

THE CITY OF SAN DIEGO

REPORT TO THE PLANNING COMMISSION

DATE ISSUED:

October 10, 2013

REPORT NO. PC-13-114

ATTENTION:

Planning Commission, Agenda of October 24, 2013

SUBJECT:

THE WATERMARK-PROJECT NO. 180357

PROCESS FIVE

OWNERS/

Scripps Highlands Partners, LLC (Attachment 19)

APPLICANTS:

SUMMARY

Issues: Should the Planning Commission recommend to the City Council approval of a new 602,000-square-foot retail commercial development project proposed on a 34.5-acre site located at 10137 Scripps Gateway Court, within the Miramar Ranch North Community Planning Area?

Staff Recommendation:

- 1. Recommend Certification of Environmental Impact Report No. 180357, Adoption of the Mitigation Monitoring and Reporting Program, and the Applicant's Findings and Statement of Overriding Considerations; and
- 2. Recommend Approval of Amendments to the General Plan and the Miramar Ranch North Community Plan No. 651696, Rezone No. 651700, Vesting Tentative Map No. 651698, Conditional Use Permit No. 651699, Public Right-of-Way Vacation No. 651743, Planned Development Permit No. 651597 and Easement Vacation No. 1112013.

<u>Community Planning Group Recommendation</u>: At their May 7, 2013, meeting the Miramar Ranch North Community Planning Group voted 6-0-2 to recommend approval of the proposed project with no recommendations (Attachment 17).

Environmental Review: Environmental Impact Report No. 180357 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 which will

reduce, to below a level of significance, most potential impacts identified in the environmental review process. The applicant has also provided Findings and Statement of Overriding Considerations for significant and unmitigable impacts.

<u>Fiscal Impact Statement</u>: None with this action. Project costs are paid by the applicant through a deposit account.

Code Enforcement Impact: None with this action.

<u>Housing Impact Statement</u>: The proposed project would have a neutral impact on housing. The Miramar Ranch North Community Plan currently designates this site for Industrial Development. The Industrial Element of the community plan further identifies this site for an Industrial Park. This project would not remove or add any housing to the Miramar Ranch North Community. Therefore, the proposed commercial office and retail center would not result in an increase or decrease in existing or proposed housing units.

BACKGROUND

The 34.5-acre project site is located at 10137 Scripps Gateway Court directly to the east of the Scripps Poway Parkway off ramp of Interstate 15 (Attachment 1). Currently the site is designated for Industrial Park use in the Miramar Ranch North Community Plan, and is zoned IP-2-1 (Industrial Park) (Attachment 2). To the east and southeast are the Scripps Highlands single-family residential neighborhoods. To the north across Scripps Poway Parkway is a retail commercial site with hotel, financial and restaurant uses. Interstate 15 is directly to the west and single-family residential is across the canyon to the south. The site is also located in the Federal Aviation Administration (FAA) Notification Area for the Marine Core Air Station (MCAS), the MCAS Airport Land Use Compatibility and the MCAS Airport Influence Area.

The project site is the last area to be developed under the Scripps Gateway, Planned Industrial Development (PID) Permit project approved on September 29, 1998, by the City Council (LDR No. 92-0466) which resulted in the subdivision of the 242-acre property and zoning for residential, commercial retail, and industrial park. The original PID was subsequently amended in 2001 to allow MedImpact Healthcare Systems to construct a 658,456 square-foot, seven building campus. An extension of time was approved in 2005. In 2008, the first MedImpact building was constructed. In 2009, a Substantial Conformance Review was approved to relocate buildings and reallocate square footage among the buildings.

The project site is comprised of graded pads of different elevations separated by slopes. Currently nine lots occupy the site (Attachment 4). Lot 1, in the eastern area of the site, is 4.16-acres and developed with a 155,000-square-foot, six-story, Class A office building and a four-level above grade parking structure for the Corporate Headquarters of MedImpact Healthcare Systems Incorporated, built in 2008. In 2009 a Substantial Conformance Review was approved to entitle Lot 2 for a 195,000-square-foot MedImpact building to complete the Corporate Headquarters campus. Although no construction has occurred on Lot 2, building permits can be issued and construction can proceed in accordance with the existing, vested approvals. Lots 3-6 (Sheet 3, Attachment 4) are

vacant and were previously graded under the Scripps Gateway project in 2002. Lots 7-9 are slope and landscape easements. Elevations of the graded pads range from approximately 500 feet in the northwest portion of the site to approximately 585 feet in the southeast portion of the site.

On February 8, 2007, the Planning Commission approved, by a vote of 5-0, an Initiation to amend the Miramar Ranch North Community Plan and the General Plan to redesignate approximately 30 acres from Industrial/Business Park to Commercial and Industrial (Reference, PC Report No. 07-019, Attachment 21). Analysis of this request is provided in the Community Plan Analysis section of this report and responses to the Community Plan Amendment Initiation Issues have been provided in Attachment 13.

The proposed project requires the following discretionary actions:

- 1. An amendment to the General Plan to change the land use designation from Industrial to Regional Commercial and to remove the Prime Industrial Lands identification on 22.42-acres of the 34.5-acre site;
- 2. An amendment to the Miramar Ranch North Community Plan to change the land use designation from Industrial/Business Park to Regional Commercial on 22.42-acres of the 34.5-acre site;
- 3. A rezone of 22.42-acres from the IP-2-1 (Industrial-Park) Zone to the CR-2-1 (Commercial Regional) Zone;
- 4. A Vesting Tentative Map (VTM) to subdivide the existing nine lots into 15 lots;
- 5. An amendment to Planned Development Permit (PDP) No. 17234 and 99-1027 for deviations from the applicable development regulations for height;
- 6. An amendment to Conditional Use Permit (CUP) No. 174323 and 99-1027 for the proposed theater which is over 5,000 square feet;
- 7. A Public Right-of-Way (PROW) Vacation to vacate Scripps Gateway Court;
- 8. Easement Vacations of existing general utility easements.

The project is a Process 5 City Council decision due to the requests for the General/Community Plan Amendment, Rezone, PROW Vacation and Easement Vacations.

DISCUSSION

Project Description:

The project proposes to redevelop approximately 22 acres of the 34.5-acre site to construct approximately 602,000 square feet for a variety of retail stores, restaurants, a standalone market,

office buildings, a movie theater and a hotel. The project also proposes the construction of a five-level parking structure located parallel to the freeway off-ramp in the southwest portion of the site along with other additional surface parking throughout the site. The building heights would range from one to six stories. The project includes pedestrian areas and gathering places with an oversized water feature as a focal point. The Watermark Design Guidelines (Attachment 5) address form, colors and materials for the future commercial office and retail components of the project as well as landscape, lighting and streetscape. Project access is taken from a primary entry off Scripps Highlands Drive and a secondary right-in/right-out driveway from Scripps Poway Parkway. The entry from Scripps Highlands Drive continues into the project site along Scripps Gateway Court and continues to the western perimeter of the site where access is available to the parking structure and surface lots. Access off Scripps Poway Parkway requires an additional five feet of right-of-way dedication and allows access to the surface lots in the northeast or the parking structure.

Of the approximately 34.5-acre site, roughly 18.9 acres would be re-graded for the proposed project. Grading would also include access off Scripps Poway Parkway, a basement level below the proposed theater and the parking structure. Earthwork would require approximately 65,000 cubic yards of material to be exported.

Based on the Municipal Code requirements, 1,982 parking spaces would be required for the commercial/office uses of the proposed project. The project proposes to provide 2,191 parking spaces to serve the range of uses. The parking structure would provide 1,727 parking spaces in five levels. An additional 246 parking spaces are provided through various surface parking lots and 218 parking spaces provided within an adjacent existing off-site garage in the MedImpact Building One.

The project is located within the Federal Aviation Administration (FAA) Notification Area for the Marine Core Air Station (MCAS), the MCAS Airport Land Use Compatibility and the MCAS Airport Influence Area; however, the project has received clearance from the all of necessary agencies that the proposed project is not a hazard to air navigation.

The various discretionary actions are summarized below:

Community Plan/General Plan Amendment and Rezone

As part of this project, the applicant is requesting approval of an amendment to the General Plan and Miramar Ranch North Community Plan to change the land use designation from Industrial/Business Park to Regional Commercial and to remove the Prime Industrial designation for 22.42-acres. The remaining 12.54-acres are to remain Prime Industrial. The amendment would include revising relevant maps, tables and text to reflect the proposed Commercial land use designation (Attachment 12).

The project site is currently zoned IP-2-1 (Industrial-Park) and allows for a mix of light industrial and office uses. The purpose of the existing zone is to provide for high quality science and business development. Restrictions on permitted uses in this zone are provided to minimize commercial influence.

The project also proposes to rezone the 22.42-acre portion of the site from the existing IP-2-1 zone to the CR-2-1 (Commercial-Regional) zone. The CR zones provide for a broad mix of business professional office, commercial services, retail, wholesale, and limited manufacturing uses and allows for regional-serving commercial and limited industrial uses with an auto orientation but no residential use. Lots 1 and 2 as shown on Sheet 3 (Attachment 4) which includes the MedImpact facilities (11.97 acres) would remain IP-2-1.

The amendment to General Plan and Community Plan would facilitate the proposed rezone and provide a balance between industrial and commercial land uses.

Vesting Tentative Map

A Vesting Tentative Map (VTM) is required to subdivide the existing nine lots (Attachment 4) into 15 lots: 13 lots for commercial, one (1) lot for an open space easement, and one (1) lot for a landscape easement. Portions of the existing MedIpmact, Lots 1 and 2 will be utilized by the Watermark project to accommodate the hotel and a proposed restaurant. The VTM also details the proposed grading, street vacation, and easement abandonments for the project as well as necessary infrastructure, and has been prepared in accordance with the guidelines of the State Subdivision Map Act and the City of San Diego requirements.

Planned Development Permit

In 2005, an extension of time was approved for the original Planned Industrial Development (PID). During that process, the PID was converted to Planned Development Permit (PDP) No. 174324 since the City no longer processes PIDs. The project proposes to amend the existing PDP to allow flexibility in development regulations for the proposed construction of the development. The project proposes design guidelines, which present the overall site development and architectural character, and addresses form, colors and materials for the future commercial office and retail components of the project as well as landscape, streetscape and lighting (Attachment 5).

As allowed through the Planned Development Permit process, the applicant is requesting deviations to accommodate the proposed development, all of which are supported by staff and the community planning group. The deviations are summarized as follows:

Height Deviations

The proposed CR-2-1 Zone specifies a maximum height of 60 feet. The applicant proposes nine deviations to the maximum height of the zone. The deviations have been requested to allow implementation of building heights, architectural elements, and to accommodate height of the parking structure and its shade/canopy elements. A deviation for structure height on the plaza enables the development of a landmark architectural feature, such as a clock tower, bell tower, or other architectural features to designate the gateway to the community. The architectural features are complimentary to the project's architecture and the architecture of the existing Med

Impact office buildings. This will assist in achieving an objective of the Community Plan to develop the Mercy Interchange area as an attractive gateway to the community. Such features will provide a visible landmark to I-15 travelers, as well as persons entering Miramar Ranch North. All other development regulations for the underlying zone shall apply to the project.

The building locations are shown on the Site Plan, sheet 14 of 37 within the plan set (Attachment 4). Below is a list of the deviations for each proposed building. Some of the buildings meet the height requirement but add an architectural detail that exceeds the overall structure height.

		Zone CR-2-1		
Building	Allowed	Max. Structure	Max. Height	Deviation
	Height	Height	Architectural Features	
Building C (Market)	60 feet	60 feet	70 feet	10 feet
Building E	60 feet	70 feet	70 feet	10 feet
Building F	60 feet	70 feet	70 feet	10 feet
Building G	60 feet	70 feet	70 feet	10 feet
Building H	60 feet	85 feet	100 feet	40 feet
(†heater)				
Building K	60 feet	60 feet	85 feet	25 feet
Building L (Hotel)	60 feet	85 feet	100 feet	40 feet
Building M (Office)	60 feet	95 feet	103 feet	43 feet
Building P (Garage)	60 feet	85 feet	100 feet	40 feet

Note: the elevations are conceptual and the heights of the buildings will vary but will not exceed the height indicated in Table 1.

Conditional Use Permit

Originally, the existing Conditional Use Permit (CUP) was intended to allow a childcare center to serve the MedImpact campus. The potential use of the childcare center will remain for the Med Impact building. The Watermark project is proposing a theater in the northwest portion of the site, wrapped with retail stores at the base. The size of the theater could range from 5,000 to up to 45,000 square feet. Any theater over 5,000 square feet requires a CUP in accordance with San Diego Municipal Code (SDMC) Section 141.0623. The existing CUP is required to be amended to include the theater use.

Public Right-of-Way Vacation

A Public Right-of-Way Vacation is necessary to vacate all of Scripps Gateway Court. The vacation is incorporated into the Vesting Tentative Map. The vacated right-of-way would be converted and improved as a private street and would continue to serve the purpose for which it was originally acquired. The street vacation would continue to maintain external and internal circulation consistent with the community plan's transportation element while simultaneously meeting the needs of the proposed project. Further, there is no prospective future use for the right-of-way that is identified in the community plan or current zoning that could be reasonably anticipated, while converting the right-of-way to a private street system

would maintain the original intent of the easement.

Easement Vacations

The project proposes vacations for a drainage easement, a public utilities (water/sewer) easement and a landscape easement as depicted on Sheet 3 of the plan set. All of the easements with the exception of the landscape easement need to be vacated because of the vacation of Scripps Gateway Court and will be relocated on site to accommodate the development. The easements were acquired for the purposes of placing and maintaining public utilities to serve the needs of the adjacent development The landscape easement is being vacated to accommodate the public improvements of the development.

The drainage and the public utilities easements abandonments are required as part of the vacation of Scripps Gateway Court and will be relocated on site to accommodate the development as shown on Sheet 9 of the plan (Attachment 4).

General Plan/Community Plan Analysis:

The proposed project includes a General Plan amendment to remove the Prime Industrial land identification from a 22.42-acre portion of the 34.5-acre project site. A Community Plan amendment to the Miramar Ranch North Community Plan (MRNCP) is also required to redesignate 22.42 acres of the 34.5-acre site from Industrial/Business Park to Regional Commercial.

Land Use and Economic Prosperity

The General Plan Land Use element has policies to identify and evaluate potential City of Village sites considering whether the sites are shopping centers, districts, or corridors that could be enhanced or expanded (LU-A.3), to locate village sites where they can be served by existing or planned public facilities and services, including transit services (LU-A.4) and to integrate public gathering spaces and civic uses into village design (LU-A.9). The element relies on community plans for site-specific land use and density designations and recommendations. The freeway commercial center, north of the subject site, is one such site having moderate potential as a City of Village site that could be enhanced or expanded in association with the subject site.

A Commercial goal of the Miramar Ranch North Community Plan (MRNCP) is to develop a community of balanced land uses, which meets the needs of residents and working persons, and makes a positive contribution to the quality of life in the San Diego region. Another Commercial goal is to encourage attractive accessible commercial development meeting the community shopping and services requirements of the ranch. A major Commercial objective is to locate commercial land uses to best serve consumer needs, especially in relation to the circulation system and the overall land use pattern of the community.

The proposal would implement these General and Community plan goals by various means including through the location of the site itself, being immediately adjacent to a small

neighborhood commercial shopping center to the north of the subject site that could be expanded, as it has significant potential for a village according to Figure LU-1 in the General Plan. In addition, its location immediately adjacent to the I-15 would implement a General Plan goal for the City of Villages to connect mixed-use villages by transit, as well as the Commercial objective to locate commercial uses in relation to the circulation system. As an expansion of the freeway center to the north of the subject site, the proposal would implement a Community Plan commercial objective to locate commercial land uses to best serve consumer needs, especially in relation to the circulation system and the overall land use pattern of the community. The proposal would also integrate public gathering spaces into a village design. A movie theatre and a market would also be included, uses which are identified in the community plan for the freeway commercial center to the north of Scripps Poway Parkway and the subject site but which are non-existent at the freeway center site.

According to the MRNCP Industrial Element adopted in 1980, the planning area should provide employment opportunities within its boundaries. Employment centers inside the community should supplement other industrial/business park developments in the I-15 corridor. It is proposed that Miramar Ranch North could accommodate around 60 acres of industrial/business park development. Manufacturing, scientific and corporate headquarters uses would probably be emphasized, drawing employees from surrounding residential areas. However, servicing, warehousing and wholesaling uses are also possible. Except as noted, areas designated for industrial park development in this Plan should be protected from encroachment by unacceptable uses, in order to preserve industrial acreage and employment opportunities. Community and business support facilities and services should be permitted in the industrial parks. Examples of such facilities are private schools, daycare centers and healthcare facilities; however, such uses should not exceed 15 percent of the industrial land allocation. Approximately 12 acres of the subject site are currently entitled for corporate headquarters use from a previous action, implementing this MRNCP goal by leaving a remainder of approximately 38 acres, or 63% of the original 60 acres identified in the MRNCP that could accommodate base sector use.

The Economic Prosperity Element of the General Plan focuses on a strategy to evaluate and preserve critically-located base sector areas but to allow, through comprehensive analysis, consideration or conversion of mixed-use or industrial land if it is not critical to the City's or region's base sector employment goals. The Industrial Land Use section of the Economic Prosperity Element of the General Plan has a goal for a city with sufficient land capacity for base sector industries to sustain a strong economic base but further describes how the City's industrial land availability has been impacted by the intrusion of sensitive receptors such as child care facilities and schools and how their location in industrial areas may limit the ability of the permitted industrial uses to expand. The Industrial Element of the MRNCP includes the objective of locating industrial/business park land uses in areas appropriate to environmental conditions, the circulation system, and the overall land use pattern of the community. The Commercial Element of the MRNCP includes the objective of locating commercial land uses to best serve consumer needs, especially in relation to the circulation system and the overall land use pattern of the community.

The General Plan identifies the project site as Prime Industrial Land in the Economic Prosperity Element. The applicant is proposing a General/Community Plan amendment to remove the Prime Industrial identification and redesignate the site to Regional Commercial. The General Plan requires that justification for removal of Prime Industrial Land identification must be supported by an evaluation of the prime industrial land criteria in Appendix C, EP-1, the Collocation/Conversion Suitability Factors in Appendix C, EP-2, and the potential contribution of the area to the local and regional economy. The City's Long Range Planning staff evaluated the applicant's submittal of Appendices C EP-1 and EP-2. The City's Economic Research staff completed a review of the site's potential contribution to the local and regional economy.

Evaluation of the Prime Industrial land criteria of Appendix C, EP-1 concluded that the site is not within proximity to resources of extraordinary value, as the major educational institution is some 12 miles to the west and the port is 18 miles to the south-west. Also, there are engineering workers at the nearby North Ridge site but neither that site or the subject site are within proximity to other resources of extraordinary value, eliminating any possible creation of a technology, campus environment.

Evaluation of the Collocation/Conversion Suitability Factors analysis concluded that, due to previous entitlements, the site is less attractive to base sector use, other than corporate headquarters. MedImpact's PDP includes entitlement for a day care center. Day care centers are required to have outdoor play area. Due to the right under the PDP to develop a day care center, scientific research and/or industrial base sector businesses will "perceive" the remaining entitlements as limiting development. However, corporate headquarters, also a base sector use, would not find the entitled day care center as limiting to development potential.

In a memo dated September 13, 2012 and revised September 17, 2012, staff analyzed the comparison of economic impacts of the remaining portion of the entitled project and the proposed project. In summary, the entitled project would create 258 construction jobs and 1,222 permanent jobs, and an annual payroll of approximately \$96,346,286. The proposed project would create 534 construction jobs, 1,502 permanent jobs, and an estimated annual payroll of approximately \$68,784,700. This comparison assumes that either scenario is viable. However, from a market perspective finding a buyer for the remaining corporate headquarters entitlements of 305,407 square feet of corporate office development, under current economic conditions, is less likely than the development of the proposed project.

In addition to the Collocation\Conversion Suitability factors and the Prime Industrial Land criteria, the City requested the applicant submit a market study and net fiscal impact study for evaluation. The applicant submitted a Fiscal Revenue Generation Study which concluded that there is an identified market demand for 1,096,076 square feet in the project's Primary Market Area by 2012. This provides justification for a redesignation of land use from Industrial-Business Park to Community Commercial and implementing the Commercial goal for commercial use of the MRNCP to encourage attractive, accessible commercial development meeting community shopping and services requirements of the

community plan. The Fiscal Revenue Generation Study submitted by the applicant did not include the cost of General Fund services to the proposed site. With the development and use of the proposed project, City staff estimates \$1,967,206 of annual tax revenue may be generated. City staff estimates the cost for providing General Fund Services to the proposed project at \$244,490. Therefore, the development and use of the proposed project site may generate approximately \$1.7 million in net new General Fund revenue on an annual basis (revenues, minus cost for General Fund services). All revenue and cost information discussed above are in constant 2012 dollars

To conclude, the location of the proposed project adjacent to the I-15 and within the Mercy Interchange Gateway, the lack of proximity to resources of extraordinary value, the reduced potential for future base sector use on-site, the net General Fund revenue generated provide a basis to remove the Prime Industrial identification and redesignate 22.42 acres of the 34.5-acre site from industrial to commercial use in conjunction with General Plan policies LU-A.3 and LU-A.4 and objectives for industrial supplemental employment and commercial development to meet community shopping and service needs in the MRNCP. This conclusion furthermore meets the requirement for having complied with the focused strategy from the Economic Prosperity Element of the General Plan to evaluate and preserve critically-located base sector areas but to allow, through comprehensive analysis, consideration or conversion of mixed-use or industrial land if it is not critical to the City's or region's base sector employment goals

Mobility

The Mobility Element of the General Plan provides the framework to improve mobility through development of a balanced, multi-modal transportation network that is efficient and minimizes environmental and neighborhood impacts. The Transportation Element of the MRNCP includes the goal of constructing and maintaining an adequate system for vehicular, future transit, bicycle, and pedestrian circulation.

The proposed project would implement these General Plan and Community Plan goals through the reconfiguration of the Scripps Poway Parkway/I-15 interchange, including the addition of a dedicated 'drop lane' accommodating traffic onto the southbound I-15, not just to the nearer northbound I-15 ramp. The location of the proposed project would serve to reduce trips to outlying areas for similar retail services, enhancing the efficiency of the transportation network. Also, the proposal would provide space for a future bus stop along Scripps Poway Parkway, a signalized intersection at Scripps Highland Road and Private Drive A (formerly Scripps Gateway Court), ample on-site parking, a bicycle path and widened sidewalks. These various improvements would help development of a balanced, multi-modal transportation network that efficiently moves traffic and pedestrians through the community while minimizing neighborhood impacts. The improvements associated with the proposed development would also implement a Community Plan Transportation Element goal to construct and maintain an adequate system for vehicular, future transit, bicycle, and pedestrian circulation.

Urban Design

The Urban Design Element of the General Plan addresses the integration of new development into the natural landscape and/or existing community. The Design Element of the MRNCP includes the goal of promoting high quality design throughout the community, with special emphasis on projects and roadways in highly visible areas. The MRNCP Design Element further identifies three Special Design Areas and anchor projects for special attention in design, construction, and maintenance. The MRNCP identifies the Mercy interchange gateway as one Special Design Area with an objective to promote sensitive development as an attractive gateway into the community.

The proposal's architecture would implement the MRNCP goal for promoting high quality design in highly visible areas and would facilitate development of an attractive community gateway. The project design is distinctive and appropriate for an attractive community gateway, and would implement the objective in the MRNCP for the Mercy Interchange Gateway. The architecture features staggered building offsets, varied wall and roof heights, widths and shapes, and varied treatment of openings, colors and materials. Design elements include clay tile roofs and metal roofs with finials, shell stone, smooth plaster, brick veneer and wood exteriors, awnings, balconies and archways that would take advantage of San Diego's sunny climate, evoke San Diego's Spanish heritage and be consistent with the design features of the freeway commercial center to the north.

A key MRNCP site-specific objective for the Mercy Interchange Gateway, which includes the Mercy industrial subject-site, is the careful design of the individual projects in relation to Scripps North (Poway) Parkway and continuity in design among the three separate projects. In particular, the MRNCP recommends that buildings be placed near the roadway, offset by a wide landscaped strip, with parking largely tucked behind and out of sight. Additional measures include a consistent landscaping motif or selected tree, standard signing, street furniture, and street lighting, harmonious building and paving materials, a selected architectural style, and similar building height or massing of different heights. In addition, the MRNCP landscaping program for individual development projects recommends planting of open space and parking areas, blended to surrounding conditions; landscape screens as needed.

The proposed project would implement the MRNCP recommendations by placement of buildings adjacent to Scripps Poway Parkway to the extent possible and separated by enhanced planting, hydro seeded slopes and screening hedges along Scripps Poway Parkway and Scripps Highland Road with native vegetation at the project edges and street trees along internal circulation to match the existing trees on-site, with enhanced pedestrian and vehicular paving. The project site utilizes monument signs at the entrances, similar to and harmonious with the commercial shopping center site to the north and the buildings utilize similar materials including plaster and stone exteriors with metal, aluminum accents and are of similar height and massing.

Conservation

The Conservation Element of the General Plan contains policies to guide the conservation of resources that are fundamental components of San Diego's environment, help define the City's identity, and are relied upon for continued economic prosperity. A goal is for the reduction of the City's overall carbon dioxide footprint by improving energy efficiency, increase use of alternative modes of transportation, employing sustainable planning and design techniques, and providing environmentally sound waste management. The Sensitive Lands and Open Space Element of the Miramar Ranch North Community Plan includes the objective of encouraging the preservation of significant environmental resources and minimizes impacts on environmentally sensitive areas.

The proposed project would implement the General Plan goals for integrating new development into the landscape through an erosion and sediment control plan, a grading plan that respects the natural contours of the subject site and maintains a buffer between the proposed development and residential uses to the south and east. The proposal would implement several sustainable features to reduce the carbon dioxide footprint, employ sustainable planning techniques and provide environmentally sound waste management by the following: location of site within ¼ mile of a transit stop, provision of secure bicycle racks, use of materials with recycled content, use of water conserving fixtures, irrigation systems to avoid over/under watering, zero use of CFC-based refrigerants and provision of easily accessible areas to serve buildings that are dedicated to the collection and storage of non-hazardous materials for recycling.

Open Space occurs south of the project site. Impacts to biological resources that occurred on the project site have been mitigated as part of the original Scripps Gateway approvals. Within the southern portion of the project site, seeded coastal sage scrub slopes and undisturbed coastal sage scrub/chaparral exists. Therefore, the proposed project would not adversely affect the MRNCP.

Noise

The Noise Element of the General Plan is intended to protect people living and working in the City of San Diego from excessive noise. The MRNCP does not address noise. The proposed project is near the United States Marine Corps Air Station Miramar over flight area but is not within any of the Air Station's noise contours due to infrequent aircraft over flights and the altitude the aircraft are operating at when passing near the project site. The project is located within the Federal Aviation Administration (FAA) Notification Area for the Marine Core Air Station (MCAS), the MCAS Airport Land Use Compatibility and the MCAS Airport Influence Area; however, the project has received clearance from all of the necessary agencies that the proposed project is not a hazard to Air Navigation. The proposed project would not result in the exposure of people to noise levels that exceed the City's adopted noise ordinance or be incompatible with the City's noise guidelines. Therefore, the proposed project would not adversely affect the General Plan.

Environmental Analysis:

The Environmental Impact Report (EIR) analyzed the environmental impacts of the proposed Watermark Project No. 180357. Implementation of the proposed Mitigation, Monitoring and Reporting Program (MMRP) would reduce, to a level of insignificance, most potential impacts identified in the environmental review process. The applicant has also provided their project's Findings and Statement of Overriding Consideration for significant and unmitigable impacts. Implementation of the proposed MMRP would reduce impacts to below a level of significance for all project impacts, with the exception of Transportation/Traffic Circulation/Parking (direct and cumulative) and Air Quality (direct relative to construction). The project would result in significant direct and cumulative impacts to street segments and intersections and project construction emission are considered significant but temporary. As more fully described in the EIR, the proposed project would result in direct project-level significant, unmitigated impacts to the following issue areas: Transportations/Traffic Circulation/Parking and Air Quality.

Alternatives:

Project alternatives have been analyzed in the EIR, some of which would eliminate all of the significant impacts of the project. However, selection of these project alternatives would not meet the applicant's project objectives, which include the following:

- Create a coherent and signature design statement at a community gateway to Miramar Ranch North;
- Provide flexibility in the allocation of commercial office and retail development based on market demand and consistent with limitations established by the Traffic Impact Analysis;
- Allow for retail uses currently unavailable in the surrounding market areas;
- Implement design guidelines that ensure high quality design and aesthetics, creating a landmark for the community;
- Provide quasi-public space for community use in the form of a pedestrian plaza;
- Implement transportation (vehicular, bicycle, and pedestrian) improvements that would improve operations of the current roadway and bicycle network and encourage pedestrian use.

Community Participation Planning Group Recommendations:

At their May 7, 2013, meeting the Miramar Ranch North Community Planning Group voted 6-0-2 to recommend approval of the proposed project (Attachment 17). This vote came after a motion to table consideration of the project pending receipt of responses to the Draft EIR failed 2-6-0. At the

February 5, 2013, Planning Committee meeting the proposed project was discussed in a town hall format (Attachment 18). Topics included traffic improvements, mobility, hotel space, bikes lanes, uses, parking to discuss the proposed project.

Conclusion:

In summary, staff has determined the proposed Watermark project complies with the applicable sections of the Municipal Code and adopted City Council Policies. Staff has determined the required findings would support the decision to approve the proposed project's General/Community Plan Amendments, Rezone, Vesting Tentative Map, amendments to the PDP and CUP, Easement Vacations and a Public Right-of-way Vacation. An Environmental Impact Report has been prepared for this project and the mitigation required would reduce potentially significant impacts to some areas to a level below significance. Findings and the Statement of Overriding Consideration must be made to certify Environmental Impact Report for potential impacts, which are direct, cumulative and unmitigated.

ALTERNATIVES

- 1. Recommend to the City Council **Approval** of Amendments to the General Plan and the Miramar Ranch North Community Plan, Rezone, Planned Development Permit/Conditional Use Permit Amendment, Public Right-of-Way Vacation and Easement Vacations, with modifications.
- 2. Recommend to the City Council **Denial** of Amendments to the General Plan and the Miramar Ranch North Community Plan, Rezone, Planned Development Permit/Conditional Use Permit Amendment, Public Right-of-Way Vacation and Easement Vacations, if the findings required to approve the project cannot be affirmed.

Respectfully submitted,

Mike Westlake

Acting Deputy Director

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Development Project Manager

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MunyBragado

Nancy Bragado

Interim Deputy Director of Planning

Development Services Department

WESTLAKE/RM

Attachments:

- 1. Aerial Photograph
- 2. Community Plan Land Use Map
- 3. Project Data Sheet
- 4. Project Plans
- 5. Design Guidelines
- 6. Draft PDP/CUP Permit Conditions and Resolution
- 7. Draft Environmental Resolution with MMRP
- 8. Draft Vesting Tentative Map Resolution and Conditions
- 9. Draft Rezone Ordinance and B Sheet
- 10. Prior Discretionary Approval List (CUP No. 174323 and PDP 17234 and PDP 99-1027)
- 11. Draft General/Community Plan Amendment Resolution
- 12. Draft Community Plan Amendment Documents (Strikeout/Underline Text, and Revised Graphics)
- 13. Response to Community Plan Amendment Initiation Issues
- 14. Prime Industrial Land Criteria Analysis
- 15. Collocation/Conversion Suitability Factors
- 16. Economic Research Memo, Development Services, dated September 13, 2012
- 17. Miramar Ranch North Planning Committee Recommendation May 7, 2013
- 18. Miramar Ranch North Planning Committee Minutes from February 15, 2013
- 19. Ownership Information
- 20. Site Photos

Internet Links – Referenced Attachments

- 21. Planning Commission Report for Community Plan Amendment Initiation, PC-07-019 http://www.sandiego.gov/planning-commission/pdf/pcreports/07019.pdf
- 22. Miramar Ranch North Community Plan http://www.sandiego.gov/planning/community/profiles/pdf/cp/cpmrnfull.pdf





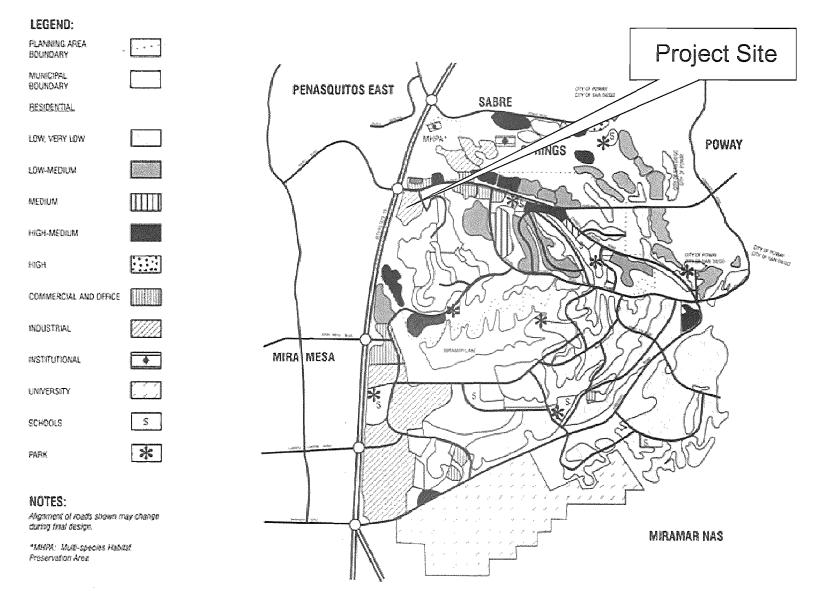
Aerial Photo

THE WATERMARK - 10137 SCRIPPS GATEWAY COURT **PROJECT NO. 180357**





2





Land Use Map

THE WATERMARK - 10137 SCRIPPS GATEWAY COURT PROJECT NO. 180357

PROJECT DATA SHEET					
PROJECT NAME: The Watermark					
PROJECT DESCRIPTION:	Construction of a new mixed-use development consisting of commercial retail, commercial office, and a hotel.				
COMMUNITY PLAN AREA:	Miramar Ranch North				
DISCRETIONARY ACTIONS:	Rezone, General Plan and Community Plan amendments, Street Vacation, Easement Abandonments, Vesting Tentative Map, Amendments Planned Development Permit and Conditional Use Permit.				
COMMUNITY PLAN LAND USE DESIGNATION:	Industrial/Business Park				

ZONING INFORMATION:

ZONE: IP-2-1 (Industrial-Park) Zone (existing)

HEIGHT LIMIT: None

LOT SIZE: 40,000 square-foot minimum lot size

FLOOR AREA RATIO: 0.75 maximum

FRONT SETBACK: 20 feet
SIDE SETBACK: 15 feet
STREETSIDE SETBACK: 20 feet
REAR SETBACK: 25 feet

FLOOR AREA RATIO: 2.0

ADJACENT PROPERTIES:	LAND USE DESIGNATION & ZONE	EXISTING LAND USE		
NORTH:	Commercial; CC-1-3.	Hotel, restaurant, gas station		
SOUTH:	Open Space; RS-1-11.	Open Space and Single-family residential		
EAST:	Low Density Residential; RS-1-12.	Single-family residential		
WEST:	Low Density Residential; RS-1-11.	Single-family residential		
DEVIATIONS OR VARIANCES REQUESTED:	Deviations to height for structures and architectural projections			
COMMUNITY PLANNING GROUP RECOMMENDATION:	At their May 7, 2013, meeting the Miramar Ranch North Community Planning Group voted 6-0-2 to recommend approval of the proposed project			



THE WATERMARK SAN DIEGO, CALIFORNIA

PROJECT NARRATIVE:

The project includes commercial retail, movie theater, hotel, office buildings, parking structures, surface parking, hardscape and landscape

Retail Center parking is provided throughout the site.

Parking for building A is provided at existing Office Building 1 parking

Parking for building L is provided at existing Office Building 2 parking structure and at adjacent surface parking lot. The Project is located within the Miramar Ranch North Community Plan

PROPOSED REGULATORY DEVIATIONS:

	Waterm	TABLE 1 ark – Maximum Stri	etura Malahi	
	110001010	ZONE CR-2-1	icture neight	
Building	Allowed Height	Max. Structure Height	Max. Height Architectural Features	Deviation
Building A	60 feet	60 feet	60 feet	Ofcet
Building B	60 feet	60 feet	60 fourt	Ofeet
Building C (Market)	60 feet	60 feet	70 feet	10 feet
Building D	60 Jeet	60 feet	GO feet.	Ofeet
Building E	60 feet	70 feet	70 leet	10 leet
Building F	60 feet	70 feet	70 feet	10 feet
Building G	60 feet	70 feet	70 feet	10 feet
Building H (Theater)	GO feet	85 feet	100 feet	40 feet
Building J	60 feet	60 feet	GO leut	Oleet
Building K	60 leet	60 feet	80 feet	20 feet
Building L (Hotel)	60 feet	85 feet	100 foot	40 feet
Building M (Office)	60 feet	95 feet	103 feet	43 leet
Building N	60 feet	60 feet	60 feet	Ofeet
Building P (Garage)	60 feet	85 leet	100 feet	40 leet

* Per the Design Guidelines, structure heights may vary within the maximums shown in Table 1

DISCRETIONARY PERMITS REQUIRED

GENERAL PLAN AMENDMENT
COMMUNITY PLAN AMENDMENT
PLANNED DEVELOPMENT PERMIT
REZONE
CONDITIONAL USE PERMIT
(FOR THEATER)
VESTING TENTATIVE MAP (VTM)
EASEMENT VACATIONS

LEGAL DESCRIPTION:

LOTS 1-6, 8, 10 & 11 OF SCRIPPS GATEWAY UNIT NO. 2, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 14004, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, JULY 20, 2000.

CONSTRUCTION TYPE/ OCCUPANCY:

OFFICE BUILDING (B): TYPE I F.R., FULLY SPRINKLED

MARKET AND RETAIL (M) , RESTAURANT (A-2), THEATER (A-1, A-2): TYPE II F.R. , FULLY PARKING GARAGE (S-2): TYPE 1 F.R. FULLY SPRINKLED.

ZONING:

EXISTING: IP-2-1	MIX OF LIGHT INDUSTRIAL AND OFFICE USES
PROPOSED: IP-2-1	MIX OF LIGHT INDUSTRIAL AND OFFICE USES
CR 2-1	REGIONAL COMMERCIAL (RESIDENTIAL PROHIBITED)

FLOOR AREA RATIO:

SITE AREA (ON-SITE) = 34.39 AC. SITE AREA (OFF-SITE) = 0.57 AC. TOTAL PROJECT AREA = 34.96 AC.

ACHIEVED F.A.R. = 0.63

NOTE: BUILDING AREAS OF OPEN PARKING STRUCTURES ARE NOT INCLUDED IN F.A.R. CALCULATIONS, (NOT REQUIRED)

SETBACKS:

PROPOSED USES:

COMMERCIAL (OFFICE, RETAIL, RESTAURANT, FOOD MARKET, HOTEL) ENTERTAINMENT (MOVIE THEATER/RESTAURANT)

SUMMARY SITE AREA 'B' (EXISTING)

BUILDING SUMMARY

OFFICE BUILDING 1 OFFICE BUILDING 2 BUILDING 3 TOTAL 148,554 sf 175,720 sf 26,469 sf 350,743 sf

PARKING SUMMARY

	STRUCTURE	SURFACE
OFFICE BUILDING 1	658	23
OFFICE BUILDING 2	790	0
BUILDING 3	0	0
SUBTOTAL	1,448	23
TOTAL - 4 474		

SUMMARY SITE AREA 'A'

BUILDING SUMMARY

	Ground Foor	Restructant	10,000 #1
3	Ground foot	Shoon	6 565 st
3		Seroce/Storage	1921 at
	Sobtotal		6 455 67
•	Grand Food	Market Service/Signaph	7,040 sf
	Substated		32,000 ef
0	Ground floor	Retail	3.381 of
	Sectional	Service/Storage	\$54 st 4,335 st
E	Ground floor	Reini	8.266 M
Ē.		Service/Strrage	2,332 67
	2nd fact	Retail Service/Storage	5 623 et 1 657 et
	Sotrolal		16.000 6/
	Ground Font	Refail	6,606.41
		ServicerStorage Corridor	2,513 ef 755 ef
	2nd floor	Retail Service/Storage	6.670 at 2.500 at
	Submoull		23 547 4
3	Ground Fagr	Shaps	\$ 656 M
		Service/Storege Contidor	2.735 sf
	2nd floor	Shops	6,565 at
		ServesShorage	2425 N 24,609 st
	Ground Foor	Theafer	35,917 st
	Underground	Service/Storage Retail	8 060 at 27,360 st
		Servce/Storage	7.700 s*
	Subtotal		76 9 17 al
)	Ground floor	Shops Service/Storage	25,456 st 7,180 st
		Grand Lobby, corr elev stair escatator	7.229 st
	2nd foor	Retail: Service/Storage	11,406 sf 3.218 sf
		Office Service/Storage	4 684 s1 654 s1
		Corr elevistan escalator	4 362 st
	Subtotal		64,589 s.f
К	Ground floor	Retail Service/Storage	6,545 st 2,524 st
	2nd floor	Office	10,323 at
	Subtotal	Service/Storage	1,146 s/ 22 938 s/
_	Ground Foor	Hotel	15 203 M
	2545th figur	Sentre/Storage Hotel	4 329 st 55 337 st
	Subbatal	Service Storage	15.671 sf 90.540 sf
	2000		Contractor
u	Ground floor	Shops Service/Storage	32 629 st 9.202 st
	4.00	Corridor Restaurant	4.662 61
	2nd	Service/Storage	6,612 sf 3,375 sf
		Office Service/Storage	23,400 at 2,600 st
	3rd to 6th floor	Office	93 600 st
	Subtrated	Service/blorage	19 400 st 166 680 st
N	Ground floor	Shops	20 615 14
•		Service/Storage Conidor	5,899 st 1,132 st
	2nd floor	Restaurant	6.731 sf
	Subtotal	Service/Storage	36 25 at
	Sasement area		27 300 st
	Ground floor area.		195.638 sf
	2nd foor area tiotel		48 037 47 70,540 41
	Office tower		117,000 s!

PARKING SUMMARY

					200	ARKNO PEGUPS							
in.	for beater	for over SV	NAME OF TOOLSE #42.000 F	Marks picking 142,65	times buying	migos assigned 0.3 per 1000 59 140 05F	anagred 2%	7% 7% 742353540	Boyde 6 pt per 1000 SF 21st Fester (Mari 142-650, E. F	pfice proprie 1 for per 1000 SF 6 1 A2-007	Boyce looker 8 03 per 1007 SF 162 CMF	tacity 142 65F	charse kedro 142-105
MAYOR-JAK FUTSI	Cours	377 8Q1 W			658	T/2			2				1
Missis Use Retail	2nd Floor	24 424 84			230	6/3			0.:				2.
Mined Disk Plantware:	2mt Floor	13.549.45			34	8/5			9				1
Tricator	Count	36.957 st		1 per 3/3 lacers	217	6/5			4				0:
Pad Roste, rant	Grovest	10.000 M	15:		100	0.00			D				0.0
Mind Use Office	2110 to Em.	132 007 st		2344 A U OUR	212 130 34 212 150 392	40			0/A		-		1.1
1988	Ground to 5%	20,545 M			130				9:				85
Seventhrep (Arrent)	100'05	129 331 65			10	- 00			0				
Total sequence		602 1423 65			1,693	.60	30	. 19				2	16
Parking Structure on 578 . Surface Famorgian title					1729 246	23	42	43			-		16
Plat A. Ponospichate Histor Perking off ade					150								3
Total previous Take of smoot support draw					2111	- 64	36	43	- 12	- 4	- 4	- 7	16.

SHEET INDEX

١	COVER SHEET
2	VTM TITLESHEET
3	EXISTING CONDITIONS
4	PROPOSED CONDITIONS
5	PRELIMINARY GRADING PLAN
6	PRELIMINARY GRADING PLAN
7	PRELIMINARY GRADING PLAN
в	PRELIMINARY GRADING PLAN
9	PRELIMINARY UTILITY PLAN
10	LANDSCAPE PLAN
11	LANDSCAPE LEGEND AND NOTES
12	ENLARGEMENT VIGNETTES
13	ENLARGEMENT VIGNETTES
14	SITE PLAN
15	FIRE SITE PLAN
16	ACCESSIBILITY/ PEDESTRIAN
	WALKWAYS AND FEATURES
17	SITE SECTION 1
18	SITE SECTION 2
19	LEVEL 1 - BUILDING A. B. C
•••	ELVEL 1 - BUILDING A. B. C

VICINITY MAP



NOTES: 1, 4 PER 1600 PARKING IS REQUIRED FOR SECOND FLOOR RETAIL PER SOME 142-050 FOOTHOTE 4, 2. THEATER SF IS BASED ON 1,000 SEATS.

3. SHAREO PARKING BETWEEN BETWEEN THEATER AND MIXED-USE OFFICE PER SOME TABLE 142-051.

BASEMENT - BUILDING H LEVEL 1 - BUILDING D. E. F. G. H LEVEL 2 - BUILDING E. F. G LEVEL 1 - BUILDING J. K. L. P LEVEL 2 - BUILDING J. K. L. P LEVEL 3 TO 4 - BUILDING P LEVEL 5 TO 6 - BUILDING P LEVEL 1 - BUILDING M, N LEVEL 2 - BUILDING M, N LEVEL 3 TO 6 - BUILDING M, L EXTERIOR ELEVATIONS EXTERIOR ELEVATIONS EXTERIOR ELEVATIONS RETAIL DESIGN GUIDELINES RDOF PLANS - BUILDING A.B.C. ROOF PLANS - BUILDING D, E, F, G, H ROOF PLANS - BUILDING J, K, L, P ROOF PLANS - BUILDING M, N



DEVELOPMENT TEAM:

Andrew Hull Stevenson Architects

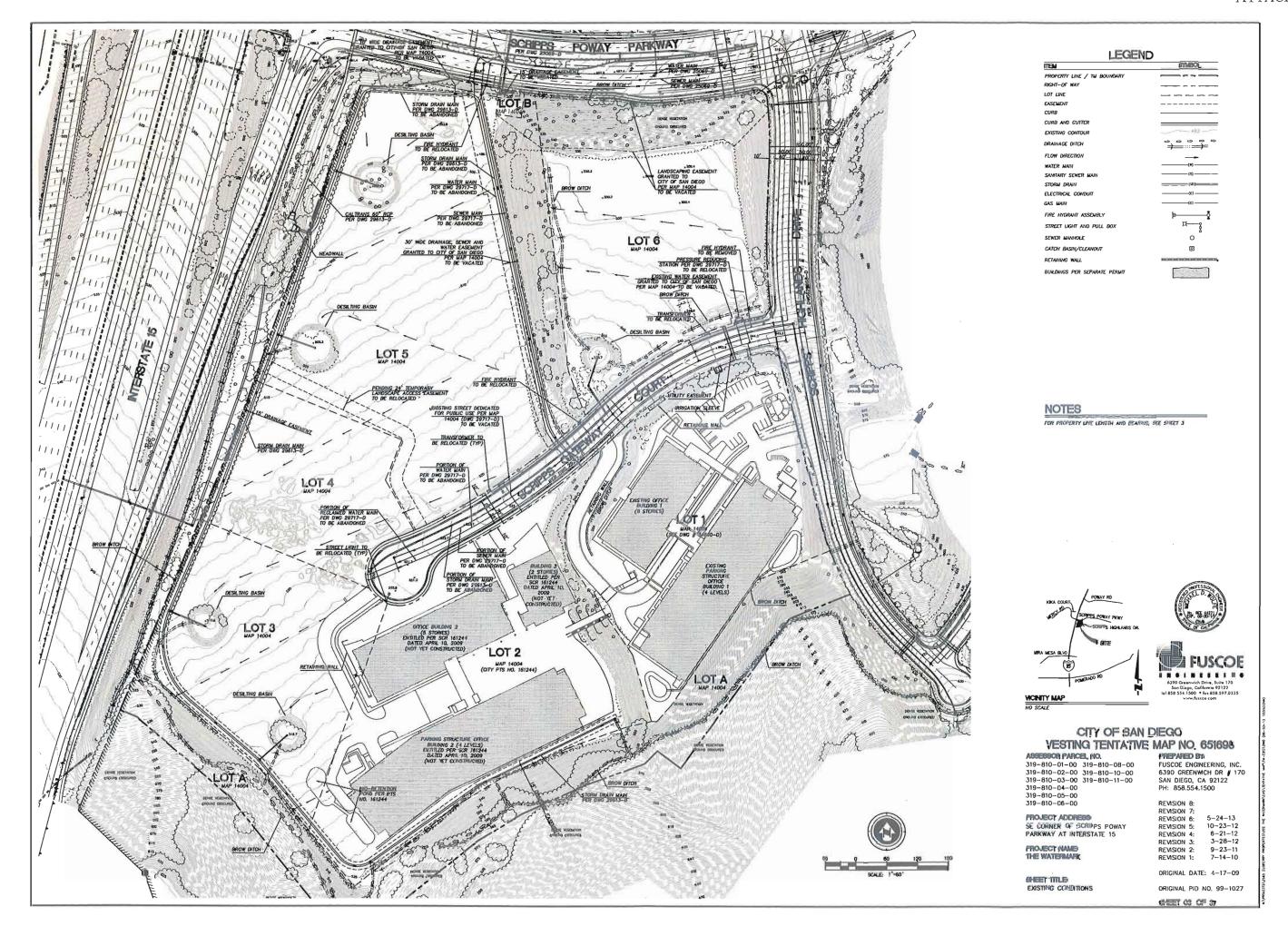


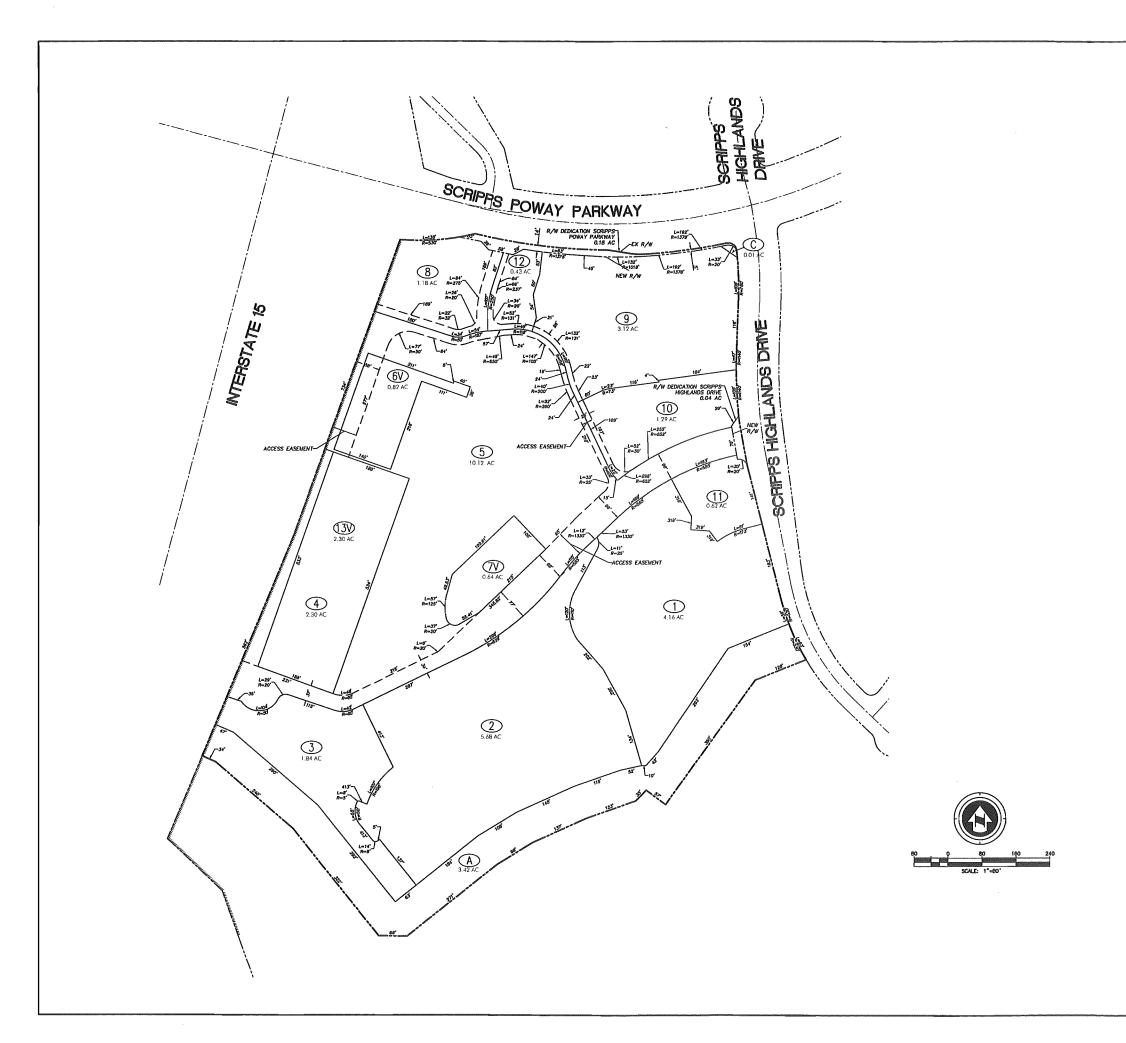
Cover Sheet

The Watermark, San Diego, California

Project Name: Original Date:

May 24, 2013 July 17, 2012 March 28, 2012 September 23, 2011 July 14, 2010 April 17, 2009 Cover Sheet of 37





LEGEND

5745OL
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(1)

NOTES

1. THE REA (RECIPROCAL EASEMENT ACREEMENT) WOULD BE EXPRANTES SHARD AMONEST ALL DISTS WITH THE RESPONSIBILITIES SHARD AMONEST ALL LOTS WITHIN THE SUBDIVISION, LANDSCAPE MAINTENANCE FOR LOTS 1, 2 AND 11 MILL BE SEPARATE FROM THIS REA.

- 3. LOT 6V IS A BELOW GROUND VERTICAL LOT.
- 4. LOT 13V IS AN ABOVE GROUND VERTICAL LOT (LEVEL 2-6 OF THE PROPOSED PARKING GARAGE)

- 6. ALL PUBLIC UTILITIES WILL BE PROVIDED WITH NEW EASEMENTS ON THE FINAL MAP.
- 7. THE LABELED AREAS EASEMENT WILL BE NON-EXCLUSIVE.

