

ECONOMIC PROSPERITY

- 5.1 COMMERCIAL DISTRICTS
AND CORRIDORS
- 5.2 COMMUNITY REVITALIZATION

Introduction

Uptown is a lively and vibrant 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.

In 2012, Uptown's estimated workforce amounted to approximately 30,000 jobs. 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.

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.

ECONOMIC PROSPERITY ELEMENT GOALS

- Increase employment within Uptown by increasing small business opportunities.
- A diverse mix of businesses that provide a variety of goods and services.
- Increase the aggregate buying power within the community.
- 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 multi-modal transit options for the automobile-oriented commercial districts.
- Expansion of medical related development and employment.

Uptown 2008 – 2030 (Sidebar)

- Uptown's health services, professional and business services, finance and real estate, personal services, and retail trade sectors are expected to experience employment growth and add nearly 2,200 jobs.
- 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.
- The leisure and hospitality sector is projected to lose the greatest number of jobs. The leisure and hospitality sector includes hotels, bars, restaurants and entertainment businesses.

For more information on Uptown's employment see Appendix Table 5-1, Uptown's Employment Information.

Source: SANDAG – Series 12 Forecast

5.1 Commercial Areas, Districts and Corridors

Description

Uptown's commercial development was spurred by the expansion of the streetcar. During the beginning of the 20th century, early commercial development occurred in Uptown along the streetcar lines on Fifth Avenue, University Avenue, Washington Street, and Park Boulevard. Post WW II development in Bankers Hill/Park West and Hillcrest included a substantial number of doctor's offices, medical clinics and nursing homes. Many of these health services businesses located in Uptown because of their proximity to the Mercy Hospital (now Scripps-Mercy Trauma Center) and County Hospital (now the UCSD Medical Center-Hillcrest) hospitals.

In the 1950's, new commercial development in Uptown was no longer restricted along the streetcar routes and began to reflect the freedom and movement of the automobile. These newer commercial "strips" were constructed along the community's primary commercial corridors and most were accompanied by on-site parking. During the 1960's and early 1970's, Uptown began to experience an economic downturn due to suburbanization. The development of the Mission Valley Shopping Center in 1961 seized a considerable amount of Uptown's regional market share, resulting in the closure of several shops and restaurants in Hillcrest, Mission Hills and University Heights. Beginning in the late 1970's, Bankers Hill/Park West and Hillcrest experienced significant redevelopment. This redevelopment continues to date and includes contemporary mixed-use residential/commercial development, revitalized postwar infill commercial space and historic commercial properties. The LGBTQ community is credited for the revitalization of the Hillcrest core.

Neighborhood pedestrian commercial uses are located in Mission Hills, along Reynard Way, University Heights, and Bankers Hill/Park West. The commercial service areas in the Mission Hills and along Reynard Way provide goods and services that serve the daily needs of adjacent neighborhoods. Similar neighborhood commercial uses can be seen in University Heights where a cluster of services are located along Park Boulevard, south of Adams Avenue.

Uptown has several commercial districts with community commercial uses. The Hillcrest business district is multi-faceted and serves as the primary commercial area for Uptown. The Hillcrest business district also has a wide variety of entertainment and cultural facilities. In addition, there is also a high concentration of commercial office space in the Hillcrest business district that is auto-oriented, serving residents and attracting consumers from outside Uptown. Hillcrest includes a concentration of Business and Professional and Medical Service firms located along Fourth and Fifth Avenues and Washington Street. The Washington Street corridor also serves as an automobile-oriented commercial thoroughfare that offers a range of goods and services not provided in the pedestrian oriented area of the Hillcrest and Mission Hills' business districts.

Bankers Hill/Park West includes community commercial offices uses with office tenants that provide Business and Professional, Medical and Institutional Services. These office buildings are located along First, through Fifth Avenues and complement the commercial, residential and mixed-use properties also located along these Avenues.

The Middletown/Five Points neighborhood is bounded by Witherby Street on the north to Laurel Street on the south, and from Horton Avenue and Titus Street on the east to Interstate 5 on the west. At the intersection of Washington Street and India Street there are two theaters and a variety of restaurants clustered into a colony-type setting which attracts visitors to the area. On-street parking is provided along India Street and several restaurants have parking options; however, overflow parking limits the parking available for surrounding residences.

