

Report to the Planning Commission

DATE ISSUED: SEPTEMBER 18, 2025 REPORT NO. PC-25-043

HEARING DATE: SEPTEMBER 25, 2025

SUBJECT: MIDWAY RISING, Process Five Decision

PROJECT NUMBER: <u>1106734</u>

REFERENCE: San Diego Sports Arena Redevelopment

OWNER/APPLICANT: City of San Diego, Owner; Midway Rising, LLC, Applicant

SUMMARY

Issue: Should the Planning Commission recommend the City Council approve the Midway Rising project which includes adoption of the Midway Rising Specific Plan, amendments the General Plan and the Midway Pacific Highway Community Plan, rezone and amendments the San Diego Municipal Code to allow for approximately 4,254 dwelling units (2,000 affordable), a 16,000 seat multi-purpose entertainment center, public parks and open space, and up to 130,000 square feet of commercial and retail space, located at 3220, 3240, 3250, 3350, and 3500 Sports Arena Boulevard within the Midway-Pacific Highway Community Plan area?

Proposed Actions:

- Recommend the City Council CERTIFY Subsequent Environmental Impact Report (SEIR) No. PRJ-1106734 (SCH No. 2023120451) and ADOPT California Environmental Quality Act (CEQA) Findings of Fact and Statement of Overriding Considerations, and ADOPT Mitigation Monitoring and Reporting Program; and
- 2. Recommend the City Council ADOPT Amendments to the General Plan and Midway-Pacific Highway Community Plan; and
- 3. Recommend the City Council ADOPT the Midway Rising Specific Plan (Specific Plan); and
- 4. Recommend the City Council ADOPT Rezone No. PMT-3339936; and
- 5. Recommend the City Council ADOPT amendments to Chapter 13, Article 2, Division 14 of the San Diego Municipal Code (SDMC).

- 6. Recommend the City Council APPROVE Vesting Tentative Map (VTM) No. PMT-3258589 including Easement Vacations, and Site Development Permit (SDP) No. PMT-3318619;
- 7. Recommend the City Council ADOPT amendments to Chapter 5, Article 9, Division 1 and additions to Chapter 5, Article 9, Division 6 of the San Diego Municipal Code; and
- 8. Recommend the City Council ADOPT Development Agreement No. PMT-3373554.

<u>Fiscal Considerations</u>: The applicant funds a deposit account that recovers all costs associated with processing the application.

Code Enforcement Impact: None.

Housing Impact Statement: The proposed project would allow for the development of up to 4,254 homes, including 2,000 affordable homes to be restricted at 80 percent area median income or lower, consistent with the terms in the proposed Exclusive Negotiating Agreement within the Specific Plan area. The Midway-Pacific Highway Community Plan would currently allow up to 2,166 homes within the proposed 49.23-acre Specific Plan area. The proposed Community Plan amendment, Specific Plan and corresponding rezoning would add 2,088 homes above the currently adopted Community Plan. The proposed project area is within a moderate resource area as identified on the California Tax Credit Allocation Committee's 2025 Opportunity Area Map. The proposed project would add to the City's housing stock and help address the City-wide housing crisis by providing a mix of affordable and market-rate homes.

<u>Community Planning Group Recommendation</u>: On July 16, 2025, the Midway-Pacific Highway Community Planning Group voted 7-0-1 to recommend approval of the project with no conditions or recommendations.

Environmental Impact: A <u>Subsequent Environmental Impact Report (SEIR, Project No. PRI 1106734/SCH No. 2023120451</u>) has been prepared for the project in accordance with State of California Environmental Quality Act (CEQA Guidelines. A Mitigation, Monitoring, and Reporting Program has been prepared and will be implemented which will reduce some of the potential impacts to below a level of significance. The applicant has provided CEQA Findings of Fact and Statement of Overriding Considerations to allow the decision-maker to approve the project with significant and unavoidable impacts to Land Use, Transportation and Circulation, Historical and Tribal Cultural Resources, and Noise (Attachment 8).

BACKGROUND

Location

The 49.23-acre Midway Rising project (Project) site is located at 3220, 3240, 3350, and 3500 Sports Arena Boulevard, south of Interstate 8 and the San Diego River, north of Sports Arena Boulevard, east of Hancock Street, and west of Camino del Rio West in the Midway-Pacific Highway Community

Plan (Attachment 1).

Existing Uses

The site is fully developed with no undisturbed lands within the Project boundaries (Attachment 2). The site contains the San Diego International Sports Arena (Sports Arena), a variety of commercial buildings including restaurants, a gas station/car wash, a concert venue, and other commercial services, as well as a large surface parking area surrounding the Sports Arena, portions of which are used for a swap meet on the weekends.

Adjacent Existing Land Use

The Midway-Pacific Highway Community Plan Area, including the Specific Plan area, is a predominantly automobile-oriented commercial and light industrial area. The proposed Specific Plan area currently has a multi-purpose arena and commercial retail uses. It is adjacent to a mix of light industrial and commercial retail uses.

Existing Plan Land Use, Zoning, and Overlay Zones

The Community Plan currently designates the proposed Specific Plan area as Community Commercial – Residential Permitted (0-44 dwelling units per acre) which is implemented through a (Commercial-Community) CC-3-6 zone and Community Plan Implementation Overlay Zone – Type B. The Community Plan also identifies it as a part of the Sports Arena Community Village. The Community Plan designation currently allows for up to 2,166 homes (Attachment 3).

