

DATE ISSUED: December 6, 2006 REPORT NO. PC-06-305

ATTENTION: Planning Commission  
Agenda of December 14, 2006

SUBJECT: Initiation of an Amendment to the Atlas Specific Plan, the Mission Valley Community Plan and the Progress Guide and General Plan to remove an approximate 19-acre site from the Atlas Specific Plan and to redesignate the site in the Community Plan from Commercial Recreation to Multi-Use.

OWNER/  
APPLICANT: W.L.B. Mission Valley LLC/Douglas Wilson Companies(Attachment 1)

SUMMARY:

Issues – Should the Planning Commission INITIATE an amendment to the Atlas Specific Plan, the Mission Valley Community Plan and the Progress Guide and General Plan, pursuant to Municipal Code Section 122.0103, to remove an approximate 19-acre site from the Atlas Specific Plan and to redesignate the site in the Mission Valley Community Plan from Commercial Recreation to Multi-Use?

Mayor's Recommendation – Initiate the plan amendment process.

Community Planning Group Recommendation – On September 6, 2006 the Mission Valley Unified Planning Committee voted 15-3-2 to recommend in favor of initiation (Attachment 2).

Environmental Impact – If initiated, the proposed plan amendment and future discretionary actions will be subject to environmental review.

Fiscal Impact – If the amendment is initiated, processing costs would be paid for by the applicant.

Housing Affordability Impact – If initiated, the proposed general/community/specific plan amendment would analyze the redesignation of approximately 19 acres of land from

Commercial Recreation to Multi-Use, allowing up to approximately 600 new multi-family dwelling units not currently anticipated by the Mission Valley Community Plan. The applicant has indicated that ten percent of the proposed units will be built as affordable on-site.

## BACKGROUND

The subject property is an approximate 19-acre site located at 901 and 925 Hotel Circle South in the Mission Valley community planning area (Attachment 3). The Mission Valley community planning area comprises approximately 2,418 net acres and is located near the geographic center of the City of San Diego. It is bounded on the west by Interstate 5, on the north by Friars Road west of SR-163 and by the northern slopes of the valley east of SR-163, on the east by the eastern bank of the San Diego River, and on the south by approximately the 150-foot elevation contour line.

Currently the site is designated in the Mission Valley Community Plan (Plan) as Commercial Recreation. According to the Plan, commercial-recreational uses include lodging facilities (hotels and motels), recreational facilities (health clubs, tennis and racquetball courts), and entertainment facilities (theaters and convention centers). More specifically, the site is identified for hotel and health club use in the Atlas Specific Plan (Specific Plan). The Specific Plan was adopted by the San Diego City Council on December 13, 1988, in order to create a comprehensive master plan for seven non-contiguous sites under a single ownership at that time (Attachment 4). The seven sites, totaling approximately 86 acres, are located both north and south of Interstate 8 and include: the Town and Country Hotel (expansion currently in progress); the Hanalei Tower (undeveloped); the Hanalei Hotel (expansion proposal in the preliminary review stage); Mission Grove Office Park (built out); the Kings Inn (built out); Evelyn Terrace (reserved for interchange) and the Mission Valley Inn (the subject site). The Specific Plan, along with its accompanying development agreement, established the land use and intensity of development for each of the seven sites and was intended to serve as the property owner's and the City's framework for future development applications of the sites. The requested changes would be to amend the Community Plan to change the land use designation from Commercial Recreation to Multi-Use and to amend the Atlas Specific Plan as to delete the property from within its boundary.

The subject site is currently developed with a hotel consisting of 210 rooms and associated uses such as conference/banquet rooms; approximately 6,880 square feet of commercial uses including a coffee shop, market and bar; an approximate 24,175 square foot health club; an approximate 2,500 square foot gas station; tennis courts, swimming pools and other associated amenities. The site is surrounded by predominantly aging, freeway-oriented motels/hotels both to the immediate east and west of the subject site; with older commercial uses, office uses and a condominium complex further to the west (Attachment 5).

The applicant has indicated a desire to develop the subject property as a mixed-use urban village consisting of approximately 600 multi-family dwelling units, with ten percent of the units built as affordable on-site and a "Main Street" commercial area, consisting of approximately 18,000 square feet of commercial development.

## **Other Community Plan Amendments in Mission Valley**

Quarry Falls – proposal to adopt a specific plan for a 230-acre-site located north of Friars Road between Mission Center Road and I-805 to allow a mix of land uses including residential, retail, office, civic, and park use, on property now predominantly in use as aggregate extraction and processing. (Attachment 6)

**This initiation request does not constitute an endorsement of the proposed project. If initiated, a staff recommendation will be developed once the project has been fully analyzed. Approval of this action would allow the staff analysis to proceed**

### DISCUSSION

Before a community plan amendment can be initiated, Section 122.0104 of the Municipal Code requires that any one of three initial criteria or all four supplemental criteria specified in the code must be met. The City Planning and Community Investment Department does not believe that any of the following three initial criteria can be met:

- (1) The amendment is appropriate due to a mapping or textual error or omission made when the original land use plan or local coastal program was adopted or during subsequent amendments;**
- (2) Denial of initiation would jeopardize the public health, safety or general welfare;**
- (3) The amendment is appropriate due to a material change in circumstances since the adoption of a land use plan or local coastal program whereby denial of initiation would result in a hardship to the applicant by denying any reasonable use of the subject real property.**

The City Planning and Community Investment Department does, however, believe that all of the following supplemental criteria can be met:

- (1) The proposed land use plan amendment is consistent with the goals and objectives of the Progress Guide and General Plan and the Mission Valley Community Plan.**

The proposed general/community plan amendment would be consistent with several of the goals and objectives of the Progress Guide and General Plan. The Strategic Framework Element of the General Plan identifies Mission Valley as a Regional Subdistrict, meaning it constitutes a concentration of employment and housing and is appropriate to provide higher intensity development. The Strategic Framework Element and the City of Villages strategy places an emphasis on determining how and where new growth will occur, and, in particular, how and where to accommodate additional housing. Importantly, the strategy seeks to target areas where additional

density could occur in locations where employment uses are integrated. If approved, the amendment would allow for residential development at a location where it is integrated with employment uses and at a range that would be compatible with the surrounding area.

