



THE CITY OF SAN DIEGO

## REPORT TO THE PLANNING COMMISSION

DATE ISSUED: March 7, 2008 REPORT NO. 07-170

ATTENTION: Planning Commission Agenda of March 13, 2008

SUBJECT: Workshop on the Otay Mesa Community Plan Update

REFERENCE: Planning Commission Workshop Report Nos. PC-06-196, PC-05-222, PC-06-300, PC-07-026, PC-07-092, and PC-07-123

### SUMMARY:

THIS IS A WORKSHOP TO UPDATE THE PLANNING COMMISSION ON THE OTAY MESA COMMUNITY PLAN UPDATE (OMCPU), AND TO DISCUSS THE DRAFT SCENARIOS AND OTHER PERTINENT ISSUES RELATED TO THE OMCPU. NO ACTION IS REQUIRED ON THE PART OF THE PLANNING COMMISSION AT THIS TIME.

### BACKGROUND

#### *Community Plan Update Status*

The Otay Mesa Community Plan Update has been in process for several years. In 2004, a coalition of developers called the Otay Mesa Planning Coalition began funding technical studies for the plan update due to the lack of available City resources and to help expedite the timeline for the update. The Otay Mesa Community Plan Update has reached a critical junction in the public process, and in late June 2007, the City determined it is now in a position to fund the remaining work needed to complete the process. City Planning & Community Investment anticipates the continued use of consultants to complete the community plan update process, which includes continuing public outreach, completing the technical studies, drafting the policy document, completing the EIR, preparing a Public Facilities Financing Plan, and creating a zoning implementation program. CPCI staff is coordinating with the Purchasing Department on the process of hiring any consultants needed to complete the update process, and then continuing with the update process. To date, a Request for Proposals (RFP) has been issued for the planning consultant(s), with a proposal due date of March 14, 2007. CPCI is working with the Purchasing Department to determine scopes of work and RFP's for other needed consultants, and anticipates the RFP and/or contract negotiation process with chosen consultants to be completed in April and May, so that work on the update process can continue towards completion by the end of the year.

## DISCUSSION

### *Land Use Scenarios*

Over the past eighteen months, the Planning Commission has held a series of focused workshops centering on the No Project Alternative and three draft land use scenarios in association with the Otay Mesa Community Plan Update (See Attachment 1). Using the Land Use Scenarios 1-3, the workshops focused on residential development opportunities and policy direction, supply and demand of industrial lands, circulation and transportation issues, and infrastructure financing and how these issues would impact policy decisions for the OMCPU. Briefly, Scenario 1 contains the south, central, eastern, and northeastern residential villages, with the central and eastern villages straddling SR-905. It introduces Business Park in the southern portion of the area near the border and Heavy Industrial in the south central area of the planning area. Scenario 2 represents the greatest change from the existing plan, proposing the three residential villages as in Scenario 1, with the eastern village expanded to the south. The Business Park is scaled back from Scenario 1, and the Heavy Industrial area is the same as Scenario 1. Scenario 3 represents the least change from the existing plan, proposing only the southern and central residential villages. The rest of the planning area is a mixture of industrial and commercial uses, with a heavy industrial area that remains the same as in Scenarios 1 and 2.

Based on input from the workshops, other public forums, and community stakeholders, CPCI staff generated two additional draft hybrid scenarios for public input and discussion (See Attachment 2). The draft hybrid scenarios were presented to the public at an open house held at the San Ysidro High School on October 16, 2007. Since that time, the hybrids have been discussed with the planning group and community stakeholders. Scenario 4B has been modified to reflect refinements based on these further discussions and comments. Acreage totals for the land use designations are contained in the table below with discussion following.

	No Project	Scenario #1	Scenario #2	Scenario #3	Scenario #4A	Modified Scenario #4B
Industrial	2,885	2,073	1,985	2,373	2053	2178
Commercial	450	465	352	466	454	454
Institutional	1,019	981	974	1,073	1185	1179
Parks and Open Space	2,600	2,764	2,759	2,688	2784	2751
Village Centers	-	482	683	186	445	358
Residential	1,267	1,412	1,391	1,409	1284	1284
Right-of-Way	1,098	1,142	1,175	1,124	1117	1117
TOTAL AREA	9319 acres		14.6 square miles			

