

DATE ISSUED: February 1, 2007 REPORT NO. PC-07-019

ATTENTION: Planning Commission
Agenda of February 8, 2007

SUBJECT: Initiation of an Amendment to the Miramar Ranch North Community Plan and the General Plan to redesignate an approximately 30 acre property from Industrial/Business Park to Commercial and Industrial

OWNER/
APPLICANT MedImpact Healthcare Systems, Inc.
Sudberry Development, Inc. (Attachment 1)

SUMMARY

Issue- Should the Planning Commission INITIATE an amendment to the Miramar Ranch North Community Plan and the General Plan, pursuant to Municipal Code Section 122.0103, to redesignate an approximately 30 acre property from Industrial/Business Park to Commercial and Industrial to accommodate a mix of retail and office uses?

Staff Recommendation - INITIATE the plan amendment process.

Community Planning Group Recommendation – On December 5, 2006, the Miramar Ranch North Planning Committee voted 10-2-1 to recommend Planning Commission initiate the community plan amendment (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 by the applicant.

Housing Impact - None

BACKGROUND

The subject property is located in the western portion of the Miramar Ranch North Community Planning Area at the southeast quadrant of Interstate 15 and Scripps Poway Parkway (Attachment 3). The site is designated Industrial/Business Park by the Miramar Ranch North Community Plan (community plan) and bordered by Interstate 15 to the west, commercial development to the north, low density residential and open space to the east, and open space to the south (Attachment 4). The site is approximately 30 gross acres, with a net usable acreage of roughly 23 acres.

On September 29, 1998, the City Council of the City of San Diego approved Planned Industrial/Planned Residential/Hillside Review Permit (PID/PRD/HRO) No. 92-0466, which granted permission to Wuest Estate Company, Owner and Shea Homes San Diego, Inc., Permittee, to develop a master planned project of approximately 242 acres which included industrial development of six lots on the subject property.

On November 28, 2001, the Hearing Officer of the City of San Diego approved Conditional Use Permit/Planned Industrial Development Permit (CUP/PID) No. 99-1027 which amended the original Permit No. 92-0466. The approved CUP/PID 99-1027 granted permission to Med-Impact, Inc., Owner/Permittee, to construct seven buildings on the subject property which included five, three- to six-story corporate office buildings, one two-story employee training, cafeteria, and exercise facility, and a one-story child daycare facility (for employee use only) for a total of 658,456 square feet.

In accordance with the original PID/PRD/HRO Permit No. 92-0466, the entire site was mass graded and public improvements were constructed. The mass grading plans were determined "As-Built" March 6, 2002. Final grading plans for the project were processed through the Development Services Department and were approved by the City Engineer on April 25, 2002; however, a final grading permit was never obtained by Med-Impact, Inc. On March 2, 2005, the Hearing Officer granted an extension of time to Med-Impact to pursue a final grading permit and design modifications which would have facilitated the construction of the project as proposed by CUP/PID No. 99-1027.

Representatives for Med-Impact have stated that over the last several years their corporate plan has changed and they no longer need this substantial amount of office space. Therefore, as a result of changing corporate and market needs, Med-Impact Inc., has partnered with Sudberry Development, Inc., to propose an amendment to the community plan to redesignate the subject site from Industrial/Business Park to Commercial and Industrial, to allow a mix of retail and office uses.

DISCUSSION

The main goal of the Industrial Element of the community plan is to promote industrial and business park development which provides employment opportunities while enhancing the physical environment of the community. To accomplish this goal areas designated for industrial

park development should be protected from encroachment by unacceptable uses and located in areas appropriate to environmental conditions, the circulation system, and the overall land use pattern of the community. The community plan designates approximately 60 acres for industrial/business park development which would include uses such as manufacturing, scientific research, and corporate headquarters. However, warehousing, distribution and wholesaling are also possible. The community plan identifies the project site as the Mercy industrial area, which represents approximately half of the community's industrially designated land, and recommends that the available acreage be utilized for light industrial uses such as manufacturing, wholesale distribution, and warehousing. The community plan states that commercial office uses may be more appropriately located in the North Ridge industrial area or at the freeway commercial center (Attachment 5).

The Industrial Element of the 1979 Progress Guide and General Plan (General Plan) provides goals and recommendations for industrial development throughout the city. Of major importance regarding this request are its goals which seek to insure industrial land needs as required for a balanced economy and balanced land use are met consistent with environmental considerations and protect a reserve of manufacturing lands from encroachment by non-manufacturing uses. As part of the General Plan update and the City's continuing emphasis on the preservation of industrial lands for employment generating uses, the subject property has been identified for inclusion in the Draft Prime Industrial Land Map (Attachment 6). The prime Industrial Land Map is intended to identify valuable employment land that should be preserved for industrial use.

