



Staff Report

Agenda Item No. F-1

To: City of Imperial Planning Commission
From: Lisa Tylenda, Planner
Date: January 4, 2018
Subject: Proposed Zone Change from R-1 to C-2.

Background:

- Current Zoning: R-1
- Current Land Use: Vacant Parcel
- Size of Property: 164,572 sqft./3.78 acres
- Parcel Legal Description: DD-1999-01-01 west of Highway 86 east of north Imperial Avenue, north of 15th Street.
- Site Design: There are no specific designs proposed with this application. Any future development will be reviewed prior to construction.
- Environmental Clearance: Please see attached CEQA and NEPA review documents.

The City of Imperial recently acquired “excess land” from the State of California-Department of Transportation. The current zoning for this newly acquired land is R-1 (Residential Single Family), in 2014 a “Highest and Best Use” analysis was done for the location and the analysis determined that the best physical use of the land would be for Commercial Development (please see attached analysis).

In the City of Imperial there are three (3) types of Commercial Zoning Districts:

- **Village Commercial (VC):** The Village Commercial Zone is intended as the social and civic heart of the City of Imperial with attractive housing, small retail shops, outdoor

dining, parks, and civic facilities in a vibrant, pedestrian friendly and family-oriented atmosphere.

- **Commercial Neighborhood (C-1):** This zone is intended for professional, administrative offices, restaurant, health clubs, and for neighborhood shopping centers which provide limited retail business service and office facilities for the convenience of residents of the neighborhood. These stopping centers are intended to be compatible with residential environment.
- **Commercial General (C-2):** This zone is intended as an area for the location of highway oriented retail service and wholesale commercial activities.

Staff has determined that the proposed zone change from R-1 to a C-2 designation would be consistent with the location of the parcels (HWY 86), the surrounding environment, developments and the future growth planned for that area. A C-2 zoning allows for additional “permitted” uses versus the two other commercial zoning districts/categories.

General Plan Compliance and Policies Related to this Application:

Land Use Element:

“Eleven Character Areas were established for planning purposes and serves as the basis for the proposed land use pattern and distribution. Character Areas ensure that each area is developed with the unique characteristics and opportunities provided in the General Plan’s policies. These areas represent the highest likelihood of change through redevelopment and new development of the General Plan’s planning period.”

The proposed zone change falls into the Character area of:

Gateway North Character Area: is located at the northern entryway to the City along the west side of Highway 86. The area is anticipated to accommodate neighborhood commercial land uses.

The proposed zone change is consistent with the commercial aspect of the Character area; the parcel of land did not originally belong to the City of Imperial and is located closer to HWY 86. Staff has determined that a C-2 zoning would allow for additional “permitted uses” in anticipations of attracting developments.

- ***Land Use Element Goal #1 Growth & Development:*** *Implement the successful transformation of the City from a small town into a medium, full service City while maintaining its rural character via planned and orderly development.*
- ***Land Use Element Goal #2 Land Use Compatibility:*** *Achieve land use compatibility throughout the City and promote character areas, where appropriate.*

Circulation Element:

The proposed Zone Change is consistent with and meets various goals of the Circulation Element by bringing commercial development closer to the City and existing Neighborhoods:

- ***Circulation Element Goal #1 Circulation & Land Use :** Plan land uses in conjunction with the circulation system to encourage future growth in areas of higher density on transportation nodes, which will better allocate City resources and limit vehicle miles traveled.*
- ***Circulation Element Goal #2 Safe & Complete Streets:** Develop a multi-modal network and balanced transportation system that safely accommodates all modes of travel.*

This Zone Change will not cause any traffic generation or affect the circulation of the existing traffic in the area. As the vacant parcels are developed, there may be an increase in the traffic volume in the immediate area surrounding these sites.

Public Improvements/City Services: No public improvements are required with the approval of this Zone Change. However, when the vacant parcels are developed, all missing public improvements shall be constructed