LOT SUMMARY TABLE

GROSS LOT AREA = 34.39 ACRES
(AFTER SCRIPPS GATEWAY COURT STREET VACATION PER
THIS DOCUMENT)

LOT #	ACREAGE	VERTICAL	INDUSTRIAL	COMMERCIAL
A	3.42 AC		3.42 AC	
С	0.01 AC		0.01 AC	
1	4.16 AC		4.18 AC	
2	5.68 AC		5.68 AC	
3	1.84 AC			1.84 AC
4	2.30 AC			2.30 AC
5	10.12 AC			10.12 AC
6V		0.82 AC		
7V		0.64 AC		
8	1.18 AC			1.18 AC
9	3.12 AC			3.12 AC
10	1.29 AC			1.29 AC
11	0.62 AC			0.62 AC
12	0.43 AC	***************************************		0.43 AC
13V		2.30 AC		
R/W DEDICATION	0.22 AC			
TOTAL	34.39 AC	3.78 AC	13.27 AC	20.90 AC





CITY OF SAN DIEGO VESTING TENTATIVE MAP NO. 651698

XESTING TENTATIVA
ASSESSOR PARCEL NO.
319-810-01-00 319-810-08-00
319-810-02-00 319-810-10-00
319-810-03-00 319-810-11-00
319-810-04-00
319-810-05-00
319-810-06-00

PROJECT ADDRESS
SE CORNER OF SCRIPPS POWAY
PARKWAY AT INTERSTATE 15

PROJECT NAME: THE WATERMARK

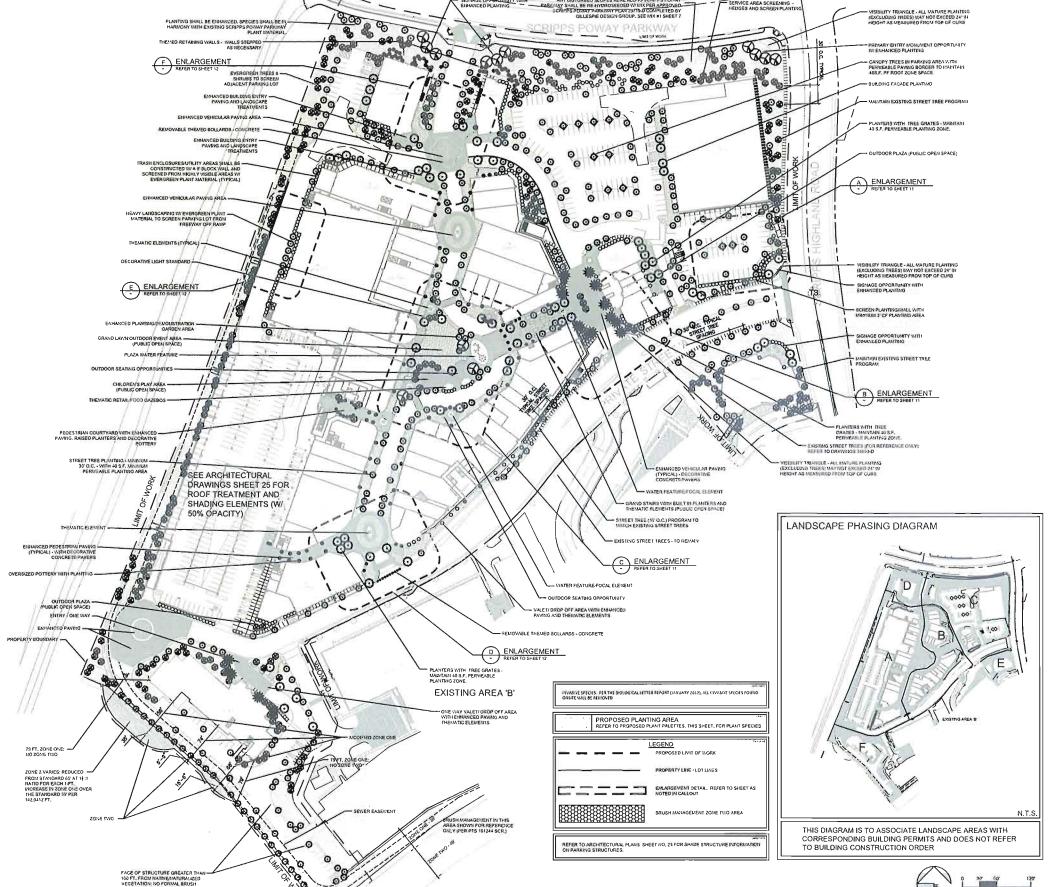
PROPOSED CONDITIONS

REVISION 8: REVISION 7: REVISION 6: REVISION 5: REVISION 4: REVISION 3: REVISION 2: REVISION 1: 5-24-13 10-23-12 6-21-12 3-28-12 9-23-11 7-14-10

