COUNTY OF SANTA CRUZ

PLANNING DEPARTMENT
701 OCEAN STREET, 4TH FLOOR, SANTA CRUZ, CA 95060
(831) 454-2580 FAX: (831) 454-2131 TDD: (831) 454-2123
KATHLEEN MOLLOY PREVISICH, PLANNING DIRECTOR

February 2, 2015

Agenda Date: February 11, 2015
Agenda Item #: 6
Time: after 9:00 a.m.

Planning Commission
County of Santa Cruz
701 Ocean Street
Santa Cruz CA 95060

SUBJECT: CONSIDERATION OF PUBLIC REVIEW DRAFT OF DAVENPORT CEMENT PLANT REUSE STRATEGIC PLAN

Members of the Commission:

The Planning Department was successful in obtaining a Planning & Technical Assistance Grant from the Community Development Block Grant (CDBG) Fund in 2012 to study the potential reuse options of the cement plant located in Davenport. The County was authorized by the State Department of Housing and Community Development (HCD) to expend grant funds in late 2013.

A Request for Proposals was issued and Wahlstrom & Associates was selected to prepare an analysis of various reuse options and conduct a Town Hall meeting and community survey. The public review draft of the Davenport Cement Plant Reuse Strategic Plan is attached and was released by the Board of Supervisors on December 5th, 2014 for a sixty day comment period. The Draft Reuse Plan includes a survey of existing conditions, a review of area demographics and the local economy, site assets, reuse constraints, and a set of recommendations with a rationale for each.

The following provides a brief summary of the nine recommendations contained in the Draft Reuse Plan:

1. Utilize the AB440 Polanco Redevelopment Act, which was signed by Governor Brown in 2013 to require property owners to provide documentation about contamination of soils, groundwater, cement kiln dust (CKD) piles and historic and functionally obsolete buildings and equipment.

2. Consider discouraging private parties from finalizing negotiations to acquire the 109-acre cement plant site without first obtaining "clean bill of health" through the regulatory clean-up process.

3. Create an Oversight Committee of stakeholders to gather information about the various contamination studies; and to oversee planning, consensus building, and any remaining cleanup actions needed for completion and delivery of the site and/or buildings for new uses.

4. Establish regular communication and information sharing about the status of the site cleanup and reuse efforts with Davenport area residents, nearby landowners and operators, Santa Cruz County staff and other interested parties.

5. After, or as part of the master planning effort, encourage the property owner to subdivide the large single parcel into smaller parcels so that the master plan for new development can be implemented, local support can be encouraged, and the site can be phased to attract a mix of business, educational, or other new uses.

6. Conducting a community visioning process will prepare the project area for the emergence of new ownership and land uses. During the interim period, the County should delay selecting a preferred land use mix selection because the site will not be ready for at least four years and perhaps longer.

7. Adoption of an interim General Plan/Local Coastal Plan policy change to allow interim reuse of existing buildings prior to adoption of a Master Plan or Specific Plan for the site. It was recommended that the County retain the Mountain Residential land use designation until a Master Plan or Specific Plan is prepared and ready for adoption.

8. Negotiate improvements to the wastewater treatment and water supply treatment systems as a term of approval for a future development approval, and consider use of a development agreement.

9. Conduct a historic resources inventory to identify additional buildings and equipment that should be preserved on the site.

Recommendation

It is therefore recommended that your Commission take the following actions:

1. Prepare and forward comments with the Public Review Draft of the Davenport Cement Plant Reuse Strategic Plan for consideration by the Board of Supervisors.

Sincerely,

Barbara Mason
Economic Development Coordinator/
Project Planner

Kathy M. Previsich
Planning Director



DAVENPORT CEMENT PLANT REUSE STRATEGIC PLAN

Draft – December 2014

Prepared for
Santa Cruz County

Prepared by Wahlstrom & Associates

December 2014

TABLE OF CONTENTS

1. SUMMARY OF FINDINGS AND RECOMMENDATIONS

The 109-acre Davenport cement plant stopped making cement in 2010. It remains owned by CEMEX, who has shifted to closure and cleanup activities, and has the property listed for sale. The property is a unique site located in a rural, picturesque setting only 15 miles from the City of Santa Cruz along the California Coast with Highway 1 frontage. The broader area surrounding Davenport and the CEMEX property is relatively affluent. The greater Davenport/Bonny Doon area is located within a reasonably close commute shed into Silicon Valley, which combined with its oceanfront setting, makes the community a desirable residential location for tech industry employees and executives.

The surrounding open space and recreational assets such as Davenport State Beach enhance Davenport's desirability as a residential location. Nearly 14,000 acres of permanent open space land surrounding the Davenport area has been transferred from private ownership to either a government agency or a non-profit land trust. A long-term goal of open space preservation organizations is to make appropriate recreational and resource management and preservation improvements, and to designate the area surrounding Davenport into a new recreation and wilderness destination for local residents and visitors.

STATUS OF CLEANUP EFFORTS

Reuse of the cement plant site is currently constrained by contamination issues that emerged prior to closure and continue to be studied. Various "hot spots" where soils or groundwater may be contaminated have been identified, but more detailed site-specific studies remain to be completed in order to identify very specific contamination problems that may need cleanup or mitigation, and to develop a strategy to move development and/or reuse of the site forward.

Santa Cruz County's Environmental Health Department, which is the lead agency overseeing the cement plant's closure and clean up, will require the various contamination studies to be completed and then followed by actual cleanup before declaring the site clean and ready to accommodate unrestricted land uses. CEMEX, the responsible party of record, is required to fund the cleanup efforts, and will retain that responsibility even if the property is sold or transferred to a third party unless a negotiated agreement provides otherwise and is accepted by regulatory agencies.

The cleanup process may take three to five more years, but the timeline could be extended for a longer period of time if contaminated groundwater is discovered. The Central Coast Regional Water Quality Control Board regulates potential groundwater leakage from the cement kiln dust (CKD) piles, and CEMEX is responsible to fund any groundwater cleanup activities emanating from the CKD piles. However, other aspects of site contamination and deterioration are completely unregulated with actions to address or prevent such being dependent private market forces.

- No requirements are in place for cleanup of contaminates that could exist or later be found within or underneath the buildings or surrounding the kilns, cooling tower, large cement silos, underground and aboveground piping, underground tunnels, overhead ducts and tunnels, and cement production components. Of concern is that CEMEX could simply secure the buildings, and a future buyer would be required to clean any spills within the building walls, as well as underneath any buildings that are removed or relocated. This adds unpredictability and time uncertainty to any reuse scenario, including new property owners.
- The above ground storage tanks (ASTs) are not required to be removed and their future will be determined by a future real estate transaction;
- The heavy industrial equipment (kilns, cooling tower, etc.) are not required to be removed and their future will also be determined by a future real estate transaction; the equipment can remain in place for years or decades as long as CEMEX retains site ownership and continues to keep the site secure or as long as a buyer may decide to retain the equipment rather than remove it;
- It remains unclear whether any governmental authority will require CEMEX to remove the two large CKD piles, which are located uphill from the mill site and in the middle of the site's prime view corridor. Any future decisions about the costly removal or mitigation of the CKD materials will be left up to a future real estate transaction, and the CKD materials are likely to be an issue for any new owner of the site.

STATUS OF REUSE AND LAND DISPOSITION EFFORTS

The cement plant site has limited or no reuse potential until it is determined that the soils and groundwater are clean. The buildings and equipment will likely continue to deteriorate until the County Health Department determines the site to be clean and the Regional Water

Control Board determines that the ground water is safe from potential CKD pile contamination.

County policies and regulations would need to be amended to allow reuse of existing buildings, which is a process that requires approval by both the Board of Supervisors and the California Costal Commission.

Any future property owner that attempts to attract economically productive uses to the cement plant site will be subject to a high level of regulatory review that may require the preparation of a Specific Plan in addition to amendment of the County's General Plan and Local Coastal Program. Although the County should allow businesses and educational providers to reuse the cement plant buildings, a long-term solution will require these amendments.

CEMEX's current asking price is $20 million for the property, but it is unclear what the purchase includes, and who pays for the costs of preparing the site for new land uses. CEMEX is currently in negotiations for a potential transfer of ownership to the Sempervirens Fund, but it is unclear how Sempervirens can access the millions of dollars of capital that will be required to prepare the site for reuse and what the impact of site cleanup expenses will be for this potential new owner.

BUSINESS ATTRACTION POTENTIAL

The ability to attract new businesses to the Davenport area is challenging. The 16 businesses that are established within the Davenport and Bonny Doon zip code employ approximately 210 workers. This means that attracting business to the Davenport area will require capturing a larger market share of the regional job growth than it has in the past, in order to transform the cement plant site into a business, agriculture, education, leisure or tourist destination. Based on data on the area's market potential, current market demand indicators suggest the potential to attract three industry sectors:

- Leisure and hospitality that can take advantage of the site's beauty, isolation, proximity to Davenport State Beach, nearby urban amenities in the City of Santa Cruz and other attractions of Santa Cruz County;
- Agriculture value-added businesses, as well as other manufacturing and construction establishments, could adaptively reuse as many buildings. However, more information about the potential reuse of the existing buildings is needed. Incentives to locate on the site could possibly overcome the challenges of the Davenport area as a viable business location;

- The rapidly expanding sector of professional and business services could possibly be attracted to the cement plant site if good broadband and telecommunications services are available, and if business prospects can recruit a workforce willing to commute to the Davenport area. The location is only 10 miles from UC Santa Cruz, which may assist with meeting this challenge.

In sum, the ability to attract and sustain new businesses and successfully retrofit the cement plant buildings to accommodate new users is challenging for the following reasons:

- Land use regulatory constraints must be addressed through amendment of the General Plan and Local Coastal Program
- Buildings need to be studied and determined whether historically significant or functionally obsolete
- Community support must be generated and any opposition must be addressed, so that community support is positively integrated into a reuse plan
- Market and financial feasibility factors must be addressed by a future master planning effort or specific plan
- Objectives of the County of Santa Cruz and other stewards must be better defined and met

COMMUNITY SUPPORT OR OPPOSITION

A community survey that was completed as a component of this study during June and July of 2014, indicates that Davenport and New Town area residents support the development of a low impact resort or an appropriate hotel and conference center on the cement plant site. Residents also overwhelmingly support attracting a trade school or an industrial arts facility that could reuse some of the existing buildings on the site. The community may also support other non-polluting industrial uses that would create jobs.

Some Davenport and New Town area residents will oppose any development that involves new housing. A sizable number of Davenport and New Town area residents also oppose any type of chain store businesses, and there is fear that new hotels and tourists could overwhelm and fundamentally change the community's character. About one out of five residents would like the cement plant site to be converted into permanent open space.

That said, when informally approached, most residents know little about the actual buildings on the site and the environmental cleanup

challenges. This lack of knowledge must be addressed in order to engage the community support for any policy amendments or new uses.

Potential Land Use Mix Scenarios

Although it is not advisable to select a preferred land use mix at this time considering it will be years before the site is cleaned up and available for reuse, future redevelopment proposals should consider the three land use mix scenarios summarized below:

Land Use Mix A: Trade Schools Mixed with Industrial and Construction Establishments

Future proposals with Land Use Mix A are very likely to receive local community support provided that any pollution concerns are properly addressed and mitigated. Development proposals to attract a trade school mixed with industrial and construction establishments would encourage the adaptive reuse of as many buildings as possible.

Land Use Mix B: Hotel, Conference Center, Low Impact Resort and/or Campground

Future proposals to develop visitor services on the site are very likely to receive moderate support from area residents provided that concerns about potential effects on the community's character can be addressed.

Land Use Mix C: Mixed Use Development

Future proposals to subdivide the site and build it out with a mix of commercial and residential uses must overcome some opposition from some residents who will oppose efforts to build any type of new housing. The opposition may be overcome by good community relations, assurances of adequate infrastructure, participation in the decision making process (through the local steering committee mentioned in this report), and a careful land planning design that would help connect New Town with Davenport.

RECOMMENDATIONS

Santa Cruz County is poised in a strategic yet challenging position of being able to influence the potential reuse of the 109-acre cement plant site. The County's stewardship and legal authority can require CEMEX to clean up contaminated soils and prevent groundwater contamination, but the County faces constraints with respect to the ability to require CEMEX to remove the cooling tower, other heavy industrial, potentially functionally obsolete buildings and the CKD piles. To date, site reuse discussions have largely been left to private real estate market negotiations between CEMEX and potential buyers.

CEMEX may have made a corporate decision to delay any cleanup and may be storing old equipment and materials on the site for as long as possible. It is possible that CEMEX determined that it is more cost efficient to keep the site secured than it is to clean up the property and prepare the site for new land uses.

The general recommendations summarized in Figure 11 will enable the County to have more leverage over future planning for reuse of the site to reestablish economically productive uses, and to prevent the site from becoming blighted, abandoned property that accommodates no jobs and has no public benefits.

RECOMMENDATION #1

Utilize the AB 440 Polanco Redevelopment Act, which was signed by Governor Brown in 2013 to require property owners such as CEMEX to provide all documentation about contamination of soils, groundwater, CKD piles and historic and functionally obsolete buildings and equipment.[1]

Rationale

Cement production activities were halted four years ago in 2010 and very little additional activity has occurred, leaving the site to deteriorate. AB 440, which the Legislature passed to help clean up sites, such as this CEMEX site and other contaminated sites, provides the County with the legal authority and leverage it needs to require CEMEX to deliver a functional and clean site in advance of reuse. AB 440 can empower the County to compel CEMEX to provide details regarding specification of size, conditions and functional reusability of all buildings and equipment on the site, none of which has been provided to date. Without any legal leverage to force action, CEMEX will likely continue to hold the site "as is", continue to request a $20 million sale price (which may barely pay for site reuse and mitigation costs) and leave the property's future to the vagaries of private market forces.

