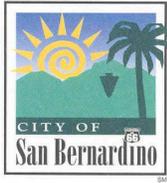


**SECTION 6.o**  
**ALTERNATIVES**

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## 6.0 ALTERNATIVES

### 6.1 INTRODUCTION

*CEQA Guidelines* Section 15126.6 requires the identification and evaluation of reasonable alternatives designed to feasibly achieve the most basic objectives of the project, while avoiding or substantially lessening any of the significant environmental effects of the project. In addition, *CEQA* requires a comparative evaluation of the merits of the alternatives.

Pursuant to *CEQA Guidelines* Section 15126.6 (f)(1), factors that may be taken into account when addressing the feasibility of alternatives include, but are not limited to, as applicable, site suitability, economic viability, availability of infrastructure, general plan consistency, other plans or regulatory limitations, jurisdictional boundaries, and whether the proponent can reasonably acquire, control or otherwise have access to the alternative site (or the site is already owned by the proponent). Although these factors do not present a strict limit on the scope of reasonable alternatives to be considered, they help establish the context in which “the rule of reason” is measured against when determining an appropriate range of alternatives sufficient to establish and foster meaningful public participation and informed decision-making. In this instance for a program EIR for a long-term project like a redevelopment (amendment thereof) and the scope of its potential implementation, alternatives that relate to direct site control or suitability are not relevant or applicable. The alternatives available for a program EIR for a long-term project like a redevelopment (amendment thereof) are discussed here.

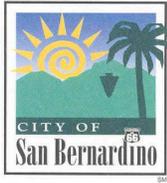
### 6.2 REDEVELOPMENT ISSUES AND OPPORTUNITIES

As part of the redevelopment plan merger and amendment process, the City of San Bernardino identified a series of issues and opportunities that affect how the proposed project is implemented and relate to the identified objectives that the City would like to achieve.

City and Agency Financial Capacity. The City has experienced increased losses in both sales tax revenue and business registration fees due to many recent factors including the downturn in the economy. The precipitous drop in assessed valuations has weakened the City’s capacity to fund projects relying on the General Fund.

Tax increment financing generated in the existing Project Areas has yielded lower revenues than predicted by the Agency due to the shortfall in assessed valuations. Five out of the 14 Project Areas in the City have suffered budget shortfalls, which strains the financial capacity of both Agency and City capital improvement projects funded by tax increment revenue. Two of the areas within the Project Area experiencing budget shortfalls are the Central City North and Tri-City Project Areas. These areas are included in the Project Area.

Continuing Blighting Conditions. As a result of high land costs, demolition and remediation costs, redevelopment of the Central City Projects Area has been hindered. Development opportunities, as a result, have transitioned from the downtown area to the Southeast Industrial Park and Tri-City Project Areas, which has further intensified the decline in the downtown area. The proposed project is intended to provide financial stability and to eliminate remaining blighting conditions throughout the Project Area.

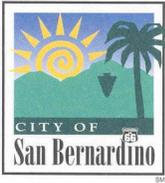


Downtown Core Vision/Action Plan. A potential commercial real estate crisis during the next two years, as has been predicted by some economists, could hamper the Agency's ability to partner with the private market to undertake projects and programs to fulfill the Downtown Core Vision/Action Plan. The City's General Fund and tax increment financing shortfalls also greatly restrict its capacity to fund capital improvement projects in the downtown area, which is greatly needed to create favorable conditions for major projects and programs envisioned in the Downtown Core Vision/Action Plan. Private investment or City actions alone cannot reasonably be expected to generate major progress toward implementation of the Downtown Core Vision/Action Plan.

