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## Disclaimer

This document and the related spreadsheet were prepared for the U.S. Environmental Protection Agency (USEPA) in conjunction with the City of National City, California and are provided as draft final documents. SRA/Vita Nuova has relied upon outside sources for information and data presented in this report and related spreadsheet. Although all best efforts were used to confirm information and complete this report and related spreadsheet, no representation or warranties are made as to the timeliness, accuracy or completeness of the information contained herein or that the actual results will conform to any projections or recommendations contained herein. SRA/Vita Nuova holds no responsibility for how the process outlined in this document and related spreadsheet will be implemented on a community-wide or site-specific basis. Any reliance upon this material shall be without any liability or obligation on the part of SRA/Vita Nuova LLC.

The ranking process and spreadsheet described in this document are intended for the purpose of ranking properties with nonconforming uses and identifying properties for the development of recommendations on amortization and timing of amortization. The ranking process outlined in this document has been tested by National City to determine if the resulting property ranking is consistent with the expectations of National City. This testing included the evaluation of the impact of each factor and sub-factor and their weights on the overall ranking. The draft final documents reflect the comments and inputs of National City and of business stakeholders consulted in a meeting hosted by the Chamber of Commerce on January 26, 2011. It is recommended that the factors and sub-factors used and the scores and weights assigned to these factors and sub-factors not be changed once the spreadsheet is used to rank properties in order to ensure consistency in the property ranking process.

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# Introduction

## NATIONAL CITY PARTNERSHIP FOR SUSTAINABLE COMMUNITIES BROWNFIELD PILOT PROJECT

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### *Study Area*

The National City Pilot is located in the Westside neighborhood, a primarily low-income, minority, urban neighborhood, wholly contained within the incorporated limits of National City, California. National City has a population of approximately 61,000 and is located five miles south of San Diego. Over the past 50 years, the Westside neighborhood has evolved from a primarily residential neighborhood to include a significant number of industrial uses, mainly auto body-related, in and around homes and an elementary school.

### *Pilot Scope*

Over the past few years, the Westside neighborhood has started to address the numerous heavy industrial uses, mostly auto-related, that exist throughout the neighborhood. With approximately 389 polluters per square mile, this technical assistance project is focused on providing recommendations for redeveloping and revitalizing the Westside TOD Project site and Westside neighborhood to build upon the City and community's redevelopment efforts already in progress, such as auto-related business design guidelines and revised zoning. This Pilot also includes technical assistance on: 1) sustainable remediation; 2) redevelopment options for the City-owned open space site; and 3) habitat restoration for Paradise Creek. This assistance was delivered as a separate recommendations report in January 2011.

National City, CA has recently revised its zoning code to incorporate the Westside Specific Land Use Plan. The revised zoning resulted in a number of properties in the Westside area where the current land use does not conform to the revised zoning. Under the National City Land Use Code Section 18.108.230 - Affirmative Termination by Amortization, the city council "may order a nonconforming use to be terminated within a reasonable amount of time, upon recommendation of the planning commission." The Land Use Code requires the consideration of the following eight criteria when making a recommendation to terminate a nonconforming use and in recommending a reasonable amount of time in which to terminate the nonconforming use:

1. The total cost of land and improvements;
2. The length of time the use has existed;
3. Adaptability of the land and improvements to a currently permitted use;
4. The cost of moving and reestablishing the use elsewhere;
5. Whether the use is significantly nonconforming;
6. Compatibility with the existing land use patterns and densities of the surrounding neighborhood;
7. The possible threat to public health, safety or welfare; and
8. Any other relevant factors.

The process for making a recommendation regarding a nonconforming use is a multi-step process that involves first identifying properties with nonconforming uses, ranking these properties based on a consistent set of criteria, and then developing an amortization recommendation for each property in the order of its ranking. Within the context of this multi-step decision making process, this report develops an approach for ranking these properties that incorporates factors consistent with the criteria outlined in the Affirmative Termination by Amortization ordinance and provides a simple, reproducible process that can be easily understood by business owners and other stakeholders.

The ranking process is designed to rank multiple nonconforming properties with similar nonconforming uses in relationship to one another. It is not intended to provide a method to calculate a score for an individual property, independent of other properties. The ranking process is not intended to be used as a means of determining whether a property contains a nonconforming use, but rather as a means of prioritizing those properties that have otherwise been determined to contain nonconforming uses. Further, the ranking process is not intended to be used for the purpose of determining whether to terminate a land use or to develop the amount of time in which to terminate a nonconforming use. These decisions will be made in accordance with the requirements of the National City Land Use Code Section 18.108.230 - Affirmative Termination by Amortization.

# Property Ranking Process

A deterministic approach using an additive value model was selected as the primary mechanism for the development of the ranking process. The additive value model has been characterized by Belton and Stewart (2002)<sup>1</sup> as a method that has an acceptable level of sophistication to deal with the complexities of multiple factor decision problems, but is straightforward enough for a diverse group of stakeholders. It is a method that combines scores on individual factors with weights for each factor to estimate an overall score.

## FACTORS AND SUB-FACTORS

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Factors are quantitative (e.g., \$/sq ft) or qualitative (e.g., Yes or No) information that influence the ranking. For example, when comparing several cars to purchase, the price, body style, color, options, and fuel mileage may be the factors that are most important to you in selecting the car that best meets your needs (or ranks the highest). In some cases, it is necessary to break a factor into several sub-factors to incorporate multiple sets of information necessary to assign a score to a factor. For example, the sound system, interior style, interior color, engine size, and transmission type may be important sub-factors when evaluating the available options for each car. The value you assign may be a specific value that best represents the factor or sub-factor. For example, the value for color may be blue, while the value for fuel mileage may be 35 miles per gallon.

## VALUES AND SCORING

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Scores are assigned to each group, factor, and sub-factor based on a quantitative or qualitative value that represents the outcome of a sub-factor or a factor where no sub-factors have been identified. A discussion of the method for assigning values to each factor or sub-factor is provided in the section of this report titled Property Ranking Factors and Sub-Factors.

These values are then normalized to a common scale, such as 0 to 100, in order to assign a score that has a common basis for comparison for all groups, factors, and sub-factors. The score may be based on the range of values assigned to a factor or sub-factor, or it may be based on a potential range of values independent of the actual factor or sub-factor value. The scoring process should be viewed as a relative ranking process, so that outcomes that would result in a higher ranking are given higher scores and outcomes that would result in a lower ranking are given lower scores for any particular factor or sub-factor. For example, if blue is the only acceptable color, using a scale of 0 to 100, where 100 is the most desirable outcome for the color factor, cars that are the color blue would be assigned a score of 100, while cars of any other color would be assigned a score of 0. If there are other colors that are acceptable, but blue is the most desirable, scores could be assigned based on the order of preference. For example, a score of 100 for blue, 66 for green, 33 for red, and 0 for any other color. This process of normalizing the values allows for the comparison and combination of the scores for factors and sub-factors to develop an overall score.