Scenarios 4A and Modified 4B represent the hybrid scenarios. The difference between 4A and Modified 4B is the designation for the area northeast of Brown Field, and a slight reconfiguration of the eastern village south of SR-905. On 4A, the area immediately north of Brown Field is designated Neighborhood Village, with the area east of SR-125 designated Open Space. On Modified 4B, the same areas are designated Business and International Trade (BIT), a new designation introduced in the City's draft General Plan. The designation allows for a wide range of uses including office, research and development, light manufacturing, and transportation terminals, and it is a designation anticipated to be applied in portions of communities adjacent to the border not characterized by light manufacturing. Staff had concerns about airport activity occurring in close proximity to residential uses, and about the possibility of the Airport Authority reconfiguring the safety/noise zones as it updates the Airport Land Use Compatibility Plan. As such, staff proposes to designate the properties with the BIT land use. In the southeastern portion of the eastern village, the Visitor Commercial, Office Commercial and BIT designations are slightly different. In Modified 4B, the Office Commercial extends to Harvest Road, and the Visitor Commercial is on the southern side of the collector road to provide similar land uses fronting the street.

For the corridor between Otay Mesa Road and SR-905, Scenario 2 proposes a mixture of Urban Village, Business Park, and Community Commercial designations, while Scenario 3 proposes a mixture of Community Commercial and Business Office designations. Within Scenarios 4A and Modified 4B, residential development is not anticipated between SR-905 and Otay Mesa Road, and proposes to designate the western portion Business and International Trade and the eastern portion Heavy Commercial. The Heavy Commercial is a designation that allows for both commercial and some industrial uses, and is appropriate along transportation corridors where community plans have allowed for both industrial and commercial uses. The new land use designations will continue to help protect Brown Field's development envelop with no residential uses north of SR-905.

In Scenarios 2 and 3, the central village centered at Cactus and Airway Roads is approximately the same amount of acreage with a different footprint/configuration. In Scenario 2, approximately 80 acres north of SR-905 is designated Urban Village, while in Scenario 3 the approximately 80 acres is shifted to the southern portion of the village, and is designated Community Village. In Scenarios 4A and Modified 4B, the central village has been reconfigured, with approximately 80 acres on the eastern portion redesignated from Community and Neighborhood Village to Business Park, Residential permitted. This will allow for transitional development between mixed use residential and business park use to the east. On the southern portion of the village, proximately 80 acres was redesignated from Business Park (Scenario 2) or Community Village (Scenario 3) to BIT. For the portions of the village that front Cactus and Airway, buffer policies would be included so that residential uses would not be adjacent to industrial use. The Community Village designation, as in Scenario 3, was applied over the portion of the village west of Cactus for Scenarios 4A and Modified 4B.

With Airway Road anticipated to be a transit corridor, the land use designations for Scenarios 4A and Modified 4B between Britannia and La Media Roads most resemble Scenario 2. Proposed

designations include Business Park, Institutional, Park, and Open Space, where Scenario 3 proposes Light Industrial along the southern side of Airway Road.

The eastern village in Scenario 2 has been reconfigured in Scenarios 4A and Modified 4B, with no residential uses designated north of SR-905. For Scenarios 4A and Modified 4B, the village area is concentrated adjacent to Airway Road in order to provide critical mass for the eastern portion of the anticipated transit corridor. North of Airway Road has a Community Village designation on approximately 80 acres, and south of Airway is designated Office Commercial, which allows for residential opportunities as part of a mixed-use project. Visitor Commercial has also been placed adjacent to SR-905, allowing for compatible uses near the freeway and Port of Entry.

The south central area designated Heavy Industrial remains the same in Scenarios 4A and Modified 4B as it was designated in Scenarios 2 and 3. The rest of the industrial land in the southern portion and the border area which was mostly Business Park in Scenario 2 and Light Industrial in Scenario 3 has been designated for Business and International Trade. This designation will allow for a wide range of storage, distribution, industrial and office uses to help maintain and promote international activities in the Port of Entry area. In accordance with the General Plan's Economic Prosperity Element, all industrially designated lands will be further evaluated for identification of the prime industrial lands.

#### *Transportation*

Trucking operations in conjunction with the Port of Entry are an important component of the Otay Mesa community planning area. City staff from multiple departments have been working with Caltrans on improvements to SR-905 and impacted City streets that allow for trucking routes to service the area and the Port of Entry. Previously, the existing truck route was used for Scenario 3, and an alternative truck route was generated for Scenario 2 based on the land use proposals. The existing truck route used for Scenario 3 would most likely be used for Scenarios 4A and Modified 4B. Further refinements to the truck routes may occur based on discussions with Caltrans, City engineering staff, and community stakeholders.

