



THE CITY OF SAN DIEGO

# REPORT TO THE PLANNING COMMISSION

**DATE ISSUED:** February 8, 2007 **REPORT NO. PC-07-023**

**ATTENTION:** Planning Commission, Agenda of February 15, 2007

**SUBJECT:** RADY CHILDREN'S HOSPITAL AND HEALTH CENTER (ACUTE CARE PAVILLON) - PROJECT NO. 84791. PROCESS NUMBER 4

**REFERENCES:** PC REPORT No. PC-05-236 for Project No. 2784  
Long Range Plan for Expansion and Improvement (LRPEI) Plan  
LRPEI Agreement, City Council Approved December 4, 1995

**OWNER/  
APPLICANT:** Tim Jacoby, Senior Managing Director, Children's Hospital  
Greg Konar, Project Design Consultants (Agent)

## SUMMARY

**Issue(s):** Should the Planning Commission approve a proposal to construct a new 272,274 square-foot, six-level hospital building; a new 3,400 square-foot emergency generator facility; and add 12 more guest units to the previously approved Ronald McDonald House (RMH) residential facility and parking structure (Project No. 2784), located within the Children's Hospital Campus, within the Serra Mesa Community Planning Area?

## Staff Recommendation:

1. **Certify** Mitigated Negative Declaration (MND) No. 84791, and **Adopt** the Mitigation Monitoring and Reporting Program (MMRP);
2. **Approve** Planned Development Permit (PDP) No. 268049, Conditional Use Permit (CUP) No. 268050, and Site Development Permit (SDP) No. 413591 to amend previously approved CUP/Hillside Review/Resource Protection Overlay Zone Permit No. 87-1096 and CUP No. 4741/SDP No. 4742/PDP No. 267312;
3. **Approve** Multi-Habitat Planning Area (MHPA) Boundary Line Adjustment No. 414363.

**Community Planning Group Recommendation:** On March 16, 2006, the Serra Mesa Planning Group voted 7-0-1 to recommend approval of the project with no conditions (Attachment 12).

**Environmental Review:** A Mitigated Negative Declaration (MND No. 84791) has been prepared for the project in accordance with State of California Environmental Quality Act (CEQA) Guidelines. A Mitigation, Monitoring, and Reporting Program (MMRP) has been prepared and would be implemented which would reduce potential impacts to a level below significance

**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 designated as Health-Institutional Complex use as identified in the Serra Mesa Community Plan. The project includes a proposal to add 12 guest rooms to the previously approved 35-unit residential facility (Ronald McDonald House) that is located on the top (7<sup>th</sup>) floor of a parking structure and new square footage for the expansion of 84 additional beds. The result is a no net impact on the housing capacity or inventory in Serra Mesa. The additional guest rooms are needed to accommodate the temporary short-term housing for families with children who are receiving medical treatment at the hospital.

## **BACKGROUND**

The Children's Hospital Campus is approximately 26.98-acres and is located at 3020 Children's Way, between Birmingham Way and Frost Street, within the Serra Mesa Community Planning Area (Attachment 1). The proposed Rady Children's Hospital and Health Center (CHHC) would be located on an existing 18.04 acre surface parking lot that would be removed (Location 1). An associated emergency generator facility would be constructed on a 2.39-acres site located on the south side of Birmingham Way (Location 2). The parking structure/Ronald McDonald House (RMH) residential facility is located at the terminus of Birmingham Way and Children's Way (Location 3) and is currently under construction (Project No. 2784).

The Serra Mesa Community Plan designates this site and the surrounding area for Health-Institutional Complex uses in the Serra Mesa Community Plan (Attachment 2) and is zoned CO-1-2 (Commercial-Office). Together with the surrounding properties, which include Sharp Memorial Hospital and Health Center Campus to the west and the San Diego Medical Center to the north, this area comprises a total of 79-acres (approximate) of hospital and medical office uses, that is generally bounded by Mesa College Drive to the north, Interstate Highway 805 to the east, Genesee Avenue to the south, and Highway 163 to west (Attachment 3).