RECOMMENDATION #2

Consider discouraging private parties from finalizing negotiations on acquiring the 109-acre cement plant site without a "clean bill of health" from the regulatory clean-up process.

Rationale

Any effort to transfer ownership to a non-profit developer, land conservation group, or other private parties would make it more difficult to cleanup contaminated soils and ground water that will be required

[1] See http://www.bingham.com/Alerts/2013/10/AB-440-Polanco-Redevelopment-Act

before the site is ready for alternative land uses. Inability to fund clean up could result in the abandonment of the property and the loss of a public benefit to the local community.

RECOMMENDATION #3

Create an Oversight Committee of stakeholders to gather information about the various contamination studies; and to oversee planning, consensus building, new uses, and any remaining cleanup actions needed for completion and the delivery of the site and/or buildings for new uses.

Rationale

The cleanup effort and plans for reuse are disjointed and in need of a centralized oversight structure that can accurately report on accomplishments and challenges, and build consensus regarding new uses that are supported by the market, or uses that can be funded and activated at the site which are supported by local residents and others.

RECOMMENDATION #4

Establish regular communication and information sharing about the status of site clean up and reuse efforts with Davenport area residents, nearby landowners and operators, Santa Cruz County staff and other interested parties

Rationale

Conveying accurate information to the community, potential investors, and/or new users, will reduce misinformation, and the community can be engaged in the reuse process that any successful reuse effort will require.

RECOMMENDATION #5

After, or as part of a master planning effort, encourage the property owner to subdivide the large single parcel into smaller parcels so that the master plan for new development can be implemented, local support can be encouraged, and the site can be phased to attract a mix of business and educational uses or other new uses.

Rationale

Land parcel subdivision will promote a development phasing that is consistent with the market demand, protection of historic and reusable buildings, site cleanup and/or restoration, infrastructure capacity and community acceptability.

RECOMMENDATION #6

A community visioning process will prepare the project area for the emergence of new ownership and land uses. During the interim period, the County should delay selecting a preferred land use mix selection because the site will not be ready for at least four years and perhaps longer.

Rationale

Selecting a preferred land use at this time will constrain real estate development alternatives and make it more difficult to attract the investment capital required to clean up and reuse the site.

RECOMMENDATION #7

The County may need to adopt an interim General Plan/Local Coastal Plan policy change to allow interim reuse of existing buildings prior to adoption of a Master Plan or Specific Plan for the site. The County should also retain the Mountain Residential land use designation until a Master Plan or Specific Plan is prepared and ready for adoption.

Rationale

Encouraging the reuse of existing buildings can attract economically production uses back to Davenport. Changing the land use designation in advance of a master plan or specific development proposal would be an unnecessary expenditure of time, energy and resources.

RECOMMENDATION #8

Negotiate improvements to the wastewater treatment and water supply treatment systems as a term of approval to a future development approval, and consider use of a development agreement.

Rationale

The wastewater and water treatment systems have a small amount of excess capacity, but improvements may be needed to accommodate new growth. Current service delivery costs are very high for current local residents and businesses.

RECOMMENDATION #9

Conduct an historical resources inventory to identify additional buildings and equipment that should be preserved on the site.

Rationale

Additional buildings and equipment on the cement plant site may be added to the County's Historical Resource Inventory if determined to be historically significant. Listing as a historic resource could assist with securing additional funds to rehabilitate the buildings. (Eg. 20% Historic Tax Credit for cost of rehabilitating historic structures.)

2. EXISTING CONDITIONS AT THE CEMENT PLANT SITE

2.1 HISTORICAL FRAMEWORK

The Davenport cement plant along Highway 1 was constructed more than 100 years ago using limestone from the nearby San Vicente Quarry. The stone was crushed and melted into cement by giant kilns fueled by oil until the 1970's when a new coal fired kiln was installed. Oil and coal was carried to the plant by rail to fuel the cement production process. For years, rail was also used to transport finished cement products from Davenport to regional and national markets. In 1934, continued efforts to reduce transportation costs and expand market share resulted in the construction of a 2,300-foot beach pier that connected to the cement plant through a tunnel. For a short time, fuel oil was delivered and cement powder was transported via steamship. That shipment method was discontinued, however, when heavy seas washed away the center section of the pier. During the post World War II era, the plant produced 2.9 million tons of cement powder per year. Bonny Doon opened as a second quarry site in 1969, which remained in production until 2008.

For more than a century, the cement plant had numerous owners of production operations. The Santa Cruz Portland Cement Company retained ownership from 1905 until 1956 when Pacific Coast Aggregates acquired the facility. Lonestar Industries retained ownership from 1965 to 1987 when Lonestar merged with another company to become RMC Lonestar. The new merger retained ownership through 2005 when CEMEX acquired the facility. CEMEX ceased manufacture of cement in 2010.

The Portland Cement Company produced and manufactured concrete products (MCP), as well as plastic cements that helped reconstruct San Francisco after the 1906 earthquake. They also provided material for the construction of the Golden Gate Bridge, the Panama Canal, the Pearl Harbor dry docks, the San Francisco Opera House, the Oakland Coliseum, BART and many other well-known facilities. It was a cornerstone of the construction industry throughout the Bay Area and beyond.

2.2 UNIQUE LOCATION

Now closed, the cement plant rests in a unique location along the California Coast, in a rural setting only 10 miles from the City of Santa Cruz - a highly desirable place to live, work and visit. Its proximity to Silicon Valley makes the greater Davenport/Bonny Doon area a desirable residential location for tech industry employees and executives.

The project site and community of Davenport are surrounded by permanent open space. Coast Dairies & Land Company (the neighboring property owner) in partnership with the Trust for Public Land recently transferred 5,800 acres of land to the Bureau of Land Management (BLM). In addition, CEMEX recently sold 8,500 acres of nearby wilderness known as the San Vicente Redwoods for $30 million to two conservation groups, including: the Peninsula Open Space Trust and Sempervirens Fund. Two other conservation partners, the Land Trust of Santa Cruz County and the Save the Redwoods League, will be responsible for protection and management of the property. These non-profit groups plan to place a conservation easement over the land that will limit future land development activities after detailed environmental and biological surveys are completed. Sustainable environmental and timber management practices will also be demonstrated. The long-term goal is to provide public access that transforms the area into a new recreation and wilderness destination for local residents and visitors from around the region and beyond.

2.3 CONTAMINATION AND SITE CLEANUP REQUIREMENTS

Santa Cruz County's Environmental Health Department is the lead agency overseeing the cement plant's closure and clean up. Soil and groundwater contamination is an issue at this site as a result of 100 years of heavy industrial use. The Facility Closure Plan identifies various "hot spots" where soils or groundwater may be contaminated.[2] The Facility Closure Assessment provides a more detailed analysis of soils and potential contamination problems that may need mitigation. The report also establishes a framework for undertaking specific detailed studies of potential contamination areas.[3]

The County and CEMEX are ready to move forward with specific contamination studies along with a work plan to clean up or mitigate possible soils and groundwater contamination at the ten study areas listed in Figure 1. It is anticipated to take three to five years to complete the soils contamination studies and the associated mitigation measures. CEMEX, the responsible party, is required to identify the scope of contamination and mitigate the agreed-upon impacts in order to meet the cleanup goals. The County anticipates that CEMEX will continue to implement the mitigation measures identified in the specific soils contamination studies. This also has implications for the sale and transfer of the site, in that if CEMEX sells or transfers the site, they may still be considered the "responsible party", which could either further complicate any transfer or sale, or be a key factor in negotiating a sales price.

[2] Facility Closure Plan Prepared by TRC. November 19, 2012
[3] Facility Closure Assessment Prepared by TRC. May 12, 2014

Figure 1
Documented Areas of Contamination Under Further Study

Area Location	Petroleum Hydrocarbon Contamination (TPH)	Volatile Organic Compound Contamination (VOC)	Semi Volatile Organic Compound Contamination (SVOC)	Metals Contamination
West Diesel Tank Area	Yes	Yes	No	Yes
Conveyor Belt Area	Yes	No	No	No
Roller (RAW) Mill Area	Yes	No	No	No
Oil Storage Building	Yes	No	No	No
Mechanics Garage	Yes	No	No	No
Former Tank (Lower) Areas	Yes	No	No	Yes
Historical Diesel Spill Area	Yes	No	No	No
Electrical Substation	No	No	Yes	No
Limestone Crusher Area	No	No	No	Yes

Data Source: Facility Closure Assessment prepared by TRC; May 12, 2014
Analysis: Wahlstrom & Associates

[3] The additional groundwater samples that still need to be taken typically starts with quarterly sampling for one year after the wells are installed. Some areas have no groundwater data, which will require collecting more time consuming sampling data.

Potential groundwater contamination studies that are underway will take another 18 months before definitive conclusions about groundwater conditions can be determined.[4] Although it appears unlikely that "significant" groundwater contamination exists, three preliminary groundwater study samples identified some metals or petroleum hydrocarbons (TPH) contaminates above the initial environmental screening levels.

The County Health Department will declare the site clean and ready to accommodate unrestricted land uses three to five years from the date of this study (December 2014), after the required studies and mitigation measures are completed. However, the timeline could be extended for months if not years if contaminated groundwater is discovered.

Built Structure Cleanup Requirements

Although the closure plan affects the disposition of the property, it does not require cleanup of potential contaminations that may exist or be found in the future within or underneath the following: buildings or areas surrounding the kilns, cooling tower, large cement silos, underground and aboveground piping, underground tunnels, overhead ducts, and tunnels and other facilities on the site where contamination may need to be addressed prior to reuse. The closure plan also does not require the removal of the above ground storage tanks (ASTs).

It is possible that the extensive costs associated with the potential removal or the adaptive reuse of the site's buildings and heavy industrial equipment will be addressed through a negotiated real estate transaction between CEMEX and a future buyer. It is possible that the buildings, cooling tower and other heavy industrial features may remain on the site for years to come, perhaps decades.

CKD Landfill Cleanup Requirements

The Closure Plan does not require the two large cement kiln dust (CKD) piles and a pile of limestone to be removed, which are located uphill from the mill site and in the middle of the site's prime view corridor. This means that future decisions about the costly relocation, removal or mitigation of the these materials will likely be left up to a real estate transaction between CEMEX and a new buyer, and that the materials could even be left as a permanent feature of the site. The CKD piles are located atop the bluff with unobstructed views of the Pacific Ocean, and would be an obstacle for future landscape design plans. It would take significant investment and landscape architectural skills to work around these piles and transform the site into an attractive visitor destination. CEMEX has indicated that there is a monetary value for the materials in

the piles. The transportation costs of removal and transportation may exceed the value of the materials. Relocation to another portion of the site may be less expensive, and allow the key view area to be reused.

Cement kiln dust (CKD) is the fine-grained, solid, highly alkaline waste removed from cement kiln exhaust gas by air pollution control devices. The existing CKD piles extend 23 feet below the subsurface. Because much of the CKD is actually unreacted raw materials, large amounts of it can and are recycled back into the production process. Unfortunately, Davenport's CKD materials cannot be reused on site or nearby because cement production has been discontinued and it has been considered too costly to transport the materials to other cement plant sites.

The CKD pile located on the south end of the site is covered with tarps and tires. A second CKD pile with an exposed membrane is located on the north end of the site, but a significant portion of the top deck remains uncovered. The U.S. Environmental Protection Agency (EPA) has categorized CKD as a "special waste" temporarily exempted from federal hazardous waste regulations.[5] In other words, at this time the CKD piles are not regulated by Federal agencies as being considered toxic or harmful to human health. In the absence of EPA regulations, the Central Coast Regional Water Quality Control Board (a State Agency) is responsible for the oversight of the CKD piles, which must be properly closed, covered and monitored for proper drainage to ensure that the groundwater is protected from contaminants.[6]

2.4 STATUS OF REUSE AND LAND DISPOSITION EFFORTS

Other than the possibility of reusing certain of the existing buildings on the site, the cement plant site has no reuse development potential until it is determined that the soils and groundwater are clean, which may not occur until 2018 or a later date. Until then, the fence around the site will remain in place, and the buildings and equipment will likely continue to deteriorate until the County Environmental Health Department determines the site to be clean and the Regional Water Control Board determines that the ground water is safe from potential CKD pile contamination. Either the County of Santa Cruz or a future property owner will need to amend the General Plan and the Local Coastal Plan in order to place the site back into economically productive uses. Other factors affecting the site's potential reuse are described below.

- CEMEX's asking price is $20 million, but it is unclear what exactly will be purchased, and who pays for the costs of the adaptive reuse

[4] Interview with Martin Fletcher, Central Coast Regional Water Quality District
[5] See http://www.waterboards.ca.gov/centralcoast/ for more information about the Water Board

or removal of obsolete buildings, the disposal of heavy industrial equipment with very limited reuse value, assorted debris, and either the CKD removal, CKD relocation or landscaping needed to transform the CKD piles into an attractive site feature.

- One potential reuse prospect emerged several years ago with an interest to purchase the entire site for the purpose of manufacturing. This prospect may remain interested in acquiring the site but it is unclear if the proposal is still viable or allowable under current or future County policies and regulations.

