

5.0 Economic Prosperity Element

Introduction

Uptown is a lively and vital community, which encourages its residents to explore on foot and interact with street activities. Uptown contains a sizable amount of the City's employment and is an ideal location for village centers that encourage transit options, provide jobs near transit, and mixed use housing opportunities for a variety of income levels. Uptown's jobs-to-housing ratio, in 2012, was 1.33, compared to the 1.61 citywide jobs-to-housing ratio during the same time period. This 1.33 job-to-housing ratio shows Uptown had a considerable amount of employment compared to other centrally located community plan areas such as North Park and Golden Hill, which are more residential areas, and had very low job-to-housing ratios.

Uptown's estimated workforce includes approximately 32,000 jobs in 2012. At this time, private sector businesses employed nearly 20,000 people, local governments employed nearly 7,500 people and approximately 2,700 were self-employed and working in Uptown. The University of California San Diego Medical Center-Hillcrest and the San Diego Unified School District are the largest government employers in Uptown.ⁱ

Uptown's health services, professional and business services, finance and real estate, personal services, and retail trade sectors are expected to experience employment growth through 2030 and add nearly 2,200 jobs.ⁱⁱ The most substantial growth in jobs during this period is expected to be in the health services sector. The transportation and wholesale trade sector is also estimated to add jobs through 2030, but at a much lower rate than the other five sectors. The leisure and hospitality, information services, construction, manufacturing, and agriculture and mining are expected to lose jobs during this same time period, with the leisure and hospitality sector losing the greatest number of jobs. The leisure and hospitality sector includes bars, restaurants, entertainment, and lodging businesses.

Many of Uptown's businesses serve more than the local residents and workers by attracting consumers from throughout the San Diego region; specifically, health services, professional and business services, and leisure and hospitality businesses.

Goals

- New development and redevelopment for purposes of increasing employment opportunities within the community.
- Unique, pedestrian-oriented commercial districts reflective of their history.
- Successful entertainment districts that appeal to local and regional residents as well as tourists.
- Vibrant neighborhood commercial districts where residents purchase a significant share of their basic needs and services from within the community.
- Parking and multimodal transit options for the automobile-oriented commercial districts.

- Facilitate the expansion of medical related development and employment.
- Encourage a diverse mix of businesses that provide a variety of goods and services.