ORIGINAL DATE: 4-17-09

ORIGINAL PID NO. 99-1027

SHEET 04 OF 37



SYM	BOTANCALIUME	COMMONITANE	10.	W.	FORMFUNCTION TOTAL
3150	AGGINS FLEXUOSA	AUSTRALIAN WILLOW MYRTLE	30	29	EVERGREEN LANGE CANOPY
~~ ~	CHANGMAN CANAHORA	CAMPHOR TREE	50	50	EVERGRED LARGE CANOPY
' , '	CUPANIOPSIS ANACARONOES	CARROTWOOD	40	30	EVENSALEN LARGE CANOPY
ر کا	MAGNOLIA SPECIES	MAGNOLIA	10	+)	EVENGREENTLONEFING LRG. CA
<u>~~</u> ~	KOELREUTERIA BETAVIATA	CHNESE LANTERN	40	10	DECIDUOUS FLOWERING/ LRG. CA
	QUERCUSILEX	HOLLY OAK	52	50	EVERGREED LARGE CANOPY
~~~	RMVS LANCEA	AFEKCAN SUMAC	30	25	EVERGREEN/LARGE CANOPY
. }	IRISTANA CONFERTA	BRIEBANE BOX	60)	*)	EVERGREEN/LARGE CANOPY
٠,	PLATAVAS SPECIES	SYCAMORE	40	40	DECRIVOUS LARGE CAYOPY
مرب	IPUPIA IIPU	TPU IREE	10	*2	DECEDUOUS PLOWERING LING, CA
~~	ARSUTUS MARINA	STRAWERY TREE	35	30	EVERGREEN MEDAM CANOPY
ૅ	BAUMMA SPECIES	GROHD TREE	10	20	EVERGREENFLOWERING SIL CA
۰	CITRUS SPECIES	CITRUS	20	19	EVERGREEN SWALL CANOPY
ح ہ	CERCIS OCCIDENTALIS	WESTERN REDDUD	25	25	DECKNOUS FLOWERING SM. CAN
=	ERIBOTRYA DEFLEXA	BRONZE LOOUAT	20	23	EVERGREEN CANOPY
$(\cdot)$	ERYDRANA SPECIES	CORAL FREE	39	30	DECIDUOUS FLOWERING URG. CA
	JACARANDA MINOSIFOCIA	JACARANDA	+2	2)	DECIDUOUS FLOWERING/ URG. CA
	* AutoPER SINECIES	JUNIPER (TOPIARY)	22	10	EVERGREE/I
_	CLEA SPECIES (FRUITLESS VARITIES)	FRANTIESS OLIVE	4)	25	EVERGREEN CANOPY
· . \	PIRUS SPECIES	PEAR	30	2-)	EVERGR, DECKO, FLOWER, CANOR
$\cup$	LICHIDANIBAS STYRACIPULIA	SWEET GUM	59	25	DECROWOUS CAMOPY
	PRUVUS CERASIFERA	PURITE LEAF PLUI	25	25	DECIDUOUS FLOWERING SULCAN
	OWERCUS AGRIFOLIA	COAST LIVE ON	65	20	EVERGREEN LARGE CANOPY
T	TABEBUA IMPETICIPOSA	PINK TRUMPET TREE	30	25	DECIDUOUS FLOWERING CANOPY
7 )	LIRIOGENCHON TULLPSFERA	TUUP TREE	100	3)	DECIDIOUS FLOWERING CANOPI
	GUERCUS VIRGINIANA	SOUTHERN LIVE OAK	5)	4)	DECICUOUS LARGE CANOPY
	ROEN'A SPECIES	LOCUST	55	4)	DECITIOUS LARGE CANOPY
	"PHILLOSTACHY'S NIGRA	BLACK BAMBOO	30	10	EVERGREEN HEDGE/SCREEN
	PANGUSA MULTIPLEX 'ALPHONISE KARR'	ALFHONSE KARR BAVBOO	35	14)	EVERTREET HEDGE/SCREEN
	PANSUSA CLOHAND	CLUMPING GRANT	25	19	EVERGREEN HEDGE/SCREEN
	"EUCAL)PIUS CITRIOCORA	LEVON SCENTED GUM	90	15	EVERGREEN HEDGE/SCREEN
$\sim$	"EUCALYPTUS CINEREA	SEVER DOLLAR TREE	55	45	EVERGREEN MEDGE/SCREEN
<b>3</b> Z 1	EUCALYPTUS SIDENOVILOR	RED IRON BARK	30	W	EVERGREEN MEDGE/SCREEN
	UGUSTRUM JAPONICUM	PRILET	32	3/2	EVERGREEN HEDGE/SCREEN
	* PANUS ELDARACA	AFGUNPINE .	63	20	EVERGREEN MEDGE/SCREEN
	*FINUS HALEFENSIS	ALEPPO PINE	60	4)	EVERGREEN HEDGE/SCREEN
	POCOCARFUS MACROPHILLUS	YEW PINE	30	53	EVERGREEN HEDGE SCREEN
	FRUNUS CAROLIANIA	CAROUNA CHERRY	50	20	EVERGREEN HEDGE/SCREEN
	RHAPHOLEPIS SPECIES	MUESTIC BEHITYMOUN HAWTHORD	30	53	EVERGREEN HEDGE/SCREEN
A4 -	ARCHONTOPHOLENIX CURPLE CHAMILINA	PROPRIM	40	20	PALM OF RUCHT CANCEY
W/Z	PHOEAX DACTILIFERA	OATE PALM	4)	50	PALM UP RIGHT CANOPY
CAN	BRAHA ARNATA	MEXICAN DELIC PALM	35		PALM UP RIGHT CANOPY
N/	SYAGRUS ROMANZOFFUNA	QUEEN PALM	5)	20	PAULUP RIGHT CANCRY

SYM.	ENLARGEMENTS FOR LOCATIONS  BOTAGOLINAVE	COUNCY HAVE	HT.	W.	FORMFUNCTION INCOME.
ACCEMT S	HRUBS		CONTAI	ER	SIZE BREAKDOWN
TYPICAL S	PACING - VARIES		I GAL.	37%	5 GAL 50% 15 GAL - 20
	MANE SPECIES	AGASE	15"	15"	ACCENT
	BUTTA CAPITAZA	PRIOD PAUL	.25		PELILUP FUGHT CAVIORY
(A)	CLYSTONIA CALLISTECTORES	MOLET TRUMPET VINE	RA.	21A	NAME.
[A]	CYCAS REVOLUTA	EAGO FALM	ъ.	15"	ACCIDIT
W.	DISTICTIS BIJOCHIAYORIA	BUOOD RED TRUMPET VIVE	HA	22 A	- Vide
	PICUS PURILA	CREEPING PIG	HA	на	NINE
	MANAGEVELEA, SPECIES	MADESTLEA	HA	.17	-WILL
	PASSIFLORA SPECIES	PASSION VINE	H.A.	ПA	ANG
	PARTHENCOISSUS TRICUSPIDATA	BOSTEN ROY	31.6	на	-1898
	PHORMUM SPECIES	HEW SEALAND FLAX	35	30	ACCENT
	STRELITZIA SPECIES	HIRD OF PAPACISE	36	n	ACCENT
	YUCCA SPECIES	YUKCA	36	30	ACCENT/RG
	UND SHRUBS AND GROUNDCOVERS				SIZE BREAKDOWN
TYPICAL S	PACING - 12" - 18" O.C.		I GAL.	60%	5 GAL - 30% 15 GAL - 10
37575	AEGNIUM SPECIES	AEGNURA	32	12+	ACCENT
	AGAPANIHUS SPECIES	LRY OF THE FILE	12	18"	FLOWERING ACCENTAGE
	BACCHARIS SPECIES	COPOTE BUSH	12	21 .	GC
	BOUGAPAVILLEA SPECIES	BOUSAPARLEA	15	24"	ACCENT/GROUNOCOVER
5333	CARISSA SPECIES	HATAL FLOW	33	30 •	GC
	CISTUS HYBRIDUS	ROCKROSE	12	12	ACCENT/FG
	COPROSNA SPECIES	MRROR PLANT	24	Z4 +	GC
	CUPHEA HYSGOPIFOLIA	MEXICAN FALSE MEATHER	18	12	FLOWERING ACCENTIFG
	GERATION SPECIES	GERALAM	19	16 .	GC
	HEMEROCALUS SPECIES	DAYLEY	12"	12.	ACCENT
12:33	URYOFE SPECIES	LEY TURE	18	21	GCFG
	INTOPORUM SPECIES	MYCPORUM	12	24 .	GC
0323	ROSMARINUS SPECIES	ROSEMARY	36	36	GCVG
20303	TRACHELOSFERMUNI JASANNOIDES	STAR MENNE	21	24 +	OCIFLOWERING ACCENT FG
	NO SHRUBS				SIZE BREAKDOVN
TYPICAL S	PACING - 24" - 30" O.C.		GAL -	50%	5 GAL - 40% 15 GAL - 11
2000000	ANGOZANTHOS SPECES	KANGAROO PAW	24"	24*	FLOWERING ACCENT/FOREGROUND
	BUXUS SPECIES	BOXWOOD	51.	24"	SCREENHEOGE
	HEBE SPECIES	HEGE	18	18	GCFOREGROUND
	LAMBANA SPECIES	LANTANA	18	15 •	GCMSGROUND
	LAVANDULA SPECIES	LAVENDER	14	18	CHUORPOINTESCOA
	SALVIA SPECIES	SAGE	24	33	FLOWERING ACCENTAGED COND
	UND SHRUBS PACING - 30" - 36" O.C.		CONTAI:		SIZE BREAKDOWN 5 GALL - 50% 15 GAL 10
15554	AZALEA SPECIES	AZALEA	15	24".	PLOMERING ACCENT
	EUOWYMUS SPECIES	EUGRINUS	21	38	ACCENTATIONROUND
	CEANOTHUS SPECIES	WILD LEAC	24	21	FLOWERING ACCENTAVIDURGOUND
	LISUSTRUM SPECIES	JAPALESE PRIVET	36	33	SCREENHEOGE
	HANDRIA SPECIES	HEAVENLY SAMBOO	32	24	ACCENTIANOGROUND
	PHOTI-ZA SPECIES	PHOTEIA	-3	36	SCREEN BACKGROUND
	FLUMBAGO SPECIES	CAPE PULMEAGO	- 45	45	SCREEN SLOPE BACKGROUND
	RHAPHOLEPIS SPECIES	PEDRAY HAWTHORN	24	36	ACCENT/SCREEN BACKGROUND
	ROSA SPECIES	ROSE	33	10	ACCENTA/JOGROUMD
	VIOLISMAN SPECIES	MEGRAUM	74	32	SCREEN PACKGEOUNG
	KROWNY SECTOR				

Andrew Hull Stevenson Architects
445 Markovas Dirk. Sult 200
San Disco, Childrana 92721
1 588 2207224 F 588.944 5093

NV Sudberry Development

LIFESCAPES

The Watermark

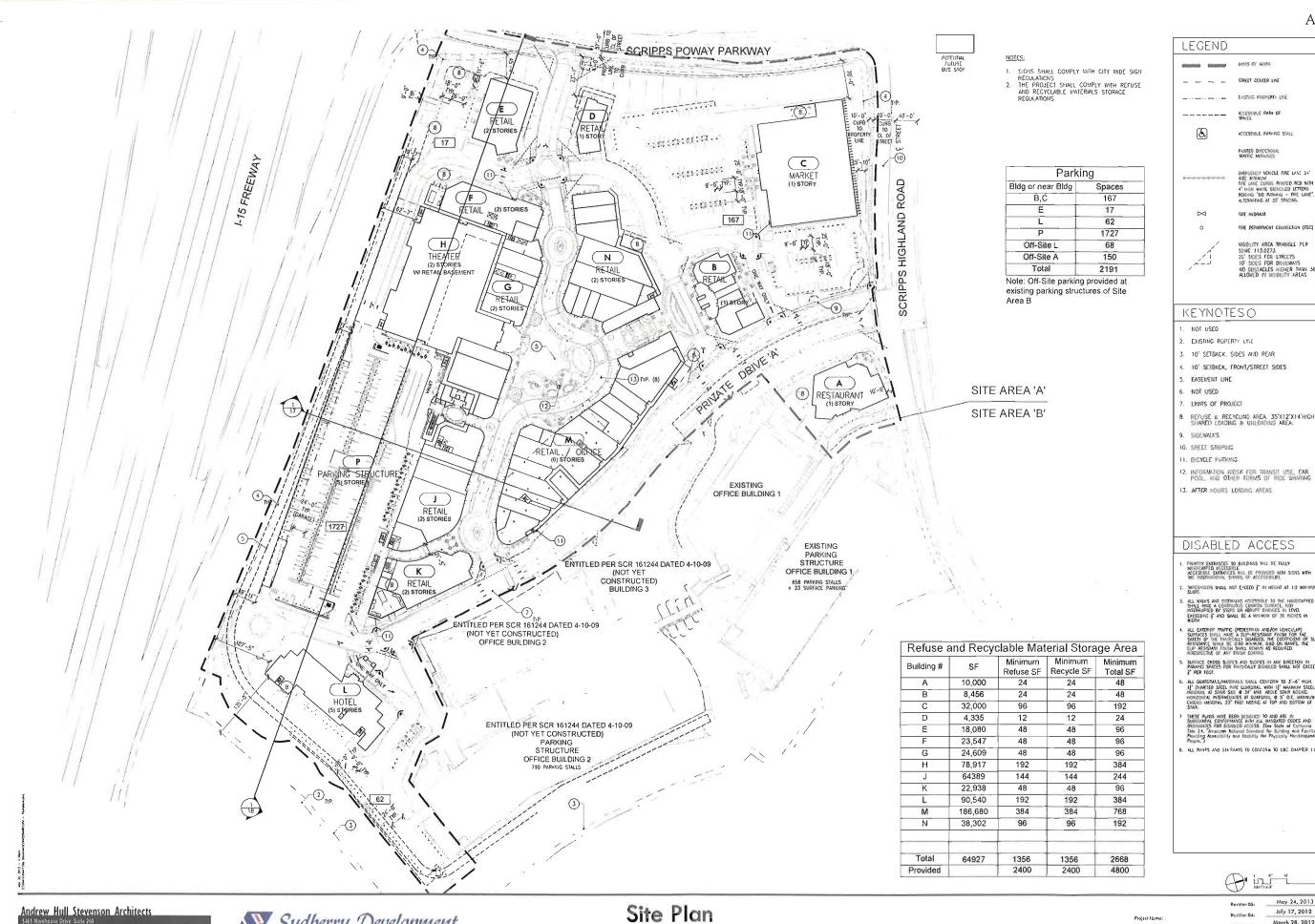
Shool 1756;
LANDSCAPE
CONCEPT PLAN

ACCESSIBLE PATH OF

ACCESSIBLE PARKING STALL PANTED DIRECTIONAL TRAFFIC MURKINGS

EMPROPRIOT VEHICLE FIRE UNE 24'
WEE KINNOUN
FRE LIME CURBS PAINTED RED WITH
4' HOW SINTE SERVICED LETTERS
SERVING TO PRESIDE - FIRE LINE".
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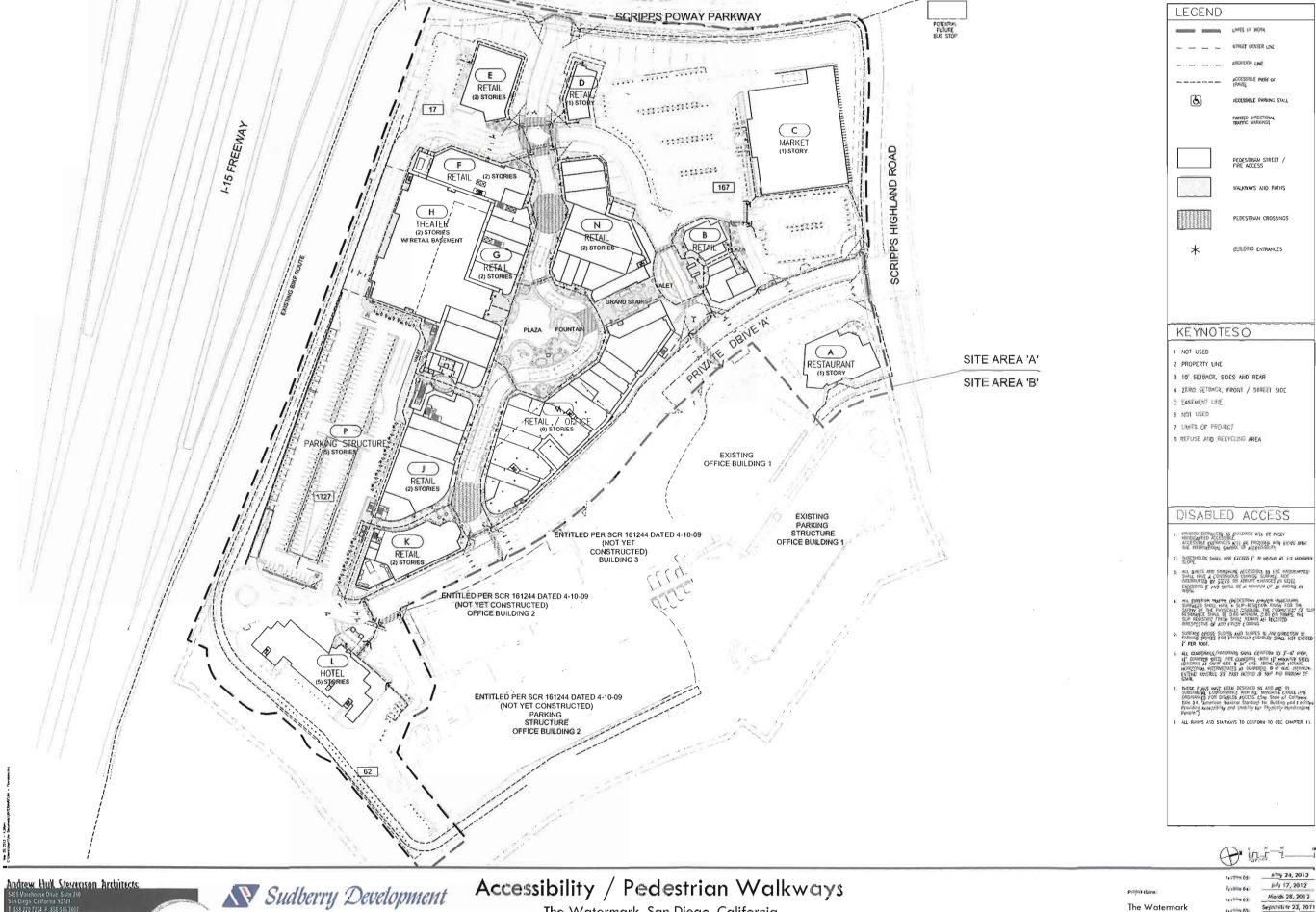
Site Plan

July 17, 2012 Peylines, 04: March 28, 2012 July 14, 2010 April 17, 2009 14 of 37

The Watermark, San Diego, California

Site Plan

Project Name



The Watermark, San Diego, California

The Watermark

s heet Title: Accessibility/Pedestrian



# West Elevation



West Elevation - Building 'E'

West Elevation - Building 'L'



Site - West Elevation

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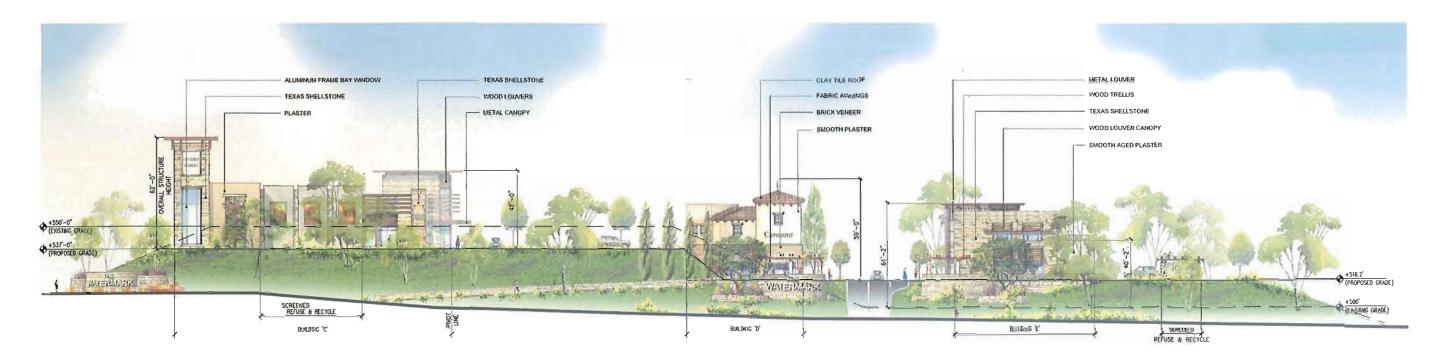


# **Exterior Elevations**

The Watermark, San Diego, California

	Revision OS	May 24, 2013	
Project Name	Revision 04:	July 17, 2012	
	Revision 03:	March 28, 2012	
The Watermark	Revision 02s	September 23, 201	
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Exterior Elevations	Sheet 30	of 37	

MT L = M.L.



North Elevation



East Elevation



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Exterior Elevations
The Watermark, San Diego, California

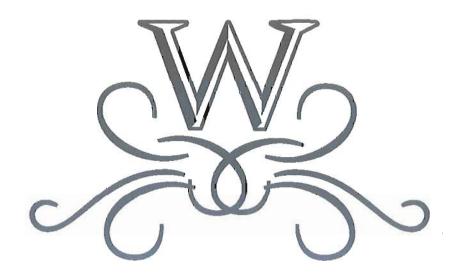
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The Watermark	Revision 02:	September 23, 201	
	Revision OI a	July 14, 2010	
Sheet Title:	Original Date:	April 17, 2009	
Exterior Elevations	Stort 3	of 37	



South Elevation



# SUDBERRY DEVELOPMENT, INC.



# DESIGN GUIDELINES FOR PLANNED DEVELOPMENT PERMIT NO. 180357

DRAFT: JUNE 2013





# Watermark Master Plan and Design Guidelines May 2013

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## I. OVERVIEW

#### A. Introduction

The Watermark Planned Development Permit and accompanying Design Guidelines supplants a portion of the MedImpact Corporate Headquarters Conditional Use Permit/Planned Industrial Development Permit No. 99-1027 (CUP No. 174323/PDP No. 174234 Extension of Time) located at the southwest corner of Interstate 15 (I-15) and Scripps Poway Parkway. The Watermark project site is located in the Miramar Ranch North community and identified in the community plan as the Mercy Site. The Watermark project involves a mixed-use development comprised of commercial office space, commercial retail space, a movie theater, and a 130-room hotel on 22.42 acres. The remaining 11.97 acres will retain the MedImpact corporate headquarters as previously approved.

A portion of the project site has been approved for two corporate office buildings to be developed as the new corporate headquarters for MedImpact. The first of the two buildings (approximately 155,000 square feet) and parking structure have been constructed on Lot 1 of the Watermark site (PTS Nos. 142387, 179355, and 151632) and Lot 2 is proposed as a second office building of 175,720 square feet and parking approved by SCR 161244, not yet constructed. The Planned Development Permit implements the goals of the existing plan for the site as a regional commercial center comprised of corporate and multi-tenant office while providing flexibility to phase-in additional regional retail uses based upon market demand.

The Planned Development Permit, CUP, and City of San Diego Land Development Code will set the specific requirements for the planning and review of subsequent applications for development projects. These requirements are organized into the following four sections:

- Site Development Guidelines: Defines site requirements, land use, deviations, and flexibility.
- Architectural Design Guidelines: Establishes building design objectives and standards.
- Landscape Design Guidelines: Establishes objectives and a conceptual landscape plan.
- **Design Review Process Implementation:** Establishes procedures for processing subsequent project applications and the phasing of transportation improvements.

The Vesting Tentative Map (VTM) and Planned Development Permit exhibits, including all notes and conditions, shall further control the implementation of the Watermark project and are adopted as part this Master Plan.

# B. Goals and Objectives

The purpose of the Design Guidelines is to more accurately define the site as a regional asset by redesignating the land use from Industrial/Business Park to Regional Commercial/Residential Prohibited in the Miramar Ranch North Community Plan. The approval will also rezone a portion of the property from IP-2-1 to CR-2-1 (residential prohibited) to provide the flexibility for both commercial office and retail development. In addition, this action implements the vacation of Scripps Gateway Court and the subdivision of land to create several additional, smaller lots. The following are the more detailed project objectives:

- Create a coherent and signature design statement at this community gateway to Miramar Ranch North
- Provide flexibility in the allocation of commercial office and retail development based upon market conditions
- Develop design guidelines to implement the Community Plan's vision
- Provide quasi-public space for community use
- Propose retail uses currently unavailable in the surrounding market area

## C. History

The development of the MedImpact Corporate Headquarters is located on one of two lots – the Mercy site - in the Miramar Ranch North Community Planning Area designated as industrial and/or business park. The City Council first approved the site for industrial development on September 29, 1998 as part of the larger Scripps Gateway project. That original approval granted permission to develop a total of approximately 242 acres in a mix of uses, which included the subject site of approximately 34 acres comprised of six developable lots.

The original Planned Industrial Development permit (PTS No. 57714) was subsequently amended on November 28, 2001 to grant permission to MedImpact to construct seven buildings for use as office, employee training, a cafeteria, exercise facility and child daycare facility (for employee use only) for a total of 658,456 square feet. Public improvements and mass grading were performed to prepare the site, and the site was "as-built" on March 6, 2002 (PTS No. 179355). A 36-month extension of time was approved on March 2, 2005. A grading permit was issued in early 2008 for work on Lot 1; this action constituted utilization of the permit and vested its development rights. A building permit was issued in late 2008 (PTS No. 151632) for the first office building, with construction of the first MedImpact office building and parking garage now complete. The City Development Services Department approved a Substantial Conformance Review (PTS No. 161244) for the second office building in April 2009 but is not yet constructed.

# D. Proposed Planned Development Permit

The Watermark Planned Development Permit of 22.42 acres, with accompanying General Plan and Community Plan Amendment, Vesting Tentative Map, Rezoning and Conditional Use Permit, will amend a portion of the existing Conditional Use Permit/Planned Industrial Development Permit (CUP/PID) No. 99-1027 by providing the ability to add commercial retail uses to serve the surrounding community and region. The project includes approval of a Conditional Use Permit for a movie theater.

# II. SITE DEVELOPMENT GUIDELINES

#### A. Site Characteristics

The site is comprised of three primary development pads of different elevations separated by slopes and/or retaining walls. The lack of a flat site, due to geologic conditions, creates design challenges for the internal connectivity of the pedestrian and street network. To implement a higher intensity project, the existing public street will be vacated and replaced with a private street along the same alignment to provide greater capacity to serve an increase in on-site traffic. To improve access to and within the site, a right-in/right-out private street from eastbound Scripps Poway Parkway will also be implemented. The northern and eastern pads are located

above the public right-of-way, with the majority of the frontage landscaped in accordance with the existing Planned Development Permit.

The first two phases of the MedImpact Corporate Headquarters proceeded in substantial conformance with CUP/PID No. 99-1027. Located on the southern portion of the site, two Class A office buildings of 148,554 and 175,720 square feet (for a total of 324,274 square feet) are scheduled for occupancy in 2010 - 2014. Designed to achieve a LEED® Gold rating, these office and ancillary buildings are served by two parking structures located directly south of the buildings. Additional development will be served by both surface and structured parking, with the amount of structured parking proportional to the increase in the intensity of commercial office and retail uses. Shared parking is provided at the project level and therefore is not allocated to specific parcels and buildings.

## B. Subdivision of the Property

The existing site configuration of nine lots will be reconfigured to 15 lots that include below and above grade vertical lots (see the Watermark VTM Sheet 3). The proposal maintains Lots A and C as open space/landscape areas, which were established as part of the original approvals, with shared maintenance responsibilities. The additional lots provide flexibility to implement a variety of configurations of mixed-use concepts, including those located above and below grade.

#### C. Street Vacation

The vacation of Scripps Gateway Court is included as a companion item to the processing of the entitlements for the Watermark project. The street vacation will maintain internal circulation consistent with the existing project; this approach allows the street vacation to be implemented independent of approval and construction of Watermark.

Additionally, the street vacation provides the ability to implement a street design that increases on-site capacity and traffic flow and removes maintenance of the street and accompanying public utilities from public responsibility, thereby creating a positive benefit to the City's General Fund budget.

# D. Zoning

Lots 1 and 2, and Lots A and C, will remain zoned IP-2-1. The purpose of the IP (Industrial Park) zone is to provide for high quality science and business park development. The property development standards of this zone are intended to create a campus-like environment characterized by comprehensive site design and substantial landscaping. Restrictions on permitted uses and signs are provided to minimize commercial influence. Specifically, the IP-2-1 allows a mix of light industrial and office uses. This zone prohibits most retail uses except for those that provide support to workers within the employment district.

The Watermark rezones the remaining undeveloped lots (those other than the lots occupied by MedImpact I and II and Open Space lots A and C) to the CR-2-1 zoning designation. The purpose of the CR (Commercial Regional) zone is to provide areas for a broad mix of business/professional office, commercial service, retail, wholesale, and limited manufacturing uses. The CR zones are intended to accommodate large-scale developments. Property within these zones will be primarily located along major streets, primary arterials, and major public

transportation lines. Specifically, the CR-2-1 allows regional serving commercial and limited industrial uses with an auto orientation but no residential use.

All uses envisioned for commercial office and retail in the IP-2-1 and CR-2-1 zones are allowed by the underlying zoning designations. A Conditional Use Permit (CUP) has been processed as a consolidated action to allow the development of a theater on a portion of the project zoned CR-2-1.

A deviation for structure height for various buildings in the CR-2-1 zone (from the allowed 60 foot maximum height to between 85 and 103 feet) has been identified to allow implementation of the structure heights, to allow for architectural elements, and to accommodate height of the parking structure and its shade/canopy elements. (Deviations for the project are described in greater detail in Sections II. E. and III. B., below.)

All other development regulations for the underlying zone shall apply to the project. The project is subject to the provisions of the City of San Diego Land Development Code for conformance with all applicable development regulations unless otherwise identified in the Planned Development Permit. In the event of a conflict between this permit and the Land Development Code, the provisions of the permit shall apply.

#### E. Deviations

The project requires height deviations for development within the CR-2-1 zone. The purpose of these deviations is to allow for Class A office space approved under the existing Planned Industrial Permit, to allow for design and architectural elements, and to accommodate the parking garage.

A deviation for structure height on the plaza enables the development of a landmark architectural feature, such as a clock tower, bell tower, or other architectural features to designate the gateway to the community. This will assist in achieving an objective of the Community Plan to develop the Mercy Interchange area as an attractive gateway to the community. Such a feature will provide a visible landmark to I-15 travelers, as well as persons entering Miramar Ranch North. A deviation for height will also allow for the construction of a parking garage to accommodate parking needs for the project. This will reduce land required for surface parking, providing for more public amenity open space.

A summary of the deviations for maximum allowable height is listed in the following table.

TABLE 1
Watermark – Maximum Structure Height

		Zone CR-2-1		
Building	Allowed Height	Max. Structure Height	Max. Height Architectural Features	Deviation
Building A	60 feet	60 feet	60 feet	0 feet
Building B	60 feet	60 feet	60 feet	0 feet
Building C (Market)	60 feet	60 feet	70 feet	10 feet
Building D	60 feet	60 feet	60 feet	0 feet
Building E	60 feet	70 feet	70 feet	10 feet
Building F	60 feet	70 feet	70 feet	10 feet
Building G	60 feet	70 feet	70 feet	10 feet
Building H (Theater)	60 feet	85 feet	100 feet	40 feet
Building J	60 feet	60 feet	60 feet	0 feet
Building K	60 feet	60 feet	85 feet	25 feet
Building L (Hotel)	60 feet	85 feet	100 feet	40 feet
Building M (Office)	60 feet	95 feet	103 feet	43 feet
Building N	60 feet	60 feet	60 feet	0 feet
Building P (Garage)	60 feet	85 feet	100 feet	40 feet

Note: the elevations are conceptual and the heights of the buildings will vary but will not exceed the height indicated in Table 1.

As previously stated, the project requires height deviations to realize the vision for Watermark. The project includes five architectural features that are complimentary to the project's architecture and the architecture of the existing MedImpact office buildings. The five features will be located on the hotel, the market, the theater, in the plaza gathering space, and on the garage. Consistent with the architectural theme set for the project, the architectural features could include a clock tower or bell tower in the plaza gathering space.

These five architectural features cause the need for deviations to the height requirements in the CR-2-1 zone. The CR-2-1 zone allows a maximum structure height of 60 feet. Table 1 summarizes the five height deviations. These deviations are justified because the architectural features offer vertical relief to building façades; create focal points around the project for both pedestrians and passing vehicles; provide the project with interesting and identifying features; and act as wayfinders, allowing pedestrian and motorists to easily find their destinations. Additionally, the architectural elements will be lower than the height of the tallest MedImpact office building, which is 112 feet in height.

The project also includes a deviation for the parking garage. When including the height of the canopy/shade structure that will occur on the top level of the parking garage, the height of the parking garage will be 85 feet. To articulate the garage, a corner feature may be included, which would be accommodated within the 100 feet maximum height for the parking garage. This deviation is justified, because the parking garage reduces the amount of land required for surface parking and creates more public amenity open space. The parking garage has been carefully situated against the freeway to shield the public spaces from freeway noise. In addition, the perceived size of the parking garage is dramatically reduced due to the elevational differences of the adjacent freeway (at elevation of approximately 540 feet) and the first floor of the parking garage (at elevation of approximately 518 feet). The parking structure will set 22 feet lower than the freeway elevation.

#### III. ARCHITECTURAL DESIGN GUIDELINES

## A. Proposed Characteristics

A project objective of the Watermark is to create a coherent and signature design statement at this community gateway to Miramar Ranch North. The purpose of the Architectural Design Guidelines is to maintain the high level of architectural quality established with the existing MedImpact campus by developing a complimentary architectural vocabulary for the retail project, which will unify the multiple buildings on the site, maintain a level of design quality in making the project aesthetically pleasing, and enhance the area in which the project is located. The developer will review and approve the design of all buildings and structures in order to achieve these goals.



Figure 1. Existing MedImpact Building One

The implementation of an architectural vision is achieved through the development of design guidelines that address form, colors and materials for the future commercial office and retail components of the project in a manner which, while they may not be the same, is compatible

with the architecture of the existing commercial office campus. Comprehensive landscape, internal streetscape, and lighting plans are also of significant importance in creating a unified project and will also be reviewed by the developer to ensure conformance with the established design aesthetic.

Exhibit "A" of the Planned Development Permit includes Design Guidelines utilizing a *Kit of Parts* that has been developed to be used in whole or in combination to achieve the intended ambiance and character of the project. In any multiple building project, there are elements that are common amongst the buildings which create a unified architectural character within the project. Included in these elements would be various types of building massing and articulation, forms and materials of entries, windows, awnings and other architectural treatments. The use of similar, but not identical, elements on multiple buildings creates a unified character within the project. Each new building should incorporate a sufficient number of architectural elements so as to reflect the Watermark design character. Buildings should employ staggered setbacks, varied building heights, widths, shapes, orientations, colors, and materials.





Conceptual designs. For illustrative purposes only

Figure 2. Watermark Conceptual Architecture/Design

A variety of architectural elements have been identified in the Kit of Parts to achieve a lasting and high quality design for the Watermark. To provide visual interest to the roofline, building heights should be varied with roof materials that include metal and clay tile as examples of a high quality finish. Horizontal rooflines should be further detailed with cornices and molding that embellishes the top of the building. All roof mounted equipment, apparatus and vents shall be architecturally screened from view and painted for compatibility with the roof color.

Metal and fabric canopies and wood trellises provide additional building articulation, as well as shade and opportunities for enhanced landscaping. Stucco siding shall be enhanced by the use of a variety of accent materials, including metal, wood, brick and stone veneer. Precast concrete elements for base and vertical building elements represent durable and long-lasting construction materials while providing relief from the building wall.

As shown in Table 1, *Watermark – Maximum Structure Height*, the project includes design elements and structure heights that exceed the height requirements of the CR-2-1 zone. The allowable maximum structure height in the CR-2-1 zone is 60 feet. In order to allow for the architectural design elements and building height of the parking structure, a deviation to the height requirements of the CR-2-1 zone has been processed concurrent with these Design Guidelines and other project approvals.

The Watermark project will feature architectural elements that are complimentary to the project's design, as well as the architecture of the MedImpact office buildings. The project's architectural elements are intended to provide interesting and identifiable features, which will allow pedestrians and the motoring public to easily find their destinations.

Architectural features will be located on the hotel, the market, the theater, in the plaza gathering space, and on the garage. The architectural features follow the architectural theme set for the project and may include a clock tower or bell tower in the plaza open are to function as a way-finder for community events. Other architectural features will provide vertical relief to the façades and will create focal points around the project for both pedestrians and passing vehicles.

In order to reduce land required for surface parking and to create more public amenity open space, the project includes a parking garage, which has been carefully situated against the freeway to shield the project's interior public spaces from freeway noise. The parking structure will be 25 feet above the height limit of 60 feet allowed in the CR-2-1 zone. The additional height of the canopy/shade structures and architectural features on the top level of the parking garage results in a structure height of 100 feet.

### B. Pedestrian Circulation

Pedestrian access to the Watermark project will be from the public sidewalks on both sides of Scripps Highlands Drive to the signalized main entrance and via a sidewalk on the west side of Scripps Highlands Drive to the market building. Pedestrians utilizing mass transit from the future bus stop on Scripps Poway Parkway will enter at this location, as well. On the western edge of the property, there is the existing I-15 bike path. On the northern edge, there are sidewalks along both sides of Scripps Poway Parkway. Due to the existing grade difference

between the Watermark site and Scripps Poway Parkway, which results in a 12 percent vehicular ramp entrance, it is infeasible to provide pedestrian access along this street. (See *Pedestrian Circulation Plan* below.)

Internal pedestrian circulation has been generously accommodated throughout the Watermark project. From the public sidewalk connections, there are numerous pedestrian paths of travel to facilitate experiencing the project. Many of these lead to the pedestrian heart of the project where people are able to wander freely throughout the main plaza and pedestrians only street, experiencing the landscape, water features and many other site amenities, while at the same time enjoying the multitude of shopping and dining opportunities that the Watermark project will offer."

## C. Lighting

Lighting, along with landscaping, provides a unifying theme to the entire project site and is critical to the success of any project. Properly designed, lighting will create an exciting retail environment, one where people will want to spend time and shop. To ensure the success of the lighting the Developer applies a variety of standards and uses high quality, energy efficient fixtures. The following are examples:

### Lighting Design Criteria

- 1. Lighting shall conform to all City of San Diego and California Title 24 requirements.
- 2. Exterior lighting shall be architecturally integrated with the character of the adjacent structures, be appropriate in scale, height and intensity for the use.
- 3. Exterior lighting shall not blink, flash or be of unusually high intensity or brightness.
- 4. Lighting shall be directed away from residential or light sensitive areas.

### Parking Lot Lighting

- 1. Uniformity of lighting in parking areas is preferred to enhance security and visibility.
- 2. Parking lot lighting shall have cut-off shielding when adjacent to other properties /streets.
- 3. Parking lot light fixtures shall be complimentary with the character of the buildings and other building lighting.

### Public Space Lighting

- 1. Pedestrian areas shall be illuminated such that pathways are highlighted.
- 2. Public space lighting shall promote pedestrian use, both in appearance and security.
- 3. Public space lighting may be accomplished through the use of pole top fixtures, post top fixtures, bollard lighting, building mounted fixtures, ground mounted fixtures or any combination thereof.

### Landscape Accent Lighting

- 1. Landscape lighting shall be located such that glare is minimized for vehicular and pedestrian traffic.
- 2. Landscape lighting shall enhance the landscape areas as appropriate for the project.
- 3. Landscape light fixtures may be mounted in grade, above grade or on trees.

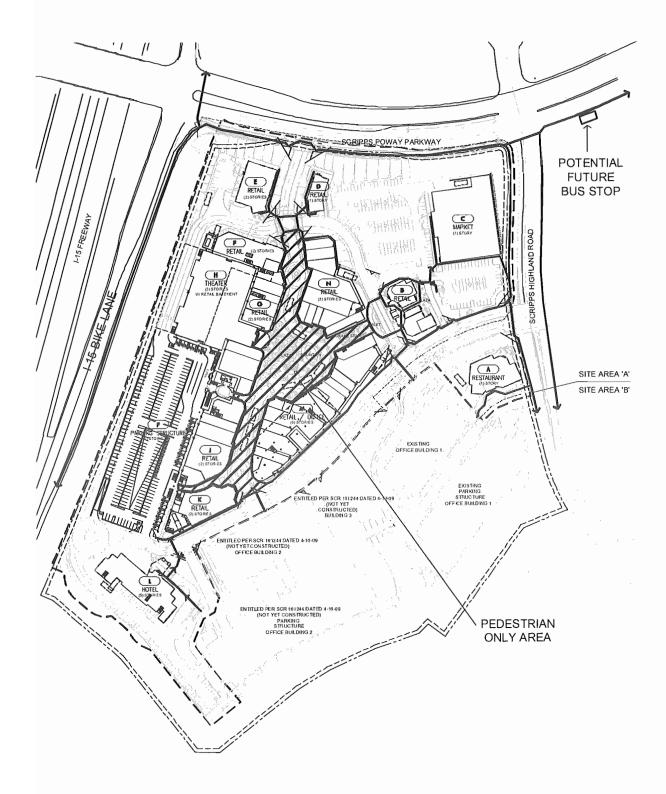


Figure 3. Pedestrian Circulation Plan









Figure 4. Examples of Lighting Fixtures

## D. Signage

The sign program shall conform to the City of San Diego Land Development Code Sign Regulations, or a Comprehensive Sign Program will be prepared and processed through the City of San Diego. Submittal of sign plans will be processed as individual buildings are phased for construction. All shall be reviewed by the developer for compatibility and consistency with the Architectural Design Guidelines.

The intent of the sign program is to provide the guidelines necessary to achieve a visually coordinated, balanced and appealing retail environment, where the signage is complimentary to the architecture. In addition to the required City review process, the developer has its own rigorous internal review process. This begins with a very specific criterion for the types of signs, materials, construction and illumination that will be permitted, and culminates in the tenant submitting their proposed signage to the Developer for review and comment. It is not unusual for several cycles to be needed prior to the Tenant securing approval. For conceptual purposes only, examples of the sign criteria are as follows:

### General Sign Construction Requirements

- 1. Painted surfaces shall have a satin finish. Only paint containing acrylic polyurethane products may be used.
- 2. All sign fabrication shall be of excellent quality. All logo images and type styles shall be accurately reproduced. The Developer reserves the right to reject any fabrication work deemed to be below standard.
- 3. Signs must be made of durable, rust inhibiting materials that are appropriate and complimentary to the building.
- 4. Finished surfaces of metal shall be free of oil canning and warping. All sign finishes shall be free from dust, orange peel, drips and runs, and shall have a uniform surface conforming to the highest standards of the industry.
- 5. Exposed raceways are not permitted unless they are incorporated into the overall sign design.
- 6. Exposed junction boxes, lamps, tubing or neon crossovers of any type are not permitted.
- 7. Signs painted directly on a building surface will not be permitted.
- 8. There shall be no signs that are flashing, moving or audible.
- 9. Billboard signs are not permitted.

### Approvable Types of Signage (see Figure 5)

- 1. Acrylic face channel letters (see photo 1)
- 2. Through face and halo channel letters (see photo 2)
- 3. Reverse pan channel letters (see photo 3)
- 4. Open pan channel letters, only in an artistic letter style / font (see photo 4)
- 5. Push through letters and logos in aluminum cabinets (see photo 5)
- 6. Flat cut out dimensional shapes and accents (see photo 6)
- 7. Exposed skeleton neon accents (see photo 7)
- 8. Logo modules to be clouded contoured copy (see photo 8)









Photo 1











Photo 5

P

Figure 5. Samples of Signage

## IV. LANDSCAPE DESIGN GUIDELINES

## A. Landscape Characteristics

Complementary to its natural topography, the Watermark is influenced by the classical Mediterranean style. Fitting perfectly with the San Diego climate, visitors will be encouraged to stroll throughout the open garden setting. Smaller gathering areas and intimate seating nodes are contrasted by vast, open lawns that can easily accommodate large events and community interaction. The change in elevation is addressed with decorative stairs reminiscent of the grand stairways of Europe. Serving as a means of dealing with elevation differences unique to the project, these steps also allow informal event seating and small group gathering. The "heart" of the project will be the grand lawn and oversized water feature. Providing a natural gathering space, the water feature will be an iconic element exclusive to the project. With its interactive water displays and informal water gardens, this area will become the center of the project and support the overall theme. Visitors strolling through the garden-like atmosphere will be able to enjoy small dining patios, romantic water features and children's play areas, all reinforcing the project theme as well as supporting the active Southern California lifestyle.

This landscape design concept for the Watermark project was conceived with the broader project vision and requirements of the City of San Diego Land Development Code in mind. Invasive material will be avoided and the use of indigenous and native material will be integrated into the design whenever possible. To promote optimum tree growth, trees will be given a 40 (forty) square foot minimum dimension. Tree root barriers will be installed where trees are placed within 5 (five) feet of any hardscape elements. Trees will be selected based on their mature height and spread, the proposed use (screen, shade, or accent) and the requirements as set forth by the City of San Diego Land Development Code.

The Watermark Conceptual Landscape Plan (Figure 6) features the use of drought-tolerant, non-invasive plant material. Planting is intended to be a connecting device linking the various pieces of the project and design style. The Landscape Concept Plan emphasizes a garden setting, where plant material would be used to help define spaces, screen objectionable views, encourage circulation paths, highlight entry points, and provide softness and scale to the architecture. Evergreen, deciduous, and flowering material are proposed throughout the project. Located adjacent to open space slopes, the perimeter planting is a blend of native material and native friendly fire safe planting.

Circulation throughout the project is accentuated with a hierarchy of landscape treatments. Enhanced paving at major intersections and nodes is proposed to signify pedestrian/vehicle interaction areas. Vehicle nodes with small medians are proposed to help slow the traffic flow, as well as break up long linear drives. Street trees are proposed to define vehicle/pedestrian spaces and to provide shade and scale to the street scene. Entry points would be highlighted with decorative trellis work and enhanced plantings.

Landscaping throughout the Watermark site is characterized by accent planting; foreground, midground, and background planting; and trees and palms. Around parking areas, evergreen trees and shrubs would screen parking from adjacent uses and, where applicable, canopy trees would be provided with permeable paving border. Plantings along primary roadways, such as Scripps Poway Parkway and Scripps Highlands Road, would seek to maintain the existing street tree program. Enhanced plantings would be present at project entries and other primary focal points. Areas of special interest would have customized planting schemes, described below.



Figure 6. Conceptual Landscape Plan

### **Project Entry**

Accent landscaping, enhanced paving, and architectural embellishments will denote the primary site entry off the interior private drive. (See Figure 8, *Landscape Treatment at Project Entry*.) Palm and other trees in grate planters will line the drive aisle, as well as decorative pots with planting and enhanced pedestrian paving opportunities. Off the east side of the drive aisle, a pedestrian plaza will invite pedestrian access to the project site. Within this connector plaza, a water feature or other focal element will be present within view of the entry aisle, with access terracing into the project site via grand steps. Raised planters and decorative light pole or other focal element will accent the enhanced paving and other hardscape elements. Roadway plantings will include low foreground planting, midground planting, and background/screening planting.



Figure 8. Landscape Treatment at Project Entry

### Public Plaza/Event Space

Central to the Watermark project is a large plaza space designed to accommodate community gatherings and events. For this purpose, this space encompasses a grand lawn/event area, edged with paving and background planting. (See Figure 9, *Landscape Treatment of Public Plaza/Event Space*.) Seating opportunities, as well as a children's play area, water feature, focal elements, and thematic elements, will be located surrounding the grand lawn/event area. Opportunities for enhanced vehicular paving are present at points where pedestrian crosswalks intersect interior drive aisle. Landscaping will include accent planting along the drive aisle, and foreground, midground, and background planting surrounding the grand lawn/event area.



Figure 9. Landscape Treatment of Public Plaza/Event Space.

### Vehicle Use Area/Street

The project entry off Scripps Poway Parkway will be lined with foreground, midground, and background plantings which also screen retaining walls necessary for lot development. (See Figure 10, Landscape Treatment of Vehicle Use Area/Street.) A T-intersection will be accentuated with enhanced vehicular paving and bollards directing traffic. Enhanced paving with seating opportunities for pedestrians will occur at the corners of this intersection, accented with decorative pottery with plantings, as well as taller planters. Thematic light/pole elements will tie in with the overall project aesthetic.



Figure 10. Landscape Treatment of Vehicle Use Area/Street

## B. Site and Building Characteristics

Retail facades will be an eclectic mix of individual styles, composed together to complement the overall design theme. Decorative pottery, enhanced paving and seating clusters will all reinforce the pedestrian friendly shopping experience. Smaller gathering areas will be located throughout the retail experience supporting passive uses and allowing for intimate gathering and dining. Other open space opportunities will be integrated throughout the project both on lower and upper levels. Numerous opportunities are created by the site design to integrate water features and artwork into the public areas.

### C. Entries and Circulation

Circulation throughout the project will be accentuated with a hierarchy of landscape treatments. Although meant to be a pedestrianoriented project, vehicle circulation will be addressed with the same attention to detail as all other areas. Enhanced paving at major intersections and nodes will signify pedestrian/vehicle interaction areas, as well as reinforce the overall design theme. Vehicle nodes with small medians will help slow the traffic flow as well as break up long linear drives. Art opportunities will be located throughout the site, inviting discovery while also serving as circulation focal points. Street trees will define the vehicle/pedestrian spaces when possible, while also providing shade and scale to the street scene. Entry points will be highlighted with decorative trellis work and enhanced planting announcing the arrival experience.



Planting will be the connecting device linking the various pieces of the project and design style. Emphasizing the garden setting, plant material will be used to help define spaces, screen objectionable views, encourage circulation paths, highlight entry points and provide softness and scale to the architecture. Evergreen, deciduous and flowering material will be used throughout the project. Located next to a naturalized area, the perimeter planting will provide a seamless blending of native material and fire safe planting. A





detailed Landscape Concept Plan which includes a diverse plant palette of trees, scrubs, vines, and groundcover is included in the Planned Development Permit.

As a vital resource to all Californians, effective water use will be a key factor in the success and sustainability of the project. Water will be carefully distributed to the landscape using state of the art technology. Automatic irrigation systems coordinated with local weather that are adjustable to local conditions will distribute water as needed to promote optimum plant growth while minimizing water waste. Underground irrigation systems as well as drip emitters will be used to deliver water to the growing zones of the plant material while minimizing evaporation and run-off. Multi-valved systems will be designed based on similar water needs and plant type. Reclaimed water serves the site and will be used as allowed by the City and County regulations.

The Watermark project would comply with City landscape standards. Landscape Calculations Worksheets (City Forms DS-4 and DS-5), included as Exhibit A to these Design Guidelines, will be submitted with for each development within Watermark.

### V. DESIGN REVIEW PROCESS IMPLEMENTATION

## A. Intensity Range

The developer of the Watermark has filed a Vesting Tentative Subdivision Map (VTM No. 180357) and Planned Development Permit (PDP No. 180357) to guide the buildout of the project. The VTM and PDP provide a mechanism for the City to review the buildout program for the project and to ensure conformance with the VTM and Master Plan PDP guidelines and the Environmental Impact Report (EIR) (Project No. 180357, SCH. No. 2010091079).

In response to changing market and planning conditions, the Watermark Master Plan allows for flexibility in the selection of land use types and intensities in buildout of the project, provided that the land uses are in accordance with the zone for that parcel. The proposed mix of commercial retail and office uses could result in various alternatives in building location, size and height within the development footprint of the site. The selection of permitted land uses shall be governed by the City's Land Development Code (May 15, 2009).

The Master Site Plan in this PDP presents the preferred alternative of how the project might be built out. Building square footages, traffic generation rates, and the resulting Average Daily Trips (ADT) generated by a complete buildout of this development, including both existing buildings and new buildings to be constructed, are shown in the traffic analysis section of the Environmental Impact Report. The developer will determine final building sizes and uses based on market conditions, subject to total ADT as shown in the transportation phasing plan.

## B. Substantial Conformance Review

Applications for construction permits and development permits, as defined by the San Diego Municipal Code, shall be evaluated for consistency with the following approvals and documents:

- Vesting Tentative Map No. 180357
- CUP/PDP No. 180357

- Base Zone
- Environmental Impact Report, Project No. 180357, SCH No. 2010091079

All proposals consistent with existing approvals shall be processed in accordance the City's Substantial Conformance Review (SCR) guidelines as outlined in Bulletin 500, dated March 2009. Prior to obtaining building permits for a development of future phases of the project, the developer will submit to the City documents consistent with SCR Process 1. This process shall include a distribution to the Miramar Ranch North Community Planning Group for review and comment in concert with the review by the City.

Separately regulated uses identified in the Land Development Code CR-2-1 Zone shall be allowed subject to compliance with all City-wide development regulations and permit requirements.

EXHIBIT A Landscape Calculations Worksheets



City of San Diego Development Services 1222 First Ave., MS-501 San Diego, CA 92101-4154 (619) 446-5000

## **Landscape Calculations Worksheet**

Industrial Development in RM and C Zones
Commercial Development in All Zones

Provide the following information on the Landscape Plans. The Landscape Calculations determine the planting area and points required by the Landscape Regulations, Chapter 14, Article 2, Division 4 of the Land Development Code.

	ARD

industrial and Commercial Development	(except Auto Service Stations	; see below):
---------------------------------------	-------------------------------	---------------

Planting Area Required [142.0404]			Planting Area Provided	Excess Area Provided
Total Area	sq. ft. x 25%=	sq. ft.	59. R.	SQ. A
	Planting Points Required [142.0404]		Plant Points Provided - To be achieved with trees only	Excess Points Provide

### **Auto Service Stations Only**

***************************************	Planting Area Required [142.0405(c)(2)]		Planting Area Provided	Excess Area Provided
Total Are	Total Area sq. ft. x 15%= sq. ft.		\$q. ft.	F. 1

Plant Points Required [142.0405(c)(2)]		Plant Points Provided	Excess Points Provided	
Total Area	sq. fl. x 0.03=	points	coints	DOTAS
- and any - and any or selection of the				

Note: All required Street Yard planting areas located outside the Vehicular Use Area (VUA) except for auto service stations may consist of hardscape or unaltached unit pavers, excluding the minimum area required for trees. [142.0405(C)[1]]

### REMAINING YARD

Planting Area Required [142.0404]		Planting Area Provided	Excess Area Provided	
Total Area	sq. ft. x 30%=	sq. fl.	sq. ft.	sq. tt

. Plant Points Required [142.0404]			Plant Points Provided	Excess Points Provided
Total Area	sq. ft. x 0.05=	points	points	
49400000000000000000000000000000000000	and the second s			

### ADDITIONAL YARD REQUIREMENTS FOR PROJECTS ABUTTING RESIDENTIAL ZONES

Planting Area Buffer Between Zones		Buffer Area Provided	Excess Area Provided	
	and the second s			
Length of Property line(s)		so, it buffer		994 HVD
abuting residential zone	1. × 5 ≈	required	5Q. ft.	\$Q #.
-	reducibility of the Control of the C		стратительного учета на принастраний принаст	Garden Control (Control (Contr

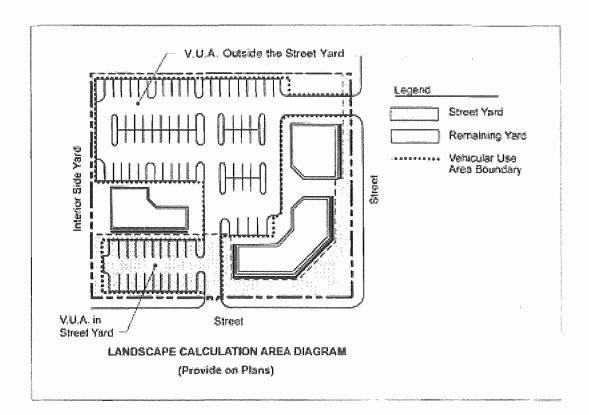
Plant Points Required within buffer		Plant Points Provided	Excess Points Provided	
Total Area	sq. ft. x 0.05=	points	points	points

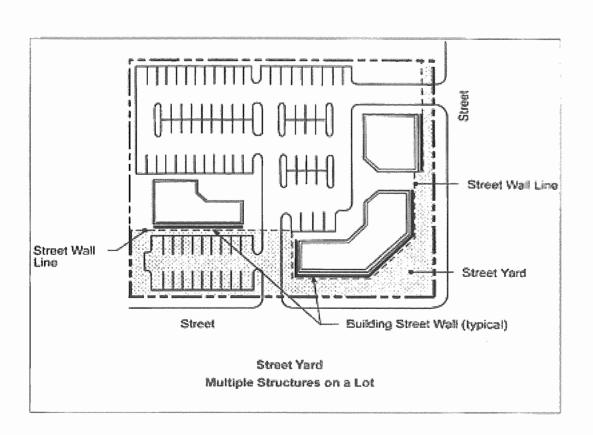
Note: Plant Points required are in addition to those required in the remaining yard. [142.0405(c)(3)].

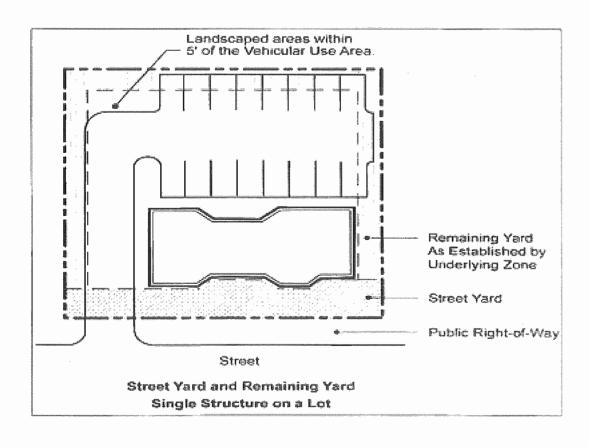
VEHICULAR USE AREA (VUA) - See separate worksheet (DS-5)

### ADDITIONAL YARD PLANTING AREA AND POINT REQUIREMENTS

If any of the requirements of Landscape Regulations, Section 142.0405 (a) 1, 2, or 3 apply to your project, provide a winder summary explaining how requirements are being met.









City of San Diego Development Services 1222 First Ave., MS-501 San Diego, CA 92101-4154 (619) 446-5000

# Landscape Calculations Worksheet Vehicular Use Areas (VUA)

Provide the following information on the Landscape Plans. The Landscape Calculations determine the planting area and points required by the Landscape Regulations, Chapter 14, Article 2, Division 4 of the Land Development Code.

One tree (minimum 24-inch box size) is required within 30 ft. of each parking space. (If palm trees are used, one palm (minimum 8 ft. brown trunk height) is required within 15 ft. of each parking space.)

### VEHICULAR USE AREA (<6,000 sf) [142.0406 - 142.0407]

Planting Area Required: provide 40 sq. ft. per tree ( with no dimension less than 5' )

Plant Points Required		Plant Points Provided	Excess Points Provided	
Total VUA:	sq. ft. x 0.05 =	points	points	ponts

Points achieved through trees (at least half): points

### VEHICULAR USE AREA (≥6,000 sf) [142.0406 - 142.0407]

Required Planting Area			Planting Area Provided	Excess Area Provided
VUA inside Street Yard:	sq. ft. x 0.05 =	50 fl.		
VUA outside Street Yard:	sq. ft. x 0.03 =	80, Å.	sq. ft.	5Q ft.

	Required Plant Points		Plant Points Provided	Points Provided with Trees (at least half)	
	VUA inside Street Yard:	sq. ft. x 0.05 =	points	points	
1	VUA cutside Street Yard:	sq. ft. x 0.03 =	points	points	DEFE

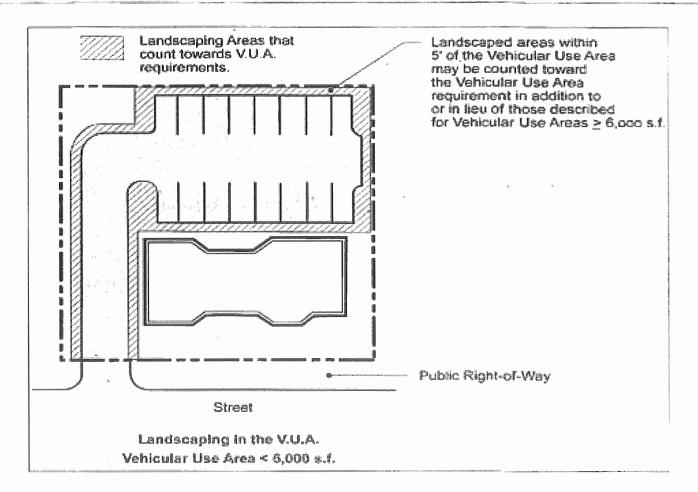
### TEMPORARY VEHICULAR USE AREA [142.0408]

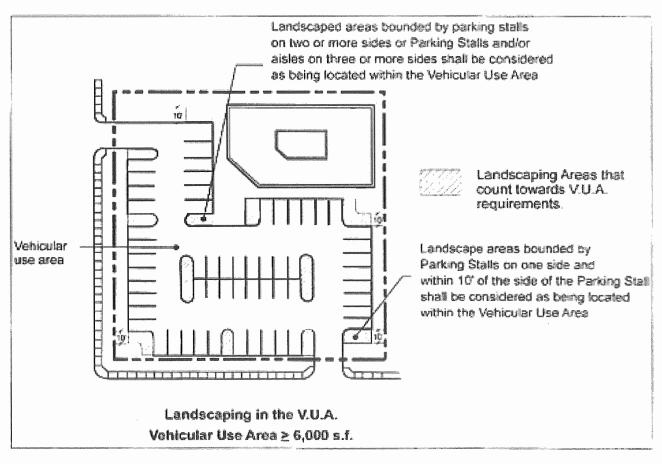
Required Planting Area			Planting Area Provided	
Length of Public Right-of-Way				
adjacent to VUA:	ft, x 3 ft =	$ \{ i, , \dots \}_{i \in \mathbb{N}} : \tilde{\Pi}_i ,$	sq. ft.	

- Provide planting area between Public Right-of-Way and VUA.
- · Plant with evergreen shrubs.
- Shrubs must achieve a minimum height of 30" within 2 years of installation over at least 50% of the required planting area

#### ADDITIONAL YARD PLANTING AREA AND POINT REQUIREMENTS

If any of the requirements of Landscape Regulations, Section 142,0405 (a) 1, 2, or 3 apply to your project, provide a written summary explaining how requirements are being mot.





### **RECORDING REQUESTED BY**

CITY OF SAN DIEGO DEVELOPMENT SERVICES PERMIT INTAKE, MAIL STATION 501

WHEN RECORDED MAIL TO CITY CLERK MAIL STATION 2A

SPACE ABOVE THIS LINE FOR RECORDER'S USE

INTERNAL ORDER NUMBER: 23432396

PLANNED DEVELOPMENT PERMIT NO. 651597
CONDITIONAL USE PERMIT NO. 651699
(AMENDMENT TO CONDITIONAL USE PERMIT NO. 174323, PLANNED
DEVELOPMENT PERMIT NO. 174234 AND
PLANNED DEVELOPMENT PERMIT NO. 99-1027)
THE WATERMARK, PROJECT NO. 180357: MMRP
CITY COUNCIL
DRAFT

This Planned Development Permit (PDP) No. 651597 and Conditional Use Permit (CUP) No. 651699 (amendment to CUP No. 174323 and PDP 17234 and PDP 99-1027), is granted by the City Council of the City of San Diego to Scripps Highlands Partners, LLC, a Delaware Limited Liability Company, Owner/Permittee, pursuant to San Diego Municipal Code [SDMC] sections 141.0623 and 126.0602. The 34.5-acre site is currently located at 10137 Scripps Gateway Court in the IP-2-1 Zone and the Federal Aviation Administration (FAA) Notification Area for the Marine Core Air Station (MCAS), the MCAS Airport Land Use Compatibility and the MCAS Airport Influence Area within the Miramar Ranch North Community Plan. The project site is legally described as: Lots 1-6 and A-C of Scripps Gateway Unit No. 2, Map No. 14004.

Subject to the terms and conditions set forth in this Permit, permission is granted to Owner/Permittee to construct a variety of retail stores, restaurants, stand alone market, office, movie theater and hotel uses totaling approximately 602,000 square feet, described and identified by size, dimension, quantity, type, and location on the approved exhibits [Exhibit "A"] dated XXXX 2013, on file in the Development Services Department.

### The project shall include:

- Maintenance of the existing office building (Med-Impact 1) and the construction of the proposed office building (Med-Impact 2) as described in CUP No. 174323 and PDP No. 174324;
- b. Construction of a variety of commercial uses, including retail stores, restaurants, office, movie theater, and hotel, totaling approximately 602,000 square feet;
- b. Construction of a parking structure with 1,727 parking spaces;
- c. Deviation for structure height and architectural projections as described in Condition No. 61;
- d. Landscaping (planting, irrigation and landscape related improvements included in the Retail Design Guidelines as shown in Exhibit "A");
- e. Off-street parking outside of the parking structure;
- f. Pedestrian plaza, retaining walls, fences, signs and lighting; and
- g. Public and private accessory improvements determined by the Development Services Department to be consistent with the land use and development standards for this site in accordance with the adopted community plan, the California Environmental Quality Act [CEQA] and the CEQA Guidelines, the City Engineer's requirements, zoning regulations, conditions of this Permit, and any other applicable regulations of the SDMC.

### STANDARD REQUIREMENTS:

- 1. This permit must be utilized within thirty-six (36) months after the date on which all rights of appeal have expired. If this permit is not utilized in accordance with Chapter 12, Article 6, Division 1 of the SDMC within the 36 month period, this permit shall be void unless an Extension of Time has been granted. Any such Extension of Time must meet all SDMC requirements and applicable guidelines in effect at the time the extension is considered by the appropriate decision maker. This permit must be utilized by XXXX.
- 2. No permit for the construction, occupancy, or operation of any facility or improvement described herein shall be granted, nor shall any activity authorized by this Permit be conducted on the premises until:
  - a. The Owner/Permittee signs and returns the Permit to the Development Services Department; and
  - b. The Permit is recorded in the Office of the San Diego County Recorder.

- 3. While this Permit is in effect, the subject property shall be used only for the purposes and under the terms and conditions set forth in this Permit unless otherwise authorized by the appropriate City decision maker.
- 4. The existing office building and accessory development on Lot 1 (Med-Impact 1) and the previously entitled office building and accessory development on Lot 2 (Med-Impact 2) are subject to all the conditions of CUP No. 174323 and PDP No. 174324 and are not required to satisfy any new conditions of this amended permit. All other development on all other lots are subject to the conditions of this amended permit.
- 5. This Permit is a covenant running with the subject property and all of the requirements and conditions of this Permit and related documents shall be binding upon the Owner/Permittee and any successor(s) in interest.
- 6. The continued use of this Permit shall be subject to the regulations of this and any other applicable governmental agency.
- 7. Issuance of this Permit by the City of San Diego does not authorize the Owner/Permittee for this Permit to violate any Federal, State or City laws, ordinances, regulations or policies including, but not limited to, the Endangered Species Act of 1973 [ESA] and any amendments thereto (16 U.S.C. § 1531 et seq.).
- 8. The Owner/Permittee shall secure all necessary building permits. The Owner/Permittee is informed that to secure these permits, substantial building modifications and site improvements may be required to comply with applicable building, fire, mechanical, and plumbing codes, and State and Federal disability access laws.
- 9. Construction plans shall be in substantial conformity to Exhibit "A." Changes, modifications, or alterations to the construction plans are prohibited unless appropriate application(s) or amendment(s) to this Permit have been granted.
- 10. All of the conditions contained in this Permit have been considered and were determined-necessary to make the findings required for approval of this Permit. The Permit holder is required to comply with each and every condition in order to maintain the entitlements that are granted by this Permit.

If any condition of this Permit, on a legal challenge by the Owner/Permittee of this Permit, is found or held by a court of competent jurisdiction to be invalid, unenforceable, or unreasonable, this Permit shall be void. However, in such an event, the Owner/Permittee shall have the right, by paying applicable processing fees, to bring a request for a new permit without the "invalid" conditions(s) back to the discretionary body which approved the Permit for a determination by that body as to whether all of the findings necessary for the issuance of the proposed permit can still be made in the absence of the "invalid" condition(s). Such hearing shall be a hearing de novo, and the discretionary body shall have the absolute right to approve, disapprove, or modify the proposed permit and the condition(s) contained there.

### **ENVIRONMENTAL/MITIGATION REQUIREMENTS:**

- 11. Mitigation requirements in the Mitigation, Monitoring, and Reporting Program No. 180357 [MMRP] shall apply to this Permit. These MMRP conditions are hereby incorporated into this Permit by reference.
- 12. The mitigation measures specified in the MMRP and outlined in Environmental Impact Report No. 180357, shall be noted on the construction plans and specifications under the heading ENVIRONMENTAL MITIGATION REQUIREMENTS.
- 13. The Owner/Permittee shall comply with the MMRP as specified in Environmental Impact Report No. 180357, to the satisfaction of the Development Services Department and the City Engineer. Prior to issuance of any construction permit, all conditions of the MMRP shall be adhered to, to the satisfaction of the City Engineer. All mitigation measures described in the MMRP shall be implemented for the following issue areas:

### Transportation/Traffic Circulation/Parking (direct and cumulative) and Air Quality

- 14. Prior to issuance of construction permits, the Owner/Permittee shall include a representative of the Environmental Services Department (ESD) in preconstruction meetings to ensure that:
  - An appropriate destination for soils has been identified;
  - An appropriate destination for concrete and asphalt has been identified;
  - Grubbed material is separated and taken to Miramar Landfill Greenery;
  - Contract documents have recycling specifications included;
  - Materials purchase documents demonstrate that approximately 12,750 tons of recycled base material (minimum 50% post-consumer content) was used for the project; concrete pavers are recycled/post consumer content products, recycled mulch is used in all planting areas.
  - A solid waste coordinator has been identified;
  - An appropriate number of bins are provided with appropriate signage;
  - Bins are appropriately used and contamination levels are minimized;
  - The Construction and Demolition Debris Diversion Deposit Program deposit has been paid;
  - An appropriate diversion rate has been included on the deposit form (the WMP targets 89%, with 75% as the minimum); and
  - Materials are being taken to the appropriate facility.
- 15. Prior to final inspection or issuance of any Certificate of Occupancy, the Owner/Permittee shall contact a representative of the Environmental Services Department to schedule an appointment to:
  - Inspect and approve a storage area that has been provided consistent with San Diego Municipal Code Chapter 14: General Regulations, Article 2: General Development Regulations Division 8: Refuse and Recyclable Materials Storage Regulations;
  - Ensure that a hauler has been retained to provide recyclable materials collection and yard waste collection;

- Inspect and approve the education materials for building tenants/owners that are required pursuant to the City's Recycling Ordinance; and
- Identify a contact person for follow-up on food waste collection/composting.

### **AIRPORT REQUIREMENTS:**

16. Prior to issuance of any grading permits, the Owner/Permittee shall provide a valid "Determination of No Hazard to Air Navigation" issued by the Federal Aviation Administration.

### **GEOLOGY REQUIREMENTS:**

- 17. The Owner/Permittee shall submit a geotechnical investigation report or update letter that specifically addresses the proposed construction plans. The geotechnical investigation report or update letter shall be reviewed for adequacy by the Geology Section of the Development Services Department prior to issuance of any construction permits.
- 18. The Owner/Permittee shall submit an as-graded geotechnical report prepared in accordance with the City's "Guidelines for Geotechnical Reports" following completion of the grading. The as-graded geotechnical report shall be reviewed for adequacy by the Geology Section of the Development Services Department prior to exoneration of the bond and grading permit close-out.

### **ENGINEERING REQUIREMENTS:**

- 19. Prior to the issuance of any building permits, the Owner/Permittee shall obtain a bonded grading permit for the grading proposed for this project. All grading shall conform to the requirements of the City of San Diego Municipal Code in a manner satisfactory to the City Engineer.
- 20. The project proposes to export 65,000 cubic yards of material from the project site. All excavated material listed to be exported, shall be exported to a legal disposal site in accordance with the Standard Specifications for Public Works Construction (the "Green Book"), 2009 edition and Regional Supplement Amendments adopted by Regional Standards Committee.
- 21. The drainage system proposed for this development, as shown on the site plan, is public and private and all subject to approval by the City Engineer.
- 22. The Owner/Permittee shall ensure that all onsite utilities serving the subdivision shall be undergrounded with the appropriate permits. The Owner/Permittee shall provide written confirmation from applicable utilities that the conversion has taken place, or provide other means to assure the undergrounding, satisfactory to the City Engineer.
- 23. The Owner/Permittee shall underground existing and/or proposed public utility systems and service facilities in accordance with the San Diego Municipal Code.

- 24. Prior to the issuance of any building permits, the Owner/Permittee shall dedicate a 15-foot wide and 66-foot wide Storm Drain Easements adjacent to the site on Scripps Poway Parkway and Scripps Highlands Drive in accordance with Exhibit 'A,' satisfactory to the City Engineer.
- 25. Prior to the issuance of any building permits, the Owner/Permittee shall dedicate additional right-of-way on Scripps Poway Parkway and Scripps Highland Drive in accordance with Exhibit 'A,' satisfactory to the City Engineer.
- 26. Prior to the issuance of any building permits, the Owner/Permittee shall assure, by permit and bond, the construction of public improvements on Scripps Poway Parkway and Scripps Highland Drive in accordance with Exhibit 'A,' satisfactory to the City Engineer.
- 27. Whenever street rights-of-way are required to be dedicated, the Owner/Permittee shall provide the right-of-way free and clear of all encumbrances and prior easements. The Owner/Permittee shall secure "subordination agreements" for minor distribution facilities and/or "joint-use agreements" for major transmission facilities.
- 28. Prior to the issuance of any building permits, the Owner/Permittee shall assure, by permit and bond, the construction of current City Standard curb ramps at the southwest corner of Scripps Poway Parkway and Scripps Highland Drive and all corners for the access driveways on Scripps Poway Parkway and Scripps Highland Drive, with current City standard curb ramp Standard Drawing SDG-130 and SDG-132 with truncated domes, satisfactory to the City Engineer.
- 29. Prior to the issuance of any building permits, the Owner/Permittee shall assure, by permit and bond, the construction of a current City Standard storm drain cleanout in the Scripps Poway Parkway Right-of-Way, satisfactory to the City Engineer.
- 30. Prior to the issuance of any building permits, the Owner/Permittee shall assure, by permit and bond, the construction of a current City Standard public storm drain system, in accordance with Exhibit 'A, within the proposed 15-foot wide Storm Drain Easement, satisfactory to the City Engineer.
- 31. Prior to the issuance of any building permits, the Owner/Permittee shall enter into an Encroachment Maintenance Removal Agreement with the City for the private storm drain connections into the City of San Diego Public Storm Drain in the Scripps Poway Parkway Right-of-Way and proposed 15-foot wide Public Storm Drain Easement, satisfactory to the City Engineer.
- 32. Prior to the issuance of any building permit, per the City of San Diego Street Design Manual-Street Light Standards, and Council Policy 200-18, the Owner/Permittee shall assure, by permit and bond, the installation of new street lights adjacent to the site on Scripps Poway Parkway, satisfactory to the City Engineer.
- 33. Prior to the issuance of any construction permit, the Owner/Permittee shall enter into a Maintenance Agreement for the ongoing permanent BMP maintenance, satisfactory to the City Engineer.

- 34. Prior to the issuance of any construction permit, the Owner/Permittee shall incorporate any construction Best Management Practices necessary to comply with Chapter 14, Article 2, Division 1 (Grading Regulations) of the San Diego Municipal Code, into the construction plans or specifications, satisfactory to the City Engineer.
- 35. Development of this project shall comply with all requirements of State Water Resources Control Board (SWRCB) Order No. 2009-0009 DWQ and the San Diego Regional Water Quality Control Board (SDRWQCB) Order No. R9-2007-001, Waste Discharge Requirements for Discharges of Storm Water Runoff Associated With Construction Activity. In accordance with said permit, a Storm Water Pollution Prevention Plan (SWPPP) and a Monitoring Program Plan shall be implemented concurrently with the commencement of grading activities, and a Notice of Intent (NOI) shall be filed with the SWRCB.
- 36. A copy of the acknowledgment from the SWRCB that an NOI has been received for this project shall be filed with the City of San Diego when received; further, a copy of the completed NOI from the SWRCB showing the permit number for this project shall be filed with the City of San Diego when received. In addition, the owner(s) and subsequent owner(s) of any portion of the property covered by this grading permit and by SWRCB Order No. 2009-0009-DWQ, and any subsequent amendments thereto, shall comply with special provisions as set forth in SWRCB Order No. 2009-0009-DWQ.
- 37. Prior to the issuance of any construction permit, the Owner/Permittee shall incorporate and show the type and location of all post-construction Best Management Practices (BMPs) on the final construction drawings, consistent with the approved Water Quality Technical Report, satisfactory to the City Engineer.

### **LANDSCAPE REQUIREMENTS:**

- 38. Prior to issuance of any engineering permits for grading, construction documents for the revegetation and hydroseeding of all disturbed land shall be submitted in accordance with the Landscape Standards and to the satisfaction of the Development Services Department. All plans shall be in substantial conformance to this permit (including Environmental conditions) and Exhibit 'A,' on file in the Office of the Development Services Department.
- 39. Prior to issuance of any engineering permits for right-of-way improvements, complete landscape construction documents for right-of-way improvements shall be submitted to the Development Services Department for approval. Improvement plans shall provide a 40-square-foot area unencumbered by utilities around each tree. Driveways, utilities, drains, water and sewer laterals shall be designed so as not to prohibit the placement of street trees.
- 40. Prior to issuance of any construction permits for structures (including shell), complete landscape and irrigation construction documents consistent with the Landscape Standards shall be submitted to the Development Services Department for approval. The construction documents shall be in substantial conformance with Exhibit 'A,' Landscape Development Plan, on file in the Office of the Development Services Department. Construction plans shall provide for a 40 sq-ft permeable area unencumbered by hardscape and utilities around each tree unless otherwise approved per LDC 142.0403(b)(5).

- 41. In the event that a foundation only permit is requested by the Owner/Permittee, a site plan or staking layout plan shall be submitted identifying all landscape areas consistent with Exhibit 'A,' Landscape Development Plan, on file in the Office of the Development Services Department. These landscape areas shall be clearly identified with a distinct symbol, noted with dimensions and labeled as 'landscaping area.'
- 42. Prior to issuance of any Certificate of Occupancy or Final Inspection, the Owner/Permittee shall install all required landscape and obtain all required landscape inspections. A "No Fee" Street Tree Permit shall be obtained for the installation, establishment, and on-going maintenance of all street trees.
- 43. All required landscape shall be maintained in a disease, weed- and litter-free condition at all times. Severe pruning or "topping" of trees is not permitted unless specifically noted in this Permit.
- 44. The Owner/Permittee shall maintain all landscape improvements shown on the approved plans, including in the right-of-way, consistent with the Landscape Standards unless long-term maintenance of said landscaping will be the responsibility of a Landscape Maintenance District or other approved entity.
- 45. If any required landscape (including existing or new plantings, hardscape, landscape features, etc.) indicated on the approved construction document plans is damaged or removed during demolition or construction, it shall be repaired and/or replaced in kind and equivalent size per the approved documents to the satisfaction of the Development Services Department within 30 days of damage or Certificate of Occupancy, whichever occurs earlier.

### **BRUSH MANAGEMENT PROGRAM REQUIREMENTS:**

- 46. The Owner/Permittee shall implement the following requirements in accordance with the Brush Management Program shown on Exhibit 'A' Brush Management Plan on file in the Office of the Development Services Department.
- 47. Brush Management for existing buildings shall continue per previously issued permits. Brush Management associated with this Permit shall be provided for all new structures on or adjacent to Lot 3 that will be within 100-ft of native/naturalized vegetation. The Brush Management Program shall be based upon a standard Zone One of 35 feet in width with zone Two of 65 feet in width, extending out from the structure towards the native/naturalized vegetation, consistent with the Brush Management Regulations of the Land Development Code, section 142.0412. The Zone Two width may be decreased by 1 1/2 feet for each 1 foot of increase in Zone One width over the standard 35-ft.
- 48. Prior to issuance of any Engineering Permits for grading, landscape construction documents required for the engineering permit shall be submitted showing the brush management zones on the property in substantial conformance with Exhibit 'A.'

- 49. Prior to issuance of any Building Permits associated with Lot 3, a complete set of Brush Management Plans shall be submitted for approval to the Development Services Department. The construction documents shall be in substantial conformance with Exhibit 'A' and shall comply with the Landscape Standards and Brush Management Regulations as set forth under Land Development Code Section 142.0412.
- 50. Within Zone One, combustible accessory structures (including, but not limited to decks, trellises, gazebos, etc.) shall not be permitted while non-combustible and/or one-hour fire-rated accessory structures may be approved within the designated Zone One area subject to the Fire Marshal's approval.
- 51. The following note shall be provided on the Brush Management Construction Documents: 'It shall be the responsibility of the Owner/Permittee to schedule a pre-construction meeting on site with the contractor and the Development Services Department to discuss and outline the implementation of the Brush Management Program.'
- 52. Within Zone One, plant material shall be selected to visually blend with the existing hillside vegetation. No invasive plant material shall be permitted.
- 53. Prior to final inspection and/or issuance of any Certificate of Occupancy, the approved Brush Management Program shall be implemented.
- 54. The Brush Management Program shall be maintained at all times in accordance with the City of San Diego's Landscape Standards.

### PLANNING/DESIGN REQUIREMENTS:

- 55. A topographical survey conforming to the provisions of the SDMC may be required if it is determined, during construction, that there may be a conflict between the building(s) under construction and a condition of this Permit or a regulation of the underlying zone. The cost of any such survey shall be borne by the Owner/Permittee.
- 56. This Permit may be developed in phases. Each phase shall be constructed prior to sale or lease to individual owners or tenants to ensure that all development is consistent with the conditions and exhibits approved for each respective phase per the approved Exhibit "A."
- 57. A Substantial Conformance Review (SCR), Process 1 is required prior to the issuance of any building permits to ensure conformance with the "Design Guidelines for Project No. 180357" and shall include distribution to the Community Planning Group as well as LDR-Transportation, LDR- Planning, LDR-Landscaping and Long-Range Planning.
- 58. All signs associated with this development shall be consistent with City-wide sign regulations unless a Comprehensive Sign Program is prepared and approved by the City.
- 59. All private outdoor lighting shall be shaded and adjusted to fall on the same premises where such lights are located and in accordance with the applicable regulations in the SDMC.

60. The deviations have been included to allow implementation of building heights, architectural elements, and to accommodate height of the parking structure and its shade/canopy elements. A deviation for structure height on the plaza enables the development of a landmark architectural feature, such as a clock tower, bell tower, or other architectural features to designate the gateway to the community. Below is a list of the deviations allowed under this Permit for each proposed building. Some of the buildings meet the height requirement but add an architectural detail that exceeds the overall structure height:

Zone CR-2-1					
Building	Allowed Max. Structure		Max. Height	Deviation	
_	Height	Height	Architectural Features	,	
Building C (Market)	60 feet	60 feet	70 feet	10 feet	
Building E	60 feet	70 feet	70 feet	10 feet	
Building F	60 feet	70 feet	70 feet	10 feet	
Building G	60 feet	70 feet	70 feet	10 feet	
Building H	60 feet	85 feet	100 feet	40 feet	
(Theater)					
Building K	60 feet	60 feet	85 feet	25 feet	
Building L (Hotel)	60 feet	85 feet	100 feet	40 feet	
Building M (Office)	60 feet	95 feet	103 feet	43 feet	
Building P (Garage)	60 feet	85 feet	100 feet	40 feet	

Note: the elevations are conceptual and the heights of the buildings will vary but will not exceed the height indicated in Table 1.

### TRANSPORTATION REQUIREMENTS

- 61. A minimum of 1,982 (2,191 provided) automobile parking spaces (including 40 standard accessible spaces and 5 van accessible spaces), 40 carpool spaces, 40 motorcycle spaces, 11 bicycle spaces with racks, and 16 off-street loading/unloading spaces are required by the Land Development Code. All on-site parking stalls and aisle widths shall be in compliance with requirements of the City's Land Development Code and shall not be converted and/or utilized for any other purpose, unless otherwise authorized in writing by the Development Services Director. Minimum required parking per Land Development Code shall be provided at each stage in the project's phasing if the project is phased.
- 62. Prior to the issuance of the first building permit, the Owner/Permitee shall provide a shared parking agreement among all parcels for the proposed parking spaces located on site, satisfactory to the City Engineer.
- 63. Prior to the issuance of the first building permit, the Owner/Permitee shall provide a shared access agreement among all parcels for the proposed driveways on site, satisfactory to the City Engineer.
- 64. Prior to the issuance of the first construction permit, the Owner/Permitee shall assure by permit and bond the reconfiguration of the Scripps Poway Parkway/I-15 Interchange to shift the westbound through lanes on Scripps Poway Parkway to the north and provide additional queuing length for westbound traffic on Scripps Poway Parkway. The "back-to-back" left turns shall be eliminated and additional queuing for traffic turning left from Scripps Poway Parkway to

southbound I-15 shall be provided. Reduction in the width of raised median on Scripps Poway Parkway east of interchange shall be required. All work shall be completed to the satisfaction of the City Engineer.

