



THE CITY OF SAN DIEGO

REPORT TO THE PLANNING COMMISSION

DATE ISSUED: October 9, 2008 **REPORT NO. PC-08-125**

ATTENTION: Planning Commission, Agenda of October 16, 2008

SUBJECT: PALLADIUM AT AERO – Project No. 148904. Process 5

**OWNER/
APPLICANT:** Westcore Sandrock, LLC (Attachment 24)

SUMMARY

Issue(s) - Should the Planning Commission recommend Council approval to demolish existing industrial buildings to develop 412 apartments with 5,190 square feet of retail space on a 7.52 acre site located at 8655 Aero Drive in the Kearny Mesa Community Plan area?

Staff Recommendation:

1. Recommend City Council **Certify** Mitigated Negative Declaration 148904, and Adopt the Mitigation Monitoring and Reporting Program; and
2. Recommend City Council **Approve** Rezone No. 524639, General Plan and Kearny Mesa Community Plan Amendment No. 524638, Public Right-Of-Way Vacation No. 524640, Vesting Tentative Map No. 524641 and Site Development Permit No. 524637.

Community Planning Group Recommendation - The Kearny Mesa Planning Group voted, on September 17, 2008, 7:1:1 to approve the proposed actions. On September 18, 2008 the Serra Mesa Community Planning Group voted 10:1:0 to deny the project.

Environmental Review - A Mitigated Negative Declaration No. 148904 has been prepared for the project in accordance with State of California Environmental Quality Act (CEQA) Guidelines. A Mitigation Monitoring and Reporting Program has been prepared and would be implemented which will reduce, to a level of insignificance, any potential impacts identified in the environmental review process.

Fiscal Impact Statement - No fiscal impact. All costs associated with the processing of the application are recovered through a deposit account funded by the applicant.

Code Enforcement Impact - None with this action.

Housing Impact Statement - The request to redesignate approximately 7.5 acres from Industrial to Residential is being proposed to accommodate 412 residential units that are not anticipated by the adopted Kearny Mesa Community Plan; and would therefore result in an increase of the residential capacity for this community. The applicant would satisfy the City's Inclusionary Affordable Housing Regulations through the provision of 10% or 42 affordable units on site.

BACKGROUND

The current Kearny Mesa Community Plan designates the site for Industrial development and use (Attachment 1). The current zoning of the property is IP-2-1, and is consistent with the policies of the community plan for industrial use and development. The existing building located at 8593 Aero Drive was built in 1985, the building at 8601 Aero Drive was built in 1979 and the building at 8581 Aero Drive was built in 1976.

The 7.52 acre project site is located immediately west of the intersection of Aero Drive and Sandrock Road on the south side of Aero Drive in the existing IP-2-1 Zone (proposed RM-3-9 Zone) in the Kearny Mesa Community Plan area (Attachment 2). The site borders the Serra Mesa community plan area which is to the south. The site presently contains three separate legal parcels and is developed with five industrial buildings, parking and landscaping (Attachment 3). The site is not designated as being a location of prime industrial land. None of the buildings have been determined to be historically significant and environmentally sensitive lands are not found on or adjacent to the site. The property is neither adjacent to or within the Multiple Habitat Planning Area. One property is currently vacant. Montgomery Field is located north of Aero Drive. A large office complex is located on the east side of Sandrock Road. Single family residential development is immediately south of the site on Dubonnet Street. Within two miles of the site are schools, parks, a library, police and fire stations. Also adjacent to the site is a bicycle and public transportation route with bus stops.

On April 20, 2006, the Planning Commission initiated a community plan amendment process to evaluate the proposed community plan amendment. During hearing of April 20, 2006, the Planning Commission identified several subject areas for evaluation by City staff in the review of the proposed plan amendment. These issue areas are discussed in the Community Plan Analysis section of this report.

DISCUSSION

Project Description

The proposed Palladium at Aero project would demolish the existing structures, subdivide the property, and develop a 412 apartment unit project with 5,190 square feet of retail development on a 7.52 acre site located at 8655 Aero Drive within the Kearny Mesa Community Plan (Attachment 4). Should the project be approved and constructed with the proposed 412 apartment units, forty-two units, or ten percent of the total dwelling units provided, would be set aside as affordable to persons earning no more than sixty-five percent of the area median income. This would be achieved through the imposition of conditions of approval and an affordable housing agreement between the owner and the San Diego Housing Commission. In addition to the 371 apartment units available for rent at market rates, the forty-two apartments restricted through an agreement with the Housing Commission would add to the availability of affordable work-force housing in the community and in the City at large.

In preparation for the proposed development the existing buildings, site improvements and landscaping would be demolished. The proposed development would also include dedication of land for public right-of-way along Aero Drive and Sandrock Road; and physical improvements in the right-of-way to reconfigure the intersection of Aero Drive and Sandrock Road to eliminate the sweeping right turn from easterly Aero Drive onto southerly Sandrock Road. A standard right-turn lane would be constructed. The development would install a signalized intersection at the project entrance from Aero Drive, approximately 600 feet west of Aero Drive and Sandrock Road.

Proposed Deviations

The project proposes three deviations: 1) to allow the building's northeast tower corner to exceed the maximum height of the RM-3-9 Zone; 2) to allow an alternative to the planting of trees on the roof deck of the parking structure in the vehicle use area; and 3) to allow the building to observe a street side setback along Aero Drive less than required by the RM-3-9 Zone.