5.1 Commercial Districts and Corridors

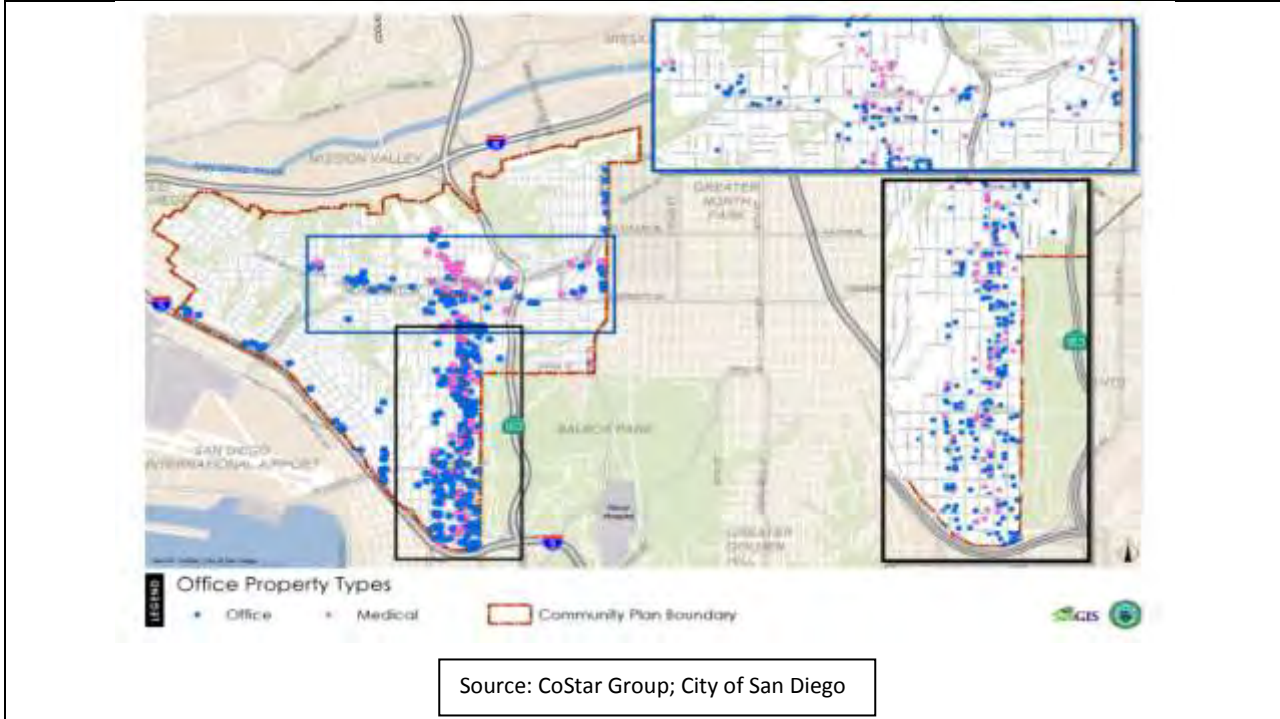
The Uptown neighborhoods include Bankers Hill-Park West, Hillcrest, Medical Complex, Middletown, Mission Hills and University Heights. The Uptown community encompasses a variety of commercial uses including, neighborhood and specialized commercial, community-shopping facilities, medical facilities, and commercial office.

There are two major medical facilities located in Uptown, north of Washington, and in the vicinity of the 4th and 5th Avenue corridors. These are the Scripps-Mercy Hospital and the UCSD Medical Center-Hillcrest. The Scripps-Mercy Hospital is located in the southeast quadrant of the medical complex area just north of Washington Street and just west of 6th Avenue. The UCSD Medical Center-Hillcrest is located in the northwest portion of the medical complex area at Dickson Street and Front Street.

There is a mix of high rise-, low rise-, strip commercial- and, converted residential- office space in Uptown. As of 2012 there was nearly 3.6 million square feet of office space in Uptown, of which 40 percent was medical office space. Most office space in Uptown is older Class B and Class C; as such, rents are traditionally lower than newly developed Class A office space.ⁱⁱⁱ Figure 1 shows the location of office structures in Uptown. Medical office locations are called out by blue dots. Pink dots represent all other office uses.

Due to current market uncertainties and the impacts of the Great Recession the short-term market demand for speculative office in Uptown is classified as a low possibility. During this time period, development will be driven by owner and tenant build-to-suit projects. With the continued recovery and stabilization of the larger office submarkets in Downtown, Mission Valley and those in the I-15 area, the Uptown West\Park West office submarket will likely show long-term demand for the development of speculative office space.

Figure 1: Office Space Locations in Uptown



There was slightly over 2 million square feet of retail space in Uptown in 2012.^{iv} This retail supply is much higher than a population of nearly 37,000 can support, which indicates that Uptown is attracting consumers from outside the community. Uptown’s population is estimated to grow to over 54,000 when buildout is reached.^v Figure 2, found on page 3, maps Uptown’s retail space. Bars and restaurants are mapped with green dots, and all other retail locations are shown by red dots.

From 1990 to 2012, Uptown’s retail sales increased for restaurants and bars, drug stores and food stores. Uptown’s 2012 restaurants and bar sales accounted for over 37 percent of this area’s total taxable sales. Citywide restaurants and bars’ sales tax accounted for 17 percent of the City’s total taxable sales during this same period.^{vi} When taxable sales are adjusted to estimate total sales, Food Stores accounts for 40 percent- and bars and restaurants account for 26 percent- of Uptown’s total estimated 2012 sales. Uptown’s traditional retail sales account for nearly 22 percent of sales.

