

DATE ISSUED: April 15, 2005 **REPORT NO. PC-05-083**

ATTENTION: **Planning Commission, Agenda of April 21, 2005**

SUBJECT: OLD GROVE CONDOMINIUMS - PROJECT NO. 25110
PROCESS 4

**OWNER/
APPLICANT:** AG/Touchstone Scripps Center, L.L.C., Owner
Leppert Engineering Corporation, Applicant (Attachment 10)

SUMMARY

Issue(s): Should Planning Commission approve or deny Tentative Map No. 185499 to create fifteen commercial condominium units within an existing 36,901 square foot, two story building in the Scripps Miramar Ranch Community Plan area.

Staff Recommendation:

1. **Certify** Negative Declaration No. 25110; and
2. **Deny** Tentative Map No. 185499

Community Planning Group Recommendation: On March 4, 2004, the Scripps Ranch Community Planning Group voted 10-1 to approve the original application for a Conditional Use Permit and Map Waiver with a condition for a maximum of fifteen condominium units should the proposed church use not move forward. Thereafter, the applicant revised their application to withdraw the Conditional Use Permit and apply for a Tentative Map instead of a Map Waiver. Considering the project revision, the applicant declined to revisit with the Scripps Ranch Community Planning Group based upon their opinion it was not necessary since the application and approval of the previous application accomplishes the same goal to create fifteen condominium units as the current Tentative Map application.

Environmental Review: A Negative Declaration, Project No. 25110, has been prepared for the project in accordance with State of California Environmental Quality Act (CEQA) Guidelines.

Fiscal Impact Statement: All costs associated with processing of this project are paid from a deposit account maintained by the applicant.

Code Enforcement Impact: None with this action.

Housing Impact Statement: This project proposes to create commercial condominium units only and does not include any residential development.

BACKGROUND

The project site is located at 10124 Old Grove Road between Willow Creek Road and Business Park Avenue. The project site and the surrounding area is zoned IP-2-1 (Industrial Park). The Scripps Miramar Ranch Community Plan designates the site and the surrounding area for existing industrial/proposed industrial land uses.

In 1986 and 1987, the 2.139 acre parcel was developed, by right, with an approximately 36,091 square-foot, two-story building with associated landscaping, paved driveway, and parking. The project site is relatively flat, with elevations ranging from 545 feet above mean sea level (MSL) at the southeast corner to 530 MSL at the northwest corner of property.

DISCUSSION

Project Description:

The applicant proposes to convert the existing vacant two-story building with 16,244 square feet on the first floor and 19,847 square feet on the second floor into fifteen commercial condominium units. Each commercial condominium unit will range from 1,000 to 2,400 square feet.

Considering the structure was constructed in 1986/1987, previously zoned M-IP, and it is assumed the development met the regulations in effect at that time. The 130 parking spaces provided on the site exceed the minimum 40 percent parking spaces of the site area required at that time. Parking regulations as well as other development regulations have changed since the site was developed and therefore, the development may not conform to current development standards. However, the development does have previously conforming rights to be maintained consistent with the Land Development Code Section 127.0101.

Community Plan Analysis:

The subject property is located at 10124 Old Grove Road within the Scripps Miramar Ranch Community. The site is designated Industrial in the Scripps Miramar Ranch Community Plan and is currently zoned IP-2-1. The applicant is proposing a tentative map to create up to fifteen commercial condominium units in an approximately 36,000 square foot building located within the Scripps Ranch Industrial Park.

The Progress Guide and General Plan and the Scripps Miramar Ranch Community Plan provide goals and recommendations for development of industrial lands throughout the City and within the community of Scripps Miramar Ranch. Of major importance are the City's goals to preserve the current inventory of industrially designated lands and to protect those lands from encroachment by non-industrial uses. The Scripps Miramar Ranch Community Plan envisioned an Industrial Park which would accommodate light industrial uses including Research and Development and Manufacturing. The general Industrial goal of the Community Plan is to "Encourage the development of a prestigious industrial park which minimizes pollution and provides desirable employment opportunities." The Community Plan lists several objectives to achieve this goal. Two of these objectives, which specifically apply to this proposal, conflict with the applicant's request for a Tentative Map. These objectives are "Encourage the development of industries which would provide desirable employment opportunities within Scripps Miramar Ranch" and "Protect areas designated for industrial use from encroachment by incompatible land uses" (Attachment 6).

