

DATE ISSUED: July 5, 2007

REPORT NO. PC-07-110

ATTENTION: Planning Commission  
Agenda of July 12, 2007

SUBJECT: Initiation of an Amendment to the First San Diego River Improvement Project (FSDRIP) Specific Plan, the Mission Valley Community Plan and the Progress Guide and General Plan to allow for an increase in the number of permitted residential dwelling units, a decrease in commercial square footage, and allow for an increase in building heights.

OWNER/  
APPLICANT: Principal Financial Group/Oliver McMillan (Attachment 1)

SUMMARY:

Issues – Should the Planning Commission INITIATE an amendment to the First San Diego River Improvement Project (FSDRIP) Specific Plan, the Mission Valley Community Plan and the Progress Guide and General Plan, pursuant to Municipal Code Section 122.0103, to allow for an increase in the number of permitted residential dwelling units, a decrease in commercial square footage, and allow for an increase in building heights.

Mayor's Recommendation – Initiate the plan amendment process.

Community Planning Group Recommendation – On February 7, 2007, a motion by the Mission Valley Unified Planning Committee to recommend approval of the initiation failed by a 7-10 vote (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 a proposed increase of up to 473 additional dwelling

units above and beyond what is currently allowed in the Specific Plan. As part of the analysis City Staff will provide direction to the applicant to develop a proposal that includes the provision of on-site affordable housing.

## BACKGROUND

Hazard Center is an approximate 41.3 acre mixed-use development located between State Route 163 on the west, Friars Road on the north, Mission Center Road on the east, and the San Diego River on the south, and is within the Mission Valley community planning area (Attachment 3).

The site is designated in the Mission Valley Community Plan for Multi Use development and is within the FSDRIP Specific Plan Area (Attachment 4). The Specific Plan was first adopted by the San Diego City Council on November 16, 1982, in order to improve the San Diego River channel and enhance Mission Valley as a regional commercial center within the City of San Diego by providing compatible commercial, visitor and recreational uses as well as residential uses. In exchange for improving the river channel, the Specific Plan and associated Development Agreement focused on recovering land within the floodway for development purposes. The Specific Plan area consists of approximately 261 acres and is broken up into four distinct development areas: Hazard Center; Mission Valley West; Park in the Valley; and Rio Vista West. All four development areas are essentially built-out and the FSDRIP Development Agreement has expired. However, the Development Agreement, as well as the Specific Plan outline a series of public improvements to support developments within the Specific Plan Area, in which the obligations have not all been satisfied as of yet. For example, within this particular development area of the FSDRIP Specific Plan it is acknowledged that the completion of Hazard Center Drive and a pedestrian overpass across Friars Road are public improvements that have not yet occurred. The extent of the public improvements including a list of outstanding requirements and assessment of the responsibilities to implement those requirements are not known at this time, thus this issue is identified in the conclusion section of this report as an issue to be analyzed and evaluated through the plan amendment review process.

Hazard Center is currently developed with an 11 story, 300 room hotel; a 15 story, 283,972 SF office building; a 26,125 SF movie theater; approximately 172,510 SF of commercial/retail space; and 120 residential dwelling units (Attachment 5). The primary concept of the existing Hazard Center Development Area is a multi-use complex flanking the north side of the San Diego River. The commercial retail center contains stores, specialty shops, restaurants, a movie theater and service establishments on three levels, offering a diversity of daytime and nighttime activities for visitors and those living and working in the complex (Attachment 6). The hotel and office buildings adjacent to the retail share the amenities of the retail center through close siting of buildings, shared parking and shared pedestrian courts, plazas and walks (Attachment 7). The residential component, located directly adjacent to the river, is linked to the retail-office facilities through a system of pedestrian walks, providing convenient access.

The applicant has indicated a desire to redevelop the subject property with the removal of the existing movie theater (approximately 26,125 square feet) and the addition of 473 residential dwelling units. This would include both rental and condominium units in a proposed 22-story tower, a 21-story tower, and 5-story row houses. New residential parking on two levels would be

accommodated in the existing theater space, as well as the development of two levels of new commercial space, totaling an additional 6,060 square feet of commercial square footage. The existing hotel, office building, commercial/retail space and residential dwelling units would remain in place.