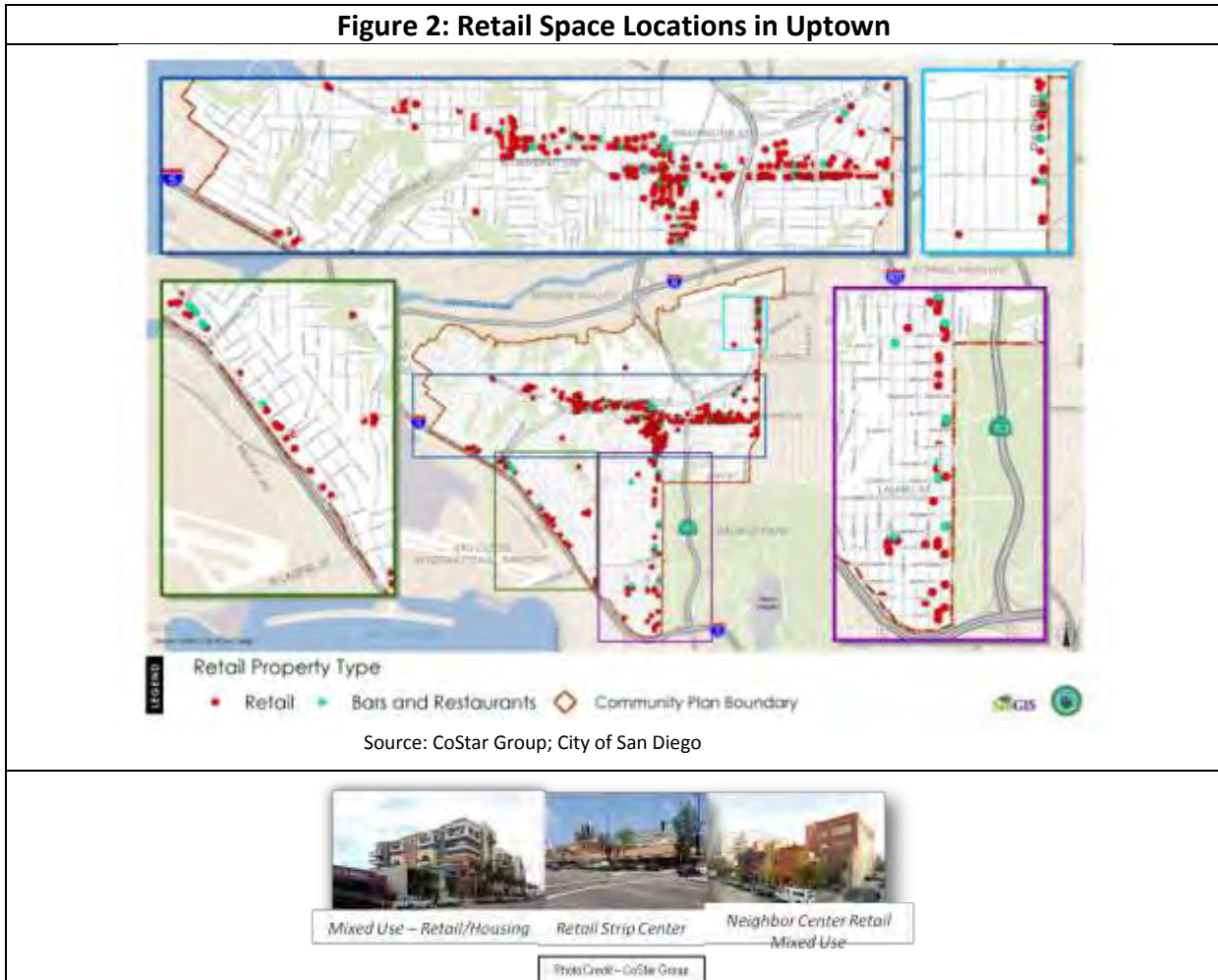
Opportunities exist to recapture some additional retail sales in the community based on expected future residential growth. In addition, the increased aggregate buying power of the markets within and surrounding Uptown. The surrounding central communities in North Park, Downtown, Golden Hill, Mid-

City, and Mission Valley are also expected to continue to experience similar growth. However, general merchandise retail sales will continue to face competition from the regional shopping centers in the Mission Valley community and other community shopping centers located near Uptown.

