



THE CITY OF SAN DIEGO
Historical Resources Board

DATE ISSUED: February 19, 2015 REPORT NO. HRB-15-008

ATTENTION: Historical Resources Board
Agenda of February 26, 2015

SUBJECT: **ITEM 9 – Kettner Lofts (2119 Kettner Boulevard-John O’Day Commercial Building, HRB Site #1162) – Centre City Development Permit / Centre City Planned Development Permit / Site Development Permit (CCDP/CCPDP/SDP) No. 2014-15.**

APPLICANT: Beardsley Family Trust represented by Marie Burke Lia

LOCATION: 2119 Kettner Boulevard, 92101, Downtown Community, Council District 3

DESCRIPTION: Recommend to the Planning Commission adoption of the mitigation measures and findings associated with the site development permit as presented or recommend inclusion of additional permit conditions related to a designated historical resource.

STAFF RECOMMENDATION

The Historical Resources Board recommends to the Planning Commission adoption of the mitigation measures and findings associated with the Site Development Permit related to the designated historical resource (HRB #1162—John O’Day Commercial Building) as presented.

BACKGROUND

The City’s Land Development Code Section 126.0503(b)(2) requires a recommendation from the Historical Resources Board prior to the Planning Commission decision on a Site Development Permit when a historical district or designated historical resource is present. The HRB has adopted the following procedure for making recommendations to decision-makers (Historical Resources Board Procedures, Section II.B):

When the Historical Resources Board is taking action on a recommendation to a decision-maker, the Board shall make a recommendation on only those aspects of the matter that relate to the historical aspects of the project. The Board's recommendation action(s) shall relate to the cultural resources section, recommendations, findings and mitigation measures of the final environmental document, the Site Development Permit findings for historical purposes, and/or the project's compliance with the Secretary of the Interior's Standards for Treatment of Historic Properties. If the Board desires to recommend the inclusion of additional conditions, the motion should include a request for staff to incorporate permit conditions to capture the Board's recommendations when the project moves forward to the decision maker.

The John O'Day Commercial Building is located at 2119 Kettner Boulevard in the Downtown Community Planning area. The building was originally constructed in 1927 as a One-Part Commercial Block building built in the Mission Revival style. On December 4, 2014, the site was designated by the Historical Resources Board as HRB #1162 under Criterion C as a resource embodying the distinctive characteristics of the Mission Revival style expressed in a One-Part Commercial Block type building by embodying the historic characteristics associated with the style and type. The building features arched storefront openings and original bulkheads; tripartite transoms with decorative mullion detailing; an arched false front parapet wall topped with original decorative urns; exterior stucco cladding with tile detail; decorative quatrefoil-like roof vent centered on the façade; hollow clay tile construction in a simple one-story form; and light steel truss roof.

The applicant proposes to construct a 6 story above grade wood framed structure over a single level concrete podium structure at grade with three levels of below grade parking. The new construction would have 130 residential units and 10,850 SF of neighborhood retail services and a 2,000 SF lobby. The ground floor would consist primarily of concrete walls with glass storefronts while the upper floors would be mainly painted plaster walls with metal panel projecting oriel window elements, with clear glass windows in clear anodized aluminum frames. As part of the overall project, the applicant proposes to demolish the majority of the historically designated building while retaining the front (west) façade and incorporating it into the new building. The façade would act as the entrance to the residential lobby and would be flanked by commercial storefronts on the first level with a garage entrance just to the north of the façade. Above the designated façade, the new construction will be set back 12'6" with the roof area being used as a terrace for the new construction. The exterior rail for the terrace will be set back 2' from the back of the façade to reduce its visibility.

Prior to the removal of the roof framing and the supporting structure, the front façade will be stabilized with an application of a 7 ½" thick shotcrete wall at the interior face. The exterior and the interior of the façade will be encased in a wood frame system with plywood cladding to protect the wall during construction. The foundation of the façade will have a new reinforced concrete foundation beam that will tie in with the subterranean parking structure. The exterior of the façade will be restored based on the historic photos. The elastomeric paint and inappropriately applied stucco will be removed by hand using scrapers. The original wood frames, sashes and trim will be repaired where possible. The wood elements that are too deteriorated to repair will be replaced in-kind. The two entrance doors flanking the central garage entrance and the garage entrance will be reconstructed based on the historic photo. The

garage entrance doors will be restored based on the historic photo and will be used as the main access to the residential lobby. The decorative urns that sit on top of the parapet at each corner will be temporarily removed for restoration and returned to their historic location once the construction is completed. The caps for the urns which are currently missing will be reconstructed based on the historic photo. The historic tile on the façade will be cleaned by the gentlest means possible consistent with the US Secretary of the Interior's Standards.