The Specific Plan area is within the Coastal Height Limit Overlay Zone; the Airport Land Use Compatibility Overlay Zone (ALUCOZ) – San Diego International Airport (SDIA) Review Areas 1 and 2, Naval Air Station North Island Review Area 2, the Federal Aviation Administration Part 77 Noticing Area; and within a Transit Priority Area and Sustainable Development Area.

Historical Resource Designation

On April 25, 2024, the City's Historical Resources Board (HRB) designated the Sports Arena as a historical resource (HRB #1525) under San Diego Historical Resources Board (HRB) Criteria A, B, and C. The building is designed in the New Formalist Style and was constructed in 1966. All other buildings on the Project site were excluded from the designation. As documented in the Designation Resolution, the resource was designated under HRB Criterion A with a period of significance of 1966-1974 as a special element of San Diego's historical, social and economic development; under Criterion B with a period of significance of 1966-1974 for an association with Robert Breitbart; and under Criterion C with a period of significance of 1966 as an example of New Formalist architecture. The building is currently being used as an indoor sports and entertainment venue.

Population and Housing

As of 2024, the San Diego Association of Governments (SANDAG) estimated that 7,331 people were living in a household within the Midway-Pacific Highway Community Plan Area. In 2024, the community had approximately 2,494 housing units, including 5 single family-detached, 524 single family-attached, and 1,965 multi-family homes.

DISCUSSION

Background

On September 21, 2021, the City Council unanimously declared the City-owned property located at 3220, 3240, 3240 and 3500 Sports Arena Boulevard to be surplus land in accordance with the Surplus Lands Act (SLA). On October 4, 2021, the City issued a Notice of Availability (NOA) of the site for lease in compliance with the SLA. On December 3, 2021, the City received five responsive submittals, one of which was Midway Rising.

On December 4, 2021, the City began a "90-day good faith negotiating period" as required under the SLA with the five respondent development teams. On March 4, 2022, the "90-day good faith negotiating period" ended and on March 9, 2022, staff presented a recommendation to the City Council's Land Use and Housing Committee to shortlist the three development teams with the highest number of proposed affordable units and met the NOA condition of renovating or replacing the existing Sports Arena. On May 23, 2022, the Council approved moving forward with the three shortlisted teams to the due diligence phase. The City engaged Jones Lang LaSalle Americas, Inc. (JLL) to conduct financial analysis and assist with the due diligence process.

Following closing of the due diligence period, staff recommended Midway Rising for selection due, in part, to receiving "first priority" under the SLA for proposing the highest number of affordable homes (at 2,000), demonstrating a clear and cohesive vision for the full site, and being the only team that included representatives from the affordable and market-rate housing and arena partners at all site visits and meetings with staff. On September 12, 2022, the City Council selected the Midway Rising group to enter into an Exclusive Negotiating Agreement (ENA) for the redevelopment and long-term ground leasing of the site.

Project Description:

The Project includes the adoption of the Midway Rising Specific Plan, which establishes land uses within the Specific Plan area and includes policies and regulations to guide development that implements the vision of the area as a community village and destination that offers a mix of uses, active retail experiences, a range of housing choices, and a vibrant public realm. The Specific Plan would allow for the development of a new sports and entertainment center, as well as 4,254 multiresidential units, 2,000 of which would be affordable, for-rent housing units, and up to 130,000 square feet of commercial and retail space. The land is, and will continue to be, owned by the City, and the development would be a long-term lease to the developer.

Community Plan Amendment

In addition to the Specific Plan, a General Plan/Community Plan Amendment is proposed to change the community plan land use designation from Community Commercial – Residential Permitted (0-44 dwelling units per acre) to Community Village (0-72 dwelling units per acre). Polices, figures and tables in the Community Plan would be amended to be consistent with the Midway Rising Specific Plan. The Community Plan Recreational Element would be amended to be consistent with the Parks Master Plan which was adopted after the Community Plan was adopted. This would include the use of Recreational Value Points to help plan for park and recreational needs.

Rezone

Concurrently, the Project proposes to rezone the site from Community Commercial (CC-3-6) to Residential Mixed-Use (RMX-2) and to remove the area from the Community Plan Implementation Overlay Zone – Type B (CPIOZ).

Residential

As stated above, the Project would provide up to 4,254 housing units, including 2,000 affordable homes, restricted to households with incomes less than 80 percent of the area median income. Developed across multiple blocks, residential uses in the Specific Plan would be connected by a network of publicly accessible spaces and a multimodal circulation network. Development of each block would generally consist of a multi-family residential building with up to 72 dwelling units per acre and up to 105 feet in height, while a maximum of ten percent of the Specific Plan Area could contain residential buildings up to 250-feet in height.

In addition, Density Bonus Law provisions (established in California Government Code Section 65915 and SDMC Section 143.0710), allow the development of additional market-rate housing, which may exceed the maximum number of residences allowed by the land use plan, zoning, and development regulations, in exchange for the provision of deed-restricted affordable residences. A base maximum number of pre-density bonus residences allowed by the Specific Plan is 3,545 homes. The Specific Plan proposes affordable residential units to be restricted up to 80 percent area median income and to apply a density bonus of 20 percent above the base density for a total of 4,254 homes.

Commercial

The Project would include a maximum of 130,000 square feet of commercial and retail uses, excluding the entertainment center, and outdoor retail markets, such as a farmers market. Commercial uses could include restaurants, shops, and supporting neighborhood retail. Most commercial uses would be located along Frontier Drive, creating a "Main Street" experience, with cafés and shops with transparent storefronts and double-height spaces that activate the public spaces. In addition, the Project would include two co-working spaces that would provide private or semi-private office workspaces for residents on site.