Two common approaches for assigning factor and sub-factor scores are proportional scoring and binned scoring. The proportional score approach is used with the actual values of the factor or sub-factor. The values are scaled to a score between 0 and 100. Where the value representing the preference for the highest ranking (e.g., score = 100) is the maximum value ( $A_{\max}$ ) and the value representing the preference

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<sup>1</sup> Belton V. and T.J. Stewart. 2002. *Multiple Criteria Decision Analysis: An Integrated Approach*. Boston: Kluwer Academic Publishers.

for the lowest ranking (e.g., score = 0) is the minimum value ( $A_{\min}$ ), the remaining results are assigned scores relative to these two endpoints, where the score ( $v_p(P)$ ) is equal to the difference between the value for a factor ( $A_i$ ) and the minimum value ( $A_{\min}$ ) divided by the maximum value ( $A_{\max}$ ) minus the minimum value ( $A_{\min}$ ). (See Equation 1a). Where the value representing the preference for the highest ranking (e.g., score = 100) is the minimum value ( $A_{\min}$ ) and the value representing the preference for the lowest ranking (e.g., score = 0) is the maximum value ( $A_{\max}$ ), the remaining results are assigned scores relative to these two endpoints, where the score ( $v_p(P)$ ) is equal to the difference between the value for a factor ( $A_i$ ) and the maximum value ( $A_{\max}$ ) divided by the maximum value ( $A_{\max}$ ) minus the minimum value ( $A_{\min}$ ). (See Equation 1b). This is multiplied by 100 to give a value between 0 and 100.

$$(a) \quad v_p(P) = \frac{A_i - A_{\min}}{A_{\max} - A_{\min}} \times 100 \qquad (b) \quad v_p(P) = \frac{A_{\max} - A_i}{A_{\max} - A_{\min}} \times 100 \qquad (1)$$

where

$v_p(P)$  = proportional score for the specific value  $A_i$  for a property  
 $A_{\min}$  = minimum value for the factor or sub-factor for all properties  
 $A_{\max}$  = maximum value for the factor or sub-factor for all properties

This approach assumes that the increments in values have equivalent increments in score over the entire range of the factor or sub-factor values.

The binned score approach is used where a score is assigned based on an assessment of preferences at different value levels for a factor or sub-factor. Bins are defined by a range of values that are assigned the same score—the bin score. All values in each specific range are assigned a score based on the bins. Binned scores can be assigned based on a range of values or a descriptive scale. Table 1 illustrates the binned scoring approach.

**Table 1: Example scoring bins based on quantitative values**

| Value (Fuel Mileage)                                                           | Score |
|--------------------------------------------------------------------------------|-------|
| Greater than or equal to 40 miles per gallon                                   | 100   |
| Less than 40 miles per gallon but greater than or equal to 35 miles per gallon | 75    |
| Less than 35 miles per gallon but greater than or equal to 30 miles per gallon | 50    |
| Less than 30 miles per gallon but greater than or equal to 25 miles per gallon | 25    |
| Less than 25 miles per gallon                                                  | 0     |

A discussion of the method for assigning a score to each factor or sub-factor is provided in the section of this report titled Property Ranking Factors and Sub-Factors.

## RANKING

In a general sense, the overall score for purposes of ranking ( $V(P)$ ) is equal to the sum of the score for each factor ( $v_i(P)$ ) times the weight ( $w_i$ ) for that factor. Equation 2 provides the basic additive model presented in Belton and Stewart (2002).

$$V(P) = \sum_{i=1}^n w_i v_i(P) \quad (2)$$

For the implementation of the ranking process, a common scale is used with a convention that sets the score that indicates the greater preference. For example, a common scale of 0 to 100 can be used with the higher scores representing the greater preference. For each factor that is used in the ranking, the specific direction of the scale is determined. The ranking is based on an overall score which is the combination of the scores for each group, factor, and sub-factor and their respective weights. Using Equation 2, the score for each factor is equal to the sum of the product of the score times the weight for each sub-factor of that factor, the score for each group is equal to the sum of the product of the score times the weight for each factor associated with that group. The overall score is then the sum of the product of the score times the weight for each group, as shown in Equation 3.

$$V(P) = \sum_{g=1}^n w_g \sum_{f=1}^n w_f \sum_{s=1}^n w_s v_s(P) \quad (3)$$

## WEIGHTS

In many cases, not all of the factors (or sub-factors) will be of equal importance. For example, the price of the car may be more important than the color. This will result in the selection of a car that meets the price range, but may not be the primary choice of color. To address this potential variability in the importance or contribution of a factor or sub-factor, a weight or importance is assigned to each factor or sub-factor. A sub-factor weight is based on its importance to the factor, a factor weight is based on its importance to the group, and a group weight is based on its importance to the overall ranking. Equal weights would indicate that all factors or sub-factors are of equal importance. The weights represent the importance of each factor or sub-factor relative to one another. Weights for a group of factors or sub-factors must add to 1.

There are a number of approaches that can be used for developing weights for the ranking process. The simplest approach is to assign the weights equally based on the number (n) of groups, factors, or sub-factors where the weight ( $w_i$ ) for each group, factor, or sub-factor is equal to one divided by the number (n) of groups, factors, or sub-factors for a factor, as shown in Equation 4.

$$w_i = \frac{1}{n} \quad (4)$$

The weights can also be assigned based on input from stakeholders and general knowledge of the importance of each group, factor, or sub-factor in the ranking process. The assignment of weights in this manner may require trial and error to evaluate the impact of the variable weights on the contribution of a group, factor, or sub-factor to the ranking process.

