

DATE ISSUED: November 9, 2006 **REPORT NO. PC-06-295**

ATTENTION: **Planning Commission, Agenda of November 16, 2006**

SUBJECT: NTC SHORELINE PLAZA – AMENDMENT TO MASTER PLANNED DEVELOPMENT PERMIT / COASTAL DEVELOPMENT PERMIT 99-1076

REFERENCE: Report to Hearing Officer HO-06-200

OWNER: The Redevelopment Agency of the City of San Diego

APPLICANT: Kathi Riser, McMillin-NTC, LLC.

SUMMARY

Issue: Should the Planning Commission approve an Amendment to Master Planned Development Permit / Coastal Development Permit 99-1076 to allow for development of a 500-space parking lot at the Naval Training Center (NTC) Shoreline Plaza within the NTC Precise Plan area?

Staff Recommendation:

1. **Certify** Environmental Impact Report Addendum No. 80411 and ADOPT Mitigation, Monitoring and Reporting Program (MMRP)
2. **Approve** Amendment to Master Planned Development Permit / Coastal Development Permit No. 99-1076

Community Planning Group Recommendation: On January 19, 2006, the Peninsula Community Planning Board voted 5-0-4 to deny issuance of a new CDP to increase parking, requesting an alternative parking configuration, and alternative uses at the Shoreline Plaza location (Attachment 20). On October 17, 2006, the Board appealed the Hearing Officer approval of a Coastal Development Permit to expand parking at Shoreline Plaza. That appeal is no longer valid as the processing of the action has changed and is brought before the Planning Commission as a new hearing.

Environmental Review: An Addendum to the NTC Redevelopment Environmental Impact Report (EIR) was prepared and circulated in accordance with the California Environmental Quality Act (CEQA). No new environmental impacts and no new mitigation were identified.

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

Code Enforcement Impact: None with this action.

Housing Impact Statement: None with this action.

BACKGROUND

The issue before the Planning Commission is the development of Shoreline Plaza parking lot at the former Naval Training Center (NTC) where the existing entitlements allow for approximately 336 parking spaces, yet the current demand is for approximately 500 spaces. The need for increased parking is driven by a change in land use imposed by the Coastal Commission. The underlying need for parking in this north end of NTC is to allow for successful adaptive re-use of the existing historic buildings.

Parking requirements are addressed in the existing Master Planned Development Permit / Coastal Development Permit (MPDP / CDP) in condition 15n. The specific language in the permit condition 15n is “shall” prepare a parking management plan, and “should seek” to reduce or eliminate parking. However, the interpretation of this permit condition 15n became an issue. As such, Development Services Department and the City Attorney office worked together to try to come to a mutually acceptable interpretation of condition 15n, but could not reach agreement. Development Services Department interpreted condition 15n as a mandate to perform a *parking management plan*, whereas the City Attorney office interpreted condition 15n as a mandate to *reduce or eliminate parking*. Staff carried the item forward to Hearing Officer as a Process 3 Coastal Development Permit which received approval of the Hearing Officer. Since that approval, however, all parties have agreed to re-evaluate the processing of the proposed action and agree to bring the item forward as an Amendment to the MPDP/CDP as a Process 4 action. As such, the applicant is withdrawing the proposal of a Process 3 CDP as approved by the Hearing Officer, yet appealed by the Peninsula Community Planning Board; and is instead seeking a permit amendment. Such an amendment has been determined to be a *de novo* hearing, Process 4 (Planning Commission) action, appealable to City Council.

There is no disagreement among Development Services Department and the City Attorney office on the consistency of direction with the NTC Precise Plan. It is recognized and understood that the need for increased parking is driven by a change in land use, and that if the additional parking demand is not met, the north end of NTC and the Historic District will not be able to be effectively adaptively reused because people will not be able to readily access the amenities. The disagreement was only over the method of processing. That disagreement has now been resolved and the matter is before the Planning Commission as a Process 4 permit amendment.