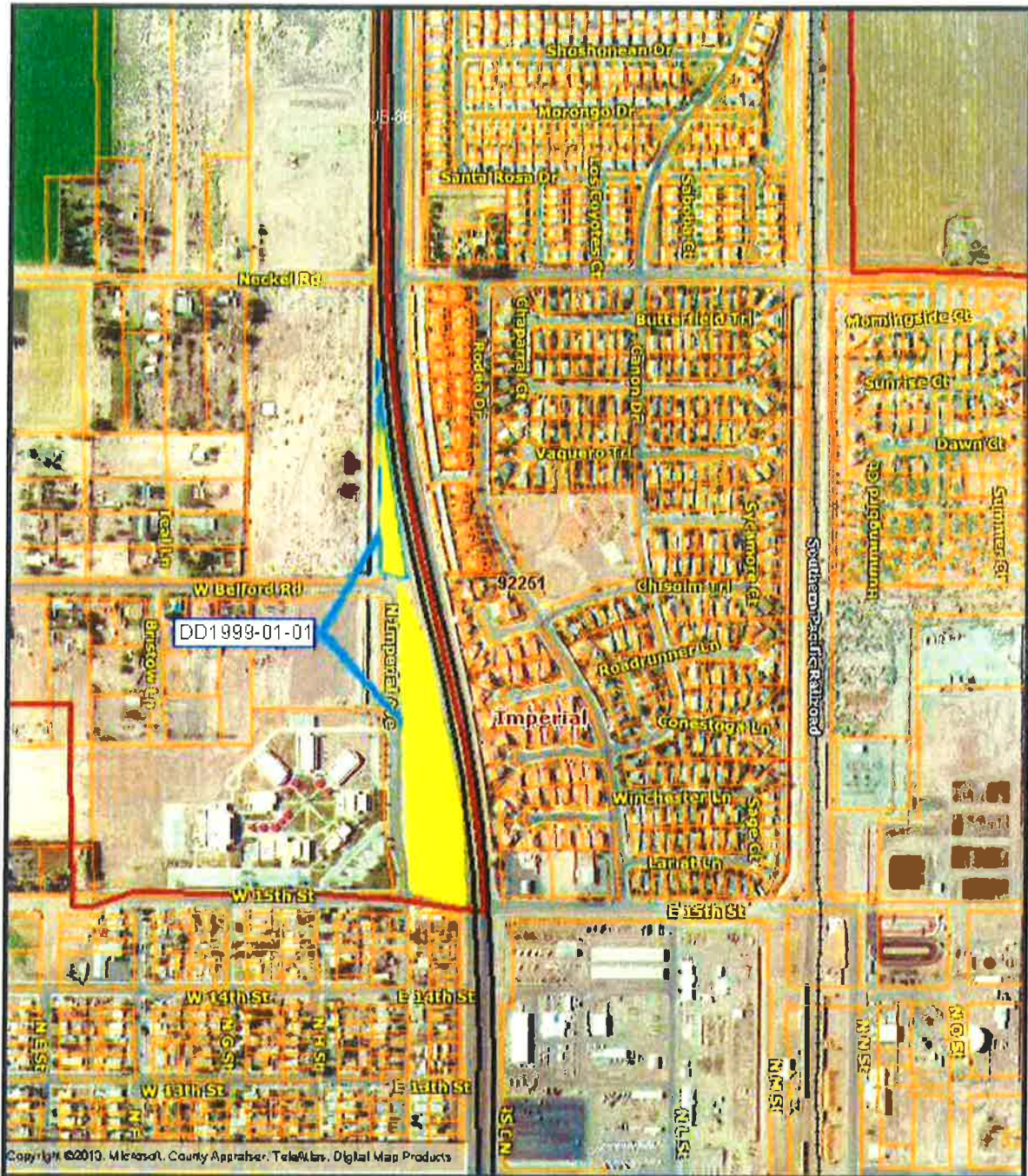
Neighborhood Impact/Interface: There is no neighborhood impact/interface anticipated as a result of this Zone Change. At the time of development, consideration will be given to the impacts any future project might have on the surrounding area.

Staff Recommendation:

Staff recommends this item to the Planning Commission for discussion and action.

Attachments:

- Location map.
- CEQA & NEPA review documents.
- Highest and Best Use Analysis.