Another approach suggested by Belton and Stewart (2002) to assign weights is to assign the weight ( $w_i$ ) for each group, factor, or sub-factor based on the number (n) of groups, factors, or sub-factors included and the order of importance (k) of a group, factor, or sub-factor as shown in Equation 5.

$$w_i = \frac{1}{n} \sum_{a=i}^k \frac{1}{a} \quad (5)$$

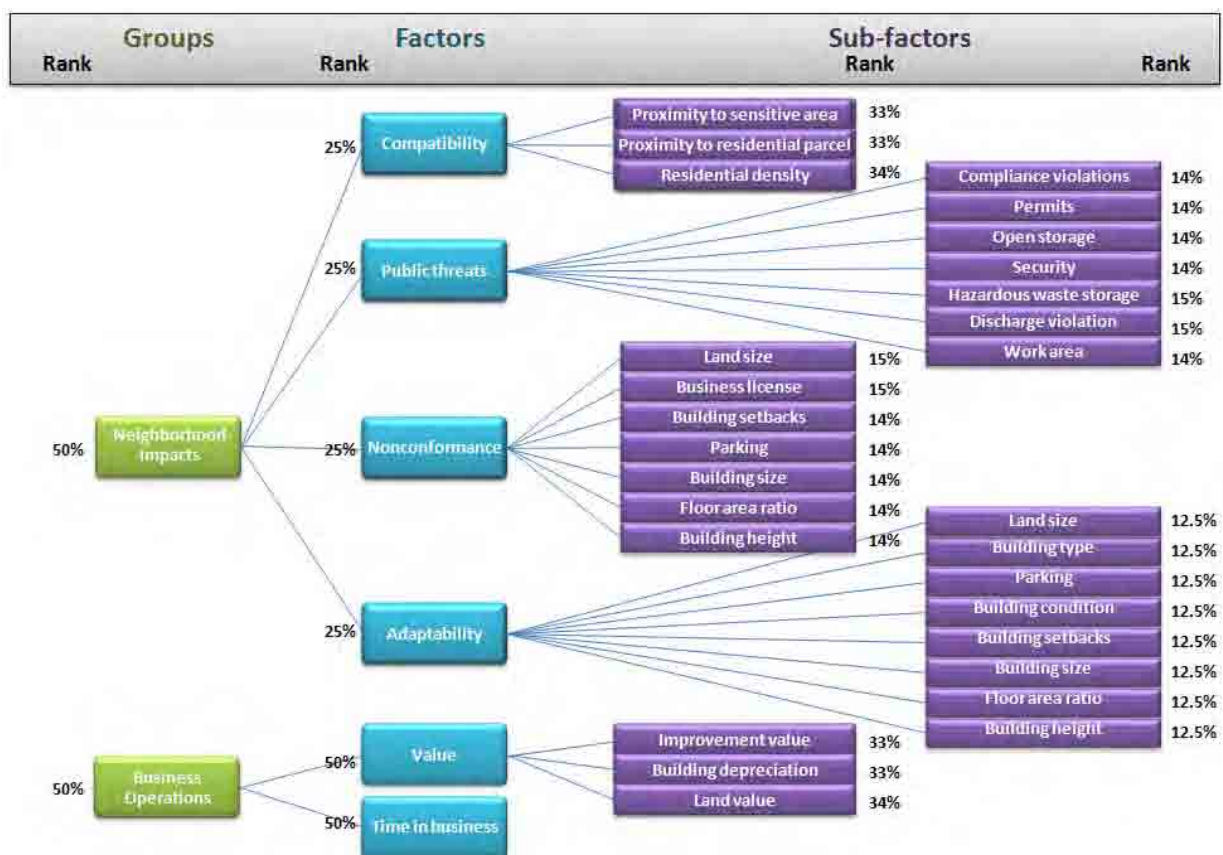
This last approach for weighting requires an evaluation of the groups, factors, or sub-factors for a factor to rank the groups, factors, or sub-factors based on their order of importance in the overall ranking process.

# Application of the Property Ranking Process

To implement the property ranking process in National City, factors that were potentially important to prioritizing nonconforming uses were initially identified based on the eight criteria outlined in the amortization requirements, the revised zoning requirements for the Westside Specific Planning Area, and conversations with representatives of the City. These factors were divided into two groups: 1) business operations and 2) neighborhood impacts. Six of the eight amortization criteria were identified as potential factors to be included in the ranking process and were divided among the two groups. For each factor identified, one or more sub-factors were identified to better define the factors. Factors related to the cost of moving and reestablishing the use elsewhere were not used because information needed to assign values to this factor was determined to be very site specific and more appropriately addressed as part of the amortization decision process.

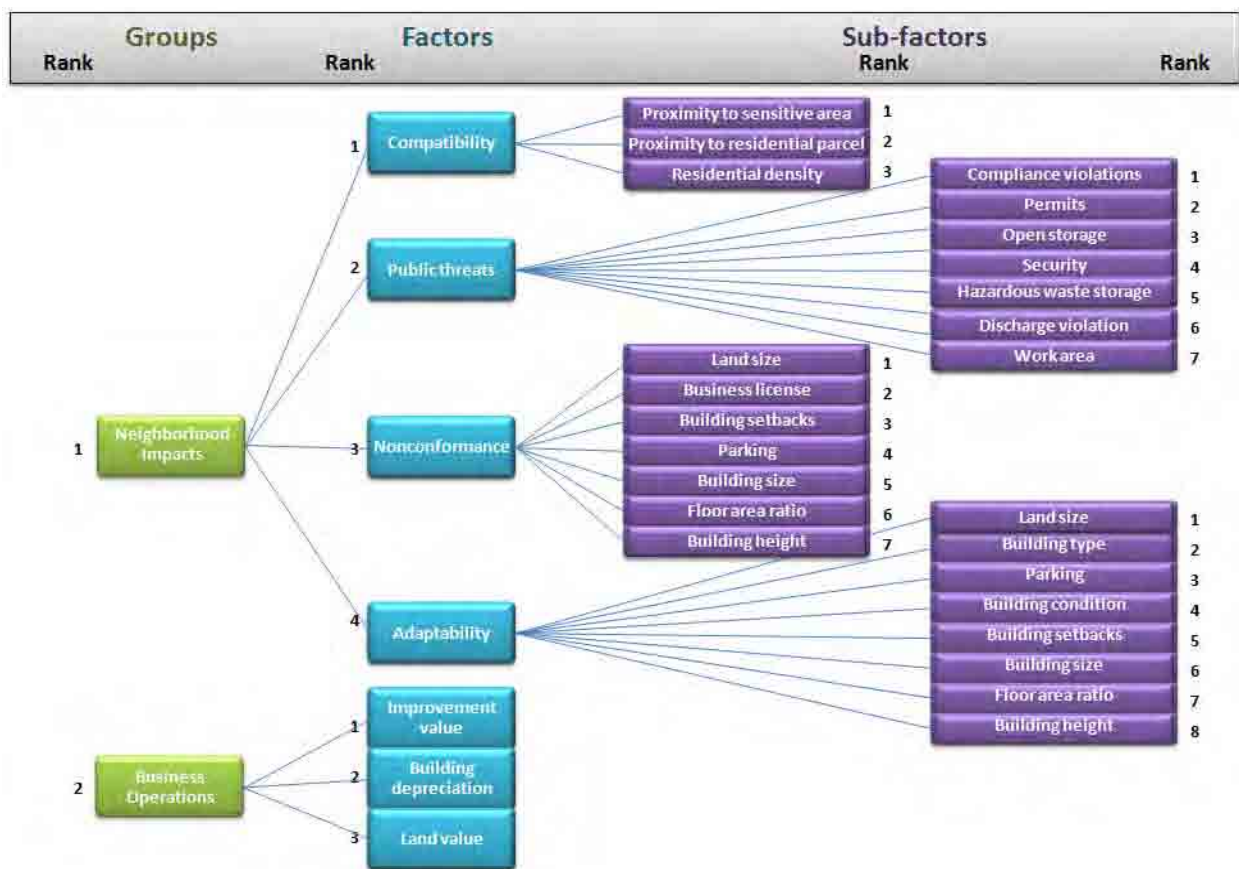
Quantitative or qualitative values and scoring approaches were identified for each sub-factor or a factor where no sub-factors had been identified (See Property Ranking Factors and Sub-Factors). A common scale of 0 to 100 was used, with higher scores indicating a greater preference for addressing a property with a non-conforming use. A Microsoft Excel® spreadsheet was developed to calculate the ranking scores and document the ranking process. The initial weights were set to equal weighting for each group, factor, and sub-factor as described in Equation 4. Figure 1 shows the initial grouping, factors, and sub-factors selected for the ranking process and their weights.