Commercial Office and Retail

There is a mix of high-rise, low-rise, strip-commercial, and converted residential office space in Uptown. 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 Interstate 15 area, the Uptown and Park West office submarket will likely show long-term demand for the development of speculative office space.

The retail supply in Uptown is much higher than a population of nearly 37,000 typically supports, which indicates that Uptown is attracting consumers from outside the community.

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 thirty-seven percent of this area's total taxable sales. Citywide restaurants and bars' sales tax accounted for seventeen percent of the City's total taxable sales during this same period. When taxable sales are adjusted to estimate total sales, Food Stores accounts for forty percent, and bars and restaurants account for twenty-six percent of Uptown's total estimated 2012 sales. Uptown's traditional retail sales account for nearly twenty-two 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 Greater North Park, Downtown, Greater Golden Hill, Mid-City, and Mission Valley are also expected to continue to experience similar growth.

However, general merchandise retail sellers will continue to face competition from the regional shopping centers in Mission Valley other community shopping centers located near Uptown, and the internet.

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.

Uptown does not include land identified as "Prime Industrial Land" or "Other Industrial Land", which supports base sector export oriented businesses. Businesses located in Uptown's industrial/flex space are engaged in warehousing, wholesale distribution, repair services, storage services and small specialized manufacturing operations.

POLICIES

- EP-1.1 Improve the pedestrian, bicycle and transit infrastructure in Uptown's commercial districts.
- EP-1.2 Revitalize alleys in commercial mixed use areas to improve aesthetics and safety and allowing commercial shops and service activities.
- EP-1.3 Explore opportunities for boutique hotels in Hillcrest as the area is close to the freeway and Mission Valley.
- EP-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.
- EP-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.

Uptown Commercial, Office, and Retail Makeup (*Sidebar*)

- Nearly 3.6 million square feet of existing office space.
- Forty percent of office space is medical office space.
- Most office space in Uptown is older Class B and Class C office space; as such, rents are lower than newly developed Class A office space.
- Slightly over two million square feet of retail space.
- Nearly 132,000 square feet of industrial/flex space.
- 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.

For more information see Tables xxx

Source: The CoStar Group, 2012

- EP-1.6 Create incentives for new development of mid-rise office buildings in the east end of Hillcrest, including but not limited to, mixed-use office and residential buildings.
- EP-1.7 Promote the LGBTQ historic heart of Hillcrest's Entertainment District, which encourages heritage tourism.
- EP-1.8 Request future City Council legislation is considered to define and recognize the boundaries of the City's "Entertainment District"; specifically, recognize the LGBTQ Entertainment District in the Hillcrest core.
- EP-1.9 Promote development of physical space such as shopkeeper units and other types of live/work space.
- EP-1.10 Explore incentives to promote infill residential development along commercial corridors.

5.2 Community Revitalization

Business Improvement Districts

Uptown has two Business Improvement District (BID) associations in Uptown, the Mission Hills BID association, founded in 2004, and the Hillcrest BID association, founded in 1984. BID associations are geographic areas, established by the City where the businesses have voted to self-assess, in order to fund activities and services, which promote the business district and to provide services beyond what the City provides.

A BID works to unify the businesses within a particular district to work toward a common goal of economically revitalizing their business district. This is typically done through marketing programs, civic beautification projects, commerce recruitment, and parking and transportation improvements. Current economic development strategies that all BID associations provide are: organized special events, social media marketing, and membership communication.

- EP-2.1 Require an Economic Development Strategy for Uptown Community Planning Area's small business corridors, completed by the Business District Improvement Associations, based on the City's Economic Development Strategy, with public and private input provided. The small business areas also must include Bankers Hill/Park West's small business area.
- EP-2.2 Develop market strategy from the Market Study of Uptown's small business areas and determine targeted business development and strategic alliances between businesses including market planning for attracting small businesses to Uptown, with public and private input provided. This effort must include Bankers Hill/Park West's small business area.
- EP-2.3 Request the Uptown BID associations to work with developers in order to attract businesses based on the results of the Uptown Economic Development Strategy and Market Study research. This includes attracting businesses to Bankers Hill/Park West's small business area.
- EP-2.4 Prepare an application to the National Main Street Center to designate Hillcrest's core as a Main Street. The Hillcrest Business Improvement Association will apply for this designation selecting the four blocks around the Hillcrest Monument Sign.

