted above, the revenue projection is conservative and does not reflect an upward adjustment in the assessed value of land.

- The revenue estimates contained in this analysis are based on the assumption that the land use components identified in the Specific Plan are feasible and achieve sales volumes and occupancy levels that are consistent with industry standards for new development.
- Given the weakness of the economy, and the need for new infrastructure to support new development, it is not assumed that new development will start to occur until 2016. New development is anticipated to be reflected on the property tax rolls after 2018/19 and full buildout is achieved by FY 2029/30.
- For purposes of calculating incremental property tax revenues to the Redevelopment Agency, it is assumed that the Redevelopment Agency will continue to receive tax increment through July 16, 2046, which is the outside date for the repayment of debt obligations. The following chart illustrates the anticipated schedule for development relative to the lifespan of the redevelopment project area.

	YRS	2011	2015	2016	2018	2019	2030	2031	2046
Planning Infrastructure	5	█							
First Project	3			█					
Remainder Projects	12					█			
Reminder of Time to Collect Property Tax Increment	16							█	

This schedule could be accelerated based on market conditions and developer demand. See the tables following this chapter for more details on assumptions and detailed findings

Fiscal Impact Analysis Findings

This section summarizes the findings of the Specific Plan fiscal impact analysis.

Annual General Fund Net Revenues Upon Buildout

Upon buildout, each of the Specific Plan is anticipated to annually generate a positive cash flow to the City of East Palo Alto’s General Fund. The projected net incremental annual revenues are as follows and presented graphically on Exhibit A.

	Specific Plan
Marginal Annual General Fund Revenue	\$2.5 million
(Less) Marginal Annual General Fund Expense	(\$1.2 million)
Net Marginal Annual General Fund Revenue	\$ 1.3 million

Amounts are expressed in terms of marginal impact, or the net change from the existing revenues and expenses. Revenues and expenses are detailed on Table 1 in Appendix C. These net revenues are also separate from the annual property tax increment received by the Redevelopment Agency.

Annual Property Tax Increment to the Redevelopment Agency.

As shown on Figure 10-1 in Appendix C, approximately 50 percent of the Specific Plan Area is within the boundaries of the Ravenswood Redevelopment Project Area, with the remaining area lying within either Tax Rate Area (TRA) 021004 or TRA 021014. However, most of the new development that is programmed for each alternative is anticipated to occur within the boundaries of the Project Area. The location of new development is critical to this analysis because of the difference in the allocation of property tax revenues between properties that are within the Ravenswood Redevelopment Project Area and those that are outside of the Project Area. For properties within Ravenswood, the redevelopment agency receives over 80 percent of property tax increment and the City’s General Fund receives approximately 5.8 percent of the property tax increment. For properties outside of Ravenswood, the redevelopment agency does not receive any of the property tax increment while the City’s General Fund receives over 30 percent of the property tax increment.

In June 2011, two key pieces of legislation were enacted that impact Redevelopment Agencies. AB 1X26 provides for the dissolution of a Redevelopment Agencies unless Agencies agree to make additional pass-through payments to school districts as provided for under AB 1X27. The constitutionality of both pieces of legislation has been challenged and the Supreme Court has issued a “stay” of most provisions of the legislation until it renders a decision by January 15, 2012. While the Redevelopment Agency of the City of East Palo Alto has elected to continue to operate and make the payments required of AB 1X27, given the uncertainty surrounding the legislation, this analysis evaluates the amount of tax increment that would be generated by the Specific Plan under two scenarios. The first scenario assumes that AB 1X27 is upheld and therefore the additional pass-through payments are required. This reduces the amount of non-housing increment that will be generated by the Specific Plan

by approximately 33 percent. The second scenario assumes that the legal challenge is successful and that both laws are struck down by the Court. Under that scenario, the Specific Plan will be subject to the pass-through provisions that existed prior to the passage of AB 1X27.

The annual tax increment to be retained by the Redevelopment Agency (after pass-throughs and the amounts to the General Fund) is summarized below and presented graphically on Exhibit B in Appendix C. As noted above, these amounts are in addition to property tax revenues to be allocated to the City’s General Fund.

	With AB 1X27 Payment	Without AB 1X27 Payment
Marginal Annual Affordable Housing Fund Revenue	\$1,302,000	\$1,302,000
Marginal Annual Non-Housing Fund Revenue	\$1,051,000	\$1,581,000
Total Annual Agency Revenue	\$2,353,000	\$2,883,000

It is estimated that the Agency will continue to receive this stream of revenue for approximately 16 years after buildout, until the debt repayment period ends on July 16, 2046.