DISCUSSION

The existing NTC Master Planned Development Permit (MPDP) / Coastal Development Permit (CDP) 99-1076 entitles creation of a parking lot of approximately 336 vehicle spaces at the Shoreline Plaza location at the north end of NTC, with additional parking dispersed throughout the NTC project area. Approximately 6,500 parking spaces were entitled throughout the NTC Redevelopment Project Area, whereas current estimates show need for approximately 5,100 parking spaces.

Prior to the final approval of MPDP/CDP 99-1076, a change in land use designation by the California Coastal Commission (from small business uses to public uses such as retail and restaurants) resulted in an increased parking demand at the Shoreline Plaza location. Specifically, Coastal Commission directed creation of a Visitor and Community Emphasis Overlay Zone (VCEO) requiring that uses of buildings within that Zone be open to the public. Such uses include restaurant and retail space, where office space was proposed. The parking ratios are higher for these public uses and drove up the parking demand. However, City Council, in its final approval of permit 99-1076, did not direct the Master Developer to specifically accommodate the increased parking demand. Rather, Council's direction to staff, as written in condition 15n of permit 99-1076, directs the Master Developer to prepare a parking management plan to disperse parking across the entire NTC site and to try to find ways to reduce or eliminate parking at the Shoreline Plaza location.

Council's interest in reducing parking at Shoreline Plaza is believed to come from the original Reuse Plan for NTC which called for more of a park-like setting at this location. However, with approval of the subsequent Redevelopment Plan (which superceded the Reuse Plan), followed by the Precise Plan, the concept changed from less park area, to more parking given that the NTC project would provide a 46-acre public park next to the water's edge. With the creation of the Historic District and a change in land use designation that eliminated small business uses in favor of uses open to the public (such as retail and restaurant uses), the parking demand increased at the north end of NTC.

Council, however, did not change its direction to staff, but rather continued to require the Master Developer to "seek" to reduce or eliminate parking through the required parking management plan. The parking management plan was prepared, but the results led to a different conclusion than perhaps desired by Council. In summary, it was not feasible to reduce parking if the goal of successful adaptive reuse of the north end of NTC was to be realized. The Master Developer and staff conducted the parking management plan as directed, but found the need for an *increase* in parking rather than the hope to *reduce or eliminate* parking.

Project Approvals

The project requests an amendment to the existing MPDP/CDP 99 1076 (Attachment 17) modifying Exhibit A (Attachments 5 and 8) by replacing the Site Plan and Landscape Plan (Attachments 6 and 9), and modifying Condition 15n as follows:

Prior to the issuance of the first building permit within Units 3 through 6, the Owner/Permittee shall execute a shared parking agreement, and provide a parking management plan, including phasing for the construction of a parking structure(s) (if the intensity of use actually developed warrants the construction of such parking structure or structures) to accommodate up to approximately 3,700 parking spaces, to assure adequate supply of parking on site, satisfactory to the City Engineer. The parking management plan shall include the requirement for annual parking studies, through build-out of Units 3 through 6, to evaluate impacts of non-park users on parking spaces provided within the public park areas, and NTC generated users on adjacent residential streets west of Rosecrans Street. ~~The parking management plan and annual updates should seek to identify potential alternative parking opportunities to either reduce or eliminate parking along the water's edge at Shoreline Plaza.~~ The first parking study shall be submitted to the City Engineer within one year of issuance of the first building permit. If, based on results of any submitted parking study, it is determined that impacts of non-park users to parking spaces within the public park areas are occurring, or impacts of NTC generated users on adjacent residential streets west of Rosecrans Street are occurring, the Owner/Permittee shall provide an internal shuttle transit system connecting the parking structure and other shared parking facilities to uses within Units 3 through 6 (including the public park areas) ~~shall be implemented~~, satisfactory to the City Engineer and the City Park and Recreation Director. Exceptions to parking standards in the LDC shall be allowed only to permit the use of tandem parking in residential areas.

Project Scope

The purpose of the proposed project is to provide adequate parking for successful adaptive re-use of the historic district and north end of the NTC Redevelopment Project Area (Attachment 14). Prior to the final approval of MPDP/CDP 99-1076, a change in land use designation by the California Coastal Commission (from small business uses to public uses such as retail and restaurants) resulted in an increased parking demand at the Shoreline Plaza location with a current need projected at 510 parking spaces (Attachment 14).