### 6.3 PROJECT GOALS

The project goals are restated below from Section 3.5. Implementation of the proposed Merged, Amended, and Restated Redevelopment Plan for Merged Area A is intended to achieve the following goals:

- Eliminate and prevent the spread of conditions of blight, including but not limited to: underutilized properties and deteriorating buildings, incompatible and uneconomic land uses, deficient infrastructure and facilities, obsolete structures, parking deficiencies and other economic deficiencies, in order to create a more favorable environment for commercial, industrial, office, residential, and recreational development.
- Encourage the cooperation and participation of residents, businesses, public agencies, and community organizations in the economic revitalization of Merged Area A.
- Promote the economic development of Merged Area A by providing an attractive, well-serviced, well protected environment for residents and visitors.
- Develop property within a coordinated land use pattern of residential, commercial, industrial, recreational and public facilities in Merged Area A consistent with the goals, policies, objectives, standards, guidelines and requirements, as set forth in the City's adopted *General Plan* and Zoning Code.
- Implement design and use standards to assure high aesthetic and environmental quality, and provide unity and integrity to development within Merged Area A
- Eliminate environmental deficiencies and inadequate public improvements including but not limited to inadequate street improvements and off-site parking, inadequate utility systems, and inadequate public services and facilities.
- Develop efficient and safe circulation improvements for vehicles and pedestrians.
- Implement beautification activities to improve the visual image of the City as well as reinforce existing assets and expand the potential of Merged Area A to encourage private investment.
- Encourage, promote and assist in the development and expansion of local commerce and needed commercial and industrial facilities, including providing assistance to finance facilities or capital improvements on property used for industrial or manufacturing



purposes to increase local employment and improve the economic climate within Merged Area A.

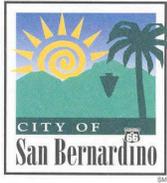
- Remove impediments to land disposition and development through improved infrastructure and public facilities, and the acquisition and assemblage of property into usable sites for commercial, industrial, recreational, and public facility development.
- Increase, improve, and preserve housing affordable to very low, low and moderate income households, as well as promote homeownership, consistent with the goals and objectives of the community.
- Encourage the restoration and reuse of older, historic structures which add to the City's character and sense of community identity.

## 6.4 ALTERNATIVES REJECTED FROM FURTHER CONSIDERATION

In accordance with *CEQA Guidelines* Section 15126.6, an EIR should identify any alternatives that were considered by the Lead Agency but were rejected as infeasible during the scoping process and briefly explain the Lead Agency's determination. Among the factors that may be used to eliminate alternatives from detailed consideration in an EIR are: (i) failure to meet most of the basic project objectives, (ii) infeasibility, or (iii) inability to avoid significant environmental effects. The following are alternatives the Agency has rejected, and will not be analyzed further in this EIR.

Elimination of 10-Year Extension. This Alternative would involve the elimination of the 10-year extensions proposed for the Central City North and Meadowbrook/Central City Project Areas, while keeping all other components proposed. This Alternative was deemed infeasible due to the negative impacts that could occur to these two areas by reducing the amount of tax increment that can be collected and used to repay debt and fund blight eliminating programs and projects. For this reason, this Alternative was rejected as a feasible alternative for further consideration.

Elimination of Tax Increment Increase. This Alternative would eliminate the proposed increase in tax increment limits that can be collected within the Project Area, while keeping all other components as proposed. Currently, each Project Area has a separate limit on how much tax increment can be collected. As proposed, the project would increase the tax increment limit to \$2.5 billion for the entire area. This Alternative was deemed infeasible due to the negative impacts that could occur as a result of limiting the amount of tax increment within the Project Area. Under the current tax increment limits, the Agency would be limited on the amount of funding that it could collect. Currently, all of the tax increment limits for the Project Areas (except Tri-City) are based on 1.75 times the annual maximum debt service. In the case of the Tri-City area, the limit is fixed at \$60 million. Without an increase and consolidation of the tax increment limits, the Agency would be required to track each Project Area and be limited by the limits in currently in place. This could potentially hinder the amount of money that can be collected by the Agency and used to repay debt and fund blight eliminating programs/ projects. For this reason, this Alternative was rejected as a feasible alternative for further consideration.



Eliminate Increase in Bonded Debt Limits. This Alternative would not include the bonded debt limit increase proposed by the project. Currently, the aggregate bonded debt limit for the Project Area is \$237 million. Under the proposed project, this limit would be increased by \$90 million to \$327 million. Without this increase, the Agency would not be able to effectively leverage their funds and assets to accomplish the Project Area goals outlined above. For this reason, this Alternative was rejected as a feasible alternative for further consideration.

