

ECONOMIC PROSPERITY

5

- 5.1 COMMERCIAL DISTRICTS AND CORRIDORS
- 5.2 COMMUNITY REVITALIZATION

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 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.

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.

Uptown 2008 – 2030

- 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.

Source: SANDAG – Series 12 Forecast

ECONOMIC PROSPERITY ELEMENT GOALS

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

5.1 Commercial Districts and Corridors

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 I-15 area, the Uptown West\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 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. 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 sellers 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.

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 Village 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.

- Nearly 3.6 million square feet of existing office space.
- 40 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 2 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.

Source: The CoStar Group, 2012

- EP-1.6 Create incentives for new development of office in the east end of Hillcrest.
- EP-1.7 Continue to promote Hillcrest's nightlife and entertainment industry as an intrinsic part of Hillcrest's history, economy, and LGBT community.
- EP-1.8 Promote mix use infill development along commercial corridors in the core village centers.
- EP-1.9 Explore incentives to promote infill residential development along commercial corridors.

5.2 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 in Uptown. 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. This map also shows the historic districts in Uptown.

Maintaining the efforts and existing revitalization tools 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.

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



UCSD Medical Center is one of the largest government employers in the Uptown community.



Medical and general uses are located along the major north-south corridors of Bankers Hill/Park West neighborhoods.

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 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 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.



The hospitals of the medical complex neighborhood are major employers within the community.



Maintenancace assessment districts provide special benefit services that could include installation or maintenance of open space, street medians, street lighting and mini parks.



The Hillcrest Business Improvement District is the most prominent business district in the Uptown community.

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 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.

POLICIES

- EP-2.1 Position and expand University and 5th Avenue's entertainment districts to attract more regional patrons and tourist.
- EP-2.2 Market the Downtown and Balboa Park visitor trade and improve convenient transportation linkages from those destinations to Uptown, including a potential street car linkage.
- EP-2.3 Utilize economic development tools and programs to attract and retain small businesses, through the maintenance and enhancement of commercial areas.

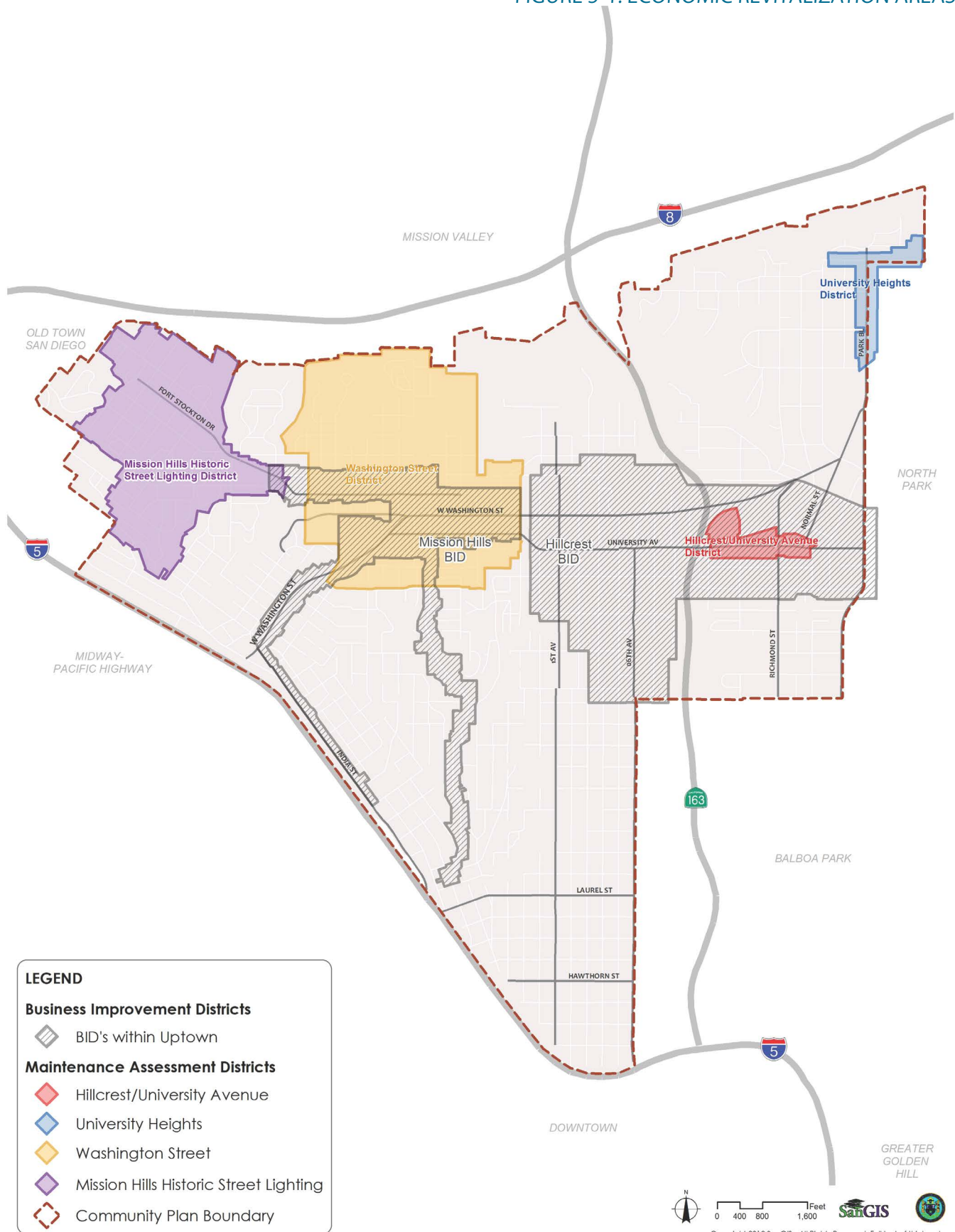


Street trees and landscaping can be a major economic generator for commercial districts by attracting pedestrians.



Public art can add a level of culture to commercial areas and is a typical element in successful business districts.

FIGURE 5-1: ECONOMIC REVITALIZATION AREAS



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