- CEMEX is currently in negotiations regarding a potential transfer of ownership to the Sempervirens Fund, a local land trust that had an important role in acquiring the 8,500-acre CEMEX Redwoods land conservation area. Sempervirens envisions the cement plant as an entryway into the newly acquired recreation and wilderness area. Sempervirens also recognizes the need to attract tourist and business activity back to the site in order to generate revenues needed to maintain and preserve the recreation and wilderness assets. The negotiation outcomes are uncertain.

- To date, no other investors or land developers have emerged as potential buyers of the cement plant.

2.5 COMMUNITY IMPACTS OF PLANT SHUT-DOWN AND CONCERNS ABOUT REUSE

The formal shut down of cement production in December 2010 negatively impacted the local economy by eliminating 125 jobs, many of which were good paying jobs. However, the shut down also eliminated the noise, air pollution and health concerns associated with cement production and made Davenport a more attractive place to live and work. The shut down also doubled the costs of water and wastewater treatment services for the residents of Davenport, and corporate contributions to the local public elementary school were discontinued. In the wake of the shut down, many local residents now promote the community as the forefront of a "slow coast" movement that features coffee, surf shops, natural beauty, and coastal agriculture.

The termination of cement production operations four years ago has left Davenport area residents uncertain about the future of the site, which is now surrounded by a chain linked fence and security patrols. Approximately 85 percent of current Davenport residents lived in the area while the plant was in production, and remember the dust, pounding and noise.[7] But not many residents have actually been on the site, and

[7] A community survey conducted during June and July, 2014 identified only 13 percent of Davenport area residents had lived in the area since 2010. See Appendix B, Table B-1

there is a great deal of misinformation and fear about the site's conditions that includes potential soil and water pollution. The fear is exacerbated by CEMEX's rather secretive business practices and lack of communication with area residents. Basically, area residents lack any information about the actual conditions and buildings on the site, and about any plans and efforts to clean up the site or prepare the property for sale and reuse.

A Town Hall meeting held on May 19, 2014, as well as a follow-up community survey conducted over the internet, provided a forum to obtain input about current conditions and future reuse efforts.[8] The primary survey results indicate that area residents have a natural concern about the environmental impacts of any reuse effort. Certain other concerns and fears about current conditions and clean up efforts may reflect lack of information.

- Nearly 4 of 10 residents believe that the site's pollution will not be cleaned up and may threaten public health
- Nearly 35 percent fear that reuse efforts will attract too many people and change the character of the community. 65 percent of residents, a strong majority, did not express this concern.
- Nearly 30 percent of the residents view the site as being blighted, which will get worse as the months and years pass by. Again, a strong majority (70%) did not express this level of concern.
- Thirty percent also fear that reuse will overwhelm the delivery of public services as well as the water and wastewater treatment systems. While not a majority, this indicates an understandable concern about the availability and quality of water and sewer services to nearby households of Davenport.
- Three other concerns that emerged from the survey include: the need for the site to remain secure (15%), concerns about the site as a fire hazard (13%) and the absence of a vision or community input into the site's future.

[8] The town hall meeting was held at the Pacific Elementary School on May 19, 2014

3. DEMOGRAPHIC AND ECONOMIC TRENDS IN DAVENPORT AND THE SURROUNDING REGION

The cement plant site was originally developed as a company town to house the plant's workforce to the north and south side of the site. Davenport, located on the south side of the plant, contains 94 residential parcels (including eight vacant residential parcels).[9] Davenport is home to multiple small businesses, including the Whale City Bakery, the Roadhouse and other iconic coastal establishments that have nestled themselves along Highway 1 with both a local and tourist following.

North of the cement plant site is New Town, a small neighborhood that has not attracted new commercial establishments. Many local residents believe that a infrastructural and residential community connection between Davenport and New Town would benefit the area and the local school in a multitude of ways. The plant closure and potential reuse may provide an opportunity to accomplish the long-term goal of physically connecting the two residential areas, which would enhance local business, connect the education system, and add value to the quality of life for these two neighborhoods.

While Davenport has historically been a low to moderate-income community, the surrounding broader area of Bonny Doon and West Santa Cruz County is relatively affluent. Following the CEMEX shutdown of cement production activities in 2010, the area has become a more environmentally sound and attractive place to live. Davenport could, in the future, experience a similar demographic shift now that heavy industrial activities have ceased and the area is more desirable as a residential location.

3.1 DEMOGRAPHIC TRENDS

The census tract block group 1202.001 is the smallest unit of available data available to describe the region surrounding Davenport. The block group covers a very large geographic area along the Highway 1 corridor that spans from the Santa Cruz City limits to the San Mateo County border, encompassing more than 1,400 housing units compared to the fewer than 100 housing units in Davenport alone.[10] Some key points from the demographic trends data are summarized below:

[9] See Median Household Income Survey Report. March 26, 2008. Prepared by the Rural Community Assistance Corporation
[10] See Appendix A for a map of the census tract block group.

- West County (including Davenport) is actually expanding faster than Santa Cruz County as a whole since 2010. The information in Figure 1 below runs counter-intuitive to the perception that West County is a stagnant area with very little change.

Figure 2
Demographic Trends in the Davenport Area and the Surrounding Region, 2000 to 2014

				Growth		Annual Growth Rates (AGR)	
	2000	2010	2014	2000-10	2010-14	2000-10	2010-14
West Santa Cruz County [a]							
Population	2,860	2,950	3,070	90	120	0.3%	1.0%
Households	990	1,140	1,200	150	60	1.4%	1.3%
Housing Units	1,090	1,370	1,420	280	50	2.3%	0.9%
Santa Cruz County							
Population	255,600	262,400	271,400	6,800	9,000	0.3%	0.8%
Households	91,100	94,400	97,500	3,300	3,100	0.4%	0.8%
Housing Units	98,900	104,500	107,700	5,600	3,200	0.6%	0.8%
South Bay Region [b]							
Population	2,645,300	2,762,500	2,900,100	117,200	137,600	0.4%	1.2%
Households	911,100	956,400	1,005,400	45,300	49,000	0.5%	1.3%
Housing Units	938,800	1,007,500	1,056,800	68,700	49,300	0.7%	1.2%

Data Sources: Claritas, U.S. Census and the American Community Survey Estimates
Analysis: Wahlstrom & Associates

Notes:
[a] West Santa Cruz County is defined as census tract 1202.001, which extends along Highway 1 from the Santa Cruz city limits to the San Mateo County border
[b] South Bay Region combines the Counties of Santa Cruz, Santa Clara and San Mateo
Numbers are rounded

- West County and Davenport residents are older than Santa Cruz County residents: 42.6 years compared to 38.4 years for all Santa Cruz County residents. Approximately 35 percent of West County residents are 55 years of age or older compared to only 27 percent of Santa Cruz County residents.[11]

- West County residents are a highly educated group of people. Twenty-eight percent of adults have earned a bachelor's or an advanced college degree, which is a much higher rate than both Santa Cruz County and South Bay residents at 21% and 24%

[11] See Appendix B, Table B-3

respectively. Conversely, only 5 percent of West County adults did not finish high school, a rate that is much lower than the surrounding region and State.[12]

- West County is less diverse than Santa Cruz County and the surrounding region, with mostly English speaking residents. Spanish speakers account for 10 percent of West County residents compared to 26 percent throughout Santa Cruz County.[13]

3.2 DAVENPORT AREA ECONOMY

West Santa Cruz County lacks a significant concentration of businesses, with 16 private sector business establishments that generated approximately 210 jobs within the Davenport zip code during 2012, the most recent year of available data.[14] However, the employment estimates do not include jobs in agricultural production and services, or government, therefore actual employment is higher. At this point, only 0.3 percent of Santa Cruz County's private sector jobs are located within the Davenport zip code, so local jobs are not a significant factor in household's decision to locate in Davenport.

Between one-third and one-half of Davenport's area job base disappeared after cement production operations were discontinued, which dramatically impacted the local economy. Manufacturing jobs added to the local agricultural industry and accounted for more than half of the Davenport area jobs. The current business mix includes one manufacturer with between 50 to 99 employees and two other smaller manufacturers. The current job base also includes one retail establishment along with several bars and food service establishments located along Highway 1.[15]

West County also has a small labor force and the vast majority of workers commute to jobs located out of the area. Given that West County's available labor force consists of 170 unemployed adults, future major employers attracted to the Davenport cement plant must rely on employees who commute from other areas of Santa Cruz County. While the ten to fifteen mile commute could be viewed as a challenge, the reality is that the lack of congestion between Santa Cruz and Davenport results in very reasonable commute times from urban Santa Cruz areas. However, employers may also provide incentive to local workers with

[12] See Appendix B, Table B-4
[13] See Appendix B, Table B-5
[14] Zip code 95017, which covers a geography that is similar to census tract block group 1202.001 is the smallest unit of available data available to describe the Davenport area economy.
[15] See Appendix B, Table B-6

the required skills to switch jobs by offering higher pay and proximity to home.[16]

Figure 3
Employment by Industry in Davenport Zip Code (95017) and Santa Cruz County, 2012

	Davenport Zip Code 95017		Santa Cruz County
	Employment	Percent Total Santa Cruz County	Employment
Construction	13	0.4%	3,000
Manufacturing	124	2.0%	5,700
Wholesale Trade	2	0%	3,400
Retail Trade	3	0%	11,400
Transportation, Warehousing & Utilities	0	0%	1,400
Information	0	0%	1,800
Financial, information, real estate	0	0%	3,200
Professional & Business Services	8	0.1%	9,800
Educational & Health Services	3	0%	15,400
Accommodations & Food Services	56	0.6%	9,700
Other Services	4	0.1%	5,700
Total	**211**	**0.3%**	**69,500**

Data Sources: California Employment Development Department, US County Business Patterns
Analysis: Wahlstrom & Associates
Note: Employment counts are estimates of private sector jobs that do not include government and agricultural jobs

[16] See Appendix B, Table B-9

4. SITE REUSE ASSETS

The Davenport Cement Plant site comprises a single 109-acre parcel with an electrical power substation, a water treatment and storage plant, a wastewater treatment plant, paved roads, railroad spurs, foundations, underground and aboveground piping, underground tunnels, aboveground tanks and approximately 14 buildings that may be suitable for reuse or may need to be razed. The reuse assets are listed in Figure 4 and described below in more detail.

Figure 4
Davenport Cement Plant Site Reuse Assets

SITE REUSE ASSETS
Unique Site with Highway 1 Access
On-Site Wastewater Treatment Plant
Upgraded Water Supply and Treatment Facilities
Buildings with Potential Historical Significance and Reuse Potential
Rail Access and Connection Potential
Electrical Power Access

4.1 UNIQUE SITE WITH HIGHWAY 1 ACCESS

The Davenport Cement Plant is uniquely located on varied topography with clear views of the Pacific Ocean. Visitors to the area can access a small beach at the foot of a coastal bluff, where portions of the former steel pier remain and site access improvements could possibly provide visitor access. The highest section of the site offers open views that would be a very desirable asset for visitor and residential uses. The former Crocker Hospital, which could be repurposed for visitor serving activities, is located on the west side of Highway 1. It is currently surrounded on three sides by landscaped hedges, a feature that could be removed to open up views of the ocean. A portion of the land west of Highway 1 is protected coastal agricultural land that local farmers lease to produce broccoli, artichokes and other agricultural products, which is likely to remain in long-term agricultural production. The main cluster of buildings and equipment of the cement plant property is located in the lower part of the site east of Highway 1, near the rail spur and the highway.

4.2 ON-SITE WASTEWATER TREATMENT

The Davenport County Sanitation District operates the local wastewater collection and treatment system, which was originally built to serve the cement plant and then expanded to serve the adjacent town. The existing treatment facility was constructed during the mid-1980s and designed to recycle the treated wastewater (effluent) into the cement manufacturing process for use in evaporative cooling towers. This alternative use enabled the District to stop discharging treated effluent to a seepage pond and ultimately the Pacific Ocean, which was not allowed under the terms of its State Water Resources Control Board operating permit. The plant was upgraded in 1995 to provide advanced (tertiary) treatment for effluent volumes that exceeded cooling demands, in response to several discharge events caused by high wastewater flows following heavy rains. This additional level of treatment made the effluent suitable for landscape irrigation around the CEMEX plant and on grasslands adjacent to the wastewater plant.

Average daily flows generated by the Davenport community (both Old Town and New Town) and the cement plant totaled 18,000 gallons per day (gpd) in 2012 and 21,000 gpd in 2013. During the winter, collection system inflow and infiltration caused average flow rates during the peak of the rainy season (the "maximum month" rate) to increase by about 50 percent to 32,000 gpd in 2012 and 31,000 gpd in 2013.[17] The highest daily peak in 2013 was 125,000 gpd.

The main component of the existing treatment facility is an approximately one acre, 4,000,000 gallon aeration lagoon, which provides secondary treatment of the wastewater. This lined lagoon has a peak design capacity of approximately 52,000 gpd, but is currently limited to a maximum of approximately 40,000 gpd owing to an accumulation of sludge on the bottom.[18] This leaves 8000 gpd of excess rainy season treatment capacity above the 2012 maximum month flow rate, which it is estimated would serve up to 39 new single family homes or an equivalent level of commercial development on the CEMEX site.[19]

---

[17] Op.Cit., GHD Engineering, July, 2014. According to the Recycling Study, almost all of the wastewater that reaches the plant originates in Davenport, with only an estimated 1000 gpd coming from CEMEX. Since there is so little activity on the CEMEX site, it is expected that most of this flow is related to the infiltration that causes flow rates to spike throughout the collection system during the rainy season.

[18] Per EPA operating guidelines cited in the GHD Recycling Study, the capacity of aeration lagoons is based on a residence time of about 70 days, so the allowable flow rate equals 1/70th of the available storage volume.

