

J. URBAN DECAY

This section assesses the potential for the proposed project to result in physical deterioration of other properties, referred to as “urban decay,” due to its business operation.

Consideration of this topic in environmental documents prepared under CEQA has increased in recent years in direct response to the California Court of Appeals decision in *Bakersfield Citizens for Local Control v. City of Bakersfield* (December 2004). In that decision, the Court determined that the *CEQA Guidelines* Section 15064 requires urban decay research and analysis:

“when the economic or social effects of a project cause a physical change, this change is to be regarded as a significant effect in the same manner as any other physical change resulting from the project.”

In the *Bakersfield* case, two shopping centers were proposed. Emphasizing existing case law beginning with *Citizens Assn. for Sensible Development of Bishop Area v. County of Inyo* (1985) in which the Court stated “the lead agency must consider whether the proposed shopping center will take business away from the downtown shopping area and thereby cause business closures and eventual physical deterioration of downtown Bishop,” the *Bakersfield* Court held that:

“when there is evidence suggesting that the economic and social effects caused by the proposed shopping center ultimately could result in urban decay or deterioration, then the lead agency is obligated to assess this *indirect* impact.”

The proposed project would redevelop the site with a discount retail grocery store (WinCo Foods). This EIR therefore evaluates the potential for the proposed grocery store to result in urban decay. In order to compile the appropriate background data with which to evaluate these potential impacts, as well as to provide other information with which to consider the proposed project’s merits, the City of Vallejo engaged CBRE Consulting, Inc., to study the proposed project. The report prepared by CBRE Consulting is entitled *WinCo Grocery Store Economic Impact/Urban Decay Analysis, Vallejo, California*, and is provided in Appendix H in this EIR.¹ The methods used, data presented, and conclusions set forth in that report are drawn upon in this section on urban decay impacts. Refer to the CBRE report for a more detailed description of the information summarized in this section.

1. Setting

This subsection describes existing conditions on the project site and the existing condition of the retail sector uses that could be affected.

a. Existing Conditions on Project Site. As described in Chapter III, Project Description, the existing project site is generally in a blighted condition. Although the three buildings on the site are generally in good condition, the neglected conditions on the site are a result of a lack of on-site maintenance. On-site landscaping is overgrown and open lawn areas at the rear have turned brown. Tall weeds have overtaken landscaped areas at the front of the lodge and are scattered throughout the paved surface parking lot and along the perimeter of the site. With the exception of the pool area, the

¹ CBRE Consulting, Inc., 2010. *Winco Grocery Store, Economic Impact/Urban Decay Analysis, Vallejo, California*. September.

outdoor recreational facilities at the rear of the site are no longer maintained and are in poor condition. Scrap materials, pallets, buckets, and furniture are stored along the southeast side of the building. RV's are often parked in the eastern area of the parking lot, and items associated with overnight camping (i.e., chairs, tables, cooking equipment) are next to the RVs.

b. Existing Condition of Retail Sector and Competitive Market Area. Generally, a weak retail sector will be more susceptible to urban decay. Conversely, a competing, new retail project is less likely to precipitate urban decay if the existing market conditions are relatively strong. In addition, the type, location, and parcel configuration of affected properties, as well as the range of potential reuse options, will also play a role in the susceptibility of existing retail districts and uses to urban decay.

As described in Appendix H, CBRE Consulting defined a competitive market area for the WinCo Foods project for the purpose of analyzing the prospective economic impacts. A market area is the geographic area from which the majority of a retail shopping center's demand is anticipated to originate. CBRE Consulting identified other competitive grocery store retailers and major merchandisers with a significant food component. Most consumers will travel to the grocery shopping destination closest to their homes; therefore, the market area was defined to be sensitive to this pattern. However, the market area also recognizes that WinCo Foods is a very competitive discount food retailer, and will likely attract shoppers from beyond a traditional grocery store market area definition of 3 to 5 miles. The actual size of the market area depends on many factors, including geography, transportation corridors, competitive retail supply, employment locations, and the location and demographics of residents. CBRE Consulting defined the market area as comprising census tracts encompassing the cities of American Canyon, Vallejo, and Benicia, portions of the City of Fairfield, and nearby unincorporated areas. There is also a small Bonfaire Market located across the street from the project site on Redwood Parkway. This small store, estimated at less than 5,000 square feet, is convenience oriented, including a large wine and spirits selection, and hence is not deemed to be competitive with the planned WinCo.