The project proposes to provide surface parking for 500 vehicles, including 15 spaces as required by the Americans with Disabilities Act (ADA), in the northeastern portion of the NTC Project area on a 6.88 acre site location known as Shoreline Plaza in an area identified by the Precise Plan and MPDP/CDP for use as parking (approximately 334 spaces). The site location is identified as 2768 Chauncey Street within the Airport Approach Overlay Zone (AAOZ), Airport Environs Overlay Zone (AEOZ), Runway Protection Zone (RPZ), Coastal Overlay Zone

(appealable), First Public Roadway, CR-1-1, NTC Historic District, and NTC Precise Plan Commercial Precinct of the Mixed Use Area.

The site is located at the terminus of the boat channel at the northeast portion of the NTC project site, but does not include a connection to the boat channel. The U.S. Navy retains ownership and control over the boat channel until environmental remediation actions can be completed. As such, the project includes a 15-foot buffer zone around the boat channel and does not provide for direct access to the water. No Environmentally Sensitive Lands exist on the project site.

When compared to the approved MPDP/CDP, the project proposes an increase of 166 spaces. The only change in land use in terms of developed versus undeveloped area is space for approximately 27 parking spaces previously identified as landscaped area in the Precise Plan. All other areas were parking, building, or paved area. The gains in parking result from efficiency of design.

Parking configuration has been designed to maximize efficient space utilization around six existing buildings to be retained as part of the Ocean Village use envisioned in this area. The project scope does not include tenant improvements or other actions associated with the retained buildings. The following six buildings are to remain: 31, 34, 153, 179, 185, and 385 (Attachment 11). The following ten buildings (25,897 square feet) are to be demolished: 33, 41, 42, 174, 180, 186, 355, 388, 428, and 464; and six, small, un-numbered sheds / support buildings (Attachment 12). When compared to the approved MPDP/CDP, the project scope differs in two ways as shown in Attachment 13: (1) Building 186 was proposed to be retained in the Precise Plan, and is proposed for demolition under the current project; and (2) Buildings 24 and 179 were proposed for demolition in the Precise Plan, and are proposed to be retained under the current project. Table 1 summarizes the buildings proposed for demolition as compared with the Precise Plan.

<i>Bldg No.</i>	<i>Square Feet</i>	<i>Prior Use</i>	<i>Year Built</i>	<i>Approved for Demolition in Precise Plan</i>	<i>Currently Proposed for Demolition</i>
33	5,965	Weld shop	1940	✓	✓
34	2,160	Paint shop	1940	✓	
41	1,440	Kennel	1941	✓	✓
42	1,900	Paint storage	1942	✓	✓
174	3,330	Pesticide / paint storage	1940	✓	✓
179	1,600	Boat house	1941	✓	
180	576	Storage	1941	✓	✓
186	7,400	Security Office	1942		✓
355	1,534	Office	1942	✓	✓
388	2,250	Lumber shed	1943	✓	✓

Table 1: Buildings Proposed for Demolition					
<i>Bldg No.</i>	<i>Square Feet</i>	<i>Prior Use</i>	<i>Year Built</i>	<i>Approved for Demolition in Precise Plan</i>	<i>Currently Proposed for Demolition</i>
428	96	Restroom	1945	✓	✓
464	1,260	Boat house	1955	✓	✓
sheds, un-numbered small buildings	~ 242	Miscellaneous storage	varies	✓	✓

The project scope includes installation of landscaping, storm water runoff best management practices (BMPs) to treat the surface runoff, and continuation of the public access esplanade through the parking areas.

Landscaping

The project’s Landscape Development Plan has been designed to meet and exceed the landscaping requirements to provide adequate shade over pavement, and to provide a pleasant pedestrian experience for users of the parking lot and esplanade. The landscape development plan integrates with the historic Seller's Plaza area of NTC which is adjacent to, but not within, the project site. The conceptual landscape theme through Shoreline Plaza continues with historic formal tree planting along the streets with parkways and layered foundation planting along and around the perimeter of the buildings. The parking areas are softened with the placement of broad dome trees within the perimeter of the parking, screened by intermediate shrub planting, and accented with flowering shrubs and groundcover. The pedestrian circulation is enhanced with the continuation of the esplanade from the adjacent NTC park, providing an integrated access, moving through Shoreline Plaza in three branches, with vertical accent palms and observation / rest opportunities along the shoreline.