[19] Assuming 2.5 persons per home, with an estimated average wastewater generation rate of 55 gallons per person per day (from LEED), and a 150 percent wet weather peaking factor (in accordance with existing conditions), each new home would generate a peak flow of 206 gpd.

The District could attempt to create additional capacity by either further reducing wet weather peaks in the collection system or by dredging the lagoon to restore its design treatment capacity. However, testing following the completion of an extensive collection system rehabilitation in 2011 indicates it may be difficult to make substantial reductions in existing inflow and infiltration rates, and the Recycling Study estimated it would cost approximately $850,000 to dredge the lagoon and fully restore the pumping system to its original design capacity. As a result, additional increases to the plant's existing secondary treatment capacity could require significant capital investment.

The secondary effluent from the lagoon is currently treated to tertiary levels, making it suitable for a wide range of reuse, although the treatment plant lacks some of the monitoring and redundancy equipment needed for permitting at this level. This treatment consists of a 136,800 gpd sand filter and a 48,000 gpd chlorine contact tank, making the chlorine tank the next flow constraint after the aeration pond. No estimate was provided in the Recycling Study for the cost to increase the existing chlorine system capacity.

The Recycling Study was prepared to identify viable options for reusing the community's treated wastewater, which is now entirely disposed of through spray irrigation of grasslands adjacent to the treatment plant since the closure of CEMEX. Recharging the local groundwater aquifer through infiltration in a new percolation pond was determined to be the most cost effective option. This would not reduce the community's reliance on its surface water supplies, but could potentially benefit existing groundwater users in the vicinity (primarily agricultural irrigators, but also some rural residences located north of New Town), who could be adversely affected if drought causes normal water levels to drop or allows salt water to intrude into potable zones. In the event that regulatory and water quality concerns prevent this use of treated wastewater, the alternative plan calls for piping the water across Highway 1 into two existing irrigation ponds to directly replace some of the groundwater currently used on the State Parks' leased agricultural properties. Of the other two options identified in the Study, one would extend recycled distribution lines into Old Town and New Town to provide irrigation water for public spaces and possibly some private properties, and the other would use the water to irrigate 10 acres of currently fallow farmland located north of New Town. The former was deemed too expensive at twice the cost (capital investment plus annual O&M) of the preferred alternative, and the latter was rejected because it would not help reduce existing water use in the area.

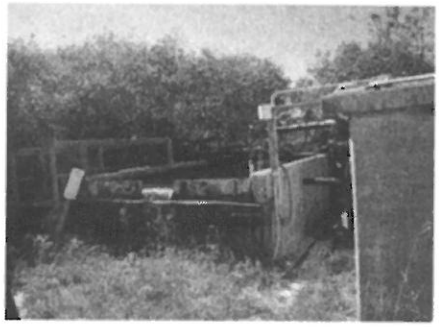
The Recycling Study concluded that construction of any new water treatment and reuse facilities (including the plant upgrades required for tertiary permitting) would have to be funded through grants, since the

---

Dividing this into an estimated available treatment capacity of 8000 gpd yields an allowable total of 39 homes.

community lacks the financial resources. All options would also increase annual O&M costs, by an estimated $58,000 for the preferred alternative. Unless users of the recycled water are willing to pay for it, these costs would have to be borne by the ratepayers, who already pay one of the highest sewer fees in the county. New development on the CEMEX site would add new ratepayers to help lower both existing service fees plus any recycling surcharge, but unless the customer base expands significantly, it is unlikely the rate reduction would be substantial. However, it is expected the cost of any expansion of existing treatment capacity needed to serve new business or residential customers would be paid through the connection fees charged for new services.

4.3 WATER SUPPLY AND TREATMENT FACILITIES



Davenport's water system, which provides potable water to the town and the cement plant, is operated by the Davenport County Sanitation District. Water supplies are drawn from San Vicente Creek and from Mill Creek through intakes located approximately three miles west of the District's water treatment plant on the CEMEX site. A gravity-fed pipeline conveys water from the intake structures to the plant.[20]

The existing water treatment plant, which was constructed in 2011 with $2.2 million in grant funding, utilizes a combination of disc filters, a sand filter and filter bags to treat the high turbidity surface water from the streams.[21] The water is chlorinated after treatment and stored in an adjacent steel tank. Completion of these facilities brought the system into full compliance with federal clean water standards and eliminated the need for Davenport residents to boil their water after heavy rains, when turbidity increases in the water supply. The new storage tank, which replaced an old, 135,000 gallon tank now used for temporary settling, holds 250,000 gallons. In combination with the system's peak production capacity (described below), this volume of storage can provide nearly three hours of fire flow at a typical residential fire flow rate of 1500 gallons per minute (gpm).

---

[20] Map of *Davenport County Sanitation District,* undated and unattributed.
[21] *Recycled Water Study, Draft Facilities Planning/Project Report,* GHD Engineering, July, 2014.

Distribution system pressure is provided by the elevation of the tank, which is situated more than one hundred feet above the highest residential properties in Davenport. This elevation was also sufficient to serve domestic (and possibly some production) demands on the CEMEX property, although pressures in some existing buildings located close to the water treatment plant and tank may be lower than generally deemed acceptable. Water use has dropped to near zero since closure of the cement plant, though, so pressure deficiencies would only be expected to affect future development that occurs on the higher, more easterly portions of the CEMEX property.

The capacity of the existing water treatment facilities is 90 gpm, or 130,600 gallons per day (gpd). Water use in 2013 ranged from a low of 36,600 gpd in February to a high of 52,900 gpd in August.[22] This August peak represents only 40 percent of the 130,600 gpd treatment capacity, leaving a large excess available to support future development. It is unknown, though, if withdrawals from San Vincente Creek and Mill Creek could rise this high. The County Sanitation District owns the treatment plant, storage tanks and distribution system, but CEMEX claims ownership of the permit that governs surface water use. In addition, Cemex still owns the San Vincente Creek intake structure, which is located on an easement retained by CEMEX in recent land transfers to conservation groups. It is not expected that the existing community's underlying right to continuing using water from the streams would ever be jeopardized by these claims, but it could cloud attempts to significantly expand water use for the purpose of serving new development.[23]

In addition to these concerns about the intake and the underlying water rights, a 1999 Initial Study prepared by the Santa Cruz County Planning Department for a proposed facility expansion on the CEMEX site (then owned by RMC Pacific Materials) noted that any increase in water use by the then-operating cement plant could have potentially adverse environmental impacts on San Vicente Creek and its Coho salmon run.[24] The Initial Study ultimately determined there would be no impact because the proposed project would not increase withdrawals from the creek, but this preliminary assessment suggests that any future plan to increase local water use beyond historic levels (when the cement plant was still in operation) could potentially face unspecified regulatory challenges.

Because CEMEX subsidized a significant part of the water system's operation, water rates in Davenport have increased considerably since the

---

[22] Op.Cit., GHD Engineering, July, 2014.

[23] Hoppin, Jason. (July 27, 2013). Murky waters: With change comes questions about Davenport's water supply. *The Monterey Herald.*

[24] County of Santa Cruz Planning Department, *Initial Study for the Improvement of the RMC Lonestar Cement Plant in Davenport,* November, 1999.

plant shutdown. As a result, the flat rate fee paid for a single family home is one of the highest in the county. It is expected the addition of new customers resulting from reuse of the cement plant site would lower this cost, but to an undetermined extent that is primarily dependent on the volume of additional water use.

4.4 BUILDINGS WITH POTENTIAL HISTORICAL SIGNIFICANCE AND REUSE POTENTIAL

The next owner of the Davenport Cement Plant site will acquire approximately 14 existing buildings, identified in Figure 5, that have been deteriorating for more than four years. A number of buildings are currently used to store materials and equipment that CEMEX may remove or leave for a future buyer to remove. The 2012 Facility Closure Plan describes buildings on the site that have industrial lubricant spills that must be cleaned before the building can be reused. A few buildings are clean, but most display at least some evidence of oil, grease and other types of chemical spills from previous cement production processes. The closure plan includes no information about buildings that may be functionally obsolete or too costly to adaptively reuse, leaving this to be determined at a later date by a future buyer through negotiations with CEMEX, or through post-acquisition activities. The site plan below identifies the location of each building on the site.

The information in Figure 6 has been collected from the Facility Closure Plan, which describes the character and conditions of the buildings at the cement plant site. No information is available about the exact size of the buildings, the structural conditions, functionality, access to utilities, costs of adaptive reuse and many other questions that a prospective buyer will have in order to determine the property's fair market value.

Figure 5
Site Plan

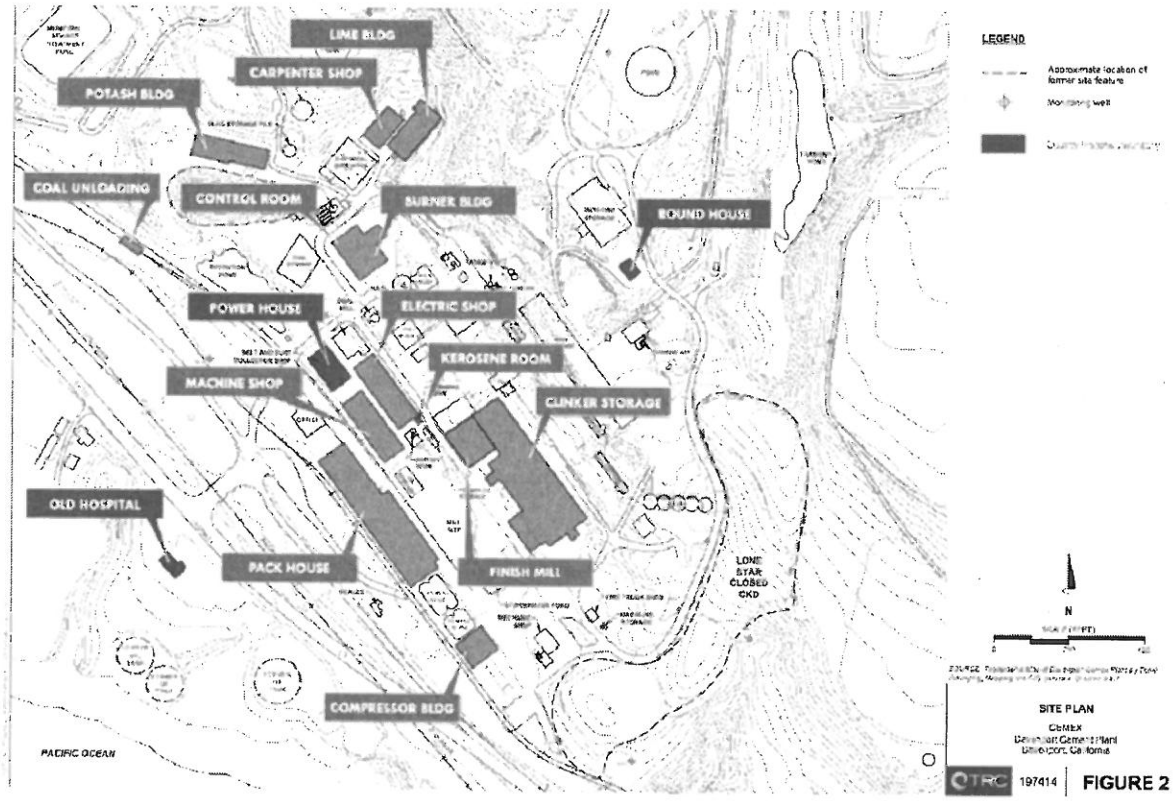


Figure 6
Buildings that Could Potentially be Reused at the Davenport Cement Plant Site

Vacant Building	Description	Possible Contaminants	Reuse Potential
Coal Unloading Building	Small building of unknown size and construction materials. Building was used to drop coal from railroad cars to a conveyer transportation system extending100 feet below the surface.	A moderate amount of oil has spilled onto the concrete floor next to the rails	Unknown and subject to physical inspection
Potash Building	9,000-square-feet with solid concrete floor slab that was used to store heavy equipment and parts	Building is in good condition with no sign of contamination	Unknown and subject to physical inspection
Carpenter Shop	Small 2,000-square-foot wood framed building used for wood and carpenter work	No signs of spills or contamination	Unknown and subject to physical inspection
Lime Building	Small 2,000-square-foot wood framed building used to store building and construction materials	No signs of spills or contamination	Unknown and subject to physical inspection
Burner Building	Multi-story steel constructed building that contains the main heaters and the kiln.	Structure extends underground and is subject to flooding	Hard to envision a potential reuse for such an unique building
Finish Mill	Houses two grinding electric motor driven roll mills that are connected to oil pumps with 200-gallon capacity fluid storage reservoirs	Structure suffers from spillage of hydraulic fuels, oil and grease that has corroded the concrete surface	Hard to envision a practical reuse of this highly specialized building
Clinker Storage	Large building of unknown size that was used to store the cement production materials byproduct	No sign of spills or contamination	Unknown and subject to physical inspection
Control Room	Three story concrete building that contained laboratories, office space and the electrical control facilities that powered the cement plant	No signs of spills or contamination	Offices and laboratories should be functionally reusable
Electric Shop	Two-story wood framed structure of unknown size is divided into offices, a lunch room and storage areas.	Some evidence of oil, grease and the spillage of lubricants	Offices and storage areas should be functionally reusable
Machine Shop	A single floor wood frame structure that contained heavy machining tools, sand blasting and welding	No evidence of oil spills or leaks	Unknown subject to physical inspection
Power House	The belt and dust collector building is a massive facility of unknown size that contained the plant's main electrical substation.	Building appears to be in good condition with no signs of spills or leaks	Building was placed on the County's Historic Resource Inventory, which means that any effort to relocate, demolish or alter the building exterior must gain the approval of the Historic Resource Commission
Kerosene Room	Small concrete 200-square-foot building was used to store small containers of paints, lubricants, oils and grease	Some evidence of spills and leaks before reuse	Very small space that would most likely be reused as storage subject to physical inspection
Packhouse	A large wood framed structure of unknown size that was used to pack and store cement sacks. The adjacent silos were used to store other bulk cement products	Building shows no signs of spills or contamination	Very large storage space would most likely be reused for storage
Compressor Building	Housed the air compressor equipment and piping used to transfer the finished cement products into trucks. A tunnel also connects this building to the shoreline and the former loading pier	Building is clean with no signs of spills or contamination	Reuse potential is unknown subject to physical inspection. The potential for the tunnel to serve visitors is intriguing.
Roundhouse	Building of unknown size is located on a bluff high above the cluster of cement production building and equipment. The building was used for storage for more than a decade prior to closure	No information about possible spills and contamination	Building was placed on the County's Historic Resource Inventory. Not clear how it could be reused given the building's location and past use as a storage facility
Former Crocker Hospital	Attractive historic building constructed in 1912 is located on the west side of Highway 1 away from the primary cement plant operations.	Unlikely that the building suffers from spills and contamination	Possible to adapt this building for visitor serving uses that take advantage of its ideal location. Building is also on the County's Historic Resource Inventory