Figure 1: Initial groups, factors, sub-factors, and weights



The initial version of the spreadsheet was provided to National City for review and testing. The testing evaluated the impact of each factor and sub-factor and the scores and weights for each factor on the overall ranking to determine if the resulting property ranking was consistent with the expectations of National City. Based on the initial testing, it was determined that equal weighting for the groups, factors, and sub-factors was not appropriate. To determine a weighting scheme that would result in rankings that were consistent with the expectations of National City, the City was asked to place each grouping of factors and sub-factors in order of importance. Revised weights were developed for each group, factor, and sub-factor based on the number of groups, factors, or sub-factors included and the order of importance of factors or sub-factors, for a factor as shown in Equation 5. Figure 2 shows the ordering of the groups, factors, and sub-factors.

**Figure 2: Revised groups, factors, and sub-factors and order of importance for groups, factors, and sub-factors**

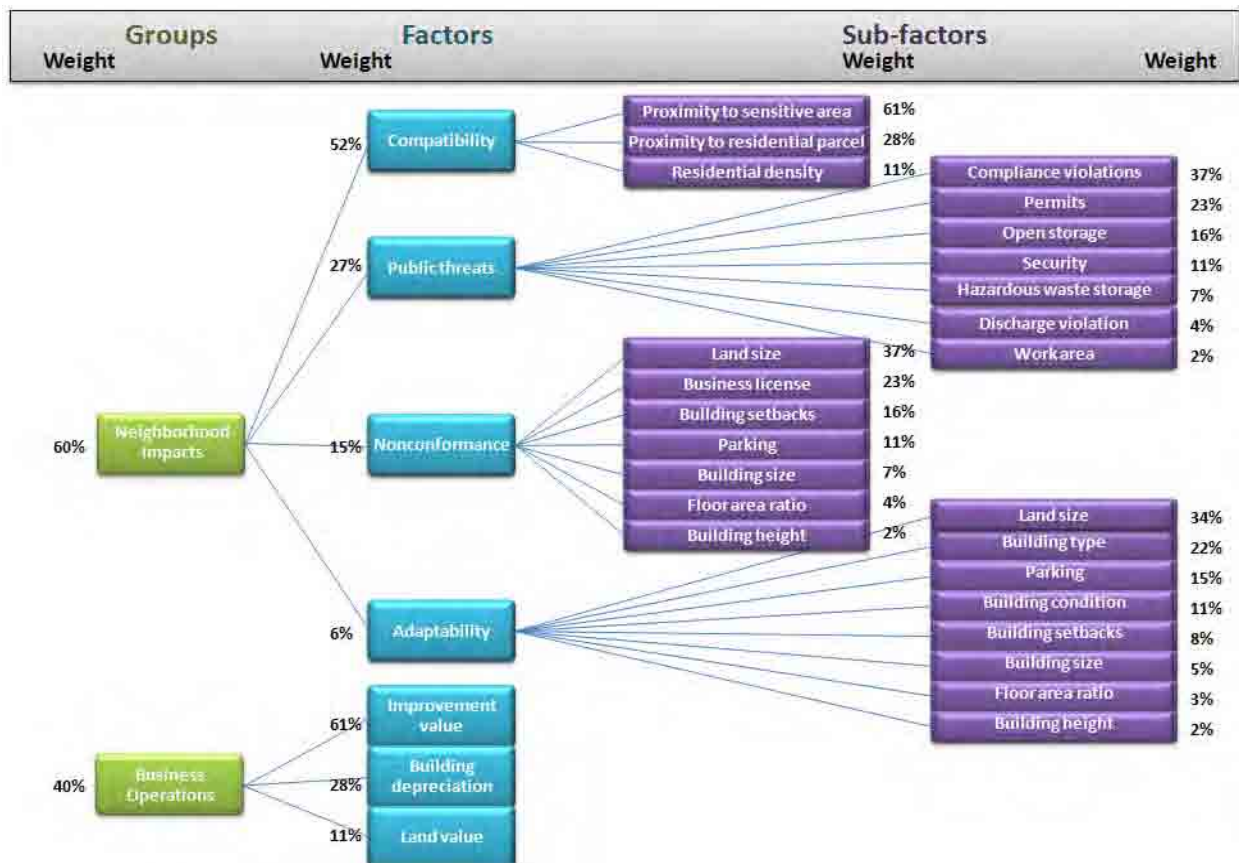


The spreadsheet was revised to incorporate the updated factor and sub-factor weights and a series of meetings were held with National City Council members, the Mayor, and Vice-Mayor on January 25, 2011. In addition, the Chamber of Commerce hosted a meeting with business stakeholders on January 26, 2011 to present the ranking process and spreadsheet and solicit comments and feedback on the process. Several modifications to the spreadsheet were identified as a result of the meeting with the business stakeholders.

The business stakeholders questioned the use of time in business as a factor, noting that there was not clear evidence that a high score should be assigned to a business that was in place on a property for either the longest time or the shortest time. Based on this input, the time a property contained a particular business use was removed as a factor and the business operations grouping was revised to include three

factors (i.e., improvement value, building depreciation, and land value). The business stakeholders also suggested that the factor and sub-factor values that were based on a Yes or No response be revised so that Yes always resulted in the lowest score (e.g., 0) and No always resulted in the highest score (e.g., 100). Based on this input, the method for assigning a value and a score to several of the sub-factors for the threat factor was revised to make the scoring process consistent with other factors and sub-factors. Figure 3 shows the final groups, factors, and sub-factors and revised weights estimated using Equation 5.