This stream is estimated to support the following yields of net bond proceeds (2011 dollars)¹ once the project achieves full buildout:

	With AB 1X27 Payment	Without AB 1X27 Payment
Non-Housing Bond Proceeds	\$7.0 million	\$10.5 million
Housing Bond Proceeds	\$8.6 million	\$8.6 million
Total Net Bond Proceeds	\$15.6 million	\$19.1 million

¹ The estimated net proceeds reflect the following underwriting assumptions: 16-year term; 1.35 debt coverage factor; 6 percent interest rate; and 13 percent cost of issuance allowance.

Major Revenue Sources and Expense Categories

The revenue and expense estimates are presented in Table 2 in Appendix C and graphically in Exhibits C (revenues) and D (expenses) in Appendix C. As shown, business license tax is the leading sources of revenue, accounting for 35 percent of total revenue, followed by property taxes in-lieu of VLF at 24 percent and sales tax at 16 percent.

Given that fire protection and emergency medical services are provided by the Menlo Fire District rather than the City, the dominant expense category is police protection, which is estimated to account for over 70 percent of annual General Fund expenses. Public Works Department expenses is the next leading expense category at approximately 11 percent of total expenses.

Additional tables and exhibits related to the Fiscal Impact Analysis above can be found in Appendix C of this Specific Plan.

Conceptual Financing Plan

This section provides a conceptual plan for financing the public facilities and infrastructure associated with this Specific Plan. The purpose is to provide a general overview of the types of funding sources that could potentially be available for needed public facilities, the order of magnitude of revenues that could be raised given current market conditions, and the magnitude of the funding “gap” that the Specific Plan may need to address.

Overview

The implementation of the Ravenswood/4 Corners TOD Specific Plan will occur over a 30-year or longer time frame, and will be strongly influenced by economic and market conditions as individual property owners respond to their unique site opportunities, and initiate detailed plans for development. Changes in the Specific Plan Area will include land use shifts on private parcels, a variety of public facility and infrastructure improvements, and intensification of development. Many parcels within the Specific Plan Area are currently under private ownership, with existing uses already developed and operating. Some portions of private lands will go into public use to support the construction of new roadways and public facilities. Some changes will be initiated by the City to stimulate land use changes, some by the private property owners, and some by the City in support of new development. Overall, the implementation and financing program will need to be flexible to respond to the uncertainties of development timing and to capitalize on special opportunities as they arise.

It is important to note that this conceptual financing plan, including the funding sources and the amount of funds that could be raised by each source, is based on the assumption that the Specific Plan is developed and that current funding sources and underwriting terms continue to be operative in the future. Many of the identified funds cannot be raised prior to the completion of the residential and commercial uses on which they are supported. If the public facilities need to be constructed prior to the private uses, the timing of the funding sources may not coincide with the timing needs of the public facilities. Given that the Specific Plan will be developed over several decades, the ultimate financing plan will differ from that presented here.

Specific Plan Area Public Improvements

The Specific Plan includes a broad range of public improvements, including street improvements, parks and plazas, a recreation center, a community center, library, and improvements to the water, storm water, and sanitary sewer improvements. As shown on Table 10-1, the cost of these improvements is estimated at \$137 million. A detailed listing of the improvements is provided as Attachment A in Appendix D.

The Ravenswood Business District (RBD) lacks the infrastructure to support the envisioned development. In April 2009, the City Council adopted a Draft Engineering Plan (DEPLAN) for the RBD. Prior to the development of any significant projects in the RBD or 4 Corners, the project must provide the necessary infrastructure identified in DEPLAN. For purposes of this financing plan, sources and uses of funds have been examined upon the full buildout of the Specific Plan.

Funding Sources for Public Improvements

Potential funding sources for the identified public improvements fall into three broad categories, and are presented in greater detail in Table 10-2:

- Funds provided by Specific Plan private developers and property owners;
- East Palo Alto public funds;
- Regional, State, and federal grants and loans.

Funding from Private Developers

There are several commonly used structures for the private funding of improvements, including: Development Impact Fees, Development Agreement Exactions, Mello Roos Community Facilities Districts (CFD), Landscaping and

TABLE 10-1 **PUBLIC IMPROVEMENTS AND FACILITIES**

	Cost Estimate (2011 Dollars)
Water (DEPLAN)	\$14.7 million
Storm Drain (DEPLAN)	\$14.4 million
Sanitary Sewer (DEPLAN)	\$ 4.6 million
Streets (DEPLAN)	\$17.9 million
Joint Trench/Undergrounding (DEPLAN)	\$ 6.7 million
Loop Road	\$15.4 million
Intersection Mitigations	\$ 2.0 million
Parks	\$ 29.6 million
Trails	\$ 10.6 million
Community Facilities	\$ 21.4 million
Total Public Improvement and Facility Costs	\$ 137.2 million

Lighting Districts (LLD), or other assessment districts. While these are all public financing tools in that they are established by the governing public body, they are funded through exactions on private property owners.