Data Source: Facility Closure Plan
Analysis: Wahlstrom & Associates
Note: Buildings in purple are included in Santa Cruz County's Inventory of Historical Buildings

Coal Unloading Building

This building is located near the western property boundary along the main railroad spur where coal was dropped from railroad cars and transported to the coal storage area via a conveyor system. The below grade building structure reached underneath the rail tracks to a depth of approximately 100 feet below grade. The size of the building is unknown and the Closure Plan indicated that the building may not be safe. The quality of construction and the building's potential functionality for alternative uses is unknown and subject to physical inspection.

Potash Building

This 9,000-square-foot structure located along the north side of the open coal storage area was used to store heavy equipment and parts. The Closure Plan indicates that the building is in good condition, but the quality of construction and the building's functionality for alternative uses is unknown and subject to physical inspection.

Carpenter Shop

The Carpenter Shop is a 2,000-square-foot wood-framed facility that contains shelving and various lumber posts and boards that were used for woodworking and carpentry. The Closure Plan indicates that the building is in good condition with no sign of spills or contamination. However, the quality of construction and the building's functionality for adaptive reuse or alternative uses is unknown and subject to physical inspection.

Lime Building

This 2,000-square-foot wood-framed structure is located adjacent to the carpenter building and was used to store various building and construction materials. The Closure Plan indicates that the building is in good condition with no sign of spills or contamination. However, the quality of construction and the building's functionality for adaptive reuse or alternative uses is unknown and subject to physical inspection.

Burner Building

Located on the west side of the main process facility, the Burner Building is a multi-story, steel-constructed building that continues to house the main heaters and kiln. The structure has several levels below grade that are subject to flooding. The main hydraulic room and the electric motor control center contain six pumps that are standing in 2-inch high metal containment structures. The size and reuse functionality of this structure is unknown. It seems unlikely that this specialized building can be adaptively reused for uses other than cement production.

Finish Mill

The Finish Mill Building houses two large semi-autonomous grinding roll mills that were driven by two electric motors connected to oil pumps and 200-gallon fluid storage reservoirs. The two roll mill sections are connected via a conveyor system. The building size is unknown, and its functionality for other uses is also questionable given its unique purpose. Moreover, the building suffers from the spillage of hydraulic fluids, oil and grease that has contributed to the corrosion of the concrete surface.

Clinker Storage

Cement production byproduct materials were placed in the large Clinker Storage building of unknown size. The storage areas have no observable evidence of significant spills or leaks, but it is unknown if the building can be reused for anything other than materials storage.

Control Room

This three-story concrete building was home to the main facility control room, laboratories and associated office spaces. The first floor included a first-aid medical room, several storage rooms and an elevator hydraulic pump room. The second floor contained laboratories, office spaces, electric switch boxes and a battery backup system. The third floor contained more office spaces, a large conference room, several other laboratories and the main control room with electrical control and monitoring panels and an electronic computer networking equipment, including routers, network switches, and servers. The size of the building is unknown, but offices and laboratories should be considered a functional reuse of this facility.

Electric Shop

The main floor of the wood-framed electric shop structure includes several working and storage areas. A second floor contains several office spaces, a parts room and a lunch room. The size of the building is unknown but the working areas and offices are functionally reusable. Possible leaks of various solvents and lubricants may need to be cleaned up.

Machine Shop

This structure has a concrete floor and wood-frame, and is located near the electric shop that once contained grinders, bench drills, metal presses and other heavy machine tools. The size of this building along with its functional reusability is unknown. The closure plan did not report any evidence of oil spills, leaks or other contaminations.

Power House

A massive facility also known as the Belt and Dust Collector building contains the plant's main electrical substation. The building was used for storage of various general mechanical and electrical tools and equipment along with massive transformers and electrical switches. The building appears to be in good condition with no signs of spills or leaks. It was placed on the County's Historic Resource Inventory, meaning that any proposed effort to relocate, demolish or alter the building exterior are subject to the Historic Resources Commission review or approval. The size and reuse potential for this building are currently unknown.

Kerosene Room

This 200-square-foot building was used to store flammable liquids including paints, solvents, mineral oils, paint thinners, and apparent lubricants, oils and grease in small quantity containers. The reuse potential of this building would most likely continue to be storage, but some spills and leaks may need to be cleaned before reuse.

Packhouse

This large wood-framed structure was used for bagging and storing cement sacks, while the adjacent cement silos stored bulk cement products. The building does not suffer from any contaminant spills but it was basically a storage facility that would probably need to be reused as storage. Data indicates that the building is constructed well, which suggests that the right adaptive reuse may be possible. Its structural dimensions are yet to be determined.

Compressor Building

This building contained the air compressor equipment and piping array used to bulk-load the final cement products onto trucks. The storage silos were connected to the compressor room with pipes, and the facility is connected to the shoreline and the former loading pier with a tunnel that was built prior to World War II. The building appears to be clean and the potential for the tunnel to serve visitors is intriguing

Former Crocker Hospital

This 1912 building that was placed on the County's Historical Resource Inventory, is set apart from the rest of the plant and is located west of Highway 1. Original construction included a doctor's office, an emergency room and six beds. This relatively unaltered building is set in an ideal location that could be adapted for retail, food or other visitor serving uses. The closure plan identified no contaminations within this building. As with most of the buildings on the CEMEX site, it is constructed of concrete and provides an historical connection to the history of the site. It is situated on a cliff with clear views of the Pacific

Ocean, although access and visibility of the beach need to be clarified in order to maximize its potential reuse.

Roundhouse

This single story concrete building that was used for storage more than a decade prior to closure is elevated on a bluff at a distance from the main cluster of buildings and equipment. The building was also placed on the County's Historic Resource Inventory, which means that, as with the Power House, any proposed effort to relocate, demolish or alter the building exterior are subject to the Historic Resources Commission review or approval. The closure plan provided no information about possible spills, leaks or other forms of contamination within this building.

4.5 RAIL ACCESS AND CONNECTION POTENTIAL

The Santa Cruz Branch Rail Line, now owned by the Santa Cruz County Regional Transportation Commission (RTC), connects Davenport by rail to Pajaro and the main rail line that runs between Southern California and the Canadian border. Given this connection, rail service could be re-established by a future property owner to either bring visitors to the site or ship products out to national and world markets. Re-establishment of financially feasible rail access may make the cement plant a more attractive business location.

While in production, the Davenport Cement Plant accounted for 82% of rail freight traffic along the 11.8-mile track between Davenport and Santa Cruz. Continuation of rail service after the 2010 shutdown was no longer financially viable. During the early 2000's, the freight line operator was bringing in 1300 cars by rail per year of coal and other source of fuel used to produce cement. Another 1700 rail cars per year transported the final cement products out to national markets. It is unlikely that new light industrial uses passing through the cement plant site will generate strong enough demand for rail that could entice a freight operator to return to the area. However, it still remains an asset that should be considered in any reuse at the CEMEX site.

The RTC acquired and placed the rail line under public ownership in 2012. Under public ownership there is no longer an immediate focus on expanding freight train traffic to generate short-term profits, although the RTC is open to accommodating freight needs. Any efforts to re-establish rail service will be more successful if long-term goals of expanding tourist and special events trains are pursued. Examples include building new recreational trails for cyclists, a running and walking facility along the rail right of way, and

establishing passenger rail service between City of Santa Cruz and Watsonville.

4.6 ELECTRICAL POWER AND NATURAL GAS ACCESS

In addition to the coal-fired kiln, the electrical power and natural gas assets that once supplied the plant's cement production are infrastructural resources available for future site reuse efforts. Future owners of the site would have access to a large natural gas pipeline and large electrical power supply that was distributed throughout the facility from a centralized powerhouse building utilizing large transformers, electrical switch boxes and a PG&E electrical substation. The power supply asset should also be considered as new uses for the site are evaluated.

5. BUSINESS ATTRACTION POTENTIAL

The ability to attract and sustain new businesses and successfully retrofit the cement plant buildings to accommodate new users is challenging for the following reasons:

- Land use regulatory constraints must be addressed through amendment of the General Plan and the Local Coastal Program;
- Community support must be generated and any opposition must be addressed, so that community support is positively integrated into a reuse plan;
- Market and financial feasibility factors must be addressed by a future master planning effort or specific plan; and
- The objectives of the County of Santa Cruz and other stewards/stakeholders must be better defined and met.

Market demand indicators will provide land use mix alternatives that should be considered by investors interested in redeveloping the area.

5.1 MARKET DEMAND INDICATORS

Future business attraction efforts will be guided by the market demand factors described below.

Regional Industry and Market Demand Trends

Efforts made to attract new business to the cement plant site will need to capture a larger share of the regional growth to the greater Davenport area than in the past, recognizing the area's small economy that consists of 16 business establishments that employ approximately 210workers.[25] Data collected from regional economic trends provides insight on new business potential at the cement plant site. The Silicon Valley, South Bay and Coastal economy has been increasingly successful since the recession in 2010 by adding 136,500 new jobs in just three years (Figure 7). New jobs created in the combined counties of Santa Cruz, Santa Clara and San Mateo account for 14 percent of all new jobs created in California since 2010. Santa Cruz County's economy added 4,400 new jobs since 2010.

[25] U.S. County Business Patterns is the source of data

Figure 7
Job Creation in Santa Cruz County and the Surrounding Region, 2010-2013

	2010	2013	Growth Rates	New Jobs
Santa Cruz	315,000	322,500	1.5%	4,400
Santa Clara	856,600	951,600	3.6%	95,000
San Mateo	317,000	354,100	3.8%	37,100
Region [a]	1,270,700	1,407,200	3.5%	136,500
California	14,593,100	15,558,800	2.2%	965,700

Data Source: California Employment Development Department
Analysis: Wahlstrom & Associates

A more detailed examination of the post-recession employment trends in Santa Cruz County indicate that the most rapidly expanding sectors include business and professional services (3.9 percent AGR), health services (3.7 percent AGR), leisure and hospitality (3.5 percent AGR), manufacturing (2.4 percent AGR), construction (2.2 percent AGR) and financial activities (2.0 percent AGR).[26]

These figures illustrate employment in Santa Cruz County and additional employment opportunities for individuals who commute "over the hill" to jobs in Silicon Valley. It has been a long-term factor that residents pursue career opportunities in Silicon Valley, but with the revitalization of the cement plant's infrastructure, there could soon be employment at an even more local level. Outlined below are several commercial propositions for the site as a business location within Santa Cruz County's expanding business sector. A combination of these businesses is also possible, as multiple commercial uses would diversify the local economy.

- Leisure and hospitality is an ideal business attraction given the site's location and the Coastal Commission's goals of promoting visitor serving uses. The site is well positioned to offer visitors beauty, isolation, and proximity to the local beaches, City of Santa Cruz's urban amenities and County attractions.
- Agriculture, manufacturing and construction establishments could accomplish a goal of adaptively reusing as many buildings as possible.

[26] See Appendix B, Table B-10

- The rapidly expanding sector of professional and business services could possibly be attracted to the cement plant site if good broadband and telecommunications services are available, and if business prospects can recruit a workforce that is willing to commute to Davenport. However, it may be a struggle to attract a significant number of professional firms because of the site's isolated location, which would compete with new available business space in the City of Santa Cruz and elsewhere. It should be noted, however, that the cement plant location is just ten miles from UCSC and the City of Santa Cruz and lack of traffic during commute times makes this a competitive location.

- Health care and financial services are also strong growth sectors, but would also face the challenge of isolation from population centers.

Land Use Regulatory Constraints

Land use regulatory constraints are another major factor that will shape efforts to attract new business to the site. The heavy industrial land use that has been in place for more than 100 years was grandfathered into current General Plan policy, but the General Plan Land Use Industrial Overlay designation reverts back to Mountain Residential when cement plant activities cease. It is not financially feasible to implement the Mountain Residential (1 unit per 10 to 40 acres) land use designation, which will need to be altered before successful redevelopment and reuse plans are implemented for job creating and/or visitor attraction uses. Although a complex procedure, a change of land use designation that considers the interests of stakeholders and area residents will net dramatic and positive results.