Entertainment Center

The Specific Plan allows for the development of a fully accessible, modern multi-purpose entertainment center. The entertainment center would have a maximum height of 165 feet. The Specific Plan would replace the existing Sports Arena with mixed use development and site a new

entertainment center on the eastern portion of the Specific Plan area. The 16,000-seat entertainment center would host a variety of events, including, but not limited to, concerts, family shows, sporting events, motor sports, comedy shows, and artistic productions. The entertainment center would include modern amenities and advanced video and sound functionality when compared to the existing Sports Arena. In addition, the Specific Plan would allow for temporary outdoor event spaces in the parks that would host events.

Entertainment District

The Project includes a SDMC amendment to designate the area generally bounded by Hancock Street to the west and north, Sports Arena Boulevard and Rosecrans Plaza shopping center to the south, and Camino Del Rio West/Rosecrans Street to the east as a special event venue, herein called the Midway Rising Entertainment Center District.

Entertainment uses would be allowed across the Specific Plan Area. No land use changes are proposed for the remainder of the Midway Rising Entertainment Center District. The Midway Rising Entertainment Center District proposes to create a district that would designate the area within the boundaries of the overlay as a special event venue beginning 3 hours prior to the scheduled start time of any event occurring within the District and would conclude 2 hours after the conclusion of an event. Noise requirements for special events would be addressed as part of an agreement with the City for the events.

The District would regulate certain activities for the purpose of protecting the public health, welfare, and safety of those businesses, residents, and visitors within and surrounding the Midway Rising Entertainment Center District during specified events. The District would prohibit certain activities, including but not limited to tailgating, littering, consuming from glass containers, and obstructing free travel of any vehicle or pedestrian. The District would be defined in Chapter 5, Article 9, Division 1, and the regulations for the District are proposed to be established in Chapter 5, Article 9, Division 6 of the SDMC (Attachments 11 and 12).

Mobility

The Specific Plan identifies a multimodal transportation network that would include new public streets, modified public streets, sidewalks, multi-use paths, bicycle facilities, promenades, and pedestrian paseo greens and paseo greenways as well as offsite multimodal improvements.

Roadway Improvements

Internal circulation would be facilitated by two new on-site public roadway segments, Kemper Street and Frontier Drive, which would run north-south through the Project site and provide connection between Sports Arena Boulevard and Kurtz Street. Kemper Street would be an extension of the existing Kemper Street south of Sports Arena Boulevard and would provide access to residential and park uses within the Specific Plan area.

Automobile and parking access to the Specific Plan area would include 11 ingress and egress points through public streets and internal private drives. The private drives vary in width and configuration; however, all will include a minimum 5-foot-wide non-contiguous sidewalks on each side while providing two-may circulation.

Bicycle Improvements

The Specific Plan would provide bicycle access through bicycle paths, buffered lanes and cycle tracks and the network of promenades, paseo greens, and paseo greenways. Separated protected bikeways are proposed for Sports Area Boulevard and Kemper Street. The Specific Plan's bicycle improvements would extend along Kurtz Street and Rosecrans Street to connect the site with the Old Town Transit Center at Pacific Highway and Taylor Street. Bicycle parking would be provided on site to serve proposed residential, retail, and event uses, including in public spaces and promenades for public use.

Transit Improvements

The Specific Plan would relocate and provide enhancements to the two existing local bus stops along the Project frontage on Sports Arena Boulevard, which include installing transit shelters and benches. A third new bus stop would be constructed on the west side of Frontier Drive for the planned extension of Rapid Bus Route 10 that would connect the Specific Plan area to the Old Town Transit Center, Mission Bay, and Clairemont.

Off-Site Mobility Improvements

The Project would change the roadway classification for Sports Arena Boulevard from six-lane prime to a modified six-lane major arterial with four general purpose lanes, and two Business Access and Transit (BAT) lanes, which would be the curb lanes on both sides of Sports Arena Boulevard. The Project's proposed improvements would provide a 33-foot promenade along the Project frontage with a Class I multi-use path (Bay-to-Bay Urban Path) and a Class IV one-way cycle track in the westbound direction, landscape areas, and a bicycle buffer.

Parks and Public Space

The Specific Plan establishes a network of public spaces consisting of approximately 8.12 acres of public parks and 6.42 acres of public space in a network of plazas, promenades, paseo greens, and streetscapes. The Project would provide an interconnected mix of active and passive public spaces and parks with varying sizes, activities, designs, and landscapes.

Development Agreement

A Development Agreement is proposed to provide certainty in development rules applicable to the Project for a term of 30 years, subject to conditions, to facilitate buildout of a large multi-phased development, and to provide significant public benefits to the City in excess of what can be obtained under existing policies and regulations. These extraordinary benefits provided by the Development Agreement include 936 affordable units in excess of the Surplus Land Act requirement that projects responding to a NOA reserve 25 percent of units as affordable; a new multi-purpose 16,000-seat entertainment center, development and maintenance of 14.5 acres of high-quality parks, and major mobility infrastructure improvements. In addition, the development agreement requires payment of an ad hoc fire development impact fee that could generate up to \$2.5 million that would be used to upgrade Fire Station 20, located on Kemper Street. The total estimate of the extraordinary public benefits is \$1.2 billion.

Phasing

Implementation of the Project is anticipated to occur in two, multi-year phases which each will have individual horizontal and vertical project components on the Project's 43 lots. Phase 1 is anticipated to include the demolition of nine structures and asphalt parking lots east of the proposed Frontier Drive, the construction of a new Entertainment Center while the existing Sports Arena remains operational, and the construction of residential, commercial, and park uses with supporting infrastructure east of Frontier Drive. Phase 2 is anticipated to include the demolition of five structures and the existing Sports Arena, in addition to the construction of residential, commercial, and park uses with supporting infrastructure west of Frontier Drive.