(1) Competitive Food Stores in Market Area. CBRE Consulting identified 17 grocery stores and other major merchandisers with a significant food component within the market area. These 17 stores represent a range of market orientations including conventional, discount, warehouse, ethnic, and upscale. In addition to serving a variety of market niches, the stores are also situated at various distances from the project site. Many of the stores are located in either neighborhood- or community-serving shopping centers. A summary of each store's market orientation, location, and distance from the project site is provided in Table IV.J-1.

(2) Competitive Food Stores Close to the Market Area. Grocery stores typically draw customers from a 3- to 5-mile radius, depending upon the store's orientation, with more unique or heavily discounted stores having the larger radius. Thus, CBRE Consulting also included in the analysis food stores for which their 3- to 5-mile market area radius would overlap with the WinCo Foods market area; i.e., they are located outside but near the border of the WinCo market area. These stores were focused along the I-80 corridor to the north of Vallejo. There are seven grocery stores or mass merchandisers selling groceries whose 3- to 5-mile trade areas overlap with the WinCo Foods market area. These include a Safeway Store, two Food Maxx stores, a Grocery Outlet, a Trader Joes's, a Raley's, and a Target. There is also a WinCo Foods store in Vacaville, located approximately 22 miles northeast of the project site.

Table IV.J-1: Select Market Area Grocery Stores

Market Orientation ^a	Food Store	Shopping Center or Street	City	Miles from Project Site
Conventional	Safeway	Redwood Plaza	Vallejo	0.1
	Lucky	Redwood Tuolumne Center	Vallejo	0.9
	Safeway	Lincoln Road	Vallejo	2.1
	Raley's	Park Place	Vallejo	2.5
	Raley's	Southampton Shopping Center	Vallejo	7.1
	Safeway	Solano Square	Benicia	8.5
Discount	Grocery Outlet	Admiral Callaghan Lane	Vallejo	1.0
	Target	Target Center	Vallejo	1.3
	Smart & Final	Sonoma Boulevard	Vallejo	2.7
	Food-4-Less	Meadows Plaza	Vallejo	3.8
	Walmart	Napa Junction	American Canyon	6.4
Warehouse	Costco	Gateway Plaza	Vallejo	1.3
	Costco	Business Center Drive	Cordelia	9.0
Ethnic	Seafood City	Vallejo Plaza	Vallejo	2.2
Upscale	Safeway	Glen Cove Center	Vallejo	4.1
	Safeway	American Canyon Marketplace	American Canyon	5.2
	Safeway	Green Valley Crossing	Cordelia	8.9

^a The market orientation is the market “niche” to which the store is oriented as described in Appendix H.
Source: CBRE Consulting, 2010.

(3) Retail Sales in Market Area. CBRE Consulting analyzed retail sales “leakage” and “attraction” in Vallejo and the rest of the WinCo market area. These terms refer to the extent to which the market area captures retail spending by residents from within as well as from outside the market area. Retail categories in which the market area does not fully capture spending by locals are called “leakage” categories, while retail categories in which the market area captures more sales than are generated by residents are called “attraction” categories. Generally, attraction categories signal particular strengths of a retail market, while leakage categories signal particular weaknesses.

Given the recent recession, which started in December 2007, and the associated decrease in retail sales, the market area’s retail sales base was adjusted to a 2010 baseline estimate. Adjustment factors were applied to the estimated 2008 retail sales base to develop an estimate of the market area’s baseline 2010 retail sales base. The analysis determined that the overall market area leaked more spending than was estimated to be spent by market area households. In 2008, households in the market area generated an estimated retail demand of \$2 billion, representing an average per household retail expenditure of \$30,100. This compares to the actual sales experienced in the market area in 2008 of roughly \$1.8 billion in total, or \$27,059 per household. The disparity between the level of resident household retail demand and the actual retail sales in the market area represents leakage of approximately 10 percent of sales, or roughly \$200 million in 2008. The level of leakage in the leakage categories was relatively high, ranging from 17.6 percent in the home furnishings and appliances category to 56.5 percent in apparel. In contrast, attraction was quite high in general merchandise at 31.5 percent of sales and service stations at 47.3 percent of sales.

In the food stores category, which is the category most relevant to the WinCo Foods, sales were characterized by a slight level of attraction, totaling 4.8percent of sales. This result indicates that there is no excess demand for grocery sales that is currently not being met by retailers in the market area.