Any future efforts to propose a General Plan/Local Coastal Plan (GP/LCP) Land Use Amendment will be subject to a high level of regulatory review including but not limited to:

- A General Plan Amendment which must be approved by the County Board of Supervisors

- A Local Coastal Plan Amendment which must be supported by the regional Coastal Commission Staff and approved by the State Coastal Commission

- A zoning change that must be approved by the County Board of Supervisors and the Coastal Commission

Community Support or Opposition

Future efforts to change the Mountain Residential land use designation will require support from Davenport and New Town area residents, County Staff, Planning Commission, adjacent landowners and users, the

Board of Supervisors and the Coastal Commission. County leaders will want to be sure that Davenport and New Town area residents are heard and that they are engaged in the site reuse planning effort. Site redevelopment proposals that are opposed by a significant number of Davenport and New Town area residents are unlikely to obtain County or Coastal Commission approval.

A community survey that was completed during June and July of 2014 collected initial information about the types of land uses that area residents would accept or oppose (See Figure 8 below). The survey results indicate that Davenport and New Town area residents overwhelmingly support inviting a trade school or an industrial arts facility to the cement plant site. An appropriate low impact resort or a hotel and conference center is also supported. Industrial uses may be supported providing that non-polluting businesses locate on the site. A considerable number of Davenport and New Town area residents oppose developing any type of new housing in the area, but there does appear to be some level of interest, especially if new residential would help connect new Town and Davenport.

Figure 8
New Uses Residents Would Like to See Developed at the Cement Plant Site

	# of Responses	% Total
Education, trade school or industrial arts	67	59%
Light industrial and distribution	52	46%
Low impact resort or spa	53	47%
Hotel with restaurant & conference facilities	42	37%
Campground	40	35%
Mix of residential and business uses	28	25%
Recreational activities and a gateway to the natural areas	18	16%
Small lot single family homes	13	12%
Convert the site into a park or open space	12	11%
High value single family homes	9	8%
Artisan food, crafts & local retail	9	8%
Wind farms or desalinization plants	8	7%
Design reuse to connect New Town with Davenport	7	6%
Reuse should utilize the rail line	6	5%
Research facility	4	4%
Preserve and reuse historical structures	3	3%
No identified uses	3	

Data Source: Household Survey of 116 Davenport and Bonny Doon Residents, 2014
Analysis: Wahlstrom & Associates

A sizable number of Davenport and New Town area residents also oppose any type of chain store businesses, and there is fear that new hotels and tourists could overwhelm and fundamentally change the community's character. About one out of five residents would like the cement plant site to be converted into permanent open space.[27]

Financial Feasibility

The financial feasibility of a proposed master plan is the fourth critical factor that will affect potential site reuse. This process has complications in that feasibility cannot be determined until a new owner has emerged and then a specific proposal or land use mix can be evaluated. Below is a list of cost factors that will affect the financial feasibility of future development proposals:

- Land price
- Removal of heavy industrial equipment
- Historic and/or difficult to relocate buildings
- Adaptive reuse of existing buildings
- Removal of functionally obsolete buildings
- Landscaping and site preparation (including possible removal of CKD piles)
- Infrastructure improvements
- Other costs, including pre-development and regulations permitting costs

5.2 POTENTIAL LAND USE MIX SCENARIOS

The regional trends analysis, regulatory environment and community attitudes point to a future with three potential land use mix scenarios that are summarized in Figure 9 and described below. No preferred land use mix is advisable at this time considering it will be years before the site is cleaned up and available for reuse. However, the three land use mix scenarios shine light on options for different visions and directions for how the site could ultimately be reused.

[27] See Appendix B, Table B-9

Land Use Mix A: Trade Schools Mixed with Industrial and Construction Establishments

Davenport and New Town area residents support attracting a trade school campus or another type of educational facility. Community residents are very likely to also support the attraction of new industrial establishments provided that pollution concerns are properly addressed and mitigated. This land use mix could absorb space and encourage the adaptive reuse of existing buildings on the site. The site's relative isolation away from markets and workforce may present a challenge when recruiting industrial establishments or educational providers.

Land Use Mix B: Hotel, Conference Center, Low Impact Resort and/or Campground

Area residents are likely to be moderately supportive of attracting new visitor facilities provided that concerns about potential effects on the community's character can be addressed. However, developing new visitor facilities on the site would need to be carefully planned in order to be compatible with other uses that could attempt to save and reuse the existing buildings. Additionally, it may not be financially feasible to build new visitor facilities due to the high costs of preparing the site for a new land use.

Land Use Mix C: Mixed Use Development

Planning for a mix of residential and commercial uses can be facilitated by subdividing the land into smaller parcels, allowing for new development to proceed over a longer period of time (such as through a development agreement regulatory approach), while staying consistent with community goals and public service deliverables. A master plan or specific plan with complementary land use designations could facilitate development. Mixed-use development could be compatible with saving existing buildings, but master planning and economic development efforts may attract prospects that want new business space rather than adaptive reuse of the existing cement plant buildings. This would need to be further evaluated. In addition, a group of Davenport area residents may oppose efforts to build new housing in the area.

FIGURE 9 –
Davenport Cement Plan Land Use Mix Scenarios

LAND USE MIX ALTERNATIVES	MARKET DEMAND INDICATORS	COMMUNITY ACCEPTABILITY INDICATORS	CONSISTENCY WITH COUNTY AND COASTAL COMMISSION GOALS	COMMENTS
Trade Schools Mixed with Industrial and Construction Establishments	No data or information available about interest in attracting trade school or educational establishments. Potentially less demand for industrial establishments in this area of Santa Cruz County	Area residents strongly support using the site for educational purposes. They are likely to also accept new industrial uses that do not pollute	Very consistent with the County's goals of reusing the existing buildings Industrial uses are not consistent with Coastal Commission goals of promoting public access. Light industrial is not consistent with Coastal Commission goals of promoting public access	▪ Trade school and industrial businesses could potentially maximize the reuse of the existing buildings ▪ An educational provider and industrial businesses will need to be recruited and concerns about workforce availability must be overcome ▪ Proposed light industrial uses will need to reassure local residents about pollution impacts ▪ It will be challenging for the Coastal Commission to support new industrial uses on this site ▪ Historic structures could be identified and uses could integrate identified buildings into the theme of the development
Hotel, Conference Center or Low Impact Resort	Strong market demand to develop new visitor facilities	Community is moderately supportive but residents fear a changing community character associated with attracting high end visitors to the area	County support is uncertain because the existing buildings and equipment may need to be replaced by new visitor facilities Strong support from Coastal Commission to attract new visitor serviing uses Strong support from Coastal Commission to redevelop site for hotel or campground uses	▪ High costs of site improvements maybe a challenge for this land use ▪ New visitor facilities may not be compatible with a land use mix that maximizes adaptive reuse of existing buildings
Mix of Residential and Business Uses	Demand is constrained by the absences of new homes and the lack of vacant commercial space	Only 28% of residents support the development of mixed uses on the site, although 75% are in favor of some kind of small housing to be developed	County will support a mix of uses that maximizes the adaptive reuse of existing buildings The Coastal Commission may be reluctant to support mixed uses, but decisions will depend upon details	▪ Mixed use development may be facilitated by subdividing the land into smaller parcels, and phasing in new development over a period of time consistent with market demand and community acceptability ▪ Efforts to build new housing will be resisted by 25% of local area residents that oppose any type of new housing ▪ Business tenants attracted to the area may want to locate in new facilities rather than the existing buildings that may be adaptively reused.

= Strong = Moderate = Weak

6. SITE REUSE CONSTRAINTS

The potential reuse of the cement plant site faces significant constraints that are illustrated in Figure 10 and described below in more detail.

Figure 10
Davenport Cement Plant Site Reuse Constraints

SITE REUSE CONSTRAINTS
Cleanup of Contaminants may be Time Consuming and Expensive
Unknown Groundwater Contamination
Adaptive Reuse or Removal of Obsolete Buildings may be Expensive
Historic Buildings Require Funding for Ongoing Maintenance
Heavy Industrial Equipment May Be Costly to Remove
Current Land Use Policies Constrain Site Reuse Efforts
The Size of a Single 109-Acre Parcel May Be Challenging for Mixed Use Development
Negative Land Values Discourage a Property Sale and Efforts to Attract New Investment

6.1 CLEANUP OF CONTAMINANTS MAY BE TIME CONSUMING AND EXPENSIVE

While in production, the cement plant added jobs and supported Davenport area businesses. After years of heavy industrial operations, many of the plant's areas and building interiors were left contaminated to some unknown degree from the use of lubricants, oil, and grease. Piles of cement kiln dust (CKD) that visually affect the view corridors exist on the site. The Closure Plan identified a number of spills that were reported to Santa Cruz County that were often caused by the loading and unloading of trucks. Spills reported between 1997 and 2007 included 25 gallons of hydraulic oil, 20 gallons of diesel fuel, 600 gallons of calcium hydroxide, 1,000 gallons of calcium chloride, 60 gallons of diesel fuel, 20 gallons of oil, 11,000 gallons of lime slurry, and 80 gallons of diesel fuel.[28]

The presence of contaminants may be mitigated, but removal of the oil, grease and other industrial lubricants may take up to five years and cost a significant amount of money. In addition, contaminants within the

[28] See Facility Closure Plan, page 9

buildings will need to be removed as decisions are made about the future uses of each building that is retained and/or proposed for re-use. Any future owner that wants to remove the industrial equipment may be required to mitigate additional contaminations not identified during the closure process. This will complicate site reuse and/or redevelopment of the site.

It remains unclear whether any governmental agency will require the removal of the CKD piles, but it will cost a considerable amount of money and expertise in landscape architecture to mitigate the visual effects and/or blend the CKD piles into a new site plan.

6.2 UNKNOWN GROUNDWATER CONTAMINATION

Preliminary results from three groundwater samples taken around the site detected some Total Petroleum Hydrocarbons (TPH) and/or metal contaminants in the groundwater, indicating a need for additional groundwater monitoring in order to determine the significance of those initial results. The Facility Closure Plan and the 2014 Facility Closure Assessment indicate that "significant" groundwater contamination is unlikely, but that the site still lacks sufficient data to determine the potential need to mitigate groundwater contaminants in advance of closure. The County Environmental Health Department has requested seven samples taken from various spots around the site before determining whether the property owner needs to mitigate groundwater contaminants in advance of closure. It will take at least 18 months before conclusions about groundwater contamination and mitigation requirements can be determined, which will elongate the re-use and redevelopment process. The clean up of groundwater contamination would be a costly and time-consuming endeavor. [29]

6.3 ADAPTIVE REUSE OR REMOVAL OF OBSOLETE BUILDINGS MAY BE EXPENSIVE

Potential buyers of this site face additional uncertainty regarding the structural conditions of existing buildings and the practical reuse potential. It is very important that each building be identified and assessed prior to any transaction. It is undetermined which existing structures can be reused or which buildings would need to be razed due to unsuitability for reuse. A potential site buyer has estimated that it would cost at least $1.8 million to remove the buildings and clear the site, and preliminary data suggests the costs of removal could be much higher. Additional costs and time will be required to clean up buildings that have

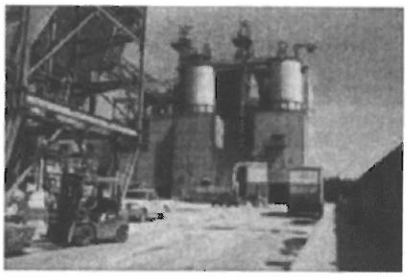
[29] Information provided by Tim Fillmore with the Santa Cruz County Department of Environmental Health

been contaminated by spills of oil, grease and other industrial lubricants prior to adaptive reuse or removal.[30]

6.4 HISTORIC BUILDINGS REQUIRE FUNDING FOR ONGOING MAINTENANCE

The former Crocker Hospital, the Roundhouse and the Powerhouse have been placed on Santa Cruz County's Historic Resource Inventory, which requires the County's Historical Commission to approve any proposal to relocate, demolish or alter the building exterior. The Crocker Hospital and the Roundhouse have been both unused for at least a decade, long before the 2010 shut down. The Powerhouse and other improvements have likely been deteriorating since cease of operations. Buildings have been unmaintained for many years, adding another degree of difficulty to adaptive reuse. It is likely that the buildings will continue to deteriorate until they are financially feasible to reuse. In the meantime there is no identified way to fund ongoing maintenance needs.

6.5 HEAVY INDUSTRIAL EQUIPMENT COSTLY TO REMOVE



The site contains many potentially historical features, including the four-story cooling tower, the heating kilns, coal mill, the pre-heater tower, the burner building, the hydraulically driven cone crusher, massive steel hydraulically driven rollers, an 800-gallon oil gearbox, outdoor storage tanks, and other pieces of heavy industrial equipment. While it may be possible to integrate certain iconic and obsolete equipment into a site reuse plan, it is much more likely that a future owner will remove these types of features and equipment in advance of site reuse. CEMEX may transfer some materials to other cement plant sites, but will not be required to do so by any governmental agency. Costs of dismantling and removing heavy industrial equipment will be very time consuming and expensive. Moreover, efforts to pass on the costs to a new buyer will deter some prospective buyers from purchasing the site, and would damage the financial feasibility of any reuse project(s).

6.6 CURRENT LAND USE POLICIES CONSTRAIN SITE REUSE EFFORTS

The General Plan, Local Coastal Plan and County Zoning Ordinances regulate the current and future use of the Davenport cement plant site. The General Plan and LCP currently designate the site as "Mountain

[30] The County Environmental Health Department will require the interior of buildings to be cleaned before they can be reused or removed.