Approximately 2.29 acres of landscaping are proposed, exceeding the required plant points (8,640 points are provided, whereas, 5,316 points are required). The esplanade would be defined with vertical accent Queen Palms (approximately 78 trees). The parking lot area would be shaded by approximately 144 broad canopy shade trees such as Fern Pines, Camphor, Chinese Flame, and Tipu Trees. Approximately 11 mature trees have been identified to remain ranging from 25-75 feet high.

Landscaping has been designed to integrate with existing utility lines to remain underground. No shrubs more than three feet in height at maturity are allowed within any sewer easement. No trees are allowed within ten feet of any public sewer mains or laterals. No pressurized landscape irrigation mains are allowed within any sewer easement. Landscaping within the easements is permitted by way of an Encroachment Maintenance Removal Agreement.

Parking lot lighting will be designed in accordance with City standards, similar to the design of the west hotel and the office parking lots. The esplanade lighting will be less intense than the park or hotel esplanade sections because it is a single path and will benefit from some of the lights in the adjacent parking lot.

Environmental

An Addendum to the NTC Redevelopment Environmental Impact Report (EIR) was prepared and circulated in accordance with the California Environmental Quality Act (CEQA). No new impacts, and no new mitigation were identified. The project site is located adjacent to, but not within, the designated Environmentally Sensitive Land (ESL) of the boat channel. Because the boat channel is not on the project premise, the ESL regulations do not apply. Stormwater runoff best management practices (BMPs) have been identified and evaluated to ensure compliance with the state stormwater runoff standards, thereby protecting the boat channel and associated resources.

Hydrology / Water Quality

A drainage study and water quality technical report were prepared for the project. Of the 8.68 acre site, 2.29 acres would be landscaped, with 5.15 acres hardscape and 1.24 acres building coverage (14.3%). The existing site is considered to be 90% impervious and generates a peak flow of 26.3 cubic feet per second (cfs). Following development, the site would be reduced to 80% impervious and stormwater runoff would be reduced to 24.3 cfs, a reduction of two cfs, through increased landscaping. The stormwater runoff would be treated by vegetated swales and a nutrient separating baffle box. The BMP treatment devices have been designed to accommodate a 10-year storm water runoff with six inches freeboard.

Geology

The project site is identified as west of the 1850 mean high tide line as siltation deposits from the early 1900s. The project site is not generated from creation of the boat channel which was dredged in 1946. Geotechnical analysis was conducted (July 2005, January 2006, May 2006) to further analyze potential for liquefaction risk at this location. No liquefaction or associated lateral spread is expected at Shoreline Plaza project as proposed.

Airport Land Use Compatibility

The project site is located within the Airport Approach Overlay Zone (AAOZ), and Airport Environs Overlay Zone (AEOZ) of the San Diego International Airport (SDIA). The site is within the 75 – 80 decibel (dB) Community Noise Equivalent Level (CNEL) noise contours based on the 1990 airport operations and is within the Airport Influence Area (AIA) and the Runway Protection Zone (RPZ) of the SDIA Airport Land Use Compatibility Plan (ALUCP).

The project complies with the requirements of the AEOZ as an aviation easement has been granted for the broader NTC project area (drawing 610-003). The project complies with the RPZ and AAOZ, as no structures are proposed to be developed. The RPZ overlays part of the project site. The RPZ precludes development that would attract people to the most dangerous and loudest part of the NTC site. In accordance with the NTC Precise Plan and Local Coastal Program Plan, the Airport Authority was given opportunity to comment on the city staff determination that demolition of the buildings is consistent with the RPZ. No objection to the staff determination of consistency was received.