The RM-3-9 Zone allows a maximum height of sixty feet. The northeast corner of the proposed building would be sixty-three feet one inch. The deviation to allow an increase of the building height in a specific and limited location would add visual interest to the structure and improve the esthetics of the project in the neighborhood. The tower element in this location would provide visual relief and architectural interest.

The deviation on the parking structure would allow the construction of shade tent structures for all parking spaces located on the top deck of the parking structure, rather than providing trees in raised containers to meet the tree distribution in parking lots required by the City-wide Landscape Regulations. The purpose of providing trees within parking lots is to shade the pavement and thereby reduce the heat island effect of large expanses of pavement, and to improve the aesthetics of parking lots by including living trees. Shade tent structures would provide a superior quantity of shading on the parking structure deck when compared to living trees in this location. Trees installed in above-ground containers on the top deck of the parking

structure would not attain a height and or breadth capable of providing an equivalent amount of shade as would be permanently provided by shade tent structures. The shade tent structures would also reduce the water consumption necessary to support the project.

The RM-3-9 Zone requires a street side yard setback along Aero Drive of ten percent of the lot width or a minimum of forty-six feet six inches. The project would provide a minimum of thirty feet. The street side yard setback along Aero Drive is consistent with other existing buildings on Aero Drive at a minimum setback of thirty feet. In addition, a significant portion of the building would be setback substantially more than forty-six feet six inches. The project is required to provide a third east-bound travel lane on Aero Drive and increase the curb to property line distance from the existing ten feet to the proposed fifteen feet. These project requirements create the need for the set back deviation. In addition, the project would observe a fifty foot rear yard setback on the southern property line which is forty-five feet above the minimum required by the RM-3-9 Zone. This increase of rear yard setback would serve as a physical and visual buffer from the adjacent single-family homes. The setback deviation along Aero Drive would inject additional visual and pedestrian interest to the streetscape and results in the building shifting further to the north of and away from the existing single-family neighbors on the south side of the site.

Staff has considered the three proposed deviations and has determined the resulting design would be superior with the deviations than if the proposal complied with all the regulations of the RM-3-9 Zone, as allowed through the approval of a Site Development Permit.

Sustainable Design Features

The project would include the following features to address sustainability goals:

- All new buildings would be at least 10% more energy efficient than 2005 Title 24.
- Installation of compact fluorescent light bulbs and other types of energy-efficient bulbs
- Installation of water-conserving low-flow plumbing fixtures to increase water savings
- Recycling at least 50% of all construction waste
- Extensive on-site resident recycling program to divert waste from landfills
- Dual-glazed, low E windows
- High-performance energy-efficient HVAC
- Energy Star energy-efficient appliances
- Use of low VOC paints and adhesives
- Provision of tile flooring and Carpet with recycled content
- Use of engineered lumber for structural members reduces need for solid sawn lumber
- Use of native, non-invasive, drought-resistant planting to minimize irrigation needs
- Efficient drip irrigation system, with rain-sensors
- On-site bioswales to absorb and treat rain water collected from the rooftops, prior to flowing into storm drain systems
- Pervious pavement for infiltration of rain water, which removes pollutants and recharges ground water
- Develop an infill site with existing utilities in place

- Compact, efficient development with pedestrian access proximate to neighborhood services/resource and employment opportunities
- Reduced surface parking footprint by building tiered structure
- Located along Public Transit path, bicycle and pedestrian oriented

Architectural Design

The project proposes a two, three and four story building style where the dwelling units surround an above grade parking structure (Attachment 5). This style of design is commonly referred to as a wrap design. The design of the northern façade along Aero Drive is divided into three architectural styles to visually reduce the building's dimensional length, provide architectural interest and articulation. These styles are a blend of contemporary and modern expressions. Horizontal articulation is accomplished by varying the footprint of the building on the ground and through multiple planes in the building façade. Verticality of the building is expressed through differing roof heights and the variation of sloped and flat roof elements. Along the northern elevation and beginning at the northwest façade, Style One ranges in height from forty-six feet six inches to fifty eight feet nine inches. This portion of the building utilizes vertical elements more predominantly and includes sloped and curved roofs. The middle portion of the Aero Drive façade, Style 2 ranges in height from forty-nine feet seven inches to fifty nine feet. This segment of the building would display a more dominant horizontal and symmetrical appearance. At the northeastern corner, Style 3 ranges from forty-seven feet eleven inches to sixty two feet ten inches and presents a dominant horizontal façade yet in a more asymmetrical orientation. Each architectural segment would include a unique color palette to compliment each style.

The project site is adjacent to single family residential uses along the southern property line. The architecture is enhanced on the southern elevation to respect the single family neighbor's privacy and concerns. This portion of the project includes a reduction in the building height to address concerns of scale between the two types of residential uses. The building design would transition from four stories, to three stories, to two stories. The design of the southern elevation would also be enhanced by including a pitched, residential-type roof and other design elements such as awnings, window treatments, color and texture. The building height along the southern elevation ranges from forty-nine feet three inches to twenty-four feet ten inches (Attachment 6).

The building form contains several pocket-courtyards. This design allows a greater number of residential units to face a landscaped area and limits the horizontal dimension of any particular interior façade. This solution helps to interrupt the overall building massing. Ground level access connects these courtyards to the corridor system to facilitate pedestrian movement within the project.