Residential" with a "Heavy Industrial Overlay" that allowed for cement production activities.

Under the current regulatory framework, the Heavy Industrial Overlay Zone provisions are no longer in effect once the cement plant activities cease. Cement production activities have ceased; closure and clean-up activities continue. There is no clarity in existing regulations regarding ability to reuse existing buildings for commercial purposes that are not "industrial". The Mountain Residential land use designation that becomes effective upon cement plant closure would allow the property owner to develop only seven to ten new homes on the site, based on allowing only one dwelling unit for every 10 to 40 acres of land. Potential revenues from building seven to ten new homes would not come close to the costs of cleanup, security and other required site improvements that a few high-end homes would require.

In summary, it is not clear whether the County's current land use policies will allow the property owner to lease the existing buildings to other business or non-profit tenants during the period of time that it may take to find a new property owner and get a specific plan or master plan approved to guide the long-term site reuse effort.

6.7 SIZE OF SINGLE 109-ACRE LAND PARCEL MAY BE A CHALLENGE FOR MIXED USE DEVELOPMENT

One large single land parcel would constrain the future property owner's ability to redevelop the site with a mix of economically feasible land uses. Maximizing the cement plant's reuse potential and land value would be most strategically achieved by subdividing the 109-acre site into smaller parcels that could then be developed in phases, attracting future uses for the County of Santa Cruz and the local community. A plan for subdivision should be prepared as part of the recommended preparation of a Master Plan or Specific Plan for the site.

6.8 NEGATIVE LAND VALUES DISCOURAGES PROPERTY SALE AND INCREASES CHALLENGES FOR EFFORTS TO ATTRACT NEW INVESTMENT

The site status is unpredictable and may be a financial liability given uncertain cleanup and improvement costs associated with introducing new land uses. Unknown and potentially large costs, which could be incurred by a future buyer, include master planning the site for new land uses, rehabilitating and adaptively reusing existing buildings, mitigating environmental issues, demolishing functionally obsolete buildings, removing heavy industrial equipment, removing, reloacting or landscaping the CKD piles, improving infrastructure, as well as

circulation and other costs associated with reuse. The lack of known costs requires potential buyers to absorb exceptionally high risk, which makes the cement plant site difficult to sell at any set price. This challenge could negatively impact the transfer of the land to a new owner and to new uses that would be feasible and supported by local residents and businesses.

CEMEX has revealed very little information about the site beyond the information that is included in the Closure Plan. No information has been revealed about the size and condition of existing buildings, adaptive reuse cost estimates, cost of removing or relocating heavy industrial equipment and the CKD piles, and the other costs that will be incurred to reuse the site. It is also unclear what CEMEX's ultimate objective is for the site, and it remains possible that the company has determined to keep the site "as is" for an indefinite future in order to avoid costs associated with preparing the site for reuse. Prospective buyers need details about what exactly is being purchased, and the lack of information deters any potential real estate transaction.

7. RECOMMENDATIONS

Santa Cruz County is poised in a strategic yet challenging position of being able to influence the potential reuse of the 109-acre cement plant site. The County's stewardship and legal authority can require CEMEX to clean up contaminated soils and prevent groundwater contamination, but the County faces constraints with respect to the ability to require CEMEX to remove the cooling tower, other heavy industrial, potentially functionally obsolete buildings and the CKD piles. To date, site reuse discussions have largely been left to private real estate market negotiations between CEMEX and potential buyers.

CEMEX may have made a corporate decision to delay any cleanup and may be storing old equipment and materials on the site for as long as possible. It is possible that CEMEX determined that it is more cost efficient to keep the site secured than it is to cleanup the property and prepare the site for new land uses.

The general recommendations summarized in Figure 11 will enable the County to have more leverage over future planning for reuse of the site to reestablish economically productive uses, and to prevent the site from becoming blighted, abandoned property that accommodates no jobs and has no public benefits.

FIGURE 11
Recommendations to Guide Reuse of the Cement Plant Site

Recommendations	Rationale
1. Utilize the 2013 Polanco Redevelopment Act – AB 440 to require CEMEX to provide all documentation about site contamination, and utilize the County's legal authority to compel cleanup, which may extend to require the removal of the antiquated cement production equipment, the CKD piles and the functionally obsolete buildings	Applying the Polanco Act to the cement plant site will provide Santa Cruz County with the ability to require CEMEX to engage responsibly, clean up the site and prepare it for redevelopment and reuse.
2. Consider discouraging private parties from finalizing negotiations on acquiring the 109-acre cement plant site without a clean bill of health from the regulatory clean-up process	Any effort to transfer ownership to other private parties would make it more difficult to fund site cleanup and to prepare the site for alternative land uses.
3. Create Oversight Committee of stakeholders to gather information about the various contamination studies and, the cleanup actions implemented and the ongoing cleanup requirements	The cleanup effort and plans for reuse are disjointed and in need of a centralized oversight structure that can accurately report on accomplishments and challenges. The inclusion of all stakeholders will ensure an outcome that is compatible with Santa Cruz County, local residents and nearby property owner vision of the site.
4. Establish regular communication and information sharing with Davenport and New Town area residents, nearby land owners and operators, Santa Cruz County staff and other interested parties about the status of site clean up and reuse efforts	Quarterly reports that describe site clean up and reuse efforts could be delivered to area residents and other stakeholders verbally or via email. Many area residents, local businesses and neighboring property owners are uneducated about the status of site cleanup and reuse efforts, and about what building structures remain and what realistic development opportunities may exist at the site.
7. After, or as part of a master planning effort, encourage the property owner to subdivide the large single parcel into smaller parcels so that the master plan for new development can be created, local buy in can be sought and the site can phased to attract a mix of business and residential land uses	Land parcel subdivision will promote a development phasing that is consistent with the market demand, site cleanup and restoration, infrastructure capacity and community acceptability. Subdividing the parcels will encourage an orderly redevelopment consistent with stakeholder vision
6.A community visioning process will prepare the project area for the emergence of new ownership and land uses. Avoid selecting a preferred land use mix at this time because the site will not be ready for at least four years and perhaps longer	A community visioning process can guide local residents, businesses and other stakeholders through a specific plan or master plan effort, and prepare the community for land use change. Selecting a preferred land use at this time will make it more difficult to attract the investment capital required to clean up and reuse the site.
5. Allow the reuse of existing buildings on the site until a specific plan or master plan is adopted.	Changing the land use designation in advance of a specific development proposal would be an unnecessary expenditure of time, energy and resources in advance of a specific development proposal.
8.Negotiate improvements to the wastewater treatment and water supply treatment systems as a term of approval to a future development agreement	The wastewater and water treatment systems have a small amount of excess capacity, but improvements may be needed to accommodate new growth and the service deliver costs are very high
9.Conduct an historical resources inventory to identify additional buildings and equipment that should be preserved on the site	Three buildings are included in the County's Historical Resource Inventory, but additional buildings and perhaps some equipment should be added if determined to be historically significant. The cement plant plays and important role in the history of Santa Cruz County.

RECOMMENDATION #1

Utilize the AB 440 Polanco Redevelopment Act, which was signed by Governor Brown in 2013 to require property owners such as CEMEX to provide all documentation about contamination of soils, groundwater, CKD piles, and historic and functionally obsolete buildings and equipment.[31]

Rationale

Cement production activities were halted four years ago in 2010 and very little additional activity has occurred, leaving the site to deteriorate. AB 440, which the Legislature passed to help clean up sites, such as this CEMEX site and other contaminated sites, provides the County with the legal authority and the ability to require CEMEX to deliver a functional and clean site in advance of reuse. AB 440 can empower the County to compel CEMEX to provide details regarding specification of size, conditions and functional reusability of all buildings and equipment on the site, none of which has been provided to date. It is likely that CEMEX will continue to hold the site "as is", continue to request a $20 million sale price (which may barely pay for site reuse and mitigation costs) and leave the property's future to the vagaries of private market forces.

RECOMMENDATION #2

Consider discouraging private parties from finalizing negotiations on acquiring the 109-acre cement plant site without a "clean bill of health" from the regulatory clean-up process.

Rationale

Any effort to transfer ownership to a non-profit developer, land conservation group or other private parties would make it more difficult to cleanup the site and make it ready for other land uses. This could result in the abandonment of the property and the loss of a public benefit to the local community.

RECOMMENDATION #3

Create an Oversight Committee of Stakeholders to gather information about the various contamination studies and to oversee any remaining clean-up activities, and delivery of the site and/or buildings for new uses.

[31] See http://www.bingham.com/Alerts/2013/10/AB-440-Polanco-Redevelopment-Act

Rationale

The cleanup effort and plans for reuse are disjointed and in need of a centralized oversight structure that can accurately report on accomplishments and challenges. In addition to Santa Cruz County staff, the oversight committee might include representatives from Sempervirens, the Davenport/Bonny Doon Neighborhood Association, Swanton Farms and other nearby businesses and property owners. The inclusion of all stakeholders will ensure an outcome that is compatible with the combined goals of Santa Cruz County, local residents, nearby properties and the California Coastal Commission. It will also result in a coordinated effort that can provide the vision, tools and commitment required to make development of the cement plant site a reality that has positive consequences for the County, local businesses and residents.

RECOMMENDATION #4

Establish regular and consistent communication of information with Davenport and New Town area residents, nearby landowners and operators, Santa Cruz County staff and other interested parties about the status of site clean-up and reuse efforts.

Rationale

Many area residents, local businesses and neighboring property owners are uniformed about the status of site cleanup and reuse efforts. They are unclear about what buildings remain and what realistic development opportunities may exist at the site. Conveying accurate information to the community will help alleviate misinformation, and it will also engage the community in the reuse process. Quarterly reports describing the site clean up status and reuse efforts could be delivered to area residents and other stakeholders verbally or via email.

RECOMMENDATION #5

The County may need to adopt an interim General Plan/Local Coastal Plan policy change to allow interim reuse of existing buildings prior to adoption of a Master Plan or Specific Plan for the site. The County will need to discuss the proposed policy changes with the Coastal Commission to ensure the changes are consistent with the Local Coastal Plan. The County should also retain the Mountain Residential land use designation as an interim strategy until a Master Plan or Specific Plan is approved to guide the long-term site reuse effort.

Rationale

Encouraging the reuse of existing buildings can attract economically production uses back to Davenport. Changing the land use designation in advance of a specific development proposal would be an unnecessary expenditure of time, energy and resources. New master plan proposals must obtain a County General Plan land use and zoning change and a Local Coastal Plan Amendment that is consistent with the County General Plan.

RECOMMENDATION #6

A community visioning process should be initiated to prepare the project area for the emergence of new ownership and land uses. Avoid selecting a preferred land use mix at this time because the site will not be ready for at least four years.

Rationale

A community visioning process can guide local residents, businesses and other stakeholders through a specific plan or master plan effort, and prepare the community for land use change. Selecting a preferred land use at this time will constrain real estate development alternatives and make it more difficult to attract the investment capital required to clean up and reuse the site. Environmental studies must be completed, the contaminated spots must be cleaned up and a new property owner will need to emerge before new uses can be attracted. A future property owner should be encouraged to consider three land use scenarios, including industrial and educational uses, visitor lodging and a mix of residential and business uses.

RECOMMENDATION #7

As part of a master planning effort, encourage the property owner to subdivide the large single parcel into smaller parcels so that the master plan or specific plan for new development can be implemented. With enough local buy in, the site can be positioned to attract a mix of business, educational or other new uses.

Rationale

Land parcel subdivision will promote a development phasing that is consistent with the market demand, site cleanup and/or restoration, infrastructure capacity and community acceptability. Subdividing the parcels will encourage an orderly redevelopment that can be flexible over time, and can be implemented consistently with stakeholder's vision of reuse initiatives.

RECOMMENDATION #8

Negotiate improvements to the wastewater treatment and water supply treatment systems as a term of approval to a future development approval, and consider use of a development agreement.

Rationale

The wastewater and water treatment systems have a small amount of excess capacity, but improvements may be needed to accommodate new growth and current service delivery costs. Business attraction efforts should attempt to reduce the costs of delivering water and wastewater treatment services to area residents.