- 65. Prior to the issuance of the first construction permit, the Owner/Permitee shall assure by permit and bond the provision of a triple left-turn lane at Scripps Poway Parkway and Scripps Highland Drive intersection by re-striping the northbound leg to take a thru lane and make it a shared left-thru lane. The pedestrian crossing on the west leg of the intersection shall be removed. Additionally a northbound right-turn overlap shall be provided. All work shall be done to the satisfaction of the City Engineer.
- 66. Prior to issuance of the first building permit, the Owner/Permittee shall assure, by permit and bond, provision of a Class I bicycle path and 12-foot non-contiguous sidewalk on Scripps Poway Parkway along the project's frontage, satisfactory to the City Engineer. The improvements shall be completed and accepted by the City prior to issuance of the first certificate of occupancy.
- 67. The Owner/Permitee shall provide two secure bicycle racks and/or storage onsite.
- 68. The Owner/Permittee shall provide showers and changing facilities within commercial buildings.
- 69. The Owner/Permitee shall provide electrical plugs in the parking garage for electric/electric hybrid vehicles.
- 70. The Owner/Permitee shall provide preferred parking for carpools or vanpools.
- 71. The Owner/Permitee shall provide a kiosk or bulletin board onsite that displays information on transit use, carpooling, and other forms of ridesharing.

### PUBLIC UTILITIES DEPARTMENT REQUIREMENTS:

- 72. Prior to the issuance of any building permits, the Owner/Permittee shall assure, by permit and bond, the design and construction of any new water and sewer service(s) outside of any driveway, and the disconnection at the main of the existing unused water and sewer service adjacent to the project site, in a manner satisfactory to the Director of Public Utilities and the City Engineer.
- 73. All proposed private water and sewer facilities located within a single lot are to be designed to meet the requirements of the California Uniform Plumbing Code and will be reviewed as part of the building permit plan check.
- 74. Prior to the issuance of any building permits, the Owner/Permittee shall assure, by permit and bond the design and construction of reclaimed water irrigation service(s), in a manner satisfactory to the Director of Public Utilities and the City Engineer. All irrigation systems must be designed to utilize reclaimed water.

- 75. Prior to the issuance of any building permits, the Owner/Permittee shall apply for a plumbing permit for the installation of appropriate private back flow prevention device(s), on each water service (domestic, fire and irrigation), in a manner satisfactory to the Director of Public Utilities and the City Engineer. BFPDs shall be located above ground on private property, in line with the service and immediately adjacent to the right-of-way.
- 76. The Owner/Permittee shall install fire hydrants at locations satisfactory to the Fire Marshal, the Director of Public Utilities and the City Engineer. If more than two (2) fire hydrants or thirty (30) dwelling units are located on a dead-end water main then the Owner/Permittee shall install a redundant water system satisfactory to the Director of Public Utilities.
- 77. The Owner/Permittee shall grant adequate water easements, including vehicular access to each appurtenance (meters, blow offs, valves, fire hydrants, etc.) for all public water facilities that are not located within fully improved public right-of-ways. Grants of water easements shall have a the following minimum widths: water mains with no appurtenances including valves 15 feet; water mains with appurtenances 24 feet of paving and full height curbs. Easements, as shown on the approved vesting tentative map, will require modification based on standards and final engineering.
- 78. The Owner/Permittee shall enter into encroachment maintenance and removal agreements with the City, for all acceptable encroachments into the water easement, including but not limited to structures, enhanced paving, or landscaping to the satisfaction of the City Engineer. No structures or landscaping of any kind shall be installed in or over any vehicular access roadway.
- 79. For any portion of the subdivision which will have gated access, the Owner/Permittee shall provide keyed access to the Water Operations Division of the Public Utilities in a manner satisfactory to the Director of Public Utilities. The City will not be responsible for any issues that may arise relative to the availability of keys.
- 80. No trees or shrubs exceeding three feet in height at maturity shall be installed within ten feet of any water and sewer facilities.
- 81. Prior to the issuance of any certificates of occupancy, all public water and sewer facilities shall be complete and operational in a manner satisfactory to the Director of Public Utilities and the City Engineer.

### **INFORMATION ONLY:**

- The issuance of this discretionary use permit alone does not allow the immediate commencement or continued operation of the proposed use on site. The operation allowed by this discretionary use permit may only begin or recommence after all conditions listed on this permit are fully completed and all required ministerial permits have been issued and received final inspection.
- Any party, on whom fees, dedications, reservations, or other exactions have been imposed as conditions of approval of this Permit, may protest the imposition within ninety days of

the approval of this development permit by filing a written protest with the City Clerk pursuant to California Government Code-section 66020.

• This development may be subject to impact fees at the time of construction permit issuance.

APPROVED by the City Council of the City of San Diego on XXXX and Resolution No. XXXX.

## CITY COUNCIL RESOLUTION NO.

PLANNED DEVELOPMENT PERMIT NO. 651597
CONDITIONAL USE PERMIT NO. 651699
(AMENDMENT TO EXTENSION OF TIME FOR CONDITIONAL USE PERMIT NO. 174323, PLANNED DEVELOPMENT PERMIT NO. 174234 AND PLANNED DEVELOPMENT PERMIT NO. 99-1027)
THE WATERMARK - PROJECT NO. 180357-MMRP
DRAFT

WHEREAS, Scripps Highlands Partners, LLC, a Delaware Limited Liability Company, Owner/Permittee, filed an application with the City of San Diego for a Planned Development Permit (PDP) No. 651597 and Conditional Use Permit (CUP) No. 651699 (amendment to CUP No. 174323 and PDP No. 17234 and PDP No. 99-1027) to construct of a variety of retail stores, restaurants, stand alone market, office, movie theater and hotel totaling approximately 602,000 square feet, known as the Watermark project. The 34.5-acre site is located at 10137 Scripps Gateway Court in the IP-2-1 Zone (to be rezoned to the CR-2-1 Zone concurrent with this Permit), the Federal Aviation Administration (FAA) Notification Area for the Marine Core Air Station (MCAS), the MCAS Airport Land Use Compatibility and the MCAS Airport Influence Area within the Miramar Ranch North Community Plan and is legally described as: Lots 1-6 and A-C of Scripps Gateway Unit No. 2, Map No. 14004;

WHEREAS, on October 24, 2013, the Planning Commission of the City of San Diego considered Planned Development Permit (PDP) No. 651597 and Conditional Use Permit (CUP) No. 651699 (amendment to CUP No. 174323 and PDP 17234 and PDP 99-1027) and pursuant to Resolution No. XXXX-PC voted to recommend approval/denial of the Permit;

WHEREAS, under Charter section 280(a)(2), this resolution is not subject to veto by the Mayor because this matter requires the City Council to act as a quasi-judicial body and where a public hearing was required by law implicating due process rights of individuals affected by the decision and where the Council was required by law to consider evidence at the hearing and to make legal findings based on the evidence presented; and

WHEREAS, the matter was set for public hearing on XXXX, 2013, testimony having been heard, evidence having been submitted, and the City Council having fully considered the matter and being fully advised concerning the same; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, that it adopts the following findings with respect to Planned Development Permit (PDP) No. 651597 and Conditional Use Permit (CUP) No. 651699 (amendment to CUP No. 174323 and PDP 17234 and PDP 99-1027):

#### PLANNED DEVELOPMENT PERMIT FINDINGS- SECTION 126.0604

#### 1. The proposed development will not adversely affect the applicable land use plan.

The project site is located at 10137 Scripps Gateway Court in the IP-2-1 Zone and the Federal Aviation Administration (FAA) Notification Area for the Marine Core Air Station (MCAS), the MCAS Airport Land Use Compatibility and the MCAS Airport Influence Area Zone within the Miramar Ranch North Community Plan. The development includes a Rezone from the IP-2-1 to CR-2-1, General Plan and Community Plan amendments, a Vesting Tentative Map, Easement Abandonments, Public Right-of-way Vacation Planned Development Permit and a Conditional Use Permit for the development of a variety of commercial uses, offices, movie theater and hotel. Approval of the permits, plan amendments and rezone would be processed concurrently.

The proposal would implement the General and Community plan goals by various means including through the location of the site itself, being immediately adjacent to a small neighborhood commercial shopping center to the north of the subject site that could be expanded, as it has significant potential for a village according to Figure LU-1 in the General Plan. Also, its location immediately adjacent to the I-15 would implement a General Plan goal for the City of Villages to connect mixed-use villages by transit, as well as the Commercial objective to locate commercial uses in relation to the circulation system. As an expansion of the freeway center to the north of the subject site, the proposal would implement a Community Plan commercial objective to locate commercial land uses to best serve consumer needs, especially in relation to the circulation system and the overall land use pattern of the community. The proposal would also integrate public gathering spaces into a village design. A movie theatre and a market would also be included, uses which are identified in the community plan for the freeway commercial center to the north of Scripps Poway Parkway and the subject site but which are non-existent at the freeway center site.

According to the Miramar Ranch North Community Plan (MRNCP) Industrial Element adopted in 1980, the planning area should provide employment opportunities within its boundaries. Employment centers inside the community should supplement other industrial/business park developments in the I-15 corridor. It is proposed that Miramar Ranch North could accommodate around 60 acres of industrial/business park development. Manufacturing, scientific and corporate headquarters uses would probably be emphasized, drawing employees from surrounding residential areas. However, servicing, warehousing and wholesaling uses are also possible. Except as noted, areas designated for industrial park development in the MRNCP should be protected from encroachment by unacceptable uses, in order to preserve industrial acreage and employment opportunities. Community and business support facilities and services should be permitted in the industrial parks. Examples of such facilities are private schools, daycare centers and healthcare facilities; however, such uses should not exceed 15 percent of the industrial land allocation. Approximately 12 acres of the subject site are currently entitled for corporate headquarters use from a previous action, implementing this MRNCP goal by leaving a remainder of approximately 38 acres, or

63% of the original 60 acres identified in the MRNCP that could accommodate base sector use.

The General Plan identifies the project site as Prime Industrial Land in the Economic Prosperity Element. The project proposes to redesignate approximately 22.42 acres of the 34.5-acre site from Industrial/Business Park to Regional Commercial to allow development of retail, restaurants, a market, offices, movie theatre and a hotel. The General Plan requires evaluation of Prime Industrial Land Criteria plus Collocation/Conversion Suitability Factors analysis for any proposal to remove the Prime Industrial identification on a property. Evaluation of the Prime Industrial Land Criteria of General Plan Appendix C, EP-1 concluded that the site is not within proximity to resources of extraordinary value, as the major educational institution is some 12 miles to the west and the port is 18 miles to the south-west. Also, there are engineering workers at the nearby North Ridge site but neither that site nor the subject site are within proximity to other resources of extraordinary value, eliminating any possible creation of a technology, campus environment. Evaluation of the Collocation/Conversion Suitability Factors concluded that, because the site is previously entitled for a day care center, a sensitive receptor use, the potential for future base sector development, beyond the existing or other corporate head quarters, is now less likely. The proposed commercial development would implement the Regional Commercial designation, which is intended for development which serves the community at-large with retail, service, civic, and office uses within three to six miles. The remaining approximate 12 acres would remain consistent with the Industrial/Business Park designation as that portion of the site was previously entitled for base sector use, including corporate offices.

In a memo dated September 13, 2013, and revised September 17, 2012, staff analyzed the comparison of economic impacts between the entitled project and the proposed project. In summary, the entitled project would create 258 construction jobs, 1,222 permanent jobs, and an annual payroll of approximately \$96,346,286. The proposed project would create 534 construction jobs, 1,502 permanent jobs, and an annual payroll of approximately \$68,784,700.

The applicant has submitted a Fiscal Revenue Generation Study which concluded that there is an identified demand for added retail space of 1,096,076 square feet in the Primary Market Area by 2012, providing the justification for a redesignation of land use from Industrial-Business Park to Regional Commercial and implementing the Commercial goal for commercial use of the MRNCP to encourage attractive, accessible commercial development meeting community shopping and services requirements of the community.

In addition to the Collocation/Conversion Suitability factors and the Prime Industrial Land criteria, the City requested the applicant submit a market study and new fiscal impact study for evaluation. The Fiscal Revenue Generation Study submitted by the applicant did not include the cost of General Fund services to the site. City staff estimates the cost of General Fund services to this developed and occupied site, on an annual basis, as \$244,490. In addition, City staff estimates the development and use of this site will

generate \$1,967,206 in tax revenue, on an annual basis. City staff estimates that the development and use of this site will generate approximately \$1.7 million in new General Fund revenue on an annual basis. All revenue and cost information discussed above are in constant 2012 dollars.

To conclude, the location of the proposed project adjacent to the I-15 and within the Mercy Interchange Gateway, the lack of proximity to resources of extraordinary value, the reduced potential for future base sector use on-site, the potential contribution of the area to the local economy and the Fiscal Revenue Generation Study have combined to provide a basis to remove the Prime Industrial identification and redesignate 22.42 acres of the 34.5-acre site from industrial to commercial use in conjunction with General Plan policies LU-A.3 and LU-A.4 and objectives for industrial supplemental employment and commercial development to meet community shopping and service needs in the MRNCP. This conclusion furthermore meets the requirement for having complied with the focused strategy from the Economic Prosperity Element of the General Plan to evaluate and preserve critically-located base sector areas but to allow, through comprehensive analysis, consideration or conversion of mixed-use or industrial land if it is not critical to the City's or region's base sector employment goals. Therefore, the proposed development will not adversely affect either the General Plan or the Miramar Ranch North community plan.

The project is located within the Federal Aviation Administration (FAA) Notification Area for the Marine Core Air Station (MCAS), the MCAS Airport Land Use Compatibility and the MCAS Airport Influence Area; however, the project has received clearance from the all of necessary agencies that the proposed project is not a hazard to air navigation. Therefore, the proposed development will not adversely affect the applicable land use plan.

## 2. The proposed development will not be detrimental to the public health, safety, and welfare.

The project site is located at 10137 Scripps Gateway Court in the CR-2-1 Zone and the Federal Aviation Administration (FAA) Notification Area for the Marine Core Air Station (MCAS), the MCAS Airport Land Use Compatibility and the MCAS Airport Influence Area Zone within the Miramar Ranch North Community Plan. The development includes a Rezone from the IP-2-1 to CR-2-1, General Plan and Community Plan amendments, a Vesting Tentative Map, Easement Abandonments, Public Right-of-way Vacation Planned Development Permit and a Conditional Use Permit for the development of a variety of commercial uses, offices, movie theater and hotel. Approval of the permits, plan amendments and rezone would be processed concurrently.

The project is located within the Federal Aviation Administration (FAA) Notification Area for the Marine Core Air Station (MCAS), the MCAS Airport Land Use Compatibility and the MCAS Airport Influence Area; however, the project has received clearance from the all of necessary agencies that the proposed project is not a hazard to air navigation.

All Uniform Building, Fire, Plumbing, Electrical, Mechanical Code and City regulations governing the constructions and continued operation of the development apply to this project to prevent adverse affects to those persons or properties in the vicinity of the project. Therefore, the project will not be detrimental to the public health, safety and welfare.

The permits for the project contains specific conditions addressing project compliance with the City's codes, policies, regulations and other regional, State and federal regulations to prevent detrimental impacts to the health, safety and general welfare of persons residing and/or working in the area. Therefore, the proposed development will not be detrimental to the public health, safety and welfare.

3. The proposed development will comply with the regulations of the Land Development Code including any proposed deviations pursuant to Section 126.0602(b)(1) that are appropriate for this location and will result in a more desirable project than would be achieved if designed in strict conformance with the development regulations of the applicable zone; and any allowable deviations that are otherwise authorized pursuant to the Land Development Code.

The project site is located at 10137 Scripps Gateway Court in the CR-2-1 Zone and the Federal Aviation Administration (FAA) Notification Area for the Marine Core Air Station (MCAS), the MCAS Airport Land Use Compatibility and the MCAS Airport Influence Area Zone within the Miramar Ranch North Community Plan. The development includes a Rezone from IP-2-1 to CR-2-1, General Plan and Community Plan amendments, a Vesting Tentative Map including easement and public right-of-way vacations, a Planned Development Permit and a Conditional Use Permit for the development of a variety of commercial uses, offices, movie theater and hotel. Approval of the permits, plan amendments and rezone would be processed concurrently.

The project will comply with all density, floor area ratio, parking, street design, open space, grading, landscape and other applicable development regulations of the CR-2-1 Zone, implemented and conditioned by the Planned Development Permit/Conditional Use Permit with the exception of height. The project proposes nine deviations to the height of various structures and for architectural projections including the hotel, the market, theater, and parking structure.

The proposed CR-2-1 Zone specifies a maximum height of 60 feet. The deviations have been requested to allow implementation of building heights, architectural elements, and to accommodate height of the parking structure and its shade/canopy elements. A deviation for structure height on the plaza enables the development of a landmark architectural feature, such as a clock tower, bell tower, or other architectural features to designate the gateway to the community. The architectural features are complementary to the project's architecture and the architecture of the existing MedImpact office buildings. This will assist in achieving an objective of the Community Plan to develop the Mercy Interchange area as an attractive gateway to the community. Such a feature

will provide a visible landmark to I-15 travelers, as well as persons entering Miramar Ranch North. All other development regulations for the underlying zone shall apply to the project.

Below is a list of the deviations for each proposed building. Some of the buildings meet the height requirement but add an architectural detail that exceeds the overall structure height.

Zone CR-2-1				
Building	Allowed	Max. Structure	Max. Height	Deviation
	Height	Height	Architectural Features	
Building C (Market)	60 feet	60 feet	70 feet	10 feet
Building E	60 feet	70 feet	70 feet	10 feet
Building F	60 feet	70 feet	70 feet	10 feet
Building G	60 feet	70 feet	70 feet	10 feet
Building H	60 feet	85 feet	100 feet	40 feet
(Theater)				
Building K	60 feet	60 feet	85 feet	25 feet
Building L (Hotel)	60 feet	85 feet	100 feet	40 feet
Building M (Office)	60 feet	95 feet	103 feet	43 feet
Building P (Garage)	60 feet	85 feet	100 feet	40 feet
Note: the elevations are	e conceptual and	the heights of the bui	ldings will vary but will not ex	ceed the height

indicated in Table 1.

The proposed subdivision complies with the applicable zoning and development regulations of the Land Development Code with the final passage of the proposed rezone, and the deviations approved with the Planned Development Permit. Therefore, the proposed development will comply with the applicable zoning and development regulations of the Land Development Code, including any allowable deviations pursuant to the land development code.

#### CONDITIONAL USE PERMIT- FINDINGS 126.0305

#### 1. The proposed development will not adversely affect the applicable land use plan.

The project site is located at 10137 Scripps Gateway Court in the CR-2-1 Zone and the Federal Aviation Administration (FAA) Notification Area for the Marine Core Air Station (MCAS), the MCAS Airport Land Use Compatibility and the MCAS Airport Influence Area Zone within the Miramar Ranch North Community Plan. The development includes a Rezone from the IP-2-1 to CR-2-1, General Plan and Community Plan amendments, a Vesting Tentative Map, Easement Abandonments, Public Right-ofway Vacation Planned Development Permit and a Conditional Use Permit for the development of a variety of commercial uses, offices, movie theater and hotel. Approval of the permits, plan amendments and rezone would be processed concurrently.

The proposal would implement the General and Community plan goals by various means including through the location of the site itself, being immediately adjacent to a small neighborhood commercial shopping center to the north of the subject site that could be expanded, as it has significant potential for a village according to Figure LU-1 in the

General Plan. Also, its location immediately adjacent to the I-15 would implement a General Plan goal for the City of Villages to connect mixed-use villages by transit, as well as the Commercial objective to locate commercial uses in relation to the circulation system. As an expansion of the freeway center to the north of the subject site, the proposal would implement a Community Plan commercial objective to locate commercial land uses to best serve consumer needs, especially in relation to the circulation system and the overall land use pattern of the community. The proposal would also integrate public gathering spaces into a village design. A movie theatre and a market would also be included, uses which are identified in the community plan for the freeway commercial center to the north of Scripps Poway Parkway and the subject site but which are non-existent at the freeway center site.

According to the Miramar Ranch North Community Plan (MRNCP) Industrial Element adopted in 1980, the planning area should provide employment opportunities within its boundaries. Employment centers inside the community should supplement other industrial/business park developments in the I-15 corridor. It is proposed that Miramar Ranch North could accommodate around 60 acres of industrial/business park development. Manufacturing, scientific and corporate headquarters uses would probably be emphasized, drawing employees from surrounding residential areas. However, servicing, warehousing and wholesaling uses are also possible. Except as noted, areas designated for industrial park development in this Plan should be protected from encroachment by unacceptable uses, in order to preserve industrial acreage and employment opportunities. Community and business support facilities and services should be permitted in the industrial parks. Examples of such facilities are private schools, daycare centers and healthcare facilities; however, such uses should not exceed 15 percent of the industrial land allocation. Approximately 12 acres of the subject site are currently entitled for corporate headquarters use from a previous action, implementing this MRNCP goal by leaving a remainder of approximately 38 acres, or 63% of the original 60 acres identified in the MRNCP that could accommodate base sector use.

The General Plan identifies the project site as Prime Industrial Land in the Economic Prosperity Element. Evaluation of the Prime Industrial land criteria of Appendix C, EP-1 concluded that the site is not within proximity to resources of extraordinary value, as the major educational institution is some 12 miles to the west and the port is 18 miles to the south-west. Also, there are engineering workers at the nearby North Ridge site but neither that site or the subject site are within proximity to other resources of extraordinary value, eliminating any possible creation of a technology, campus environment. Evaluation of the Collocation/Conversion Suitability Factors concluded that, because the site is previously entitled for a day care center, a sensitive receptor use, the potential for future base sector development, beyond the existing corporate head quarters, is now less likely. The evaluation of the potential contribution of the area to the local and regional economy concluded that the total tax revenue estimated to be generated annually, in 2012 dollars, is \$1,967,206; the estimated annual cost of providing essential services, including water and sewer to the proposed development is \$244,490; and the proposed entitlements

when fully constructed would annually generate approximately \$1.7 million in net new General Fund Revenue.

The applicant has submitted a Fiscal Revenue Generation Study which concluded that there is an identified demand for added retail space of 1,096,076 square feet in the Primary Market Area by 2012, providing the justification for a redesignation of land use from Industrial-Business Park to Community Commercial and implementing the Commercial goal for commercial use of the MRNCP to encourage attractive, accessible commercial development meeting community shopping and services requirements of the ranch.

To conclude, the location of the proposed project adjacent to the I-15 and within the Mercy Interchange Gateway, the lack of proximity to resources of extraordinary value, the reduced potential for future base sector use on-site, the potential contribution of the area to the local economy and the Fiscal Revenue Generation Study have combined to provide a basis to remove the Prime Industrial identification and redesignate 22.42 acres of the 34.5-acre site from industrial to commercial use in conjunction with General Plan policies LU-A.3 and LU-A.4 and objectives for industrial supplemental employment and commercial development to meet community shopping and service needs in the MRNCP. This conclusion furthermore meets the requirement for having complied with the focused strategy from the Economic Prosperity Element of the General Plan to evaluate and preserve critically-located base sector areas but to allow, through comprehensive analysis, consideration or conversion of mixed-use or industrial land if it is not critical to the City's or region's base sector employment goals. Therefore, the proposed development will not adversely affect either the General Plan or the Miramar Ranch North community plan.

The project is located within the Federal Aviation Administration (FAA) Notification Area for the Marine Core Air Station (MCAS), the MCAS Airport Land Use Compatibility and the MCAS Airport Influence Area; however, the project has received clearance from the all of necessary agencies that the proposed project is not a hazard to air navigation. Therefore, the proposed development will not adversely affect the applicable land use plan.

## 2. The proposed development will not be detrimental to the public health, safety, and welfare.

The project site is located at 10137 Scripps Gateway Court in the CR-2-1 Zone and the Federal Aviation Administration (FAA) Notification Area for the Marine Core Air Station (MCAS), the MCAS Airport Land Use Compatibility and the MCAS Airport Influence Area Zone within the Miramar Ranch North Community Plan. The development includes a Rezone from the IP-2-1 to CR-2-1, General Plan and Community Plan amendments, a Vesting Tentative Map, Easement Abandonments, Public Right-of-way Vacation Planned Development Permit and a Conditional Use Permit for the development of a variety of commercial uses, offices, movie theater and hotel. Approval of the permits, plan amendments and rezone would be processed concurrently.

The project is located within the Federal Aviation Administration (FAA) Notification Area for the Marine Core Air Station (MCAS), the MCAS Airport Land Use Compatibility and the MCAS Airport Influence Area; however, the project has received clearance from the all of necessary agencies that the proposed project is not a hazard to air navigation.

All Uniform Building, Fire, Plumbing, Electrical, Mechanical Code and City regulations governing the constructions and continued operation of the development apply to this project to prevent adverse affects to those persons or properties in the vicinity of the project. Therefore, the project will not be detrimental to the public health, safety and welfare.

The permits for the project contains specific conditions addressing project compliance with the City's codes, policies, regulations and other regional, State and federal regulations to prevent detrimental impacts to the health, safety and general welfare of persons residing and/or working in the area. Therefore, the proposed development will not be detrimental impacts to the health, safety and welfare.

3. The proposed development will comply with the regulations of the Land Development Code including any allowable deviations pursuant to the Land Development Code.

The project site is located at 10137 Scripps Gateway Court in the CR-2-1 Zone and the Federal Aviation Administration (FAA) Notification Area for the Marine Core Air Station (MCAS), the MCAS Airport Land Use Compatibility and the MCAS Airport Influence Area Zone within the Miramar Ranch North Community Plan. The development includes a Rezone from the IP-2-1 to CR-2-1, General Plan and Community Plan amendments, a Vesting Tentative Map, Easement Abandonments, Public Right-of-way Vacation Planned Development Permit and a Conditional Use Permit for the development of a variety of commercial uses, offices, movie theater and hotel. Approval of the permits, plan amendments and rezone would be processed concurrently.

The proposal is requesting a rezone from the IP-2-1 to the CR-2-1 zone. The project will comply with all density, floor area ratio, parking, street design, open space, grading, landscape and other applicable development regulations of the CR-2-1 Zone, implemented and conditioned by the Planned Development Permit/Conditional Use Permit with the exception of height. The project proposes nine deviations to the height of various structures and for architectural projections including the hotel, the stand alone market, theater, and parking structure. Approval of the permits, plan amendments and rezone would be processed concurrently.

The proposed CR-2-1 Zone specifies a maximum height of 60 feet. The applicant proposes nine deviations to the maximum height of the zone. The deviations have been requested to allow implementation of building heights, architectural elements, and to accommodate height of the parking structure and its shade/canopy elements. A deviation for structure height on the plaza enables the development of a landmark architectural

feature, such as a clock tower, bell tower, or other architectural features to designate the gateway to the community. The architectural features are complimentary to the project's architecture and the architecture of the existing MedImpact office buildings. This will assist in achieving an objective of the Community Plan to develop the Mercy Interchange area as an attractive gateway to the community. Such a feature will provide a visible landmark to I-15 travelers, as well as persons entering Miramar Ranch North. All other development regulations for the underlying zone shall apply to the project.

Below is a list of the deviations for each proposed building. Some of the buildings meet the height requirement but add an architectural detail that exceeds the overall structure height. Therefore, with the final passage of the proposed rezone, the project will comply with the regulations of the Land Development Code including any allowable deviations pursuant to the Land Development Code.

		Zone CR-2-1		
Building	Allowed	Max. Structure	Max. Height	Deviation
	Height	Height	Architectural Features	
Building C (Market)	60 feet	60 feet	70 feet	10 feet
Building E	60 feet	70 feet	70 feet	10 feet
Building F	60 feet	70 feet	70 feet	10 feet
Building G	60 feet	70 feet	70 feet	10 feet
Building H	60 feet	85 feet	100 feet	40 feet
(Theater)				
Building K	60 feet	60 feet	85 feet	25 feet
Building L (Hotel)	60 feet	85 feet	100 feet	40 feet
Building M (Office)	60 feet	95 feet	103 feet	43 feet
Building P (Garage)	60 feet	85 feet	100 feet	40 feet

Note: the elevations are conceptual and the heights of the buildings will vary but will not exceed the height indicated in Table 1.

#### 4. The proposed use is appropriate at the proposed location.

The project site is located at 10137 Scripps Gateway Court in the CR-2-1 Zone and the Federal Aviation Administration (FAA) Notification Area for the Marine Core Air Station (MCAS), the MCAS Airport Land Use Compatibility and the MCAS Airport Influence Area Zone within the Miramar Ranch North Community Plan. The development includes a Rezone from the IP-2-1 to CR-2-1, General Plan and Community Plan amendments, a Vesting Tentative Map, Easement Abandonments, Public Right-of-way Vacation Planned Development Permit and a Conditional Use Permit for the development of a variety of commercial uses, offices, movie theater and hotel. Approval of the permits, plan amendments and rezone would be processed concurrently.

Originally, the existing Conditional Use Permit (CUP) was to allow a childcare center to serve the MedImpact campus. The potential use of the childcare center will remain for the proposed MedImpact building. The Watermark project is additionally proposing a theater in the northwest portion of the site, wrapped with retail stores at the base. The size of the theater could range from 5,000 to up to 45,000 square feet. Any theater over 5,000 square feet requires a CUP in accordance with San Diego Municipal Code (SDMC)

Section 141.0623. With final passage of the proposed rezone, the theater would be located within the CR-2-1 zone which allows for the application of a CUP. The existing CUP is required to be amended to include the theater use. The location of the theater will be situated amongst other retail and commercial uses and comply with the underlying zone, and therefore it is an appropriate use at the proposed location.

The above findings are supported by the minutes, maps and exhibits, all of which are incorporated herein by this reference.

BE IT FURTHER RESOLVED, that, based on the findings hereinbefore adopted by the City Council, Planned Development Permit (PDP) No. 651597 and Conditional Use Permit (CUP) No. 651699 are hereby granted by the City Council to the referenced Owner/Permitee, in the forms, exhibits, terms and conditions as set forth in Permit Nos. 651597 and 651699, a copy of which is attached hereto and made a part hereof.

RENEE MEZO
Development Project Manager
Development Services

Adopted on:_____

Internal Order No. 23432396

# RESOLUTION NUMBER R-_____ADOPTED ON XXXX DRAFT

WHEREAS, on May 19, 2009, Scripps Highlands Partners, LLC, submitted an application to Development Services Department for a Rezone, Vesting Tentative Map, Public Right-of-Way Vacation, Easement Vacation, amendments to the General Plan and the Miramar Ranch North Community Plan, Planned Development Permit and Conditional Use Permit for the Watermark (Project); and

WHEREAS, the matter was set for a public hearing to be conducted by the City Council of the City of San Diego; and

WHEREAS, the issue was heard by the City Council on [DATE]; and WHEREAS, under Charter section 280(a) (2) this resolution is not subject to veto by the Mayor because this matter requires the City Council to act as a quasi-judicial body, a public hearing is required by law implicating due process rights of individuals affected by the decision, and the Council is required by law to consider evidence at the hearing and to make legal findings based on the evidence presented; and

WHEREAS, the City Council considered the issues discussed in Environmental Impact Report No. 180357 Report) prepared for this Project; NOW THEREFORE,

BE IT RESOLVED, by the City Council that it is certified that the Report has been completed in compliance with the California Environmental Quality Act of 1970 (CEQA) (Public Resources Code Section 21000 et seq.), as amended, and the State CEQA Guidelines thereto (California Code of Regulations, Title 14, Chapter 3, Section 15000 et seq.), that the Report reflects the independent judgment of the City of San Diego as Lead Agency and that the

information contained in said Report, together with any comments received during the public review process, has been reviewed and considered by the City Council in connection with the approval of the Project.

BE IT FURTHER RESOLVED, that pursuant to CEQA Section 21081 and State CEQA Guidelines Section 15091, the City Council hereby adopts the Findings made with respect to the Project, which are attached hereto as Exhibit A.

BE IT FURTHER RESOLVED, that pursuant to State CEQA Guidelines Section 15093, the City Council hereby adopts the Statement of Overriding Considerations with respect to the Project, which is attached hereto as Exhibit B.

BE IT FURTHER RESOLVED, that pursuant to CEQA Section 21081.6, the City Council hereby adopts the Mitigation Monitoring and Reporting Program, or alterations to implement the changes to the Project as required by this City Council in order to mitigate or avoid significant effects on the environment, which is attached hereto as Exhibit C.

BE IT FURTHER RESOLVED, that the Report and other documents constituting the record of proceedings upon which the approval is based are available to the public at the office of the CITY CLERK, 202 C STREET, SAN DIEGO, CA 92101.

BE IT FURTHER RESOLVED, that THE CITY CLERK is directed to file a Notice of Determination with the Clerk of the Board of Supervisors for the County of San Diego regarding the Project [OPTIONAL] after final passage of O-______ rezoning the site from the existing [EXISTING ZONE] Zone into the [PROPOSED ZONE] Zone.

APPROVED: [JAN GOLDSMITH, CITY ATTORNEY or DEVELOPMENT PROJECT MANAGER]

Ву:							
NAME],	[DEPUTY	CITY.	ATTORNEY	or DEVEL	OPMENT	<b>PROJECT</b>	MANAGER]

ATTACHMENT(S): Exhibit A, Findings
Exhibit B, Statement of Overriding Considerations
Exhibit C, Mitigation Monitoring and Reporting Program

EIR Resolution Form for Any Decision Maker

#### EXHIBIT C

#### MITIGATION MONITORING AND REPORTING PROGRAM

Rezone, Vesting Tentative Map,

Public Right-of-Way Vacation, Easement Vacation, amendments to the General Plan and the Miramar Ranch North Community Plan, Planned Development Permit and Conditional Use

Permit - PROJECT NO. 180357

This Mitigation Monitoring and Reporting Program is designed to ensure compliance with Public Resources Code Section 21081.6 during implementation of mitigation measures. This program identifies at a minimum: the department responsible for the monitoring, what is to be monitored, how the monitoring shall be accomplished, the monitoring and reporting schedule, and completion requirements. A record of the Mitigation Monitoring and Reporting Program will be maintained at the offices of the Land Development Review Division, 1222 First Avenue, Fifth Floor, San Diego, CA, 92101. All mitigation measures contained in the Environmental Impact Report No. 80357 / SCH No. 2010091079 shall be made conditions of Rezone, Vesting Tentative Map, Public Right-of-Way Vacation, Easement Vacation, and amendments to the General Plan and the Miramar Ranch North Community Plan, Planned Development Permit and Conditional Use Permit as may be further described below.

## A. GENERAL REQUIREMENTS – PART I Plan Check Phase (prior to permit issuance)

1. Prior to the issuance of a Notice To Proceed (NTP) for a subdivision, or any construction permits, such as Demolition, Grading or Building, or beginning any construction related activity on-site, the Development Services Department (DSD) Director's Environmental Designee (ED) shall review and approve all Construction Documents (CD), (plans, specification, details, etc.) to ensure the MMRP requirements are incorporated into the design.

- 2. In addition, the ED shall verify that the MMRP Conditions/Notes that apply ONLY to the construction phases of this project are included VERBATIM, under the heading, "ENVIRONMENTAL/MITIGATION REQUIREMENTS."
- 3. These notes must be shown within the first three (3) sheets of the construction documents in the format specified for engineering construction document templates as shown on the City website:

http://www.sandiego.gov/development-services/industry/standtemp.shtml

- 4. The **TITLE INDEX SHEET** must also show on which pages the "Environmental/Mitigation Requirements" notes are provided.
- 5. SURETY AND COST RECOVERY The Development Services Director or City Manager may require appropriate surety instruments or bonds from private Permit Holders to ensure the long term performance or implementation of required mitigation measures or programs. The City is authorized to recover its cost to offset the salary, overhead, and expenses for City personnel and programs to monitor qualifying projects.
- B. GENERAL REQUIREMENTS PART II Post Plan Check (After permit issuance/Prior to start of construction)
  - 1. PRE CONSTRUCTION MEETING IS REQUIRED TEN (10) WORKING DAYS PRIOR TO BEGINNING ANY WORK ON THIS PROJECT. The PERMIT HOLDER/OWNER is responsible to arrange and perform this meeting by contacting the CITY RESIDENT ENGINEER (RE) of the Field Engineering Division and City staff from MITIGATION MONITORING COORDINATION (MMC). Attendees must also include the Permit holder's Representative(s), Job Site Superintendent and the following consultants: Not applicable.

Note: Failure of all responsible Permit Holder's representatives and consultants to attend shall require an additional meeting with all parties present.

#### CONTACT INFORMATION:

- a) The PRIMARY POINT OF CONTACT is the **RE** at the **Field Engineering Division 858-627-3200**
- b) For Clarification of ENVIRONMENTAL REQUIREMENTS, applicant t is also required to call **RE and MMC at 858-627-3360**
- 2. MMRP COMPLIANCE: This Project, Project Tracking System (PTS) Number 180357 and/or Environmental Document Number 180537, shall conform to the mitigation requirements contained in the associated Environmental Document and implemented to the satisfaction of the DSD's Environmental Designee (MMC) and the City Engineer (RE). The requirements may not be reduced or changed but may be annotated (i.e. to explain when and how compliance is being met and

location of verifying proof, etc.). Additional clarifying information may also be added to other relevant plan sheets and/or specifications as appropriate (i.e., specific locations, times of monitoring, methodology, etc.

Note: Permit Holder's Representatives must alert RE and MMC if there are any discrepancies in the plans or notes, or any changes due to field conditions. All conflicts must be approved by RE and MMC BEFORE the work is performed.

- 3. **OTHER AGENCY REQUIREMENTS:** Evidence of compliance with all other agency requirements or permits shall be submitted to the RE and MMC for review and acceptance prior to the beginning of work or within one week of the Permit Holder obtaining documentation of those permits or requirements. Evidence shall include copies of permits, letters of resolution or other documentation issued by the responsible agency: **Not Applicable**
- 4. **MONITORING EXHIBITS:** All consultants are required to submit, to RE and MMC, a monitoring exhibit on a 11x17 reduction of the appropriate construction plan, such as site plan, grading, landscape, etc., marked to clearly show the specific areas including the **LIMIT OF WORK**, scope of that discipline's work, and notes indicating when in the construction schedule that work will be performed. When necessary for clarification, a detailed methodology of how the work will be performed shall be included.

NOTE: Surety and Cost Recovery – When deemed necessary by the Development Services Director or City Manager, additional surety instruments or bonds from the private Permit Holder may be required to ensure the long term performance or implementation of required mitigation measures or programs. The City is authorized to recover its cost to offset the salary, overhead, and expenses for City personnel and programs to monitor qualifying projects.

5. **OTHER SUBMITTALS AND INSPECTIONS:** The Permit Holder/Owner's representative shall submit all required documentation, verification letters, and requests for all associated inspections to the RE and MMC for approval per the following schedule:

DOCUMENT SUBMITTAL/INSPECTION CHECKLIST				
Issue Area	Document Submittal	Associated Inspection/Approvals/Notes		
General	Consultant Qualification Letters	Prior to Preconstruction Meeting		
General	Consultant Construction Monitoring Exhibits	Prior to or at Preconstruction Meeting		
Traffic	Traffic Reports	Traffic Features Site Observation		
Waste Management	Waste Management Reports	Waste Management Inspections		

Bond Release	Request for Bond Release Letter	Final MMRP Inspections Prior to Bond Release Letter
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#### Transportation/Traffic Circulation/Parking

MM 5.2-1 Prior to issuance of the first construction permit, Owner/Permittee shall assure by permit and bond the reconfiguration to shift the westbound through lanes on Scripps Poway Parkway to the north and provide additional queuing length for westbound traffic on Scripps Poway Parkway to the interchange. The "back-to-back" left turn lanes will be eliminated and additional queuing for traffic turning left from Scripps Poway Parkway to southbound I-15 will be provided. Reduction in the width of raised median on Scripps Poway Parkway east of the interchange will be required. All work to be done to the satisfaction of the City Engineer.

MM 5.2-2 Prior to issuance of the first construction permit, Owner/Permittee shall assure by permit and bond the provision of a triple left-turn at Scripps Poway Parkway and Scripps Highlands Drive intersection by re-striping the northbound leg to take a thru-lane and make a shared left-thru lane. The pedestrian crossing on the west leg of the intersection will be removed. Additionally, a northbound right-turn overlap will be provided. All work to be done to the satisfaction of the City Engineer.

Air Quality

- MM 5.4-1. Standard dust control measures would be employed during construction. These standard dust control measures include the following:
  - Watering active grading sites a minimum of three times daily
  - Apply soil stabilizers to inactive construction sites
  - Replace ground cover in disturbed areas as soon as possible
  - Control dust during equipment loading/unloading (load moist material, ensure at least 12 inches of freeboard in haul trucks
  - Reduce speeds on unpaved roads to 15 mph or less
  - Water unpaved roads a minimum of three times daily

These dust control measures would reduce the amount of fugitive dust generated during construction to below a level of significance.

The above mitigation monitoring and reporting program will require additional fees and/or deposits to be collected prior to the issuance of building permits, certificates of occupancy and/or final maps to ensure the successful completion of the monitoring program.

#### EXHIBIT "A" & "B"

#### DRAFT

FINDINGS OF FACT AND
STATEMENT OF OVERRIDING CONSIDERATIONS REGARDING
FINAL ENVIRONMENTAL IMPACT REPORT
FOR THE WATERMARK PROJECT

City of San Diego Project No. 180357 SCH. No. 2010091079

The attached Findings of Fact and Statement of Overriding Considerations (SOC) are draft and may be modified as the PROJECT proceeds through the hearing process.

- 1. Per the Californina Environmental Quality Act (CEQA) Section 15132, the Findings and SOC are not considered part of the environmental document but are made after the decision makers have considered the final environmental document.
- 2. These Findings and SOC have been submitted by the project applicant as candidate findings to be made by the decision-making body.
- 3. The Environmental Analysis Section of the City's Development Services Department does not recommed that the discretionary body either adopt or reject these Findings and SOC. They have been attached to allow the readers of this document an opportunity to review potential reasons for approving the PROJECT despite the significant unmitigable effects identified in the Environmental Impact Report (EIR).

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## I. INTRODUCTION

#### A. Findings of Fact and Statement of Overriding Considerations

The California Environmental Quality Act (CEQA) (Pub. Res. Code §§ 21000, et seq.) and the State CEQA Guidelines (Guidelines) (14 Cal. Code Regs §§ 15000, et seq.) promulgated thereunder, require that the environmental impacts of a project be examined before a project is approved. Specifically, regarding findings, Guidelines Section 15091 provides:

- (a) No public agency shall approve or carry out a project for which an Environmental Impact Report (EIR) has been certified which identifies one or more significant environmental effects of the project unless the public agency makes one or more written findings for each of those significant effects, accompanied by a brief explanation of the rationale for each finding. The possible findings are:
  - 1. Changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental effect as identified in the final EIR.
  - 2. Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency.
  - 3. Specific economic, legal, social, technological, or other considerations make infeasible the mitigation measures or project alternatives identified in the final EIR.
- (b) The findings required by subdivision (a) shall be supported by substantial evidence in the record.
- (c) The finding in subdivision (a)(2) shall not be made if the agency making the finding has concurrent jurisdiction with another agency to deal with identified feasible mitigation measures or alternatives. The finding in subdivision (a)(3) shall describe the specific reasons for rejecting identified mitigation measures and project alternatives.
- (d) When making the findings required in subdivision (a)(1), the agency shall also adopt a program for reporting on or monitoring the changes which it has either required in the project or made a condition of approval to avoid or substantially lessen significant environmental effects. These measures must be fully enforceable through permit conditions, agreements, or other measures.
- (e) The public agency shall specify the location and custodian of the documents or other materials which constitute the record of the proceedings upon which its decision is based.
- (f) A statement made pursuant to Section 15093 does not substitute for the findings required by this section.

The "changes or alterations" referred to in Section 15091(a)(1) above, that are required in, or incorporated into, the project which mitigate or avoid the significant environmental effects of the project, may include a wide variety of measures or actions as set forth in Guidelines Section 15370, including:

- (a) Avoiding the impact altogether by not taking a certain action or parts of an action.
- (b) Minimizing impacts by limiting the degree or magnitude of the action and its implementation.
- (c) Rectifying the impact by repairing, rehabilitating, or restoring the impacted environment.
- (d) Reducing or eliminating the impact over time by preservation and maintenance operations during the life of the action.
- (e) Compensating for the impact by replacing or providing substitute resources or environments.

Regarding a Statement of Overriding Considerations, Guidelines Section 15093 provides:

- (a) CEQA requires the decision-making agency to balance, as applicable, the economic, legal, social, technological, or other benefits of a proposed project against its unavoidable environmental risks when determining whether to approve the project. If the specific economic, legal, social, technological, or other benefits of a proposed project outweigh the unavoidable adverse environmental effects, the adverse environmental effects may be considered "acceptable."
- (b) When the lead agency approves a project which will result in the occurrence of significant effects which are identified in the final EIR but are not avoided or substantially lessened, the agency shall state in writing the specific reasons to support its action based on the final EIR and/or other information in the record. The statement of overriding considerations shall be supported by substantial evidence in the record.
- (c) If an agency makes a statement of overriding considerations, the statement should be included in the record of the project approval and should be mentioned in the notice of determination. This statement does not substitute for, and shall be in addition to, findings required pursuant to Section 15091.

Having received, reviewed and considered the Final Environmental Impact Report for the General Plan Amendment, Community Plan Amendment, Rezone, Vesting Tentative Map (VTM), Planned Development Permit, Conditional Use Permit, and Street Vacation for the Watermark Project, City of San Diego Project No. 180357/State Clearinghouse No. 2010091079 (Final EIR), as well as all other information in the record of proceedings on this matter, the following Findings of Fact and Statement of Overriding Considerations (Findings) are hereby adopted by the City of San Diego (City) in its capacity as the CEQA Lead Agency. These Findings set forth the environmental basis for current and subsequent discretionary actions to be undertaken by the City and responsible agencies for the implementation of the proposed project.

#### B. Record of Proceedings

For purposes of CEQA and these Findings, the Record of Proceedings for the proposed project consists of the following documents and other evidence, at a minimum:

- The Notice of Preparation (NOP) and all other public notices issued by the City in conjunction with the proposed project;
- The Final EIR for the proposed project;

- The Draft EIR;
- All documents and public testimony from the January 13, 2010, scoping meeting;
- All written comments submitted by agencies or members of the public during the public review comment period on the Draft EIR;
- All responses to written comments submitted by agencies or members of the public during the public review comment period on the Draft EIR;
- All written and verbal public testimony presented during a noticed public hearing for the proposed project at which such testimony was taken;
- The Mitigation Monitoring and Reporting Program (MMRP);
- The reports and technical memoranda included or referenced in Responses to Comments and/or in the Final EIR;
- All documents, studies, EIRs, or other materials incorporated by reference in the Draft EIR and the Final EIR;
- Matters of common knowledge to the City, including but not limited to federal, state and local laws and regulations;
- Any documents expressly cited in these Findings; and
- Any other relevant materials required to be in the record of proceedings by Public Resources Code Section 21167.6(e).
- All project approvals for the Scripps Gateway project, including the Scripps Gateway Final EIR (LDR No. 92-0466/ SCH No. 92101036), CUP/PID No. 99-1027, and CUP No. 174323/PDP No. 174234 Extension of Time.
- All ordinances and resolutions adopted in connection with the Watermark project.
- All project application materials.

#### C. Custodian and Location of Records

The documents and other materials which constitute the administrative record for the City's actions related to the project are located at the City of San Diego, Development Services Center, 1222 First Avenue, Fifth Floor, San Diego, CA 92101. The City Development Services Center is the custodian of the administrative record for the project. Copies of these documents, which constitute the record of proceedings, are and at all relevant times have been and will be available upon request at the offices of the City Development Services Center. This information is provided in compliance with Public Resources Code Section 21081.6(a)(2) and Guidelines Section 15091(e).

#### II. PROJECT SUMMARY

#### A. Project Location

The regional and local setting of the project is discussed in Section 2.0, Environmental Setting, of the Final EIR. The proposed Watermark project is located in the Miramar Ranch North community of the City of San Diego, within San Diego County. The Watermark project site is located in the southeast quadrant of Interstate 15 (I-15) and Scripps Poway Parkway. Situated south of Scripps Poway Parkway, east of I-15, a distance north of Mira Mesa Boulevard, and west of Scripps Highlands Drive, the Watermark project site encompasses approximately 34.39 acres, with 22.42 acres to be developed as a mix of office and retail (referenced in the EIR as "Area A" of the project site) and 11.97 acres remaining as the MedImpact office complex (referenced in the EIR as "Area B" of the project site). The I-15 freeway forms the project site's western boundary. Single-family residential development within the Scripps Highlands neighborhood occurs east and south of the project site at elevations above the project site. Steep slopes vegetated in native habitat and preserved through an open space easement separate the Watermark site from the Scripps Highlands residential neighborhood on the south and east. North of the project is a small neighborhood commercial center (with hotels and restaurants), and office buildings are located to the northeast of the project site.

#### B. Project Background

The Watermark project site was a part of the larger Scripps Gateway project site (LDR No. 92-0466). Approved in July 1998, the Scripps Gateway project resulted in the subdivision of the original 242.1-acre property and zoning the property for residential, commercial retail, and industrial park uses through the approval of a General Plan/Community Plan Amendment, Tentative Map, Planned Industrial Development (PID), Planned Commercial Development (PCD), and Planned Residential Development permits and associated actions. Consistent with the original approvals, residential development has occurred east and south of the Watermark site, and retail commercial and office uses have occurred to the north.

The Watermark portion of the Scripps Gateway project is identified as the location of the industrial park uses, originally approved as a Planned Industrial Development (PID) permit, and was zoned M-IP (now the IP-2-1 zone) as part of the original approvals. A Final EIR for the Scripps Gateway project (dated July 16, 1998) was certified for the existing approvals/previous project (LDR No. 92-0466; SCH No. 92101036).

The PID portion of the Scripps Gateway project (i.e., the entire Watermark project site) was subsequently amended in 2001, granting approval for MedImpact to construct its corporate campus to be comprised of seven buildings for use as corporate office, employee training, a cafeteria, exercise facility, and childcare facility (for employee use only) for a total of 658,456 square feet. Public improvements and mass grading was completed at the MedImpact site in 2002. In early 2008, construction began on previously approved Lot 1 of the MedImpact site. Current project approvals included an approved Conditional Use Permit (CUP), PID Permit, Planned Development Permit (PDP), and Extension of Time (CUP/PID No. 99-1027; CUP No. 174323/PDP No. 174234 Extension of Time).

#### C. Project Description

To implement the Watermark project, the project applicant is requesting approval of an Amendment to the Miramar Ranch North Community Plan and associated General Plan Amendment to change the land use designation from Industrial/Business Park to Regional Commercial, a General Plan Amendment to remove the Prime Industrial Lands identification from a portion of the project site, a Rezone for a portion of the project site from IP-2-1 (Industrial-Park) to CR-2-1 (Commercial-Regional), a Vesting Tentative Map, a PDP with Design Guidelines, a Street Vacation for Scripps Gateway Court, and a CUP for a movie theater. The elements of these various project actions are described in detail in Section 3.0, Project Description, of this EIR.

Development is occurring on Lots 1 and 2 of the project site in accordance with existing project approvals for the MedImpact development. Existing project approvals include an approved CUP, PID Permit, PDP, and Extension of Time (CUP/PID No. 99-1027; and CUP No. 174323/PDP No. 174234 Extension of Time). An Addendum to an Environmental Impact Report No. 92-0466 was prepared for PID No. 99-1027. The existing approvals allow for the construction of two Class A office buildings, totaling 350,743 square feet, and four additional buildings as the new corporate headquarters for MedImpact Healthcare Systems, Inc. The first of the two buildings (approximately 155,000 square feet) and parking structure have been constructed on the site (Area B). Total development approved for MedImpact is 658,456 square feet. The proposed project includes changes to the approved MedImpact PID, which involves constructing a restaurant in the northeast corner of MedImpact Lot 1 and shared use of parking garages on MedImpact Lots 1 and 2.

Table 1, Proposed Project Development Intensity, shows the proposed development for the Watermark project, including the existing approvals in effect on the site. In order to allow flexibility in the mix of regional commercial office and/or retail uses in a manner that is reflective of market conditions for employment and retail serving uses, the Traffic Impact Analysis for Watermark (TIA), dated November 12, 2012, is based on a "target development intensity." It is the target development intensity that forms the basis of analysis in this EIR. Depending on the needs of the marketplace at the time development occurs, other mixes of office and retail development could occur and may result in more or less than the target development intensity, provided that the overall development remains consistent with the TIA for both total traffic generated and the amount of peak-hour directional trips and that the development complies with the Watermark Architectural Design Guidelines. Therefore, the following table includes the target development intensity, as well as the minimum and maximum development intensity range, that could be developed subject to the limitations of the Traffic Impact Analysis.

Table 1. Proposed Project Development Intensity

	DEVELOPMENT INTENSITY			
USE	APPROVED	PROPOSED 1		
	(Lots 1 and 2)	Development Intensity Range	Target Development Intensity	
Commercial Office	350,743 sq. ft. ²	400,000 – 658,456 sq. ft.	502,112 sq. ft.	
Commercial Retail		0 – 500,000 sq. ft.	316,000 sq. ft.	
Entertainment (Theater)		0 – 45,000 sq. ft.	43,917 sq. ft.	
Hotel (130 rooms)		0 – 100,000 sq. ft.	90,540 sq. ft.	
		TOTAL	953,566 sq. ft.	

¹ Includes approved project of 350,743 square feet.

The proposed PDP includes the development square footage for the Watermark project and would supplant the existing vested approvals in effect on the project site (see discussion above). For the purposes of the EIR, the approved on-going development approved for Area B will be considered as part of the existing conditions, unless as otherwise noted in the EIR.

#### D. Discretionary Actions

For the Watermark project, the following discretionary actions are required:

General Plan Amendment and Community Plan Amendment – The approximately 34.96-acre project site is located within the Miramar Ranch North Community Plan Area and is designated for Industrial/Business Park uses. The project proposes to change the land use designation to Regional Commercial. Because the Community Plan would be amended, this would result in an amendment to the City's General Plan, as the Community Plan functions as the land use plan for the Miramar Ranch North community of the City.

The project site is identified as a location for Prime Industrial Lands in the City. Prime Industrial Lands are defined in the Economic Prosperity Element of the City's General Plan as "areas that support export-oriented base sector activities such as corporate headquarters, warehouse distribution, heavy or light manufacturing, research and development uses. These areas are part of even larger areas that provide a significant benefit to the regional economy and meet General Plan goals and objectives to encourage a strong economic base." In order to develop the site with the proposed mix of commercial and office uses, the project would remove the Prime Industrial Lands identification from Area A of the project site and would change the General Plan land use designation from Industrial to Regional Commercial for Area A. The General Plan would need to be amended to reflect these changes.

**Rezone** – A rezone is proposed for a portion of the site to change the existing IP-2-1 zone to CR-2-1.

**Vesting Tentative Map** (VTM) – In order to facilitate development of the Watermark project, a VTM is processed. The Watermark VTM details proposed grading for the project, as well as necessary infrastructure, and has been prepared in accordance with the guidelines of the State Subdivision Map Act and City of San Diego requirements.

² Constructed on Lot 1 – 155,000 square feet.

**Planned Development Permit** (PDP) – The PDP approval would establish the Design Guidelines and development intensity ranges for the project and allows for minor variations to the regulations of the proposed CR-2-1 zones through proposed deviations. The deviations would provide for a superior project than could occur with a strict interpretation of the CR-2-1 zone regulations.

**Conditional Use Permit** (CUP) – A CUP is required for the proposed movie theater.

Street Vacation – The Street Vacation is required to vacate a Scripps Gateway Court. In its place, a private drive would provide vehicular, bicycle, and pedestrian access for the project to efficiently serve existing (MedImpact facilities on Area B) and proposed developments.

Environmental Impact Report – Concurrent with the Watermark discretionary actions, the EIR has been prepared in accordance with the provisions of the CEQA. The EIR (City of San Diego Project No. 180357/SCH No. 2010091079) evaluates the land use, circulation, and infrastructure improvements resulting from implementation of the Watermark project and the potential environmental impacts that would result from their implementation. Review and certification of this EIR by the decision maker would complete the environmental review for the project in accordance with CEQA and City regulations.

As described in Section 1.4, Responsible and Trustee Agencies, of this EIR, review by Caltrans, a State agency, would be required for the proposed project.

**Caltrans** - Project features which necessitate encroachment into freeway easements and access rights for improvements within Caltrans' rights-of-way would require coordination with Caltrans for those improvements.

Additionally, the project requires review by the Regional Water Quality Control Board (RWQCB) and the Federal Aviation Administration (FAA).

NPDES Permit – The project would comply with National Pollutant Discharge Elimination System (NPDES) requirements for discharge of storm water runoff associated with construction activity. Compliance also requires conformance with applicable Best Management Practices (BMPs) and development of a Storm Water Pollution Prevention Plan (SWPPP) and monitoring program plan. (Water quality is addressed in Section 5.12, Hydrology/Water Quality, of this EIR.)

Obstruction Evaluation/Airport Airspace Analysis, Part 77 Determination (Federal Aviation Administration) – The project's proximity to MCAS – Miramar requires notification to the Federal Aviation Administration (FAA) in order to conduct an Obstruction Evaluation/Airport Airspace analysis under Title 14 code of Federal Regulations, Part 77. The project has completed an initial request for the aeronautical study and has received Determination of No Hazard to Air Navigation for the project (see Appendix N). Individual structures would be required to file subsequent notification to the FAA at least 30 days before the earlier of a) the date proposed construction or alteration is to begin, or b) the date the application for a construction permit would be filed.

Additionally, the Watermark project was reviewed for consistency with the Marine Corps Air Station (MCAS) Miramar Airport Land Use Compatibility Plan (ALUCP) by the San Diego County Regional Airport Authority Airport Land Use Commission (ALUC). The project site is located within Review Area 2 of the Airport Influence Areas (AIA) for the MCAS Miramar ALUCP. Based on its letter dated August 9, 2010, the ALUC staff determined that a determination of consistency with the ALUC is not required pursuant to Policies 2.6.1(a)(2) and 2.6.1(b)(2) of the MCAS Miramar ALUCP.

#### E. Statement of Project Purpose and Objectives

#### Project Purpose

The purpose of the Watermark project is to create a viable mix of commercial retail, visitor commercial, office, and entertainment uses that would serve the adjacent residential neighborhoods, the Miramar Ranch North community, and adjacent communities. The project's location and proposed uses would serve to reduce trips to outlying areas for similar retail services while also expanding employment uses proximate to residential development.

#### Project Objectives

The project objectives associated with the Watermark project are as follows:

- Create a coherent and signature design statement at a community gateway to Miramar Ranch North.
  - Provide flexibility in the allocation of commercial office and retail development based on market demand and consistent with limitations established by the Traffic Impact Analysis prepared for the project.
- Allow for retail uses currently unavailable in the surrounding market area.
- Implement design guidelines that would ensure high quality design and aesthetics, creating a landmark for the community.
- Provide quasi-public space for community use in the form of a pedestrian plaza as a focal point for the project, which would function as a lively gathering place for visitors, employees, and neighbors.
- Implement transportation (vehicular, bicycle, and pedestrian) improvements that would improve operations of the current roadway and bicycle network and would encourage pedestrian use.

#### III. ENVIRONMENTAL REVIEW AND PUBLIC PARTICIPATION

The City determined that the proposed project may have a significant effect on the environment and that a EIR should be prepared to analyze the potential impacts associated with approval and implementation of the proposed project. In accordance with CEQA Guidelines Section 15082(a), a Notice of Preparation (NOP), dated September 24, 2010, was prepared for the project and distributed to all Responsible and Trustee Agencies, as well as other agencies and members of the public who may have an interest in the project. The purpose of the NOP was to solicit comments on the scope and analysis to be included in the EIR for the proposed Watermark project. A copy of the NOP and letters received during its review are included in Appendix A to the EIR. In addition, comments were also gathered at a public scoping session held for the project on January 13, 2010 (see Appendix B). Based on an initial review of the project and comments received, the City of San Diego determined that the EIR for the proposed project should address the following Land Use; Transportation/Traffic Circulation/Parking; environmental issues: Quality/Neighborhood Character; Air Quality; Global Climate Change; Energy; Noise; Biological Resources; Historical Resources; Geologic Conditions; Paleontological Resources; Hydrology/Water Quality; Health and Safety; Public Services and Facilities; Public Utilities; Growth Inducement; and Cumulative Effects.

The Draft EIR for the proposed project was then prepared and circulated for review and comment by the public, agencies and organizations for a 45-day public review period that began on February 28, 2013 and ended on April 14, 2013. A Notice of Completion (NOC) and copies of the EIR and technical appendices were provided to the State Clearinghouse, Office of Planning and Research (SCH No. 2010091079) on February 28, 2013. The Draft EIR and technical appendices were also directly sent to all applicable local, state, and federal agencies, including U.S. EPA, U.S. Fish & Wildlife Service, U.S. Army Corps of Engineers, Caltrans Planning, California Department of Fish & Game, Regional Water Quality Control Board, State Clearinghouse, California Air Resources Board, and the Native American Heritage Commission. A notice of availability of the Draft EIR for review was mailed to residents in the vicinity of the project site and non-residential property owners expressing an interest in the project. The notice of availability was also filed with the City Clerk and posted in the San Diego Daily Transcript, and the required notice was provided to the public

As noted, the public comment period on the Draft EIR concluded on April 14, 2013. The City received 28 letters of comment on the proposed project. The City prepared responses to those comments, which are incorporated into the Final EIR. On [date], the City of San Diego Planning Commission held a public hearing and recommended to the San Diego City Council approval of the project and certification of the Final EIR. On [date], the City Council held a public hearing to consider the project and, by a [__] vote, certified the Final EIR, adopted these findings of fact, and the accompanying Statement of Overriding Considerations, and approved the Watermark project.

#### IV. GENERAL FINDINGS

The City hereby finds as follows:

- The City is the "Lead Agency" for the proposed project evaluated in the Final EIR.
- The Draft EIR and Final EIR were prepared in compliance with CEQA and the Guidelines.
- The City has independently reviewed and analyzed the Draft EIR and the Final EIR, and these documents reflect the independent judgment of the City Council and the City of San Diego.
- The City of San Diego's review of the Draft EIR and the Final EIR is based upon CEQA, the CEQA Guidelines, and the City of San Diego California Environmental Quality Act Significance Determination Thresholds Development Services Department (January 2011) (CEQA Significance Determination Thresholds).
- A Mitigation Monitoring and Reporting Program (MMRP) has been prepared for the proposed project, which the City has adopted or made a condition of approval of the proposed project. That MMRP is included as Section 11.0 of the Final EIR, is incorporated herein by reference and is considered part of the record of proceedings for the proposed project.
- The MMRP designates responsibility and anticipated timing for the implementation of mitigation. The City will serve as the MMRP Coordinator.
- In determining whether the proposed project has a significant impact on the environment, and in adopting these Findings pursuant to Section 21081 of CEQA, the City has complied with CEQA Sections 21081.5 and 21082.2.
- The impacts of the proposed project have been analyzed to the extent feasible at the time of certification of the Final EIR.
- The City has reviewed the comments received on the Draft EIR and Final EIR and the responses thereto and has determined that, in accordance with CEQA Guidelines Section 15088.5, neither the comments received nor the responses to such comments add significant new information regarding environmental impacts to the Draft EIR or Final EIR, no new impacts and/or mitigation measures have been identified, and that recirculation of the EIR is not necessary. The City has based its actions on full appraisal of all viewpoints, including all comments received up to the date of adoption of these Findings and Statement of Overriding Considerations, concerning the environmental impacts identified and analyzed in the Final EIR. The City has included new information in the Final EIR, but the new information merely clarifies and amplifies the information in the Draft EIR. This new information does not alter the EIR in a way that deprives the public of a meaningful opportunity to comment upon a substantial adverse environmental effect of the project or a feasible way to mitigate or avoid such an effect. No significant new information is provided by the inclusion of this information that would require recirculation of the EIR.
