

DATE ISSUED: November 29, 2007

REPORT NO. PC-07-162

ATTENTION: **Planning Commission, Agenda of December 6, 2007**

SUBJECT: **VALENCIA BUSINESS PARK REZONE - PROJECT NO. 133813
PROCESS FIVE.**

**OWNER/
APPLICANT** Southeastern San Diego Economic Development Corporation
(Attachment 9).

SUMMARY

Issue(s): Should the Planning Commission recommend approval of a Rezone of a vacant 4.33-acre parcel from Industrial to Commercial within the Southeastern San Diego Community Planning area?

Staff Recommendation: Recommend that City Council **Approve** Rezone No. 464920

Community Planning Group Recommendation: On October 15, 2007, The Encanto Neighborhood Community Planning Committee voted 5-4-0 to recommend approval of the rezone with no conditions.

Environmental Review: The Rezone was determined to be exempt from environmental review in accordance with the California Environmental Quality Act Section 15060 (b) (3): The activity is not a project as defined in Section 15378.

Fiscal Impact Statement: None with this action.

Code Enforcement Impact: None with this action.

Housing Impact Statement: The proposed Rezone will facilitate the future development of commercial uses as permitted in the underlying zone. This application does not involve either the demolition of any housing nor does it propose the addition of dwelling units. Therefore, the proposal would not represent a net loss or gain in housing units for the Southeastern San Diego Community Plan area.

BACKGROUND

The Southeastern San Diego Development Corporation (SEDC) proposes to rezone a 4.33-acre vacant site consisting of six lots (Lots 2 through 7 of Valencia Business Park Map No. 14256) from I-1, an industrial zone, to CT-2, a commercial zone of the Southeastern San Diego Planned District. The property is located on Stevens Way, just north of the intersection of Imperial Avenue and Valencia Parkway, and designated for industrial uses within the Valencia Park Neighborhood of the Southeastern San Diego Community Plan (Attachments 1 through 3). The property is within SEDC's Central Imperial Redevelopment Area. No development is proposed with this application. Development of the subject property will require future discretionary action. Staff has determined that the proposed Rezone does not require a community plan amendment as outlined in the Discussion section of this report.

The surrounding area consists of a variety of land uses and mixed zoning. Abutting the site to the north are trolley tracks. Single-family homes and industrial uses are located across the trolley tracks to the north and zoned either I-1 or SF-40000. These properties front on Market Street. Abutting and paralleling the site along the south is the Las Chollas Creek Channel. This channel is located between Imperial Avenue and the subject property. Across Imperial Avenue to the south is the St. Stephens's Cathedral Church of God in Christ religious facility which includes a private school, and the St. Stephen's Senior Apartment Building zoned CT-2. Imperial Avenue east and west of the subject property is developed with a wide variety of commercial, retail uses, and residential developments which are zoned either MR-1500, CSF or CT-2 (Attachments 4 and 5).

The subject property, Lots 2 through 7, are a part of the "Potter Tract" development approved by the Planning Commission in 2000 (Attachment 8): Resource Protection Ordinance Permit, Tentative Map and Site Development Permit No. 96-7729, permitted the subdivision of a 14.8-acre site into nine lots. Seven lots were proposed for industrial development (subject property), two as non-buildable lots, and one lot proposed for a United States Post Office as indicated below:

- Lot 1 – Post office site
- Lots, 2, 3, 4, 5, 6 and 7 – Industrial development
- Lots A and B – Non-buildable, open space lots

In 2005, the United States Postal Service developed lot 1 with a 25,000-square-foot retail/distribution facility, the Earl B. Gilliam Post Office. Lots A and B are improved as landscaped open space lots, including a pedestrian walkway, adjacent to the Las Chollas Creek in accordance with the original permit. The subject property remains undeveloped.