The City of East Palo Alto currently does not have any significant development impact fees. The consultant team has estimated the magnitude of public improvement costs that could potentially be supported by the net new development provided for by the Specific Plan by deducting the estimated cost to develop the Specific Plan land use program (including entrepreneurial profit but excluding public improvements) from the completed real estate value of the Specific Plan. Theoretically, the residual value could be dedicated to public improvement costs rather than to developer profit margins in excess of the 10 percent margins included in pro forma analysis conducted by BAE. The analysis is presented on Table 10-3 in Appendix D. As shown, it is estimated that the net new development provided for in the Specific Plan will be valued in excess of \$780 million upon completion. In comparison it is estimated that it will cost approximately \$744 million to develop the new private development

TABLE 10-2 **RAVENSWOOD/4 CORNERS TOD SOURCES OF FUNDING FOR PUBLIC FACILITIES AND INFRASTRUCTURE**

Source	Amount (\$M)	Targeted Use
Estimated Private Funds Supported by Specific Plan		
Residual Value from New Development	\$36.1	Capital Projects
CFD/Assessment District Supported from New Development	\$5.0	Capital Projects
<i>Subtotal</i>	<i>\$41.1</i>	
Estimated Local Public Funds Supported by Specific Plan		
Tax Increment Bonds (RBD, Non Housing)	\$7	Capital Projects
Quimby Act Funding from 835 units	\$5.9	Parks
<i>Subtotal</i>	<i>\$12.9</i>	
Committed Public Funds		
Federal Transportation/Infrastructure	\$12.5	Bay Road/Infrastructure
Other Infrastructure	\$0.8	Storm Drain Improvements
PFA Capital Bond	\$0.9	Public Improvements
Other Existing Fees	\$0.6	Infrastructure
<i>Subtotal</i>	<i>\$14.8</i>	
Other Potential Public Funds		
RBD Non HSG Funds from G101/UCI	\$5	Capital Projects
Total Current Identified Sources		
	\$73.8	
Estimated Uses \$137 million		
Deficit \$63.2 million		

within the Specific Plan (inclusive of property acquisition costs). After deducting estimated development costs from value,² it is estimated that the private development could support approximately \$36 million of public improvement

² The model assumes a land value of \$30 psf. Actual land values will vary greatly based on location, size, existing uses, planned uses, and economic climate. Estimated current land values in the Specific Plan Area, from 4 Corners to the RBD, range from \$10 per square foot to \$50 per square foot.

and facility costs. This is a high-level planning estimate. **The actual amount of estimated impact fees could be more or less, depending on the nexus study.**

This level of revenues could be raised through a variety of mechanisms, including Development Impact Fees and/or Development Agreement exactions. The establishment of Development Impact Fees would require the preparation of a “nexus study” that demonstrates the Specific Plan generates the need for the improvements to be funded by the impact/assessment district fees.

It is important to note that approximately 90 percent of the residual value available to fund land and public facilities is estimated to be supported by the 1.3 million square feet of new office space that is programmed in the Specific Plan. To the extent that less office space is actually developed, the amount of private funding available for public facilities will be less than projected.

Community Facility Districts (CFD/Mello Roos) and Assessment Districts

Additional funds could potentially be raised through a CFD levy or assessment district levy on future homeowners and commercial property owners. The property tax levy could be leveraged and bond proceeds could be used to fund public improvements. However, the magnitude of the supported additional levy would be a function of the strength of the market at the time that the CFD/assessment district is being considered, the extent that the competitive supply of homes and commercial properties in adjoining communities are also paying CFD and/or assessments and the magnitude of existing tax levies. Given that the establishment of a CFD is subject to voter approval and an assessment district must be supported by a “nexus study,” it is not likely that these funding mechanisms could be established against all properties in the Specific Plan Area.

Given these uncertainties, for purposes of this financing plan, it has been assumed that 75 percent of the Specific Plan Area’s property value is subject to a combination of CFD and/or assessment district and that the levy is relatively conservative at 0.15 percent to 0.20 percent of new development assessed value (excluding land). As shown on Table 10-4 in Appendix D, under these conservative assumptions it is estimated that the assessment on property owners could support upwards of \$5 million of public improvements. When the City is ready to proceed with a bond issue, additional analysis will be undertaken regarding specific properties to be included in the CFD or Assessment district. These analyses may result in a higher supported tax burden, which would in turn support bond proceeds in excess of the \$5 million that has conservatively been estimated for purposes of this conceptual financing plan.