Alternative Financing. This Alternative would include the use of other funding sources besides tax increment financing and bonds to achieve the Project Area goals. These funding sources may include Federal funds through agencies like Environmental Protection Agency (EPA), US Department of Housing and Urban Development (HUD), or Federal Highway Administration (FHWA) or State agencies such California EPA, Caltrans, or California Department of Housing and Community Development (HCD). In addition other funding sources may be obtained from Southern California Association of Governments, Non-Profit groups, other regional or local agencies that focus on redevelopment activities. Although these sources are available, they are not considered reliable and award of funds from many of these sources would involve a competitive award process, as the Agency would have to submit an application for funds along with all other agencies that apply. Since these sources are not guaranteed and most of the funds would be earmarked for specific purposes, it is envisioned that their use as alternative financing would not achieve the identified goals for the Project Area. For this reason, this Alternative was rejected as a feasible alternative for further consideration.

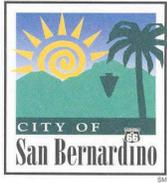
## 6.5 ALTERNATIVES TO BE ANALYZED

This analysis focuses on alternatives capable of eliminating significant adverse environmental effects or reducing them to less than significant levels, even if these alternatives would impede, to some degree, the attainment of the proposed project objectives. The following alternatives have been identified for analysis in this section:

- No Project Alternative. Under this Alternative, the proposed project, would not be adopted or proceed. This Alternative serves as the “No Project” Alternative in accordance with *CEQA Guidelines* Section 15126.6(e).
- No Merger of the Redevelopment Project Areas Alternative. Under this Alternative, the Agency would undertake the actions of increasing tax increment and bonded debt limits, where feasible, and initiate 10-year extensions in the Central City North and Meadowbrook/ Central City Project Areas; however, the seven Project Areas would not be merged into one Project Area.

### ALTERNATIVES ANALYSIS

Only those impacts found significant and unavoidable are relevant in making the final determination of whether an alternative is environmentally superior or inferior to the proposed project. The proposed project would result in significant and unavoidable impacts in one environmental issue area:



- Air Quality/ GHG
  - Project and Cumulative Construction-Related Impacts
  - Project and Cumulative Operational-Related Impacts
  - Cumulative Greenhouse Gas Emission Impacts

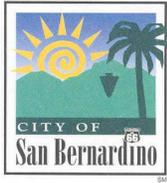
Implementation of the identified goals, regional strategies, work programs, and activities can mitigate all other potentially significant impacts to less than significant levels. This section considers alternatives to otherwise avoid or minimize these significant and unavoidable impacts.

### 6.5.1 NO PROJECT ALTERNATIVE

Implementation of the No Project Alternative assumes that the Agency would take no action in merging the seven Project Areas into one Project Area. In addition, this Alternative would not increase the limitation on the number of dollars that could be allocated to the Project Area through tax increment, nor would it increase the amount of bonded debt that would be outstanding at any one time. Currently without these project elements, both the Central City North and the Tri-City Project Areas would experience short-falls in the amount of funds they are able to collect relative to the amount of debt they have incurred. In addition, the 10-year extensions for both the Central City North and Meadowbrook/Central City Project Areas would not occur under this Alternative, which would affect the amount of tax increment the Agency can collect to repay outstanding debt and implement projects and programs designed to eliminate blight. Finally, under this Alternative, the capital improvement projects added under the proposed project would not be implemented. Any development that would occur as a result of the proposed project would not occur, or would be implemented in a smaller more piecemeal fashion, as a result of this Alternative.

Programs and projects that would provide for public facility improvements, including street and traffic circulation improvements, community beautification, and visual blight removal, would not occur in a comprehensive manner. Instead these actions would occur within each Project Area as funds become available. For those areas where funding is not available, it is envisioned that no actions would be undertaken by the Agency. In addition, no action would be taken by the Agency to assist in the funding of identified programs and projects including a Downtown Core Specific Plan/Overlay, Transit Oriented Developments, and/or Land Use Planning/Infrastructure Improvement projects that would assist in development/redevelopment within the Project Area.

