

**DATE ISSUED:** November 29, 2006 **REPORT NO.** PC-06-261

**ATTENTION:** **Planning Commission, Agenda of December 7, 2006  
Continued from November 2, 2006 and November 30, 2006**

**SUBJECT:** THE SUMMIT AT RANCHO BERNARDO  
PROJECT NO. 4225. PROCESS 4.

**OWNER/  
APPLICANT:** NACAR of San Diego, Inc., a Delaware Corporation, Owner (Attachment  
13).

### **SUMMARY**

**Issue(s):** Should the Planning Commission approve a proposal to develop an approximately 56.6-acre multi-phased light industrial and commercial office campus facility containing eight multi-story buildings, three parking structures, and surface parking area at 16550 West Bernardo Drive within the Rancho Bernardo Community Planning area?

#### **Staff Recommendations:**

1. **Certify** the Mitigated Negative Declaration No. 4225 and **Adopt** the Mitigation Monitoring and Reporting Program.
2. **Approve** Vesting Tentative Map No. 6893, Planned Development Permit No. 6892, and Site Development Permit No. 40273.

**Community Planning Group Recommendation:** The Rancho Bernardo Community Planning Board (Board), on July 20, 2006, voted 18-0-0 to recommend approval of the proposed project with changes to the project's Design Guidelines for exterior lighting (Attachment 12). The applicant has included the Board's specific changes in the Design Guidelines.

**Environmental Review:** Mitigated Negative Declaration No. 4225 has been prepared for the project in accordance with State of California Environmental Quality Act (CEQA) Guidelines. A Mitigation, Monitoring and Reporting Program has been prepared and will be implemented and reduce, to a level of insignificance, any potential impacts identified in the environmental review process.

**Fiscal Impact Statement:** All costs associated with the processing of this project are recovered by a deposit account maintained by the applicant.

**Code Enforcement Impact:** None with this action.

**Housing Impact Statement:** The proposed project is located on a site identified as Industrial in the Rancho Bernardo Community Plan. No residential units are proposed as part of this project.

## **BACKGROUND**

The project site is located at 16550 West Bernardo Drive, between Camino Del Norte and Rancho Bernardo Road, within the Rancho Bernardo Community planning area (Attachment 3). The site and surrounding area is zoned IP-2-1 (Industrial Park), which allows a mix of light industrial and office uses, and is designated for industrial uses as identified in the Ranch Bernardo Community Plan. Light industrial and office uses are located to the north, east, south, and west of the site.

The 56-acre site, Lot 1 of Parcel Map 14932, was previously graded and developed in 1967 with approximately 533,000 square feet of existing single-story structures used for office spaces, research and development, and light industrial uses with associated parking and landscaping. Access to the site is from two existing private driveways located within Lot 2 and Lot 3 of Parcel Map No. 14932. No development is proposed within Lots 2 and 3 which are not a part of this proposed project.

The developed and graded area is relatively flat with elevations ranging from 727 feet above mean sea level at the south end of the property to approximately 736 feet mean sea level at the top of slope at the north end. The slopes along the north and east side of the property are manufactured and contain sensitive biological resources (Diegan coastal sage scrub, non-native grasslands, Eucalyptus woodland). The project site is not located within and/or adjacent to the City's Multi-Habitat Planning Area (MHPA).

## **DISCUSSION**

### **Project Description**

The Summit at Rancho Bernardo project proposes to subdivide the 56-acre parcel into seven lots to develop approximately 1,100,000 square feet of light industrial (corporate

headquarters/research & development) and commercial office buildings in a multi-phased development. The development also includes a request for business support, eating and drinking establishments, child care, and health club facilities. The phased development requires a Vesting Tentative Map, a Planned Development Permit to allow deviations to the IP-2-1 regulations, and a Site Development Permit for impacts to environmentally sensitive lands.

The vesting tentative map would allow the subdivision of approximately 56.6 acres into seven separate lots with building gross floor area as indicated in the table below:

	<b>Overall Lot Area (square feet)</b>	<b>Building Gross Floor (square feet)</b>
Lot 1	404,787	150,000
Lot 2	467,290	150,000
Lot 3	250,779	150,000
Lot 4	281,93	150,000
Lot 5	288,655	150,000
Lot 6	515,775	250,000
Lot 7	243,744	100,000
<b>TOTALS</b>	<b>2,452,123</b>	<b>1,100,000</b>

Based upon market conditions, it is anticipated that development of each lot will be built in phases as existing buildings become vacant. The applicant has applied for a Phased Planned Development Permit pursuant to Municipal Code sections 126.0601 and 143.0475 and has prepared design guidelines to provide the quality and nature of the development contemplated under the Vesting Tentative Map, Planned Development Permit, and Site Development Permit. Prior to submitting an application for a construction permit, the owner(s) of the subject lot(s) shall be required by this permit to submit an application for Substantial Conformance Review, Process One (City staff decision) for review and approval consistent with the exhibits of approval and The Summit at Rancho Bernardo Design Guidelines (Attachment 11).