On August 8, 1989, the City Council approved Conditional Use Permit (CUP), Hillside Review (HR) Permit and Resource Protection Overlay Zone (RPOZ) Permit No. 87-1096. This Permit authorized a total of 505,931 square feet of additions to the site, including a 100-bed children's

hospital, a 120-bed patient wing, child convalescent hospital, medical office buildings, fiscal services building, 12 modular buildings, an energy plant, expansion of the existing diagnostic and treatment facilities and off-street parking facilities. That Permit had superseded all previously approved discretionary permits on the site (Attachment 10).

On December 4, 1995, the City Council approved an agreement with Children's Hospital and Health Center (CHHC), Sharp HealthCare/Sharp Memorial Hospital (SHC/SMH), and San Diego Medical Center which referenced a long range plan for expansion and improvement. This Plan is intended to assure that public transportation infrastructure needs are met in connection with any future expansion. Council approved this Agreement, (Resolution No. RR-286734), known as the "Long Range Plan for Expansion and Improvement" (LRPEI), in lieu of an earlier Council requirement that the three parties prepare a "Master Conditional Use Permit" (MCUP). The LRPEI had been intended to allow review of future expansion of any of the existing facilities in the context of the public infrastructure needs for the general area rather than for each health care facility, deleting the requirement for a MCUP.

The LRPEI specifies that future development applications by CHHC and SHC/SMH be reviewed for consistency with the LRPEI, and processed in accordance with the applicable provisions of the CUP ordinance and the underlying zone. The LRPEI does not vest any development rights.

On November 25, 2005, the Planning Commission approved CUP No. 4741/SDP No. 4742/PDP No. 267312, that amended the previous CUP/HR/RPOZ Permit No. 87-1096, to allow development of a six-level parking structure, with a 35-unit residential facility (Ronald McDonald House) on the seventh level atop the parking structure (Project No. 2784) (Attachment 11). The 42,257 square-foot residential facility would provide on-site living accommodations for family members of patients being treated at Children's Hospital. In addition, the six-level parking structure would provide the necessary parking for the anticipated expansion of Children's Hospital and the new Ronald McDonald House (RMH) residential facility. On February 21, 2006, a Substantial Conformance Review (SCR) was approved to increase the size of the facility by 1,625 square feet (3.8 percent increase) for a total of 43,882 square-feet of space available for the RMH residential facility.

## **DISCUSSION**

### **Project Description**

The proposed project includes the construction of the new Rady CHHC, an emergency generator facility for the hospital, and the addition of 12-guest units to the new Ronald McDonald House (RMH) residential facility. The development would amend both CUP/HR/RPOZ No. 87-1096 and 4741/SDP No. 4742/PDP No. 267312 and would require a Conditional Use Permit (CUP) to continue the existing hospital use within the CO-1-2 zone; a Planned Development Permit (PDP) to deviate from the CO-1-2 zone setback and height requirements; a Site Development Permit (SDP) for development within environmentally sensitive lands (ESL); and a Multi-Habitat Planning Area (MHPA) Boundary Line Adjustment (BLA) to adjust the existing MHPA line to accommodate the proposed emergency generator facility.

The new Rady CHHC would be approximately 272,274 square feet of new gross floor area within a six-level, 96-foot high building, where 60 feet is the maximum height allowed in the CO-1-2 zone. A second deviation request to the CO-1-2 zone requirements, would allow a portion of the façade (at two locations) along Birmingham Way to encroach into the required 10-foot front setback. Because of the building design and site constraints, a six-foot, eight inch setback is needed to permit a curbside ladder access (at the southwest corner of the building) for the City Fire Department and an open air exterior stairway (at the southeast corner of the building) will observe a zero (0)-foot setback (Attachment 5).