Under this Alternative, the Project Areas would continue to be comprised of dilapidated, outdated, and/or inadequate buildings unable to serve contemporary commercial and industrial uses. Vacant buildings and deteriorated property conditions would continue to plague the Project Areas and result in reduced commercial activity, increase code violations, and underutilized development potential throughout this part of the City. Residential uses intermixed with commercial and industrial activities would also continue to occur in certain parts of the Project Areas. Contaminated or potentially contaminated sites would continue to remain in their existing state and incentives used to remediate these sites and prepare them for redevelopment could not occur. Many areas within this part of the City would continue to stagnate as a result of the lack of reinvestment by the Agency to improve infrastructure, assemble parcels for re-use / redevelopment, and provide catalysts to businesses looking to relocate to this part of the region. The Agency's ability to accomplish these activities under this Alternative would be significantly reduced, which would affect their ability to meet not only the goals of this project, but also the City's goals and policies identified in the *General Plan*.



It is anticipated that without additional redevelopment authority and updated financial mechanisms, existing adverse conditions within the Project Areas would not be corrected and may further contribute to decline of the area, affecting deleteriously physical and economic conditions in surrounding areas as well. Further, without additional Agency activity in the Project Areas to fund public improvements, private investment in the Project Areas would be substantially reduced. The extent of rehabilitation and development within the Project Areas would be limited due to the amount of existing financing capacity within each Project Area and the capability for each Project Area to pay back money borrowed. Issues such as lack of needed infrastructure and public improvements and continued lack of investment due to legal non-conforming and illegal non-conforming uses and lack of compliance with current development standards and uniform codes may not be addressed under this Alternative.

It is acknowledged that the proposed project would involve short- and long-term environmental impacts within the Project Area. However, as analyzed in this EIR, impacts would be less than significant or less than significant with mitigation with the exception of construction- and operational-related air quality impacts, and impacts associated with greenhouse gas emissions. The construction- and operational-related air quality emissions within the Project Area are related to the amount of development currently allowed by the *General Plan*. Since this development is consistent with the assumptions of the *General Plan*, then the impacts identified as a result of the proposed project are consistent with impacts previously analyzed in the *General Plan EIR*. Impacts associated with the No Project Alternative are assumed to be the same as the proposed project, since under this Alternative all development would have to be consistent with the *General Plan* as well.

It is anticipated that the No Project Alternative would result in a similar amount of growth as the proposed project, however the timeframe and mechanism in which this growth would occur is anticipated to be piecemeal in fashion. Based on this assumption it is anticipated that the economic improvement associated with this growth would result in a less viable local economy, less local revenues, less development of existing vacant and underutilized parcels, less commercial, industrial, and residential rehabilitation, less funding for affordable housing, and more constraints upon infrastructure and public improvements. The No Project Alternative would significantly reduce the opportunities for the Agency to eliminate blight and blighting conditions and reduce the ability to implement a comprehensive redevelopment approach to improve the overall Project Area. Although the No Project Alternative would not prohibit or eliminate development activity within the Project Area, it is anticipated that existing conditions would continue in certain areas due to a lack of adequate redevelopment funds, which include limited to no private development and investment due to extensive development constraints and blight and blighting conditions that currently occur within the Project Area.

## **6.5.2 NO MERGER OF THE REDEVELOPMENT PROJECT AREAS ALTERNATIVE**

The No Merger of the Redevelopment Project Areas Alternative assumes that the proposed project would be performed separately for each of the Seven Project Areas that comprise the proposed project. Under this Alternative, the Agency would prepare Restated and Amended Redevelopment Plans for each of the Project Areas that would include, to the extent feasible, increased tax increment and bonded debt limits, and 10-year extensions.



Currently, the bonded debt limits within the seven Project Areas range from \$14 million to \$60 million, which when aggregated amount to \$237 million for all seven areas. Under the proposed project, this limit would be increased to \$327 million, resulting in an additional \$90 million in bonded capacity that can be leverage against programs and projects/improvements within the single Project Area. In addition, the current limits on receiving tax increment within the seven Project Areas are limited to 1.75 times the annual debt service (except for the Tri-City Project Area, which has a limit of \$60 million). Under the proposed project, this amount would be fixed at \$2.5 billion, with the ability to use the money throughout the merged and amended Project Area. Under this Alternative, both the bonded debt limits and receipt of tax increment would be limited to each individual Project Area and it is assumed that the aggregated amounts for each would be lower than allowed in the proposed project. In addition, this Alternative would limit the use of redevelopment funds to each of the seven Project Areas, whereas the proposed project would allow funds to be used throughout the entire Project Area.