Figure 3: Final groupings, factors, and sub-factors and weights



In addition to the above comments, the business stakeholders suggested that a planned redevelopment on a property and whether a business owner leased or owned the property be considered as factors. These comments were discussed in some detail; however, it was determined by National City that these are issues that should be addressed as part of the development of the amortization evaluation and recommendation, rather than as a ranking criteria. A comment was also raised that a property owner may not be aware of non-compliance by a tenant that would result in that property being higher ranked. This higher ranking could result in the property being considered earlier for amortization. While this is true, the inclusion of the threat factor in the ranking process is in recognition that business uses that present potential threats to the neighborhood be addressed earlier. Finally, it was suggested by the business stakeholders that all properties containing nonconforming uses in the Westside area be ranked together rather than addressing nonconforming uses in smaller groupings. The spreadsheet is currently designed to rank up to 50 properties, but could be expanded to include a larger number.

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# Property Ranking Factors and Sub-Factors

As discussed previously, factors were divided into two groups: 1) business operations and 2) neighborhood impacts. For each factor, one or more sub-factors were identified, where appropriate, to better define the factor. For each sub-factor, a method of assigning a value and a score to the factor or sub-factor for purposes of ranking was identified. The factors and sub-factors identified for each group are described in more detail below. Figure 4 provides a summary of the final values and weights for the factors and sub-factors.

## BUSINESS OPERATIONS FACTORS

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The business operations factors include those criteria that are specifically related to the operation of the business:

1. The value of the land;
2. The value of the improvements; and
3. Improvement depreciation.

For each of these factors, a method of assigning a value was developed.

### *Value of Land Factor*

The cost of the land is the current assessed value of the land the business currently occupies and is expressed as the value per square foot of land. Lower value land will contribute to a higher ranking for the property. The score is developed using the proportional score method where a score of 100 is assigned to the property with the lowest land value and a score of 0 is assigned to the property with the highest land value.

### *Value of Improvements Factor*

The cost of improvements is the current assessed value for improvements on the property the business currently uses and is expressed as the value per square foot of building used by the business. In multiple story buildings, the total floor space of the building used by the business is included. For purposes of assigning a score to this factor, it is assumed that lower improvements will result in a higher score. Lower valued improvements will contribute to a higher ranking for the property. The score is developed using the proportional score method where a score of 100 is assigned to the property with the lowest value improvements and a score of 0 is assigned to the property with the highest value improvements.

### *Improvement Depreciation Factor*

The amount of time a business may have had to recuperate investments in improvements can be represented by the relationship between the time since the last major investment in improvements and the typical depreciation time for these types of improvements. This can be expressed as the ratio of the number of years since the investment was made to the number of years typically used to depreciate the improvement. Current tax law allows depreciation of improvements on non-residential properties by equal amounts annually over 39 years for improvements in service on or after May 13, 1993 or 31.5 years for improvements in service before May 13, 1993. A larger ratio will contribute to a higher ranking. The score is developed using the proportional score method where a score of 100 is assigned to the property with the largest ratio and a score of 0 is assigned to the property with the smallest ratio.

## NEIGHBORHOOD IMPACTS

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The second group includes those criteria that are generally related to the surrounding neighborhood:

1. Adaptability of the land and improvements to a currently permitted use;
2. Whether the use is significantly nonconforming;
3. Compatibility with the existing land use patterns and densities of the surrounding neighborhood;  
and
4. The possible threat to public health, safety, or welfare.

For each of these factors, sub-factors were identified, where appropriate, and a method to assign a value to each sub-factor was developed.

### *Adaptability Factor*

This factor measures the ability for the existing land and improvements to be utilized for a new use permitted under the revised zoning. This factor is based on information about the size of the land, size, type, and condition of improvements, and the requirements under the current zoning for highest and best use.

#### Land Size Sub-Factor

The zoning requirements have minimum lot sizes. A Yes or No is provided in answer to the question of whether the size of the land meets the minimum requirements for uses under the revised zoning. Lot sizes less than the minimum lot size will be limited in their use under the revised zoning and will contribute to a higher ranking. The land size sub-factor is assigned a value and score as follows:

1. Yes - The size of the land meets the minimum requirements for uses under the revised zoning (Score = 0).
2. No - The size of the land does not meet the minimum requirements for uses under the revised zoning (Score = 100).

#### Building Size Sub-Factor

The zoning requirements have minimum building sizes. A Yes or No is provided in answer to the question of whether the size of the building meets the minimum requirements for uses under the revised zoning. Buildings that do not meet the minimum building size will contribute to a higher ranking. The building size sub-factor is assigned a value and score as follows:

1. Yes - The size of the building meets the minimum requirements for uses under the revised zoning (Score = 0).
2. No - The size of the building does not meet the minimum requirements for uses under the revised zoning (Score = 100).

#### Building Type Sub-Factor

The type of building can provide an indication of the building's reuse under the revised zoning. A Yes or No is provided in answer to the question of whether the building type is usable under the revised zoning. Buildings that cannot be used under the revised zoning will contribute to a higher ranking. The building type sub-factor is assigned a value and score as follows:

1. Yes - The building type is usable under the revised zoning (Score = 0).
2. No - The building type is not usable under the revised zoning (Score = 100).

### Building Condition Sub-Factor

The condition of the building provides an indication of a building's usability. Buildings in poor condition will contribute to a higher ranking. A value and score is assigned as follows:

1. Good condition and useable as is (Score = 0).
2. Useable but needing maintenance (Score = 25).
3. Needing minor rehab before being useable (Score = 50).
4. Needing major rehab before being useable (Score = 75).
5. Dilapidated and unusable (Score = 100).

### Building Setbacks Sub-Factor

The zoning requirements have minimum setbacks. A Yes or No is provided in answer to the question of whether the building meets the setback requirements for uses under the revised zoning. Buildings that do not meet the setback requirements for uses under the revised zoning will contribute to a higher ranking. The building setback sub-factor is assigned a value and score as follows:

1. Yes - The building meets the setback requirements for uses under the revised zoning (Score = 0).
2. No - The building does not meet the setback requirements for uses under the revised zoning (Score = 100).

### Floor Area Ratio Sub-Factor

The zoning requirements have minimum floor area ratio requirements. A Yes or No is provided in answer to the question of whether the building meets the minimum floor area ratio requirements for uses under the revised zoning. Buildings that do not meet the minimum floor area ratio requirements for uses under the revised zoning will contribute to a higher ranking. The floor area ratio sub-factor is assigned a value and score as follows:

1. Yes - The building meets the minimum floor area ratio requirements for uses under the revised zoning (Score = 0).
2. No - The building does not meet the minimum floor area ratio requirements for uses under the revised zoning (Score = 100).