The existing pan-handled shaped lot, Lot 1 of Map No. 14932, has only 100 feet of street frontage on West Bernardo Drive. Therefore, a Planned Development Permit (PDP) would be required to allow the six interior parcels to deviate from the IP-2-1 zoning regulations regarding street frontage. Only proposed Lot 6 would have street frontage along West Bernardo Drive. As a condition of the PDP, a shared access agreement, from the two driveways along West Bernardo Drive, is required for the lack of street frontage to the proposed interior parcels.

Consistent with the Rancho Bernardo Community Plan and the underlying IP-2-1 (Industrial Park) zone, the proposed project is designed to accommodate research and development (R&D), corporate headquarters, and a limited amount of multi-tenant users. As conditions of the permit, at least 75% of the entire gross floor area (GFA) would be limited to light industrial (R&D/corporate) uses and 25% limited to commercial office space. Again, development of each lot regarding site development, building/architectural design, and landscape design shall conform to the Design Guidelines submitted and approved as Exhibit "A."

The project is ultimately required to provide a maximum of 4,098 parking spaces with a parking ratio not to exceed 3.725 parking spaces per 1000 square feet [3.3 parking spaces per 1,000 square feet of corporate headquarters and R&D industrial use(s) and 5.0 parking spaces per 1,000 square feet of commercial office use proposed]. However, considering the phased development, the project contains permit conditions establishing thresholds of development and requirements for regional transportation and circulation improvements, and parking restrictions.

### Community Plan Analysis

The Rancho Bernardo Community Plan (Plan) designates the project site for Industrial use. The Industrial land use designation is intended to accommodate a mixture of research and development, manufacturing and ancillary industrial activities commensurate with modern electronics and advanced technologies. The Plan contains a number of objectives to discourage erosion of industrial lands by non-industrial uses with the goal that when fully developed, the industrial parks in Rancho Bernardo would contain one of the largest concentrations of high technology industrial employment in San Diego County.

The Strategic Framework Element (SFE) of the General Plan also provides policy recommendations relating to future growth of the City. Specific to this proposal are its policies regarding Economic Prosperity and Regionalism. The efficient use of employment lands, identification of underutilized employment lands that could intensify where transit exists or is planned and the increase of middle-income employment opportunities are key strategies to increase economic prosperity. In order to increase middle-income employment opportunities, the SFE encourages the preservation of middle-income employment uses including manufacturing, research & development, distribution, and wholesale trade by limiting or excluding multiple tenant office uses and corporate headquarters that do not have a research and development or manufacturing component.

The proposed development would accommodate research and development uses, corporate headquarters and a limited amount of multi-tenant office. A condition has been added to the permit which requires that a minimum of seventy-five percent of the entire development's gross floor area be limited to industrial uses and a maximum of twenty-five percent to multi-tenant office space. The project, as proposed with restrictions on the mix of specific uses, implements the objectives of the Rancho Bernardo Community Plan and the Progress Guide and General Plan to contribute to the industrial market and protect industrially-designated areas for industrial development.

### Environmental Analysis

The environmental review process for the proposed project included an evaluation of several areas of interest; Biological Resources, Paleontological Resources, Transportation/Circulation, Water Quality, Hydrology, Land Use/Public Safety, and Geology. These areas of interest were evaluated by City staff and have been documented in the Mitigated Negative Declaration No.

4225. Of the aforementioned environmental issues, Biological Resources, Paleontological Resources, Transportation/Circulation, Public Safety, and Geology/Soils were determined to be significant, but could be mitigated to a level below significance. Mitigation will be required as described below and within Section V, Mitigation, Monitoring, and Reporting Program (MMRP) of the Mitigated Negative Declaration No. 4225.