The Mission Valley Community Plan's Residential and Commercial Elements contain the goals of encouraging development which combines and integrates residential uses with commercial and service uses and providing amenities for residents such as recreation, shopping, employment and cultural opportunities within or adjacent to residential development. The proposed amendment would allow for the development of a mixed use urban village that would implement these goals by integrating residential and commercial uses through the creation of a "Main Street" area containing a variety of retail uses immediately adjacent to high-density residential development.

Further, the proposed amendment would allow for the development of a mixture of uses interconnected by way of an enhanced pedestrian circulation system both internally and externally linking the site to adjacent land uses. The development of a continuous pedestrian circulation system to connect activity centers is a comprehensive approach to the development of the subject site, above and beyond the minimum design criteria established in the existing Atlas Specific Plan. The Specific Plan includes a number of design criteria, many of which have not been implemented. Given the current fragmented development of the seven parcels included in the Specific Plan, this proposed amendment presents the opportunity to re-evaluate existing design criteria and establish new criteria to better integrate the site into the community.

**(2) The proposed land use plan amendment appears to offer a public benefit to the community or City.**

The proposed amendment would benefit the community by accommodating increased residential development at a time when the City of San Diego has declared a housing state of emergency. This would include the accommodation of affordable housing as the applicant has indicated that the inclusionary housing requirements would be met on-site. In addition, the proposed amendment would allow for the development of a mixed-use project which could act as a catalyst for the conversion of Hotel Circle South from a mixture of predominantly aging, moderately priced, freeway-oriented motels/hotels to an activated mixed-use community.

**(3) Public services appear to be available to serve the proposed change in density or intensity of use.**

All needed public services (water, sewer) are available as the Mission Valley community is an urbanized community. Full analysis of public services and facilities (schools, fire stations, police stations, libraries, parks, etc.) will be conducted with the review of the community plan amendment, if initiated. An amendment to the Public

Facilities Financing Plan for the Mission Valley community will be processed concurrently with the community plan amendment to address facilities needs generated by the proposed land use change.

**(4) City staff is available to process the proposed land use plan amendment without any work being deferred on General Fund supported programs or ongoing plan updates.**

Staff is available to process the plan amendment request without delaying general fund programs or ongoing plan updates, as the City Planning and Community Investment Department's work program includes staff time for non-general fund development projects. However, delays in processing the plan amendment could occur based on staff levels and workload. The costs associated with processing this amendment will be paid for by the applicant.

## CONCLUSION

As outlined above, the proposed plan amendment meets all of the supplemental initiation criteria as described in Municipal Code Section 122.0104; therefore, staff recommends that the amendment to the Atlas Specific Plan, the Mission Valley Community Plan and the Progress Guide and General Plan be initiated.

The following land use issues have been identified with the initiation request. These issues, as well as others that may be identified, will be analyzed and evaluated through the general/community plan amendment review process:

- The appropriate land use designation and density range for the site.
- Adequacy of proposed commercial component to sufficiently serve residential use and create a mixed-use village.
- Compatibility of new development with existing and planned uses in the project vicinity.
- Provision of recreational amenities to serve future residents, including the potential of providing a 2 to 3 acre public park on-site.
- Provision of pedestrian amenities and streetscape improvements.
- Analysis of pedestrian connections between uses within the project site and from the site to adjacent development, the existing circulation system, and public transit.
- Feasibility of providing off-site pedestrian improvements to create a safe and convenient pedestrian and bicycle connection directly from the site to the trolley station at Fashion Valley.
- Feasibility of providing enhanced pedestrian trails from the proposed mixed-use development to the surrounding natural open space.
- Analysis of traffic impacts.
- The adequacy of existing public services and facilities, including schools, parks, fire, police and transit services, to determine whether the additional units proposed would negatively impact the current levels of these services.

- Analysis of the public improvements outlined in the Atlas Specific Plan, including a detailed status report on each of the required improvements, outline of outstanding requirements and assessment of the responsibilities to implement those requirements.
- Analysis of the Atlas Specific Plan to ensure that all references to the subject property are identified for deletion, statistics of the Specific Plan Area are identified for adjustments to reflect the proposed deletion, and all responsibilities and/or impacts are addressed.

### ALTERNATIVES

Deny the initiation of the proposed general/community plan amendment and retain the existing land use designation and Atlas Specific Plan boundaries.

Respectfully submitted,

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Brian Schoenfisch  
Senior Planner  
City Planning and Community Investment

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Cecilia G. Williams, AICP  
Program Manager  
City Planning and Community Investment

CW/BS

#### Attachments:

1. Ownership Disclosure Statement
2. Mission Valley Unified Planning Committee, September 6, 2006 Meeting Minutes
3. Project Location Maps
4. Map of Atlas Specific Plan Sites
5. Surrounding Land Uses
6. Map of other Community Plan Amendments