The success of Uptown’s entertainment districts and its restaurants and bars depends on continuing to attract consumers from the central communities and the region. Uptown may even be able to capture more of San Diego’s visitor trade in Downtown and Balboa Park, due to its proximity, if transportation links are enhanced.

Limited access to parking in the central Hillcrest area has the potential to limit sales growth despite the area’s market demand. Advancing community solutions, which include multimodal options, in addition to, increasing the parking supply, must be considered.

Figure 2: Retail Space Locations in Uptown



POLICIES AND RECOMMENDATIONS

- 5.1.1 Improve the pedestrian, bicycle and transit infrastructure in Uptown’s commercial districts.
- 5.1.2 Revitalize alleys in commercial mixed use Village areas to improve aesthetics and safety and allowing commercial shops and service activities.
- 5.1.3 Explore opportunities for boutique hotels in Hillcrest as the area is close to the freeway and Mission Valley.
- 5.1.4 Continue to work with the Uptown Parking District to consider locations for a parking garage near central Hillcrest and other multimodal transportation options for this area.
- 5.1.5 Promote growth of Uptown’s health sector enhancing the areas reputation for quality care and to support the expected employment growth in this sector.
- 5.1.6 Create incentives for new development of office in the east end of Hillcrest.
- 5.1.7 Continue to promote Hillcrest’s nightlife and entertainment industry as an intrinsic part of Hillcrest’s history, economy, and LGBT community.
- 5.1.8 Promote mix use infill development and redevelopment along commercial corridors in the core village centers.
- 5.1.9 Explore incentives to promote infill residential development along commercial corridors.

5.2 Industrial

Uptown does not include land identified as “Prime Industrial Land” or “Other Industrial Land”, which supports base sector export oriented businesses. There is a very limited amount of flex and industrial space in Uptown. Businesses located in Uptown’s industrial/flex space are engaged in warehousing, wholesale distribution, repair services, storage services and small specialized manufacturing operations. As of 2012, there was nearly 132,000 feet of industrial/flex space in the Uptown community. In 2012, Uptown’s lease rates for its older industrial/flex properties are nearly 25 percent lower than the City’s average lease rates in the San Diego market.^{vii} Figure 3, on the following page, maps Uptown’s industrial/flex space by type.

Figure 3: Industrial/Flex Space Locations in Uptown



Source: CoStar Group; City of San Diego



Flex/Industrial Manufacturing *Industrial* *Industrial/Service*
Photo Credit - the CoStar Group

5.3 Community Revitalization

Uptown is not identified as a Sub Regional Employment Center; however, it is adjacent to Downtown, the City’s only Regional Employment Center. With improved transit options and additional parking, Uptown could expand its business and employment opportunities by capitalizing on the existing Downtown residential density and employment intensities.

Many ongoing targeted economic revitalization efforts involve partnerships between residents, property owners, community groups, business organizations and the City’s Economic Development Department. The City’s Economic Development Department and the Planning Department will continue these partnerships with the objective of improving the economic prosperity of Uptown.

Uptown’s community dedication to quality of life is demonstrated by the different self-assessments residents, property owners and business owners have approved for their

community. The Business Improvement District associations and Maintenance Assessment Districts in Uptown continue to invest in their community to revitalize the area and enhance the community's quality of life. These districts provided services above-and-beyond the general benefit services provided by the City. In addition, the Business Improvement District associations sponsored events which spotlight the community character of their district. The map on page 7, details the boundaries of these self-assessment revitalization areas in Uptown. In addition, this map also shows the historic districts in Uptown.