East Palo Alto Public Funds

The City of East Palo Alto envisions using existing property tax increment from the RBD and from the G101/UCI project areas, which has the estimated potential to fund up to \$7 million of improvements. As noted above, the City does not currently collect any significant development impact fees but intends to pursue an impact fee for the RBD and 4 Corners for the proportionate share of the DEPLAN costs, EIR traffic mitigation costs, and community benefits in the RBD. Also, given that the parks and community facilities will be used by residents throughout the City, the City will create a citywide impact fee for the citywide portion of benefit created by the parks, trails, and community facilities. It is estimated that Quimby Act fees on the 835 residential units could generate approximately \$5.9 million of funds for park facilities.

The property tax increment that the Specific Plan will generate to the Redevelopment Agency could be a significant source of ultimate funding for the Specific Plan's public improvements. As shown on Table 10-5 in Appendix D, it is estimated that upon full buildout, new Specific Plan development will annually generate approximately \$2.4 million of property tax increment to the Redevelopment Agency. \$1.3 million of this annual flow is restricted for purposes of enhancing or preserving the City's supply of affordable housing. The remaining \$1.1 million of annual tax increment is available for public improvement and facility expenses that meet the eligibility requirements of California Redevelopment Law. As noted in the Table 10-5 in Appendix D, it is estimated that the annual tax increment flow to the Agency from the Specific Plan would support approximately \$7.0 million of net bond proceeds that could be used for infrastructure and \$8.6 million of net bond proceeds that could be used for eligible affordable housing uses. A portion of the estimated \$8.6 million for affordable housing will be used to pay the affordable housing projects' proportionate share of infrastructure and other impact fees. With these funds, it is estimated that the tax increment from the Specific Plan would fund approximately \$7 million of the Specific Plan's public facilities.

Regional, State, and Federal Funds

Regional, State, and federal grants will also likely be available to fund certain components of the Specific Plan public improvements. There are currently several programs that could potentially be used but the nature and funding capability of programs will certainly change over the time period that the Specific Plan is implemented. Notwithstanding that caveat, the following are general descriptions of current relevant funding sources:

- ▶ **Safe, Accountable, Flexible and Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU).** This is a Federal program providing funding to transportation projects. The goal of SAFETEA-LU is to ad-

dress challenges in the areas of safety, efficiency, congestion, intermodal connectivity and protecting the environment. The program has been extended through 2015. Over the next three years, this program will provide \$554 million of funds to Bay Area Counties. There is a proposal to shift more of the control for the distribution of funds to local jurisdictions for taking on a larger share of the region’s housing production. This proposal is the “One Bay Area Grant” program and would specifically designate \$17.2 million to San Mateo County. Ravenswood could potentially be successful in obtaining an allocation of the other \$343 million of funds to be awarded by the MTC.

- **State Transportation Improvement Program (STIP).** STIP is a capital improvement program for transportation projects on and off the State highway system. The program uses State transportation funds as well as federal funds apportioned to the State for transportation purposes. Local agencies work through their regional transportation agency to nominate projects for inclusion in the STIP. The California Transportation Commission (CTC) approves projects to be funded.
- **New Market Tax Credits.** New Market Tax Credits is a federal program that reduces the federal income tax liability of investors in real estate projects in low-income communities. The tax credit totals 39 percent of the original investment amount and is claimed over a period of seven years. Since the program’s inception in 2000, a total of \$29.5 billion in tax credit authority has been allocated nationwide. This could be a significant funding source for the Specific Plan.
- **Low Income Investment Fund (LIIF)/Enterprise Partnership for TOD.** Over the past 30 years LIIF and Enterprise Partnership for TOD have separately provided billions of capital for the development of affordable housing, child care, and community facilities. While a specific funding amount has not been announced, this recently announced joint venture program will provide capital for the creation of “compact, walkable communities centered on transit systems.” The objective is to link affordable housing with transit.