(4) Retail Vacancies. Commercial brokerage firms do not routinely track composite statistics for the retail commercial space in the market area; however, Costar, a commercial real estate information service firm, compiles quarterly market performance indicators for many of the commercial shopping centers located in the market area. This resource does not inventory all retail space, but it generates information useful for comparative purposes. According to this resource, 2nd quarter 2010 retail inventory and vacancy was as follow by market area location:

- City of Vallejo, 5.7 million square feet, 11.3 percent vacant;
- City of Fairfield, 4.7 million square feet, 8.5 percent vacant;
- City of Benicia, 0.9 million square feet, 5.3 percent vacant; and
- City of American Canyon, 0.4 million square feet, 5.2 percent vacant.

Notably, only a portion of the City of Fairfield retail inventory is located in the market area, thus the City of Vallejo retail market, with the highest vacancy rate, strongly dominates the market area's retail base.

The 2nd quarter 2010 retail vacancy statistics generated by Costar are a departure from historic vacancy rates. During fourth quarter 2007, at the start of the current recession, the retail vacancy rate in all four cities was in the 2 percent to 3 percent range, with none exceeding 4 percent. Since then, concurrent with the recession, vacancy rates increased, peaking at 11.9 percent in Vallejo in the 3rd quarter of 2009 and 10.9 percent in Fairfield in the 4th quarter of 2009. The cited vacancy rates in Benicia and American Canyon comprise the highest rate since the beginning of the recession. Over the cited time frame the retail base barely increased, thus the increasing vacancy rate is attributable to previously occupied space becoming and remaining vacant.

(5) Strength of Market Area Retail Sector. Despite the increasing retail vacancy rate, the market area is not dormant, with some new retail leases executed. In addition, CBRE Consulting conducted field work in spring and summer of 2010 to review existing real estate conditions, and despite high vacancy and some longer term vacant properties, did not see signs of existing urban decay in the market area.

Since January 2009, Costar indicates that 24 leases were signed for market area retail properties totaling approximately 100,000 square feet of space. Many of these leases were for small retail spaces totaling less than 5,000 square feet, but several larger leases have been executed. For example, in July 2009 Bed Bath & Beyond signed a lease for 42,000 square feet of space on Plaza Drive in Vallejo, with a November 2009 opening date. This space was formerly occupied by Linens 'N Things, which went bankrupt and closed all its store locations. This space was vacant for approximately a year before it was backfilled by Bed Bath & Beyond. In addition, Dollar Tree leased almost 10,000 square feet of space on Admiral Callaghan Lane in Vallejo in February 2009, with an August 2009 move in date. CBRE Consulting is unsure of the former tenant, but it may have been a Hallmark store. In addition, in August 2009 Goodwill leased 9,000 square feet also on Plaza Drive, with a December 2009 opening.

However, in addition to this new lease activity, , there are several longer term vacant retail properties in Vallejo. These longer term vacancies include the following: a 17,450-square-foot vacant Cost Plus store in Gateway Plaza, which is a large, well-maintained and otherwise well-occupied shopping

center; a vacant 52,000-square-foot Mervyn's store on Sonoma Boulevard, located in a small retail center, which shows signs of decline including some boarded up doors, some trash, and painted over graffiti; and a vacant 100,000-square-foot Walmart also on Sonoma Boulevard, which also has boarded up doors and painted over graffiti, although in this instance the boards are painted over to match the building's exterior paint and hence the building appears to be undergoing routine maintenance.

In general, commercial retail brokers active in the market area indicate that the retail market is relatively flat, or stagnant, but that interest in retail space has picked up, with convenience retail typically faring better than specialty retail. Among the four commercial brokers interviewed by CBRE Consulting, none have the expectation that the vacancy rate will increase and none identified any major pending retail vacancies. However, with limited growth in the area, at least one commercial retail broker opined that the retail market recovery will be long and slow.

c. Future Retail Projects. In order to evaluate conditions in future years when the proposed project would be operational, CBRE Consulting also gathered information on potential future major retail projects in the market area based on information from city officials.