The unit mixture is fifty-two percent one-bedroom dwelling units with six different floor plans and the remaining forty-eight percent of the units are two-bedroom apartments with seven different floor plans. The project would be designed, constructed and operated to be a sustainable development by achieving many sustainable elements including yet not limited to: a compact development within close proximity to existing businesses and jobs, provision of

bicycle storage and bicycle roadway network, and preferred development of an in-fill site on previously developed land.

Landscape Concept

The landscape concept for the project would provide both passive and active spaces for resident's and visitor's enjoyment while utilizing plant material that both accentuate and frame the architecture and enhances the pedestrian scale of the project. The selected street trees for Aero Drive would be consistent with those found to be healthy thriving specimens in the surrounding neighborhood. These trees would be suggested for use throughout the Kearny Mesa Community Plan to provide a community theme. Upon entering the project site, residences and guests would approach entry monuments and a pedestrian plaza. The main vehicular entrance would be identified and accented with special groupings of trees, palms, flowering shrubs, groundcovers, signage, lighting, and decorative paving. The colors from plant foliage, bark and flowers would create a distinctive entry experience.

Within the proposed site plan are seven courtyard areas which would provide passive and active spaces for the residents' diverse needs (Attachment 7). These spaces feature amenities such as a pool and spa, fireplace, barbecue counter, sculpture garden, water fountains and overhead shade trellis. The active recreational amenities include a swimming pool, spa, outdoor fireplace, BBQ areas, fitness facility, and club room, which are located in the internal courtyards, and the passive areas are located in the external courtyards. Courtyards and gathering areas throughout the development would be enhanced with stained concrete, decorative stone cobble, water features and trellis structures. Each courtyard would be uniquely different and would feature: grass pavers; focal-point sculpture; ornamental grass garden; succulent garden; ornamental boulders; fireplace; Bamboo garden; and a water curtain wall with Mexican beach pebble basin. The landscaping elements would use native, non-invasive, and/or drought-tolerant plants through out the site.

Special design consideration is to be incorporated into the southern portion of the project to provide privacy screening to and for the existing single family homes. A row of trees would be provided on the slope within the SDG&E easement. The applicant proposes a six foot wood fence at the top of the slope for privacy. Larger trees would be provided just north of the emergency access road to provide additional screening. Outdoor pedestrian spaces would be designed with consideration for persons with disabilities by careful selection of materials and the design of accessible circulation routes and site furnishings throughout the project.

Parking

The project proposes a style of building where the dwelling units surround an above grade parking structure. This style of design is commonly referred to as a wrap design. The residential portion of the project is providing an average of 1.8 parking spaces per dwelling unit which results in an excess of twenty-one spaces beyond the required minimum. The commercial portion of the project would provide twenty-five surface parking spaces. The project would also provide a minimum of forty-one motorcycle spaces and storage for 196 bicycles. The parking garage would be accessed directly from Aero Drive. Parking spaces would be assigned to

residents on the same parking level as their living unit. From the parking structure residents would enter an internal corridor system through a transition lobby leading to the front entry door of the dwelling unit. The parking design also connects to the pedestrian circulation paths of the site plan.

Grading and Public Improvements

Preparation of the 7.52 acre site for the proposed development would involve demolition of existing industrial/commercial buildings and associated onsite parking lots. Approximately 21,440 cubic yards of imported soil would be required for the proposed design. The site has been designed to allow any potential runoff pollutants to be treated to the maximum extent practicable through a private storm drainage system prior to discharging storm water runoff into the adjacent public streets. In addition, the elevation of the site would be raised to allow surface drainage from the site to Aero Drive. There would be net reduction in the peak flow of storm water runoff generated from the site as a result of the development.

The site has been designed so that no retaining or crib walls would be required to construct the proposed development. Deepened footings would be designed in various locations, as noted on the Vesting Tentative Map. There would be 2:1 slopes in several locations on the site to match the existing grades along the project boundary. Additional remedial grading may be required pending information obtained from as-graded soil reports and/or results from additional subsurface soil exploration to determine the limits underlying Lindavista Formational soil.

Demolition of the existing intersection at Sandrock Road and Aero Drive would result in the relocation of existing infrastructure. This would include yet not be limited to the traffic signal, public street light, franchise utilities and other improvements. As such, the City would vacate approximately 0.15 acres to remove the free sweeping right turn and square up the intersection by installing new curb and gutter. Also as part of this proposal, the applicant would provide the necessary street improvements along the entire project frontage. This would involve adding a dedicated right-turn lane from Aero Drive onto Sandrock Road and a 5 foot parkway. The street widening would require a fourteen foot street dedication along Aero Drive and a smaller section which varies in width along Sandrock Road in order to accommodate the new parkways. Other public improvements include but are not limited to the following;

- Lane re-striping
- Aero Drive median modifications to accommodate turn pockets at a new traffic signal and lengthening the east bound left turn lane on Aero Drive at Sandrock Road.
- Standard driveway curb cut for parking structure ingress and egress
- Signalized intersection at main project entrance with two thirty foot radius curb returns
- Installation of new street lights, rolled curb for fire access lanes, new water meters, new Type 'A' curb outlets and relocation of existing fire hydrants

Community Plan Analysis

The 7.52 acre site is designated as Industrial and Business Parks by the Kearny Mesa Community Plan (Attachment 1). The requested General Plan and Community Plan Amendment would create

a new land use designation of High Density Residential at a density range of 45-74 dwelling units per acre and apply this designation to the site to accommodate a 412-unit multi-family residential project at a density of approximately 55 dwelling units per acre (Attachment 8). In addition, staff worked with the applicant to develop Design, Streetscape, and Streetyard Guidelines for Aero Drive between Kearny Villa Road and Ruffin Road which would be included in an appendix to the community plan (Attachment 8).