The expansion would contain a new medical surgical unit with 16 operating rooms and 84 recovery beds; a hematology/oncology unit with 28 beds; a neonatal intensive care unit with 32 beds; and a bone marrow transplant unit with 10 beds. The existing surgical unit and hematology/oncology unit (70 inpatient beds) at the main hospital would be relocated to the new building. The current convalescent home will then be relocated in these vacated rooms in the main hospital. When construction for the Rady CHHC expansion is complete, 84 additional beds would be available.

The surface parking lot (365 parking spaces) will be removed to accommodate the new building. Sufficient off-street parking (1,035 spaces) would be provided for in the new parking structure under construction. When construction of the Rady Children's Hospital and parking structure/RMH is complete, a total of 2,239 parking spaces (which is more than required) will be provided for the entire Children's Hospital Campus, where 1,414 parking spaces is required.

The proposed emergency generator facility for the hospital would be located on a 2.39 acre site on the south side of Birmingham Way across the street from the proposed expansion site (Attachment 5). The generators/equipment would be enclosed in a one-story, approximate 3,400 square-foot building. A portion of the site currently contains a propane tank which will be relocated next to the proposed emergency generator facility. The parcel contains environmentally sensitive lands (steep hillsides and biological resources) and is mapped within the City's Multi-Habitat Planning Area (MHPA).

The previously approved parking structure/Ronald McDonald House (RMH) residential facility (Project No. 2784) is located on a 2.69 acre parcel and is currently under construction (Attachment 6). Subsequent to the project's approval, Children's Hospital requested an additional 12 guest units to the 35-rooms anticipated for the RMH residential facility. An amendment to CUP No. 4741/SDP No. 4742/PDP No. 267312 is required to include the additional rooms and reconfigure the existing floor plan within the development footprint. The six-level parking structure will maintain approximately 1,035 parking spaces and 34 handicapped parking spaces.

All three project locations can be accessed from Birmingham Way and Children's Way. Rady Children's Hospital will have one driveway located along Birmingham Way. The emergency generator facility will have one driveway accessed from Birmingham Way. The parking structure/RMH is being constructed with one driveway accessed at the terminus of Birmingham

Way/Children's Way and a second driveway would be accessed further north along Children's Way.

Proposed grading for the Rady Children's Hospital and the emergency generator facility would include approximately 15,000 cubic yards of soil cut at a maximum depth of 13 feet and approximately 3,900 cubic yards of soil fill within 4.2 acres of land. No further grading beyond what was anticipated for the development of the parking structure/RMH would be required for the additional 12 guest units at the RMH residential facility.

## **Project Related Issues**

### *Conditional Use Permit*

In accordance with Land Development Code (LDC) Section 126.0303(b), a CUP (Process 4) is required for hospitals, intermediate care, and nursing facilities located within the CO-1-2 zone, which allows for a mix of office and residential uses that serve an employment center. To redevelop the site with the new buildings and continue the operation of the existing hospital within the CO-1-2 zone, a Conditional Use Permit (CUP) to amend the previous CUP/HR/RPOZ No. 87-1096 and CUP 4741/SDP 4742/PDP 267312 is required pursuant to Land Development Code Section 126.0303.

As a separately regulated use, LDC Section 141.0413 requires that the design of the structures incorporate a variety of architectural elements that help diminish building bulk; the location of larger structures; areas of high activity, and parking areas be planned to minimize impacts to surrounding development that is smaller in scale and less intense; access to the site be as direct as possible from freeways, primary arterials, and major streets and shall avoid residential streets; off-street parking shall be provided; and all storage, service, and repair areas shall be located on the premises or screened so that they are not visible from adjacent development and the public-right-of-way.