In the market study area there are six proposed projects: a Walgreens in American Canyon; expansion of Napa Junction in American Canyon; the Napa Pipe project in Napa County; Solano 360 in Vallejo; redevelopment of the Solano 80 Center in Vallejo; and Sonoma/Yolano Plaza in Vallejo. Together these projects total 932,589 square feet of retail space. Outside, but near the market area there are six additional planned retail projects. These include two Walmart Supercenters, one in Suisun City and another in Fairfield, and four retail projects in Fairfield, including Green Valley Ranch, a Fresh-N-Easy, Laurel Creek Plaza, and a Lowe's Shopping Center. These 12 projects total 172 million square feet of planned retail space. Specifically in Vallejo, future projects include a Mi Pueblo Food Store with 45,450 square feet opening at the redeveloped Solano 80 Center and the Sonoma/Yolano Plaza on Sonoma Boulevard consisting of a mixed-use project (19,670 square feet of retail, 26,300 flex-retail, 16,500 office).

d. Regulatory Setting. City ordinances, such as the City of Vallejo Code of Ordinances Chapter 7.54 on Property Maintenance and Chapter 7.56 on Weed and Rubbish Abatement require property owners to maintain their properties so as not to create a nuisance by creating a health and safety problem. Enforcement of these ordinances can help prevent physical deterioration due to any long-term closures of retail spaces.

2. Impacts and Mitigation Measures

This subsection begins with a description of the criteria used to determine whether significant urban decay or deterioration would result from implementation of the proposed project, followed by a discussion of potential impacts and recommended mitigation measures, if necessary.

a. Criteria of Significance. Implementation of the proposed project would have a significant urban decay impact if it would:

- Directly or indirectly result in physical deterioration to properties or structures that is so prevalent, substantial, and lasting for a significant period of time that it impairs the proper utilization of the properties and structures and the health, safety and welfare of the surrounding

community. Physical deterioration includes abandoned buildings, boarded doors and windows, parked trucks and long-term unauthorized use of properties and parking lots, extensive or offensive graffiti painted on buildings, dumping of refuse or overturned dumpsters on properties, dead trees and shrubbery and uncontrolled weed growth or homeless encampments.

b. Less-Than-Significant Urban Decay Impacts. The CBRE Consulting analysis of project and cumulative urban decay analysis concluded the following.

(1) Project-Related Urban Decay Impacts. Based on the existing conditions in the market area in which the proposed project would be located, the introduction of the project by itself is not likely to precipitate urban decay of the type described herein. This conclusion is supported by CBRE Consulting's consideration of current market conditions, findings regarding diverted sales, and re-tenanting potential, as follows:

Current Market Conditions. The field research, market research, and interviews that CBRE Consulting conducted indicated that many of the retail centers in the market area and the surrounding environs are experiencing increasing vacancy over prior levels during more stable economic times. Despite this rising vacancy, existing market conditions are not indicative of urban decay. Moreover, new retailers have continued to locate in the area despite the economic downturn, primarily by taking over vacant store spaces. Retail landlords appear to be generally maintaining their properties to keep them competitive and/or prepare for longer term redevelopment of their sites. A prominent example of this market trend is the continued maintenance of the vacant Walmart store in Vallejo next to Food-4-Less, which has been vacant for approximately three years.

Diverted Sales. CBRE Consulting estimated that stabilized sales at the proposed WinCo Foods store would total \$55.4 million in 2010 dollars. Given the project site's proximity to major roadways, including I-80, it is assumed that 20 percent of the store's sales would be attributed to consumers residing outside of the store's market area. Therefore, the estimated amount of food and general merchandise sales originating from market area residents is \$44.3 million.

Absorption of the WinCo food sales into the growing consumer base would be accounted for, in small part, by household growth. Of the \$44.3 million in WinCo grocery sales projected to be generated from within the market area, \$552,652 is projected to result from household growth. The intermediary potential food store sales impact, absent new household demand that would be generated for retailers other than WinCo, totals \$43.8 million. The remaining available new household demand for food stores totals \$2.9 million. Applying that demand to intermediary potential grocery sales diversions results in impacts of \$40.8 million.

It is assumed that a portion of sales at the Vallejo WinCo store would comprise sales diverted from the Vacaville WinCo. However, regardless of the level of sales impact that would be experienced at the Vacaville WinCo, the estimated impact is sufficiently large enough that the likely result is that some other existing food store(s) would experience high levels of sales diversion. Given the volume of sales impacts it is assumed that approximately one to two existing food stores could close following stabilization of the WinCo Foods store. The candidate stores include Food-4-Less, Smart & Final, or one of the two Safeway stores closest to the WinCo site. However, market dynamics and store management practices will be the final determinant regarding which store(s) experience sales losses sufficient to warrant store closure. Given the relatively low level of market area overlap between the

stores outside the market area and the proposed WinCo store, the identified outside market area stores would not experience any sales impacts severe enough to prompt store closure.