### Height Sub-Factor

The zoning requirements have minimum building height requirements. A Yes or No is provided in answer to the question of whether the building meets the minimum height requirements for uses under the revised zoning. Buildings that do not meet the minimum height requirements for uses under the revised zoning will contribute to a higher ranking. The height sub-factor is assigned a value and score as follows:

1. Yes - The building meets the minimum height requirements for uses under the revised zoning (Score = 0).
2. No - The building does not meet the minimum height requirements for uses under the revised zoning (Score = 100).

### Parking Sub-Factor

The zoning requirements have minimum parking space requirements. A Yes or No is provided in answer to the question of whether there are sufficient parking spaces for uses under the revised zoning. Properties

that do not meet the parking space requirements for uses under the revised zoning will contribute to a higher ranking. The parking sub-factor is assigned a value and score as follows:

1. Yes - There are sufficient parking spaces for uses under the revised zoning (Score = 0).
2. No - There are not sufficient parking spaces for uses under the revised zoning (Score = 100).

### *Nonconformance Factor*

The significance to which a current operation does not conform to current city, state, and federal regulations can be based on conformance with prior zoning requirements, required business licenses, and compliance violations. Are all required permits in place (environmental, health, fire, etc.)? Has the facility been cited for compliance violations that have not been resolved or cited repeatedly for the same violation?

#### Land Size Sub-Factor

The zoning requirements have minimum lot sizes. A Yes or No is provided in answer to the question of whether the size of the land meets the minimum requirements for uses under the prior zoning. Properties that do not meet the minimum land size requirements for uses under the prior zoning will contribute to a higher ranking. The land size sub-factor is assigned a value and score as follows:

1. Yes - The size of the land meets the minimum requirements for uses under the prior zoning (Score = 0).
2. No - The size of the land does not meet the minimum requirements for uses under the prior zoning (Score = 100).

#### Building Size Sub-Factor

The zoning requirements have minimum building sizes. A Yes or No is provided in answer to the question of whether the size of the building meets the minimum requirements for uses under the prior zoning. Buildings that do not meet the minimum requirements for uses under the prior zoning will contribute to a higher ranking. The building size sub-factor is assigned a value and score as follows:

1. Yes - The size of the building meets the minimum requirements for uses under the prior zoning (Score 0).
2. No - The size of the building does not meet the minimum requirements for uses under the prior zoning (Score = 100).

#### Building Setbacks Sub-Factor

The zoning requirements have minimum setbacks. A Yes or No is provided in answer to the question of whether the building meets the minimum requirements for setbacks under the prior zoning. Buildings that do not meet the setback requirements for uses under the prior zoning will contribute to a higher ranking. The building setback sub-factor is assigned a value and score as follows:

1. Yes - The building meets the setback requirements for uses under the prior zoning (Score = 0).
2. No - The building does not meet the setback requirements for uses under the prior zoning (Score = 100).

#### Floor Area Ratio Sub-Factor

The zoning requirements have minimum floor area ratio requirements. A Yes or No is provided in answer to the question of whether the building meets the minimum floor area ratio requirements for uses under the prior zoning. Buildings that do not meet the minimum floor area ratio requirements for uses under the

prior zoning will contribute to a higher ranking. The floor area ratio sub-factor is assigned a value and score as follows:

1. Yes - The building meets the minimum floor area ratio requirements for uses under the prior zoning (Score = 0).
2. No - The building does not meet the minimum floor area ratio requirements for uses under the prior zoning (Score = 100).

#### Height Sub-Factor

The zoning requirements have minimum building height requirements. A Yes or No is provided in answer to the question of whether the building meets the minimum height requirements for uses under the prior zoning. Buildings that do not meet the minimum height requirements for uses under the prior zoning will contribute to a higher ranking. The height sub-factor is assigned a value and score as follows:

1. Yes - The building meets the minimum height requirements for uses under the prior zoning (Score = 0).
2. No - The building does not meet the minimum height requirements for uses under the prior zoning (Score = 100).

#### Parking Sub-Factor

The zoning requirements have minimum parking space requirements. A Yes or No is provided in answer to the question of whether there are sufficient parking spaces for uses under the prior zoning. Properties that do not have sufficient parking spaces for uses under the prior zoning will contribute to a higher ranking. The parking sub-factor is assigned a value and score as follows:

1. Yes - There are sufficient parking spaces for uses under the prior zoning (Score = 0).
2. No - There are not sufficient parking spaces for uses under the prior zoning (Score = 100).

#### Business License Sub-Factor

Each business is required to have a business license. The business license must be renewed on an annual basis. The presence of a business license provides an indication of the conformance with existing city requirements. Failure to obtain or maintain a valid business license will contribute to a higher ranking. There are two considerations for the business license. The first is whether a business license has ever been applied for and the second is whether the license is renewed on an annual basis. A value and score is assigned as follows:

1. A valid license has been issued (Score = 0).
2. A valid license has not been issued for the current year, but was issued in one or more of the last five years (Score = 50).
3. No license has ever been applied for or a valid license has not been issued within the last five years (Score = 100).

#### *Compatibility Factor*

Compatibility with the existing land use patterns and densities of the surrounding neighborhood can be based on the land use surrounding the site (e.g., commercial versus residential) and population density within a defined distance (e.g., 0.25 mile radius) of the property.

### Proximity to Sensitive Area Sub-Factor

The proximity of a business to a sensitive area, such as a school or park, is an indicator of compatibility with the surrounding area. A smaller distance to a sensitive area will contribute to a higher ranking. The proximity to a sensitive area is assigned a value and score as follows:

1. Greater than 1000 feet from the sensitive area (Score = 0).
2. Equal to or less than 1000 feet but greater than 500 feet from the sensitive area (Score = 25).
3. Equal to or less than 500 feet but greater than 250 feet from a sensitive area (Score = 50).
4. Equal to or less than 250 feet but greater than 100 feet from a sensitive area (Score = 75).
5. Equal to or less than 100 feet from a sensitive area (Score = 100).

### Proximity to Residential Parcels Sub-Factor

The proximity of a business to a residential parcel is an indicator of compatibility with the surrounding area. A business is considered adjacent to a residential parcel if it shares a property boundary with the residential parcel. A larger number of adjacent residential parcels will contribute to a higher ranking. The proximity to a residential business is assigned a value and score as follows:

1. No residential parcels adjacent to the business (Score = 0).
2. One residential parcel adjacent to the business (Score = 33).
3. Two residential parcels adjacent to the business (Score = 66).
4. Three or more residential parcels adjacent to the business (Score = 100).