As shown on the elevation and sign plans (Attachment 5), the design of the new structure incorporates a variety of architectural elements, such as glass lanterns on the façade, which would diminish bulk. Pedestrian pathways are also provided with improved sidewalks along Birmingham Way and Childrens' Way to and from the parking structure/RMH and the Rady CHHC. Internal pedestrian pathways, including a 2-level pedestrian walkway/bridge to the Rose Pavillon structure is also provided. Areas of high pedestrian activity related to the RMH are located atop the parking structure, away from vehicular traffic patterns. There are no residential streets in the vicinity and direct vehicular access to the site will be retained from adjacent freeways (Highway 163 to the west and Interstate-805 to the east) and arterials via existing streets. The hospital's refuse and recycling area and loading dock would be located on the interior side of the building, which is accessed from the driveway along Birmingham Way. In addition, mechanical equipment on the rooftop would be screened from the public right-of-way and the emergency generator facility would be enclosed in a one-story building.

### *Planned Development Permit*

The applicant is requesting deviations to the CO-1-2 zoning regulations to allow the new Rady CHHC to exceed the minimum height limit of 60 feet and portions of the building along Birmingham Way to encroach into the 10-foot setback. Pursuant to Land Development Code Section 126.0602(b)(1) a Planned Development Permit is required, to allow deviations to the CO-1-2 setback and height requirements. The PDP regulations allows for deviations from applicable zone regulations with the intent to encourage imaginative and innovative planning and to assure that the development achieves the purpose and intent of the applicable land use plan and that the proposed project would be preferable to what would be achieved if strict conformance with the regulations were applied.

The new building would be approximately 96-feet in overall height. Several existing structures on both the Children's and adjacent Sharp Memorial Hospital Campus within the surrounding Health-Institutional Complex and CO-1-2 zone exceed the 60-foot height limit. These structures include the adjacent Rose Pavilion building built in 1992 (88 feet), the Children's Medical Office Building (66 feet), the north and south towers on the adjacent Sharp Hospital Campus (approximately 117 feet). In addition the approximate 95-foot tall parking structure/RMH across the street (Children's Way), was also approved in 2005 through the PDP process. The Serra Mesa Community Plan allows flexibility regarding the height of structures located on lands designated for development as Health-Institutional Complex. A deviation to allow the proposed Rady CHHC building to observe an increased height would provide a more efficient use of available land on the campus. The Physical Environment-Urban Design section of the Serra Mesa Community Plan does not identify any potential issues with regards to height of structures in the Health-Institutional Complex and therefore would not adversely affect the Serra Mesa Community Plan.

The applicant also requests a deviation at two locations within the front yard setback for the Rady CHHC. The first location is at the southwest corner of the proposed building along Birmingham Way. City of San Diego Fire Department requires curbside ladder access from Birmingham Way. To accommodate this, a portion of the building at the curving point of Birmingham Way will encroach into the front setback approximately 4 feet to observe a 6-foot, 8-inch setback, where 10 feet is the minimum.

The second location is at the southwest corner of the Rady CHHC building at the terminus of Birmingham Way and Children's Way, where an open-air exterior stairway will encroach entirely into the 10-foot setback to observe a zero-foot setback. The stairway is needed to provide an alternative egress from the building.

Considering the site constraints within the Children's Hospital campus, staff can support this deviation to encroach into the front setback since it does not adversely impact adjacent parcels and is required for the public's safety. Staff has reviewed and considered each of the requested deviations and determined that they are minor in scope, provide for a superior site design, and that the project as a whole is consistent with the purpose and intent of the CO-1-2 regulations and Health-Institutional Complex land use designation.

### *Site Development Permit*

The proposed 3,400 square-foot emergency generator and relocated propane tank would be constructed on a 2.39 acre parcel that contains steep hillsides and sensitive biological resources, and therefore is subject to the ESL regulations and a Site Development Permit (SDP) is required.

A slope analysis (*RBF Consulting, September 5, 2006*) was submitted which delineated steep hillsides, and identified disturbed and natural slopes on-site. The development footprint would not encroach into identified steep slopes.