Planning Context

The primary goal of the 1992 Kearny Mesa Community Plan (Plan), which includes 3,607 acres, was to provide for a mix of uses to support its role as one of the pre-eminent employment areas in the City. At the time, these uses were comprised primarily of industrial, office and retail uses. Global technological and economic changes have resulted in the general migration of many high-technology industries to the northern areas of the City. However, Kearny Mesa remains a significant employment center in the central portion of the City of San Diego due to its excellent freeway access and its ability to maintain important defense and aerospace manufacturing industries. Kearny Mesa has also diversified to include high technology industries such as software development and manufacturing.

The 1992 Plan also included residential development associated with the original Stonecrest Specific Plan and a total of 443 low-density mobile home and single-family units. Development intensity is limited in the Plan through a 0.35 Floor Area Ratio (FAR) for commercial development and a 0.5 FAR for industrial and office development.

Numerous amendments to the Plan have been approved since 1992, many of which focused on shifting land uses from industrial and office designations to multi-family residential designations. The Stonecrest and the New Century Center Specific Plans and general/community plan amendments have resulted in over 3,000 multi-family units and other conversions of industrial/office sites have resulted in 700 additional multi-family units. These additional units have provided a source of workforce housing which supports the continued use of Kearny Mesa as an employment center.

Land Use Change

The proposed General Plan and Community Plan Amendment would add a new land use designation, High Density Residential at a density range of 45-74 dwelling units per acre, to the Kearny Mesa Community Plan which would allow between 338 and 555 dwelling units. The amendment would accommodate the proposed 412 units which equals 55 dwelling units per acre. This density range is consistent with a General Plan land use designation that permits the same density range. In addition, the RM-3-9 Zone, which allows up to 72 dwelling units per acre, would be applied to the site.

The land use change from industrial to residential is consistent with many objectives of the Plan. The residential element of the Plan includes the policy of encouraging residential development on urban infill sites within mixed-use projects. The Plan allows light industrial, manufacturing and professional office uses within the Industrial/Business Park designation while specifically

identifying these sites as requiring sensitive transitions when located adjacent to residential uses. The change from industrial to residential use has the potential to eliminate some potential land use conflicts with the adjacent residential neighborhood to the south.

The General Plan

The project, including the General Plan and Community Plan Amendment, was submitted and deemed complete prior to the updated 2008 General Plan and was therefore primarily reviewed for consistency with the previous Progress Guide and General Plan, including the 2002 Strategic Framework Element (SFE). The SFE places limitations on the redesignation of employment land, which were further refined with the Prime Industrial Land policies in an early draft of the Economic Prosperity Element of the 2008 General Plan update. Staff recommended the conversion of industrial land be evaluated for consistency with these policies since the General Plan was adopted in the interim. This adopted plan includes a map of Prime Industrial Land, however, this immediate area was never considered to qualify as Prime Industrial based on the criteria in General Plan. Most of these issues are addressed in the West Aero Drive Land Use study (Attachment 9). The site's existing IP-2-1 zoning is relatively restrictive, but does not match the actual conditions on the ground. The existing older industrial buildings in the area are not suitable for the requirements of modern industrial users. The market study provided by the applicant (Attachment 10) indicates the market for industrial use in the area is extremely limited. Over half of the area is developed with non-industrial uses some of which are public assembly (church), and residential (Parkview Aero Court and single-family) which are not conducive to industrial operations. Although the community has excellent transportation access and is near some areas where technology workers reside, it is not in close proximity to resources of extraordinary value such as ports, the international border, or major universities. In summary, once the Prime Industrial Land policies were adopted with the General Plan, the conversion of "Other Industrial Land" sites to residential use is not considered significant.

As "Other Industrial Land", the project site is subject to the Collocation/Conversion Suitability Factors contained in an Appendix to the General Plan (Attachment 11). As part of this evaluation, a review of all APCD permits within ¼ mile of the project site was conducted (Attachment 12). A permit for an aviation gasoline dispensing facility is located over 1,000 feet from the site. In general, the project and site characteristics indicate there are no significant obstacles to converting this land from industrial to residential.

The recently adopted General Plan identifies Kearny Mesa as a Subregional District and states the following in Appendix 3, EP-3: "In the long term, consideration should be given to additional office employment uses in these areas and multifamily residential uses, particularly along the commercial transit corridors. Certain other areas such as those to the north and east of Montgomery Field, have remained primarily industrial, characterized by both light and heavy manufacturing operations and large scale distribution centers. They are an important source of employment for the surrounding communities and an essential part of the City's overall economic base."