### Residential Density Sub-Factor

The density of residential parcels is an indicator of compatibility within the surrounding area of a business. A larger density of residential parcels will contribute to a higher ranking. A value and score is assigned as follows:

1. No residential parcels with 0.1 mile radius of the business (Score = 0).
2. Equal to or less than 20 residential parcels within 0.1 mile radius of the business (Score = 25).
3. Equal to or less than 40 residential parcels but greater than 20 residential parcels within 0.1 mile radius of the business (Score = 50).
4. Equal to or less than 60 residential parcels but greater than 40 residential parcels within 0.1 mile radius of the business (Score = 75).
5. Greater than 60 residential parcels within 0.1 mile radius of the business (Score = 100).

### *Threats Factor*

Potential threats to human health, safety, security, and the environment can be based on compliance violations and citations and lack of required permits related to public health and safety. It can also include issues such as outside storage, accessibility to the property, and potential hazards or threats.

### Compliance Violations Sub-Factor

Compliance violations can be an indication of potential public threats. A larger number of notices of violation will contribute to a higher ranking. The issuance of a notice of violation along with the response by the business to the compliance issue is assigned a value and score as follows:

1. No notices of violation issued in last five years (Score = 0).
2. One or more notices of violation issued in the last five years that were satisfactory addressed within the requirements of the notice of violation (Score = 50).
3. One or more notices of violation in the last five years that were not satisfactorily addressed or repeated notices of violation for the same issue (Score = 100).

#### Permits Sub-Factor

Permits are required by several county and state regulatory agencies. There are a number of permits that may be required for automotive related facilities, including County of San Diego Department of Environmental Health Unified Program Facility, County of San Diego Air Pollution Control District, State of California Department of Toxic Substance Control, State of California Department of Consumer Affairs, Bureau of Automotive Repair, and California State Board of Equalization. Lack of permits can be an indication of potential public threats. Properties that do not have some or all of their required permits contribute to a higher ranking. A Yes or No is provided in answer to the question of whether each permit is in place and current. The presence or absence of required permits is assigned a value and score as follows:

1. Yes - Permits are in place and current (Score = 0).
2. No - Permits are not in place or in place but not current (Score = 100).

#### Storage, Handling, Generation, Disposal Permit Sub-Factor

Facilities that store, handle, generate, or dispose of hazardous substances or hazardous wastes that are used or generated on the property are required to have permits or are required to register with or notify local, state, or federal agencies. A Yes or No is provided in answer to the statement that no hazardous wastes or hazardous substances are stored, handled, generated, or disposed of on the property. The presence or absence of required storage, handling, generation, disposal permits, registrations, or notifications is assigned a value and score as follows:

1. Yes - No hazardous wastes or hazardous substances are stored, handled, generated, or disposed of on the property (Score = 0).
2. No - Hazardous wastes or hazardous substances are stored, handled, generated, or disposed of on the property (Score = 100).

#### Discharge Violation Sub-Factor

Facilities that have air or liquid discharges of hazardous substances or hazardous wastes are required to comply with the city discharge permit requirements. The issuance of a notice of violation along with the response by the business to the compliance issue is assigned a value and score as follows:

1. No notices of violation issued in last five years (Score = 0).
2. One or more notices of violation issued in the last five years that were satisfactory addressed within the requirements of the notice of violation (Score = 50).
3. One or more notices of violation in the last five years that were not satisfactorily addressed or repeated notices of violation for the same issue (Score = 100).

#### Open Storage Sub-Factor

Open storage of hazardous substances or hazardous materials can present potential public threats. Hazardous substances or waste products that are stored in the open could present a public threat. A Yes or No is provided in answer to the statement that no hazardous substances or waste products are stored in the

open. The presence or absence of open storage for hazardous substances or waste products is assigned a value and score as follows:

1. Yes - No hazardous substances or waste products are stored in the open (Score = 0).
2. No - Hazardous substances or waste products are stored in the open (Score= 100).

#### Work Area Sub-Factor

Work conducted within right-of-ways or otherwise off the property can present a potential public threat. A Yes or No is provided in answer to the question of whether work is conducted on the property and not in the right-of-way (including sidewalks and drive aprons) or off the property. Work conducted in the right-of-way or off the property will contribute to a higher ranking. The presence or absence of work conducted in the right-of-way (including sidewalks and drive aprons) or off the property is assigned a value and score as follows:

1. Yes - Work is conducted in appropriate locations on the property and NOT in the right-of-way (including sidewalks and drive aprons) or off the property (Score = 0).
2. No - Work is conducted in the right-of-way (including sidewalks and drive aprons) or off the property (Score = 100).

#### Security Sub-Factor

Lack of security, such as fencing or other means of restricting access to a property, is an indication of potential threats. A Yes or No is provided in answer to the question of whether vehicles or other work materials are stored or worked-on on the property and not in public spaces or hazardous substances, waste products, or other materials are stored in the open accessible to the public. Vehicles or other work materials stored in public spaces or open storage of hazardous substances, waste products, or other materials that are accessible to the public will contribute to a higher ranking. The presence or absence of vehicles or other work materials stored in public spaces or open storage of hazardous substances, waste products, or other materials accessible to the public is assigned a value and score as follows:

1. Yes - Vehicles or other work materials are stored or worked-on on the property and hazardous substances, waste products, or other materials are NOT stored in the open accessible to the public (Score = 0).
2. No - Vehicles or other work materials are stored in public spaces or open storage of hazardous substances, waste products, or other materials is accessible to the public (Score = 100).

# Property Ranking Spreadsheet

A Microsoft Excel® 2007 workbook has been developed (PropertyRankingSpreadsheet(2-22-11.xlsx) to calculate the ranking scores described in the Property Ranking Process section of this document and valuing and scoring approaches outlined in the Property Ranking Factors and Sub-Factors section of this document. The workbook allows the user to enter information on up to fifty properties including the appropriate weights for each group, factor, and sub-factor and appropriate values for each factor and sub-factor. In addition, the user can enter a default score for factors or sub-factors where the value is not available or no response is provided. The scores are calculated based on the user entered values and the scoring approach outlined in the Property Ranking Factors and Sub-Factors section of this document. The user cannot change the scores. All cells within the workbook, with the exception of those cells that require user input, are locked and cannot be changed.