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DD1999-01-01



LandVision

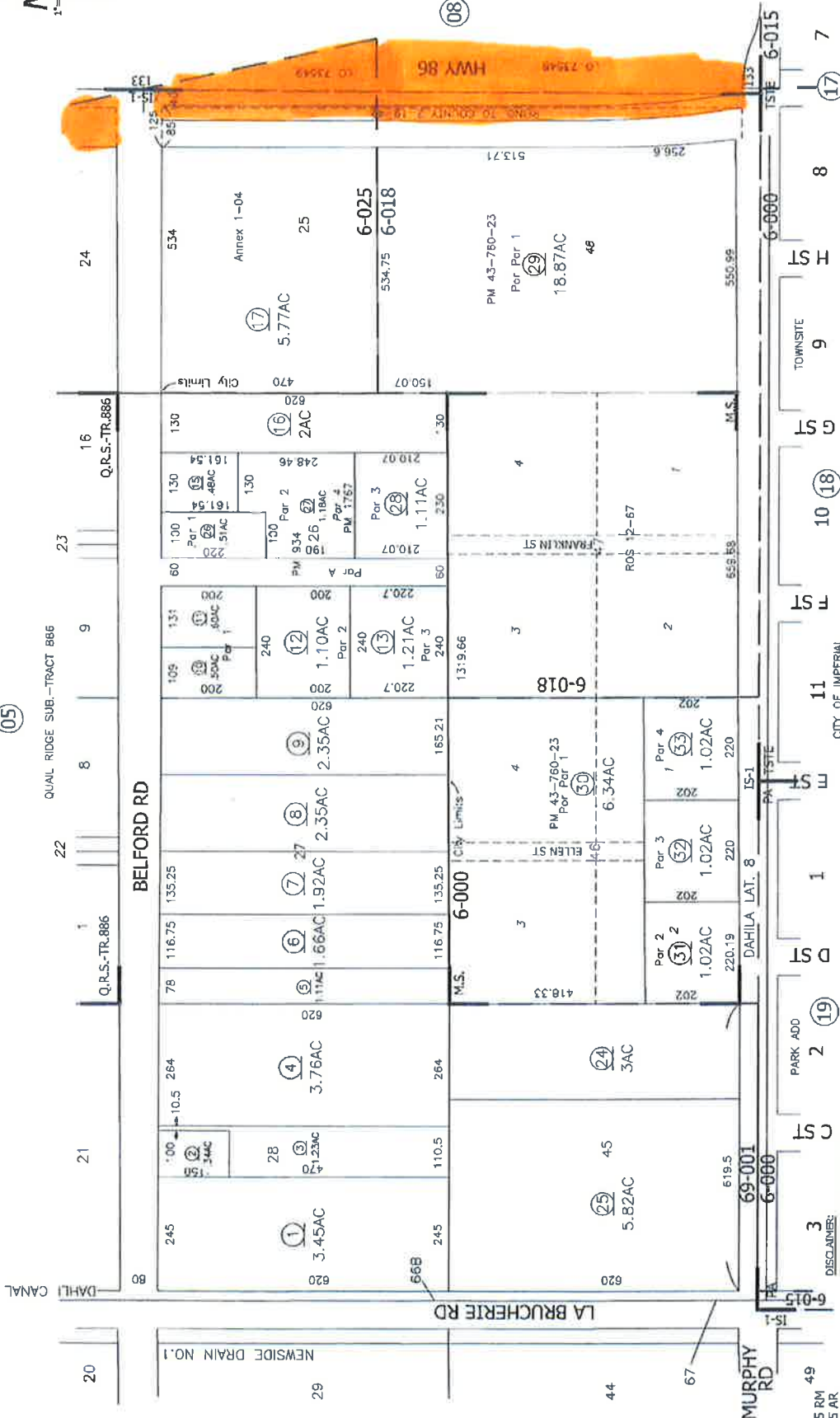
653 ft

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63-04

Tax Area Code
6-000
69-001

POR. IMPERIAL SUB. 1 & MAUPIN'S SUB.
OM 1-9 OM 2-3
T155, R13/14E



12-23-05 RM
01-18-03 AR
12-02-04 RM
5-6-04 RM
11-21-88 RM
From 43-04
7-14-89 LS

1-14-10 MF
4-14-09 MF
12-02-08 MF

DISCLAIMER:
THIS IS NOT AN OFFICIAL MAP.
THIS MAP WAS CREATED FOR THE IMPERIAL COUNTY
ASSESSOR FOR THE SOLE PURPOSE OF AIDING IN
THE PERFORMANCE OF THE DUTIES OF THE ASSESSOR.
ANY ERRORS OR OMISSIONS IN THIS MAP ARE NOT
THE RESPONSIBILITY OF THE COUNTY OF IMPERIAL
OR THE ASSESSOR. (REV. B. TAX. CODE SEC.327)

3
CST
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19
D ST
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11
CITY OF IMPERIAL
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10
18
G ST
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TOWNSITE
6-015
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6-015

ASSessor's Map Blk.63-Pg.04
County of Imperial, Calif.

HAZARDOUS MATERIALS DISCLOSURE DOCUMENT - DISPOSAL

ENV-0001-D (NEW 03/2009)

This document provides written disclosure that the referenced property, as shown on the map(s) attached, has been reviewed by the District Hazardous Waste Technical Staff (located in Environmental or Environmental Engineering) and provides direction regarding property disposal based upon that review.

10/2/2013
DATE

11/IMP/86/11.4
DIST/CO/RTE/PM (KP)

none
APPRAISAL MAP NO.