The proposed General Plan and Community Plan Amendment achieves the important General Plan Housing Element objective to make land available for additional housing. The project

would provide 412 dwelling units and would be adequately served by public facilities within the Kearny Mesa Community. The proposed density at 55 dwelling units per acre is somewhat higher than most of the other densities currently allowed for multi-family housing in the Plan and may be considered an additional increase to the Citywide housing supply from this community. The proposed amendment would achieve General Plan objectives to make land available for higher density housing. City-wide policy also recommends each community plan contain a balanced mix of land uses and housing types.

The project would support mobility by promoting walkability through a ten-foot wide non-contiguous sidewalk along Aero Drive and Sandrock Road with a five-foot landscaped parkway as well as on-site landscaping to improve the pedestrian experience along these roads. The project site is also proximate to two bus stops east and west of the intersection of Aero Drive and Sandrock Road, as well as bike lanes on Aero Drive.

Sustainability goals have been addressed by the design of this project beginning with the dense pattern of development which concentrates growth in areas that are already developed and does not promote sprawl or greenfield development. In addition, the project would incorporate conservation features such as ensuring new buildings would be at least 10% more energy efficient than Title 24 requirements and ensuring that at least 50% of all construction wastes would be recycled. In addition, the project would include other sustainable features such as water conserving fixtures and drought resistant planting.

Design Review Process

A significant issue with the project early in the review process was its compatibility with adjacent development, particularly the adjacent single-family homes to the south. The sixty foot tall building would be the tallest building in an area characterized by a variety of building heights (Attachment 13). The applicant provided a massing study (Attachment 14) which depicts the scale and size of the proposed structure relative to adjacent developments. The structure would cover a majority of the site, which has an approximately 700-foot frontage on Aero Drive, resulting in the largest building in the vicinity. City staff worked with the applicant on a redesign of the initial project in order to meet the urban design objectives of the Plan and minimize the impact of the project to adjacent uses.

Along Aero Drive (Attachment 5) the original plan contained a more uniform appearance on the north elevation. As a result of staff input, the project was redesigned and would create three different styles and other architectural amenities described in the architectural design section of this report. In addition, a major 70-foot wide offset was included on the east side of the façade on Aero Drive. Most significantly, the applicant and staff drafted Design, Streetscape, and Streetyard Guidelines which would apply to all of the properties on Aero Drive between Kearny Villa Road and Ruffin Road (Attachment 8). The guidelines provide for an enhancement to the streetscape on Aero Drive by providing additional pedestrian and landscape amenities, consistent streetyard areas, and architectural and site design direction to properties redeveloping in this corridor.

The project's initial site plan included grasscrete paving in the rear buffer area to serve as a fire lane. The applicant proposed its replacement with stamped concrete to satisfy the neighbors concerns regarding activities in the rear. Staff has conditioned the project to restore grasscrete for at least 75% of the 26-foot-wide fire lane in order to provide an additional landscaped amenity for future residents of the project. Another condition resulting from staff's review included replacing the proposed six-foot wall at the top of slope at the southerly side of the proposed building with a nine foot high fence to be six-foot solid wood with three feet 50% open at the bottom of the slope adjacent to the property line with the single-family homes. The applicants proposed wall would have created a long 5-foot wide space between the fences of the homeowner and proposed wall.

Finally, the south elevations (Attachment 5) were modified to provide two two-story insets, twelve feet deep, at each end of the elevation to provide an additional step-back to the three-story element which is located approximately fifty-two feet from the property line. The four-story element is located approximately 75 feet from the rear property line with the remainder of the building and parking garage stepped back even further. The south elevation was further modified to provide additional awnings, articulation, patios and balconies on the side elevations facing into each of the courtyards. In addition, a finer level of architectural detail has been added to the south elevation to be more compatible with the adjacent single family. Elevations include; decorative awnings, moldings & truss braces, enhanced veneer, decorative wall recesses, shed and parapet roofs as well as high windows to promote privacy and allow natural light (Attachment 6).

The project proposes three different deviations all of which are consistent with the Kearny Mesa Community Plan. First the project proposes to exceed the height of the RM-3-9 Zone with a tower element in the northeast corner. The Urban Design Element of the Community Plan calls for the rooflines of new structures to be varied to increase visual interest and to avoid box-like building appearances. The second deviation request is to allow shade structures on the parking deck instead of the required trees within vehicular use areas. The Urban Design Element of the Plan states that, parking structures should be integrated with adjacent buildings through the use of similar architectural treatment. The third deviation is a request to allow a street side setback to be 30 feet instead of the required 46 feet. A portion of the Aero Drive setback is substantially greater than 46 feet to provide variation and break up the building mass along the street side. In addition the project is proposing a 15-foot public parkway to accommodate a landscaped parkway, street trees and a wider sidewalk.

Planning Commission Initiation Issues

The General Plan and Community Plan Amendment was initiated by the Planning Commission on April 20, 2006. At the meeting, several issues were identified for future analysis. Planning Commission issues and staff responses are included as Attachment 15 to this report.

Community Planning Group Review

The proposed project and Plan amendments were reviewed by the Kearny Mesa Community Planning Group at several meetings between 2006 and 2008. On September 17, 2008 the Kearny Mesa Community Planning Group voted 7-1-1 to recommend approval of the project (Attachment 15).

Since the site is adjacent to residential uses in the Serra Mesa Community Planning area, the proposal was also reviewed by the Serra Mesa Community Planning Group. The applicant met with the group and a subcommittee of the group to discuss the project at various intervals in the last six months. On September 18, 2008, the Serra Mesa Planning Group voted 10-1-0 to recommend denial of the project citing concerns with bulk and scale, inadequate parking and the project's setback from Aero Drive (Attachment 16).