Historical Designation

As noted above, the City's Historical Resources Board (HRB) designated the Sports Arena as a historical resource under three designation criteria. If approved, the Project would demolish the existing venue and replace it with a new, 16,000-seat entertainment venue that would host similar events, including sports and concerts. Demolition of a designated historical resource requires a Site Development Permit with deviation findings. The findings require an applicant to demonstrated that there are no feasible measures that can further reduce the impact to the resource, that the deviation is the minimum necessary and all feasible measures to mitigate the loss of the historical resource have been provided, and that the denial of the proposed development would result in no reasonable beneficial use of the property or reasonable economic return. Alternatives were explored and found infeasible and a mitigation plan consisting of documentation, architectural salvage and interpretive displays in the new facility was developed. The Project, mitigation measures, and draft SDP findings related to the impacts to the historical building were presented to the HRB on July 24, 2025. The City's HRB approved the item on the consent agenda at that hearing, with no modifications to the mitigation measures or SDP findings.

Coastal Height Limit Overlay Zone

The Project site is within the geographic boundaries of a 1972 citizens' initiative ballot measure (Proposition D) that limited the height of buildings in the City to 30 feet in a defined area west of Interstate 5 described as the coastal zone within citizen's initiative ballot and the Coastal Height Limit Overlay Zone regulations outlined in SDMC Chapter 13, Article 2, Division 5. The Coastal Height Limit Overlay Zone term for the coastal zone is a separate geographic area from the City's Coastal Overlay Zone as designated by the California Coastal Commission. The coastal height limit has been amended several times by the electorate (SDMC Section 132.0505).

On November 3, 2020, City residents voted in favor of Ballot Measure E to amend the SDMC to exempt the Midway-Pacific Highway Community planning area from the existing 30-foot height limit. This means that the Midway-Pacific Highway Community planning area remains within the boundaries of the 30-foot coastal height limit overlay zone, but the height limit of 30 feet is not enforced. The SEIR for the Removal of the Midway-Pacific Highway Community Planning Area from the Coastal Height Limit was certified by the San Diego City Council in 2022. Voters reaffirmed the removal of the height limit from the Midway-Pacific Highway Community planning area in November 2022 by approving Ballot Measure C.

Required Approvals

Due to process consolidation, all actions are processed concurrently as Process 5 approvals. Development of the proposed Project requires:

- Process 5 Land Use Plan Amendment per SDMC Section 122.0105 for the amendment to the Midway Community Plan, including the elimination of the Community Plan Implementation Overlay Zone Type B (CPIOZ-B) and the adoption of the Midway Rising Specific Plan that provides the policies and recommendations for the Specific Plan area. A General Plan amendment is included since the Community Plan is apart of the General Plan Land Use Element (Attachment 19);
- Process 5 amendments to Chapter 5, Article 9, Division 1 and Chapter 5, Article 9, Division 6
 of the San Diego Municipal Code to allow the implementation of the Midway Rising
 Entertainment Center District to facilitate the operation of the Specific Plan area as a
 destination for events, nightlife, and entertainment and to protect public health, welfare and
 safety of businesses, residents and visitors (Attachment 11);
- Process 5 Rezone to rezone the site from CC-3-6 to RMX-2 to provide distinct development regulations that encourage a mix of uses, with a focus on residential uses (Attachment 18);
- Process 5 amendments to Chapter 13, Article 2, Division 14 of the San Diego Municipal Code to remove the Specific Plan area from the Community Plan Implementation Overlay Zone;
- Process 5 Development Agreement (DA) per SDMC Section 124.0104 to set forth the terms and conditions for how the property may be developed, to provide Extraordinary Benefits to the public, and to provide assurance that the property can be developed in accordance with the Development Regulations described in the agreement (Attachments 13 and 14);
- Process Four SDP per SDMC Section <u>126.0502(d)(1)</u> because the site contains a designated
 Historical Resource (the Sports Arena) that will be demolished through redevelopment of the
 site (Attachments 4 and 5);
- Process Five VTM to subdivide the property into 43 lots (11 residential lots, 12 mixed use lots, 8 public space lots, 2 public parks lots, 8 private drive lots, and 2 lots for the new entertainment center) and Easement Vacations (EV) for the vacation of public utility easements as noted on Vesting Tentative Map (Attachments 6, 7, and 20) per SDMC Section 125.0410(a).

General Plan and Community Plan Analysis:

Background

General Plan: The General Plan identifies policies to guide future growth based upon a City of Villages strategy. The City of Villages strategy envisions a series of mixed-use villages located throughout the city that are connected by high-quality transit. It encourages future development to increase housing supply and diversity with compact, mixed-use activity centers that are integrated into the larger community. Community plans, which are components of the General Plan Land Use Element, further refine the goals and policies of the General Plan and determine the appropriate

mix and density/intensities of village land uses.

Community Plan: The Midway-Pacific Highway Community Plan was comprehensively updated in 2018 consistent with the City of Villages strategy. The Community Plan identifies the Specific Plan Area as an opportunity for future redevelopment as a part of a Sports Arena Community Village. The Community Plan contains site-specific requirements for the Sports Arena Community Village that are implemented through Community Plan Implementation Overlay Zone (CPIOZ) – Type B, which requires that an applicant prepare a specific plan or master plan for the City-owned property that is consistent with the Community Plan vision and General Plan's City of Villages strategy. The Community Plan provides policies and recommendations to support the transformation of the area to a mixed-use village and establishes the vision for the Sports Arena Community Village. Refer to Attachment 23 which discusses how the proposed Specific Plan objectives address the vision for the Community Village.