The applicant has stated that the proposed fifteen unit commercial condominium conversion would consist of for-sale units ranging from 1,000 square feet and up to provide small businesses with the opportunity to own office space within the community. Multi-tenant office use does occur within several buildings in the Industrial Park; however, these uses occur through the ministerial processing of Tenant Improvement building permits which can divide space within a building to allow several tenants. The main difference between those existing multi-tenant uses and the applicant's proposal is ownership. Existing multi-tenant uses lease office space while this proposal would allow the purchase of office space. The Progress Guide and General Plan acknowledge that industrially zoned land throughout the City has been preempted by commercial and other non-industrial uses. Ownership would allow these non-industrial uses on a permanent basis. Such encroachment excludes manufacturers and other large employers from the use of these lands. Also, as stated in the General Plan, commercial and other non-industrial uses often cause land prices and property taxes to escalate beyond levels feasible for manufacturing use.

The recently adopted Strategic Framework Element (SFE) also provides policy recommendations relating to future growth of the City. Specific to this proposal are its policies regarding Economic Prosperity and Regionalism (Attachment 7). The efficient use of employment lands and the increase of middle-income employment opportunities are two key strategies to increase economic prosperity. Identification of underutilized employment lands that could intensify where transit exists or is planned is vital for land use efficiency. The subject property is in an area currently served by transit and will be easily accessible by SANDAG's proposed Mira Mesa

Bus Rapid Transit Station which will tie into the Interstate 15 managed lanes project currently under construction. The maximum Floor Area Ratio (FAR) for the IP-2-1 zone is 2.0. With a 2.319 ac lot and gross floor area of 36, 091 square feet, the current FAR for the subject property is 0.39. If approved, the conversion to fifteen office condos would, in all likelihood, preclude any future intensification of this site, inconsistent with the SFE's goal to intensify underutilized employment lands.

In order to increase middle-income employment opportunities, the SFE encourages the preservation of middle-income employment uses including manufacturing, research & development, distribution, and wholesale trade by limiting or excluding multiple tenant office uses and corporate headquarters that do not have a research and development or manufacturing component. The proposed condo conversion is in direct conflict with the goal of preserving and increasing middle-income employment opportunities throughout the City, particularly in one of the City's key industrial employment centers. The Community Plan also encourages industries which provide desirable employment opportunities within Scripps Miramar Ranch. Although the creation of small "for-sale" multi-tenant offices would provide opportunities for start-up businesses who wish to own their office space, locating such uses in the City's key industrial clusters are inconsistent with the adopted land use plans' goals and recommendations.

The request for a Tentative Map for commercial condominiums is inconsistent with the goals and recommendations of the Progress Guide & General Plan and the Scripps Miramar Ranch Community Plan. Specifically, this proposal would allow further encroachment of non-industrial uses into the Scripps Ranch Industrial Park, it would decrease the opportunity for intensification of underutilized employment land within the community, it counters the land use plans' goal to preserve industrial land for manufacturing, research & development, and other light industrial uses, and it would reduce opportunities for middle-income employment.

Environmental Analysis:

The City of San Diego conducted an Initial Study which determined that the proposed project could have a secondary environmental impact. Considering the review of the proposed application, the City of San Diego Planning Department/Long-Range Planning and Development Services/ Planning staff determined that the proposed commercial condominiums would allow multi-tenant offices uses which would not be consistent with the policies, goals, and objectives of the Progress Guide and General Plan and the Scripps Miramar Ranch Community Plan.

A project that is inconsistent with the governing community plan would not necessarily be considered a significant environmental impact by itself. Land use impacts could be considered potentially significant if the inconsistency with the plan (i.e. proposed use) would create or be related to a secondary environmental impact (i.e. parking, traffic, noise) that is determined to be significant under CEQA.