#### *Buffers/Scale*

Land use buffering concerns include adjacency issues to truck routes, freeways, and incompatible adjacent land use designations. In Scenarios 4A and Modified 4B, the Community Village and Business Park, Residential Permitted land use designations occur adjacent to SR-905. While these land use designations allow for mixed-use opportunities, transitional and buffer uses would be anticipated adjacent to the freeway, with the more sensitive receptor uses set back from the freeway. Location of housing, schools and parks within the village areas will be partially based on future air quality studies that will be conducted as a technical study for the environmental document. Where the truck routes along Britannia and La Media are adjacent to mixed-use designations that allow for residential development, again transitional or buffer uses, such as commercial or business park uses, would be anticipated along the truck routes. In the central village, where the Business and International Trade land use is adjacent to the Neighborhood Village and Business Park, Residential Permitted, transitional and buffer uses

would be anticipated. Policy language for transitional uses and buffer treatments will be developed and included in the Urban Form/Community Identity Element where more detailed guidelines for village development would occur.

In looking at the village opportunities in Otay Mesa, it is important to recognize the size of the area where villages could occur. Based on the Commissioners' request for tangible village examples, the previous consultant, under separate contract to the planning coalition, provided some examples for the Otay Mesa area (See Attachment 3). While the attachment was generated for Scenario 2, the information is still useful in determining village opportunities in the international village in the eastern area. The attachment shows the acreage for the Uptown District overlaid on an aerial of eastern Otay Mesa, and then shows how the village area in Scenario 2 could support eleven Uptown projects. The same method was used to depict the Addison Circle Project outside of Dallas Texas, an eighty-acre mixed-use phased development project. Again, the attachment shows how the village area in Scenario 2 could support four Addison Circle projects. For Modified Scenario 4B, it appears that the Village area that straddles Airway Road could support between two to three Uptown or one to two Addison Circle projects when considering some buffer or transitional uses adjacent to the freeway and La Media Road.

#### *Vernal Pool Mediation*

In December 2006, Judge Brewster rendered a December 2006 amended decision to his October 2006 ruling involving vernal pools species. Because important remaining vernal pool habitat in San Diego County is located in Otay Mesa, the parties have agreed that the conservation of Otay Mesa vernal pool habitat and species should be planned comprehensively. Mediation has occurred over the past nine months, and it appears the parties are close to agreement. While several areas within the Otay Mesa community planning area will be impacted by the future settlement agreement, the South Otay Mesa Neighborhood land uses will require reconfiguration. Because the mediation is a sensitive and confidential process, it has yet to be determined exactly how the land use designations will be depicted on the maps.

#### *Financing Strategy*

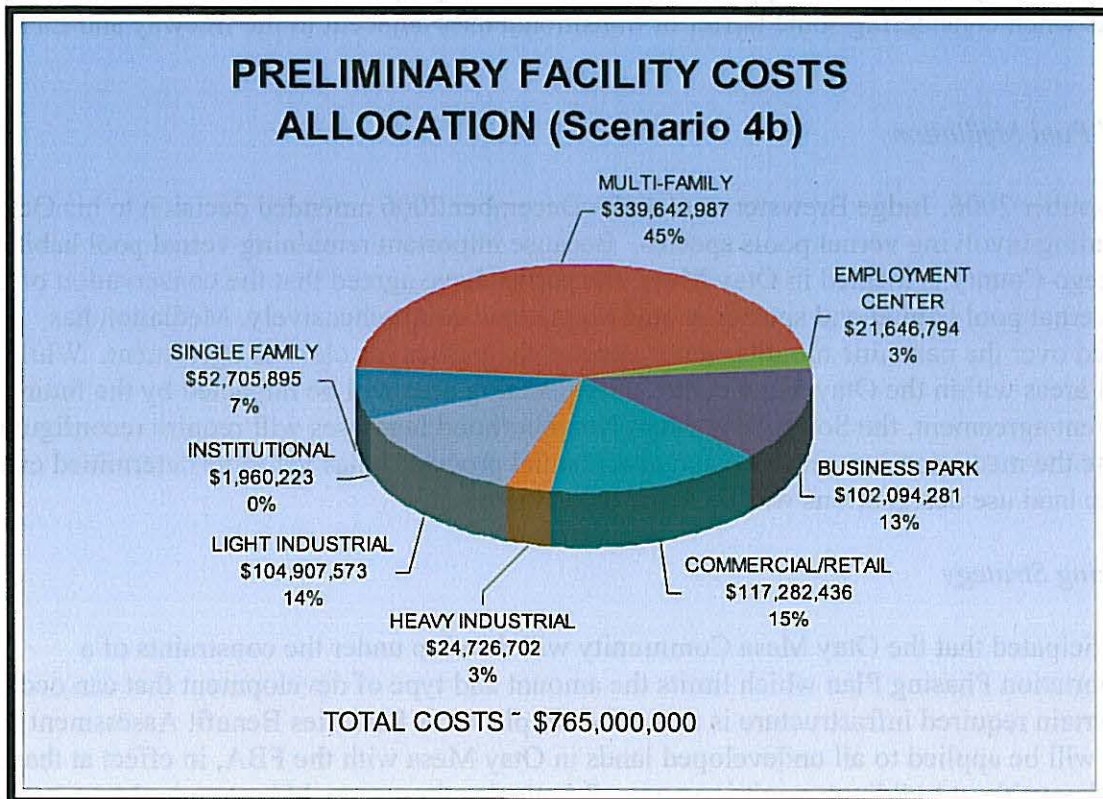
It is anticipated that the Otay Mesa Community will develop under the constraints of a Transportation Phasing Plan which limits the amount and type of development that can occur until certain required infrastructure is assured or in place. A Facilities Benefit Assessment (FBA) will be applied to all undeveloped lands in Otay Mesa with the FBA, in effect at that time, due and payable at building permit issuance. Private developers could be required to enter into reimbursement agreements with the City whereby the developers construct the required infrastructure in advance of development with reimbursement of infrastructure costs from the FBA. This strategy has been successful in funding infrastructure in advance of development within the communities of the North City Future Urbanizing Area (NCFUA).