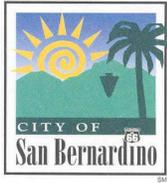
At this time, both Central City North and Tri City Project Areas are experiencing revenue shortfalls. Under this Alternative, it is unclear whether or not these two areas would be able to increase revenue generation adequately to cover current expenses or to implement the same programs anticipated with the proposed project since the Agency's ability to eliminate blight in the Project Area is heavily reliant on its financing and bonding capacity from tax increment.<sup>1</sup> As a result of this, the current Project Areas would not have adequate funding to implement the blight eliminating plans and programs incorporated into the proposed project. In similar fashion, it is expected that this Alternative would also be constrained by the same issues that constrain the existing Project Areas today.

Rehabilitation and redevelopment of the seven Project Areas under this Alternative, including assistance in funding identified programs and projects including a Downtown Core Specific Plan/Overlay, Transit Oriented Developments, and/or Land Use Planning/Infrastructure Improvement projects within the Project Area would not occur in a comprehensive manner and would be limited to funding availability for each Project Area. The availability of funding would be dependent upon the tax increment limits, bonded capacity, revenue sharing agreements, and outstanding debt service for each area. As previously indicated, two of the existing Project Areas are currently experiencing shortfalls and would be expected to experience similar shortfalls under this Alternative. In addition, as the use of funds is limited to each individual Project Area, when an area expends available funds, the Agency would have to reduce expenditures within that Project Area to ensure additional shortfalls occur, which would ultimately mean that many of the projects and programs identified as part of the proposed project would not be implemented in some of the seven Project Areas.

Overall, this Alternative would restrict the Agency's ability to effectively eliminate blight throughout the Project Areas, by limiting where individual funds can be spent, depending on the financial solvency of individual Project Areas. The result of this would be a piecemeal approach to the elimination of blight within several of the seven Project Areas that would not be as effective as the proposed project. Under this Alternative, it is expected that blighting conditions would remain in the Tri-City and Central City North Project Areas, due to the current shortfalls the Project Areas are experiencing. Although some improvements may occur within the individual Project Areas, it is likely that portions of the Project Areas would continue to be comprised of dilapidated, outdated, and/or inadequate buildings unable to serve contemporary

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<sup>1</sup> Preliminary Report San Bernardino Merged Area A Merger & Amendments, April 5, 2010, page 128.



commercial/ industrial uses. Vacant buildings and deteriorated property conditions would continue to depress the industrial and commercial portions of the Project Areas, resulting in reduced commercial activity and underutilized developments, and residential uses intermixed with commercial activities would continue to occur within some of the seven Project Areas. It is also expected that contaminated/potentially contaminated sites would continue to remain in their existing state.

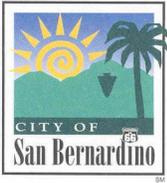
It is acknowledged that the proposed project would involve short- and long-term environmental impacts within the Project Area. However, as analyzed in this EIR, impacts would be less than significant or less than significant with mitigation with the exception of construction- and operational-related air quality impacts, and impacts associated with greenhouse gas emissions. The construction- and operational-related air quality emissions within the Project Area are related to the amount of development currently allowed by the *General Plan*. Since this development is consistent with the assumptions of the *General Plan*, then the impacts identified as a result of the proposed project are consistent with impacts previously analyzed in the *General Plan EIR*. Impacts associated with the No Merger of the Redevelopment Project Areas Alternative are assumed to be the same as the proposed project, since under this Alternative all development would have to be consistent with the *General Plan* as well.