During the Initial Study review, City of San Diego Transportation Development staff requested parking calculations for the entire project site based on the gross square footage of the building to

determine if adequate parking would be provided for the proposed project. In addition, the Tentative Map exhibit showed existing parking spaces located within the adjacent property (Parcel 3) and may be a shared-parking requirement that could change with the proposed use.

A parking deficiency in and of itself would not constitute a significant environmental impact. Generally, if a project is deficient by more than ten percent of the required amount of parking spaces it must also meet at least one of the following criteria: 1) The parking deficiency would substantially impact an adjacent residential area; or 2) The parking deficiency would severely impede the accessibility of a public facility, such as a park or beach, to be considered a significant impact.

The applicant has provided a recorded Reciprocal Easement Agreement between Parcel 2 (subject parcel) and Parcel 3 (adjacent parcel). The agreement discloses a "parking easement" which includes 19 parking spaces located within Parcel 3 in favor of Parcel 2 (Owner) for the purpose of parking vehicles. The existing 130 parking spaces provided on-site would also be in conformance with the parking requirements for the previously conforming M-IP (manufacturing-industrial Park) zone and the current IP-2-1 zone parking requirements.

Therefore, the project would meet the parking requirements for the underlying zone and no significant parking impact would result. The inconsistency with the land use plans would therefore, not trigger a secondary environmental impact, and would not be considered significant under CEQA and no mitigation would be required.

Project-Related Issues:

In December 2003, the applicant originally applied to the City of San Diego for a Tentative Map Waiver and Conditional Use Permit to convert the existing vacant two-story building with 16,244 square feet on the first floor and 19,847 square feet on the second floor into office condominiums and a church use on the first floor. During the City staff's initial project review, it was determined, as noted in the Community Plan Analysis, that the proposed conversion is incompatible with the adopted land use plan. Subsequently, the applicant's prospective church organization decided to abandon utilizing this location.

On March 5, 2005, the applicant withdrew the request for a Conditional Use Permit but, desired to continue with the Tentative Map Waiver for the conversion. However, considering the City staff's continued position, the applicant decided to process a Tentative Map, a Process 4 decision, rather than a Process 3, Map Waiver decision.

As identified in the Community Plan Analysis, the adopted Scripps Miramar Community Plan states that no multi-tenant office uses shall be permitted on any lot. It is staffs position that the commercial condominium conversion would create a multi-tenant office use, thus not allowed. The purpose of the industrial zone is to provide industrial and manufacturing activities, and intended to protect land for industrial use.

Conclusion:

The City finds the proposed Tentative Map is not consistent with the policies, goals, and objectives of the Progress Guide and General Plan and the Scripps Miramar Ranch Community Plan. Specifically, this proposal would allow further encroachment of non-industrial uses into the Scripps Ranch Industrial Park, it would decrease the opportunity for intensification of underutilized employment land within the community, it counters the land use plans' goal to preserve industrial land for manufacturing, research & development, and other light industrial uses, and it would reduce opportunities for middle-income employment.

Based upon this issue, the City staff finds that the proposed subdivision and its design or improvement are not consistent with the policies, goals, and objectives of the applicable land use plan (Land Development Code Section 125.0440.a and State Map Action Sections 66473.5, 66474(a), and 66474(b)) and recommends denial of the Tentative Map to convert the existing building into fifteen commercial condominium units.

However, should the decisionmaker consider that the required findings can be made to support the subdivision, City staff has prepared an alternative Tentative Map resolution with the necessary conditions.

ALTERNATIVES

1. **Approve Tentative Map No. 185499, with modifications.**
2. **Deny Tentative Map No. 185499, if the findings required to approve the project cannot be affirmed.**

Respectfully submitted,

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ESCOBAR-ECK/TPD

Attachments:

1. Aerial Photograph
2. Community Plan Land Use Map
3. Project Location Map

4. Project Data Sheet
5. Tentative Map
6. Scripps Miramar Ranch Community Plan, Industrial Element
7. Strategic Framework Element, 7. Economic Prosperity and Regionalism
8. Draft Map Conditions and Subdivision Resolution (Denial)
9. Draft Map Conditions and Subdivision Resolution (Approve)
10. Ownership Disclosure Statement
11. Project Chronology

Rev 1-24-05 dcj