### Biological Resources

A total of 8.1 acres of upland vegetation communities would be impacted by the proposed project, including 4.5 acre of coastal sage scrub and 0.3 acre of non-native grasslands. The project would also directly impact approximately 3.2 acres of identified disturbed habitat and 0.1 are of Eucalyptus woodland. In accordance with the City's Biological Resources Guidelines, impacts to coastal sage scrub habitat can be mitigated at a 1:1 (impact outside MHPA to mitigation inside MHPA) ratio and non-native grasslands at a 0.5:1 mitigation ratio. Pursuant to the MMRP, the project is required to acquire approximately 4.7 acres of off-site upland habitat or pay into the City's Habitat Acquisition Fund approximately \$117,500 (plus 10%) to purchase 4.7 acres of land to fully mitigate for the direct impacts.

### Paleontological Resources

The project site is underlain by the Stadium Conglomerate and Friars geologic formations, which have a high sensitivity rating with respect to paleontological resources. A significant, but mitigable paleontological impact has been identified for the proposed project since the proposed grading activities (approximately 75,000 cubic yards of soil and depth of cut of approximately 6 feet and 75,000 cubic yards of soil fill at a maximum fill slope of 10 feet) would have the potential to impact paleontological resources within these formations. Mitigation measures (monitoring) as described in the MMRP would ensure that any discoveries during grading activities would be recorded, reported, and curated.

### Transportation/Circulation

The project is located on the northwest side of West Bernardo Drive, between Via Del Campo and Rancho Bernardo Road. Access to the project site would be from two driveways from West Bernardo Drive that serve the proposed project site. The project is estimated to generate approximately 7,655 average daily trips (ADTs), with approximately 1,054 ADTs peak hour traffic in the morning (AM) and 1,101 peak hour traffic during the evening (PM) at build-out.

A Traffic Analysis Report (Report) was prepared for the development and the study area included 12 intersections within the surrounding streets (Rancho Bernardo Road, West Bernardo Court, West Bernardo Drive, Via del Campo, Via Frontera, Bernardo Center Drive, Bernardo Heights Parkway, and Camino Del Norte) and three freeway interchanges (Interstate 15 (I-15) and Rancho Bernardo Road; I-15 and Bernardo Center Drive; and I-15 and Camino Del Norte).

Based on the short-term and long-term traffic analysis for the project area intersections and

roadways as described in the Traffic Analysis, potentially significant transportation impacts would result due to the proposed development. The intersections at Rancho Bernardo at West Bernardo Drive (PM Near Term and AM/PM Buildout); Camino del Norte at I-15 southbound ramps (AM/PM Buildout); Camino del Norte at I-15 northbound ramps (AM Buildout); and West Bernardo Drive at Via Frontera (PM Buildout) would operate at Level of Service (LOS) E and F. All freeway segments analyzed in the existing scenario operate at LOS F. The Rancho Bernardo Road eastbound to northbound I-15 ramp would have a delay that would be considered a significant impact.

To mitigate the above mentioned intersections, freeway, and I-15 on/off ramp impacts to a level below significance, the applicant is required to implement a Transportation Phasing Plan (TPP) which would require that specific transportation improvements to be completed based on the amount of square footage built and ADTs generated within each phase. As described in the Report, Phase 1 of the TPP would allow up to 165,000 square feet of new corporate/R&D industrial uses and the replacement of 550,000 square feet of existing uses with (commercial, corporate, and/or R&D) for a total of 715,000 square feet of building space. Phase 2 of the TPP would allow an additional 385,000 square feet of building space for the total 1,100,000 square feet proposed. The first phase would require a minimum of 2,360 parking spaces and the second phase would require the maximum 4,098 parking spaces on-site.

These recommended conditions, as described in the traffic impact study would mitigate potentially significant impacts to a level below significance and improve circulation and traffic in the area. These include specific roadway and intersection improvements, fair share contribution to the Interstate 15 Corridor Improvements, and provide a privately funded shuttle bus as part of the project's Transportation Development Management (TDM) plan. These specific mitigation measures for transportation/circulation impacts from the project are listed in Section V. Mitigation, Monitoring, and Reporting Program (MMRP) of the attached Mitigated Negative Declaration (MND).

#### Public Safety

The project site is within the IP-2-1 (Industrial) zone and designated for industrial uses as identified in the Rancho Bernardo Community Plan. This land use allows for light industrial, research and development, and office uses. As part of the proposed development, the applicant may provide for child care facilities on-site. Projects that propose child care facilities in industrial areas must submit a risk assessment-contamination study that includes a survey of all emissions sources within a 1,000-foot radius. A risk assessment would not provide mitigation measures for potential public safety impacts; however, the report can identify whether a child care facility would be an appropriate use to be located within an industrial zone.