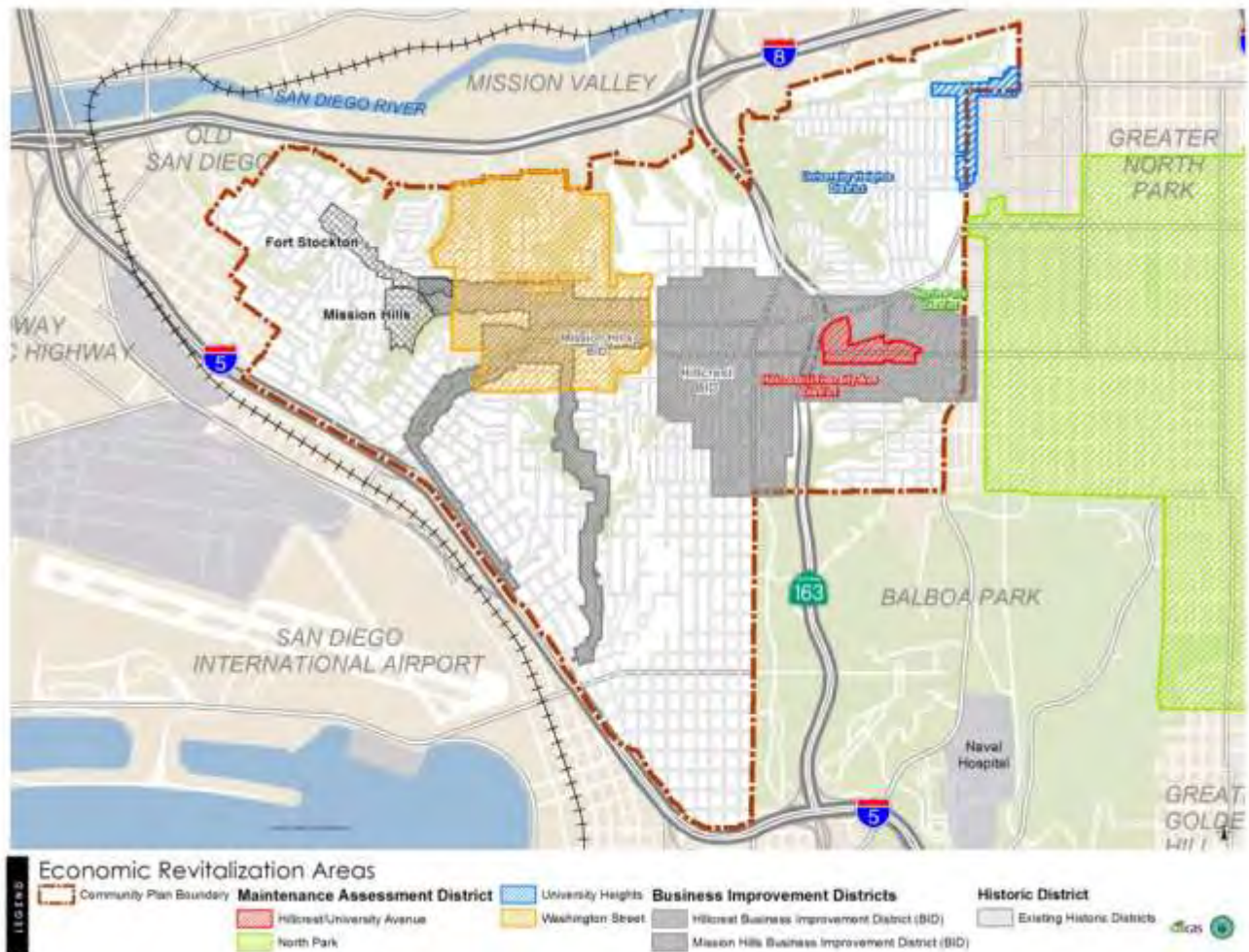
POLICIES AND RECOMENDATIONS

- 5.3.1 Position and expand University and 5th Avenue's entertainment districts to attract more regional patrons and tourist.
- 5.3.2 Market the Downtown and Balboa Park visitor trade and improve convenient transportation linkages from those destinations to Uptown, including a potential street car linkage.
- 5.3.3 Consider creating a "National Main Street" on University Avenue that draws together both ends of the neighborhood using the National Trust for Historic Preservation's guidelines for historic preservation and economic development.
- 5.3.4 Within the pedestrian-oriented commercial and mixed use nodes, enhance and create competitive commercial destinations, by maintaining the following efforts and existing revitalization tools:
 - Small business assistance: Public/Private partnerships to facilitate access to small business financial assistance programs and other support resources. The City's Office of Small Business (OSB) manages several programs for small business financial assistance, small business contracting, and a grant leverage program for business based non-profit organizations. Other public/private partnerships focused on assisting small businesses include, the Small Business Development Centers, Regional Employment Centers, SCORE and Small Business Administration.
 - Storefront Improvement Program (SIP): The City's SIP assists small business owners in revitalizing building facades through design assistance and financial incentives.
 - Maintenance Assessment Districts (MAD): MADs are established by the City as property based special assessment districts. Adoption of a MAD provides property owners with the opportunity to self assess to pay for improvements, maintenance, services and activities beyond those general benefits provided by the City. Uptown has two active MADs, the Hillcrest/University MAD and Washington Street MAD.
 - Clean & safe: Safety ambassadors, sidewalk sweeping, trash and debris removal, power washing sidewalks, systematic graffiti removal, maintenance of landscaping, and public safety services are frequent components of a neighborhood Clean and Safe Program. As these services and activities are special benefits above-and-beyond the City's general benefits, such services and activities are supported by assessment district funding.
 - Business Improvement District (BID) associations: BIDs are geographic areas, established by the City, where the businesses have voted to self assess themselves to fund activities and