Environmental Analysis

The City of San Diego conducted an Initial Study which determined the proposed project could have a significant environmental effect in the following areas: Health and Public Safety and Public Utilities (Solid Waste). Subsequent revisions in the project proposal create the specific mitigation identified in Section Five of the Mitigated Negative Declaration. The project as revised now avoids or mitigates the potentially significant environmental effects previously identified. Should the project be approved a Mitigation Monitoring and Reporting Program would be required to address these potential effects and has been made a condition of approval.

Proposed modifications

Staff recommends approval of the project, with two design modifications:

The first modification would be to not construct a six foot high wall at the top of the slope and instead build a fence of wood construction adjacent to the existing fences along the neighboring property line on the south. This fence would be nine feet high with six feet of solid wood and three feet of wood with 50% open. The second modification would be to construct the twenty-six foot wide emergency access lane on the south side of the project with a minimum of 75% grasscrete or equivalent planted with turf and maintained at no higher than two inches.

CONCLUSION

Staff has reviewed the request for a Rezone from the existing IP-2-1 Zone to the proposed RM-3-9 Zone, General Plan and Kearny Mesa Community Plan Amendment, Public Right-Of-Way Vacation, Vesting Tentative Map and Site Development Permit to subdivide and develop 412 apartment units and 5,190 square feet of retail development on a 7.52 acre site located at 8655 Aero Drive within the Kearny Mesa Community Plan. All issues identified through the review process have been resolved in conformance with adopted City Council policies and regulations of the Land Development Code, except for the proposed two modifications A and B. Staff has provided draft findings to support approval of the development permit (Attachments 18 and 19) and draft conditions of approval (Attachments 18 and 20), with the proposed two

modifications. Staff is recommending the Planning Commission recommend the City Council approve the project as proposed, with the proposed two modifications.

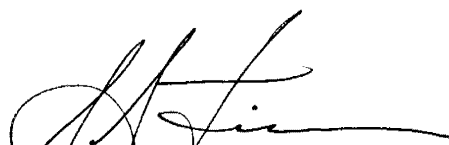
ALTERNATIVES

1. **Approve** Rezone No. 524639, General Plan and Kearny Mesa Community Plan Amendment No. 524638, Public Right-Of-Way Vacation No. 524640, Vesting Tentative Map No. 524641, Site Development Permit No. 524637, **with additional modifications.**
2. **Deny** Rezone No. 524639, General Plan and Kearny Mesa Community Plan Amendment No. 524638, Public Right-Of-Way Vacation No. 524640, Vesting Tentative Map No. 524641, Site Development Permit No. 524637, **if the findings required to approve the project cannot be affirmed.**

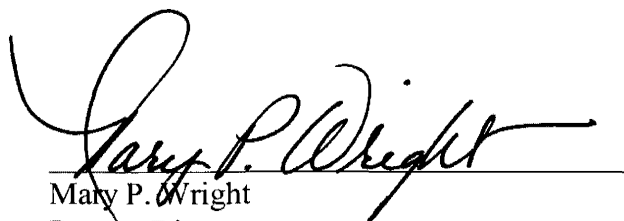
Respectfully submitted,



Mike Westlake
Program Manager
Development Services Department



John S. Fisher
Development Project Manager
Development Services Department



Mary P. Wright
Deputy Director
City Planning & Community Investment Department

BROUGHTON:JSF

Attachments:

1. Kearny Mesa Community Plan Land Use Map
2. Project Location Map
3. Aerial Photograph
4. Proposed Site/Landscape Plan
5. Proposed Elevations; North, South, East and West
6. Enhanced Southern elevation
7. Pocket Courtyards
8. Draft Kearny Mesa Community Plan Amendment (under separate cover)
9. West Aero Drive Land Use Study – 2008 (under separate cover)

10. Palladium Project Market Feasibility Study (under separate cover)
11. Collocation/Conversion Suitability Factors
12. ACPD Permits within ¼ mile
13. Height Survey
14. Massing Study
15. Planning Commission Initiation Issues
16. Kearny Mesa Community Planning Group Recommendation
17. Serra Mesa Community Planning Group Recommendation
18. Draft Map Conditions and Subdivision Resolution
19. Draft Resolution with Findings
20. Draft Permit with Conditions
21. Draft Rezone Ordinance
22. Proposed Zoning Drawing
23. Project Plans (under separate cover)
24. Ownership Disclosure Statement
25. Project Chronology
26. Project Data Sheet

**Kearny Mesa
Palladium
Aerial Map**

Latitude 33

Planning and Engineering
4911 Pennsylvania Drive, San Diego, CA 92121
619.717.2611 • Fax 619.717.2614