Re-Tenancing Potential. The market area has a demonstrated history of attracting new tenants when larger retail properties have become vacant, particularly the newer, more attractive spaces. Well-located and well-positioned properties, especially ones with highway accessibility and visibility, are anticipated to retain this re-tenancing potential without risk of urban decay. However, given current economic conditions and the projected decline in market area retail sales since 2008, the re-tenancing of larger vacant spaces could take some time, especially if several large spaces are available at once, or if an older space needs to be demised or redeveloped to attract a new tenant. However, during this period, landlords have an incentive to maintain their properties, to retain and enhance their marketability. It should be noted that when tenants vacate prior to lease expiration, they continue to be responsible for rent and their share of building operating expenses. While not all tenants would have the wherewithal to continue these payments, national retailers are more likely to have this capability. This is an important consideration because landlords will continue to receive income on these vacated spaces, which means they would have available financial resources to continue to maintain their properties.

Regulatory Controls. City ordinances, such as the City of Vallejo Code of Ordinances Chapter 7.54 on Property Maintenance and Chapter 7.56 on Weed and Rubbish Abatement require property owners to maintain their properties so as not to create a nuisance by creating a health and safety problem. Enforcement of these ordinances can help prevent physical deterioration due to any long-term closures of retail spaces.

The City of Vallejo has roughly 2,800 code enforcement cases annually. On average, 30 to 75 complaints are received daily, with graffiti comprising about 10 to 20 percent of these calls. An estimated 80 percent of complaints/calls are on residential property. The City of Vallejo has a dedicated group of volunteers who travel in teams three days a week for 2 to 3 hours at a time that takes pictures of apparent code violations and report issues back to the City.

If properties require nuisance abatement there are controls in place to provide this abatement. If Code Enforcement issues a complaint for a nuisance like graffiti, the property owner has 10 days to abate the graffiti. There is an active volunteer-run graffiti abatement program called "Anti-Graffiti Paintout" with 20 volunteers who paint out graffiti in Vallejo once a month. Property owners can choose to have this group abate their graffiti or can make other arrangements. If property owners do not address code violations, the City has the right to issue an abatement warrant, which gives the City the right to charge property owners for abatement costs. The City of Vallejo will typically issue between 3 and 5 code violation citations before obtaining an abatement warrant. For qualifying property owners, the City provides property maintenance grants limited to \$750 to help facilitate property improvement. These procedures all indicate that measures are in place in Vallejo to minimize conditions leading to urban decay. However, as noted, multiple code violations are sometimes issued before abatement occurs.

Redevelopment Potential. One other possible outcome of retail store closures and prolonged vacancies is that existing property owners, or buyers, might decide to redevelop these spaces with other uses, thereby preventing physical deterioration and the threat of urban decay. While the poor economic conditions may in turn limit the rate of growth of these alternate uses, nonetheless the

potential will exist, with properties positioned for alternate use when market demands pick up concurrent with the return of economic growth.

Conclusion. While the project could result in some diverted sales and some closures of market area stores may occur, these events are not expected to lead to physical deterioration so prevalent and substantial that it impairs the proper utilization of affected real estate or the health, safety, and welfare of the surrounding community. Based upon these findings, CBRE Consulting concluded that the development of the project would not contribute to urban decay in the market area, and urban decay impacts related to the project would be less than significant.

(2) Cumulative Urban Decay Impacts. The cumulative projects included competitive retail developments in the market area that have a reasonable expectation of being fully operational by or near 2013 (i.e., the same time frame proposed by the WinCo Foods project). However, not all of the identified cumulative retail projects are anticipated to be developed within a timeframe relevant to the Vallejo WinCo store development. In addition, not all of the projects are relevant to the proposed project analyses because their likely market areas do not overlap with the WinCo market area. Accordingly, only eight projects would have some or all of their market area overlap with the WinCo project.²

The eight cumulative projects that may be developed within a similar timeframe as the proposed project are anticipated to divert up to \$306.6 million from existing market area retailers once stabilized sales are achieved. The following describes potential cumulative impacts associated with food and non-food sales categories.