An Environmental Impact Report (EIR) was prepared for the original Potter Tract development (EIR No. 96-7729) as it was determined that project implementation could result in significant impacts in the following issue areas: Traffic, circulation, noise, biological resources, land use, cultural resources, and, water quality. All mitigation measures have been implemented. Mitigation measures included improvements to the adjacent Special Flood Hazard Area, the Las

Chollas Creek Channel. The subject property does not contain environmentally sensitive lands and is not within the Special Flood Hazard Area. The Final Map and public improvements plans have been approved. The entire 14.3 acres of the original Potter Tract subdivision (Lots 1 through 7 and Lots A and B) have been rough graded and public improvements including the street (Stevens Way), sidewalks, curbs and gutters, are in place as well as the required improvements to the channel.

In 2004, Project No. 5907, Valencia Business Park Site Development Permit, approved on appeal by the Planning Commission, permitted the construction of three industrial shell buildings on the subject property. However, this project was never constructed and the permit expired in February 2007.

DISCUSSION

The CT-2 zone of the Southeastern San Diego Planned District provides for a wide variety of community shopping and business needs and services which are both retail and wholesale in nature. The I-1 zone is a light industrial zone which provides for a wide range of manufacturing, light industrial and certain "heavy" commercial uses such as lumber yards which are not commonly found in shopping centers. SEDC has determined that, based on market considerations, a rezone from industrial to commercial would facilitate additional commercial opportunities in the Southeastern San Diego community. As indicated above, future development of the property will require site specific environmental review and discretionary actions.

Community Plan Analysis:

The subject property is currently designated Industrial in the Southeastern San Diego Community Plan. The Valencia Park Neighborhood Element states that, in the event that industrial uses are not feasible at this location, the site could be developed with community serving commercial uses. It further states that a rezone from industrial to commercial should not require an amendment to the community plan (Attachment 11).

Based on the draft General Plan, the Valencia Business Park is not considered prime industrial land. Furthermore, application of the Collocation/Conversion Suitability Factors for evaluating the potential conversion of industrial land to other uses, confirms this finding. Given SEDC's difficulty in marketing the site for industrial uses, it can be concluded that the site is not attractive for manufacturing, research and development, wholesale distribution and warehousing uses. The primary factors limiting its appeal for industrial uses appear to be lack of freeway access, relatively small lots, an irregular lot configuration which would limit large truck deliveries, as well as its isolated location with respect to attractiveness for high tech types of uses.

The proposed rezone to CT-2 would relate well to nearby land uses in that it is nearly surrounded by residential land use designations. The exceptions are a small triangular shaped parcel located at Imperial Avenue and Valencia Parkway that is designated General Commercial and the existing industrial zoned property to the west. The surrounding predominantly residential

designations would appear to create a demand for retail commercial uses at this location. Additionally, the provision of retail uses at this site would reduce the need for area residents to shop at other locations including National City and Lemon Grove.

CONCLUSION

Staff recommends approval of the Rezone. The Rezone is consistent with the Southeastern San Diego Community Plan which designates the site for industrial uses, but acknowledges that industrial development may not be economically feasible at this site. As such, site specific language in the community plan allows for the flexibility of allowing commercial development at this location. Future developments will require the processing of a Site Development Permit to ensure compliance with all municipal code requirements, consistency with policy documents in effect for the site including the Southeastern San Diego Community Plan and the Chollas Creek Enhancement Program, and, to ensure community input into the process.

ALTERNATIVES

1. **Recommend that City Council Approve** Rezone No. 464920 **with modifications.**
2. **Recommend that City Council Deny** Rezone No. 464920.

Respectfully submitted,

Mike Westlake
Program Manager
Development Services Department

Sandra Teasley, Project Manager
Development Services Department

BROUGHTON/SMT

Attachments:

1. Aerial Photograph
2. Community Plan Land Use Map
3. Project Location Map
4. Surrounding Land Use Exhibit
5. Surrounding Zoning Exhibit
6. Rezone B Sheet No. 4256
7. Draft Rezone Ordinance

8. Copy of Recorded Permit and Exhibit Project No. 96 7729
9. Ownership Disclosure
10. Community Planning Group Recommendation
11. Southeastern San Diego Community Plan Excerpt
12. Project Chronology
13. Southeastern San Diego Planned District Excerpt (Permitted Uses)