Summary

Based on the current landscape of public finance, it is estimated that the private development within the Specific Plan Area could support upwards of \$41 million of public facility improvements. Redevelopment Agency property tax increment generated by the Specific Plan could support an additional \$7 million of improvements. Combined, these sources could fund \$48 million of improvements. As shown in Table 10-2, an additional \$14.8 million of public funds have been committed to the Specific Plan and \$10.9 million of the public funds are potentially available. The sum total of currently identified sources is

\$73.8 million. In comparison, it is estimated that the public facilities need for the Specific Plan will total approximately \$137.2 million. The size of the funding “gap” to be met through other public sources and property owner exactions approximates \$63.2 million. While this gap is significant, it is very common for only a portion of a Specific Plan’s facilities program to be funded at the time that the Specific Plan is adopted. With sufficient engineering, planning, and Agency staff resources, it is reasonable to expect that significant regional, State, federal, and philanthropic funding sources can be leveraged to complete the parks, community facilities, and infrastructure projects identified for the Ravenswood/4 Corners TOD Specific Plan. Philanthropic funding in particular can play a pivotal role in leveraging other resources for parks and community facilities.

Tables 10-3, 10-4, and 10-5 can be found in Appendix D of this Specific Plan.

Development Phasing

This provides a recommended approach to development phasing in order to achieve the vision described in this Specific Plan. Actual development phasing may differ significantly based on future economic conditions, unforeseen development opportunities, or other factors. The positive changes envisioned in the Specific Plan will require attracting and leveraging private and public capital.

Design and Build Necessary Place-Creating Improvements and Infrastructure

Place making investments create a framework of improvements that define key elements of the Specific Plan vision, provide benefits for existing residents, and attract public and private investment. Strategically focus on designing and building catalytic place making improvements such as the UP Spur Trail east of Illinois and west of Demeter and the SFPUC right of way north of Purdue. These improvements have a high functional as well as symbolic value and will leverage significant public and private investment.

Design and complete the SFPUC Right of Way park and trail (Figure 4-2, #14 & #4) and the UP Spur Trail from the Bay Trail to the SFPUC Right of Way park (Figure 4-2, #s 6,7,9 & 10). Continue implementing the Cooley Landing project. These improvements will create a continuous network of trails, parks, and open space. These open space projects will require the ongoing dedication of City/Agency resources to park/open space acquisition, design, and development. Work with philanthropic community to leverage resources for open space projects.

Design and Complete Bay Road Phase II

This is a catalyst project that is a prerequisite for attracting private development. It is unlikely that private investors will invest millions in an office or R&D project with Bay Road in its current condition. This project will create an attractive pedestrian friendly environment and provide the necessary infrastructure foundation. It will establish the vision of Bay Road as the spine of a mixed use district between University Ave and Tara St.

Catalyst Development Sites

In the near-term, it is recommended that efforts are focused on attracting development to the 4 Corners area of the Specific Plan Area, the former Romic site, and the Bay Clark Weeks Pulgas Block.

1) In the Four Corners area, the Specific Plan calls for mixed-use development with a mix of retail and some limited office in this area. The vacant site at the northeast corner of Bay Road and University Avenue is the greatest single opportunity for developing these uses. A project at this location could serve as a catalyst development throughout the Specific Plan Area. This site is already well served by roads and primed for redevelopment. Redevelopment of this catalyst site would provide new housing and retail opportunities in the Specific Plan Area, and would also provide a new Plan Area retail amenity that would prove helpful in attracting additional new development.

2). The former Romic site has the location and the size to significantly advance the goals and visions of the Specific Plan. The RBD is characterized by small parcels. The former Romic site has approximately 17 acres. The desirability of Bay views and connections to the Bay Trail and Cooley Landing make the former Romic site one of the best options for attracting private development that will generate employment, improve access to the Bay and open space, and create revenue. Furthermore, if the entire quadrant of land east of Tara is developed as a unified development site, it will create a new view shed and trail to the Bay. (See #12, Figure 4-2).

New office development at this location will require the Bay Road Phase II project. A project of this scale could accelerate the private development and public improvements, potentially including the Loop Road, in the Specific Plan Area.

3). Another catalytic project is a mixed use affordable housing/clinic project in the Bay Clark Weeks Pulgas block. This would be a gateway project to the RBD and represent the beginning of a mixed use corridor along Bay Road in the RBD. It would improve the Clinic, which is currently housed in portables;

provide affordable housing; and could include a community room or other community facility.

Incremental Ravenswood Infill Development

Incremental infill development can occur in several locations within the Ravenswood area north and south of Bay Road. This includes projects along Demeter Street, Pulgas Avenue, and Tara Street. Incremental infill opportunities for light industrial and R&D development also exist along Pulgas Avenue and Weeks Street south of Bay Road. These redevelopment opportunities, although likely to occur in the mid-term, could happen at any time during Specific Plan implementation. New flexible office and/or R&D development is anticipated at the termini of Demeter Street and Purdue Avenue. This development opportunity may also occur incrementally depending on the scale of the development. It is however anticipated that the Loop Road would be helpful in recruiting high-end office at this location, in which case, a project at this location may be more appropriate in the long-term.