<u>Initiation</u>: On March 28, 2024, the Planning Commission initiated a community plan amendment, and specific plan for the eastern portion of the City-owned property within the Community Village. The western portion of the City-owned property within the Community Village was not included within the proposed Specific Plan area.

<u>Specific Plan</u>: The Community Plan contains site-specific requirements that are implemented through Community Plan Implementation Overlay Zone (CPIOZ) – Type B. CPIOZ – Type B requires that an applicant prepare a specific plan or master plan that is consistent with the Community Plan vision and General Plan's City of Villages strategy.

Consistent with the Community Plan's CPIOZ requirement, the applicant, Midway Rising LLC, is proposing the Midway Rising Specific Plan to guide the future development within the Specific Plan area and implement the Community Plan's vision and support the General Plan's City of Villages strategy. The proposed Community Plan amendment, Specific Plan, and corresponding rezone to RMX-2 along with the density bonus provisions of the Affordable Housing Regulations would allow for the development of up to 4,254 homes, including 2,000 affordable homes, 14.54-acres of public spaces and parks, a multi-purpose entertainment center, and up to 130,000 square feet of commercial and retail uses.

The Specific Plan also contains supplemental development regulations to implement the Specific Plan in addition to the regulations in the Municipal Code. Where the supplemental development regulations conflict with the Municipal Code, the supplemental development regulations prevail. Staff has worked with the applicant team to address the issues identified in the Planning Commission Report for the Community Plan Amendment Initiation (Attachment 21).

The following section analyzes the consistency of the proposed Community Plan amendment and Specific Plan with General Plan (GP) and Community Plan (CP) policies.

Village Climate Propensity

In July 2024, the City Council adopted Blueprint SD, a General Plan amendment aligning the City of Villages land use strategy with the Climate Action Plan and the SANDAG Regional Plan. As part of

that General Plan update, the General Plan's Village Climate Goal Propensity Map identifies where additional homes and jobs could have the best opportunities to increase the number of trips taken by transit, bicycling or walking. It shows that the specific plan area has a higher propensity for mixed-use residential development.

The Community Plan amendment and Specific Plan would apply a land use designation to support transit-oriented development within a mixed-use village and along a transit corridor; provides policies and planned improvements to support transit operations and access; and plans for a multimodal mobility network with robust pedestrian and bicycle facilities that connect people to planned transit identified in the SANDAG Regional Plan. By increasing both home and job opportunities within an area identified in the Village Climate Goal Propensity Map, the Community Plan amendment and Specific Plan aims to increase homes and jobs in a location that helps to support a shift from single-occupancy vehicles to walking, biking and transit. This strategy helps the City achieve its goals of reducing citywide per capita vehicle miles traveled, consistent with the General Plan and Climate Action Plan.

Land Use

The General Plan designates the Specific Plan Area for Multiple Use which is consistent with the proposed Community Village land use designation in the Community Plan. The intent of the Multiple Use category is to support the development of mixed-use villages. The proposed Specific Plan would provide a mix of commercial and residential uses which is consistent with the General Plan Community Village land use designation (GP LU-A.1). The Sports Arena Village includes areas that are underutilized with significant remaining development capacity based upon the adopted Community Plan and are served by multiple transit routes with high frequencies (headways of at least once every 15-minutes) (GP LU-A.3).

The Community Plan amendment and Specific Plan would significantly increase the capacity for new homes and be consistent with the Community Plan's vision for a mixed-use community village within an underdeveloped area that is served by existing and planned transit service which is consistent with the City of Villages strategy. The Community Plan amendment and Specific Plan would provide for a comprehensive policy and regulatory framework for an integrated, compatible mixed-use village with multiple land uses (GP LU-B.3). The proposed Specific Plan would establish a coordinated approach to the development of the village with multiple uses, including residential, commercial, retail and entertainment uses, are planned for alongside mobility, park, recreation, public spaces, and infrastructure improvements.

Community Plan policy LU-4.1 identifies the site as a location for future redevelopment and directs the preparation of a specific plan or a master plan to comprehensively guide the transformation of the site into a mixed-use village consistent with the Community Plan's stated vision and City of Villages strategy. The preparation of a specific plan or master plan is also required by CPIOZ – Type B. The proposed Specific Plan would provide a comprehensive framework for future development that satisfies the CPIOZ – Type B requirement.

The proposed Specific Plan would include a phasing program (CP LU-1.4, Specific Plan 8.8). Phase 1 generally would include construction of the proposed Frontier Drive and structures to the east.

Phase 2 generally would include the construction of structures to the west and the construction of the proposed Kemper Street. Phasing could be adjusted to accommodate changes in market conditions.

Housing

The proposed Community Plan amendment and Specific Plan would provide an opportunity for infill housing located near employment, shopping, schools, recreation, transit and walking / bicycling infrastructure consistent with City of Villages strategy (HE-A.2). As of 2023, there are an estimated 2,088 homes in the Midway-Pacific Highway community planning area according to SANDAG. As of 2024, there are 455 deed-restricted affordable homes in the Midway-Pacific Highway community planning area according to the San Diego Housing Commission which is 6 percent of the community's total number of homes compared to 5 percent citywide. The Community Plan amendment, Specific Plan, and corresponding rezone would allow for additional housing on the Specific Plan Area, up to 4,254 homes including 2,000 affordable homes, that furthers the housing goals and policies of the General Plan and Community Plan.