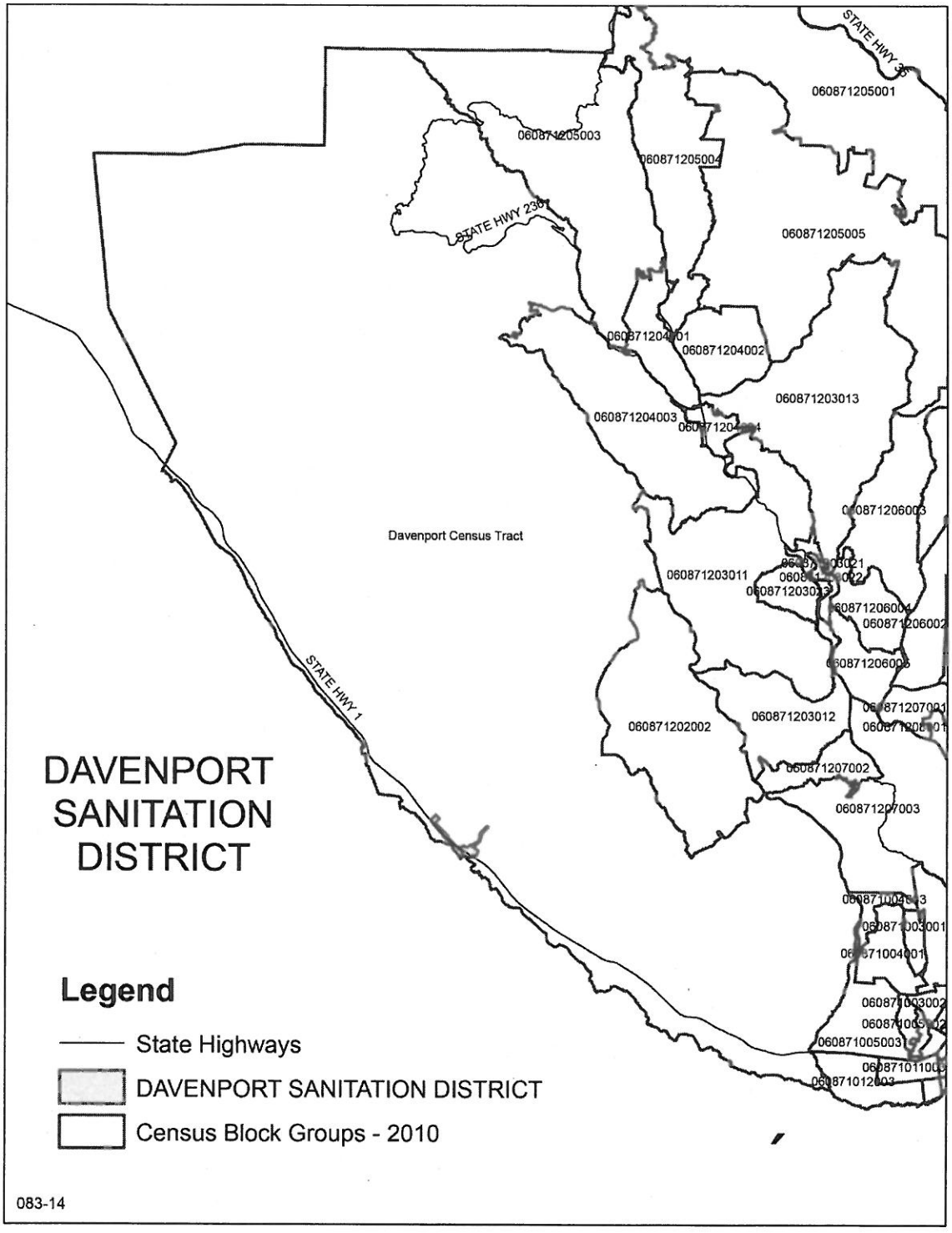
RECOMMENDATION #9

Conduct an historical resources inventory to identify additional buildings and equipment that should be preserved on the site

Rationale

Additional buildings and equipment should possibly be added to the County's Historical Resource Inventory if determined to be historically significant. Placement of a building on the Historical Resource Inventory would prohibit changes to the exterior of a building unless approved by the Historical Resources Committee. Listing as a historic resource could assist with securing additional funds such as the 20% Historic Tax Credit to fund the cost of rehabilitating historic structures.

APPENDIX A: DAVENPORT CENSUS TRACT BLOCK GROUP MAP



APPENDIX B: DEMOGRAPHIC DATA AND MARKET INFORMATION

Table B-1
Length of Time Residing in Davenport and Bonny Doon

	# of Responses	% Total
1950s or 1960s	8	7%
1970s	18	16%
1980s	21	18%
1990s	27	23%
2000s	27	23%
2010s	15	13%
Total	116	

Data Source: Household Survey of 116 Davenport and Bonny Doon Residents, 2014
Analysis: Wahlstrom & Associates

Table B-2
Resident Concerns About the Cement Plant Site

	# of Responses	% Total
Reuse may generate unwanted environmental impacts on the community and surrounding natural areas	47	45%
Pollution will not be cleaned up and may threaten public health	39	38%
Reuse of the site will attract too many people and may change the community character	35	34%
Blight is an eyesore that may get worse as long as the site remains unused	30	29%
Reuse will strain the community's water and wastewater treatment system and the delivery of other public services	29	28%
Site needs to remain secure and public safety protected	16	15%
Davenport lacks a clear vision with community input about the site's future	15	14%
Reuse will create a fire hazard and a danger to community residents	14	13%
Reuse may have negative visual impacts on the community or may be insensitive to the natural environment	9	9%
Site reuse may not adaptively reuse or preserve the existing structures	4	4%
Reuse may restrict access to the surrounding natural resources	4	4%
No concerns expressed	12	

Data Source: Household Survey of 116 Davenport and Bonny Doon Residents, 2014
Analysis: Wahlstrom & Associates

Table B-3
Population By Age in the Davenport Area and the Surrounding Region, 2014

Population Estimates	Age < 18	Age 18-34	Age 35-54	Age 55-64	Age 65 +	Total	Average Age
West Santa Cruz County [a]	520	640	850	620	450	3,080	42.6
Santa Cruz County	56,500	72,300	69,000	38,400	35,300	271,500	38.4
South Bay Region [b]	667,800	656,500	850,400	353,700	371,800	2,900,200	38.2
California 2010	9,983,400	8,763,700	10,554,000	4,379,000	3,998,500	37,678,600	
Percent Distribution by Age Group							
West Santa Cruz County [a]	17%	21%	28%	20%	15%		
Santa Cruz County	21%	27%	25%	14%	13%		
South Bay Region [b]	23%	23%	29%	12%	13%		
California 2010	26%	23%	28%	12%	11%		

Data Sources: Claritas, U.S. Census and the American Community Survey Estimates
Analysis: Wahlstrom & Associates
Notes:
[a] West Santa Cruz County is defined as census tract 1202.001, which extends along Highway 1 from the Santa Cruz city limits to the San Mateo County border
[b] South Bay Region combines the Counties of Santa Cruz, Santa Clara and San Mateo
Numbers are rounded

Table B-4
Educational Attainment among Davenport Residents and the Surrounding Region Among Adults Age 25 and older, 2014

	Not HS Graduate	HS Graduate, Some College or Associates Degree	Bachelor's degree	Professional or Advanced Degree	Total
West Santa Cruz County [a]	220	790	630	490	2,130
Santa Cruz County	28,000	84,200	41,000	24,700	177,900
South Bay Region [b]	257,200	841,600	505,200	368,300	1,972,300
California (2012)	4,711,527	12,285,618	4,642,313	2,603,269	24,242,727
Percent Total					
West Santa Cruz County [a]	5%	20%	16%	12%	
Santa Cruz County	9%	26%	13%	8%	
South Bay Region [b]	7%	23%	14%	10%	
California (2012)	11%	28%	11%	6%	

Data Source: Claritas and the U.S. Census American Community Service
Analysis: Wahlstrom & Associates

Notes:
[a] West Santa Cruz County is defined as census tract 1202.001, which extends along Highway 1 from the Santa Cruz city limits to the San Mateo County border
[b] South Bay Region combines the Counties of Santa Cruz, Santa Clara and San Mateo
Numbers are rounded

Table B-5
Primary Language Spoken at Home Among Age 5+ Persons in Davenport and the Surrounding Region, 2014

	English	Spanish	Other	Total
West Santa Cruz County [a]	2,610	280	50	2,940
Santa Cruz County	175,690	66,630	13,880	256,200
South Bay Region [b]	1,420,700	543,100	572,300	2,536,100
California (2012)	19,937,989	9,960,331	4,997,188	34,895,508
Percent Total				
West Santa Cruz County [a]	89%	10%	2%	
Santa Cruz County	69%	26%	5%	
South Bay Region [b]	56%	21%	23%	
California (2012)	57%	29%	14%	

Data Source: Claritas and the U.S. Census American Community Survey
Analysis: Wahlstrom & Associates

Notes:
[a] West Santa Cruz County is defined as census tract 1202.001, which extends along Highway 1 from the Santa Cruz city limits to the San Mateo County border
[b] South Bay Region combines the Counties of Santa Cruz, Santa Clara and San Mateo
Numbers are rounded

Table B-6
Number of Firms by Size of Firm in Davenport Zip Code 95017, 2012

Industry Sector	Number of Firms	1 to 4 Employees	5 to 9 Employees	10 to 19 Employees	20 to 49 Employees	50 to 99 Employees	100 to 249 Employees	250 or more Employees
Construction	3	2	1	0	0	0	0	0
Manufacturing	3	0	1	1	0	1	0	0
Wholesale trade	1	1	0	0	0	0	0	0
Retail trade	1	1	0	0	0	0	0	0
Administrative Support	1	1	0	0	0	0	0	0
Health Care and Social Assistance	1	1	0	0	0	0	0	0
Accommodation and Food Services	5	3	0	1	1	0	0	0
Other Services (not Public Sector)	1	1	0	0	0	0	0	0
Totals	**16**	**10**	**2**	**2**	**1**	**1**	**0**	**0**
Percent Total		**63%**	**13%**	**13%**	**6%**	**6%**	**0%**	**0%**

Data Source: US County Business Patterns

Analysis: Wahlstrom & Associates
Note: Data does not measure agricultural or public sector employment

Table B-7
Labor Force Characteristics in Davenport and the Surrounding Region, 2000 and 2014

2014	Labor Force	Employed	Unemployed	Unemployment Rate	Not in Labor Force	Labor force participation rate
West Santa Cruz County [a]	1,760	1,590	170	9.7%	880	67%
Santa Cruz County	144,000	130,900	13,100	9.1%	78,200	65%
South Bay Region [b]	1,552,100	1,400,100	152,000	9.8%	752,900	67%
California (2012)	18,846,101	16,990,281	1,855,820	9.8%	10,129,889	65%
2000	**Labor Force**	**Employed**	**Unemployed**	**Unemployment Rate**	**Not in Labor Force**	**Labor force participation rate**
West Santa Cruz County [a]	1,644	1,520	124	7.5%	705	70%
Santa Cruz County	137,691	129,364	8,327	6.0%	64,007	68%
South Bay Region [b]	1,381,178	1,334,714	46,464	3.4%	683,282	67%
California	15,829,202	14,718,928	1,110,274	7.0%	10,048,977	61%

Data Source: Claritas and the U.S. Census American Community Survey
Analysis: Wahlstrom & Associates

Notes:
[a] West Santa Cruz County is defined as census tract 1202.001, which extends along Highway 1 from the Santa Cruz city limits to the San Mateo County border
[b] South Bay Region combines the Counties of Santa Cruz, Santa Clara and San Mateo
Numbers are rounded

Table B-8

Santa Cruz County Job Growth Trends, 1992 – 2013 – AMY THIS TABLE STILL DOES NOT WORK -

					Job Growth			Annual Growth Rate		
	1992	2006	2010	2013	1992-2006	2006-2010	2010-1203	1992-2006	2006-2010	2010-2013
CALIFORNIA										
Total Employment	12,560,400	15,659,500	14,593,100	15,558,800	3,099,100	-1,066,400	965,700	1.1%	-1.7%	2.2%
Total Private Employment	10,113,200	12,832,000	11,761,900	12,777,300	2,718,800	-1,070,100	1,015,400	1.1%	-2.2%	2.8%
Total Public Sector Employment	2,095,600	2,452,300	2,448,500	2,370,100	356,700	-3,800	-78,400	1.1%	0.0%	-1.1%
SANTA CRUZ										
Total Employment	95,000	103,300	97,100	101,500	8,300	-6,200	4,400	0.2%	-1.5%	1.5%
Total Private Employment	67,000	74,200	67,100	72,400	7,200	-7,100	5,300	0.0%	-2.5%	2.6%
Total Public Sector Employment	16,600	21,800	20,300	20,800	5,200	-1,500	500	1.4%	-1.8%	0.8%
Agricultural Employment	11,500	7,400	9,600	8,400	-4,100	2,200	-1,200	-1.3%	6.7%	-4.4%
Construction	3,500	5,900	3,000	3,200	2,400	-2,900	200	-1.1%	-15.6%	2.2%
Manufacturing	10,900	6,500	5,500	5,900	-4,400	-1,000	400	-4.8%	-4.1%	2.4%
Wholesale trade	3,300	4,000	3,500	3,500	700	-500	0	0.4%	-3.3%	0.0%
Retail Trade	10,700	13,300	11,400	11,600	2,600	-1,900	200	0.5%	-3.8%	0.6%
Transportation, Warehouse & Utilities	1,300	1,500	1,500	1,400	200	0	-100	1.0%	0.0%	-2.3%
Information	2,800	1,400	900	800	-1,400	-500	-100	-7.8%	-10.5%	-3.9%
Financial Activities	3,400	3,800	3,200	3,400	400	-600	200	-0.4%	-4.2%	2.0%
Professional & Business Services	8,800	10,000	9,100	10,200	1,200	-900	1,100	0.2%	-2.3%	3.9%
Education & Health Services	9,600	13,000	14,600	16,300	3,400	1,600	1,700	3.0%	2.9%	3.7%

Source: California Employment Development Department

Analysis: Wahlstrom & Associates

Table B-9
Uses Residents Do Not Want Attracted to the Cement Plant Site

	# of Responses	% Total
Business establishments that pollute	25	33%
Any type of new housing	25	33%
Chain store retail, restaurant or hotels	18	24%
Hotel or high impact resort	12	16%
No new development (convert site into open space)	12	16%
Certain types of new housing (i.e. McMansions)	8	11%
Race track, amusement park or a gun range	6	8%
Campground or RV park	6	8%
Artisan foods, crafts & local retail	5	7%
Public facilities or public spaces	3	4%
Desalinization plant	3	4%
Other commercial businesses	2	3%
Did not identify an objectionable use	41	

Data Source: Household Survey of 116 Davenport and Bonny Doon Residents, 2014
Analysis: Wahlstrom & Associates
Note: A total of 116 Davenport and Boney Doon households responded to the on-line survey