### **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.

Mission Valley Multi-Use – proposal to amend the Atlas Specific Plan, the Mission Valley Community Plan and the Progress Guide and General Plan to remove a 19-acre site from the Atlas Specific Plan and to redesignate the site in the Community Plan from Commercial Recreation to Multi-Use.

**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 and calls for redevelopment, infill and new growth to be focused adjacent to transit stops in compact, mixed-use centers. If approved, the amendment would allow for residential development at a location where it is integrated with employment uses and in close proximity to an existing trolley station.

The Mission Valley Community Plan's Residential and Commercial Elements contain the goals of encouraging development of mid- and high-rise multiple dwelling structures which combine and integrate residential uses with commercial and service uses and provide amenities for residents such as recreation, shopping, transit, employment and cultural opportunities within or adjacent to residential development. The proposed amendment would allow for the development of a mixed-use development that would implement these goals by integrating high density residential and commercial uses directly adjacent to transit.

**(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. The proposed amendment would allow for a higher concentration of residences in close proximity to public transit and established commercial areas. The proximity of housing, commercial and office land uses and public transit will encourage walking and ideally reduce driving trips.

Further, the applicant has indicated that they will incorporate sustainable design practices and materials if the proposal is to be initiated. Also, staff will work with the applicant to ensure that, once submitted, any project for this site will include an onsite affordable housing component and provide for the development of a public recreational facility either onsite or in close proximity to the site.

**(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. Additionally, an analysis of the Public Facilities and Services section of the FSDRIP Specific Plan will be conducted to ensure that all outstanding commitments have either been completed or will be completed as part of any proposed project.

**(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 FSDRIP 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.
- 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 public park either on-site or in close proximity to the site.
- Provision of pedestrian amenities and streetscape improvements, including enhanced pedestrian crossing to the adjacent trolley station.
- Analysis of pedestrian connections between uses within the project site and from the site to adjacent development, the existing circulation system, and public transit.
- Location of Affordable Housing Units onsite in order to comply with the City's Inclusionary Housing Ordinance.
- Incorporation of sustainable design and building materials.
- Analysis of traffic impacts, including a traffic study.
- Update and analysis of the completion of Hazard Center Drive, including the provision of a safe pedestrian and bicycle component.
- Analysis of how new development will interact with the proposed Friars Rd/163 interchange project, including potential impacts (i.e. the widening of Friars Rd will

prevent the pedestrian overpass identified in the FSDRIP Specific Plan from being constructed as intended).

- Upon formal project submittal, as required by Federal Regulations Part 77, any proposed high-rise structure on this site will be sent by the project applicant to the FAA for an airspace evaluation.
- Analysis of proposed high-rise structures on urban form, including compatibility, appropriateness and integration of structures with other elements within and adjacent to project site.
- 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 FSDRIP Specific Plan, including a detailed status report on each of the required improvements, list of outstanding requirements and assessment of the responsibilities to implement those requirements.
- Analysis of the FSDRIP Specific Plan to ensure that all references to the subject property are updated, statistics of the Specific Plan Area are identified for adjustments, and all responsibilities and/or impacts are addressed. Further, as part of this analysis, conduct an alternative analysis which considers rescinding the Plan and updating the Mission Valley Community Plan to reflect the proposed changes. (As part of staff's initial work on the Mission Valley Community Plan update, a preliminary analysis of Specific Plans took place and it was determined that in those cases where the Development Agreement has expired and/or the existing Specific Plans were built-out, it may be possible to repeal them and incorporate relevant policies into the Community Plan update.)

## ALTERNATIVES

Deny the initiation of the proposed general/community plan amendment and retain the existing FSDRIP Specific Plan language.

Respectfully submitted,

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City Planning and Community Investment

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Brian Schoenfisch  
Senior Planner  
City Planning and Community Investment

CW/BS

Attachments:

1. Ownership Disclosure Statement

2. Mission Valley Unified Planning Committee, February 7, 2007 Meeting Minutes
3. Location Map
4. Map of FSDRIP Specific Plan Area
5. Existing Site Plan
6. Existing Land Uses
7. Aerial Photo