

DATE ISSUED: September 14, 2007 REPORT NO. PC-07-138

ATTENTION: Planning Commission, Agenda of September 20, 2007

SUBJECT: Initiation of an Amendment to the Progress Guide and General Plan and the Otay Mesa-Nestor Community Plan and Local Coastal Program to Redesignate an Approximate 27.5-Acre Site from Open Space, Special Study Area Overlay to Industrial. PTS 119056.

OWNER/
APPLICANT M & A Gabae, California Limited Partnership

SUMMARY

Issue(s) - Should the Planning Commission INITIATE an amendment to the Progress Guide and General Plan and the Otay Mesa-Nestor Community Plan pursuant to Municipal Code Section 122.0103? The amendment has been requested to redesignate an approximate 27.5-acre site from Open Space, Special Study Area Overlay to Industrial.

Mayor's Recommendation - INITIATE the plan amendment process

Community Planning Group Recommendation(s) – On August 8, 2007, the Otay Mesa-Nestor Community Planning Group voted 8-4-0 to recommend initiating the community plan amendment process (Attachment 1).

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

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

Housing Affordability Impact – None.

This initiation request does not constitute an endorsement of the project proposal. A staff recommendation will be developed once the project has been fully analyzed. This action will allow the staff analysis to proceed.

BACKGROUND

The subject area of the proposed amendment, an approximate 27.5-acre site, is located in the Otay Mesa-Nestor Community Planning Area (see Attachment 2). Otay Mesa-Nestor is an urbanized community bounded by the Tijuana River Valley on the south, Imperial Beach to the west, Chula Vista to the north, and Otay Mesa to the east. The proposal site is bounded by Main Street, the MTS rail line right of way, and the boundary between Chula Vista and San Diego. The proposal site contains the magnesium chloride ponds (mag ponds) previously associated with the Fenton Salt Works facility to the north of the proposal site. Surrounding uses include the Otay River Flood Plain to the south, salt ponds to the west, the South Bay Salt Works operations to the north, and vacant properties and several industrial office buildings to the west (see Attachment 3).

The Otay Mesa-Nestor Community Plan designates the subject area Open Space, with a Special Study Area Overlay. City of San Diego land use designations surrounding the site include Open Space, Open Space with the Special Study Area Overlay, and Industrial, with Mixed Use Commercial for the adjacent Chula Vista properties (see Attachment 4).

The Otay Mesa-Nestor Community Plan discusses the Salt Ponds in detail with Topic 1b (see Attachment 5). The salt ponds were incorporated into the Otay Mesa -Nestor community planning area with the 1997 plan update. Inclusion in the planning area was to facilitate comprehensive planning and monitoring of the salt ponds environs. The vision for the salt ponds includes providing a combination of benefits including salt production, preservation of sensitive wildlife habitat, recreation, and economic development through creative site planning and design.

The Special Study Area (SSA) is defined and discussed in Appendix 1b of the community plan (Attachment 6) and is shown as the hatched area over Open Space on the Land Use Map (see Attachment 4). The plan acknowledges the area south of Main Street contains discontinued salt pond, vacant undeveloped parcels, agricultural lands, several residences, and interim uses, while the area north of Main Street contains the mag ponds holding the waste materials remaining after the salt evaporation process. At the time of the 1997 plan update, more detailed information was desired for the identified area prior to any proposed development. The plan realizes the potential for appropriate sensitive development and creates the SSA in anticipation of redesignations from Open Space to other appropriate land uses, Rezones, Planned Development Permits, and CUP's. The SSA has been created to provide the property owners with the potential for more flexibility in pursuing development proposals, and is intended to provide for an ecological analysis of the SSA. The Special Study is needed at this time per the application requirements contained in Appendix 1b which require the Special Study be conducted with an application for a plan amendment within the study area. Appendix 1b contains detailed criteria for the Special Study, including comprehensively addressing all properties within the bounded area, assessing sensitive natural resources and habitat, assessing hydrological conditions, and identification of appropriate areas for preservation and development. The study should also illustrate the relationship between proposed and adjacent land uses, provide for the continuous connection between Otay Valley, the Salt Works, and San Diego Bay. Circulation systems and impacts should be addressed within a

transportation study that discusses linkages between multi-modal systems that could occur within the study area.

The proposed initiation site is also located completely within the Multi-Habitat Planning Area (MHPA) which is the City's planned habitat preserve within the Multiple Species Conservation Program (MSCP) Subarea. Under current regulations, the site would be allowed 25% development in the least sensitive area. Any proposed project beyond the allowed 25% development area would require a MHPA boundary line adjustment, which would require replacement land with an equal or better habitat value. MHPA boundary line adjustments require concurrence by the California Department of Fish and Game and U.S. Fish and Wildlife Service (wildlife agencies), disclosure in the project's environmental document, and approval of the decision-maker. A preliminary Biology Report performed for the Fenton Company, the previous owner, concludes that the mag ponds provide no physical or chemical function and values that would typically be provided by a functional wetland system, and are not considered to be jurisdictional wetland under any state or federal definition. The report further states that the mag pond salinities have created an extremely harsh aquatic environment which does not support any macroorganisms and little, if any microbial flora and fauna. The extremely dense brine of the mag ponds is not conducive to waterfowl or shorebirds, although birds have made limited use of the crystallized salts as a resting area. While the applicant has been advised that the preliminary biology report will need to be updated and expanded, due to the possible low habitat value within the mag ponds, consideration of the initiation may make sense so the Special Study can be generated.