services, which promote the business district. These activities and services are above-and-beyond general benefit City services. Uptown has two business improvement districts, the Hillcrest BID and the Mission Hills BID.

- National Main Street Organizations: Organizations may be designated as Main Street organizations and they use the preservation-based Main Street Four-Point Approach which supports small independent business owners through revitalization efforts by leveraging local assets - historic, cultural, architectural and community pride.
- Micro Assessment Districts: A Micro Assessment District is an area of small businesses that contains less than 300 individual members.
- Urban forestry: Expand urban forestry efforts in Uptown to increase the number of trees within this area in hopes of improving the quality of life.
- Uptown Community Parking District: This District creates and implements parking strategies and improvements throughout Uptown.
- Historic districts: A historic district is an area which contains buildings of historical significance and value that has legal protection from development. Its purpose is to preserve and build upon the natural character of its surrounding neighborhood. There are two historic districts in Uptown, the Fort Stockton Line Historic District and the Mission Hills Historic District.
- Public art: The inclusion of art or cultural uses in private development projects within the community.
- Event programs: These activities range from special events such as restaurant tours, block parties, weekly farmers markets and holiday festivals. Such event programs are often efforts of an active BID association or a neighborhood\community organization.
- Capital improvements: Support capital improvements to Uptown's infrastructure and public facilities.

**Figure 4: Community-based Assessments
For Revitalization and Historic Districts in Uptown**



ⁱ The San Diego Association of Governments (SANDAG) employment projections used in this Element were based on data generated during the Great Recession. Source, SANDAG Series -12. Once the recovery period’s employment estimates are included in base data, future employment forecast from SANDAG may show more growth in specific industry sectors.

ⁱⁱ Ibid

ⁱⁱⁱ The CoStar Group, May, 2014 – a real estate information service.

^{iv} Ibid

^v City of San Diego population estimate.

^{vi} MuniServices LLC, the City of San Diego’s sale tax consultant provided data information for these estimates.

^{vii} The CoStar Group, May, 2014 – a real estate information service estimate.