There are eight worksheets associated with the workbook. In order to calculate ranking scores for a group of properties, the user must:

1. Enter information about the property in the Property Information worksheet. At a minimum, the user must enter the property Assessor Parcel Number (APN) and the business or owner name and property address. The APN and address information must be entered before attempting to enter factor or sub-factor values; otherwise a score will not be calculated. The remaining columns in this worksheet are provided for informational purposes, but are not required to calculate the ranking score.
2. Enter the weights for the business operations and neighborhood impacts groups in the Ranking Score worksheet. These are the only entries that can be changed on this worksheet. Once the factor and sub-factor information has been entered for all of the properties, the business operations, neighborhood impacts, and ranking scores will be displayed on this worksheet.
3. Enter the information for the factors associated with the business operations group in the Business Operations worksheet. The weights for each factor can be adjusted on this worksheet. The weights must add up to 1.000. The sum of the weights is presented above the factor score. A default score of 0 to 100 can also be entered for each factor. If a value is not entered, the default score will be assigned to the property. The following protocol should be followed for the values entered:
  - a. Land value should be entered as the assessed value in dollars
  - b. Lot size should be entered in square feet
  - c. Improvement value should be entered as the assessed value in dollars
  - d. Improvement size should be entered as total useable square feet of building
  - e. Year of improvement should be entered as the year (only) that the last improvement was made, based on the assessor records
4. The neighborhood impacts factors have been divided into four separate worksheets (i.e., Adaptability, Nonconformance, Compatibility, and Threat), one for each factor. The user must select a value from the pull down list for each sub-factor on these worksheets. The pull down list contains the values discussed for each sub-factor in the Neighborhood Impacts section of this document. The weights for each factor or sub-factor can be adjusted on these worksheets. The weights must add up to 1.000. The sum of the weights is presented above the factor score. A default score of 0 to 100 can also be entered for each sub-factor. If a value is not entered, the default score will be assigned to the property.
5. Enter the weights for each factor in the Factors worksheet. The weights must add up to 1.000. The sum of the weights is presented above the factor score. The weights are the only entries that can

be made in this worksheet. The results of the scoring for each factor can be viewed on this worksheet.

Once all of the worksheets have been updated, the ranking score and the ranking order for each property can be viewed in the Ranking Score worksheet. The Ranking Score worksheet can be copied from this workbook and pasted as values (i.e., Paste Values) only into a new workbook.

**Figure 4: Summary of final factor and sub-factor values, scoring approaches, and weights**

| Groups                 | Group Weights                             | Factors           | Factor Weight  | Sub-Factors                                | Value                                                           | Score Type                                                                 | Sub-Factor Weight  |      |
|------------------------|-------------------------------------------|-------------------|----------------|--------------------------------------------|-----------------------------------------------------------------|----------------------------------------------------------------------------|--------------------|------|
| Neighborhood Impacts   | 0.6                                       | Compatibility     | 0.52           | Proximity to sensitive area                | 5-response from Range 100 to 1000 feet from sensitive area      | Binned score                                                               | 0.61               |      |
|                        |                                           |                   |                | Proximity to residential parcel            | 4-responses from Range 0 to 3 adjacent residential properties   | Binned score                                                               | 0.28               |      |
|                        |                                           |                   |                | Residential density                        | 5-responses from 0 to 60 residential properties within 0.1 mile | Binned score                                                               | 0.11               |      |
|                        | Public threats                            | 0.27              | Public threats | 0.27                                       | Compliance violations                                           | 3-responses from no violations, violation resolved, violation not resolved | Binned score       | 0.37 |
|                        |                                           |                   |                |                                            | Permits                                                         | Yes/No - All permits obtained and current                                  | Binned score       | 0.23 |
|                        |                                           |                   |                |                                            | Open storage                                                    | Yes/No - No hazardous substances stored in open                            | Binned score       | 0.16 |
|                        |                                           |                   |                |                                            | Security                                                        | Yes/No - No materials or wastes accessible to public                       | Binned score       | 0.11 |
|                        |                                           |                   |                |                                            | Hazardous waste storage                                         | Yes/No - No hazardous waste stored, handled or disposed                    | Binned score       | 0.07 |
|                        |                                           |                   |                |                                            | Discharge violation                                             | 3-responses from no violations, violation resolved, violation not resolved | Binned score       | 0.04 |
|                        |                                           |                   |                |                                            | Work area                                                       | Yes/No - Work conducted on property and not in public areas                | Binned score       | 0.02 |
|                        | Nonconformance                            | 0.15              | Nonconformance | 0.15                                       | Land size                                                       | Yes/No - meet prior zoning minimum land size                               | Binned score       | 0.37 |
|                        |                                           |                   |                |                                            | Business license                                                | 3-responses from current license, previous license, no license             | Binned score       | 0.23 |
|                        |                                           |                   |                |                                            | Building setbacks                                               | Yes/No - meet prior zoning requirements                                    | Binned score       | 0.16 |
|                        |                                           |                   |                |                                            | Parking                                                         | Yes/No - meet prior zoning requirements                                    | Binned score       | 0.11 |
|                        |                                           |                   |                |                                            | Building size                                                   | Yes/No - meet prior zoning minimum building size                           | Binned score       | 0.07 |
|                        |                                           |                   |                |                                            | Floor area ratio (FAR)                                          | Yes/No - meet prior zoning requirements                                    | Binned score       | 0.04 |
|                        |                                           |                   |                |                                            | Height                                                          | Yes/No - meet prior zoning requirements                                    | Binned score       | 0.02 |
|                        | Adaptability                              | 0.06              | Adaptability   | 0.06                                       | Land size                                                       | Yes/No - meet current zoning minimum land size                             | Binned score       | 0.34 |
|                        |                                           |                   |                |                                            | Building type                                                   | Yes/No - usable or not usable under current zoning                         | Binned score       | 0.22 |
|                        |                                           |                   |                |                                            | Parking                                                         | Yes/No - meet current zoning requirements                                  | Binned score       | 0.15 |
|                        |                                           |                   |                |                                            | Building condition                                              | 5-responses from good, useable, minor work, major work, unuseable          | Binned score       | 0.11 |
| Building setbacks      |                                           |                   |                |                                            | Yes/No - meet current zoning requirements                       | Binned score                                                               | 0.08               |      |
| Building size          |                                           |                   |                |                                            | Yes/No - meet current zoning minimum building size              | Binned score                                                               | 0.05               |      |
| Floor area ratio (FAR) |                                           |                   |                |                                            | Yes/No - meet current zoning requirements                       | Binned score                                                               | 0.03               |      |
| Height                 | Yes/No - meet current zoning requirements | Binned score      | 0.02           |                                            |                                                                 |                                                                            |                    |      |
| Business Operations    | 0.4                                       | Improvement value | 0.61           | Assessed value per square foot of building | Proportional score                                              |                                                                            |                    |      |
|                        |                                           |                   |                | Building depreciation                      | 0.28                                                            | Years since the investment to building depreciation years                  | Proportional score |      |
|                        |                                           |                   |                | Land value                                 | 0.11                                                            | Assessed value per square foot of land                                     | Proportional score |      |

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