- The City has made no decisions that constitute an irretrievable commitment of resources toward the proposed project prior to certification of the Final EIR, nor has the City previously committed to a definite course of action with respect to the proposed project;

- Copies of all the documents incorporated by reference in the Final EIR are and have been available upon request at all times at the offices of the City, custodian of record for such documents or other materials; and
- Having received, reviewed, and considered all information and documents in the record, the City hereby conditions the proposed project and finds as stated in these Findings.

#### V. SUMMARY OF IMPACTS

Section 5.0 of the Final EIR presents the Environmental Analysis of the proposed project. Based on the analysis contained in Section 5.0 of the Final EIR, the Final EIR concludes that the proposed Watermark project will have no significant impacts and require no mitigation with respect to the following issues:

- Land Use
- Transportation/Traffic Circulation/Parking
  - Freeway segments, metered freeway ramps
  - Effects on existing public access to beaches, parks, and open space areas
  - Congestion Management Program
  - Hazards
  - Emergency access
  - Public transit, bicycle, pedestrian plans policies, and programs
  - Parking
- Visual Quality/Neighborhood Character
- Air Quality
- Plan consistency
- Violation of air quality standard
- Sensitive receptors
- Objectionable odors
- Global Climate Change
- Energy
- Noise
- Biological Resources
- Historical Resources
- Geological Resources
- Paleontological Resources
- Hydrology/Water Quality
- Health and Safety
- Public Services and Facilities

• Public Utilities

Potentially <u>significant impacts of the proposed project will be mitigated to below a level of significance</u> with respect to the following issues:

- Transportation/Traffic Circulation/Parking (direct)
  - Intersections
- Air Quality (direct)
  - Particulate Matter (temporary during construction)

No feasible mitigation measures are available to reduce impacts to below a level of significance for the following issues:

- Transportation/Traffic Circulation (direct and cumulative)
  - Street Segments

#### VI. FINDINGS REGARDING IMPACTS

#### A. Transportation/Traffic Circulation

**Environmental Impact:** The project would result in traffic generation in excess of specific community plan allocation and an increase in project traffic which is substantial in relation to the existing traffic load and capacity of the street system based on the City's CEQA Significance Determination Thresholds, resulting in a substantial impact upon existing or planned transportation systems.

Finding: The project would result in significant direct impacts to street segments and intersections. The impacts to intersections are considered significant but mitigable. Impacts to street segments are considered significant and unmitigable. Changes or alterations have been required in or incorporated into the project which will lessen the significant environment effects of the project related to traffic. These changes or alterations, however, will not reduce all transportation/traffic circulation impacts to below a level of significance and the project is expected to have a significant adverse impact on traffic. The City finds that there are no other feasible mitigation measures that will mitigate the impact to below a level of significance, and that specific economic, social, technological or other considerations make infeasible the alternatives identified in the Final EIR. As described in the Statement of Overriding Considerations, the City has determined that this impact is acceptable because of specific overriding considerations.

Facts in Support of Finding: Section 5.2 of the Final EIR, incorporated herein by reference, describes the project's impacts on traffic, including impacts to street segments, intersections, freeway segments, freeway ramp meters, and Congestion Management Program (CMP) arterials. Urban Systems Associates, Inc. (USAI) prepared a traffic study, titled Traffic Impact Analysis for Watermark (November 12, 2012) (Final EIR Appendix C), incorporated herein by reference, that examined the effects of the proposed Watermark project on the existing and planned circulation system based on the anticipated development of the project and build-out of the community.

In order to determine a scope of work for the Transportation Impact Study, staff of USAI completed a preliminary analysis and met with City Transportation staff. Based on the meeting, study area intersections and street segments were identified for the analysis and traffic generation and distribution was determined. The preliminary analysis was based on a SANDAG Series 11 travel forecast and both machine and manual traffic counts of the existing daily and peak hour traffic flow data for the study intersections and street segments.

The traffic generation of the Watermark project was based on trip generation rates found in the City of San Diego's May 2003 Trip Generation Manual. The project traffic was added to the Existing, Near Term and Horizon Year 2030 scenarios resulting in an impact analysis which analyzed six scenarios: Existing, Existing with Project, Near Term Without Project, Near Term With Project, Horizon Year 2030 Without Project, and Horizon Year 2030 With Project. The term Near Term is meant to discuss a condition occurring within the next several years to reflect the proposed project's opening day. This reflects the best information available for determining what traffic would be in the next several years. The analysis year used for transportation modeling purposes is the Year 2030. SANDAG Series 11 select zone analysis was used to determine the distribution of project traffic and future with project traffic volumes.

The study area for the proposed project included the following existing intersections and roadway segments:

Study Area Street Segments & Intersections

Street Segments			
Road		Segment	
71 1 24 1 7 1		21/21/21/2	
Black Mountain Road		Rd./Park Village Dr.	
	Westvi	ew Parkway/Mercy Rd.	
	Caprico	orn Way/Westview Parkway	
Mercy Road	Black Mountain Rd/Kika Court		
	Kika Court/Alemania Rd.		
	Alemania Rd./I-15 SB Ramps		
Scripps Poway Parkway	I-15 N	B Ramps/Scripps Highlands Dr.	
	Scripps	Highlands Dr./Scripps Summit Dr.	
	Scripps	Summit Dr./Spring Canyon Rd.	
	Spring	Canyon Rd./Scripps Creek Dr.	
	Scripps	Creek Dr./Cypress Canyon Rd.	
	Cypress Canyon Rd./Vail Court		
	Angelio	que Street/Pomerado Rd.	
	Pomera	ndo Rd./Kirkham Rd.	

Intersections			
Number	Intersection		
1	Park Village Rd./Black Mountain Rd.		
2	Mercy Rd./Black Mountain Rd.		
3	Westview Pkwy/Black Mountain Rd.		
4	Capricorn Way/Black Mountain Rd.		
5	Kika Court/Mercy Rd.		
6	Mercy Rd./Alemania Rd.		
7	Mercy Rd./I-15 SB Ramps		
8	Scripps Poway Pkwy/I-15 NB Ramps		
9	Scripps Poway Pkwy/Scripps Highlands Dr.		
10	Scripps Highlands Dr./Scripps Gateway Ct.		
11	Scripps Poway Pkwy/Scripps Summit Dr.		
12	Scripps Poway Pkwy/Spring Canyon Rd.		
13	Scripps Poway Pkwy/Scripps Creek Dr.		
14	Scripps Poway Pkwy/Cypress Canyon Rd.		
15	Scripps Poway Pkwy/Springbook Dr.		
16	Scripps Poway Pkwy/Pomerado Rd.		
17	Scripps Poway Pkwy/Kirkham Dr.		

Ramp meters at freeway entrances in the study area currently exist at:

- I-15/Mercy Road
- I-15/Scripps Poway Parkway

The study area also includes a freeway mainline analysis of I-15 at the following:

- SR-163/SR-52
- Miramar Road/SR-163

- Carroll Canyon Road/Miramar Road
- Carroll Canyon Road/Mira Mesa Boulevard
- Mira Mesa Boulevard/Scripps Poway Parkway
- Scripps Poway Parkway/Poway Road
- Poway Road/SR-56
- SR-56/Carmel Mountain Road
- Carmel Mountain Road/Camino Del Norte
- Camino Del Norte/Rancho Bernardo Road

The project site is adjacent to and shares access with the existing (Bldg. 1) and entitled (Bldg. 2) Med-Impact Single-Tenant Office buildings. This development has been considered an "other project" for offsite analysis (Bldg. 1 was under construction but not yet open at the time of existing traffic counts) and has been considered part of the "whole site" for access analysis purposes. The proposed development would be expected to generate a maximum 21,509 ADT at driveways with 648 trips in the AM peak hour (501 inbound and 148 outbound) and 2,003 trips in the PM peak hour (978 inbound and 1,025 outbound). The proposed development would be expected to generate a maximum 18,552 cumulative ADT with 583 trips in the AM peak hour (455 inbound and 127 outbound) and 1,726 trips in the PM peak hour (838 inbound and 888 outbound).

The project would result in significant direct impacts at five roadway segments and one arterial segment location. Segments with significant impacts are:

- Scripps Poway Parkway I-15 Northbound Ramps / Scripps Highlands Drive
- Scripps Poway Parkway Scripps Highlands Drive / Scripps Summit Drive
- Scripps Poway Parkway Scripps Summit Drive / Spring Canyon Road
- Scripps Poway Parkway Spring Canyon Road / Scripps Creek Drive
- Scripps Poway Parkway Scripps Creek Drive / Cypress Canyon Road
- Scripps Poway Parkway Cypress Canyon Road / Angelique Street

The project would result in significant direct impacts at the following two intersections:

- Scripps Poway Parkway / Scripps Highlands Drive
- Mercy Road / I-15 Southbound Ramps

Mitigation Measures: Mitigation measure 5.2-1 (MM 5.2-1) will be implemented to partially mitigate project impacts to roadway segments. This mitigation measures involves reconfiguration of the Scripps Poway Parkway/I-15 Interchange.

MM 5.2-1 Prior to issuance of the first construction permit, owner/permittee shall assure by permit and bond the reconfiguration to shift the westbound through lanes on Scripps Poway Parkway to the north and provide additional queuing length for westbound traffic on Scripps Poway Parkway to the interchange. The "back-to-back" left turn lanes will be eliminated and additional queuing for traffic turning left from Scripps Poway Parkway to southbound I-15 will be provided. Reduction in the width of raised median on Scripps Poway Parkway east of the interchange will be required. All work to be done to the satisfaction of the City Engineer.

In order to mitigate significant direct impacts to the intersections of Scripps Poway Parkway/Scripps Highlands Drive and Mercy Road/I-15 Southbound Ramps, the following measure would be implemented:

MM 5.2-2 Prior to issuance of the first construction permit, owner/permittee shall assure by permit and bond the provision of a triple left-turn at Scripps Poway Parkway and Scripps Highlands Drive intersection by re-striping the northbound leg to take a thru-lane and make it a shared left-thru lane. The pedestrian crossing on the west leg of the intersection will be removed. Additionally, a northbound right-turn overlap will be provided. All work to be done to the satisfaction of the City Engineer.

Implementation of these mitigation measures will reduce the project's significant traffic impacts to intersections to below a level of significance. Significant, unmitigated impacts would remain for the following roadway segments:

Road	Segment
Scripps Poway Parkway	I-15 Northbound / Scripps Highland Drive
Scripps Poway Parkway	Scripps Highland Drive / Scripps Summit Drive
Scripps Poway Parkway	Scripps Summit Drive / Spring Canyon Road
Scripps Poway Parkway	Spring Canyon Road / Scripps Creek Drive
Scripps Poway Parkway	Scripps Creek Drive / Cypress Canyon Road
Scripps Poway Parkway	Cypress Canyon Road/ Angelique Street

Reference: Final EIR § 5.2.

#### Unmitigated Impacts and Infeasibility of Mitigation

The project proposes numerous improvements to mitigate direct impacts at intersections to below a level of significance; however, significant, unmitigated impacts would remain for the following roadway segments:

Road Segm	<u>nent</u>
Scripps Poway Parkway	I-15 Northbound / Scripps Highland Drive
Scripps Poway Parkway	Scripps Highland Drive / Scripps Summit Drive
Scripps Poway Parkway	Scripps Summit Drive / Spring Canyon Road
Scripps Poway Parkway	Spring Canyon Road / Scripps Creek Drive
Scripps Poway Parkway	Scripps Creek Drive / Cypress Canyon Road
Scripps Poway Parkway	Cypress Canyon Road/ Angelique Street

Currently, the segments of Scripps Poway Parkway west of Spring Canyon Road are constructed to their ultimate Community Plan classification. Additional widening beyond the current 6-lane prime arterial classification is impractical since no right-of-way is available and existing buildings would be affected.

The street segment analysis indicates the potential for impacts on Scripps Poway Parkway between Spring Canyon Road and Angelique Street. However, the more detailed arterial analysis indicates that these road segments would experience an acceptable LOS with the project in all conditions. Therefore, although disclosed as an impact, it is anticipated that an acceptable LOS will be maintained in the future and no widening would be necessary.

Reference: Final EIR § 5.2.

#### B. Air Quality

Environmental Impact: Exceed 100 pounds of particulate matter (dust).

**Finding:** The proposed project would result in significant air quality impacts associated with construction. Construction impacts would be temporary and for a short duration. Standard mitigation would lessen the potential impact of fugitive dust to below a level of significance.

Facts in Support of Finding: Emissions of pollutants such as fugitive dust and heavy equipment exhaust that are generated during construction are generally highest near the construction site. Emissions from the construction of the project were estimated using the CalEEMod Model. It was assumed that construction would require the following phases: fine grading, utilities installation, building construction, paving, and architectural coatings application. In addition to calculating emissions from heavy construction equipment, the URBEMIS Model contains calculation modules to estimate emissions of fugitive dust, based on the amount of earthmoving or surface disturbance required; emissions from heavy-duty truck trips or vendor trips during construction activities; emissions from construction worker vehicles during daily commutes; emissions of ROG from paving using asphalt; and emissions of ROG during application of architectural coatings. As part of the project design features, it was assumed that standard dust control measures (watering three times daily, using soil stabilizers on unpaved roads) and architectural coatings that comply with SDAPCD Rule 67.0 [assumed to meet a volatile organic compound (VOC) content of 150 grams per liter (g/l)] would be used during construction.

Project criteria pollutant emissions during construction would be temporary. Emissions of criteria pollutants during construction would be below the thresholds of significance for all project construction phases for all pollutants, with implementation of standard dust control measures.

#### Mitigation Measures:

- **MM 5.4-1.** Standard dust control measures would be employed during construction. These standard dust control measures include the following:
  - Watering active grading sites a minimum of three times daily
  - Apply soil stabilizers to inactive construction sites
  - Replace ground cover in disturbed areas as soon as possible
  - Control dust during equipment loading/unloading (load moist material, ensure at least 12 inches of freeboard in haul trucks
  - Reduce speeds on unpaved roads to 15 mph or less
  - Water unpaved roads a minimum of three times daily

These dust control measures would reduce the amount of fugitive dust generated during construction to below a level of significance.

Reference: Section 5.4

#### C. Cumulative Impacts

Environmental Impact: The Watermark project would result in significant cumulative traffic circulation impacts. Cumulative impacts associated with traffic circulation would be the same as those evaluated in Final EIR Section 5.2, *Transportation/Traffic Circulation/Parking* as *Horizon Year (Year 2030)*. As discussed in Section 5.2 and 6.0, *Cumulative Effects*, of the Final EIR, significant cumulative environmental impacts to traffic circulation will occur.

**Finding:** Mitigation measures would be implemented to partially mitigate the project's impacts on traffic. However, these mitigation measures would not fully mitigate street segment impacts, and impacts would remain significant and unmitigated, requiring that the decision-makers adopt a project alternative which reduces or avoids cumulatively significant impacts or adopt a Statement Overriding Considerations which finds the impact to be acceptable.

Facts in Support of Finding: The Traffic Impact Analysis includes an evaluation of cumulative impacts in the near-term and in Year 2030. That analysis includes anticipated build-out of the Miramar Ranch North Community Plan area and SANDAG's Series 11 growth projections, as well as other foreseeable projects that could affect traffic in the project area.

As evaluated in the EIR, the project would result in cumulatively significant impacts at six roadway segments and one arterial segment location. Segments where cumulatively significant impacts would occur are:

- Scripps Poway Parkway I-15 Northbound Ramps / Scripps Highlands Drive
- Scripps Poway Parkway Scripps Highlands Drive / Scripps Summit Drive
- Scripps Poway Parkway Scripps Summit Drive / Spring Canyon Road
- Scripps Poway Parkway Spring Canyon Road / Scripps Creek Drive
- Scripps Poway Parkway Scripps Creek Drive / Cypress Canyon Road
- Scripps Poway Parkway Cypress Canyon Road / Angelique Street
- Scripps Poway Parkway Angelique Street / Pomerado Road

The project would result in significant cumulative impacts at the following two intersections:

- Scripps Poway Parkway / Scripps Highlands Drive
- Mercy Road / I-15 Southbound Ramps

#### Mitigation Measures:

Mitigation measure 5.2-1 (MM 5.2-1) will be implemented to partially mitigate the project's cumulative impacts to roadway segments. This mitigation measures involves reconfiguration of the Scripps Poway Parkway/I-15 Interchange.

MM 5.2-1 Prior to issuance of the first construction permit, owner/permittee shall assure by permit and bond the reconfiguration to shift the westbound through lanes on Scripps Poway Parkway to the north and provide additional queuing length for westbound traffic on Scripps Poway Parkway to the interchange. The "back-to-back" left turn lanes will be eliminated and additional queuing for traffic turning left

from Scripps Poway Parkway to southbound I-15 will be provided. Reduction in the width of raised median on Scripps Poway Parkway east of the interchange will be required. All work to be done to the satisfaction of the City Engineer.

In order to mitigate cumulative impacts to the intersections of Scripps Poway Parkway/Scripps Highlands Drive and Mercy Road/I-15 Southbound Ramps, the following measure will be implemented:

MM 5.2-2 Prior to issuance of the first construction permit, owner/permittee shall assure by permit and bond the provision of a triple left-turn at Scripps Poway Parkway and Scripps Highlands Drive intersection by re-striping the northbound leg to take a thru-lane and make it a shared left-thru lane. The pedestrian crossing on the west leg of the intersection will be removed. Additionally, a northbound right-turn overlap will be provided. All work to be done to the satisfaction of the City Engineer.

With incorporation of this mitigation measure, cumulative impacts at the Scripps Poway Parkway and Scripps Highlands Drive intersection would be mitigated to an acceptable LOS.

Reference: Final EIR § 6.3.2.

#### Unmitigated Impacts and Infeasibility of Mitigation

Significant and unmitigated cumulative impacts would result on several street segments at the following locations:

Road	Segment
Scripps Poway Parkway	I-15 Northbound / Scripps Highland Drive
Scripps Poway Parkway	Scripps Highlands Drive / Scripps Summit Drive
Scripps Poway Parkway	Scripps Summit Drive / Spring Canyon Road
Scripps Poway Parkway	Spring Canyon Road / Scripps Creek Drive
Scripps Poway Parkway	Scripps Creek Drive / Cypress Canyon Road
Scripps Poway Parkway	Cypress Canyon Road/ Angelique Street

Currently, the segments of Scripps Poway Parkway west of Spring Canyon Road are constructed as six-lane prime arterials to their ultimate Community Plan classification. Additional widening beyond the current 6-lane prime arterial classification is impractical since no right-of-way is available and existing buildings would be affected.

The street segment analysis indicates the potential for impacts on Scripps Poway Parkway between Spring Canyon Road and Angelique Street. However, the more detailed arterial analysis indicates that these road segments would experience an acceptable LOS with the project in all conditions. Therefore, although disclosed as an impact, it is anticipated that an acceptable LOS will be maintained in the future and no widening would be necessary.

**Reference:** Final EIR §§ 6.0 and 5.2.

#### VII.

# FINDINGS REGARDING CHANGES OR ALTERATIONS THAT ARE WITHIN THE RESPONSIBILITY AND JURISDICTION OF ANOTHER PUBLIC AGENCY

There are no changes or alterations that are within the responsibility and jurisdiction of another public agency and not the agency making the finding.

#### VIII. FINDINGS REGARDING ALTERNATIVES

In accordance with Section 15126.6(a) of the CEQA Guidelines, an EIR must contain a discussion of "a range of reasonable alternatives to a project, or the location of a project, which would feasibly attain most of the basic objectives of the project but would avoid or substantially lessen any of the significant effects of the project, and evaluate the comparative merits of the alternatives." Section 15126.6(f) further states that "the range of alternatives in an EIR is governed by the 'rule of reason' that requires the EIR to set forth only those alternatives necessary to permit a reasoned choice." Thus, the following discussion focuses on project alternatives that are capable of eliminating significant environmental impacts or substantially reducing them as compared to the proposed project, even if the alternative would impede the attainment of some project objectives, or would be more costly. In accordance with Section 15126.6(f)(1) of the State CEQA Guidelines, among the factors that may be taken into account when addressing the feasibility of alternatives are: (1) site suitability; (2) economic viability; (3) availability of infrastructure; (4) general plan consistency; (5) other plans or regulatory limitations; (6) jurisdictional boundaries; and (7) whether the proponent can reasonably acquire, control or otherwise have access to the alternative site.

As required in CEQA Guidelines Section 15126.6(a), in developing the alternatives to be addressed in this section, consideration was given regarding an alternative's ability to meet most of the basic objectives of the proposed project. Because the proposed project will cause unavoidable significant environmental effects related to Transportation/Traffic Circulation/Parking (direct and cumulative) and Air Quality (direct relative to construction), the City must consider the feasibility of any environmentally superior alternatives to the proposed project, evaluating whether these alternatives could avoid or substantially lessen the unavoidable significant environmental effects while achieving most of the objectives of the proposed project.

The alternatives presented and considered in the Final EIR constitute a reasonable range of alternatives necessary that would feasibly attain most of the basic objectives of the project but would avoid or substantially lessen any of the significant effects of the project to permit a reasoned choice among the options available to the City and/or the project proponent. As presented in the Final EIR, the following is a list of the project objectives:

- 1. Create a coherent and signature design statement at a community gateway to Miramar Ranch North.
- 2. Provide flexibility in the allocation of commercial office and retail development based on market demand and consistent with limitations established by the Traffic Impact Analysis prepared for the project.
- 3. Allow for retail uses currently unavailable in the surrounding market area.

- 4. Implement design guidelines that would ensure high quality design and aesthetics, creating a landmark for the community.
- 5. Provide quasi-public space for community use in the form of a pedestrian plaza as a focal point for the project, which would function as a lively gathering place for visitors, employees, and neighbors.
- 6. Implement transportation (vehicular, bicycle, and pedestrian) improvements that would improve operations of the current roadway and bicycle network and would encourage pedestrian use.

The impacts of each alternative are analyzed Section 10.0 of the EIR. The review of alternatives includes an evaluation to determine if any specific environmental characteristic would have an effect that is "substantially less" than the proposed project. A significant effect is defined in Section 15382 of the CEQA Guidelines as "a substantial, or potentially substantial, adverse change in any of the physical conditions within the area affected by the project." The significant impacts that apply to this project are: traffic and circulation (direct and cumulative) and air quality (direct; temporary, during construction).

Alternatives considered for the Watermark project, including a discussion of the "No Project" alternative, are addressed in detail in Section 10.0, *Alternatives*. Relative to the requirement to address a "No Project" alternative, CEQA Guidelines Section 15126.6(e) states that:

- (A) When the project is the revision of an existing land use or regulatory plan, policy or ongoing operation, the "no project" alternative will be the continuation of the existing plan, policy or operation into the future.
- (B) If the project is other than a land use or regulatory plan, for example a development project on identifiable property, the "no project" alternative is the circumstance under which the project does not proceed.

Alternatives to the Watermark project discussed in this EIR include the "No Project" alternative that is mandated by CEQA and other alternatives that were developed in the course of project planning and environmental review for the proposed project. Specifically, the following project alternatives are addressed in the EIR:

- Alternative 1 No Project/Development Under Existing Approvals
- Alternative 2 Light Industrial Park
- Alternative 3 Prime Industrial Lands
- Alternative 4 Reduced Intensity 17 Percent Reduction in Trips

Based upon the administrative record for the project, the City makes the following findings concerning the alternatives to the proposed project.

#### Alternative 1 – No Project/Development Under Existing Approvals.

**Description:** Under the No Project/Development Under Existing Approvals Alternative, the proposed project would not proceed. Instead, the project site would develop under existing approvals, which involves development of the 34.39-acre site as permitted under the approved CUP/PID No. 99-1027. The approved CUP/PID No. 99-1027 allows development of corporate office structures and ancillary

buildings on the project site, including the construction of seven buildings for use as office, employee training, cafeteria, exercise facility, and child daycare facility for a total of 658,456 square feet. This alternative also assumes that no additional grading would be required to construct the existing entitlements.

**Finding:** The City finds that specific economic, legal, social, technological, or other considerations make the No Project/No Build: Continuation of Approved Conditional Use Permit/ Implementation of Approved Reclamation Plans Alternative infeasible.

Public Resources Code § 21081(a)(3), Guidelines § 15091(a)(3).

Facts in Support of Finding: The No Project/Development Under Existing Approvals Alternative results in development of the project site as a corporate office campus in accordance with existing approvals in effect on the project site. When compared to the proposed project, the No Project/Development Under Existing Approvals Alternative would result in less overall traffic volumes but could create increased trips to neighborhood services. The No Project/Development Under Existing Approvals Alternative would result in less vehicular emissions, resulting in less impacts associated with air quality and GHG emissions. Significant air quality impacts associated with construction would occur, similar to the proposed project. Additionally, this alternative would generate less noise associated with less trips than would occur with the proposed project. The No Project/Development Under Existing Approvals Alternative would result in the same level of impacts as the proposed project relative to Land Use, Visual Quality and Neighborhood Character, Energy, Historic Resources, Geologic Conditions, Paleontological Resources, Hydrology/Water Quality, Health and Safety, Public Services and Facilities, and Public Utilities.

The No Project/Development Under Existing Approvals Alternative would meet some of the project objectives (project objectives nos. 1 and 4). Specifically, this alternative would create a coherent and signature design statement as a community gateway to Miramar Ranch North and would result in a project of high quality design and aesthetics, creating a landmark for the community. This alternative would not meet other project objectives (project objectives 2, 3, 5 and 6) in that this alternative would not provide quasi-public space for community use in the form of a pedestrian plaza as a focal point for the project, which would function as a lively gathering place for visitors, employees, and neighbors; and would not implement transportation (vehicular, bicycle, and pedestrian) improvements that would improve operations of the current roadway and bicycle network and would encourage pedestrian use. Additionally, this alternative would not provide flexibility in the allocation of commercial office and retail development based on market demand and consistent with limitations established by the TIA prepared for the project and would not provide for retail uses currently unavailable in the surrounding market area. Therefore, No Project/Development Under Existing Approvals Alternative is infeasible.

Reference: Final EIR § 10.2.2

#### Alternative 2 - Light industrial Park.

**Description:** The project includes a proposed Community Plan Amendment to change the land use designation from Industrial to Regional Commercial and an amendment to the General Plan to remove the Prime Industrial Lands identification from the site. While the EIR concludes that the proposed land use changes would not result in significant environmental impacts, the proposed project would not be in strict conformation with the Miramar Ranch North Community Plan and the City's General Plan. Therefore, an alternative has been developed to evaluate development of the project site with light industrial land uses, which would be in compliance with land use documents and would not require an amendment to the Community Plan.

The Light Industrial Park Alternative would include the on-going development of the MedImpact facilities, including the constructed facilities on Lot 1 and the approved facilities for Lot 2, but would develop the remainder of the site with a mix of manufacturing, wholesale distribution, warehousing, and recreational vehicle storage area screened by mini-warehousing facilities as identified in the Miramar Ranch North Community Plan. Under this alternative, this mix of light industrial uses/mini storage uses would occur on the approximately 21 developable acres outside Area B (MedImpact Lots 1 and 2). The Light Industrial Park alternative would include one- and two-story buildings that would be available for manufacturing, wholesale distribution, mini storage, and warehouse uses and would include an open and screened recreational vehicle storage area. For this alternative, it is assumed that, similar to the proposed project, architectural design guidelines would be developed to ensure high quality design of structures within the project.

The project site is currently zoned IP-2-1. The IP-2-1 zone allows a range of light industrial uses but does not include moving and storage facilities (such as mini storage) and warehouses. Therefore, this alternative would include a rezone from the IP-2-1 zone to the IL-2-1 zone to accommodate the range of light industrial/mini storage uses as outlined in the Community Plan and described for this alternative. Additionally, because this alternative would include uses that are not considered Prime Industrial Lands uses, like the proposed project, an amendment to the General Plan would be required to remove the Prime Industrial Lands identification from the project site.

**Finding:** The City finds that specific economic, legal, social, technological, or other considerations make the Prime Industrial Lands Alternative infeasible.

Public Resources Code § 21081(a)(3), Guidelines § 15091(a)(3).

Facts in Support of Finding: Overall traffic volumes would be reduced under this alternative; however, this alternative would not provide the balancing of traffic that occurs with the proposed project. Because this alternative would not provide retail commercial and restaurant uses at the project site, neighborhood trips to those services could potentially occur outside the community.

While visual quality impacts would not be regarded as significant under this alternative, the gateway statement anticipated by the Community Plan for this area of

Miramar Ranch North would not be provided. The nature of types of light industrial, warehousing and mini storage uses associated with this alternative would contrast with the high quality office facilities developed for MedImpact. This alternative would create mini storage facilities and open areas for storage of recreational vehicles. The nature of these types of light industrial uses could create an inconsistent architectural style with the office facilities developed for MedImpact. Additionally, large areas of open surface parking would occur under this alternative. Because this alternative would include open storage facilities and a greater amount of surface parking, it would be regarded as less compatible with surrounding residential development to the north, east, and south, and the commercial retail development to the west and would not create the gateway statement anticipated in the community plan.

Relative to air quality and GHG emissions, this alternative has the potential to result in greater impacts. Air quality associated with operational impacts (vehicle trips) would be reduced under the Light Industrial Park Alternative. Relative to construction, impacts would be similar. Warehousing and manufacturing uses which would occur under this alternative would involve a greater amount of diesel trucks accessing the site and would include diesel emissions above those that would occur with the project. Additionally, light industrial uses, and in particular research and development uses, use toxic substances and hazardous materials which would not occur with the proposed project.

Noise impacts under this alternative would be greater than the proposed project. The Light Industrial Park Alternative could result in an increase in noise levels in the immediate environment due to an increase in truck traffic (in particular, heavy trucks) accessing the site. While such increases in noise would be at a nuisance level and are not anticipated to be significant, this level of noise would not occur with the proposed project.

This alternative could result in increased impacts associated with water quality, due to the increase in impervious surfaces associated with open parking areas and the use of hazardous materials in manufacturing. The potential for health and safety impacts could increase with the Light Industrial Park Alternative. Light industrial uses, particularly manufacturing and research and development, can employ hazardous materials. Accidental spills and/or release of hazardous materials or the generation of toxic fumes would create a health and safety risk not associated with the proposed project.

The Light Industrial Park Alternative would result in greater impacts associated with cumulative air quality and GHG emissions, due to diesel truck emissions and emissions that could be generated by light industrial uses that use toxic substances and hazardous materials.

This alternative would not meet most of the project objectives (project objectives nos. 1, 2, 3, 5, 6). Specifically, this alternative would not create a coherent and signature design statement at a community gateway to Miramar Ranch North. It would not provide flexibility in the allocation of commercial office and retail

development based on market demand and consistent with limitations established by the Traffic Impact Analysis prepared for the project and would not allow for retail uses currently unavailable in the surrounding market area. Although this alternative would implement a high quality design and aesthetics, it does not have the same potential to create a landmark statement for the community as would occur under the proposed project. This alternative would not provide quasi-public space for community use in the form of a pedestrian plaza as a focal point for the project, which would function as a lively gathering place for visitors, employees, and neighbors. Therefore, Light Industrial Park Alternative is infeasible.

Reference: Final EIR § 10.2.3

#### Alternative 3 - Prime Industrial Lands

Description: The Prime Industrial Lands Alternative would include low-rise buildings that would be available for research and development, manufacturing, warehouse heavy or light industrial, and research and development uses consistent with the General Plan's Prime Industrial Lands identification. Under this alternative, the on-going development of the MedImpact facilities and Lots 1 and 2 (350,743 square feet of office uses) would occur; and 21 acres of light industrial uses (such as warehouse distribution, heavy or light manufacturing, and research and development) would occur on the project site, outside Lots 1 and 2. For this alternative, it is assumed that, similar to the proposed project, architectural design guidelines would be developed to ensure high quality design of structures within the project, and that light industrial buildings would be compatible with the existing MedImpact office building and parking structure. This alternative would not require a Community Plan Amendment or an amendment to the General Plan, as land uses described under this alternative would be consistent with the land uses allowed in the Community Plan and in Prime Industrial Lands. This alternative would not require a rezone, as all uses described for this alternative would be permitted in the existing zones for the project site.

**Finding:** The City finds that specific economic, legal, social, technological, or other considerations make the Reduced Density Alternative infeasible.

Public Resources Code § 21081(a)(3), Guidelines § 15091(a)(3).

Facts in Support of Finding: This alternative would not provide the balancing of traffic that occurs with the proposed project. Instead, the project site would develop solely as an employment center, with traffic entering the site during AM peak hours and leaving the site during PM peak hours. Because this alternative would not provide retail commercial and restaurant uses at the project site, neighborhood trips to those services could potentially occur outside the community.

The gateway statement anticipated by the Community Plan for this area of Miramar Ranch North would not be provided with this alternative. This alternative would result in an active industrial park, with predominately low-rise structures, open surface parking, and truck bays for distributing products. This alternative would be

less compatible with surrounding development and would not create the gateway statement anticipated in the community plan.

This alternative has the potential to result in greater impacts associated with air quality and GHG emissions than the proposed project. Manufacturing uses which would occur under this alternative would involve a greater amount of diesel trucks accessing the site and would include diesel emissions above those that would occur with the project. Additionally, Prime Industrial Lands uses, and in particular research and development uses, use toxic substances and hazardous materials which would not occur with the proposed project.

Noise impacts under this alternative would be greater than the proposed project. The Prime Industrial Lands Alternative would result in an increase in noise levels in the immediate environment due to an increase in truck traffic (in particular, heavy trucks) accessing the site. While such increases in noise would be at a nuisance level and are not anticipated to be significant, this level of noise would not occur with the proposed project.

This alternative could result in increased impacts associated with water quality, due to the increase in impervious surfaces associated with open parking areas and the use of hazardous materials in manufacturing and research and development. While required adherence to State and County regulations would ensure that significant impacts are avoided, these impacts would not occur under the proposed project, and impacts associated with water quality would be increased under this alternative.

The potential for health and safety impacts could increase with the Prime Industrial Lands Alternative. Light industrial uses, particularly manufacturing and research and development, can employ hazardous materials. Accidental spills and/or release of hazardous materials or the generation of toxic fumes would create a health and safety risk not associated with the proposed project.

This alternative would not meet most of the project objectives (project objectives nos. 1, 2, 3, and 5). Specifically, this alternative would not create a coherent and signature design statement at a community gateway to Miramar Ranch North. It would not provide flexibility in the allocation of commercial office and retail development based on market demand and consistent with limitations established by the Traffic Impact Analysis prepared for the project and would not allow for retail uses currently unavailable in the surrounding market area. This alternative does not have the same potential to create a landmark statement for the community as would occur under the proposed project. This alternative would not provide quasi-public space for community use in the form of a pedestrian plaza as a focal point for the project, which would function as a lively gathering place for visitors, employees, and neighbors. Therefore, the Prime Industrial Lands Alternative is infeasible.

Reference: Final EIR § 10.2.4

#### Alternative 4 - Reduced Intensity - 17 Percent Reduction in Trips

Description: The Reduced Intensity – 17 Percent Reduction in Trips Alternative would include the existing MedImpact facilities on previously approved Lot 1, the future approved development on Lot 2, and development of the remainder of the site in a manner similar to the proposed project but without development of the hotel (approximately 90,540 square feet) and the office building (approximately 132,007 square feet). The proposed Watermark Site Plan shows the hotel located in the southwest corner of the project site (Building L). This alternative would eliminate the hotel and provide surface parking where the hotel would have occurred. Under the proposed Site Plan, office uses would occur on floors two through six of Building M. Because this alternative would eliminate office uses in Building M, Building M would change from a six-story retail/office building to a two-story retail building. With the elimination of these elements, this alternative would result in approximately 17 percent less total trips than under the proposed project (15,341 with this alternative compared to 18,552 resulting from the proposed project).

**Finding:** The City finds that specific economic, legal, social, technological, or other considerations make the Reduced Intensity – 17 Percent Reduction in Trips Alternative infeasible.

Public Resources Code § 21081(a)(3), Guidelines § 15091(a)(3).

Facts in Support of Finding: For the most part, the Reduced Intensity - 17 Percent Reduction in Trips Alternative would have similar impacts and require the same mitigation as the proposed project. This alternative would result in similar uses as the proposed project, but at a slightly reduced level, and would meet the project objectives. An Amendment to the Miramar Ranch North Community Plan would still be required to change the land use designation from Industrial to Retail Commercial/Residential Prohibited. Like the proposed project, the General Plan would be amended to remove the Prime Industrial Lands identification from the project site. Like the proposed project, this alternative would create a coherent and signature design statement at this gateway to the Miramar Ranch North community and would maintain consistency with the architectural style established with the existing MedImpact campus by maintaining complementary architectural vocabulary for the mixed-use project. Traffic would be slightly reduced under this alternative, and there would be a concomitant reduction in emissions resulting in a slight reduction in impacts associated with air quality, GHG emissions, and noise. While the Site Plan under this alternative would be modified to eliminate the hotel and the office component of a retail/office building, views of the site would not be substantially different than the proposed project, and impacts associated with Visual Quality and Neighborhood Character would be the same as the proposed project. Impacts relative to all other environmental issue areas would be the same as the proposed project.

An important component of the proposed project is its flexibility in allowing uses that respond to market demand. As a result, the project intends to provide for

quality hotel to serve the business traveler and visitors to San Diego. The type and quality of the proposed hotel is unique for this portion of the I-15 corridor. The proposed hotel would provide temporary housing for employees of the MedImpact office development and other businesses in the area when they are in-town for business, meetings, training, etc., and would reduce the travel to hotels located outside the community. Additionally, the hotel would support the retail commercial uses of the project, because hotel users would use the various shops and restaurants. Because hotel use would not occur under this alternative, there would be no transit occupancy tax (TOT) revenue, estimated to be \$617,899 annually, to the City. The Reduced Intensity – 17 Percent Reduction in Trips Alternative would result in the elimination of the hotel use thereby eliminating the potential of this beneficial service amenity and the tax revenue associated with the proposed project.

This alternative would also reduce the amount of office space provided by the project. By reducing office space under this alternative, jobs created by the proposed project would also be reduced. It is estimated that approximately 1,502 full-time equivalent jobs would be created by the project. Eliminating 132,007 square feet of office space would reduce the amount of jobs created by 528.

Therefore, the Reduced Intensity – 17 Percent Reduction in Trips Alternative is infeasible.

Reference: Final EIR § 10.2.5.

#### IX.

### ENVIRONMENTAL ISSUES DETERMINED NOT TO BE POTENTIALLY AFFECTED BY THE PROJECT

The City determined that the environmental analysis contained in the Final EIR for agricultural resources had "no impact" or had a "less than significant impact," and, therefore, will not warrant further consideration in the Final EIR. No substantial evidence has been presented to or identified by the City that will modify or otherwise alter the City's "no impact" or "less-than-significant" determination for these environmental issues.

# X. FINDINGS REGARDING SIGNIFICANT IRREVERSIBLE ENVIRONMENTAL CHANGES

Guidelines Section 15126(c) requires that an EIR describe any significant irreversible environmental changes that would be involved in the proposed project should it be implemented. Section 15126.2(c) indicates that:

Uses of nonrenewable resources during the initial and continued phases of the project may be irreversible since a large commitment of such resources makes removal or nonuse thereafter unlikely.

The same section further indicates that:

Irretrievable commitments of resources should be evaluated to assure that such current consumption is justified.

Future development that could occur on the project site as a result of the proposed project would entail the commitment of energy and natural resources. The primary energy source would be fossil fuels, representing an irreversible commitment of this resource. Construction of the project would also require the use of construction materials, including cement, concrete, lumber, steel, etc., and labor. These resources would also be irreversibly committed.

Once constructed, occupation of the residential units and operations of the commercial spaces would entail a further commitment of energy resources in the form of fossil fuels and electricity. This commitment would be a long-term obligation since the proposed structures are likely to have a useful life of 20 to 30 years or more. However, as discussed in Section 5.12, *Public Utilities*, of this EIR, the impacts of increased energy usage are not considered significantly adverse environmental impacts. Development of the project site would also change the visual appearance of the project site from barren, mined land to urban uses. This change in visual quality would permanently alter views of the site as discussed in Section 5.3, *Visual Effects and Neighborhood Character*, of this EIR and is considered irreversible.

Specific significant irreversible environmental changes associated with implementation of the proposed project may include the following:

• Grading required for the project could irreversibly affect unknown cultural or paleontological resources. Any cultural or paleontological resources would be salvaged, as

necessary, and data recovered. Mitigation identified in Section 5.8, Historical Resources and Section 5.11, Paleontological Resources, of this EIR, would reduce any impacts to below a level of significance. However, cultural resources or paleontological resources, if encountered, would be irreversibly committed.

- Commitment of energy, water, and other natural resources for the construction and occupancy of the residences, retail space and commercial office space is expected. This resource utilization is not expected to represent significant amounts of available resources in the region.
- Pollutant emissions from construction activities would occur but would be short-term and would not be significant. The additional vehicle trips on the surrounding roads would also cause an incremental increase in air pollutants associated with vehicle exhaust, which would add to area- and basin-wide air pollutant levels. Additionally, the project would provide live/work opportunities that may result in a reduction of trips from the project.

#### XI. STATEMENT OF OVERRIDING CONSIDERATIONS

Pursuant to Section 21081(b) of CEQA, Section 15093 and 15043(b) of the Guidelines, the City is required to balance, as applicable, the economic, legal, social, technological, or other benefits of a proposed project against its unavoidable adverse environmental impacts when determining whether to approve the Project.

If the specific economic, legal, social, technological, or other benefits, including considerations for the provision of employment opportunities for 900 lower wage retail and hospitality jobs and 602 jobs highly trained workers outweigh the unavoidable adverse environmental effects, the adverse environmental effects may be considered acceptable pursuant to Public Resources Code Section 21081.

Pursuant to Public Resources Code Section 21081(b) and the Guidelines Section 15093, the City has balanced the benefits of the proposed project against unavoidable adverse impacts to Transportation and Traffic Circulation associated with the proposed project and has adopted all feasible mitigation measures with respect significant and unmitigated impacts associated with this environmental issue. The City also has examined alternatives to the proposed project and has rejected them as infeasible, finding that none of them would fully meet most of the project objectives and result in substantial reduction or avoidance of the project's significant and unmitigated environmental impacts, and/or would potentially result in significant impacts in addition to those associated with the proposed project.

The California Supreme Court has stated that, "[t]he wisdom of approving...any development project, a delicate task which requires a balancing of interests, is necessarily left to the sound discretion of the local officials and their constituents who are responsible for such decisions. The law as we interpret and apply is simply requires that those decisions be informed, and therefore balanced." Citizens of Goleta Valley v. Bd. Of Supers. (1990) 52 Cal.3d 553, 576.

Courts have upheld overriding considerations that were based on policy consideration including, but not limited to, new jobs, stronger tax base, implementation of an agency's economic development goals, growth management policies, redevelopment plans, the need for housing and employment, conformity to community plans and general plans, and provision of construction jobs. See Towards Responsibility in Planning v. City Council (1988) 200 Cal.App.3d 671; Dusek v. Redevelopment Agency (1985) 173 Cal.App.3d 1029; City of Poway v. City of San Diego (1984) 155 Cal.App.3d 1037; Markley v. City Council (1982) 131 Cal.App.3d 656.

Each of the Separate Benefits of the proposed project, as stated herein, is determined to be, unto itself and independent of the other project benefits, a basis for overriding all unavoidable adverse environmental impacts identified in these findings, so that if a court were to set aside the determination that any particular benefit would occur and justifies the project's approval, the City Council determines that if would stand by its determination that the remaining benefits are sufficient to warrant the project's approval.

Having considered the entire administrative record on the project, and (i) made a reasonable and good faith effort to eliminate or substantially mitigate the impacts resulting from the project, adopting all feasible mitigation measures; (ii) examined a reasonable range of alternative to the

project and, based on this examination, determined that all those alternative are either environmentally inferior, fail to meet the project objectives, or are not economically or otherwise viable, and therefore should be rejected; (iii) recognized all significant, unavoidable impacts; and (iv) balanced the benefits of the project against the project's significant and unavoidable effects, the City hereby finds that the following economic, legal, social, technological, aesthetic, environmental, and other benefits of the project outweigh the potential unavoidable adverse impacts and render those potential adverse environmental impacts acceptable based upon the following considerations, set forth below.

1. <u>Increased Tax Base</u>. The Watermark project's Fiscal Revenue Study prepared for the applicant was reviewed by the City. During this review process, the City determined reasonable estimates of tax revenue generated and expenditures for public services For more detail on the City's review and findings, see City Memorandum – revised, September 17, 2012.

In total, the Watermark project is estimated to produce \$278,319 in property tax revenues, \$1,070,988 in sales tax revenues, and \$617,899 in transient occupancy taxes (TOT) if the proposed hotel is developed as allowed under the flexible allocation of commercial office and retail development based on market demand. With a reduction in the tax revenues for the cost of providing public services to the Watermark project (\$244,490), this totals \$1,722,716 in total revenue received by the City of San Diego on an annual basis, at stabilization of the Watermark project. This results in \$1,722,716 in annual revenue for the City of San Diego which is \$1,668,867 more than it is now receiving. Additionally, tax revenue would be generated during construction, which would amount to \$140,625 in sales tax revenue to the City of San Diego for construction materials purchased in the City of San Diego (estimated to be 50 percent of total construction materials).

- 2. Employment of Highly Trained Workers. The Watermark project includes the provision of an additional 49,257 square feet to 307,713 square feet of commercial office space in additional to the 350,743 approved for Lots 1 and 2 of MedImpact, with a target development intensity of 151,369 square feet of commercial office space. Per the CR-2-1 zone, uses permitted within the office development would include business and professional; government; and regional and corporate headquarters. Anticipated tenants would employ highly trained workers, thus creating jobs for highly trained workers.
- 3. <u>Jobs for Area Residents</u>. The project would preserve and add to existing jobs on-site. Upon completion, the Watermark project would generate 1,502 full-time equivalent jobs. Additionally, a number of temporary jobs during construction of the project would be created. During construction, 534 full-time equivalent jobs would be generated.
- 4. Potential Provision of a Hotel to Serve Business Travellers and Visitors. The project has the potential to provide a 130-room quality hotel to serve the business traveler and visitors to San Diego. The type and quality of the proposed hotel is unique along this portion of the I-15 corridor. Assuming that market conditions support its development, the proposed hotel would provide temporary housing for employees of the MedImpact office development and other businesses in the area when they are in-town for business, meetings, training, etc., and would reduce the travel to hotels located outside the community. Additionally, the hotel

supports the retail commercial uses of the project, because hotel users would use the various shops and restaurants.

- 5. Public Gathering Space. The Watermark project would provide for public gathering space in the form of a central public plaza. The 1.7-acre gathering space would include a grand lawn/outdoor event space, children's play area, seating opportunities, thematic food gazebos, a demonstration garden, and a water feature. This space allows for events associated with the development, as well as the community at large, such as specific event for the holidays throughout the year, seasonal events that capitalize on San Diego's year-round moderate weather, and regularly occurring community events.
- 6. Improved Lifestyle Amenities. A number of lifestyle amenities would be included with the Watermark project to contribute to the overall quality of life within the Miramar Ranch North community. Amenities would include a boutique movie theatre, outdoor dining/patios at restaurant uses, public gathering space, thematic food gazebos, and small-scale outdoor seating options throughout the project site for casual outdoor gathering. These amenities create unique character for the project and contribute to the overall quality of life for residents, employees, and visitors of Miramar Ranch North.
- 7. Efficient Use of In-Fill Development at a Strategically Located Site with Minimal Impacts to Natural Resources. The Watermark project represents in-fill development in a mostly built-out community. The project would provide for the maximal efficiency of the project site by providing for a mix of uses on a relatively compact footprint. Vertical integration of uses allows for synergy to existing between the commercial retail and commercial office components, while the provision of a hotel allows for visitors to access shopping, dining, employment, and lifestyle amenities without the need for a personal automobile.

The proposed project would not impact natural resources. Two buffer zones (brush management zones), as well as an open space lot (Lot A), are provided to ensure that there are no impacts to surrounding open space areas. Grading into undisturbed areas would not result, as the project site has already been mass-graded and would require only finish grading.

- 8. Lower Vehicle Miles Traveled. The project is located at a key site within the community, adjacent to I-15 and a primary roadway, Scripps Poway Parkway. This location further increases project efficiency, as users of the site, as well as delivery vehicles are provided close and easy access from the freeway. This allows for shortened trips for users making the project their destination and for capture of pass-by trips of those travelling along the I-15 or Scripps Poway Parkway on their way to other destinations. The provision of a mix of uses on-site further reduces vehicle miles traveled, as vehicles can do in stop which may otherwise require multiple stops.
- 9. Help Manage Greenhouse Gas Emissions. The Watermark provides for uses not currently provided in the surrounding community, such as a boutique movie theatre, retail amenities, and public gathering space. Where these uses are provided in the community at-large, they are not currently offered in concert with each other. The central location of the project would reduce vehicle miles traveled compared to the vehicle miles that would be traveled to existing comparable uses present outside the community, such a the boutique movie theatres located in La Jolla and Del Mar and large-scale movie theatre located in Mira Mesa. The mix

of uses on-site further helps reduce greenhouse gas emissions, as vehicles do not have to travel to multiple locations to access the uses provided together on the project site (i.e., dining, employment, shopping, and entertainment).

Additionally, the project would implement the following Project Design Features (PDFs) directed at reducing the project's contribution to greenhouse gas emissions and global climate change.

#### SITE DESIGN

- At least one principal participant of the project team is a Leadership in Energy and Environmental Design (LEED) Accredited Professional.
- Located within one-quarter-mile of one or more transit stops.
- Provide secure bicycle racks and/or storage.
- Use of materials with recycled content.

#### **GRADING and CONSTRUCTION**

- Create and implement an erosion and sediment control plan for all construction.
- Protect stored on-site or installed absorptive materials from moisture damage.
- Composite wood and agrifiber products will contain no added urea-formaldehyde resins.
- Individual lighting controls will be provided for a minimum of 90 percent of building occupants.

#### PARKING

Provide preferred parking for carpools or vanpools.

#### **EXTERIOR LIGHTING**

Design exterior lighting so that all site and building mounted luminaries produce a
maximum initial luminance value no greater than 0.20 horizontal and vertical footcandles at the site boundary and no greater than 0.01 horizontal foot-candles 15 feet
beyond the site.

#### **BUILDING DESIGN FEATURES**

- Use water-conserving fixtures.
- Buildings designed to comply with Title 24 requirements.
- Zero use of chlorofluorocarbons (CFC)-based refrigerants.
- Select refrigerants and heating, ventilation, air conditioning, and refrigerating (HVAC&R) that minimize or eliminate the emission of compounds that contribute to ozone depletion and global warming.
- Will not use fire suppression systems that contain ozone-depleting substances [CFCs, hydrochlorofluorocarbons (HCFCs), or Halons].

#### SOLID WASTE MANAGEMENT/RECYCLING

• Provide easily accessible areas to serve buildings that are dedicated to the collection and storage of non-hazardous materials for recycling.

#### LANDSCAPE - IRRIGATION

- State of the art equipment that distributes water in controlled amounts and at controlled times to maximize water efficiency and optimize plant growth.
- Irrigation systems control to allow water to be distributed to plant material with similar watering needs to avoid over/underwatering.
- Use of weather and rain sensors to monitor current conditions and control the system accordingly.
- Utilization of reclaimed water (when available) for irrigation minimizing the need for potable water in the landscape.

#### LANDSCAPE - PLANTING

- Grouping of plant material based on the water demands for the specific plant material while still achieving the overall design intent.
- Selection of plant material its adaptability to the region and climate.
- Careful and selective use of enhanced planting (lusher material and seasonal color requiring more water and maintenance) where they have the most impact on the user.
- Use of native or low water/low maintenance material in outlying areas away from the general user.
- Limited use of turf. Where use, selection of turf varieties for their durability, maintenance needs and low water consumption.
- Use of trees throughout the project to provide shading to users and reduce heat gains on buildings and the heat island effect throughout the site.
  - Selection of mix of deciduous trees to allow shade in the summer and sun penetration in the cooler winter months.

#### LANDSCAPE - MATERIALS

- Use of recycled materials, where appropriate.
- Use of precast concrete pavers, decomposed granite and post consumer products.
- All planting areas include a two-inch layer of a recycled organic mulch to maintain soil moisture, soil temperature and reduce weeding.
- Selection of lighter colored hardscape materials to reduce the heat island effect.
- 10. Implement Smart Growth Planning. The project site is located adjacent to an area that has moderate-high village propensity per the City of San Diego's Village Propensity Map. Factors that contribute to village propensity include: community plan-identified capacity for growth, existing public facilities or an identified funding source for facilities, existing or an identified funding source for transit service, community character, and environmental constraints. The project supports the village propensity of the area by providing additional uses that create a vibrant village-like location. Additionally, locating employment and retail uses proximate to existing transportation infrastructure allows for greater trip efficiency. With other light industrial employment uses located on-site and one mile northeast of the project site, the provision of commercial office creates a synergy within a compact region.

11. High Quality Land Use Design and Development that Implements the Community Plan's Recommendation for a Community Gateway, Creating a Sense of Place and Positive Community Character. The proposed Watermark project provides a lifestyle retail center comprised of a complementary mix of shops and restaurants located in the central portion of the project site, surrounding a large (1.7-acre) pedestrian plaza that would provide for public gatherings. The project proposes a different mix of retail uses than occurs in a typical strip mall and, as such, is intended to serve a different retail niche. A high-end theater is proposed to provide a different theater-going experience that is typical with a traditional multi-plex facility.

The Miramar Ranch North Community Plan notes that the community entry at Scripps Poway Parkway and I-15 is a gateway to the community and provides specific recommendations for the development of property within the Mercy Interchange Gateway, which encompasses the project site. This section of the Community Plan calls for "the sensitive development of the Mercy interchange area as an attractive gateway into the community." Sensitive development refers to attention given to continuity within projects in this gateway region, including the Watermark site, the adjacent commercial development, and multi-family developments located to the northwest of the interchange area. The Watermark project was designed with this designation in mind and creates a signature design statement at this primary entry to the community. Superior design elements and architectural details, as well as extensive landscaping and hardscape amenities, in conjunction within thoughtful site design, create a high quality development that has a unique identity and sense of place. The Watermark project includes building designed to draw from the same palette of colors and materials as is existing on-site, including the use of natural stone, to achieve compatibility in the implementation of the office campus. A modern design is achieved through use of glass with metal and accents. Building articulation employs the subtle use of offsets and curves to provide relief from standard rectangular building design. The buildings are oriented to provide an offset view from the freeway and the primary drive, as well as shield the view of the parking structures that serve each building. This development would positively contribute to the community character of Miramar Ranch North, particularly at this underembellished primary gateway.

12. Improved Bicycle and Pedestrian Access. The project will provide for improvements to bicycle and pedestrian access. A bicycle path and wide sidewalk intended to provide safer bicycle operations along Scripps Poway Parkway near the project frontage will be provided by the project. These improvements are required due to the addition of a right in/out access for the project on Scripps Poway Parkway, which necessitated the removal of bicyclists from the traffic stream on eastbound Scripps Poway Parkway due to vehicular turning movements. As designed, pedestrians and bicyclists will share a multi-purpose pedestrian sidewalk/bikepath along the project frontage on Scripps Poway Parkway. Pedestrian and bicycle access to the project site along Scripps Poway Parkway would lead internally to the public plaza and project features, to include retail, dining, entertainment, and employment uses. Dedicated pedestrian and bicycle facilities would avoid conflict between non-motorized and motor vehicle traffic and would result in safer circulation for all site users.

#### XII. CONCLUSION

The Watermark project implements the vision of the City of Villages Strategy by providing for a mix of village amenities within a moderate-high village propensity area. The development proposes a diverse choice of retail opportunities, dining options, entertainment venues, and employment uses. As a residential suburban neighborhood in San Diego, the Miramar Ranch North community will benefit from the addition of lifestyle commercial uses, to include retail stores, dining, and entertainment, currently not provided within the community. Employees and visitors to Miramar Ranch North's employment uses, which include community commercial shopping centers and light industrial/office complexes, will benefit from the synergy created by the addition of high quality commercial offices and other employment opportunities. The provision of a public plaza creates gathering space at this gateway to the community for residents, visitors, and employees of Miramar Ranch North. In summary, the project results in the following overriding benefits to the City of San Diego:

- The project implements goals and policies of the Miramar Ranch North Community Plan, the City of San Diego General Plan and Strategic Framework Element, and development and land uses in the applied zones of the City's Land Development Code.
- The project creates a viable mixed-use project that would serve not only the Miramar Ranch North community, but also surrounding communities and the City of San Diego as a whole.
- The project provides circulation improvements for bicycle and pedestrian traffic.
- Project design implements advanced, state-of-the-art sustainable design and energy conserving measures.
- Project features will result in a reduction in greenhouse gas emissions.
- The project results in minimal impact to the natural environment.
- Project composition and location lessens the vehicle miles traveled to access the good and services provided on-site.
- The project is estimated to produce annually \$278,319 in property tax revenues, \$1,070,988 in sales tax revenues, and \$617,899 in transient occupancy taxes (TOT) if the proposed hotel is developed as allowed under the flexible allocation of commercial office and retail development based on market demand, with additional one-time construction sales tax revenue that would total \$140,625.
- The project would result in the creation of 534 full-time equivalent jobs during the construction phase and 1,502 full-time equivalent jobs during operation.
- The provision of high quality commercial office uses generates employment opportunities for 602 highly trained workers.

- The project has the potential to provide for a quality hotel to serve the business community and tourist industry. The hotel use would also support the retail services provided in Watermark, thereby enhancing their success and long-term viability.
- The project provides public gathering space not currently offered in this portion of the community that would be accessible to residents and visitors of Miramar Ranch North, as well as employees of the project and surrounding developments.

For the foregoing reasons, the City of San Diego concludes that the proposed Watermark project will result in numerous public benefits beyond those required to mitigate project impacts, each of which individually is sufficient to outweigh the unavoidable environmental impacts of the proposed project. Therefore, the City of San Diego has adopted this Statement of Overriding Considerations.

#### CITY COUNCIL RESOLUTION NUMBER R-XXXXX

VESTING TENTATIVE MAP NO. 651698, INCLUDING PUBLIC RIGHT-OF-WAY AND EASEMENT VACATIONS, THE WATERMARK PROJECT, PROJECT NO. 180357 – MMRP **DRAFT** 

WHEREAS, Scripps Highlands Partners, LLC, a Delaware Limited Liability Company, Subdivider, and Fuscoe Engineering, Engineer, submitted an application to the City of San Diego for a Vesting Tentative Map (Vesting Tentative Map No. 651698) including public right-of-way and easement vacations. The project site is located at 10137 Scripps Gateway Court in the IP-2-1 zone and the Federal Aviation Administration (FAA) Notification Area for the Marine Core Air Station (MCAS), the MCAS Airport Land Use Compatibility and the MCAS Airport Influence Area Zone within the Miramar Ranch North Community Plan.

The property is legally described as Lots 1-6 and A-C of Scripps Gateway Unit No. 2, Map No. 14004; and

WHEREAS, the Map proposes the Subdivision of a 34.5-acre site into 15 lots (13 lots for commercial, one for open space and one for landscape); and

WHEREAS, the project complies with the requirements of a preliminary soils and/or geological reconnaissance report pursuant to Subdivision Map Act sections 66490 and 66491(b)-(f) and San Diego Municipal Code section 144.0220; and

WHEREAS, on October 24, 2013, the Planning Commission of the City of San Diego considered Vesting Tentative Map No.651698 including Public Right-of-Way and Easement Vacations, and pursuant to Resolution No. XXXX, the Planning Commission voted to recommend City Council approval of the map; and

WHEREAS, under Charter section 280(a)(2) this resolution is not subject to veto by the Mayor because this matter requires the City Council to act as a quasi-judicial body and where a public hearing was required by law implicating due process rights of individuals affected by the decision and where the Council was required by law to consider evidence at the hearing and to make legal findings based on the evidence presented; and

WHEREAS, on XXXX, 2013, the City Council of the City of San Diego considered Vesting Tentative Map No. 651698 and Public Right-of-Way and Easement Vacations, and pursuant to San Diego Municipal Code sections 125.0440, 125.0430, 125.0941, 125.1040 and Subdivision Map Act section 66428, received for its consideration written and oral presentations, evidence having been submitted, and testimony having been heard from all interested parties at the public hearing, and the City Council having fully considered the matter and being fully advised concerning the same; NOW THEREFORE,

BE IT RESOLVED by the City Council of the City of San Diego, that it adopts the following findings with respect to Vesting Tentative Map No. 651698:

#### **Tentative Map Findings- Section 125.0440:**

1. The proposed subdivision and its design or improvement are consistent with the policies, goals, and objectives of the applicable land use plan (San Diego Municipal Code § 125.0440(a) and Subdivision Map Action §§ 66473.5, 66474(a), and 66474(b)).

The proposed subdivision of the 34.5-acre site into 15 lots (13 lots for commercial, one for open space and one for landscape) is to accommodate the development of retail stores, restaurants, offices, a standalone market, a movie theater and a hotel. The development includes a Rezone, General Plan and Community Plan amendments, a Vesting Tentative Map including easement and public right-of-way vacations, a Planned Development Permit, and a Conditional Use Permit. Approval of the permits, plan amendment and rezone would be processed concurrently. The project site is located at 10137 Scripps Gateway Court in the IP-2-1 Zone, the Federal Aviation Administration (FAA) Notification Area for the Marine Core Air Station (MCAS), the MCAS Airport Land Use Compatibility and the MCAS Airport Influence Area Zone within the Miramar Ranch North Community Plan.