Historic District

The proposed parking lot adjoins the designated NTC Historic District. Seven parking spaces have been identified within the boundary of the Historic District. Historical Resources Board staff have reviewed the project plans and agree that the project scope does not adversely affect the historic district and conforms to the *NTC Guidelines for the Treatment of Historic Properties*.

Precise Plan and Local Coastal Program Land Use Plan

The NTC Precise Plan and Local Coastal Program Land Use Plan defines land use restrictions at NTC. The Precise Plan defines planning parameters for the esplanade to begin at Gate 1. The esplanade has been designed to follow the edge of the boat channel branching out through the parking lot towards Decatur Road and Gate 1 in three places thereby avoiding a single abrupt start / stop point. Benches and rest spaces have been integrated with the esplanade route consistent with the Precise Plan. The interface between pedestrian areas and vehicle use area are identified by enhanced paving at crossing areas. Bicycle racks are provided throughout. Lawn areas are provided in areas between the esplanade and the boat channel.

The Precise Plan identifies intent for parking areas recognizing: (1) parking should be distributed throughout the site, (2) existing parking areas should be redesigned to maximize capacity, and (3) parking areas should serve as visual extensions of adjacent landscaped areas to encourage pedestrian movement. The parking lot has been designed to conform to these aspects of the Precise Plan [Attachment 16].

The Precise Plan shows the proposed parking at the designated location in the following figures: Illustrative Plan drawing, Executive Summary, p. 8; Figure 2.5(1), p. II-18; Figure 2.5(2), p. II-19; Figure 2.5(3), p. II-20; Figure 2.5(b), p. II-23; and Figure 4.4, p. IV-8). Figure 4.3, page IV-7 of the Precise Plan shows open space concept at this location, however, the figure does not provide a legend or key that clarifies the intent of the shading on the graphic. Staff interprets the shading from the Precise Plan page V-6, which states, "Parking areas should serve as visual extensions of the park/open space available at NTC. Parking areas should be paved and landscaped in a deliberate attempt to connect with adjacent landscaped areas." The next figure in the Precise Plan (Figure 4.4) clearly identifies parking integrated with the esplanade use of the site. For this reason, it is clear that the Precise Plan always contemplated parking uses at this location and directed the parking to integrate with adjacent landscaped areas.

NTC Parking Management Plan

The Master Planned Development Permit condition 15n defines the requirements for the Parking Management Plan [Attachment 15]. Parking areas have been identified throughout the NTC site to disperse parking across the site and integrate parking with the adjacent uses. To effectively re-use the buildings at NTC, it is important to incorporate parking as close as possible to the uses; however, it is not recommended to add substantial parking areas in the Historic District, particularly in the campus-like setting of the oldest portion of the Historic District. At the location of Shoreline Plaza, additional parking is needed to maximize adaptive re-use of the adjacent historic district buildings (Buildings 1, 8, 11, 23, 24, 32 and 194 totaling over 165,000 square feet that have 12 parking spaces nearby), and the anticipated diverse use of the Ocean Village concept.

The Parking Management Plan identifies demand for more than 5,100 parking spaces on the Liberty Station project site. Lot "P" (Shoreline Plaza) accounts for 500 spaces (9.8%) of the total. Shoreline Plaza parking is the closest on-site parking to serve the needs of the Historic District, and the Ocean Village areas of NTC as accessed from Gate 1. The next largest parking lots (G, I, and O) would provide for 974, 850, and 636 spaces respectively serving the commercial areas of the site. Of these lots, only lot O could provide ready access to the Historic District and the Shoreline Plaza buildings.

When the NTC Precise Plan was heard at the Coastal Commission (July 2001), the Coastal Commission recognized that bus routes through NTC were not supported by the Metropolitan Transit Development Board (MTDB). The Coastal Commission also recognized the need to disperse parking spaces throughout the project area:

Parking areas to serve public and private development shall be distributed throughout the site, specifically including the residential area, the education/mixed use area, the office/research and development area, the public park area, and the hotel sites. This will mitigate against the impacts of overcrowding or overuse by the public of any single area.

The Coastal Commission did not specifically address parking at the Shoreline Plaza location (reference staff reports July 19, 2001 and August 23, 2001).