In addition to the current initiation request, there are currently two other plan amendments that have been initiated within the Otay Mesa-Nestor planning area (See Attachment 7). The first site is the approximately 17-acre site which previously contained the Marian Catholic High School, and proposes to redesignate the site from School/Institution to Low-Medium Density Residential at 10-15 du/ac. The second site is the approximately 27.2-acre site which contains the South Bay Drive-In, and proposes to redesignate the site from Community Commercial, Park, and Low-Medium Residential to Park and Mixed Use.

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 & 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 Otay Mesa-Nestor Community Plan.**

The Conservation Element of the Progress Guide and General Plan includes as goals the preservation of the local salt industry along with a land ethic that involves the balanced coexistence of man, vegetation, and wildlife. The MSCP is designed to preserve native habitat for multiple species by identifying areas for directed development and areas to be conserved in perpetuity to achieve a workable balance between smart growth and species protection. Because the site does not appear to support sensitive habitat despite its location within the MSCP, it seems appropriate to consider the initiation. The initiation would allow for the opportunity to analyze in detail the sensitive resources and development potential within the entire study area. The proposed amendment would be consistent with the goals as the amendment would include the Special Study which would identify developable footprints and preservation areas for the study area.

The Otay Mesa Community Plan's Topic 1b and Appendix 1b discuss the salt ponds and recommendation for a Special Study Area as identified on the Community Plan Land Use Map which includes the proposed initiation site (See Attachments 4, 5, and 6). The proposed amendment would be consistent with the recommendation, as the applicant is willing to work with City staff to generate the Special Study as required in Appendix 1b. The Special Study would incorporate the criteria specified in Appendix 1b, analyzing sensitive resources, compatibility issues, and circulation systems and impacts within the area identified on the Land Use Map.

The Progress Guide and General Plan's goals within the Industrial Element include insuring that industrial needs for a balanced economy and balanced land use are consistent with environmental considerations, revitalizing industrial areas which are well located but show environmental and/or functional deficiencies, and encouraging industrial development in the southerly half of the City. The proposed amendment would be consistent with these goals by providing development opportunity which could provide employment opportunities with livable wages in the southern area of the City, while balancing land use and environmental considerations.

The Otay Mesa-Nestor Community Plan designates several areas Industrial within the community planning area, including the triangular property directly to the north of

the initiation site, properties at Hollister and Main, and a large area west of Beyer Blvd. near the Iris Trolley Station (see Attachment 4). The two southerly sites are developed with Industrial/Office uses, while the site adjacent to the initiation site is vacant and used for storage. The applicant does own the triangular piece, and should the initiation occur, the site would be included in future development proposals. While the Otay Mesa-Nestor Community Plan designates Industrial sites, it defers to the Progress Guide and General plan for policy goals and recommendations.

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

The proposed amendment would be the mechanism for generating the Special Study, allowing for the determination of development opportunity and sensitive resource protection within the study area. The study would provide direction and balance for multiple properties and owners within an area that is underutilized and has sensitive resources. The proposed amendment would allow development that would provide employment opportunities which could offer livable wages for San Diegans. The proposed amendment would also be adjacent to the proposed Bayshore Bikeway Project, which provides an opportunity for sensitive design and interaction between development and the bikeway.

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

Otay Mesa-Nestor is an urbanized community and all needed public services are available in the community. If the plan amendment is initiated, analysis of public services and facilities would be conducted with the review of the plan amendment.

(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 this amendment request without delaying General Fund programs or ongoing plan updates, as the City Planning & 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.

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 Otay Mesa-Nestor 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:

- The appropriate land use designation and zoning;
- The appropriate development footprint and resource boundary based on criteria and analysis within the Special Study;
- The impacts to the MSCP and appropriate boundary adjustments, if any;
- The compatibility of proposed and adjacent land use designations;
- The evaluation of any traffic impacts associated with the addition of industrial development on the site;
- The interaction/integration of the adjacent proposed Bayshore Bikeway Project with the project's design.

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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Attachments:

1. Otay Mesa-Nestor Community Planning Group August Minutes
2. Otay Mesa-Nestor Vicinity Map
3. Aerial Photo
4. Otay Mesa-Nestor Community Plan Land Use Map
5. Topic 1b of the Otay Mesa-Nestor Community Plan
6. Appendix 1b of the Otay Mesa-Nestor Community Plan
7. Initiations within Otay Mesa-Nestor Community Planning Area
8. Owner Disclosure Statement