The proposal would implement the General and Community plan goals by various means including through the location of the site itself, being immediately adjacent to a small neighborhood commercial shopping center to the north of the subject site that could be expanded, as it has significant potential for a village according to Figure LU-1 in the General Plan. Also, its location immediately adjacent to the I-15 would implement a General Plan goal for the City of Villages to connect mixed-use villages by transit, as well as the Commercial objective to locate commercial uses in relation to the circulation system. As an expansion of the freeway center to the north of the subject site, the proposal would implement a Community Plan commercial objective to locate commercial land uses to best serve consumer needs, especially in relation to the circulation system and the overall land use pattern of the community. The proposal would also integrate public gathering spaces into a village design. A movie theatre and a market would also be included, uses which are identified in the community plan for the freeway commercial center to the north of Scripps Poway Parkway and the subject site but which are non-existent at the freeway center site.

According to the Miramar Ranch North Community Plan (MRNCP) Industrial Element adopted in 1980, the planning area should provide employment opportunities within its boundaries. Employment centers inside the community should supplement other industrial/business park developments in the I-15 corridor. It is proposed that Miramar Ranch North could accommodate around 60 acres of industrial/business park development. Manufacturing, scientific and corporate headquarters uses would be emphasized, drawing employees from surrounding residential areas. However, servicing, warehousing and wholesaling uses are also possible. Except as noted, areas designated for industrial park development in the MRNCP should be protected from encroachment by unacceptable uses, in order to preserve industrial acreage and employment opportunities. Community and business support facilities and services should be permitted in the industrial parks. Examples of such facilities are private schools, daycare centers and healthcare facilities; however, such uses should not exceed 15 percent of the industrial land allocation. Approximately 12 acres of the subject site are currently entitled for corporate headquarters use from a previous action, implementing this MRNCP goal by leaving a remainder of approximately 38 acres, or 63% of the original 60 acres identified in the MRNCP that could accommodate base sector use.

The General Plan identifies the project site as Prime Industrial Land in the Economic Prosperity Element. The project proposes to redesignate approximately 22.42 acres of the 34.39-acre site from Industrial/Business Park to Regional Commercial to allow development of retail, restaurants, a market, offices, movie theatre and a hotel. The General Plan requires evaluation of Prime Industrial Land Criteria plus Collocation/Conversion Suitability Factors analysis for any proposal to remove the Prime Industrial identification on a property. Evaluation of the Prime Industrial Land Criteria of General Plan Appendix C, EP-1 concluded that the site is not within proximity to resources of extraordinary value, as the major educational institution is some 12 miles to the west and the port is 18 miles to the south-west. Also, there are engineering workers at the nearby North Ridge site but neither that site nor the subject site are within proximity to other resources of extraordinary value, eliminating any possible creation of a technology, campus environment. Evaluation of the Collocation/Conversion Suitability Factors concluded that,

because the site is previously entitled for a day care center, a sensitive receptor use, the potential for future base sector development, beyond the existing corporate head quarters, is now less likely. The proposed commercial development would implement the Regional Commercial designation, which is intended for development which serves the community at-large with retail, service, civic, and office uses within three to six miles. The remaining approximate 12 acres would remain consistent with the Industrial/Business Park designation as that portion of the site was previously entitled for base sector use, including corporate offices.

The evaluation of the potential contribution of the area to the local and regional economy concluded that the total tax revenue estimated to be generated annually, in 2012 dollars, is \$1,967,206; the estimated annual cost of providing essential services, including water and sewer to the proposed development is \$244,490; and the proposed entitlements when fully constructed would annually generate approximately \$1.7 million in net new General Fund Revenue.

The applicant has submitted a Fiscal Revenue Generation Study which concluded that there is an identified demand for added retail space of 1,096,076 square feet in the Primary Market Area by 2012, providing the justification for a redesignation of land use from Industrial-Business Park to Regional Commercial and implementing the Commercial goal for commercial use of the MRNCP to encourage attractive, accessible commercial development meeting community shopping and services requirements of the community.

To conclude, the location of the proposed project adjacent to the I-15 and within the Mercy Interchange Gateway, the lack of proximity to resources of extraordinary value, the reduced potential for future base sector use on-site, the potential contribution of the area to the local economy and the Fiscal Revenue Generation Study have combined to provide a basis to remove the Prime Industrial identification and redesignate 22.42 acres of the 34.5-acre site from industrial to commercial use in conjunction with General Plan policies LU-A.3 and LU-A.4 and objectives for industrial supplemental employment and commercial development to meet community shopping and service needs in the MRNCP. This conclusion furthermore meets the requirement for having complied with the focused strategy from the Economic Prosperity Element of the General Plan to evaluate and preserve critically-located base sector areas but to allow, through comprehensive analysis, consideration or conversion of mixed-use or industrial land if it is not critical to the City's or region's base sector employment goals.

The project is located within the Federal Aviation Administration (FAA) Notification Area for the Marine Core Air Station (MCAS), the MCAS Airport Land Use Compatibility and the MCAS Airport Influence Area; however, the project has received clearance from the all of necessary agencies that the proposed project is not a hazard to air navigation. Therefore, the proposed subdivision is consistent with the policies, goals, and objectives of the applicable land use plan.

# 2. The proposed subdivision complies with the applicable zoning and development regulations of the Land Development Code, including any allowable deviations pursuant to the Land Development Code. (San Diego Municipal Code § 125.0440(b))

The proposed subdivision of the 34.5-acre site into 15 lots (13 lots for commercial, one for open space and one for landscape) is to accommodate the development of retail stores, restaurants, offices, a standalone market, a movie theater and a hotel. The project site is located at 10137 Scripps Gateway Court in the CR-2-1 Zone and the Airport Influence Area Overlay Zone within the Miramar Ranch North Community Plan. Approval of the permits, plan amendment and rezone would be processed concurrently.

The proposal is requesting a rezone from IP-2-1 to CR-2-1. The project will comply with all density, floor area ratio, parking, street design, open space, grading, landscape and other applicable development regulations of the Land Development Code with the final passage of the proposed rezone (CR-2-1), implemented and conditioned by the Planned Development Permit/Conditional Use Permit with the exception of height. The project proposes nine deviations to the height of various structures and for architectural projections including the hotel, the stand alone market, theater, and parking structure. Approval of the permits, plan amendment and rezone would be processed concurrently.

The proposed CR-2-1 Zone specifies a maximum height of 60 feet. The deviations have been requested to allow implementation of building heights, architectural elements, and to accommodate height of the parking structure and its shade/canopy elements. A deviation for structure height on the plaza enables the development of a landmark architectural feature, such as a clock tower, bell tower, or other architectural features to designate the gateway to the community. The architectural features are complementary to the project's architecture and the architecture of the existing MedImpact office buildings. This will assist in achieving an objective of the Community Plan to develop the Mercy Interchange area as an attractive gateway to the community. Such a feature will provide a visible landmark to I-15 travelers, as well as persons entering Miramar Ranch North. All other development regulations for the underlying zone shall apply to the project.

Below is a list of the deviations for each proposed building. Some of the buildings meet the height requirement but add an architectural detail that exceeds the overall structure height.

Zone CR-2-1					
Building	Allowed	Max. Structure	Max. Height	Deviation	
	Height	Height	Architectural Features		
Building C (Market)	60 feet	60 feet	70 feet	10 feet	
Building E	60 feet	70 feet	70 feet	10 feet	
Building F	60 feet	70 feet	70 feet	10 feet	
Building G	60 feet	70 feet	70 feet	10 feet	
Building H	60 feet	85 feet	100 feet	40 feet	
(Theater)					
Building K	60 feet	60 feet	85 feet	25 feet	
Building L (Hotel)	60 feet	85 feet	100 feet	40 feet	
Building M (Office)	60 feet	95 feet	103 feet	43 feet	
Building P (Garage)	60 feet	85 feet	100 feet	40 feet	

Note: the elevations are conceptual and the heights of the buildings will vary but will not exceed the height indicated in Table 1.

The proposed subdivision complies with the applicable zoning and development regulations of the Land Development Code with the final passage of the proposed rezone, and the deviations approved with the Planned Development Permit. Therefore, the proposed development will comply with the applicable zoning and development regulations of the Land Development Code, including any allowable deviations pursuant to the land development code.

# 3. The site is physically suitable for the type and density of development (San Diego Municipal Code § 125.0440(c) and Subdivision Map Act §§ 66474(c) and 66474(d)).

The proposed subdivision of the 34.5-acre site into 15 lots (13 lots for commercial, one for open space and one for landscape) is to accommodate the development of retail stores, restaurants, offices, a standalone market, a movie theater and a hotel. The development includes a Rezone, General Plan and Community Plan amendments, a Vesting Tentative Map with easement and public right-of-way vacations, a Planned Development Permit and a Conditional Use Permit. Approval of the permits, plan amendment and rezone would be processed concurrently. The project site is located at 10137 Scripps Gateway Court in the CR-2-1 Zone, the Federal Aviation Administration (FAA) Notification Area for the Marine Core Air Station (MCAS), the MCAS Airport Land Use Compatibility and the MCAS Airport Influence Area Zone within the Miramar Ranch North Community Plan.

Several technical and scientific reports were submitted for review specifically to determine the physical suitability of the site for the type and density of the proposed development. These reports concluded the site is physically suitable for both the type and density of the proposed project. The results of the Water Quality Technical Report, Drainage and Hydrology Report, Noise, Sewer, Traffic Analysis, Water and Geotechnical studies concluded individually the physical suitability of the site for the type and density of the proposed development.

4. The design of the subdivision or the proposed improvements is not likely to cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat (San Diego Municipal Code § 125.0440(d) and Subdivision Map Act § 66474(e)).

The proposed subdivision of the 34.5-acre site into 15 lots (13 lots for commercial, one for open space and one for landscape) to accommodate the development of a variety of commercial uses, offices, movie theater and hotel. The development includes a Rezone, General Plan and Community Plan amendments, a Vesting Tentative Map with easement and public right-of-way vacations, a Planned Development Permit and a Conditional Use Permit. Approval of the permits, plan amendment and rezone would be processed concurrently. The project site is located at 10137 Scripps Gateway Court in the CR-2-1 Zone and the Airport Influence Area Overlay Zone within the Miramar Ranch North Community Plan.

The proposed project has been analyzed and no direct impacts to biological resources were found. The site has been previously graded in accordance with previous project approvals, leaving the site essentially void of vegetation. The proposed project would not impact drainage patterns or impact downstream water bodies as a result of altered drainage patterns and would control drainage and runoff in accordance with city requirements as well as the implementation of a Hydromodification Management Plan which have been approved by staff. Therefore, the subdivision or the proposed improvements is not likely to cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat.

5. The design of the subdivision or the type of improvements will not be detrimental to the public health, safety, and welfare (San Diego Municipal Code § 125.0440(e) and Subdivision Map Act § 66474(f)).

The proposed subdivision of the 34.5-acre site into 15 lots (13 lots for commercial, one for open space and one for landscape) to accommodate the development of retail stores, restaurants, offices, a standalone market, a movie theater and a hotel. The development includes a Rezone, General Plan and Community Plan amendments, a Vesting Tentative Map with easement and public right-of-way vacations, a Planned Development Permit and a Conditional Use Permit. Approval of the permits, plan amendment and rezone would be processed concurrently. The project site is located at 10137 Scripps Gateway Court in the CR-2-1 Zone and the Airport Influence Area Overlay Zone within the Miramar Ranch North Community Plan.

The project is located within the Federal Aviation Administration (FAA) Notification Area for the Marine Core Air Station (MCAS), the MCAS Airport Land Use Compatibility and the MCAS Airport Influence Area; however, the project has received clearance from the all of necessary agencies that the proposed project is not a hazard to air navigation. All Uniform Building, Fire, Plumbing, Electrical, Mechanical Code and City regulations governing the constructions and continued operation of the development apply to this project to prevent adverse affects to those persons or properties in the vicinity of the project. The permits for the project contains specific conditions addressing project compliance with the City's codes, policies, regulations and other regional, State and federal regulations to prevent detrimental impacts to the health, safety and general welfare of persons residing and/or working in the area. Therefore, the proposed development will not be detrimental to the public health, safety, and welfare.

6. The design of the subdivision or the type of improvements will not conflict with easements acquired by the public at large for access through or use of property within the proposed subdivision (San Diego Municipal Code § 125.0440(f) and Subdivision Map Act § 66474(g)).

The proposed subdivision of the 34.5-acre site into 15 lots (13 lots for commercial, one for open space and one for landscape) to accommodate the development of a variety of commercial uses, offices, movie theater and hotel. The development includes a Rezone, General Plan and Community Plan amendments, a Vesting Tentative Map with easement and public right-of-way vacations, a Planned Development Permit and a Conditional Use

Permit. Approval of the permits, plan amendment and rezone would be processed concurrently. The project site is located at 10137 Scripps Gateway Court in the CR-2-1 Zone and the Airport Influence Area Overlay Zone within the Miramar Ranch North Community Plan.

The Vesting Tentative Map seeks to vacate all of Scripps Gateway Court, south of Scripps Poway Parkway and west of Scripps Highlands Drive which runs along the center of the proposed project. The existing right-of-way was granted to the City of San Diego by Map No. 14004 in 2000. The vacation of Scripps Gateway Court is included on the Vesting Tentative Map as part of the processing of the entitlements for the Watermark project. The vacated right-of-way would be converted and improved as a private street and would continue to serve the purpose for which it was originally acquired. The street vacation would continue to maintain external and internal circulation consistent with community plan's transportation element while simultaneously meeting the needs of the proposed project. The project also proposes easement vacations for landscaping, drainage, water, sewer, and access easements. All of the easements with the exception of the landscape easement need to be vacated because of the vacation of Scripps Gateway Court and will be relocated on site to accommodate the development. The easements were acquired for the purposes of placing and maintaining public utilities to serve the needs of the adjacent development. The landscape easement is being vacated to accommodate the public improvements of the development. Therefore, the subdivision will not conflict with easements acquired by the public at large for access through or use of property within the proposed subdivision

7. The design of the proposed subdivision provides, to the extent feasible, for future passive or natural heating and cooling opportunities (San Diego Municipal Code § 125.0440(g) and Subdivision Map Act § 66473.1).

The proposed subdivision of the 34.5-acre site into 15 lots (13 lots for commercial, one for open space and one for landscape) for the development of a variety of commercial uses, offices, movie theater and hotel. The development includes a Rezone, General Plan and Community Plan amendments, a Vesting Tentative Map with easement and public right-of-way vacations, a Planned Development Permit and a Conditional Use Permit. Approval of the permits, plan amendment and rezone would be processed concurrently. The project site is located at 10137 Scripps Gateway Court in the CR-2-1 Zone and the Airport Influence Area Overlay Zone within the Miramar Ranch North Community Plan.

The design of the subdivision has taken into account the best use of the land to minimize grading. Design guidelines have been adopted for the future construction of the commercial and retail development; however they do not impede or inhibit any future passive or natural heating and cooling opportunities. With the independent design of the proposed subdivision each structure will have the opportunity through building materials, site orientation, architectural treatments, placement and selection of plant materials to provide to the extent feasible, for future passive or natural heating and cooling opportunities.

8. The decision maker has considered the effects of the proposed subdivision on the housing needs of the region and that those needs are balanced against the needs for public services and the available fiscal and environmental resources (San Diego Municipal Code § 125.0440(h) and Subdivision Map Act § 66412.3).

The proposed subdivision of the 34.5-acre site into 15 lots (13 lots for commercial, one for open space and one for landscape) to accommodate the development of a variety of commercial uses, offices, movie theater and hotel. The development includes a Rezone, General Plan and Community Plan amendments, a Vesting Tentative Map with easement and public right-of-way vacations, a Planned Development Permit and a Conditional Use Permit. Approval of the permits, plan amendment and rezone would be processed concurrently. The project site is located at 10137 Scripps Gateway Court in the CR-2-1 Zone and the Airport Influence Area Overlay Zone within the Miramar Ranch North Community Plan.

The decision maker has reviewed the administrative record including the project plans, technical studies, environmental documentation and heard public testimony to determine the effects of the proposed subdivision on the housing needs of the region, and finds that those needs are balanced against the needs for public services and the available fiscal and environmental resources.

The above findings are supported by the minutes, maps, and exhibits, all of which are herein incorporated by reference.

BE IT FURTHER RESOLVED, that all of Scripps Gateway Court as well as drainage, sewer, water and access easements, located within the project boundaries as shown in Vesting Tentative Map No. 651698, shall be vacated, contingent upon the recordation of the approved Final Map for the project, and that the following findings are supported by the minutes, maps, and exhibits, all of which are herein incorporated by reference:

#### Public Right-of-Way Vacation Findings- Section 125.1040

1. There is no present or prospective use for the public right-of-way, either for the purpose for which it was originally acquired, or for any other public use of a like nature that can be anticipated (San Diego Municipal Code § 125.0941(a)).

The project proposes the vacation of Scripps Gateway Court for the development of commercial, office, movie theater and hotel uses. The development includes a Rezone, General Plan and Community Plan amendments, a Vesting Tentative Map with easement

and public right-of-way vacations, a Planned Development Permit and a Conditional Use Permit. Approval of the permits, plan amendment and rezone would be processed concurrently. The project site is located at 10137 Scripps Gateway Court in the CR-2-1 Zone and the Airport Influence Area Overlay Zone within the Miramar Ranch North Community Plan.

The Watermark project seeks to vacate all of Scripps Gateway Court, south of Scripps Poway Parkway and west of Scripps Highlands Drive which runs along the center of the proposed project. The existing right-of-way was granted to the City of San Diego by Map No. 14004 in 2000. The vacation of Scripps Gateway Court is included on the Vesting Tentative Map as part of the processing of the entitlements for the Watermark project. The vacated right-of-way would be converted and improved as a private street and would continue to serve the purpose for which it was originally acquired. The street vacation would continue to maintain external and internal circulation consistent with community plan's transportation element while simultaneously meeting the needs of the proposed project. Further, there is no prospective use for the easement that is identified in the community plan or current zoning that could be reasonably anticipated, while converting the right-of-way to a private street system would maintain the original intent of the easement.

# 2. The public will benefit from the vacation through improved use of the land made available by the vacation (San Diego Municipal Code § 125.0941(b)).

The project proposes the vacation of Scripps Gateway Court for the development of a variety of commercial uses, offices, movie theater and hotel. The development includes a Rezone, General Plan and Community Plan amendments, a Vesting Tentative Map with easement and public right-of-way vacations, a Planned Development Permit and a Conditional Use Permit. Approval of the permits, plan amendment and rezone would be processed concurrently. The project proposes the vacation of Scripps Gateway Court for the development of commercial, office, movie theater and hotel uses.

The project site is located at 10137 Scripps Gateway Court in the CR-2-1 Zone and the Airport Influence Area Overlay Zone within the Miramar Ranch North Community Plan.

The Watermark project seeks to vacate all of Scripps Gateway Court, south of Scripps Poway Parkway and west of Scripps Highlands Drive which runs along the center of the proposed project. The existing right-of-way was granted to the City of San Diego by Map No. 14004 in 2000. The vacation of Scripps Gateway Court is included on the Vesting Tentative Map as part of the processing of the entitlements for the Watermark project. The vacated right-of-way would be converted and improved as a private street and would continue to serve the purpose for which it was originally acquired. The street vacation would continue to maintain external and internal circulation consistent with community plan's transportation element while simultaneously meeting the needs of the proposed project. The street vacation provides the ability to implement a street design that increases on-site capacity and traffic flow and removes maintenance of the street and accompanying public utilities from public responsibility, thereby creating a positive benefit to the City's

General Fund budget. Therefore, the public will benefit from the vacation through improved use of the land made available by the vacation.

# 3. The vacation does not adversely affect any applicable land use plan (San Diego Municipal Code § 125.0941(c)).

The project proposes the vacation of Scripps Gateway Court for the development of commercial, office, movie theater and hotel uses. The development includes a Rezone, General Plan and Community Plan amendments, a Vesting Tentative Map with easement and public right-of-way vacations, a Planned Development Permit and a Conditional Use Permit. Approval of the permits, plan amendment and rezone would be processed concurrently. The project site is located at 10137 Scripps Gateway Court in the CR-2-1 Zone and the Airport Influence Area Overlay Zone within the Miramar Ranch North Community Plan.

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# 4. The public facility for which the right-of-way was originally acquired will not be detrimentally affected by this vacation (San Diego Municipal Code § 125.0941(d)).

The project proposes the vacation of Scripps Gateway Court for the development of commercial, office, movie theater and hotel uses. The development includes a Rezone, General Plan and Community Plan amendments, a Vesting Tentative Map with easement and public right-of-way vacations, a Planned Development Permit and a Conditional Use Permit. Approval of the permits, plan amendment and rezone would be processed concurrently. The project site is located at 10137 Scripps Gateway Court in the CR-2-1 Zone and the Airport Influence Area Overlay Zone within the Miramar Ranch North Community Plan.

All of the easements with the exception of the landscape easement need to be vacated because of the vacation of Scripps Gateway Court and will be relocated on site to accommodate the development. The easements were acquired for the purposes of placing and maintaining public utilities to serve the needs of the adjacent development The landscape easement is being vacated to accommodate the public improvements of the development.

Therefore the public facility for which the right-of-way was originally acquired will not be detrimentally affected by this vacation

# <u>Landscaping and Drainage, Sewer, Water and Access Easements Vacation Findings - Section 125.1040</u>

1. There is no present or prospective use for the easement, either for the facility or purpose for which it was originally acquired, or for any other public use of a like nature that can be anticipated. (San Diego Municipal Code § 125.1040(a)).

The project proposes easement vacations for landscaping, drainage, water, sewer, and access easements for the development of a variety of commercial uses, offices, movie theater and hotel. The project site is located at 10137 Scripps Gateway Court in the CR-2-1 Zone and the Airport Influence Area Overlay Zone within the Miramar Ranch North Community Plan. All of the easements with the exception of the landscape easement need to be vacated because of the vacation of Scripps Gateway Court and will be relocated on site to accommodate the development. The easements were acquired for the purposes of placing and maintaining public utilities to serve the needs of the adjacent development. The landscape easement is being vacated to accommodate the public improvements of the development. Therefore, there is no present or prospective use for the easements, either for the facility or purposes for which they were originally acquired, or for any other public use of a like nature that can be anticipated.

2. The public will benefit from the abandonment through improved utilization of the land made available by the vacation. (San Diego Municipal Code § 125.1040(b)).

The project proposes easement vacations for landscaping, drainage, water, sewer, and access easements for the development of a variety of commercial uses, offices, movie theater and hotel. The project site is located at 10137 Scripps Gateway Court in the CR-2-1 Zone and the Airport Influence Area Overlay Zone within the Miramar Ranch North Community Plan. All of the easements with the exception of the landscape easement need to be vacated because of the vacation of Scripps Gateway Court and will be relocated on site to accommodate the development. The easements were acquired for the purposes of placing and maintaining public utilities to serve the needs of the adjacent development The landscape easement is being vacated to accommodate the public improvements of the development.

The Vesting Tentative Map implements a Public Right-of-Way vacation for Scripps Gateway Court and the vacation and relocation of various easements. The existing right-of-way was granted to the City of San Diego by Map No. 14004 in 2000. In its place, a private drive would provide vehicular, bicycle, and pedestrian access for the project in accordance with City standards for private drives as well as necessary infrastructure and has been prepared in accordance with the guidelines of the State Subdivision Map Act and the City of San Diego requirements for private drives. The street vacation provides the ability to implement a street design that increases on-site capacity and traffic flow and removes maintenance of the street and accompanying public utilities from public responsibility, thereby creating a positive benefit to the City's General Fund budget. Therefore, the public

will benefit from the vacation through improved utilization of the land made available by the vacation.

# 3. The vacation is consistent with any applicable land use plan. (San Diego Municipal Code § 125.1040(c)).

The project proposes easement vacations for landscaping, drainage, water, sewer, and access easements for the development of a variety of commercial uses, offices, movie theater and hotel. The project site is located at 10137 Scripps Gateway Court in the CR-2-1 Zone and the Airport Influence Area Overlay Zone within the Miramar Ranch North Community Plan.

All of the easements with the exception of the landscape easement need to be vacated because of the vacation of Scripps Gateway Court and will be relocated on site to accommodate the development. The easements were acquired for the purposes of placing and maintaining public utilities to serve the needs of the adjacent development The landscape easement is being vacated to accommodate the public improvements of the development.

The easement vacations would continue to provide necessary public improvements consistent with community plan while simultaneously meeting the needs of the proposed project. Therefore, the proposed development will not adversely affect the applicable land use plan.

4. The public facility or purpose for which the easement was originally acquired will not be detrimentally affected by this vacation or the purpose for which the easement was acquired no longer exists. (San Diego Municipal Code § 125.1040(d)).

The project proposes easement vacations for landscaping, drainage, water, sewer, and access easements for the development of a variety of commercial uses, offices, movie theater and hotel. The project site is located at 10137 Scripps Gateway Court in the CR-2-1 Zone and the Airport Influence Area Overlay Zone within the Miramar Ranch North Community Plan.

All of the easements with the exception of the landscape easement need to be vacated because of the vacation of Scripps Gateway Court and will be relocated on site to accommodate the development. The easements were acquired for the purposes of placing and maintaining public utilities to serve the needs of the adjacent development The landscape easement is being vacated to accommodate the public improvements of the development.

With the construction of new storm drain, water, sewer facilities within new easements on site, the present easements across the project property will no longer be necessary. With the construction of new storm drain, water and sewer facilities, the needs of the development will continue to be served and the purposes for which the easements were acquired will no longer exist. With the public improvements for the development, the landscape easements

**ATTACHMENT 8** 

are no longer necessary. Therefore, the public facility for which the easements were originally acquired will not be detrimentally affected by the vacation.

BE IT FURTHER RESOLVED, that based on the Findings hereinbefore adopted by the City Council, Vesting Tentative Map No. 651698, and Public Right-of-Way and Easement Vacation are hereby granted to Scripps Highlands Partners, LLC, subject to the attached conditions which are made a part of this resolution by this reference.

APPROVED: JAN I. GOLDSMITH, City Attorney

[Attorney]
Deputy City Attorney

[Initials]:[Initials]
[Month]/[Day]/[Year]
Or.Dept:[Dept]

ATTACHMENT: Vesting Tentative Map Conditions

Internal Order No. 23432396

# CITY COUNCIL CONDITIONS FOR VESTING TENTATIVE MAP NO. 651698 THE WATERMARK - PROJECT NO. 180357 – MMRP DRAFT

ADOPTED BY RESOLUTION NO. R-	ON	

# **GENERAL**

- 1. This Vesting Tentative Map will expire on _____.
- 2. Compliance with all of the following conditions shall be completed and/or assured, to the satisfaction of the City Engineer, prior to the recordation of the Final Map, unless otherwise noted.
- 3. Prior to the recordation of the Final Map, taxes must be paid on this property pursuant to Subdivision Map Act section 66492. To satisfy this condition, a tax certificate stating that there are no unpaid lien conditions against the subdivision must be recorded in the Office of the San Diego County Recorder.
- 4. The Vesting Tentative Map shall conform and comply with all conditions of the Planned Development Permit No. 651697 and Conditional Use Permit No. 651699, Public Right-of-Way Vacation No. 651743 and Drainage, Sewer, Water and Access Easement Vacation No. 1112013.
- 5. The Subdivider shall defend, indemnify, and hold the City (including its agents, officers, and employees [together, "Indemnified Parties"]) harmless from any claim, action, or proceeding, against the City and/or any Indemnified Parties to attack, set aside, void, or annul City's approval of this project, which action is brought within the time period provided for in Government Code section 66499.37. City shall promptly notify Subdivider of any claim, action, or proceeding and shall cooperate fully in the defense. If City fails to promptly notify Subdivider of any claim, action, or proceeding, or if City fails to cooperate fully in the defense, Subdivider shall not thereafter be responsible to defend, indemnify, or hold City and/or any Indemnified Parties harmless. City may participate in the defense of any claim, action, or proceeding if City both bears its own attorney's fees and costs, City defends the action in good faith, and Subdivider is not required to pay or perform any settlement unless such settlement is approved by the Subdivider.

# **AIRPORT**

6. Prior to recordation of the Final Map, the Subdivider shall provide a valid "Determination of No Hazard to Air Navigation" issued by the Federal Aviation Administration [FAA].

# **ENGINEERING**

- 7. The Subdivider shall underground any new service run to any new or proposed structures within the subdivision.
- 8. Prior to the recordation of the Final Map, the Subdivider shall grant a 15-foot wide and a 66-foot wide Easement to the City of San Diego for Storm Drain purposes per approved Exhibit 'A', adjacent to the site on Scripps Poway Parkway and Scripps Gateway Court, satisfactory to the City Engineer.
- 9. Prior to the recordation of the Final Map, the Subdivider shall assure, by permit, bond and As-built completion, the removal of portions of the existing Public Storm Drain system and construction of a current City Standard Public Storm Drain system per approved Exhibit 'A', adjacent to the site on Scripps Poway Parkway and Scripps Gateway Court, satisfactory to the City Engineer.
- 10. Prior to the recordation of the Final Map, the Subdivider shall ensure that all existing onsite utilities serving the subdivision shall be undergrounded with the appropriate permits. The Subdivider shall provide written confirmation from applicable utilities that the conversion has taken place, or provide other means to assure the undergrounding, satisfactory to the City Engineer.
- 11. Prior to the recordation of the Final Map, the Subdivider shall conform with the "General Conditions for Tentative Subdivision Maps," filed in the Office of the City Clerk under Document No. 767688 on May 7, 1980. Only those exceptions to the General Conditions which are shown on the Vesting Tentative Map and covered in these special conditions will be authorized. All public improvements and incidental facilities shall be designed in accordance with criteria established in the Street Design Manual, filed with the City Clerk as Document No. RR-297376.
- 12. The Subdivider shall ensure that all onsite utilities serving the subdivision shall be undergrounded with the appropriate permits. The subdivider shall provide written confirmation from applicable utilities that the conversion has taken place, or provide other means to assure the undergrounding, satisfactory to the City Engineer.
- 13. The subdivider shall underground existing and/or proposed public utility systems and service facilities in accordance with the San Diego Municipal Code.
- 14. Whenever street rights-of-way are required to be dedicated, it is the responsibility of the Subdivider to provide the right-of-way free and clear of all encumbrances and prior easements. The subdivider must secure "subordination agreements" for minor distribution facilities and/or "joint-use agreements" for major transmission facilities.
- 15. Prior to the issuance of any building permits, the Subdivider shall assure, by permit and bond, to construct current City Standard curb ramps at the southwest corner of Scripps Poway Parkway and Scripps Highland Drive and the all corners for the access driveways on Scripps Poway Parkway and Scripps Highland Drive, with current City standard curb

ramp Standard Drawing SDG-130 and SDG-132 with truncated domes, satisfactory to the City Engineer.

# **MAPPING**

- 16. Prior to the expiration of the Vesting Tentative Map, a Final Map to subdivide lots shall be recorded in the office of the County Recorder.
- 17. The easements shown on the Vesting Tentative Map exhibit will be vacated pursuant to Section 66434(g) of the Subdivision Map Act.
- 18. All subdivision maps in the City of San Diego are required to be tied to the California Coordinate System of 1983 (CCS83), Zone 6 pursuant to Section 8801 through 8819 of the California Public Resources Code.

The Final Map shall include:

- a. Use the California Coordinate System for its "Basis of Bearings" and express all measured and calculated bearing values in terms of said system. The angle of grid divergence from a true median (theta or mapping angle) and the north point of said map shall appear on each sheet thereof. Establishment of said Basis of Bearings may be by use of existing Horizontal Control stations or astronomic observations.
- b. Show two measured ties from the boundary of the map to existing Horizontal Control stations having California Coordinate values of Third Order accuracy or better. These tie lines to the existing control shall be shown in relation to the California Coordinate System (i.e., grid bearings and grid distances). All other distances shown on the map are to be shown as ground distances. A combined factor for conversion of grid-to-ground shall be shown on the map.

# **TRANSPORTATION**

19. Prior to the recordation of the first final map, the Owner/Permittee shall vacate the entire length of Scripps Gateway Court, satisfactory to the City Engineer.

# **INFORMATION:**

- The approval of this Vesting Tentative Map by the City Council of the City of San Diego does not authorize the Subdivider to violate any Federal, State, or City laws, ordinances, regulations, or policies including but not limited to, the Federal Endangered Species Act of 1973 and any amendments thereto (16 USC § 1531 et seq.).
- If the Subdivider makes any request for new water and sewer facilities (including services, fire hydrants, and laterals), the Subdivider shall design and construct such facilities in accordance with established criteria in the most current editions of the

City of San Diego water and sewer design guides and City regulations, standards and practices pertaining thereto. Off-site improvements may be required to provide adequate and acceptable levels of service and will be determined at final engineering.

- Subsequent applications related to this Vesting Tentative Map will be subject to fees and charges based on the rate and calculation method in effect at the time of payment.
- Any party on whom fees, dedications, reservations, or other exactions have been imposed as conditions of approval of the Vesting Tentative Map, may protest the imposition within ninety days of the approval of this Vesting Tentative Map by filing a written protest with the San Diego City Clerk pursuant to Government Code sections 66020 and/or 66021.
- Where in the course of development of private property, public facilities are damaged or removed, the Subdivider shall at no cost to the City, obtain the required permits for work in the public right-of-way, and repair or replace the public facility to the satisfaction of the City Engineer (San Diego Municipal Code § 142.0607.

Internal Order No. 23432396

# Rezone Ordinance DRAFT

(O-x	XXX
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ORDINANCE NUMBER O	 (NEW SERIES)

# ADOPTED ON XXXXX

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SAN DIEGO APPROVING THE REZONE OF 22.42 ACRES LOCATED AT 10137 SCRIPPS GATEWAY COURT, WITHIN THE MIRAMAR RANCH NORTH COMMUNITY PLAN AREA, IN THE CITY OF SAN DIEGO, CALIFORNIA, FROM THE IP-2-1 ZONE INTO THE CR-2-1 ZONE, AS DEFINED BY SAN DIEGO MUNICIPAL CODE SECTION 131.0503; AND REPEALING ORDINANCE NO. R-301263 (NEW SERIES), ADOPTED FEBRUARY 28, 2006, OF THE ORDINANCES OF THE CITY OF SAN DIEGO INSOFAR AS THE SAME CONFLICT HEREWITH.

WHEREAS, Scripps Highland Partners, LLC, Applicant, requested a rezone for the purpose of changing 22.42 acres, located at 10137 Scripps Gateway Court, and legally described as Lots 1-6 and A-C of Scripps Gateway Unit No. 2, Map No. 14004, in the Miramar Ranch North Community Plan area, in the City of San Diego, California, from the IP-2-1 zone to the CR-2-1 zone, as shown on Zone Map Drawing No. 4296, on file in the Office of the City Clerk as Document No. OO-_______ (Rezone No. 651700), and WHEREAS, on _______, the Planning Commission of the City of San Diego considered Rezone No. 651700, and voted _______ to recommend City Council approval of Rezone No. 651700; and WHEREAS, the matter was set for public hearing on ______, testimony having been heard, evidence having been submitted and the City Council having full considered the matter and being fully advised concerning the same; and

WHEREAS, under Charter section 280(a)(2) this ordinance is not subject to veto by the Mayor because this matter requires the City Council to act as a quasi-judicial body and where a public hearing was required by law implicating due process rights of individuals affected by the decision and where the Council was required by law to consider evidence at the hearing and to make legal findings based on evidence presented; NOW, THEREFORE,

BE IT ORDAINED, by the Council of the City of San Diego, as follows:

Section 1. That the 22.42-acre site located at 10137 Scripps Gateway Court, and legally described as Lots 1-6 and A-C of Scripps Gateway Unit No. 2, Map No. 14004, in the Miramar Ranch North Community Plan area, in the City of San Diego, California, as shown on Zone Map Drawing No. B-4296, on file in the Office of the City Clerk as Document No. OO-_______, is rezoned from the IP-2-1 zone to the CR-2-1 zone, as the zone is described and defined by San Diego Municipal Code Section 131.0503. This action amends the Official Zoning Map adopted by Resolution R-301263 on February 28, 2006.

Section 2. That Ordinance No. R-301263 (NEW SERIES), adopted February 28, 2006~, of the ordinances of the City of San Diego is repealed insofar as the same conflicts with the rezoned uses of the land.

Section 3. That a full reading of this ordinance is dispensed with prior to its final passage, a written or printed copy having been available to the City Council and the public a day prior to its final passage.

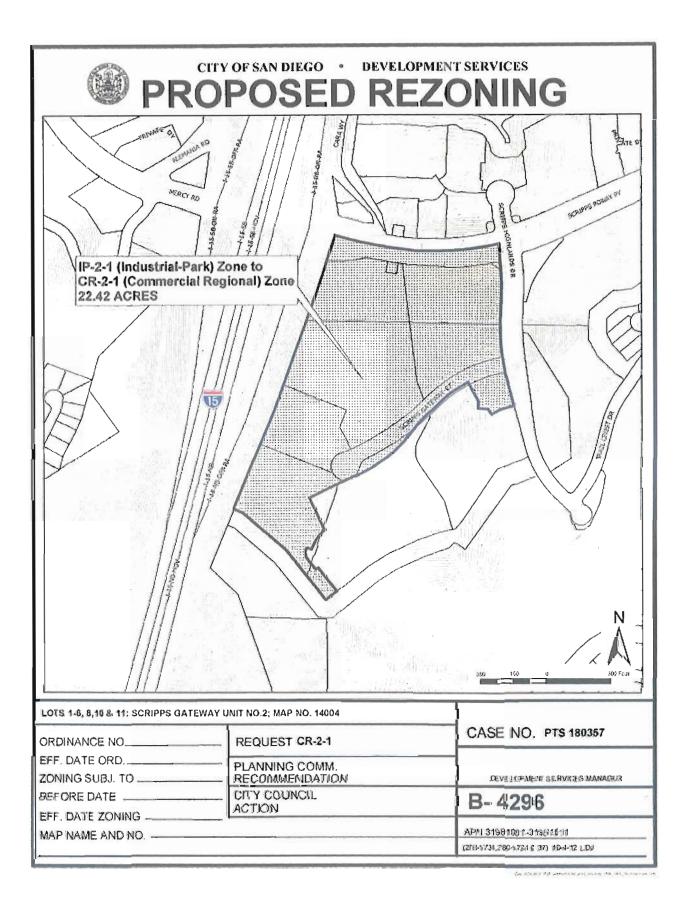
Section 4. This ordinance shall take effect and be in force on the thirtieth day from and after its passage, and no building permits for development inconsistent with the provisions of this ordinance shall be issued.

# APPROVED: JAN GOLDSMITH, City Attorney

Ву	
Attorney name	
Deputy City Attorney	

Initials~
Date~
Or. Dept: INSERT~
Case No.180357
O-XXXX
Form=inloto.frm(61203wct)

Rev 10-05-09 hmd document4



F8 7P RECORDING REQUESTED BY CITY OF SAN DIEGO DEVELOPMENT SERVICES

PERMIT INTAKE, MAIL STATION 501

WHEN RECORDED MAIL TO PERMIT INTAKE MAIL STATION 501 DOC# 2005-0330156

APR 20, 2005

4:43 PM

OFFICIAL RECORDS
SAN DIEGO COUNTY RECORDER'S OFFICE
GREGORY J. SMITH, COUNTY RECORDER
FEES: 25.00
PAGES: 7

2005-0330156

SPACE ABOVE THIS LINE FOR RECORDER'S USE

JOB ORDER NUMBER: 42-3729

CONDITIONAL USE PERMIT NO. 174323
PLANNED DEVELOPMENT PERMIT NO. 174324
MED-IMPACT CORPORATE HEADQUARTERS
EXTENSION OF TIME FOR CONDITIONAL USE PERMIT/PLANNED INDUSTRIAL
DEVELOPMENT PERMIT NO. 99-1027
HEARING OFFICER

29908

This Conditional Use Permit No. 174323 and Planned Development Permit No. 174324, an extension of time to combination Conditional Use Permit/Planned Industrial Development Permit No. 99-1027, County Recorder's Office Document number 2001-09455157 dated December 21, 2001, is granted by the Hearing Officer of the City of San Diego to MED-IMPACT, INC., Owner/Permittee, pursuant to San Diego Municipal Code [SDMC] section 126.0111 (e). The 30 acre site is located at 10181 Scripps Gateway Court in the IP-2-1 zone of the Miramar Ranch North Community Plan. The project site is legally described as lots 1 through 6, and lots A, B and C of recorded Parcel Map No. 14004.

Subject to the terms and conditions set forth in this Permit, permission is granted to the Owner/Permittee to construct a corporate office facility, described and identified by size, dimension, quantity, type, and location on the approved exhibits, dated November 28, 2001, on file in the Development Services Department.

This permit shall consist of the following facilities and site improvements as identified by dimension, quantity, and location on the corresponding Exhibits "A" for this project, dated November 28, 2001, on file in the Office of the City's Development Services Department:

a. Construct the following corporate office structures and ancillary buildings on the subject property:



Building	Occupancy	Floor	Floor Area	Garage
Number		Levels	1.0.2.1.	Parking Stalls
1	Office	б-story	148,544 sq. ft.	440
2	Office	5-story	124,001 sq. ft.	0
3	Office	5-story	124,001 sq. ft.	697
<u> </u>		,	, 1	,
4	Employee training,	2-story	26,469 sq. ft.	0
	Cafeteria, exercise facility		, ,	
5	Office	6-story	148,554 sq. ft.	74
6	Office	3-story	78, 851 sq. ft.	172
		i		
7	Child daycare facility	1-story	8,026 sq. ft.	0
	(with outdoor play area)			
Totals:7	N/A	N/A	658,456 sq. ft.	1,383
			,	

- b. Grading and landform alteration improvements.
- c. Landscape, hardscape and permanent irrigation improvements.
- d. On-site parking facilities

# STANDARD REQUIREMENTS:

- 1. Construction, grading or demolition must commence and be pursued in a diligent manner within thirty-six months after the effective date of final approval by the City, following all appeals. Failure to utilize the permit within thirty-six months will automatically void the permit.
- 2. No permit for the construction, occupancy or operation of any facility or improvement described herein shall be granted, nor shall any activity authorized by this Permit be conducted on the premises until:
  - a. The Permittee signs and returns the Permit to the Development Services Department; and
  - b. The Permit is recorded in the Office of the San Diego County Recorder
- 3. Unless this Permit has been revoked by the City of San Diego the property included by reference within this Permit shall be used only for the purposes and under the terms and conditions set forth in this Permit unless otherwise authorized by the City Manager.



- 4. This Permit is a covenant running with the subject property and shall be binding upon the Permittee and any successor or successors, and the interests of any successor shall be subject to each and every condition set out in this Permit and all referenced documents.
- 5. The utilization and continued use of this Permit shall be subject to the regulations of this and any other applicable governmental agency.
- 6. Issuance of this Permit by the City of San Diego does not authorize the Permittee for this permit to violate any Federal, State or City laws, ordinances, regulations or policies including, but not limited to, the Endangered Species Act of 1973 [ESA] and any amendments thereto (16 U.S.C. § 1531 et seq.).
- 7. Other than specified herein this Permit, the Owner/Permittee shall comply with all conditions as set forth in Conditional Use Permit and Planned Industrial Development Permit No. 99-1027.
- 8. The Owner/Permittee shall secure all necessary building permits. The applicant is informed that to secure these permits, substantial modifications to the building and site improvements to comply with applicable building, fire, mechanical and plumbing codes and State law requiring access for disabled people may be required.
- 9. Before issuance of any building or grading permits, complete grading and working drawings shall be submitted to the City Manager for approval. Plans shall be in substantial conformity to Exhibit "A," on file in the Development Services Department. No changes, modifications or alterations shall be made unless appropriate application(s) or amendment(s) to this Permit have been granted.
- 10. All of the conditions contained in this Permit have been considered and have been determined to be necessary in order to make the findings required for this Permit. It is the intent of the City that the holder of this Permit be required to comply with each and every condition in order to be afforded the special rights which the holder of the Permit is entitled as a result of obtaining this Permit.

In the event that any condition of this Permit, on a legal challenge by the Owner/Permittee of this Permit, is found or held by a court of competent jurisdiction to be invalid, unenforceable, or unreasonable, this Permit shall be void. However, in such an event, the Owner/Permittee shall have the right, by paying applicable processing fees, to bring a request for a new permit without the "invalid" conditions(s) back to the discretionary body which approved the Permit for a determination by that body as to whether all of the findings necessary for the issuance of the proposed permit can still be made in the absence of the "invalid" condition(s). Such hearing shall be a hearing de novo and the discretionary body shall have the absolute right to approve, disapprove, or modify the proposed permit and the condition(s) contained therein.



29911

# **ENVIRONMENTAL/MITIGATION REQUIREMENTS:**

- 11. Mitigation requirements are tied to the environmental document, specifically the Mitigation, Monitoring, and Reporting Program (MMRP). These MMRP conditions are incorporated into the permit by reference or authorization for the project.
- 12. As conditions of Conditional Use Permit and Planned Industrial Development Permit No. 99-1027, the mitigation measures specified in the MMRP, and outlined in the Environmental Impact Report LDR No. 92-0466 shall be noted on the construction plans and specifications under the heading ENVIRONMENTAL/MITIGATION REQUIREMENTS.
- 13. The Owner/Permittee shall comply with the Mitigation, Monitoring, and Reporting Program (MMRP) as specified in the Environmental Impact Report, LDR NO. 92-0466 satisfactory to the City Manager and City Engineer. Prior to issuance of the first grading permit, all conditions of the MMRP shall be adhered to to the satisfaction of the City Engineer. All mitigation measures as specifically outlined in the MMRP shall be implemented.
- 14. Prior to issuance of any construction permit, the applicant shall pay the Long Term Monitoring Fee in accordance with the Development Services Fee Schedule to cover the City's costs associated with implementation of permit compliance monitoring.

# INFORMATION ONLY:

Any party on whom fees, dedications, reservations, or other exactions have been imposed as conditions of approval of this development permit, may protest the imposition within ninety days of the approval of this development permit by filing a written protest with the City Clerk pursuant to California Government Code section 66020.

APPROVED by the Hearing Officer of the City of San Diego on March 2, 2005 and Resolution Number



# ALL-PURPOSE CERTIFICATE

ADD-1 OIL OOD CERTIFICATE
Type/PTS Approval Number of Document: CUP 174323 PID 174324  Date of Approval. March 2, 2005
STATE OF CALIFORNIA COUNTY OF SAN DIEGO Date of Approval:  March 2, 2005  March 2, 2005
ROBERT P. TUCKER, Development Project Manager
On March 2 200 before me, Raquel Herrera, (Notary Public), personally Robert P. Tucker, Development Project Manager of the Development Services Department of the City of San Diego, personally known to me to be the person(e) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ice), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.
WITNESS my hand and official seal  Signature  RACUIL HERRERA  Commission # 1424775  Notary Public - Collionio  Son Diego County  Raquel Herrera
ALL-PURPOSE CERTIFICATE
OWNER(S)/PERMITTEE(S) SIGNATURE/NOTARIZATION:
THE UNDERSIGNED OWNER(S)/PERMITTEE(S), BY EXECUTION THEREOF, AGREES TO EACH AND EVERY CONDITION OF THIS PERMIT AND PROMISES TO PERFORM EACH AND EVERY OPLICATION OF OWNER(S)/PERMITTEE(S) THEREUNDER.
Signed Signed Typed Name Nacd-Limpact, INC STATE OF CALIFORNIA COUNTY OF SANDUSO
On <u>HAVI</u> 18, 2005 before me, <u>Julie Smill</u> (Name of Notary Public) personally appeared <u>Javin 6. Whenler</u> , personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies); and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.
WITNESS my hand and official seal.

ORIGINAL

Page 5 of 5



# HEARING OFFICER RESOLUTION NO. 4942 CONDITIONAL USE PERMIT NO. 174323 PLANNED DEVELOPMENT PERMIT NO. 174324 MED-IMPACT CORPORATE HEADQUARTERS

WHEREAS, MED-IMPACT, INC., Owner/Permittee, filed an application with the City of San Diego for an extension of time to Conditional Use Permit/Planned Industrial Development Permit No. 99-1027 to construct a corporate office facility as described in and by reference to the approved Exhibits "A" and corresponding conditions of approval for the associated Conditional Use Permit No. 174323 and Planned Development Permit No. 174324, on portions of a thirty (30) acre site;

WHEREAS, the project site is located at 10181 Scripps Gateway Court in the IP-2-1 zone of the Miramar Ranch North Community Plan;

WHEREAS, the project site is legally described as lots 1 through 6, and lots A, B and C of recorded parcel map no. 14004;

WHEREAS, on March 2, 2005, the Hearing Officer of the City of San Diego considered Conditional Use Permit No. 174323 and Planned Development Permit No. pursuant to the Land Development Code of the City of San Diego; NOW, THEREFORE,

BE IT RESOLVED by the Hearing Officer of the City of San Diego as follows:

That the Hearing Officer adopts the following written Findings, dated March 2, 2005.

# FINDINGS:

Extension of Time of a Development Permit - Section 126.0111

1. The project as originally approved and without any new conditions would not place the occupants of the proposed development or the immediate community in a condition dangerous to their health or safety.

No new conditions are required to protect the occupants of the proposed development or immediate community. Current conditions present in the original permit address health and safety of the occupants and immediate community. Approval of the extension of time without new conditions will not place occupants or members of the immediate community in a dangerous condition. The original permit includes conditions which address the health and safety of the public.

2. No new condition is required to comply with state or federal law.

No new state or federal laws have been implemented relative to the typical uses or proposed structures. No new regulations have been passed which would require the addition of any new conditions in connection with the proposed development.



29914

BE IT FURTHER RESOLVED that, based on the findings hereinbefore adopted by the Hearing Officer, Conditional Use Permit No. 174323 and Planned Development Permit No. 174324 are hereby GRANTED by the Hearing Officer to the referenced Owner/Permittee, in the form, exhibits, terms and conditions as set forth in Permit Nos. 174323 and 174324, a copy of which is attached hereto and made a part hereof.

Robert P. Tucker

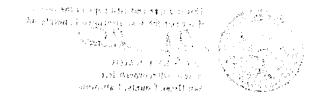
Development Project Manager

Development Services

Adopted on: March 2, 2005

Job Order No. 42-3729

cc: Legislative Recorder, Planning Department





(R-2002-xxxx)

RESOLUTION NUMBER R
DATE OF FRIAL BAGGAGE
DATE OF FINAL PASSAGE

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN DIEGO ADOPTING AN AMENDMENT TO THE GENERAL PLAN AND MIRAMAR RANCH NORTH COMMUNITY PLAN TO RE-DESIGNATE 22.42 ACRE AREA LOCATED AT 10137 SCRIPPS GATEWAY COURT FROM INDUSTRIAL TO REGIONAL COMMERCIAL AND TO REMOVE THE PRIME INDUSTRIAL LAND DESIGNATION FROM THE AREA.

WHEREAS, Scripps Highlands Partners, LLC, requested an amendment to the General Plan and the Miramar Ranch North Community Plan to re-designate a 22.42-acre located at 10137 Scripps Gateway Court site from Industrial to Regional Commercial and to remove the Prime Industrial Lands designation from the site (General Plan/Community Plan Amendment). The site is legally described as Lots 1-6 and A-C of Scripps Gateway Unit No. 2, Map No. 14004, City of San Diego, County of San Diego, State of California; and WHEREAS, on _______, the City Council of the City of San Diego held a public hearing for the purpose of considering the General Plan /Community Plan Amendment; and WHEREAS, on _______, the Planning Commission of the City of San Diego considered the General Plan/Community Plan Amendment and voted ______ to recommend approval of the General Plan/Community Plan Amendment;

WHEREAS, the Council has considered the following factors with respect to the General Plan/Community Plan Amendment: 1) consistency with the goals and policies of the General Plan and the Miramar Ranch North Community Plan; 2) additional public benefits to the

ATTACHMENT 11

community as compared to the plans; 3) availability of public facilities to serve the proposed

increase in density/intensity, or their provision is addressed as part of the Community Plan

Amendment; 4) the level and diversity of community support; 5) appropriateness of the size and

boundary for the amendment site; 6) the provision of additional benefit to the community; 7)

implementation of major General Plan and Miramar Ranch North Community Plan goals; and 8)

the provision of public facilities;

WHEREAS, the City Council of the City of San Diego has considered all maps, exhibits,

and written documents contained in the file for this project on record in the City of San Diego,

and has considered the oral presentations given at the public hearing; NOW, THEREFORE,

BE IT RESOLVED, by the Council of The City of San Diego, that it adopts the General

Plan/Community Plan Amendment, a copy of which is on file in the Office of the City Clerk as

Document No. RR-, contingent upon final passage of O-

rezoning the site from the existing IP-2-1 zone into the CR-2-1 zone.

APPROVED: JAN GOLDSMITH, City Attorney

Deputy City Attorney

MJL:pev

**INSERT Date** 

Or.Dept:DSD

R-2002- INSERT

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Revised 1-14-13 HMD

# Miramar Ranch North Community Plan

City of San Diego Planning Development Services Department: Planning Division

202 C Street, MS 4A San Diego, CA 92101



# MIRAMAR RANCH NORTH COMMUNITY PLAN

The following amendments have been incorporated into this December 2005 posting of this Plan:

Amendment	Date Approved by Planning Commission	Resolution Number	Date Adopted by City Council	Resolution Number
Miramar Ranch North Community Plan adopted	December 28, 1979	R-2192	March 4, 1980	R-251317
Residential dwelling units increased and revised Circulation Element to include a new major road			May 21, 1987	R-268372
To reduce the visibility of Miramar Ranch North development			April 16, 1991	R-277711
Land designations			June 6, 1995	R-285917
Land redesignations and reduce residential densities			September 29, 1998	R-290777
Land use redesignation for the Mercy Site				

# **SECTION 1: INTRODUCTION**

The Miramar Ranch North Community Plan (Plan) and accompanying Environmental Impact Report (EIR) are required by the City of San Diego for the orderly, sensitive and appropriate development of lands north of Miramar Reservoir. Preparation of the Plan was officially made possible with the San Diego City Council's recognition of the Miramar Ranch North planning committee and the planning area boundary in January 1979, per Resolution No. 222650. The planning committee, which was composed of residents of Scripps Miramar Ranch and developers and landowners in the planning area, was charged with assembling and recommending a community plan for City adoption. The City Council adopted the Plan on March 4, 1980, by Resolution No. 251317. On June 28, 1984, the Planning Commission authorized planning staff to proceed with an amendment to the Miramar Ranch North Community Plan.

The area encompassed by the Plan is designated a planned urbanizing area in the 1979 Progress Guide and General Plan (General Plan) of the City of San Diego. The area is permitted to develop prior to 1995, provided urbanization occurs in an orderly, contiguous manner and public facilities are provided concomitant with growth.

# 1.1 LOCATION OF THE PLANNING AREA

The Miramar Ranch North community is located in the north central part of the San Diego Metropolitan area, predominantly within the northeast limits of the City of San Diego. It lies on the east side of Interstate 15 (I-15), north of Scripps Miramar Ranch, about 16 miles north of the San Diego central business district and 13 miles south of the city of Escondido.

Figure 1 illustrates the location of the Miramar Ranch North area in the San Diego region.

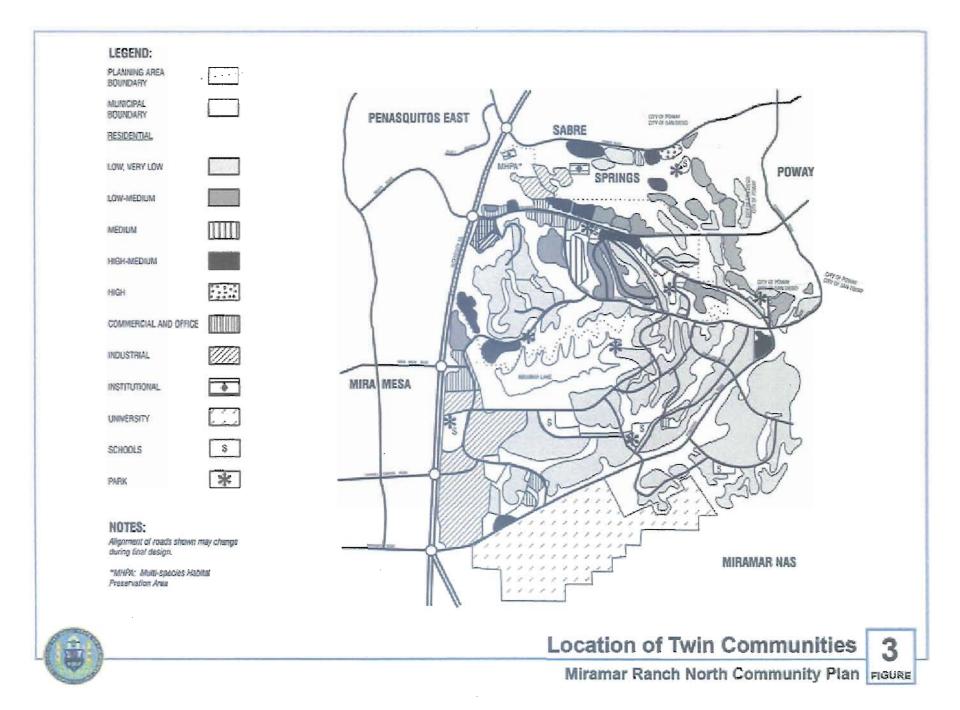
Nearby existing communities include Mira Mesa to the southwest, Peñasquitos East to the northwest, Poway to the northeast and Scripps Miramar Ranch to the south. These communities are currently experiencing growth under recently approved community plans. New communities presently being developed include Sabre Springs and Carmel Mountain Ranch along I-15 to the north of Miramar Ranch North.

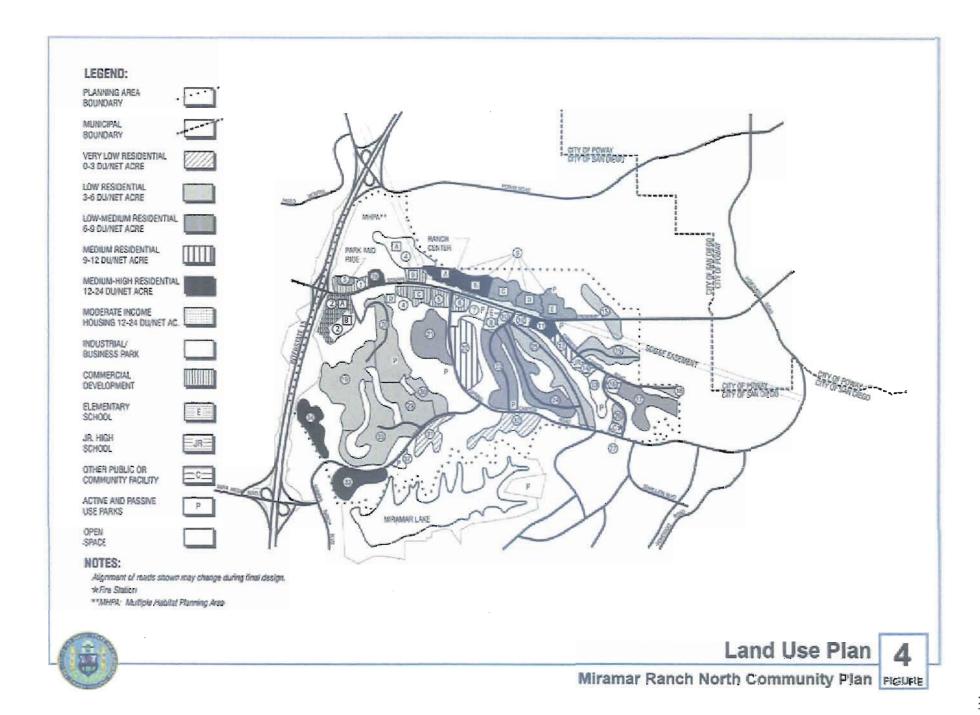
## 1.2 PLANNING AREA DESCRIPTION

The Miramar Ranch North planning area is shown in **Figure 2**. The community is roughly bounded by the Peñasquitos Creek valley to the north, the City-county line to the east, the Scripps Miramar Ranch Community Plan boundary and Miramar Lake to the south and I-15 to the west. The planning area encompasses approximately 1,835-842 acres, including Cypress Canyon, which runs east-west through the property.

# 1.3 SCOPE AND PURPOSE OF THE PLAN

The purpose of the Plan is to provide guidelines for future public and private development within the Miramar Ranch North community through 2000. The Plan includes a series of goals and objectives established for the community which are consistent with citywide





Given the opportunities for functional and aesthetic integration with Scripps Ranch, this Plan gives a number of proposals for development of Miramar Ranch North that facilitate ties between the twin communities. These include:

- Integration of the circulation systems, including roads, bikeways and pedestrian paths.
- Development of joint usage public and community facilities, supporting a service area encompassing both communities and distributing facilities between the two communities for adequate access.
- Guidelines for creating a community atmosphere similar to Scripps Ranch, emphasizing a
  wooded, naturalized landscape, the eucalyptus tree motif, earth, pastel and wood tones in
  construction and a similar grading concept.
- Treatment of Miramar Lake as both a public resource for the City and as a community asset for local residents and employees.

This Plan was prepared with the support of Scripps Ranch residents who participated through the Miramar Ranch North planning committee. Also, Scripps Ranch residents were kept informed of the community planning process as it progressed. The Scripps Miramar Ranch participated directly in development of the conditions of approval and voted to support the Plan. Therefore, the proposals in this Plan reflect and reinforce the recommendations of the Scripps Miramar Ranch Community Plan.

# 2.3 SUMMARY OF COMMUNITY GOALS

A number of goals for guiding the development of Miramar Ranch North through 2000 have been generated. The overall goal is to develop an identifiable community of balanced land uses, which meets the needs of residents and working persons, complements the Scripps Ranch community and makes a positive contribution to the quality of life in the San Diego region. The goals subsumed under this overall goal are outlined below.

**Transportation:** Construct and maintain an adequate system for vehicular, future transit, bicycle and pedestrian circulation within the community, while providing adequate access to the larger San Diego region.

Housing: Accommodate a substantial amount of residential development in the community, providing a diversity of housing options while enhancing the physical environment.

**Industry:** Promote industrial, and business park, and office development which provides employment opportunities while enhancing the physical environment of the community.

**Commercial:** Encourage attractive accessible commercial development meeting the community shopping and services requirements of the ranch and surrounding communities.

**Public Services:** Guarantee a range of public services tailored to local requirements and accessible to the community, and as needed, to Scripps Ranch.

Parks and Recreation: Provide adequate park development, recreational facilities and active use open space as needed for the community, while ensuring access to nearby regional parks.

**Schools:** Support the development and maintenance of educational facilities and programs meeting the needs of the community, in both the community itself and surrounding areas.

Community Social Needs: Support development of social services, programs and facilities responsive to the changing physical and socioeconomic needs of community inhabitants.

Community Design: Promote high quality design throughout the community, with special emphasis on projects and roadways in highly visible areas.

**Resources Management:** Encourage the careful management of community environmental resources, through preservation of a passive open space network and support of environmentally sensitive development.

**Implementation:** Ensure the provision of adequate public and private facilities and services to meet community needs concurrently with residential and industrial growth and provide for the ongoing maintenance of community facilities and open space.

# 2.4 LAND USE LOCATIONS

Figure 4 depicts the locations of land uses in the planning area.

As shown, industrial park uses are limited to the western and northern portions of the community, with good access to I-15. Residential uses are shown on most of the remaining developable acreage. Community facilities supporting the primary industrial and residential uses are largely sited along the Cypress Canyon greenway, with particular emphasis on the Ranch Center at the head of the canyon, and along Scripps Poway Parkway. The support uses include commercial centers, active recreation facilities, schools and religious buildings.

Developed areas are intertwined with open space areas. Special open space preserves are designated to preserve particular biological resources. The northwestern corner of the planning area is shown as future institutional, subject to detailed study at a later date.

The areas shown in **Figure 4** represent approximate developable or preserve areas. The actual outlines of these areas will be determined on a project basis, during detailed planning, engineering and environmental review.

The conceptual grading plan included at the end of the Plan further defines the areas shown in **Figure 4** and is intended to represent a *worst case* grading situation. Grading design for subsequent tentative maps should preserve no less natural open space than is shown on the conceptual grading plan. When future tentative maps and development plans are prepared, the location and configuration of grading could change, but the amount and quality of natural open space should not be reduced. Any reduction in the amount or quality of natural open space would require a community plan amendment.

## 2.5 LAND USE ACREAGE AND DENSITY ALLOCATIONS

The planning area encompasses approximately 1,835-842 acres in total. About 882 acres, or 48 percent, are developed, while around 953 acres remain in some form of open space.

Tables 2 and 3 summarize the land use acreage and density allocations in the planning area. Approximately 628 acres, or 71 percent, of the development acreage is allocated to residential development. The other major land use <u>are is-industrial/business park</u>, (which constitutes about <u>4560</u> acres, or <u>five-seven</u> percent, of the development acreage), regional commercial (22 acres, three percent), and commercial (42 acres, five percent). The remaining buildable property is devoted to support uses such as-commercial, recreation, community institutional facilities and roadways.

The 953 acres of parks, recreation, and non-building area is broken into 673 acres of natural open space, which is 74 percent of the open space area. Additionally, there are 110 acres of open space in slopes over 30 feet high; 41 acres in parks and sports fields, which includes five acres of joint community-school use in parcel eight; and 129 acres in improved landscape transition areas. The transition-restricted area includes land which is graded then replanted. The net area for residential, industrial and commercial uses includes area for landscaping in accordance with standard development requirements and policies of the City.

# 2.6 SUMMARY OF RESIDENTIAL AND EMPLOYMENT OPPORTUNITIES

The General Plan calls for the development of balanced communities in planned urbanizing areas. This means there should be provision for a range of housing types for a range of socioeconomic groups. It also means employment centers should be provided as well as residential development.

**Table 4** summarizes the residential and employment opportunities estimated to be created by this Plan's proposals. A total of 4,589 dwelling units are proposed which represents the summation of the maximum density range in dwelling units per acre authorized by the land use category. These are in five density ranges. An estimated 1,7404,174 positions are generated by the planned industrial and commercial areas and community facilities.

The 4,589 dwelling units constitute approximately five percent of the total dwelling units within the City of San Diego, estimated for the north I-15 corridor by 1995.

# 2.7 REVIEW OF PLAN IMPLEMENTATION

This Plan provides for the implementation of the development proposals and design guidelines contained herein. Each land use element contains a section on required actions and responsible parties for implementation. In addition, the **Implementation Element (Section 13)** presents development phasing, conditions of development, physical planning implementation and the public facilities financing program. Below, the implementation program is briefly summarized.

Development should be phased to provide adequate community and public facilities in phase with residential and industrial development. This includes facilities such as schools, public

TABLE 2
LAND USE ALLOCATION SUMMARY

Land Use	Density DU/Acre	Net Acres	Percent of Area
Residential			
Very Low	0-3	50	2.7%
Low	3-6	280	15.2%
Low-Medium	6-9	169	9.2%
Medium	9-12	46	2.5%
Medium High	12-24	83	4.5%
Sub-total		628	34.2%
Commercial		44 <u>66</u>	<del>2.4</del> <u>3.6</u> %
Industrial		<del>60</del> <u>45</u>	<del>3.3</del> 2.5%
Facilities and Services			
School		10	0.5%
Park-and-Ride		2	0.1%
Institutional		6	0.3%
Fire Station		Ĺ	0.1%
Parks		41	2.2%
Sub-total		60	3.3%
Other (Future Institutional)		47	2.6%
Community Roads ¹		84	4.6%
Non-Building Areas ²			
Natural Open Space		673	36.7%
Replanted Areas		129	7.0%
Slopes over 30 Feet High		110	6.0%
Sub-total		912	49.7%
Total		1,835842	100.0%

^{1.} Community Roads - Roads shown in the community plan map, Figure 4.

^{2.} Non-Building Areas - Of land within the Non-Building Areas, approximately 31 acres fall within the SDG&E easement that both crosses and runs parallel to Scripps Poway Parkway.

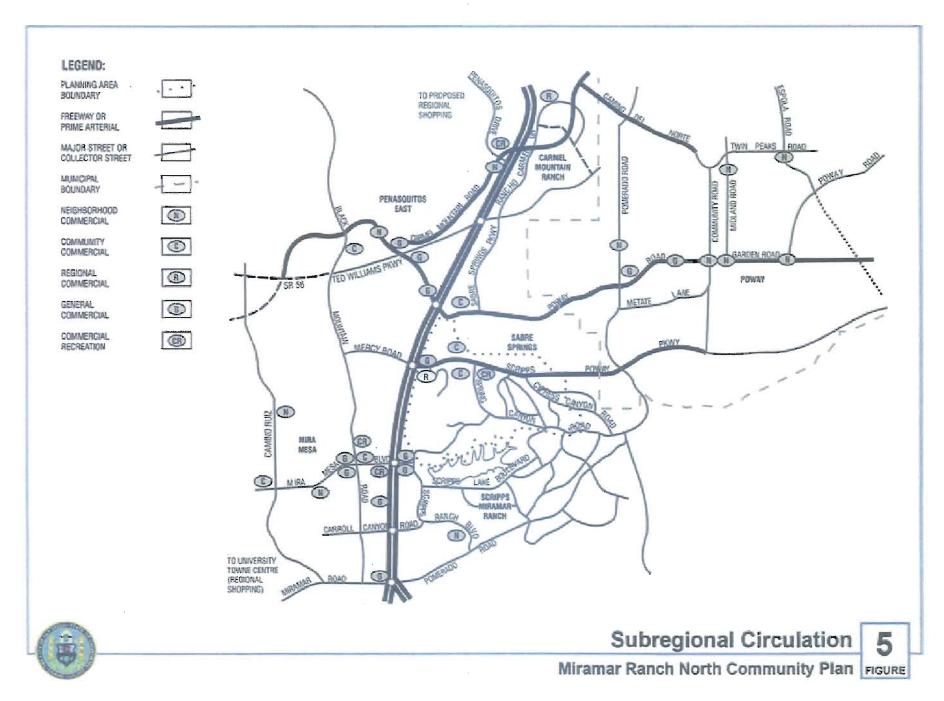
TABLE 3 LAND USE BY PARCEL

		Density Range	Usable ¹	Unit
Parcel	Land Use Category	DU/AC	Acreage	Limit
	Future Institutional		47	
1	Commercial		6	
2 <u>A</u>	Industrial Regional Commercial		<del>27</del> 22	
<u>2B</u>	<u>Industrial</u>		<u>12</u>	
3	Park-and-Ride		2	
4A	Industrial		33	
4B	Commercial		4	
4C	Commercial		11	
4D	Commercial		5	
5	Commercial		11	
6	Recreational Commerce		7	
7	Park		18	
8	School		5	
9A	Medium-High	12 - 24	9	133
9B	Medium-High	12 - 24	9	133
9C	Low-Medium	6 - 9	12	80
9D	Low-Medium	6 - 9	13	73
9E	Low-Medium	6 - 9	12	74
10	Medium-High	12 - 24	12	288
11	Medium-High	12 - 24	6	144
12	Medium	9 - 12	6	72
13	Park		20	
14	School		5	
15	Low	3 - 6	44	244
16	Institutional		6	
17	Low-Medium	6 - 9	24	224
18	Low	3 - 6	. 3	17
19	Low	3 - 6	63	250
20	Low	3 - 6	50	199
21	Low-Medium	6 - 9	39	264
22	Medium	9 - 12	40	382
23	Low-Medium	6-9	35	235
24	Low-Medium	6 - 9	34	200
25	Low	3 - 6	37	174
26	Low	3 - 6	4	18
27	Fire Station		1	
28	Medium-High	12 - 24	8	135
29	Low	3 - 6	29	158
30	Low	3 - 6	7	30
31	Very Low	0 - 3	19	55
32	Very Low	0 - 3	31	102
33	Medium-High	12 - 24	20	300
34	Medium-High	12 - 24	19	410
35	Low	3 - 6	43	195
37	Lakeview Park		3	

TABLE 4
RESIDENTIAL AND EMPLOYMENT OPPORTUNITIES

Housing Categories	DU/Net Developable Acre	Approximate DU	Percent Total
Very Low	0-3	157	3%
Low	3-6	1,285	28%
Low-Medium	6-9	1,150	25%
Medium	9-12	454	10%
Medium-High	12-24	1.543	34%
Total		4,589	100%

Employment Types	Employees/Gross Developable Acre	Approximate Employees	Percent Total
Industrial/Business Park	<u>39</u> 18	<del>1,080</del> 1,755	<del>62</del> 28%
Community Commercial	<del>10</del> 31	<del>370</del> 1,147	<del>21</del> 19%
Freeway Commercial	20	140	<u>82</u> %
Regional Commercial	<u>95</u>	3,040	49%
Community Facilities	Varies	. 150	92%
Total		1,7406,232	100%



# **SECTION 3: TRANSPORTATION ELEMENT**

Goal: Construct and maintain an adequate system for vehicular, future transit, bicycle and pedestrian circulation within the community, while providing adequate access to the larger San Diego region.

## 3.1 SUBREGIONAL TRAFFIC

**Objective:** Ensure sufficient capacity on the I-15 interchanges and onsite roadway to handle traffic generated by the community.

Interstate 15 provides the major means of access from the region to Miramar Ranch North (**Figure 5**). It exists as has recently been upgraded to an eight-lane facility (1983) and with two HOV lanes are now being added. A current Caltrans project to widen Interstate 15 called "I-15 Managed-Lanes South Segment" is under construction and schedule for completion in 2012. This project will widen Interstate 15 to four HOV lanes with extra general purpose lanes in several locations between SR-163 and SR-78. South of the Miramar Way/I-15 interchange, there are two major roadways, I-15 and Kearny Villa Road. Interstate 15 continues south through Mission Valleydrops down into Murphy Canyon—while Kearny Villa Road joins State Route 163 (SR-163); both routes cross Interstate 8 (I-8) to the south. Kearny Villa Road follows the former I-15/SR-163 route through Kearny Mesa, then joins SR-163, which goes south across I-8 into downtown. North of Miramar Ranch North, I-15 is being widened as previously discussed. It will be constructed as I-15 is an eight-lane to tenlane facility with four HOV lanes through until it passes-Rancho Bernardo.