Parks, libraries, police, and fire facilities may also be phased into the development of Otay Mesa by placing conditions upon private development prior to map approval or upon negotiation of a reimbursement agreement. Residential developers will be encouraged to enter into

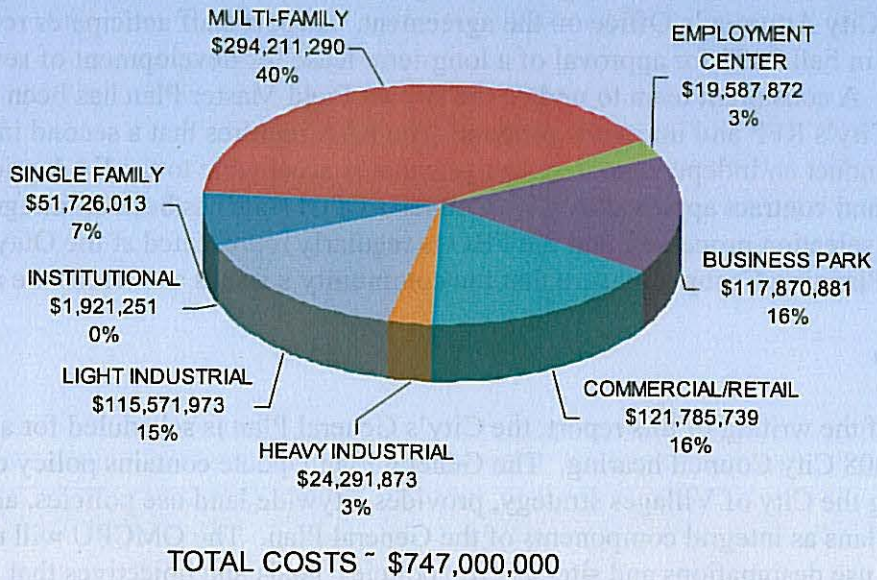
reimbursement agreements with the City whereby the developer constructs the required facilities before certain development phases will be permitted.

Other financing tools may be available for use in Otay Mesa, and include Community Facilities Districts (CFD), Assessment Districts, or Infrastructure Finance Districts (IFD).