1100000543
EA

none
MAP DATE

Route IMP 86 Excess Parcel DD 001999-01-01
PROJECT NAME OR DESCRIPTION

ACTION SUMMARY

These Parcels Can Be Sold or Exchanged:

RW PARCEL NUMBER(S):
DD 001999-01-01

These Parcels Can Be Sold or Exchanged With Full Information Disclosure:

RW PARCEL NUMBER(S):

These Parcels Can NOT Currently Be Sold or Exchanged:

RW PARCEL NUMBER(S):

See subsequent pages for detailed information regarding property condition and status.

Form Prepared By: Joel Kloth

Joel Kloth
Approved by District Hazardous Waste Supervisor

10/2/2013
Date

HAZARDOUS MATERIALS DISCLOSURE DOCUMENT - DISPOSAL

ENV-0001-D (NEW 03/2009)

**HAZARDOUS MATERIALS DISCLOSURE DOCUMENT- DISPOSAL
DETAIL**

Parcel #s

- (DD 001999-01-01) 1. Based upon an Initial Site Assessment, the referenced parcel(s) are considered free of significant hazardous materials (describe potential sources of minor contamination in the Comments section). Subject parcel(s) can be sold or exchanged.
2. The referenced parcel(s) do not require cleanup cost estimates, but have been identified as having:
- () (a) minor soil contamination. A hazardous waste Site investigation [has / has not] been performed on the referenced parcel(s) (if not performed explain the source of knowledge in the Comments section). Subject parcel(s) can be sold or exchanged.;
- () (b) contaminated groundwater under the property. A hazardous waste Site investigation [has / has not] been performed on the referenced parcel(s) (if not performed explain the source of knowledge in the Comments section). The source of contamination has been determined not to be attributed to the Caltrans property or operations (an indemnification letter from the local, state or federal regulatory authority [is / is not] attached). Subject parcel(s) can be sold or exchanged.;
- () (c) contaminated groundwater under the property. A hazardous waste Site investigation [has / has not] been performed on the referenced parcel(s) (if not performed explain the source of knowledge in the Comments section). However, the source of contamination has been removed or remediated to regulatory cleanup levels (attach closure letter). Subject parcel(s) can be sold or exchanged with full information disclosure.;
- () (d) lead soil contamination, probably as a result of aerial deposition of vehicular gasoline emissions. A project specific hazardous waste Site Investigation [has / has not] been performed on the referenced parcel(s) (if not performed explain the source of knowledge in the Comments section). Subject parcel(s) can be sold or exchanged with full information disclosure.;
- () (e) hazardous materials previously present on the referenced parcel(s) that have been sufficiently remediated. A hazardous waste Site Investigation [has / has not] been performed on the referenced parcel(s) (if not performed explain the source of knowledge in the Comments section). A regulatory closure letter, if appropriate, is attached. The subject parcel(s) can be sold or exchanged with appropriate and full information disclosure and/or deed restrictions.

HAZARDOUS MATERIALS DISCLOSURE DOCUMENT - DISPOSAL

ENV-0001-D (NEW 03/2009)

- () 3. This document includes, as an attachment, a hazardous waste Site Investigation report stating the nature and extent of contamination and cleanup cost estimates for the referenced parcel(s). However, cleanup is not required pursuant to state or federal law. The subject parcel(s) can be sold or exchanged with appropriate and full information disclosure and/or deed restrictions..
- () 4. This document includes the hazardous waste Site Investigation work schedule or cleanup plans, schedule, and current status for the referenced parcel(s), as an attachment. The work will be completed by [Caltrans / a responsible party]. The subject parcel(s) **can not be sold or exchanged** until remediation is complete The District must request a Category 2D Environmental Hold on the subject parcel(s). (Note: Attach this *Hazardous Materials Disclosure Document - Disposal* to the *Application to Hold Excess Land* request form - RW 16-3).
- () 5. The referenced parcel(s) have been identified as containing or potentially containing, hazardous materials and **can not be sold or exchanged**. The District must request a Category 2D Environmental Hold on the subject parcel(s). (Note: Attach this *Hazardous Materials Disclosure Document - Disposal* to the *Application to Hold Excess Land* request form - RW 16-3). The *Hazardous Materials Disclosure Document - Disposal* will be updated when the parcel can be sold or exchanged. In addition:
 - () (a) an appropriate hazardous waste Site Investigation must be performed to determine the nature and extent of contamination, and remedial cost estimates. Proper charging codes and expenditure authorization (EA) need to be provided to the District Hazardous Waste Technical Specialist. Site Investigation is anticipated to be completed by _____ (date).;
 - () (b) a hazardous waste Site Investigation, for potentially contaminated adjacent property, will be scheduled by the District Hazardous Waste Technical Specialist when a permit to enter is obtained by the District/Region Right of Way Office. The permit request was submitted on _____ (date) and the Site Investigation is anticipated to be completed by _____ (date).;
 - () (c) hazardous waste Site Investigation studies are complete and either a regulatory case closure is being obtained or the site requires cleanup or long-term monitoring. Resolution is expected by _____ (date).;
- () 6. Other: Explain in the Comments section below. (NOTE: Disposal of property without adequate investigation is an unacceptable risk. If adequate investigation has not been completed, use #4 or #5 above).