# 3.1a Roadway Capacity of Interstate 15

Interstate 15 is the primary regional north/south corridor providing access to Miramar Ranch North. Congestion seems imminent on I-15 because of growth in the North City and through traffic to and from north of San Diego. Interstate 15 currently experiences congestion during peak hours. Forecasts for future traffic in the Interstate 15 corridor The horizon year traffic forecast ranges from 200375,000 ADT to 220425,000 ADT between SR-163 and SR-56depending on the routing of and construction of other links in the region's planned eirculation network. Although substantial traffic growth is projected in the corridor, additional lanes currently under construction by Caltrans should alleviate much of the freeway congestion. Even with anticipated traffic growth, much of Interstate 15 is expected to operate at an acceptable level of service with few exceptions. Additional transit improvements within the corridor, including Bus Rapid Transit (BRT), along with improvements to the HOV lanes should also improve service on this corridor. Growth-of employment centers to the north in Rancho Bernardo, Sabre Springs and Carmel Mountain Ranch, along with those in western Mira Mesa, Sorrento Valley and La Jolla, serves to counterbalance and decrease Miramar Ranch North's dependence on the most heavily used lanes of I-15 during the rush hours. Industrial uses within Miramar Ranch North also serve as a counterbalance to rush-hour traffic on-I-15.

# 3.1b Interchange Capacity at Interstate 15

Two I-15 interchanges serve the planning area: Mercy interchange (Mercy Road-Scripps North Parkway) and Mira Mesa interchange (Mira Mesa Boulevard-Scripps Ranch Boulevard). Traffic generated by development of the Scripps Ranch amendment project, the county island area located east of the planning area, will flow via Scripps North Parkway or Spring Canyon Road to the Mercy interchange on I-15.

Mercy interchange will continue to be characterized by high volumes of traffic outgoing southbound and incoming northbound in the morning. The outgoing traffic is commuter traffic generated by the residential development-proposed in Peñasquitos East and Miramar Ranch North. On the other hand, the incoming traffic is destined for retail to the industrial park-and commercial areas in Miramar Ranch North., Retail uses are little utilized during the morning peak and thus would cause little conflict with residential traffic in the morning. Further, the opportunity for substantial trip matching within the community exists when residential trips find shopping opportunities within the community. This avoids more lengthy trips and reduces congestion. However, existing congestion at Mercy interchange is expected to continue with limited opportunities for improvement. Improvements in freeway flow will improve interchange access and operations at bottlenecks are removed. Further, providing better storage for turns and changes in signal timing/lane utilization would substantially improve flow at this interchange. To better accommodate future growth improvements subject to Caltrans requirements should be constructed when existing plan traffic thresholds are met.counterbalancing interchange flows. In spite of the counterbalance, the interchange should be designed to handle peak hour volumes under the 75-foot wide underpass. The first stage improvements will be widening of the interchange ramps to

provide for turning movements along with the roadway construction. In addition, signals should be provided as needed. Once the dwelling unit threshold as set forth in **Table 21**, which may be found in **Section 13**, **Implementation Element** of this text, is reached, then second stage improvements designed in accordance with Caltrans requirements should be constructed for the westbound Scripps North Parkway to southbound I-15 movement.

The Mercy interchange as proposed with widening and improvements per Caltrans requirements will adequately handle the traffic from Miramar Ranch North. The subject of funding these improvements must be dealt with in the PFFP for Miramar Ranch North.

Mira Mesa interchange possesses a high volume of southbound traffic and operates over capacity in the morning peak hour. Improvements in freeway flow will improve interchange access and operations at bottlenecks are removed. Further, improvements including reconstruction and reconfiguration of the existing ramps, as well as widening of Mira Mesa Boulevard in the interchange area are planned. These improvements, combined with the opportunity of utilization of the non-congested Carroll Canyon interchange to the south are expected to improve flow at the Mira Mesa Boulevard interchange. These improvements should substantially increase the capacity of the Mira Mesa interchange. This traffic is generated by residential developments in Mira Mesa, Scripps Ranch and Miramar Ranch North. The critical ramp is the southbound ramp from Scripps Ranch/Miramar Ranch North, which is estimated to be somewhat over-capacity. However, traffic from Scripps Ranch can be adequately accommodated on an alternate interchange, Carroll Canyon to the south, leaving the Mira Mesa interchange at full use rather than over-capacity. Additional signals and restriping for the interchange should be provided as needed, especially at the intersection of Mira Mesa Boulevard with Scripps Ranch Boulevard.

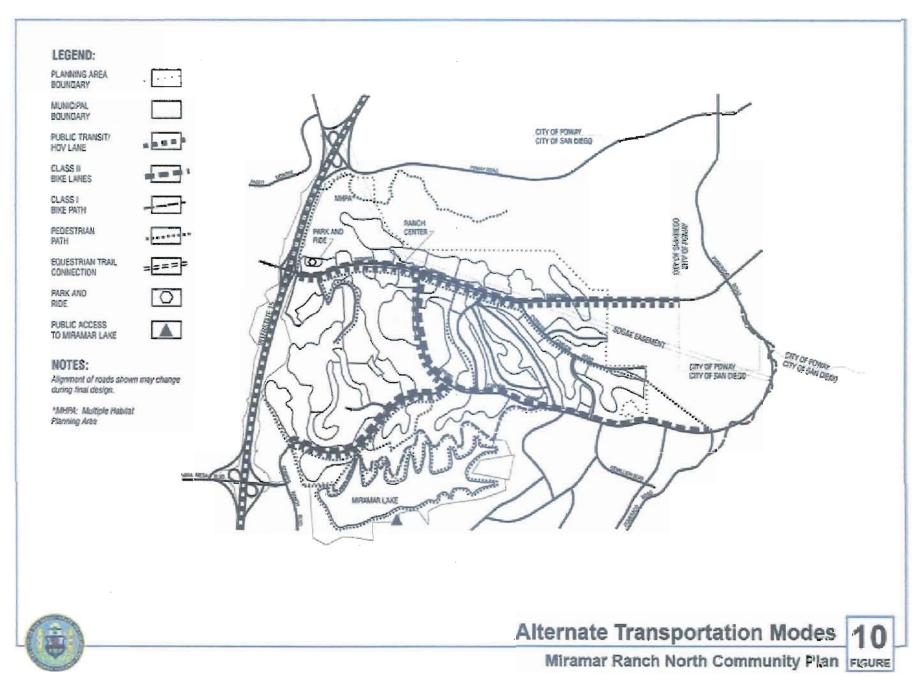
# 3.1c Status of Other Subregional Routes

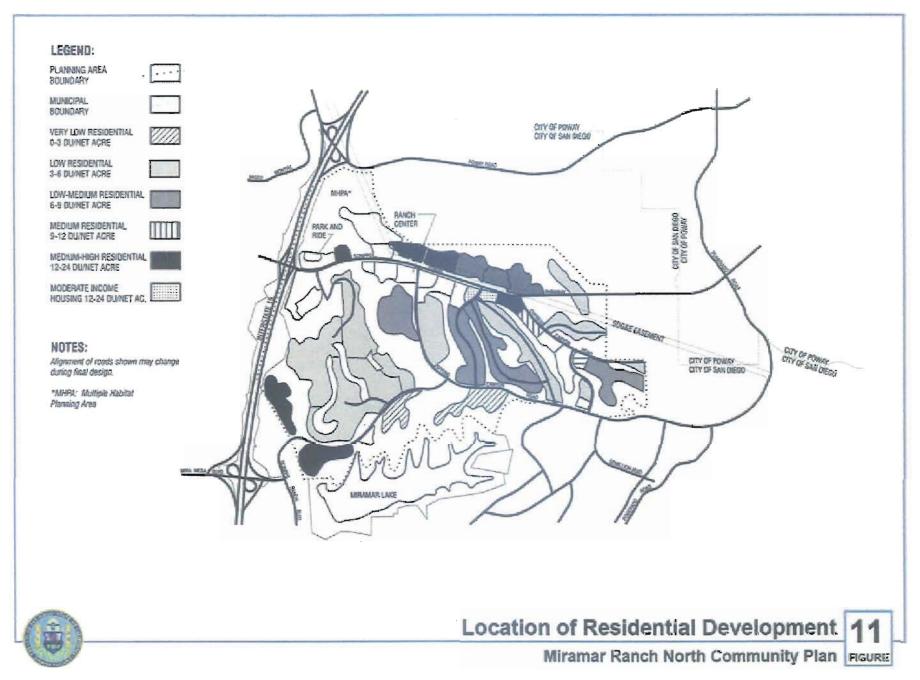
The subregional circulation facilities which serve Miramar Ranch North have undergone significant improvements since the 1980 community plan was adopted. At that time, phasing for Miramar Ranch North was tied to (1) improvements to the I-15 corridor, (2) connection of Mira Mesa Boulevard from I-15 to I-805, and (3) improvement of the Mercy interchange at I-15. Also since 1980, Poway has added an east-west link, called the Poway Arterial, from the proposed Beeler Canyon Industrial Park to Pomerado Road just north of the planned intersection of Pomerado Road with Spring Canyon Road.

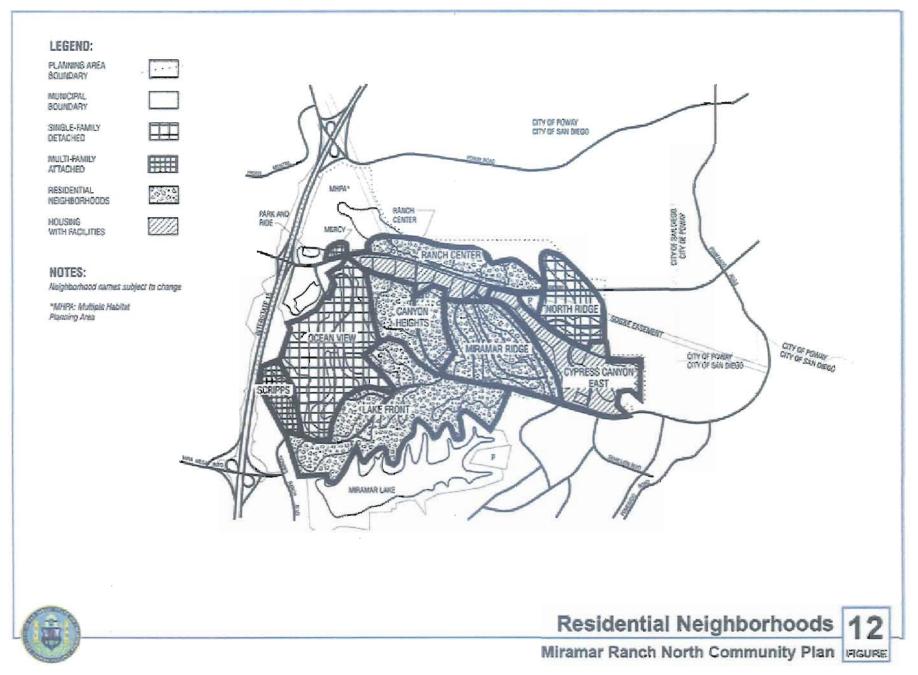
The I-15 corridor improvements planned in 1980 are now complete and work has commenced on the I-15 HOV lanes. The criteria used for Miramar Ranch North phasing contained in the 1980 plan have all been completed or are now under construction.

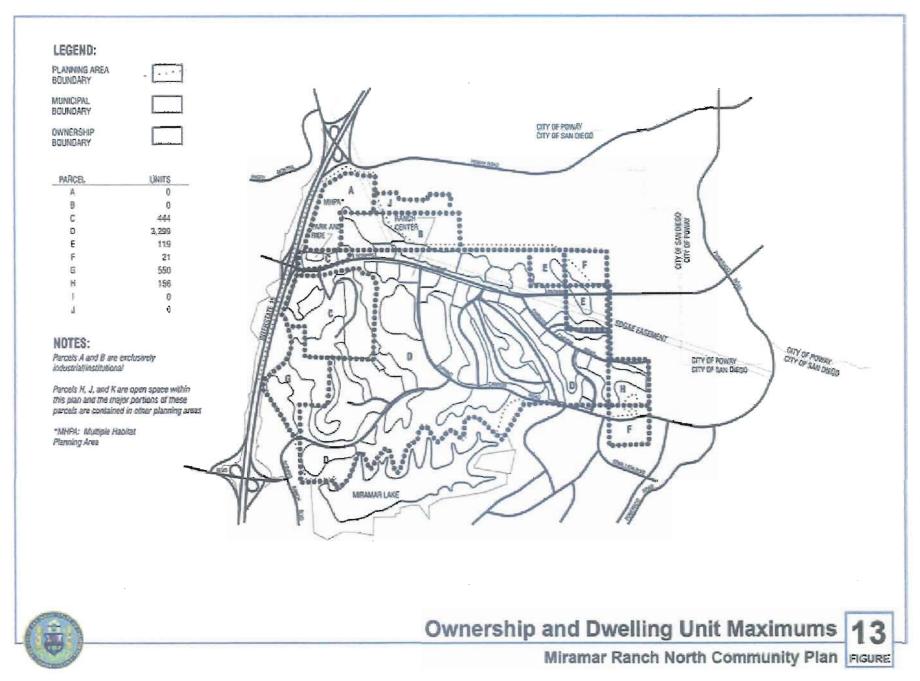
Connection of Mira Mesa Boulevard from I-15 to I-805 is complete, meeting another of the phasing criteria for Miramar Ranch North.

Mercy interchange is the only as yet unmet phasing criteria, so improvements to this interchange are included in the phasing plan contained in Section 13, Implementation Element, Table 21, of this text.









#### SECTION 5: INDUSTRIAL ELEMENT

Goal: Promote industrial and business park development which provides employment opportunities while enhancing the physical environment of the community (Figure 15).

#### 5.1 NEED FOR EMPLOYMENT OPPORTUNITIES

The General Plan calls for development of employment centers in "planned urbanizing areas" such as the I-15 corridor. This is part of the City's effort to develop a sound employment base and a diverse economy including manufacturing. According to the General Plan, employment centers are supposed to be well located, in order to provide residents of new communities with realistic employment opportunities without long distance commuting. Small industrial park complexes situated throughout the urbanizing area are considered desirable.

The Miramar Ranch North planning area should provide employment opportunities within its boundaries. Employment centers inside the community should supplement other industrial/business park developments in the I-15 corridor. Complexes currently exist in Scripps Ranch, Mira Mesa, Kearny Mesa and Rancho Bernardo, while industrial development is expected in the developing communities of Carmel Mountain Ranch and Sabre Springs.

It is proposed that Miramar Ranch North could accommodate around 60-45 acres of industrial/business park development. Manufacturing, scientific and corporate headquarters uses would probably be emphasized, drawing employees from surrounding residential areas. However, servicing, warehousing and wholesaling uses are also possible. Except as noted, areas designated for industrial park development in this Plan should be protected from encroachment by unacceptable uses, in order to preserve industrial acreage and employment opportunities. Community and business support facilities and services should be permitted in the industrial parks. Examples of such facilities are private schools, daycare centers and healthcare facilities; however, such uses should not exceed 15 percent of the industrial land allocation.

Assuming approximately 18-39 employees per gross developable acre, 60-45 acres of industrial park would generate about 1,0801,755 jobs.

# 5.2 LOCATION OF INDUSTRIAL DEVELOPMENT

**Objective:** Locate industrial/business park land uses in areas appropriate to environmental conditions, the circulation system and the overall land use pattern of the community.

As shown in **Figure 15**, industrial park uses are designated in two areas of the planning area: North Ridge and Mercy. Together, these sites total approximately 60-45 acres of industrial development. Each area is located within relatively easy access of the freeway, requires moderate but not excessive grading for development and fits into the overall land use pattern of the community.

North Ridge should be developed as a business park with lots ranging from one to five acres in size and should be utilized for industrial park and possibly commercial office uses. A technical/trade school and a daycare center are also considered appropriate. The Mercy industrial area is sited in the eastern portion of the site in a hollow directly abutting the freeway. The estimated 39-12 acres available should be utilized for light industrial uses such as manufacturing, wholesale distribution and warehousingcorporate headquarters and/or offices. Commercial office uses may be more appropriately located in the North Ridge area or at the freeway commercial center. The lot size should be flexible.

A recreation vehicle storage area screened by mini-warehousing facilities should be considered for the Mercy area.

#### 5.3 INDUSTRIAL DEVELOPMENT GUIDELINES

**Objective:** Require high standards of design, materials and workmanship in business park development.

To ensure a high quality of industrial development in the community, all industrial park projects should meet the development guidelines outlined below. Additional guidelines are set out in the Sensitive Lands/Open Space Element (Section 12), the Transportation Element (Section 3) and the Design Element (Section 11). Table 8 provides a design checklist for industrial development.

# TABLE 8 INDUSTRIAL DESIGN CHECKLIST

1.	Land use compatibility.
2.	Site planning.
3.	Building design.
4.	Signs.
5.	Landform and grading.
6.	Drainage.
7.	Landscaping.
8.	Conservation practices.
9.	Streets and parking.
10.	Lighting.
11.	Pedestrian access.
12.	Employee recreation.

Particular care should be taken to design industrial development compatibly with surrounding land uses. Buffers between residential areas and industrial uses are especially needed, such as grade separations, open space zones and landscaping. In addition, roofscapes should be as aesthetically pleasing as possible in the Mercy and North Ridge industrial areas, since residential areas look out over these projects. All storage areas should be screened with fencing and landscaping.

To the extent possible, each of the four industrial park areas should be comprehensively designed at the outset. Site planning should emphasize visual variety in lot sizes, level changes and street design, rather than mass grading to a grid pattern of flat rectilinear lots. At the same time, each industrial area should create an overall harmonious atmosphere. Projects in these areas should be approved as Planned Industrial Developments (PID). Building design should consider the massing of buildings. Large bulky buildings ordinarily characteristic of industrial parks would better be broken up by height changes, shadow relief, clustering and similar measures, especially at the North Ridge sites. Rear elevations of buildings facing into canyons or visible from streets should be as well detailed and visually interesting as that normally provided for front elevations. The use of earth tones and warm, textured materials is considered especially appropriate.

Outdoor signs should be aesthetically pleasing as well as functional. Size, location, design, lighting and maintenance should be considered in their design. The chief purpose of signs should be identification rather than advertisement. Internally illuminated signs are strongly discouraged. Section 11.1 details implementation of sign controls and performance standards.

The use of private roads may be considered for all three the industrial sites. In the case of the North Ridge site, a public through-road from Spring Canyon Road north and along the north ridge into the residential area to the east should be provided.

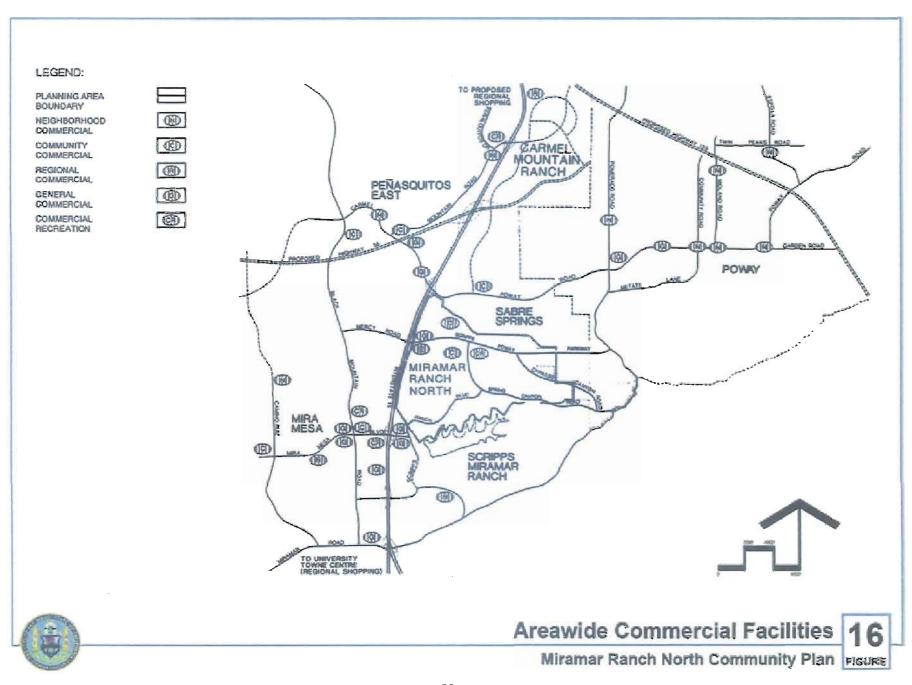
Consideration should be given for employee recreation needs. Provision of recreational amenities in individual development projects is encouraged. Such facilities could include shower facilities, compact "par" exercise courses, lockers and workout rooms.

## 5.4 IMPLEMENTATION OF INDUSTRIAL DEVELOPMENT

Objective: Provide for the implementation of the industrial proposals in this Plan.

The industrial park areas should be developed under proper rezoning. The North Ridge and Mercy-sites should be designated M-IP, (Manufacturing for Industrial Park development). Approval of development plans requires review of detailed plans by the Planning Commission as part of the PID process.

**Table 9** summarizes the actions and responsible parties for implementation of the industrial proposals.



## SECTION 6: COMMERCIAL ELEMENT

Goal: Encourage attractive, accessible commercial development meeting the community shopping and services requirements of the ranch.

#### 6.1 COMMUNITY COMMERCIAL NEEDS

**Objective:** Provide sufficient commercial area for retail, professional, and recreational uses and social and other services to meet the basic requirements of residents and workers in the community as well as take advantage of the strategic location of the Mercy interchange for regional commercial uses.

The General Plan requires that new communities develop convenience shopping and commercial office facilities to serve community residents. It also recommends that all commercial projects be reviewed on an area wide basis, so that new commercial developments will not intrude on the market areas of other commercial activities. The development of a regional commercial center provides Class A office in a high quality corporate campus environment as well as shopping opportunities that are not provided by local neighborhood and community retail.

**Figure 16** shows the existing and proposed commercial developments in the surrounding communities. Community-level commercial services are available in Mira Mesa and Scripps Ranch, and also in Peñasquitos East. Most of these facilities, however, are designed to serve their own locales and are some distance from the Miramar Ranch North community. Regional shopping is provided by University Towne Centre in University City, North County Fair in Escondido and is proposed in Carmel Mountain Ranch near I-15.

Given a projected population of about 10,785 residents and a service area of about one mile in radius, Miramar Ranch North can be expected to require a small, convenience-oriented community/neighborhood shopping center. According to City commercial standards, a neighborhood center about ten acres in size would be needed, or a community center of approximately 20 acres.

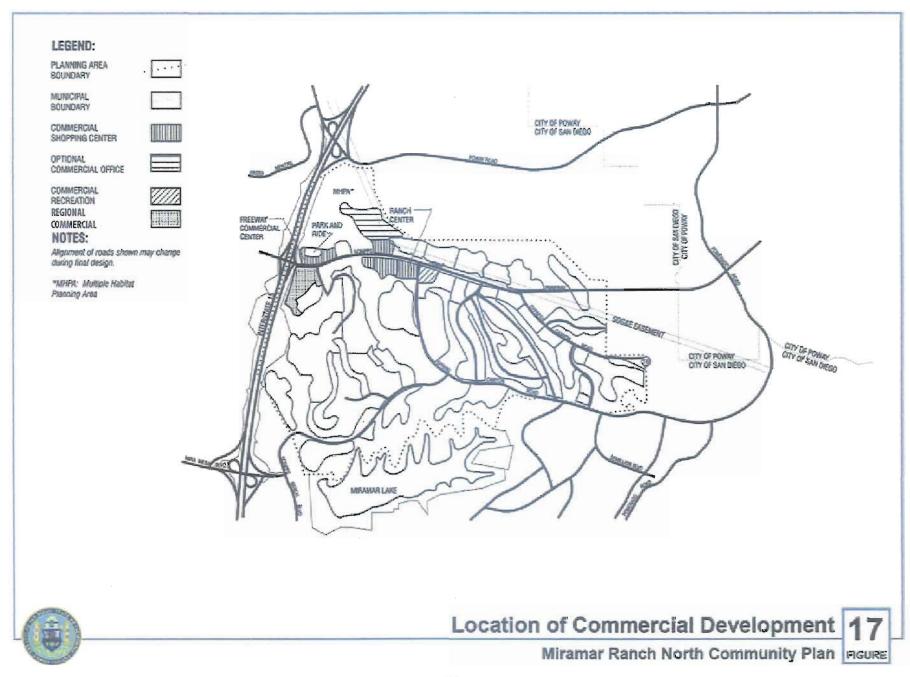
Additional demand generated by residents of the northeast portion of Scripps Ranch as well as by industrial park personnel from within Miramar Ranch North should further guarantee the viability of this center.

In addition to community/neighborhood shopping, a need for general commercial can be identified, serving Miramar Ranch North and surrounding communities as well. This commercial would supplement, not compete with, the community/neighborhood center by focusing on subregional commercial, office, recreation and/or industrial park support commercial. According to City commercial standards, community shopping centers or commercial service centers range up to approximately 15 or 20 acres.

The growth in the I-15 corridor has increased the demand for specialty retailers that is being served by the emergence of lifestyle retail centers. The unique nature of this type of center

allows for a site design on a much smaller footprint than the traditional regional center that includes multiple anchor tenants. The Mercy interchange site provides an optimum location between two major regional centers to serve an emerging clientele. This site is also well located to serve an increased demand in high quality corporate office to reflect shifts in the economic structure of the region. The General Plan designation of Regional Commercial provides the flexibility to meet the needs of any combination of regional commercial office and/or retail.

While the principal purpose of providing for commercial development is to meet consumer needs, commercial sites should be recognized as employment generators as well. The two commercial centers combined with the regional commercial site proposed in this section are estimated to provide a minimum of about 510-3,550 jobs when developed.



The freeway commercial center should be developed to accommodate subregional commercial needs, taking into account Peñasquitos East and Miramar Ranch North in particular. The following uses are appropriate:

- Commercial recreation, such as sports club, hotel/motel, restaurant and/or movie theater.
- Professional and business offices and/or commercial or industrial support services.
- Financial institutions.
- Teaching institutions, such as daycare, nursery school, art school and/or trade or business school.
- Retailing establishments.
- · Hospice or nursing home, subject to traffic noise mitigation.
- Service station and/or automobile repair.
- Food store and/or drugstore, under the condition that each such establishment is a minimum of 20,000 square feet in size.

Regional commercial development is proposed for the southwest corner of Mercy interchange, with access provided from Scripps Poway Parkway and Scripps Highland Road. As shown in Figure 17, this location takes advantage of the proximity to I-15 to provide employment and attract users from the I-15 corridor communities and the region at large. This designation allows a flexible range of commercial service, civic, retail, office and limited industrial uses; residential is prohibited at this location, the larger size of this site (over 20 acres) provides greater opportunities for an integrated design of commercial office and/or retail uses that would not typically compete with the community serving retail identified in the Plan, the following uses are applicable:

- Commercial recreation, such as sports club, hotel, restaurant and/or movie theater.
- Corporate and business offices and commercial support services.
- Financial institutions.
- Retailing establishments.
- Service station and/or automobile repair.
- Food store and/or drugstore.

Possible commercial uses in addition to the community and freeway commercial centers include commercial office and recreation in the North Ridge industrial area. Also, a recreation club is permitted south of Scripps Poway Parkway, as discussed in the Park and Recreation Element (Section 7.2).

#### 6.3 COMMERCIAL DEVELOPMENT GUIDELINES

acceptance of a comprehensive project plan conforming to specified design criteria and development standards. The PCD public hearing process will ensure compliance with the commercial design guidelines proposed in this Plan. Because of the 36-month time limit on a PCD permit, it is suggested that a comprehensive plan for the entire commercial center be developed at the outset, with the PCD permit allowing both initial and completion phases. Convenience uses would be more appropriate for the early phase, with uses requiring a larger market demand reserved for the second phase, if that is what the market dictates.

The freeway commercial center should be developed under CA zoning area shopping center. This zone gives considerable flexibility as to land uses, including commercial office, recreation facilities, and retailing establishments.

In addition, it is recommended that the freeway commercial be undertaken as a PCD. Additional uses are permitted under the PCD; however, for residential uses, adequate traffic noise mitigation must be provided. The PCD should be utilized to implement the proposals in regard to uses outlined in **Section 6.2**. All development should be aesthetically pleasing and visually compatible within the center.

The regional commercial center on parcel 2A should be developed under appropriate commercial and industrial zoning that prohibits residential uses and provides flexibility by allowing for corporate and multi-tenant office uses and community and regional serving retail establishments.

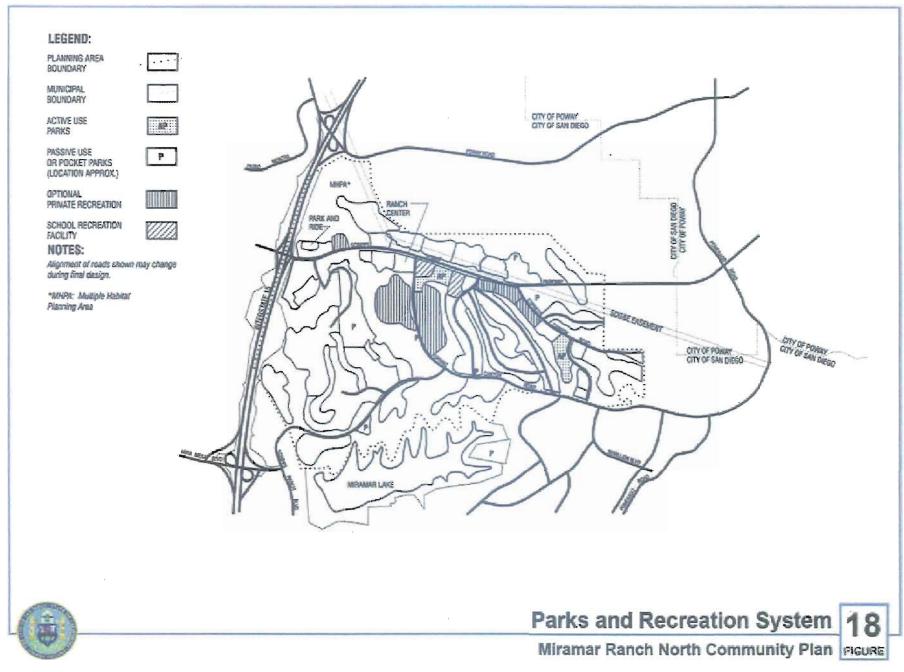
In addition, it is recommended that the regional commercial be undertaken as a planned development permit (PDP). The PDP should be utilized to implement the proposals in regard to uses outlined in **Section 6.2**, while providing the flexibility to adjust the combination of commercial office and retail subject to the limitations of the final traffic impact study. The use of design guidelines in conjunction with the PDP will ensure development will be aesthetically pleasing and visually compatible within the site.

Use of a comprehensive sign plan in conjunction with the PCDs and PDPs is encouraged. Signs should be included as a permitted development control in City consideration of PCDs and PDPs in the community.

Implementation of commercial development is summarized in **Table 11**. Commercial in the North Ridge industrial area is discussed in **Section 5**.

TABLE 11
IMPLEMENTATION OF COMMERCIAL ELEMENT

Proposal	Action	Responsibility
Develop adequate commercial area to meet the basic community needs.	Permit rezoning in conformance with Plan.	Planning Commission, City Council.
Promote development following the design guidelines set out in Plan.	Utilize tentative map and PCD processes to work with developers.	Planning Committee, Planning Department.



**Building Design:** compatible architectural styles for buildings, enclosures and fencing; use of woods and other building materials in earth tones or pastels; limiting residential building heights in the viewshed to three stories, with one to two stories preferred on ridgetops.

**Signs:** architecturally attractive signs which contribute to the retention and enhancement of the community's character; size to be in scale with surrounding buildings or, if along pathways, at pedestrian scale.

All signs which can be perceived from public streets and pathways should be in proportion to the buildings or activities they identify. Ground signs identifying neighborhoods and individual development projects should be designed as an integral element within the surrounding landscape, landforms and fencing. Earth tones should be emphasized in signing.

Animated and roof signs should not be permitted. Building or wall lighting should be indirect. A limited number of spotlights may be used to create shadow, relief, or outline effects when such lighting is concealed or indirect.

Open Space Linkage: areas of natural open space should be linked to one another via a natural link where feasible or by linear greenways located along the major roads (see Figures 7, 8, and 9). The linkages also should provide landscaped buffers between the roads and developed areas which create a more country/rural character to the community, as may be seen in the Scripps Miramar Ranch Planning Area.

#### 11.2 SPECIAL DESIGN AREAS

**Objective:** Designate special development areas and anchor projects for special attention in design, construction and maintenance.

Anchor projects are individual development projects which, because of their location, are important in setting the overall tone of the community. Four anchor projects are designated, as shown in **Figure 25**.

Both tThe Miramar Lake residential site, parcel 33, and the freeway and regional commercial centers, parcels 1 and 2A and the Mercy industrial area, parcel 2B, act as gateway projects into Miramar Ranch North. As projects visible to persons entering the community from I-15, they require special care in presenting a coherent design statement to viewers. The ambience created by these anchor projects should be emulated or reflected in other community developments. Special attention should be given to architectural style, building materials, landscaping, signing, and lighting. The freeway and regional commercial centers is are a component of the Mercy interchange gateway (Section 11.6).

The community commercial center parcels 4B, 4C, 5 and 6 act as an anchor to a major intersection within the community—Spring Canyon Road and Scripps Poway Parkway. Because of its strategic location, the project should function as a community landmark visible to persons traveling within the community and should structure the aesthetic experience at the transportation junction. In addition, the project is key to creating an identifiable, pleasant

#### 11.5 NORTH SLOPE TRANSITION

**Objective:** Provide for the careful design and development of the ridge following the northern plan area boundary, with particular attention to views of the ridge from surrounding areas.

The northern ridge which follows the northern plan area boundary should be sensitively developed to create or preserve good views and to respond to existing environmental conditions. The following guidelines are set out to guide development along the northern perimeter of the planning area.

Preliminary geological investigations north of the northern ridge (outside the planning area) indicate large areas of landslides. Development along the ridge within the Plan should contemplate topping the ridge, with as little disturbance to the slide areas below to the north as possible. The use of fill slopes should be minimized.

Development along the northern ridge should be sensitive to the visual impacts on surrounding areas created by structures, landscaping and other improvements. Ridge-top development will be distinctly visible along the horizon line to viewers from the north, northwest and northeast. Buildings should be carefully massed. Elevations of buildings facing out over the ridge should be well detailed and visually interesting. Special care should be taken in the design of roofs, the selection of roofing materials and the screening of rooftop utilities (see Figure 31).

Ridge roads and pedestrian paths may directly abut native slopes. In such instances, road and pedestrian path design should provide for parking or viewing areas to enjoy views and for landscaping which enhances rather than inhibits viewing.

#### 11.6 MERCY INTERCHANGE GATEWAY

**Objective:** Promote the sensitive development of the Mercy interchange area as an attractive gateway into the community.

The Mercy interchange area is important as the major entrance into the community, both visually to I-15 travelers, and physically and visually to persons entering the ranch. Developments in this area should reflect the atmosphere of the rest of Miramar Ranch North. Of special importance is are the freeway and regional commercial sites, which is agree designated anchor sites as described in **Section 11.2**.

Because of the topography, three separate, isolated sites are clustered near the interchange. Each site has been designated a different land use: industrial/business park and regional commercial (Mercy site), freeway commercial, and multifamily residential. Under these conditions, it is particularly important to strive for continuity in design among the separate projects. Continuity can be achieved by design that is by design that is similar in character or explores different concepts that respect and complement the natural and build environment. Otherwise, the gateway area will take on a disorderly, incoherent appearance.

The key to developing the gateway in a harmonious fashion is the careful design of the individual projects in relation to Scripps North Parkway. A similar relationship between the project and the road should be established for all projects. For example, buildings could be placed near the roadway, offset by a wide landscaped strip, with parking largely tucked behind and out of sight. Additional measures to achieve a harmonious appearance could include a consistent landscaping motif or selected tree, standard signing, street furniture and street lighting, harmonious building and paving materials, a selected architectural style and a similar building height or massing of different heights. Roofscapes on all projects should be as clean as possible, since they are visible from other developments above.

To ensure continuity in the Mercy Interchange area, each project should be reviewed carefully for its design quality and contribution to the overall area atmosphere. All three sites are proposed for development as planned developments. The first site submitted for approval should may be viewed as a trendsettercontext for the remainder of the projects and should be reviewed carefully with the entire Mercy area in mind. Later developments should be reviewed for their general consistency with the trendsetting previous projects as well as explore distinctive and signature design components that complement and enhance the community. The regional commercial site is of sufficient size to allow the creation of a coherent design statement at this community gateway.

At Mercy interchange, accessways to the institutional site, freeway commercial, park-and-ride, and Mercy regional commercial/industrial site should be pushed back from the freeway interchange and ramps to the extent possible. Access points, turn lanes and signals should be engineered to permit as easy traffic flow as possible. The park-and-ride facility should be attractively designed and screened and its interface with transit carefully designed.

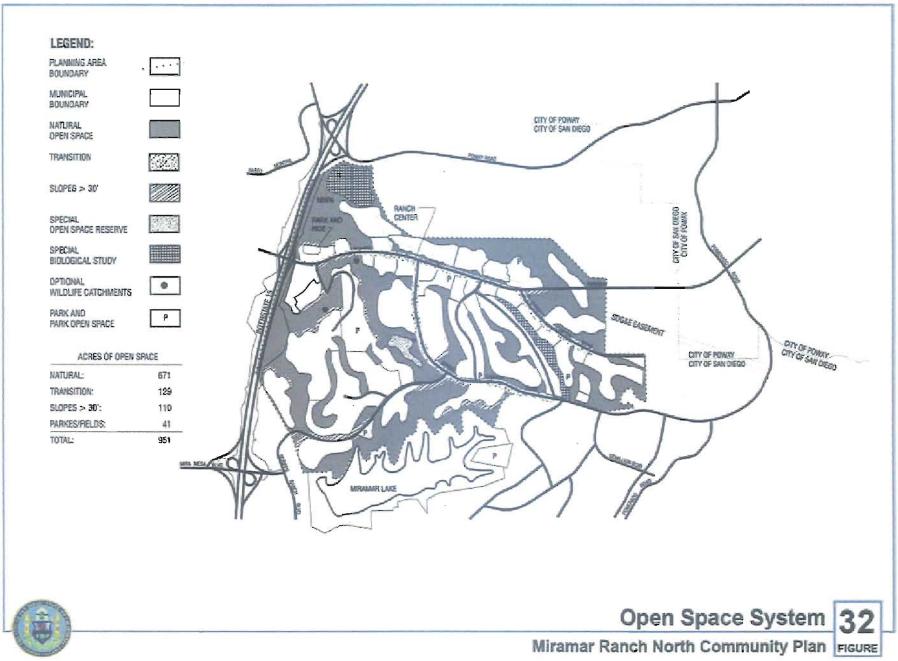
#### 11.7 WESTERN OVERLOOK

**Objective:** Encourage sensitive design of the western escarpment of the planning area which overlooks the mesas to the west.

The western escarpment of the planning area should be developed to maintain views from the community to the ocean while providing a high quality visual experience to onlookers from the mesas below to the west. This area is visible from Mira Mesa, I-15 and Miramar Naval Air Station, as well as from University City at a greater distance. The escarpment area acts as a foreground rising above the mesas with taller mountains beyond in the distant background.

Three design situations for the escarpment overlook can be distinguished: the western Miramar Lake residential site mound, parcel 33; the horizon line and ridge extending to the freeway cut bank; and the treed hollow area falling off below the ridge. While these three areas lie within the Miramar Ranch North planning area, the northwest corner of the Scripps Ranch planning area also impacts the escarpment area. All development design in this western overlook area should bear in mind projects proposed in both plans.

For the western Miramar Lake residential site, the profile created by the housing, landscaping and grading is important to onlookers from the west. A clustered effect horizontally, with terracing vertically, is appropriate. The design of this anchor project must also take into



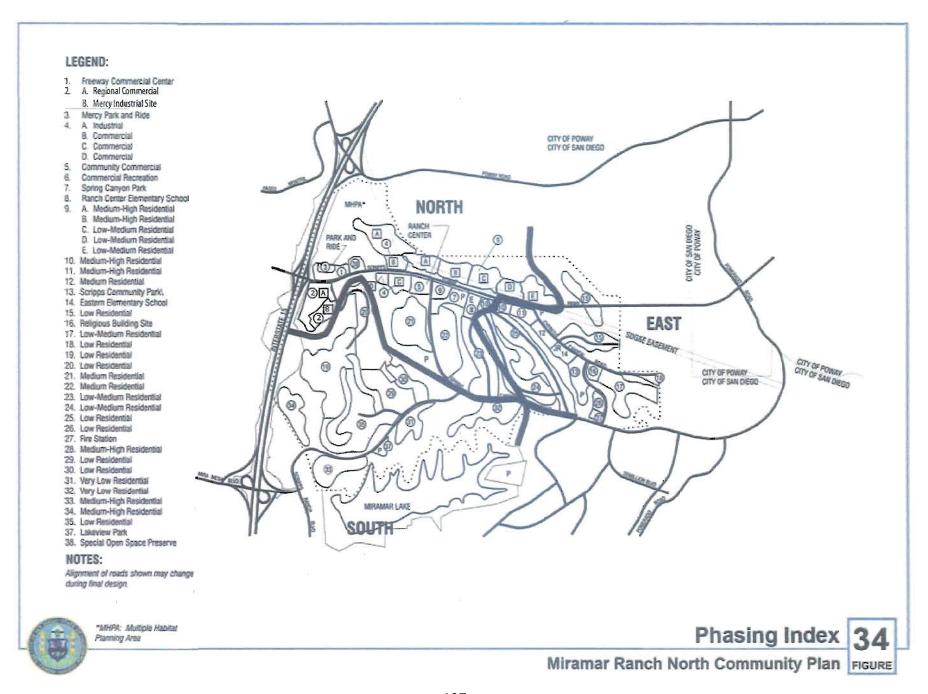


TABLE 20 PLAN PHASING AREA

Plan Area	Number of Dwellings	Areas of Commercial	Areas of Industrial
North	1,797	44 <u>66</u>	<del>60</del> <u>45</u>
South	1,699	0	0
East	1,093	0	0
Total	4,589	44 <u>66</u>	<del>60</del> <u>45</u>

Plan Area Parcels (Figure 34)			
North	1, 2 <u>A, 2B,</u> 3, 4, 5, 6, 7, 8, 9. 10, 21, 22, 23, 28		
South	19, 20, 29, 30, 31, 32, 33, 34*, 35, 37		
East	11, 12, 13, 14, 15, 16, 17, 18, 24, 25, 26, 27*		

^{*}Parcel 27, the fire station, and parcel 34, medium residential, as well as the school and park sites, parcels 7, 8, 13, and 14, may be developed at any time when adequate facilities and services are available.

Balance residential and industrial development, to maintain counterflow of traffic at the freeway interchanges and to provide employment along with housing.

Provide a range of housing opportunities, at a variety of densities, as the community develops.

Phase private and public facilities, utilities and services realistically to meet real demand. For example, development of convenience commercial in the Ranch Center commercial center is expected prior to buildout of the general commercial at the freeway site, as described in **Section 6**.

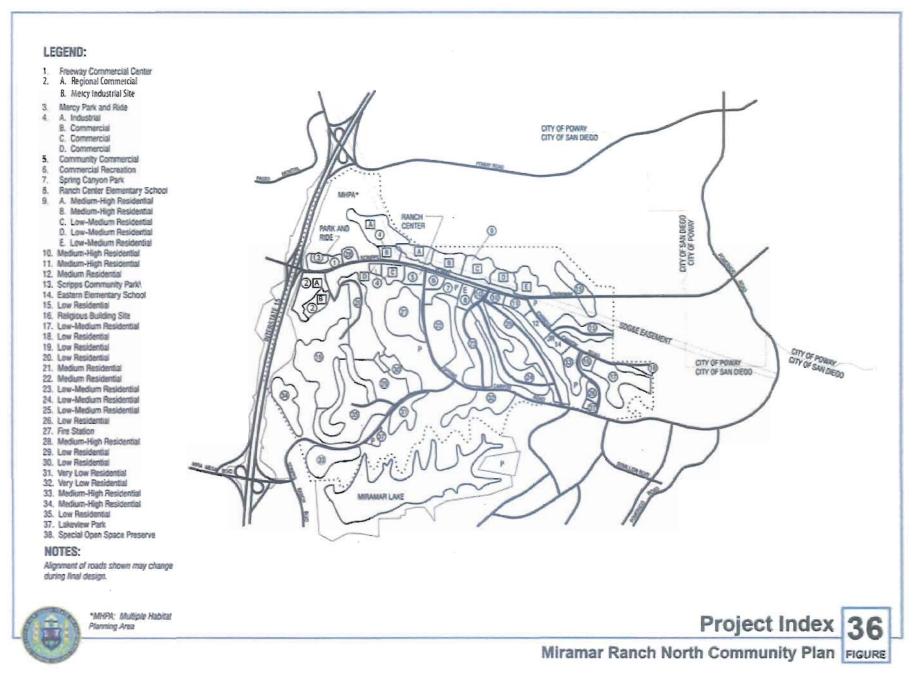
Develop design anchor projects and Ranch Center facilities relatively early in the community building process where possible, to set the image of the ranch and build a sense of community.

Fire station construction should be phased as early as is feasible when adequate access and utilities become available to the designated site.

#### 13.1b Phasing Sequence

Development will occur in an orderly manner starting in the west portion of the planning area. Critical utilities and regional circulation access are in the west area; hence, a west start is necessary.

Construction may begin either in the northwest, at the Mercy crossing on I-15, or in the southwest via Mira Mesa Boulevard and Scripps Ranch Boulevard. The sequencing of improvements will assure adequate public services for the amount of development permitted.



# E. DESCRIPTION OF THE 2013 PLAN AMENDMENT

The 2013 amendment to the Miramar Ranch North Community Plan made a change to the Scripps Gateway portion of Miramar Ranch North. Scripps Gateway is an area that lies to the north and south of Scripps Poway Parkway immediately east of I-15. Specifically, the change involved the redesignation of a portion of the Mercy Site (parcel 2A) from Industrial to Regional Commercial, as authorized by the adopted text of the Plan.

Modifications affected the amount of commercial retail and office that could be developed on the site, as well as the overall Community Plan area acreage. There was no change in the number of residential units as residential use is prohibited at this location. Also included were a series of consequent changes to employment figures.

# J. FOR THE AMENDMENT APPROVED MONTH 2013



#### MAYOR

Jerry Sanders

#### CITY COUNCIL

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Kevin Faulconer, Second District
Todd Gloria, Third District
Tony Young, Fourth District
Carl DeMaio, Fifth District
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David Alvarez, Eighth District

#### CITY ATTORNEY

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Maxx Stalheim, Senior Planner Tony Kempton, Project Planner

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Dale Gleed	Cheryl Tannenberg
Steve Goyette	Kark Treffinger

# Andrew Hull Stevenson Architects

Andy Stevenson, Principal Marcelo Alberti

# **Community Plan Initiation Issues**

On February 8, 2007, the Planning Commission of the City of San Diego considered a request to initiate amendments to the Progress Guide and General Plan and the Miramar Ranch North Community Plan. The Planning Commission determined the proposed plan amendment met the four required supplemental criteria for initiation in Municipal Code Section 122.01014. The Planning Commission also required analysis of a number of land use issues. The following is the response to Community Plan Amendment Initiation issues.

- 1. Land Use Alternatives that incorporate the amount of previously approved employment square footage on the portion of the site that is to remain designated industrial in order to evaluate the feasibility of maintaining that capacity, or a similar capacity, for employment generating uses. Employment scenarios for the portion that is to remain industrial include: 1) the previously approved entitlements (Corporate Office); 2) light industrial (e.g. research and development, high technology, manufacturing); and 3) office and light industrial; and
- 2. A land use alternative that evaluates development of the entire site with light industrial uses consistent with the current community plan land use designation.

Land use alternatives were evaluated in the project's EIR.

Development under approved entitlements would be consistent with the Miramar Ranch North Community Plan and would not result in environmental impacts beyond those already anticipated with the approved entitlements. Under this alternative, a total of 658,456 square feet of office development would occur. This alternative would generate less Average Daily Trips than the proposed project.

The Light Industrial alternative would be largely consistent with the community plan, but would not provide the range of services recommended for the community gateway anticipated by the community plan. This alternative would not be consistent with the General Plan because it would include uses which are not considered Prime Industrial Land uses.

Under the Prime Industrial Alternative (office and light industrial), 21 acres of light industrial uses would occur on the project site. This alternative would not require an amendment to the General Plan or the Community Plan. However, the uses that would occur under this alternative could result in greater environmental impacts associated with air quality, greenhouse gas emissions, noise, use of toxic substances, and hazardous materials.

# 3. Compatibility of the proposed land use with the adjacent, existing land uses and the environmentally sensitive lands to the south.

The project site, located at the intersection of Interstate 15 and Scripps Poway Parkway, is surrounded by open space and single-family residential development east and south, Interstate 15 to the west, and a small neighborhood commercial center to the north. Adjacent land uses include the existing office buildings.

The proposed mixed-use development would be compatible with the existing office buildings and the neighborhood commercial center. The proposed development would be separated from existing residential development, but would serve the needs of residents.

Open Space occurs south of the project site. Impacts to biological resources that occurred on the project site have been mitigated as part of the original Scripps Gateway approvals. Within the southern portion of the project site, seeded coastal sage scrub slopes and undisturbed coastal sage scrub/chaparral exists. No additional mitigation is required and the proposed development would be compatible with the environmentally sensitive lands.

# 4. Application of the appropriate General Plan Land Use designation.

The project site encompasses 22.42 acres and is situated between Interstate 15 to the west, a neighborhood commercial center to the north, open space to the south, and residential development to the south and east. The proposed project is a General Plan/Community Plan Amendment to remove the Prime Industrial land identification, and a General Plan/Community Plan Amendment to the Miramar Ranch North Community plan to change the current land use designation from Industrial/Business Park to Regional Commercial for a portion of the site.

The Regional Commercial designation is intended for development which serves the region, within five to 25-plus miles, with a wide variety of uses, including commercial service, civic, retail, office, and limited industrial uses. The proposed project would include retail services, office space, and civic uses, and would serve the needs of residents and a regional market.

Staff has determined that the proposed Regional Commercial designation is appropriate due to the proposed project's characteristics and potential market, the site location, and its constraints. The location of the proposed project in relation to the community's circulation system, the possibility of sensitive receptors on site making the site less likely to be developed for base sector employment, and the proposed project's potential contribution to the local and regional economy support a change of land use designation from Industrial/Business Park, to Regional Commercial.

5. The creation and retention of employment opportunities and an economic, fiscal, market and employment analysis for each land use alternative.

An economic, fiscal, market and employment analysis was not prepared for each land use alternative. However, the applicant prepared and submitted a *Fiscal Revenue Generation Study*, and the August 9, 2012, memorandum prepared by the London Group Realty Advisors.

In a memo dated September 13, 2012, and revised September 17, 2012, staff analyzed the comparison of economic impacts between the entitled project and the proposed project. In summary, the entitled project would create 258 construction jobs, 1,222 permanent jobs, and an annual payroll of approximately \$96,346,286. The proposed project would create 534 construction jobs, 1,502 permanent jobs, and an annual payroll of approximately \$68,784,700.

# 6. Traffic impacts.

Traffic impacts for the proposed project were analyzed in the traffic study prepared for the EIR. The proposed project would increase traffic volumes and has the potential to result in direct and/or cumulative impacts on the circulation network. Mitigation measures have been developed to reduce the impacts to an acceptable Level of Service (LOS) for all intersections. Impacts to some street segments would remain significant and unmitigated.

7. The ability to incorporate new transit opportunities on-site or in the area through public/private partnerships.

Presently, the project site is not served by transit, however the project will reserve space for a future transit stop should bus service be provided at a future date.

8. Provision of safe, accessible pedestrian connections between uses on-site and to adjacent uses, public transit, and the existing pedestrian circulation system.

The proposed project would provide wide sidewalks to provide safe pedestrian movement along Scripps Poway Parkway near the project frontage. The internal pedestrian circulation system provides safe and accessible public access. Presently, the site is not served by public transit, but space has been reserved for a future transit stop should service become available in the future.

9. The adequacy of existing public services and facilities including water, sewer, police and fire.

Miramar Ranch North is an urbanized community and all necessary public services are available. An EIR was prepared for the project and serves as the basis for the following discussion.

Fire and Police protection – The project is located within a developed community currently served by existing police and fire protection services and would not result in a need for new or altered facilities.

Water – The City's Public Utilities Department prepared a Water Supply Assessment for the project. The City's Urban Water Management Plan (UWMP) estimates water demand for the project site at 96,600 gallons per day or 108 acre feet per year. Based on the findings of the City's 2010 UMWP, the project would result in no unanticipated demands and will not result in significant impacts associated with water supply.

Sewer-Based on the City of San Diego Sewer Design Guide (2004), the existing project approvals would generate sewer equivalent to 1,295 dwelling units (EDUs). The proposed project would generate sewer equivalent to 895 dwelling units. Therefore, the proposed project would result in a decrease in on-site generated sewer effluent and would not have a significant impact associated with sewer.

- 10. Conditions and concerns stated in the Miramar Ranch North Planning Group recommendation letter dated December 15, 2006, from the chair David Berry. The conditions and concerns stated in the Miramar Ranch North Planning Group recommendation include:
  - a. Prepare a traffic study for the proposed development to compare with traffic generation currently approved for the site.

As previously stated, a traffic study was prepared for the EIR and impacts were analyzed.

b. Zoning and development permits should prohibit residential development.

The proposed project includes a rezone from IP-2-1 to CR-2-1. The CR-2-1 zone prohibits residential development.

c. Evaluate the community's current balance of housing, retail, commercial, industrial, open space and parks.

The proposed project would slightly change the balance of land uses in the community. The amount of Industrial lands would be reduced from 60 acres to 33 acres (from 3.3% of the plan area to 1.8%), and the amount of Commercial lands would be increased from 44 acres to 71 acres (from 2.4%).

of the plan area to 3.9%). The community would maintain the present allocation of land for housing, open space and parks.

# d. Evaluate the types of jobs generated between current and proposed land use designation.

Land use designations do not generate jobs, but allow development which facilitates employment opportunities. As previously stated, staff analyzed the comparison of economic impacts between the entitled project and the proposed project.

# e. Evaluate community benefit versus community detriment.

Based on the analysis contained in the project EIR, the proposed project would have significant impacts to: Transportation/Traffic Circulation/Parking (direct and cumulative), Air Quality (direct relative to construction), Public Services (cumulative). Mitigation measures have been identified which would reduce direct and cumulative impacts to below a level of significance except for Transportation/Traffic Circulation/Parking.

Community benefits include transportation improvements, public plaza, services for office workers and residents, retail options, sales tax revenues, and permanent jobs.

# f. Evaluate the need for a community plan amendment.

The proposed project requires an amendment to the community plan to change the land use designation from Industrial/Business Park to Regional Commercial.

## PRIME INDUSTRIAL LANDS CRITERIA ANALYSIS

# Appendix C, EP-1 of the City of San Diego General Plan (March 2008)

The purpose of the Prime Industrial Lands identification is to protect significant industrial lands from encroachment of uses which could affect industries' ability to operate while allowing for future conversion of some industrial land to other uses. Approximately half of the industrially designated land in the City of San Diego is identified as Prime Industrial Lands. The purpose of this Prime Industrial Lands Criteria Analysis is to determine the Prime Industrial Land value of identified industrial land proposed for mixed-use development, The Watermark.

The Watermark project site is identified as Prime Industrial Lands. The Watermark development proposes to rezone a portion of a previously-entitled development from IP-2-1 to CR-2-1 to allow for a mixed-use project comprised of commercial office space, commercial retail space, a small movie theatre, and a hotel on approximately 34 acres in the Miramar Ranch North Community (see Figure 1, *Project Aerial*, and Figure 2, *City of San Diego Prime Industrial Lands Map*). Existing approvals allow for the construction of two Class A office buildings, totaling 350,743 square feet, as the new corporate headquarters for MedImpact Healthcare Systems, Inc. The first of the two buildings (approximately 155,000 square feet) and parking structure has recently finished construction and is occupied. The second building has a building permit in process. The project also involves an amendment to the Miramar Ranch North Community Plan to change the current land use designation from Industrial/Business Park to Regional Commercial/Residential Prohibited for a portion of the property.

# **Designated Industrial**

Is the land designated for industrial uses in the applicable community plan?

The project site is designated Industrial/Business Park in the Scripps Miramar Ranch North Community Plan. The Community Plan identifies the project site as the Mercy site, which was recommended to be utilized for light industrial uses such as manufacturing, wholesale distribution, and warehousing, as well as a recreational vehicle storage area screened by mini-warehousing facilities.

Current approvals (granted in 1998 by the City of San Diego) include a Conditional Use Permit, Planned Industrial Development Permit, Planned Development Permit, and an Extension of Time. The entitled project allows for the construction of two Class A office buildings, totaling 350,743 square feet, as the new corporate headquarters for MedImpact Healthcare Systems, Inc. The first of the two buildings (approximately 155,000 square feet) and parking structure has recently finished construction and is occupied. The second building is proposed to begin construction in 2012.



Figure 1. Project Aerial

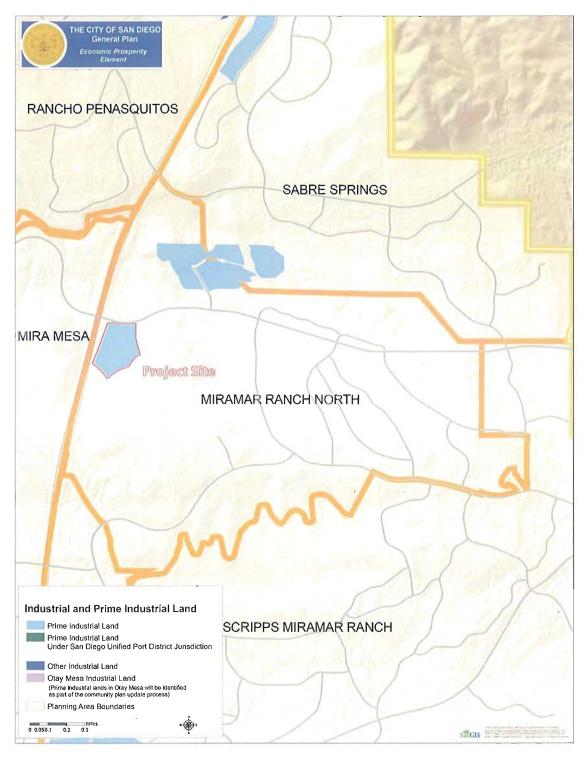


Figure 2. City of San Diego Prime Industrial Lands Map

# **Restrictive Industrial Zoning**

Is the land in an area where zones have been applied to restrict residential and commercial uses that were previously permitted in many older industrial areas? Since these areas are less likely to contain a significant amount of non-industrial uses, the feasibility of attracting new industrial development is increased.

The project is currently zoned IP-2-1, which was formerly the M-IP zone. Neither the IP-2-1 nor the M-IP zone allow for residential development.

The project proposes to retain the IP-2-1 zone on a portion of the project site where the MedImpact building and parking structure have been constructed. Approvals in place on the project site allow for the construction of an additional office building approximately 195,000 square feet in size. The remainder of the 34-acre site would be rezoned to CR-2-1, which additionally restricts residential development. The IP-2-1 zone allows for some commercial uses; the CR-2-1 zone allows for commercial development. (See Figure 3, *Proposed Zoning.*)

The project site is located in an area surrounded by commercial and residential zones. Development immediately north of the project site is zoned CC-1-3, as well as development east of the project site. Parcels northeast of the project site are zoned RM-2-5, with additional residential development occurring south (RS-1-11) and southwest (RS-1-12) of the project site. To the west of the project site, beyond Interstate 15, is RS-1-11-zoned residential development.

The project area contains significant amounts of non-industrial uses. Based on this criterion, this has the potential to decrease the feasibility of attracting new industrial development.

#### **Market Feasibility**

In communities where at least 30 acres of fully entitled vacant land is available for sale, are land prices low enough so that new industrial development is still feasible?

It is not known if there are at least 30 acres of fully entitled vacant land available for sale in the Miramar Ranch North Community. From an aerial survey of the community (see Figure 4, *Miramar Ranch North Community Aerial*), however, no large amounts of vacant land appear to exist in Miramar Ranch North. Also, it is not known if available, entitled land would be priced low enough for new industrial development to be feasible. Recently, Nokia has moved out of this area to the Rancho Bernardo industrial area west of Interstate 15, leaving 335,000 square feet currently available for future use.

## Predominantly Developed or Developable with Industrial Uses

Has the majority of the developed portion of the industrial area been developed with heavy industrial, light industrial, research and development and other base sector uses? Does the area have the physical characteristics suitable for modern industrial development?

The Miramar Ranch North Community has two pockets of land designated for Industrial/Business Park uses: the Mercy Site and an area northeast of the project site identified as the North Ridge Site (see Figure 5, Miramar Ranch North Land Use Designation). The project encompasses the Mercy Site. The eastern portion

of the Mercy Site has recently developed as a corporate headquarters for MedImpact and a parking structure.

On the western portion of the Mercy Site, the project proposes a mix of uses, including additional office space, commercial/retail, a hotel, and a movie theatre. Combining the existing and proposed developments on the Mercy Site, the Mercy Site would ultimately develop with 497,750 square feet of commercial office industrial development (57 percent of the total site); 326,000 of commercial retail uses; 4,500 square feet of entertainment (theatre) uses; and a 130-room hotel.

The North Ridge Site has development with light industrial and research and development uses. Nokia was a notable tenant at this location and has recently relocated to an industrial area in Rancho Bernardo. Other tenants include HD Supply and Dye Precision. Medical and medically-related offices have also developed on the North Ridge Site. As such, the majority of the North Ridge Site has developed with light industrial and office uses.

There is nothing that would physically prohibit the development of a modern light industrial project on the project site. The project site has been graded as a result of previous entitlements. However, adjacency to sensitive biological species just south of the project site would command special care to be taken at this boundary.

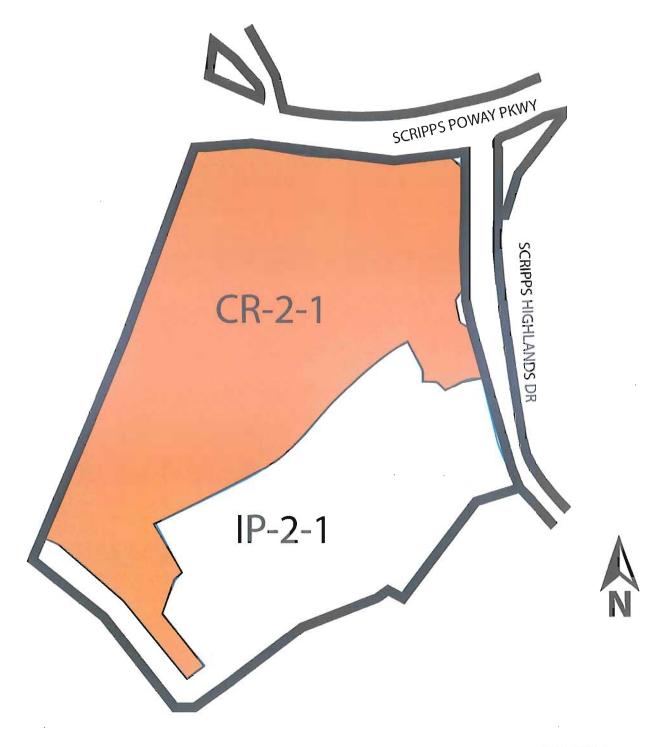


Figure 3. Proposed Zoning



Figure 4. Miramar Ranch North Community Aerial

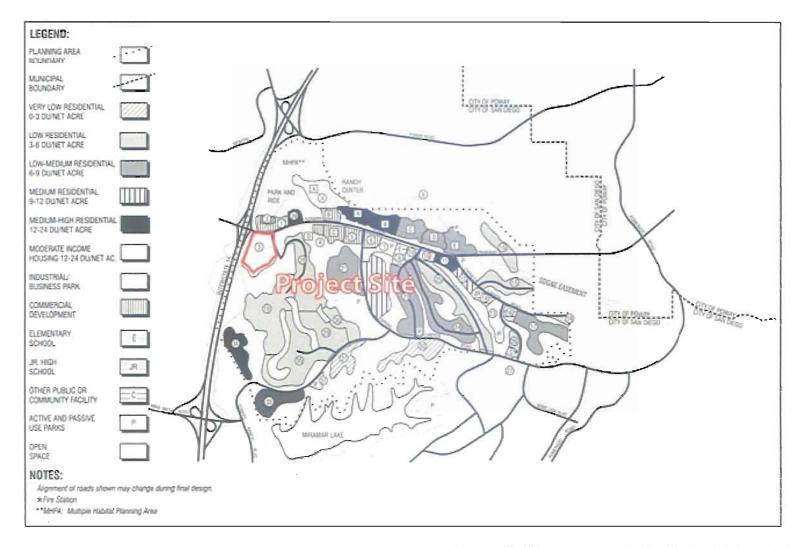


Figure 5. Miramar Ranch North Land Use Designation

#### Free from Non-Industrial Encroachment

Is the industrial area generally free from residential uses and does it contain few institutional or "public assembly" uses or sensitive receptor land uses? Are less than 50 percent of existing uses commercial, or other non-industrial uses? Commercial uses are defined as institutional uses, retail sales, commercial services, offices, and vehicle and vehicular equipment sales and services.

The project area is surrounded by non-industrial uses (see Figure 6, *Surrounding Uses*). Single-family homes exist to the south and east, as well as to the west beyond Interstate 15, with multi-family housing located northeast of the project site. Commercial development exists directly north of the project site, as well as to the east of the project site.

Over 50 percent of uses surrounding the project site are non-industrial uses.

# **Proximity to Resources of Extraordinary Value**

Is the area in proximity to certain human resources and infrastructure investments to which access is fundamental to the type of use it would support? San Diego's existing and probable future industrial companies basically fall into two groups:

- 1. High-technology businesses (bio-technology, business equipment and defense manufacturing) where site selection is driven by the need to have access to universities and science and engineering workers.
- 2. International trade, logistics, and ship building businesses where site selection is driven by access to physical resources such as harbor facilities and other ports-of-entry, such as the border truck crossing and U.S. Customs facilities in Otay Mesa.

The nearest university to the project site is UC San Diego, located approximately 12 miles west of the project site in the University community (see Figure 7, Proximity to Resources of Extraordinary Value). The nearest science and engineering workers are located at the North Ridge Site, a pocket of Prime Industrial Land located less than a mile from the project site. Larger congregations of high-technology businesses exist west of the project site in Mira Mesa and Sorrento Mesa. Although the North Ridge Site is located near the project site, the project site is not considered to be in proximity to resources of extraordinary value for high-technology businesses as both the project site and the North Ridge Site are physically isolated from any other resources of extraordinary value, eliminating the ability to create a high technology campus environment like those that exist in Sorrento Mesa, Mira Mesa, and the North Torrey Pines area of University.

The project site is located approximately 18 miles northeast of the Port of San Diego. The nearest port-of-entry is located over 30 miles south of the project site at the United States-Mexico border crossing in San Ysidro; the border truck crossing and U.S. Customs facilities in Otay Mesa are also over 30 miles south of the project site (see Figure 7.) As a result, the proposed project site is not in proximity to resources of extraordinary value to international trade, logistics, and shipbuilding businesses.



Figure 6. Surrounding Uses

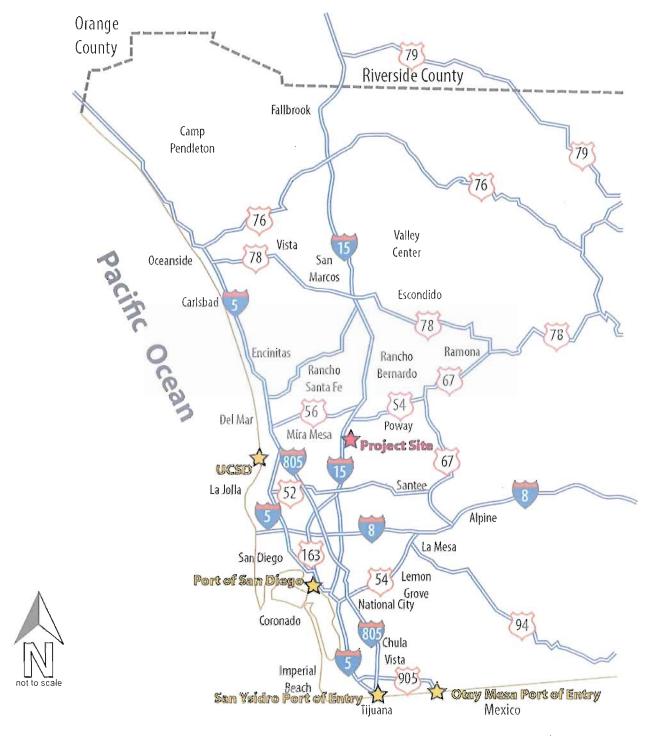


Figure 7. Proximity to Resources of Extraordinary Value

The Watermark
Project No. 180357
Collocation/Conversion Suitability Factors

## COLLOCATION/CONVERSION SUITABILITY FACTORS ANALYSIS Appendix C, EP-2 of the City of San Diego General Plan (March 2008)

The purpose of the Prime Industrial Lands identification is to protect significant industrial lands from encroachment of uses which could affect industries' ability to operate, while allowing for future conversion of some industrial land to other uses. Approximately half of the industrially designated land in the City of San Diego is identified as Prime Industrial. The purpose of this Collocation/Conversion Suitability Factors Analysis is to determine the Prime Industrial value of identified industrial land proposed for mixed-use development, The Watermark.

The Watermark project site is identified as Prime Industrial Lands. The Watermark development proposes to rezone a portion of a previously-entitled project from IP-2-1 to CR-2-1 to allow for development of a mixed-use project comprised of commercial office space, commercial retail space, a small movie theatre, and a hotel on approximately 34 acres in the Miramar Ranch North Community (see Figure 1, *Project Aerial*, and Figure 2, *City of San Diego Prime Industrial Lands Map*). Existing approvals allow for the construction of two Class A office buildings, totaling 350,743 square feet, as the new corporate headquarters for MedImpact Healthcare Systems, Inc. The first of the two buildings (approximately 155,000 square feet) and parking structure has recently finished construction. The project also involves an amendment to the Miramar Ranch North Community Plan to change the current land use designation from Industrial/Business Park to Regional Commercial/Residential Prohibited.

#### **Area Characteristics**

The amount of office and commercial development in the area. The significance of encroachment of the non-industrial uses which has already occurred in the area. The area's attractiveness to manufacturing, research and development, wholesale distribution, and warehousing uses, based on a variety of factors including: physical site characteristics, parcel size, parcel configuration, surrounding development patterns, transportation access, and long-term market trends.

The project site is located in an area surrounded by commercial and residential zones. Development immediately north of the project site is zoned CC-1-3, as well as development east of the project site. Parcels northeast of the project site are zoned RM-2-5, with additional residential development occurring south (RS-1-11) and southwest (RS-1-12) of the project site (Figure 3, Existing and Proposed Zoning). To the west of the project site, beyond Interstate 15, is RS-1-11-zoned residential development. Land uses developed around the project site are consistent with the underlying zones. The project area is surrounded by non-industrial uses (see Figure 4, Surrounding Uses). Single-family homes exist to the south and east, as well as to the west beyond Interstate 15, with multi-family housing located northeast of the project site. Commercial development exists directly north of the project site, as well as to the east of the project site.



Figure 1. Project Aerial

ATTACHMENT 15

The Watermark
Project No. 180357
Collocation/Conversion Suitability Factors

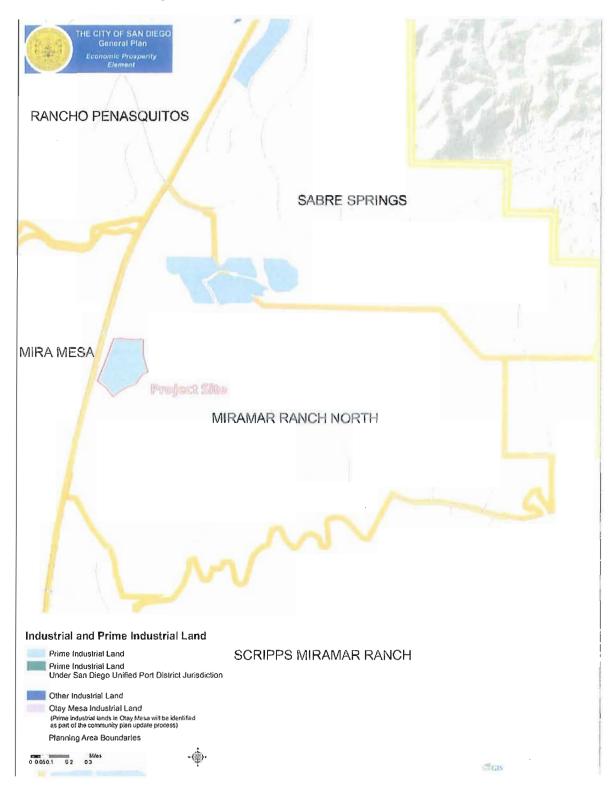


Figure 2. City of San Diego Prime Industrial Lands Map

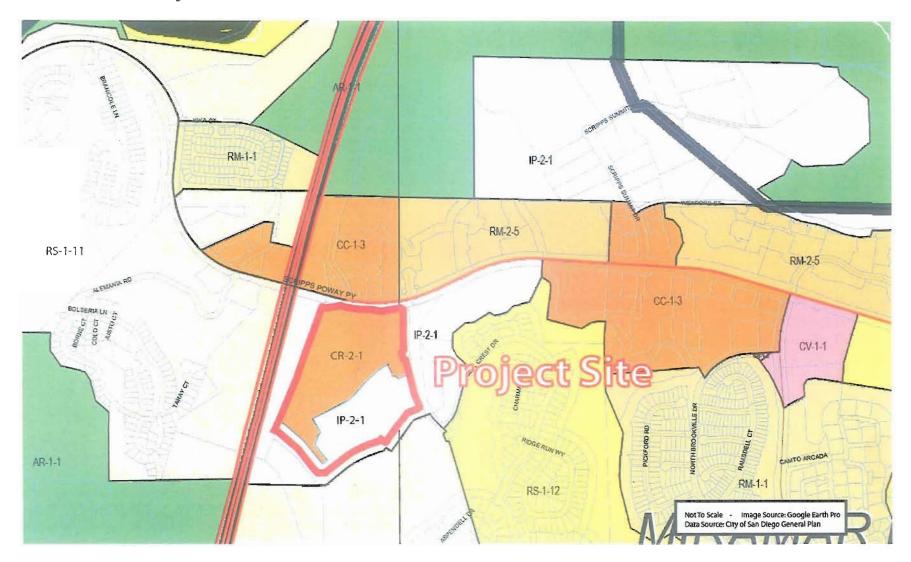


Figure 3. Existing and Proposed Zoning

ATTACHMENT 15



Figure 4. Surrounding Uses

ATTACHMENT 15

The Watermark
Project No. 180357
Collocation/Conversion Suitability Factors

The Miramar Ranch North Community has two pockets of land designated for Industrial/Business Park uses: the Mercy Site (which encompasses the project site) and an area northeast of the project site identified as the North Ridge Site (see Figure 5, Miramar Ranch North Land Use Designation). The eastern portion of the Mercy Site has recently developed as a corporate headquarters for MedImpact and a parking structure. On the western portion of the Mercy Site, the Watermark project proposes a mix of uses, including additional office space, commercial/retail, and a movie theatre. Existing approvals will develop 350,743 square feet of commercial office space as the MedImpact corporate headquarters.

The Watermark project proposes a mixed-use development comprised of commercial office space (400,000 to 654,456 square feet development intensity range – including 350,743 square feet associated with the MedImpact facilities – with a target development intensity of 497,750 square feet), commercial retail space (0 to 500,000 square feet development intensity range with a target development intensity of 326,000 square feet), and a hotel (0 to 130 rooms development intensity range with a target development intensity of 130 rooms). A Conditional Use Permit (CUP) to allow a movie theater (0 to 45,000 square feet development intensity range with a target development intensity of 45,000 square feet) is also included in the project proposal.

The North Ridge Site has development with light industrial and research and development uses. Nokia was a notable tenant at this location. Recently, Nokia has moved out of this area to the Rancho Bernardo industrial area west of Interstate 5, leaving 335,000 square feet currently available for future use. Other tenants include HD Supply and Dye Precision. Medical and medically-related offices have also developed on the North Ridge Site. As such, the majority of the North Ridge Site has developed with light industrial and office uses.

It should also be noted that within the Scripps Ranch Business Park, located approximately three miles to the south of the Watermark project and within the Scripps Miramar Ranch community, over 39 properties are either for sale or for lease. This indicates that there is excess space in the area to serve potential light industrial/manufacturing users. The Scripps Ranch Business Park is identified as Prime Industrial Lands.

The project is not located near any resources of extraordinary value to industrial development. The nearest university to the project site is UC San Diego, located approximately 12 miles west of the project site in the University community (see Figure 6, *Proximity to Resources of Extraordinary Value*). The nearest science and engineering workers are located at the North Ridge Site, less than a mile from the project site. Larger congregations of high-technology businesses exist west of the project site in Mira Mesa and Sorrento Mesa. The project site is not considered to be in proximity to resources of extraordinary value for high-technology businesses. The project site is located approximately 18 miles northeast of the Port of San Diego. The nearest port-of-entry is located over 30 miles south of the project site at the United States-Mexico border crossing in San Ysidro; the border truck crossing and U.S. Customs facilities in Otay Mesa are also over 30 miles south of the project site (see Figure 6.) As a result, the proposed project site is not in proximity to resources of extraordinary value to international trade, logistics, and shipbuilding businesses.

Being located in urban Miramar Ranch North, the project site is situated within the existing circulation network with proximity to Interstate 15. There are no public transportation routes that service the project site area.

The Watermark
Project No. 180357
Collocation/Conversion Suitability Factors

#### **Transit Availability**

The area is located within one-third mile of existing or planned public transit. The project proponent's ability to provide or subsidize transit services to the project, if public transit service is not planned or is inadequate.

The project site is not located within one-third mile of existing or planned public transit. Should transit become available, the proposed project would facilitate a transit stop. However, the project does not propose to provide or subsidize transit services to the project.

#### Impact on Prime Industrial Lands

The location of the proposed project adjacent to prime industrial lands and the impact of the proposed project utilization of the prime industrial lands for industrial.

The project site is identified as Prime Industrial Lands in the City's General Plan (see Figure 2). There is another pocket of Prime Industrial Lands in the Miramar Ranch North community, located less than one mile northeast of the project site, but there is no potential for synergy between the two sites due to their disjointed nature. Between the two pockets of Prime Industrial Lands are commercial land uses, as well as multi-family residential developments.

The project proposes to rezone a portion of a Prime Industrial Lands-identified site for commercial use. However, the majority of development on the site will remain zoned for industrial use and has developed or will develop in accordance with this zone. Additionally, where the commercial (CR-2-1) zone is proposed, land uses will occur that support the light industrial uses on-site. Supporting uses include commercial retail space, a hotel, and theatre, which will offer dining, lodging, entertainment, and shopping opportunities for employees of the light industrial office development.

#### Significance of Residential/Employment Component

The significance of the proposed residential density to justify a change in land use. If residential is proposed on the same site, the amount of employment space on the site is to be retained.

There are no residential uses proposed for the project. The proposed project consists of commercial retail, a theatre, hotel, and office uses. In the surrounding area, there is a residential density that is great enough to justify the development of commercial uses on the project site.

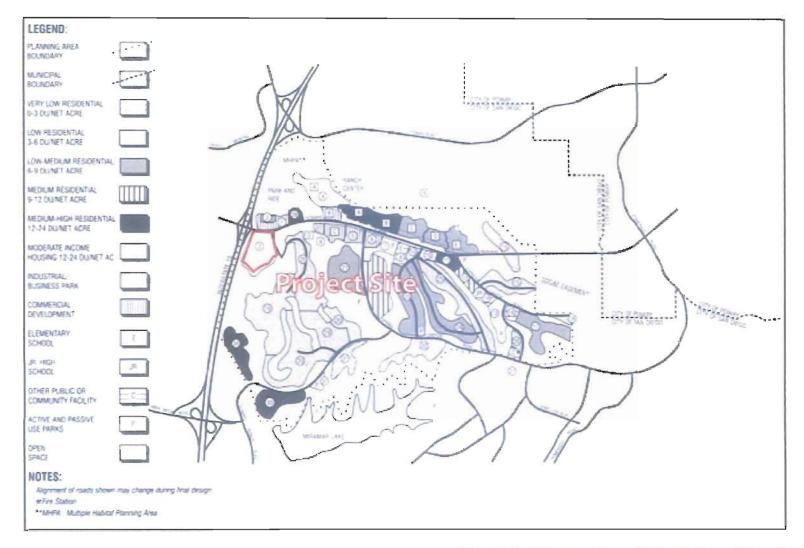


Figure 5. Miramar Ranch North Land Use Designation

ATTACHMENT 15

The Watermark
Project No. 180357
Collocation/Conversion Suitability Factors

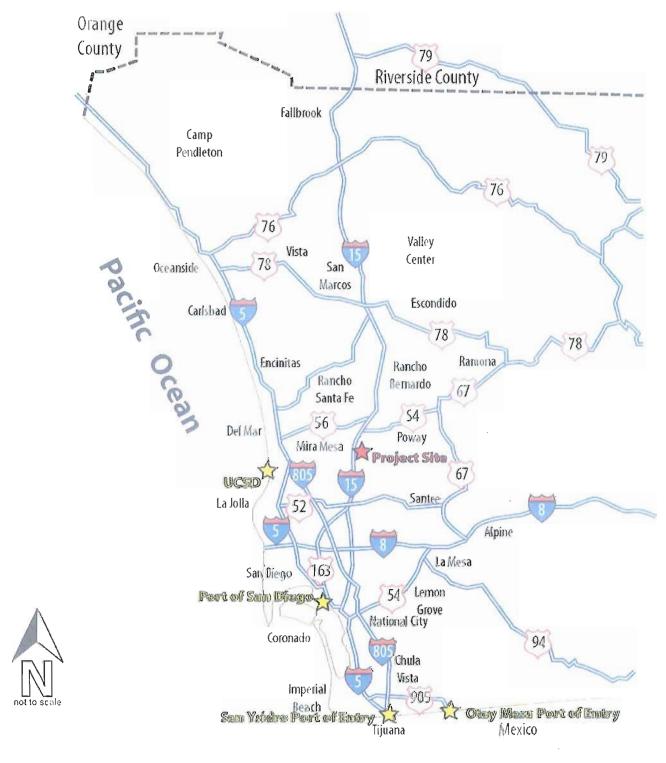


Figure 6. Proximity to Resources of Extraordinary Value

The Watermark
Project No. 180357
Prime Industrial Lands Criteria

#### **Residential Support Facilities**

The presence of public and commercial facilities generally associated with residential neighborhoods in close proximity to the area, such as recreational facilities, grocery stores, and schools.

The proposed project site is not located in proximity to recreational facilities, grocery stores, or schools. The project does not propose any residential uses that would be dependent upon these support facilities. However, the project would provide commercial opportunities to existing residential developments in the area.

#### Airport Land Use Compatibility

The location of the site in the airport influence area where incompatibilities may result due to adopted Airport Land Use Compatibility Plan policies, Air Installation Compatibility Use Zone Study recommendations, and restrictive use easements.

The project site is located outside of the MCAS Miramar Airport Compatibility Land Use Plan hazard zones. The MCAS Miramar Air Installation Compatibility Use Zone Study does not have any specific recommendations pertaining to the project site. The project site is not subject to any restrictive easements. Additionally, the proposed project has been issued a Federal Aviation Regulations Part 77 Letter on Non-Obstruction, which verifies that the proposed project would not obstruct air traffic movements and/or patterns.

#### Public Health

The location of the site in an employment area where significant incompatibilities may result regarding truck traffic, odors, noise, safety, and other external environmental effects.

The project site is located adjacent to Interstate 15. A noise study will be conducted for the proposed project as part of the project's EIR. However, given the distance between the commercial, office, and light industrial uses proposed for the site and the freeway, it is unlikely that noise levels will exceed City noise standards for the proposed uses. Any adverse environmental effects related to being located in close proximity to a freeway are not anticipated to be great enough to impact public health.

#### **Public Facilities**

The availability of facilities to serve the residential units. Provide public facilities on-site wherever feasible.

There are no residential units proposed. This Suitability Factor does not apply to the proposed project.

#### Separation of Uses

The adequacy of the separation between industrial and residential properties with regard to hazardous or toxic air contaminants or hazardous or toxic substances. Determine if there are any sources of toxic or hazardous air contaminants, or toxic or hazardous substances, within a quarter mile of the property between proposed residential or other sensitive receptor land uses and proposed properties where such contaminants or substances are located. If so, an adequate distance separation shall be determined on a case-by-case basis based on an approved study submitted by the City and appropriate regulatory agencies. If no study is completed, provide a 1,000-ft. minimum distance separation between property lines. Uses which are not sensitive receptor land uses, such as most commercial and business offices, retail uses, parking, open space, and public rights-ofway can locate between the properties within the separation area.

The Watermark Project No. 180357 Prime Industrial Lands Criteria

The project site is located approximately one-half mile from the nearest residential development. There are no sources of toxic or hazardous air contaminants, or toxic or hazardous substances, within one-quarter mile of the project site. An EnviroFacts search conducted on November 9, 2010, yielded no facilities with toxic substances or radiation within one-mile; there are four facilities that have reported hazardous waste activities (three of which are gas stations), the closest being the Tesoro gas station located approximately one-quarter mile northeast of the project site in the adjacent commercial development.

#### Minor revisions September 17, 2012



#### THE CITY OF SAN DIEGO

#### MEMORANDUM

DATE:

September 13, 2012

TO:

Rene Mezo, Project Manager, Development Services

FROM:

Toni Dillon, Economic Research Coordinator, Development Services

SUBJECT: The Watermark - PTS Number 180357

Thank you for giving us the opportunity to review and comment on the *Fiscal Revenue Generation Study* (Study) and August 9, 2012 Memorandum (London Memorandum) prepared by The London Group Realty Advisors (London) for Sudberry Properties (Sudberry) in connection with the latter's proposal to obtain new land use entitlements for its project "The Watermark" (Watermark). Our review concludes that this Study's revenue estimates were prepared using conventional methodologies.

We have reservations about some of the retail market analysis input data in this Study and we do not necessarily agree with some of the assumptions in the retail market analysis and the London Memorandum. We generally agree with the tax revenue conclusions reached by the Study, but feel these tend to overstate the public benefits which would result from the proposed Watermark project were it to be approved, constructed and occupied. However, we want to make clear at the outset that the proposed Watermark's commercial mixed-used development will generate substantial amounts of estimated new sales tax and Transient Occupancy Tax that would not be generated by the property as currently entitled. Specifically, if approved, constructed and occupied, the proposed project is estimated to generate \$1.7 million in net new General Fund tax revenue to the City on an annual basis, beginning in 2016.

The London Study submitted for review focuses exclusively on the estimated tax revenues generated if the proposed Watermark project were approved, constructed and occupied; as such, this Study does <u>not</u> include:

- the required evaluation of the impacts on the local and regional economy of the current entitled and proposed development scenarios at the 21.13 acre site;
- the required office market review including the development feasibility of office space at the proposed project's 21.13 acre site; and,
- the required estimates of the net fiscal impact to the City from the construction and occupancy of the 21.13 acre site.

Page 2 of 16 Rene Mezo, Development Project Manager September 13, 2012

Although this information was not provided we have completed direct research to address the economic impacts, assess the areas' office market\submarkets and estimate the net fiscal impact resulting from the development of the proposed Watermark project.

## Descriptions of the MedImpact Corporate Headquarters (vested) Entitlements and the Commercial Mixed-Use Entitlements Proposed for the Watermark Project

#### MedImpact Corporate Headquarters PID 99-1027

Currently this 34.39 acre site is entitled under the MedImpact Corporate Headquarters Planned Industrial Development Permit (PID) Number 99-1027. This PID entitled MedImpact to build five corporate office buildings with a total floor area of 623,961 square feet (s.f.) and two ancillary buildings with a total floor area 34,495 s.f. The total entitled floor area, originally approved in 1999 under this PID, is 658,456 s.f. Of the 34.39 acres entitled, dedicated open space of 3.42 acres will not be developed. This site was identified as Prime Industrial Land, is zoned IP-2-1 (Industrial Park), and designated for Light Industrial uses This PID also limits tenant size to a minimum of 40,000 square feet, effectively precluding the use of the property by smaller professional services firms, and making it marketable principally to larger "corporate headquarters" type users.

MedImpact has constructed a 148,554 s.f. corporate office building and a parking structure on Lot 1 vesting the current PID entitlements in 2010. In addition, MedImpact has received a determination of substantial conformance for a second corporate office building with a floor area of 170,000 s.f., two ancillary buildings totaling 34,495 s.f., and another parking garage on Lot 2. Lot 1 and 2 have a total area of 9.84 acres, which MedImpact requires to remain entitled under this current PID for planned expansion. Based on the 2009 Substantial Conformance Review (SCR), the remaining entitlements of 305,407 s.f. of corporate headquarters' office floor area are associated with 21.13 acres of the current vested PID that MedImpact does not plan to develop. Sudberry is seeking new entitlements for the proposed Watermark project in partnership with MedImpact for this 21.13 acres subject site. From this point forward the 21.13 acres of the 34.39 acres originally entitled will be referred to in this Memorandum as the "subject site."

#### **Proposed Watermark Entitlements**

The proposed new entitlements for the Watermark project at the subject site include a 289,359 s.f. lifestyle retail center; a 32,000 s.f. building for a specialty high-end grocery store; a 43,917 s.f. theater/lounge; a 130,000 s.f. multi-tenant professional office building; 90,540 s.f. for a 130 room boutique hotel; and,17,007 s.f. of in-line office space. The total floor area of the proposed Watermark project is 602,823 s.f. The combined floor area of the Watermark proposed project of 602,823 s.f. and the 353,049 s.f. of corporate headquarters office space and ancillary development to remain vested by the current MedImpact PID amounts to 955,872 s.f. of floor area on the 34.39 acre site. The ancillary development is entitled for the development of a childcare facilities building and a cafeteria building.

Page 3 of 16 Rene Mezo, Development Project Manager September 13, 2012

#### London's Fiscal Revenue Generation Study

London's market analysis focused exclusively on the proposed retail components of the Watermark lifestyle shopping center to be developed on the subject site. The proposed shopping center is described as a lifestyle center that will provide shopping opportunities that differ from the existing shopping centers in the market area. The Environmental Impact Report states that this lifestyle center is intended to serve as a regional commercial center and provide shopping opportunities that are not currently provided by local neighborhood and community retail shopping centers (2012, July. Pages 10-12. *The Watermark*, 3rd Screencheck Environmental Impact Report).

#### Market Areas

The Study describes this lifestyle center's primary market area (PMA) as a "representative trade boundary for shoppers that conduct the majority of their primary shopping trips" in the immediate area of the lifestyle center. The secondary market area (SMA) is described as "representing shoppers from households located outside of the primary market area that may also be drawn to shop at this lifestyle center" (2012, August. Page 8. *Fiscal Revenue Generation Study* prepared by The London Group Realty Advisors for Sudberry Properties).

The Study provides no explanation as to how the PMA and SMA boundaries were geographically defined. The Study's boundaries of the PMA and SMA do not conform to the *U.S. Shopping-Center Classification Characteristics*. The International Council of Shopping Centers defines lifestyle centers as including upscale national chain specialty stores with dining and entertainment in an outdoor setting with a typical trade area radii of 8 to 12 miles. Market areas that are defined by trade area radii alone can be inaccurate. Recommended adjustments for the street network, freeway access, interstate access and geographic references can be applied to trade area radii to increase the accuracy of a market analysis. The Study's trade area boundaries were not defined using a "gravity model" as the Study does not correlate specific retail types of sales offered by competitors and drive times associated with patrons of these specific retail types.