Food Sales Impacts. Food store sales impacts would total \$51.4 million, which comprises a \$10.6 million increment over the food sales impact of the WinCo project alone. This incremental level of impact is largely attributable to the Mi Pueblo Food Store, under construction in Vallejo. This store caters to the large Hispanic population base in and around Vallejo, and will provide a unique area shopping opportunity through its focus on providing an ambiance reminiscent of the fresh-food markets of Mexico and Latin America.

This unique orientation of Mi Pueblo accounts for the relatively large share of store demand anticipated to originate from outside the traditional three-mile ring neighborhood grocery store market area. Because the next nearest Mi Pueblo Food Stores are located in Pittsburg and San Rafael, the sub-regional Hispanic population is anticipated to travel a greater than average distance to shop for groceries at Vallejo's new Mi Pueblo Food Store. This is likely to include residents of Vallejo, Fairfield, and American Canyon, all with about a 23 percent Hispanic population, and even Benicia with an 11 percent Hispanic population base.

It is difficult to say how the increment in food store sales impacts attributable to the cumulative projects will impact existing food stores. Since no existing area food stores have a Latino orientation comparable to Mi Pueblo, it is likely that food sales diversions will be relatively evenly distributed among existing stores. This means a potentially added burden on the stores already identified as most

² Future projects excluded from the cumulative analysis include: Napa Pipe in Napa County (40,00 square feet of retail); Walmart in Suisun City (214,919 square feet of retail); Fresh-N-Easy in Fairfield (14,380 square feet of retail whose building permit expired in November 2010); and Laurel Creek Plaza (110,186 square feet of retail).

likely to experience the great impacts associated with the WinCo store, which include Food-4-Less, Smart & Final, or one of the two Safeway stores closest to the WinCo site. These Safeway stores are also relatively close to the future Mi Pueblo Food Store location. Thus, as with the conclusion for the WinCo food sales impacts, it is possible that pursuant to the cumulative projects, one to two existing food stores could close following stabilization of the WinCo store and the Solano 80 Center's Mi Pueblo Food Store.

Non-Food Sales Impacts. Additional cumulative project impacts totaling \$255.2 million are estimated to occur in the other retail, general merchandise, apparel, home furnishings, and appliances categories. The market area may have difficulty absorbing all of the cumulative projects and, if these projects are to succeed at the level of sales estimated, many market area retailers would experience sales declines.

The non-food sales impacts are roughly comparable to support for 730,000 square feet of retail space. This figure, however, is not an estimate of the amount of retail space anticipated to be displaced by the cumulative projects, as many existing retailers can absorb some level of sales decline before store closure becomes the only reasonable course of action. It is unlikely that the full magnitude of the negative cumulative impacts will be experienced by just one or several stores. Therefore, the impacts will likely be spread among a wide number of stores. If this occurs, then some store sales declines will not be severe enough to trigger store closure, thereby minimizing the above-cited square footage equivalency figure.

The cumulative impact figures are conservative and are presented as analytical benchmarks, with many factors that could result in changes to the level of impacts. These include generation of additional new retail demand after 2013 due to demographic growth, lower sales achievement than projected, delayed cumulative project development, and prospective market corrections or enhancements following the introduction of the cumulative projects, including competitive retailer repositioning. The extent to which potential store closures become problematic depends upon the strength of the market, regulatory controls, and actions pursued by property owners.

Conclusion. As previously discussed, if any vacancies occur as a result of store closures, controls are in place in Vallejo to help prevent physical deterioration that can lead to urban decay. This includes an active volunteer-run graffiti abatement program and City issuance of abatement warrants if repeated code violation citations are issued. Ultimately, the City has the right to charge property owners for abatement costs if code violations are not adequately addressed by property owners. These procedures all indicate that measures are in place in Vallejo to minimize conditions leading to urban decay should there be store closures.

In conclusion, while the project and identified cumulative development could result in some diverted sales and some closures of market area stores may occur, these events are not expected to lead to physical deterioration so prevalent and substantial that it impairs the proper utilization of affected real estate or the health, safety, and welfare of the surrounding community. Based upon these findings, CBRE Consulting concluded that the development of the project would not contribute to urban decay in the market area, and urban decay impacts related to the project and cumulative market development would be less than significant.

(3) Significant Urban Decay Impacts. As described above, construction and operation of the project would not result in significant urban decay impacts either in and of itself or in combination with identified cumulative development.