As summarized above and provided in Attachment 1, the proposed restoration of the facade would be consistent with the Standards.

ANALYSIS

The proposed demolition of the majority of a designated building is by definition a substantial alteration requiring a site development permit, consistent with Municipal Code Section 143.0251. Impacts related to the proposed alteration would be reduced through implementation of the required mitigation measures found in the Final Environmental Impact Report (FEIR) Mitigation, Monitoring and Reporting Program (MMRP) for the 2006 Downtown Community Plan (Attachment 2). Findings for the substantial alteration of a designated historical resource are required for approval of the permit, consistent with Municipal Code Section 126.0504(i).

The three required Supplemental Findings and supporting information are provided in Attachment 3 and are summarized below.

1. There are no feasible measures, including a less environmentally damaging alternative, that can further minimize the potential adverse effects on the designated historical resource or historical district

The existing building is a one story commercial building constructed in 1927 of hollow clay tile sheathed with stucco at the front façade. The building occupies the entirety of the 5,000 SF lot. The proposed Base Project (Attachment 4) would include the demolition of the bulk of the building with retention and restoration of the front façade. For structural and fire code reasons the entire existing structure cannot be incorporated into the project. The structure is a Type V-B non-rated unreinforced masonry structure that would require rating as a Type 1-A fireproof structure to be incorporated into the project at the podium level. The podium is necessary to allow construction of the Type IIIA residential structure above.

The applicant evaluated three alternatives. Alternative 1 would maintain the building in place and construct new development on the north and south lots. Maintenance of the building in place would require shoring at the north and south walls of the historic building. This alternative would involve construction of two separate buildings with three stories above and two levels of parking underground to the north with three stories above and three levels of below grade parking to the south. The northerly site would be located in the Airport Land Use Compatibility Plan (ALUCP) Safety Zone 2E limiting the number of units to 23. The southerly site would be located in the 3SE zone and would allow 55 units based on calculations in the regulations. However, the number of units would be further restricted by the height limitation and the Little Italy Sun Access requirement that imposes mandatory setbacks of 50' per the Planned District Ordinance Little Italy Sun Access (PDO LISA) diagram limiting the number of units to 41. The two buildings could provide 89 off street parking places and 7,500 SF of neighborhood retail

services and two 1,800 SF residential lobbies. The Floor Area Ratio (FAR) for this alternative would be 2.81. There is no positive Net Profit of Alternative 1, and the project would result in a loss of negative \$4,576,556.

Alternative 2 would include a two level bridge element spanning the designated building allowing the new construction to be connected at the third and fourth level and at the underground parking. By connecting the new construction, the entire project can qualify under the Safety Zone 3SE Density, which would require the south building to be larger than the north building. Due to the construction type and LISA regulations, the southern building would be limited to 41 units. This alternative would demolish and reconstruct the walls of the historic resource in modern material and dismantle and reconstruct the roof structure due to the fragile nature of the existing hollow clay tile and concrete construction.

This alternative would allow for 41 units to be constructed on the south lots and 37 units on the northern lot for a total of 78 residential units. The new construction would provide 109 off-street parking places and 8,500 SF of neighborhood retail services, and two residential lobbies, 1,500 SF and 1,800 SF, respectively. The FAR would be 3.29. There is no positive net profit for Alternative 2 and the project would result in a loss of negative \$3,703,565.

Alternative 3 would involve the relocation of the building to another site and new construction similar to the Base Project. This alternative would consist of a 6 story above grade and a 2 level below grade mid-rise building with 130 units, 152 off street parking spaces, 10,850 SF of neighborhood retail, and a 2,000 SF residential lobby. The FAR of this project would be 4.78.