The General Plan Housing Element addresses the City's comprehensive housing needs and promotes policies and programs that identify obstacles to building affordable housing, infill housing, and smart growth housing development. The City of Villages strategy includes a commitment to creating and maintaining economically and socially diverse communities, which can be achieved by providing a mix of housing types that are suitable for households of various income levels and by providing more opportunities for people to live near their workplace.

The Specific Plan Area is within a moderate resource area as identified on the California Tax Credit Allocation Committee's 2025 Opportunity Area Map. The Specific Plan would require that a minimum of 2,000 affordable homes be restricted at 80 percent median income or lower. The proposed Community Plan amendment, Specific Plan, and corresponding rezone would provide opportunities for affordable homes in a moderate resource area to support affirmatively furthering fair housing consistent with the General Plan Housing Element. The General Plan anticipates that most development will occur through infill development and redevelopment to help provide for needed homes, jobs and services in our communities while reducing our environmental impact and improving air quality due to limited availability of undeveloped land. The proposed Community Plan amendment, Specific Plan, and corresponding rezone provides an opportunity to support the goal to create residential densities that support new housing opportunities and help to meet the community's housing demand, aligning with General Plan Housing Element.

The proposed Community Plan amendment and Specific Plan would increase opportunities for homes, including affordable homes. The proposed Community Plan amendment and Specific Plan would increase the number of housing types and sizes and provide affordable housing opportunities (GP LU-C.2) and through the Community Plan amendment maintain or increase the City's supply of land designated for various residential densities (GP LU-C.3). It would add to the City's housing stock and help address the City-wide housing crisis by providing a mix of onsite affordable and market rate homes (CP LU-2.6). This would also help to improve housing opportunities within the Midway-Pacific Highway community and support Citywide housing production goals in the Housing Element.

Economic Prosperity

A key strategy of the General Plan City of Villages framework is to provide homes closer to jobs. The General Plan Economic Prosperity Element identifies the Midway-Pacific Highway Community Plan Area as a Subregional employment center due to the presence of existing large-scale institutional and commercial establishments. Additionally, the Community Plan directs support for the retention and expansion of employment-related uses to promote economic vitality at the village level (CP EP-1.6). The Specific Plan would add the capacity for 130,000 square feet of commercial space and a multi-purpose Entertainment Center, which would contribute to additional employment opportunities in a mixed-use setting within the Midway-Pacific Highway Community Plan Area. The proposed Community Plan amendment and Specific Plan would provide the opportunity for new homes for people to live near employment opportunities (GP EP-A.6).

Mobility

The proposed Community Plan amendment and Specific Plan are consistent with the General Plan Mobility Element's vision to provide a balanced, multi-modal transportation network. The proposed mobility improvements include new public street extensions of Kemper Street and Frontier Drive into the Specific Plan Area and other updated street classifications within and adjacent to the Specific Plan area to attain a balanced, multi-modal transportation network within a Transit Priority Area and Sustainable Development Area. The proposed Community Plan amendment and improvements are consistent with the mobility goals and vision identified in the Community Plan which support improved opportunities for walking, biking and transit usage between the Sports Center Village, Old Town Transit Center and adjacent districts and villages in the Community Plan area.

<u>Walking/Rolling</u>: The proposed Community Plan amendment and Specific Plan would include changes to existing and future streets using a complete streets approach to improved opportunities for walking/rolling and biking. This would include a circulation pattern with landscaped parkways, non-contiguous sidewalks, multi-use paths and canopy shade trees along public sidewalks located on Sports Arena Boulevard, Kurtz Street, Hancock Street, Kemper Street, Frontier Drive and Rosecrans Street. This would also include promenades with 12- to 14-foot-wide Class I multi-use paths along Kemper Street, Frontier Drive, Sports Arena Boulevard and Kurtz Street to help further enhance walkability emphasize pedestrian safety and comfort (GP ME-A.1 and ME-A.7).

<u>Biking</u>: The proposed Community Plan amendment and Specific Plan would provide a network of bikeways that help to improve safety and serves important destinations by using both cycle tracks and multiuse paths with separated bicycle facilities including the Bay-to-Bay Urban Path (GP ME-F.2 and CP ME-2.1). This includes separated bicycle facilities along Rosecrans Street and Sports Arena Boulevard; the Community Plan identifies these specific streets for separated bicycle facilities (CP ME-3.4).

<u>Transit</u>: The proposed Community Plan amendment and Specific Plan would provide opportunities for higher-density residential, mixed-use development within a community village area that supports the provision of higher frequency transit services (GP ME-B.2). This would include the conversion of existing all-purpose travel lanes into BAT lanes along Sports Arena Boulevard and

Rosecrans Street, which serve multiple bus routes including Metropolitan Transit System (MTS) routes 9, 8 and 35, and have been identified in the SANDAG Regional Transportation Plan for future rapid bus service. This also would include relocating and enhancing the two existing MTS bus stops along Sports Arena Boulevard with transit shelters and benches. A new Rapid Bus Station would be constructed on the west side of Frontier Drive for the planned extension of Rapid Bus Route 10 identified in the SANDAG Regional Plan.

The proposed improvements to the bus stops and the addition of the new Rapid Bus Station would provide transit opportunities for residents and visitors to the Sports Arena Community Village. The proposed enhancements to pedestrian and bicycle facilities connections to transit would enhance the experience of the village with comfortable walk and wait environments (GP ME-B.3). The proposed new Rapid Bus Station would help to improve transit service and experience between the Sports Arena Community Village and the Old Town Transit Center (CP ME-4.2 and CP ME-4.3).