Comments

none

CATEGORICAL EXEMPTION/CATEGORICAL EXCLUSION DETERMINATION FORM

11 – IMP – 86	11.4	DD 001999-01-01	110000543
Dist.-Co.-Rte. (or Local Agency)	P.M/P.M.	E.A. (State project) /Project No.	Federal-Aid Project No./ Proj. No.

PROJECT DESCRIPTION:
 On State Route 86, at post mile 11.4 just west of southbound State Route 86 (SR-86) between post miles 11.3 and 11.7, north of Fifteenth Street, in Imperial County, California. Caltrans is proposing to dispose of excess land parcel DD 001999-01-01. District 11, Environmental Division must be informed of any changes to the project. No continuation sheet is attached.

CEQA COMPLIANCE (for State Projects only)
 Based on an examination of this proposal, supporting information, and the following statements (See 14 CCR 15300 et seq.):

- If this project falls within exempt class 3, 4, 5, 6 or 11, it does not impact an environmental resource of hazardous or critical concern where designated, precisely mapped and officially adopted pursuant to law.
- There will not be a significant cumulative effect by this project and successive projects of the same type in the same place, over time.
- There is not a reasonable possibility that the project will have a significant effect on the environment due to unusual circumstances.
- This project does not damage a scenic resource within an officially designated state scenic highway.
- This project is not located on a site included on any list compiled pursuant to Govt. Code § 65962.5 ("Cortese List").
- This project does not cause a substantial adverse change in the significance of a historical resource.

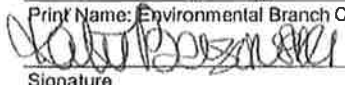
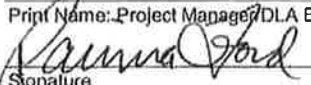
CALTRANS CEQA DETERMINATION (Check one)

Exempt by Statute. (PRC 21080[b]; 14 CCR 15260 et seq.)

Based on an examination of this proposal, supporting information, and the above statements, the project is:

Categorically Exempt Class 12. (PRC 21084; 14 CCR 15300 et seq.)

Categorically Exempt General Rule exemption. [This project does not fall within an exempt class, but it can be seen with certainty that there is no possibility that the activity may have a significant effect on the environment (CCR 15061[b][3])]

Katie Basinski (Acting) Print Name: Environmental Branch Chief  Signature	Rainna Ford Print Name: Project Manager/DLA Engineer  Signature
Date: 10/29/13	Date: 10-30-13

NEPA COMPLIANCE

In accordance with 23 CFR 771.117, and based on an examination of this proposal and supporting information, the State has determined that this project:

- does not individually or cumulatively have a significant impact on the environment as defined by NEPA and is excluded from the requirements to prepare an Environmental Assessment (EA) or Environmental Impact Statement (EIS), and
- has considered unusual circumstances pursuant to 23 CFR 771.117(b) (<http://www.fhwa.dot.gov/hep/23cfr771.htm> - sec.771.117).

In non-attainment or maintenance areas for Federal air quality standards, the project is either exempt from all conformity requirements, or conformity analysis has been completed pursuant to 42 USC 7506(c) and 40 CFR 93.128, 40 CFR 93.127, 40 CFR 93.128.

CALTRANS NEPA DETERMINATION (Check one)

23 USC 326: The State has been assigned, and hereby certifies that it has carried out, the responsibility to make this determination pursuant to Chapter 3 of Title 23, United States Code, Section 326 and a Memorandum of Understanding (MOU) dated June 7, 2010, executed between the FHWA and the State. The State has determined that the project is a Categorical Exclusion under:

- 23 CFR 771.117(c): activity (c) (___)
- 23 CFR 771.117(d): activity (d) (___)
- Activity ___ listed in Appendix A of the MOU between FHWA and the State

23 USC 327: Based on an examination of this proposal and supporting information, the State has determined that the project is a CE under 23 USC 327.