A biological resources report (*Helix Environmental Planning, June 14, 2006*) was submitted that identified approximately 1.99 acres of Diegan coastal sage scrub (DCSS), 0.06 acres of non-native grasslands, 0.14 acres of native-native vegetation, 0.09 acres of disturbed habitat, 0.05 acres of developed habitat, and 0.06 acres of southern willow scrub on the parcel. The generators/propane tank have been sited on the least environmentally sensitive portion of the parcel and would only directly impact 0.04 acres of Diegan coastal sage scrub, 0.10 acres of non-native vegetation, 0.04 acres of disturbed habitat, and 0.04 acres of developed land. Approximately 1.15 acres of DCSS (0.87 acres of which is within the MHPA) would be indirectly impacted by construction, operational, and testing noise from the emergency generator. Both direct and indirect impacts have been appropriately mitigated to a level below significance through a MHPA BLA, on-site conservation easement, and off-site MHPA land acquisition, as disclosed in Mitigated Negative Declaration No. 84791.

### *MHPA Boundary Line Adjustment*

A portion of the 2.39 acre parcel, where the emergency generator facility and relocated propane tank would be located, is within the City's Multiple Species Conservation Program (MSCP) Multi-Habitat Planning Area (MHPA) (Attachment 7). Therefore the construction and operation of the emergency generator facility would require a MHPA Boundary Line Adjustment (BLA) to appropriately compensate for the loss of MHPA land resulting from development within the MHPA. A MHPA BLA may be made without amending the Subarea Plan or MSCP Plan in cases where the new MHPA boundary preserves an area with equivalent or greater biological value. The final determination regarding the biological value of a proposed boundary change would be made by the City per the MSCP and with concurrence of the wildlife agencies (Section 5.4.2 of the MSCP Plan, August 1998).

As disclosed in the biological resources report (*Helix Environmental Planning, June 14, 2006*), the proposed project would directly impact approximately 0.14 acre of habitat/land within the MHPA. In addition, approximately 0.90 acre of habitat/land within the MHPA, which includes 0.87 acres of DCSS (breeding habitat for the sensitive California Gnatcatcher), may be indirectly impacted from operational noise from the emergency generator facility. Therefore a total of 1.04 acres of land within the MHPA would have to be adjusted either on-site or else-where.

Therefore, to offset the land to be adjusted out/in the MHPA, the applicant proposes to preserve through a conservation easement/deed, as MHPA open space and include 0.14 acres of Diegan coastal sage scrub on-site. In addition, acquisition of 0.90 acres of Tier II MHPA habitat off-site in East Elliot would be made by paying into the City's Habitat Acquisition Fund.

On November 14, 2006, MSCP and wildlife agencies (US Fish and Wildlife and Cal Fish and Game) staff supported the conclusions and findings to approve the MHPA BLA, as disclosed in the biological resources report.

### **Community Plan Analysis**

The project site, located 3020 Children's Way, is designated as Institutional and Open Space in the Serra Mesa Community Plan. Children's Hospital is one of the facilities identified in the Serra Mesa Health-Institutional Complex discussion within the Employment Center Element.

The objective of the plan is to foster coordinated development of the Serra Mesa Health-Institutional Complex as a regional human care facility. Proposals for the Complex include encouraging children's health facilities, and specify that Children's Hospital should continue to give high priority outpatient, primary care and emergency services.

The proposal to construct a new 272,274 square-foot six-level building, and the construction of 12 guest units for the Ronald McDonald House/parking structure would implement the objective and proposals of the Serra Mesa Community Plan, and would not have an adverse impact.

The Open Space Element of the plan includes the objective of designating Multiple Species Conservation areas, canyons and hillsides for preservation as open space and for strictly controlled utilization for the enjoyment of this generation and in perpetuity. The plan includes the proposal of maintaining open space in its natural condition, and undertaking studies to determine uses compatible with the open space concept.

The project proposes a Multi-Habitat Planning Area (MHPA) Boundary Line Adjustment (BLA) to accommodate a new emergency generator facility located within environmentally sensitive lands. Studies undertaken in conjunction with the project provide mitigation measures which include an added MHPA area (0.14 acre) to offset development intrusion into the MHPA in the project vicinity. Therefore, the proposed MHPA BLA to accommodate a new emergency generator facility will not adversely impact the objective and proposals of the Serra Mesa Community Plan.