Urban Design

<u>Urban Framework</u>: The proposed Specific Plan would provide grid street patterns with walkable block sizes to support pedestrian-oriented development (CP UD-1.1). It would also transform an existing superblock into a village with pedestrian-oriented public streets, a "main street," and other pedestrian routes to improve connectivity and encourage pedestrian-oriented development (CP UD-1.3). The proposed Specific Plan would include a "main street" along Frontier Drive with an active frontage area to support ground-floor retail uses (CP UD-1.3, CP UD-2.12 and CP UD-6.6). This would include a 10-foot Café Zone as public space adjacent to the multi-use path outside of the public right-of-way with a public access easement. The proposed Specific Plan would incorporate public spaces as an integral aspect of the overall urban framework within the village (CP UD-2.1).

<u>Public Space</u>: The Specific Plan would provide paseos to complement new street connections and establish walkable block lengths to further enhance walkability and public spaces for people to gather. It would include a multi-use path along Sports Arena Boulevard as a part of a broader Bayto-Bay link. It would integrate walkways, multi-use paths, sidewalks, into the village site designs within villages to encourage public interaction and to facilitate walking (CP UD-2.3 and CP UD-6.6). It would include design public spaces to support having events and entertainment such as farmers markets (CP UD-2.2). It would provide streetscapes that incorporate a frontage area, a pedestrian walkway with non-contiguous sidewalks, and a furnishing area with street trees between the street curbs and sidewalks (CP UD-2.4). It would utilize pop-outs, bulb-outs, and building setbacks to create pedestrian nodes along at street corners and public spaces (CP UD-2.5). It would provide pedestrian-oriented lighting along promenades, the main street, pedestrian paths and public spaces to enhance the safety and comfort of the pedestrian environment (CP UD-2.6).

The proposed Community Plan amendment and Specific Plan would incorporate wider sidewalks with minimal number of driveways along the promenades (CP UD-2.7 and CP UD-2.8) It would design the frontage area between buildings and the public right-of-way to be active in areas of high pedestrian activity to support walkability (CP UD-2.10). It would create active frontage areas for buildings by incorporating ground-floor retail and entrances to residential lobbies (CP UD-2.11). It would incorporate active frontage areas with outdoor seating adjacent to parks and public spaces to create pedestrian-oriented activity centers (CP UD-2.12). It would provide a furnishing area between

the curbs and the sidewalks, with street trees and plantings within parkway planting areas, bioswales, or tree wells, to enhance the pedestrian environment and capture urban runoff along existing and new streets (CP UD-2.13).

<u>Green Streets</u>: The Specific Plan would incorporate green streets as promenades with multi-use paths, double row of canopy street trees and storm water features that increase absorption of storm water, urban runoff, pollutants, and carbon dioxide along Sports Arena Boulevard, Kurtz Street, Frontier Drive, and Kemper Street (CP UD-3.1 and CP UD-3.2).

<u>Landscaping</u>: The proposed Specific Plan would incorporate drought-tolerant and native species for landscaping in parkways, medians, other public spaces and private development (CP UD-3.3). It would minimize the use of impervious surfaces and surfaces that have large thermal gain to promote storm water infiltration and reduce the urban heat island effect (CP UD-3.4). It would maximize the use of landscaping to provide shade and passive cooling to buildings, outdoor public and recreational spaces and sidewalks (CP UD-3.5).

<u>Building and Site Design</u>: The proposed Specific Plan would orient buildings and primary entrances to street frontage and public spaces (CP UD-6.1). It would have buildings with active ground floor frontages for retail and cafes uses fronting on Frontier Street to enliven the streetscape and provide eyes on the street (CP UD-6.2). It would provide active building frontages along public spaces to help create a sense of place (CP UD-6.3). It would incorporate pedestrian-oriented public spaces to serve as community gathering spaces (CP UD-6.8).

The Specific Plan would locate commercial and mixed-use buildings to activate public spaces, streets and parks (CP UD-6.9). It would create a strong sense of an edge along streets by providing consistent building setbacks (CP UD-6.10). It would provide requirements for buildings to be designed with a pedestrian-oriented sense of scale by differentiating the mass and scale of buildings with upper story setbacks and changes in materials, colors, textures and/or transparencies along first floor frontages to avoid uninterrupted blank walls (CP UD-6.11, CP UD-6.12 and CP UD-6.13).

<u>Parking</u>: The proposed Specific Plan would provide design requirements to locate parking structures in relation to buildings to minimize the visibility of parked vehicles from the street (CP UD-6.21). It would generally locate structured parking entryways from side streets or secondary streets to minimize disruption to the pedestrian right-of-way (CP UD-6.22). It would incorporate structured parking to minimize the site area dedicated to automobile parking (CP UD-6.23).

Recreation

The Community Plan amendment and Specific Plan are consistent with the General Plan Recreation Element's goals for a sustainable park and recreation system that meets the needs of all community members and increases the amount of quality recreation facilities and infrastructure. The Community Plan amendment and Specific Plan would add new park and recreational opportunities that can be easily accessed by walking/rolling, biking or transit and are centrally located and provide unique recreational opportunities to community members and visitors (GP RE-A.2).

The proposed Community Plan amendment and Specific Plan would include a network of public

spaces consisting of approximately 8.12 acres of public parks and 6.42 acres of public space in a network of plazas, promenades and paseo greens (CP RE-4.1). It would also provide an interconnected mix of active and passive public spaces and parks with varying sizes, activities, designs, and landscapes including the "Green" and "Plaza" which will serve as focal points for the village (CP LU-4.1). The proposed Specific Plan would provide parks and public space to meet its park needs (CP RE-4.2)

Conservation

<u>Village Transit Connectivity</u>: The proposed Specific Plan would help to support climate change by including pedestrian, bicycle and transit infrastructure improvements to increase opportunities to walk/roll, bike or take transit and provide higher density housing in a Transit Priority Area and Sustainable Development Area which is consistent with the City's Climate Action Plan (CP CE-1.1).