Print Name: Environmental Branch Chief Signature	Print Name: Project Manager/DLA Engineer Signature
Date	Date

Date of Categorical Exclusion Checklist completion: _____ Date of ECR or equivalent: _____

Briefly list environmental commitments on continuation sheet. Reference additional information, as appropriate (e.g., air quality studies, documentation of conformity exemption, FHWA conformity determination if 23 USC 327 project; §106 commitments; §4(f); §7 results; Wetlands Finding; Floodplain Finding; additional studies; and design conditions).

INTRODUCTION

This valuation analysis is prepared by the State of California, Department of Transportation as a staff appraisal report. The property described herein is considered Excess Land, a remainder from the Imperial 86 Highway Project.

PURPOSE OF THE APPRAISAL

This report is intended to assist State of California, Department of Transportation - Right of Way Excess Lands Branch with the Fair Market Value so that the property may be sold.

DEFINITION OF HIGHEST AND BEST USE

Highest and best use is defined as:

The reasonably probable use of property that results in the highest use.

The use must be physically possible (or it is reasonably probable to render it so).

The use must be legally permissible (or it is reasonably probable to render it so).

The use must be financially feasible.

Uses that meet the three criteria of reasonably probable uses are tested for economic productivity; and the reasonably probable use with the highest value is the highest and best use.¹

Fair Market Value

The price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of relevant facts.

¹ Appraisal Institute, The Principle of Appraisals, 14th Edition, (Chicago, Illinois: Appraisal Institute),322.

SCOPE OF THE APPRAISAL

The scope of this appraisal is intended to be an “appraisal assignment” as defined in the Standards of Professional Practice of the Appraisal Institute. It is the appraiser’s intention to provide an appraisal report in a manner that results in a conclusion that is arrived at by an independent and disinterested third party. The scope of the analysis is intended to be appropriate in relation to the significance of the appraisal problem. It is the intent that all appropriate data deemed pertinent to the solution of the appraisal problem be collected, confirmed, and reported in conformity with the Federal Uniform Relocation Assistance and Real Property Acquisition Act, and California Condemnation Law.

The scope of an appraisal relates to the extent of processing, collecting, and confirming data that was used by the appraiser. The primary sources of data used in this report include:

- Imperial Valley Multiple Listing Service
- City of Imperial– Planning & Development office
- Digital Map Products – Land Vision
- Brokers and Real Estate Agents, buyers and sellers active within the subject area

A search was then done for sales, lease and cost data, which might be relevant to the subject property appraisal. All of the sales utilized in this report were physically inspected. Whenever possible, the sales information was verified with the buyer and/or seller. In instances where neither of the principals could be contacted, the verification was made through a broker who had direct knowledge of the sale. In rare instances where no party directly connected with the transaction could be contacted, the verifying appraiser may have had to rely on the records of the above data sources. The scope of the analysis is intended to be appropriate in relation to the significance of the appraisal problem. The basic data was analyzed for patterns, which would assist in the valuation of the subject. The refined data was then utilized in consideration of the three approaches to value: Cost, Market or Sales Comparison and Income Approach. The appropriate approach or combination of approaches was selected and the appraisal was then written and submitted for cumulative review and approval.

DATE OF VALUE

The date of value for this report is the date of the last inspection made of the subject parcel by the appraiser. This date is reflected on the Appraisal Title Page. It should also be mentioned that this report is subject to the cumulative review process to ensure consistent standards of quality for staff appraisals. Under this concept, other staff appraisers and supervisors will review the appraisal to ensure for proper format, math calculations and value conclusions as to ensure that the appraisal meets fair market value criteria as defined by the State Statutes.

FLOOD ZONE DATA

The subject parcel in this report is not located in the Federal Emergency Management Agency, 100 Year Flood Plain.

PROPERTY RIGHTS BEING APPRAISED

The property right being appraised is Fee.

IDENTIFICATION OF THE SUBJECT PROPERTY

The property, which is the subject of this appraisal report, is identified as Director's Deed (DD) 1999-01-01. The parcel is located on the west side of Imperial 86 Highway and on the west and north side of Imperial Avenue. It is legally accessed from both Imperial Avenue and Imperial 86.

OWNERSHIP/VESTING

The subject property is owned by the State of California, Department of Transportation.

TITLE REPORT & ENCUMBRANCES

No title report was relied upon for this appraisal assignment.