Prior to submitting for initiation of the community plan amendment, the applicant had met with staff to discuss the existing entitlements for the subject site and alternative development potential. The discussion included potential issues and concerns the City may have for development other than what had been entitled and the applicability of the policies cited above. Subsequent to the initial meeting with staff and meetings with the Miramar Ranch North Community, the applicant has requested a community plan amendment to redesignate the property from Industrial/Business Park to Commercial and Industrial. The applicant has indicated that the redesignation would accommodate development of half the site with retail uses (roughly 350,000 square feet) and half the site for commercial office uses (roughly 450,000 square feet).

Because the proposal would reduce the amount of industrially designated land, staff has asked the applicant to analyze alternatives which seek to recapture the loss of industrial development potential on the remaining industrially designated portion of the site. Staff has asked the applicant to consider, and the applicant has agreed, providing a higher intensity industrial component rather than exclusively office uses. As mentioned above, the undeveloped site has been identified for inclusion in the Draft Prime Industrial Lands map. Staff expects that for the portion of the site that is to remain industrially designated, uses could occur that better utilize the land for employment purposes with the addition of research and development or more vertical high tech uses on the property.

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 Planning 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 Miramar Ranch North Community Plan.**

The applicant is proposing to redesignate the site to allow for a mix of retail and office uses. The Strategic Framework Element calls for the efficient use of employment lands and the identification of underutilized employment land that could intensify. Although the proposed plan amendment would reduce the amount of industrial land, the remaining industrially designated portion of the site could accommodate high intensity, industrial/employment uses. In order to determine that the proposed land use plan amendment is consistent with General Plan and community plan policies, staff has asked, and the applicant has agreed to analyze land use alternatives which include scenarios that incorporate the amount of approved employment square footage in order to evaluate the feasibility of maintaining that capacity, or similar capacity, for employment generating uses. The analysis that staff is requesting will ensure that a resulting project implements the goals of the General Plan as well as the community plan.

The commercial retail component of the proposed plan amendment is consistent with the community plan's objective of providing sufficient commercial area for retail, professional, and social and other services to meet the basic requirements of residents and workers in the community.

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

The proposed plan amendment would evaluate the feasibility of maintaining capacity

for employment generating uses to ensure a balanced economy and balanced land uses are met within the community, providing a public benefit to the community and the city. A public benefit could occur as a result of better utilizing the industrial land for employment purposes with the intensification of research and development or more vertical high-tech uses on the property. Intense development at this location may also provide an opportunity to expand public transportation within the community.

The commercial retail component could provide additional community amenities and gathering spaces in addition to providing nearby employees and residents with a variety of commercial, retail and restaurants, gourmet markets, and other services that are not currently found in the community, thus reducing the travel distances to reach these shopping opportunities.

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

Public services appear to be available to serve the proposed change in land use as well as the land use alternatives and scenarios staff is requesting be analyzed. In accordance with PID/PRD/HRO Permit No. 92-0466, public improvements have been constructed for the property which includes access to water, sewer, and roadway improvements.

(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 plan 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; therefore, the staff recommends that the amendment to the Miramar Ranch North Community Plan and the Progress Guide and General Plan be initiated.

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

- Land Use Alternatives that incorporate the amount of previously approved employment square footage on the portion of the site that is to remain designated industrial in order to evaluate the feasibility of maintaining that capacity, or a similar capacity, for employment generating uses. Employment scenarios for the portion that is to remain industrial include: 1) The previously approved entitlements (Corporate Office), 2) light industrial (e.g. research and development, high technology, manufacturing), and 3) office and light industrial.
- A land use alternative that evaluates development of the entire site with light industrial uses consistent with the current community plan land use designation.
- Compatibility of the proposed land use with the adjacent, existing land uses and the environmentally sensitive lands to the south.
- Application of the appropriate General Plan Land Use designations.
- The creation and retention of employment opportunities and an economic, fiscal, market and employment analysis for each land use alternative.
- Traffic impacts.
- The ability to incorporate new transit opportunities on-site or in the area through public/private partnerships.
- Provision of safe, accessible pedestrian connections between uses on-site and to adjacent uses, public transit, and the existing pedestrian circulation system.
- The adequacy of existing public services and facilities including water, sewer, police and fire.
- Conditions and Concerns stated in the Miramar Ranch North Planning Group recommendation letter dated December 15, 2006, from chair David Berry.

ALTERNATIVES

Deny the initiation of the proposed General Plan and community plan amendment and retain the existing Industrial/Business Park land use designation.

Although staff believes that the proposed amendment meets the necessary criteria for initiation, staff has not fully reviewed the applicant's proposal. Therefore, by initiating this community plan amendment, neither the staff nor the Planning Commission is committed to recommend in favor or denial of the proposed amendment.

Respectfully submitted,

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 City Planning & Community Investment

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CGW/DMM

Attachments:

1. Ownership Disclosure Statement
2. Community Planning Group Recommendation
3. Project Location Map
4. Land Use Plan Map
5. Miramar Ranch North Industrial Areas
6. Miramar Ranch North Draft Prime Industrial Lands Map
7. Aerial Map