PROJECT SITE

AERO DRIVE

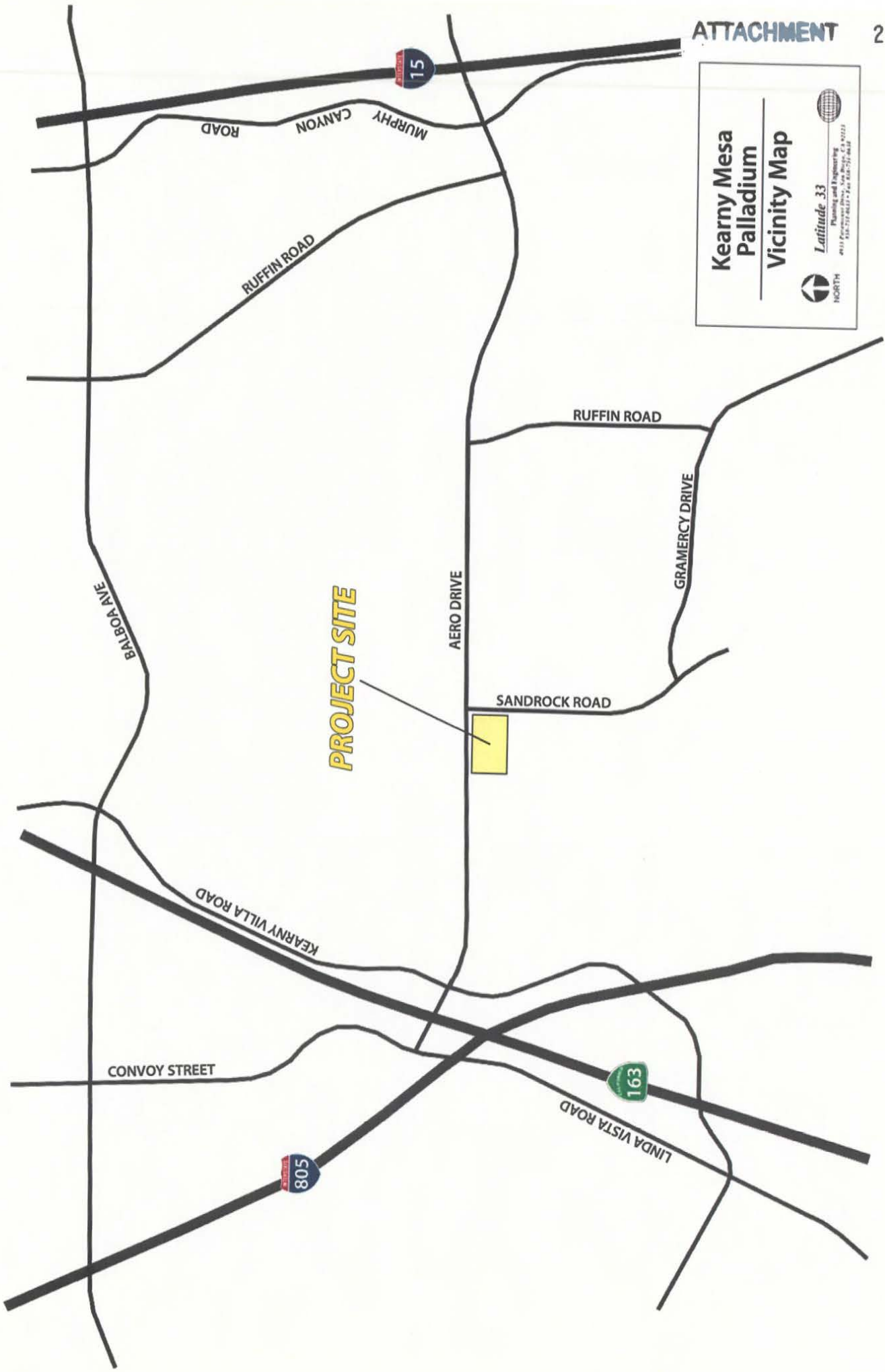
SANDROCK ROAD

AFTON ROAD

VILLA ROAD

KEARNY





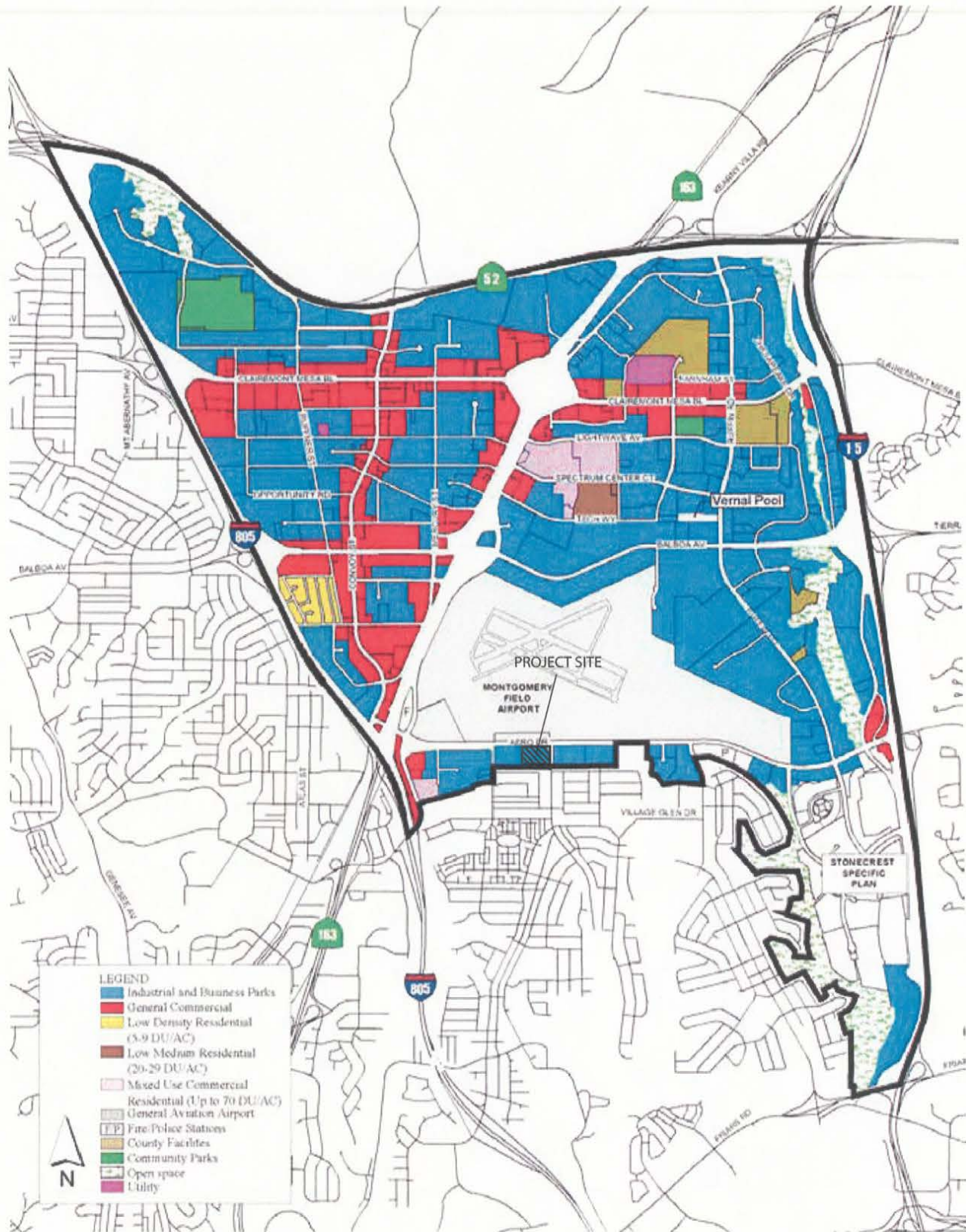
**Kearny Mesa
Palladium
Vicinity Map**



Latitude 33

Planning and Engineering
4011 Pecos Street, Suite 200
Boulder, CO 80504
Tel: 303-440-1111 • Fax: 303-440-1112





Recommended Land Use
Kearny Mesa Community Plan

4
FIGURE



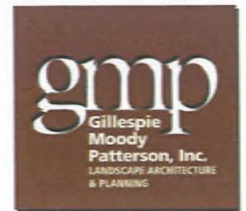
PALLADIUM AT AERO

SAN DIEGO, CALIFORNIA

ARCHITECTS ORANGE

144 NORTH ORANGE ST., ORANGE, CALIFORNIA 92866 (714) 639-9860

WESTCORE / WERMERS PROPERTIES



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AERO DRIVE	REVISION 4:
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PROJECT NAME:	REVISION 2:
WESTCORE - AERO DRIVE	REVISION 1: July 9, 2008
SHEET No. / TITLE:	ORIGINAL DATE: 12.13.07
L1.0 - LANDSCAPE DEVELOPMENT PLAN	SHEET 18 OF 20
	DEP#
	GMP JOB # 07-124



NORTH ELEVATION - AERO DRIVE



SOUTH ELEVATION

PALLADIUM AT AERO
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SAN DIEGO, CALIFORNIA



WESTCORE / WERMERS PROPERTIES