HAZARDOUS WASTE AND HAZARDOUS MATERIALS

There are two types:

A.) Hazardous Ground Contamination

"A statement of hazardous Waste Clearance and/or Removal/Containment Plan" letter has been received from our Environmental Branch. The presence of hazardous waste, if any, will be considered in the individual parcel appraisal.

B.) Hazardous Material Statement

A Hazardous Materials (Asbestos) inspection is required for all improved properties, except the following:

1.) Residential improvements of one to eight units when:

- The market approach is the only or clearly the primary basis for valuation;
- Comparable data shares the general characteristics of the subject; and
- The existing improvements represent the highest and best use of the property.

- 2.) Improvements constructed entirely after January 1, 1980.
- 3.) Those improvements constructed with materials, which can easily be determined to contain no hazardous materials (example: all metal storage buildings).

A hazardous materials inspection is not required for parcels which are vacant land or residential properties with less than four units, unless there are indications that hazardous waste may exist. This appraisal report is contingent upon the subject properties being free and clear of all hazardous substances. The appraiser is not an expert in the field of detecting hazardous waste. Physical inspection of the subject property did not reveal the existence of any hazardous chemical contamination. This inspection did not find any detection of hazardous waste. Hence, the value estimates presented in this report are predicated on the assumption no hazardous chemical contamination of the subject site exists.

ZONING

Upon meeting with the City of Imperial, the appraiser was informed that the zoning is considered open space; however, in further discussions with Jorge Galvan, Planning & Development Director, it was determined that a commercial zoning designation would certainly be allowed by the City, and would fit well considering the overall surrounding properties and improvements.

UTILITY AVAILABILITY

The Imperial Irrigation District (IID) provides irrigation water, farm drainage and electrical service. Drinking water and sewer service within the City of Imperial is provided by the City. The Southern California Gas Company provides natural gas service. In the major communities, underground lines provide natural gas, while outlying areas have only bottled gas. Water and sewer is located at 15th Street, while telephone and power is available at Imperial Avenue.

AREA DESCRIPTION

REGIONAL DESCRIPTION

Imperial County, founded in 1907, is located in the southeast corner of California. It borders Mexico on the south, San Diego County on the west, Riverside County on the north and Arizona on the east. The eastern border is delineated by the Colorado River. The county comprises an area of 4,284 square miles, most of which is low desert or rugged mountain ranges.

The first settlements were located along the Butterfield Stage Route in the 1850's. However, no real development occurred until water began to be imported in 1901. In 1905 an engineering project to bring irrigation water in canals from the Colorado River went awry. The river temporarily changed its course and began flowing into the Imperial Basin, which is below sea level. The flow continued until 1907, when the river was diverted to its original course. The two-year flow created the dominant geographic feature of the Imperial Valley - the Salton Sea, the largest inland body of water in California. This sea has no natural outlet, so over the years it has increased in salinity. Today, very few varieties of aquatic life can survive in the sea. Before irrigation water was available from the Colorado River, the population base remained small. However, once water began to be imported, the agricultural industry was born. An extensive irrigation system has now been developed from Colorado River water, chiefly through the All American canal. Along with agriculture came an expanding population; from 1950 to 1990 the total population nearly doubled to around 155,823 people. There are seven incorporated cities within Imperial County today; they are El Centro, Brawley, Calexico, Holtville, Imperial, Calipatria, and Westmorland.

AREA DESCRIPTION

The City of Imperial is a city of many firsts in the valley. The town-site of Imperial was plotted in 1902 for home and commercial businesses. A few of the many firsts was a printing press, drug store, grocery store, brick building, and the first church. The City can also boast of having the first school in the valley and the first Chamber of Commerce.

The City of Imperial was incorporated July 12, 1904 thus being the first city in the valley to incorporate. The city was originally thought to become the county seat, but lost out to the City of El Centro in 1907.

Through the years, the City of Imperial became the location for the home of the Imperial Irrigation District, the California mid-winter fair and the Imperial County airport. Several businesses were also established in the city. Imperial was devastated by earthquakes in 1916 and 1940. An earthquake in 1979 destroyed many of the old buildings in the downtown business area, including City Hall. Re-building of the business district was slow for many years. Imperial is now enjoying a re-birth of the city, with many new homes and businesses.

08/27/2013

SUBJECT PHOTO

Zachary Svelling



Standing on the corner of North Imperial Avenue and Belford Road, looking north. The small subject parcel is located just beyond the white plastic reflectors.

01/7/2014

SUBJECT PHOTO

Zachary Svelling



Standing north of the corner of Belford Road and North Imperial Avenue, looking north at the small subject parcel. Note the drainage pickup in the mid-ground.