Therefore, since the future occupants and businesses are not known at this time, a Hazardous Materials Business Management Plan and/or Hazardous Material Substance Approval Form must be submitted to the County and City of San Diego prior to the issuance of occupancy for any Child Care Center/Facility, if hazardous materials are proposed to be located on-site. The

business plan would identify the hazardous materials located on-site and outline an evacuation plan in case of an emergency. In addition, any proposed child care facility cannot be located within 1,000 feet of known hazardous substances on-site. These specific mitigation measures are described in Section V (Mitigation, Monitoring, and Reporting Program) of the project's MND.

### Geology

A Preliminary Geotechnical Evaluation (Leighton and Associates, Inc., November 15, 2002), a Supplemental Geotechnical Evaluation (Leighton and Associates, Inc., December 17, 2003), and a Geotechnical Response to the City of San Diego Fourth Geotechnical Review of the Project Geotechnical Documents (Leighton and Associates, Inc., June 25, 2005) were submitted to determine if the underlying soil and geologic conditions would support the proposed Summit at Rancho Bernardo development. The subsurface exploration and analysis determined the site to be underlain with ancient and recent fill and colluvial soils, Stadium Conglomerate, and Friars formational soils. In addition, landslide deposits were mapped along the eastern and northern property lines and manufactured slopes.

The slope stability analysis determined that the current static factor-of-safety of the existing hillsides on the northeast and east sides of the property would be 1.05 to 1.45. An appropriate factor-of-safety is required to be 1.5 or greater. Therefore, the existing soil conditions may create a significant public safety risk for future development if not mitigated appropriately.

Therefore, the geotechnical reports recommend remedial grading to remove older fill and colluvial soils, as well as documented landslide deposits. In addition, to mitigate potential impacts at the top of slope and stabilize the area, a buttress key with two rows of shear pins is required. Conditions of the permit and tentative map specifically require the owner to record a geotechnical restricted easement for structural setback along the southeast and north/northeast property lines and a Notice of Geologic and Geotechnical Conditions prior to issuance of any construction permit and/or first Final Map to ensure no buildings or structures are built within identified landslide/top of slope areas and to disclose any public safety risks to future occupants/users.

### Critical Project Features to Consider During Substantial Conformance Review

The project and conditions of approval require the owner and subsequent owner(s) to submit an application for Substantial Conformance Review (Process One) with the City staff decision prior to applying for any construction permit. Specific exhibits of approval have been prepared including the project's Design Guidelines with specific guidance related to zoning requirements, signage, on-site circulation, storage areas, employee amenities, landscape, exterior lighting, and mix of uses for the project within each building. These are important and necessary to conclude the proposed phased development would: not adversely impact the Rancho Bernardo Community Plan; not create unmitigated transportation/circulation impacts; and be consistent with the requirements of the Land Development Code.

## **CONCLUSION**

The proposed Summit at Rancho Bernardo project conforms to the land use density, land use designation and design guidelines specified within the Rancho Bernardo Community Plan. The project will provide the required pedestrian scale improvements and design features established in the community plan for industrial development. The project as proposed is compatible with the existing surrounding developments. Findings required to approve the project are included in draft resolutions (Attachment 9). Draft conditions of approval have been prepared for the project (Attachment 8). The Rancho Bernardo Community Planning Board, on July 20, 2006, voted to recommend approval of the proposed project.

## **ALTERNATIVES**

1. Approve Vesting Tentative Map No. 6893, Planned Development Permit No. 6892, and Site Development Permit No. 40273, with modifications.
2. Deny Vesting Tentative Map No. 6893, Planned Development Permit No. 6892, and Site Development Permit No. 40273, if the findings required to approve the project cannot be affirmed.

Respectfully submitted,

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Mike Westlake  
Program Manager,  
Development Services Department

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Tim Daly  
Development Project Manager,  
Development Services Department

ESCOBAR-ECK/TD

Attachments:

1. Aerial Photograph
2. Community Plan Land Use Map
3. Project Location Map
4. Project Data Sheet
5. Project Site Plan
6. Vesting Tentative Map
7. Project Plans
8. Draft Permit with conditions



9. Draft Permit Resolution with Findings
10. Draft Vesting Tentative Map conditions and subdivision resolution
11. The Summit at Rancho Bernardo Design Guidelines
12. Rancho Bernardo Community Planning Group recommendation
13. Ownership Disclosure Statement
14. Project Chronology