<u>Renewable Energy:</u> The proposed Specific Plan would incorporate renewable energy by incorporating rooftop solar panels (CP CE-1.4 and CP UD-8.6.)

<u>Energy Efficiency</u>: The proposed Specific Plan would incorporate energy efficient features into buildings including designing most of the buildings to be electric only and utilizing LED lighting for all exterior lighting (CP CE-1.6).

<u>Urban Forest</u>: The proposed Specific Plan would increase the overall tree canopy by providing continuous, regularly spaced tree canopies along existing and new streets, parks and public spaces including a double row of trees adjacent to the multi-use paths along Sports Arena Boulevard, Kurtz Street and Kemper Street (CP CE-1.9, CP CE-1.10 and CP UD-3.13).

Stormwater and Sea Level Rise: The proposed Specific Plan would also include strategies that address sea level rise, including through the provision of elevated finish floor elevations, the integration of stormwater management facilities and permeable surfaces, among other measures (CP CE-2.1, CP CE-2.2 and CP PF-5.12). It would site and design new water, wastewater, and storm water facilities to minimize impacts from sea level rise (CP CE-3.13 and CP PF-5.5). It would design parks and public spaces with low impact development infrastructure with components to capture, minimize, and/or prevent pollutants in urban runoff (CP CE-2.3 and CE-3.14). It would also design new streets with promenades with stormwater features that include curb inserts, paver filter strips, bulb-out infiltration zones, linear detention basins and infiltrating tree wells (CP CE-2.4, CP CE-3.15 and CP UD-8.13).

<u>Noise:</u> Future residential development within the proposed Specific Plan area would provide noise attenuation to ensure a 45-decibel interior noise level (CP NE-1.3).

Conclusion:

The Project proposes the redevelopment of the existing San Diego International Sports Arena site into a new neighborhood village that will contain over 4,000 units of housing, 2,000 units of which would be affordable housing. The Project will also include a new entertainment facility, replacing the existing Sports Arena with a modern, up-to-current building code facility that will be fully accessible.

In addition, public parks and open spaces will be included, all replacing a large site that is dominated by a surface parking lot. The Project fulfills several goals of the Midway Pacific Highway Community Plan, including creating a neighborhood village and increasing the number of housing units in a transit priority area and sustainable development area. Therefore, staff recommends that the Planning Commission recommend City Council approval of the Project.

ALTERNATIVES

- Recommend the City Council CERTIFY Subsequent Environmental Impact Report No. 1106734/SCH No. 2023120451, ADOPT the CEQA Findings of Fact and Statement of Overriding Considerations, and ADOPT the Mitigation, Monitoring, and Reporting Program; APPROVE Amendments to the General Plan and Midway Pacific Highway Community Plan; ADOPT the Midway Rising Specific Plan; ADOPT Rezone No. PMT-3339936; APPROVE Vesting Tentative Map No. PMT-3258589, including Easement Vacations; APPROVE Site Development Permit No. PMT-3318619; ADOPT San Diego Municipal Code amendments; and ADOPT Development Agreement with the applicant with modifications.
- 2. Recommend the City Council DO NOT CERTIFY Subsequent Environmental Impact Report No. 1106734/SCH No. 2023120451, DO NOT ADOPT the CEQA Findings of Fact and Statement of Overriding Considerations, and DO NOT ADOPT the Mitigation, Monitoring, and Reporting Program; DO NOT APPROVE Amendments to the General Plan and Midway Pacific Highway Community Plan; DO NOT ADOPT the Midway Rising Specific Plan; DO NOT ADOPT Rezone No. PMT-3339936; DO NOT APPROVE Vesting Tentative Map No. PMT-3258589, including Easement Vacations; DO NOT APPROVE Site Development Permit No. PMT-3318619; DO NOT ADOPT San Diego Municipal Code amendments; and DO NOT ADOPT Development Agreement, if the findings required to approve the project cannot be affirmed.

Respectfully submitted,

Michael Prinz

Assistant Deputy Director

Michael Prin

Development Services Department

Martha Blake

Development Project Manager

Development Services Department

Tait Galloway
Deputy Director

Planning Department

Attachments:

- 1. Project Location
- 2. Project Site
- 3. Community Plan Land Use Map
- 4. Draft Permit Ordinance with Findings
- 5. Draft Permit with Conditions
- 6. Draft Map Ordinance with Findings
- 7. Draft Map Conditions
- 8. Draft Environmental Resolution with MMRP
- 9. Draft Development Agreement Ordinance
- 10. Draft Development Agreement
- 11. Draft SDMC Chapter 5 Article 9 Amendments with Ordinance
- 12. Draft SDMC Chapter 5 Article 9 Amendments
- 13. Draft SDMC Chapter 13, Article 2 Division 14 (CPIOZ) Amendments Ordinance
- 14. Draft SDMC Chapter 13, Article 2 Division 14 (CPIOZ) Amendments and B Sheet
- 15. Draft Affordable Housing Regulations Variance Resolution
- 16. Draft Community Plan Amendment Ordinance
- 17. Draft Community Plan Amendment
- 18. Draft Rezone
 - a. Draft Rezone Ordinance
 - b. Rezone B Sheet
- 19. Draft Midway Rising Specific Plan (link)
- 20. Vesting Tentative Map
- 21. Community Plan Amendment Initiation Report
- 22. Community Plan Vision for the Sports Arena Community Village
- 23. Community Plan Amendment Initiation Issues
- 24. Ownership Disclosure