08/27/2013

SUBJECT PHOTO

Zachary Svelling



Standing on the west side of Imperial 86, looking south toward 15th street at the large subject parcel. To the right hand side of the photos lies North Imperial Avenue, to the left, lies Imp 86.

08/27/2013

SUBJECT PHOTO

Zachary Svelling



This photo was taken standing on the northern 1/3 of the large subject parcel, looking south.

08/27/2013

SUBJECT PHOTO

Zachary Svelling



Standing on the southern portion of the large subject parcel, looking north. Imperial 86 is to the right of the photo.

HIGHEST AND BEST USE ANALYSIS

Prior to valuing the subject, the highest and best use of the subject must be determined. The purpose of the highest and best use analysis is to establish which use will result in the highest value, and to assist in identifying relevant comparable data.

Highest and best use is an important concept in real estate valuation, as it represents the premise upon which value is based. Refer to the introduction for the definition of highest and best use. The definition applies to vacant land or improved property. The highest and best use of vacant land could be immediate development of the property or holding for future development. As applied to improved property, it considers the possibility that the highest and best use of an improved site could be continued operation of the improvements, conversion to some alternative use, or demolition of the existing structure and construction of new improvements.

The highest and best use of a property is determined by social, economic, governmental, and environmental forces. The relative weight that any of these forces carries in determining the highest and best use of a property depends on the individual property. Social forces are exerted primarily by population characteristics. Specifically, the demographic composition of the population reveals the potential demand for real estate. Examples of social forces that influence real estate are: population changes, rate of family formations and dissolutions, and age distributions.

Economic forces determine the supply and demand conditions influencing real estate. The desire and ability of the population to satisfy its demand for real estate are determined by economic forces. Examples of economic forces influencing the demand for real estate are: employment and wage levels, the economic base of the region and community, price levels, and the cost and availability of mortgage credit. Examples of economic forces influencing the supply of real estate are: the stock of available improved properties, proposed development, occupancy rates, and price patterns of existing properties.

Governmental influences include a broad range of political and legal actions which influence the provision of public services, restrict the supply of real estate through zoning and planning ordinances, establish local, state and national fiscal policies, and special legislation (e.g., a building moratorium) which may influence property values and availability.

Environmental conditions which may influence real estate include climatic conditions, topography and soil, transportation systems, and the nature and desirability of the immediate neighborhood surrounding a property. Environmental forces can be external to the subject property or can include characteristics of the property itself. While the four forces that influence value have been identified separately, they work in concert to affect property values. For a given property, these forces will generally exert uneven influence on the value, with certain forces having greater impact on that property than others.

In determining the highest and best use of a site, four criteria must be considered. The highest and best use must be (1) physically possible, (2) legally permissible, (3) financially feasible and (4) maximally productive. The first two criteria should be considered first, as qualification under the latter test does not matter if the use fails the earlier tests.

HIGHEST AND BEST USE AS IF VACANT

PHYSICALLY POSSIBLE

The subject's parcels measure 4.05 acres collectively, the small subject parcel is .78 acres and the large subject parcel is 3.25 acres in size. In addressing the physically possible criteria, one must consider the shape and topography of the subject, as well as its legal access. The small subject parcel can be legally accessed from Imperial 86 and Belford road; the parcel is flat, and irregular in shape. The large subject parcel has legal access from two streets; Imperial Avenue and Imperial 86; the parcel is flat and rectangular shaped. To the best of the appraiser's knowledge, the subject has no soil or geological conditions that would preclude development with commercial improvements on either parcel. However, no soil or geotechnical reports have been provided to the appraiser. The appraiser assumes there are no soil problems on the subject parcel that would require anything other than routine site preparation work prior to developing the property. In conclusion, commercial development is physically possible.

LEGALLY PERMISSIBLE

When considering legally permissible uses of the subject site, the most important factor is its zoning. DD 1999-01-01 is zoned Open Space. However, the City of Imperial has stated that commercial development would certainly be allowed by the City. Therefore, in conclusion, commercial development is considered legally permissible.

FINANCIALLY FEASIBLE

Financially feasible developments are those developments which produce a return equal to or greater than the amount that is currently supported by the land. All uses that produce a positive return are regarded as being financially feasible. The subject property is located along Imperial 86, enjoying frontage to a highway that serves as a main transportation route throughout Imperial Valley. To the north and the south lie many commercial developments. Although the current real estate market has experienced dramatic declines over the past 6 years, recent sales and listings have pointed toward a recovery. In support of this trend, a new motel is being constructed just north of the subject property. Therefore, in conclusion, the appraiser has determined that a commercial use is financially feasible.