Local, State and Federal Economic Revitalization Tools

Maintaining the efforts and existing revitalization tools for small business and infrastructure financing listed below, in addition to seeking additional economic development tools, within the pedestrian-oriented commercial and mixed use nodes, will enhance and create competitive commercial destinations. Ongoing economic revitalization projects in Uptown involve public/private partnerships or direct City services from the Economic Development Department's Office of Small Business. Other small business loan programs are offered by the U.S. Small Business Administration directly to approve applicants. The City has a U.S. Department of Commerce's Economic

Development Administration's Revolving Loan Program which provides financing for approved small business. Other programs are available at a state or City level to help finance infrastructure or private or public facilities.

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 U.S. Small Business Administration.

U.S. Small Business Administration (SBA) Loan Programs

The SBA offers a variety of small business loan programs for very specific purposes. General Small Business Loans: 7(a) most common loan program includes financial help for businesses with special requirements. Microloan Program provides small, short-term loans to small business concerns and certain types of not-for-profit child-care centers. Real Estate & Equipment Loans: CDC/504 provides financing for major fixed assets such as equipment or real estate. Disaster Loan provides low-interest disaster loans to businesses of all sizes, private non-profit organizations, homeowners, and renters.

The San Diego Regional Revolving Loan Fund (SDRRLF)

In an effort to help stimulate San Diego's and Chula Vista's economic growth, the loan program offers financial assistance to expanding businesses. The SDRRLF can supplement private financing for the acquisition of new or rehabilitated buildings, acquisition of fixed machinery and equipment, working capital and soft costs. For more information about this program see the City of San Diego's Economic Development, Start Growing & Financing Your Business webpage.

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 four active MADs, the Mission Hills Historic Lighting District MAD, the Hillcrest Commercial Core MAD, the Hillcrest/University MAD and Washington Street MAD. One MAD, the University Heights District is partially in Uptown and partially in Greater North Park.

Clean & Safe Program

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 association and the Mission Hills BID association.

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, and architectural and community pride.

Micro Assessment Districts

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 mobility 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. For more information see the Historic Element.

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. Review applicable financing mechanism in addition to the City's Capital Improvement Budget and the Uptown's Community Plan Facilities Financing Plan, which including New Market Tax Credits, Community Financing Districts, and Enhanced Infrastructure Financing Districts.

New Market Tax Credits

The New Markets Tax Credit (NMTC) Program is a federal tax credit program that promotes investment in businesses and community facilities located in low-income communities. In exchange for a qualified equity investment, pursuant to the NMTC program requirements, an investor is provided a tax credit. The proceeds of the equity investment are utilized to fund low-income community businesses located in qualified low-income census tracts. For more information see Civic San Diego's Program - New Market Tax Credits.

Community Finance Districts (CFD)

A special tax placed against property located within an established district to fund public facilities and services. Supported by Municipal Bond revenue from the special tax are sold by CFD to provide upfront funding to build improvement or fund services up and beyond City general services.

Enhanced Infrastructure Financing District (EIFD)

EIFD authorizes the creation of a new governmental entity called an Enhanced Infrastructure Financing District (EIFD). One or more of these districts may be created within a city or county and used to finance the construction or rehabilitation of a wide variety of public infrastructure and private facilities. An EIFD may fund these facilities and development with the property tax increment of those taxing agencies (cities, counties, special districts, but not schools) that consent.

Partnerships in Economic Revitalizations

Many ongoing targeted economic revitalization efforts in Uptown involve partnerships between residents, property owners, community groups, business organizations and the City. The City's Economic Development Department and the Planning Department will continue these partnerships with the objective of improving the economic prosperity of Uptown. The small businesses in Uptown are unique and economic revitalization and assistance through private\public partnerships will also continue for this major component of Uptown's economy.

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 Districts 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 provide services above-and-beyond the general benefit services provided by the City. In addition, the Business Improvement Districts associations sponsor events which spotlight the community character of their district. Figure 5-1 details the boundaries of these self-assessment revitalization areas in Uptown

POLICIES

- EP-2.5 Consider expanding the Hillcrest/University Avenue Maintenance Assessment District through a public/private partnership.
- EP-2.6 Position and expand Hillcrest entertainment districts to attract more regional patrons and tourist.
- EP-2.7 Market the Downtown and Balboa Park visitor trade and improve convenient transportation linkages from those destinations to Uptown, including a potential street car linkage.
- EP-2.8 Utilize economic development tools and programs to attract and retain small businesses, through the maintenance and enhancement of commercial areas.