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PROJECT ADDRESS:	3416 ORANGE STREET, ORANGE, CA 92667	REVISION 11:	12.22.08
PROJECT NAME:	PALLADIUM AT AERO	REVISION 10:	08.19.08
PROJECT NO. / TITLE:		REVISION 9:	07.09.08
ORIGINAL DATE:	07.27.08	REVISION 8:	
SHEET NO. / TOTAL:		REVISION 7:	
		REVISION 6:	
		REVISION 5:	
		REVISION 4:	
		REVISION 3:	
		REVISION 2:	
		REVISION 1:	

EXHIBIT
BUILDING ELEVATIONS - NORTH & SOUTH

MATERIALS AND FINISH LEGEND

DESCRIPTION

- 1 STUCCO
- 2 DECORATIVE BRACKET
- 3 DECORATIVE CORNICE
- 4 ENHANCED SIDING MATERIAL
- 5 DECORATIVE TRIM
- 6 RETAIL SIGNAGE
- 7 AWNING
- 8 RAILING
- 9 ENHANCED VENEER
- 10 STOREFRONT GLAZING SYSTEM
- 11 ENHANCED ROOFING MATERIAL



EAST ELEVATION (SANDROCK ROAD)



WEST ELEVATION

PALLADIUM AT AERO
ARCHITECTS ORANGE
 144 NORTH ORANGE ST., ORANGE, CALIFORNIA 92666 (714) 639-9860

SAN DIEGO, CALIFORNIA



WESTCORE / WERMERS PROPERTIES

0 5' 10' 20'
 SCALE: 3/32"=1'-0"

07-122 October 3, 2008



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PROJECT NAME:	REVISION 2:
PALLADIUM AT AERO	REVISION 1:
SHEET No. / TITLE:	ORIGINAL DATE:
A4.3	01.21.08
BUILDING ELEVATIONS - EAST & WEST	SHEET 11 OF 20