Community Planning Group

The Peninsula Community Planning Board made a recommendation of denial for the project as proposed on January 19, 2006 with a vote of 5-0-4. This vote followed a December 2005 request for a site visit (conducted on January 11, 2006).

The Board voted to deny the project as proposed expressing desire for a project that provides a village and greenbelt demonstration area for the Kumeyaay, Portuguese, and South Pacific boating villagers. The applicant has encouraged contact with these organizations, but has received no expression of interest for such a project. The proposed Ocean Village concept would embrace maritime cultures and could include such organizations if they are interested in

participating, as could the NTC Foundation in their 26-building Civic Arts and Cultural District. The Peninsula Community Planning Board has carried an open action item on their agenda each month since the January 2006 vote to discuss alternate use proposals for this project. However, no other proposals have been brought forward to the Board for their consideration.

The Board also made a request to the applicant to consider a multi-level parking garage at the project location. However, a parking structure is not appropriate at this location as the current planning approval is for a possible parking deck at Lot "G" (near the Marketplace location) which is built with 900+ surface spaces.

The Board's recommendation of denial is consistent with their previous input to the NTC Precise Plan as summarized below:

- September 2000: The PCPB believes that a project dedicated to maritime history and traditions should be given the highest priority for inclusion in the redevelopment plan at the water front location near building 153. Such a project exemplifies the City's original mission statement for NTC. The parking lot in the shoreline district would be better used as coastal access. Carries 10-0-0.
- November 2001: The PCPB supports its previous position on the project that the Shoreline district should be utilized by a maritime themed entity and that the parking lot planned for this area would be better used as coastal access.

In response to these concerns, City Council (Byron Wear, November 2001) directed staff to conduct "... investigation into the possibility of reducing or eliminating parking around the water's edge at Shoreline Plaza (Revised Condition 15n)."

Staff has fulfilled Council direction through examination of the parking management plan for NTC. The first priority, in terms of parking space location, is the visitors to each building. These are the people who (without adequate, convenient parking) may decide to patronize other developments. Staff has determined through the parking management plan, that adequate parking must be provided adjacent to the visitor uses to ensure successful adaptive reuse. Therefore, staff supports increasing the parking spaces at Shoreline Plaza to support the northern area of the Historic District.

CONCLUSION

Staff has thoroughly analyzed the proposed action and believes the increase in parking is necessary if the north end of NTC is to be effectively reused. Although the community planning group disagrees with the analysis and conclusion, staff maintains that to effectively re-use this portion of NTC, people must be given the ability to park nearby. Therefore, following the guidance of the City Attorney office, staff is requesting fulfillment of the proposed action through a Process 4 permit amendment.

ALTERNATIVES

1. **Approve** Amendment to Master Planned Development Permit / Coastal Development Permit No. 99-1076; and **Certify** Environmental Impact Report Addendum No. 80411 and **Adopt** Mitigation, Monitoring and Reporting Program (MMRP); with modifications.
2. **Deny** Amendment to Master Planned Development Permit / Coastal Development Permit No. 99-1076 and the associated environmental documentation.

Respectfully submitted,

Mike Westlake
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Development Services Department

Cory H. Wilkinson, AICP
Development Project Manager
Development Services Department

Attachments:

1. Site Location
2. Aerial Photo
3. NTC Precise Plan Land Use
4. NTC Zoning
5. Existing Exhibit A Site Plan
6. Proposed Exhibit A Site Plan
7. Comparison of Changes (Site Plan)
8. Existing Exhibit A Landscape Plan
9. Proposed Exhibit A Landscape Plan
10. Comparison of Changes (Landscape Plan)
11. Proposed Buildings to Remain
12. Proposed Buildings to be Demolished
13. Comparison of Changes
14. Parking Analysis for North End of NTC
15. Parking Management Plan
16. NTC Precise Plan Parking Guidance
17. Existing MPDP / CDP 99-1076
18. Draft Permit Resolution
19. Draft CEQA Resolution
20. Community Planning Group Recommendation
21. Ownership Disclosure Statement