### **Environmental Analysis**

During the environmental Initial Study, staff identified potentially significant impacts to biological resources, noise (related to sensitive bird species), land use (MSCP), paleontological resources and transportation/circulation, and hydrology/water quality impacts that could result from the proposed development. Substantial evidence in the administrative record (i.e. technical reports, project re-design, etc.) has been provided to conclude that the project as revised now



avoids or mitigates the potentially significant environmental effects identified, and the preparation of an Environmental Impact Report (EIR) would not be required.

Discussion of the environmental review is disclosed in the Mitigated Negative Declaration (MND) No. 84791, which has been prepared in accordance with the California Environmental Quality Act (CEQA). The MND concluded that the project would result in potentially significant but mitigable impacts to biological resources, noise, land use, paleontological resources, and transportation/circulation. Implementation of the proposed Mitigation, Monitoring, and Reporting Program (MMRP) would reduce identified environmental effects to a level below significant.

## **CONCLUSION**

The proposed Rady CHHC, emergency generator facility, and additional 12 guest units to the RMH residential facility would enable Children's Hospital to expand and still provide the needed health care services within their own campus. The development conforms to the Health-Institutional Complex land use designation and is compatible with the existing hospital and medical offices in the surrounding area.

A Mitigated Negative Declaration (MND No. 84791) has been prepared in accordance with California Environmental Quality Act (CEQA), and implementation of the Mitigation, Monitoring, and Reporting Program (MMRP) would avoid and mitigate potentially significant impacts to a level below significance. Draft conditions of approval have been prepared for the project (Attachments 8). Conditional Use Permit, Site Development Permit, and Planned Development Permit findings required to approve the project are included in draft resolutions (Attachments 9).

The Serra Mesa Community Planning Group voted 11-0-0 to recommend approval of the project with no conditions (Attachment 12).

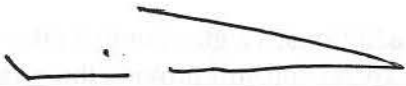
Therefore, through the CUP amendment, SDP, PDP, and MHPA BLA process and development review, staff has determined the Rady Children's Hospital project would be in compliance with the applicable regulations of the Land Development Code and consistent with the Serra Mesa Community Plan.

## **ALTERNATIVES**

1. Approve Planned Development Permit (PDP) No. 268049, Conditional Use Permit (CUP) No. 268050, and Site Development Permit (SDP) No. 413591 (amending Conditional Use/Hillside Review/Resource Protection Overlay Zone Permit No. 87-1096 and Conditional Use Permit No. 4741/Site Development Permit No. 4742/Planned Development Permit No. 267312); and Multi-Habitat Planning Area Boundary Line Adjustment No. 414363, with modifications.

2. Deny Planned Development Permit (PDP) No. 268049, Conditional Use Permit (CUP) No. 268050, and Site Development Permit (SDP) No. 413591 (amending Conditional Use/Hillside Review/Resource Protection Overlay Zone Permit No. 87-1096 and Conditional Use Permit No. 4741/Site Development Permit No. 4742/Planned Development Permit No. 267312); and Multi-Habitat Planning Area Boundary Line Adjustment No. 414363, 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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Anne B. Jarque  
Development Project Manager  
Development Services Department

ESCOBAR-ECK/ABJ

Attachments:

1. Project Location Map
2. Community Plan Land Use Map
3. Aerial Photograph
4. Project Data Sheet
5. Rady Children's Hospital and Health Center/Emergency Generator Facility Exhibits
6. Parking Structure/Ronald McDonald House Addition Exhibits
7. MHPA Boundary Line Adjustment Exhibit
8. Draft Permit with Conditions
9. Draft Resolution with Findings
10. Copy of CUP/HR/RPOZ No. 87-1096
11. Copy of CUP 4741/SDP 4742/PDP 267312
12. Community Planning Group Recommendation
13. Ownership Disclosure Statement
14. Project Chronology