Without an explanation as to how the market area boundaries were determined we cannot rule out that the SMA should be expanded to include all or a larger portion of Black Mountain Ranch, Torrey Highlands, Carmel Valley, Del Mar Mesa, Torrey Hills and the University plan areas. The east west connection provided by State Highway 56 which connects I-5 to I-15 provides access from these plan areas noted above. If the SMA boundaries were increased to include these plan areas the retail supply, demand, population and median household incomes would change and the resulting change in these inputs may not support the Study's conclusion that excess demand for retail space exists in the trade area. See Attachment 1, Figure: *The Watermark Trade Area Map*, for our visual representation of the London trade area's PMA and SMA as illustrated in the Study as well as radii areas of 3 and 8 miles.

¹ Copyrighted - *U.S. Shopping-Center Classification Characteristics*; Sources: Appraisal Institute, CoStar and the International Council of Shopping Centers

Page 4 of 16 Rene Mezo, Development Project Manager September 13, 2012

#### Market Input Data

The Study's retail market analysis relies on the U.S. Bureau of Labor Statistics' – *Consumer Expenditure Survey* and Claritas demographics and income data, a San Diego-based company which London regards as a recognized provider of demographic information for market analysis and other purposes. Claritas has not yet updated its demographics to reflect the 2010 Census information for subgeographies. Claritas demographics rely on 2000 Census based demographics. The 2010 Census information has been available for subgeographic areas in a geographic information system format since January 2012. This Study's market analysis could have benefited from the more recent 2010 Census information.

The Study's trade area sales, with the exception of grocery stores, were not evaluated as required based on the type of retail sales generated by lifestyle centers. The retail sales categories traditionally associated with lifestyle centers are Convenience Goods and Shoppers Goods. The retail types included in these goods categories are listed below.

- 1) <u>Convenience Goods</u> which includes "eating and drinking", "food related and grocery" and "liquor" sales.
- 2) <u>Shoppers Goods</u> which includes "apparel", "general merchandise", "home furnishing\appliances" and "other miscellaneous" sales.

This Study used an aggregated total for all sales in its market analysis. This aggregated sales total includes several retail types of sales that are <u>not</u> associated with lifestyle centers; such as, "building materials/hardware/farm implements," "auto dealers and auto parts dealers" and "service stations." As the Study's retail sales were not identified by type, it is not possible, beyond the grocery store analysis, to conclude that the Study's trade area leakage identified is specifically associated with the type of retail sales generated by a lifestyle center.

#### Competition

The Study's assessment of the supply of existing retail space for shopping centers greater than or equal to 35,000 s.f. appears comprehensive assuming that the trade area is limited to the Study's PMA and SMA boundaries. According to the Study, existing retail space for shopping centers meeting the above criteria is 5,690,874 s.f. of retail space in the PMA and 1,032,880 s.f. in the SMA.

We agree with the following conclusions in the Study: 1.) no lifestyle centers currently exist along the I-15 corridor; 2.) lifestyle tenants' goods and services generally tend to differ from other regional shopping centers. Provided these conclusions remain true as the project develops, this lifestyle center should provide shopping opportunities not offered by the neighborhood, community- and regional- shopping centers currently located in this defined trade area. Since the tenants are unknown at this point, we cannot be sure if the future tenants' goods and services will actually differ from the area's existing regional shopping centers.

As stated, we have reservations about some of the London data inputs in the retail market analysis. These reservations are summarized as follows: 1) the use of demographic data based on information from the 2000 Census; 2) the trade area's SMA as currently defined; 3) the lack of sales data specific to retail type; 4) the primary source and metadata date of the total sales

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volume information used to represent the current trade area sales in the leakage analysis; 5) the Study's very general \$350 sales per square foot assumption used in the leakage assessment may not be representative of sales by retail type; 6) the \$350 sales per square foot value may not be representative of the sales per square foot of the many power centers that are currently located within the trade area as currently defined by London.

With these reservations, our ability to make a sound independent assessment of the Study's findings is impaired. Based on the data as presented, the Study's very general market analysis appears to indicate that retail demand exceeds retail supply in the trade area as defined. In addition, any diversion of sales from the existing retail installations in the trade area should not be severe enough to result in a chain reaction of business closures and subsequent long-term vacancies if the proposed lifestyle center is constructed and occupied.

#### **Economic Impacts**

#### Prime Industrial Land Identification

Economic impacts are measured by jobs, wages and annual payroll. Net fiscal impact, discussed later in this Memorandum, is measured by the estimated tax revenue generated by the construction and occupancy of the proposed project site, minus, the estimated cost of City services to the proposed project site.

As stated earlier, the subject site is currently entitled for large corporate office an industrial use, has been identified as Prime Industrial Land, is zoned IP-2-1 (Industrial Park), and base land use is Light Industrial. Sudberry is requesting to remove the property from the Prime Industrial Land map in the General Plan, establish new entitlements for multi-tenant commercial office, hotel and retail uses. The proposed new entitlements would prohibit residential development.

The General Plan provides policies to preserve critically-located base sector industrial areas where future base sector industries are likely to locate. According to the General Plan, research and development functions can also be performed in an office setting or flexible industrial space (*General Plan. Page, EP-6*). Base sector industries import wealth to the local and regional economy through the export of goods or intellectual products and processes to the national or international markets. The growth of base sector industries is not limited by the size of the local market (*General Plan. Page, GL-4*). Corporate offices (corporate headquarters) provide for the creation of base sector jobs (*General Plan. Page, EP-6*). Corporate headquarters is defined as a single user office building with 40,000 or more s.f. of floor area. To remove a Prime Industrial Land identification from a site the *General Plan* requires comprehensive analysis to determine that the site is not critical to the City's or region's base sector employment goals.

Sudberry has submitted the required *General Plan* evaluation of the site's *Prime Industrial Land Criteria* and *Collocation/Conversion Suitability Factors* and these documents have been accepted by Long-Range Planning (*General Plan. Policy, EP-A.12.c. Page EP-11 and Page EP-9*). In addition to the required evaluations of the *Prime Industrial Land Criteria* and *Collocation/Conversion Suitability Factors*, Sudberry was also required to provide an assessment

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of the "potential contribution to the local and regional economy" of the subject site's development as currently entitled and for the proposed new Watermark entitlements (*General Plan. Policy, EP-A.12.c. Page, EP-11*). This has not been received to-date.

#### **Economic Impact Comparison**

In order to provide decision makers with this information, we researched wages for specific industries using the California Employment Development Department's Quarterly Census of Employment and Wages (QCEW) program data. This program produces a comprehensive tabulation of employment and wage information for workers covered by California Unemployment Insurance laws.

QCEW program data can be summarized for specific industries based on the North American Industrial Classification System (NAICS) codes and is specific to California's Metropolitan Statistical Areas (MSA). To calculate the San Diego MSA annual average wage for specific industries, we used the average weekly wages and multiplied these wages by 52 to represent the number of weeks in one year. We then took the calculated annual wage for NAICS industries and multiplied it by the specific number of industry full-time equivalent jobs estimated to be created at the subject site. For detailed information about average pay, estimated annual payroll and the number of specific jobs to be created based on operational use see Attachment 2, City of San Diego Table 1, Comparison of Development Options at the 21.13 Acers Subject Site, The Proposed Watermark Project Compared to the Current MedImpact Corporate Headquarters Entitlements.

The London Memorandum references some preliminary research we had provided as the average industry wage for office use. This reference is in error and has since been corrected through additional research. Based on its NAICS Code of 52492, which MedImpact notes on its City business license, the average annual wage for this industry sector is \$79,800. The average annual wages for San Diego's office operations, exclusive of life science operations, range from \$47,800 for real estate related services to \$128,400 for software development, with the majority of annual wages for office uses closer to the higher end of the range. We decided to use the average annual wage specific for MedImpact's NAICS code to represent corporate headquarters office operations in our analysis. For a review of the direct research completed to determine a standard for office wages see Attachment 2, City of San Diego Table 2, Annual Industry Wage Related to Office Operations.

The Table, shown on the next page, compares jobs and average annual payroll associated with the 21.13 acre subject site for the proposed Watermark project's new commercial-mixed use entitlements and the existing corporate office entitlements.

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	COMPARISON OF E	CONOMIC IMPACTS		
Subject Site Development Scenarios 21.13 acres	Total Number of Permanent Jobs	Annual Average Payroll	Construction Jobs	Construction Labor Cost (includes Wages during construction
Proposed Watermark Project	1,502	\$68,784,700	534	\$56,250,00
MedImpact Entitlements	1,222	\$96,246,286	258	\$27,201,60
Difference	280	(\$27,479,586)	276	\$29,048,39

Source: Quarterly Census of Employment and Wages (QCEW) - Weekly Wages, 2011 San Diego County; City of San Diego; London Study; London Memorandum

See Attachment 2, City of San Diego Tables 1 and 2, for more information and calculations.

At the 21.13 acre subject site, the construction and occupancy of the proposed Watermark project is expected to generate 280 more full-time equivalent² permanent jobs than if the subject site continued its development under the MedImpact Corporate Headquarters' entitlements³. At the subject site the construction of the proposed Watermark project is estimated to create 276 more construction jobs, resulting in \$29 million more in construction labor cost compared to being built as currently entitled under the MedImpact Corporate Headquarters PID. As retail jobs pay less than office jobs, the occupancy of the Watermark mixed-use commercial retail project is expected to generate an estimated average annual payroll that is \$27 million less than if the subject site were to be built and occupied under the MedImpact Corporate Headquarters entitlements. For more information about the estimated land development cost and construction jobs related to the subject site developing under the MedImpact entitlements, see City of San Diego Tables 3 and 4; titled respectively as, Estimate Land and Development Cost for 305,407 Square Feet of Corporate Headquarters (office) Space on the 21.13 Acre Subject Site and Direct Construction Jobs Generated From the Development of 305,402 Square Feet of Corporate Office Headquarters.

It may also be important to review the job creation and payroll for the 34.39 acre site under the following development scenarios:

- Scenario 1: The Watermark project, plus the MedImpact SCR development on Lot 1 and Lot 2.
- Scenario 2: The 34.39 acre MedImpact Corporate Headquarters PID site as currently entitled.

When comparing development Scenario 1 to Scenario 2, Scenario 1 is estimated to create 280 more full-time equivalent permanent jobs and has a lower annual average payroll, which is

² Full-time equivalent employees equal the number of employees on full-time schedules plus the number of employees on part-time schedules converted to a full-time basis.

³ We did not discount full-time equivalent retail jobs created by the proposed Watermark project by 30% for the transfer of employment from existing shopping centers. For other economic impact analysis we have discounted the retail jobs for job transfer. With this discount applied the 1,502 jobs estimated to be created by the proposed Watermark project would be discounted by 251 jobs, bringing the discounted total new jobs to 1,252 for Watermark, which is only 29 jobs greater than the proposed MedImpact jobs estimated to be created at the subject site.

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estimated to be \$27 million less than the average annual payroll for development Scenario 2; specifically, these conclusions remain the same as the 21.13 acre subject site conclusions for permanent jobs and payroll differences discussed previously.

As the proposed Watermark project is a denser development and has 297,416 s.f. more floor area than entitled under the 34.39 acre MedImpact PID, the number of estimated construction jobs created and the estimated construction labor cost are greater for development Scenario 1 than development Scenario 2. However, as one building and a parking garage has already been built on Lot 1, it appears that estimates of construction jobs and labor cost are not pertinent. In addition, as no information was provided it is not possible to evaluate the construction cost, construction jobs or an estimated assessed value of the MedImpact parking structures. As such construction jobs and labor cost for development Scenarios 1 and 2 should not be compared. Furthermore, the property tax revenue generated for the entitled development cannot be calculated as the assessed value of the parking structures is unknown. For more information on job calculations for development Scenario 1 and 2 see Attachment 2 *City Table 5, Development Scenarios 1 and 2, Employment Comparison for the 34.13 Acre Site* 

#### Potential of Realizing Job Creation

The potential for job creation at the subject site based on development as currently entitled and the proposed new entitlements should be reviewed in context. The bottom-line is that the development potential of the subject site as currently entitled is not likely to occur within a short-term time frame, whereas the proposed Watermark project appears to be more likely to be developed in a short-term time frame. Please note that entitling a property for development does not necessarily guarantee this property will be developed in the short-term. For example, the MedImpact Corporate Headquarters entitlements were approved eleven years before the first building was occupied and currently Sudberry and MedImpact are proposing new entitlements for 21.13 acres of the currently entitled 34.84 acre site.

The Watermark project's retail and office space are currently listed as "proposed" in CoStar. CoStar is the foremost internet real estate information service used by local brokers. In addition, CoStar shows a percentage of the proposed Watermark project's retail space is pre-leased and broker contact information for site leasing. Pre-leasing of a percentage of the retail space would be a requirement for financing. We assume this CoStar information came from Sudberry, and as such, Sudberry's current intent appears to be to develop at least some of the proposed Watermark's entitled space in the short-term.

#### MedImpact's Potential Growth

MedImpact has determined that no additional floor area under the existing entitlements is required for company growth beyond the SCR approved development on Lots 1 and 2 and the possibility of a build-to-suit 130,000 s.f. proposed Watermark office tower. Provided this assumption holds true concerning the proposed 130,000 s.f. Watermark office tower, the office floor area not built under the original MedImpact PID is limited to 175,407 s.f., or one five or six story office tower. As Sudberry has submitted for new entitlements for Watermark, we are assuming that the Watermark development has a greater probability of developing than the remaining MedImpact Corporate Headquarters entitlements on the 21.13 acre subject site.

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#### Surrounding Development

As the current site's zoning limits encroachments from commercial, retail and residential uses, the Industrial Land and Prime Industrial Land in the area is not experiencing undue encroachment. Encroachment into Industrial Land or Prime Industrial Land is indicated when 50% or more of the existing uses are commercial or other non-industrial use. Corporate headquarters office uses are economically equivalent to industrial uses because they export services to national and international markets. For this reason, corporate headquarters offices are considered base sector land uses such as manufacturing, mining, and agriculture.

As stated previously, there is long-term potential for corporate headquarters and research and development use on the entitled subject site; however, this subject site would likely be one of the last sites in the City to be developed with office or industrial buildings due to existing vacancy rates. Therefore, we conclude that the subject site will be one of last vacant sites in the City to be developed for expanding base sector businesses. In addition, if MedImpact develops and/or operates a day care facility on Lot 1 or on Lot 2 as proposed and entitled, future industrial development potential may be limited as children are considered sensitive receptors.

#### Economic Uncertainty

The San Diego Office market's potential for corporate headquarters expansion is still feeling the impact of the Great Recession job losses and investment uncertainty. In addition, the uncertainty surrounding the euro's future stability and global economic implications of possible future euro related recession provides additional market uncertainty. Furthermore, several corporate headquartered companies which listed San Diego as their corporate headquarters' home before the Great Recession continue to consolidated operations at other site location outside of California; for example, Petco and Science Applications International Corp.

#### Overview of Office Market

A long term feasibility analysis with forecasted demand for office space absorption for the Scripps Ranch office submarket is beyond the scope of this Memorandum and was not provided by London. The subject site is located in the Scripps Ranch office submarket. We assume that the office space of the subject site if constructed and occupied would be Class-A. Speculative Class-A single user office buildings would prove difficult to lease at this time based on the vacancy rate in this submarket. CoStar's listed vacancy rate for the Scripps Ranch office submarket, as of August, 2012, as 26.3% for all classes and 25.5% for the Class-A office sector.

In the short-term time frame only built to suit owner occupied or pre-lease projects that are narrowly focused to the demands of an end-user are likely to be built in this office submarket and the San Diego Office market in general. The Scripps Ranch submarket's Class-A office sector's vacancy rate would need to fall to 10% or below for the subject site to be developed as speculative Class-A office. Alternatively an end user looking to expand would have to be sought. Therefore we conclude again that the development potential of the 21.13 acre subject site as currently entitled would be considered a long-term proposition as MedImpact is not actively looking for potential end-users.

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#### Current Office Demand

A review of the office market and submarket information also indicates that the creation of the entitled office jobs at the 21.13 acre subject site will not likely happen in the short-term time frame. CoStar, a real estate information service, is the source of all market, sector and submarket data presented in this Memorandum. The subject site is located in the Scripps Ranch office submarket. We chose to review the Scripps Ranch- and Rancho Bernardo- office submarkets as both submarkets include land area along the I-15 corridor. Current office rentable building area, vacancy rates, average asking full service rental rates and total net absorption are compared in Attachment 2, City of San Diego Table 6, Office Sector Comparison (3rd Quarter August, 2012 to 3rd Quarter 2009).

Since the end of the Great Recession, the recovery of the Scripps Ranch office submarket is occurring at a much <u>slower</u> pace than the San Diego office market, and the Rancho Bernardo office submarket. The vacancy rate in the Scripps Ranch submarket for all classes of office space currently is 26.3%, in 3rd Quarter 2012. The Class-A office sector in the Scripps Ranch submarket declined from 46%, in 2010, to its current vacancy rate of 25.5%, in 3rd Quarter 2012. CoStar reports that the 3rd Quarter 2012 vacancy rate for Class-A office sector space in the San Diego Office market is 13.2%.

The Rancho Bernardo office submarket's 3rd Quarter 2012, to-date, vacancy rate for the Class-A office sector is 4.4%, which has declined sharply from the 3rd Quarter 2009 vacancy rate of 16.1%. From 3rd Quarter 2009 to 3rd Quarter 2012, the average asking rental rates declined the most in the Rancho Bernardo office submarket for Class-A office space compared to the San Diego office market, the San Diego City office sector and the Scripps Ranch office submarket.

The Scripps Ranch Class-A office submarket is composed of 11 buildings and 1,279,934 s.f. of rentable building floor area. As the economy has improved, the large amount of Class-A office space vacated by Nokia and MedImpact in the Scripps Ranch office submarket in 2010, is beginning to be absorbed. Nokia moved its San Diego based operations from the Scripps Ranch submarket to a newly constructed office building in the Rancho Bernardo submarket. MedImpact moved from its previously leased space in the Scripps Ranch submarket to its newly constructed building at the entitled site.

The largest of the Nokia office buildings vacated in this submarket was a 190,000 plus s.f. single user Class-A office/R&D building. This building was purchased in July, 2011 by Dart Development Group and will be occupied by a life science company, Dart Neuroscience, following its conversion to a wet-lab R&D facility in 2013. A second multi-tenant Class-A office building of 135,000 s.f., also previously occupied by Nokia, was purchased in December, 2011 and still remains vacant but with reported tenant interest. Although this area is experiencing higher vacancy rates than the other areas reviewed, these purchases and the recent drop in the Class-A vacancy rates demonstrate that there is some demand for developed Class-A office/R&D Scripps Ranch office submarket.

While the Scripps Ranch Business Park is in located within the Scripps Ranch office submarket it is not located within the same community plan area as the subject site. The subject site is

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located in the Miramar Ranch North community plan area. The Scripps Business Park is located in the Scripps Miramar Ranch community plan area. The Scripps Ranch Business park site like the Mercy site (subject site) is also zoned IP-2-1, is identified as Prime Industrial Land and has a Light Industrial designated land use. Intel Corporation (Intel) owns 31 acres in the Scripps Ranch Business Park that are currently vacant and for sale. The Navy Federal Credit Union Headquarters site includes 4 vacant acres. CoStar's list the proposed uses allowable on the Intel property Lots by lot and the uses listed are: 1) commercial, industrial and office 2) commercial mixed-use and 3) industrial and office.

#### **Fiscal Impacts**

Projects which are driven by local demand for goods and services are a function of the market. In the case of retail sales, the physical location of the retail outlets has an overwhelming bearing on the net fiscal impacts. For a retail project to be truly "revenue positive" to the City it must not shift or "cannibalize" all of its sales and sales tax from other locations in the City, but rather, it must prevent "leakage" of consumer spending into other cities' retail installations or capture sales from residents of other cities. Accordingly, if this is not the case, the fiscal impact analysis is merely identifying a supposedly "new" source of revenues which is, or would be, coming into the City treasury from other retail installations. A more detailed breakdown of the revenue analysis for the retail-, hotel- and property- tax generated by the construction and occupancy of the proposed Watermark project at the subject site follows.

#### One-time Project Revenue

The Study estimates that the proposed Watermark project, at the subject site, if constructed will generate approximately \$141,000 in one-time construction related revenues (2012, August. Page 23. Fiscal Revenue Generation Study prepared by The London Group Realty Advisors for Sudberry Properties). This revenue is derived from estimating the sales tax generated from the construction materials purchased. Specifically, the Study assumed, 50% of the project's \$112,500,000 in "hard cost" is labor and the other 50% is for materials supplied by vendors. In addition, at the City's request, London reduced the taxable amount of the material vendors' sales by 50% as not all materials will be purchased in the City and some vendors have point of sale allocations set to other California cities, which prevents the City from receiving sales tax generated on these local purchases. We agree that these Study assumptions are reasonable and reflect an accurate estimate of sales tax to be captured from the purchase of construction materials.

The Study also assumes \$3,000,000 in associated permit fees as a one-time revenue source. We do not agree with this assumption as permit fees are associated with the development's impacts and fee for service plan check reviews. Although these fees may be characterized as "government exactions," such fees are not a new source of General Fund Revenue to the City.

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#### Recurring Annual Project Revenue

#### Sales Tax

The Study estimates that the Watermark project at the subject site will generate an estimated \$3,044,100 per year, in constant 2012 dollars, and by year 2021 due to inflation and assessed value increases the project will generate \$4,056,247 that year in nominal dollars (2012, August. Page 34. *Fiscal Revenue Generation Study* prepared by The London Group Realty Advisors for Sudberry Properties). These calculations are in error. We corrected the Table shown on page 34 of the Study and it is presented below. The London error was created by mistakenly double counting the Transient Occupancy Tax in the amount of \$617,899. The correct amount of estimated sales tax from all venues, noted in the Study, on page 24, is \$1,529,883. The corrected 2021 estimated total tax revenue, in nominal dollars, is \$2,608,992.

In addition to correcting the gross sales tax amount for base year 2012 and for forecasted years, we have discounted the total estimate sales tax amount generated in the base year by 30%. This discount was applied to represent "new" sales tax to the City as discussed in the introduction to the **Fiscal Impact** section of this Memorandum and to be discussed in more detail below.

		rty, Corrected Tal		
Assumptions:	Annual Increase	2012 Base Year ³	Center Completion 2016	10 Years from 2012 2021
Property Tax	2%	\$278,319	\$301,261	\$339,269
Sales Tax (increase in volume)	3%	\$1,070,988 1,2	\$1,205,407	\$1,439,318
Transient Occupancy Tax	3%	\$617,899	\$695,451	\$830,405
Total		\$1,967,206	\$2,202,119	\$2,608,992
Difference (2012 - 2021) =				\$641,786

Original Source: August, 2012. The London Group Realty Advisor, Wotermark Fiscal Revenue Generation Study, Prepared for Sudberry Praperties.

Corrected by City of San Diego

#### Notes:

- 1 Nominal dollars adjusted for inflation.
- 2 Corrected total sales tax total amount as the original Table uses the incorrect value of \$2,147,882, which double counts TOT as TOT is its own line-item in the original Table. The corrected value of sales tax is \$1.529,983 which we than discounted by 30%. See footnote 3 for more information.
- 3 This value of \$1,529,983 was then discounted by 30% to account for expenditures that the current consumers are making elsewhere within the City of San Diego or will make elsewhere in the future is \$1,070,988.

#### Sales Tax

As noted, the Study estimates that the proposed Watermark project if approved, constructed and occupied will generate an annual gross sales tax amount of \$1,529,883, in constant 2012 dollars, from all retail venues. The Study's sales tax estimate for the theater/lounge appears too high at

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50% of the total theater revenue being spent on food and beverages, which results in an estimate of \$52,899 in annual sales tax from the food and beverages generated by the theater/lounge use. In general, movie theaters that do not include restaurant dining options with the lounge experience are estimated to generate on average 30%⁴ of total screen revenue from taxable food and beverages sales.

The London estimate of \$1,528,883 in annual gross sales tax generated from the occupancy of the proposed Watermark project assumes that all taxable sales are net new to the City and no taxable sales will be transferred from existing retailers in the trade area or from other regional shopping centers within the City's boundaries. While we agree this proposed project is likely to capture some new demand and leakage of some sales tax currently captured by the City of Poway and the County of San Diego; it does not necessarily follow through that residents that live in the City and are located in the proposed Watermark trade area are not currently purchasing comparable goods and services from other existing San Diego lifestyle centers, regional malls and other high-end merchandisers located within the City's boundaries. The Study indicates that 28% of the households in the London defined trade area are located in the City of Poway or the County of San Diego, outside the City's boundaries. It also does not necessarily follow through that other San Diego retailers will not expand and modernize their facilities to capture local sales dollars for the City, which might be captured by this proposed project. Therefore, we must assume some of Watermark's proposed gross sales will be cannibalized from these mentioned life style centers, the Mira Mesa Market Center, a power center, which includes restaurants, theaters, specialty retail, a grocery store and other traditional anchors, as well as other high end merchandisers located in regional shopping centers not mention in this Memorandum by name and vise versa. As such we have discounted the sales tax received by 30% and the total net new estimated sales tax to the City on an annual basis is \$1,070,988, in 2012 constant dollars.

Please note two of the three lifestyle centers London referenced in the Study, Flower Hill Promenade and Del Mar Highlands Town Center are located within the City's boundaries and both have recently expanded and modernized to become lifestyle centers. The City currently receives sales tax from the purchases of patrons made at these two lifestyle centers. In addition, the proposed One Paseo project in Carmel Valley includes a lifestyle/community center hybrid and its secondary market area extends from Carmel Valley to the area of I-15 where the proposed Watermark project is located.

#### Property Tax

The Study estimates the Watermark project, if constructed and occupied, will yield an annual average property tax in 2012 dollars to the City of \$278,319. We agree with this figure. This annual estimate does not include a 2% Proposition 13 annual increase in assessed value.

⁴ March, 2008. HR&A Advisors, Inc.'s *Economic and Fiscal Impacts of the Westfield University Towne Center Revitalization Project*, prepared for Westfield Corporation.

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Transient Occupancy Tax

The Study calculates Transient Occupancy Tax (TOT) at 10.5% of room sales at an annual occupancy rate of 68.9%. Based on these assumptions the estimated TOT revenue generated by the proposed 130 room hotel is \$617,899, in annual 2012 constant dollars. We agree with this conservative estimate as it is based on the San Diego Convention & Visitors Bureau data for occupancy rates and the current City's TOT rate.

#### Service Delivery Cost

Estimates of the cost for the subject site's City services are needed to evaluate the net fiscal impact of development at the subject site. We used an average equivalent dwelling unit (EDU) model to estimate the cost of these service expenditures. All demographic and employment assumptions for this average EDU model use 2010 base data inputs. The data sources include: the *Fiscal Year 2011 Final City Budget*, 2010 Census Bureau demographics, and the San Diego Association of Governments (SANDAG) total estimated 2010 civilian employment. In addition, a 3% inflation factor has been added to the FY 2011 per-EDU cost estimates so that the expenditure estimates would be in 2012 constant dollars as the tax revenues are stated as being in constant 2012 dollars.

We previously derived these EDU inputs and service expenditures per-EDU to validate a Net Fiscal Impact model submitted for another project, which was reviewed by many City departments and validated. Under this EDU model, the total cost of City services to the proposed Watermark site are based on the residential equivalent of 193 dwelling units for the 1,502 jobs estimated to be created by the project. The estimated cost of these City services to the proposed Watermark site is an annual cost of \$244,490, in constant 2012 dollars. Below we provide a brief review on how these EDU expenditures were calculated.

EDU expenditures were estimated by first determining the number of City households, 516,033 households, and reflecting the presence of employees, 734,413 total civilian employees, as a resident equivalent dwelling unit. To calculate the number of resident equivalent dwelling unit per employee, we applied a ratio of 1/3 to the total estimated civilian employment number. The ratio of 1/3 reflects the assumption that employees are in the City for about one-third of the time compared to full-time residents. The ratio of employees is then divided by the City's average household size of 2.6 persons per household. For more information on how the total EDU value of 610,179 was calculated see Attachment 2, City of San Diego 7, Equivalent Dwelling Unit Calculations.

After calculating total EDUs, we were able to perform the next calculations to determine the per-EDU service cost. Expenditures per-dwelling unit were calculated by first subtracting charges for current services and other service revenues from specific departments' General Fund expenditures. For most operational departments a standard ratio variable of 35% was applied to the total expenditure cost remaining. The ratio variables that were used to calculate per-EDU cost estimates were based on an Economic Research Associates' (ERA) report, which the City contracted with ERA to produce. Once the operational ratio of the department's budgets were determine and applied, these remaining expenditures were divided by the Total EDU (resident

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and resident equivalent employees) of 610,179 EDU's and a per-EDU average cost was calculated for applicable City services.

To calculate the per-EDU cost of Fire, Police and Environmental Services (Refuse Collection) additional calculations were required. The Fire Department cost estimates required determining a cost per incident per-EDU less overhead. Police Department costs estimates included subtracting other revenues and current overhead, then calculating a per-EDU cost. Refuse collection was weighted by the number of current customers receiving services as households to calculate the cost per –EDU.

We calculated the total cost per-EDU relevant to the proposed Watermark project as \$1,269.66. The total cost for services to the proposed Watermark site is nearly \$245,000. The calculation for the proposed Watermark project's per-EDU cost and the total cost for City services to the site are detailed below:

- $1,502 \text{ jobs} \times .3 = 501 \text{ job equivalent (rounded up from } 500.66)$
- 501 job equivalent ÷ 2.6 city persons per household = 192.56 resident equivalent employees; and
- 192.56 × \$1,269.66 per-EDU cost = \$244,490 in service cost for the Watermark project based on an average per-EDU methodology (rounded up from \$244,485.73).

#### Conclusion

When the tax revenue figures are reconciled to include the discount for sales tax transfer the total tax revenue estimated to be generated annually, in 2012 constant dollars, is \$1,967,206. The estimated service cost to the proposed Watermark site annually, in 2012 constant dollars, is \$244,490. The proposed new entitlements for the Watermark project if approved, constructed and occupied are estimated to generate approximately \$1.7 million net new General Fund Revenue on an annual basis in 2012 constant dollars. The Watermark project's first year of stabilization is stated in the Study to be 2016 and this is the first year the City can expect these General Fund Revenues if the project is constructed and occupied. For more information see, Attachment 2, City of San Diego Table 8, The Estimated Net Fiscal Impact of the Proposed Watermark Project.

The Economic Impact assessment of the subject site if developed under proposed Watermark project's requested new entitlements when compared to the current MedImpact entitlements indicates the following:

- The number of full-time equivalent permanent jobs created by the proposed Watermark project if approved, constructed and occupied is 1,502 jobs (no job transfer discount applied).
- 2) If the 21.13 acre subject site was developed and occupied as currently entitled, with corporate headquarters office uses, 1,222 full-time permanent base sector jobs are estimated to be created.
- 3) Thus Watermark project would generate a net gain of approximately 280 new jobs.

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- 4) However, as the average annual wages associated with retail jobs are lower than the average annual wage associated with corporate headquarters office jobs, if the Watermark project is developed and occupied the average annual payroll would be \$27 million lower than the average annual payroll of the subject site developing as currently entitled.
- 5) The proposed Watermark project's estimated jobs are more likely to be created in the short-term when compared to the creation of the corporate headquarters office jobs based on the subject site being developed as entitled.
- 6) The creation of corporate headquarters base sector office jobs is more likely to be long-term proposition.

Please feel free to contact me with any questions directly by phone at 619.533.6339 if you have any questions.

Toni Dillon, Economic Research Coordinator, Development Services

TD

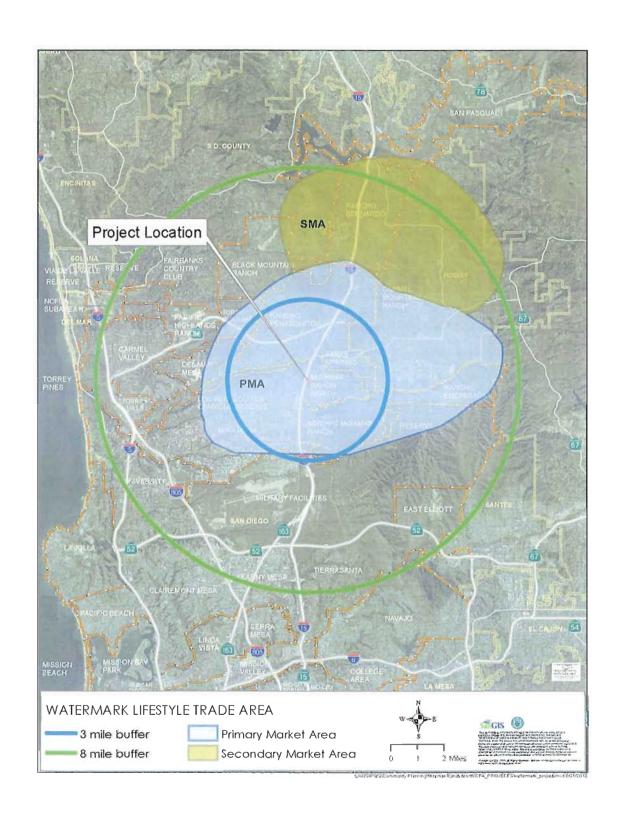
cc: Kelly Broughton, Director, Development Services Department (DSD)
Cecilia Gallardo, Deputy Director, Advanced Planning & Engineering, DSD
Nancy Bragado, Program Manager, Customer Service and Department Support, DSD
Russ Gibbon, Community Development Coordinator, Economic Development, DSD
Maxx Stalheim, Senior Planner, Development Services, City Planning Division, DSD
Martha Blake, Associate Planner, Entitlements, DSD
Holly Smit-Kicklighter, Associate Planner, Entitlements, DSD

#### Attachments:

Attachment 1 - Watermark Trade Area Map
Attachment 2 - City of San Diego Tables 1 through 8

- Table 1, Comparison of Development Options at the 21.13 Acers Subject Site, The Proposed Watermark Project Compared to the Current MedImpact Corporate Headquarters Entitlements
- Table 2, Annual Industry Wage Related to Office Operations
- Table 3, Estimate Land and Development Cost for 305,407 Square Feet of Corporate Headquarters (office) Space on the 21.13 Acre Subject Site
- Table 4, Direct Construction Jobs Generated From the Development of 305,402 Square Feet of Corporate Headquarters (office) Space
- Table 5, Development Scenarios 1 and 2, Employment Comparison for the 34.13 Acre Site
- Table 6, Office Sector Comparison (3rd Quarter August, 2012 to 3rd Quarter 2009)
- Table 7, Equivalent Dwelling Unit Calculations
- Table 8, The Estimated Net Fiscal Impact of the Proposed Watermark Project

Attachment 1
Figure: The Watermark Trade Area Map * includes a 3 mile and 8 mile radii
Rene Mezo, Project Manager
September 13, 2012
The Watermark - PTS Number 180357



# City of San Diego Table 1 - Memorandum referenced on page 6 of 16 COMPARISON OF DEVELOPMENT OPTIONS AT THE 21.13 ACERS SUBJECT SITE THE PROPOSED WATERMARK PROJECT COMPARED TO THE CURRENT MEDIMPACT CORPORATE HEADQUARTERS ENTITLEMENTS

The Development of the Proposed Watermark Project's Industry Jobs, Average Wage And Annual Average Payroll

Industry	NAICS Codes	Weekiy Wage (rounded)	Annual Wage (rounded)	Number of Employees in each NAICS Sector	Annual Average Payroll
Supermarkets and Other Grocery Stores	44511	\$517	\$26,900	80	\$2,152,000
Theater (All Other Amusement & Recreation)	71399	\$435	\$22,600	32 1	\$723,200
Hotels (except Casino Hotels) and Motels	72111	\$546	\$28,400	65 1	\$1,846,000
Restaurants Full Services	722511	\$363	\$18,900	76 ¹	\$1,436,400
Nonresidential Property Managers	531312	\$962	\$50,000	14	\$700,000
Retail (General Merchandise Stores)	452	\$463	\$24,100	647 1	\$15,592,700
Office - MedImpact's NAICS	524292	\$1,515	\$78,800	588 ¹	\$46,334,400
Totals The Proposed Watermark Project				1,502	\$68,784,700

The Development of the 21.13 Acre Subject Site as Currently Entitled for Corporate Headquarters' Industry Jobs, Average Wage And Annual Average Payroll

Industry	NAICS Codes	Weekly Wage (rounded)	Annual Wage (rounded to nearest 000's)	Number of Employees in each NAICS Sector	Annual Average Payroll
Totals The Current Entitlements	524292	\$1,515	\$78,800	1,222	\$96,264,286

The Differences in Jobs and Annual Payroll for the Proposed Watermark Project and the Current Entitlement

	Total Number of Permanente Jobs	Annual Average Payroll
Proposed Watermark Project	1,502	\$68,784,700
MedImpact Corporate Office Entitlements	1,222	\$96,264,286
Difference	280	(\$27,479,586)

Source: California Employment Development Department: City of San Diego: London Group 1
Quarterly Census of Employment and Wages (QCEW) - Weekly wage 2011 San Diego County

http://www.labormarketinfo.edd.ca.gov/cgi/dataanalysis/industryReport.asp?menuchoice =industry

#### Note:

¹ Jobs for the Watermark project source -2012, August. Page 23. Fiscal Revenue Generation Study prepared by The London Group Realty Advisors for Sudberry Properties.

## City of San Diego Table 2 - Memorandum referenced on page 6 of 16 ANNUAL INDUSTRY WAGES RELATED TO OFFICE OPERATIONS

Industry Sector	NAICS Codes	Weekly Wage (rounded)	Annual Wage (rounded)
NAICS SECTOR ²		n/a	
Real Estate	531	\$919	\$47,800
Financial and Insurance	52	\$1,404	\$73,100
Professional and Business Services	1024	\$1,411	\$73,400
Third Party Admin of Insurance Funds	524292	\$1,514	\$78,800 ³
Health Services (Physicians Office)	6211	\$1,573	\$81,800
Information	1022	\$1,581	\$82,300
Professional and Technical Services	541	\$1,766	\$91,900
Financial Investment & Related Activity	523	\$2,050	\$106,600
Software Publishers	5112	\$2,469	\$128,400

Source: California Employment Development Department;

Quarterly Census of Employment and Wages (QCEW) - Weekly Wage San Diego County 2011 4

 $\underline{http://www.labormarketinfo.edd.ca.gov/cgi/dataanalysis/industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industryReport.asp?menuchoice=industr$ 

#### Note:

- 1 These industries sectors were chosen as they are operations that locate in class A office space; however, some science and technology industries also operate in this space; these wages are not shown. The annual wages were rounded to the nearest hundredth.
- 2 Life Science and high tech can also operate in commercial office space. The NAICS wages for these industries is not shown in this Table
- 3 The Third Party Admin of Insurance Fund wage is based on MedImpact's NAICS Code of 524292. This is the NAICS Code that MedImpact indicated best describes its operation when the company applied for a City of San Diego Business Tax Certificate (business license). NAICS Code information provided by an applicant for a City business license is not confidential.
- 4 QCEW information was based on 2011 annual data for San Diego County.

Attachment 2

City of San Diego Tables Rene Mezo, Project Manager

The Watermark - PTS Number 180357

September 13, 2012

#### City of San Diego Table 3 -- Memorandum reference page 7 of 16 ESTIMATED LAND AND DEVELOPMENT COST

#### FOR 305,407 SQUARE FEET OF CORPORATE HEADQUARTERS OFFICE ON 21,13 ACRES SUBJECT SITE

Category	Measurement	Quantity	Per Acre/Sq. Ft.	Total
Land	Acres	21.13	\$1,500,000	\$31,650,000 ²
Hard Costs (Materials and Labor)				
Site Improvements	Acres	21.13	\$473,934	\$10,000,000
Remaining Entitlements Buildings	Sq. Ft.	305,407	\$109 ³	\$33,289,363 ⁴
Tenant Improvement Allowances	Sq. Ft.	305,407	\$25 ³	\$7,635,175 ⁴
Amenities				\$3,478,672 ⁵
Total Hard Costs				\$54,403,210
Soft Costs				
Finance, Legal Costs, Accounting, etc.				\$3,478,672 ⁵
Brokerage Costs				\$1,855,292 ⁵
<b>Entitlement Consultant Costs</b>				\$811,690 ⁵
Non-Discretionary Permit Costs (CDs)				\$1,391,469 ⁵
Total Soft Costs				\$7,537,123
Total Cost				\$93,590,333
Original Source: The London Group Realty Revision Source: City of San Diego	Advisors; Sudberry; RSMea	ins (Cost per Ac	re/Sq. Ft)	
ote:				

- 1 The remaining entitled floor area approved by the MedImpact Corporate headquarters PID/SCR to be developed on the 21.13 acre subject site.
- ² Value remains the same as in the August 9, 2012 London Memorandum.
- ³ Per Acre/ Square Feet cost as provided by Sudberry and RSMeans
- 4 These hard cost estimates were calculated by applying the cost per square feet provided by Sudberry and RSMeans to the 305,407 square feet of remaining MedImpact entitlements on the subject site.
- 5 Estimates are based on the ratio of remaining entitlements to total entitlements. The Remaining entitlements are approximately 46% of total entitlements. As such, these costs are assumed to be 46% of the London Group Real ty Advisors' original source Table values included in the August 9, 2012, London Memorandum.

City of San Diego Table 4 -- Memorandum reference page 7 of 16 DIRECT CONSTRUCTION JOB GENERATION FROM THE CONSTRUCTION OF

305,407 SQUARE FEET ¹ CORPORATE HEADQUA	ARTERS OFFICE
Construction Costs	\$27,201,605 ²
Per Million Dollars	\$27.20
Jobs Generated Per Million Dollars	9.50 ³
Total Jobs Generated (Full-Time Equivalency)	258.42
Original Source: The London Group Realty Advisors Revision Source: Remaining entitlements calculatio	ns - City of San Diego
Note:	

- ¹ The Remaining entitled floor area approved by the MedImpact Corporate headquarters PID\SCR.
- ² Construction costs for labor were calculated by taking S0% of Total Hard Costs. This is an accepted industry standard.
- ³ This industry average of 9.50 sited by The London Group Realty Advisors in the firm's August, 2012, Watermark Fiscal Revenue Generation Stud. This is an accepted industry standard.

City of San Diego Table 5 -- Memorandum referenced on page 8 of 16
DEVELOPMENT SCENARIOS EMPLOYMENT COMPARISON FOR THE 34.39 ACRE SITE
SCENARIO 1 - THE WATERMARK plus MEDIMPCT Lots 1 & 2

#### SCENARIO 2 - TOTAL MEDIMPACT CORPORATE HEADQUARTERS ENTITLEMENTS

Industry	Number of Employees in each NAICS Sector		Annual Average Payroll
Supermarkets and Other Grocery Stores	80	1	\$2,152,000
Theater (All Other Amusement & Recreation)	32	1	\$723,200
Hotels (except Casino Hotels) and Motels	65	1	\$1,846,000
Restaurants Full Services	76	1	\$1,436,400
Nonresidential Property Managers	14	1	\$700,000
Retail (General Merchandise Stores)	647	1	\$15,592,700
Office - MedImpact's NAICS 524292	588	1	\$46,334,400
Scenario 1 - Subtotal The Proposed Watermark Project	1,502	1	\$68,784,700
Scenario 1 -Subtotal Lot's 1 & 2 MedImpact Entitled Development	1,412		\$111,281,045
Total Scenario 1 -The Watermark and MedImpact's Lot's 1 & 2 (entire 34.1 acre site)	2,914		\$180,065,745
Total Scenario 2 - MedImpact Corporate Headquarters All Lots (entire 34.1 acre site) Office NAICS 524292	2,634		\$207,545,331
Difference 34.13 Acre Site (Watermark + MedImpact Lot's 1 & 2), minus, Total MedImpact Entitlements)	280		(\$27,479,586)

Source: California Employment Development Department; City of San Diego; The London Group Realty Advisors

Quarterly Census of Employment and Wages (QCEW) - Weekly Wage 2011 San Diego County

<a href="http://www.labormarketinfo.edd.ca.gov/cgi/dataanalysis/industryReport.asp?menuchoice=industry">http://www.labormarketinfo.edd.ca.gov/cgi/dataanalysis/industryReport.asp?menuchoice=industry</a>

#### Note:

¹ August, 2012. Watermark Fiscal Revenue Generation Study prepared by The London Group Realty Advisors, for Sudberry Properties.

ATTACHMENT 16

	-		City of San Di	iego Office	·		Pancho 6	Bernardo
	San Diego	Market	Sect		Scripps Rand	ch Submarket		arket
Information Category	August, 2012 3rd Quarter (Q)	3rd Q 2009	August, 2012 3rd Q	3rd Q2009	August, 2012 3rd Q	3rd Q 2009	August, 2012 3rd Q	3rd Q 2009
Number (#) of Buildings All Classes	5,565	5,537	2,789	2,777	57	56	133	132
Rentable Building Area (RBA) all Classes	113,613,191	111,440,011	83,614,577	82,241,601	2,754,075	2,599,088	3,355,979	3,272,979
Vacancy Rates All Classes	13.4%	14.7%	13.2%	14.6%	26.3%	19.8%	12.0%	24.09
Average Asking Rent All Classes (per s.f.)	\$2.11	\$2.37	\$2.14	\$2.41	\$2.04	\$2.30	\$2.14	\$2.4
Net Total Absorption (3rd Q 2009 through August, 2012) All Classes	3,716,262	n/a	2,709,166	n/a	(35,298)	n/a	798,077	n/
# of Buildings Class-A	252	244	204	199	11	10	26	2
RBA Class-A	31,650,341	30,706,287	28,305,268	27,568,401	1,257,936	1,102,949	3,355,979	3,272,979
Vacancy Rate Class-A	13.2%	19.9%	12.2%	18.4%	25.5%	18.2%	4.4%	16.1
Average Asking Rent Class-A (per s.f.) Full-Service	\$2.63	\$2.84	\$2.67	\$2.88	\$2.42	\$2.57	\$2.63	\$2.5
Net Total Absorption (3 rd Q 2009 through August, 2012) Class-A	3,403,391	n/a	2,865,069	n/a	36,554	n/a	487,650	n,

City of San Diego Table 7—Mermorandum reference pa	
Data Description	Number
2010 Estimated Population	1,301,617
2010 Estimated Residential Dwelling Units	516,033
Average Household Size	2.60
2010 Estimate Civilian Employment	734,413
Employment Residential Equivalent 1 employee = .333 residents	244,780
Employment Resident Equivalent Dwelling Units (EDU)	94,146
Total EDUs	610,179
Source: 2010 Census; San Diego Association of Governments (SANDAG); City	of San Diego
Note:	
The City considers an employee equivalent to a resident as 1/3 of a resident, used as employees are assumed to be in the City about 1/3 the time as resident.	The state of the property of the state of th

DIRECT TAX REVENUE GENERATED	Percent			TA	X REVENUE
SALES TAX REVENUE					
Sales Tax Revenues (Bradley-Burns)				\$	1,529,983
Discount of Sale Tax Due to Sales Transfer (leakage to existing & expanding retailers)	30%			\$	(458,995
FOTAL SALES TAX AFTER DISCOUNT FOR TRANSFERRED SALES				\$	1,070,988
PROPERTY TAX REVENUE				\$	278,319
FRANSIENT OCCUPANCY TAX				\$	617,899
TOTAL DIRECT TAX REVENUES GENERATED				\$	1,967,20
EXPENDITURES FOR CITY SERVICES	Percent	Eq D	OST PER uivalent welling nit (EDU) 2		TOTAL ATERMARK DU COST
Watermark Project Equivalent Dwelling ² Unit (EDU) Calculation			192.56 ³		
Citywide Program Expenditures		\$	24.04	\$	4,629
Development Services		\$	3.37	\$	649
Engineering & Capital Projects		\$	13.27	\$	2,556
City Planning (CPCI) includes CDBG and Economic Development		\$	14.08	\$	2,71
Environmental Services		\$	113.68	\$	21,897
Police		\$	474.78	\$	91,426
Fire-Rescue		\$	270.75	\$	52,138
Office of Homeland Security		\$	1.19	\$	228
General Services (excluding Street Division)		\$	6.50	\$	1,253
Library		\$	55.25	\$	10,640
Public Utilities		\$	0.35	\$	68
Real Estate Assets		\$	1.90	\$	366
Storm Water		\$ -	59.06	. \$	11,373
Management, Operational, Legal, Financial and Other Support					
Functions aggregated to determine a total EDU expenditure		\$	65.82	\$	12,674
Administrative Overhead	15%	\$	165.61	\$	31,890
			1,269.66	\$	244,490

Source: City of San Diego Fiscal Year 2011 Budget. Department Detail - Volume 2; City of San Diego (City); The administrative ratios were modeled by the City based on the source material from Fiscal Analysis of Otay Mesa Community Plan Update, Prepared for the City of San Diego, Submitted by Economic Research Associates, June 1, 2007. The majority of administrative ratios are 35%, except for CPCI and Homeland Security.

#### Note

- A discount applied due to sales tax transfer (leakage) to existing and future taxable sales that other shopping centers located within the City of San Diego are capturing.
- ² EDU expenditure cost based on FY 2011 Budget with 3% inflation applied for 1 year for an estimate of these expenses as of Fiscal Year 2012.
- ³ The San Diego Association of Governments reports the 2010 Civilian workforce population, including self-employed persons, as 734,413. City total EDU is = to 610,179. The City's 2010 Census reported population, person per household and housing unit count as follows: 1,301,617 population; 2.60 person per household; 516,033 total housing units. The Watermark project's estimated 1,502 jobs are = to 193 EDU (rounded).

### MIRAMAR RANCH NORTH PLANNING COMMITTEE MEETING MINUTES

Tuesday, May 7, 2013 Scripps Ranch Community Center

Meeting Called to Order at 7:10 p.m., Quorum Established 7:11 p.m.

Members Present: (8 total) Dustin Steiner (Chair), Michelle Abella-Shon (Vice Chair), Chris Todd (Secretary), Lorayne Burley, Bill Crooks, Ralph Merg, Chuck Mitchell, Russell Shon. Pat Wright was present at the outset, but did not stay for any formal action of the committee.

Guests: Tiffany Vinson, Claudia Tedford, Mark Thompson, Daniel Goldman, Tom Meissner, Lou Segreti, Janay Kruger, Andy Schlaefli, Colton Sudberry, James Sullivan, Marc Sorensen. Additional community members were present but did not sign in.

**Introductions**: Committee members and guests who were then in attendance introduced themselves.

Public Comment (Non-Agenda items): None.

Modifications to the Agenda: None.

#### Communications:

- 1. City Council District 5: Tiffany Vinson reported concerning the importance of brush management in the community, and presented a brush management brochure in the form attached. She also presented an executive summary of the FY2014 City budget in the form attached. She also presented a "Kersey Report" the regular newsletter being prepared by Councilmember Kersey's office, also in the form attached.
- 2. City of San Diego Planning Department: None.
- 3. CalTrans: None.
- 4. State: None.
- 5. Federal: None.
- 6. Scripps Ranch Planning Group & Scripps Ranch Civic Association:
- A. SRCA President Bob Ilko reported, reminding the group of the May 19 Community Fair, to be held at Community Park. A speed limit increase from 35 to 45 is being considered on Stonebridge Parkway between Cobble Creek and Stonecroft. SRPG recently approved 228 dormitory units to be built at Chabad School. Pursuant to requirements, the dormitory units cannot become condominiums or apartments without a rezone. Lastly, on behalf of SRPG, Mr. Ilko requested MRNPC's consideration of a joint meeting to discuss the Watermark project at the southeast corner of I-15 and Scripps Poway Parkway. SRPG would like to weigh in to the City with its own recommendation, independent of MRNPC's. This topic was discussed later during the meeting.
- B. Marc Sorensen, Chair of the Recreational Council reported concerning the annual summer maintenance issues involving the main soccer field areas at Community and Spring Canyon Parks. He noted that a potentially viable alternative to shutting down the fields for months each summer would be replacement of the grass fields with artificial turf. As this would require significant expenditure, potential funding sources would have to be researched. FBA, "old" Scripps Ranch funds cannot be used. Approximately 4 to 5 acres would need to be turfed in each

park. Both Mr. Sorensen and Mr. Ilko noted that there are at least two city parks with turfed fields, one with a joint use field with a middle school.

7. Community Planning Committee (CPC): None.

#### Presentations / Discussion / Action Items: (P / D / A):

- 1. Elections: Tom Meissner, Resident Owner in the MRNPC area, was elected to a four year term effective June 2013, expiring March 2017. Dustin Steiner, Michelle Abella-Shon, and Russell Shon, were re-elected to their second terms, expiring March 2017. John Masters forfeited his seat due to non-attendance. MRNPC Resident Owner Lou Segreti expressed his interest in filling one of the currently vacant seats, and upon satisfaction of the attendance requirement, his candidacy will be considered.
- **2. Rancho YMCA**: Claudia Tedford introduced Mark Thompson as Rancho Family YMCA's new Executive Director. Mark has 20 years' experience in the YMCA of San Diego County, primarily in their camp properties. Mr. Thompson reported on the Rancho Family YMCA development plans for a 50,000 square foot, full-service recreational facility. Ballfields and sports courts currently being used will need to be displaced due to the development plans. The Y intends to re-locate current sports leagues to provide ample space for the development. A capital campaign is being initiated.
- 3. **Sprint Cellular Tower**: Danielle Goldman sought a recommendation for approval of 15 new cellular antennae, 6 feet in length, adjacent to the Weatherhill water tank. Following discussion, and on motion of Bill Crooks, seconded by Lorayne Burley, the motion to recommend approval carried 8-0-0.
- 4. Watermark Development / MedImpact Property: Colton Sudberry, Janay Kruger, and Andy Schlaefli were in attendance on behalf of Sudberry Properties, and they continued to solicit the input of the committee for approval of the Watermark project. For details concerning community concerns, please make reference to the February 2013 minutes. There was significant debate among the committee members and all others in attendance concerning the timing of the request for approval (preceding the completion of the Environmental Impact Report). The chair allowed Colton Sudberry to speak to whether there should be a joint meeting of MRNPC and SRPG to independently consider approval or disapproval of Watermark. Mr. Sudberry was opposed, due to the time and planning investment Sudberry Properties has put into the potential deliberation process by MRNPC. Debate ensued between committee members concerning jurisdictional issues between the two planning groups. Debate also ensued concerning whether to entertain a motion at this meeting as to approval or disapproval, or instead to await completion of City/proponent responses to comments to the Draft Environmental Report (DEIR). 24 comment letters had been submitted to the City. According to Sudberry representatives, four of the comment letters were in favor of the project. Twenty of the letters raised comments as to environmental issues raised in the DEIR. Sudberry reminded members of the committee that the project entails \$2 Million in offsite improvements, and will reap projected tax revenue benefits of \$2.2 Million to the City annually. The chair and several members including Ralph Merg and Chuck Mitchell expressed concern that if a vote were not taken during the May committee meeting, there was an as yet unproved "risk" that a failed quorum in June

would preclude a vote at that time. Following lengthy discussion on these many issues as noted above, Chris Todd moved, Lorayne Burley seconded, to table consideration of the project pending receipt of responses to the DEIR, presumably at the next meeting. The motion failed 2 (Burley, Todd) -6-0. After additional discussion, including debate concerning formulation of an alternate motion, Bill Crooks moved, Michelle Abella-Shon seconded to "Approve Watermark as presented." The motion carried 6-0-2: voting in favor were Dustin Steiner, Michelle Abella-Shon, Russell Shon, Bill Crooks, Chuck Mitchell and Ralph Merg. Voting against were Lorayne Burley and Chris Todd. The chair is to appoint an ad hoc committee for the purpose of determining any additional benefits the community might receive in consideration for Sudberry's development of the property.

**5. Approval of February 2013 Minutes**: Motion by Michelle Abella-Shon, Second by Ralph Merg to approve the minutes without modification. Motion carried 7-0-1, Bill Crooks abstaining.

#### Committee Reports:

- 1. Chair's Report: None.
- 2. MAD/LMD: See written report.
- 3. New Projects & Transportation: None.
- 4. Spring Canyon Road: None.
- 5. Facilities & Financing: None.
- 6. Schools: None.
- 7. YMCA, Open Space, Parks & Recreation: None.

Other Business: None.

**NOTE:** All members are required to complete City of San Diego's Community Orientation Workshop. The requirement can be met at an in-person workshop hosted by the City May 18, or by online participation. Completion of the workshop is a requirement to being indemnified by the City for acts arising in the scope of services for MRNPC.

http://www.sandiego.gov/planning/community/resources/cow/ecow.shtml is the http to get you to the electronic version.

Adjournment: at 10:25 p.m.

#### MIRAMAR RANCH NORTH PLANNING COMMITTEE

## MEETING MINUTES

Tuesday, February 5, 2013
Scripps Ranch Information Center

semps ranen information center

Meeting Called to Order at 7:04 p.m., Quorum Established 7:07 p.m.

Members Present: (9 total) Dustin Steiner (Chair), Michelle Abella-Shon (Vice Chair), Chris Todd (Secretary), Lorayne Burley, Fred Dudek, Michelle Defelippi, Ralph Merg, Chuck Mitchell, Russell Shon.

Guests: Hugo Carmona (on behalf of Congressman Scott Peters), Councilmember Mark Kersey, Janay Kruger, Karen Ruggles, Justin Schlaefli, Andy Stevenson, Colton Sudberry. In addition, approximately 60 community members were in attendance.

**Introductions:** Committee members introduced themselves.

Public Comment (Non-Agenda items): None.

Modifications to the Agenda: None.

#### **Communications:**

- 1. City Council District 5: District 5 Councilmember Mark Kersey reported concerning his recent swearing-in as District 5 Councilmember following the 2012 election. MRNPC gave a warm welcome to Councilmember Kersey, and commended him for maintaining Tiffany Vinson as the Scripps-area community liaison. Councilmember Kersey then addressed the three main priorities for his administration: 1.) Infrastructure improvements; 2.) Economic Development; and 3.) Public Safety improvements. The Councilmember is chair of the City Council's Infrastructure Committee and will be soliciting community feedback to prioritize infrastructure needs as the committee develops a 5-year plan. He also highlighted the City's desire to partner with local businesses, and to make more police and diligent fire safety top priorities.
- 2. City of San Diego Planning Department: None.
- 3. CalTrans: None.
- 4. State/Federal: State: None. Federal: Hugo Carmona, our area's liaison from California District 52 House Representative Scott Peters' office (newly set up at 4350 Executive Drive, Suite 105, 92121, 858.405.5550) was present and reported Rep. Peters' sponsorship of the "no budget, no pay" bill, which is likely to pass soon. Mr. Carmona reminded the committee that he is available to facilitate future needs and interests.
- **5. Scripps Ranch Planning Group & Scripps Ranch Civic Association:** None. SRCA President Bob Ilko sent his regrets for not being able to attend the important town forum on the Watermark project.
- 6. Community Planning Committee (CPC): None.

#### Presentations / Discussion / Action Items: (P / D / A):

- 1. Miramar Ranch North Maintenance Assessment District (MAD) Report. Report attached.
- 2. Watermark Development / MedImpact Town Hall Meeting. Colton Sudberry, Janay Kruger, Karen Ruggles, Justin Schlaefli and Andy Stevenson were in attendance on behalf of Sudberry Properties, and facilitated a town hall forum concerning the planned retail development adjacent to the MedImpact building at the southeast corner of the I-15/Scripps Poway Parkway exit. Sudberry Properties provided a written submission generally outlining the project and Sudberry's efforts to engage the community in planning (see attachment). In summary, Sudberry will require a zoning change and various use permits

to facilitate a new development concept for the site. Rather than the originally planned, seven office buildings, totaling 685,000 square feet, Sudberry is now proposing a mixed-use (non-residential) town square environment with an outdoor 1+ acre gathering space, a gourmet market, upscale restaurants, upscale movie theatre, other retail outlets, office suites, business hotel, stylish architecture, an upgraded bicycle path, and traffic mitigation plans. An earlier request to amend the Community Plan to allow this development received support, so long as there would be no significant traffic impacts. The Environmental Impact Report (EIR) for the development was apparently finalized and released for review late in the day February 5, 2013. The EIR and other informational materials will be made available for review by MRNPC members and any other interested members of the public. The floor was opened for questions, answers, and discussion. With dozens of community members weighing in, the discussion lasted approximately two hours.

#### **Discussion Topics**

- *Will there be bus service? If so, what routes? Because of the generally suburban nature of the surrounding community, there are no special plans for bus service. It is possible there could be a far right bus stop at the Scripps Poway Parkway/Scripps Highland intersection. Future routes and frequency of bus service are at the discretion of MTS, and Sudberry will accommodate them as needed.
- *What improvements will be made to the bike lanes on Scripps Poway Parkway and running parallel to I-15? Sudberry is evaluating in-pavement flashers for the North-South bike lane parallel to I-15 crossing Scripps Poway Parkway to provide greater visibility to the existing crossing in that very busy area. For Eastbound Scripps Poway Parkway, the frontage will be widened with construction of retaining wall, with the increased frontage, Sudberry will build a 10'-12'-wide multi-modal path behind a 6' planted traffic break.
- *What improvements, if any, will be made to the N-S bike lane right of way adjacent to I-15, south of Scripps Poway Parkway? Recent CalTrans mitigation has left a dark area near the Erma Road residences at the South end of this path. With increased public interest at the development, some community members hope Sudberry will take measures to mitigate vandalism, trash, graffiti, loitering, and darkness in this corridor, particularly with a large parking structure proposed adjacent to the corridor. While Sudberry will staff the project with 24-hour security, thereby creating a greater overall security presence than currently exists, nonetheless Sudberry has no jurisdiction over the corridor, and has not specific plans to mitigate at this time. However, since Sudberry will be in the immediate vicinity with heavy equipment, residents are hopeful that the bikeway corridor can be made more aesthetically pleasing, less of an eyesore, and less of an attractive nuisance to vandals or the homeless.
- *What data exists to make a case for more hotel rooms and more office space? MedImpact is still planning to need and to use more office space than is available to them in the one already developed office building. Executive office suites are also planned for the Watermark. Smaller office use demand is lower than normal now. Hotel room demand along the I-15 corridor is lower than normal now. If the demand for a Hyatt Place-style hotel does not exist at the time of construction, there is a possibility that none will be built. Sudberry cautioned that the actual footprint for the planned development will likely change once there are solid commitments from tenants in place. Substantial conformance review will not occur until those tenants and the actual uses are known.

- *What is the target for retail use? Approximately 350,000 square feet is planned for retail use. Whereas Carlsbad's Forum shopping center has 55 tenants, Watermark is projected to have anywhere from 50 to 80.
- *What type of gourmet market is envisioned? The market would be smaller than the existing Vons on Scripps Poway Parkway, and would not be a Vons/Ralphs/Albertsons-type market. A resident commented that the proposed market should be totally different from any that currently exist in the general vicinity. The market would have its own parking immediately adjacent to the front. Carts and transfer of groceries would be done close by. This parking would be restricted to market users. Other retail would be served by adjoining parking structures.
- *What are the plans for parking? Parking is presently planned to be over-built in contrast with the expected average daily trips. A "right-in, right-out" access point will be available between the I-15 off ramps and Scripps Highland, in the portion of Scripps Poway Parkway designated for widening. The "right-in, right-out" will lead directly down a long, no-parking through road to a six-story parking garage. Valet parking is likely to be available near the entrance to the parking garage, but the majority of users will self-park. The long through road is designed to mitigate, if not completely prevent, traffic backups on Scripps Poway Parkway. Additional parking space is expected in both the hotel garage, and in the unused MedImpact parking, particularly on nights and weekends. There will be no street parking allowed within the property. Community members are concerned that the Scripps Highland development, uphill about 400 yards and 175 feet up from the proposed development, will wind up having to absorb overflow parking. Sudberry believes this is highly unlikely.
- *What is the plan for the movie theater and other retail/restaurants? There are no specific tenant commitments at this point. The movie theater is projected to be Cinepolis-like, at about half the square footage of the Edwards Cinemas on Mira Mesa Boulevard and I-15. In addition, it will have only approximately1/3 of the seats which Edwards has, and have a higher level of food and bar service. Accordingly, the idea is to provide a more upscale movie viewing experience with smaller audience size and smaller crowds overall. Under the movie theater, there may be a smaller "Lucky Strike" style bowling alley. Hopes for retail tenants include businesses like Apple, Anthropologie and lululemon. Restaurants will include locally owned and chain, with hopes for the chain-style to be on the order of PF Changs or Cheesecake Factory. There will not necessarily be a mandated closing time for the businesses. In particular, the theater would be expected to be open past midnight, and it is conceivable the restaurants would stay open longer as well.
- *What is the plan for traffic mitigation? Overall, projected traffic is three times what would have been anticipated if the original office buildings had been developed. However, AM peak traffic volume is anticipated to be exactly the same. Whereas PM peak volume and weekend volume is going to be greater (leading to the overall increase), Sudberry is committing "a couple million dollars" to mitigation. First, Scripps Poway Parkway will be widened. Existing trees which can be salvaged will be replanted. Those which can't be salvaged will be replaced with like kind and quality. Widening will allow additional lanes. "Right-in, right-out" from Scripps Poway Parkway, along with the long through road, should help prevent backups out to Scripps Poway Parkway. Two left turn lanes out of Watermark to Scripps Highland will help prevent backups in the Watermark project itself. Three left turn lanes from Northbound

Scripps Highland to Westbound Scripps Poway Parkway are designed to give easier access to North or South I-15. To leave Watermark and get back on the freeway, the motorist will have to exit from Scripps Highland. There is no U-turn allowable at the intersection of Eastbound Scripps Poway Parkway and Scripps Highland. Sudberry has committed to helping improve the interchange for all directions of entrance and exit to I-15 from Scripps Poway Parkway. Timing adjustments to the on-ramp signals will continue to be made.

Scripps Highland residents are concerned that many Watermark visitors and MedImpact employees will use up- and-over-the-hill as the route to Scripps Ranch Boulevard down to Mira Mesa Boulevard, rather than use the Scripps Highland lanes to Scripps Poway Parkway. These residents are also concerned that their neighborhood will be adversely affected by potential spread of crime from loiterers in the Watermark spreading up and out towards their homes. Alternate views are presented that "mall criminals" will commit their crimes in the mall, not in the neighboring properties. Concern also exists that traffic going up-and-over will be too fast for safety. Residents may want to encourage Sudberry to include V-calms or humps in the vicinity to discourage fast drivers.

There is also concern that Westbound Scripps Poway Parkway will get backed up doubly by, on the one hand, cars heading to I-15, and on the other hand, cars heading to Watermark, where they will have to turn left into the project at Scripps Highland. As this area already sees significant back-up from the freeway entrance traffic alone, there is a concern it will become even worse. Sudberry hopes that improved striping in the underpass, along with signal light improvements, will allow a smoother flow onto and off of the freeway. Sudberry is committing to do the traffic mitigation improvements first, even before the project has been completed, and therefore even before there is any increase in traffic. One resident expressed concern over whether CalTrans had studied the effect of a right turn driveway into the Watermark project with only a 600 foot distance from the I-15 off-ramp to the driveway.

- *What would the expected volume of project users have been if the seven office buildings were built? The rule of thumb for Class "A" office space has always been about 4 bodies per 1,000 square feet. However, with recent, more open office arrangements, densities in current times have been even greater than that. Regardless, assuming 4 employees per 1,000 square feet, the planned 685,000 square foot office buildings would have produced approximately 2,740 additional users of the property.
- *Will the project obtain LEED certification, reflecting environmentally sensitive construction practices? Sudberry does not like the LEED concept because you have to pay extra to get the certificate. However, Sudberry is very concerned about sustainability. Since Cal Green is now part of the Title 24 Code, it will certainly be made part of the Watermark construction process.
- *Will the project cause an increase in pedestrian traffic in Scripps Highlands, as has occurred since completion of MedImpact? One resident notes, "We have experienced more traffic since the opening of the MedImpact building. We also have employees walking around our neighborhood, smoking, and wandering up Trailcrest and into the housing areas during their breaks. While Watermark may seem like a wonderful opportunity to create jobs, in my opinion, it is an opening for more traffic and people to start roaming our neighborhood. We are also part of the neighborhood watch and thefts are more rampant in recent months, especially since the holidays. I wholeheartedly oppose this project on the basis of what I am

reading in the newsletter. While there may be space for these facilities, our house is on the edge of these areas which will have to accept the overflow of traffic going in and out of our neighborhood. With a movie theater and bowling alley, the traffic is not just at "rush hour" but throughout the evening and night as well."

3. Approval of December 2012 Minutes. Motion by Michelle Defelippi, Second by Chuck Mitchell to approve the minutes without modification. Motion carried 8-0-1.

#### Committee Reports:

- 1. Chair's Report: None.
- 2. MAD/LMD: See written report.
- 3. New Projects & Transportation: None.
- 4. Spring Canyon Road: None.
- 5. Facilities & Financing: None.
- 6. Schools: None.
- 7. YMCA, Open Space, Parks & Recreation: None.

#### Other Business:

None.

Adjournment: at 9:31 p.m.

# Ownership Disclosure

The Watermark
Project No. 180357

### Scripps-Highland Partners, a Delaware Limited Liability Corporation

MedImpact Healthcare Systems Inc.

-Fred Howe, Manager