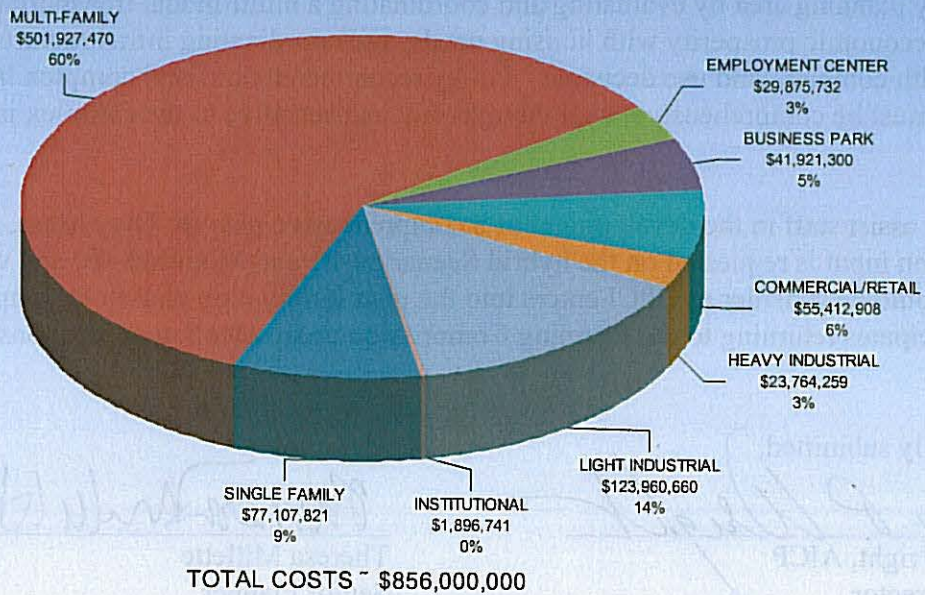
Since the last Planning Commission workshop in August 2007, City engineering staff has reviewed the estimated costs for the facilities identified as required for Scenario 2 and 3. The revised estimates are approximately 18% higher than the previous estimates available at the time of the August 2007 Planning Commission meeting. Staff has prepared a cashflow analysis for Scenario 4B using the revised cost estimates. For comparison purposes and as presented in PC Report 07-123, total facilities costs and percentages for Scenario 4B are provided in pie chart form, along with the previous pie charts for Scenarios 2 and 3. The cashflow analysis indicates that in Scenario 4(b) the facilities can be provided with an FBA of \$35,500 to \$42,600 per single family dwelling unit or \$171,400 to \$205,700 per acre of light industrial development.



## PRELIMINARY FACILITY COSTS ALLOCATION (Scenario 3)



## PRELIMINARY FACILITY COSTS ALLOCATION (Scenario 2)



*Brown Field/Cross Border Terminal*

Recently, staff from the Airports Division have interviewed and selected a Fixed-Base Operator (FBO) and a Master Plan consultant team in separate processes. The FBO has been approved by LU&H to enter into an Exclusive Negotiating Agreement and is currently working with Airport staff and the City Attorney's Office on the agreement. Airport staff anticipates returning to the City Council in Fall 2008 for approval of a long-term lease for development of several sites on Brown Field. A consultant team to update the Brown Field Master Plan has been selected through the City's RFP and interview process. The FAA requires that a second independent consultant conduct an Independent Fee Analysis that is acceptable to the FAA prior to negotiations and contract approval by City Council. CPCI staff has been an integral component through both selection processes, and the FBO is regularly represented at the Otay Mesa Community Planning Group to ensure that the community's issues and needs are addressed.

*General Plan*

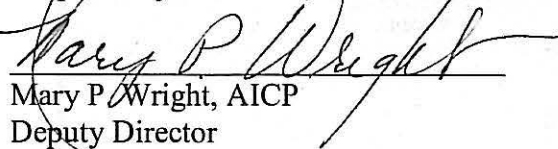
At the time of the writing of this report, the City's General Plan is scheduled for adoption at the March 10, 2008 City Council hearing. The General Plan Update contains policy direction for implementing the City of Villages strategy, provides citywide land use policies, and establishes community plans as integral components of the General Plan. The OMCPU will develop more detailed land use designations and site-specific policies, goals and objectives that will be based upon the General Plan policies and the Community Plan Preparation Manual which General Plan staff is in the process of preparing.


CONCLUSION

The Otay Mesa Community Plan Update provides a unique opportunity to implement General Plan policies and its City of Villages Strategy for comprehensively planning the Otay Mesa community planning area by evaluating and coordinating a multi-modal transportation network, balancing economic prosperity with housing needs, and coordinating infrastructure financing and phasing with complex land use decisions. Policy recommendations and complex land use decisions must be comprehensive, well thought out, and sensitive to the complex issues in Otay Mesa.

In order to assist staff in the development of a comprehensive plan for Otay Mesa, Planning Commission input is requested on the hybrid Scenarios 4A and Modified 4B, and what other aspects should be consider as CPCI enters into the plan formulation phase of the update process. CPCI anticipates returning to the Planning Commission upon selection of the consultant team and

Respectfully submitted,

  
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WRIGHT/TM

Attachments:

1. No Project Alternative and Draft Land Use Scenarios 1-3
2. Draft Land Use Scenarios 4A and 4B
3. Otay Mesa Scale Comparisons