This alternative would require the relocation of the designated resource. However, due to the unreinforced masonry and the non-ductile concrete used on the structure, it has been deemed infeasible to relocate due to its size and fragility. Therefore, this alternative would only relocate the front façade and the roof structure to the new location to be combined with a replacement wall and foundation system. With the associated costs of relocating and reconstructing the resource, there would be no positive net profit and the Alternative 3 would result in a loss of negative \$4,474,335,

2. The deviation is the minimum necessary to afford relief and accommodate the development and all feasible measures to mitigate for the loss of any portion of the historical resource have been provided by the applicant; and

This deviation from the standard protective historical resource regulations is the minimum necessary to afford relief and accommodate the development of the site in accordance with the density and of the provision of the Centre City Planned District Ordinance (CCPDO). The developer, as the property owner, has agreed to implement measures identified in the FEIR Mitigation, Monitoring and Reporting Program pertaining to the substantial alteration of designated historical resource #1162, the John O'Day Commercial Building. Retention of resource in place with construction to the north and south as noted in Alternative 1 would preclude the redevelopment of the project site in accordance with the CCPDO which requires a minimum FAR of 3.5 and a maximum of 6.0. This alternative would also result in a loss of negative \$4,576,556. Dismantling the reusable portions of the resource and reconstruction of the side walls as proposed in Alternative 2 was deemed not feasible as it would not be consistent

with FAR noted in the CCPDO. This alternative was also deemed economically infeasible with a loss of negative \$3,703,565. Dismantling the resource, relocating the façade and reconstructing the sidewalls on a new site as noted in Alternative 3 was also deemed not feasible and would not retain the resource at its original site. Alternative 3 would not be economically feasible as it would result in a loss of negative \$4,474,325.

The 2006 FEIR for the proposed San Diego Downtown Community Plan, Centre City Planned District Ordinance and the 10th Amendment to the Redevelopment Plan for the Centre City Redevelopment Project included the finding that the implementation of that project would result in unmitigated impacts to the local historical resources and that there were no other feasible mitigation measures other than those that would be implemented with Mitigation Measure HIST-A, 1-1 through 3, which require a documentation program and compliance with Chapter 14, Article 3, Division 2 of the San Diego Municipal Code regulating Historical Resources, that could reduce that impact to below a level of significance. The adopted Findings of Fact and Statement of Overriding Considerations for that FEIR concluded that there were no other feasible mitigation measures that would mitigate the direct impacts to historical resources and that specific economic, social, technological or other considerations made other alternatives infeasible.

3. The denial of the proposed development would result in economic hardship to the owner. For purposes of this finding, “economic hardship” means there is no reasonable beneficial use of a property and it is not feasible to derive a reasonable economic return from the property.

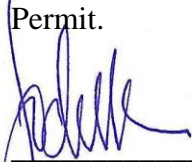
The project site is located within an area of Centre City designated for mixed use residential and retail development with a maximum FAR of 6.0, which would allow 180,000 SF of development on the site. The proposed project will construction 130 residential units and 9,100 SF of retail space with 3 levels of off street parking. The Base Project will provide a mixed use residential and retail uses called in the Neighborhood Mixed Use Center of Little Italy. Denial of the proposed development would generate an economic hardship for the owner in that it is not feasible to derive a reasonable beneficial use of the property if it cannot be used in a manner consistent with its zoning as established by the Center City Planned District Ordinance and the Downtown Community Plan. Alternative 1 and 2 are economically infeasible because they would in varying degrees reduce the investment value of the property, reduce the owner’s return on the property, and reduce the required retail and residential components of the Project necessary to support the Project as a whole and attain the allowable densities. Alternative 3 is economically infeasible because it would in varying degrees reduce the Investment value of the property and reduce the property owner’s return of the property.

The implementation of any of these alternatives would make it infeasible to derive a reasonable economic return from the property and create an economic hardship for the owners since no reasonable beneficial use could be derived from the property.

CONCLUSION

Staff concurs that the proposed mitigation measures and permit conditions as provided to the HRB are sufficient to reduce the identified impacts to the John O’Day Commercial Building (HRB #1162). Staff recommends that the Historical Resources Board recommend the Planning

Commission approve Planned Development/Site Development Permit No. 2014-15 for the substantial alteration of the John O'Day Commercial Building which includes the retention and restoration of the front façade of the building and the demolition of the north, east, and south facades, and adopt the mitigation measures and findings associated with the Site Development Permit.



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Senior Planner



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Attachments:

1. Treatment Plan for the John O'Day Commercial Building (under separate cover)
2. Civic San Diego staff report with the Centre City Planned District Draft Centre City Development Permit/Centre City Planned Development Permit/Site Development Permit No. 2014-15 and the Downtown Final Environmental Impact Report (Downtown FEIR) Draft Consistency Evaluation for the Kettner Lofts Project (under separate cover)
3. Site Development Permit Deviation Findings Provided by the Applicant (under separate cover)
4. Kettner Lofts Project Plans (under separate cover)