It is anticipated that the No Merger of the Redevelopment Project Areas Alternative would result in a similar amount of growth as the proposed project, however the timeframe and mechanism in which this growth would occur is anticipated to be piecemeal in fashion and be related to the adequacy of funding within a given Project Area. Based on this assumption, it is anticipated that the economic improvement associated with this growth would result in a less viable local economy, less local revenues, less development of existing vacant and underutilized parcels, less commercial, industrial, and residential rehabilitation, less funding for affordable housing, and more constraints upon infrastructure and public improvements. The No Merger of the Redevelopment Project Areas Alternative would significantly reduce the opportunities for the Agency to comprehensively eliminate blight and blighting conditions and reduce the ability to implement a comprehensive redevelopment approach to improve the overall Project Area. Although the No Merger of the Redevelopment Project Areas Alternative would not prohibit or eliminate development activity within the Project Areas, it is anticipated that existing conditions would continue in certain areas due to a lack of adequate redevelopment funds, which include limited to no private development and investment due to extensive development constraints and blight and blighting conditions that currently occur within the Project Areas.

## 6.6 ENVIRONMENTALLY SUPERIOR ALTERNATIVE

*CEQA Guidelines* Section 15126.6 indicates that if the No Project Alternative is the environmentally superior alternative, then the EIR shall also identify an environmentally superior alternative among the other alternatives.

The context of an environmentally superior alternative for this EIR is based on the consideration of several factors including the proposed project's objectives, as described in Section 3.5, Project Goals, and earlier in this Section, and the alternative's ability to fulfill the goals with minimal impacts to the surrounding environment.

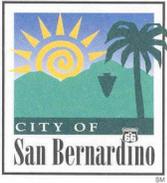


The No Project Alternative is not considered environmentally superior to the Proposed Project. Under this Alternative, no new actions would be taken by the Agency to eliminate blighted conditions and stimulate private investment in the Project Areas. Existing adverse environmental conditions, such as, but not limited to deteriorated and dilapidated structures, brownfields and other contaminated or potentially contaminated sites, and non-conforming, both legal and illegal, properties that do not meet current development standards or health and safety standards in the uniform codes, in all likelihood would continue to remain in their existing state and will not be corrected or rehabilitated by private owners or investors without the economic development tools of redevelopment. Although some development activity could occur within the Project Areas, the extent of rehabilitation and development would be limited due to the lack of needed infrastructure and public improvements that would occur without the proposed project. Further, the No Project Alternative would reduce the Agency's ability to attain the goals established for the Project Area and would limit its ability to fully implement the goals and policies identified in the *General Plan* when compared to the proposed project.

Under the No Merger of the Redevelopment Project Areas Alternative, adequate funding of blight eliminating project/programs would not be available for the entire Project Area. It is anticipated that under this Alternative some of the individual Project Areas would be able to implement projects and programs to address blight, however there would still be areas that would not due to funding limitations or current/expected shortfalls in revenues. Although some improvements may occur, the extent of the improvements would be limited and piecemeal. Additionally, this Alternative would not allow for a significant increase in the amount of tax increment that could be collected within the Project Areas, nor would it involve an increase in the limit of bonded debt, which would also affect the Agency's ability to achieve the project goals. Without the additional financing and funding mechanisms associated with the proposed project, the Project Area is anticipated to continue experience both physical and economic blight. Therefore, the No Merger of the Project Areas Alternative would not be considered environmentally superior when compared to the Proposed Project. Further, this Alternative would affect the Agency's ability to attain the goals established for the Project Area and would limit its ability to fully implement the goals and policies of the *General Plan* when compared to the proposed project.

## Conclusion

As discussed above, the primary goal of the proposed project is to promote and facilitate the revitalization, rehabilitation, and redevelopment of the Project Area, through the implementation of a comprehensive series of programs and projects that would eliminate blight, increase development/redevelopment in the area, and improve/expand needed infrastructure to support existing and future uses. Both Alternatives fall short of achieving the goals established for the Project Area and the goals and policies of the *General Plan*. As noted, impacts associated with the proposed project would be less than significant with the exception of construction- and operational-related air quality impacts and cumulative greenhouse gas emissions. However, the amount of development anticipated within the Project Area is based upon the land uses and buildout assumptions in the *General Plan*, therefore, impacts to air quality under the No Project Alternatives and No Merger of the Redevelopment Project Areas Alternative would be similar to the proposed project, and would not reduce or eliminate a significant impact associated with the proposed project.



## San Bernardino Merged Area A – Merger and Amendments Program Environmental Impact Report

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